



SECOND PARTY OPINION

Issuer **Transition Bond Framework** **October 2025**

Prepared by: DNV Business Assurance Korea

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Disclaimer

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

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

I. Introduction

Environmental initiatives of Issuer

Issuer (the "Issuer") positions climate action as a key pillar of its business strategy and is taking a comprehensive approach to achieving Net Zero by 2050. On group level, Shinhan Financial Group (the "Group") has established a Net Zero 2050 strategy "Zero Carbon Drive" in 2020 and the Issuer, as a crucial subsidiary of the Group, adheres to the Group's Greenhouse Gas (GHG) reduction target and trajectory. Under the Group's overarching goal of reaching net-zero by 2050, the Issuer has established roadmap to reduce its emissions of Scope 1 and 2 by 84% by 2040 (compared to baseline year 2020), supported by the use of 100% renewable energy by 2040. Furthermore, taking into account importance of financed emissions¹ of financial sector, the Issuer has also set up roadmap to reduce its financed emissions by 57% by 2040 (baseline year 2020). The Group's commitment to substantial GHG reduction is explicitly shown by its near-term GHG reduction targets for Scope 1, 2, and 3,² which were reviewed and endorsed by Science Based Targets initiatives ("SBTi"), internationally recognized GHG target validation schemes in alignment with the Paris Agreement.

The Group uses green and transition finance as an essential means for implementing its Zero Carbon Drive, and it has set a target of reaching green and transition finance to KRW 30 trillion by 2030, which accounts for about 60% increase from the current level as of the end of 2024, KRW 18.7 trillion. The Issuer's current portion is KRW 4.6 trillion as of the end of 2024, accounting for about 25% out of the Group's total amount (KRW 18.7 trillion). The Issuer will increase the amount of green and transition finance by 2030 under the Group's overall target.

Issuance of Transition Bond Framework by the Issuer

The Issuer's Transition Bond Framework (the "Framework") sets out a clear, transparent and credible approach for fundraising through the transition bonds. It aligns with Issuer's net zero commitments as well as Korea's carbon neutrality goals and the global net-zero agenda as a signatory of the Equator Principles.³ Transition financing under the Framework is aimed to enable the Issuer, especially in carbon-intensive and hard-to-abate sectors, to reduce GHG emissions, manage climate-related risks, and align with credible transition pathways.

The Framework complements the Issuer's Sustainable Development Goals Financing Framework (the "SFF"). While the SFF outlines the Issuer's approach for issuing Green, Social or Sustainability bonds, loans, asset-backed securities or other debt instruments, the Transition Framework specifies the types of transition assets to be supported by the Issuer's transition financing program, which may not necessarily be considered as Green/Social assets covered by the SFF.

External review by an independent evaluation body:

DNV Business Assurance Korea (hereinafter, "DNV") assessed the eligibility of the Framework as an independent third-party evaluation body to provide an external review against the following principles and

¹ Financed emissions are the greenhouse gas emissions attributed to a financial institution's lending and investment activities, representing the emissions from the companies or assets they finance. These are a subset of Scope 3 emissions under the Greenhouse Gas Protocol, reflecting an institution's indirect impact on the broader value chain.

² Reduction targets of Scope 1 & 2 are set in alignment with SBTi's 1.5°C trajectory while that of Scope 3 is focused on Category 15 – financed emissions, and doesn't follow any temperature classification (1.5°C or 2.0°C) as most cases of Scope 3 endorsement by the SBTi.

³ The Equator Principles is an international risk management framework adopted by financial institutions, for determining, assessing and managing environmental and social risk in project finance

guidelines.

- Climate Transition Finance Handbook (CTFH), International Capital Market Association (ICMA), 2023
- Basic Guidelines on Climate Transition Finance (CTFBG), Financial Services Agency, Ministry of Economy, Trade and Industry, Ministry of the Environment, 2025
- Green Bond Principles (GBP), International Capital Market Association (ICMA), 2025
- Green Bond Guidelines (GBGL), Ministry of the Environment, 2024

A summary of the eligibility assessment against the common elements set out in the above principles and guidelines, etc., is presented below separately for CTF (CTFH/CTFBG) and GBP (GBP/GBGL Transition Bonds with use of proceeds).

II. Scope and Objectives

The Issuer has drafted the Transition Bond Framework and commissioned DNV to conduct an assessment. The objective of the assessment of DNV is to conduct an assessment to confirm that the Issuer meets the criteria of the CTFH/CTFBG and GBP/GBGL, which will be described later, and to provide a second party opinion on the eligibility of the Framework.

DNV, as an independent external reviewer, has identified no real or perceived conflict of interest associated with the delivery of this second party opinion for the Issuer.

In this paper, no assurance is provided regarding the financial performance of the transition bond, the value of any investments, or the long-term environmental benefits of the transaction.

(1) Scope of review

The review assessed the following elements and confirmed their alignment with four core elements in GBP.

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

* The scope of review is to be applied as a part of the evaluation of the transition bond (transition bond with specific use of proceeds).

* The four disclosure elements of CTFH and CTFBG are included in the scope of review.

(2) Role(s) of review provider

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

(3) Standards to be applied

No.	Standards/Guidelines* ¹	Scheme owner
1.	Climate Transition Finance Handbook (CTFH)	International Capital Market Association (ICMA), 2023
2.	Basic Guidelines on Climate Transition Finance (CTFBG)	Financial Services Agency, Ministry of Economy, Trade and Industry, Ministry of the Environment, 2025
3.	Green Bond Principles (GBP)	International Capital Market Association (ICMA), 2025
4.	Green Bond Guidelines (GBGL)	Ministry of the Environment, 2024

III. Responsibilities of the Issuer and DNV

The Issuer has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform the Issuer and other interested stakeholders in the Bond as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by the Issuer. DNV is not responsible for any aspect of the eligible projects selected or to be selected referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by the Issuer and used as a basis for this assessment were not correct or complete.

IV. Basis of DNV's Opinion

To provide as much flexibility as possible for the Issuer, DNV has adapted our transition bonds assessment methodology, which incorporates the requirements of the CTFH/CTFBG and GBP/GBGL, to create the Issuer-specific Transition Bond Eligibility Assessment Protocol (hereinafter, the "Protocol"). Please refer to Schedule-2 to 5. The Protocol is applicable to transition bonds under the CTFH/CTFBG and GBP/GBGL.

DNV, as an independent external reviewer, provides second party opinion according to the Protocol.

DNV's Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the Transition Bond as the basis for the opinion are as follows:

- Enable capital-raising and investment for new and existing projects with environmental benefits
- Provide an investment opportunity with transparent sustainability credentials

As per our Protocol, the criteria against which the transition bond has been reviewed are grouped into four common elements (disclosure elements), respectively (1) and (2) below.

Four common elements of CTFH/CTFBG

Principle One: Issuer's Climate Transition Strategy and Governance

- The financing purpose should be shown as enabling issuer's climate change strategy.

Principle Two: Business Model Environmental Materiality

- The planned climate transition trajectory should be relevant to the environmental materiality of the issuer's business model.

Principle Three: Climate Transition Strategy to be Science-based Including Targets and Pathways

- Issuer's climate strategy should reference science-based targets.

Principle Four: Implementation Transparency

- Market communication in connection with the offer of a financing instrument which has the aim of funding the issuer's climate transition strategy should also provide transparency of the underlying investment program.

Four common elements of GBP/GBGL (common elements as transition bonds with use of proceeds)

Principle One: Use of Proceeds

- The Use of Proceeds criteria are guided by the requirement that an issuer of a transition bond must use the proceeds to bond eligible activities. The eligible activities should produce clear environmental benefits.

Principle Two: Process for Project Evaluation and Selection

- The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a transition bond should outline the process it follows when determining eligibility of investment destinations (e.g., businesses) using transition bond proceeds, and outline any impact objectives it will consider.

Principle Three: Management of Proceeds

- The Management of Proceeds criteria are guided by the requirements that the proceeds from a transition bond should be tracked by the issuer, that separate portfolios should be created when necessary and that a declaration of how unallocated proceeds will be handled should be made.

Principle Four: Reporting

- The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the transition bond investors should be made of the allocation status of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

V. Work Undertaken

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

Pre-Issuance Assessment

- Creation of an Issuer-specific Protocol, adapted to the purpose of the transition bond, as described above and in Schedule-2 to 5 to this assessment;
- Assessment of documentary evidence provided by the Issuer on the transition bond and supplemented assessment by a comprehensive desktop research. These checks refer to current assessment best practice and standards methodologies;
- Discussions with the Issuer, and review of relevant documentation;
- Documentation of findings against each element of the criteria.

Post-Issuance Assessment (periodic review) (*not included in this report)

- Interview with the management of the Issuer, and review of the relevant documentation;
- Field research and inspection (if necessary);
- Document creation of post-issuance assessment results.

VI. Findings and DNV’s Opinion: Climate Transition Financing (CTF)

DNV has identified the following based on the materials and information provided by the Issuer. CTF-1 to CTF-4 below are the findings and DNV’s opinion on the four common elements of CTFH and CTFBG (disclosure elements) required by the Issuer’s transition strategy etc.

CTF-1. Issuer’s Climate Transition Strategy and Governance:

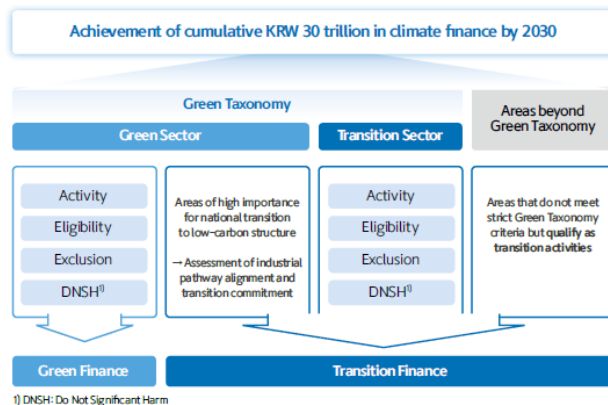
Climate Transition Strategy:

The Group has established a Net Zero 2050 strategy “Zero Carbon Drive” in 2020, which aims for achieving Net Zero by 2050. To this end, the Group has set its near-term GHG reduction targets for Scope 1, 2, and 3, which were endorsed by the SBTi in 2022. The Group also established a roadmap to achieve zero internal carbon emissions by 2044. The Issuer as a key subsidiary of the Group, follows the Group’s overall climate transition direction.

- The Group has set the near-term SBTi targets for Scope 1, 2, and 3, reviewed and endorsed by SBTi in 2022. The Issuer has also set the near-term target in alignment with the Group’s SBTi target and/or the Paris Agreement.⁴
 - Scope 1 & 2: The Issuer has pursued an annual reduction rate of 4.2% for Scope 1 & 2, in alignment with the SBTi’s 1.5°C trajectory.
 - Scope 3: The Issuer’s financed emissions (category 15 of Scope 3) are managed by establishing reduction targets by different industry sector in alignment with the SBTi’s Sectoral Decarbonization Approach (“SDA”) as well as by establishing temperature targets in accordance with the SBTi’s Temperature Rating.
- The Issuer’s long-term goal of achieving Net Zero, respectively by 2044 (Scope 1 & 2) and by 2050 (Financed Emissions) is consistent with the goals of the Paris Agreement.
 - Scope 1 & 2: Net Zero by 2044.
 - Scope 3 (Financed Emissions): Net Zero by 2050.

The Issuer utilises green and transition finance as a crucial tool for achieving the goal. When implementing green and transition finance, the Issuer considers four elements, “Activity”, “Eligibility”, “Exclusion”, and “DNSH”. This approach supports the transition of high-carbon industries to a low-carbon economy while seeking to minimize negative environmental and social impacts. The Group will increase its green and transition finance from KRW 18.7 trillion in 2024 to KRW 30 trillion in 2030.

Figure 1. The Group’s Green and Transition Finance Screening Process



⁴ As recommended by the SBTi, Issuer’s near-term GHG reduction targets were endorsed by the SBTi on a group level with the Issuer’s targets incorporated into this group-level ones.

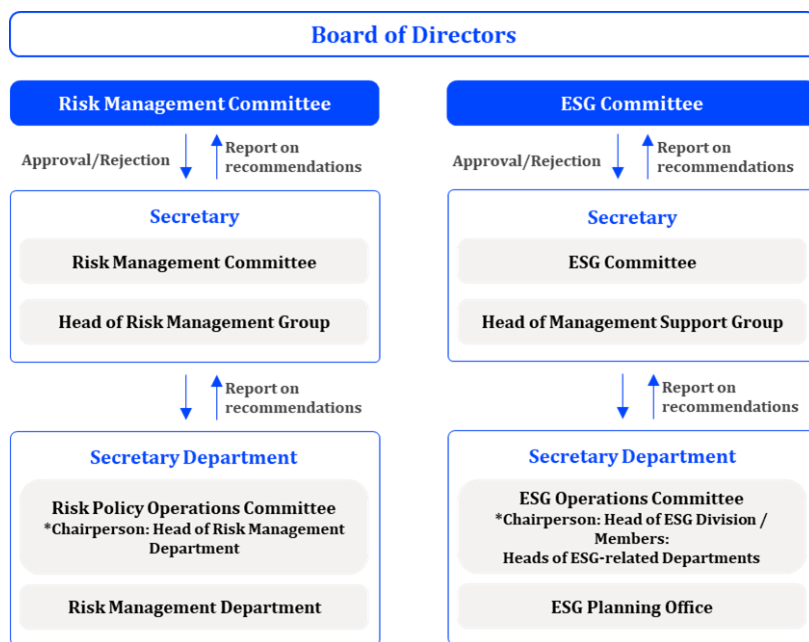
Governance:

Utilising transition finance as crucial means for achieving Net Zero by 2050, the Issuer identified the key risk factors for the transition sector such as increasing carbon taxes, rising carbon credit prices, rising commodity prices and energy costs, and investor divestment. The Issuer also defined the medium term (1-5 years) as the point at which the pace of the low-carbon transition will accelerate, driving by the rising emissions allowance prices and the introduction of carbon taxes. To this, the Issuer has established strategies to manage financed emissions intensity and expand transition finance. The strategies focus on 1) system enforcement, 2) system building, 3) internalization, and 4) expert training for its green and transition finance management.

In addition, for the implementation of Green and Transition Finance System, the Issuer has aligned its green finance operations with the Green Loan Guidelines jointly issued by the Financial Services Commission ("FSC"), the Ministry of Environment (MoE), and the Financial Supervisory Service ("FSS") of Republic of Korea, which came into effect on 1 July 2025.

With regard to dealing with environmental issues of the Issuer, ESG committee is in the highest governance body supported by secretary department, which is composed of the Issuer's ESG Division and ESG-related departments.

Figure 2. Issuer's Climate Action Governance



CTF-2. Business Model Environmental Materiality:

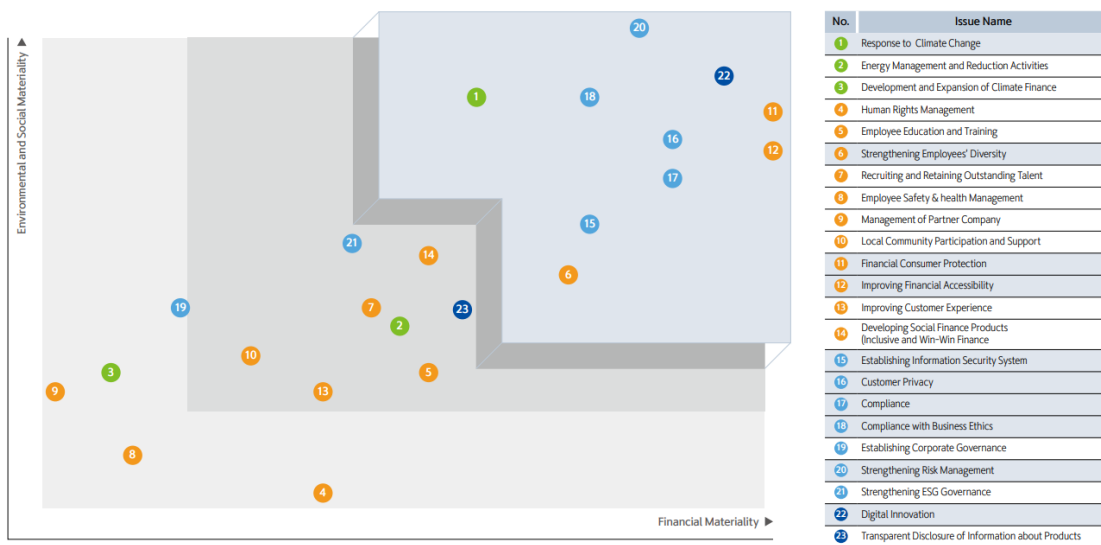
Environmental materiality (taking into account future scenarios)⁵

By the Group's latest Double Materiality Assessment, 23 material issues were identified and "Response to

⁵ Regarding future scenarios, the Issuer uses the climate scenario developed by the Network for Greening the Financial System (NGFS), Representative Concentration Pathway (RCP) scenario, and the Shared Socioeconomic Pathway (SSP) scenario depending upon various environmental change assumptions.

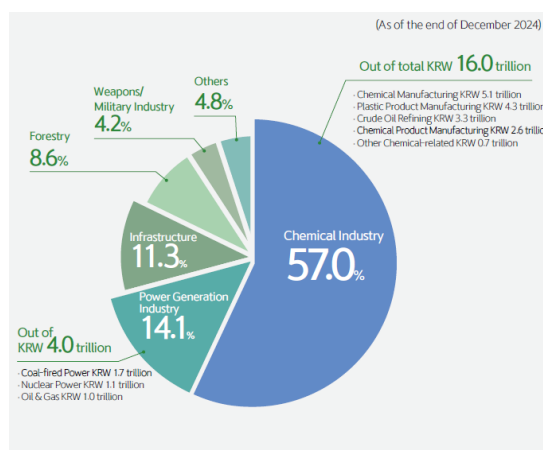
Climate Change” was selected as one of the most material issues. Against this backdrop, DNV confirms that the Issuer’s climate transition strategy for reaching Net Zero by 2050 are relevant to the environmental material part of the Issuer’s business model. In particular, taking into consideration importance of financed emissions in the sector of financial institutions, it is positive that the Issuer manages the financed emissions by setting specific targets in the field of commercial real estate, power generation, iron/steel, cement, aluminum, paper/pulp, and transportation (both passenger and freight), in alignment with SBTi.

Figure 3. Shinhan Financial Group’s Materiality Issues in 2024



In addition, as of the end of December 2024, the Group’s exposure to the Chemical Industry was found to be the highest of all the industries, reaching KRW 16.0 trillion, accounting for 57.0% of the total exposure, followed by the Power Generation Industry and the Infrastructure Industry. In this respect, DNV views that the Issuer’s transition bond which will focus on investing high carbon-intensive projects (such as manufacture of organic basic chemicals) will bring about substantial reduction of financed emission by investing the projects only meeting the certain emission threshold in accordance with the Framework.

Figure 4. Shinhan Financial Group’s Exposure to Significant Area



CTF-3. Climate Transition Strategy to be “Science-based” including Targets and Pathways:

Science-based strategies, targets, and pathways

The Issuer’s climate transition strategy is reinforced by a science based near-term CO2 reduction target by 2030 compared to the baseline year 2020 in alignment with the SBTi. The Issuer has also disclosed its medium and long-term GHG emission reduction targets, eventually reaching Net Zero by 2050 in alignment with the Paris Agreement.

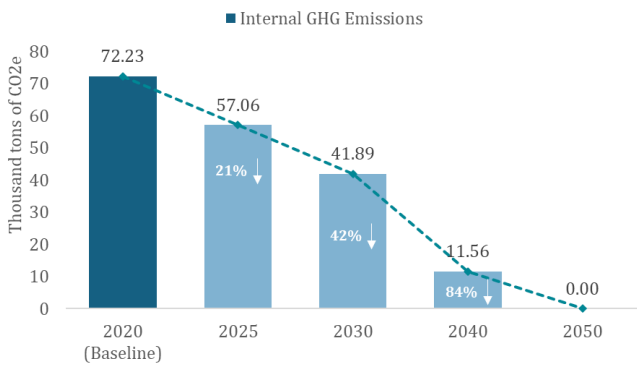


Figure 4: The Issuer’s target for Scope 1 & 2

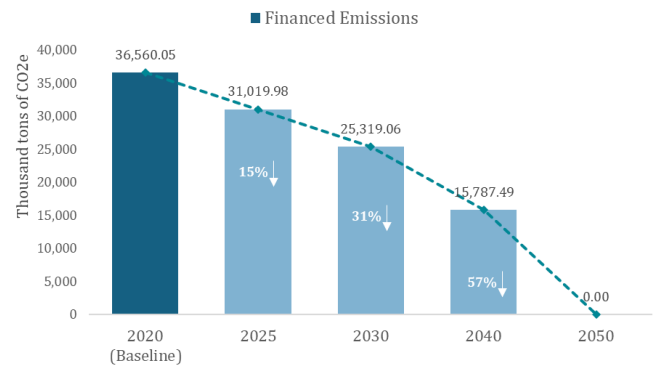


Figure 5: The Issuer’s target for Scope 3 (financed emissions)

CTF-4. Implementation Transparency:

Investment plan

In order to implement its Net Zero strategy and achieve its GHG reduction targets, the Group will increase the amount of green and transition financing to KRW 30 trillion by 2030, which accounts for 60% increase compared to 2024.

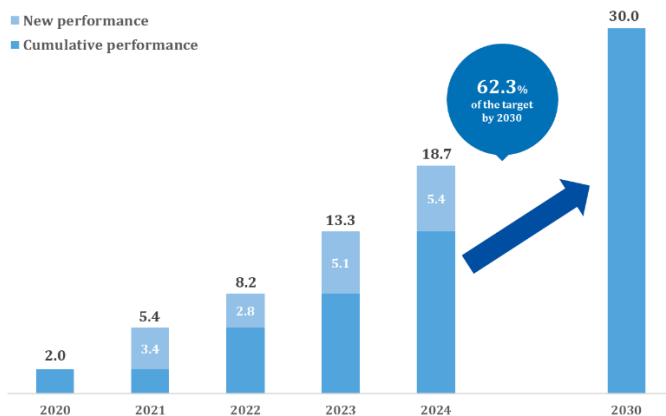


Figure 6: Shinhan Financial Group’s Performance on Green and Climate Finance (KRW trillion)

The Issuer’s current portion is KRW 4.6 trillion as of the end of 2024, accounting for about 25% out of the

Group's total amount (KRW 18.7 trillion). The Issuer will increase the amount of green and transition finance by 2030 under the Group's overall target (KRW 30 trillion).

Just transition, mitigation of negative impact, avoidance of lock-in:

Issuer utilises green and transition finance as a crucial tool for achieving the Issuer's GHG reduction goal. When implementing green and transition finance, the Issuer considers four elements, "Activity", "Eligibility", "Exclusion", and "Do No Significant Harm (DNSH)". This approach supports the transition of high-carbon industries to a low-carbon economy while the elements of "Exclusion" and "DNSH" seek to minimize negative environmental and social impacts. In addition, the Equator Principles that the Issuer joined for the first time in Korea ensures the Issuer to mitigate environmental and social risks in conducting large-scale project finance in line with the Principles. Furthermore, the Issuer adopted a "Coal Phase-Out Finance" policy in 2021, committing to cease project financing and bond underwriting for new coal-fired power plants globally.

VI. Findings and DNV's Opinion: Green Bond (w/ transitional use)

DNV has identified the following based on the materials and information provided by the Issuer. GBP-1 to GBP-4 below are the findings and DNV's opinion on the four elements (including GBGL) required to properly manage transition bonds with use of proceeds.

GBP-1. Use of Proceeds:

The Issuer classifies the use of proceeds by eligibility criteria and defines projects that directly or indirectly contribute to implementation of the Issuer's transition strategy and achievement of its climate targets. Specifically, the eligibility criteria are categorized as shown in Schedule 1 and the proceeds are allocated to the support required for these economic activities as a new expenditure or refinance to existing expenditure. DNV, through its assessment of the Issuer, has confirmed that eligible projects based on these eligibility criteria are consistent with the elements of CTF-1 to CTF-4. Eligible projects are assessed by the Issuer to have clear environmental benefits on the Issuer's Climate Transition Strategy and are expected to make a direct or indirect contribution to the SDGs.

Eligible projects include green projects, and the activities that should be undertaken at present for future carbon neutrality (i.e., manufacture of organic basic chemicals, waste heat recovery for manufacture of basic chemicals, and point-source capture of carbon dioxide).

Based on the above, DNV views that the Framework satisfies the element required by GBP-1 that "the issuer must use the proceeds for eligible projects that provide clear environmental benefits."

Use of proceeds classified under GBP

- | | |
|--|---|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency (energy savings) |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Conservation of terrestrial and aquatic Biodiversity | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water resources and wastewater management | <input type="checkbox"/> Adaptation to climate change |
| <input type="checkbox"/> Circular economy adapted products, production technologies and processes (circular economy) | <input type="checkbox"/> Green buildings with locally, nationally or internationally recognized standards or certifications |
| <input checked="" type="checkbox"/> Other: Manufacture of organic basic chemicals, waste heat recovery for manufacture of basic chemicals, and point-source capture of carbon dioxide | |
| <input type="checkbox"/> Projects/eligibility criteria that are undetermined at the time of finance execution, but have been confirmed through appropriate processes to fit into the GBP classification or other eligibility areas not currently listed in the GBP, may be included. | |

GBP-2. Process for Project Evaluation and Selection:

The Issuer will ensure that the project meets the GBP-1 eligibility criteria and the criteria required for eligible projects and has clear environmental benefits at present or in the timeline required by the roadmap, as well as that negative environmental and social impacts have been or will be appropriately considered (including

necessary procedures in the area where the project is to be implemented).

The Framework states that after the Treasury Department selects the projects that meet the eligibility criteria in the Framework and the Transition Bond Working Group (TBWG) will review each of the eligible transition asset's carbon-lock in risks, in particular, to determine whether the asset is the best available technology and whether there are other low-carbon alternatives that are technologically and economically feasible, while considering the local context.

With regard to the negative impacts of projects, DNV has confirmed that the impact on the relevant invested sector, including Just Transition, mitigation of negative impacts (e.g., actions through environmental impact assessments) and avoidance of lock-in, as shown in CTF-4, will be considered before the selection of eligible projects as well as at the implementation stage of eligible projects.

Based on the above, DNV views that the transition bond satisfies the element required by GBP-2 that "the issuer must outline the process for determining the eligibility of the project and outline how the project considers its impact on the targets."

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> The project is consistent with the achievement of the Issuer's environmental contribution targets. | <input checked="" type="checkbox"/> The project has been assessed and selected through a documented process that demonstrates that it meets the defined eligibility category. |
| <input checked="" type="checkbox"/> The project is an eligible project as the use of green finance proceeds and is transparent. | <input checked="" type="checkbox"/> The project has been assessed and selected through a documented process to identify and manage potential ESG risks associated with the project execution. |
| <input checked="" type="checkbox"/> The project is evaluated and selected based on published criteria abstracts (green project with existing referenceable criteria). | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on responsibility and accountability

- | | |
|---|--|
| <input checked="" type="checkbox"/> Evaluation/selection criteria based on advice or verification by an external body | <input checked="" type="checkbox"/> Evaluation within the organization |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

GBP-3. Management of Proceeds:

The Framework shows how the Issuer plans to track the allocation of the proceeds in an appropriate manner. An amount equal to the proceeds will be managed using a separate ledger for transition financing. The Treasury Department will track the proceeds via a formal process to ensure the net proceeds from the transition bond(s), or an amount equal to the net proceeds will be allocated to eligible transition assets only.

The Framework clearly states that unallocated proceeds will be placed in short-term liquid money instruments such as cash and market securities according to the Issuer's usual liquidity management policy.

Based on the above, DNV views that the Framework satisfies the element required by GBP-3 that "the issuer must track and manage the proceeds (and, where necessary, establish and manage under appropriately classified portfolio units) and disclose how unallocated proceeds are treated."

Tracking and management of proceeds:

- Some or all of the proceeds from the transition bond that are planned to be allocated are systematically distinguished or tracked by the Issuer.
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other: Unallocated proceeds are managed in cash

Additional disclosure:

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

GBP-4. Reporting:

The Issuer will report on the allocation and impact of proceeds raised under this Framework on an annual basis until full allocation.

- The amount and percentage of proceeds allocated to each Eligible Transition Asset Category
- Where possible, a list of eligible transition assets financed and descriptions, asset locations, amount allocated, etc.
- Share of financing vs refinancing
- Selected examples of eligible transition assets financed
- Amount of unallocated proceeds

In addition, the Issuer will, at least until the full amount of proceeds has been allocated, report on a project-by-project or eligibility criteria basis on key environmental benefit items (direct and expected benefits) and progress status of projects on an annual basis on the Issuer's website, taking into account confidential obligations and the extent practicable.

Based on the above, DNV views that the Framework satisfies the element required by GBP-4 that "the issuer shall, at least, report to bond investors regarding the allocation status of proceeds and quantitative or qualitative performance (environmental benefits) of eligible projects."

Allocation status reporting:

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

Information reported:

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

Frequency:

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

Impact reporting (environmental benefits reporting):

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

Frequency:

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

Other (*please specify*):

Information reported (expected or ex-post):

- | | |
|--|---|
| <input checked="" type="checkbox"/> GHG emissions/savings | <input type="checkbox"/> Energy savings |
| <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): According to project progress and other properties of each eligibility criterion or eligible project | |

Means of disclosure

- Information published in financial report (Integrated Report) Information published in sustainability report
- Information published in ad hoc documents Other (please specify):
- website
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review)

External review (post-issuance periodic review of the transition bond)

The Issuer will obtain an external review on an annual basis until the proceeds have been fully allocated in order to increase certainty (consistency) and objectivity of the ongoing compliance of the transition bond with the relevant principles, guidelines and other required elements.

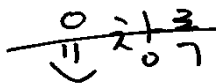
Assessment Conclusion

On the basis of the information provided by the Issuer and the work undertaken, it is DNV’s opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the following stated definition or purpose of the CTFH/CTFBG and GBP/GBGL.

- “Provide an investment opportunity with transparent sustainability credentials”
- “Enable capital-raising and investment for new and existing projects with environmental benefits”

DNV Business Assurance Korea

30 October 2025



Chang Rok Yun



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Schedule-1 transition bond Eligibility Criteria and Representative Nominated Use of Proceeds (Eligible Projects)

Eligible Transition Asset Category	Eligibility Criteria	DNV Findings	UN SDGs
<p>Manufacture of organic basic chemicals</p>	<p>Construction, operation and maintenance of manufacturing facilities of high value chemicals (ethylene, propylene, butadiene) and aromatics that meet the below requirements:</p> <ul style="list-style-type: none"> • At least 50% of annual production by volume is high value chemicals ("HVC") and/or aromatics; • Organic chemicals produced need to meet the below life-cycle GHG emission thresholds: <ul style="list-style-type: none"> ○ HVC: 0.693 tCO₂e/t of HVC ○ Aromatics: 0.137361tCO₂e/t of raw material <p>Where the HVC or aromatics are produced wholly or partially from renewable feedstock, the life-cycle GHG emissions of the manufactured chemical is lower than the life-cycle GHG emissions of the equivalent chemical manufactured from fossil fuel feedstock.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p>	<p>The chemical sector is one of the world's largest industries and the top industrial energy consumer. It uses 30% of industrial energy and contributes around 5% of global greenhouse gas emissions. Basic chemicals like olefins, aromatics, methanol, and ammonia are essential for producing consumer goods and industrial materials. These chemicals account for 60% of the industry's direct CO₂ emissions, making decarbonising this sector vital for tackling climate change.⁶</p> <p>With regard to facilities of manufacturing HVC and aromatics, the Issuer has set the threshold that at least 50% of the production should come from these basic chemicals in line with Technical Screening Criteria (TSC) of Singapore-Asia Taxonomy of Sustainable Finance 2023 (S-A Taxonomy). And these facilities will ensure certain thresholds for each basic chemical in alignment with TSCs of following Taxonomies.</p> <ul style="list-style-type: none"> • HVC: 0.693 tCO₂e/t of HVC: It is in line with TSC of the EU Taxonomy. • Aromatics: 0.137361tCO₂e/t of raw material: It is in line with TSC of the Korean Green Taxonomy (K-Taxonomy). <p>In addition, in line with TSC of the EU Taxonomy, the Issuer restricts projects of HVC or aromatics where the life-cycle GHG emissions of the manufactured chemical from renewable feedstock is lower than the life-cycle GHG emissions of the equivalent chemical manufactured from fossil fuel feedstock.</p>	 

⁶ <https://www.climatebonds.net/our-expertise/climate-bonds-standard-and-certification-scheme/sector-criteria/basic-chemicals>

<p>Waste heat recovery for manufacture of basic chemicals</p>	<p>Construction, operation and maintenance of waste heat recovery facilities from the manufacture of basic chemicals, including steam generation facilities from waste heat recovery.</p>	<p>Recovering waste heat is a potential avenue to effectively reducing emissions. Every year, the world consumes over 418 exajoules (EJ)—or 116,000 terawatt-hours (TWh)—of final energy, mainly by burning fossil fuels and generating heat. Part of this generated heat is harnessed for useful purposes, but most is unused. This unused “waste heat” is given off to the surrounding environment in the form of exhausts or effluents at different temperature levels. Recovering this waste heat can greatly reduce the use of primary fuels and, therefore, contributing to international society’s efforts for curbing GHG emissions.⁷</p> <p>The stated projects are in alignment with the TSC of K-Taxonomy which considers that activities of establishing and operating facilities for power generation, cogeneration or thermal production using waste heat correspond to “green” projects.⁸ The projects are also in line with S-A Taxonomy.</p>	 
<p>Point-source capture of carbon dioxide</p>	<p>Construction, operation and maintenance of carbon capture facilities from a point source in hydrogen production industrial facility.</p>	<p>Point-source capture of CO₂ is the process of capturing CO₂ from a large emissions source – e.g. an industrial facility. Most carbon capture projects utilise point source capture given the higher concentrations of CO₂ make the capture process more efficient. Point-source capture cannot be viewed as a standalone activity because it is not carried out separately from a certain industrial or power generation activity. Its main goal is to decrease the emissions of the activity it is linked to.⁹</p> <p>K-Taxonomy views that the activities of capturing carbon dioxide are green ones without specific threshold of TSC. In addition, Singapore-Asia Taxonomy considers that these activities are green or transitional depending upon adherence to different threshold of underlying activities.</p>	 

⁷ <https://www.mckinsey.com/capabilities/sustainability/our-insights/waste-not-unlocking-the-potential-of-waste-heat-recovery>

⁸ The Issuer has communicated with DNV that although the projects can be seen as “green” in the perspective of the K-Taxonomy and S-A Taxonomy, the Issuer views them as “transition” because underlying activities (resulting in waste heat) are manufacture of basic chemicals, which emit large volume of GHG.

⁹ <https://www.mas.gov.sg/-/media/mas-media-library/development/sustainable-finance/singaporeasia-taxonomy-updated.pdf>

Schedule-2 Climate Transition Finance Eligibility Assessment Protocol

The following checklists are the DNV assessment protocol created for the eligibility assessment based on the disclosure requirements of the CTFH. The documents in “Work Undertaken” column include public or non-public documents (internal document of the Issuer), information, etc. and are provided to DNV by the Issuer as evidence for determining the eligibility.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1	Issuer’s Climate Transition Strategy and Governance	<p>The green, sustainability or sustainability- linked financing should be directed toward enabling an issuer’s GHG emissions reduction strategy in alignment with the goals of the Paris Agreement.</p> <p><i>Recommended information and indicators:</i></p> <ul style="list-style-type: none"> • a long-term, science-based target to align with the goals of the Paris Agreement; • relevant and credible interim science- based targets in the short and medium-term on the trajectory towards the long-term goal, in line with the relevant regional, sector, or international climate change scenarios; • disclosure on an issuer’s transition plan or climate transition strategy. This should 	<p>Review of:</p> <ul style="list-style-type: none"> - Issuer’s Transition Bond Framework - Issuer’s ESG Factbook 2024 / ESG Special Book 2024 - Issuer’s Climate Finance Report 2022 - The Group’s Sustainability Report 2024 - The Group’s Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) - The Group’s internal GHG reduction trajectory (the Issuer’s trajectory 	<p>On the group level, Shinhan Financial Group (the “Group”) has established a Net Zero 2050 strategy “Zero Carbon Drive” in 2020, aiming to achieve carbon neutrality by 2050. To this end, the Group’s near-term target for its Scope 1, 2, and 3 were reviewed and endorsed by Science Based Targets initiatives (“SBTi”), which is expected to play important role to achieve Net Zero later years. The Group also established a roadmap to achieve zero internal carbon emissions by 2044. Shinhan Bank (the “Issuer”), as a subsidiary of the Group, follows the Group’s overall Zero Carbon Drive direction.</p> <p>A long-term and credible interim science-based targets:</p> <ul style="list-style-type: none"> • The Issuer’s long-term goal of achieving Net Zero by 2050 is consistent with the goal of the Paris Agreement. • The Group has set the near-term SBTi target for Scope 1, 2, and 3, reviewed and endorsed by SBTi in 2022. The Issuer has set the interim and long-term target in alignment with the Group’s SBTi target and the Paris Agreement. - Scope 1& 2: The Issuer is pursuing an linear annual reduction rate of 4.2% for Scope 1 & 2 in alignment with the 1.5°C trajectory of the SBTi.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>include specific itemisation of the main levers towards GHG emissions reduction, such as a detailed capital expenditure (CapEx) plan and relevant technological implications (i.e., amounts to be spent, what carbon cost is considered for implementing such CapEx programme, operational impacts, regulatory considerations, etc.);</p> <ul style="list-style-type: none"> • clear oversight and governance of an issuer’s climate transition strategy, including management/board level accountability; and • evidence of a broader sustainability strategy to mitigate relevant environmental and social externalities, including ‘just transition’ considerations where appropriate, and contributions to the UN Sustainable Development Goals (UN SDGs). 	<p>included)</p> <p>- SBTi Dashboard: https://files.sciencebasedtargets.org/production/files/Target-language-and-summary_Shinhan-FHG.docx.pdf</p> <p>Interview with the Issuer</p>	<p>- Scope 3: Issuer’s financed emissions are measured using the PCAF methodology and near-term reduction targets were set on the basis of the SBTi. The Issuer intends to decrease financed emissions by 33.7% by 2030 compared to baseline year 2020. Eventually the Issuer tries to make financed emission to zero by 2050.¹⁰</p> <p>Transition strategy:</p> <ul style="list-style-type: none"> • The Issuer utilises green and transition finance as a crucial means for achieving its GHG reduction target. When implementing green and transition finance, the Issuer considers four elements, “Activity”, “Eligibility”, “Exclusion”, and “DNSH”. This approach supports the transition of high-carbon industries to a low-carbon economy while seeking to minimize negative environmental and social impacts. The Issuer is also targeting to convert 100% of the electricity to renewable energy by 2040, achieving internal emissions Net Zero by 2044 and financed emissions Net Zero by 2050. The Group intends to increase amount of green and transition finance from 18.7 (KRW trillion) in 2024 to 30.0 (KRW trillion) in 2030, which accounts for 60% compared to 2024. <p>Oversight and governance of the Issuer’s climate transition strategy:</p> <ul style="list-style-type: none"> • The Issuer identified the key risk factors for the transition

¹⁰ The Issuer has communicated to DNV that residual financed emissions in 2025 will be deducted from using carbon credits, following guidance from the Financial Institutions Net-Zero Standard (version 1 published in July 2025 by Science Based Targets) and Guidance for Climate Target Setting for Banks (version 4 published in October 2025 by UN Environment Programme) which allow for carbon credits as means for reaching Net Zero.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>sector such as increasing carbon taxes, rising carbon credit prices, rising commodity prices and energy costs, and investor divestment. The Issuer also defined the medium term (1-5 years) as the point at which the pace of the low-carbon transition will accelerate, driving by the rising emissions allowance prices and the introduction of carbon taxes. To this, the Issuer has established strategies to manage financed emissions intensity and expand transition finance. The strategies focus on 1) system enforcement, 2) system building, 3) internalization, and 4) expert training for its green and transition finance management.</p> <ul style="list-style-type: none"> • In addition, for the implementation of Green and Transition Finance System, the Issuer has aligned its green finance operations with the Green Loan Guidelines jointly issued by the Financial Services Commission ("FSC"), the Ministry of Environment (MoE), and the Financial Supervisory Service ("FSS"), which came into effect on 1 July 2025. • As an implementation body of green and transition finance, ESG committee is in the highest governance body supported by secretary department composed of ESG Division and ESG-related departments. <p>Sustainability strategy to mitigate relevant environmental and social externalities:</p> <ul style="list-style-type: none"> • When implementing green and transition finance, the Issuer considers four elements, "Activity", "Eligibility", "Exclusion", and "DNSH". This approach supports the

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>transition of high-carbon industries to a low-carbon economy while seeking to minimize negative environmental and social impacts. In addition, as the first Korean bank in Korea which joined Equator Principles, the Issuer is making efforts to assess and manage environmental and social risks associated with large-scale projects in accordance with the Principles. The Issuer ensures that projects financed by these institutions be developed and operated in a socially and environmentally responsible manner.</p>
2	<p>Business model environmental materiality</p>	<p>The climate transition strategy should be relevant to the environmentally material parts of an issuer's business model, taking into account potential future scenarios which may impact current determinations concerning materiality.</p> <p><i>Recommended information and indicators:</i></p> <p>Discussion on the materiality of the planned climate transition strategy may:</p> <ul style="list-style-type: none"> • be disclosed in the form of a materiality matrix made publicly available by an issuer or be covered in an issuer's annual reports; and 	<p>Review of:</p> <ul style="list-style-type: none"> - Issuer's Transition Bond Framework - Issuer's ESG Factbook 2024 / ESG Special Book 2024 - Issuer's Climate Finance Report 2022 - The Group's Sustainability Report 2024 - The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) - The Group's internal GHG reduction trajectory (the 	<p>Environmental materiality:</p> <ul style="list-style-type: none"> • By the Group's latest Double Materiality Assessment, 23 material issues were identified, while "Response to Climate Change" was selected as one of the most material issue among them. Against this backdrop, DNV confirms that the Issuer's climate transition strategy for reaching Net Zero by 2050 are relevant to the environmental material part of the Issuer's business model. <p>Materiality of climate-related eligible projects:</p> <ul style="list-style-type: none"> • As of the end of December 2024, the Group's exposure to the Chemical Industry was the highest of all the industries, reaching KRW 16.0 trillion, accounting for 57.0% of the total exposure, followed by the Power Generation Industry and the Infrastructure Industry. • In this respect, DNV views that the Issuer's transition bond which will focus on investing high carbon-intensive projects (such as manufacture of organic basic chemicals) will bring about substantial reduction of financed emission

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings															
		<ul style="list-style-type: none"> address the materiality of climate- related eligible projects and/or KPI(s) on the overall emissions profile of an issuer. <p>Where Scope 3 emissions are expected to be material but are not yet identified or measured, a timeline for reporting should be disclosed.</p>	<p>Issuer’s trajectory included)</p> <p>Interview with the Issuer</p>	<p>by investing the projects only meeting the certain emission threshold in accordance with the Framework.</p> <p>Scope 3 – Financed emissions:</p> <ul style="list-style-type: none"> Taking into consideration importance of financed emissions in the sector of financial institutions, it is positive that the Issuer manages the financed emissions by setting specific targets in alignment with SBTi in the field of commercial real estate, power generation, iron/steel, cement, aluminum, paper/pulp, and transportation (both passenger and freight), along with having temperature rating target. 															
3	Climate transition strategy and targets to be science-based	<p>An issuer’s climate transition strategy should reference science-based targets and transition pathways. There is scientific guidance around the required rate of GHG emission reductions (the “GHG emissions reduction trajectory”) to align the global economy with the goals of the Paris Agreement.</p> <p>The planned transition trajectory should:</p> <ul style="list-style-type: none"> be quantitatively measurable and aligned with the latest available methodology; be aligned with, benchmarked, or otherwise referenced to recognised third-party, science-based trajectories, where such trajectories exist; when third- 	<p>Review of:</p> <ul style="list-style-type: none"> Issuer’s Transition Bond Framework Issuer’s ESG Factbook 2024 / ESG Special Book 2024 Issuer’s Climate Finance Report 2022 The Group’s Sustainability Report 2024 The Group’s Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) The Group’s internal GHG reduction trajectory (the 	<p>The Issuer’s transition strategy and targets are set on a scientific basis with its near-term CO2 reduction target of 2030 compared to the baseline year 2020 in alignment with the SBTi. The Issuer has also disclosed its medium and long-term GHG emission reduction targets, eventually reaching Net Zero by 2050 in alignment with the Paris Agreement.</p> <p style="text-align: right;">unit: thousand tons of CO2e</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020 (baseline)</th> <th>2030</th> <th>2040</th> <th>2050</th> </tr> </thead> <tbody> <tr> <td>Scope 1 + 2</td> <td>72.3</td> <td>41.89</td> <td>11.56</td> <td>0</td> </tr> <tr> <td>Scope 3 (Financed Emissions)</td> <td>36,560</td> <td>25,319</td> <td>15,787</td> <td>0</td> </tr> </tbody> </table> <p>The Issuer’s transition trajectory is quantitatively measurable in terms of GHG emissions and the Issuer has received the third party on the GHG emissions (Scope 1, 2, & 3) measurement audit which is conducted in accordance with GHG protocol, the IPCC guidelines, and the Korea Emissions Trading System (K-ETS). The long-term targets including interim targets are</p>	Year	2020 (baseline)	2030	2040	2050	Scope 1 + 2	72.3	41.89	11.56	0	Scope 3 (Financed Emissions)	36,560	25,319	15,787	0
Year	2020 (baseline)	2030	2040	2050															
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Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>party trajectories are not available, consider industry peer comparison and/or internal methodologies/historical performance;</p> <ul style="list-style-type: none"> • be publicly disclosed (ideally in mainstream financial filings), including interim targets; and • be supported by independent assurance or verification. <p><i>Strongly recommended information and indicators:</i></p> <ul style="list-style-type: none"> • short, medium, and long-term GHG emission reduction targets aligned with the Paris Agreement; • baseline year and historic emissions (including absolute emissions, where intensity metrics are the main indicator); • scenario utilised and methodology applied (e.g., ACT, SBTi, IEA etc.). When third-party 	<p>Issuer’s trajectory included)</p> <p>Interview with the Issuer</p>	<p>included in the Issuer’s Climate Finance Report 2022.</p> <p>Short, medium, and long-term GHG emission reduction targets and historical data:</p> <ul style="list-style-type: none"> • The Issuer has set mid- and long-term GHG emission reduction targets consistent with the Paris Agreement. Specifically, the Issuer has set 2020 as the base year, with short-term goal (2030), mid-term (2040) and a long-term goal (carbon neutrality by 2050). • Historic emissions of three years are covered in its annual sustainability report. <p>Scenarios utilised and methodology applied:</p> <ul style="list-style-type: none"> • Near term targets for Scope 1, 2, 3 were reviewed and endorsed by SBTi, which clearly show that the Issuer’s targets are in science-based trajectory. • Long term targets of reaching Net Zero by 2050 are also in alignment with the Paris Agreement. Though the long-term targets of the Issuer (especially on its financed emissions) has not been endorsed by the SBTi, overall direction of reaching to Net Zero by 2050 is compliant with guidelines for financial sector by the SBTi and UNEP. The Issuer has communicated to DNV that it also considers to receive approval from the SBTi regarding its long-term targets on the financed emissions because a new standard has been just published by the SBTi in July 2025.¹¹ <p>GHG emissions (Scope1, 2, & 3)</p> <ul style="list-style-type: none"> • All scopes, namely Scope 1, 2, and 3, are covered in the

¹¹ The issuer’s Korean and global peers also have only SBTi-endorsed near-term targets, not long-term targets.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>trajectories are not available, industry peer comparison and/or internal methodologies/historical performance;</p> <ul style="list-style-type: none"> • GHG emission objectives covering all scopes and most relevant sub- categories (Scopes 1, 2 and 3); • targets formulated in either intensity or absolute terms, noting, that where intensity targets are used, projections on the change to absolute emissions should also be provided; and • where applicable, use of carbon capture technology as well as of high- quality and high-integrity carbon credits, and their relative contribution to the GHG emissions reduction trajectory in line with best industry practices (e.g., SBTi, VCMi and ICVCM). 		<p>Issuer’s climate transition strategy.</p> <ul style="list-style-type: none"> • Scope 1 & 2: measured in absolute terms • Scope 3: measured in absolute terms as well as intensity in terms of financed emissions with relevant sectors
4	Implementation transparency	Market communication regarding the offer of a GSS financing instrument intended to fund an issuer’s climate transition strategy should also be transparent, to the extent practicable, on the underlying investment program including capital and operational	<p>Review of:</p> <ul style="list-style-type: none"> - Issuer’s Transition Bond Framework - Issuer’s ESG Factbook 2024 / ESG Special Book 2024 - Issuer’s Climate Finance 	<p>Through its various reports, the Issuer transparently communicates how its green and transition finance will contribute to implementing its climate transition strategy, making efforts to mitigate negative environmental or social impact throughout the implementation process.</p> <p>Investment plan</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>expenditures (CapEx and OpEx).</p> <p><i>Recommended information and indicators:</i></p> <ul style="list-style-type: none"> • CapEx roll-out plan consistent with the overall climate transition strategy and climate science and discussion of how it informs CapEx decision- making within the organisation; • phase-out plan regarding activities/products incompatible with the climate transition strategy (when such activities or products are significantly harmful or display levels of performance inconsistent with science-based GHG emission reduction trajectories); • green CapEx, for example those referenced under the eligible green project categories in the Green Bond Principles, as a percentage of total CapEx and how the ratio may be expected to evolve over time; • disclosure on the percentage of assets/revenues/ expenditures/divestments 	<p>Report 2022</p> <ul style="list-style-type: none"> - The Group’s Sustainability Report 2024 - The Group’s Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) - The Group’s internal GHG reduction trajectory (the Issuer’s trajectory included) <p>Interview with the Issuer</p>	<ul style="list-style-type: none"> • In order to implement its Net Zero strategy, the Group will increase the amount of green and transition finance to KRW 30 trillion by 2030, which accounts for 60% increase compared to 2024. • The Issuer’s current portion is KRW 4.6 trillion as of the end of 2024, accounting for about 25% out of the Group’s total amount (KRW 18.7 trillion). The Issuer will increase the amount of green and transition finance by 2030 under the Group’s overall target (KRW 30 trillion). <p>Just transition, mitigation of negative impact, avoidance of lock-in:</p> <ul style="list-style-type: none"> • Issuer utilises green and transition finance as a crucial tool for achieving the Issuer’s GHG reduction goal. When implementing green and transition finance, the Issuer considers four elements, “Activity”, “Eligibility”, “Exclusion”, and “Do No Significant Harm (DNSH)”. This approach supports the transition of high-carbon industries to a low-carbon economy while the elements of “Exclusion” and “DNSH” seek to minimize negative environmental and social impacts. • The Equator Principles that the Issuer joined for the first time in Korea ensures the Issuer to mitigate environmental and social risks in conducting large-scale project finance in line with the Principles. • The Issuer adopted a "Coal Phase-Out Finance" policy in 2021, committing to cease project financing and bond underwriting for new coal-fired power plants globally.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>aligned to the various levers;</p> <ul style="list-style-type: none"> • a qualitative and/or quantitative assessment of the potential locked-in GHG emission from an issuer’s key assets and products; • assumptions on the internal cost of carbon; and <p>disclosure on adverse impacts on the workforce, community and surrounding environment, and related strategies used to mitigate those negative impacts.</p>		

Schedule-3 Green Bonds Principles (for transition bonds with Use of Proceeds) Eligibility Assessment Protocol

The following checklists (GBP-1 to GBP-4) are the DNV assessment protocol created for the transition bond (climate transition bond with use of proceeds) based on the requirements of the GBP. The “Confirmed documents” listed in the “Work Undertaken” column include public or non-public documents (internal document of the Issuer), information, etc. and are provided to DNV as evidence for determining the eligibility.

GBP-1 Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of funds	<p>The types of transition bond are classified into one of the following types defined by GBP.</p> <ul style="list-style-type: none"> • (Standard) Transition Bond • Transition Revenue Bond • Transition Project Bond • Other 	<p>Review of:</p> <ul style="list-style-type: none"> - Issuer’s Transition Bond Framework - Issuer’s ESG Factbook 2024 / ESG Special Book 2024 - Issuer’s Climate Finance Report 2022 - The Group’s Sustainability Report 2024 - The Group’s Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) - The Group’s internal GHG reduction trajectory (the Issuer’s trajectory included) <p>Interview with the Issuer</p>	<p>DNV has confirmed that the transition bond is classified in the following category through its assessment work.</p> <p>(Standard) Transition Bond:</p> <p>Bonds issued to raise funds for projects. The redemption is not dependent on a specific financial resource, but is funded by the Issuer’s overall cash flow.</p>
1b	Transition Project	The key to a transition bond is that the proceeds will be used for a	Review of:	DNV has confirmed that the transition bond is necessary for the realization of the Issuer’s climate transition strategy, as

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
	Classification	transition project, which should be properly stated in the legal documents relating to the security.	<ul style="list-style-type: none"> - Issuer's Transition Bond Framework - Issuer's ESG Factbook 2024 / ESG Special Book 2024 - Issuer's Climate Finance Report 2022 - The Group's Sustainability Report 2024 - The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) - The Group's internal GHG reduction trajectory (the Issuer's trajectory included) <p>Interview with the Issuer</p>	<p>set out in the Framework and Schedule-1, and is intended to be allocated to eligible businesses (projects) that have been selected through an appropriate process.</p> <p>An asset is qualified as eligible if it fulfills the following conditions:</p> <ul style="list-style-type: none"> • The asset is classified as "transition" under Shinhan Financial Group Green and Transition Finance Strategy; • The asset meets the criteria set out in the Eligibility Criteria of the Framework as seen in the Schedule 1.¹² <p>Eligibility both in the perspective of environmental and social impact is further secured by excluding following projects related to the below activities and industries:</p> <ul style="list-style-type: none"> • Child Labour • Adult Entertainment • Weapons/Arms • Alcohol • Tobacco • Fossil fuel generation and transportation of fossil fuels • Biomass derived from feedstock suitable for food production • Nuclear power generation • Large-scale hydro-power projects with a generating

¹² In addition to K-Taxonomy, the Issuer's eligibility criteria take reference from the eligibility requirements and the quantitative thresholds for "Green" or "Transition" activities as defined by the EU Taxonomy and the Singapore-Asia Taxonomy for Sustainable Finance ("SAT")

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				capacity of over 25 megawatts which has yet to be constructed
1c	Environmental benefits	All transition projects to which the funds are used should have clear environmental benefits, the effects of which should be assessed by the issuer and, where possible, quantitatively demonstrated.	Review of: <ul style="list-style-type: none"> - Issuer's Transition Bond Framework - Issuer's ESG Factbook 2024 / ESG Special Book 2024 - Issuer's Climate Finance Report 2022 - The Group's Sustainability Report 2024 - The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) - The Group's internal GHG reduction trajectory (the Issuer's trajectory included) Interview with the Issuer	DNV has confirmed that eligible businesses (projects) have clear environmental benefits, such as CO2 emission reduction, and that the environmental benefits are reported on an annual basis. The Issuer considers to quantify and present these environmental benefits to extent practicable, taking into account the characteristics of eligible businesses (projects).
1d	Refinancing ratio	If all or part of the proceeds are used or may be used for refinancing, the issuer will indicate the estimated ratio of the initial investment to the refinancing and, if necessary.	Review of: <ul style="list-style-type: none"> - Issuer's Transition Bond Framework - Issuer's ESG Factbook 2024 / ESG Special Book 2024 	The Issuer has confirmed that in the case of refinancing, the Issuer may include eligible transition assets that are financed up to 36 months prior to the issuance date of any transition bonds issued under the Framework. The refinancing ratio will be disclosed in the annual reporting.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		Therefore, it is recommended to clarify which investment or project portfolio is subject to refinancing.	<ul style="list-style-type: none"> - Issuer's Climate Finance Report 2022 - The Group's Sustainability Report 2024 - The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) - The Group's internal GHG reduction trajectory (the Issuer's trajectory included) Interview with the Issuer	

GBP-2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Project Selection Process	Transition bond issuers should provide an overview of the process of qualifying projects for which transition bond funding will be used. This includes (but is not limited to): <ul style="list-style-type: none"> • The process by which the issuer determines that the project in question is included 	Review of: <ul style="list-style-type: none"> - Issuer's Transition Bond Framework - Issuer's ESG Factbook 2024 / ESG Special Book 2024 - Issuer's Climate Finance Report 2022 - The Group's Sustainability Report 2024 	The Framework states that after the Treasury Department selects the projects that meet the eligibility criteria in the Framework and the Transition Bond Working Group (TBWG) will review each of the eligible transition asset's carbon-lock in risks, in particular, to determine whether the asset is the best available technology and whether there are other low-carbon alternatives that are technologically and economically feasible, while considering the local context. <p style="background-color: #002060; color: white; padding: 2px;">From the Framework</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>in the business category of a qualified transition project</p> <ul style="list-style-type: none"> • Creation of criteria for eligibility of projects for which transition bond funding will be used • Environmental sustainability goals 	<ul style="list-style-type: none"> - The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) - The Group's internal GHG reduction trajectory (the Issuer's trajectory included) <p>Interview with the Issuer</p>	<p><i>Firstly, potential eligible transition assets will be selected from various business units in accordance with the Shinhan Financial Group Green and Transition Finance Strategy. Secondly, the Treasury Department will evaluate the potential transition assets and select the ones that meet the Eligibility Criteria as set out in the Eligibility Criteria Table. Once selected, the Transition Financing Working Group ("TBWG") will review each of the eligible transition asset's GHG emissions reduction or avoidance and evaluate if they are substantial, clear and quantifiable. The TBWG will also review the eligible transition asset's carbon lock-in risks, in particular, to determine whether the asset is the best available technology and whether there are other low-carbon alternatives that are technologically and economically feasible, while considering the local context.</i></p>
2b	Issuer's Environmental and Social Governance Framework	In addition to criteria and certifications, the information published by issuers regarding the transition bond process also considers the quality of performance of the issuer's framework and environmental and/or social sustainability.	<p>Review of:</p> <ul style="list-style-type: none"> - Issuer's Transition Bond Framework - Issuer's ESG Factbook 2024 / ESG Special Book 2024 - Issuer's Climate Finance Report 2022 - The Group's Sustainability Report 2024 - The Group's Special Report 	<p>Under the overarching goal of reaching Net Zero by 2050 (particularly with the means of increasing green and transition finance in managing financed emissions), The Issuer is committed to integrating ESG principles into its operations and financing activities.</p> <ul style="list-style-type: none"> • With its internal green and transition finance guideline in place, the Issuers sets out how proceeds should be used in alignment with its climate transition strategy. • With regard to social governance framework, the Issuer has adopted the Equator Principles, which is a set of voluntary global standards for financial institutions to

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<p>2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report)</p> <ul style="list-style-type: none"> - The Group's internal GHG reduction trajectory (the Issuer's trajectory included) <p>Interview with the Issuer</p>	<p>assess and manage environmental and social risks in the financing of large-scale projects, particularly in sectors like infrastructure, mining, and energy.</p>

GBP-3 Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure-1	The net proceeds from transition bonds should be managed in sub-accounts, included in sub-portfolio, or otherwise tracked. It should also be certified by the issuer in a formal internal process related to the issuer's investment and financing operations for the Transition Project.	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - The Issuer's Transition Bond Framework - Assessment documents (ERP system) <p>Interview with the Issuer</p>	<p>The Framework shows how the Issuers plans to track the allocation of the proceeds in an appropriate manner. An amount equal to the proceeds will be managed using a separate ledger for transition financing.</p> <p>From the Framework</p> <p><i>A dedicated ledger (the "Ledger") will be established to record the allocation of proceeds. The Treasury Department will track the proceeds via a formal process to ensure the net proceeds from the transition bond(s), or an amount equal to the net proceeds will be allocated to eligible transition assets only.</i></p>
3b	Tracking procedure-2	During the transition bond redemption period, the balance of funds raised that is being	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - The Issuer's Transition Bond Framework 	<p>The Framework states that the Issuer will aim to achieve and maintain, on a best-effort basis, a level of allocation for the Eligible Portfolio that matches or exceeds the balance of net</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>tracked should be adjusted at regular intervals to match the amount allocated to eligible projects undertaken during that period.</p>	<ul style="list-style-type: none"> - Assessment documents (ERP system) <p>Interview with the Issuer</p>	<p>proceeds from its outstanding transition bond. The Treasury Department will monitor the allocation of net proceeds to Eligible Projects or Assets, which will be reviewed on an annual basis by TBWG.</p> <p>From the Framework</p> <p><i>Post-issuance of any transition bond(s), the TBWG will meet at least annually to review the allocation of proceeds and ensure the eligibility of the allocated portfolio. In any case where an allocated eligible transition asset becomes ineligible under this Framework (e.g., no longer meet the Eligibility Criteria, asset divestment, encountering material environmental and social controversies during the tenor), the TBWG will reallocate the equivalent amount of proceeds into other eligible assets on a timely basis.</i></p>
3c	Temporary holding	<p>If no investment or payment has been made in a qualified transition project, the issuer should also inform the investor of the possible temporary investment method for the balance of unallocated proceeds.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> - The Issuer's Transition Bond Framework - Assessment documents (ERP system) <p>Interview with the Issuer</p>	<p>The Framework clearly states that unallocated proceeds will be placed in short-term liquid money instruments such as cash and market securities according to the Issuer's usual liquidity management policy. The Issuer ensures that even if the proceeds is temporarily used, the investment will abide by the exclusion criteria in the SFF.</p> <p>From the Framework</p> <p><i>Any proceeds temporarily unallocated will be placed in short-term liquid money instruments such as cash and market securities according to the Issuer's usual liquidity management policy. For the avoidance of doubt, investment of unallocated proceeds will also abide to the Exclusion Criteria in the SFF.</i></p>

GBP-4 Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings								
4a	Periodical Reporting	<p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, the issuer will consider each project at least once a year for projects to which the transition bond proceeds have been allocated, taking into account the following: A list of each project should be provided.</p> <ul style="list-style-type: none"> Confidentiality and competitive considerations Outline of each project, expected sustainable environmental and social effects 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> The Issuer's Transition Bond Framework <p>Interview with the Issuer</p>	<p>The Issuer will report on the allocation and impact of proceeds raised under this Framework on an annual basis until full allocation.</p> <p>Allocation Reporting</p> <ul style="list-style-type: none"> The amount and percentage of proceeds allocated to each Eligible Transition Asset Category Where possible, a list of eligible transition assets financed and descriptions, asset locations, amount allocated, etc. Share of financing vs refinancing Selected examples of eligible transition assets financed Amount of unallocated proceeds <p>Impact Reporting</p> <table border="1"> <thead> <tr> <th>Projects</th> <th>Potential Impact / Output Indicator(s)</th> </tr> </thead> <tbody> <tr> <td>Manufacture of organic chemicals</td> <td> <ul style="list-style-type: none"> (expected) annual GHG emissions reduced/avoided (metric tonnes of CO2 equivalent) carbon/energy intensity of the HVC or aromatics produced </td> </tr> <tr> <td>Waste heat recovery for manufacture of organic chemicals</td> <td> <ul style="list-style-type: none"> (expected) annual GHG emissions reduced/avoided (metric tonnes of CO2 equivalent) tonnes of steam produced from waste heat recovery </td> </tr> <tr> <td>Point-source capture of</td> <td> <ul style="list-style-type: none"> (expected) annual CO2 emissions captured from the CO2 capture facility </td> </tr> </tbody> </table>	Projects	Potential Impact / Output Indicator(s)	Manufacture of organic chemicals	<ul style="list-style-type: none"> (expected) annual GHG emissions reduced/avoided (metric tonnes of CO2 equivalent) carbon/energy intensity of the HVC or aromatics produced 	Waste heat recovery for manufacture of organic chemicals	<ul style="list-style-type: none"> (expected) annual GHG emissions reduced/avoided (metric tonnes of CO2 equivalent) tonnes of steam produced from waste heat recovery 	Point-source capture of	<ul style="list-style-type: none"> (expected) annual CO2 emissions captured from the CO2 capture facility
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Point-source capture of	<ul style="list-style-type: none"> (expected) annual CO2 emissions captured from the CO2 capture facility 											

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings	
				carbon dioxide	<ul style="list-style-type: none"> • (expected) annual CO2 emissions avoided

Schedule-4 Basic Guidelines on Climate Transition Finance Eligibility Assessment Protocol

The following checklists (from CTFBG-1 through CTFBG-4) are based on the four “disclosure elements” set forth in the “Basic Guidelines on Climate Transition Finance (CTFBG)” established by the Financial Services Agency, Ministry of Economy, Trade and Industry, and Ministry of the Environment in May 2021.

According to the CTFBG, “disclosure elements” are classified into the following three categories: “should”: ☉; “strongly recommended” & “recommended”: ○; and “be considered/possible”: △. These expressions are defined as follows.

- “should” : Items described with the word “should” are basic elements that financial instruments labelled as transition finance are expected to have.
- “strongly recommended” : Items described with the word “strongly recommended” are elements that financial instruments labelled as transition finance are optimally strongly recommended to have under these Guidelines although instruments which do not have these items can also be labelled as “transition”.
- “recommended” : Items described with the word “recommended” are elements that financial instruments labelled as transition finance are optimally recommended to have under these Guidelines although instruments which do not have these items can also be labelled as “transition”.
- “be considered” or “possible” : Items described with the word “be considered” or “possible” are elements that these Guidelines provide as examples and interpretations although it is not considered problematic even if financial instruments labelled as transition finance do not have them.

CTFBG-1 Fundraiser’s Climate Transition Strategy and Governance

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
☉	1-a)	<ul style="list-style-type: none"> • Financing through transition finance should aim to implement or incentivize the achievement of transition strategies.¹³ 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Review of: <ul style="list-style-type: none"> • Issuer’s Transition Bond Framework • Issuer’s ESG Factbook 2024 / ESG Special Book 2024 	DNV has confirmed that the Issuer’s financing with the transition bond is aimed at achieving carbon neutrality in 2050 in accordance with its climate transition strategy. The Issuer’s Transition Strategy:

¹³ Transition finance is available for not only entities with strategies and plans for reducing emissions associated with their corporate economic activities, but also entities that plan to take initiatives that enable others to implement transition strategies through their own products and services. In such cases of financial institutions, a financier should articulate how the underlying projects or activities themselves fit into the fundraiser’s strategy while, similarly, a subsidiary or an SPC to make use of its group’s or its sponsors’ strategy. However, doing so they should explain how their strategy will contribute to the strategy as a whole. In addition, it can be considered that parent company or the group who established the strategy would explain the transition elements as the main fundraiser.

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		<ul style="list-style-type: none"> Such strategies should incorporate a long-term target to align with the goals of the Paris Agreement, relevant interim targets on the trajectory towards the long-term goal, disclosure on the levers towards decarbonization, and fundraiser’s strategic planning. Transition strategies should incorporate long-term and medium- to short-term targets based on science based disclosure of decarbonisation measures, and strategic plans that are consistent with the Paris Agreement’s goal of ‘Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts 		<ul style="list-style-type: none"> Issuer’s Climate Finance Report 2022 The Group’s Sustainability Report 2024 The Group’s Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) The Group’s internal GHG reduction trajectory (the Issuer’s trajectory included) SBTi Dashboard: https://files.sciencebasedtargets.org/production/files/Target-language-and-summary_Shinhan-FHG.docx.pdf <p>Interview with the Issuer</p>	<p>Shinhan Financial Group (the “Group”) has been implementing strategies and targets at the group level to achieve the 1.5°C goal of the Paris Agreement.</p> <ul style="list-style-type: none"> The Group has established a Net Zero 2050 strategy “Zero Carbon Drive” in 2020, aiming to achieve carbon neutrality in line with Paris Agreement. To this end, the Group has set the near-term targets for Scope 1, 2, and 3 carbon reduction targets, reviewed and endorsed by Science Based Targets initiatives (“SBTi”). The Group also established a roadmap to achieve zero internal carbon emissions by 2044, and net-zero by 2050. Shinhan Bank (the “Issuer”), as an important subsidiary of the Group, follows the Group’s overall direction. The Issuer utilises green and transition finance as a crucial means for achieving its GHG reduction target. When implementing green and transition finance, the Issuer considers four elements, “Activity”, “Eligibility”, “Exclusion”, and “DNSH”. This approach supports the transition of high-carbon industries to a low-carbon economy while seeking to minimize negative environmental and social impacts. The Issuer is also targeting to convert 100% of the electricity to renewable energy by 2040, achieving internal emissions Net Zero by 2044 and financed emissions Net Zero by 2050. The Group intends to increase amount of green and transition finance from

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings															
		to limit the temperature increase to 1.5°C above pre-industrial levels.'			<p>18.7 (KRW trillion) in 2024 to 30.0 (KRW trillion) in 2030, which accounts for 60% compared to 2024.</p> <ul style="list-style-type: none"> The Issuer's interim and long-term targets are as follows: <p style="text-align: right;">unit: thousand tons of CO2e</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020 (baseline)</th> <th>2030</th> <th>2040</th> <th>2050</th> </tr> </thead> <tbody> <tr> <td>Scope 1 + 2</td> <td>72.3</td> <td>41.89</td> <td>11.56</td> <td>0</td> </tr> <tr> <td>Scope 3 (Financed Emissions)</td> <td>36,560</td> <td>25,319</td> <td>15,787</td> <td>0</td> </tr> </tbody> </table>	Year	2020 (baseline)	2030	2040	2050	Scope 1 + 2	72.3	41.89	11.56	0	Scope 3 (Financed Emissions)	36,560	25,319	15,787	0
Year	2020 (baseline)	2030	2040	2050																
Scope 1 + 2	72.3	41.89	11.56	0																
Scope 3 (Financed Emissions)	36,560	25,319	15,787	0																
© (Δ)	1-b)	<ul style="list-style-type: none"> A transition strategy should serve to explicitly communicate the implementation of an issuer's strategy to transform the business model in a way which effectively addresses climate-related risks and contributes to achieving the goals of the Paris Agreement¹⁰. Transformation of a business model is not limited to initiatives as an extension of existing businesses but can also be 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	<p>DNV has confirmed that the transition bond is intended to fund a wide range of eligible businesses (projects) that contribute to implementing Issuer's the Transition Strategy as set out in the Framework.</p> <p>Specifically, all nominated eligible projects that meet the eligibility criteria in Schedule 1 are assessed to be conducive for implementing the Issuer's climate transition strategy. The proceeds from the transition bond will be allocated to one or more of the nominated eligible projects selected through an appropriate process.</p> <p>Through the assessment, DNV concludes that the eligibility criteria and the nominated eligible projects that meet the criteria defined for each eligibility criterion bring positive environmental benefits.</p>															

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		<p>transformation based on various other perspectives. It includes fuel conversion that achieves significant carbon and GHG reduction benefits, introduction of innovative technologies, improvement of / changes in manufacturing processes and products, and development and provision of products and services in new fields.</p>			
©	1-c)	<p>The implementation of a transition strategy assumes cases where it affects society and environment other than climate change, such as employment or stable provision of products and services, through transformation of a business model. In such cases, the fundraiser should take into consideration widely the impact of business innovations to society and</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	<p>The Issuer utilises green and transition finance as a crucial tool for achieving the Issuer’s GHG reduction goal. When implementing green and transition finance, the Issuer considers four elements, “Activity”, “Eligibility”, “Exclusion”, and “ Do No Significant Harm (DNSH)”. This approach supports the transition of high-carbon industries to a low-carbon economy while the elements of “Exclusion” and “DNSH” seek to minimize negative environmental and social impacts.</p> <ul style="list-style-type: none"> • The Equator Principles that the Issuer joined for the first time in Korea ensures the Issuer to mitigate environmental and social risks in large-scale project finance.

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		environment other than climate change (including "Just Transition").			<ul style="list-style-type: none"> The Issuer adopted a "Coal Phase-Out Finance" policy in 2021, committing to cease project financing and bond underwriting for new coal-fired power plants globally.
⊙ (Δ)	1-d)	Climate change-related scenarios ¹⁴ should be referenced in developing transition strategies. The pathway to transition should be planned for respective sector and regions of individual fundraiser, who may generally be placed in a different starting point and pathway to transition.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	The Issuer has set the near-term target of scope 1 and 2 (1.5°C ambition), and Scope 3 (no temperature classification), which are reviewed and endorsed by the SBTi, eventually aiming for reaching Net Zero by 2050 in line with Paris Agreement.
○	1-e)	Transition strategies and plans run for a long period of time, it is possible that the content may be modified or adjusted in the event of a major change in the assumed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	DNV has confirmed that the Issuer has established a structure and mechanism to promote and implement the climate transition strategy. DNV has also confirmed that the above plans and strategies, which form the basis for the implementation of the climate transition strategy, will be updated annually or through periodic follow-ups and revisions.

¹⁴ Climate-related scenarios are listed in the "Task Force on Climate-related Financial Disclosures (TCFD) Technical Supplement" and the document issued by the Ministry of the Environment: "Practical Guide for Scenario Analysis in line with TCFD Recommendations". In addition, Principles for Responsible Investment (PRI) disclose a set of climate scenario tools.

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		external environment and so on.			
△	1-f)	In the initial phase of developing a transition strategy by the fundraiser, it is considered as an option for the fundraiser to indicate a plan for future implementation of items described with the words "recommended" and "be considered/possible" in these Guidelines.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	DNV has confirmed that the Issuer's climate transition strategy has also been implemented, or is planned to be implemented in the future, for the "recommended" and "be considered/possible" items in these Basic Guidelines.
△	1-g)	In order to secure the effectiveness of the transition strategy, the fundraiser should establish an governance ¹⁵ including accountability at the managements and board of directors levels. for the board of directors and/or other such committee to oversee the activities addressing climate	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	DNV has confirmed that as an implementation body of green and transition finance, ESG committee is in the highest governance body supported by secretary department composed of ESG Division and ESG-related departments. DNV views that this will contribute to secure the effectiveness of the Issuer's transition strategy.

¹⁵ Assumes matters provided for under "governance" in the TCFD Recommendations, and IFRS S2 climate related disclosure (Draft) can be referenced

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		change and for management to play a role in assessing and managing such climate-related activities.			
⊙	1-h)	While a transition strategy shall be basically developed by a company in need of finance, it is possible for entities to utilize the strategy of companies that are wholly or partially responsible for the initiatives to establish or explain their own strategy, given that the finance supports GHG emissions reduction initiatives of not just a single company but its supply chain.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	<p>DNV has confirmed that the Issuer has defined the targets and activities in relation to transition strategy, which can be achieved and implemented by active green and transition finance management system.</p> <p>While the Issuer has formulated near-term GHG reduction targets in alignment with the trajectory of the SBTi and 2050 Net Zero goal in alignment with the Paris Agreement, the Issuer's green and transition finance is expected to play vital role to reach the targets.</p>
△	1-i)	Transition strategies should be disclosed in advance in a company's integrated report, sustainability report, statutory documents and other materials for investors (including such disclosures on	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	<p>DNV has confirmed that the Issuer's transition strategy and governance has been publicly disclosed and explained to stakeholders, including investors, in advance through its Sustainability Report and the Framework.</p>

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		the website). This also applies to the other three elements.			
©	1-j)	It is possible to disclose transition strategies and elements concerning the governance guaranteeing that the execution of transition strategies is in alignment with the reporting frameworks such as the IFRS S2 and SSBJ sustainability disclosure theme standard and Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD; Final Report) ¹⁶ .	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	<p>The Group publishes Special Report which includes the Issuer's transition strategy by aligning contents of the report with TCFD and TNFD (in alignment with IFRS 2 and TCFD).</p> <p>The detailed transition strategy was covered in 1-a).</p>
△	1-k)	If the implementation of a transition strategy assumes impacts on society and environment other than climate change, it is	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	<p>The transition bond carried out in accordance with the Issuer's Transition Strategy contributes directly or indirectly to the SDGs and contributes to Just Transition. The direct or indirect contributions to the SDGs are categorized by eligibility criteria.</p>

¹⁶ As for the approach to disclosure aligned with TCFD Recommendations, refer to "Guidance on Climate-related Financial Disclosures (TCFD Guidance) 3.0 (2022)", "Guidance for Utilizing Climate-related Information to Promote Green Investment (Green Investment Guidance)" (both published by the TCFD Consortium), and the document published by the Ministry of the Environment: "Practical Guide for Scenario Analysis in line with TCFD Recommendations". Reference should be made to IFRS S2 and the SSBJ Climate-related Disclosure Standards (draft). 34 In terms of response, it is possible to identify, mitigate and manage the risk of negative impacts.

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings												
		recommended that the fundraiser explain the view underlying its approach, etc. to address such impacts and disclose how the strategy on the whole contributes to achieving the Sustainable Development Goals (SDGs) so that the effects can be appropriately evaluated by the financier.			<table border="1"> <thead> <tr> <th>No.</th> <th>Eligibility criteria</th> <th>SDGs</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Manufacture of organic basic chemicals</td> <td>9, 13</td> </tr> <tr> <td>2</td> <td>Waste heat recovery for manufacture of organic chemicals</td> <td>12, 13</td> </tr> <tr> <td>3</td> <td>Point-source capture of carbon dioxide</td> <td>12, 13</td> </tr> </tbody> </table>	No.	Eligibility criteria	SDGs	1	Manufacture of organic basic chemicals	9, 13	2	Waste heat recovery for manufacture of organic chemicals	12, 13	3	Point-source capture of carbon dioxide	12, 13
No.	Eligibility criteria	SDGs															
1	Manufacture of organic basic chemicals	9, 13															
2	Waste heat recovery for manufacture of organic chemicals	12, 13															
3	Point-source capture of carbon dioxide	12, 13															
○	1-I)	It is recommended that transition strategies specify the main measures for reducing GHG emissions, including detailed capital expenditure (CapEx) plans and related technical elements (i.e., planned expenditure amounts, carbon costs to be considered when implementing the capital expenditure plan, impact on business operations, regulatory considerations, etc.).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	The Issuer's transition strategies are covered in 1-a) by presenting near-term and long-term targets of Scope 1, 2, and 3, along with its investment plan.												

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
◎	1-m)	Considering the length of application and other factors, there may be instances when a transition strategy and plan will need to be modified due to major changes in the external environment and relevant conditions that were assumed at a planning phase. In this case, the contents of the modification should be disclosed together with the underlying reason in a timely manner.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	<p>DNV has confirmed that the Issuer intends to update the transition strategy and plans as necessary, either annually or through periodic follow-ups and revisions.</p> <p>In the event of major changes, which form the basis for the strategy implementation, the transition strategy and the initiatives for its realization are planned to be reviewed. The content and reasons for the changes are expected to be disclosed in the sustainability report.</p>
○	1-n)	In terms of governance, it is recommended that disclosures include an organizational structure for overseeing the implementation of a transition strategy and for assessing and managing related initiatives. It is also recommended that disclosures include the specific roles of the constituent organizations and the management and the process by which the content	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	Same as 1-g)

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		of deliberations is reflected in management.			
○	1-o)	It is recommended that transition strategies links to mid-term management plans and other management strategies and business plans, taking into consideration how investments in carbon-neutral technologies, low-carbon products and services, and business model reforms will lead to business profits and improve medium-to long-term returns.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	DNV has confirmed that Issuer explained through the Framework that its efforts toward green and transition finance management system could lead to financial returns for the Issuer under the Issuer's mid-term and long-term management plan. It also confirmed that the transition strategy can contribute to the achievement of global carbon neutrality by tweaking the Issuer's large amount of investment to environment-friendly or transitional activities.
○	1-p)	In cases where the fundraiser determines the need for an objective assessment regarding the transition strategy, it is recommended that a review, assurance and verification by an external organization for its transition strategy.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	The Issuer's near-term GHG reduction targets were endorsed by the SBTi and the related measurement of GHG emissions are verified by the third party on an annual basis.

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
△	1-q)	<p>It is recognized useful to obtain a review particularly concerning the following in connection with the transition strategy:</p> <ul style="list-style-type: none"> • Alignment of short-term, mid- term and long-term targets (for targets, refer to Element 3) with the overall scenario • Credibility of the fundraiser’s strategy to reach the targets • With regard to scenarios, it is recommended to refer not only to international scenarios but also to more detailed scenarios specific to regions and industries. From this perspective, sector-specific technology roadmaps can be referenced in Japan. For example, in Asia, pathways such as ERIA's e-carbonisation Pathway 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-a)	<p>DNV has confirmed the following with regard to its review of the Issuer’s transition strategy:</p> <ul style="list-style-type: none"> • The Issuer’s transition strategy includes mid- and long-term goals in terms of GHG reduction (Scope1, 2, and 3) in line with internationally accepted GHG reduction approach such as SBTi or the overarching goal of Paris Agreement, which limits the global average temperature increase to well below 2 degrees above pre-industrial levels, while pursuing efforts to limit the increase to 1.5°C. • DNV confirmed that the implementation strategy, most importantly by increasing the amount of green and transition finance, is credible, which is expected to support achievement of the Issuer’s GHG reduction targets. • The transition strategy is planned to be appropriately implemented through the organizational structure described in 1-g) and the management processes described in 1-f), 1-m), and 1-n).

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		<p>in ASEAN¹⁷ and ASEAN TRANSITION FINANCE GUIDANCE VERSION 2¹⁸ - 4.2.2. Transition Pathway are currently available for reference, but it is expected that industry-specific and country-specific scenarios will be further refined in the future.</p> <ul style="list-style-type: none"> • The level and type of independent governance and oversight of the climate transition strategy of the funder (e.g., governance and oversight by external directors or a special committee of the board of directors with appropriate expertise, or governance and oversight through procedures to obtain shareholder 			

¹⁷ ASIA Zero Emission Center (ERIA)

¹⁸ [ASEAN Transition Finance Guidance Version2] (ACMF2024)

Ref	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		approval of the funder's climate transition strategy).			

CTFBG-2 Business Model Environmental Materiality

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
©	2-a)	Initiatives for achieving the transition strategy should be such that contribute to transforming core business activities that are environmentally material parts today and in the future. ¹⁹	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Review of: <ul style="list-style-type: none"> • Issuer's Transition Bond Framework • Issuer's ESG Factbook 2024 / ESG Special Book 2024 • Issuer's Climate Finance Report 2022 • The Group's Sustainability Report 2024 • The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) 	<p>As of year-end 2024, the Group achieved cumulative green and transition finance of KRW 18.7 trillion. In order to implement its Net Zero strategy, the Group will increase the amount of green and transition finance to KRW 30 trillion by 2030, which accounts for 60% increase compared to 2024.</p> <p>The Issuer's current portion is KRW 4.6 trillion as of the end of 2024, accounting for about 25% out of the Group's total amount (KRW 18.7 trillion). The Issuer will increase the amount of green and transition finance by 2030 under the Group's overall target (KRW 30 trillion).</p>

¹⁹ They include activities that are environmentally material parts are considered to be business activities of the issuer that identifies climate change as part of its materiality.

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> The Group's internal GHG reduction trajectory (the Issuer's trajectory included) SBTi Dashboard: https://files.sciencebasedtargets.org/production/files/Target-language-and-summary_Shinhan-FHG.docx.pdf <p>Interview with the Issuer</p>	DNV views that the Issuer's transition bond which will focus on investing high carbon-intensive projects (such as manufacture of organic basic chemicals) will bring about substantial reduction of financed emission by selecting the projects under the certain emission threshold in accordance with the Framework.
○	2-b)	When identifying business activities that are environmentally material parts, it is recommended that the fundraiser consider multiple climate change-related scenarios that may possibly impact its judgment on the identification. ²⁰	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-a)	<p>The Issuer's Transition Strategy is based on achieving net zero for Scope 1, 2, and 3 by 2050 in alignment with the Paris Agreement.</p> <p>Regarding future scenarios, the Issuer uses the climate scenario developed by the Network for Greening the Financial System (NGFS), Representative Concentration Pathway (RCP) scenario, and the Shared Socioeconomic Pathway (SSP) scenario depending upon various environmental change assumptions.</p>
△	2-c)	In terms of considering materiality, it is possible to apply existing guidance provided by an organization that creates standard criteria	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-a)	In the Group's latest Double Materiality Assessment for its annual sustainability reporting, 23 issues related to ESG management activities were identified.

²⁰ Scenario analysis using multiple climate-related scenarios is similar to that required by the TCFD Recommendations, and it is considered useful to refer to relevant guidelines and such like for implementation methods. An example is the document issued by the Ministry of the Environment: "Practical Guide for Scenario Analysis in line with TCFD Recommendations".

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		concerning sustainability reporting. ²¹			<p>“Response to Climate Change” was selected as one of the top 10 material issues.</p> <p>The Group aims to continue to strengthen its commitments in responding to climate change effectively through establishing the Issuer Transition Financing Framework. The Issuer as one of the most important subsidiaries of the Group, has followed the guideline of the Group by centering its efforts to expand green and transition finance at considerable level in response for climate change.</p>
◎	2-d)	The fundraiser should indicate that climate change is an environmentally material part of business activities. ²²	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-a)	Same as 2-c)
○	2-e)	It is recommended that disclosures include the contents of climate change-related scenarios used in identifying business activities that are environmentally material parts along with the underlying reasons (e.g., regional and industrial	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-a)	<p>The Issuer’s transition strategy is based on achieving net zero for Scope 1, 2, and 3 by 2050 in alignment with the Paris Agreement.</p> <p>To this end, the Issuer has set the near-term targets for Scope 1, 2, and 3, which are reviewed and endorsed by the SBTi, specifically aiming to align corporate emissions reduction targets with the goals of the Paris Agreement.</p>

²¹ “The SASB Materiality Map” issued by the Sustainability Accounting Standards Board serves as a guidance concerning materiality.

²² As for the approach to identifying environmentally material business activities, it is possible to use the materiality map and such like and outline the level of materiality of climate change for one’s entity.

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		characteristics) for selecting such scenarios.			
△	2-f)	<p>Explanations regarding the materiality ;</p> <ul style="list-style-type: none"> - It is also possible that transition strategies can be disclosed in the form of a materiality matrix for fundraisers, or they can be included in fundraisers' annual reports. - It is also possible to explain the importance of climate-related projects that meet certain criteria and the importance of KPIs related to fundraisers' overall emissions. - Scope 3 emissions should also be disclosed according to their importance. However, since Scope 3 emissions are basically emissions from outside the company, it is possible to estimate them on a provisional 'best effort' basis using information that is readily available at that point in time without incurring excessive costs or effort. When disclosing Scope 3 emissions, it is important to understand that there are 15 categories and to focus on the categories most relevant to investors. Additionally, it is strongly recommended to disclose information on boundaries, calculation methods, and other related details. Furthermore, if Scope 3 emissions are expected to be significant but have not yet been quantified or measured, the timeline for disclosure should be disclosed in a manner consistent with discussions at the ISSB. Guidelines for calculation include the 'Basic Guidelines for Calculating Greenhouse Gas Emissions Through the Supply 		<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Same as 2-a)</p>	<p>By the Group's latest Double Materiality Assessment, 23 material issues were identified, while "Response to Climate Change" was selected as one of the most material issue among them. Against this backdrop, DNV confirms that the Issuer's climate transition strategy for reaching Net Zero by 2050 are relevant to the environmental material part of the Issuer's business model.</p> <p>In particular, taking into consideration importance of financed emissions in the sector of financial institutions, it is positive that the Issuers manages the financed emissions by setting specific targets in alignment with SBTi in the field of commercial real estate, power generation, iron/steel, cement, aluminum, paper/pulp, and transportation (both passenger and freight), along with having temperature rating target.</p>

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		Chain' (Ministry of Economy, Trade and Industry and Ministry of the Environment).			

CTFBG-3 Climate Transition Strategy to be Science-based including Targets and Pathways

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings															
©	3-a)	The fundraiser should reference science-based targets in developing its transition strategies.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable		<p>The Issuer's Transition Strategy is based on achieving net zero for Scope 1, 2, and 3 by 2050 in alignment with the Paris Agreement.</p> <p>In addition, the near-term targets for Scope 1, 2, and 3 are reviewed and endorsed by SBTi, specifically aiming to align corporate emissions reduction targets with the goals of the Paris Agreement.</p>															
©	3-b)	The target should include mid-term targets (short- to mid-term targets) in addition to long-term targets for 2050 and be quantitatively measurable based on a measurement methodology which is consistent over a long period of time.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	<p>The Issuer's transition strategy and targets are set on a scientific basis with near-term CO2 reduction target of 2030 compared to the baseline year 2020 in alignment with the SBTi. The Issuer has also disclosed its medium and long-term GHG emission reduction targets, eventually reaching Net Zero by 2050 in alignment with the Paris Agreement.</p> <p style="text-align: right;">unit: thousand tons of CO2e</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2020 (baseline)</th> <th>2030</th> <th>2040</th> <th>2050</th> </tr> </thead> <tbody> <tr> <td>Scope 1 + 2</td> <td>72.3</td> <td>41.89</td> <td>11.56</td> <td>0</td> </tr> <tr> <td>Scope 3 (Financed Emissions)</td> <td>36,560</td> <td>25,319</td> <td>15,787</td> <td>0</td> </tr> </tbody> </table>	Year	2020 (baseline)	2030	2040	2050	Scope 1 + 2	72.3	41.89	11.56	0	Scope 3 (Financed Emissions)	36,560	25,319	15,787	0
Year	2020 (baseline)	2030	2040	2050																
Scope 1 + 2	72.3	41.89	11.56	0																
Scope 3 (Financed Emissions)	36,560	25,319	15,787	0																

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
⊙ (○)	3-c)	In addition, it is recommended that GHG reduction targets, which could be formulated either in intensity and absolute terms, should consider environmental materiality and cover Scopes 1 through 3 of GHG Protocol, the international standard on supply-chain emissions. It is strongly recommended that targets covering Scope 3 be set using a practical calculation method when it could be subject to significant reduction in the fundraiser's business model.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	GHG emissions (Scope1, 2, & 3) <ul style="list-style-type: none"> • All scopes, namely Scope 1, 2, and 3, are covered in the Issuer's climate transition strategy. • Scope 1 & 2: measured in absolute terms • Scope 3: measured in absolute terms as well as intensity in terms of financed emissions with relevant sectors Taking into consideration of the Issuer's business sector (financial sector), significant reduction of financed emissions (Scope 3) is the most relevant factor for contributing to Net Zero by 2050. It is positive that the Issuer has the near-term target of Scope 3, which is reviewed and endorsed by the SBTi.
△	3-d)	From the perspective of promoting the GX value of products and making visible their contribution to reducing emissions across society as a whole, it is possible to show the avoided emission amount, reduction performance/achievement amount, or both of these targets in addition to the above Scope 1 to 3 targets, as necessary.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	Same as 3-c) (No target disclosure of Avoided emission or Emission result/performance)
⊙	3-e)	Science-based targets are GHG reduction targets required for achieving the goals of the Paris	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Same as 3-a)	The Issuer's near-term GHG reduction targets (Scope 1, 2, and 3) are made in accordance with the SBTi.

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
(Δ)		<p>Agreement and should be set while taking into account differences in regional characteristics and industries. In so doing, it is possible to refer to the following trajectories.²³</p> <ul style="list-style-type: none"> - Scenarios widely recognized in the international community²⁴ - Objectives verified under the Science Based Targets Initiative (SBTi) and such like - Nationally Determined Contributions (NDC) of countries aligned with the goals of the Paris Agreement, roadmaps by industry sector²⁵, industries set out plans that are science-based 	<input type="checkbox"/> Not Applicable		Long-term targets also aim for reaching Net Zero by 2050 in line with the Paris Agreement.

²³ ICMA published a Methodologies Register in 2022, which lists tools that are particularly useful for fundraiser to verify their own emission reduction trajectories for their reference. Additionally, Appendix 2 of the ICMA Climate Transition Finance Handbook includes a list of examples of various public and market-based guidelines related to GSS bonds focused on climate transition (including Japan's sector-specific technology roadmaps).

²⁴ There are scenarios defined by the IEA that are consistent with the Paris Agreement, as well as the 2°C scenario (RCP2.6) and 1.5°C scenario (RCP1.9) referenced by the IPCC, and benchmarks related to the Transition Pathway Initiative (TPI). In addition, the TCFD Technical Supplement and 'Recommendations for Developing Management Strategies Using the TCFD: A Practical Guide to Scenario Analysis Incorporating Climate-Related Risks and Opportunities, 2022 Edition' (Ministry of the Environment, 2023) list scenarios.

²⁵ As for sector-specific roadmaps developed by public institutions, the Ministry of Economy, Trade and Industry has developed and published sector-specific technology roadmaps for eight sectors: steel, chemicals, electricity, gas, petroleum, paper and pulp, cement, and automotive". Additionally, the Ministry of Land, Infrastructure, Transport and Tourism has published roadmaps and timelines for decarbonisation promotion in the shipping and aviation sectors.

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		<p>achieving the Paris Agreement²⁶ and so on.</p> <p>Furthermore, in cases where there is no scientifically based trajectory established by a third party, it may be possible to consider comparisons with competitors, the use of internal methods, and past performance.</p>			
©	3-f)	<p>Short- to mid-term targets (with a term of three to fifteen years) should be set by referencing the aforesaid trajectories or on the pathway toward the long-term targets planned as benchmarks.²⁷</p> <p>- Regarding scenarios, it is recommended to refer not only to international scenarios but also to more detailed scenarios specific to regions and industries.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	same as 3-b)
△	3-g)	(regarding to 3-f)), since short- to mid-term targets will likely be set	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Same as 3-a)	The Issuer has set 2020 as the base year (starting point). The mid-term goals for FY2030 and FY2040 for

²⁶ When utilising plans established by industries, etc., it is necessary to ensure reliability by explaining their alignment with the Paris Agreement based on scientific evidence.

²⁷ When setting short- to medium-term targets, it may be considered to determine the level by assuming the use of BAT (Best Available Technologies), but it is necessary to consider whether the use of such technologies would make it difficult to achieve long-term targets.

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		in consideration of various factors (including the starting point and track records of the issuer, timing of capital investments, economic rationality, cost-benefit analysis, and availability of technology necessary to achieve the targets), it is possible that the pathway may not necessarily be linear with the same slope at all times but may be nonlinear.	<input type="checkbox"/> Not Applicable		Scope 1 & 2 are linear interpolation as shown in 3-b), 4.2% linear annual reduction. The target for Scope 3 (financed emissions) are similar to linear interpolation, 3% linear annual reduction. However, the process along the way may be non-linear due to various factors (e.g., status of technology development, implementation status, economic rationale).
◎	3-h)	The fundraiser should disclose the short- to mid-term and long-term targets they have set, including the base years, past emission (including absolute emission in case of that carbon intensity is key indicator) etc.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	Same as 3-b)
○	3-i)	Where applicable, it is strongly recommended to disclose the use of carbon capture technologies, the status of use of high-quality and reliable carbon credits ²⁸ , and the contribution to the trajectory of greenhouse gas emission	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	In accordance with the Issuer's climate transition strategy, carbon capture technologies can be considered as important invested projects for promoting green and transition finance.

²⁸ The use of carbon credits for offsetting purposes to achieve greenhouse gas emission reduction strategies should be kept to a minimum and used solely for the purpose of suppressing residual emissions. When using carbon credits, funders should disclose the rationale and necessity for their use, along with internal policies and related governance regarding the procurement of carbon credits. Documents summarising the use of carbon credits include the 'Carbon Offset Guidelines (Ministry of the Environment),' the Voluntary Carbon Market Initiative (VCMI), and the International Council for Voluntary Carbon Markets (ICVCM).

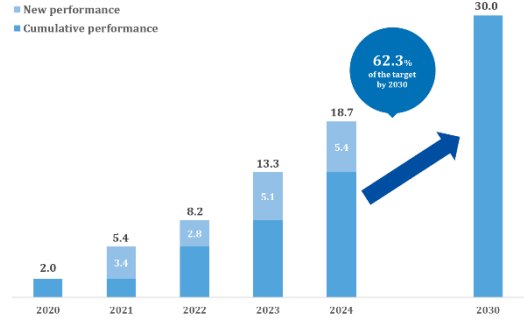
Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		reductions using above technology and scheme.			
⊙	3-j)	In order to show that long-term targets are science-based, disclosures should explain the methodology or trajectory used to define target, including the underlying reasons (e.g., characteristics specific to a region or industry). In particular, when reference is made to plans and industry roadmaps established by an industry, etc., the explanation should include that they are grounded in scientific basis.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	<p>Long-term targets for scope 1 & 2 were not endorsed by the SBTi, but the targets are in alignment with the SBTi trajectory by setting the reduced emission to 4.2% on an annual basis.</p> <p>Long-term target for scope 3 (financed emissions) is set to reach zero by 2050 in alignment with the Paris Agreement by setting the reduced emission to 3% on an annual basis.</p>
△	3-k)	It is possible that disclosures explain the pathway toward a long-term target and the alignment between the short- to mid-term targets on the pathway and the transition strategy, based on the investment plan (refer to Element 4) and other plans.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	<p>The Group's 2050 Net Zero Roadmap clearly shows the pathway toward Net-Zero by 2050 including short- to mid-term targets, based on the Scope 3 reduction plan, on which the Issuer's investment will be focused.</p>

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
△	3-I)	<p>Concerning targets and trajectories, obtaining independent expert reviews on the following is considered to be particularly useful. It is also useful to obtain independent external review to past data point)</p> <ul style="list-style-type: none"> • Whether the long-term target is aligned with science-based targets <ul style="list-style-type: none"> - Whether the disclosed information explains the alignment with the Paris Agreement • Whether the short- to mid-term targets are determined using a GHG emissions forecast calculated based on a climate change scenario analysis <ul style="list-style-type: none"> - Whether scenarios, etc. widely recognized in the international community are used or referenced • Whether the actual values of the indicators used for the targets are quantitatively 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 3-a)	<p>Based on the documentation and information provided by the Issuer, DNV reviewed the following and has confirmed that the targets and trajectories are based on scientific evidence:</p> <ul style="list-style-type: none"> • Is the long-term goal based on scientific evidence? <ul style="list-style-type: none"> - The long-term goal of the Issuer is carbon neutrality in 2050. The long-term goal is consistent with the goals of the Paris Agreement and is considered to have a scientific basis. Residual amount of the financed emissions in 2050 will be deducted by using carbon credit, as guided by the SBTi and UNEP. • In setting short- and mid-term goals, has the greenhouse gas calculation been estimated based on an analysis of climate change scenario? <ul style="list-style-type: none"> - As for short-and mid-term goals, the Issuer has been endorsed by the SBTi. • Are performance values relating to the indicators utilized in the goals quantitatively measured by consistent measurement methods? <ul style="list-style-type: none"> - Performance values, namely emissions of Scope1, 2, and 3 are audited by the third party auditor in accordance with GHG protocol, IPCC guidelines, and the Korean Government Emission Trade System.

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		<p>measured using consistent measurement methods</p> <ul style="list-style-type: none"> - Whether a specific GHG emissions reduction measure has been developed to achieve short- to mid- term targets aligned with long- term goals 			

CTFBG-4 Implementation Transparency

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
◎	4-a)	In implementing transition strategies, the fundraiser should provide transparency of the basic investment plan to the extent practicable.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable		Through its various reports, the Issuer transparently discloses the plan of green and transition finance and communicates how this financing mechanism will contribute to implementing its climate transition strategy.
○	4-b)	The investment plan includes not only capital expenditure (Capex) but also capital and operational expenditure (Opex) (ICP Internal Carbon Pricing). Therefore, costs related to research and development (R&D), M&A, and dismantling and removal of facilities are	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	In order to implement its Net Zero strategy, the Group will increase the amount of green and transition financing to KRW 30 trillion by 2030, which accounts for 60% increase compared to 2024.

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		<p>also subject to the investment plan. In other words, it is recommended that the investment plan incorporate, to the extent possible, expenditure and investment necessary for implementing the transition strategy.</p>			 <p>The Issuer's current portion is KRW 4.6 trillion as of the end of 2024, accounting for about 25% out of the Group's total amount (KRW 18.7 trillion). The Issuer will increase the amount of green and transition finance by 2030 under the Group's overall target (KRW 30 trillion).</p>
△	4-c)	<p>It is recommended that the investment plan outline the assumed climate-related outcomes and impacts in a quantitative fashion where possible, along with the calculation methods and prerequisites.²⁹ If</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	<p>Expanding the green and transition finance to KRW 30 trillion by 2030 will be conducive to achieving the Issuer's carbon emission reduction targets, especially financed emissions targets. Outcome and impacts can be viewed as the reduced emission of GHG emissions, which are measurable quantitatively. The Issuer is also</p>

²⁹ The Ministry of the Environment, in its "Concept Paper on Impact Finance", refers to impact as "a positive or negative change to the environment, society or economy caused by an organization and is not a direct deliverable or output but an outcome as a change brought about in terms of the environment, society or economy."

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		quantification is difficult, the use of external certification systems can be considered as a substitute for qualitative assessment.			committed to receive the audit from third party auditors regarding GHG emissions (Scope 1,2, and 3) measurement.
◎	4-d)	When outlining the assumed climate-related outcomes and impacts, issuer should disclose include not only GHG emission reduction and other initiatives to ease climate change but also disclose how consideration of a "just transition" is incorporated into the transition strategy.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	<p>The Issuer utilises green and transition finance as a crucial tool for achieving the Issuer's GHG reduction goal. When implementing green and transition finance, the Issuer considers four elements, "Activity", "Eligibility", "Exclusion", and " Do No Significant Harm (DNSH)". This approach supports the transition of high-carbon industries to a low-carbon economy while the elements of "Exclusion" and "DNSH" seek to minimize negative environmental and social impacts.</p> <ul style="list-style-type: none"> • In addition, the Equator Principles that the Issuer joined for the first time in Korea ensures the Issuer to mitigate environmental and social risks in large-scale project finance. • Furthermore, the Issuer adopted a "Coal Phase-Out Finance" policy in 2021, committing to cease project financing and bond underwriting for new coal-fired power plants globally.
○	4-e)	If implementing the transition strategy has the potential of having a negative impact on employment or the environment and communities other than climate change, it is recommended that any expenditures to mitigate such negative impacts be added to the plan.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
◎	4-f)	Moreover 4-e), the outcomes arising from investments included in the investment plan should align with the targets.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	DNV has confirmed that the expanding the green and transition finance is crucial components of the Issuer's Net Zero Roadmap and it will contribute to achievement of GHG reduction targets including financed emissions.
○ (△)	4-g)	Transition finance is a means to financially support the implementation of a transition strategy, and it is recommended that financing be provided for new initiatives. However, in the case of transition finance in the format of Use of Proceeds instruments, refinancing for a reasonably set lookback period (the period during which refinancing is to be applied for projects that have already started) is considered to be eligible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	The Issuer's transition bond is basically planned to be allocated to finance new initiatives. However, it may also be allocated as refinancing. The Framework states that the Issuer may include eligible transition assets that are financed up to 36 months prior to the issuance date of any transition bonds issued under the Framework.
○	4-h)	It is recommended that investment plans be disclosed by linking the outcomes and impacts with the expenditures to the extent practicable. ³⁰	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	Through the assessment, DNV has confirmed that the green and transition finance amount along with its outcome in reducing GHG (Scope 1, 2, and 3) will be disclosed in the Issuer's Sustainability Report.

³⁰ When demonstrating results and impact, it may be useful to refer to the "Guidance Document on Harmonised Framework for Impact Reporting (ICMA, 2024)". Additionally, impact could also be demonstrated by

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
○	4-i)	It is recommended that the fundraiser, after securing financing, reports any deviations between the initial plan and the actual expenditure, outcomes and impacts. For any deviations, it is recommended that the underlying reasons be explained.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	DNV has confirmed that if there are material differences in the originally planned outcomes or impacts of the projects for which the transition bond has been disbursed, the Issuer will explain the circumstances and reasons for such differences through the sustainability report etc.
△	4-j)	Annual disclosure of each CapEx and OpEx plan (including assumptions regarding related carbon costs) and other financial metrics related to climate transition strategies is possible to disclose in fundraisers' annual reports, sustainability reports, climate-related strategies, legal documents, funding frameworks, or funding allocation and impact reports.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	The Issuer plans to disclose information related to its climate transition strategy through the disclosure of annual reports (fund allocation and impact reports) on transition bonds, reviews and revises of the Framework or various policies.

showing the contribution to CO₂ reduction across the entire lifecycle, including the global value chain and consumption stage. For avoided emission, reference could also be made to the 'Basic Guidelines for Disclosure and Evaluation of Climate-Related Opportunities' (GX League GX Management Promotion WG, 2023) and the 'Guidance on Avoided Emissions' (WBCSD, 2023). Furthermore, regarding research and development outcomes, it may be possible to refer to the IEA's Measuring Innovation by Technology Readiness Level (TRL) and its relevance to net zero, and to demonstrate progress in the research and development phase or the CO₂ reduction potential of the target technology in terms of its importance to net zero.

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
©	4-k)	In cases where the Use of Proceeds bonds include refinancing, the fundraiser should provide an explanation on the lookback period set under the framework or other relevant methods along with the underlying reasons and factors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	The Framework stipulates that if the proceeds of the transition bond are allocated as refinancing, the Issuer may include eligible transition assets that are financed up to 36 months prior to the issuance date of any transition bonds issued under the Framework.
© (Δ)	4-l)	<p>It is possible but not easy to obtain limited assurance or verification to how CapEx and OpEx plans contribute to the climate transition strategy of fundraisers. In case that such assurance or verification are not provided, fundraisers should demonstrate some predictive analyses of how CapEx and OpEx plans are expected to contribute to greenhouse gas emission reduction strategies.</p> <p>In doing so, the following elements may be reviewed (from independent party).</p> <ul style="list-style-type: none"> • Share or ratio of expenditures on initiatives contributing to the 	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 4-a)	<p>DNV has confirmed that the expanding the green and transition finance is crucial components of the Issuer's Net Zero Roadmap and it will contribute to achievement of GHG reduction targets including financed emissions.</p> <p>The Issuer is also committed to having assurance from the third party auditor regarding measurement of GHG emissions (Scope 1,2, and 3) in alignment with the GHG Protocol, IPCC Guidelines, and K-ETS.</p> <p>The amount of green and transition finance and its outcome will be published in the Sustainability Report, which is also expected to be reviewed and assessed by the third party.</p>

Ref.	No.	Disclosure Elements	Requirement Check	Work Undertaken	DNV Findings
		<p>transition strategy relative to total expenditures.</p> <ul style="list-style-type: none"> • The absolute amount of expenditures on initiatives contributing to the transition strategy. • The greenhouse gas emission reduction outcomes or impacts or expected to be achieved through the increase in expenditures for initiatives contributing to the transition strategy, and, if information is available, the outcomes or impacts or expected to be achieved through the reduction of environmentally negative or significantly harmful expenditures 			

Schedule-5 Green Bond Guidelines (Transition Bonds with Specific Use of Proceeds) Eligibility Assessment Protocol

The following checklists (GBGL-1-1 through GBGL-2-1) are prepared based on the Green Bond Guidelines (GBGL), Ministry of Environment (MOE), 2024.

According to the GBGL, "Requirements"/"Evaluation Items" are classified into the following two categories: "Should: ☉"; and "Recommended: ○."

The documents listed in the "Work Undertaken" column are those confirmed as evidence, whose details are shown in the List of Reference Materials (Appendix-1). The evidence used in the evaluation work includes confirmed documents as well as information obtained through discussions and interviews with the fundraiser.

In Schedule-5, the requirements are applied to transition bonds with use of proceeds based on CTFH/CTFBG. Therefore, the terms "green (bond, project)" in the "Requirements/Evaluation Items" column in Schedule-5 should be read as "transition (bond, project)."

GBGL-1-1 Use of Proceeds

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
☉	1-1 principle (1)#1	The cornerstone of a Green Bond is the utilisation of the proceeds of the bond for eligible Green Projects, which should be appropriately described in the legal documentation of the security	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Review of: <ul style="list-style-type: none"> • Issuer's Transition Bond Framework • Issuer's ESG Factbook 2024 / ESG Special Book 2024 • Issuer's Climate Finance Report 2022 • The Group's Sustainability Report 2024 • The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) • The Group's internal GHG reduction 	DNV has confirmed through the Framework and the assessment that all proceeds raised by the Issuer from the transition bond will be allocated to eligible projects selected through the process of project evaluation and selection of eligibility criteria and eligible projects set out in the Framework. DNV has also confirmed that the environmental benefits of the use of proceeds will be assessed by the Issuer. The use of proceeds will be disclosed in the annual reporting.

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
				trajectory (the Issuer's trajectory included) Interview with the Issuer	
⊙	1-1 principle (1)#2	All designated eligible Green Projects should provide clear environmental benefits, which will be assessed and, where feasible, quantified by the issuer.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-1 principle (1)	DNV has confirmed that the environmental benefits of the eligible projects as the use of proceeds are quantified by the Issuer to the extent practicable. The potential impact indicators are presented in the Framework.
○	1-1 principle (2)	In the event that all or a proportion of the proceeds are or may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced, and, to the extent relevant, the expected look-back period for refinanced eligible Green Projects.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-1 principle	At this stage, an estimate of the share of financing and refinancing is not presented. However, the Issuer is committed to clarifying each portion in the post-issuance reporting. DNV has confirmed that, in the event that refinancing is targeted, a reasonable look-back period (36 months) will be applied, under the condition that positive environment effect which has begun in the initial investment time will last during the redemption period.
○	1-1 guidance (5)	(refinancing to Use of Proceeds) In the case of corporate bonds, the Cabinet Office Order on Disclosure of Corporate Affairs requires	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-1 principle	Same as 1-1 principle (2)

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
		the disclosure of the information set out in this section. In the case of other types of bonds, it is also recommended that such information be disclosed in order to ensure transparency			
○	1-1 guidance (7)	When Green Bonds are issued multiple times to refinance an asset that requires long-term maintenance, the issuer should clearly disclose the asset's age, remaining useful life and the amount to be refinanced, as at the time of the bond issuance, evaluate the long-term sustainability of environmental benefits and obtain an assessment from an external reviewer as necessary.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-1 principle	DNV has confirmed that the Issuer has no current plans of allocation to refinancing to eligible projects that are long overdue (more than three fiscal years before issuance).

GBGL-1-2 Process for Project Evaluation and Selection

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
◎	1-2 principle (1)	The issuer of a Green Bond should clearly communicate to investors:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Review of: <ul style="list-style-type: none"> Issuer's Transition Bond Framework 	The environmental sustainability objectives of the eligible Green Projects:

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
		<ul style="list-style-type: none"> The environmental sustainability objectives of the eligible Green Projects; The process by which the issuer determines how the projects fit within the eligible Green Projects categories (examples are identified above); and Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s). 		<ul style="list-style-type: none"> Issuer's ESG Factbook 2024 / ESG Special Book 2024 Issuer's Climate Finance Report 2022 The Group's Sustainability Report 2024 The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) The Group's internal GHG reduction trajectory (the Issuer's trajectory included) <p>Interview with the Issuer</p>	<ul style="list-style-type: none"> DNV has confirmed that the Issuer intends to explain the environmental targets it intends to achieve through the transition bond through the Framework etc. <p>The process by which the issuer determines how the projects fit within the eligible Green Projects categories:</p> <ul style="list-style-type: none"> Firstly, potential eligible transition assets will be selected from the Treasury Department. Once selected, Transition Bond Working Group (TBWG) will review each of the eligible transition asset's carbon-lock in risks, in particular, to determine whether the asset is the best available technology and whether there are other low-carbon alternatives that are technologically and economically feasible, while considering the local context. <p>Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s);</p> <ul style="list-style-type: none"> When implementing green and transition finance, the Issuer considers four elements, "Activity", "Eligibility", "Exclusion", and "Do No Significant Harm (DNSH)". This approach supports the transition of high-carbon industries

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
					<p>to a low-carbon economy while the elements of "Exclusion" and "DNSH" seek to minimize negative environmental and social impacts.</p> <ul style="list-style-type: none"> • In addition, the Equator Principles that the Issuer joined for the first time in Korea ensures the Issuer to mitigate environmental and social risks in large-scale project finance. • Furthermore, the Issuer adopted a "Coal Phase-Out Finance" policy in 2021, committing to cease project financing and bond underwriting for new coal-fired power plants globally.
	<p>1-2 guidance (2)</p>	<p>When no individual Green Project to which Green Bond proceeds will be allocated is determined (e.g.,</p> <p>(i) in cases where a corporation or a local government issues a Green Bond to raise funds for Green Projects in the relevant business and project category, and</p> <p>(ii) in cases where financial institutions raise funds for investments and loans for a large number of Green Projects, etc.), issuers should establish</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>	<p>Same as 1-2 principle (1)</p>	<p>DNV has confirmed that the Issuer, in the evaluation and selection of the transition bond, will explain the assessment criteria set for each eligibility criterion, including standards such as CTFH/CTFBG, GBP/GBGL, etc., through the Framework etc.</p> <p>DNV has confirmed that the Issuer's criteria and processes are aligned with overarching goals, strategies and policies, based on the roadmap and relevant environmental plans and strategies. These can be understood through the Framework. DNV has also confirmed that the Issuer intends to explain them to investors through the Framework.</p>

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
		<p>criteria for determining the eligibility of Green Projects based on the environmental objectives, and provide investors with such information, in addition to the above information in the Green Bond Principles, in advance.</p>			
<p>©</p>	<p>1-2 guidance (3)#1</p>	<p>Depending on the process put in place for the allocation of proceeds, it is recommended that issuers either provide a list of projects to which green bond proceeds have been allocated, or report solely on a portfolio level. Communication with investors on the use of proceeds should specify the project category of the Green Projects, such as the construction of facilities for a wind power generation project or lending to projects related to biomass power generation, so that investors and other market participants are able to evaluate the appropriateness of the use of proceeds.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>	<p>Same as 1-2 principle (1)</p>	<p>DNV has confirmed that the Issuer intends to explain to investors through the Framework that the proceeds will be allocated to eligible projects stated in the Framework.</p> <p>In addition, the post issuance annual report will include the invested projects in accordance with the eligibility criteria of the Framework.</p>

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
○	1-2 guidance (3)#2	In cases where individual Green Projects have been determined, it is recommended that issuers clearly specify the relevant projects.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-2 principle (1)	The Framework already included potential projects which are expected to contribute to implementing transition strategy of the Issuer. In addition, the post issuance annual report will include the invested projects in accordance with the eligibility criteria of the Framework.
○	1-2 guidance (6)	It is recommended for issuers to also communicate to investors, in advance, any environmental standards or certifications that they will refer to in evaluating and selecting Green Projects.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-2 principle (1)	DNV has confirmed that the Issuer, in the evaluation and selection of the transition bond, will explain the assessment criteria set for each eligibility criterion, including standards such as CTFH/CTFBG, GBP/GBGL, etc., through the Framework.
○	1-2 guidance (8)	It is recommended that internal departments with environmental expertise, such as environment related departments, or external institutions are involved in the evaluation and selection process of Green Projects to ensure suitability from an environmental point of view.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-2 principle (1)	DNV has confirmed that the adequacy of the Issuer's process for project evaluation and selection is ensured by TBWG's final selection of the projects which include screening process by SDG Planning Office with environmental expertise.
◎	1-2 guidance (11)	In cases where Green Projects have associated negative environmental and/or social risks along with the intended	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-2 principle (1)	Same as 1-2 principle (1)

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
		environmental benefits, issuers should explain these negative impacts in addition to the assessment results and how the issuer will address them, in their communication with investors, so that investors and market participants can appropriately evaluate these impacts.			
○	1-2 guidance (15)#2	Issuers are also recommended to explain how the actual Green Project is aligned with the referenced environmental standards and certifications, when and if issuers refer to them.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-2 principle (1)	DNV has confirmed that the eligibility criteria set out in the Issuer’s Framework is intended to fulfil the following conditions: An asset is qualified as eligible if it fulfills the following conditions: <ul style="list-style-type: none"> • The asset is classified as “transition” under Shinhan Financial Group Green and Transition Finance Strategy; • The asset meets the criteria set out in the Eligibility Criteria of the Framework as seen in the Schedule 1.
○	1-2 guidance (15)#3	When utilizing external certification, it is recommended that issuers not only satisfy the certification requirements but also explain the environmental benefits to be achieved.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-2 principle (1)	The Issuer has no specific plans to utilize external certification at present except DNV’s Second Party Opinion on the Framework.

GBGL-1-3 Management of Proceeds

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
©	1-3 principle (1)#1	The net proceeds of the Green Bond, or an amount equal to these net proceeds, should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Review of: <ul style="list-style-type: none"> • Issuer’s Transition Bond Framework • Issuer’s ESG Factbook 2024 / ESG Special Book 2024 • Issuer’s Climate Finance Report 2022 • The Group’s Sustainability Report 2024 • The Group’s Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) • The Group’s internal GHG reduction trajectory (the Issuer’s trajectory included) Interview with the Issuer	<p>The Issuer has confirmed through the Framework that a dedicated ledger (the “Ledger”) will be established to record the allocation of proceeds. The Treasury Department will track the proceeds via a formal process to ensure the net proceeds from the transition bond(s), or an amount equal to the net proceeds will be allocated to eligible transition assets only.</p> <p>As for the post-issuance of any transition bond(s), the TBWG will meet at least annually to review the allocation of proceeds and ensure the eligibility of the allocated portfolio. In any case where an allocated eligible transition asset becomes ineligible under this Framework (e.g., no longer meet the Eligibility Criteria, asset divestment, encountering material environmental and social controversies during the tenor), the TBWG will reallocate the relevant equivalent amount of proceeds into other eligible transition assets on a timely basis.</p>
©	1-3 principle (1)#2	The net proceeds of the Green Bond should be attested to by the issuer in a formal internal process linked to the issuer’s lending and investment operations for eligible Green Projects	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-3 principle (1)#1	

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
○	1-3 guidance (2)	Issuers are recommended to appropriately keep evidence documents that demonstrate how the Green Bond proceeds have been tracked and managed.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-3 principle (1)#1	DNV confirmed that the internal management system of the proceeds (such as ERP system) is available throughout the redemption period and the ledger in the ERP will keep the appropriate information.
◎	1-3 guidance (3)	Issuers should provide to investors, in advance, on how Green Bond proceeds will be tracked and managed (using framework, etc described latter).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-3 principle (1)#1	Same as principle (1)#1 Outlines of the process for tracking and management of the proceeds is provided in the Framework.
◎	1-3 guidance (4)	It is recommended that the funds raised from a Green Bond should be applied to Green Projects as soon as possible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-3 principle (1)#1	The Issuer is committed to fully allocate the proceeds raised from the transition bond(s) within 24 months after any respective issuance.
◎	1-3 principle (2)#1	So long as the Green Bond is outstanding, the balance of the tracked net proceeds should be periodically adjusted to match allocations to eligible Green Projects made during that period.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-3 principle (1)#1	The Framework states that the Issuer will aim to achieve and maintain, on a best-effort basis, a level of allocation for the Eligible Portfolio that matches or exceeds the balance of net proceeds from its outstanding transition bond. The Treasury Department will monitor the allocation of net proceeds to Eligible Projects or Assets, which will be reviewed on an annual basis by TBWG.

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
⊙	1-3 principle (2)#2	The issuer should make known to investors the intended types of temporary placement for the balance of unallocated net proceeds	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-3 principle (1)#1	The Framework clearly states that unallocated proceeds will be placed in short-term liquid money instruments such as cash and market securities according to the Issuer's usual liquidity management policy.
○	1-3 principle (2)#4	GBP recommend that an issuer's management of proceeds be supplemented by the use of an external auditor, or other third party, to verify the internal tracking method and the allocation of funds from the Green Bond proceeds.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-3 principle (1)#1	An external auditor is planned to audit the Issuer's annual report, including the internal tracking method and the allocation of the proceeds.
○	1-3 guidance (6)	It is recommended that issuers manage unallocated Green Bond proceeds as an asset with high liquidity and safety such as cash, cash equivalents, or short-term financial assets.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-3 principle (1)#1	The Framework clearly states that unallocated proceeds will be placed in short-term liquid money instruments such as cash and market securities according to the Issuer's usual liquidity management policy.

GBGL-1-4 Reporting

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
⊙	1-4 principle (1)#1	Issuers should make, and keep, readily available up to date information on the use of	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Review of:	DNV has confirmed that the Issuer will disclose the allocation status of the proceeds with its environmental impact on

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
		proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments.		<ul style="list-style-type: none"> • Issuer’s Transition Bond Framework • Issuer’s ESG Factbook 2024 / ESG Special Book 2024 • Issuer’s Climate Finance Report 2022 • The Group’s Sustainability Report 2024 • The Group’s Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) • The Group’s internal GHG reduction trajectory (the Issuer’s trajectory included) <p>Interview with the Issuer</p>	an annual basis until the proceeds have been fully allocated.
©	1-4 principle (1)#2	The annual report should include a list of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-4 principle (1)#1	
○	1-4 principle (1)#3	Where confidentiality agreements, competitive considerations, or a large number of underlying projects	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-4 principle (1)#1	DNV has confirmed that the Issuer intends to disclose information on an individual green project or eligibility criteria basis, taking into account practical considerations and

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
		limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).			confidential obligations, while ensuring transparency as much as possible.
○	1-4 guidance (5)	In the case of corporate bonds, the Cabinet Office Order on Disclosure of Corporate Affairs requires the disclosure of the information set out in this section in addition to the intended types of temporary placement for the balance of unallocated net proceeds required by the GBP. In the case of other types of bonds, it is also recommended that such information be disclosed in order to ensure transparency	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-4 principle (1)#1	DNV has confirmed that the Framework summarizes information on the Issuer's past initiatives and strategies for comprehensive environment (in particular, mitigation of climate change).
○	1-4 principle (2)#1	Transparency is of particular value in communicating the expected and/or achieved impact of projects. The GBP recommends the use of qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-4 principle (1)#1	<p>DNV has confirmed that the Issuer will select appropriate indicators on key environmental benefits (direct and indirect GHG emission reduction effects as well as future expectations) for the disclosure of environmental benefits based on the characteristics of eligible businesses.</p> <p>DNV has confirmed that, for projects where quantification is practicable, quantitative environmental benefits will be estimated by the Issuer or operator and reported together</p>

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
					with calculation methods and assumptions, where necessary.
©	1-4 principle (2)#1	Issuers should refer to and adopt, where possible, the guidance and impact reporting templates provided in the "Harmonised Framework for Impact Reporting".	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-4 principle (1)#1	DNV has confirmed that the Issuer's impact indicators are set by referring to the Harmonised Framework for Impact Reporting.
○	1-4 guidance (10)	In disclosing the expected environmental benefits of projects, issuers are recommended, where feasible, to use quantitative indicators and disclose information on underlying methodologies and/or assumptions with the indicators.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 1-4 principle (1)#1	Same as 1-4 principle (2)#1 DNV has confirmed that, for projects where quantification is practicable, quantitative environmental benefits will be estimated by the Issuer or operator and reported together with calculation methods and assumptions, where necessary.

GBGL-2-1 Green Bond Framework

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
⊙	2-1 principle (1)#1	Issuers should explain the alignment of their Green Bond or Green Bond programme with the four core components of the GBP (i.e. Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting) in a Green Bond Framework or in their legal documentation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Review of: <ul style="list-style-type: none"> • Issuer's Transition Bond Framework • Issuer's ESG Factbook 2024 / ESG Special Book 2024 • Issuer's Climate Finance Report 2022 • The Group's Sustainability Report 2024 • The Group's Special Report 2024 (TCFD, TNFD, ESG Value Index, Diversity and Human Rights Report) • The Group's internal GHG reduction trajectory (the Issuer's trajectory included) • Interview with the Issuer 	DNV has confirmed that the Issuer has described in the Framework (i) the four common elements of CTFH/CTFBG, consisting of disclosure items related to the transition strategy etc. required for a transition bond, and (ii) the four core elements of green bonds, consisting of elements required to manage a transition bond with use of proceeds, and that conformity with the four elements will be disclosed.
⊙	2-1 principle (1)#2	Such Green Bond Framework and/or legal documentation should be available in a readily accessible format to investors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-1 principle (1)#1	DNV has confirmed that the Framework is planned to be uploaded on the Issuer's website and disclosed to the public, including investors.
○	2-1 principle (2)#1	It is recommended that issuers summarise in their Green Bond Framework relevant	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-1 principle (1)#1	DNV has confirmed that the Framework summarizes information on the Issuer's overarching sustainability initiatives and

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
		information within the context of the issuer's overarching sustainability strategy.			strategies in alignment with the Group's ones.
○	2-1 principle (2)#3	Issuers are encouraged to disclose any taxonomies, green standards or certifications referenced in project selection.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-1 principle (1)#1	The Issuer has set the eligibility criteria by making them fulfill the following conditions: <ul style="list-style-type: none"> • The asset is classified as "transition" under Shinhan Financial Group Green and Transition Finance Strategy; • The asset meets the criteria set out in the Eligibility Criteria of the Framework as seen in the Schedule 1.
○	2-1 guidance (4)	Issuers are recommended to explain how the actual Green Projects are aligned with the referenced environmental standards and certifications, when and if issuers have referred to them	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-1 principle (1)#1	DNV has confirmed that the eligibility criteria set out in the Issuer's Framework focus on investment in green or transition projects classified under the GBP by referring to various taxonomies mentioned in the Schedule 1 and also include activities that should be undertaken at present in order to achieve future carbon neutrality.
○	2-1 guidance (5)	When obtaining external certifications, issuers are recommended to explain the environmental benefits to be achieved with the certification,	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-1 principle (1)#1	The Issuer has no specific plans to obtain external certification at present except DNV's Second Party Opinion on the Framework.

Ref.	Section	Requirements/Evaluation Items	Requirement Check	Work Undertaken	DNV Findings
		rather than just meeting the certification requirements.			
○	2-1 principle (3)	When communicating Paris-aligned transition strategies in the context of projects targeting climate change mitigation, issuers are encouraged to use guidance from the Climate Transition Finance Handbook.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	Same as 2-1 principle (1)#1	The Issuer has formulated the Framework with the Climate Transition Finance Handbook applied and will execute and manage transition bonds based on it.