Shinhan Bank

Transition Bond Framework

October 2025

Table of Contents

1. Introduction 3
1.1. Shinhan Financial Group 3
1.1.1. Shinhan Financial Group Double Materiality Assessment 3
1.1.2. Shinhan Financial Group ESG Risk Exposure 4
1.1.3. Shinhan Financial Group-wide ESG Commitments and Targets 5
1.1.4. Shinhan Financial Group Green and Transition Finance Strategy 8
1.2. Shinhan Bank 9
1.2.1. Shinhan Bank ESG Commitments and Targets 9
1.2.2. Shinhan Bank ESG Governance 12
1.2.3. Shinhan Bank Green and Transition Finance Management System 13
2. Shinhan Bank Transition Bond Framework 15
2.1. Purpose and scope of the Transition Bond Framework 15
2.2. Use of Proceeds 17
2.3. Process for Project Evaluation and Selection 19
2.4. Management of Proceeds 20
2.5. Reporting 21
2.5.1 Allocation reporting 21
2.5.2 Impact Reporting 22
2.6. External Review 22
2.6.1 Second Party Opinion 22
2.6.2 Post-transaction External Review 22
3. Disclaimer 23

1. Introduction

Shinhan Bank ("Shinhan" or the "Bank") positions climate action as a key pillar of its business strategy and is taking a comprehensive approach to achieving carbon neutrality. In September 2020, Shinhan became the first commercial bank in Korea to join the Equator Principles, and has been transparently disclosing its implementation status by publishing annual reports since 2021.

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 through finance and obtained approval for its Scope 1 and 2 carbon reduction targets through Science Based Targets initiatives ("SBTi"), and established a roadmap to achieve zero internal carbon emissions by 2044, and net-zero by 2050.

The Group recognizes that reducing exposure such as loans and financial support to carbon-intensive industries is a method to reduce financed emissions but does not solve the fundamental issue of climate change. Instead, divested companies may still obtain financing from non-bank financial institutions that have relatively less strict carbon reduction regulations, and if banks are unable to continue their relationships with companies due to divestment, banks will no longer be able to advise companies on reducing their emissions. Hence, instead of ceasing financial support from carbon-intensive industries, the Group has been supporting transition finance with the establishment of its Transition Finance Policy in 2023.

With the release of the Shinhan Bank Transition Bond Framework, Shinhan aims to provide a complementary methodology to the existing Shinhan Bank SDG Financing Framework for identifying transition financing activities. The Framework will enhance the credibility of Shinhan's decision-making process when financing eligible transition assets that fall outside the scope of the existing SDG Financing Framework, supporting the transition of hard-to-abate, carbon-intensive industries, and achieving the Group's Net Zero ambition.

1.1. Shinhan Financial Group

1.1.1. Shinhan Financial Group Double Materiality Assessment

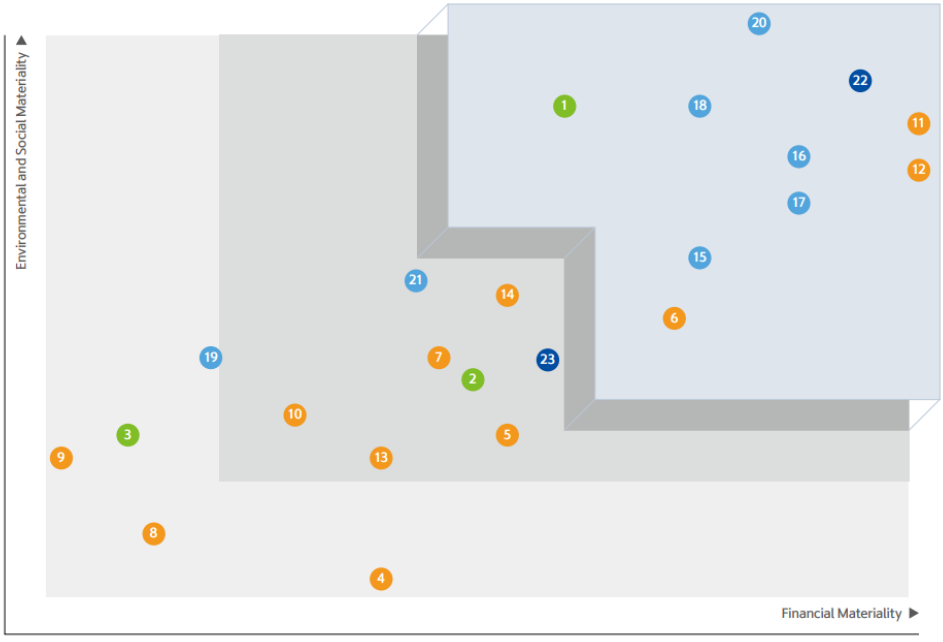
Shinhan Financial Group annually performs a Double Materiality Assessment to identify significant issues by evaluating both financial and impact materiality. This approach allows the Group to assess the financial risks and opportunities posed by external factors on the Group's revenue, costs, reputation, risk management, and regulatory compliance, as well as the Group's impacts on the environment and society. These identified issues are integrated into the Group's sustainability strategy, risk management processes, and executive KPIs, facilitating strategic execution and stakeholder engagement through the sustainability report. The assessment involves reviewing media articles, sustainability reports, external disclosures, board minutes,

evaluator requirements, investor inquiries, and materiality evaluations from peer companies, considering the priorities and demands of stakeholders to pinpoint crucial issues.

The Group reports these key impacts, risks, and opportunities to its Management and Board, selecting and detailing 10 core issues in its sustainability report, aligning these with strategic plans, activities, and outcomes.

In the Group's latest Double Materiality Assessment[1], 23 issued related to ESG management activities were identified. "Response to Climate Change" was selected as one of the top 10 significant issues (see Figure 1 – Shinhan Financial Group Materiality Matrix). The Group aims to continue strengthen its commitments in climate finance and response to climate change through establishing the Shinhan Bank Transition Bond Framework.

Figure 1. Shinhan Financial Group Materiality Matrix



No.	Issue Name
1	Response to Climate Change
2	Energy Management and Reduction Activities
3	Development and Expansion of Climate Finance
4	Human Rights Management
5	Employee Education and Training
6	Strengthening Employees' Diversity
7	Recruiting and Retaining Outstanding Talent
8	Employee Safety & health Management
9	Management of Partner Company
10	Local Community Participation and Support
11	Financial Consumer Protection
12	Improving Financial Accessibility
13	Improving Customer Experience
14	Developing Social Finance Products (Inclusive and Win-Win Finance
15	Establishing Information Security System
16	Customer Privacy
17	Compliance
18	Compliance with Business Ethics
19	Establishing Corporate Governance
20	Strengthening Risk Management
21	Strengthening ESG Governance
22	Digital Innovation
23	Transparent Disclosure of Information about Products

1.1.2. Shinhan Financial Group ESG Risk Exposure

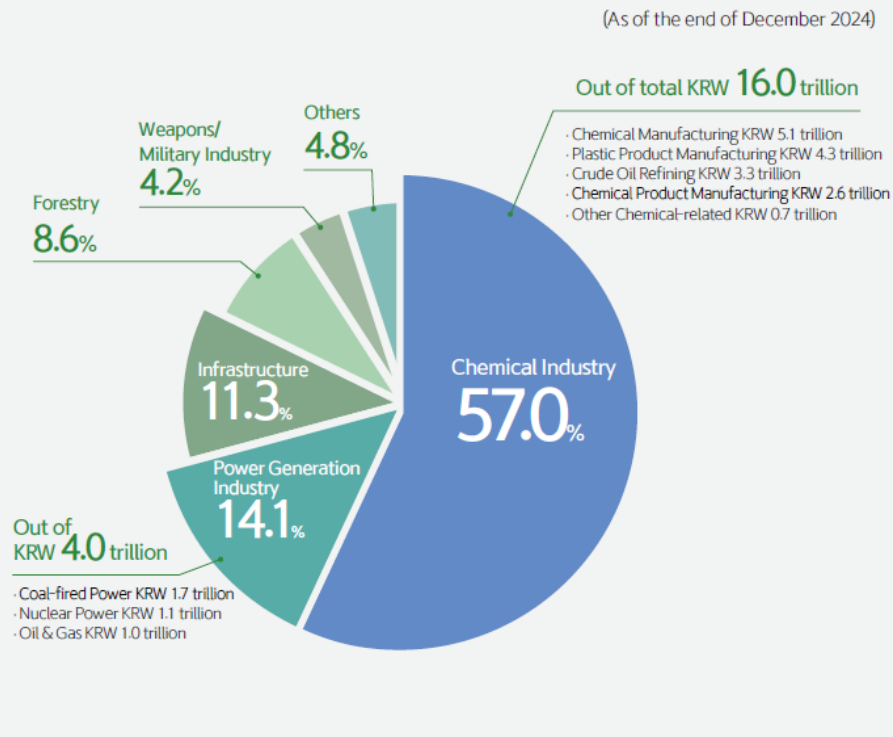
In 2018, the Group became the first Korean financial group to establish Group ESG Risk Management Code of Practice, identifying risk factors that could negatively impact environmental and social aspects, and integrating them into credit policies through an environmental and social risk management system. The management of environmental and social risks is divided into "Significant Area Management" and

[1] Shinhan Financial Group 2024 Sustainability Report, P.85

"Environmental and Social Risk Review". Under "Significant Area Management", the Group's exposure to the selected 12 key areas that may cause harmful or sensitive environmental and social impact will be monitored.

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, and following by the Power Generation Industry and the Infrastructure Industry (see Figure 2 – Shinhan Financial Group Exposure to Significant Area).

Figure 2. Shinhan Financial Group Exposure to Significant Area



1.1.3. Shinhan Financial Group-wide ESG Commitments and Targets

Shinhan Financial Group has been implementing strategies and targets at the group and the bank level to achieve the 1.5°C goal of the Paris Agreement.

When implementing green and transition finance, the Group considers four elements, "Activity", "Recognition", "Exclusion", and "Protection". 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 is also targeting to convert 100% of the electricity used by all group companies to renewable energy by 2040,

achieving internal emissions Net Zero by 2044, and financed emissions Net Zero by 2050 (see Figure 3 – Shinhan Financial Group 2050 Net Zero Roadmap).

In 2023, the Group has set a target of accumulating KRW 30 trillion in climate finance by 2030 as part of its "Zero Carbon Drive" strategy. As of the end of 2024, KRW 18.7 trillion has been accumulated, accounting for 62.3% of the 2030 climate finance target (see Figure 4 – Shinhan Financial Group's Performance on Climate Finance (KRW trillion)).

Moreover, starting from 2024, the Group expanded transition financing for high-carbon companies and provided interest rate incentives to encourage the transition to low-carbon technologies, and elaborate climate factors in credit and investment screening based on emissions data. And in 2025, the Group became the only Korean financial institution to participate in the "Asia Transition Finance Study Group", aiming to enhance strategies by incorporating global best practices.

From 2030 onward, the Group plans to strengthen engagement on the pace of transition and actively explore new climate related business. After 2035, the Group will begin to adjust its portfolio to high-carbon assets by comparing carbon intensity by industry and continue to enhance the Group's risk management system to achieve Net Zero by 2050.

Figure 3. Shinhan Financial Group 2050 Net Zero Roadmap

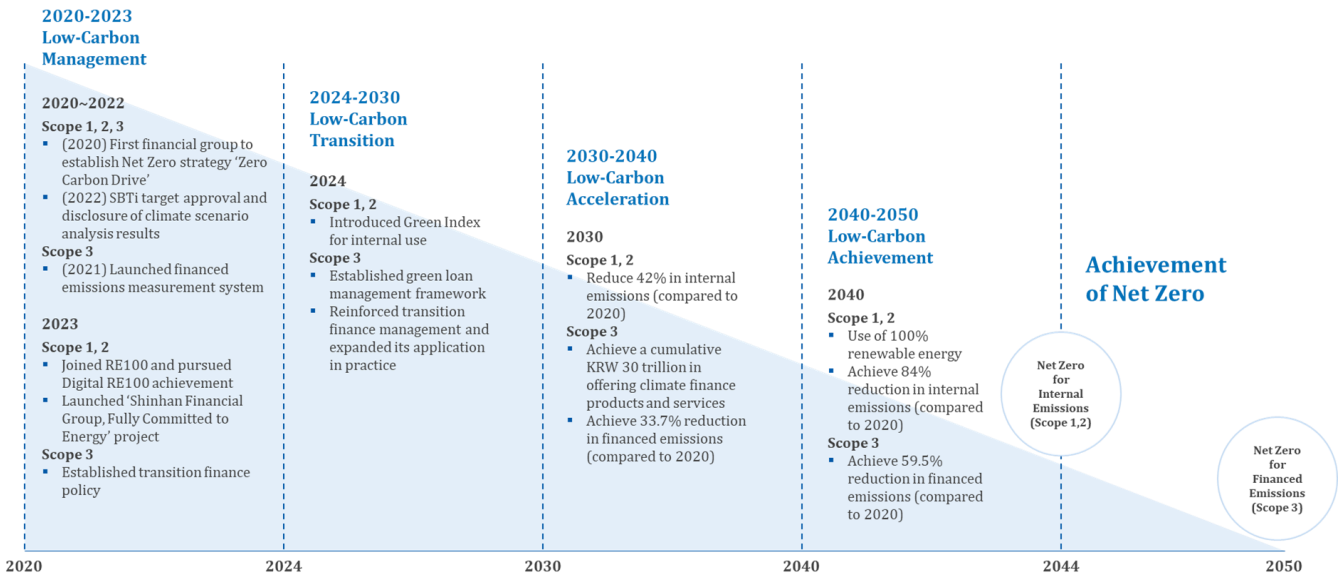


Figure 4. Shinhan Financial Group's Performance on Climate Finance (KRW trillion)

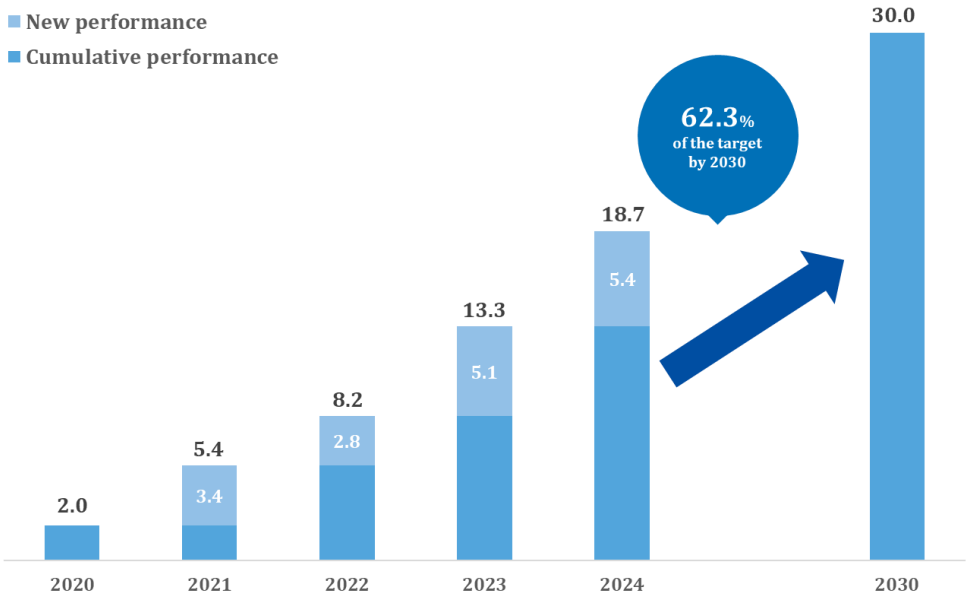
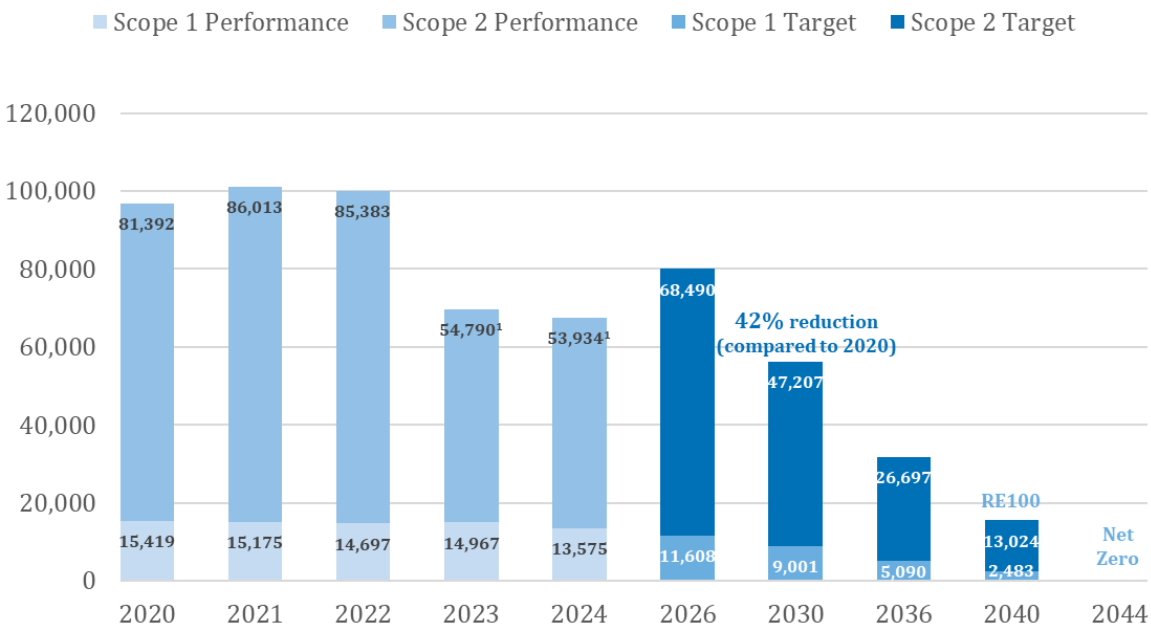
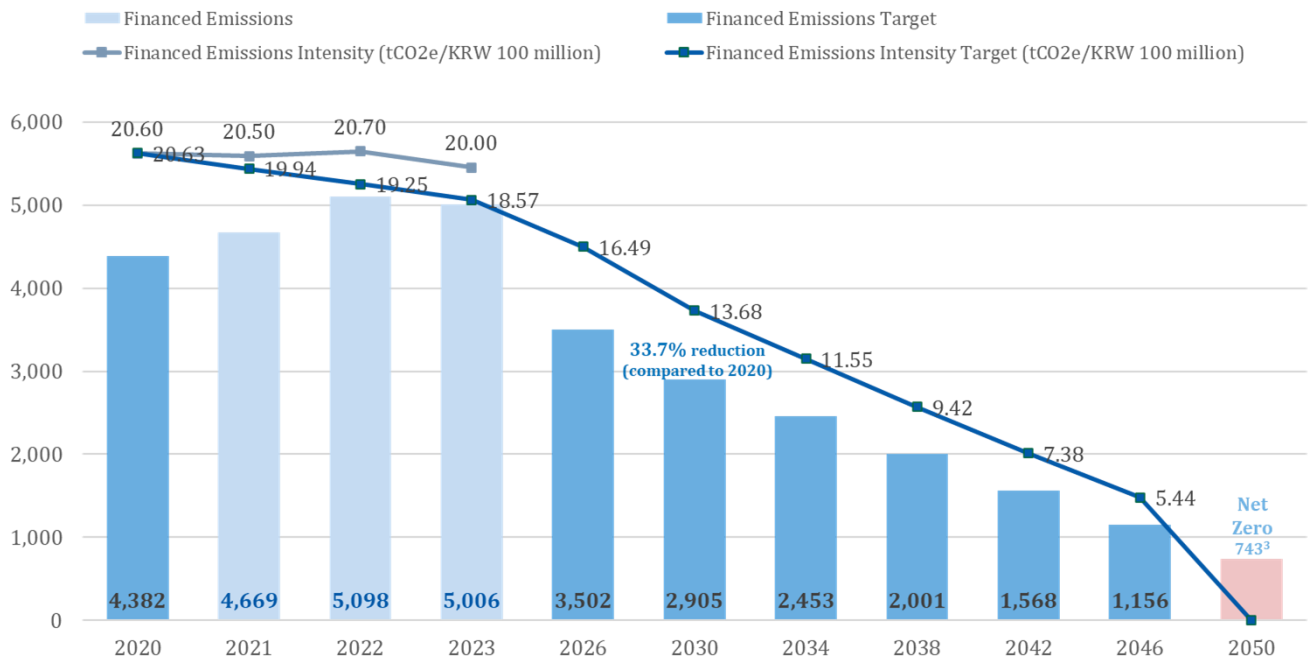


Figure 5. Shinhan Financial Group Scope 1,2 GHG Emissions[2] (tCO2e)



[2] Emission calculation guidelines applied: WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard; IPCC Guidelines 2006 (Location-based emissions include greenhouse gas emissions reported as Scope 2 under the domestic Cap-and-Trade system based on national power grid electricity usage);
The sum of Scope 1 and 2 emissions is calculated by adding emissions from each business site; each location's emissions are calculated by summing [Scope 1 emissions +Scope 2 emissions] and truncating decimals according to the 'Guidelines on Operation of Greenhouse Gas Target Management';
Market-based Scope 2 emissions reflect purchases of renewable electricity through RECs and green premiums.

Figure 6. Shinhan Financial Group Scope 3 Financed Emissions[3] (10,000tCO2e)



1.1.4. Shinhan Financial Group Green and Transition Finance Strategy

In 2025, the Group took a proactive leadership role in promoting transition finance alongside green finance, reflecting its commitment to decarbonization. Therefore, the Group designed a climate-aligned finance classification based on the Korean Green Taxonomy ("K-Taxonomy"), enabling effective classification and management of both green and transition finance. The classification process is as follows:

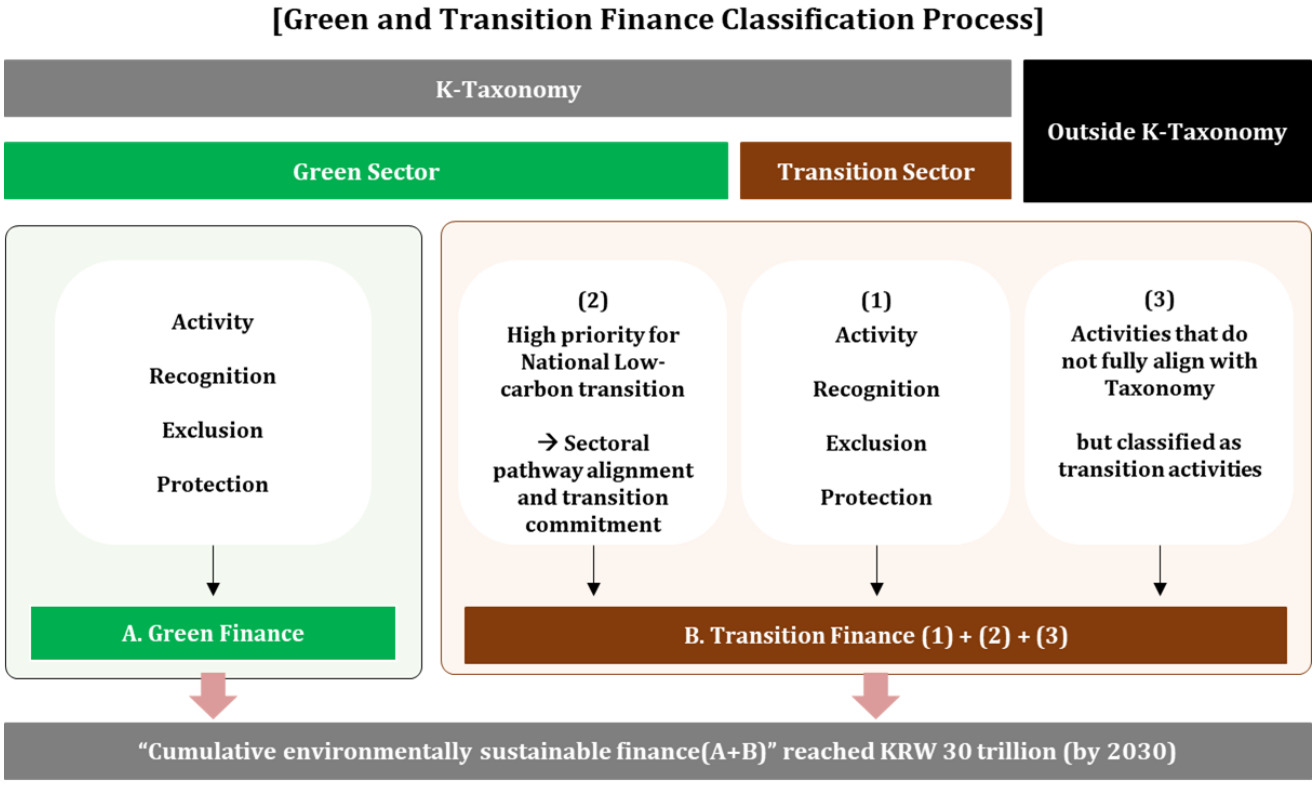
- An asset is classified as "green" if it meets the eligibility criteria of green activities in the K-Taxonomy and complies with the "Activity", "Recognition", "Exclusion", and "Protection" criteria.
- An asset is classified as "transition" if it meets one of the following conditions:
    - The asset meets the eligibility criteria of transition activities in the K-Taxonomy and complies with the TSC, DNSH, and MSS requirements; or
    - The asset meets the eligibility criteria for green activities in the K- Taxonomy, is subject to National GHG Management System (NGMS) mandatory disclosure[4] or in a high-carbon

[3] Emission calculation guidelines applied: WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard;
Shinhan Financial Group plans to offset the remaining 7.43 million tCO_2e after achieving its 2050 financed emissions reduction target through the use of carbon credits.
[4] Companies subject to NGMS mandatory disclosure are those subject to either Korea Emissions Trading System (K-ETS) or Target Management System (TMS), based on their latest three-year average annual emissions.

emission industry[5], and has a clear and demonstrable commitment in reducing greenhouse gas (GHG) emissions[6]; or

- For areas not explicitly covered by the K-Taxonomy, the asset may qualify as a transition through consultation between the holding company and its subsidiaries, if it demonstrates a credible commitment to reducing greenhouse gas (GHG) emissions

Figure 7. Shinhan Financial Group Green and Transition Finance Strategy



1.2. Shinhan Bank

1.2.1. Shinhan Bank ESG Commitments and Targets

Promoting the transition to a low-carbon economy through the expansion of climate finance is one of the key objectives under the Group's Carbon Neutrality Strategic Direction. To support the Group's Net Zero target by 2050, Shinhan has implemented a variety of activities, including declaring global RE100 to transit to 100%

[5] High-carbon emission industries include steel/non-ferrous metals, non-metallic minerals, petrochemicals and utilities industries, as defined under Shinhan Financial Group's Green and Transition Finance Strategy.
[6] This assessment is based on emissions reduction history within the last three years for companies subject to K-ETS, publication of emission reduction targets for companies subject to TMS, and disclosure of emission reduction targets and results for high-carbon emission industries.

renewable energy, expanding green finance, reducing GHG emissions with employee-led effort, improving resource conservation, and initiating green social contribution programs. In line with the 1.5℃ scenario of the Paris Agreement, Shinhan is promoting a science-based target of 4.2% annual reduction in its internal GHG emissions, and a reduction strategy of its financed emissions which are determined according to the Partnership for Carbon Accounting Financials ("PCAF") methodology.

As part of Shinhan's climate finance promotion strategy, Shinhan has been proactively utilizing funds sourced from green bonds to expand its offerings of green loan products. Starting from 2024, Shinhan has operated an "Green Taxonomy Corporate Loans Application System" to boost the supply of climate finance to domestic companies aligning with K-Taxonomy. New loans of KRW 100 million or more are reviewed for green loan recognition based on supporting data, and those that qualified are provided with various incentives such as preferential evaluation and preferential interest rates to encourage companies to implement green economic activities finance.

Moreover, Shinhan has also announced the "coal phase-out" policy and ceased project financing and bond underwriting related to coal-fired power plants globally. In addition, given heightened short-term climate risk exposed to the strengthening of the emissions trading schemes and the introduction of the EU Carbon Border Adjustment Mechanism ("CBAM"), Shinhan is separately monitoring the exposure of its portfolio to the high-carbon sectors including Steel/Non-ferrous Metals, Non-metallic Minerals, Petrochemicals and Utilities.

Figure 8. Shinhan Bank Internal GHG Emissions Reduction Targets – Scope 1,2[7]

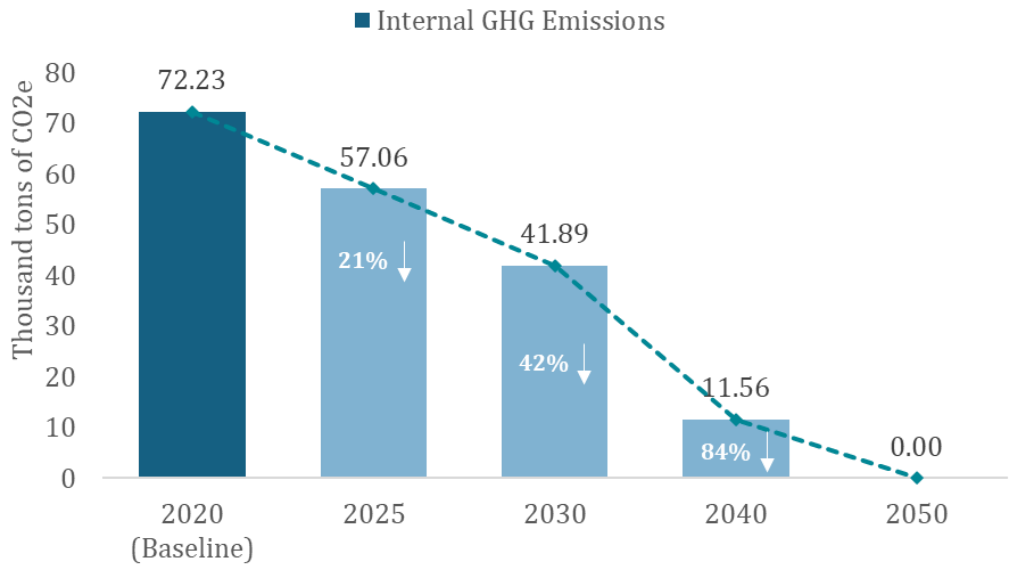


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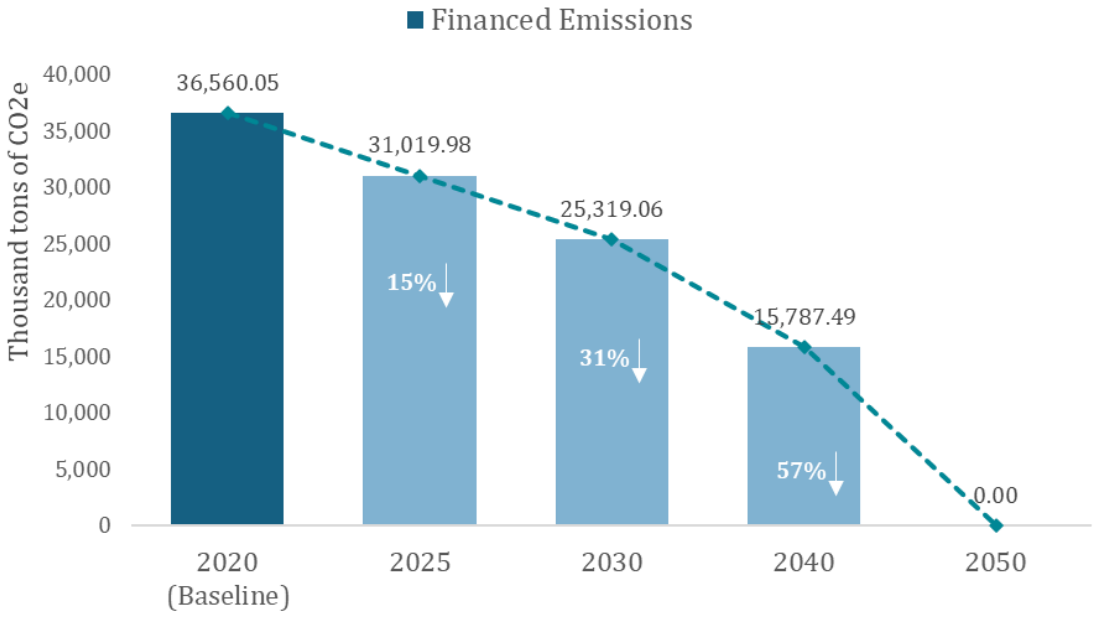
Figure 9. Shinhan Bank Financed Emissions Reduction Targets – Scope 3[8]



[7] Shinhan is pursuing an annual reduction rate of 4.2%, based on science-based tools recommended by the Science Based Targets initiative (SBTi). Targets are managed in accordance with the Guidelines for Reporting and Verification of Emissions under the Emissions Trading Scheme (Ministry of Environment Notification No. 2022-279). Reported emissions data have been verified by an independent third party at a limited assurance level to ensure credibility.

[8] Shinhan's financed emissions are measured using the PCAF methodology and set reduction targets based on the SBTi framework;
At the group level, Shinhan Financial Group systematically manages financed emissions by establishing reduction targets for each industry sector base on the SBTi's Sectoral Decarbonization Approach ("SDA").

1.2.2. Shinhan Bank ESG Governance

Shinhan integrated climate action into its sustainability (ESG) management framework, and has expanded its governance structure by establishing a dedicated ESG management function alongside its existing risk management organization. Shinhan's SDGs Planning Office and Risk Management Department are dedicated units responsible for climate and ESG-related governance, collaboratively managing the Bank's climate risk by developing relevant standards, frameworks, policies, and strategies. Based on these structure, Shinhan's individual business units will establish and incorporate tailored management plans into their operational strategies.

Shinhan also operates an ESG Operations Committee composed of department heads from ESG implementation units. The ESG Operations Committee meets regularly to review climate-related activities and strengthen the execution of ESG management across the Bank. In 2024, Shinhan enhanced the ESG Operations Committee to serve as a platform for discussing the financial, social, and environmental impacts across business units, as well as identifying opportunities for cross-functional collaboration.

Figure 10. Shinhan Bank ESG Agenda Development Process

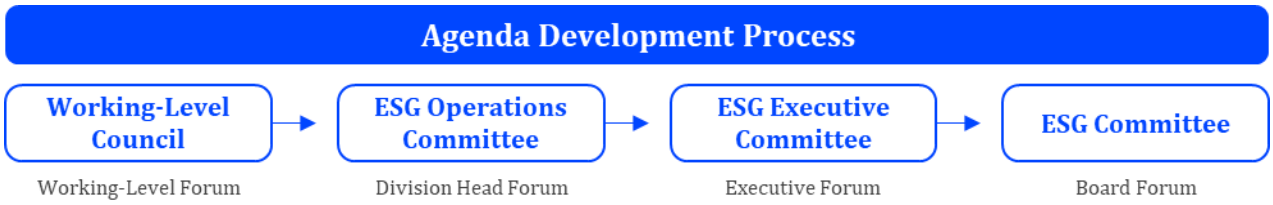


Figure 11. Shinhan Bank Climate Action Governance

1.2.3. Shinhan Bank Green and Transition Finance Management System

Shinhan 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. Shinhan 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, Shinhan has established strategies to manage financed emissions intensity and expand transition finance.

In July 2025, to ensure the execution capability of green and transition finance, Shinhan established a four-pronged strategy focused on: 1) System enforcement, 2) System building, 3) Internalization, and 4) Expert training for its green and transition finance management framework.

For the implementation of Green and Transition Finance System, Shinhan has aligned its green finance operations with the Green Loan Guidelines jointly issued by the Financial Services Commission (“FSC”), the MoE, and the Financial Supervisory Service (“FSS”), which came into effect on 1 July 2025. The implementation established criteria for classification and applicability assessment based on the K-Taxonomy,

and strengthened Shinhan's internal notification systems, supporting its ESG target alignment and the ongoing performance monitoring process.

For the System Construction for Green and Transition Finance, Shinhan has established a four-step cooperative framework involving Screening, Review, Post-management, and Disclosure to connect multiple internal stakeholders, aiming to support green and transition finance.

For the Internalization of Green and Transition Finance, Shinhan provided its front office with training on various topics, including policy trends, K-Taxonomy, marketing strategies and best practices, and the application to corporate green loans. Shinhan also operated a Green Loan Incentive Program, offering preferential KPI evaluation for new green loans, and pre-deal support for clients.

For the Training of Green and Transition Finance Experts, Shinhan has developed a three-stage training program for its internal experts. By the second half of 2025, Shinhan will provide a Supervisory Agency Training Program tailored to the latest guidelines and regulatory expectations from FSC, MoE and FSS. At the same time, Shinhan will also provide an ESG Basic Literacy (Green Literacy) training section to strengthen the understanding of ESG and relevant taxonomy. By the first half of 2026, Shinhan will offer an ESG Core Expert Program (Green Expertise), which includes a field-based workshops focusing on ESG evaluation, taxonomy application and SDG-linked financial products.

2. Shinhan Bank Transition Bond Framework

Transition finance plays a crucial role in alleviating carbon lock-in, efficiently distributing economic transition costs, and providing tailored support across carbon-intensive industries for the shift to lower-carbon technology. Furthermore, transition finance mitigates the weakening of industrial competitiveness and employment instability caused by abrupt environmental regulations, distributing transition costs gradually to promote economic stability. By setting decarbonization goals and providing tailored support that considers the characteristics and technological levels of each industry.

To us, transition finance is a means of providing necessary funding for transitional activities to help high-carbon industries shift to lower carbon levels while contributing to the Group's carbon neutrality and portfolio transition efforts.

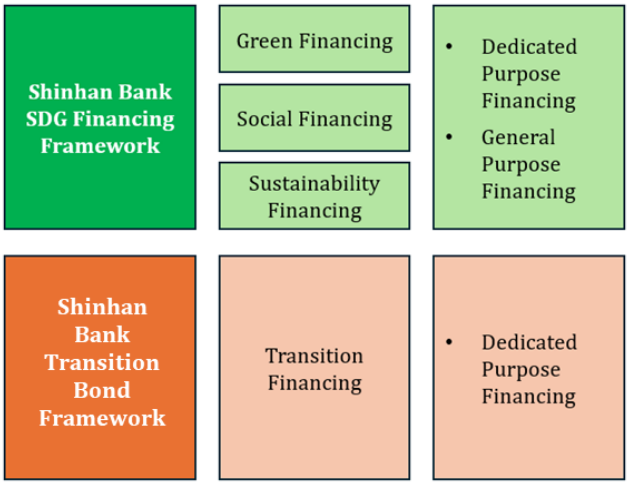
2.1. Purpose and scope of the Transition Bond Framework

The Shinhan Bank Transition Bond Framework (the "Framework") sets out a clear, transparent and credible approach for the Bank to issue transition bonds. It aligns with Shinhan Bank'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.

Transition financing under the Framework is aimed to enable the Bank's clients, especially in carbon-intensive and hard-to-abate sectors, to reduce greenhouse gas (GHG) emissions, manage climate-related risks, and align with credible transition pathways.

The Framework complements the Shinhan Bank Sustainable Development Goals Financing Framework (the "SFF"). While the SFF outlines the Bank'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 Bank's transition financing program, which may not necessarily be considered as Green/Social assets covered by the SFF.

Figure 12. Relationship between the Shinhan Bank Sustainable Development Goals Financing Framework and the Transition Bond Framework



The Framework is structured in alignment with the International Capital Markets Association's ("ICMA") Green Bond Principles (2025)[9] and will follow the following four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

In addition, the Framework is structured with alignment to the guidelines below:

- ICMA's Climate Transition Finance Handbook (2023)[10]
- Basic Guidelines on Climate Transition Finance (2025)[11] jointly published by Ministry of Economy, Trade and Industry ("METI"), Ministry of the Environment ("MOE") and the Financial Services Agency ("FSA")

Acknowledging that the global dialogue around transition finance remains in progress, the Bank is committed to closely monitor material developments and may update the Framework from time to time to ensure it aligns with evolving market standards.

[9] International Capital Markets Association's ("ICMA") Green Bond Principles (2025), https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf
[10] International Capital Markets Association's ("ICMA") Climate Transition Finance Handbook (2023), https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Climate-Transition-Finance-Handbook-CTFH-June-2023-220623v2.pdf
[11] Basic Guidelines on Climate Transition Finance (2025) jointly published by Ministry of Economy, Trade and Industry (METI), Ministry of the Environment (MOE) and the Financial Services Agency (FSA) (Japanese version only), https://www.meti.go.jp/policy/energy_environment/global_warming/transition/basic_guidelines_on_climate_transition_finance_jpn_2025.pdf

2.2. Use of Proceeds

An amount equivalent to the net proceeds of the transition bonds will be used exclusively to finance and/or refinance eligible transition assets that meet the Eligibility Criteria.

In the case of refinancing, the Bank 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 proceeds raised from transition bonds issued under the Framework will be primarily allocated to loans to sectors that are high priority for national low-carbon transition, and specifically chemical-related activities. Shinhan Bank plans to broaden the scope of this Framework to other carbon-intensive and hard-to-abate sectors in future versions.

Eligible transition assets and eligibility criteria

An asset is qualified as eligible if it fulfills all the following conditions:

- The asset is classified as "transition" under Shinhan Financial Group Green and Transition Finance Strategy; and
- The asset meets the criteria set out in the Eligibility Criteria Table below

Eligibility Criteria Table

Eligible Transition Asset Category	Eligibility Criteria	UN SDGs

Manufacture of organic basic chemicals	Construction, operation and maintenance of manufacturing facilities of high value chemicals (ethylene, propylene, butadiene) and aromatics that meet the below requirements:
	• 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:
	  ○ HVC: 0.693 tCO_2e/t of HVC
	  ○ Aromatics: 0.137361tCO_2e/t of raw material
	
	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.
	
	Quantified life-cycle GHG emissions are verified by an independent third party.	

Eligible Transition Asset Category	Eligibility Criteria	UN SDGs
Waste heat recovery for manufacture of basic chemicals	Construction, operation and maintenance of waste heat recovery facilities from the manufacture of basic chemicals, including steam generation facilities from waste heat recovery.	
Point-source capture of carbon dioxide	Construction, operation and maintenance of carbon capture facilities from a point source in hydrogen production industrial facility.	

**In addition to K-Taxonomy, the Eligibility Criteria in the above table takes 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")*

Involvement in the following activities or industries are excluded from consideration for eligibility under the Framework:

- 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
- Larg-scale hydro-power projects with a generating capacity of over 25 megawatts which has yet to be constructed

2.3. Process for Project Evaluation and Selection

Project evaluation and selection is an important process in ensuring the assets financed and/or refinanced by the transition bonds meet the Eligibility Criteria and provide a meaningful contribution in the transition to a low-carbon economy.

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.

Where feasible, Shinhan Bank will also assess the transition plans of the companies of the assets that are financed/refinanced by the transition bonds issued under the Framework.

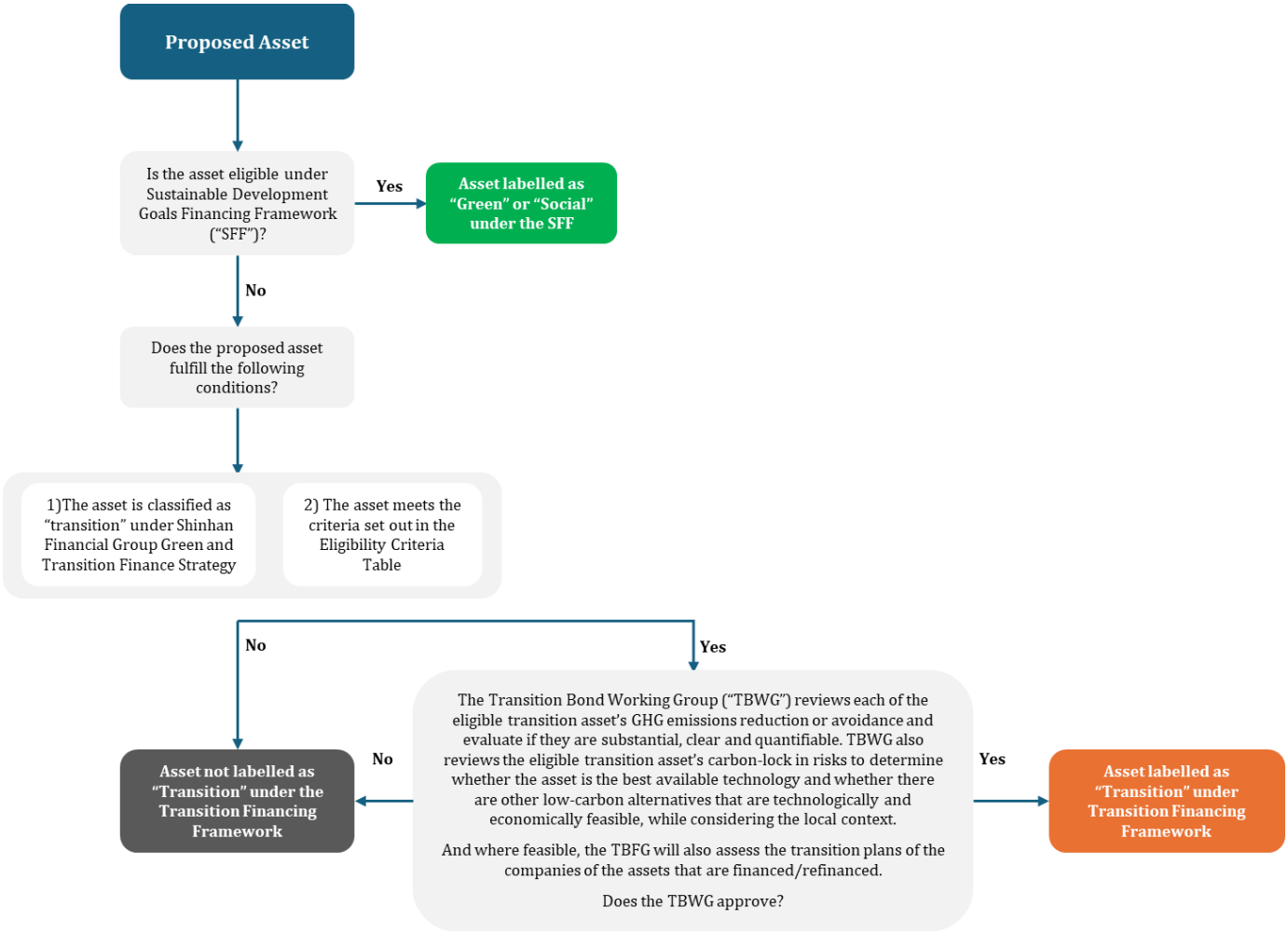
Transition Bond Working Group

To effectively manage transition bonds, Shinhan Bank is launching a Transition Bond Working Group with senior representatives from below departments, coordinated by the Treasury Department:

- Treasury Department (자금부)
- SDGs Planning Office (SDGs 기획실)
- Coexistence Financial Department (상생금융부)
- Customer Solution Department (고객솔루션부)
- Project Financing Department (프로젝트금융부)
- Real Estate Financing Department (부동산금융부)
- Investment Banking Department (투자금융부)
- Strategic & Financial Planning Department (종합기획부)

The TBWG will be responsible for validating project selection and the post-issuance reporting of any transition bonds issued under the Framework. When material developments occur, TBWG will review the asset and any decision to replace the asset will be reviewed and approved by the relevant TBWG members.

Figure 13. Illustration of our Decision Matrix



2.4. Management of Proceeds

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.

The Ledger will contain, but not limited to, the following information:

1) Details of the transition bond(s):

- Pricing date, maturity date, principal amount of proceeds, coupon, ISIN etc.

2) Details of the proceeds:

- Eligible transition asset list, including each eligible transition asset, asset description, amount allocated, currency, etc.
- Amount of unallocated proceeds (and forms of temporary treatment if available)

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.

Any proceeds temporarily unallocated will be placed in short-term liquid money instruments such as cash and market securities according to the Bank's usual liquidity management policy. For the avoidance of doubt, investment of unallocated proceeds will also abide to the Exclusion Criteria in the SFF.

Shinhan Bank is committed to fully allocate the proceeds raised from the transition bond(s) within 24 months after any respective issuance.

2.5. Reporting

Following the first issuance anniversary, and every year thereafter until full allocation of any transition Bond, Shinhan Bank will update investors on how the proceeds are allocated and share information on assets financed by the issuance, as an integral part of its annual report.

The report will include the below information, and it will be readily available on Shinhan Bank's official website.

2.5.1 Allocation reporting

- 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

2.5.2 Impact Reporting

Shinhan Bank will also report on relevant environmental impact metrics where feasible, and it will transparently disclose measurement methodology for quantitative indicators. Where possible and subject to data availability and confidentiality, reporting of environmental impact of the assets will use relevant indicators.

Below are examples of impact indicators to be reported:

Eligible Transition Asset Category	Potential Impact / Output Indicator(s)
Manufacture of organic chemicals	• (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 basic chemicals	• (Expected) annual GHG emissions reduced/avoided (metric tonnes of CO2 equivalent) • Tonnes of steam produced from waste heat recovery
Point-source capture of carbon dioxide	• (Expected) annual CO2 emissions captured from the CO2 capture facility • (Expected) annual CO2 emissions avoided

2.6. External Review

2.6.1 Second Party Opinion

Shinhan Bank has engaged DNV to assess the Framework and its alignment to ICMA's Green Bond Principles (2025), Japan's Ministry of the Environment's ("MOE") Green Bond Guidelines (2024)[12], ICMA's Climate Transition Finance Handbook (2023) and the Basic Guidelines on Climate Transition Finance (2025) jointly published by METI, MOE and FSA and issued a Second Party Opinion ("SPO").

The Framework and the SPO are made publicly available at Shinhan Bank's official website[13].

2.6.2 Post-transaction External Review

Shinhan Bank will engage with an independent external verifier for the external review of the allocation of proceeds from the transition bond(s) issued under the Framework.

[12] Japan's Ministry of the Environment's ("MOE") Green Bond Guidelines (2024), https://greenfinanceportal.env.go.jp/pdf/greenbond_guideline_eng.pdf
[13] The Framework will be published on https://www.shinhan.com/en/index.jsp#300405010000

3. Disclaimer

This Framework is intended to provide an overview of Shinhan Bank's approach to transition financing and does not constitute a recommendation, offer, or invitation to subscribe for or purchase any securities. Any investment decision regarding a transition bond(s) should be made solely based on the information contained in the relevant offering documentation prepared in connection with such transition bond(s).

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