

Finance, Better Tomorrow

Shinhan Bank

2025 Sustainability Report



About This Report

User Guideline

This report is designed with a clear structure and coherent linkages between graphics and text, enabling diverse stakeholders to intuitively explore the information they need. In response to the growing use of AI-driven information retrieval, we have systematically structured the report to support efficient analysis and application of its content. Shinhan Bank will continue to enhance the readability and information accessibility of the report going forward.



Report Overview

Shinhan Bank publishes an Sustainability Report each year as part of our ongoing efforts to review ESG performance and engage with stakeholders. This report contains Shinhan Bank's ESG strategy, activities, and targets, and transparently discloses the implementation status of Shinhan Bank's material issues and key initiatives.

Reporting Period and Reporting Scope

This report covers activities and performance for the period from January 1, 2025 to December 31, 2025. Some performance data includes information through the first quarter of 2026. The reporting scope covers Shinhan Bank's headquarters and domestic operations, with any deviations indicated separately.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. In particular, for the three core Material Topics selected through Materiality Assessment, the report has been prepared with reference to the key structure (governance, strategy, risk management, metrics and targets) of the International Sustainability Standards Board (ISSB) IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures).

Verification

This report has been verified by an independent assurance body to ensure accuracy and reliability. Greenhouse gas (GHG) data has also been verified by a separate professional institution. Detailed assurance statement is available on p.118–120.

Additional Information

Shinhan Bank's Sustainability Report is published in Korean and English and is available on Shinhan Bank's website. For inquiries regarding this report, please contact Shinhan Bank's SDGs Planning Office.

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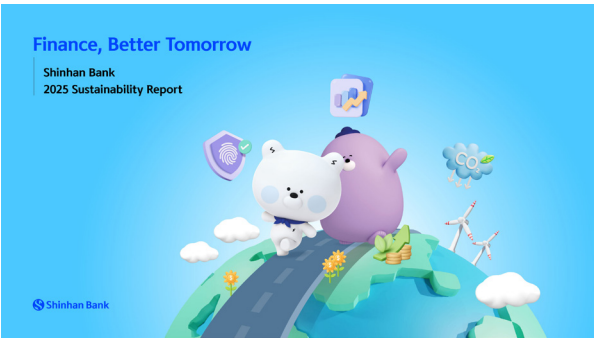
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Cover Story

Finance, Better Tomorrow

Shinhan Bank is building a better tomorrow together with our customers and society. The depiction of "Sol" and "Molly" walking on a healthy planet embodies Shinhan Bank's commitment to a sustainable economy.



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Chair of the ESG Committee Message



Our View on ESG

To Our Valued Stakeholders,

I am CHAE EUNMI, Chair of the ESG Committee at Shinhan Bank. It is a great honor to serve in this role, and I would like to express my sincere appreciation for your continued trust and support. We are living in an era defined by profound transformation—where the climate crisis, digital innovation, and deepening social polarization are unfolding simultaneously. In this evolving landscape, the role of finance is no longer limited to the provision of capital; it has expanded to shaping a more sustainable future for both society and the environment.

Guided by our mission, “A Better World Through Finance,” Shinhan Bank places ESG at the core of the management philosophy, striving to create a virtuous cycle in which customers, society, and the environment grow together. ESG is no longer optional—it is a fundamental prerequisite for sustaining trust and securing long-term competitiveness.

Building on this foundation, we are committed to translating our ESG initiatives into measurable and meaningful outcomes, while the ESG Committee will continue to fulfill its responsibilities with integrity and accountability to help shape a more sustainable future.

A Scientific Perspective on ESG, and Our Commitment to Responsibility

Having devoted many years to the study of quantum physics, I have explored how invisible microscopic interactions ultimately shape the macroscopic reality we observe. From this perspective, I view ESG as an “invisible force” embedded throughout a company’s structure and decision-making processes—quietly but fundamentally influencing long-term outcomes.

While ESG initially evolved through value-driven declarations and directional commitments, we have now reached a critical juncture where its impact must be demonstrated through data, rigor, and scientific validation.

As Chair of the ESG Committee, I am committed to ensuring that Shinhan Bank’s ESG management is grounded in substance rather than form—supported by robust performance metrics, systematic data management, and objective verification. Through this approach, we will continue to advance our ESG framework toward greater sophistication, transparency, and credibility.

Advancing ESG Leadership Built on Proven Practice

Shinhan Bank’s approach to ESG goes beyond declarative commitments, focusing on creating tangible environmental and social value through the core functions of finance. We are expanding sustainable finance to support the transition to a low-carbon economy, enhancing financial inclusion for underserved communities, and strengthening governance through responsible and transparent management. These efforts form the foundation of our ESG strategy.

In alignment with Shinhan Financial Group’s “Shinhan SDGs Strategic Framework,” we pursue ESG from an integrated perspective encompassing Planet, People, and Prosperity. Through this holistic approach, we aim to generate meaningful impact across all dimensions of sustainability. The ESG Committee will continue to reinforce Shinhan Bank’s ESG leadership by ensuring that our practices are firmly grounded in authenticity, accountability, and long-term value creation—ultimately contributing to a future where customers, society, and the environment thrive together.

Shinhan Bank Chair of the ESG Committee

CHAE EUNMI

Business Overview

Company Overview

Shinhan Bank is a core subsidiary of Shinhan Financial Group and a leading commercial bank representing the Republic of Korea. Since its establishment in 1982, Shinhan Bank has been at the forefront of Korea’s financial industry development, guided by its founding spirit of “breathing new life into Korean finance.” Building on a strong business foundation, distinctive financial services, and digital competitiveness, Shinhan Bank supports the growth of its customers and drives financial innovation.

General Status

*As of end-December 2025

Company Name Shinhan Bank	President & Chief Executive Officer JUNG SANG HYUK	Establishment Date July 7, 1982
Consolidated Total Assets KRW 597 trillion	Consolidated Net Income KRW 3,775.8 billion	Number of Employees ¹⁾ 12,781 persons

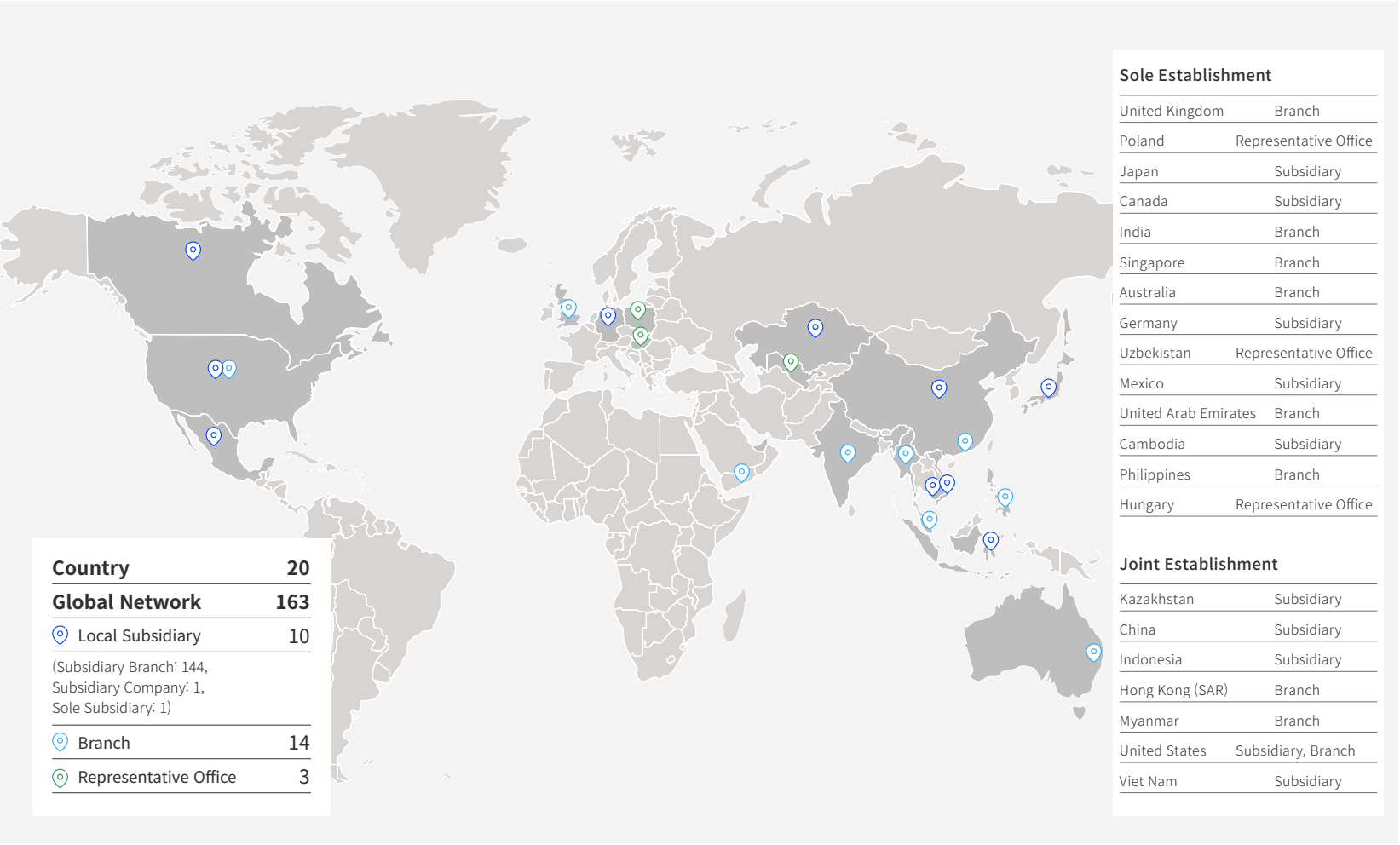
1) Excludes registered executives (President & Chief Executive Officer and Standing Auditor), Independent Director, and locally hired employees overseas.

Credit Rating

Korea Credit Information (NICE)	Korea Ratings (KIS)	Korea Corporate Ratings (KR)
AAA	AAA	AAA
Moody's (Long-term)	S&P	Fitch
Aa3	A+	A

Global Network

Shinhan Bank operates 163 global network offices across 20 countries. We provide localized financial services through 14 overseas branches and 10 local subsidiaries (144 subsidiary branches, 1 subsidiary company, and 1 sole subsidiary), as well as 3 representative offices.



Business Overview

Company Overview

Mission and Vision

Guided by our mission of “A Better World Through Finance,” Shinhan Bank aims to build a virtuous cycle of mutual growth and shared prosperity, in which the values of our customers, Shinhan Bank, and society grow together. Through our core business, Shinhan Bank develops innovative financial products and services to enhance customer value, while creating broader value for society through creative finance. Furthermore, guided by our vision of becoming “A More Accessible, More Secure, More Creative Bank,” Shinhan Bank seeks to become a trusted and dependable financial institution by offering differentiated solutions to customers and society.

Mission

A Better World Through Finance

Compassionate Finance for the Future Together

Methodology

Through the Power of Finance

Creative Finance



Ultimate Goal

Building a Better World

Virtuous Cycle of Shared Prosperity

The Power of Finance

We help clients achieve their goals by providing financial products and services that meet the latest trends, and delivering high returns on the funds entrusted to us.

Creative Finance

Financial products, services and money management must evolve along with the changing times and business environment in order for our core business to succeed. Departing from past conventions, we seek innovative new solutions using a methodology we call creative finance.

Virtuous Cycle of Shared Prosperity

By offering greater value, creative finance will attract more clients, which in turn will increase Shinhan’s corporate value. As Shinhan helps more clients succeed and fulfills the fundamental role of finance, that is, the efficient allocation of resources, value will increase for the whole of society. The interlinked values of the client, Shinhan and society will grow together and lead to progress in a virtuous cycle of shared prosperity.

Vision

More Friendly, More Secure, More Creative

More Friendly

More Secure

More Creative

Easy, Accessible, and Convenient

We will improve online and offline financial services so that customers can use finance more easily and conveniently, and connect finance more closely with customers’ daily life and business through a digital ecosystem.

Safe and Reliable

We will provide safe, reliable, and secure financial services and support customers realize their dreams.

Original and Innovative

We will provide new value to our customers through innovative and original financial services that creatively converge Shinhan’s expertise and innovative digital technology.

Shinhan Sustainability

In this section

Value-Up Together



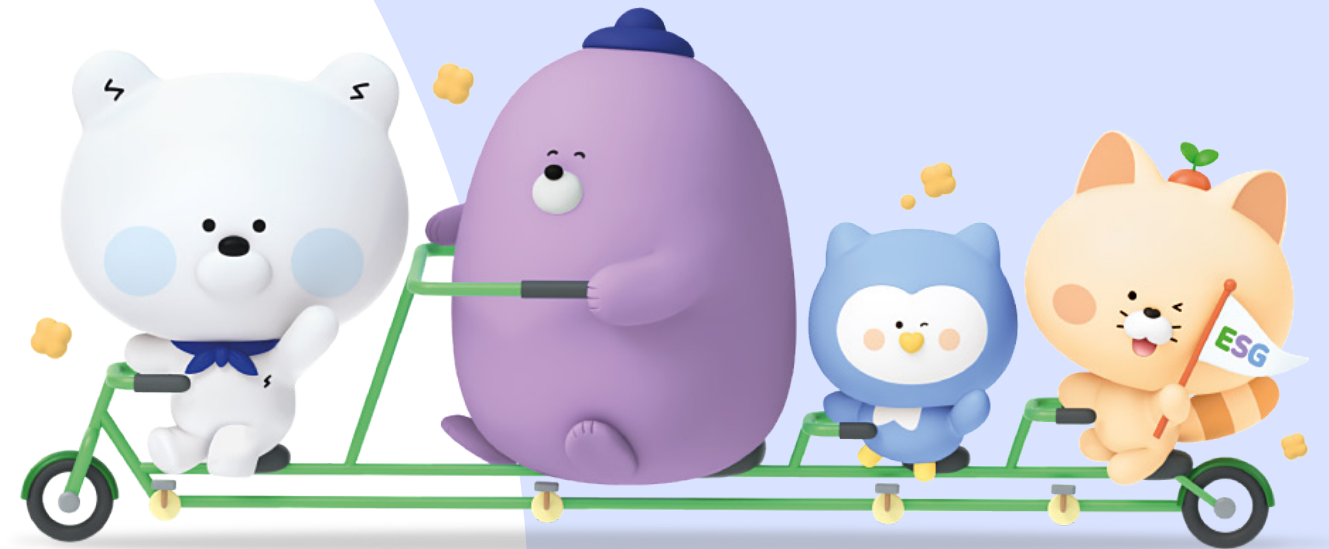
ESG Management



Double Materiality Assessment



Stakeholder Communication and Engagement





Value-Up Together

Guided by our mission, “A Better World Through Finance” Shinhan Bank has set “Value-Up Together” as our 2025 strategic theme. We are advancing sustainable growth through three priorities: innovation in our core business, preparation for the future, and strengthening our fundamentals.



Innovation in Core Business

Connection and Expansion Through Customer-Centric Solutions

Shinhan Bank is evolving the existing asset-growth-driven business strategy while shifting toward a quality-oriented growth model anchored in efficient resource utilization. By offering customer-centric integrated solutions and differentiated customer experiences, we continue to expand into new markets and business opportunities beyond conventional industry boundaries.

Strengthening Our Fundamentals

Robust Internal Control and Sustainable Growth

Shinhan Bank embeds internal controls across the enterprise and enhances risk management capabilities through reinforced AI- and big data-driven monitoring. At the same time, to improve capital efficiency, we rationalize underperforming assets and business lines and concentrate resources in high-growth areas, thereby building a stable long-term growth foundation.

Preparing for the Future

Creating Customer Value Through Digital Financial Services

Shinhan Bank embeds digital technologies—including AI, cloud, and blockchain—across our financial services to enhance financial convenience and create new customer value. Through the expansion of our AI branch, platform growth, and deepened expertise in our global, capital markets, and FX businesses, we secure a medium- to long-term growth foundation and future competitiveness.



Value-Up Together with Customers

To pursue Value-Up with our customers, Shinhan Bank is advancing the Value-Up Project, an initiative that supports customer growth through finance. Through this initiative, we aim to build a virtuous cycle in which enhanced value for customers and society translates into our own growth as a bank.

Shinhan Bank remains committed to creating a sustainable future in which customers, society, and Shinhan grow together.



Bring-Up

Lifting customers' credit scores by refinancing savings bank loans through Win-Win Finance Loans.

Find-Up

Uncovering customers' dormant assets and unlocking new financial opportunities through personalized guidance.

Help-Up

Easing customers' interest burden and broadening eligibility for support to enable economic self-reliance.

Value-Up Together with Society

The Sustainable Development Goals (SDGs) are 17 global goals adopted by the United Nations to achieve sustainable development by 2030.

In alignment with the SDGs, Shinhan Bank pursues Value-Up together with society.

Through our distinctive sustainability initiatives, we seek to enhance value for customers and society and translate this into sustainable growth—building a virtuous cycle that brings to life our mission of “A Better World Through Finance.”

Environmental	2050 Net Zero	2040 RE100	2030 Eco-Friendly Loans KRW 30 trillion
	Implementation in accordance with SBTi targets	Cumulative renewable energy purchases of 78,898 MWh (2023~2025)	KRW 26.2 trillion supplied (Shinhan Financial Group level, 2025)
Social	300,000 locations	102,000 participants	Grade S
	Ddaenggyeoyo Affiliated Store (Win-Win delivery platform that lowers commission fees for merchants)	Shinhan Hakyje and Financial Education (2025)	Financial Services Commission (FSC) Information Security Ongoing Evaluation System (Highest grade)
Governance	Responsibilities Map	Grade A	309 graduates
	First among commercial banks	ESG Rating from KCGS (Governance sector)	SHeroes: Women’s Leadership Development

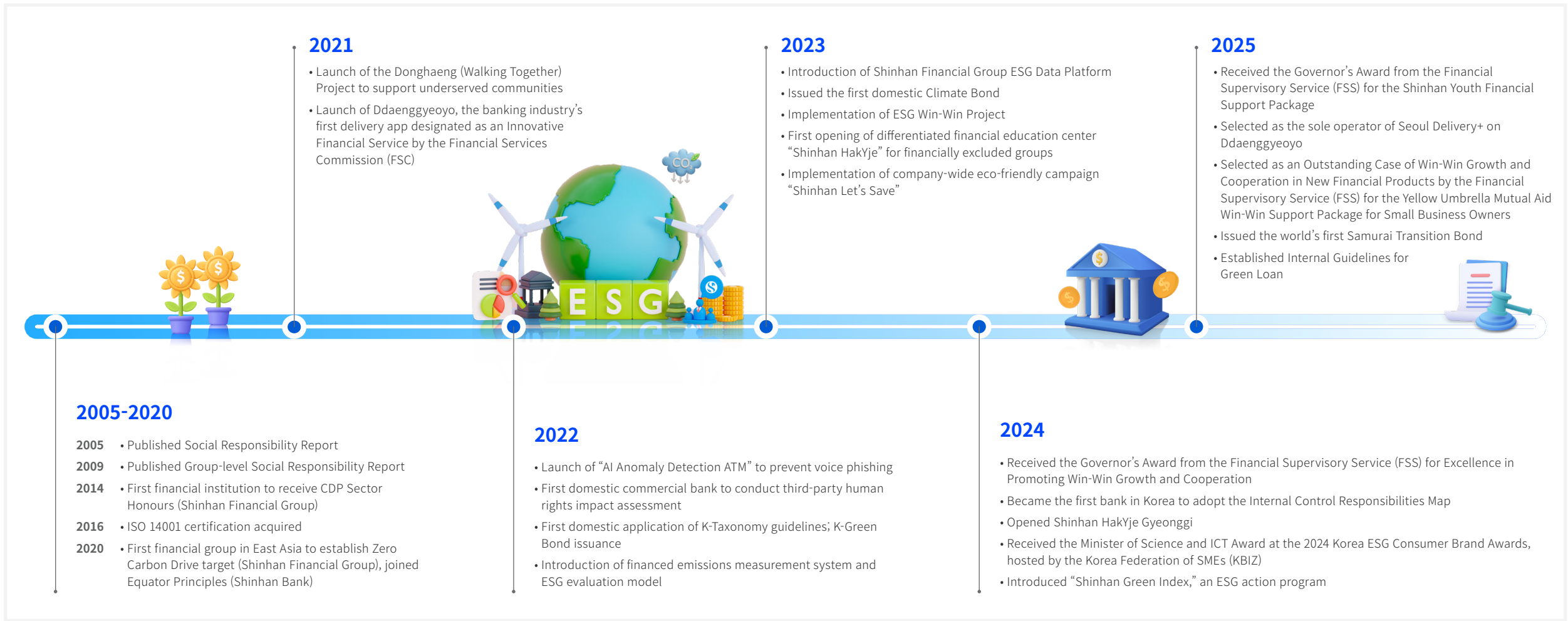


ESG Management

Shinhan ESG at a Glance

ESG Milestones

Shinhan Bank has been building a sustainable finance ecosystem centered on green finance and transition finance, inclusive finance, and win-win finance. We are steadily strengthening ESG-based responsible management through the issuance of green and climate bonds, the conduct of human rights impact assessments, and broader financial consumer protection and education. More recently, we have expanded the social role of finance through support for youth and small business owners, as well as platform-based mutual-growth models.





ESG Management

Shinhan ESG at a Glance

Participation in Global Initiatives

Shinhan Bank, together with Shinhan Financial Group, participates in a range of global initiatives to advance sustainable management aligned with global ESG standards. Beginning with our participation in CDP in 2007, we have since joined the UN Global Compact (UNGC), the Net Zero Banking Alliance (NZBA), and other key global initiatives—upholding leading global principles for climate action and responsible finance.

ESG Initiative	Membership	Date	Initiative Overview
Carbon Disclosure Project (CDP)	Shinhan Financial Group	Joined March 2007 (Inducted into Hall of Fame in 2018)	A global climate change project that requires major companies worldwide to disclose information on Climate Action strategies and greenhouse gas (GHG) emissions, and evaluates corporate sustainability based on this information.
UNEP FI (United Nations Environment Programme Finance Initiative)	Shinhan Financial Group	Joined January 2008	A public-private partnership between the United Nations Environment Programme and the financial sector, established to ensure that financial institutions’ business operations are conducted on the basis of sustainability.
UN Global Compact	Shinhan Bank	Joined May 2008	The world’s largest voluntary corporate citizenship initiative that promotes sustainable management of enterprises through the implementation of ten principles in the areas of human rights, labor, environment, and anti-corruption, and provides practical solutions to achieve this.
TCFD (Task Force on Climate-related Financial Disclosures)	Shinhan Financial Group	Joined September 2018	A task force for the disclosure of financial information related to climate change.
UNEP FI Principles for Responsible Banking (UNEP FI PRB)	Shinhan Financial Group	Joined September 2019	An international framework developed through a partnership between banks and the United Nations Environment Programme Finance Initiative (UNEP FI) that defines the roles and responsibilities of financial institutions in implementing the Paris Agreement and achieving the United Nations Sustainable Development Goals (UN SDGs).
Equator Principles	Shinhan Bank	Joined September 2020	A voluntary commitment by financial institutions to refrain from extending credit for Project Finance (PF) transactions related to large-scale development projects that pose risks of environmental damage or human rights violations.
Partnership for Carbon Accounting Financials (PCAF)	Shinhan Financial Group	Joined November 2020	A global initiative that promotes implementation of the Paris Agreement by focusing on the measurement and disclosure of financed emissions resulting from financial institutions’ asset management activities.
Science Based Targets initiative (SBTi)	Shinhan Financial Group	Joined November 2020	An initiative that establishes and monitors carbon reduction target standards to enable corporations and financial institutions to achieve the goals of the Paris Agreement.
Net-Zero Banking Alliance (NZBA)	Shinhan Financial Group	Joined April 2021	A global alliance of banks committed to achieving carbon neutrality across their loan and investment portfolios by 2050.
Taskforce on Nature-related Financial Disclosures (TNFD)	Shinhan Financial Group	Joined March 2022	A global collaborative forum established to protect nature and biodiversity by reducing the impact of corporate activities on ecosystems.
Partnership for Biodiversity Accounting Financials (PBAF)	Shinhan Financial Group	Joined September 2022	A global partnership that provides standards to measure the impact of financial institutions’ loans and investments on nature and biodiversity, and to enable disclosure of such impact.

ESG Management

ESG Strategy

SDGs Strategy Framework

Shinhan Bank pursues sustainable management through a strategic framework that integrates ESG and the SDGs. Guided by our slogan “Do the Right Thing for a Wonderful World,” we have identified key priorities centered on three strategic directions—carbon neutrality, inclusion, and cooperation—and the 3Ps (Planet, People, Prosperity). We also identify areas among the 17 UN SDGs where we can contribute through finance, track these through key indicators, and integrate them into our business operations to drive long-term value creation.

SDGs Strategy Framework



ESG Management

ESG Governance

Shinhan Bank’s ESG Governance Framework

Shinhan Bank establishes ESG strategies and targets through the ESG Management Council under the Board of Directors, and has built a decision-making framework centered on our ESG governance bodies—the ESG Executive Committee and the ESG Operations Committee—to set enterprise-wide ESG strategic agendas and review key strategic initiatives. Matters discussed at the ESG Executive Committee are translated into action by the ESG Operations Committee, which brings together ESG-related departments and agenda-specific functions. The ESG Operations Committee defines ESG implementation tasks and continuously coordinates responses to shared issues, enabling hands-on ESG management. In addition, Shinhan Bank reflects climate risk management responsibilities in executive KPIs, with green loan origination, financed emissions intensity reduction, and internal carbon emissions reduction factored into the performance evaluations of relevant Group Heads. Employee-led carbon reduction initiatives—aimed at embedding ESG across the enterprise—are also reflected in the performance evaluations of all Group Heads.

Shinhan Bank ESG Governance



ESG Committee

Shinhan Bank’s ESG Committee is a committee under the Board of Directors that receives reports on and deliberates on key matters related to ESG management. As of March 2026, the Committee is composed of one Executive Director—the President and CEO—and two Independent Directors. In 2025, the Committee convened four times and reviewed a total of 18 agenda items—1 deliberation item and 17 reporting items, with no resolution items—each receiving thorough deliberation.

ESG Committee Activities

Category		Unit	2023	2024	2025
Number of Deliberation and Reporting Agenda Items		items	12	15	18
Number of Meetings Held		meetings	4	4	4
Attendance Rate	Executive Director	%	100	100	100
	Independent Director	%	100	100	92

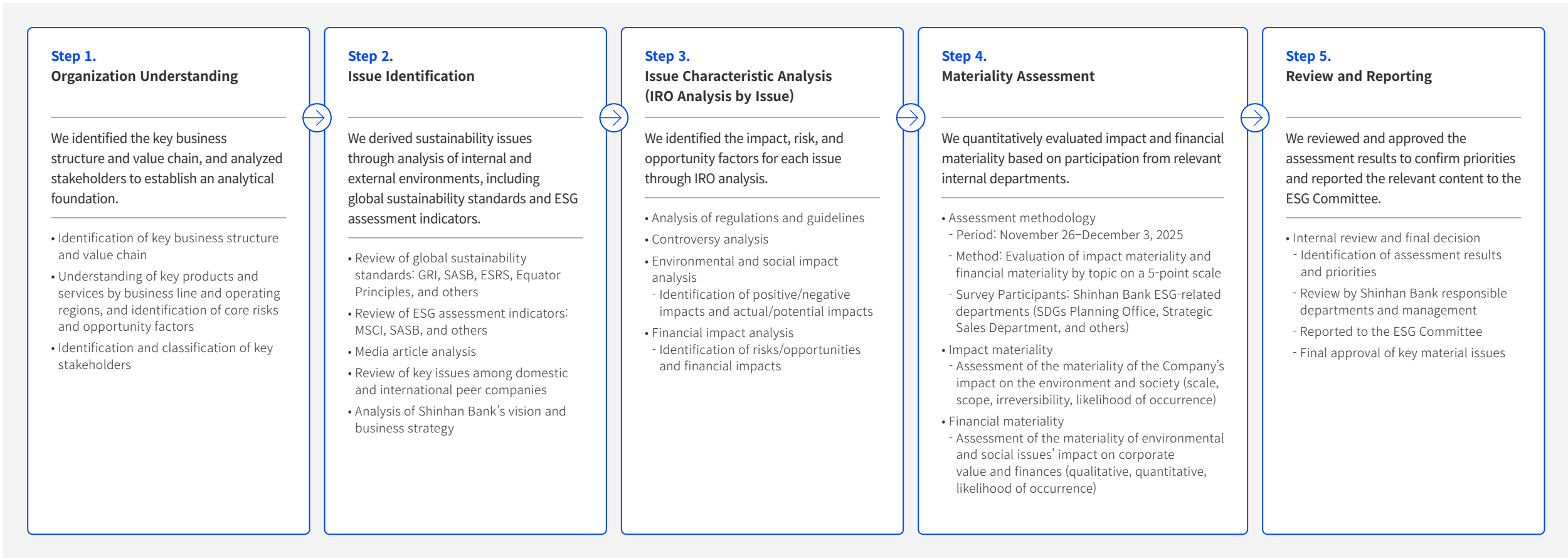
ESG Committee Meetings

Category	Date	Agenda	
1st	March 2025	2024 ESG Strategic Performance and 2025 SDGs Implementation Plan - Domestic and Global ESG Regulatory Response Status	- Publication of 2024 Shinhan Bank ESG Report - Resolution on Social Contribution Fund Disbursement
2nd	May 2025	- Q1 2025 SDGs Implementation Review - U.S. Securities and Exchange Commission (SEC) Climate Disclosure Project Outcomes - Establishment of the Shinhan Financial Group Transition Finance Framework	- Improvement Directions for Shinhan Bank’s Human Rights Management Framework in Response to Domestic and Global ESG Ratings - Equity Investment in a Standard Workplace for Persons with Disabilities (Proposal)
3rd	August 2025	- H1 2025 SDGs Implementation Review - Environmental Pillar Engagement Activities for Embedding SDGs	- Social Pillar Engagement Activities for Embedding SDGs - Report on Social Contribution Fund Disbursements Exceeding KRW 1 Billion per Project
4th	November 2025	- Q3 2025 SDGs Strategic Initiatives Performance Report - Status of Shinhan Bank’s Green Finance and Transition Finance Management Framework - Direction for the 2025 Shinhan Bank Sustainability Report	- Report on Joining the WWF (World Wide Fund for Nature) Plastic ACTion Initiative - Deliberation on Making a Donation to a Public Interest Corporation Affiliated with the Major Shareholder

Double Materiality Assessment

Double Materiality Assessment Overview

Shinhan Bank conducts a double materiality assessment annually to comprehensively understand the impact of our business activities on the environment and society, as well as the impact of environmental and social factors on the Company’s finances. The double materiality assessment is a process that analyzes the internal and external environment based on the Company’s major business structure and value chain in accordance with the European Sustainability Reporting Standards (ESRS), and identifies sustainability issues by considering both the impact on the environment and society and financial impact. In the 2025 assessment, issues were derived through global sustainability standards, ESG assessment indicators, and internal and external environments analysis, and an IRO analysis was performed. Subsequently, relevant internal departments participated in conducting environmental and social impact assessments and financial impact assessments, and the materiality of each issue was analyzed quantitatively. Shinhan Bank discloses key activities and performance related to the selected Key Material Issues annually through our Sustainability Report, and proactively responds to business risks by regularly monitoring and managing these issues.





Double Materiality Assessment

Double Materiality Assessment Result

Shinhan Bank conducted a double materiality assessment in 2025 covering 16 sustainability issues, and identified the top-ranking topics across the environmental, social, governance, and sustainable finance domains as our key material issues. Based on the results, the 2025 Sustainability Report addresses four key material issues: “Climate Action,” “Privacy Protection and Information Security,” “Green Finance and Transition Finance Expansion,” and “Environmental and Social Risk Management.” Among these, “Environmental and Social Risk Management” is reported under the “Climate Action” topic. Each key material issue is presented according to the four pillars of governance, strategy, risk management, and metrics and targets. Compared with the previous year’s assessment, “Climate Action” has been added as a new key material issue, while the scope of the existing key material issues “Green Finance” and “Financial Consumer Protection and Information Security” has been expanded to “Green Finance and Transition Finance Expansion” and “Privacy Protection and Information Security,” respectively.



Category	Category Rank	Overall Rank	Issue	Environmental and Social Impact	Financial Impact	Reporting Page
Environmental	1	4	Climate Action Key Material Issue	Medium	Low	p.37-54
Environmental	2	14	Energy Reduction & Eco-Friendly Management	Low	Low	p.56-59
Social	1	1	Privacy Protection and Information Security Key Material Issue	High	High	p.22-27
Social	2	2	Financial Consumer Protection	High	Medium	p.76-79
Social	3	5	Customer-Centric Management	Medium	Low	p.81-82
Social	4	6	Inclusive Finance and Social Finance	Medium	Low	p.102-106
Social	5	10	Human Resource Development & Management	Low	Low	p.70-73
Social	6	11	Employee Health & Safety	Low	Low	p.74-75
Social	7	15	Human Rights & Diversity	Low	Low	p.64-69
Social	8	16	Local Community Engagement	Low	Low	p.83-87
Governance	1	7	Environmental and Social Risk Management Key Material Issue	Medium	Low	p.37-54
Governance	2	9	Ethical and Compliance Management	High	Medium	p.91-96
Governance	3	12	Establishment of ESG Governance Structure	Low	Low	p.14
Sustainable Finance	1	3	Expansion of Green Finance and Transition Finance Key Material Issue	Medium	Medium	p.28-36
Sustainable Finance	2	8	Digital Financial Innovation	High	Medium	p.80
Sustainable Finance	3	13	Stakeholder Communication and Engagement	Medium	Low	p.20



Double Materiality Assessment

Double Materiality Assessment Result

2025 Shinhan Bank Sustainability Issues

Category	Issue	Issue Description	Environmental and Social Impact	Financial Impact
Environmental	Climate Action	Activities to address physical risk and transition risks from climate change and promote GHG emissions reduction	(Positive/Actual) Greenhouse gas (GHG) emissions reduction through emissions reduction in business facilities and investment and loan portfolios (Negative/Actual) Continued financial support for high-carbon industries accelerates climate change and environmental degradation	(Opportunity) Revenue generation through development of low-carbon financial products (Risk) Strengthened carbon regulations and increased climate risks lead to credit rating downgrades of borrowers and expanded credit loss risks
Environmental	Energy Reduction & Eco-Friendly Management	Activities to reduce energy consumption in bank buildings and branch operations, expand renewable energy, and establish eco-friendly management frameworks	(Positive/Potential) Greenhouse gas (GHG) emissions reduction and environmental protection through energy efficiency and renewable energy expansion (Negative/Actual) Excessive energy use and fossil fuel dependence cause environmental pollution and climate change deterioration	(Opportunity) Operating cost savings from energy reduction and tax benefits related to eco-friendly certifications (Risk) Rising costs from carbon taxes and tighter environmental regulations, alongside capital expenditures for eco-friendly equipment
Social	Privacy Protection and Information Security	Activities to safely manage customer personal information, protect systems from cyber attacks, and prevent information leakage	(Positive/Potential) Customer information protection and enhanced financial system credibility through robust security systems (Negative/Actual) Customer information leakage causes financial consumer harm and loss of trust in the financial sector	(Opportunity) Enhanced transaction credibility and expanded customer acquisition through strengthened information security (Risk) Information leakage results in fines, litigation costs, compensation, and customer loss due to reputational damage
Social	Financial Consumer Protection	Activities to provide accurate information during financial product sales, prevent mis-selling, and respond to customer complaints	(Positive/Actual) Prevention of financial harm and strengthened consumer protection through fair and ethical sales practices and accurate information disclosure (Negative/Actual) Financial and psychological damage resulting from mis-selling and unfair terms and conditions	(Opportunity) Enhanced customer loyalty and expanded long-term relationships through improved brand trust (Risk) Compensation payments, administrative fines, and reputational damage leading to customer attrition due to complaints, litigation, and regulatory sanctions
Social	Customer-Centric Management	Provision of customized services based on customer needs, improvement of customer experience, and enhancement of financial accessibility	(Positive/Potential) Expanded financial inclusion through improved financial accessibility (Negative/Actual) Exclusion of vulnerable groups due to digital accessibility gaps	(Opportunity) Secure revenue base through increased repeat visits and sales resulting from improved customer satisfaction (Risk) Decline in market share and customer attrition if customer experience improvements are insufficient
Social	Inclusive Finance and Social Finance	Provision of financial access opportunities to financially underserved groups and small and medium-sized enterprises (SMEs)	(Positive/Potential) Contribution to mitigation of income inequality and revitalization of local economies (Negative/Actual) Increased debt burden on vulnerable groups when excessive financial products are provided	(Opportunity) Acquisition of new customer segments, government support and tax benefits, and improved brand image (Risk) Increased delinquency rates and higher credit loss costs due to deterioration in borrower financial conditions
Social	Human Resource Development & Management	Employee capability development, fair evaluation and compensation, and career growth support activities	(Positive/Potential) Strengthened human capital and improved employee capabilities (Negative/Actual) Organizational conflict resulting from unfair personnel practices and insufficient training opportunities	(Opportunity) Enhanced productivity and innovation capacity through recruitment and retention of top talent (Risk) Increased recruitment and training costs and reduced productivity due to talent attrition
Social	Employee Health & Safety	Protection of employees' physical and mental health and creation of a safe working environment	(Positive/Potential) Improving quality of life & corporate culture through better working environments (Negative/Actual) Health deterioration and accidents resulting from excessive workload and inadequate safety measures	(Opportunity) Increased productivity through reduced turnover and improved work efficiency and engagement (Risk) Increased compensation costs and reduced productivity due to occupational injuries and health issues
Social	Human Rights & Diversity	Protection of stakeholder human rights and prevention of discrimination, activities to ensure diversity within the organization	(Positive/Potential) Advancement of social fairness and diversity through fostering an inclusive organizational culture (Negative/Actual) Deepening of social inequality in the event of human rights violations and discrimination	(Opportunity) Strengthening innovation capacity and competitiveness by securing diversity talent (Risk) Decline in corporate value due to legal disputes, penalties, and reputational loss in the event of human rights issues
Social	Local Community Engagement	Activities contributing to local community development through social contribution, volunteering, and donations	(Positive/Potential) Contribution to local community development and improvement of quality of life (Negative/Actual) Insufficient effectiveness and negative reputation resulting from superficial activities	(Opportunity) Enhancement of local community trust and brand image, expansion of customer base (Risk) Occurrence of social contribution costs and lack of direct linkage with short-term profitability



Double Materiality Assessment

Double Materiality Assessment Result

2025 Shinhan Bank Sustainability Issues

Category	Issue	Issue Description	Environmental and Social Impact	Financial Impact
Governance	Environmental and Social Risk Management	Activities to establish systems for identifying, assessing, and managing ESG risks in investment and lending decisions	(Positive/Actual) Minimization of environmental and social risks through responsible finance (Negative/Actual) Deterioration of environmental and social issues if risk management is inadequate	(Opportunity) Building a stable asset portfolio and rising demand for ESG investments (Risk) Increased delinquency rates and credit loss costs due to borrower financial deterioration
Governance	Ethical and Compliance Management	Activities to establish regulatory compliance and fraud prevention systems, and ethical decision-making frameworks	(Positive/Actual) Formation of a sound financial culture through enhanced fairness and transparency (Negative/Actual) Decline in social trust if regulatory violations and corruption occur	(Opportunity) Securing investor and customer trust to enhance fundraising and corporate value (Risk) Direct losses from fines, sanctions, and business suspension, and reputational damage
Governance	Establishment of ESG Governance Structure	Activities to establish ESG strategy formulation and management systems centered on the Board of Directors and management	(Positive/Actual) Proactive response to ESG issues and enhanced sustainability (Negative/Actual) Failure to respond to ESG risks if governance is inadequate	(Opportunity) Improved ESG ratings and expanded investor inflows (Risk) Reduced regulatory response capability, lower ratings, and failed investment attraction if inadequate
Sustainable Finance	Expansion of Green Finance and Transition Finance	Activities to expand financial products and services that support green industries and low-carbon transition of enterprises, including renewable energy and eco-friendly technologies	(Positive/Potential impact) Expansion of sustainable industries and contribution to environmental improvement in local communities (Negative/Actual impact) Insufficient substantive environmental improvement and reputational damage when supporting investments and greenwashing projects that do not align with ESG objectives	(Opportunity) Long-term revenue generation through development and sale of Sustainable Finance products (Risk) Increased costs due to strengthened regulations and environmental changes, and expanded asset value volatility
Sustainable Finance	Digital Financial Innovation	Financial service innovation and efficiency improvement activities utilizing digital technology	(Positive/Potential impact) Reduced environmental burden and expanded financial accessibility (Negative/Actual impact) Exclusion of the elderly and digitally underprivileged due to the digital divide	(Opportunity) Cost reduction and new digital finance revenue generation (Risk) Increased initial investment costs and market share decline if competitiveness deteriorates
Sustainable Finance	Stakeholder Communication and Engagement	Transparent information disclosure and opinion gathering activities with diverse stakeholders	(Positive/Potential impact) Building trust with stakeholders and strengthening reflection of social demands (Negative/Actual impact) Conflict and distrust arising from non-transparent communication with stakeholders	(Opportunity) Expanded collaboration opportunities and increased customer and investor inflow due to improved reputation (Risk) Increased dispute costs and decline in sales and corporate value



Double Materiality Assessment

Double Materiality Assessment Result

Key Material Issues Management

Key Material Issue	UN SDGs	Direction of Initiatives	Key Activities	Reporting Page
Privacy Protection and Information Security	 	• Close management throughout the entire financial product sales process • Enhancement of financial accessibility and fraud prevention capabilities • Strengthening financial consumer protection and internal control • Advancement of information security compliance management • Transition to autonomous security systems based on Zero Trust	• Cumulative 17,000+ participants in financial consumer protection financial education • Five consecutive years of S-grade achievement in Financial Services Commission (FSC) Information Security Ongoing Evaluation System • Three consecutive years of participation in Financial Supervisory Service (FSS) voice phishing zero initiative • Participation in Ministry of Science and ICT Zero Trust demonstration project • Implementation of security inspections for personal information processing entrusted service providers	p.22-27
Expansion of Green Finance and Transition Finance	   	• Establishment of Green Finance and Transition Finance policies based on K-Taxonomy and expansion of green finance and transition finance support • Establishment of Green Loans Operational Procedures based on the Green Loans Management Guidelines • Activation of financial support for small and medium-sized enterprises (SMEs) transition to low-carbon economy • Expansion of sustainable investment market	• K-Taxonomy-aligned credit performance of KRW 884.7 billion • Implementation of K-Taxonomy review process • ESG consulting for green finance and transition finance policy funds • Implementation of specialized personnel training for green finance and transition finance • Cumulative supply of KRW 1.941 trillion in interest rate subsidy financing for Green Policy-Based Lending Facilitation Program Activation by the Ministry of Climate, Energy and Environment	p.28-36
Climate Action (Environmental and Social Risk Management)	   	• Establishment of greenhouse gas (GHG) emissions and financed emissions reduction targets based on SBTi and participation in NZBA • Systematic emissions management through financed emissions measurement and measurement system establishment based on Partnership for Carbon Accounting Financials (PCAF) standards • RE100 commitment and expansion of renewable energy procurement and investment • Responsible investment and environmental risk management through implementation of Equator Principles and coal phase-out policy	• Internal carbon emissions reduction, green premium, and renewable energy certificate (REC) purchases • Climate scenario analysis (transition and physical risk) • 26 Equator Principles review cases	p.37-54



Stakeholder Communication and Engagement

Shinhan Bank’s key stakeholders include customers, shareholders and investors, employees, business partners, local communities, and government. We listen to stakeholder concerns and opinions through diverse communication channels and incorporates major feedback into our ESG strategy initiatives.

Category	Key Areas of Interest	Communication and Response Status	
Customers	 • Customer-centric financial products and services • Digital financial innovation in customer experience • Proper customer information management • Financial consumer protection	• Customer satisfaction surveys • Mystery shopping and product enrollment satisfaction calls • Customer and external expert panels	• Reception of praise, complaints, and suggestions (internet, mobile, customer service center, etc.) • Operating Financial Consumer Protection Information portal • Official YouTube and SNS channel operation
Shareholders and Investors	 • Transparency and credibility of management • Sound governance structure • Enhancement of shareholder value • Product development and expansion considering a sustainable finance ecosystem • Strengthened financed emissions management	• General Meeting of Shareholders and Board of Directors • IR investor information portal and mobile IR : Management performance status, Annual Report, E-brochure, etc. • Investor consultation	• Regular, ad-hoc, and voluntary disclosures (DART, KRX, SEC, etc.) - Sustainability Report publication
Employees	 • Enhancement of employee expertise • Fair organizational culture without discrimination • Work-Life Balance and welfare	• Internal employee training programs • Women leader development program “Shinhan SHeroes” • Compliance reporting system “Shinhan Guardian Program” • Shinhan Culture Index: employee survey (first and second half of the year)	• Intranet and portal internal suggestions • Employee mental health check-ups • Labor-management councils, Communities of Practice, in-house clubs, internal broadcasting, headquarters and field communication events and workshops, etc.
Partner Companies	 • Emphasis on win-win value • Fair transactions • Enhanced communication	• Monitoring through meetings and surveys • Reporting channel operation (website) • Operating Protection Programs for Emotional Laborers	• Operating Partner company Voice of Customer (VOC) channel • Implementation of corporate social responsibility diagnosis and ESG performance evaluation-reflected ICT procurement contract system, etc.
Local Communities and Government	 • Social contribution activities and support for vulnerable groups • Improvement of financial accessibility • Compliance and financial decision-making considering local community impact • Response to major government policies and regulatory compliance • Transparent tax payment and corporate information disclosure	• Social contribution foundation and company-operated programs • Employee volunteer corps and social contribution donation website • Financial education implementation: one company-one school financial education, on-site education by each group company, etc. • Financial accessibility expansion: specialized counseling for underserved groups (counter, video consultation, customer service center)	• Investment and loan engagement: carbon neutrality and value-up shareholder letter distribution, stewardship code, Equator Principles and environmental and social risk review • Press releases, meetings, councils, briefings, and policy recommendations

Materiality Report

In this section

Privacy Protection and Information Security 

Green Finance and Transition Finance 

Climate Action 



Privacy Protection and Information Security

Introduction

In the financial sector, the importance of information security and privacy protection continues to grow as digital financial services proliferate, data-driven services expand, and adoption of artificial intelligence (AI) increases. Cyber threats to information are also becoming more sophisticated. In this evolving environment, information security at financial institutions has become a critical element for securing customer trust and delivering stable financial services. Accordingly, Shinhan Bank has established an information security strategy based on the goal of “Scandal Zero 2.0: Information Security That Customers Can Truly Trust” and has implemented an information security strategy optimized for the Bank by reflecting the strategic direction of Shinhan Financial Group. To this end, we are advancing an integrated management system for comprehensive data protection, including the adoption of a Zero Trust security framework, enhancement of the Fraud Detection System (FDS), establishment of a pseudonymized information management system, and strengthened information security management for third-party data processors. Additionally, through the operation of information security standards and procedures, we maintain consistent security levels across the entire organization and external outsourcing environment, and are refining management criteria to balance data utilization with privacy protection. Shinhan Bank will continue to foster a secure digital financial environment and build customer trust so that customers can conduct transactions with confidence.

- ① Adoption of a Zero Trust Security Framework
- ② Enhancement of the Fraud Detection System (FDS)
- ③ Establishment of a Pseudonymized Information Management System
- ④ Strengthening of Information Security Management for Third-Party Data Processors



Governance

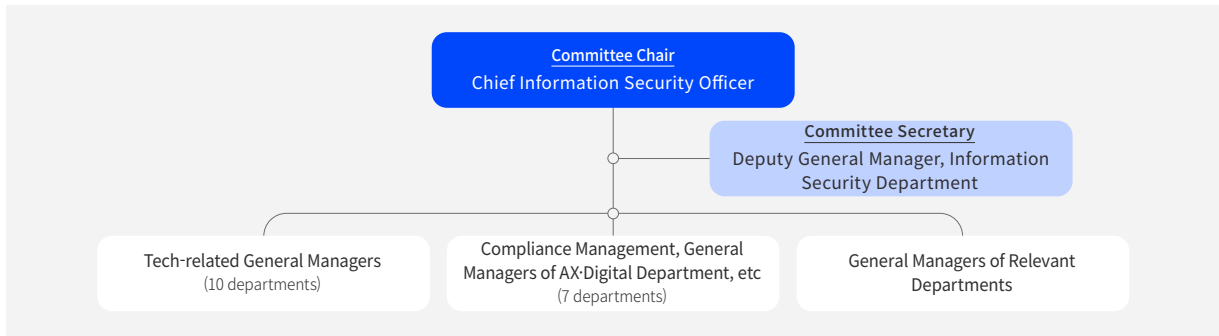
Board’s Oversight

The Board of Directors of Shinhan Bank serves as the highest decision-making body responsible for managing and overseeing risks and opportunities related to privacy protection and information security. The Board receives regular reports from the Information Security Committee on key matters including information security objectives and strategies, risk assessment and response, and third-party risk management status, and reviews the level of management oversight. In 2025, the Board received reports on and oversaw the results of personal credit information management and protection guidelines implementation inspections and quarterly customer information provision and use status reports.

Management’s Role

Shinhan Bank operates an information security governance structure centered on the Chief Information Security Officer (CISO) who also serves as the Chief Privacy Officer (CPO). Management executes strategies and policies related to privacy protection and information security through the Information Security Committee and reports implementation performance to the Board of Directors on a regular basis. The Information Security Committee, in accordance with the Information Security Committee Standard, is a body that deliberates and coordinates key information security matters and performs decision-making across all information security functions. The Committee Chair is held by the CISO, and the General Manager of relevant departments participate as members. While the Committee is scheduled to convene semi-annually as a rule, it was held nine times in 2025. Comprising the Information Security Planning Team and the Information Security Operations Team, the Department is responsible for the full range of information security functions, including the development of policies and procedures. Additionally, the Department identifies and assesses risks related to information security and privacy protection across Shinhan Bank, implements response measures, and promotes strategic information security initiatives.

Information Security Committee Organization Chart



Privacy Protection and Information Security

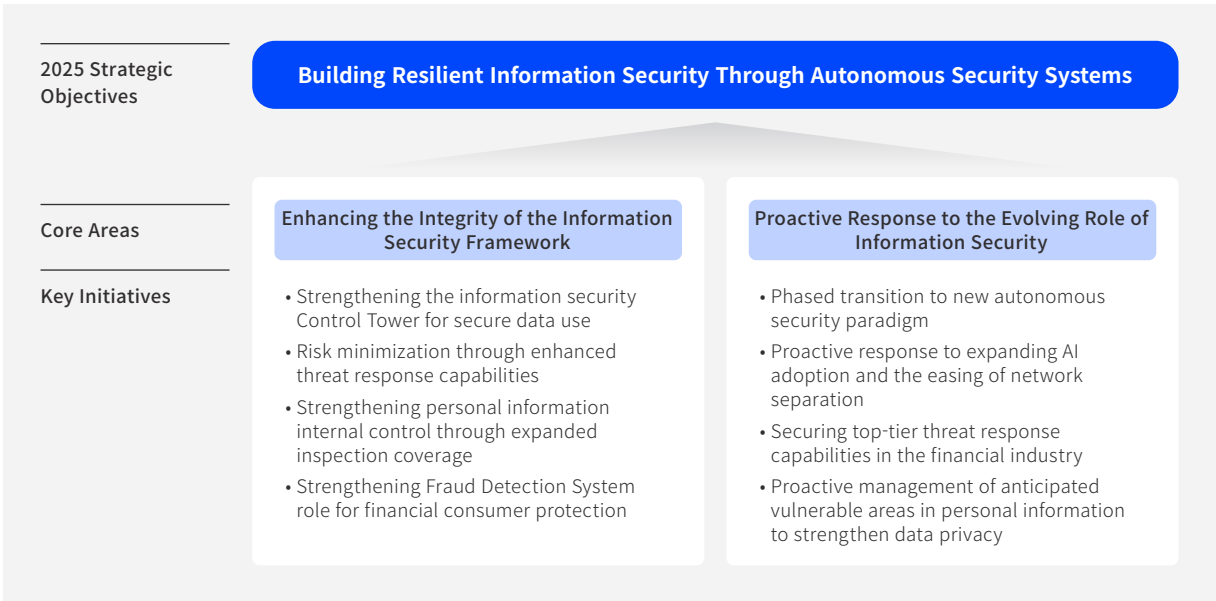
Strategy

Information Security Strategy

As digital financial services proliferate and data-driven offerings grow, information security risks are rising, and the importance of information security management at financial institutions continues to increase. Based on Shinhan Financial Group’s medium- to long-term objective of “Scandal Zero 2.0: Information Security That Customers Can Truly Trust,” Shinhan Bank is establishing an information security strategy optimized for banking operations by reflecting group-level strategic directions, including enhancement of customer information management systems, protection of customer information sovereignty and privacy, and establishment of a Zero Trust Security Framework.

In 2025, Shinhan Bank set the strategic objective of “Building Resilient Information Security Through Autonomous Security Systems” and focused on enhancing the completeness of information security systems and proactively responding to changes in information security roles. Through these efforts, we minimized security incident risks and responded to expanding information security requirements driven by digital transformation. Additionally, we are securing a balance between the efficiency and security in its use of digital technology to enhance operational effectiveness while reinforcing a resilient information security framework.

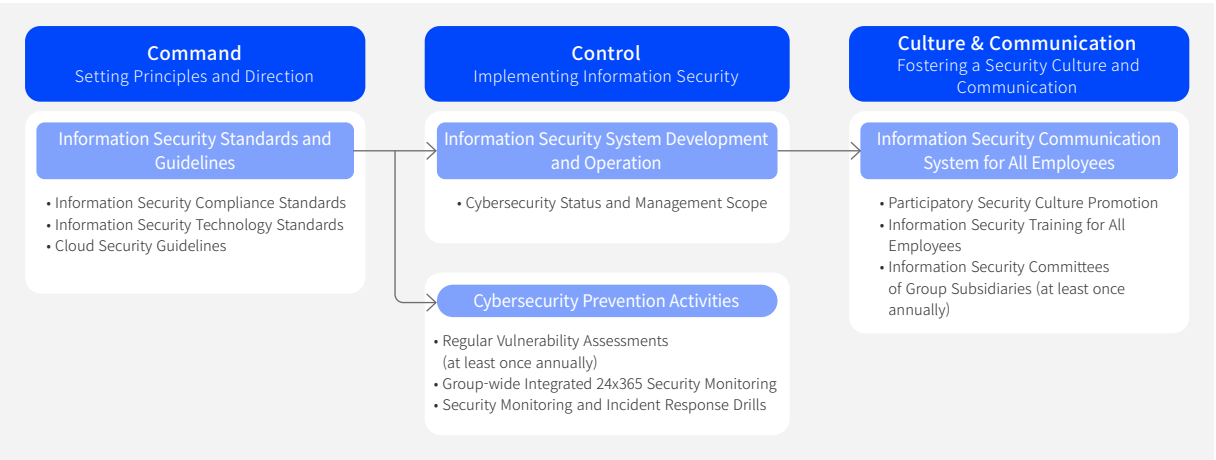
Shinhan Bank 2025 Information Security Strategy



Information Security Management System

Shinhan Bank operates an Information Security Management System that reflects the characteristics of the business environment and IT infrastructure. Based on Shinhan Financial Group’s 3C (Command, Control, Culture & Communication) principles, we have established standards, policies, and procedures tailored to banking operations. By implementing robust information security systems alongside preventive cybersecurity measures, we manage related risks effectively. In addition, through company-wide security awareness initiatives that engage all employees, we continuously reinforce a strong security culture across our organization.

Information Security 3C Principles



Shinhan Bank Information Security Policy

Standards	Procedures
- Information Security Committee Standard - Standard on the Provision and Use of Customer Information - Personal and Credit Information Protection Standard - Information Security Management Standard	- Personal Credit Information Management and Protection Procedure - Personal Information Protection Procedure - Fraud Detection System (FDS) Operation Procedure - Information Security Management Procedure - Cloud Computing Service Use Procedure - Personal Information Protection Procedure for Overseas Branches

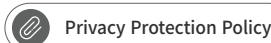
Privacy Protection and Information Security

Strategy

Information Security Management System

Strengthening Privacy Protection and Customer Information Rights

Shinhan Bank establishes and operates a Personal Information Processing Policy to protect customers’ personal credit information, in accordance with relevant laws and regulations including the Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization and Information Protection. We manage personal information based on the principles of minimal collection and restricted use beyond the stated purpose, and provide an Easy-to-Understand Personal Information Processing Policy to help customers readily verify how their information is being used. To strengthen the protection of sensitive information, we clearly disclose guidance on the collection of behavioral data during service use, our personal location information processing policy, the handling of biometric information, and the processing of linked information. In addition, recognizing that children and adolescents require enhanced privacy protections, we operate a separate Personal Information Processing Policy for Children and Adolescents. We also offer services that enhance transparency regarding the processing of customers’ personal information, including detailed inquiries into personal (credit) information processing status, customer information breach inquiries, and inquiries on the use and provision of personal credit information.



Information Security Management System Certification

Shinhan Bank obtained ISO 27001, an international standard information security management system certification for non-face-to-face financial transaction services, as the first bank in the Korean banking industry in 2003. We have since expanded the certification scope to include global electronic financial services and maintains the certification through regular audits. In 2020, we became the first commercial bank in Korea to obtain both the Information Security Management System (ISMS) certification from the Financial Security Institute and the Information Security and Privacy Protection Management System (ISMS-P) certification, which we continue to maintain.

ISMS, ISMS-P, ISO 27001 Certifications



Transition to Zero Trust-Based Autonomous Security Framework

Shinhan Bank is adopting a Zero Trust security strategy and advancing the transition to an autonomous security framework in response to shifts in the digital financial environment, the expanded use of artificial intelligence (AI), and IT infrastructure changes such as the easing of network separation regulations. Guided by the principle of “Never Trust, Always Verify,” we are strengthening multi-layered authentication and authorization controls for all users, devices, and access points across its systems. The scope of application is being expanded progressively, starting with the mobile development environment.

In 2025, Shinhan Bank participated as a consortium member in a pilot project for Zero Trust security model verification led by the Ministry of Science and ICT, delivering key outcomes such as the design of Shinhan Bank-specific use cases and the development of a user-level trust scoring model. Going forward, we plan to establish a medium- to long-term Zero Trust roadmap and extend its application across both domestic and overseas business environments, thereby continuously enhancing the resilience and information security of its digital financial services.

Enhancement of the Electronic Banking Fraud Detection System

Shinhan Bank continuously enhances our Fraud Detection System (FDS) to prevent electronic financial incidents and protect our customers’ financial assets. We have established a hybrid detection framework that integrates the FDS Operation Guidelines issued by the Financial Supervisory Service (FSS) and the Financial Security Institute (FSI) with our proprietary AI-based analytical models, and have reinforced end-to-end processes to predict, detect, and respond to anomalous transactions across all electronic banking channels. We are also strengthening fraud prevention capabilities by expanding anomaly detection scenarios and tightening customer authentication procedures.

In particular, we are reinforcing our risk-based response framework by upgrading response scenarios for major threat types—such as telecom carrier hacking and data breaches—and by applying detection criteria tailored to customer profiles. In addition, we are actively countering authentication bypass and device-level security threats through the broader rollout of facial recognition-based step-up authentication and the deployment of a malware detection system.



Privacy Protection and Information Security

Strategy

Establishment of Pseudonymized Data Processing Management System

Shinhan Bank has established and operates a pseudonymized data processing management system to respond to changes in the digital financial environment and the growing use of data, while reinforcing the protection of personal and credit information. By converting personally identifiable information (PII) into pseudonymized data and managing processing standards and procedures in an integrated manner, we are enhancing both the consistency and oversight of pseudonymized data processing.

We also transparently publish information on every aspect of pseudonymized data processing on our website through our Personal and Credit Information Protection Disclosure Framework—including data items, purposes of use, retention and processing periods, responsible departments, and third-party provision records. This fosters a secure data use environment while reinforcing accountability and governance across the entire pseudonymized data lifecycle.

In response to the expansion of AI-driven digital business, Shinhan Bank is further advancing risk management across our data use practices by proactively assessing and controlling risks associated with personal and credit information throughout the AI model development lifecycle, beginning at the pre-training stage.

Information Security Management for Outsourced Data Processors

Shinhan Bank is strengthening the management framework for outsourced service providers to address personal and credit information protection risks arising from the expanded use of third-party engagements in the digital financial environment. We apply a prevention-oriented management approach to processors handling personal data and have built an integrated management framework that proactively identifies and controls security threats. By securing visibility into processors’ end-to-end personal data handling and standardizing oversight against core security controls, we maintain a consistent level of information security even within outsourced environments. We also continuously enhance processors’ security capabilities through a closed-loop framework that integrates audits, remediation, and training, and we systematically track the resolution of identified gaps—thereby advancing our outsourcing risk management framework.

Building on this framework, in 2025 Shinhan Bank conducted security audits across personal data processors and carried out thematic audits targeting high-risk business categories such as loan solicitation agencies, reinforcing oversight standards with a focus on priority entities.

Information Security Training

Shinhan Bank designs and operates annual information security training programs tailored to job levels and roles to strengthen employees’ privacy and information security capabilities. In 2025, we delivered training across all employees to reinforce the awareness that personal and credit information protection is a cornerstone of our customer-centric values and to build practical security response skills. We also ran multi-channel programs in collaboration with external expert organizations such as the Financial Security Institute (FSI), and expanded learning in emerging technology areas—including cloud, AI, open-source security, and supply chain security—to deepen employee expertise.

Shinhan Bank also delivered role-specific training. For employees handling personal and credit information, we provided sessions focused on applicable laws and regulations, key considerations in day-to-day operations, and notable customer grievance cases. For senior officers within the Information Security Division, we conducted expert-level training on “Cyber Attack Trends and Response Strategies,” strengthening their understanding of managerial risks, legal responsibilities, and security incident response protocols.

Information Security Training Status

Category		Unit	2023	2024	2025
Employee Information Security Training	Training hours	hours	78,204	78,202	69,201
	Number of participants	persons	12,677	12,635	11,931
External/Partner Information Security Training	Training hours	hours	1,360	1,570	838
	Number of participants	persons	680	785	546

Data Security Investment

Category	Unit	2023	2024	2025
Data Security Investment Amount ¹⁾	KRW million	33,714	34,833	31,672
Information Security Department Headcount	persons	85	98	96

1) Investments in tangible and intangible assets and related operating expenses for information security infrastructure, security solution deployment and operation, personal and credit information protection, and cybersecurity response capabilities

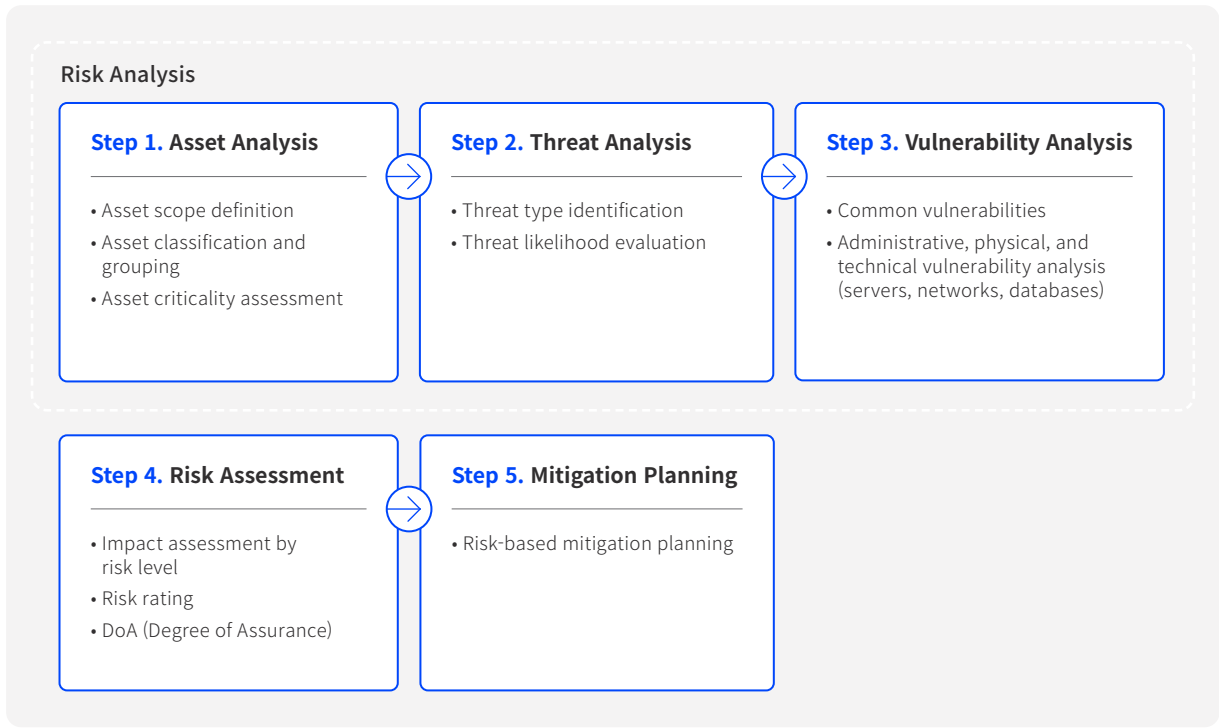
Privacy Protection and Information Security

Risk Management

Information Security Risk Management Framework

Shinhan Bank conducts annual group-wide security assessments with Shinhan Financial Group as part of the information security risk evaluation, and identifies and remediates vulnerabilities through risk assessments aligned with ISMS (Information Security Management System), ISMS-P (Personal Information & Information Security Management System), and ISO/IEC 27001 certification standards. Identified risks are addressed through mitigation actions defined based on risk severity ratings, with implementation timelines classified as immediate, short-term, medium-term, or long-term. In 2025, Shinhan Bank achieved 100% completion of mitigation measures across the administrative, physical, and legal/compliance risk categories. In the technical risk category, we have further broken down risk management areas—such as databases and web applications—to identify vulnerabilities and implement targeted mitigation measures.

Information Security Risk Assessment Process



Information Security Technology Defense System

Shinhan Bank operates an enterprise-wide security management framework structured around four domains—prevention, control, detection and response, and management—to systematically manage key information security risks. In the prevention domain, we proactively identify potential risks through security reviews and assessments. In the control domain, we strengthen security controls centered on identity and access management and data protection. We also continuously enhance our incident response capabilities by tightly integrating the full cycle—from threat intelligence collection and anomalous behavior detection to threat analysis, response, and post-incident review. Building on this framework, Shinhan Bank reinforces both the enterprise-wide security management and customer data protection.

Technical Defense Framework

Prevention Domain (Service, Infrastructure, Open Source)	Control Domain (Endpoint, Network, Server/Database)	Threat Response Domain (Network, System)	Management Domain (Enterprise-wide)
- Security Reviews - Security Assessments	- Access Control - Identity and Access Management - Malware Detection and Response - Data Security (DLP and Encryption)	- Threat Intelligence Collection - Anomalous Behavior Detection - Threat Analysis and Response - Post-Incident Review and Remediation	- Security Management - Customer Data Protection

Security Incident Response Process

Shinhan Bank operates response procedures and reporting and communication protocols to ensure rapid and systematic action in the event of a security incident. In line with our Business Continuity Plan (BCP) and ICT Emergency Response Manual, we conduct regular APT-based cyber incident response drills and ICT emergency response drills, continuously validating our response capabilities under realistic scenarios. We also operate an advanced security monitoring system designed to defend against cyber attacks and prevent customer data breaches, continuously monitoring for external intrusion attempts and overseeing key security controls through an anomalous behavior detection system.

Information Security Incident Response Procedure





Privacy Protection and Information Security

Metrics & Targets

Information Security Metrics and Targets

Shinhan Bank has set “Scandal Zero 2.0: Information Security That Customers Can Truly Trust” as the medium- to long-term objective, and in 2025 we advanced the transition to an autonomous security framework to strengthen our information security posture. We manage progress against this objective using key metrics including the number of customers affected by data breaches, financial losses, and the results of the Financial Services Commission (FSC) Inspection on the status of personal credit information management and protection. Based on these metrics, we monitor security risk levels and the effectiveness of our incident response framework, and continuously enhance our information security framework by incorporating the analytical insights gained. Going forward, Shinhan Bank remains committed to minimizing data breaches, strengthening customer trust, and delivering secure financial services.

Information Security Performance Metrics

Category	Unit	2023	2024	2025
Number of customer data breach incidents ¹⁾	cases	0	0	0
Number of customers affected by data breaches	persons	0	0	0
Financial losses from customer data breaches	KRW million	0	0	0
Number of customers who consented to third-party data sharing	persons	14,539,253	15,214,528	15,918,727

* No complaints received were substantiated as breaches of customer privacy or losses of customer data.

1) Number of breach incidents confirmed by regulatory authorities

Green Finance and Transition Finance

Introduction

In line with Shinhan Financial Group's 2050 carbon neutrality strategy, Zero Carbon Drive, Shinhan Bank fulfills its core role as a financial institution by supporting the transition to a sustainable economy, including green initiatives. Under this direction, Shinhan Financial Group has set a cumulative green finance target of KRW 30 trillion by 2030. As of year-end 2025, cumulative green finance reached KRW 26.2 trillion, representing 87% progress against the target. Building on the Group's expansion of green finance, we are enhancing our standards and frameworks to prevent greenwashing and scaling up financial support, with a focus on green and transition finance. Since 2024, we have proactively applied the K-Taxonomy to our green loan alignment assessment process. In 2025, we incorporated the Green Loan Management Guidelines jointly issued by the Financial Services Commission (FSC), the Ministry of Climate, Energy and Environment (MoCEE), and the Financial Supervisory Service (FSS). In 2026, in response to the forthcoming Transition Finance Guidelines, we plan to further refine and expand our green and transition finance management framework.

Definition and Criteria of Green Finance and Transition Finance

Green Loans are credit facilities extended by financial institutions to finance environmentally sustainable economic activities, thereby supporting the low-carbon transition. To qualify as Green Loan, the use of proceeds must meet the alignment criteria set forth in the K-Taxonomy guidelines issued by the MoCEE. Transition finance refers to financing (credit and investment) provided to support transition activities across industries to achieve climate resilience and environmental sustainability. It promotes greenhouse gas (GHG) emissions reduction by financial consumers and improves their environmental performance, while contributing to carbon neutrality and portfolio transition.



Governance

Board's Oversight

Shinhan Bank operates the ESG Committee under the Board of Directors as the highest decision-making body for sustainable management and Green Finance and Transition Finance. The Committee establishes and approves strategies and targets related to Green Finance and Transition Finance, regularly receives reports on implementation status and key outcomes in accordance with our internal control framework, and oversees fund management. In 2025, we received a report from the ESG Executive Committee on the development of our Green Finance and Transition Finance management framework.

Management's Role

Our ESG Management Council—comprising the ESG Executive Committee, chaired by the President and CEO, and the ESG Operations Committee, in which relevant department heads participate—serves as the governance body that sets agendas for Green Finance and Transition Finance and reviews implementation progress. The ESG Management Council regularly reports strategic directions and the status of key initiatives to the ESG Committee. Strategies established by the ESG Committee and the ESG Management Council are executed in collaboration with our working-level departments, which carry out responsibilities such as Green Finance and Transition Finance alignment review, marketing oversight, training and campaign management, and risk review.

Green Finance and Transition Finance Implementation Framework





Green Finance and Transition Finance

Strategy

Green Finance and Transition Finance Strategy

Shinhan Bank recognizes climate action and the transition to a low-carbon economy as key priorities, addressing both transition risks arising from policy and market changes and opportunities to expand green finance and transition finance. We have continuously enhanced our frameworks: after establishing a K-Taxonomy-based alignment assessment system in 2024, we built in-house alignment assessment expertise through pilot operations and refined our detailed assessment criteria in alignment with the Green Loan Management Guidelines, jointly issued by the Financial Services Commission (FSC), the Ministry of Climate, Energy and Environment (MoCEE), and the Financial Supervisory Service (FSS) in the same year. In 2025, in line with Shinhan Financial Group’s establishment of group-level green loan guidelines, we formulated our own Green Loan Guidelines and Green Loan Operating Standards and incorporated them into our internal regulations, establishing a framework to support green economic activities under rigorous criteria. We are also developing the corresponding framework for transition finance, and plan to further refine it to align with the government's Transition Finance Guidelines released in February 2026. Through these efforts, we systematically manage climate-related risks while actively providing financial support for the low-carbon transition.

Green Finance and Transition Finance Policy

Green Loan Work Instruction

Shinhan Bank supports our financial consumers’ sustainable economic activities through green loans while, as a financial institution, seeking to mitigate greenwashing risks. To this end, we have established and operate our Green Loan Work Instruction, based on the Green Loan Management Guidelines jointly issued by the FSC, MoCEE, and FSS. Our internal standards clarify the rights and obligations of borrowers using credit for the purposes of carbon neutrality, low-carbon transition, and environmental improvement, and set out the assessment criteria and procedures that financial institutions must follow when extending green loans.

Green Bond Management Framework and K-Green Bond

Shinhan Bank expands the funding base through K-Green Bond issuance and has built a virtuous cycle in which the proceeds are channeled into green projects—linked to preferential rates on green loans. To this end, we established a green bond management framework in 2024 aligned with the K-Green Bond Guidelines jointly enacted by the MoCEE and FSC. When green bond proceeds are used for lending, we conduct an internal alignment assessment under the K-Taxonomy to select eligible projects for support.

Post-issuance, we continuously monitor the use of proceeds and related performance, and disclose related information to investors through our Annual Report—enhancing both the credibility of our green bonds and the transparency of proceeds management.

Transition Finance Guideline

To support the transition to a low-carbon economy, Shinhan Bank is establishing a transition finance framework based on the Transition Finance Guidelines jointly prepared by the FSC, MoCEE, and FSS. Transition Finance is financing extended to economic activities that contribute to 2050 carbon neutrality and the Paris Agreement goals, providing funds to support transition activities across industries on the path to climate resilience and environmental sustainability. We are establishing criteria for selecting eligible borrowers based on a comprehensive review of corporate transition strategies and transition plans, and enhancing our post-financing monitoring framework, including verification of the alignment of the use of proceeds with the transition criteria and monitoring of transition strategy execution. We are also setting standards to prevent carbon lock-in risk, progressively building the foundation for transition finance.

Transition Bond Framework

Shinhan Bank has established and operates the Transition Bond Framework based on the Green Bond Principles of the International Capital Market Association (ICMA), structured around four core elements: use of proceeds, project evaluation and selection, management of proceeds, and post-issuance reporting. Proceeds raised through transition bonds are used to finance or refinance transition assets as defined in our Transition Bond Management Framework, directing capital toward the low-carbon transition. We transparently disclose the use of proceeds and outcomes through post-issuance reporting—covering fund allocation status, material changes, environmental impact, and compliance with applicable criteria.

Green Finance and Transition Finance

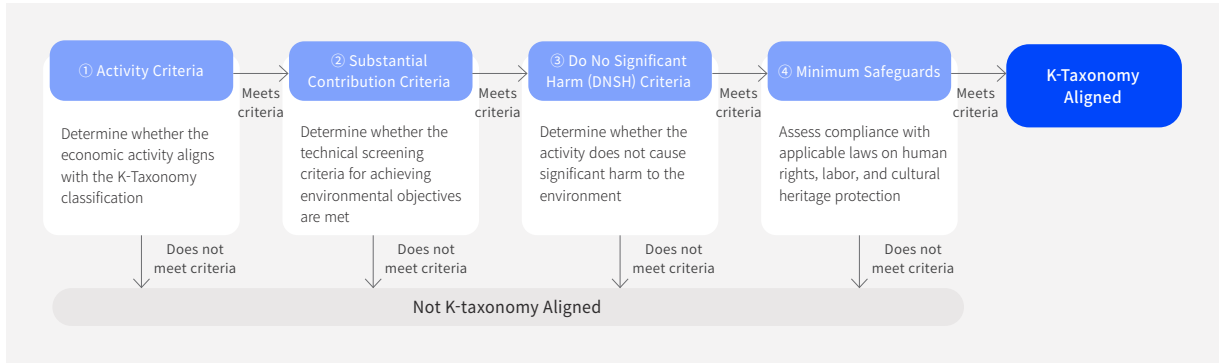
Strategy

Green Finance and Transition Finance Application Criteria

Green Loan Alignment Assessment

Shinhan Bank conducts an internal alignment assessment for all green loan applications, determining a loan to be aligned only when the intended use of proceeds satisfies all four criteria of the K-Taxonomy: Activity Criteria, Substantial Contribution Criteria, Do No Significant Harm (DNSH) Criteria, and Minimum Safeguards. We manage green loan proceeds to ensure that they are allocated exclusively to green economic activities, and that funds raised through green loans are deployed solely to support such activities. Following loan extension, we obtain use of proceeds attestations from borrowers and verify actual use.

Green Loan Alignment Assessment Process



Green Loan Key Elements

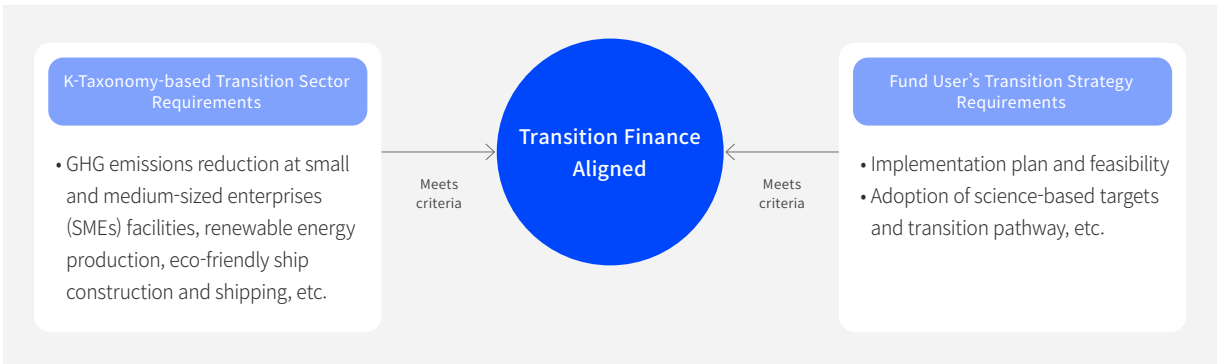
Shinhan Bank defines four core elements — Purpose of Proceeds, Use of Proceeds, Management of Proceeds, and Post-Disbursement Verification — to ensure the systematic operation of green loans. Through this framework, we manage funds raised through green loans so they are deployed exclusively in economic activities aligned with the K-Taxonomy.

Purpose of Proceeds	Use of Proceeds	Proceeds Management	Post-Disbursement Verification
Assessment of whether the economic activity for which proceeds are intended aligns with the K-Taxonomy	Ensure that proceeds raised through green loans are used exclusively for green economic activities	Manage proceeds raised through green loans so that they are allocated only to green economic activities	Following green loan extension, obtain use of proceeds attestations and verify that proceeds have been used for green economic activities

Transition Finance Assessment

When extending transition finance, Shinhan Bank applies criteria that assess both alignment with the transitional activities of the K-Taxonomy and the borrower's transition strategy. Our criteria are designed to review borrowers' transition strategies, including implementation plans and feasibility, and incorporate factors such as the adoption of science-based targets and transition pathways. We are refining our assessment framework for transition finance and developing post-financing management standards to verify both execution of the borrower's transition strategy and the appropriateness of the use of proceeds.

Transition Finance Alignment Assessment Process



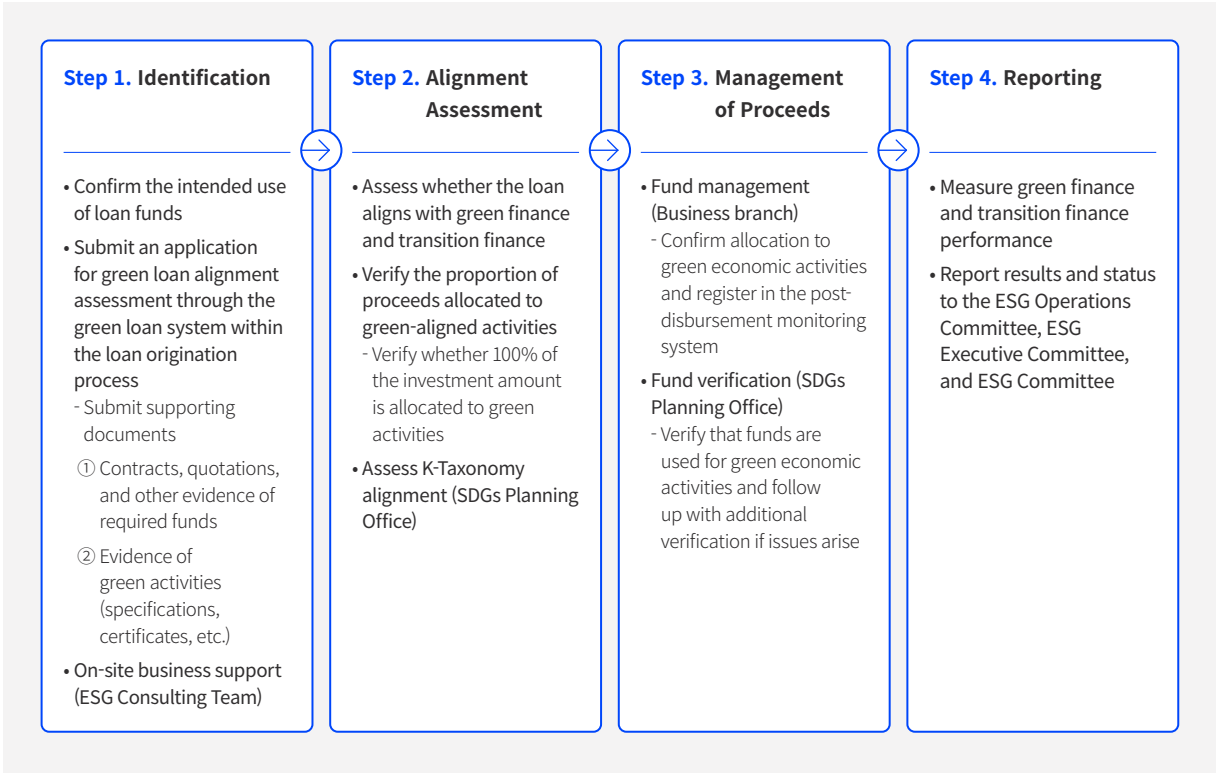
Green Finance and Transition Finance

Strategy

Green Finance and Transition Finance Process

Shinhan Bank’s Green Finance and Transition Finance process consists of four stages: Identification, Alignment Assessment, Management of Proceeds, and Reporting. In the identification stage, the front office reviews the intended use of proceeds and submits the loan application for green loan alignment assessment. In the Alignment Assessment stage, the assessment team verifies that the loan meets the relevant criteria and is structured to fund only green-aligned expenditures. In the Management of Proceeds stage, we monitor the actual use of proceeds. In the reporting stage, we measure performance and operational outcomes and report the results to the ESG Committee and the ESG Management Council.

Green Finance and Transition Finance Process



Phased Support Activities for Green Finance and Transition Finance

Shinhan Bank provides end-to-end support across the green finance and transition finance products—from application and alignment assessment to management of proceeds and reporting—with a focus on ESG consulting linked to policy-based financing for borrowers. At the customer-facing level, we conduct training for relevant departments and relationship managers (RMs) to ensure that eligible applicants are effectively identified. We distribute guidance materials and handbooks, and offer preferential terms to encourage participation. Prior to policy-fund application, we provide ESG diagnostics and tailored consulting that help borrowers proactively prepare for the evaluation and selection process. During the alignment assessment stage, our helpdesk and dedicated ESG consulting function strengthen borrowers’ hands-on capabilities for application preparation and data reporting. Following loan disbursement, we monitor execution through our use of proceeds tracking and Management of Proceeds framework. We also track and report outcomes, publicly sharing our results to promote broader adoption of green finance and transition finance—and we plan to continuously enhance our related support framework going forward.

Support Activities for Green Finance and Transition Finance

On-site Identification Support	Green Finance and Transition Finance Alignment Assessment Support	Management of Proceeds Support	Reporting Support
• Training for relevant departments • RM training • Distribution of on-site guidance materials • Guidance on preferential interest rates for green loans	• Operating helpdesk • ESG consulting	• Support for use of proceeds registration • Post-disbursement monitoring system registration	• Performance management • Public disclosure of green finance and transition finance performance

Green Finance and Transition Finance

Strategy

Scaling Up Green Finance and Transition Finance

Green Loan Performance

Shinhan Bank applies clear criteria to green economic activities to ensure that green financing is effectively channeled into substantive green economic activities. Our 2025 green loans were assessed against the K-Taxonomy, and from July onwards, we refined our measurement framework in accordance with the Green Loan Management Guidelines. We classify our green loans by use of proceeds into two categories: facility loans and working capital loans. Facility loans fund equipment and infrastructure investments aligned with the K-Taxonomy, while working capital loans are recognized as green loans only up to the revenue generated from the corresponding green activities. Throughout the entire green loan process, we conduct internal review and verification procedures to confirm the appropriateness of the use of proceeds and their alignment with the K-Taxonomy criteria. In 2025, we expanded our green loan offerings beyond corporate lending to include investment banking (IB) loans, and broadened the scope of our green loan support by extending project finance (PF) to green real estate developments that achieved the highest (Outstanding) grade of G-SEED (Green Standard for Energy and Environmental Design) certification. Going forward, we plan to expand financial support across a wider range of green economic activities — including renewable energy, the circular economy, and carbon reduction at small and medium-sized enterprises (SMEs) — and to continuously enhance our financing solutions.



K-Taxonomy-Aligned Green Loans (by Economic Activity)

Classification	Sector	Objective	Field	Unit	Amount
IB Loans	Green	Greenhouse gas (GHG) emissions reduction	Urban Buildings	KRW billion	500 ¹⁾
Corporate Loans	Green	Cross-cutting activities	Industry	KRW billion	23
			Research and Development	KRW billion	10
		Greenhouse gas (GHG) emissions reduction	Power Generation and Energy	KRW billion	26
			Transportation	KRW billion	226
		Sustainable Water Conservation	Water	KRW billion	9
		Transition to a Circular Economy	Resource Circulation	KRW billion	8
			Management	KRW billion	11
			Renewable	KRW billion	1
	Transition	Greenhouse gas (GHG) emissions reduction	Industry	KRW billion	6
			Power Generation and Energy	KRW billion	39
			Transportation	KRW billion	25
Total			KRW billion	885	

1) For the green real estate PF implemented in 2025, green loans screening was completed in February 2026 after confirming compliance with the Do No Significant Harm (DNSH) and Minimum Safeguards criteria.



Green Finance and Transition Finance

Strategy

Expansion of Green Finance and Transition Finance

Green Loan Performance

K-Taxonomy-Aligned Green Loans (by Industry)

Classification	Industry	Unit	Amount
IB Loans	Construction	KRW billion	500
Corporate Loans	Construction	KRW billion	1
	Machinery/Precision	KRW billion	1
	Other Industries	KRW billion	11
	Semiconductors/Electronic Components	KRW billion	8
	Real Estate Leasing/Services	KRW billion	2
	Oil and Chemical	KRW billion	16
	Transportation and Storage	KRW billion	23
	Utilities	KRW billion	57
	Automotive	KRW billion	211
	Electronics	KRW billion	10
	Information and Telecommunications	KRW billion	2
	Steel and Non-ferrous Metals	KRW billion	2
	Waste Management and Recycling	KRW billion	17
	Shipping	KRW billion	25
Total		KRW billion	885

K-Green Bond and Transition Bond Performance

Shinhan Bank issues Green Bonds and Transition Bonds to activate green finance and transition finance. Following the issuance of a K-Green Bond worth KRW 100 billion as the first commercial bank in Korea in 2022, we have expanded the issuance scale annually. In 2025, we achieved cumulative K-Green Bond issuance of KRW 600 billion. K-Green Bonds are special-purpose bonds that direct raised funds to projects compliant with the K-Taxonomy, contributing to the development of the domestic green industry and the prevention of greenwashing. Additionally, in 2025, we issued a Transition Bond in the Japanese Samurai market for the first time globally.

Green Bond and Transition Bond Issuance Status

Category	Unit	2022	2023	2024	2025
K-Green Bond	KRW billion	100	150	250	100
Transition Bond	KRW billion	-	-	-	380

CASE STUDY



World’s First Samurai Transition Bond Issuance

To strengthen our funding base for expanding transition finance, Shinhan Bank issued a transition bond in Japan’s Samurai bond market in November 2025. This marks the world’s first transition bond issued in the Samurai market, with a total size of JPY 40 billion (approximately KRW 379.5 billion). The proceeds will be used to fund energy efficiency improvements and low-carbon transition projects. In recognition of pioneering Japan’s transition finance market and our systematic advancement of this field, we became the first Korean institution to receive the 2025 Sustainable Finance Award presented by the Research Institute for Environmental Finance (RIEF) in Japan.

1) Samurai bonds: yen-denominated bonds issued in Japan by non-Japanese (foreign) issuers and sold to Japanese investors.



Green Finance and Transition Finance

Strategy

Embedding Green Finance and Transition Finance

Employee Training on Green Finance and Transition Finance

Shinhan Bank operates educational programs to strengthen employees’ capabilities in green finance and transition finance. Through foundational training on climate action, as well as specialized courses on Green Loans, K-Taxonomy, and Green Loans ESG consulting, we support employees in understanding green finance and transition finance and applying these concepts in their job. Additionally, we conduct specialized training to enhance the expertise of sales branches, which are responsible for handling green loans.

2025 Employee Training on Green Finance and Transition Finance

Number	Training Title
1	Shinhan Financial Group SDGs Strategic Direction and Shinhan Bank SDGs Implementation Initiatives Overview
2	Financed Emissions and Climate Risk Management
3	Climate Disclosure Response (Financial Impact of Climate Events on Financial Assets)
4	Equator Principles Practical Guide
5	Green Loans and K-Taxonomy
6	Green Loans and Equator Principles: Further Learning
7	Understanding Win-Win Loans with Partner Companies (Samsung Electronics ESG Partner Company Win-Win Loans)
8	Green Loans and ESG Consulting

2025 Green Loans Training for Branch Offices

Number	Training Content
1	Green Loans Policy Trends and Implementation Strategy
2	K-Taxonomy Overview and Application Methods
3	Green Loans Marketing Implementation Plan and Best Practices
4	K-Taxonomy Corporate Lending Application System

Green Finance and Transition Finance Talent Development

Shinhan Bank operates specialized talent development programs to establish a systematic foundation for capturing the expanding green finance and transition finance market and to strengthen execution capability. In 2025, we conducted Green Literacy Competency Training focused on practical concepts such as green loans for operational departments driving green finance and transition finance initiatives. To internalize green loan assessment capabilities, the SDGs Planning Office and ESG Consulting Team led Shinhan Bank’s participation in the Ministry of Climate, Energy and Environment and Financial Services Commission’s Green Loans specialist talent development program.

Green Finance and Transition Finance Professional Development Program

Category	Content	Target Participants
Ministry of Climate, Energy and Environment and Financial Services Commission Green Loans Professional Development Program	Korea Banking Institute group training, practical suitability assessment, and 18 courses in total	• SDGs Planning Office • Strategic Sales Department (ESG Consulting)
Green Literacy Training for ESG-Related Department Practitioners	Industry-specific green elements and practical Green Loans concepts-focused training	• SDGs Planning Office • Strategic Sales Department • Credit Planning Department • Corporate & Credit Analysis & Assessment Department • IB Front Department

Green Finance and Transition Finance

Risk Management

Environmental and Social Risk Management Policy Framework

Shinhan Bank systematically manages environmental and social risks based on the Group Environmental and Social Risk Management Policy Framework. In particular, we apply environmental and social risk review procedures to Project Finance (PF)—projects that may generate environmental and social impacts over extended periods. Through this process, we identify potential environmental and social risk factors that may arise during project implementation, assess their impacts, and incorporate these assessments into our decision-making. Environmental and social risks are also continuously monitored throughout project execution, in conjunction with our internal risk management framework.

Environmental and Social Risk Categories

Shinhan Bank defines industries that may have significant environmental and social impacts as Environmental and Social Risk Categories and operates an ESG Risk Dashboard to systematically manage our exposure to these sectors. The dashboard provides a comprehensive analysis of exposure amount, portfolio share, and sectoral distribution across our Environmental and Social Risk Categories and is distributed monthly to relevant departments. Through this process, we regularly review exposure trends in the Risk Categories relative to the overall portfolio and continuously monitor the level of environmental and social risk exposure.

Risk Categories

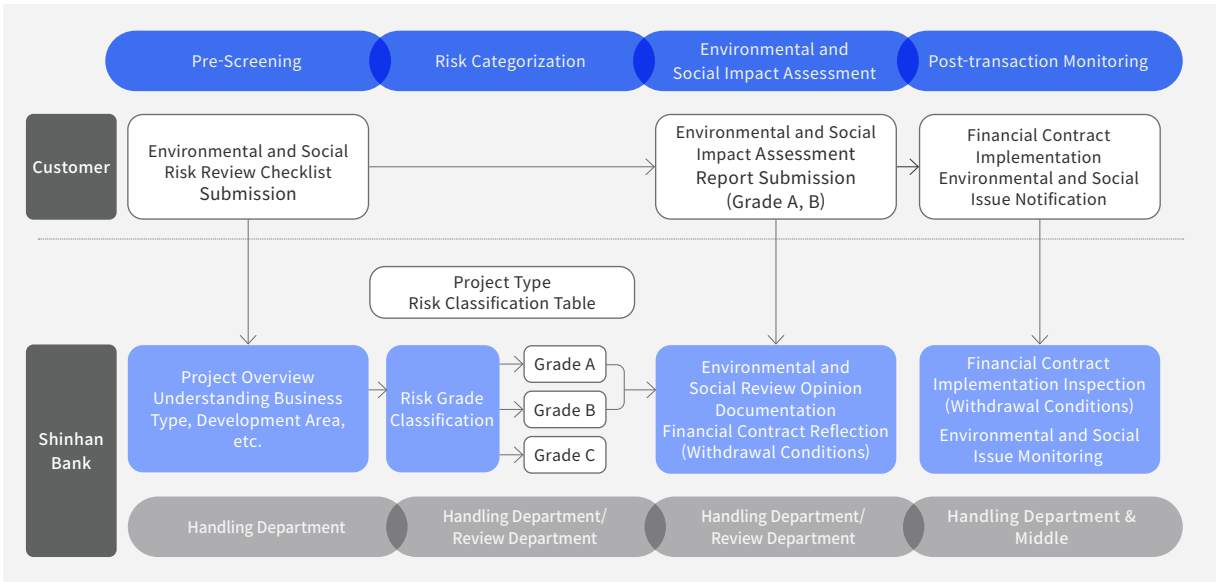
a. Large-scale agriculture and food crop production	g. Power generation Industry
b. Forestry	h. Waste and wastewater treatment business
c. Manufacturing Chemical Substances	i. Weapons and Military Supplies
d. Mining Industry	j. Drift-net Fishing
e. Crude Oil & Gas Development Project	k. Cigarettes
f. Construction Works of Large-scaled Infrastructure Facilities	l. Coal Processing

Environmental and Social Risk Review

Shinhan Bank has established an environmental and social risk review process at the Shinhan Financial Group level and adopted the Equator Principles—a global PF risk management framework—to systematically manage environmental and social risks across our investments and PF transactions. In the pre-screening stage, we identify environmental and social risks based on key project characteristics, including type, purpose, and location. For large-scale transactions such as PF, we apply the Equator Principles to systematically review the categorization of environmental and social risks, impact assessment, and management requirements. In tandem, we apply our internal environmental and social risk management standards to comprehensively address risk factors specific to each project.

Identified risks are sorted into Categories A, B, and C based on project characteristics and anticipated impacts. For Category A and B projects, we conduct Environmental and Social Impact Assessments to analyze potential impacts in depth. Based on the assessment results, we develop mitigation measures and management actions where necessary, and incorporate them into financing agreements. During project implementation, we monitor compliance with environmental and social risk management measures and, where needed, take additional corrective actions or commission independent reviews to ensure continuous risk management.

Environmental and Social Risk Review Process





Green Finance and Transition Finance

Metrics & Targets

Green Finance and Transition Finance Performance

Shinhan Bank continues to expand green finance and transition finance in line with Shinhan Financial Group’s cumulative green finance target of KRW 30 trillion by 2030. As of year-end 2025, the Group’s cumulative performance reached KRW 26.2 trillion, representing 87% progress against the target. In the first half of 2026, we have established quantitative management targets for loans that meet the K-Taxonomy and the Green Loan Management Guidelines, applied across our broader lending portfolio — encompassing corporate lending and project finance (PF), among others. Through this approach, we aim to expand the application scope and support a substantive transition to a low-carbon economy. Going forward, we will strengthen our use-of-proceeds monitoring and Management of Proceeds framework, and update our related management framework to align with the government’s Transition Finance Guidelines announced in February 2026. Through these efforts, we will raise the standards of our green finance and transition finance, and more systematically support the sustainable transition through financial solutions.

Shinhan Bank K-Taxonomy-Aligned Performance in 2025

Category	Unit	Amount
IB Loans	KRW billion	500
Corporate Loans	KRW billion	385
Total	KRW billion	885

Climate Action

Introduction

Setting Climate Targets and Participating in Global Initiatives

Shinhan Bank is undertaking a range of emissions reduction activities with the goal of achieving Net Zero by 2050. We have established reduction plans for internal greenhouse gas (GHG) emissions and financed emissions by applying the Science Based Targets initiative (SBTi) methodology, and manage financed emissions across our asset portfolio as a member of the Net Zero Banking Alliance (NZBA). In accordance with the Partnership for Carbon Accounting Financials (PCAF) standard, we have calculated major financed emissions from loans, investments, and Project Finance (PF), and established corresponding reduction targets. Since 2022, we have built a financed emissions measurement framework and operate a data-driven management framework. Building on our RE100 commitment declared in 2023, we have accelerated our transition to renewable energy—strengthening the execution of our climate response strategy through active engagement with global initiatives.

Financial Portfolio Transition toward Sustainability

Shinhan Bank is advancing the value of responsible finance through the transformation of the financial portfolio. As the first Korean commercial bank to adopt the Equator Principles, we publish an annual Equator Principles implementation report, transparently disclosing our activities. Under the coal phase-out policy, we systematically assess environmental and social risks for large-scale PF and apply strict investment criteria to high-carbon sectors, including coal-fired power generation.

We also provide financial support to enable a meaningful transition to a low-carbon economy. We operate a corporate lending framework that applies the K-Taxonomy, offer preferential rates to drive uptake of green loans, and expand the scope of our support through partnerships with the Ministry of Climate, Energy and Environment (MoCEE)’s policy-based interest rate subsidy program. Through K-Green Bond issuance, we also supply the capital needed for the transition to green technologies—contributing to society’s sustainable growth through finance.



Governance

Board’s Oversight

Shinhan Bank’s Board of Directors serves as the highest decision-making body for climate action and oversees all related matters. Through two Board Committees, the Board establishes climate action strategies, approves major policies, and continuously monitors implementation progress. The ESG Committee, established under the Board in March 2022 as the first such committee at a Korean commercial bank, makes key decisions on climate action. It reviews major climate indicators—including green finance performance, financed emissions, and emissions intensity—and approves related policies, processes, and internal control framework. The Committee also monitors the progress of ESG strategic initiatives and sets the medium- to long-term direction for our low-carbon transition. In 2025, the Committee held four meetings, discussing key agenda items such as the outcomes of the U.S. Securities and Exchange Commission (SEC) climate disclosure project, the development of the Shinhan Financial Group Transition Finance Framework, and the status of our green finance and transition finance management framework.

The Risk Management Committee comprehensively manages enterprise-wide financial risks—including climate risk—and oversees risk identification, assessment, and control processes. In 2025, it convened 16 times, discussing key agenda items including the results of integrated stress tests and the ESG Risk Dashboard.

To strengthen Board members’ capacity for climate action, we provide regular training on climate risk, sustainable finance, and global disclosure regulatory trends, thereby enhancing the expertise underpinning strategic decision-making.

Management’s Role

Management implements climate-related strategies and policies approved by the Board of Directors and reports their implementation performance to the Board on a regular basis. Strategic initiatives are established and implementation status is monitored through the ESG Executive Committee and Risk Policy Committee, both of which include management participation. The ESG Executive Committee deliberates and resolves ESG-wide initiatives, oversees departmental ESG plans and performance, while the Risk Policy Committee establishes specific implementation measures for climate risk management policies and reviews their effectiveness. The ESG Executive Committee held a total of 6 meetings in 2025, and the Risk Policy Committee held a total of 14 meetings in 2025. Shinhan Bank incorporates green finance performance, internal emissions (Scope 1, 2), and financed emissions (Scope 3) into management evaluation to ensure that management recognizes climate action as a core priority. Additionally, we conduct regular training for Board members, management, and all employees to support the development of climate risk management capabilities, training, and the acquisition of appropriate expertise.

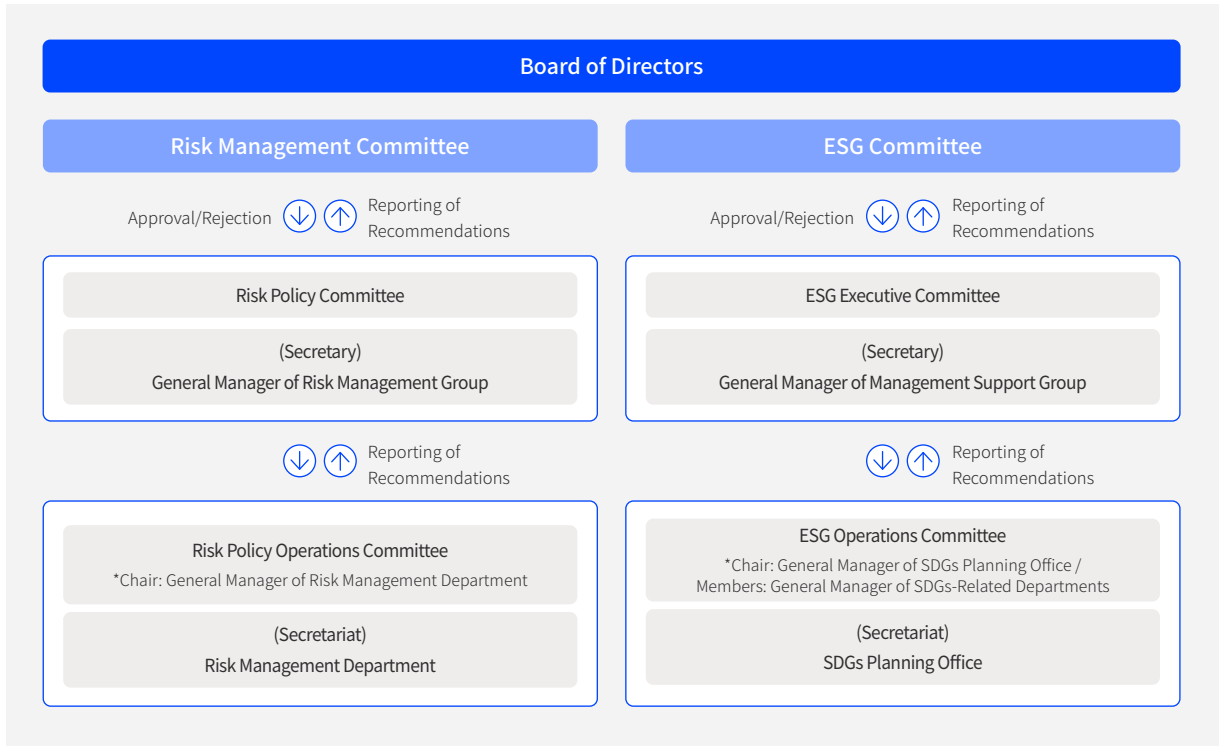
Climate Action

Governance

Management Departments’ Role

Shinhan Bank operates dedicated departments to ensure that climate action is managed integrally within the sustainable management system, centered on the SDGs Planning Office and the Risk Management Department. The two departments clearly delineate roles and responsibilities between ESG management and risk management domains to strengthen expertise in each area, and business divisions establish and implement detailed execution plans based on this framework. Additionally, Shinhan Bank conducts inter-departmental cooperation and coordination through the ESG Operations Committee, and is enhancing the approach beyond simple status sharing to discuss the financial, environmental, and social impacts of each department’s business activities and to identify collaborative initiatives.

Climate Action Governance Structure



Strategy

Climate-Related Risks and Opportunities

Process for Identifying Climate-Related Risks and Opportunities

Shinhan Bank identifies climate-related risks and opportunities based on international standards including TCFD recommendations, UNEP FI climate change issues, and the WEF Global Risk Report (2024). Through this process, we have defined 31 key elements encompassing transition and physical risks as well as opportunity factors, and evaluate the financial impact of each element over the short, medium, and long term. Additionally, we conduct a comprehensive Materiality Assessment including scenario modeling and sensitivity analysis, and reflects the results in financial impact analysis and priority management planning.

Climate Action Process



Climate Action

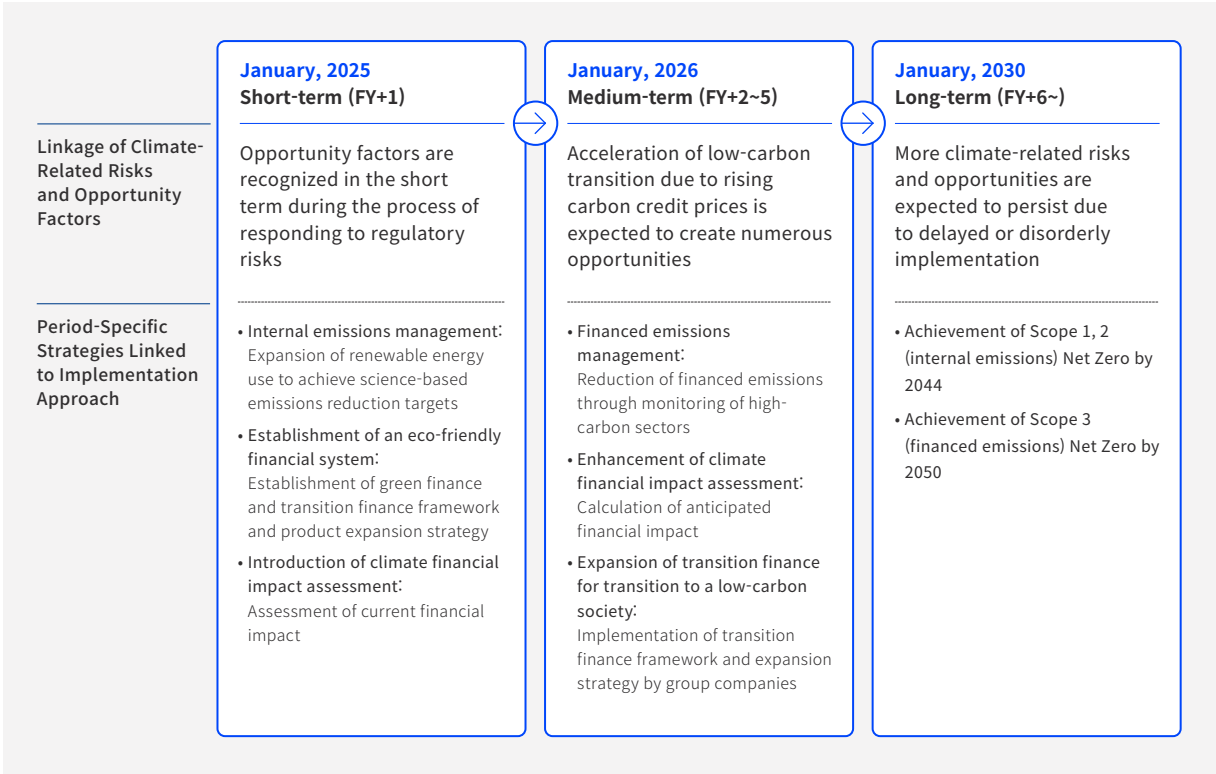
Strategy

Climate-Related Risks and Opportunities

Definition of Impact Period for Climate Change Factors

Shinhan Bank assesses climate-related risks across three time horizons: short-term, medium-term, and long-term. The short-term horizon is defined as within one year, including the reporting year. The medium-term horizon spans more than one year and up to five years, corresponding to the point at which scenario analysis indicates material changes in financial impact, such as in the BIS capital adequacy ratio. The long-term horizon extends beyond five years, and given the heightened forecasting uncertainty over this period, we apply a more conservative approach to our assessment. The same time horizon classification is applied to climate-related opportunities.

Time Horizon



Climate-Related Risks and Opportunity Factors

Shinhan Bank identifies material factors by comprehensively assessing the likelihood, severity, and potential financial impact of climate-related risks and opportunities. Climate-related risks are managed by distinguishing between physical risks arising from extreme weather events and transition risks emerging during the shift to a low-carbon economy, with risk analysis conducted on this basis. The potential financial impact of each risk is evaluated by differentiating between direct impacts associated with the operations of Shinhan Bank and Shinhan Financial Group, and indirect impacts related to portfolios and supply chains. The assessment identified typhoons, floods, and heavy rainfall—classified as acute physical risks—along with certain elements of policy and regulatory risks and reputational risks under transition risks, as material risks.

Climate-related opportunities are categorized into resource efficiency, energy source, products and services, and resilience. Shinhan Bank assesses the potential impact of each opportunity by taking into account both direct impacts associated with the operations of Shinhan Bank and Shinhan Financial Group, and indirect impacts related to portfolios and supply chains. Based on this assessment, the following were identified as material opportunities: efficient energy use, participation in carbon markets, expanded development of low-carbon products and services, climate change adaptation and insurance solutions, creation of new markets related to climate change, broader adoption of renewable energy, and resource diversification.



Climate Action

Strategy

Climate-Related Risks and Opportunities

Response Strategy for Significant Climate Risks and Opportunity Factors

Shinhan Bank systematically classifies identified material risks and opportunity factors according to their expected timing of occurrence, likelihood, severity of impacts, and potential financial impact. Taking into account the climate risk management direction at the Shinhan Financial Group level, we establish response plans aligned with the expected timing of occurrence for each factor. By leveraging Materiality Assessment results for opportunity factors, we seek to secure new growth drivers by expanding business areas such as green finance and transition finance.

Type		Risk and Opportunity Factors	Timeline	Severity of Impact	Likelihood of Occurrence	Potential Financial Impact	Response Strategy
Physical Risk	Acute	• Typhoons (strong winds) / Floods / Heavy Rainfall (inundation)	Short/Medium/Long-term	High	High	Revenue impact (decline), Cost impact (increase)	(Direct) Advance preparation through facility inspections and establishment of emergency operating systems (Indirect) Identification of high-risk and low-risk regions for typhoons / floods / heavy rainfall and adjustment of investment allocation
Transition Risk	Policy and Regulation	• Rising carbon credit prices	Short/Medium/Long-term	Medium-high	High	Cost impact (increase)	(Indirect) Provision of preferential interest rate loan products and financial support programs for renewable energy certificate (REC) and renewable energy power purchase agreement (PPA) purchases
		• Increased policy-based costs such as carbon tax	Short/Medium/Long-term	Medium-high	Very high	Revenue impact (decline)	(Direct) Conduct stress testing to assess and strengthen exposure to high-carbon sectors (Indirect) Portfolio adjustment through investment decision-making based on internal carbon price
		• Mandatory environmental disclosure requirements	Medium/Long-term	Medium-high	Very high	Cost impact (increase)	(Direct) Strengthen strategy for compliance with global disclosure standards (Indirect) Enhance monitoring of disclosure compliance levels for lending and investment counterparties
	Reputation	• Increased negative perception among customers and the public	Medium/Long-term	High	High	Revenue impact (decline)	(Direct) Improve brand image through brand value reconstruction based on sustainability performance
		• Expanded negative reputation from stakeholder groups	Medium/Long-term	High	High	Funding cost impact (increase)	(Direct) Expansion of eco-friendly communication activities to monitor issues and reputation
Opportunity	Resource Efficiency	• Efficient energy use	Medium/Long-term	Medium-high	Very high	Revenue impact (increase), Cost impact (decline)	(Direct) Improvement of energy efficiency through analysis of energy use patterns (Indirect) Establishment of long-term partnerships with energy-efficient companies
	Energy Resources	• Participation in carbon markets	Medium/Long-term	Medium-high	High	Revenue impact (increase)	(Indirect) Enhancement of transition finance strategy and continued management of high-carbon sectors portfolio
	Products and Services	• Expansion of low-carbon product and service development	Short/Medium/Long-term	Medium-high	High	Revenue impact (increase)	(Direct) Securing new markets through development of carbon reduction-oriented financial products (Indirect) Expansion of eco-friendly financial products including green-themed funds and renewable energy infrastructure Project Finance (PF)
		• Climate change adaptation and solution offerings	Short/Medium/Long-term	Medium-high	High	Revenue impact (increase)	(Indirect) Development of customized insurance products to prepare for natural disaster risks such as typhoons and floods
	Market	• Creation of new markets related to climate change	Short/Medium/Long-term	High	Very high	Revenue impact (increase)	(Indirect) Investment in and financial support for startups and innovative companies in low-carbon technology and service sectors
	Resilience	• Expanded application of renewable energy and resource diversification	Medium/Long-term	High	Very high	Revenue impact (increase)	(Indirect) Expansion of an environmentally friendly portfolio including renewable energy investment and development of eco-friendly financial products



Climate Action

Strategy

Climate-Related Risks and Opportunities

Financial Impact Assessment of Climate Risk

Development of a Climate Risk Financial Impact Assessment Framework

The increase in natural disasters caused by climate change (physical risks) and the strengthening of greenhouse gas (GHG) emissions reduction regulations (transition risks) directly affect corporate financial performance, which in turn cascades to impact the asset quality of financial institutions providing loans and investments to those corporations. As a core subsidiary, Shinhan Bank participated in the climate disclosure response project led by Shinhan Financial Group, and we have established a framework to quantitatively measure and manage the financial impact of climate risks in preparation for the upcoming mandatory sustainability disclosure requirements in Korea.

Climate Risk Financial Impact Assessment Framework

Shinhan Bank’s climate risk financial impact assessment is structured around three pillars: ① identifying impacts on the current period’s financial statements, ② forecasting impacts on future financial performance, and ③ developing risk mitigation measures. We analyze these impacts separately for financial assets (loans and securities) and Property, Plant and Equipment (PP&E) assets (buildings, equipment, etc.). In particular, we classify climate risks into acute physical risks arising from Severe Weather Events (SWEs) and transition risks driven by tightening carbon regulations, and we have established dedicated processes for identifying, consolidating, and aggregating financial impacts for each risk type.

Impact on the Current Period’s Financial Statements – Property, Plant and Equipment (PP&E) Assets

Shinhan Bank has assessed the impact of SWEs on the current period’s financial statements. We identified the effects of acute physical risk factors on PP&E assets, and for the current period, we quantified expenditures related to damage to overseas branch facilities caused by typhoons. While some facilities incurred damage-related expenditures, we recovered most of the losses through our insurance coverage. Although SWEs are not routine occurrences, large-scale events tend to produce damage that manifests over extended periods, and we therefore recognize the need for continued monitoring going forward.

Impact on the Current Period’s Financial Statements - Financial Assets

Shinhan Bank manages the impact of climate risks on financial assets through two pathways: loans and securities. We identify delinquencies on retail and corporate loans arising from damage to business facilities caused by heavy snow and strong winds, and we calculate the resulting financial impact through changes in loan loss provisions and disposal losses. In addition, we assess impairments of securities when issuers default due to SWEs. Borrower defaults induced by climate risks typically take at least two years to materialize as actual losses, as they progress through a sequence of financial deterioration and credit rating downgrades following the triggering event. Accordingly, we do not limit our analysis to short-term impacts reflected in the current period’s financial statements; instead, we operate a parallel medium- to long-term monitoring system for climate risks.

Future Direction for Enhancing the Disclosure Framework

Shinhan Bank will continue to refine our processes for identifying and consolidating the financial impact of SWEs. The data and framework established through these efforts will serve as the groundwork for our response to the U.S. SEC climate disclosure requirements and the mandatory disclosure obligations under the Korea Sustainability Standards Board (KSSB).

Climate Action

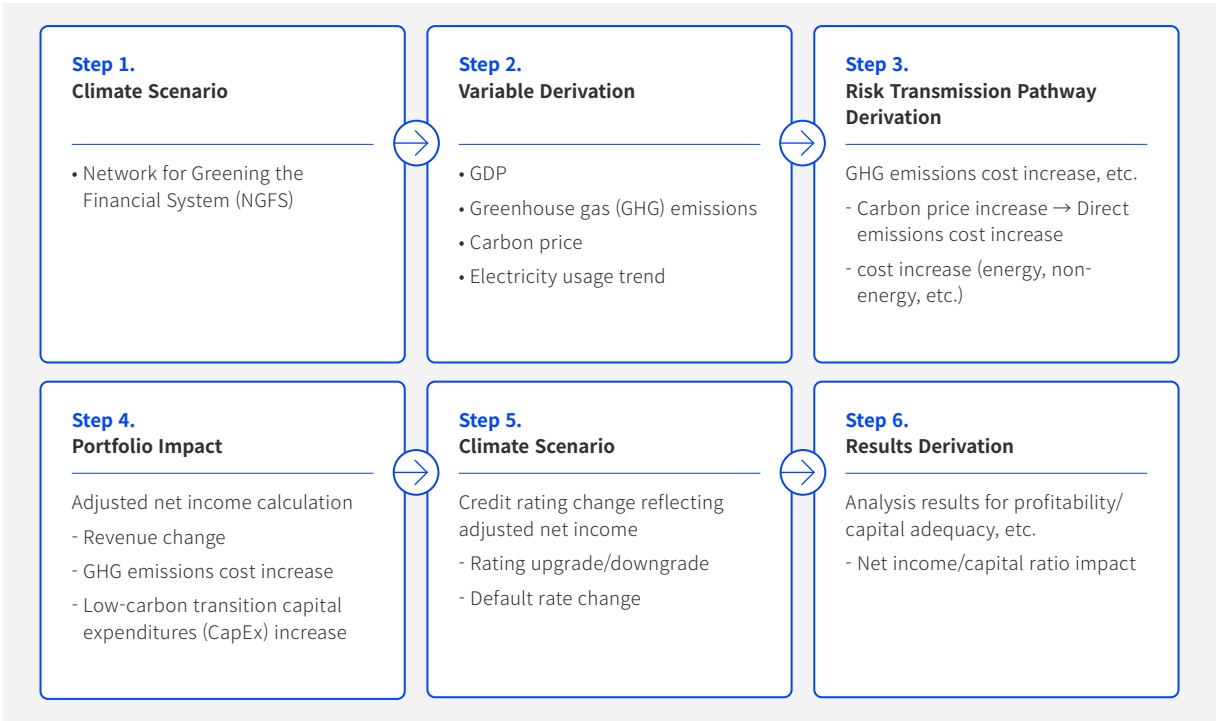
Strategy

Climate Resilience

Climate Scenario Analysis

While conventional stress tests assess short-term financial impacts over a period of one to two years, climate scenario analysis evaluates risks from a medium- to long-term perspective by incorporating changes over an extended timeframe. Climate risks are characterized by long manifestation periods, which can create a gap between the maturity of loan products—a key asset class for financial institutions—and the analysis horizon. In addition, given the rapidly evolving domestic and international policy landscape and the corresponding responses of corporations, past patterns are unlikely to recur in the same form in the future, and the impacts of climate risks are broad in scope and accompanied by significant uncertainty. Accordingly, we establish scenarios based on a range of assumptions and variables to analyze the potential financial impact of climate risks.

Climate Risk Scenario Analysis Process



Transition Risk Scenario Analysis

Shinhan Bank conducted transition risk scenario analysis using the common scenario analysis model of Shinhan Financial Group, based on scenarios developed by the Network for Greening the Financial System (NGFS),¹⁾ a consultative body comprising central banks and financial supervisory authorities worldwide. Using variables such as GDP growth rates, market interest rates, carbon prices, and the power generation mix from NGFS climate scenarios, we estimated the future balance sheets of individual companies by separately analyzing the impacts of macroeconomic scenarios and those of carbon policy scenarios. Based on these estimated balance sheets, we calculated corporate credit ratings and analyzed risk-weighted assets (RWA) and expected losses accordingly, thereby projecting our capital ratio through 2050. Among the six scenarios provided by NGFS, we selected three with the most clearly differentiated and meaningful characteristics for analysis: Net Zero 2050, Delayed Transition, and Current Policies. Under Net Zero 2050 and Delayed Transition, global temperature increases peak around 2060 and then decline, whereas Current Policies projects continued temperature increases.

1) Network for Greening the Financial System (NGFS): A consultative body established to promote green finance and support the transition to a sustainable economy, with 95 institutions participating worldwide, including the Bank of Korea, the Financial Services Commission, and the Financial Supervisory Service.

Physical Risk Scenario Analysis

Shinhan Bank conducted physical risk scenario analysis by applying a common methodology developed by Shinhan Financial Group, which benchmarks the European Central Bank (ECB)²⁾ physical risk analysis methodology and incorporates the climate characteristics specific to Korea. We derived a relational equation between precipitation levels and damage caused by heavy rain and typhoons to estimate both the frequency and severity of damage, and we calculated annual damage rates on physical assets by region through 2050 using the RCP 8.5 / SSP5-8.5 maximum precipitation scenarios and data on total domestic Property, Plant and Equipment (PP&E) assets. Based on these results, we assessed the impact on our capital ratio by reflecting changes in corporate debt-to-equity ratios resulting from fluctuations in PP&E assets, the corresponding shifts in credit ratings, and declines in collateral asset values. For physical risk scenario analysis, we used the Representative Concentration Pathway (RCP) scenarios from the IPCC Fifth Assessment Report (AR5) and the Shared Socioeconomic Pathway (SSP) scenarios from the IPCC Sixth Assessment Report (AR6). For the purposes of our disclosure, we applied the results of the RCP 8.5 and SSP5-8.5 scenarios. The scope of our physical risk scenario analysis was limited to damage from heavy rain and typhoons, which together account for the largest share—93.2%—of total domestic natural disaster damage based on statistics from the past 10 years. By type, the breakdown of damage is as follows: heavy rain (49.1%), typhoons (44.1%), heavy snow (3.6%), and earthquakes (2.2%).

2) European Central Bank (ECB), “Economy-wide climate stress test” (September 2021)

Climate Action

Strategy

Climate Resilience

Climate Scenario Analysis

Transition Risk Scenario Analysis Results

Shinhan Bank, in collaboration with Shinhan Financial Group, conducted transition risk analysis based on three representative scenarios from the Network for Greening the Financial System (NGFS). The analysis covered approximately 81,000 corporate borrowers and was carried out using our standard corporate credit rating model.

The Current Policies scenario assumes that greenhouse gas (GHG) emissions reduction policies remain at current levels and global warming intensifies. This scenario produced the smallest impact on our capital ratio among the three. Our BIS capital adequacy ratio is projected to decline from 15.79% in 2024 to 15.66% in 2050, a decrease of 0.13 percentage points.

The Delayed Transition scenario assumes that no meaningful GHG emissions reductions take place until 2030, after which stringent carbon reduction policies are implemented. Following 2030, the sharp rise in carbon costs increases corporate financial burdens and causes our capital ratio to decline; the ratio subsequently rebounds as the economy gradually recovers and borrowing costs stabilize. Our BIS capital adequacy ratio is projected to decline from 15.79% in 2024 to 15.62% in 2050, a decrease of 0.17 percentage points.

The Net Zero 2050 scenario assumes the immediate implementation of strong carbon reduction policies. As carbon cost burdens are reflected most heavily in corporate credit risk, this scenario produces the largest decline in our capital ratio among the three. Our BIS capital adequacy ratio is projected to decline from 15.79% in 2024 to 15.45% in 2050, a decrease of 0.34 percentage points.

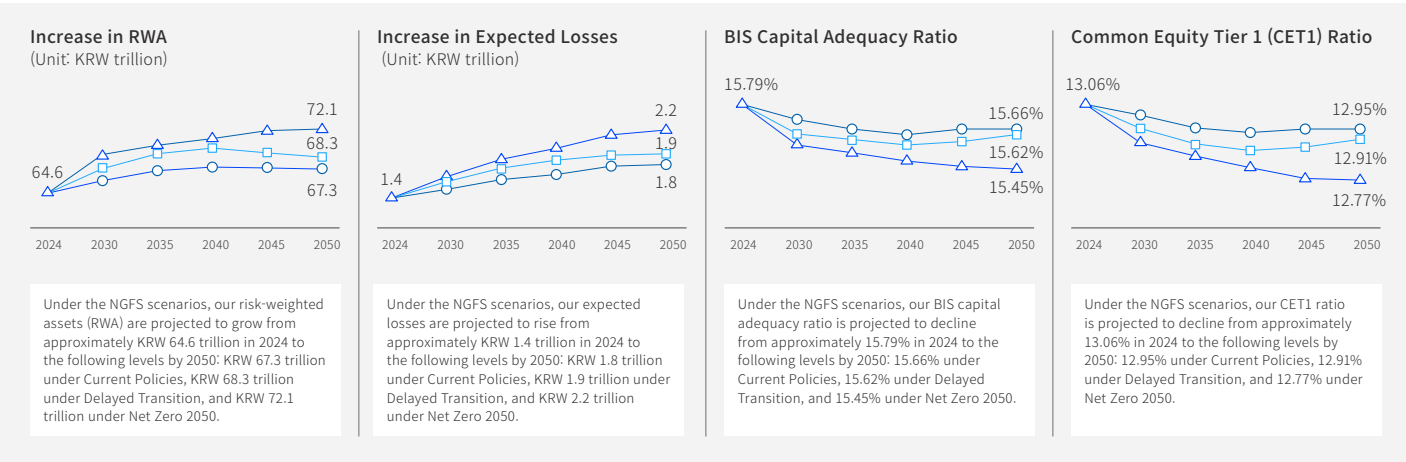
Across all three scenarios, both our BIS capital adequacy ratio and CET1 ratio are expected to remain above the minimum regulatory capital requirements set by the financial authorities, confirming that our capital adequacy is maintained. However, under the Net Zero 2050 scenario, the ratio may fall below our internal capital targets. In preparation, we will continue to review capital management measures, including strengthened management of carbon-intensive exposures and the expansion of green finance and transition finance.

Financial Impact of Transition Risk Scenarios on Shinhan Financial Group (Based on NGFS scenarios; changes as of 2050 vs. year-end 2024)

Current Policies	Delayed Transition	Net Zero 2050
A scenario in which no meaningful GHG emissions reductions take place and global warming intensifies. Under this scenario, our BIS capital adequacy ratio and Common Equity Tier 1 (CET1) ratio are projected to decline by 0.13 percentage points and 0.11 percentage points, respectively, by 2050.	A scenario in which no GHG emissions reductions take place until 2030, followed by sharp reductions thereafter to achieve the 2°C target. Under this scenario, our BIS capital adequacy ratio and CET1 ratio are projected to decline by 0.17 percentage points and 0.15 percentage points, respectively, by 2050.	A scenario in which carbon neutrality is achieved by 2050 and the global average temperature increase is limited to 1.5°C above pre-industrial levels. Driven by the cost burden of carbon reduction policies, our BIS capital adequacy ratio and CET1 ratio are projected to decline by 0.34 percentage points and 0.29 percentage points, respectively, by 2050.
Credit RWA: projected to increase by up to KRW 3.1 trillion by 2040. Expected losses: projected to increase by up to KRW 0.36 trillion by 2050.	Credit RWA: projected to increase by up to KRW 4.9 trillion by 2040. Expected losses: projected to increase by up to KRW 0.47 trillion by 2050.	Credit RWA: projected to increase by up to KRW 7.5 trillion by 2050. Expected losses: projected to increase by up to KRW 0.76 trillion by 2050.

Shinhan Financial Group Transition Risk Scenario Analysis – Detailed Results

○ Current Policies □ Delayed Transition △ Net Zero 2050



Climate Action

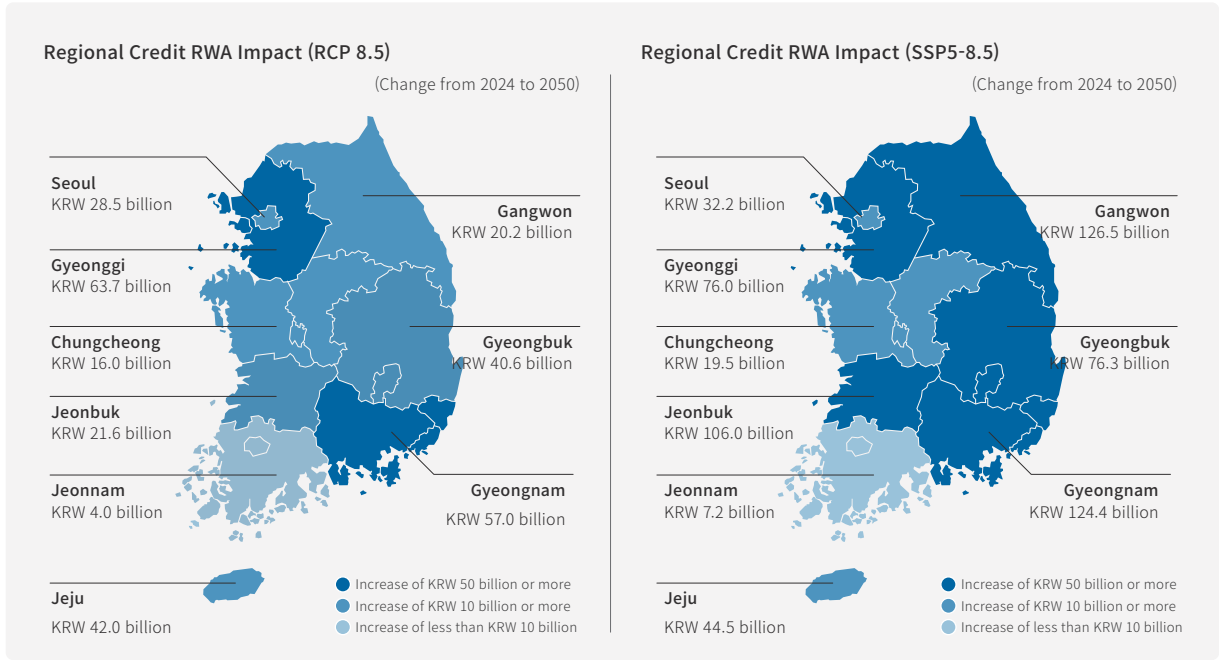
Strategy

Climate Resilience

Climate Scenario Analysis

Physical Risk Scenario Analysis Results

Shinhan Financial Group’s physical risk scenario analysis indicates that Gangwon State, Jeonbuk-do, and Jeju Special Self-Governing Province—regions along the major typhoon pathways in Korea—are expected to experience the highest exposure to physical risks from flooding and other disaster-related damage. By 2050, the projected impact on our capital ratio is assessed to be limited. Under the RCP 8.5 scenario, our BIS capital adequacy ratio and Common Equity Tier 1 (CET1) ratio are projected at 15.78% and 13.04%, respectively, representing a decline of 1.3 bp and 1.1 bp from year-end 2024. Under the SSP5-8.5 scenario, our BIS capital adequacy ratio and CET1 ratio are projected to decline to 15.76% and 13.03%, respectively, representing decreases of 2.8 bp and 2.3 bp. Our risk-weighted assets (RWA) are projected to increase by KRW 293.7 billion under the RCP 8.5 scenario and KRW 612.6 billion under the SSP5-8.5 scenario by 2050. However, if the analysis horizon for physical risks is extended to 2100 and the scope is expanded to include additional risk types such as extreme heat, wildfires, water scarcity, and coastal flooding, the projected impact could be considerably greater.



Shinhan Financial Group Regional Credit Risk-Weighted Assets (Credit RWA) Impact

Category	Unit	Baseline (2024)	RCP 8.5		SSP5-8.5	
			2050	Change from 2024	2050	Change from 2024
Seoul	KRW 100 million	227,867	228,152	+285	228,190	+322
Gyeonggi	KRW 100 million	265,611	266,248	+637	266,371	+760
Gangwon	KRW 100 million	6,997	7,198	+202	8,262	+1,265
Chungcheong	KRW 100 million	51,011	51,172	+160	51,206	+195
Jeonbuk	KRW 100 million	10,048	10,264	+216	11,108	+1,060
Jeonnam	KRW 100 million	15,608	15,648	+40	15,680	+72
Gyeongbuk	KRW 100 million	36,808	37,215	+406	37,572	+763
Gyeongnam	KRW 100 million	60,021	60,591	+570	61,265	+1,244
Jeju	KRW 100 million	6,358	6,779	+420	6,803	+445
Total	KRW 100 million	680,330	683,266	+2,937	686,456	+6,126

Climate Action

Strategy

Climate Resilience

Initiatives to Strengthen Climate Resilience

Shinhan Bank works to strengthen climate resilience by incorporating the results of climate scenario analyses into our capital management and exposure management policies, while continuously advancing our analytical methodologies.

| Capital Management Framework

We set target capital levels for each scenario and review capital strengthening and risk-weighted assets (RWA) management measures accordingly. In particular, by incorporating climate risk factors into the evaluation criteria when setting our aggregate risk limits, we are building a foundation to stably maintain capital adequacy.

| Proactive Climate Risk Mitigation

To mitigate climate risks, we operate a policy that restricts the expansion of exposures to high-carbon sectors. In addition, we are working to reduce the carbon intensity of our asset portfolio by expanding the supply of green finance and transition finance to support the transition to carbon neutrality.

| Enhancement of Climate Scenario Analysis

To reflect the rapidly evolving climate landscape, we are securing optimized datasets and advancing our analytical methodology. In parallel, we are conducting analyses based on a short-term scenario through 2030, enabling us to identify near-term risk factors at an early stage and to leverage the findings as a strategic indicator for creating new business opportunities.



Climate Action

Shinhan Bank is progressively enhancing our climate risk management framework across Shinhan Financial Group, including overseas branches on a consolidated basis, in preparation for mandatory global climate disclosures such as Korean Sustainability Standards Board (KSSB) mandatory disclosure and U.S. Securities and Exchange Commission (SEC) climate disclosure requirements. We are systematically strengthening our global climate response capabilities at major overseas branches by focusing on two pillars: establishing a climate risk management framework and expanding climate finance as part of risk mitigation strategy. Shinhan Bank applies Shinhan Financial Group’s Climate Risk Management Code of Practice and independently implements and enhances our climate risk management framework and climate finance in accordance with local regulatory environments and market conditions in each country.

Representative Case

Global Green Finance Implementation

Shinhan Bank is expanding green finance as a strategy to mitigate climate risk. We implement green finance and transition finance across diverse sectors—including renewable energy, green infrastructure, and low-carbon mobility—at major domestic and overseas branches and subsidiaries. This effort is directly linked to Shinhan Bank’s portfolio decarbonization strategy.



[U.K.] Shinhan London Branch | Participation in Off-Grid Solar Financing in Africa through the GCF (Green Climate Fund) Financing Program

Shinhan London Branch participated in the Hardest-to-Reach (H2R) Initiative Fund, established by Acumen, a global impact investment institution, to address energy poverty in 17 sub-Saharan African countries with some of the lowest electricity access rates in the world. As a senior investor in the fund¹⁾—which has a total size of approximately USD 246.5 million (around KRW 330 billion)—Shinhan Bank became the first Korean financial institution to participate in a global impact fund. The initiative was structured as blended finance, bringing together leading global development finance institutions—including the Green Climate Fund (GCF), the International Finance Corporation (IFC), British International Investment (BII), the Nordic Development Fund (NDF), and the Soros Economic Development Fund (SEDF)—along with private capital and philanthropic funds. As a solution to Africa’s electricity supply challenges arising from inadequate transmission and distribution infrastructure, the fund will deliver off-grid solar power, which operates independently of the transmission and distribution grid. The fund operates primarily through two programs: (i) H2R Catalyze, a tailored seed capital program for early-stage enterprises entering underserved markets, and (ii) H2R Amplify, an outcomes-based lending program designed to scale enterprises through financing terms linked to social outcomes (the program in which we participated). Through this initiative, the fund is projected to reduce CO₂ emissions by 4 million tonnes and provide electricity access to approximately 70 million people across 17 sub-Saharan African countries, including Malawi and Zambia—of whom approximately 50 million are expected to gain access to electricity for the first time in their lives. Through this investment, we have contributed to advancing SDG 7 (Affordable and Clean Energy) by helping close energy access gaps, and we are leading the way in mobilizing private capital for impact investment through blended finance structures. Beyond clean energy impact investment in Africa, our London Branch is further diversifying its climate finance portfolio by concurrently executing transactions such as GBP 10 million (approximately KRW 18 billion) in transition finance for Battery Energy Storage Systems (BESS).²⁾

1) H2R Catalyze & Amplify fund
2) BESS (Battery Energy Storage System): A system that stores electricity generated from renewable energy sources for later use



Other Overseas Case



[United States] Shinhan Bank NY Branch | Energy Storage and Hydrogen Transition Finance

- **Project Finance (PF) arrangement approval for Battery Energy Storage System (BESS) project (USD 142M)**
: A flagship example of energy storage infrastructure financing that supports renewable energy intermittency resolution and power grid decarbonization
- **Hydrogen fuel cell-related financing (USD 37M):** Contributes to fostering a clean hydrogen ecosystem by supporting hydrogen fuel cells that operate as zero-emission power sources during the generation phase



[Viet Nam] Shinhan Viet Nam | Renewable Energy and Low-Carbon Transition Finance

- **Operation of Easy EV, a dedicated Car Loan program for electric vehicle purchasers (2,521 transactions, USD 37.6M)**
: Combines manufacturer interest support (2% per annum for three years) with preferential interest rates from the bank, supporting low-carbon transportation transition through electric vehicle financing
- **Continued market development of Green Field IB deals**
: Including USD 2M in new financing for solar power generation facilities and USD 14M in new financing for LNG transition facilities
- **Enhanced Green Credit Package providing VND 1,251B in support**
: Operation of a preferential interest rate loan program provided for environment-friendly and low-carbon projects in Viet Nam



[Hong Kong] Shinhan Bank HK Branch | Circular Economy and Environment-Friendly Infrastructure Sustainable Finance

- **Environmental Energy loan (EUR 15.6M)**
: Support for a waste-to-energy project in Hanoi, converting municipal waste through incineration into electricity and heat
- **Environmental Protection loan (HKD 50M)**
: Financial support for companies operating waste-to-energy plants in China, fostering circular economy business models
- **Participation in data center sustainability-linked loan (SLL)**
: Through the SLL structure, energy efficiency and renewable energy procurement targets are linked to financing conditions, creating financial incentives for digital infrastructure decarbonization
- **Financial support for hydrogen specialist companies (USD 10M)**
: Supporting companies advancing hydrogen production and supply chain development, contributing to hydrogen ecosystem activation

Climate Action

Representative Case

Establishment of Global Climate Risk Management Framework

Shinhan Bank has embedded management infrastructure at our overseas branches that systematically incorporates climate risks into credit and investment decision-making. We are proactively addressing the climate risk disclosure requirements set by local financial supervisory authorities, while linking the climate risk identification and assessment systems of each overseas branch with Shinhan Financial Group’s integrated governance framework to ensure the completeness and reliability of our disclosed data.



[Singapore] Shinhan Bank Singapore Branch | Establishment of Climate Risk Management Framework

Shinhan Bank Singapore Branch established its own Environmental Risk Management Policy in 2022 to comply with Singapore’s environmental regulations, and reviews and updates the policy on an annual basis. Singapore implemented the Environmental Risk Management (ENRM) Guidelines in 2020, and subsequently issued the Transition Planning Guidelines in March 2026, thereby strengthening the climate risk management obligations of financial institutions.

Governance

General Manager of the Branch bears ultimate responsibility for ensuring that the branch’s business operations comply with applicable policies, procedures, and methodologies, and receives and reviews regular risk reports from the risk manager and the Risk Control Committee (RCC).



Branch management is responsible for establishing a sound risk management and control framework, setting clear risk tolerance limits, and implementing effective risk mitigation measures. The Risk Control Committee oversees the establishment, coordination, and control of risk management processes within the branch, and monitors progress against risk tolerance limits and business strategies. This governance structure is based on the three lines of defense model, which is designed to ensure both the effectiveness and independence of risk management, and is operated as follows: business units (first line) → compliance (second line) → internal audit (third line).

Climate Risk Management

Shinhan Bank Singapore Branch identifies and assesses climate risks at both the customer and portfolio levels, distinguishing between transition risks and physical risks. For transition risk assessments, the Singapore Branch uses key indicators such as greenhouse gas (GHG) emissions, financed emissions, carbon intensity, and the feasibility of emissions reduction plans. For physical risk assessments, the Branch focuses on exposure to extreme weather events and vulnerability to long-term climate change, including sea-level rise and global warming. The Branch conducts balanced portfolio monitoring by taking both risk types into account. For high-risk sectors that are separately classified—including agriculture and forestry, chemicals, and energy—the Branch applies Enhanced Due Diligence (EDD) as a mandatory requirement. In addition, through active engagement with customers exposed to high environmental risks, the Branch jointly explores pathways toward sustainable business practices with them and, when necessary, supports customers by sharing ESG-related guidelines and providing financial advisory services to address risks collaboratively.

Integrated Head Office and Branch Management Framework

Shinhan Bank’s head office oversees and coordinates environmental risk management across all branch operations, while directly conducting climate scenario analysis and stress testing. Based on the scenarios and test results provided by the head office, our Singapore Branch regularly reviews and updates its Environmental Risk Management Policy and applies the results to risk monitoring at both the customer and portfolio levels.

Climate Action

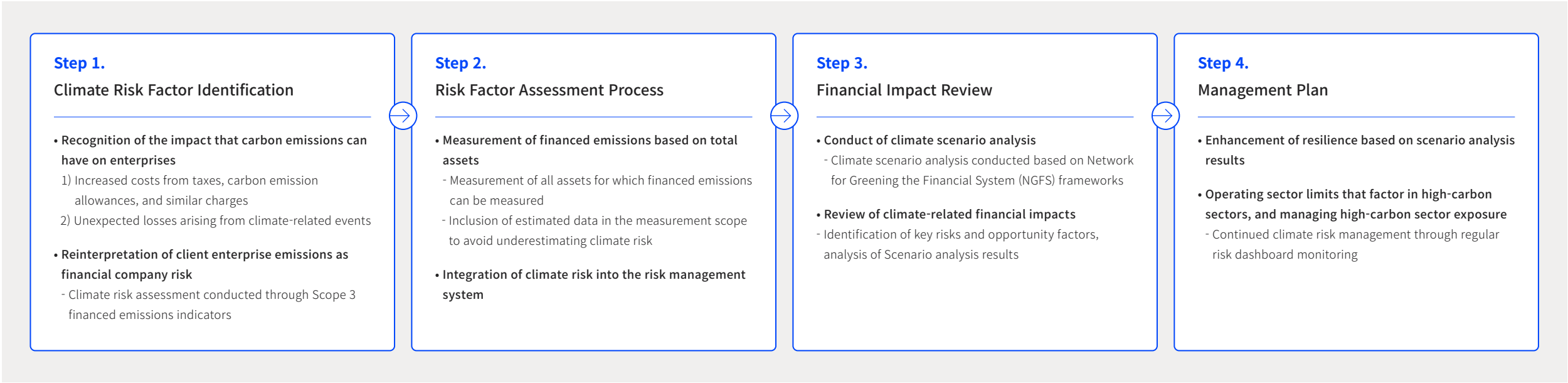
Risk Management

Climate Risk Identification and Management Process

Climate Risk Factor Identification and Management

Shinhan Bank systematically identifies and assesses climate risk factors and prioritizes them based on materiality, in order to proactively manage the financial impacts of climate change. Our dedicated risk management department has defined financed emissions as a core risk in our investment and lending businesses, and we monitor financed emissions on a monthly basis while regularly reviewing the potential impacts of carbon emissions on asset quality and creditworthiness. To assess long-term financial impacts of climate risks, we apply an analytical model jointly developed by the Bank of Korea and the Financial Supervisory Service (FSS), based on the Phase 4 standard scenarios of the Network for Greening the Financial System (NGFS). Through this process, we evaluate the impact on our capital by focusing on changes in credit ratings within our loan portfolio, as well as on the trajectories of risk-weighted assets (RWA) and expected losses. In addition, we factor in whether a sector is high-carbon when setting sector-specific exposure limits, and we set a threshold for the share of high-carbon sectors within the exposures covered by our financed emissions measurement, monitoring and managing these through a dedicated risk dashboard.

Risk Identification for Financed Emissions



Climate Action

Risk Management

How Climate Risk Is Integrated into the Organization’s Overall Risk Management

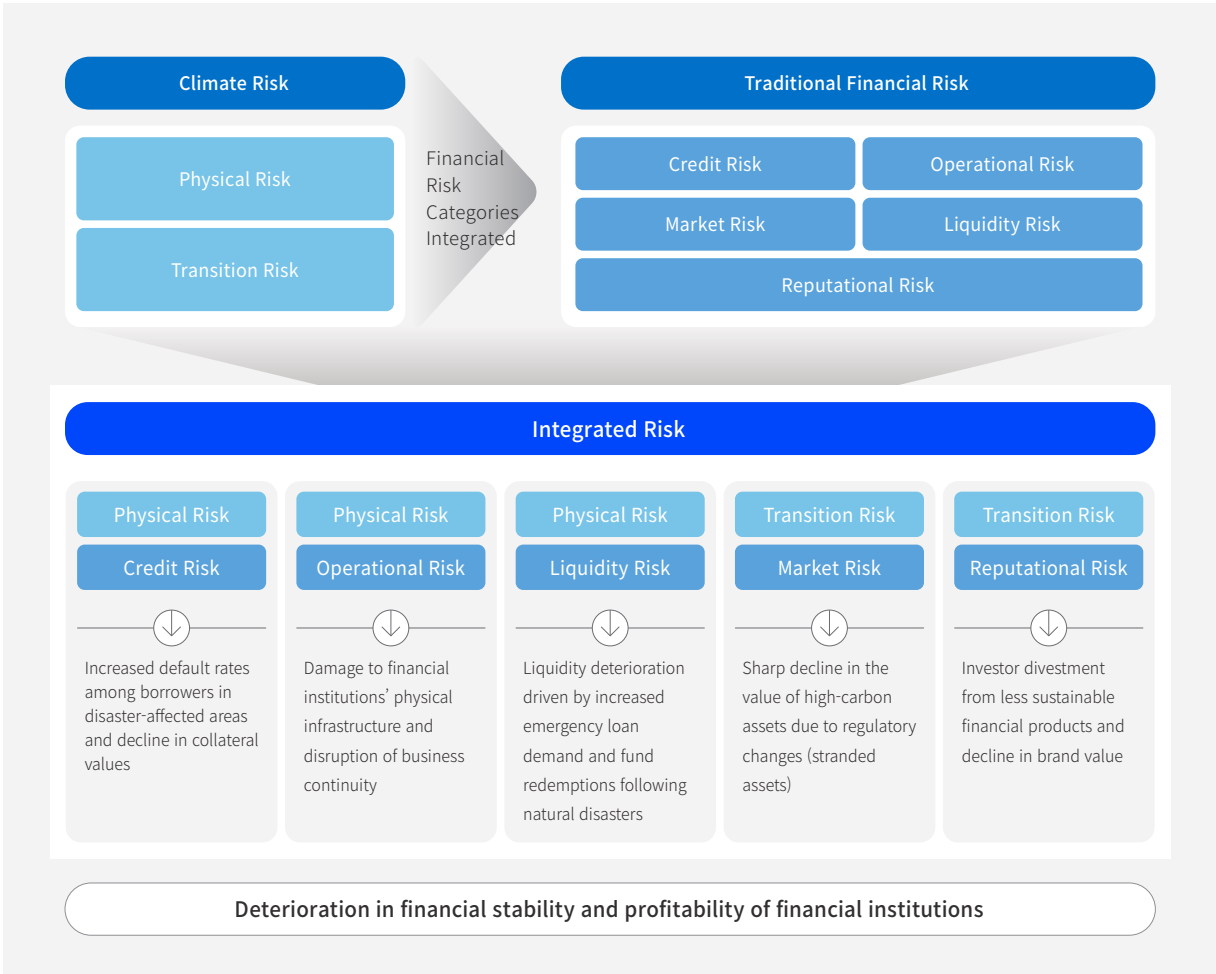
Enterprise-Wide Risk Management Process and Regulatory Framework

Shinhan Bank operates a continuous monitoring system based on established guidelines to identify and manage the financial impact of climate risk. We recognize climate risk as a key driver affecting financial risk and integrates it into the enterprise-wide risk management system (ERM) to address financial uncertainty arising from climate change. Under the Shinhan Financial Group’s Group Action Principles Climate and Group Environmental and Social Risk Management Policy Framework, Shinhan Bank conducts risk management based on the Shinhan Financial Group Climate Risk Management Code of Practice. As a representative monitoring and management activity, the Bank maintains a monthly ESG risk dashboard and manages risk during financial support through environmental and social risk reviews.

Risk Management Regulatory Framework

Risk Management Committee Standard	• Establishment of fundamental risk management policies • Determination of acceptable risk levels, etc.
Group Risk Management Standard	• Definition of ESG risk • Specification of subordinate regulations related to ESG risk management
Group Environmental and Social Risk Management Regulation	• Details on ESG risk management awareness, measurement, and management
Group Environmental and Social Risk Management Policy Framework	• Reflection of Best Practice in ESG risk management - Climate risk management - Management of Risk Categories - Environmental and social risk review - ESG risk system

Enterprise-wide Risk Transmission Channels



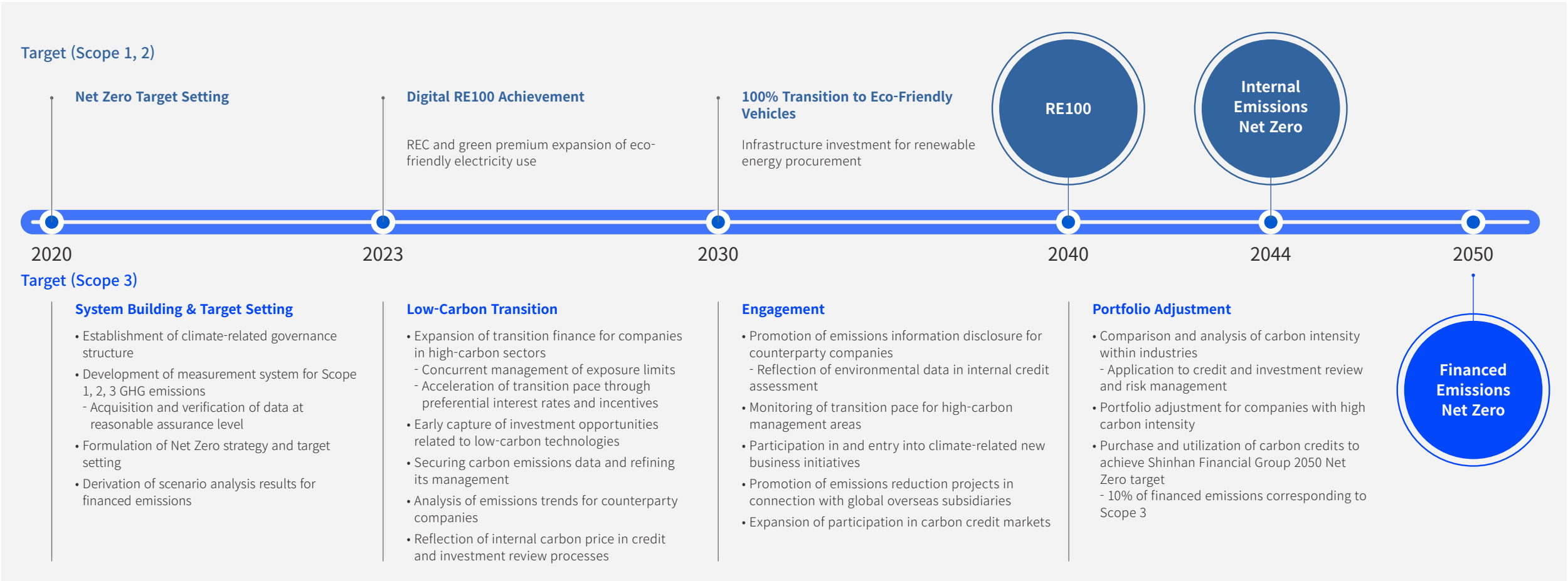
Climate Action

Metrics and Targets

Net Zero Target

Shinhan Financial Group Net Zero Target Achievement Roadmap

Shinhan Bank plans to achieve our Net Zero target based on Shinhan Financial Group’s carbon neutrality strategy. In the medium term, we will reduce Scope 1 emissions by converting business vehicles to eco-friendly vehicles powered by electricity and hydrogen by 2030, and will transition to a Scope 2-focused structure. For Scope 2 emissions, as increased electricity demand is anticipated due to the expansion of digital finance and the adoption of AI technology, Shinhan Bank will pursue Net Zero achievement through expanding the proportion of renewable energy procurement and entering into long-term Power Purchase Agreements (PPAs).



Climate Action

Metrics and Targets

Net Zero Target

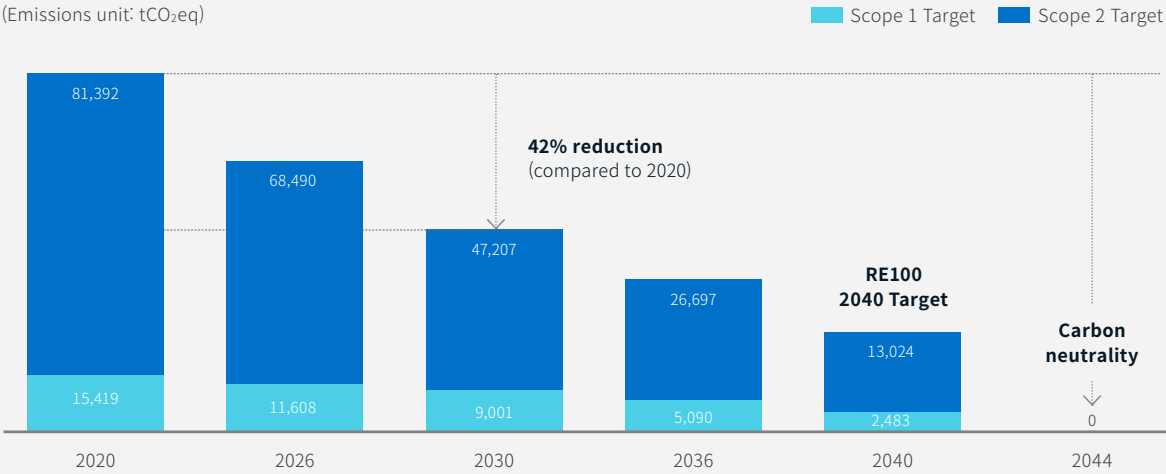
Shinhan Financial Group Net Zero Target

Shinhan Bank reviews its Net Zero implementation progress annually and strengthens company-wide emissions reduction efforts. We set related targets based on Shinhan Financial Group’s carbon neutrality strategy. Shinhan Financial Group established a 2050 carbon neutrality (Net Zero) target in 2020, becoming the first financial group in East Asia to do so. Accordingly, Shinhan Financial Group aims to convert 100% of electricity consumption across all subsidiaries to renewable energy by 2040 (RE100) and achieve zero internal emissions (Scope 1, 2) by 2044. Additionally, for financed emissions (Scope 3) arising from the asset portfolio, Shinhan Bank plans to achieve carbon neutrality by 2050 based on the Science Based Targets initiative (SBTi) methodology.

Shinhan Financial Group Targets

Scope 1, 2

(Emissions unit: tCO₂eq)



1) Market-based emissions reflecting the purchase of electricity generated through renewable energy (RECs and green premium)

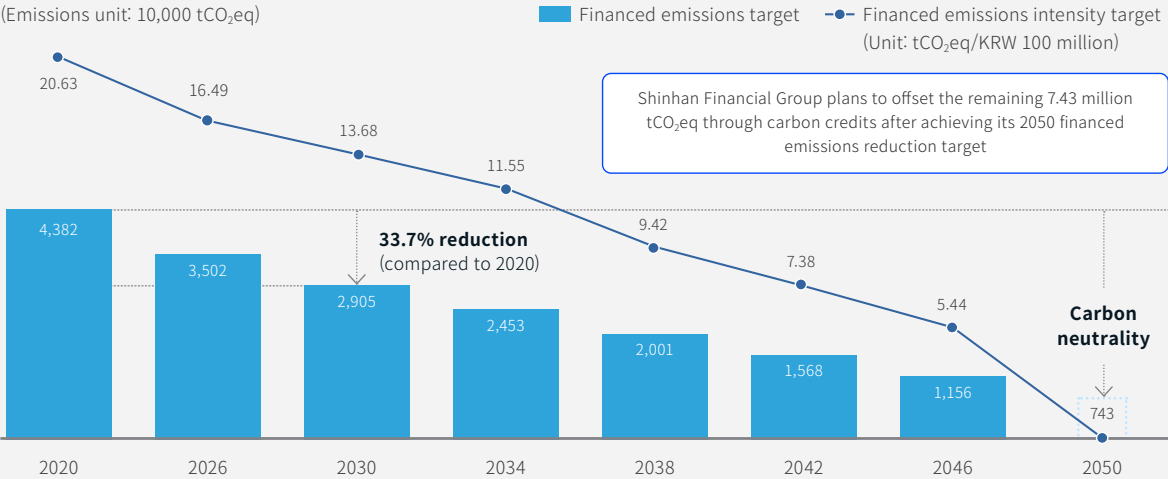
Shinhan Financial Group to reduce Scope 1, 2 emissions by 42% by 2030

Achieve Net Zero by 2044

Scope 1, 2 emissions are set to be reduced by approximately 42% from the baseline year 2020 of approximately 96,811 tCO₂eq to 68,490 tCO₂eq by 2030 as an interim target. The Group aims to reduce emissions to approximately 26,697 tCO₂eq through RE100 achievement by 2040 and achieve Net Zero by 2044.

Scope 3 (Financed emissions)

(Emissions unit: 10,000 tCO₂eq)



Shinhan Financial Group plans to offset the remaining 7.43 million tCO₂eq through carbon credits after achieving its 2050 financed emissions reduction target

Shinhan Financial Group to reduce financed emissions by 33.7% by 2030

Achieve Net Zero by 2050

Financed emissions are targeted to decrease by 33.7% from approximately 43.82 million tCO₂eq in the baseline year 2020 to approximately 29.05 million tCO₂eq by 2030. Shinhan Financial Group will continue to reduce emissions thereafter and aims to achieve Net Zero by 2050. Additionally, financed emissions intensity is planned to decrease from approximately 20.63 in 2020 to 13.68 by 2030. In 2050, the remaining emissions of approximately 7.43 million tCO₂eq will be offset through carbon credits.

Climate Action

Metrics and Targets

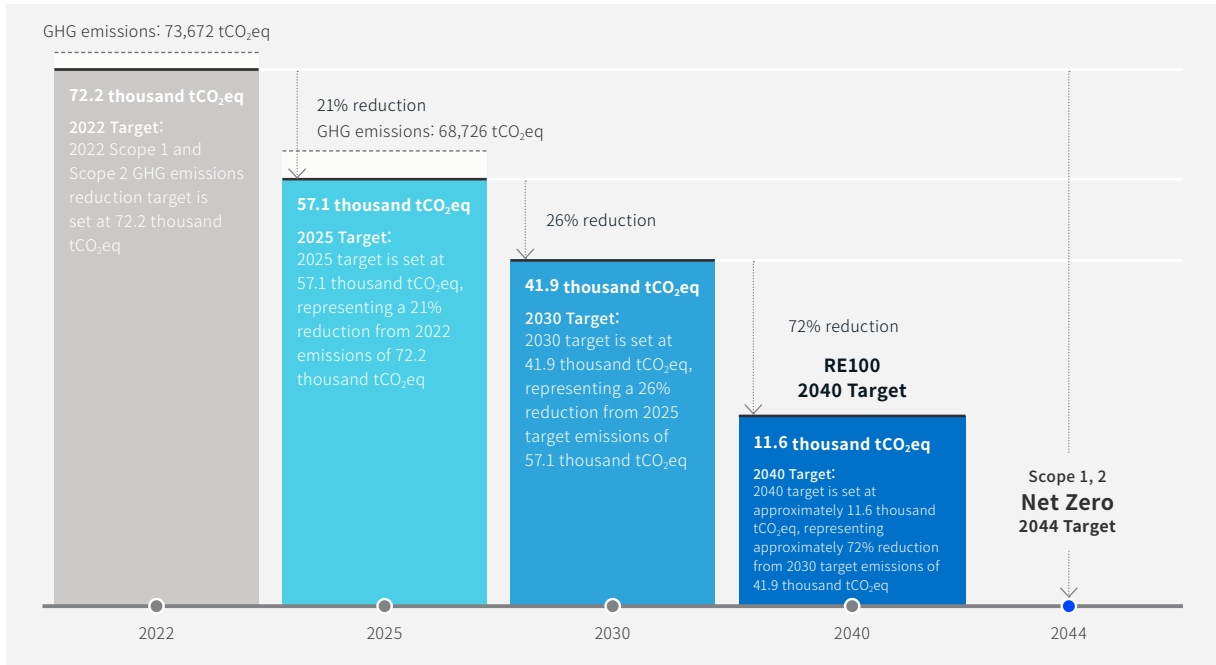
Net Zero Target

Shinhan Bank has established bank-level GHG emissions reduction metrics and targets based on Shinhan Financial Group’s Net Zero roadmap.

Shinhan Bank Greenhouse Gas Reduction Metrics and Targets - Scope 1, 2

Shinhan Bank is working to achieve Net Zero by 2044 by reducing our greenhouse gas (GHG) emissions by 4.2% annually, in line with the reduction methodology aligned with the Science Based Targets initiative (SBTi) 1.5°C pathway. We also manage our targets in accordance with the Guidelines for the Reporting and Verification of Emissions under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment Notice No. 2022-279). Our disclosed Scope 1 and Scope 2 emissions have been independently verified at a reasonable assurance level by a third-party assurance provider, ensuring the reliability of our reported data. Our Scope 1 and Scope 2 GHG emissions have steadily decreased from 73,672 tCO₂eq in 2022 to 68,726 tCO₂eq in 2025.

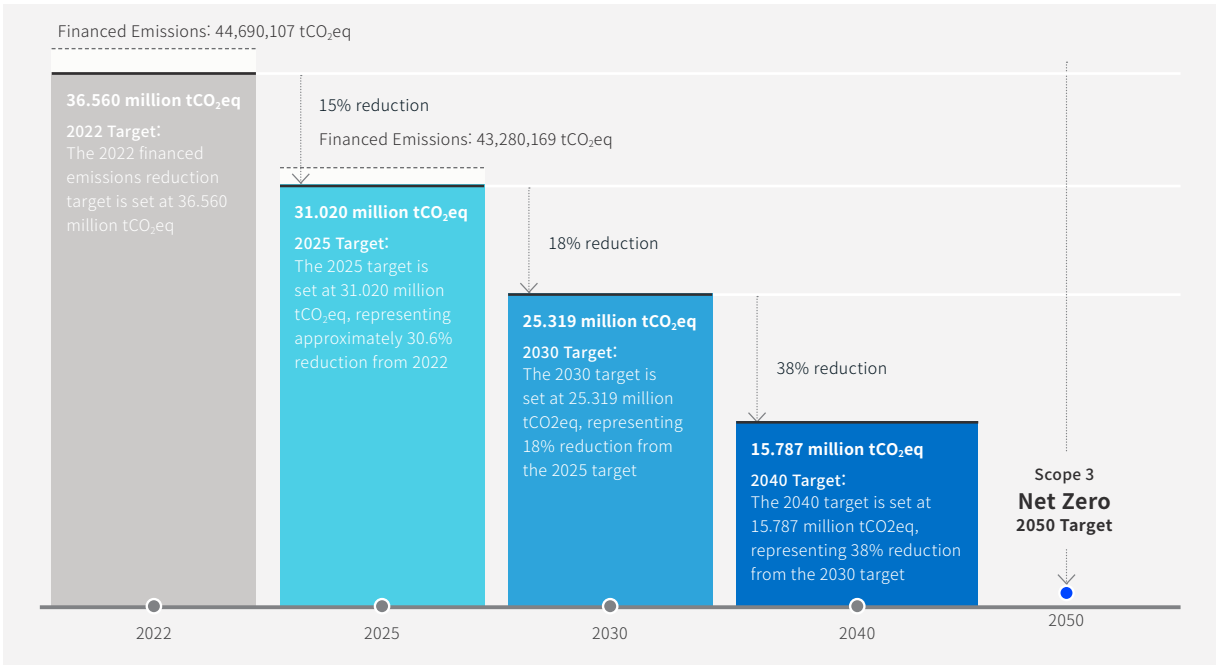
2050 Internal GHG Emissions Reduction Metrics and Targets



Shinhan Bank Financed Emissions Reduction Metrics and Targets - Scope 3

Shinhan Bank calculates financed emissions using the methodology of the Partnership for Carbon Accounting Financials (PCAF) and has set science-based emissions reduction targets in line with the Science Based Targets initiative (SBTi). To achieve net-zero financed emissions by 2050, we are providing transition finance to high-carbon sectors and pursuing an asset growth strategy centered on low-carbon assets. In addition, to reduce our financed emissions, we focus our efforts on supporting genuine emissions reduction activities by our portfolio companies. We will strengthen our management of high-emission sectors to drive phased emissions reductions, further enhance our climate risk management framework, and expand our low-carbon product portfolio. Our financed emissions are calculated across the following asset classes: listed equities, unlisted equities, business loans, project finance, corporate bonds, commercial real estate, and motor vehicle loans. Our financed emissions decreased from 44,690,107 tCO₂eq in 2022 to 43,280,169 tCO₂eq in 2025.

2050 Financed Emissions Reduction Metrics and Targets





Climate Action

Metrics and Targets

Internal Carbon Price

Shinhan Bank has introduced and operates an internal carbon price (ICP) as a key management metric for integrating climate-related risks and opportunities into the financial decision-making. The ICP mechanism assigns an internal monetary value to carbon emissions and incorporates this value into investment decisions. In line with the GHG Protocol, we manage our ICP separately for Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and we operate a framework that treats carbon emissions as either a cost or a revenue factor by applying the ICP to both our operational emissions and our financed emissions.

For Scope 1 and Scope 2, we have set our ICP at approximately KRW 170,000 per ton (USD 151.25 in 2010 prices per tCO₂), referencing the projected carbon price for 2030—a relatively near-term milestone within the Net Zero 2050 transition pathway. This price is applied across various operational processes, including engagement in emissions reduction initiatives, procurement, cost savings, and energy transition-related decisions.

For Scope 3 financed emissions, our ICP is based on country-specific carbon prices derived from the NGFS climate scenarios, and is applied in our lending and investment decisions, including the provision of incentives and the structuring of contract terms. We reviewed three Integrated Assessment Models (IAMs) used by the NGFS—the Global Change Assessment Model (GCAM), MESSAGEix-GLOBIOM, and REMIND-MAGPIE—and adopted the GCAM model, which most appropriately reflects Korea’s climate conditions. Building on this approach, we are identifying investment and financing opportunities related to the low-carbon transition and will continuously refine our strategy to support Shinhan Financial Group’s Zero Carbon Drive initiative.

Shinhan Financial Group Internal Carbon Price Overview

Internal Carbon Price Type	Shadow Price
Carbon Price Determination Method	• Cost of measures required to achieve GHG emissions reduction targets - Price in the Network for Greening the Financial System (NGFS) scenario
Purpose of Internal Carbon Price Implementation	• Change internal behavior • Drive energy efficiency • Stress test investments • Identify and seize low-carbon opportunities
Emissions Aggregation Scope	Scope 1, 2, 3 (Upstream)
Pricing Method	Evolutionary
Applied Internal Carbon Price – Scope 1, 2	Approximately KRW 170,000 (USD 151.25 2010/tCO ₂)
Applied Internal Carbon Price – Scope 3 (Financed Emissions)	Minimum KRW 17,272 (USD 14.94 2010/tCO ₂), Maximum KRW 1,852,656 (USD 1,602.56 2010/tCO ₂)
Business Decision-Making Processes to Which Internal Carbon Price Applies	• Operations - Procurement - Risk management • Opportunity management



Climate Action

Metrics and Targets

Portfolio Exposures and GHG Emissions by Major Industry

Exposure Management for High-Carbon Sectors

Shinhan Bank analyzes portfolio exposures to identify assets vulnerable to transition and physical risks, in accordance with Shinhan Financial Group’s Group ESG Risk Management Standards, focusing on 12 industries of Environmental and Social Risk Categories and four high-carbon sectors that we have internally identified. In particular, to prioritize the management of industries facing elevated near-term risks from international regulatory developments—such as the tightening of greenhouse gas (GHG) emissions trading schemes and the introduction of the EU Carbon Border Adjustment Mechanism (CBAM)—we separately monitor the exposure share of climate-sensitive sectors, including high-carbon industries such as utilities and steel.

Portfolio Exposure

* As of December 2025

Sector	Exposure Share (%)	Financed Emissions (tCO ₂ eq/KRW 10,000 tons)	Emissions Intensity (tCO ₂ eq/KRW 100 million)
Steel/Non-ferrous metals	3.8	704.8	72.0
Non-metallic minerals	0.8	170.0	77.7
Oil/Chemicals	5.4	764.3	55.4
Utilities	1.1	260.9	93.7

Sectoral Decarbonization Approach for Emissions Reduction Targets

In line with Shinhan Financial Group’s carbon reduction strategy, Shinhan Bank has been implementing sector-specific emissions reduction targets that were established in 2020 based on the Sectoral Decarbonization Approach (SDA) of the Science Based Targets initiative (SBTi). Using portfolio carbon intensity as our key performance metrics, we have set a financed emissions reduction pathway through 2050, targeting a 33.7% reduction in carbon intensity by 2030 from 2020 levels and net-zero financed emissions by 2050. To this end, we have established specific reduction targets and pathways for major industry sectors—including power generation, aluminum, cement, steel, paper, transportation, chemicals, commercial real estate, mortgages, and motor vehicle loans—and we review annual progress against these targets. Going forward, we plan to continuously analyze emissions trends by sector, regularly review the average emissions intensity within each sector, and strengthen our monitoring of carbon-intensive companies within each sector to support the achievement of our reduction targets.

Environmental

In this section

Environmental Management



Biodiversity



Environmental Management

Environmental Management System

Environmental Management Policy

Shinhan Bank systematically pursues environmental management based on Shinhan Financial Group’s Environmental Management Code and Group Action Principles Climate. We work to reduce environmental impact across all business activities through greenhouse gas (GHG) emissions minimization, efficient resource utilization, and green loan products and services. Shinhan Bank strengthens stakeholder trust through participation in global environmental initiatives and transparent disclosure of environmental management performance.

Environmental Management System (ISO 14001) Certification

Shinhan Bank operates an environmental management system that complies with international standards, based on ISO 14001 certification. Since its initial acquisition in 2016, Shinhan Bank has continuously renewed ISO 14001 certification and has enhanced the effectiveness of its environmental management system through risk management and performance improvement.



Shinhan Bank ISO 14001 Certificate

Environmental Management Strategy

Greenhouse Gas and Energy Management

Shinhan Bank is advancing the reduction of our financed emissions and operational GHG emissions in line with the methodology of the Science Based Targets initiative (SBTi). We have set our GHG emissions reduction targets based on the 1.5°C scenario of the Paris Agreement and are pursuing phased reductions, with the goal of achieving RE100 by 2040 and net zero by 2050. As a signatory to the Equator Principles, we rigorously assess the environmental and social impacts of large-scale project finance transactions. We are also strengthening our climate risk management framework through alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and through participation in CDP. In addition, we have entered into a renewable energy certificate (REC) purchase agreement with Korea East-West Power Co., Ltd. (EWP) to accelerate the transition of our power consumption—including for our data centers—to renewable sources.

GHG Emissions (Scope 1, 2)

Category	Unit	2023	2024	2025
Total (Scope 1, 2) ¹⁾	tCO ₂ eq	72,193	70,718	68,726
- Scope 1	tCO ₂ eq	10,421	9,618	8,957
- Scope 2 ¹⁾	tCO ₂ eq	62,115	61,447	60,118
Scope 1, 2 GHG Emissions Intensity (per Employee)	tCO ₂ eq/person	5.44	5.41	5.38

* Discrepancies from actual emissions arise due to the application of the integer-rounding rule at the business site level. Scope 1 and Scope 2 emissions are reported as totals by emission source and are therefore not subject to business-site-level integer rounding.
1) Figures represent values submitted to the government under the Greenhouse Gas Target Management System (GHG-TMS), which reflect REC offsets. Green Premium offsets are not included, as they are not recognized under the Korea Emissions Trading Scheme (K-ETS).

Financed Emissions

Category		Unit	2023	2024	2025
Financed Emissions	Scope 3, Category 15: Investments	tCO ₂ eq	44,860,348	46,568,518	43,280,169
	Outstanding Amount (Attribution Base)	KRW 100 million	2,143,151	2,410,175	2,576,221
	Financed Emissions Intensity (per unit of Outstanding Amount)	tCO ₂ eq/KRW 100 million	20.93	19.32	16.80

Environmental Management

Environmental Management Strategy

Energy Management

Category		Unit	2023	2024	2025
Energy Consumption	Total	TJ	1,517.6	1,490.9	1,453.8
	Electricity	Subtotal	TJ	1,344.6	1,330.5
		General Electricity Use	TJ	1,094.5	1,080.4
		Renewable Energy Use	TJ	250.1	259.6
		- Renewable Energy Certificate (REC) Purchase	TJ	47.7	47.7
		- Green Premium Purchase	TJ	201.6	211.2
		- On-site Solar Power Self-Consumption ¹⁾	TJ	0.797	0.774
	City Gas (Natural Gas)		TJ	62.8	59.4
	Gasoline		TJ	107.2	97.8
	Diesel		TJ	0.4	0.4
Steam (District Heating)		TJ	2.6	2.8	2.3
Renewable Energy Use Ratio		%	0.16	0.17	0.18
Energy Intensity (per Employee) ²⁾		TJ/person	0.11	0.11	0.11

* Discrepancies from actual emissions arise due to the application of the integer-rounding rule at the business site level.
** The reporting unit for energy consumption has been changed from MWh to TJ. For domestic electricity, a conversion factor of 1 MWh = 9.6 GJ is applied in accordance with the Enforcement Rule of the Energy Act, amended on November 21, 2022
1) Renewable electricity generated and consumed through the actual operation of three solar power facilities
2) Revised from the 2024 reported data due to changes in the employee aggregation and calculation criteria

Resource Consumption Reduction Activities

Shinhan Bank is reducing resource consumption through the digitalization of our business processes and employee engagement campaigns. At our branches, we operate digital teller services based on a tablet PC-based electronic document system, and in 2025, we processed approximately 28.33 million transactions electronically, thereby reducing paper consumption. We are also continuously expanding our paperless work environment through initiatives such as the adoption of digital business cards and the digital provision of financial information via our linkage with the Korea Financial Telecommunications and Clearings Institute (KFTC). In 2025, we achieved GHG emissions reductions of 37.05 tCO₂eq¹⁾ through the use of solar power generated by photovoltaic systems installed at our data center. For employee engagement, we have operated the Shinhan Let’s Save campaign since 2023, which encourages energy-saving practices and donates an amount equivalent to twice the resulting energy cost savings to energy-underserved communities. We also run the Green Index Campaign, which measures and grades each employee’s carbon emissions from daily work activities to encourage employees’ voluntary efforts to reduce emissions.

1) Electricity emission factor of 0.45941 tCO₂eq/MWh applied.

In-house Environmental Campaigns

Activity Name	Details
Shinhan Let’s Save 	An employee energy and resource conservation campaign launched in 2023 in which twice the amount saved through energy and resource conservation is donated to underserved communities. ✔ Monthly campaigns including Earth’s True Heart Week!, Green Index Tips!, and Shinhan Resource Circulation & Donation Campaign Season 2! to reduce energy and resource consumption. (Shinhan Let’s Save has been renewed as Shinhan Green Challenge from 2026)
Green Index 	A program that measures GHG emissions generated in daily work operations, reflects the Green Index rating, and encourages employees to voluntarily participate and take responsible action. ✔ Quantifies GHG emissions reduction achievements by category, including Swing email and web mailbox management, printer output, and turning off PCs at the end of the workday, and reflects employee carbon reduction results through integration with the Shinhan Walk feature in Shinhan SOL Bank.
Shinhan SDGs Challenge 	An employee participation program that uses the Shinhan Financial mobile app Hangarae to enable employees to practice and verify SDGs missions in their daily lives and create GHG emissions reduction and social value. ✔ Individual and group missions including turning off lights, zero food waste, using public transportation, and organizing emails. / In 2025, 1,753 Shinhan Bank employees participated, with 8,298 actions completed and approximately 2,132 kg of GHG emissions reduction achieved.

Environmental Management

Environmental Management Strategy

Resource Consumption Reduction Activities

Carbon Reduction in Import-Export Logistics Operations through Sustainable Aviation Fuel (SAF) Adoption

Shinhan Bank entered into an ESG Win-Win Cooperation Agreement with DHL Korea in 2024 and introduced the “Go Green Plus” service, which utilizes sustainable aviation fuel for import-export document logistics delivery. Sustainable aviation fuel is produced from reusable resources such as waste cooking oil and household waste, enabling carbon emissions reduction of up to 80% compared to conventional jet fuel. Through this agreement, Shinhan Bank expects to reduce carbon emissions from import-export shipping by up to 17 tons per year and plans to expand the ESG management activities further into the import-export operations sector going forward.

Energy Efficiency Enhancement at Headquarters through Collaboration with Korea Midland Power Co., Ltd.

Shinhan Bank has entered into an “ESG Win-Win Cooperation Agreement” with Korea Midland Power Co., Ltd. (KOMIPO) and is strengthening collaboration on joint development of energy demand management solutions for large buildings and GHG emissions reduction. Shinhan Bank conducted a comprehensive energy diagnosis of our headquarters covering heating and cooling systems, elevators, power distribution, and lighting, and selected “Development of Energy Efficiency Solutions for Shinhan Bank Headquarters” as an R&D project to jointly develop energy-saving solutions for carbon neutrality. Through this initiative, we have achieved tangible energy savings by improving lighting control systems, including the introduction of automatic light-off after 7 p.m. at headquarters. We plan to review expansion of these solutions to other large buildings and across Shinhan Financial Group.

Water Consumption

Category	Unit	2023	2024	2025
Municipal Water Consumption	m ³	123,592	128,992	122,121

Waste Emissions

Category	Unit	2023	2024	2025
Total Waste Emissions (General Waste + Recyclable Waste)	ton	404.2	276.0	268.8
- General Waste	ton	310.7	187.7	191.2
- Recyclable Waste	ton	93.6	88.3	77.6

Paper Consumption

Category	Unit	2023	2024	2025
Paper Consumption	ton	674.7	656.2	643.6

Environmental Investment

Category	Unit	2023	2024	2025
Total	KRW million	31,788	22,960	64,522
- Eco-friendly IT Product Purchases	KRW million	3,958	4,078	6,886
- LED Lighting Purchases	KRW million	1,217	700	841
- Aging Facility Replacement	KRW million	2,104	1,002	1,750
- Cloud System Implementation	KRW million	4,892	4,715	7,816
- Hardware (Servers/Equipment)	KRW million	19,618	12,465	47,229

Zero-Emission Vehicle Transition

Category	Unit	2023	2024	2025
Zero-Emission Vehicle Ratio	%	13.8	16.3	15.7
Number of Corporate Vehicles	units	1,505	1,407	1,265
Number of Electric/Hydrogen Vehicles	units	208	230	199



Environmental Management

Environmental Management Strategy

Employee Environmental Training

Shinhan Bank operates regular environmental training programs to strengthen employees’ environmental management capabilities. Through training on climate action, green loans, and carbon neutrality strategy, Shinhan Bank supports employees in understanding and implementing environmental management elements in their work processes. In 2025, Shinhan Bank conducted environmental training for all employees on climate disclosure response, financed emissions and climate risk management.

Employee Environmental Training Status

Number	Training Title
1	Shinhan Financial Group SDGs Strategic Direction and Shinhan Bank SDGs Implementation Tasks Overview
2	Financed Emissions and Climate Risk Management
3	Climate Disclosure Response (Financial Impact of Climate Events on Financial Assets)
4	Equator Principles Practical Guide
5	Green Loans and K-Taxonomy
6	Understanding Green Loans and the Equator Principles
7	Understanding Win-Win Finance for Partner Companies (Samsung Electronics ESG Partner Company Win-Win Finance)
8	Green Loans and ESG Consulting

Biodiversity

Shinhan Bank recognizes biodiversity loss and natural degradation as significant risks affecting the financial industry and is working to conserve natural capital and ecosystems. Shinhan Financial Group is committed to achieving “Nature Positive” by 2030, which minimizes natural degradation and supports ecosystem recovery. Shinhan Bank is advancing initiatives in alignment with this goal. To enhance biodiversity activities, Shinhan Bank references the LEAP approach recommended by TNFD and implements activities based on the AR3T¹⁾ framework of SBTN²⁾, considering avoidance and reduction of natural degradation, as well as ecosystem restoration and regeneration.

1) AR3T framework: A phased approach to avoid and reduce negative impacts on nature, restore and regenerate degraded ecosystems, and ultimately transform into nature-friendly structures.
2) SBTN (Science Based Targets Network): An international initiative that supports companies in measuring their impact on nature and setting science-based targets for nature conservation.



Activity	Key Content
Forest Conservation through Shinhan SOL Bangul FOREST (October 2025)	- Created alternative habitats for the IUCN-listed endangered Korean fir (Abies koreana) in collaboration with Tree Planet - Expanded biodiversity forests through tree planting, walking trails, and experiential programs
BioBlitz Korea 2025 with Shinhan Bank (September 2025)	- Conducted a biodiversity survey of the Gwangneung Forest Biosphere Reserve (UNESCO-designated) - Explored 1,084 species and operated the event on a carbon-neutral basis
Biodiversity Dream Tree Friends (September 2024)	- Operated biodiversity education programs for children from underserved communities - Encouraged action through employee participation, hands-on educational materials, and contests
Save Them with SOL Animal Protection Donation Campaign (2023 and 2024)	- Matching grant campaign linked to ESG missions on the SOL app - Supported marine environmental conservation
Recycled Clothing Production and Support Program Using Marine Pest Species (December 2023)	- Produced recycled clothing using starfish (a marine pest species harmful to fisheries) - Donated clothing to youth and elderly residents in rural and fishing communities
Publication of Shinhan Financial Group Biodiversity Report (July 2023)	Published the <Biodiversity Special Report>, addressing biodiversity issues from the perspectives of strategy, governance, and risk and impact management
Shinhan Financial Group Joins the TNFD Forum (March 2022)	The Taskforce on Nature-related Financial Disclosures (TNFD)—a global initiative aimed at preventing biodiversity loss and ecosystem collapse through nature-related financial disclosures
Shinhan Financial Group Joins PBAF (September 2022)	The Partnership for Biodiversity Accounting Financials (PBAF)—a global initiative for measuring the impact of financial institutions’ lending and investment activities on biodiversity

Biodiversity

Biodiversity AR3T Framework

Shinhan Bank utilizes the Science Based Targets Network (SBTN) AR3T Framework to systematically manage biodiversity conservation activities. The AR3T Framework comprises four approaches—Avoid, Reduce, Restore, and Regenerate—along with Transform, which encompasses these approaches. This framework provides useful criteria for classifying existing activities and assessing current status. Shinhan Bank has applied the AR3T Framework as a classification standard for biodiversity-related activities and plans to enhance the management system going forward.

A	Avoid	Preventing activities that cause natural loss or environmental burden from the outset. A preventive approach to ecosystem conservation and prevention of additional environmental degradation
R	Reduce	Minimizing the negative impact of activities already in progress. A strategy to improve resource use efficiency, reduce pollutant emissions, and decrease overall environmental footprint
R	Restore	Returning already damaged ecosystems and natural capital to their original state or close to it. Active restoration projects and recovery activities for damaged environments
R	Regenerate	Improving the health and resilience of natural systems beyond simple restoration. Enhancing biodiversity, strengthening ecosystem services, and securing long-term sustainability
T	Transform	Transitioning to a structure where the impact on nature decreases through fundamental changes in systems and business models. Activities such as adoption of eco-friendly business models and new technologies

Biodiversity Risk Management Approach

No.	Activity Name	Avoid	Reduce	Restore	Regenerate
1	Shinhan SOL Bangul FOREST	✓		✓	✓
2	BioBlitz Korea 2025 with Shinhan Bank	✓			✓
3	Save Them with SOL Animal Protection Donation Campaign	✓	✓		
4	Biodiversity Dream Tree Friends	✓			

Biodiversity

Efforts for Biodiversity Conservation and Ecosystem Restoration

Forest Conservation through Shinhan SOL Bangul FOREST

Shinhan Bank has undertaken the Shinhan SOL Bangul FOREST biodiversity forest creation project in the Bangnae-ri area of Hongcheon-gun, Gangwon Province to conserve endangered plant species whose habitats are rapidly declining due to climate change and to restore forest ecosystems. In particular, the Korean Fir (*Abies koreana*), an endemic conifer species of the Korean Peninsula and an endangered species listed on the International Union for Conservation of Nature (IUCN) Red List, was selected as the core conservation species. The initiative aims to create alternative habitats to conserve Korean Firs in the high-altitude areas of Hallasan Mountain, where die-off phenomena are progressing due to climate change. In September 2025, Shinhan Bank held a groundbreaking ceremony for forest creation, and employees began participating directly in planting Korean Fir seedlings. Approximately 3,000 m² of the total approximately 45,000 m² forest creation site was planted with Korean Firs, and through pilot planting, approximately 500 seedlings were planted to establish an initial colony. In November, we conducted a fundraising event for employees to broaden consensus on ecosystem conservation. Shinhan Bank plans to develop the forest into one rich in biodiversity by 2027 through additional planting, expansion of wildflower walking trails, and operation of citizen-participation ecological experience programs.



BioBlitz Korea 2025 with Shinhan Bank

Shinhan Bank participated in “BioBlitz Korea,” a species survey activity, to expand public awareness of the importance of biodiversity conservation and to activate citizen-led nature conservation activities. “BioBlitz” is an activity that began in the United States in 1996, in which citizens, ecology experts, and corporate members observe and record diverse species within a designated area over a limited period of time as a citizen-led biodiversity survey activity. In Korea, the Korea National Arboretum first introduced the activity in 2010, and Shinhan Bank participated and sponsored it for the first time in 2025. The activity was conducted over two days, from September 13 to 14, 2025, at the Gwangneung Forest UNESCO Biosphere Reserve in Gyeonggi Province, with a total of 283 participants including 100 citizens. The survey achieved significant results, discovering more than 1,084 species in total, including 351 plant species, 375 insect species, 140 fungal species, 30 spider species, 188 other species, and 2 previously unrecorded species. The survey results will be reflected in the annual report, and we plan to continue efforts to promote biodiversity by linking the findings to post-survey conservation activities. Additionally, we practiced environmental protection by operating the entire event in a carbon neutrality manner, including encouraging the use of personal cups throughout the event.



Save Them with SOL Animal Protection Donation Campaign

Shinhan Bank implemented a matching grant campaign in which the Bank accumulates donations each time customers complete ESG missions within the SOL app. We introduced “Shinhan Friends” characters based on animals facing crisis due to climate change (such as polar bears and Antarctic seals), and through engaging storytelling utilizing these characters, expanded ESG culture in daily life. The cumulative donations of KRW 179,353,000 generated over two years (2023 and 2024) were used to support marine environmental improvement initiatives, including the collection of starfish, an invasive species.

Biodiversity Dream Tree Friends

Shinhan Bank partnered with EcoNow, an official partner of the United Nations Environment Programme (UNEP), to run a biodiversity education program for children from underserved communities with limited access to environmental education. In 2024, our volunteer employees led activities at 50 Community Children’s Centers nationwide, helping participants appreciate the importance of biodiversity and the value of life. We encouraged engagement through child-friendly environmental teaching aids, such as endangered animal rescue board games, and hosted an action-oriented contest to encourage the spread of everyday environmental protection practices.



Social

In this section

Human Rights & Diversity 

Human Resource Management 

Financial Consumer Protection 

Improving Financial Accessibility 

Local Community Engagement 



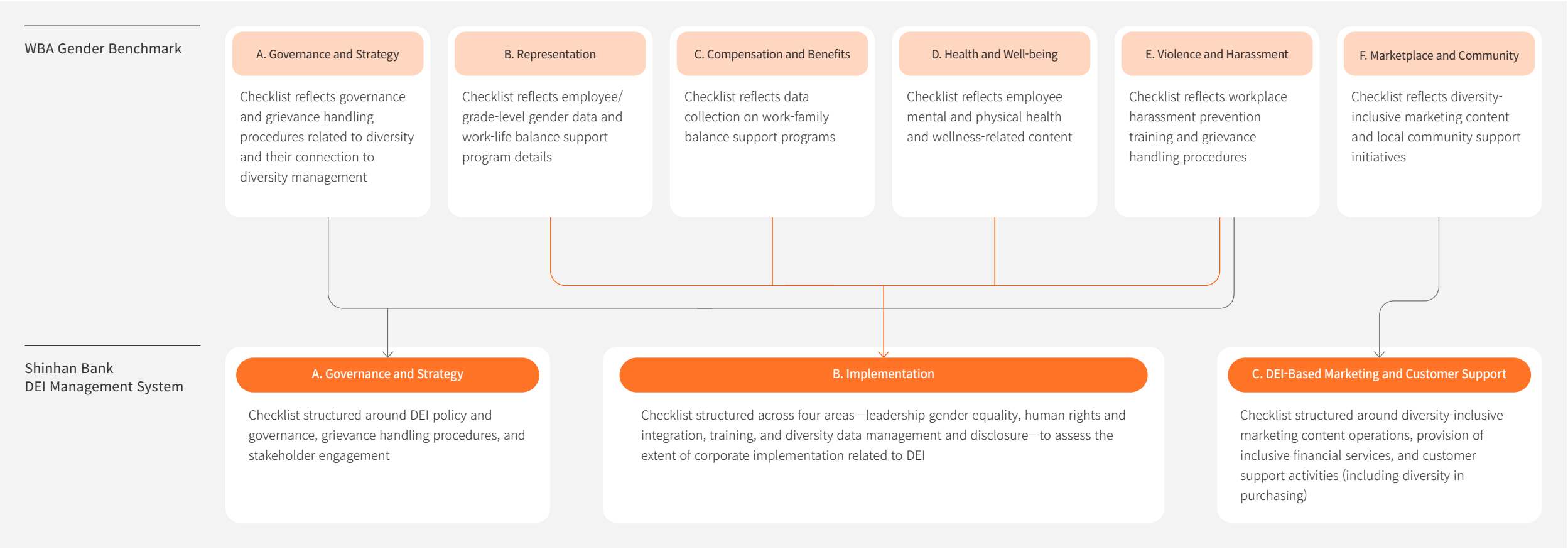
Human Rights & Diversity

Diversity

Diversity, Equity, and Inclusion Management System

Shinhan Bank has established a Diversity, Equity, and Inclusion (DEI) Management Framework based on the World Benchmarking Alliance (WBA) methodology to internalize the values of diversity, inclusion, and equity within the organization. The DEI Management Framework is integrated with the existing Human Rights Management System to reflect stakeholder expectations and serves as a foundation for sustainable innovation where talent from diverse backgrounds demonstrates creativity, mutual respect, and collaboration.

DEI Management System



Human Rights & Diversity

Diversity

Diversity Target Management

Shinhan Bank has identified the development of female leaders, support for persons with disabilities, and support for multicultural communities as three core priorities. We establish targets and implementation plans for each area to advance diversity.

Diversity Key Initiatives

Women Leader Development		Support for Persons with Disabilities			Support for Multicultural Communities		
Expansion of Women Executives and Department Heads	Strengthening Women Leader Development	Expansion of Employment Opportunities	Support for Social Enterprises	Expansion of Financial Services	Support for Social Integration	Expansion of Financial Services	Support for Least Developed Countries
• Strengthening women leader development programs based on talent development strategies that respect diversity		• Job creation • Vocational training	• Support for businesses employing persons with disabilities • Operation of social enterprise linkage support programs	• Operation of financial education center programs for individuals with developmental disabilities	• Provision of cultural experience and exchange opportunities for children from multicultural communities	• Improvement of financial accessibility for foreign workers and provision of specialized services	• Support for Children in Urban Slums of Least Developed Countries

Board of Directors and Organizational Diversity

Shinhan Bank secures balanced and independent decision-making through Board members with diverse backgrounds, experiences, and expertise. In particular, we appoint female directors to enhance gender diversity and strengthen communication capabilities with customers and stakeholders. From an organizational composition perspective, we realize an inclusive organizational culture by hiring persons with disabilities, national merit and veterans, and children from multicultural families as permanent employees. Furthermore, through close collaboration with employees at overseas branches in China, Viet Nam, India, the United States, Hungary, and other locations, we secure multifaceted perspectives and continues to strengthen our capabilities as a global organization.

Diversity

Category		Unit	2023	2024	2025
Leadership staff ¹⁾	Female	persons	7	6	9
	Male	persons	64	54	67
Employment of veterans	Female	persons	318	321	323
	Male	persons	448	442	431
Employment of persons with disabilities	Female	persons	31	39	43
	Male	persons	87	87	84

1) Revised from the 2024 reported data due to changes in the employee aggregation and calculation criteria.

Diversity by Job Function

Category		Unit	2023	2024	2025
Sales Departments	Female	persons	4,251	4,135	4,263
	Male	persons	3,941	3,743	3,424
STEM ¹⁾ Departments	Female	persons	417	406	406
	Male	persons	739	693	693

1) Science, Technology, Engineering, Math

Women Leader Capability Enhancement Program

Shinhan Bank has operated “Shinhan SHeroes,” the financial industry’s first women leader development program, since 2018, identifying and nurturing a total of 390 women leader talents into leadership roles by 2025. Shinhan SHeroes supports women leaders in strengthening their leadership within the organization and developing their careers through mentoring, humanities seminars, trend education, and networking.



Human Rights & Diversity

Human Rights Management

Human Rights Management System

Shinhan Bank practices human rights management by placing the protection and respect of stakeholders’ human rights as the highest priority across all business operations. We endorse the Universal Declaration of Human Rights (UDHR), the UN Protect, Respect and Remedy Framework, and the UN Guiding Principles on Business and Human Rights (UNGPs). In accordance with international human rights norms, we adhere to core principles including the prohibition of discrimination, the prohibition of child and forced labor, the protection of occupational health and safety, and the guarantee of freedom of association. We continuously implement and improve our Human Rights Management System, grounded in fair dealings with business partners, the protection of local communities, and transparent information disclosure, while fostering a responsible corporate culture that respects all stakeholders, including our employees. In 2025, we established and revised our human rights policy—including our human rights due diligence process—and strengthened the policy foundation through reporting to the ESG Committee and approval by senior management. In addition, we set our medium- and long-term human rights management objectives and enhanced the inclusiveness of our human rights impact assessment by incorporating the views of vulnerable stakeholders, including call center counselors.

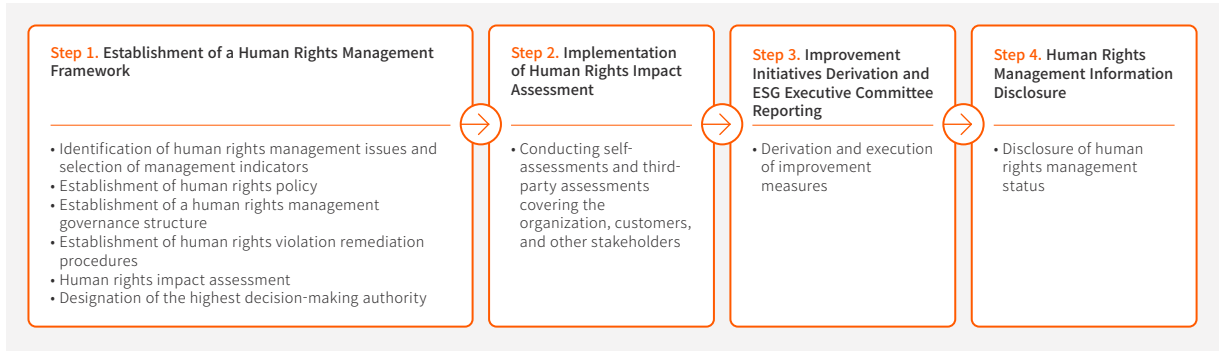


Human Rights Management Declaration and Policy

Under our mission of “A Better World Through Finance,” Shinhan Bank has established our Human Rights Management Policy with human rights protection and respect as our highest priority values, anchored in three strategic pillars: responsible growth, fostering social partnerships, and investing in the future. We review the Shinhan Bank Human Rights Policy annually for its continued relevance and amend it as necessary to maintain stakeholder trust. Our human rights management is further guided by the Human Rights Management System Guidelines, which cover the full scope of our human rights management activities—including our human rights policy, governance structure, grievance and remediation procedures, and human rights impact assessments.



Human Rights Management Process



Human Rights Management Governance

Shinhan Bank operates with the ESG Executive Committee as its decision-making body and the SDGs Planning Office as the lead department to ensure that human rights management becomes an embedded practical culture across the organization. The ESG Executive Committee performs key decision-making functions, including the establishment of human rights management plans and evaluation of results, and reports these matters to the ESG Committee. The SDGs Planning Office is responsible for developing and implementing human rights management plans, conducting due diligence checks including human rights impact assessments, monitoring the receipt and handling of human rights violation cases, reporting to the ESG Executive Committee, and making internal and external disclosures.

Department	Responsibilities
SDGs Planning Office	Human rights implementation and monitoring including human rights impact assessments, monitoring of receipt and handling of human rights violation cases, reporting to the ESG Executive Committee and internal and external disclosure
Compliance Management Department	Proposals on ethical management, consultation and reporting of financial misconduct, banking service inconveniences, and other human rights issues
Human Resources Department	Grievance handling and consultation reporting on sexual harassment and workplace harassment, investigation and follow-up measures, consultation and reporting on misconduct in recruitment procedures including recruitment solicitation and discriminatory hiring practices, investigation and follow-up measures
Information Security Division	Receipt and investigation of personal information breaches, follow-up measures
Consumer Protection Department	Receipt and investigation of consumer complaints (improper business handling, financial disputes), follow-up measures
Director & Standing Auditor	Investigation and follow-up measures for violations of laws, internal regulations, and codes of ethics by bank managers and employees
Customer Platform Department Mydata Unit	Receipt and investigation of behavioral information reports, follow-up measures



Human Rights & Diversity

Human Rights Management

Human Rights Management Medium- and Long-Term Strategy and Targets

Shinhan Bank has established medium- and long-term targets to systematically enhance the level of human rights management implementation and manages progress against these targets. In particular, to strengthen human rights risk management, we are progressively expanding the scope and checklist items of human rights impact assessments and deriving improvement initiatives based on assessment results to increase execution capability. Shinhan Bank is embedding human rights management across all processes involving managers and employees, business partners, and customers. Specifically, we have designated employee health and safety, health promotion, family-friendly practices, diversity and inclusion, labor rights, and personal information protection as core areas and systematically manages management metrics and quantitative targets by area. We plan to continue expanding related education and improvement activities to establish a culture of human rights respect.

Human Rights Management Information Disclosure

Shinhan Bank discloses the results of human rights impact assessments and the progress of human rights management initiatives transparently through our website and sustainability report. Through these disclosures, we fulfill our social responsibility as a corporate citizen, enhance management credibility, strengthen communication with stakeholders, and manage risks from diverse perspectives. Shinhan Bank will continue to advance our Human Rights Management System.

Human Rights Risk Identification and Stakeholder Engagement

Shinhan Bank identifies key human rights risks and core stakeholders that may arise, taking into account the characteristics of the financial services industry. To minimize negative impact resulting from identified risks, we continuously perform prevention and management activities, and regularly gather stakeholder feedback through various communication channels to reflect improvement measures.

Commitment to Stakeholder Human Rights

Category	Content
Human Rights of Employees	Shinhan Bank does not engage in any unfair discrimination based on educational background, regional origin, age, gender, race, religion, or other factors. We evaluate and compensate employees fairly based on performance and provides equal opportunities for self-development based on ability and qualifications. Furthermore, Shinhan Bank continuously improves safe and pleasant working conditions to promote employee health and well-being.
Human Rights of Customers	Shinhan Bank does not provide discriminatory financial services based on customer gender, race, religion, political views, or other factors. We do not require customers to provide excessive information and implement technical and physical measures to protect customer information. Shinhan Bank respects customers’ genuine needs and expectations and develops and provides the highest quality products and services in response to them.
Human Rights of Shareholders and Investors	Shinhan Bank commits to ensuring transparency in management for shareholders and investors and maintains the accuracy and reliability of accounting records. We provide necessary information to shareholders and investors in a timely and fair manner in accordance with applicable laws and internal regulations. Furthermore, Shinhan Bank respects the legitimate requests and proposals of shareholders and investors and works to maintain relationships of mutual trust.
Human Rights of Business Partners	Shinhan Bank recognizes the importance of the value that business partners of Shinhan Financial Group hold as partners in win-win cooperation and does not coerce the purchase of Shinhan Financial Group products or services. We conduct fair transactions from a position of mutual equality rather than superior status and take care to ensure that human rights violations do not occur in the transaction process.
Human Rights of Local Communities	Shinhan Bank recognizes our responsibility for local community development and actively participates in social contribution activities as a member of the local community. We do not engage in unfair discrimination in the provision of financial products and services to vulnerable populations within local communities, employment opportunities, and participation in financial education programs. Furthermore, Shinhan Bank blocks transactions involving false-name or borrowed-name accounts and illegal money laundering to contribute to a sound and transparent society.



Human Rights & Diversity

Human Rights Management

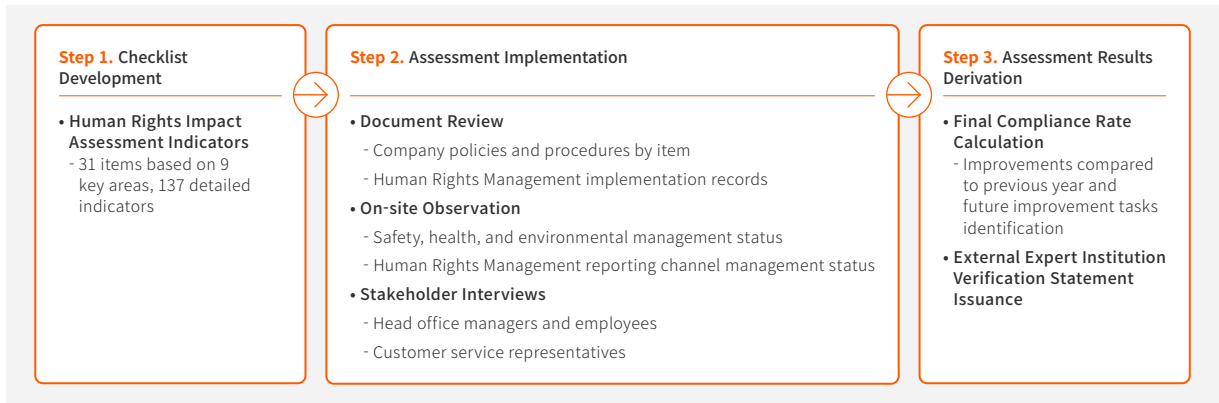
Human Rights Due Diligence Process

Shinhan Bank has established and operates a comprehensive human rights due diligence process that encompasses the development of the Shinhan Bank Human Rights Policy, human rights impact assessments, identification and implementation of improvement measures, reporting to the ESG Executive Committee, and disclosure of information. As part of this process, human rights impact assessments are conducted on a regular basis. Since 2022, when Shinhan Bank became the first domestic commercial bank to introduce independent assessments with the participation of external specialized institutions, we have continued this practice annually. Shinhan Bank’s human rights impact assessments are conducted using a field-focused verification approach, based on assessment indicators that reflect domestic and international human rights norms and guidelines, including the National Human Rights Commission of Korea’s public institution human rights management manual, domestic human rights-related legislation, and the United Nations Guiding Principles on Business and Human Rights.

Human Rights Impact Assessment Results of 2025

Shinhan Bank conducted a human rights impact assessment in 2025 targeting key stakeholders including managers and employees, customers, business partners, and local communities. The assessment checklist comprised nine key areas, 31 items, and 137 detailed indicators. The evaluation was conducted in three stages: document review, on-site observation, and stakeholder interviews. Reflecting the financial industry’s trend toward compliance with the Equator Principles, the assessment incorporated Equator Principles items in the environmental rights protection area. As a result, Shinhan Bank achieved a final human rights compliance rate of 98.7% and demonstrated improved performance compared to the previous year in the areas of occupational safety assurance and responsible supply chain management.

Human Rights Impact Assessment Process



Human Rights Assessment Results by Category (Compliance Rate)

Category	Unit	2023	2024	2025
Human Rights Management System	%	98.9	100	100
Non-discrimination in Employment	%	94.9	95.2	95.2
Freedom of Association and Collective Bargaining	%	100	100	100
Prohibition of Forced Labor	%	100	100	100
Prohibition of Child Labor	%	100	100	100
Occupational Safety Assurance	%	96.7	97	97
Responsible Supply Chain Management	%	87.5	95.8	95.8
Environmental Rights Protection	%	100	100	100
Consumer Human Rights Protection	%	100	100	100
Overall Compliance Rate	%	97.8	98.7	98.7

CASE STUDY



Broadening the Scope of Human Rights Impact Assessment

In the 2025 human rights impact assessment, Shinhan Bank expanded interview subjects to include customer service representatives, enabling the organization to directly listen to the voices of diverse stakeholders and carefully identify risks affecting human rights vulnerable groups. We interviewed various groups with potential human rights vulnerabilities, ranging from full-time new employees to fixed-term workers, workers eligible for maternity protection, employees with disabilities, outsourced workers, and call center staff. We also conducted on-site visits to key facilities to inspect safety management conditions and the working environment for employees. Through this process, Shinhan Bank diagnosed human rights risks that may occur in actual work settings more concretely and established a substantive foundation for improvements to create a working environment in which all members are respected.

Human Rights & Diversity

Human Rights Management

Human Rights Violation Reporting Channels and Processing Procedure

Shinhan Bank operates a human rights violation reporting hotline to prevent and firmly respond to all forms of human rights violations, including sexual harassment and workplace harassment. All stakeholders, including managers, employees, and business partners, may submit reports, and the identity of the reporter and the content of the report are strictly protected. Received reports undergo confidential investigation by the relevant department and are immediately remedied. Findings are reflected in Shinhan Bank’s Ethics Management and Human Rights Management policies to prevent recurrence.

Human Rights Violation Report Handling Process



Principles of Human Rights Violation Remedy Procedures

Principle	Description
Legitimacy	Procedures must be fair and legitimate. Remedy procedures (grievance handling procedures) must be conducted fairly to ensure that stakeholders gain confidence in the process.
Transparency	Procedures must be objective and transparent. The progress, results, and outcomes of procedures must be disclosed transparently. However, when confidentiality is necessary for valid reasons, related information shall not be disclosed, and the reasons shall be communicated. (Example: victim identity protection, trade secrets, etc.)
Accessibility and Equity	The existence of remedy procedures (grievance handling procedures) must be publicly known, and they must be easily accessible without fear of retaliation or disadvantage. Additional support shall be provided to socially vulnerable groups in raising grievances and throughout the procedure process.
Continuous Monitoring	Continuous monitoring shall be conducted even after grievance handling, and root causes of human rights violations must be eliminated to prevent future violations and improve the system.
Predictability	Procedures must be predictable. Relevant procedures and information, such as the process flow, duration of each stage, possible outcomes, and monitoring of results, shall be clearly communicated to the parties and stakeholders.
Dialogue and Participation-Centered Approach	The parties and stakeholders must be at the center of resolving human rights violation issues through sufficient dialogue and participation.
Appropriateness of Rights Protection	Remedy procedures and outcomes must comply with internationally recognized human rights standards.

Human Rights Education

Shinhan Bank conducts human rights education for all employees to enhance human rights awareness and foster a culture of human rights respect.

Human Rights and Ethics

Category		Unit	2023	2024	2025
Human Rights Training Hours		hours	13,464	13,623	13,272
Ethics Training Hours		hours	26,798	27,535	26,419
Ethics Training Participants	Total	persons	13,307	12,872	12,521
	- Permanent Employees	persons	11,307	11,117	11,494
	- Contract Employees	persons	2,000	1,755	989
	- Dispatched Employees	persons	0	0	38

Labor Union and Labor-Management Council

Shinhan Bank maintains a labor-management relationship based on mutual prosperity by applying universal and equal working conditions to all employees. During 2025, we held a total of four regular labor-management council meetings to transparently share management status and discuss ways to enhance employee cooperation.

Collective Agreement

Category	Unit	2023	2024	2025
Union Membership Eligible Employees	persons	8,421	8,493	8,235
Union Members	persons	8,421	8,493	8,235
Union Membership Rate	%	100	100	100
Employees Covered by Collective Agreement ¹⁾	%	100	100	100
Labor-Management Council Meetings Held	times	4	4	4

1) Since union members represent 50% or more of the total workforce, the collective agreement is extended to all employees. Coverage applies to all employees excluding executives.



Human Resource Management

Human Resource Development & Management

Operating Performance Evaluation Systems to Support Employee Growth

Shinhan Bank implements Management by Objectives (MBO)-based goal setting and performance evaluation annually for all employees to ensure fair assessment and compensation. We manage individual KPI achievement status based on the OKR system through an internal platform and provides feedback once per month. In particular, employees at the Associate level (junior) and above undergo a 360-degree multi-rater assessment called the “Value Growth Leadership Survey” to conduct multifaceted competency evaluation. In addition to individual performance, we implement team-based performance evaluation and reflect the performance grades of departments and General Manager of departments in individual performance assessments. Evaluation results are used as supporting documentation for promotions, personnel transfers, and training selection. In accordance with Article 13 of the Compensation Regulations, we provide management performance bonuses by job category based on bank performance.

Shinhan Bank not only conducts performance and competency evaluations but also establishes and operates feedback procedures, monthly and quarterly coaching programs, and a computer system to support these initiatives. Employees engage in one-on-one meetings at least once per month, with each session lasting at least 30 minutes, during which they freely select from four topics—work, growth, teamwork, and life—to meet with their evaluator. Through this communication culture, team members share concerns about work and career direction, build mutual trust, and work together to create a culture of shared growth.

Employee Compensation

Category		Unit	2023	2024	2025
Average Compensation Per Employee		KRW million	112	118	122
By Gender	Female	KRW million	92	97	99
	Male	KRW million	132	139	144

Customized Training by Position and Grade

Shinhan Bank operates job-specific basic courses and mandatory training programs by rank for all employees, including permanent and contract employee, to support the acquisition of core competencies and specialized knowledge necessary for job performance. Since 2023, we have established Shinhan Future Academy to provide customized advanced learning by job function and have implemented offline practical skills enhancement training by sales division. Shinhan Bank also evaluates and manages the effectiveness of each program and continues to improve training quality.

Customized Training by Position and Grade

Category	Unit	2023	2024	2025
Number of participants in Shinhan Bank’s job basics training	persons	8,552	7,997	7,166
Number of participants in Shinhan Future Academy training	persons	923	1,004	868
- Essential ¹⁾	persons	501	584	477
- Level-up ²⁾	persons	310	307	296
- Master ³⁾	persons	112	113	95

- 1) Self-directed learning based on correspondence training, comprising foundational theoretical study and assessment using Korea Banking Institute (KBI) materials
- Training hours: 50 hours per field, including wealth management, corporate banking, investment banking (IB), and risk management
- 2) Practice-oriented, in-person advanced learning, combining intermediate and advanced theoretical study from KBI with hands-on lectures by head office departments
- Training hours: an average of 100 hours per field, including wealth management, corporate banking, investment banking (IB), and risk management
- 3) Advanced training delivered in partnership with leading domestic universities (Seoul National University, Yonsei University, and KAIST), featuring common courses in economics and business administration as well as specialized tracks by field
- Training hours: more than 150 hours each for the Seoul National University and Yonsei University programs



Human Resource Management

Human Resource Development & Management

Customized Training by Position and Grade

Employee Training

Category		Unit	2023	2024	2025
Total Training Hours		hours	1,599,896	1,684,767	1,508,943
By Gender	Female	hours	847,945	791,322	759,537
	Male	hours	751,951	893,445	749,406
Position	Executive	hours	2,400	2,696	2,195
	General Manager of Department	hours	47,997	145,460	59,828
	Manager to Deputy General Manager	hours	399,974	783,972	685,305
	Below Manager	hours	1,149,525	752,639	761,614
Training Hours per Employee		hours	121	129	118
By Gender	Female	hours	139	129	121
	Male	hours	105	129	115
Position	Executive	hours	34	45	29
	General Manager of Department	hours	44	131	64
	Manager to Deputy General Manager	hours	65	129	117
	Below Manager	hours	193	129	129

Category		Unit	2023	2024	2025
Total Training Cost		KRW million	18,797	21,585	20,713
By Gender	Female	KRW million	9,963	10,138	10,426
	Male	KRW million	8,835	11,447	10,287
Position	Executive	KRW million	94	97	80
	General Manager of Department	KRW million	893	1,801	1,321
	Manager to Deputy General Manager	KRW million	4,699	10,044	9,357
	Below Manager	KRW million	13,111	9,643	9,955
Training Cost per Employee		KRW million	1.417	1.650	1.621
By Gender	Female	KRW million	1.632	1.652	1.666
	Male	KRW million	1.234	1.648	1.577
Position	Executive	KRW million	1.324	1.624	1.054
	General Manager of Department	KRW million	0.818	1.619	1.419
	Manager to Deputy General Manager	KRW million	0.766	1.656	1.597
	Below Manager	KRW million	2.196	1.650	1.684

Human Resource Management

Human Resource Development & Management

Employee Management and Leadership Development

Shinhan Bank supports the growth and development of employees and managers through fair and multifaceted evaluation based on a clear talent development direction. When promoting managers, we comprehensively considers job expertise—including completion of training programs and acquisition of required certifications—alongside leadership assessments from supervisors and peers. Following promotion, we provide stepwise support for managerial growth through post-promotion training and multifaceted evaluation. Leadership training by rank comprises customized coaching and feedback for heads of divisions and conference-style seminars for department heads. Since 2024, Shinhan Bank has operated the Shinhan Future AMP (Advanced Management Program), a next-generation executive development program targeting head of division level executives. In 2025, three program graduates were appointed as CEOs of group companies, demonstrating significant achievement. To strengthen field sales capabilities, Shinhan Bank diversifies training programs in response to changes in the sales environment and focuses on enhancing field engagement and sales competency through practice-oriented education. We disseminate training that reflects strategic direction to the field in a timely manner while building a stepwise growth system for developing next-generation leaders, thereby continuously cultivating financial professionals recognized in the market.

Direction of Talent Development



Employee Communication and Engagement

Shinhan Bank operates diverse communication channels with our employees. Through branch and headquarters visits and inter-departmental exchange programs, we directly listen to feedback from the field. Platform-based non-face-to-face programs are used to foster a culture of mutual recognition and encouragement. Additionally, we leverage Eoulrim Square and Harmony Square to gather suggestions related to new business initiatives, operational improvements, and internal control, and to activate employee-driven discussions. Through these efforts, Shinhan Bank incorporates diverse employee perspectives into management decisions and strengthens an organizational culture centered on communication and collaboration.

Employee Communication Programs

Face-to-face communication	On-site communication including branch and headquarters visits, employee lunches and dinners, and participation in employee events
Non-face-to-face communication	Todak Todak Appreciation Program, S-with Point (praise messages and points)
Eoulrim Square	Collection of suggestions related to new business, products, operational improvements, and internal control
Harmony Square	Operation of employee discussion-focused communication channel





Human Resource Management

Human Resource Development & Management

Employee Status (Workforce, New Hires, Turnover)

Employee Overview

Category		Unit	2023		2024		2025	
			Female	Male	Female	Male	Female	Male
Total Employees ¹⁾	Total	persons	13,263		13,083		12,781	
	Total (by gender)	persons	6,104	7,159	6,138	6,945	6,259	6,522
Employment Type	Management ²⁾	persons	7	64	6	52	9	67
	Permanent employees	persons	5,898	6,401	5,933	6,293	5,842	5,883
	Contract employees ³⁾	persons	199	694	199	600	408	572
Age Group	Under 30	persons	1,016	490	905	465	784	435
	30s–Under 50s	persons	4,348	4,228	4,410	4,168	4,594	4,018
	50s and Above ²⁾	persons	740	2,441	823	2,312	881	2,069
Position Level	Executive ²⁾	persons	7	64	6	54	9	67
	General Manager of department	persons	132	959	157	955	156	775
	Manager to Deputy General Manager	persons	2,014	4,117	2,057	4,010	2,084	3,777
	Below Manager	persons	3,951	2,019	3,918	1,926	4,010	1,903
Employees Outside Workplace Affiliation ⁴⁾		persons	2,499	1,815	2,438	1,774	2,448	1,775
Average Employee Tenure		Years	14	16.1	14.7	17.1	14.1	16.9
Separation and Turnover								
Total Separations		persons	610	881	246	812	242	744
Total Turnover		persons	542	496	168	394	193	477
Voluntary Turnover ⁵⁾		persons	525	437	155	309	178	415

* The data disclosed in the 2024 report has been revised due to changes in the employee aggregation criteria as specified in the detailed footnotes.
1) Excludes registered executives (President & Chief Executive Officer and Director & Standing Auditor) and locally hired employees overseas
2) Excludes registered executives (President & Chief Executive Officer and Director & Standing Auditor)
3) Excludes management
4) Cafeteria, cleaning, and security workers, etc
5) Excludes honorary retirement, statutory retirement, dismissal due to disciplinary action, and transfers within the Group

New Hires

Category		Unit	2023	2024	2025
Gender	Female	persons	483	274	248
	Male	persons	725	542	471
Age Group	Under 30	persons	487	313	203
	30s–Under 50s	persons	314	142	130
	50s and Above	persons	407	361	386
Position Level	Executive	persons	31	12	45
	Department Head	persons	14	17	14
	Manager to Deputy General Manager	persons	55	37	43
	Below Manager	persons	1,108	750	617

Human Resource Management

Employee Health & Safety

Health & Safety

Shinhan Bank operates a systematic occupational safety and health management system centered on a Chief Safety and Health Officer reporting directly to the President & Chief Executive Officer. Shinhan Bank reviews and manages related policies and implementation plans through Board of Directors approval. In 2022, we obtained certification for the international standard occupational safety and health management system (ISO 45001) and have established and operated an occupational safety and health management system reflecting internal control procedures across all business locations, including the head office. To manage employee health, we operate the “Shinhan Care Program,” which encompasses prevention, screening, and treatment, and support employee health promotion through the “Wellness Program.” Additionally, Shinhan Bank continuously monitors and manages the number of occupational accidents and accident rates.



Shinhan Bank ISO 45001 Certificate

Health & Safety

Category		Unit	2023	2024	2025
Occupational Safety	Sick Leave and Leave of Absence	Absence Days ¹⁾	days	12,032	9,305
	Occupational Safety	Number of Occupational Accidents ²⁾	cases	2	7
		Absence Days Due to Occupational Accidents ³⁾	days	55	10
		Accident Rate ⁴⁾	%	0.0151	0.0535

1) Absence days due to sick leave and leave of absence include cases where employees are unable to work due to work-related injuries or illnesses (including occupational accidents) and cases of absence due to personal reasons (such as personal illness and other personal circumstances): sick leave (work-related) + leave of absence (work-related) + sick leave (non-work-related) + leave of absence (non-work-related)

2) Only cases reported to the relevant authority are recognized as occupational accidents

3) Limited to cases recognized as occupational accidents

4) (Number of occupational accidents / Total number of employees) × 100; revised from the 2024 reported data due to changes in the employee aggregation and calculation criteria.

Shinhan Bank Wellness Program

Weight Management	Fit Body Hunters	1,003 participants, 47 (4.6%) employees awarded
Health Management	Employee Walking & Certification Challenge	6 sessions, 17,844 participants
	Quit Smoking Project	98 participants
	2025 Chosun Ilbo Chuncheon Marathon	62 participants
Chronic Disease Management	Management of Employees with Abnormal Findings	[First Half] 200 participants, 29 (14.5%) improved [Second Half] 200 participants, 30 (15%) improved
	Emergency Response Training	99 participants



Human Resource Management

Employee Health & Safety

Work-Family Balance Support

Shinhan Bank implements various support policies to help employees achieve balance between work and family life. We operate a comprehensive range of life-cycle-based leave programs, including parental leave, pre- and post-natal leave, spousal childbirth leave, infertility treatment leave, and family care leave. Additionally, we reduce childcare burden through shortened working hours for employees with children aged 12 or under and shortened working hour programs for parents of children entering elementary school. We further support employees’ childcare environment by operating an on-site childcare facility and providing childbirth incentives. Through these efforts, Shinhan Bank has been recognized as a family-friendly certified company by the Ministry of Gender Equality and Family since 2013 and continues to strengthen work-family balance culture.

Category	Support Programs
Parental Leave	Up to two years of leave provided for children aged nine or younger or in elementary school grade three or below
Pre- and Post-natal Leave	110 days of leave provided before and after childbirth
Shortened Working Hours During Childcare Period	Shortened working hours provided for employees caring for children aged twelve or younger or in elementary school grade six or below
Shortened Working Hours for Parents of Elementary School Entrants	Two months of flexible working hours (10:00 a.m. start or 5:00 p.m. end) provided for employees with children during the elementary school enrollment period (March to June)
Infertility Treatment Leave	Up to six days of infertility treatment leave per year provided upon request (three days paid)
Family Care Leave	Up to ten days of family care leave provided
Spouse Childbirth Leave	Twenty days of leave available within 120 days upon spouse’s childbirth
On-Site Childcare Facility	Operation of Shinhan Bank’s childcare facility and enrollment in Shinhan Financial Group shared childcare facility
Childbirth Incentive Payment	Payment provided based on the number of children at childbirth

Parental Leave Status

Category	Unit	2023		2024		2025	
		Female	Male	Female	Male	Female	Male
Employees scheduled to return within the year after parental leave	persons	308	40	239	43	241	60
Employees who returned within the year after parental leave	persons	295	37	228	37	227	59
Return rate within the year after parental leave ¹⁾	%	96	93	95	86	94	98
Employees with 12 months or more tenure among those who returned after parental leave from the previous year	persons	282	26	280	34	219	36
Retention rate of 12 months or more among those who returned after parental leave from the previous year ²⁾	%	96	93	95	92	96	97

1) Employees who returned within the year after parental leave / Employees scheduled to return within the year after parental leave
2) Employees with 12 months or more tenure among those who returned after parental leave from the previous year / Employees who returned within the year after parental leave (from the previous year)

Support for Family-Friendly Activity

Category	Unit	2023	2024	2025
Family-Friendly Employee Benefits	KRW million	17,178	16,524	14,206

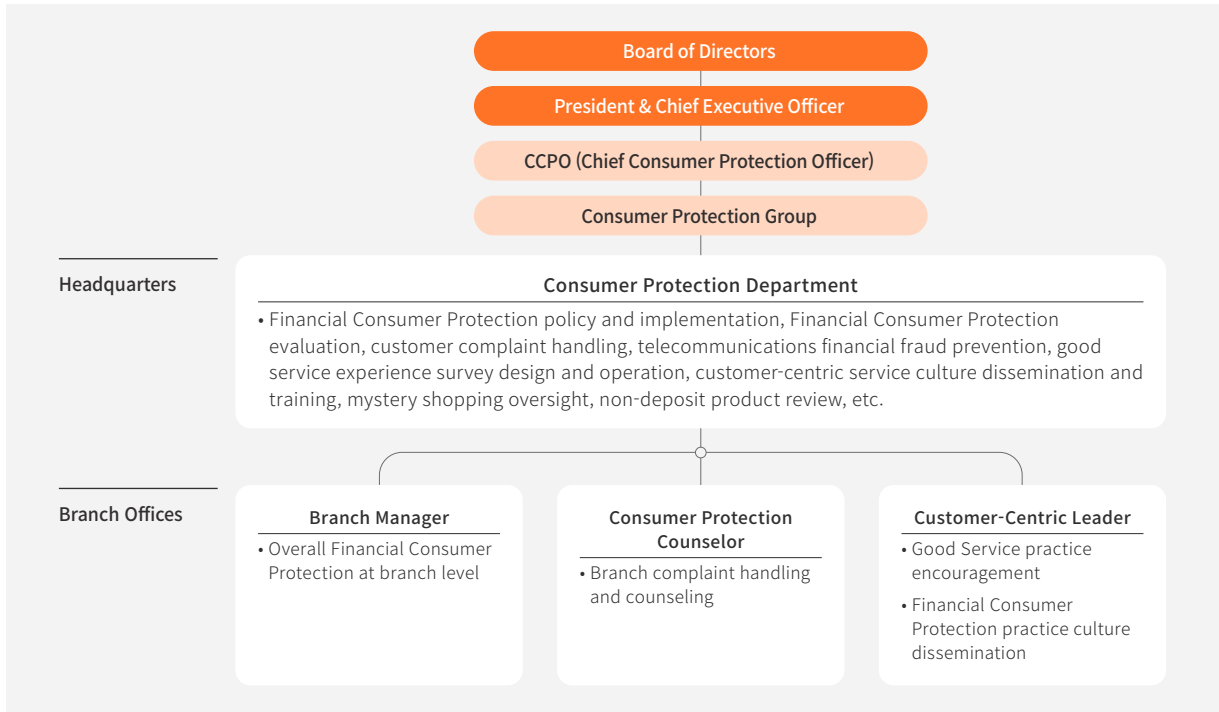
Financial Consumer Protection

Financial Consumer Protection System

Financial Consumer Protection Governance

Shinhan Financial Group strengthens customer trust by managing the consumer protection function at both the holding company and subsidiary levels and operating a Financial Consumer Protection Council. Shinhan Bank has established internal control standards and policies with Board of Directors approval and reflected them in the 2025 management plan. We also report major amendments and discussion items related to Financial Consumer Protection to the Internal Control Committee and Board of Directors on a regular basis, and the Board of Directors approves related strategies and policies and, through the Internal Control Committee, review and receive reports on major regulatory changes. This year, Shinhan Bank reported to the Board of Directors on the status and response measures regarding Financial Consumer Protection governance best practices as presented by the Financial Supervisory Service (FSS), and the Board of Directors separately submitted and approved the 2026 Financial Consumer Protection management plan as a resolution agenda item.

Financial Consumer Protection Governance



Customer Experience Management Oversight

Shinhan Bank operates a Financial Consumer Protection Internal Control Committee with management participation and a Board of Directors-centered oversight system to provide systematic responses to customer complaints and grievances. The Internal Control Committee regularly shares complaint analysis results and responds promptly to matters with potential for harm expansion through ad-hoc reporting. Additionally, Shinhan Bank operates a “Customer Voice System” to ensure management directly recognizes major complaints. Furthermore, Shinhan Bank strengthens customer communication through the Sobo Plus+ platform and systematically promotes customer experience improvement activities. The platform identifies and manages potential complaint occurrences in advance through a “Proactive Complaint Management Index” and an “Event Management Board” based on complaint data, analyzes complaints and customer feedback in real time, and reflects the resulting improvement tasks in customized support and employee training.

Non-Deposit Product Development Framework Review

To proactively identify and manage the risks to financial consumers that may arise from our financial products and services, Shinhan Bank conducts regular reviews at the Board of Directors level. We have established a Non-Deposit Products Committee, composed of executive officers at the Deputy President level, which deliberates on the approval of non-deposit product sales at least once a month and reports its decisions to the Board of Directors. Since 2024, we have also operated a dedicated Non-Deposit Products Review Cell within our Consumer Protection Department, and we have developed review guidelines based on the risk level and structure of each product, enabling us to conduct comprehensive pre-launch reviews.

Financial Consumer Protection

Financial Consumer Protection System

Financial Consumer Protection Strategy

Shinhan Bank is strengthening the Financial Consumer Protection Framework based on the Consumer Protection Charter, which reflects our commitment to protecting financial consumers. In 2025, we set four key priorities and established the medium- to long-term targets to achieve them: (1) creating an AI-powered environment for suitable sales practices, (2) establishing an accountability-based internal control framework, (3) building the Every Time Safe voice phishing safety net, and (4) shifting our complaint response paradigm from reactive to predictive approaches. In particular, to establish a distinctive Financial Consumer Protection Framework, we have fostered a culture of financial inclusion and built a customer-centric review process. From 2026, we plan to further enhance the management of our product design and sales processes, advancing toward a Financial Consumer Protection model centered on prevention and integrated management—delivering innovation through trust and convenience.

Financial Consumer Protection Product Development

Shinhan Bank applies our Financial Consumer Protection process throughout the development and launch of new products. Prior to launch, we use a checklist to identify any unreasonable terms or disadvantageous elements from the consumer’s perspective and to comprehensively assess market risks. After launch, we also conduct market analysis and research to verify regulatory compliance, gather Voice of Customer (VOC) feedback, and identify areas for improvement.

Product Development Process



Financial Consumer Protection System

Debt Collection Policy

Shinhan Bank strictly adheres to all applicable laws and guidelines for debtor protection and ensures fair debt collection through robust internal controls. We provide regular training to the relevant employees to proactively prevent compliance risks, and we support debtors facing financial difficulties by providing guidance on various debt adjustment programs—including the workout program operated by the Credit Counseling and Recovery Service (CCRS) and the Debtor Rehabilitation and Bankruptcy Act.

Fair Advertising Policy

Shinhan Bank conducts prior reviews of financial product advertisements in accordance with the Ethics and Compliance Code of Conduct for Managers and Employees and the Procedures on the Disclosure of Financial Transaction Terms and Advertising. We use standardized templates that incorporate product-specific advertising checklists and the review standards of the Korea Federation of Banks (KFB) to ensure compliance with mandatory disclosure requirements and prevent any violations of prohibited practices. Through multi-tiered reviews by our Compliance Department and Consumer Protection Department, we also prevent customer confusion arising from unclear or ambiguous language. In addition, we continuously strengthen our fair advertising practices through ongoing internal control training for the relevant employees and continuous monitoring of our product disclosures.

Ombudsman System

Since 2020, Shinhan Bank has operated an Ombudsman Advisory Council, composed of experts from various fields, to strengthen our financial consumer protection. In 2023, we established new subcommittees on the financial consumer protection system and on new products, enabling pre-launch reviews and ad-hoc consultations on new product introductions. Ombudsman members review our policies, products, and services from a financial consumer protection perspective and discuss strategies for strengthening protections for senior consumers and for responding to regulatory developments, proposing improvement measures accordingly.

Financial Consumer Protection

Financial Consumer Protection System

Interest Rate Reduction Request System

Shinhan Bank operates an Interest Rate Reduction Request System in accordance with applicable laws and regulations. This system constitutes a legal right that enables borrowers to request a reduction in their loan interest rates when their creditworthiness improves. When a customer experiences improvements such as an upgraded credit rating, an increase in income or assets, or a strengthened financial position, we conduct a comprehensive internal assessment of their credit transaction history, delinquency records, and financial assets. Based on this assessment, we decide whether to approve the interest rate reduction request, delivering tangible benefits to our customers.

Financial Consumer Protection Officer (CPO) System

To strengthen our Financial Consumer Protection, Shinhan Bank operates a Consumer Protection Officer (CPO) system powered by call recording analysis—the first such system in the banking industry. Composed of retired employees at the Deputy General Manager level and above, our CPOs review call recordings to verify compliance with the Financial Consumer Protection Act and assess the appropriateness of product explanations provided to customers. The CPOs also deliver related training to our employees.

Customer Support

Voice Phishing Zero

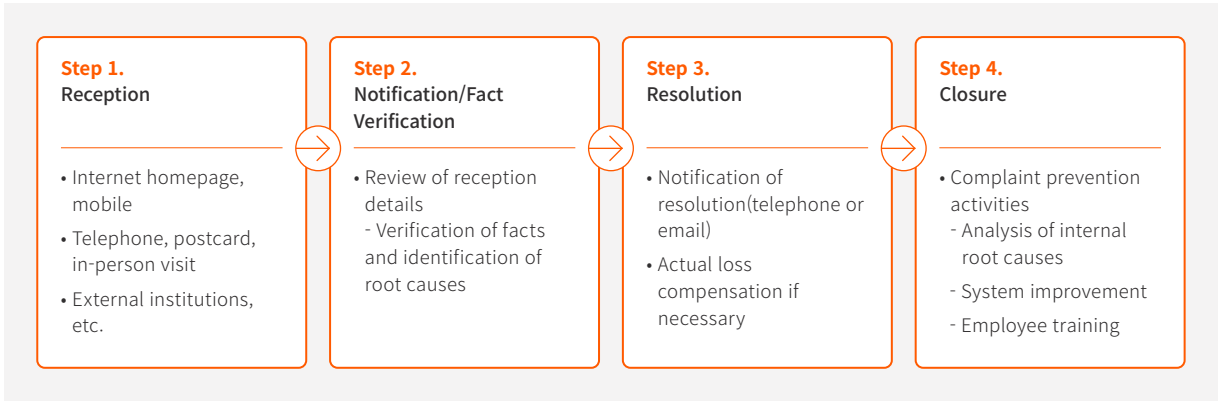
Shinhan Bank continuously pursues Voice Phishing Zero, which encompasses both voice phishing prevention and victim support, in response to the sophistication of financial fraud methods and the increasing damage to vulnerable populations. Through a response system that links preventive measures and post-incident support, we manage financial fraud risks and works to minimize customer losses. In 2025, we implemented the second-year program, providing comprehensive support to financially vulnerable groups, including living expense assistance, legal consultation, psychological counseling, prevention education, and insurance enrollment support. We provided living expense assistance to 2,893 individuals, legal consultation to 697 individuals, psychological counseling to 609 individuals, and prevention education to 8,299 individuals across 139 institutions. Internally, Shinhan Bank enhanced our preventive system by applying an AI detection model to “Anti-Phishing Smart 3.0,” our voice phishing prevention platform, to advance financial fraud detection scenarios and respond swiftly to evolving financial fraud methods.

Protection of Financial Consumer Rights and Interests

Complaint Handling Process

Shinhan Bank operates a complaint handling system in accordance with our internal guidelines, and we provide guidance on electronic financial transaction dispute resolution procedures on our website. When a dispute arises, we begin the process by receiving the complaint, and then identify the cause through our internal fact-finding and, where necessary, cooperation with law enforcement authorities. We notify the complainant of the processing results and investigation findings within 15 days of receipt. If the complainant disputes the investigation findings, they may file an appeal with the Financial Dispute Mediation Committee of the Financial Supervisory Service (FSS), with the Consumer Dispute Mediation Committee of the Korea Consumer Agency (KCA), or by filing a civil lawsuit for damages in court, and may subsequently participate in the relevant mediation or litigation proceedings.

Complaint Handling Process





Financial Consumer Protection

Protection of Financial Consumer Rights and Interests

Mis-selling Prevention

Shinhan Bank prioritizes financial consumer protection, continuously monitoring sales processes at business locations through mystery shopping. For underperforming branches, we apply a temporary suspension system for investment product sales to prevent mis-selling proactively.

Financial Consumer Protection Status

Category	Unit	2023	2024	2025
Customer Satisfaction ¹⁾	points	94.9	96.3	95.0
Total Customer Complaints Received ²⁾	cases	172	170	110
- Completed	cases	172	170	110
- Completion Rate	%	100	100	100
Total Financial Loss from Legal Litigation Related to Product Sales	KRW million	101	642	3,395
Financial and Economic Education Participation	persons	87,893	69,176	91,100

1) Ratio of customers who responded “very satisfied” or “satisfied” among Level 4 and 5 responses on a five-point scale for customer satisfaction.
2) Complaints submitted through various channels, including the Financial Supervisory Service website and call center, based on Federation of Banks disclosure information.

Financial Consumer Protection Education

Shinhan Financial Group conducts mandatory consumer protection training for all employees. At Shinhan Bank, since 2023, approximately 6,400 employees have completed the “Financial Consumer Protection Core Talent Development Program.” In 2025, approximately 1,800 employees completed the “Financial Consumer Protection Specialist Development Program,” strengthening consumer protection expertise.

2025 Financial Consumer Protection Employee Training

- Core talent development program on Financial Consumer Protection for all employees (first half, 1 session, 1,914 completions)
- Expert development program on Financial Consumer Protection for all employees (second half, 1 session, 1,810 completions)
- Mandatory consumer protection course for all employees (case-based telecommunications financial fraud prevention / complaint cases and response methods / Zero mis-selling, once annually, 11,075 completions)

Improving Financial Accessibility

AI and Platform Digital Innovation

Establishment of AX Innovation Group

Shinhan Financial Group established dedicated AI transformation organizations in October 2025 at both the holding company (AX and Digital Division) and Shinhan Bank (AX Innovation Group and AX Innovation Division). Based on a management strategy that positions AI as a core new growth engine for Shinhan Financial Group and a One Team collaboration framework between the holding company and the bank, the Group is implementing AI agents across key business areas including asset management, insurance planning, and customer data analysis, with the objective of realizing hyper-personalized financial services through AI and financial accessibility enhancement. The Group also plans to apply customer-tailored AI agents to Shinhan Financial Group’s integrated platform, Shinhan Super SOL.

AI Banker Service

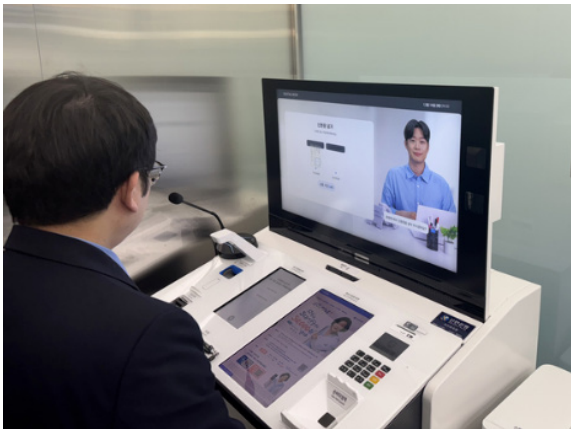
Shinhan Bank opened the Seosomun branch, a next-generation sales office focused on AI services in 2024, and subsequently introduced an AI teller at the Sillim-dong branch in May 2025. Through the “AI Banker” service powered by generative AI, customers can conduct consultations and transactions through natural conversation. To ensure that elderly customers unfamiliar with ATMs or mobile banking and financially vulnerable groups can also conveniently use the service, Shinhan Bank operates programs such as Shinhan HakYe to foster understanding and utilization of the digital financial environment, thereby creating an inclusive financial services environment where all can access services without exclusion.



Platform Financial Services

In response to the accelerating digital transformation across the business environment, Shinhan Bank is expanding the platform-based financial services to allow our corporate customers to access banking services within their familiar platforms, without the need to visit a separate bank channel. Shinhan Bank BaaS (Banking-as-a-Service) is a business model that integrates our financial services into our partner companies’ platforms via APIs, supporting the broader business ecosystems of our corporate clients in various forms such as supply chain finance and purchase finance. Our Bank-In Platform enables corporate customers to directly perform banking tasks such as balance inquiries and fund transfers from within their own ERP systems. The service is available fee-free across a wide range of ERP environments, and we are continuously expanding the scope of our partnerships.

In 2025, we strengthened our personalized wealth management services by introducing AI Investment Mate (a SOL AI service), which delivers the latest investment information based on customers’ registered preferences for specific stocks and sectors, as well as Asset Management Agent, which enables our employees to gain an integrated view of customer assets and market conditions. In addition, by applying AI-powered interpretation and translation services to our Digital Desk video consultations, we have enhanced financial accessibility and convenience—providing large-font Korean subtitles for senior customers with hearing difficulties, and real-time interpretation in ten languages for our foreign customers.



Improving Financial Accessibility

Enhancing Customer-Centric Financial Accessibility

Shinhan HakYje

Shinhan Bank operates Shinhan HakYje, a financial consumer education center, to enhance financial accessibility for diverse financial consumers, including senior customers who may face difficulties in understanding and utilizing digital financial environments, as well as persons with disabilities, children, and youth. The center repurposes vacant bank spaces for public benefit and offers a wide range of programs, including digital financial device experience spaces modeled after actual bank teller environments, education on kiosk and mobile financial app usage, and financial fraud prevention education such as voice phishing awareness. Beginning with Incheon Metropolitan City in September 2023, Shinhan Bank has expanded our presence to Suwon, Gyeonggi Province in October 2024 and Busan Metropolitan City in April 2025, building a nationwide digital financial education platform. Since opening, the center has conducted more than 1,419 cumulative educational sessions through the end of 2025, supporting approximately 17,072 customers in building their own financial capabilities. At the Busan center, in addition to existing senior education programs, we have expanded our offerings to include customized curricula for persons with developmental disabilities, Children’s Financial Experience Class, and risk assessment education linked to the financial fraud prevention platform Shinhan Protect, thereby creating an environment where anyone can safely use financial services.

Shinhan HakYje Operating Direction

Customized Financial Education Provision	Experiential Education	Provision of unmanned store, mobile app, and kiosk experiences to seniors and customers unfamiliar with digital financial services, enhancing understanding of financial services and supporting service utilization
	On-Site Education	Implementation of on-site education with university student assistants targeting seniors and general customers in local communities, enhancing mobile financial utilization capabilities and supporting financial fraud prevention
Expansion of Collaboration-Based Education	Universities	Training university student assistants as financial education instructors and expanding linkage to education programs targeting elderly populations in local communities
	Non-profit Organizations	Provision of financial education to diverse groups including seniors, persons with disabilities, children, and youth, enhancing financial accessibility and supporting financial fraud prevention
	Government and Specialized Institutions	Provision of educational infrastructure and content to digitally underserved groups, and contribution to spreading financial fraud prevention culture, including voice phishing prevention, through collaboration with relevant institutions such as Seoul Metropolitan Government and the National Information Society Agency (NIA)

Hey Young Campus

Shinhan Bank supports smart campus life for university students by providing a customized platform called “Hey Young Campus” that consolidates essential campus functions. Through this platform, Shinhan Bank offers electronic student identification, attendance management, facility reservation, and other academic administrative services, along with app-based convenient payment and financial services to approximately 170 universities nationwide. The platform operates a “Half-Price Lunch Campaign” to promote healthy eating habits among university students with high meal-skipping rates. Starting in 2025, Shinhan Bank expanded the available hours to 08:00–17:00, thereby increasing accessibility so that more students can benefit from the program. Additionally, through food truck events that provide complimentary snack coupons during festivals and examination periods, Shinhan Bank provided welfare benefits to approximately 700,000 university students annually.

Shinhan Bank Hey Young Supporters 3rd Generation Launch Ceremony



Improving Financial Accessibility

Financial Accessibility Enhancement

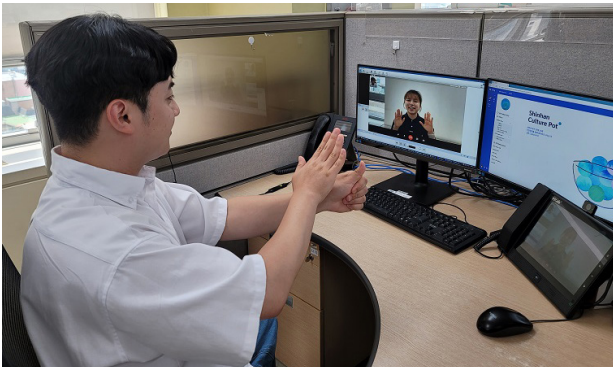
Sign Language Support Service

Shinhan Bank provides various communication support services to enhance the convenience of financial service access for customers with hearing and speech disabilities. Since introducing sign language consultation service for the first time in the financial industry in 2011, we have continuously advanced the service by adding relevant functions to smart kiosks and expanding non-face-to-face consultation channels. From 2023 onwards, we have introduced sign language consultation through KakaoTalk video calls, enabling consultations without the need for dedicated devices or applications. Additionally, branch offices operate a “Text-Based Consultation Service” that converts employee voice into text in real time, supporting customers with hearing disabilities and elderly customers in receiving financial consultations more smoothly.

Customized Service Kit

Since 2023, Shinhan Bank has developed and distributed a “Customized Service Kit” to enhance financial accessibility for persons with visual impairments on the occasion of the Day of Persons with Disabilities. The kit has been provided to the Seoul Metropolitan Government and deployed across all Shinhan Bank branches. The kit comprises handwritten guide cards for easy identification of document completion locations, banknote guides for distinguishing currency denominations, and Braille stickers with numerical markings. These materials enable persons with visual impairments to conduct financial transactions at branch offices more conveniently.

Expansion of Shinhan Bank Non-Face-to-Face Sign Language Support Service



Customized Service Kit for persons with visual impairments

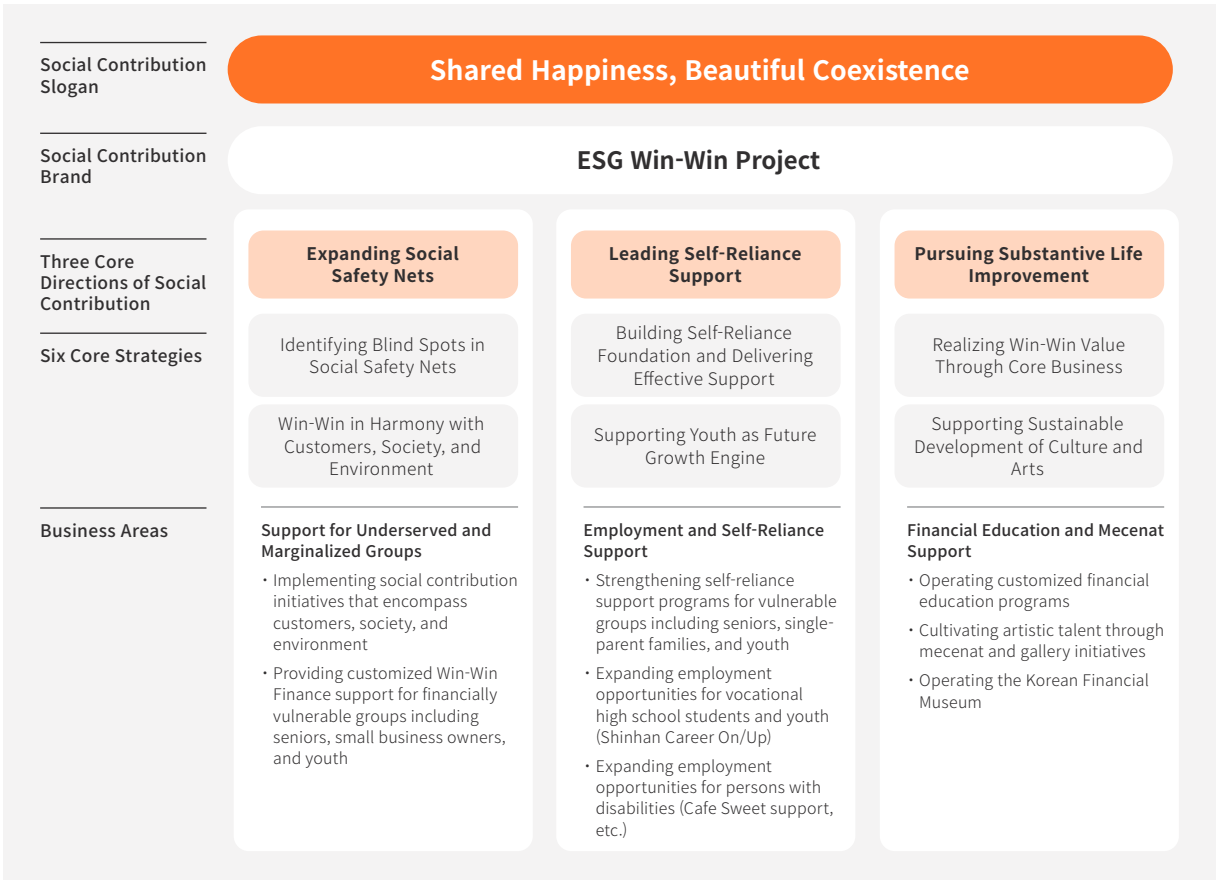


Local Community Engagement

Social Contribution Framework

Shinhan Bank pursues social contribution initiatives based on the slogan “Shared Happiness, Beautiful Coexistence” and focuses on three strategic directions: expanding social safety nets, providing leading self-reliance support, and pursuing substantive improvements in quality of life. Building on this foundation, we operate programs across business areas including support for underserved and marginalized populations, job creation and self-reliance support, and financial education and development of future generations. Through these efforts, Shinhan Bank contributes to improving the quality of life of stakeholders and creating social value.

Social Contribution Framework



Social Contribution Initiatives

ESG Win-Win Project

Shinhan Bank’s “ESG Win-Win Project” is a flagship social contribution program that pursues mutual growth with stakeholders through finance. The program operates diverse initiatives to ensure that tangible benefits reach stakeholders in need, and in 2025, activities were developed with a focus on strengthening the capabilities of future generations and supporting the self-reliance of vulnerable populations. Through “Hope Career School”, we provided vocational training in barista and nail art services to youth from multicultural families in Seoul and the metropolitan area, and delivered AI-based digital education to children and youth in childcare facilities. Shinhan Bank operated Donghaeng Store “Jeongdam” in connection with Seoul’s “Humanities of Hope” initiative to support homeless individuals in employment and entrepreneurship, and provided sponsorship funds during holiday periods for initiatives that simultaneously promoted the use of traditional markets and supported vulnerable populations. Additionally, through pediatric cancer treatment cost support and encouragement marathons involving employees and wealth management customers, we expanded the value of sharing throughout society.

Support for Underserved Community

‘Pediatric Cancer Hero Run’ with Shinhan Bank

Shinhan Bank hosted the ‘2025 Pediatric Cancer Hero Run’ to convey hope and courage to pediatric cancer patients and their families. Beyond a sports event, this initiative embodied the values of social sharing and community solidarity. The Bank donated KRW 100 million to the Korean Leukemia Children’s Foundation to support treatment costs for patients facing economic hardship and to advance family support programs. Approximately 700 employees, customers, and other participants joined the event, walking together along the Tancheon Circular Trail while wishing for the complete recovery of pediatric cancer patients. Through diverse experiential programs—including special charity performances, cape customization, and mini-games—pediatric cancer patients and their families shared moments of small happiness and warm comfort in their daily lives.



Local Community Engagement

Social Contribution Initiatives

Support for Underserved Community

Overseas Medical Volunteer Service in Uzbekistan

Shinhan Bank has been conducting overseas medical volunteer activities in cooperation with Seoul National University Dental Hospital since 2008 to fulfill our social responsibility as a global corporate citizen. We have provided cleft lip and palate surgery and dental care to approximately 4,000 children from underserved communities in developing countries including Cambodia and Uzbekistan, and have supported the elimination of medical service gaps through provision of free dental care and denture fabrication for elderly Koryo-saram (ethnic Koreans in Central Asia).



Overseas Medical Volunteer Service in Uzbekistan

Warm Partnership with Foreign Workers: “Foreign Worker Support Program”

Shinhan Bank is implementing the “Foreign Worker Support Program” to improve the quality of life and provide humanitarian support for foreign workers residing in Korea. We extend practical assistance across multiple areas, including improving the environment at foreign worker rest facilities, supporting vaccinations to prevent infectious diseases, and providing funeral expense assistance for workers who pass away during their stay in Korea. Employees also actively participate in volunteer activities such as cleaning rest facilities and providing special meals, sharing warmth and compassion with foreign workers.



Foreign Worker Support Program

Opening of the First Donghaeng Store “Jeongdam” to Support Self-Reliance of Homeless Individuals

Shinhan Bank is advancing the Donghaeng Store initiative in collaboration with the Seoul Metropolitan Government to support the self-reliance of homeless individuals who fall outside the safety net of social welfare systems. We selected startup business teams from homeless individuals seeking to establish their own enterprises, provided culinary and service training, and supported restaurant remodeling. In December, Shinhan Bank opened the first location, a Korean restaurant called “Jeongdam,” in Dongjadong, Yongsan-gu, Seoul, creating a workplace where underserved populations can build independent livelihoods.



Support for Vulnerable Groups_Donghaeng Store “Jeongdam”

Supporting Future Generations

Tailored Financial Education by Generation

Shinhan Bank operates life-cycle-based financial education programs tailored to all generations through both online and offline channels. We provide Shinhan “Virtual Bank Exploration” for young children, experiential Shinhan “Children’s Financial Experience Class” for elementary school students, and Shinhan “Career & Financial Experience Program” for middle and high school students. For young adults, Shinhan Bank offers Shinhan “On-Site University Financial Education” to support life planning and future financial design. Additionally, we deliver Shinhan “Senior Financial Education” through regional welfare centers, senior centers, and mobile branches, ensuring that each generation receives customized financial education suited to their life stage and needs.

Target Audience	Program Name	Content
Young children	Shinhan “Virtual Bank Exploration”	Real-time non-face-to-face financial education using the ZOOM platform
Elementary school students	Shinhan “Children’s Financial Experience Class”	Experiential financial education conducted through talent donation by managers and employees at Shinhan Bank’s Financial Education Center
Middle and high school students	Shinhan “Career & Financial Experience Program”	Financial education and career experience education for banking professionals conducted simultaneously
University students	Shinhan “On-Site University Financial Education”	Education delivered directly at universities covering the necessity of financial management, sound asset formation, and crisis management
Seniors	Shinhan “Senior Financial Education”	Digital banking and financial fraud prevention education for seniors utilizing regional welfare centers, senior centers, and bank mobile branches



Local Community Engagement

Social Contribution Initiatives

Support for Future Generations

One Company, One School Financial Education

Shinhan Bank participates in the “One Company, One School Financial Education” program, which is overseen by the Financial Supervisory Service (FSS), and has established partnerships with 623 elementary, middle, and high schools nationwide to support financial education in local communities. In 2025, we conducted financial education for 483 schools and 51,861 students across the country. Through education tailored to each grade level, we helped young people develop sound financial habits based on a proper understanding of finance. In recognition of these efforts, Shinhan Bank received the Financial Supervisory Service Governor’s Award at the “One Company, One School Financial Education Excellence Awards Ceremony” held in February 2026.



One Company, One School Financial Education

Young Generation Employment Activation Support: Shinhan Career

On-Career Up

Shinhan Bank operates the “Shinhan Career On-Career Up” program to strengthen employment competencies for vocational high school students and young adults job seekers nationwide. Shinhan Career On-Career Up is a program that supports vocational high school students through AI-based competency assessment, gamification-based learning, practical mock interviews, and employment portfolio competitions. The Shinhan Career On-Career Up program, designed for young job seekers, supports participants in acquiring practical work competencies over a six-week period by commuting to a virtual company called “SOL Company,” where they receive on-the-job training from current professionals, mentoring, and hands-on corporate project assignments. All program graduates receive employment support funds, and outstanding graduates are offered employment linkage opportunities.

Support for Youth Facing Housing Crisis

Shinhan Bank operates a comprehensive support space called “Youth, Space” for young people facing housing crises. Since its opening in 2024, the facility



Shinhan Career On-Career Up

has provided meal services, shower facilities, laundry services, and rest areas, along with emergency rental assistance, housing support program counseling, and resource referral services to support housing stability for young people. A cumulative total of 1,109 individuals have visited the facility.

Support for Young Artists

Shinhan Bank has operated the “Shinhan Music Award” since 2008 to discover and nurture classical music talent. Over 17 editions, the program has produced 81 award recipients. Recipients have been provided with various benefits including scholarships, complimentary master classes at renowned overseas music schools, free rental of Shinhan Art Hall, and opportunities to participate in collaborative performances. Additionally, Shinhan Bank supports the growth of young artists through initiatives such as “Shinhan Live Classic” and “Shinhan Young Artist Festa.”



Support for Young Artists

Local Community Engagement

Social Contribution Initiatives

Social Contribution Investment and Employee Volunteer Activities

Social Contribution Investment

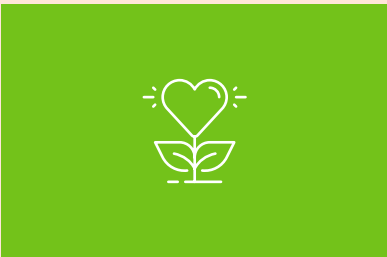
As of 2025, volunteer activity participation reached 58,764 hours with 8,701 participants, demonstrating continuous growth and embodying the value of sustainable social value creation practiced together with local communities.

Social Contribution Performance

Category	Unit	2023	2024	2025
Amount of Investment in Social Contribution	KRW 100 million	2,537	3,017	3,326
Volunteer Activity Hours	hours	16,722	36,525	58,764
Volunteer Activity Participants	persons	2,759	6,506	8,701

Employee-Driven Social Contribution Activities

Shinhan Bank fulfills its corporate social responsibility through diverse volunteer activities in which employees participate voluntarily. We have implemented eco-friendly action initiatives including environmental cleanup and tree-planting activities, as well as support programs for foreign workers and youth facing housing crises, and meal preparation and distribution services to support food security for vulnerable populations. Employees also actively participate in heritage preservation and financial education activities. Through these efforts, employees engage with local communities as corporate citizens, promote the value of sharing, and contribute to the creation of sustainable social value.



Local Community Engagement

Social Contribution Initiatives

Support for Small Business Owner

Shinhan SOHO Success Support Center

Shinhan Bank operates the Shinhan SOHO Success Support Center BIZ-ON to assist small business owners facing challenges in business startup and management. We provide customized consulting services including startup guidance, business sector transition counseling, and business profit-and-loss analysis. Graduates of the Shinhan SOHO Academy are selected as mentors to deliver hands-on mentoring based on field experience.

Shinhan SOHO Academy

Since 2017, Shinhan Bank has operated the Shinhan SOHO Academy to support the enhancement of management capabilities among small business owners. The Academy provides intensive, practice-oriented management education to a select group of small business owners. In recognition of these efforts, Shinhan Bank received commendations from the Financial Supervisory Service (FSS) in 2023 and 2024, followed by an award from the Korea Federation of Banks (KFB) in 2025.

Shinhan SOHO Academy



Success Do-Dream Customized Academy

Shinhan Bank operates the “Success Do-Dream Customized Academy” to strengthen the practical competencies of small business owners. We provide single-subject courses aligned with current trends, including taxation, legal affairs, commercial area analysis, and social media marketing. Through YouTube live streaming, small business owners across the nation are supported in participating in educational programs.

Success Do-Dream Seminar

Shinhan Bank operates the “Success Do-Dream Seminar” in collaboration with the Financial Supervisory Service (FSS) and local governments, directly reaching small business owners outside the Seoul metropolitan area. We have signed memoranda of understanding with local governments including Gangwon, North Chungcheong, North Jeolla, and Incheon, and cooperates with the FSS’s on-site support team for small business owners to provide customized educational opportunities to regional small business owners.

Delivery Platform “Ddaenggyeoyo”

Shinhan Bank operates Ddaenggyeoyo, a delivery platform that lowers the burden on small business owners through a low merchant commission of 2%. As of year-end 2025, the platform had grown to 8.03 million registered users and 300,000 partner merchants. We have entered into public delivery agreements with 11 metropolitan and provincial governments and 37 municipal governments, revitalizing local economies through the use of local gift certificates and joint marketing, and we are expanding the service to highway rest areas, food courts, and corporate cafeterias. Through a range of marketing support—including coupon issuance, flash sales, and loyalty stamp programs—we help our partner merchants increase their sales while reducing their marketing costs. We also operate a rapid settlement system to ease the cash-flow burden caused by the settlement delays common on delivery platforms. In addition, we have built an alternative credit scoring model based on the actual business performance data of our partner merchants, and—in collaboration with local governments—we provide KRW 47.9 billion in financing through an Interest Subsidy Loan, evolving Ddaenggyeoyo into a platform that supports the local.

CASE STUDY



Ddaenggyeoyo Win-Win Stores

In addition to our financial support programs, Shinhan Bank is expanding our support for small business owners through a platform-based shared growth model leveraging our delivery platform Ddaenggyeoyo. The Ddaenggyeoyo Win-Win Store Support Program is a community engagement initiative that combines community giving activities with sales support for small business owners in the food service industry. The program was designed to ease the operational burden on small business owners facing a high-interest-rate and high-inflation environment, while contributing to addressing food insecurity in local communities. Participating stores donate meals to welfare facilities and other institutions, and once their contributions are verified, they receive additional livelihood support funds and sales-boosting benefits. Through this initiative, small business owners secure a stable foundation for their business operations, while a virtuous cycle of community giving spreads across local communities. In 2025, we selected 109 Win-Win Stores, which provided meals to approximately 13,699 individuals at 204 institutions nationwide—reinforcing the value of shared growth with our local communities.



Governance

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Transparent Governance

Governance Principles

Shinhan Bank upholds transparency, soundness, diversity, and expertise as the core principles of our corporate governance, in order to protect the rights and interests of all our stakeholders, including shareholders and financial consumers. We operate our Board of Directors and its committees in accordance with these principles.

Transparency

Shinhan Bank complies with the governance disclosure requirements set out in the Act on Corporate Governance of Financial Companies (Financial Company Governance Act), the Banking Act, and other applicable laws, and we faithfully implement related systems. To enhance understanding among our shareholders and investors, we disclose our Annual Corporate Governance and Compensation Report, which covers our governance arrangements and compensation framework, prior to each Annual General Meeting of Shareholders. We also disclose key information—including our governance-related regulations, director appointment procedures, and appointment outcomes—on our website and on the website of the Korea Federation of Banks (KFB).

Soundness

We operate our sound governance in strict compliance with all applicable laws, including the Commercial Act, the Act on Corporate Governance of Financial Companies, and the Banking Act, as well as with our internal standards, including our Articles of Incorporation, Internal Corporate Governance Standards, and Board of Directors Regulations. Our candidate pool for Independent Directors consists exclusively of candidates with no conflicts of interest with Shinhan Bank or Shinhan Financial Group. We maintain the proportion of Independent Directors on our Board of Directors (BOD) and its committees above the legal majority requirement, thereby ensuring the independence and soundness of our Board.

Diversity and Expertise

We compose our Board based on the principles of diversity and expertise to avoid an overconcentration of any particular background or perspective. We ensure balanced expertise across the seven major fields¹⁾ specified in the Act on Corporate Governance of Financial Companies, while expanding and managing our Independent Director candidate pool across the eight expertise areas²⁾ defined by Shinhan Bank. We also actively identify female Independent Director candidates and monitor the gender composition of our candidate pool. By building a Board that reflects diverse perspectives—including age and global experience—we work to establish a flexible decision-making framework that can respond to a rapidly evolving financial environment and to secure a distinctive competitive edge in the market.

1) Finance, Management, Economics, Law, Accounting, Consumer Protection, Information Technology
2) Finance, Law/Internal Control, Management, Economics, Finance/Accounting, Digital/ICT, Global/Capital Markets, Consumer Protection/ESG/Risk Management

Governance Structure

Board of Directors Composition

The Board of Directors is the highest decision-making body that oversees and deliberates on overall bank operations. It determines major matters such as the appointment of management and approval of management strategies, and exercises checks and oversight to ensure that management performs accountable management. As of March 2026, Shinhan Bank’s Board of Directors comprises nine members in total, consisting of six Independent Directors, one Other Non-Executive Director, and two Executive Directors. To maintain the independence of the Board of Directors, the Board Chair is appointed from among the Independent Directors.

Board of Directors Composition

Name	Classification	Term Start Date	Committee Assignment (Chair)	Current Position	Major Career History	Gender
JUNG SANG HYUK	Executive Director	February 15, 2023	ESG Committee Consumer Protection Committee	President & Chief Executive Officer, Shinhan Bank Other Non-Executive Director, Shinhan Financial Group	Deputy President, Shinhan Bank Managing Director, Shinhan Bank Head of Secretariat, Shinhan Bank	Male
KIM CHUL WOONG	Executive Director	January 1, 2025	Audit Committee	Director & Standing Auditor, Shinhan Bank	President, Financial Security Institute(FSI) Deputy President, Financial Supervisory Service (FSS) Director General, Financial Supervisory Service (FSS)	Male
LEE INKYUN	Other Non-Executive Director	January 1, 2023	Risk Management Committee Internal Control Committee	Senior Vice President, Shinhan Financial Group	Managing Director, Shinhan Financial Group Head of Management Support Group, Shinhan Financial Group	Male
PARK SANGGUE (Chair)	Independent Director	March 20, 2025	Chair, Compensation Committee Risk Management Committee Executive Recommendation Committee	Professor Emeritus, Chung-Ang University Director, Platon Academy	President, Chung-Ang University Chair, Korean Council for University Education Member, Korean National Commission for UNESCO	Male
KIM SUNGNAM	Independent Director	March 22, 2023	Chair, Audit Committee Chair, Internal Control Committee Executive Recommendation Committee	Management Advisor, EY Hanyoung	Co-Representative, Head of Risk Management Division, EY Hanyoung Member, International Ethics Standards Board for Accountants (IESBA) Non-Executive Auditor, Korea Listed Companies Association	Male
HAHM JOON-HO	Independent Director	March 22, 2023	Chair, Risk Management Committee Compensation Committee Executive Recommendation Committee	Professor at the Graduate School of International Studies, Yonsei University	Member, Financial Regulatory Innovation Council, Financial Services Commission Master of Business Administration, Columbia Business School Member, Monetary Policy Committee, Bank of Korea	Male
YAMAMOTO SHINJI	Independent Director	March 21, 2024	Executive Recommendation Committee ESG Committee Consumer Protection Committee	Representative Director, Young Shin Corporation	Representative Director, Young Shin Corporation Representative Director, Koma C.C	Male
YOON JOON	Independent Director	March 20, 2026	Chair, Executive Recommendation Committee Chair, Consumer Protection Committee Internal Control Committee	Attorney, Yoon Jun Law Office	Chief Judge of the Seoul High Court Chief Judge of the Gwangju High Court Chief Judge of the Suwon District Court	Male
CHAE EUNMI	Independent Director	March 20, 2026	Chair, ESG Committee Audit Committee Compensation Committee	Associate Professor, Korea University	Associate Professor, Korea University Assistant Professor, University of Tokyo	Female

* As of March 2026



Transparent Governance

Governance Structure

Board of Directors Composition

Committees within the Board of Directors

Shinhan Bank’s Board of Directors comprises six specialized committees under the Board: the Audit Committee, Risk Management Committee, Compensation Committee, Executive Recommendation Committee, ESG Committee, and Internal Control Committee. Each committee conducts specialized review and deliberation on matters delegated by the Board of Directors in accordance with the BOD By-Law. The chair of all committees is appointed from among Independent Directors.

Board of Directors Committees Overview

Committee Name	Role
Audit Committee	• Oversight of the duties performed by directors and management • Conducting accounting and operational audits, and evaluating the internal control system
Risk Management Committee	• Formulation of fundamental policies and strategies for risk management • Oversight and monitoring of the management status of major risks
Compensation Committee	• Designing and operating evaluation and compensation frameworks for management and key personnel • Reviewing the appropriateness and regulatory compliance of the compensation framework, and deliberating and approving the Annual Compensation Report
Executive Recommendation Committee	• Recommending candidates for the President & CEO, Independent Directors, and Audit Committee members • Verifying candidate qualifications and maintaining the ongoing candidate pool
ESG Committee	• Formulating ESG management strategies and setting targets • Managing the performance of ESG initiatives and deliberating on the publication of ESG reports
Internal Control Committee	• Formulating fundamental policies and standards for internal control • Reviewing the effectiveness of internal control operations and recommending improvements

* As of March 2026

Board of Directors Activities and Evaluation

Board of Directors Activities

The Board of Directors actively participates in Board activities by reviewing major agenda items in advance based on each director’s expertise and providing opinions, thereby ensuring that decision-making aligns with the long-term interests of Shinhan Bank, shareholders, and stakeholders, including financial consumers. In 2025, the Board of Directors of Shinhan Bank held a total of 16 meetings, including regular and extraordinary sessions.

Board of Directors Operating Status

Category	Unit	2023	2024	2025
Total Board of Directors Meetings Held	meetings	16	17	16
Resolutions	items	60	49	63

Board of Directors Evaluation

Shinhan Bank conducts an annual evaluation of overall Board of Directors in accordance with the BOD By-Law and continuously improves Board operations by reflecting the evaluation results. We also evaluate the job performance capabilities of Independent Directors and reports the results through the Annual General Meeting of Shareholders, thereby enhancing the fairness and transparency of Board operations.

Ethical and Compliance Management

Ethical and Compliance Framework

Ethical and Compliance Policy

Shinhan Bank establishes our Ethics and Compliance Code of Conduct for Managers and Employees based on the Group Code of Ethics, which contains ethical judgment standards and action principles for all managers and employees of Shinhan Financial Group. The Code of Conduct specifies concrete behavioral standards that managers and employees must observe not only in the course of business operations but also in their daily lives.



Group Code of Ethics, Shinhan Financial Group



Ethics and Compliance Code of Conduct for Managers and Employees, Shinhan Bank

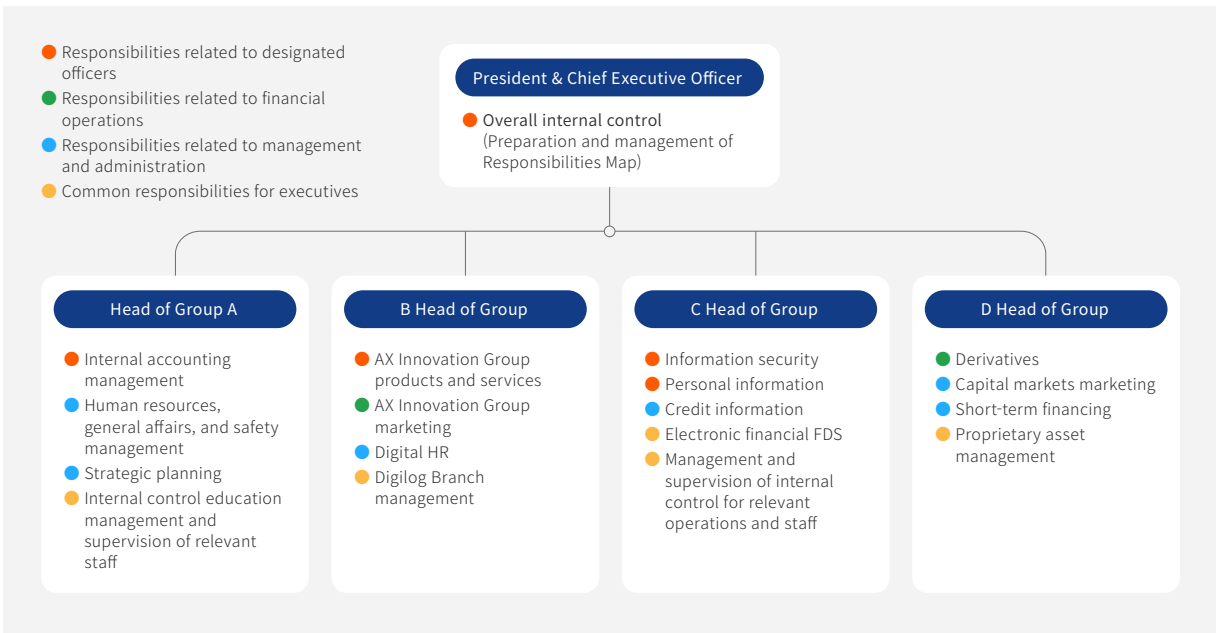
Internal Control Committee

In 2024, Shinhan Bank established the Internal Control Committee as a committee within our Board of Directors in accordance with the Act on Corporate Governance of Financial Companies, and we operate an internal control framework to support our ethics and compliance management. The Internal Control Committee formulates basic policies and strategies for internal control and develops initiatives to instill an organizational culture that emphasizes professional ethics and a culture of compliance among our officers and employees. The Committee also deliberates and resolves on key matters—including the review and evaluation of internal control management measures and reports submitted by our President & CEO and executive officers, as well as requests for improvement measures—and reports its decisions to the Board of Directors. To enhance the effectiveness of our internal controls, the Internal Control Committee delegates the necessary authority to our management-level Internal Control Operations Committee and oversees its operations based on reports of operational results, ensuring that our internal control framework functions effectively. In addition, we have appointed a Compliance Officer to oversee all internal-control-related duties. The Compliance Officer continuously assesses the appropriateness of our internal control framework—including monitoring compliance with internal control standards and investigating any violations—and reports the findings to our Audit Committee.

Responsibilities Map

In September 2024, Shinhan Bank submitted our Responsibilities Map to the financial regulator, becoming the first financial institution in Korea to do so, and we have been formally implementing it since January 2025. The Responsibilities Map allocates accountabilities by position, and for ESG-related external policy and regulatory matters, the accountabilities are assigned to the General Manager of our Management Support Group. By assigning internal control accountabilities by position, the Responsibilities Map provides a foundation for each executive officer to clearly understand and fulfill their internal control responsibilities within their respective groups.

To embed internal control and other management measures across our entire organization, we operate both an Internal Control Operations Manual and a Responsibilities Map Monitoring System. The Internal Control Operations Manual sets out detailed monitoring methods for internal control management activities, applicable to Head of Divisions and General Manager of Departments in our headquarters and at our branches, and it translates executive officers' internal control and management duties into concrete actions within their respective departments. Building on the Internal Control Operations Manual, we have introduced the Responsibilities Map Monitoring System, which extends from department heads up to our President & Chief Executive Officer and enables systematic monitoring and reporting on internal control. Through this system, we systematically manage both the implementation status of monitoring activities by our officers and employees and the appropriateness of the resulting improvement measures. Ultimately, we have established and operate an implementation framework under which our Internal Control Committee—a committee under the Board of Directors—reviews and evaluates the fulfillment of management duties by our President & Chief Executive Officer and executive officers.



* This image is for reference purposes and may differ from actual circumstances.



Ethical and Compliance Management

Ethical and Compliance Framework

Ethical and Compliance Activities

Ethical Management Practice Programs

Shinhan Bank operates various ethical and compliance practice programs, including the integrity contract system, ethics and compliance self-assessment program, and ethics commitment pledge system. Through these initiatives, we internalize ethical awareness across the organization and proactively prevents compliance risks that may arise during business operations, thereby enhancing the effectiveness of Ethical and Compliance Management.

Program Name	Description
Ethics Management Hotline	A channel for reporting and registering improvements and suggestions regarding incorrect policies or practices related to Shinhan Bank’s ethical management and human rights management
Integrity Contract System	Establishes requirements that contract management personnel and others must observe when entering into contracts with Shinhan Bank to promote fairness and integrity in contracting
Securities Reporting System	Prevents pursuit of private interests using non-public information acquired in the course of duties through regular reporting and review of securities transaction records, and promotes sound asset management
Trade Secret Management System	Manages core information assets that are technical or business information acquired in connection with banking operations and not known to the public as trade secrets, and strengthens management procedures to prevent external leakage
Ethics Practice Pledge System	Ensures all managers and employees understand the Shinhan Financial Group Code of Ethics and the Ethics and Compliance Code of Conduct for Managers and Employees, formalizes their commitment to ethical management practice through pledges, and promotes ethical awareness across the organization
Employees Financial Transaction Guidelines	Restricts excessive investment, transactions under assumed names, and brokerage of private finance through compliance with laws and internal standards in financial transactions
Financial Accident Prevention Measures Self-Assessment	Conducts self-assessment to identify and strengthen the level of internal control self-awareness among managers and employees
Ethics and Compliance Self-Inspection Program	Cultivates ethics and compliance awareness among managers and employees through learning of ethical norms and legal compliance requirements and case-based quizzes

Ethical and Compliance Practice Day: All-Bareuge Day

Shinhan Bank operates All-Bareuge Day, a quarterly ethics and compliance practice program designed to promote ethical and compliant business practices and foster an ethical culture throughout our organization. We have implemented the program in a phased approach, beginning with leadership commitment, expanding to broader employee participation and awareness-building, and culminating in the practical application of internal controls. At the start of the year, our leadership team made a Zero Scandal commitment and shared posts to spread their dedication to ethics and compliance. In the second quarter, we held a bank-wide competition to identify vulnerabilities in our frontline operations, receiving a total of 805 submissions and identifying frontline-focused improvement initiatives. In the third quarter, through the Create-Your-Own Ethics and Compliance Quiz event, we selected outstanding submissions and incorporated them into our monthly ethics and compliance self-assessment quiz. At year-end, we ran an internal control practice challenge and granted special CEO awards to outstanding branches, recognizing and encouraging the participation of our officers and employees.

Ethical and Compliance Reporting

Shinhan Bank operates Shinhan Guardian, the whistleblowing channel for ethical and compliance reporting, providing a safe environment for our officers, employees, and stakeholders to report concerns with confidence. To align with the Financial Supervisory Service’s (FSS) measures for activating compliance reporting, we have refined our framework to broaden the scope of eligible reporters and clearly defined the matters subject to compliance reporting. We have also established clearer standards to strengthen anonymity protections and safeguards against retaliation for whistleblowers, and in the event of any financial misconduct, we investigate whether compliance reporting obligations were fulfilled. In addition, we have newly introduced a reward program for compliance reporters and a remediation framework for damages and related costs, thereby continuously strengthening our compliance reporting framework.

Compliance Reporting System

Category	Unit	2023	2024	2025
Compliance Reports Received	cases	7	10	31
- Valid Compliance Reports ¹⁾	cases	5	3	20 ²⁾
- Valid Reports Processed	cases	5	3	20

1) Number of valid reports excluding minor complaints, duplicate submissions, and similar items

2) The increase in reports received in 2025 was attributable to an overall rise in awareness of our reporting system among our employees, driven by expanded internal and external promotional activities—including the implementation of the FSS’s Measures to Activate Compliance Reporting and enhanced guidance on the system via the Korea Federation of Banks (KFB) website.



Ethical and Compliance Management

Ethical and Compliance Framework

Ethical and Compliance Activities

Ethical and Compliance Management Training

Shinhan Bank conducts ethical and compliance management training for all employees, including contract and dispatch workers. Through diverse educational methods—including external expert training, internal job-specific training, online education, and card news and short-form content—we enhance employees’ understanding of fair trade and regulatory compliance, and promotes an ethical and compliance culture. Additionally, the Compliance Officer conducts employee training and advisory services and delivers education to management, working to strengthen awareness within the Bank and reinforce internal control.

Ethical and Compliance Training Program

Training Name	Target Audience	Content
Internal Control Officer Mandatory Training	Internal Control Officers	Internal Control Case Studies Training for Newly Appointed Self-Inspection Officers
Internal Control Professional Development Program	Second-Line Internal Control Department Staff	Comprehensive Internal Control Expert Development Program
Statutory Mandatory Training	All Employees	Mandatory Statutory Online Training (Sexual Harassment Prevention, Prevention of Workplace Harassment, Disability Awareness)
AML & Compliance Updates	Executives, Overseas Branch Managers, and Representatives	Updates on AML and Compliance-Related Legislative Changes, Regulatory Developments, and Global Best Practices
Department Head Training / Promotion Training	Newly Appointed General Manager of Departments, Promoted Employees, and New Hires	Training on Roles and Responsibilities for Newly Promoted Positions, including Internal Control (Ethics Management)
Grade-Level Training	Target Employees During Grade Tenure	Position-Level Leadership Development and Internal Control (Ethics Management) Training
Regional Headquarters On-Site Communication Training Led by Compliance Officer	Regional Headquarters	Regional Headquarters Visits by the Compliance Officer to Deliver Internal Control Strengthening Messages
Fair Trade Compliance Training	Headquarters Department Staff	Training on Compliance with the Fair Trade Act for Headquarters Staff
Internal Control Integrated Academy	Related Departments	Integrated Online Training for Six Related Departments in the Second Line of Defense
Hello Regulatory Compliance	All Employees	Weekly Card-News-Style Updates on Key Internal Control Issues
Shinhan Shorts	Employees	Short-Form Videos on Ethics and Compliance Topics Uploaded to Our Employee Training Platform (Shinhan EDU)
Job Basics (Legal)	Employees Who Registered for the Course	Building Internal Control-Related Legal Knowledge through Self-Directed Learning
Shinhan Future Academy	Employees Who Registered for the Course	Theoretical and Practical Training on Legal and Compliance Matters
First Half Management Strategy Meeting	Executives, Heads of Divisions, and General Manager of Expanded Responsible Department	Training by the Compliance Officer on the Responsibilities Map and Internal Control Strengthening
Management Message	Management	Messages on Trust and Internal Control Strengthening Delivered by the Compliance Officer



Ethical and Compliance Management

Anti-Money Laundering

Anti-Money Laundering Framework

Shinhan Bank has established our Anti-Money Laundering (AML) framework based on domestic laws and regulations as well as the recommendations of the Financial Action Task Force (FATF), and we follow the common operating standards and procedures of Shinhan Financial Group. Each year, our Audit Committee and Audit Department conduct independent audits to assess the implementation and effectiveness of our AML framework, review its appropriateness, and report their findings to the Board of Directors. In 2025, we elevated our Anti-Money Laundering Department to the Anti-Money Laundering Division, and we have strengthened our response to developments in AI and the digital asset markets to systematically manage our money laundering risks. We also operate an ongoing monitoring framework that combines periodic monitoring with remote inspections across all our overseas branches, and we receive monthly reports on the status of AML internal controls at our head office through a designated Responsible Manager (RM) system, under which a responsible officer is appointed at each branch. In particular, we have established dedicated AML teams at our U.S. branches, where regulatory requirements are particularly stringent, and we continue to enhance our AML systems, thereby strengthening our overall AML capabilities

Anti-Money Laundering Training

Shinhan Financial Group is strengthening AML training for our Board of Directors and employees to enhance the internal control capabilities, and we are building genuine AML expertise through customized training tailored to each position level and job function. At Shinhan Bank, we conduct Bank-wide online training using training materials developed in-house, supplemented by content from leading global training providers. In addition, we continue to enhance our expertise by supporting our employees’ participation in programs offered by the Korea Banking Institute (KBI) and their pursuit of international AML certifications such as CAMS (Certified Anti-Money Laundering Specialist).

Anti-Money Laundering Training Program

Target Audience	Course Name (Training Topic)
Board of Directors	• Board of Directors AML Training (Key U.S. AML/CFT Regulations and Recent Sanctions Cases)
Board of Directors and Reporting Officers	• Board of Directors and Reporting Officers AML Training (Roles and Responsibilities of the Board of Directors and Management in AML)
Independent Director	• Board of Directors Workshop (Emerging Trends in Financial Crime and Prevention)
Foreign National Independent Director	• Foreign National Independent Director AML Training (Interconnection between AML and Corruption)
Dedicated Department	• ACAMS AML Fundamentals Training (Fundamental Principles of AML) • Internal Control Officer Mandatory Training (Core Practical Knowledge of AML Internal Control)
Representatives Scheduled for Overseas Assignment	• Pre-Departure Training for Employees Assigned Overseas (Fundamentals of AML System)
Employees Attending Job Basics and Shinhan Future Academy	• Job Basics (Deposit Operations) (Practical AML Operations) • Shinhan Future Academy Compliance (AML System and Practical Operations)
All Employees	• All Employees AML Training (Practical AML Operations and Sanctions Cases) • AML Competency Enhancement (TPAC) (AML/CFT System and Global Standards) • Global AML & Sanctions Training (Global AML and Financial Crime) • Non-Face-to-Face Channel Foreign Customer Identification Training (Foreign Customer Identification in Non-Face-to-Face Operations) • ACAMS Advanced Training (Regulatory Framework and Governance) • New Hires AML Training (Overview of AML)

Ethical and Compliance Management

Fair Trade Compliance

Fair Trade Voluntary Compliance Management Framework

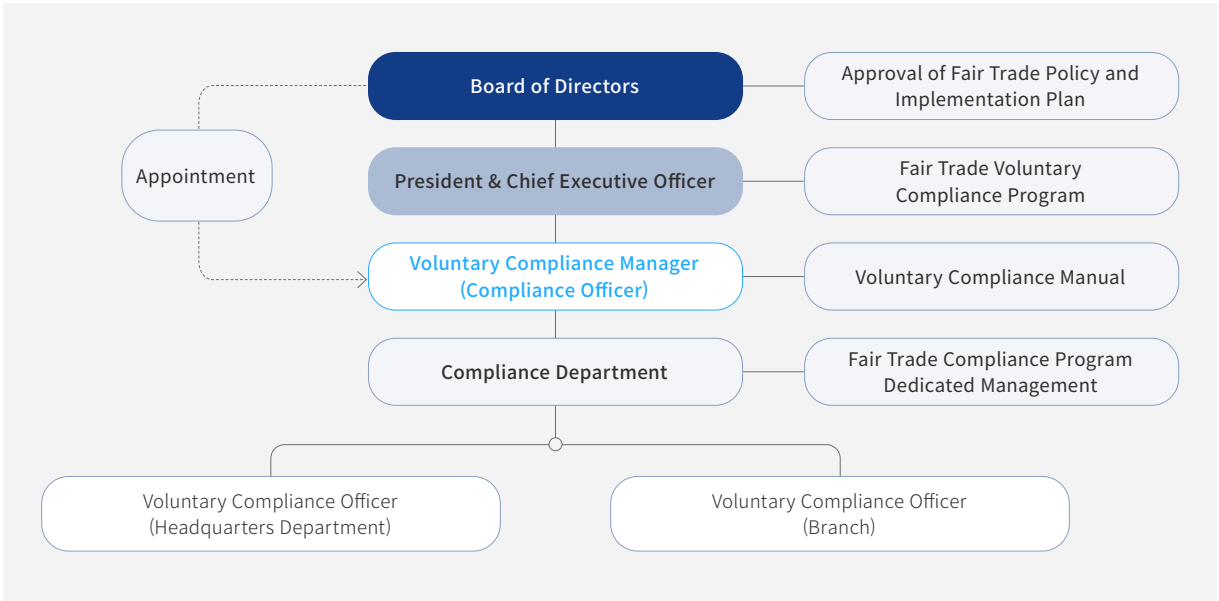
Shinhan Bank operates a Fair Trade Voluntary Compliance Program (CP) to prevent regulatory compliance risks in business operations and promote a culture of fair competition. In accordance with the CP, we have organized our structure and procedures, implemented training and internal monitoring, and supports employees in complying with relevant regulations through conduct guidelines and operational manuals.

Shinhan Bank Fair Trade Voluntary Compliance Program (CP) Eight Key Elements

① Establishment and Implementation of CP Standards and Procedures	⑤ Continuous and Systematic Voluntary Compliance Training
② Top Management’s Commitment to and Support for Voluntary Compliance	⑥ Establishment of Internal Monitoring System
③ Appointment of Voluntary Compliance Manager Responsible for CP Operations	⑦ Sanctions Against Employees for Violations of Fair Trade Laws and Regulations
④ Development and Utilization of Voluntary Compliance Handbook	⑧ Effectiveness Evaluation and Improvement Measures

Fair Trade Governance

The Compliance Department, the dedicated division for fair trade, monitors the status of voluntary compliance operations and manages the implementation of improvement measures. The results are reported to the President & Chief Executive Officer and the Compliance Officer of the holding company on a semi-annual basis. The Board of Directors receives and reviews operational status reports once a year to oversee the voluntary compliance system.



Ethical and Compliance Management

Fair Trade Compliance

Fair Trade Voluntary Compliance Training

Shinhan Bank conducts Fair Trade Voluntary Compliance training annually for all employees. We provide inquiry and consultation channels for operational questions and deliver intensive group training to employees in high-risk departments on regulatory compliance.

Fair Trade Voluntary Compliance Status

Category	Frequency	Training Hours	Target Audience	Training Content
Departmental Training	on an ongoing basis	1 hour	All employees	• Case studies of relevant business practices and trends
Consultation	on an ongoing basis	-	All employees	• Consultation on operational implementation inquiries
Group Training	Once per year	1 hour	Employees in departments with high likelihood of legal violations	• Lectures by internal and external experts • Advanced course on fair trade regulations and case analysis of administrative decisions

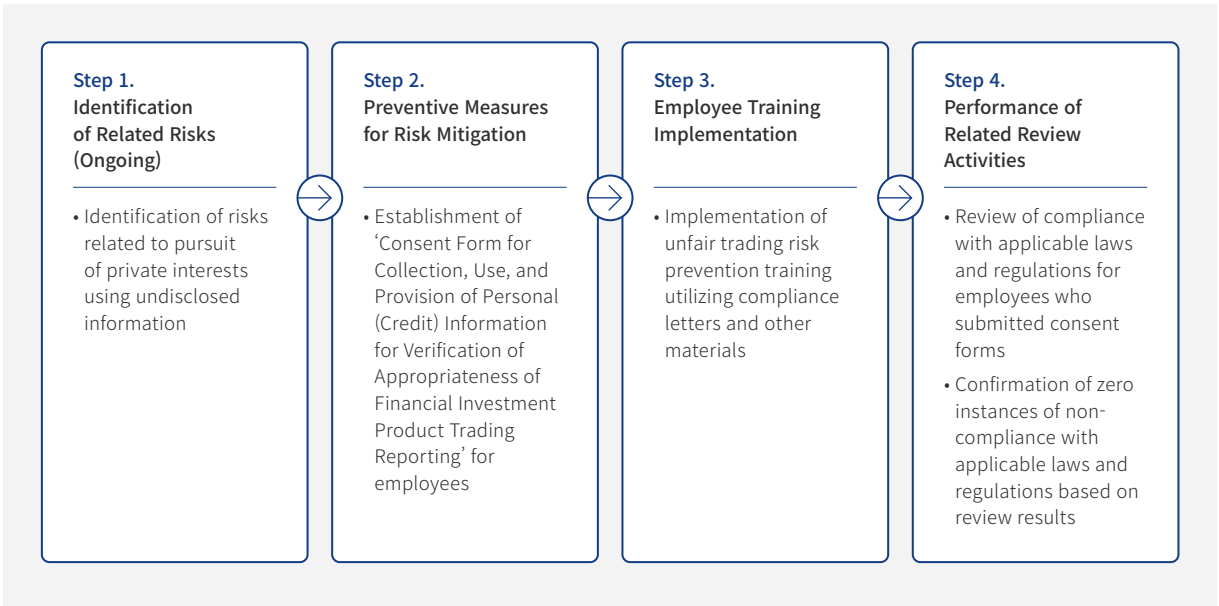
Fair Trade Practice with Suppliers

Shinhan Bank practices fair trade and ethical management with suppliers based on the Group Code of Ethics, and fosters a transparent and fair transaction culture with suppliers in accordance with the Code of Conduct for Suppliers. Shinhan Bank conducts annual inspections of integrity contract implementation status and manages contracts fairly and with integrity by imposing sanctions such as bid exclusion and contract termination in cases of violations involving the receipt of money or entertainment during the bidding and contracting process.

Unfair Trading Risk Management

Shinhan Bank identifies and assesses risks related to unfair trade practices and unfair competition, and operates systems to strengthen management capabilities. We obtain written commitments from employees in relevant positions to confirm their commitment to compliance, and have incorporated a “Private Benefit Pursuit Prevention System” into internal standards to prevent misconduct such as the misuse of non-public information by employees.

2025 Unfair Trading Risk Assessment Process

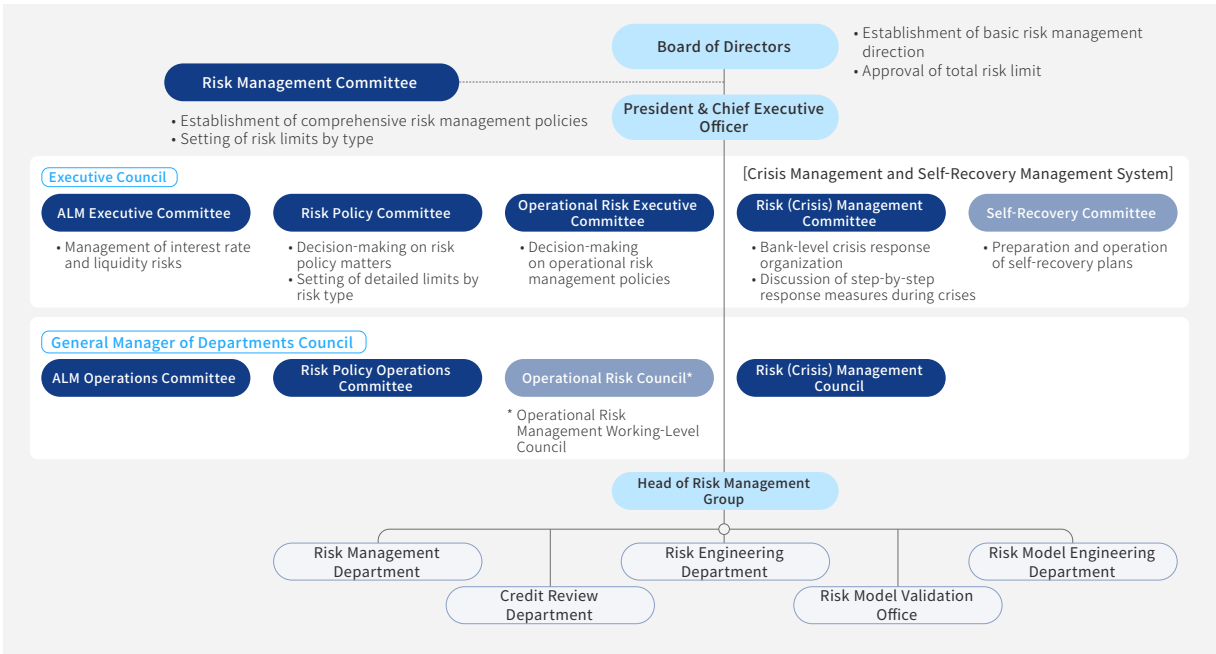


Risk Management

Risk Management Framework

Shinhan Bank operates a comprehensive enterprise-wide risk management framework, centered on the Risk Management Committee established under the Board of Directors. The Risk Management Committee formulates the risk management policies for identifying, measuring, and controlling the various risks arising from our business activities; sets our risk appetite; deliberates and resolves on key risk-management matters; and reports its decisions to the Board of Directors. Under the Risk Management Committee, we operate a more granular risk management structure through three management-level committees: the Risk Policy Committee, the ALM Executive Committee, and the Risk (Crisis) Management Committee. The Risk Policy Committee sets our risk management policies and the risk limits for each risk category. The ALM Executive Committee manages asset-liability positions and funding, as well as liquidity and interest rate risks. The Risk (Crisis) Management Committee establishes and manages response measures in the event of a crisis. The Risk Management Committee reports its major activities to regular Board meetings to ensure that risk management is properly implemented, while our Chief Risk Officer (CRO) reports key risk-related matters directly to the Board of Directors and the Risk Management Committee, enabling timely and effective responses. Each sub-committee regularly reports its major deliberations and resolutions to the Risk Management Committee, ensuring effective Board-level oversight.

Risk Management Framework Structure



Integrated Risk Management

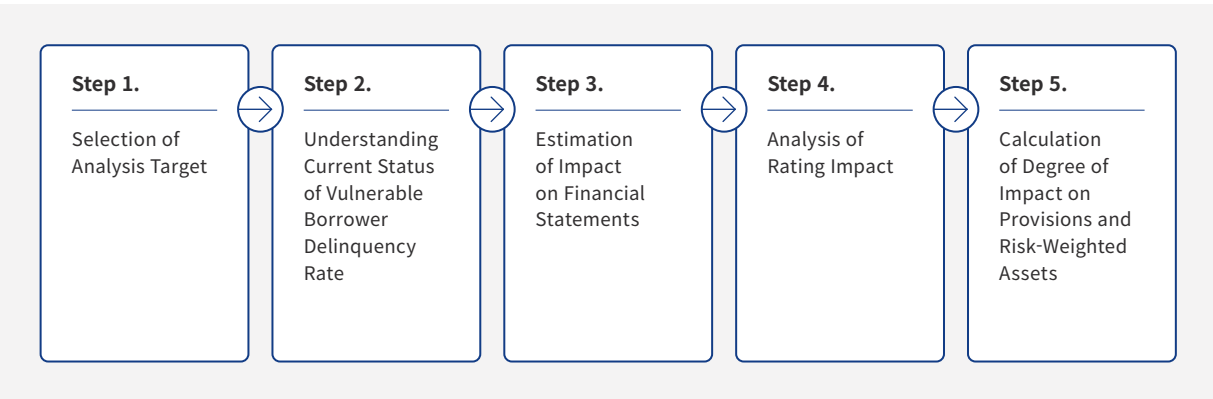
Integrated Risk Monitoring

Shinhan Bank operates an integrated monitoring framework that comprehensively tracks external economic indicators, internal risk indicators, risk management processes, and the overall status of risk management across all our business activities, in accordance with the risk management governance framework of Shinhan Financial Group. We classify and manage risks into quantitative risks and qualitative risks, and ensure that the capital impact of each risk type is kept at an appropriate level within Shinhan Financial Group’s total equity. In addition, we are allocated risk-type-specific limits that reflect our Risk Appetite—bounded by our available capital net of buffer capital—and manage our risks within these limits.

Targeted Scenario Analysis

Shinhan Bank analyzes the impact of stress scenarios on our operations through targeted scenario analysis. In 2025, we estimated the effects of rising delinquency rates among vulnerable borrowers, including those with multiple debts, and analyzed the resulting increases in our loan loss provisions and Risk-Weighted Assets (RWA). Based on this analysis, we identified our areas of vulnerability and developed response measures, applying them to strengthen our credit review, credit oversight, and asset quality management.

Targeted Scenario Analysis Process



Risk Management

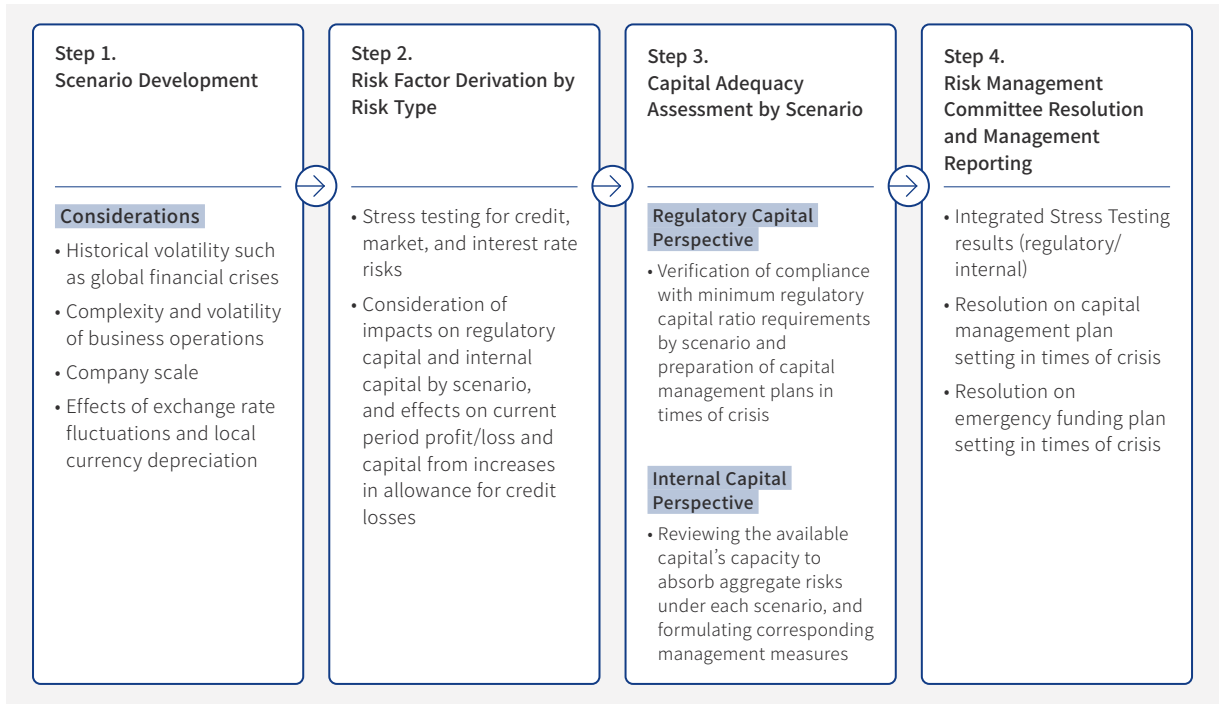
Risk Management Framework

Integrated Risk Management

Integrated Stress Testing

Shinhan Bank conducts integrated stress tests to analyze the potential impact of crisis scenarios on our capital adequacy and liquidity. We set a range of scenarios that incorporate macroeconomic outlooks—including interest rate and exchange rate forecasts—as well as changes in the broader external environment. We conduct these integrated stress tests on a semi-annual basis and report the results to our Risk Management Committee and management. We also establish a Capital Management Plan and a Contingency Funding Plan for crisis scenarios, which are deliberated and approved by the Risk Management Committee. In addition, to address non-financial risks such as climate risks, we conduct climate stress tests at least once a year and report the results to management. The results of stress tests led by the Financial Supervisory Service (FSS) are also reported to the Risk Management Committee.

Integrated Stress Testing Process



Risk Management Training

Shinhan Bank operates various training programs to enhance risk management capabilities across all employees and the Board of Directors. In 2025, we supported the acquisition of expertise throughout the organization by conducting internal and external training programs and intensive education for developing specialized risk management personnel.

2025 Risk Management Training

Program Name	Target Audience	Content
Shinhan Bank Risk Management System Overview	Newly appointed Independent Directors of the Risk Management Committee	Training on the Role of the Risk Management Committee and Shinhan Financial Group Risk Management System
Shinhan Bank Risk Management System Training	Newly transferred employees of Risk Management Group	Regular training on risk management system (semi-annual)
Risk Management Professional Development Program (Shinhan Future Academy)	Employees	Three-level risk management training by job function and level

Sustainable Finance

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Equator Principles [2025 Equator Principles Implementation Report](#) →



Sustainable Finance Framework

Sustainable Finance Framework

Shinhan Bank has established a Sustainable Finance Framework to achieve the United Nations Sustainable Development Goals (SDGs) and to implement environmentally friendly, inclusive and social finance. The Framework is classified into Eco-Friendly Finance, which includes renewable energy, energy efficiency, eco-friendly transportation, and environmental pollution prevention and management, and Inclusive Finance and Social Finance, which includes healthcare, small and medium-sized enterprises (SMEs) financing, financing for socially underserved groups, and affordable housing finance. Each area is linked to core UN SDG targets. Based on this framework, Shinhan Bank has established sustainable finance policies, project finance (PF) policies, investment policies, and stewardship policies, and operates financial products and services in accordance with the Framework.

Classification	Eco-Friendly Finance							Inclusive Finance and Social Finance				
Area	Renewable Energy	Energy Efficiency		Green Transportation	Preventing and Managing Environmental Pollution	Green Buildings		Healthcare, Microfinance, Small and Medium-sized Enterprises (SMEs) Financing, Financing for Socially Underserved Groups				Affordable Housing Finance
UN SDGs												
	SDG 7.2	SDG 7.3	SDG 9.4	SDG 11.1	SDG 12.4	SDG 7.3	SDG 11.1	SDG 1.2 SDG 1.4	SDG 13.1	SDG 8.3	SDG 10.2	SDG 1.4

Sustainable Finance Policy	Project Finance (PF) Policy	Sustainable Investment Policy	Sustainable Stewardship Policy
- Guidelines for integrating ESG factors in credit and lending business - Specific definitions of ESG factors considered - Incorporation of ESG elements in Know Your Customer (KYC) process - Client engagement on sustainability-related risks and opportunities	- Adoption of the Equator Principles and integration of ESG aspects in project funding - Monitoring the implementation of the Equator Principles and conducting internal and external verifications	- Specific definitions of ESG factors considered in investment decisions - Investment exclusion principles - Asset and industry classification guidelines	- Stewardship objectives and engagement guidelines for climate-related ESG issues - Escalation strategy - Definition of ESG resolutions and voting guidelines for proxy voting - Decision-making process for supporting shareholder resolutions (Deliberation and approval by the ESG Strategy Committee)



Eco-Friendly Finance

Eco-Friendly Finance Framework

Shinhan Bank is advancing eco-friendly finance to support climate action and the transition to a low-carbon economy, and we are scaling up financing for carbon neutrality in line with our “Zero Carbon Drive” target. We have established lending and investment strategies for green and transition finance, and offer eco-friendly financial products aligned with the K-Taxonomy and our internal standards. By expanding financial support for green economic activities such as renewable energy, energy efficiency, and eco-friendly infrastructure, we help our customers advance their decarbonization and energy transition, thereby contributing to a sustainable financial ecosystem.

Eco-friendly Finance Funding

Category	Unit	2023	2024	2025
Green bond ¹⁾	KRW billion	150	1,523	100
Transition bond	KRW billion	-	-	380

1) K-Green Bond issuance performance: KRW 100 billion in 2022, KRW 150 billion in 2023, KRW 250 billion in 2024, and KRW 100 billion in 2025

Zero Carbon Drive - Eco-friendly Finance

Category	Unit	2023	2024	2025
Total	KRW billion	2,518	2,351	4,046
- Green loans ¹⁾	KRW billion	2,230	1,799	3,640
- Green bond investments	KRW billion	-	260	300
- Direct green equity investments	KRW billion	255	266	93
- Indirect green investments (via financial intermediaries)	KRW billion	32	26	13

1) Cumulative new commitments for green corporate loans (including PF) and retail loans

Indirect Green Investments (via Financial Intermediaries)

Category	Unit	2023	2024	2025
Renewable energy / Energy efficiency	KRW billion	2.8	1.5	0.8
Green transportation	KRW billion	28.5	23.7	11.5
Natural resources	KRW billion	0.9	0.9	0.9

Eco-friendly Loans

Category			Unit	2023	2024	2025
Corporate – Total green loan ¹⁾ volume			KRW billion	1,678	749	1,007
Corporate Banking	Green loans	Guaranteed Green Loans	KRW billion	148	137	160
		Dedicated Green Loans	KRW billion	2	2	0.3
		Green Policy-Based Loans	KRW billion	1,528	610	494
		K-Taxonomy-aligned Loans within General Corporate Loans	KRW billion	-	-	353
Total corporate loan volume ²⁾			KRW billion	26,801	33,018	33,410
Green loans as % of total corporate loans			%	6.3	2.3	3.0
Retail - Total green loan volume			KRW billion	59	57	31
Retail Banking		Seoul Climate Change Fund Loan (Building Energy Efficiency)	KRW billion	15	28	8
		Shinhan Green Remodeling Interest Rate Subsidy Loan (Residential) (Korea Housing Finance Corporation)	KRW billion	8	1	0
		Shinhan Green MY CAR Loan	KRW billion	36	28	23
Total retail loan volume			KRW billion	42,257	44,368	30,438
Green loans as % of total retail loans			%	0.14	0.13	0.10

1) Corporate loans excluding PF among green loans. Calculated based on ICMA classifications for eligible green, social, and sustainability projects.

2) New loan disbursements to sole proprietors and corporate borrowers (excluding revolving credit facilities)

Inclusive Finance and Social Finance

Inclusive Finance and Social Finance Framework

Inclusive Finance and Social Finance Implementation Framework

Shinhan Bank established the Productive & Inclusive Finance Department in January 2026 to integrate and systematically plan and implement productive finance and inclusive finance based on our core banking operations. Centered on the Productive & Inclusive Finance Department and the Customer Solutions Group, we operate financial support programs for underserved groups and SMEs and coordinate lending policies. Related policies are governed and reported through the ESG Management Council.

Social Bond Framework

Shinhan Bank has established and operates its own management framework aligned with the International Capital Market Association (ICMA) Social Bond Principles, thereby strengthening the credibility and implementation of our Win-Win Finance initiatives. We also ensure that these principles are faithfully reflected throughout the issuance of social bonds and the allocation of their proceeds.



Shinhan Bank Social Bond Framework

Inclusive Finance Target

Shinhan Bank is advancing inclusive finance to enhance financial accessibility for underserved and vulnerable customers and to expand substantive financial assistance. We are broadening support centered on government-backed microfinance products for low-credit and low-income customers, while easing their financial burdens and supporting financial recovery through customized programs tailored to each customer’s circumstances and life stage. In line with this direction, Shinhan Financial Group plans to provide a total of KRW 15 trillion in inclusive finance support over the next five years, of which Shinhan Bank has set a target of KRW 6.15 trillion. We will continue to expand tailored financial support and microfinance offerings at each stage, thereby supporting the financial independence of vulnerable groups and contributing to a sustainable inclusive finance ecosystem.

Key Activities in Inclusive Finance

Date	Key Activities
January 2025	• Shinhan Youth Financial Support Package was recognized as a Best Practice in Win-Win Cooperation by the Financial Supervisory Service (FSS)
May 2025	• Opened Shinhan Bank’s HakYje in Busan
July 2025	• Yellow Umbrella Small Business Owner Win-Win Support Package was recognized as a Best Practice in Win-Win Cooperation by the FSS
December 2025	• Received the Best Practice Award for Small Business Consulting in the Banking Sector from the Korea Federation of Banks (KFB) • Business Stabilization Financing for Young Small Business Owners received an award in the Win-Win category at the FSS Inclusive and Win-Win Finance Awards
January 2026	• Ddaenggyeoyo Interest Rate Subsidy Loan was recognized as a Best Practice in Win-Win Cooperation by the FSS • Recognized as an Outstanding Institution for Advancing Win-Win Cooperation in 2025 by the FSS
February 2026	• One Company – One School Financial Education Program was recognized as an Outstanding Financial Institution by the FSS
First Half of 2026	• Scheduled to open Shinhan Bank’s HakYje in Gwangju in the first half of 2026

Inclusive Finance and Social Finance

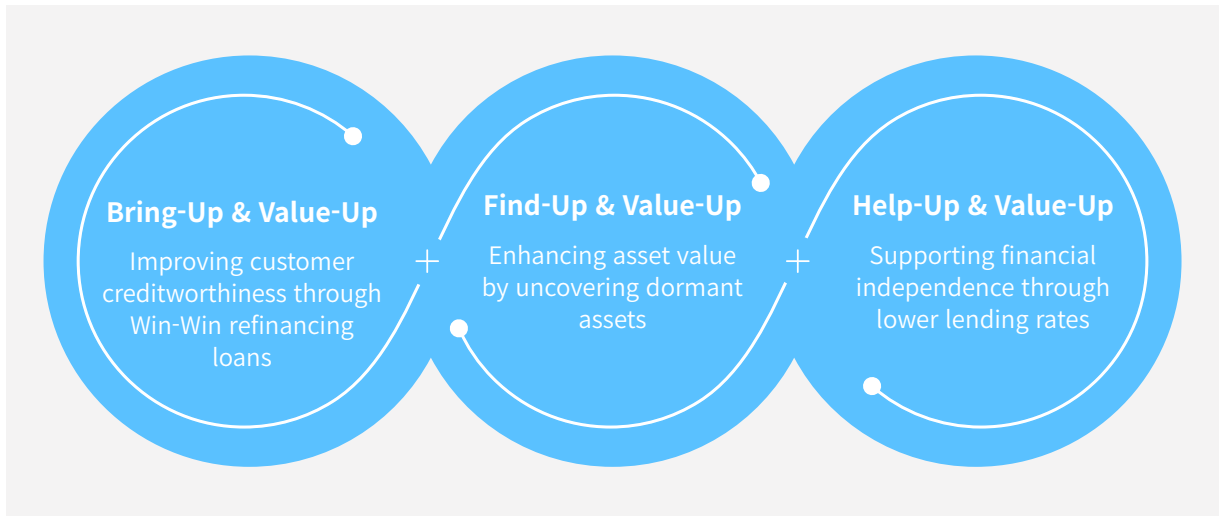
Inclusive Finance and Social Finance Activities

Shinhan Bring-Up·Find-Up·Help-Up & Value-Up

Shinhan Bank operates inclusive finance and social finance programs under our “Value-Up” vision of supporting customer growth through finance. The “Bring-Up·Find-Up·Help-Up & Value-Up” initiative focuses on enhancing customers’ creditworthiness and asset value while easing their financial burden through Win-Win refinancing loans, the discovery of overlooked assets, and interest rate relief.

Through these efforts, we are putting our mission of “A Better World Through Finance” into practice, and we will continue to expand inclusive finance and social finance through a diverse range of programs.

Shinhan Bank Value-Up Project



Bring-Up & Value-Up

Bring-Up & Value-Up is a project that helps qualifying customers in good standing at Shinhan Savings Bank refinance into lower-rate loans offered by Shinhan Bank, allowing them to reduce their interest burden and improve their credit standing. Among Shinhan Savings Bank’s customers with mid- to low-credit ratings, those who meet certain requirements such as a sound repayment history are eligible to refinance through our Shinhan Win-Win Refinancing Loan, reducing their interest rate from an average of approximately 14% to around 9% (an average reduction of 4.75 percentage points). Cumulative disbursements have reached approximately KRW 21.27 billion, including approximately KRW 18.45 billion disbursed in 2025, generating approximately KRW 2.04 billion in interest savings for customers.

Find-Up & Value-Up

Find-Up & Value-Up (the Allyeodeurim Campaign) is a Win-Win finance project designed to uncover customers’ overlooked assets and enhance their financial value. We leveraged customer data across major group affiliates to identify unused benefits and dormant assets associated with each product, and provided tailored guidance to financial consumers from July to September 2025. During this period, we delivered information through multiple channels — including text messages, the AI voicebot at our customer service center, the Shinhan SOL Bank app, and M-Shinhan — while our branches and customer service center provided consultations and handled related inquiries. As a result, we completed asset management outreach for approximately 42,000 matured but unredeemed savings and time-deposit accounts and approximately 3.89 million customers holding dormant demand deposit accounts with no transaction activity over an extended period.

Help-Up & Value-Up

Help-Up & Value-Up is a Win-Win finance project designed to ease the financial burden of customers holding household loans at double-digit interest rates by lowering their rates to around 9.8% for up to one year. Since July 2025, we have provided personalized guidance via mobile messaging to a total of 45,152 eligible loans, covering 38,609 borrowers. We plan to continue this interest rate relief through July 2026, contributing to a tangible reduction in our customers’ interest burden.



Inclusive Finance and Social Finance

Inclusive Finance and Social Finance Activities

Provision of Inclusive Finance Products

Shinhan Bank offers a range of policy-based inclusive finance products to improve financial access for customers who face barriers to financial services. Centered on government inclusive finance programs — including the Shinhan New Hope Holssi Loan, Sunshine Loan (Standard and Special), Sunshine Loan Youth, Sunshine Loan Bank, and the Saidol Mid-Rate Loan — we provide tailored financial support to low-credit and low-income customers. These products are designed around customers’ credit profiles, life stages, and financial needs, with the aim of easing their financing burden and supporting stable access to financial services. Through ongoing collaboration with policy finance institutions, we will continue to expand our inclusive finance support, helping to improve financial access and build a foundation for our customers’ financial independence.

Inclusive Finance and Social Finance

Category	Unit	2023	2024	2025
Total	KRW billion	995.0	748.3	729.7
- Shinhan New Hope Holssi Loan ¹⁾	KRW billion	515.0	532.6	584.2
- Shinhan Sunshine Loan (Standard, Special) ²⁾	KRW billion	314.9	106.3	22.1
- Shinhan Sunshine Loan Youth	KRW billion	159.4	106.0	94.6
- Shinhan Sunshine Loan Bank	KRW billion	2.7	0.4	0.3
- Saidol Mid-Interest Loan	KRW billion	3.0	3.0	28.5

1) Shinhan New Hope Holssi Loan (Including Shinhan SOL-Easy New Hope Holssi Loan)

2) Changed to Sunshine Loan Special from 2026

Inclusive Finance and Social Finance Funding

Category	Unit	2023	2024	2025
Social Bond	KRW billion	1,341	1,356	709
Social-Linked Borrowing	KRW billion	-	-	558

Financial Support for Small and Medium-Sized Enterprises and Small Business Owners

Shinhan Bank operates customized financial support programs to ease the financial burden on small and medium-sized enterprises (SMEs) and small business owners and to support their sustainable growth. Through our “Small Business Owner 119 Plus” program, we provide proactive financial support to small business owners experiencing financial difficulties and at risk of delinquency, and we have expanded the scope of eligibility from sole proprietors to corporate borrowers. We also offer the “Shinhan Business Closure Support Refinancing Loan” to ease the repayment burden during the business closure process, and the “Shinhan Sole Proprietor Sunshine Loan 119” to help small business owners diligently complying with debt restructuring programs build a foundation for a fresh start.

In addition, we support small business owners in their growth phase through our “Small Business Owner Growth Promotion” guarantee-backed secured loans, and our consulting center provides comprehensive business consulting covering commercial-district analysis, marketing, and transitioning to new business sectors. Through the Ddaenggyeoyo platform, we operate the Seoul Metropolitan Government Interest Rate Subsidy Loan, providing low-interest working capital to merchants on the platform. We also continue our efforts to ease financial burdens through contributions to regional credit guarantee foundations and the Korea Inclusive Finance Agency (KINFA), as well as through debt restructuring support.

Support for Small and Medium-Sized Enterprises (SMEs)

Category	Unit	2023	2024	2025
Total Loans	KRW billion	289,915.8	319,831.4	333,816.7
- SME Loans	KRW billion	129,954.4	140,618.8	145,108.3
- SME Loan Ratio (as a percentage of total loans)	%	45	44	43
- SME Loan Growth Rate (year-over-year)	%	3	8	3

Social Investment (via Financial Intermediaries)

Category	Unit	2023	2024	2025
Job Creation / SME Financing	KRW billion	8.4	11.2	29.0

Inclusive Finance and Social Finance

Inclusive Finance and Social Finance Activities

Livelihood Finance Support Program

Shinhan Bank operated a Livelihood Finance Support Program totaling KRW 306.7 billion through October 2025, helping to ease the financial burden on financial consumers. We provided KRW 195.3 billion in interest cashback on loans to small business owners and delivered an additional KRW 111.4 billion in financial support through our Voluntary Program. Our Voluntary Program comprised livelihood-oriented support — including easing the financial burden on small business owners, supporting youth and future generations, contributing to solving social issues, and providing microfinance and policy-based support — thereby delivering broad-based support for livelihood recovery, from vulnerable populations to micro-entrepreneurs.

Livelihood Finance Support Program Performance

Small Business Loan Interest Cashback	KRW 195.3 billion
Shinhan Bank’s Voluntary Program	KRW 111.4 billion
- Financial assistance for small businesses	KRW 28.5 billion
- Support for future generations	KRW 25.2 billion
- Contribution to addressing social issues	KRW 15.6 billion
- Support for inclusive finance and small business policy programs	KRW 42.1 billion
Total	KRW 306.7 billion

* Cumulative results from 2024 through October 2025 under the Livelihood Finance Support Program jointly operated by the government and the banking sector.

Livelihood Finance Support for Small Business Owners

Shinhan Bank operated both the Common Program and our Voluntary Program under the Livelihood Finance Support initiative to assist small business owners facing difficulties amid the economic slowdown. Our Voluntary Program comprised interest cashback for small business borrowers in good standing, interest rate relief for vulnerable small business owners, and interest cashback on loans disbursed through our lending platform service. In 2025, we introduced new programs totaling KRW 3.6 billion — including maternity support grants for female small business owners, salary support for occupational safety managers at vulnerable small and medium-sized enterprises (SMEs), and Win-Win contributions to the Yellow Umbrella Mutual Aid — thereby providing tangible relief on financing costs and broadening the scope of our support for small business owners.

Contributing to Solving Social Issues

Shinhan Bank engages in Win-Win finance activities to help address a range of social issues, including the low birth rate, an aging population, and financial fraud. To help address the declining birth rate, we offer products such as the “40 Weeks Mom Savings,” which provides congratulatory grants to customers on the birth of a child, and the “Shinhan Multi-Child Win-Win Savings,” which offers preferential interest rates to customers with multiple children. We also operate the “Shinhan 60+ Transportation Support Program,” which provides transportation subsidies to seniors, and the “My Job Renewed” program, which supports the economic independence of single mothers — together helping to move our society toward a better tomorrow.



Shinhan Bank recognized as a Best Practice in the Win-Win Cooperation New Financial Products Category by the Financial Supervisory Service (FSS)

Inclusive Finance and Social Finance

Inclusive Finance and Social Finance Activities

Social Finance

Social Finance Performance

Shinhan Bank offers a variety of social finance products to ease the financial burden on customers facing economic hardship and to support the stability and growth of small business owners and small and medium-sized enterprises (SMEs). We provide preferential-rate products to help underserved groups and children in need of protection build assets, and through our debt restructuring programs we support the financial recovery of small business owners and SMEs experiencing temporary repayment difficulties. We also operate fee discount and waiver programs to reduce the cost of accessing financial services and to broaden financial inclusion.

Other Social Finance

Category		Unit	2023	2024	2025
Deposits	Shinhan New Hope Savings	KRW billion	30.0	22.5	16.5
	Shinhan Miso Dream Savings	KRW billion	0.4	0.7	1.0
	Didim Seed Account	KRW billion	93.0	107.5	156.5
	Beautiful Courage Savings	KRW billion	302.0	128.9	65.0
	Yellow Umbrella Mutual Aid Fund for SMEs and Microbusinesses	KRW billion	3.2	3.4	4.2
Others	Household Debt Relief Program (Credit Loan 119)	KRW billion	1,231.0	1,054.1	856.3
	Fee discounts for financially vulnerable customers	KRW billion	0.09	0.08	0.09
	Number of accounts with fee waivers for financially vulnerable customers	cases	262,166	267,787	272,370
	Number of new cases of financial fee exemptions for financially vulnerable groups	cases	404,226	372,828	417,352
	SRI Fund	KRW billion	73.3	626.0	1,564.4

Financial Support for SMEs Affected by the Gyeongbuk Wildfire

Shinhan Bank partnered with the Gyeongbuk Credit Guarantee Foundation to deliver a total of KRW 4.5 billion in Win-Win financial support to SMEs in the designated special disaster zones (Andong, Uiseong, Cheongsong, Yeongyang, and Yeongdeok) for recovery from the 2025 Gyeongbuk wildfire. As part of Shinhan Financial Group’s “Rapid Guarantee Support Program for Disaster-Affected Businesses,” we provided loans of up to KRW 100 million per company, along with a range of additional financial benefits — including new credit support of up to KRW 500 million, maturity extensions, installment payment deferrals, and preferential interest rate reductions of up to 1.5 percentage points — thereby fulfilling our role as a corporate citizen.

Financial Support for SMEs and Individual Customers Affected by the Gangneung Drought

Shinhan Bank provided financial support to SMEs and individual customers facing hardship due to the drought in the Gangneung region. For SMEs, we offered new loans of up to KRW 500 million per business, special interest rate reductions of up to 1.5 percentage points, maturity extensions, installment payment deferrals, and the waiver of late-payment interest. For individual customers, we provided emergency living-cost loans of up to KRW 20 million along with the same preferential interest rates and repayment benefits. Beyond financial assistance, we also provided direct community support, including distributing 230,000 bottles of water to help the region cope with the drought.

Volunteer Activity for Wildfire Damage Recovery in Gyeongbuk





Customer Support and External Partnerships

Facilitating Customers’ Transition to Sustainability

Shinhan Bank supports our customers’ sustainability transitions through an integrated framework that combines broader client engagement, on-site support, and substantive consulting. We build shared understanding and broader support among internal and external stakeholders to communicate the need for transition, and we provide phased support to help customers embed sustainability into their management practices and translate it into tangible results.

First, through product information and communication, we help customers recognize the need for climate transition and sustainable management, and we foster awareness of transition needs by introducing government-backed lending programs and ESG-linked benefits. Next, through training for our Relationship Managers (RMs) and sales support, we enable substantive transition discussions at customer touchpoints, while our ESG consulting specialists join customer meetings to present transition pathways and financing approaches tailored to each industry’s characteristics and the customer’s specific situation. At the financing and deal-execution stages, we provide hands-on consulting to help customers lay the groundwork for their transition — including building greenhouse gas (GHG) emissions inventories, meeting disclosure requirements, and setting emissions reduction targets. Throughout this process, we use our Customer Engagement Guidebook and ESG Support Guidebook to deepen customer understanding and ensure consistency across our support.

Through this phased support framework, Shinhan Bank accompanies customers across the entire sustainability transition journey, building a long-term sustainable finance partnership in which our customers and the bank grow together.

Customer Engagement Support by Stage

Category	Details
1. Awareness and Engagement	• Guidance on government-backed lending programs and ESG-linked preferential benefits tailored to each industry and customer’s needs • Information on transition support products for supply-chain partners, offered through our collaboration programs with large enterprise clients
2. Training	• Sustainability briefings and training for Relationship Managers (RMs), together with support for their sales activities • Support in producing customer guidance and product proposal materials
3. On-site Support	• ESG Consulting Team participation in customer meetings and on-site support • On-site explanations of government-backed lending programs eligibility criteria and sustainability requirements
4. Consulting	• Hands-on support with government-backed lending programs application documentation and GHG emissions inventory development • Support in preparing customer-tailored materials, including the calculation of emissions reductions

To help our customers’ sustainability transitions translate into actual implementation, Shinhan Bank provides customized consulting services tailored to each customer’s circumstances across five areas: ESG management diagnostics, carbon-neutrality support, regulatory and ESG-ratings response, ESG capacity building, and guidance on green and government-backed lending programs. Using internationally recognized diagnostic frameworks, we review companies’ overall ESG management and support the calculation of Scope 1, 2, and 3 GHG emissions and the setting of carbon reduction targets. We also help companies address the ESG challenges they face by supporting responses to domestic and international ESG ratings, compliance with major regulations such as the Carbon Border Adjustment Mechanism (CBAM) and supply chain due diligence requirements, and the preparation of sustainability reports. In addition, we provide tailored training on ESG regulatory developments and industry trends, support the establishment of governance frameworks, and offer hands-on assistance with government-backed lending programs applications — delivering integrated consulting that spans the full scope of our customers’ ESG management.

Key ESG Consulting Services

Category	Details
ESG Management Diagnosis	• Comprehensive review of corporate ESG management using diagnostic models aligned with global standards, together with the development of solutions • Assessment of ESG issues among key suppliers (supply chain) and recommendations on management approaches
Carbon-Neutrality Support	• Building systems to measure direct and indirect emissions (Scope 1 and 2) and supply-chain emissions (Scope 3) • Support in setting medium- to long-term carbon reduction targets
ESG Regulatory and Ratings Advisory	• Response strategies for domestic and international ESG ratings such as KCGS and EcoVadis, as well as prime contractor (buyer) assessments • Guidance on preparing and disclosing sustainability reports • Support in responding to ESG-related regulations and policies, including the Carbon Border Adjustment Mechanism (CBAM), supply chain due diligence, and greenwashing prevention
ESG Capacity Building	• Support in establishing operational frameworks for key ESG issues such as occupational safety • Tailored training reflecting ESG regulatory developments and industry trends
Guidance on Green Finance and Government-Backed Lending Programs	• Guidance on tailored government-backed lending programs, including ESG-related benefits and large enterprise supply-chain support programs • Support in preparing application guides for funding programs (e.g., guides on calculating emissions reductions)



Customer Support and External Partnerships

External Partnerships for Sustainable Finance

Shinhan Bank is broadening the foundation of our financial support by collaborating with a diverse range of stakeholders — including the government, corporations, regulatory authorities, and local governments — to expand sustainable finance. Going beyond simply providing capital, we are diversifying our partnership models to drive sustainable transition and growth across industries.

Through collaboration with corporations and regulators, we are also supporting carbon reduction across supply chains. Together with Samsung Electronics, the Financial Supervisory Service (FSS), and Korea’s five major financial holding companies, we have jointly established a KRW 2 trillion Supplier ESG Fund to support the ESG management of SME and middle-market suppliers, and on the basis of this fund we operate the “Samsung Electronics ESG Partner Company Win-Win Loan.” Through this program, suppliers can receive financial benefits — including interest-free loans — for investments in renewable energy and carbon reduction equipment, while we support their ESG transition by assisting with application documentation and providing guidance on emissions reduction criteria.

As an example of corporate collaboration, we are working with Hanwha Solutions on solar development in the United States and on building a North American renewable energy value chain. By providing underwriting support for global bond issuances, financial advisory services, and integrated financing solutions, we are helping to expand investment in the energy transition.

In partnership with the government, we operate the “Green Policy-Based Lending Facilitation Program” in collaboration with the Ministry of Climate, Energy and Environment, expanding the supply of government-backed lending programs for greenhouse gas (GHG) emissions reduction.

Finally, through collaboration with local governments, we are advancing region-based Win-Win finance. Through agreements with local governments built around our Ddaenggyeoyo platform, we provide interest rate subsidy financing for small business owners, easing their financing costs and contributing to the vitalization of local economies. This product was recognized as a Best Practice in the Win-Win Cooperation New Financial Products category by the Financial Supervisory Service (FSS).

Equator Principles

Equator Principles Implementation Report

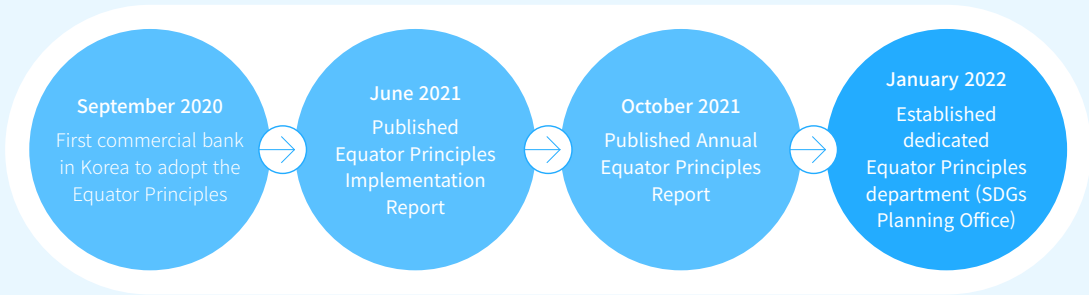
Commitment to Equator Principles

Shinhan Bank has adopted the Equator Principles to systematically identify and manage the environmental and social risks that may arise in our project finance (PF) activities. The Equator Principles are a voluntary framework adopted by financial institutions to minimize the adverse impacts of large-scale infrastructure and industrial projects on ecosystems, local communities, and the climate, and to promote sustainable development. In September 2020, we became the first commercial bank in Korea to adopt the Equator Principles. Since then, we have conducted substantive and systematic management by carefully assessing the environmental and social impacts of each project, recommending additional measures based on the assessment results, and requesting corrective actions through independent third-party monitoring. As a result, all applicable projects have been confirmed to meet the standards outlined in the Equator Principles. We also transparently disclose our implementation status and outcomes on the official Equator Principles website, and we regularly report our implementation results in accordance with the standard guidelines of the Equator Principles Association.

Application Scope for the Equator Principles

Category	Application Criteria
Project Finance Advisory Services	Projects with a total cost of USD 10 million or more
Project Finance (PF)	Projects with a total cost of USD 10 million or more
Project-Related Corporate Loans (PRCL)	Corporate loans that meet all three of the following conditions: • Used for a project over which the client has effective control (direct or indirect) and represents at least 50% of the total loan amount • Total loan size and the bank’s commitment amount are USD 50 million or more • Loan maturity is 2 years or longer
Bridge Loans	Projects with a total cost of USD 10 million or more
Refinancing and Acquisition Finance	Refinancing and acquisition finance that meet all of the following conditions: • The original project was subject to the Equator Principles • No material change in project scale or scope • The project is not yet completed at the time of signing

Equator Principles Key Milestones



Equator Principles Roles and Responsibilities

Category	Implementation Plan
Dedicated Equator Principles Unit	Review whether financial transactions promoted by the Bank are subject to and compliant with the Equator Principles • Identify the causes and details of environmental and social risks associated with projects and recommend or advise on necessary corrective actions • Disclose relevant information and prepare reports related to Equator Principles implementation • Revise internal guidelines in line with updates to the Equator Principles and related standards
Front Office / Branches	• Communicate with clients • Conduct and submit project-related assessment documents (e.g., Environmental and Social Impact Assessments) • Submit Equator Principles requirements
Equator Principles Review Team	• Identify whether the Equator Principles are applicable during the review of projectrelated deals • Ensure that the final opinion from the dedicated Equator Principles unit is incorporated into the credit decision
Executive Management	Conduct additional review and approval procedures when high environmental and social risks are identified in transactions subject to the Equator Principles

Equator Principles

Equator Principles Implementation Report

Equator Principles Implementation Overview — Project Finance (PF) and Project-Related Corporate Loans (PRCL)

In 2025, Shinhan Bank reviewed a total of 26 projects for applicability under the Equator Principles, and all reviewed cases were confirmed to be in full compliance with the framework’s requirements. Transaction details are presented in the implementation status table. Of the projects assessed in 2025, none were classified as Category A; four were categorized as Category B and 22 as Category C. These figures reflect the number of reviews completed and processed as of 2025. In line with the Equator Principles Association’s guidelines, we will disclose the total number of reviewed transactions on the Equator Principles’ official website.

Equator Principles Training for Employees

Shinhan Bank provides ongoing Equator Principles training for all employees in order to embed the framework across our organization. Each year, our dedicated Equator Principles team leads company-wide awareness training, and our in-depth sessions are structured around the 10 Equator Principles, covering the framework’s intent, the screening process, and departmental roles and responsibilities (R&R). We have also developed and distributed customized Q&A materials tailored to each business unit. Our Equator Principles team continues to enhance the quality of our implementation through participation in the Association’s annual general meeting and external networking events. Through roundtable discussions with other domestic financial institutions and Asia-Pacific regional conference calls, we discuss implementation status and key challenges, and strengthen our program through case study analysis. Looking ahead, we will continue strengthening collaboration with relevant departments to advance the effective and responsible application of the Equator Principles.

Equator Principles Implementation Status

	2022			2023			2024			2025		
	A	B	C	A	B	C	A	B	C	A	B	C
Sector												
Mining												
Infrastructure		1										
Oil & Gas	1	1	1	2	3							
Power Generation		1					2	1				2
Other		2	3		2	7	3	13		4	20	
Region												
Americas	1	1	2	2	1	3		3			1	
Europe / Middle East / Africa			2			2						
Asia-Pacific		4			4	2	5	11		4	21	
Designated Country												
Designated Country	1	5	4	2	5	7	5	13		1	1	
Non-Designated Country								1		3	21	
Independent Review												
Conducted	1	1		2	2			1				
Not Conducted		4	4		3	7	5	13		4	22	

	A	B	C	A	B	C	A	B	C	A	B	C
Subtotal	1	5	4	2	5	7	0	5	14	0	4	22
Total Number of Reviews		10			14			19			26	

Appendix

In this section

Policy Index	➞
GRI Content Index	➞
SASB Index	➞
UN PRB Index	➞
TCFD Index	➞
GHG Emission Verification Statement	➞
Third-Party Assurance Statement	➞





Policy Index

Category	Policy Name
Environmental Management	Shinhan Bank Coal Phase-Out Declaration  link
	PRB Report  link
	Shinhan Financial Group SBTi Approved Target  link
Financial Consumer Protection	Business Conduct Ethics Guidelines  link
	Financial Consumer Protection System  link
	Privacy Protection Policy  link
	Financial Consumer-Centric Charter  link
	Shinhan Standard Sales Rules  link
	Complaint Handling & Product Development Process  link
Human Rights	Security Services  link
	Human Rights Management System  link

Category	Policy Name
Ethics and Compliance	Group Code of Ethics  link
	Ethics and Compliance Code of Conduct for Managers and Employees  link
Safety and Health	Occupational Health and Safety Management System  link
Sustainable Finance	Group Sustainable Development Goals Finance Framework  link
	Social Bond Framework  link
	Green Bond Management Framework  link
ESG Risk	Group Environmental and Social Risk Management Policy Framework  link
	Group Environmental and Social Impact Assessment Checklist  link
	Equator Principles Implementation  link



GRI Content Index

Topic	No.	Disclosure	Reporting Page
Universal Standards			
GRI 2: General Disclosures 2021	2-1	Organizational Details	p.5-6
	2-2	Entities Included in the Organization's Sustainability Reporting	p.2
	2-3	Reporting Period, Frequency and Contact Point	p.2
	2-4	Restatements of Information ¹⁾	p.57, 65, 73, 74
	2-5	External Assurance	p.118, 119-120
	2-6	Activities, Value Chain and Other Business Relationships	p.5
	2-7	Employees	p.5, 73
	2-8	Workers Who Are Not Employees	p.73
	2-9	Governance Structure and Composition	p.14, 89-90
	2-10	Nomination and Selection of the Highest Governance Body	p.89-90
	2-11	Chair of the Highest Governance Body	p.89
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	p.89-90
	2-13	Delegation of Responsibility for Managing Impacts	p.22, 28, 37
	2-14	Role of the Highest Governance Body in Sustainability Reporting	p.14, 90
	2-15	Conflicts of Interest	p.89-91
	2-16	Communication of Critical Concerns	p.14, 22, 28, 37
	2-17	Collective Knowledge of the Highest Governance Body	p.37, 94, 98
	2-18	Evaluation of the Performance of the Highest Governance Body	p.90
	2-19	Remuneration Policies	2025 Shinhan Bank Business Report p.597-603
	2-20	Process to Determine Remuneration	2025 Shinhan Bank Annual Report on Corporate Governance and Compensation System p.218-224
	2-21	Annual Total Compensation Ratio	Annual total compensation ratio of the highest-paid individual to average employee compensation ²⁾ : 13.65 times
	2-22	Statement on Sustainable Development Strategy	p.4
	2-23	Policy Commitments	p.112

Topic	No.	Disclosure	Reporting Page
(GRI) 2: General Disclosures 2021	2-24	Embedding Policy Commitments	p.22-27, 28-36, 37-54, 56-59, 66-69, 76-79, 91-93, 100-108, 109-110
	2-25	Processes to Remediate Negative Impacts	p.68-69
	2-26	Mechanisms for Seeking Advice and Raising Concerns	p.68-69
	2-27	Compliance with Laws and Regulations	2025 Shinhan Bank Business Report p.621-624
	2-28	Membership in Associations and Initiatives	p.12
	2-29	Approach to Stakeholder Engagement	p.20
	2-30	Collective Bargaining Agreements	p.69
Topic Standards			
GRI 3: Material Topics 2021	3-1	Process to Determine Material Topics	p.15
	3-2	List of Material Topics	p.16-19
	3-3	Management of Material Topics	
		- Privacy Protection and Information Security	p.22-27
		- Green Finance and Transition Finance	p.28-36
Energy		- Climate Action	p.37-54
	302-1	Energy Consumption within the Organization	p.57
	302-3	Energy intensity	p.57
Emissions	305-1	Direct GHG Emissions (Scope 1)	p.56
	305-2	Energy Indirect (Scope 2) GHG emissions	p.56
	305-4	GHG Emissions Intensity	p.56
	305-5	Reduction of GHG Emissions	p.57
Customer Privacy	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	p.27
Organization-Specific Indicators	-	K-Taxonomy Alignment Performance	p.36

1) Figures previously disclosed in the 2024 report have been restated to reflect changes in rounding precision and in the methodology for aggregating total employee headcount.

2) Disclosed based on average employee compensation in accordance with Shinhan Bank's aggregation criteria.



SASB Index

Commercial Banks

Topic	Code	Content	Unit of Measurement	Reporting Page
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Number	p.27
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	-	p.22-26
Financial Inclusion and Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Number, Reporting currency	p.104-106
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	-	-
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Number	p.80-82, 84-85
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	-	p.35, 100
Financed Emissions	FN-CB-410b.1	Total financed emissions absolute amount: (1) Scope 1, (2) Scope 2, (3) Scope 3	tCO ₂ eq	p.56
	FN-CB-410b.2	Total exposure by asset class for each industry	Reporting currency	p.54
	FN-CB-410b.3	Percentage of total exposure included in financed emissions calculation	Percentage (%)	p.54
	FN-CB-410b.4	Description of methodology used in financed emissions calculation	-	p.53-54
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency	2025 Shinhan Bank Business Report p.616-630
	FN-CB-510a.2	Description of whistleblower policies and procedures	-	p.92
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	-	-
	FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	-	p.97-98



UN PRB Index

Reporting and Self-Assessment Requirements		Reporting Page
Principle 1: Alignment	We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	
	1.1 Describe (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	p.5, 2025 Shinhan Bank Business Report p.18-26
	1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society’s goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	p.13
Principle 2: Impact and Target Setting	We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most signif icant impacts.	
	2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements: a) Scope: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis. b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services.	p.15-19
	2.2 Target Setting: Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.	p.19, 29, 60-61, 66, 100
	2.3 Plans for Target Implementation and Monitoring: Show that your bank has def ined actions and milestones to meet the set targets.	p.27, 36, 50-54
Principle 3: Clients and Customers	We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	
	3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers.	p.76-79
	3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.	p.100
Principle 4: Stakeholders	We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.	
	4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts.	p.20



UN PRB Index

Reporting and Self-Assessment Requirements		Reporting Page
Principle 5: Governance & Culture	We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	
	5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	p.89-90
	5.2 Describe the Standards and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees.	2025 Shinhan Bank Annual Report on Corporate Governance and Compensation System p.225-235
	5.3 Governance Structure for Implementation of the Principles.	p.89-90
Principle 6: Transparency & Accountability	We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.	
	6.1 Verification	p.118-120
	6.2 Reporting framework	p.113-117
	6.3 Prospect	-



TCFD Index

Category	Framework	Reporting Page
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	p.37-38
	(b) Describe management’s role in assessing and managing climate-related risks and opportunities	
Strategy	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	p.38-47
	(b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	
	(c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management	(a) Describe the organization’s processes for identifying and assessing climate-related risks	p.48-49
	(b) Describe the organization’s processes for managing climate-related risks	
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	
Metrics and Targets	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	p.50-54
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

GHG Emission Verification Statement

SHINHAN BANK

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by Shinhan Bank (“Company”) to perform third party verification for the Company’s Greenhouse Gas Inventory Report for the calendar year 2025 (“the report”). Company is responsible for the preparation of the GHG emissions data on the basis set out within “the guidelines on the operation of GHG Target Management scheme (Notification No. 2025-165 of Ministry of Environment)” based on ISO14064-1. Our responsibility in performing this work is to the management of Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Objective and Scope of Verification

The purpose of this verification is to present an independent verification opinion on the company’s greenhouse gas emissions, and the scope of verification is as follows;

- **Organizational Boundary** : Domestic business sites of Company
- **Reporting Boundary** : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- **Reporting Period** : 2025.01.01 ~ 2025.12.31

Verification Approach

The verification has been conducted in accordance with “Verification Guideline for GHG ETS (Notification No. 2025-165, Korean Ministry of Environment)” based on ISO 14064-3, under a Reasonable Level of Assurance. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection, emission calculation and report process for the GHG inventory report
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification conducted, the infomation related to the GHG statement has been properly calculated and reported.

- DNV represents “unmodified” opinion on Greenhouse Gas Emissions.

Classification	Unit	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Year 2025	ton CO ₂ equivalent	8,957	60,118	69,075

※ Total emissions might be different from the sum of direct and indirect emissions by applying the rule that emissions should be summed after truncating decimal places at the business site level.

2026. 4. 15

Lee, Jang Sup

Country Representative

DNV Business Assurance Korea Ltd.



Third-Party Assurance Statement

Dear Management and Stakeholders of Shinhan Bank

Introduction

Korean Standards Association (“KSA”) was commissioned by Shinhan Bank(“the Company”) to perform a third-party Assurance Engagement of ‘Shinhan Bank 2025 Sustainability Report’(“the Report”). KSA presents independent opinions as follows as a result of the feasibility of the data contained in this Report. The Company has sole responsibility for the content and performance contained in this Report.

Independence

As an independent assurance agency, KSA does not have any kind of commercial interest in businesses of the Company apart from undertaking a third-party assurance on the Report. KSA has no other contract with the Company that may undermine credibility and integrity as an independent assurance agency.

Assurance Standards: AA1000AS v3

Assurance Level and Type: Moderate, Type1

Note1: Moderate assurance has a lower level of confidence than high assurance because it is based on limited evidence.

Note2: Type1 assurance has a narrower scope of engagement than Type2 assurance because it is limited to only adherence with the four principles of AA1000AP.

Assurance Scope

The assurance scope includes systems and activities such as sustainability management policies, goals, businesses, standards, and achievements of the Company the reporting period. While the Company’s environmental and social data, as well as financial data in a broad sense, was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

- in adherence with the four principles of AA1000AP(AccountAbility Principles) 2018
- in accordance with GRI Standards 2021 (Topic Standards) 302-1, 302-3, 305-1, 305-2, 305-4, 305-5, 418-1
- Company pecific Indicators: Performance of loans compliant with the Green Classification System

Assurance Methodology

KSA used the following methods to gather information, documents, and evidence with respect to the assurance scope.

- Confirmation of stakeholder engagement and materiality assessment process by the sustainability expert.
- Verification of environmental information disclosure data and information by the environmental expert.
- Examination of internal documents and basic materials.

Assurance limitations

KSA assumed that the data and evidence provided by the Company were complete and sufficient. KSA provided limited assurance through data inquiry and analysis as well as limited sampling methods.

Assurance Results and Opinions

KSA reviewed the draft version of this Report within the scope of this assurance and presented our opinions as an assurance provider. Modifications were made to the Report content if deemed necessary. KSA was not aware of any suspicions of significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, KSA presents our opinions of the ‘Shinhan Bank 2025 Sustainability Report’ as follows.

Third-Party Assurance Statement

Four principles of AA1000AP(AccountAbility Principles) 2018

Inclusivity

- Has the Company engaged its stakeholders in strategically responding to sustainability?

KSA believes the Company is aware of the importance of stakeholder engagement and is making an all-out effort to establish a process that will increase their engagement. The Company has selected stakeholders including employees, partner companies, customers, shareholders and investors, communities and NGOs, government, and policy organizations and has communication channels for each group to receive diverse feedbacks and opinions.

Materiality

- Has the Company included material information in the Report to help stakeholders make informed decisions?

KSA is not aware of any significant omissions or exclusions of data that are material to stakeholders. KSA verified that the Company conducted a materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.

Responsiveness

- Has the Company appropriately responded to stakeholder requirements and interest in this Report?

KSA verified that the Company responded to stakeholders’ needs and interests by reflecting stakeholders’ opinions in the Report. KSA is not aware of any evidence that the Company’s response to significant issues of stakeholders was reported inappropriately.

Impact

- Has the Company appropriately monitored its impact on the stakeholders?

KSA verified that the Company is monitoring and assessing its impact on the stakeholders by conducting an enhanced verification of its standard business activities. Furthermore, it has been verified that the Company appropriately publishes its findings in the Report.

APRIL 2026
KSA Chairman & CEO
Dong Min Moon

