

Shinhan Card

Shinhan Card
2021 ESG Performance Report



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LETTER FROM CEO



Dear stakeholders,

Above all, I would like to take this opportunity to express my gratitude for your unwavering support for Shinhan Card, especially now, when so many changes have taken place in our lives.

We continued our journey of growth despite the ceaseless spread of COVID-19. We have made great strides in every sector, including the number of members, assets, and income, amidst economic volatility and market competition. We became the first local financial services company to win the Triple Crown in the national brand competitive index for 10 consecutive years and achieved milestones by scoring many ‘firsts’ and ‘bests’, consistently maintaining our spot at the top. These achievements were made possible thanks to you, our stakeholders.

Our preemptive ESG effort is the driving force behind our sustainability. We became the first credit card issuer to launch an ESG Committee within the BOD and the firmwide ‘ESG Council’. We also issued ESG bonds last year, laying the foundation for ESG management with preemptive efforts and determination.

Starting this year, we plan to upgrade our own ESG strategies with the goal of making ESG part of everyday life firmwide. The credit card issuer market is an ‘ecosystem’ in which the data people create every day is organically linked to one another. In order to become a Life & Finance platform business beyond being just a top credit card issuer, we will expand our peerless capacity to include all ESG sectors for prosperity for all our stakeholders, so-

ciety, and businesses by committing ourselves to the following efforts:

Firstly, we will step up our efforts to be eco-friendly.

The Shinhan Financial Group (SFG) is the first financial businesses in East Asia to declare a ‘Zero Carbon Drive’, aiming to achieve asset-level carbon neutrality by 2050. To achieve this, Shinhan Card is introducing green credit cards, such as ‘Deep ECO’ and ‘EV’, for instance, using green vehicles for business activities by joining the K-EV100 campaign, using recycled plastic to make cards, and offering digital receipts. In March last year, we developed the ‘Shinhan Green Index’, which indexes the carbon emissions produced by each customer using the vast consumption data we have collected, to practice sustainable business for green finance.

We will also lead digital responsibility in the financial sector.

Shinhan Card publicly vowed to commit itself to practicing ‘Corporate Digital Responsibility(CDR)’ last year for the first time in the Korean financial sector. We will take the lead in ESG initiatives in the era of digital finance in all business sectors by adopting the CDR Ethics Charter, digital consumer protection, ethical AI algorithm, and cybersecurity. Further, we will make the best use of our financial data to cut carbon emissions and contribute to building a circular economy, foster data-based ESG startups, and spread digital literacy, ultimately pushing forward digital-based win-win situations in business.

Last, but not least, we will fulfill our duties as a friendly financial service provider.

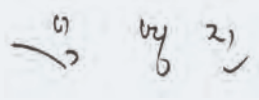
We at Shinhan Card are offering BigData analysis reports to public institutions and local governments with the aim of helping member retailers and vitalizing the local economy. We have also issued ESG bonds worth KRW 480 billion to support SMEs that have been hardest hit by the COVID-19 pandemic for the first time in the finance industry. We will continue doing our best to build a robust future for Korea through the operation of the ‘Aru-min Library’, one of our CSR activities, and a financial education program.

As ‘Do the Right Thing for a Wonderful World’ is the ESG slogan of the SFG, we at Shinhan Card will drive ourselves hard for the wonderful world only we can create, applying the ‘right ESG management’ that only we can practice. You will be able to witness how we rise from being a top credit card issuer to a world-class business through unrivaled ESG management.

We look forward to your continued interest in and support for our efforts in the above regard.

Thank you!

May. 2022
Lim Young-jin, CEO of Shinhan Card



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ABOUT SHINHAN CARD

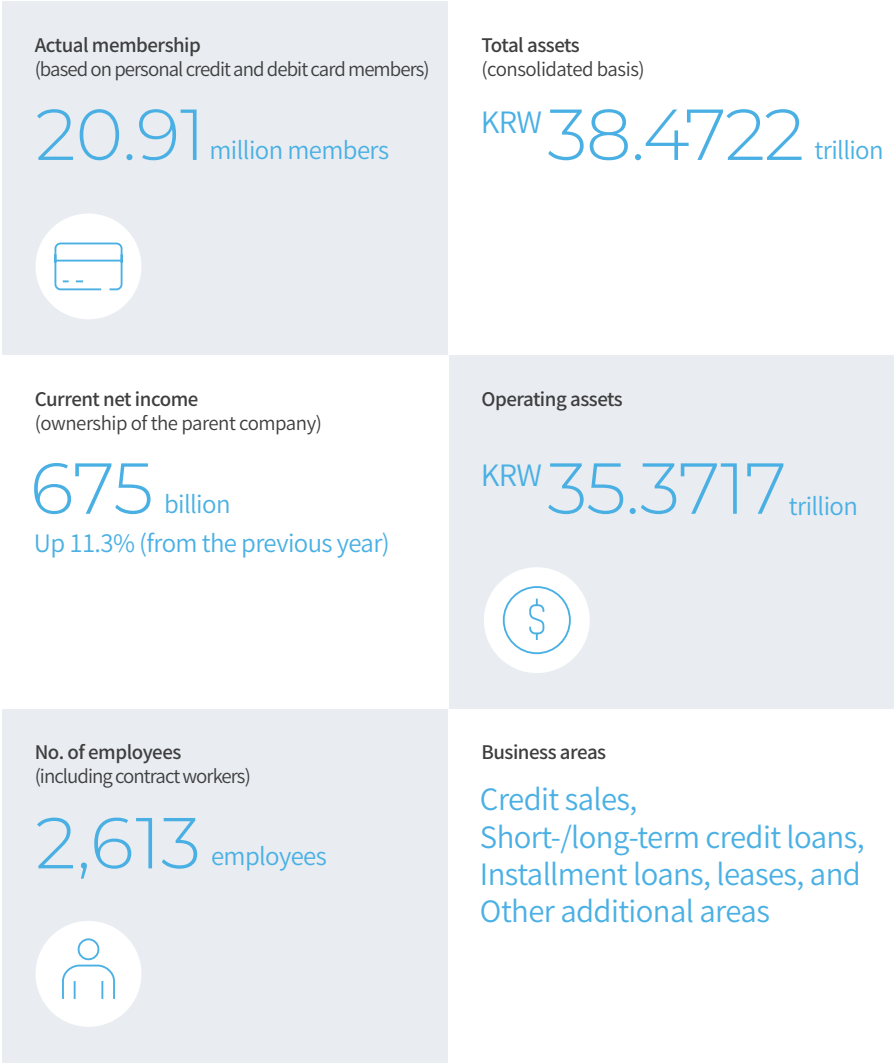
COMPANY PROFILE

Shinhan Card, a wholly-owned subsidiary of the Shinhan Financial Group (SFG), is Korea's No. 1 credit card company, securing its spot at the top in major management indices, including market share, membership, and net income, among others, since its merger with LG Card in 2007. We focus on credit sales services, generating added value through short- and long-term card loans, installment loans, and brokerage of various goods and services. As making purchases and paying for them with credit cards is becoming universal, our business is now forming an axis of the national economy and personal consumption. We are working hard to grow into a Life & Finance platform business with the growth of digital finance.



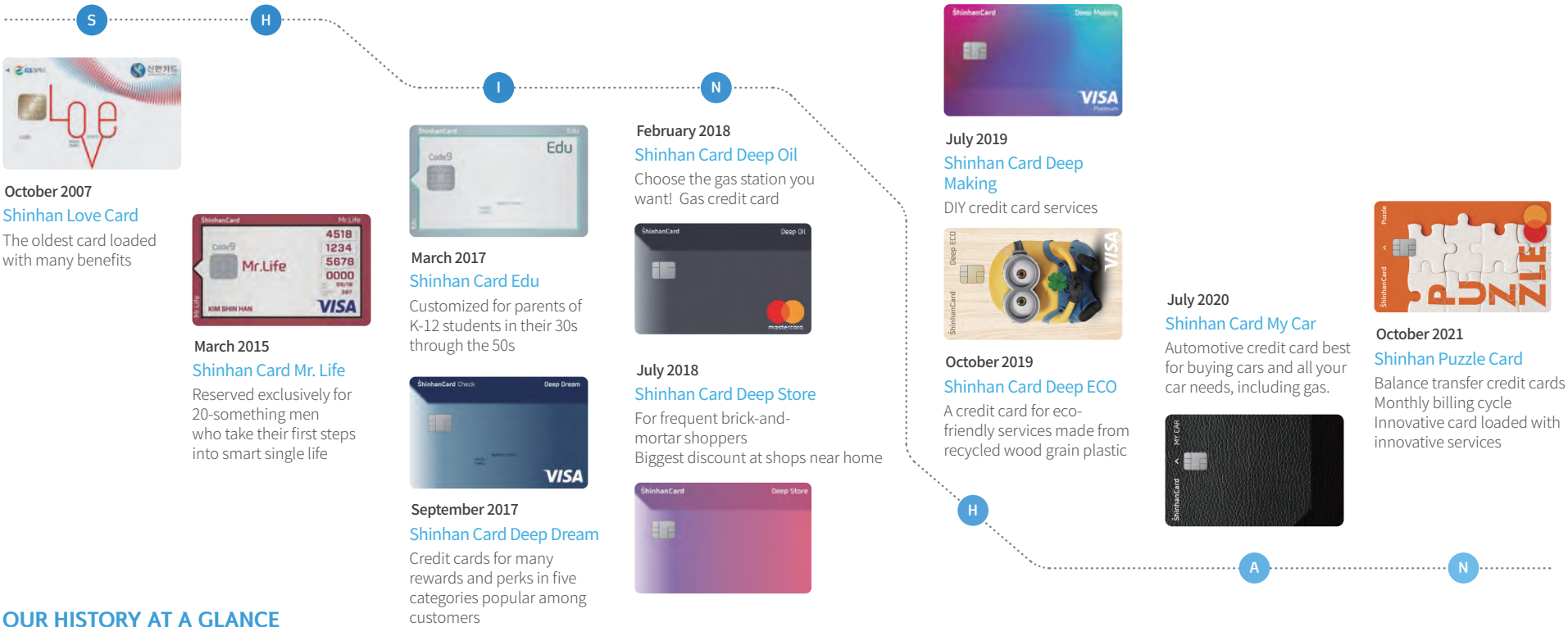
Date of foundation	December 17, 1985
CEO	Lim Young-jin
Address	100 Eulji-ro, Jung-gu, Seoul, Republic of Korea
Credit rating	AA+ (Korea rating) / A2 (Moody's) / A- (S&P)

2021 FINANCIAL PERFORMANCE

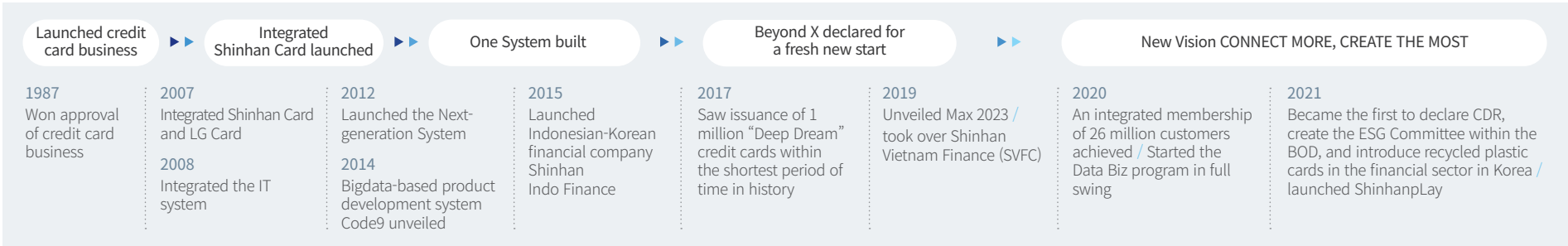


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WHO WE ARE



OUR HISTORY AT A GLANCE



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PRODUCTS AND SERVICES

Since its merger with LG Card in 2007, Shinhan Card has established itself as a brand that represents Korea’s financial industry, boasting the largest customer base and peerless service capacity. As a financial company with the largest number of customers in Korea, we are leading the future of the industry. Specializing in credit card and installment loans, we are geared towards becoming a Life & Finance business equipped with the digital/platform/data Biz capacity for mutual prosperity with our customers in everyday life.



CREDIT SALES, SHORT-TERM CARD LOAN (CASH ADVANCE)



▶ We offer credit sales to individuals, businesses, and public institutions by paying for goods and services within a certain credit limit. We also provide them with cash advances for urgent needs. In the future, we will subdivide our customers to develop more specialized products to tailor to meet individual needs whenever necessary. We will also successfully build diverse customer loyalty programs and upgrade the Customer Relationship Management (CRM) system. At the same time, we will upgrade our CRM system in order to accurately evaluate customers’ credit ratings and give fair credit limits for risk management.

INSTALLMENT LOAN SERVICE



▶ We offer various installment finance products, which are lending options that allow customers to make purchases and repay in monthly installments. In order to provide the service, we have over 10,000 retail partners with a nationwide distribution network in partnership nationwide. We also offer benefits to customers with a good credit standing during lending decisions, which set us apart from others.

LONG-TERM CARD LOANS AND RATE-AND-TERM REFINANCING



▶ We develop and offer a wide variety of loan products for credit card members and general customers. We also provide rate-and-term refinance, allowing customers who are having difficulty paying debts to refinance the existing loan to a new, longer-term one. We will continue developing banking products to meet the needs of our customers in order to gain a head start in a niche market in the financial sector, and at the same time, handle credit management matters thoroughly to avoid risks.

LEASE FINANCING (AUTO LEASE)



▶ We provide an auto lease service, which is designed for us to buy the vehicles customers want and allow them to use the vehicles during the desired lease period by paying monthly installments.

PLATFORM & DATA BUSINESS

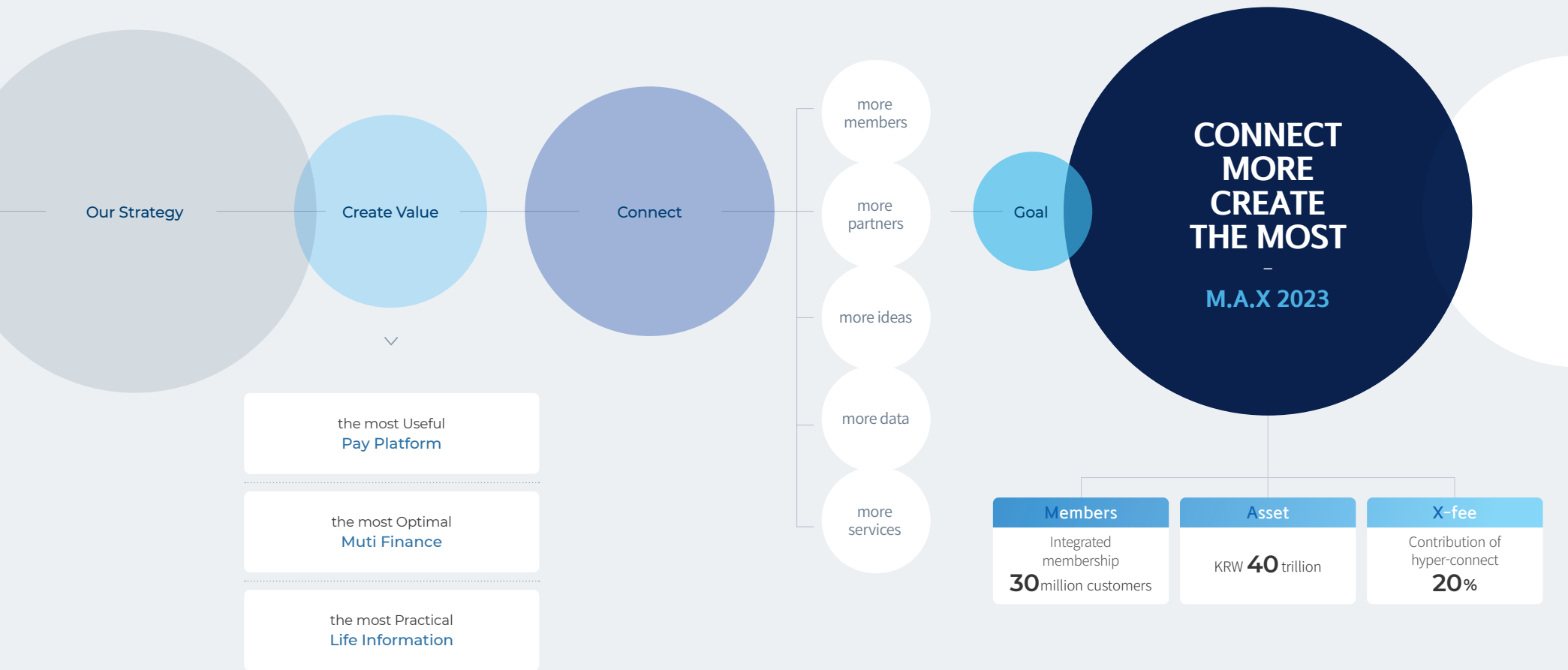


▶ We link customers’ personal finances to everyday life using the digital platform ‘Shinhan pLay’. We are expanding our business areas to include the platform-based customized product/service brokerage business beyond developing and selling banking products.

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VISION & STRATEGY

We believe that the credit card business is essentially committed to connecting customers and customers (retailers and partners) to create added value that benefits all. In line with our vision, “Connect More, Create the Most,” we are pushing forward with three business plans we have drawn up: Pay Platform, Multi Finance, and Life Information. Armed with an integrated membership of over 28 million customers and 14 million platform (Shinhan pLay) members, we will continue expanding our business realm and diversify our business portfolio.

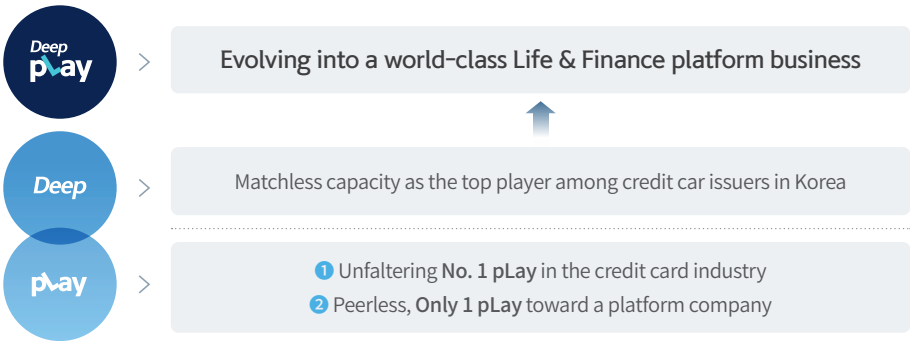


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2021/22 BUSINESS OVERVIEW

2021 STRATEGY

In 2021, Shinhan Card mapped out its ‘DEEP-tact’ plan to evolve into a ‘deep contact’ business that takes the initiative in driving new customers, markets, and competition by incorporating ‘contact’ and ‘contactless’ strategies. With our capacity as a leader in the industry, equipped with our unmatched bigdata and digital competitiveness, we took our first step toward becoming a Life & Finance platform business equipped with the new platform Shinhan pLay in order to offer peerless customer services, including open banking and My Data.

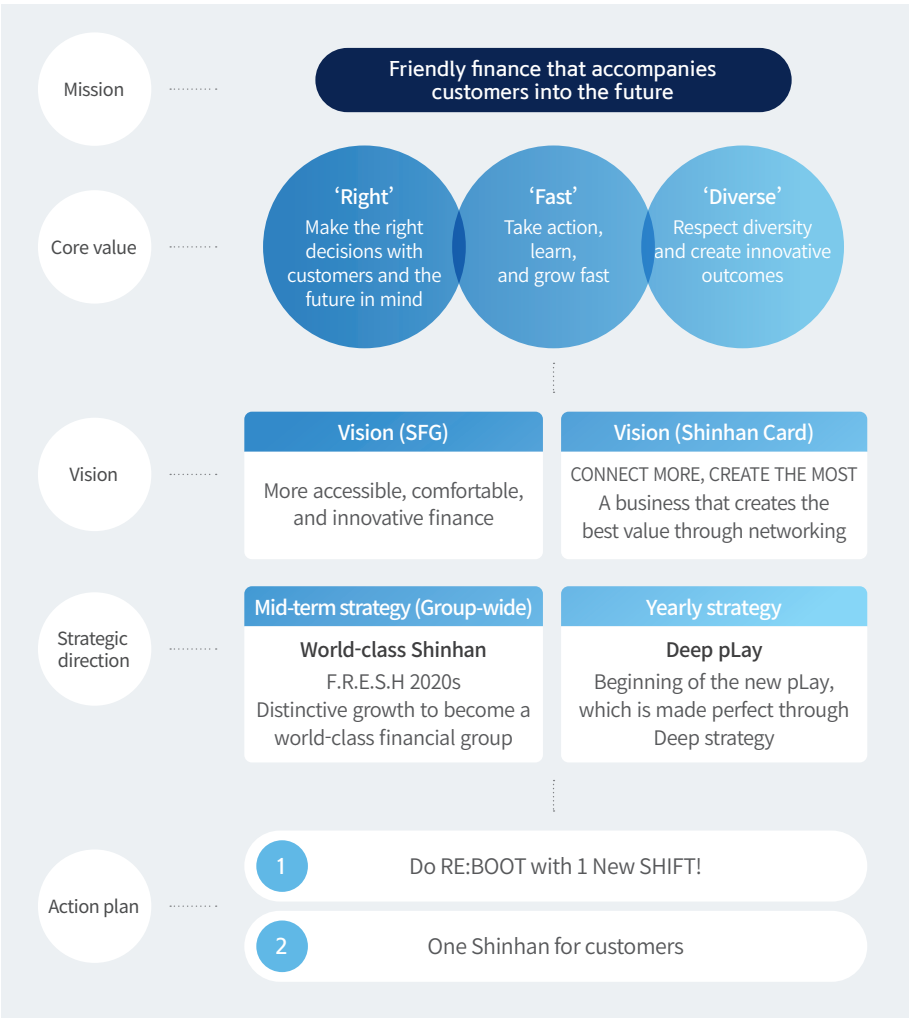


2022 STRATEGY

In 2022, we plan to draw up the ‘Deep pLay’ strategy for the credit card business platform No.1 pLay and introduce Only 1 pLay for the more upgraded Life & Finance platform to fulfill our vision of becoming a financial powerhouse that benefits the world.

Pace to the 一流 Perseverance to become a global player beyond Korea's No. 1 Sharpening generic competitive edge in the flagship business	Access to Deep-tech A step closer to match deep-tech business Maximization of data & digital utilization/capacity
Leap to Life & Finance Takeoff to another level as a Life & Finance platform business Diversified portfolio for new growth and profit	Year of RE:Boot Consistent RE:Boot for sustainable growth Paradigm shift in all areas, including work, people, and environment

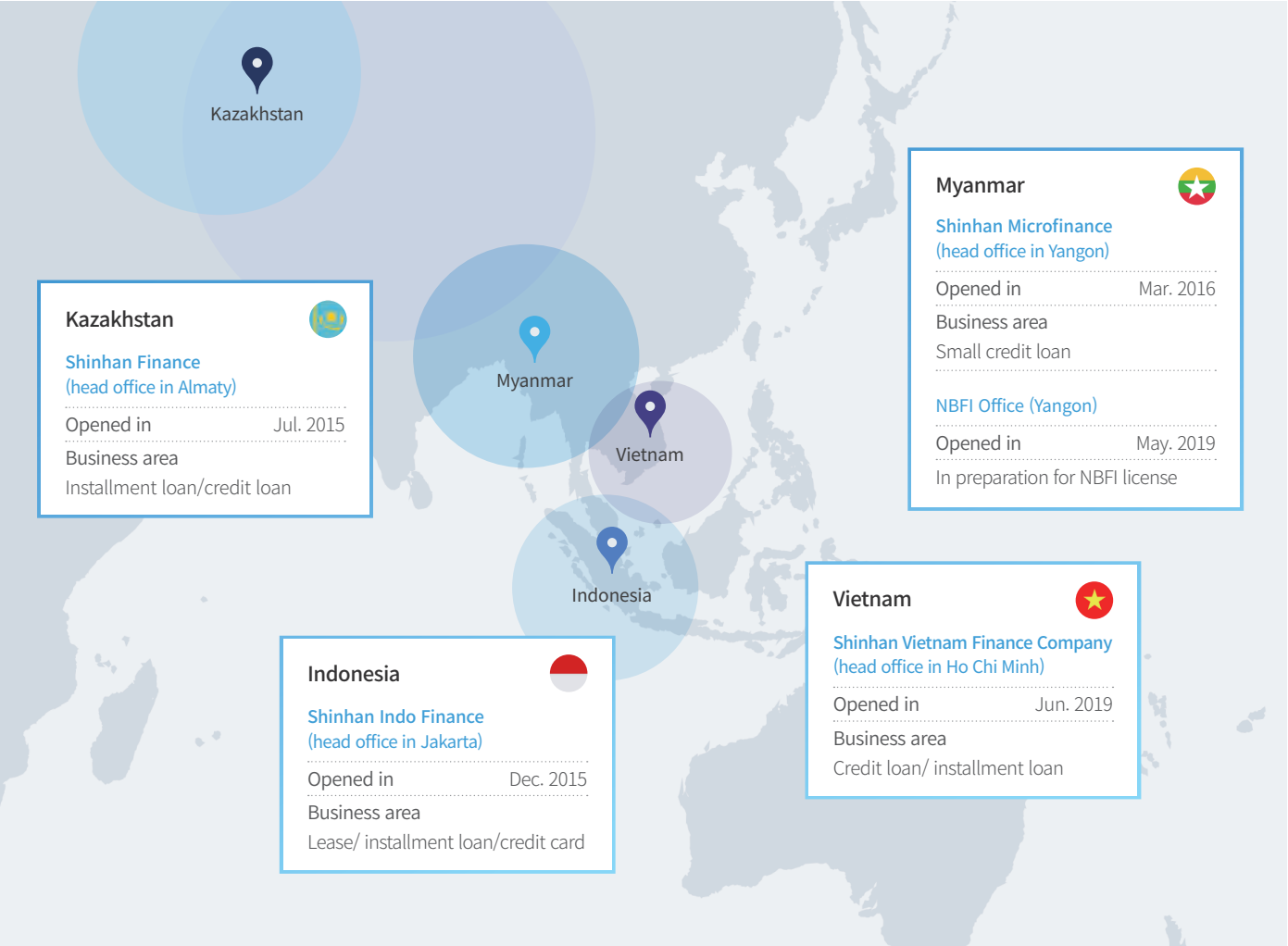
VISION AND STRATEGY



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GLOBAL BUSINESS OVERVIEW

(as of Dec. 2021)



Shinhan Card is engaging in global projects based on POS financing and credit loans for customers eligible for mid-market interest rates in markets overseas.

Global network (unit: no. of offices, no. of people)

Headquarters in Korea	2 (GBT/Planning Office)
Overseas company	4
Overseas offices	1
No. of workers overseas	10
Strategic cooperative relationships(overseas)	9 local groups, 1 partner

Overseas business network

Vietnam	1 head office/ 10 branch offices/ 21 local offices/3 offices
Indonesia	1 head office/ 4 branch offices
Kazakhstan	1 head office/2 offices
Myanmar	1 head office/10 branch offices/14 local offices

Vision

> Become a Trusted Global Finance Partner

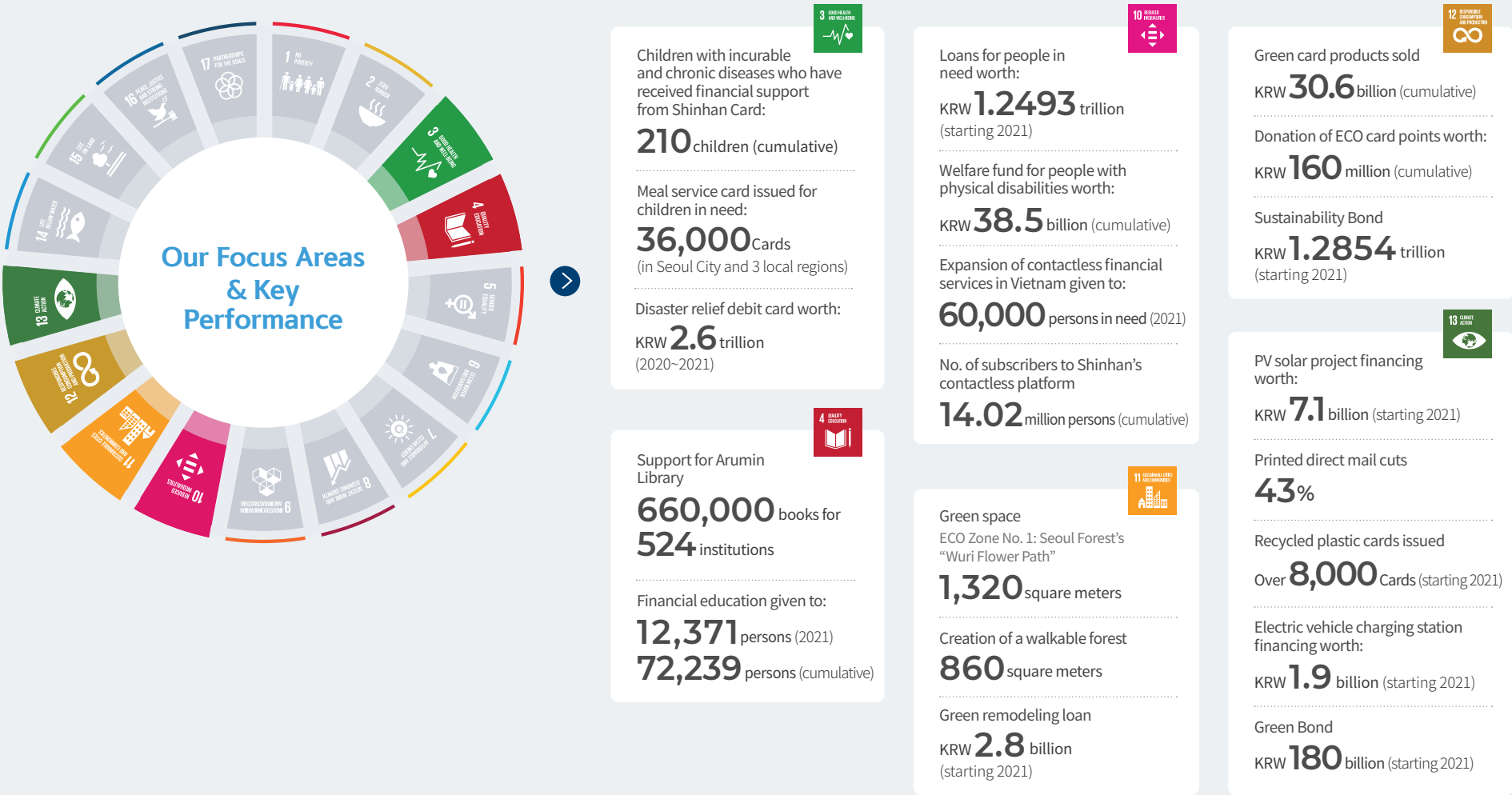
Strategy

> Change a business mindset and secure the leading position in order to become Shinhan as a global player

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SUPPORTING THE UN SDGs

The UN Sustainable Development Goals (UN SDGs) are the common goals of corporate citizens globally to make the world a better place by alleviating poverty, and promoting prosperity and well-being while protecting the environment. Shinhan Card has selected six goals and subgoals out of 17 goals and is carrying out diverse activities to fulfill them.



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ACTION TAKEN FOR THE UN SDGs

PROMOTION OF HEALTHY LIVES AND WELL-BEING



Our Approach ▶

Shinhan Card is engaging in a wide range of activities to promote employees' health and well-being through infectious disease prevention and health services. We have created a health promotion program for employees and a pleasant working environment. We are also providing stimulus debit cards or other financial assistance for economically vulnerable people for community health and well-being.

QUALITY EDUCATION



Our Approach ▶

Shinhan Card is committed to providing quality education and vocational training opportunities to members of local communities as well as its employees. We continue supporting the Arumin Library to allow members of local communities to have more educational opportunities. We are also committed to providing youths and financially vulnerable people with financial education to improve their financial literacy and ensure a brighter future for youths. In addition, we offer diverse educational programs to employees for their capacity building.

REDUCING INEQUALITY



Our Approach ▶

Shinhan Card is carrying out diverse activities to reduce inequality internally and externally. Internally, for instance, we are gradually reducing gender inequality by supporting talented female employees. Externally, we are providing financial support for people with physical disabilities and financially vulnerable people. In addition, we are offering financial education programs to financially vulnerable people at home and abroad, contributing to reducing inequality caused by unequal access to information.

SUSTAINABLE CITIES



Our Approach ▶

Shinhan Card offers diverse services for the sustainability of local communities and cities. We are making investments for the creation of green public spaces based on customer engagement and offering financial services for environmental protection. We are also undertaking a green program in the urban area in a bid to lessen negative environmental effects, such as fine dust and urban heat islands, and create sustainable cities.

SUSTAINABLE CONSUMPTION AND PRODUCTION



Our Approach ▶

Shinhan Card is carrying out diverse activities that are designed to promote sustainable consumption and production for the creation of a sustainable ecosystem. We offer green card services to encourage our customers to practice sustainable consumption. We also invest in sustainable businesses for local communities to achieve sustainable development and ultimately create a virtuous economic cycle.

CLIMATE CHANGE



Our Approach ▶

Shinhan Card is aggressively addressing the climate crisis the world is facing now by taking diverse measures to reduce environmental pollutants and protect the environment. We are making investments for climate change intervention. We also provide employees with the opportunity to participate in the programs designed to reduce carbon emissions and waste, while encouraging customers to join the effort to reduce the impact of climate change by offering them eco-friendly financial services.

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ESG HIGHLIGHTS

- > The 28th ‘Business Innovation Grand Award’ Prime Ministerial Award
[Ministry of Trade, Industry and Energy]
- > ‘Korea Digital Management Innovation Awards 2021’ Digital Management CEO Awards(Chairman’s Award)
[Ministry of Science and ICT]



- > ‘Korea Financial Innovation Award’ Management Innovation Award (Chairman’s Award)
[Financial Services Commission]
- > ‘2021 Korea Social Communication’ Satisfaction Index Grand Prize (Minister of Science and ICT Award)
[Korea Internet Communication Association]



- > ESG bonds worth KRW 1.4654 trillion newly issued
- > ESG Committee installed within the BOD



- > ‘Social Contribution Awards 2021’ Minister of Education Award
[ChosunBiz, Minister of Education]
- > ‘National Industry Awards’ social contribution grand prize
[The Institute for Industrial Policy Studies]



- > The first to introduce the credit cards made from recycled plastic
- > Became the Republic of Korea Sustainability Index Hall of Fame



- > First to win the triple crowns for 10 consecutive years in the brand value evaluation
- > Korea Trade Commission Certified ‘Consumer-Centered Management’ certification 4 times in a row
[Fair Trade Commission]

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SPECIAL NOTE 1.

INNOVATION & DIGITALIZATION

Launched Shinhan pLay

Advancing to become the Life & Finance platform

Since its launch of App Card, the first mobile payment system in Korea, in 2013, Shinhan Card has made great strides. We went further to introduce ‘Shinhan Pay Fan’ in 2018, the most widely used payment platform in Korea, and Shinhan pLay, a Life & Finance platform, in October 2021. We changed the name of the platform ‘FAN’ to ‘Shinhan pLay,’ evolving into a comprehensive platform that incorporates the payment system into non-finance themes related to everyday life. Shinhan pLay represents our determination to innovate the ‘pay’-centered platform into something that adds vitality to our customers’ lives.

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Driven by the launch of ‘Shinhan pLAY’, we are determined to take it to the next level to make it a comprehensive, most-favored platform that incorporates finance and life beyond the top payment system in Korea.

Shinhan pLAY is a platform that is modeled after the future-oriented DNA project, which aims to be easy, comfortable, and innovative.

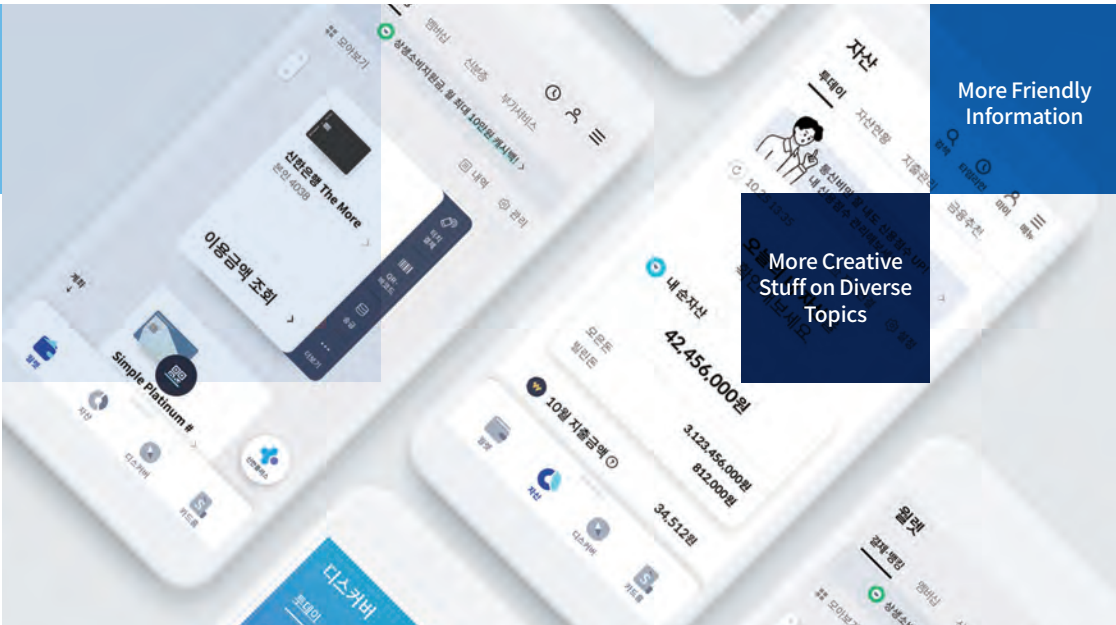
Innovating payment service to be faster and more convenient

Shinhan pLAY is designed for users to readily access the digital payment system. It allows users to have access to the payment-only module separated from the platform by swiping or shaking the phone and make payments, cutting the loading time by roughly 20 percent compared to the previous platform. Showcasing our advanced payment system, which is faster and more convenient than others, we have achieved a competitive advantage in the financial services industry by developing the comprehensive payment platform that will embrace open banking and My Payment, which will set us apart from others.

Connecting customers’ data securely and cautiously

Thanks to My Data in full operation, we are now able to integrate ever-increasing data for our customers to have easy access. We introduced the integrated information management hub ‘My Page’ and up-graded Timeline, which over 2 million people use monthly, to 2.0 and included payment information

More Secure
Payment



More Friendly
Information

More Creative
Stuff on Diverse
Topics

and other necessary information as well. With this integrated information system as the basis, we are providing more powerful Personal Expenditure and Financial Management (PEFM) services, as well as the financial product recommendation service based on the BigData we have collected.

Access to customers’ daily life using non-financial themes

We are updating information on a daily basis in order for our customers to have access to the information customers are most interested in by incorporating it into data-based information on finance and lifestyle.



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Card Company
-
25 million
Shinhan Card
(consumption)



Mobile Carrier
-
28 million
SKT
(floating population)

CB
-
44 million
KCB
(credit)

Shinhan N.E.O. Project

Overview

An abbreviation of ‘New Economic Growth Supporting Operations’, N.E.O. is a project Shinhan Card has launched in order to systematically discover and support growth engines of the national economy. It consists of three key areas, including financial support for new growth industries, leadership in new digital finance, and creation of a new growth ecosystem.

Private Data Dam Program GranData

Shinhan Card launched GranData* jointly with SK Telecom, Korea’s No. 1 mobile carrier, and Korea Credit Bureau (KCB), a credit rating company equipped with the credit information of 44 million people in Korea. By introducing the private data dam, we analyze the data collected and share financial in-

sights with others, leading Korea’s data industry. We will continue working together with Korea’s leading data businesses to develop diverse data-driven products, such as data-binding products and data-based subscription services, useful for formulating marketing strategies, analyzing consumers, and preparing for the future market.

GranData

It is a form of open alliance that promotes data projects by establishing data partnerships with various businesses across in diverse industries such as automobiles, manufacturing, fashion, medicine, transportation, and lodging. We plan to collaborate with private data businesses and government-led financial data exchange and Korea Data Exchange (KDX) to support public policy formulation and revision.

Development of a group-wide integrated data analysis platform

The SFG is in the process of building and developing the strategic platform ‘Group Data Dam’ in a bid to sharpen its data competitive edge and securing the data eco-system initiative. The ‘Group Data Dam’ will serve as a standard data analysis platform that collects internal and external data based on the SFG’s data governance and security system and create a user-friendly environment for data analysis. We also plan to utilize it further as an educational platform by applying a test and learn approach to the dissemination of a data-driven culture in the group. We plan to quantitatively increase available data and, at the same time, qualitatively increase the number of users in diverse categories from diverse perspectives, including customers, SFG affiliates, and society as beneficiaries.



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Declaration of CDR Management

Establishment of a CDR Management System

In March 2021, Shinhan Card declared Corporate Digital Responsibility (CDR) Management for the first time in the Korean financial sector and built a CDR Management System. CDR Management is designed to reinterpret issues in digital management in general (a business process in relation to employees, customers, society as a whole, and environment) from ESG perspectives. In order to do so, we organized a TF for the creation of a CDR Management System and digital-related departments firmwide, and implemented the Shinhan Card CDR Management System based on green, ethical, inclusive, and reliable digital within the ESG framework.

Green Digitality (Environment)

Shinhan Card has formulated diverse plans for the reduction of digital waste through green digital and systematized them. We built a cloud-based infrastructure for the creation of a digital asset management system and quantitative reduction. We continue to undertake diverse activities by establishing green measures, such as the sale or disposal of disused assets.

Ethical and Inclusive Digitality (Social)

Shinhan Card continues its efforts to create a consumer protection system and integrate digital technology into the workplace in response to

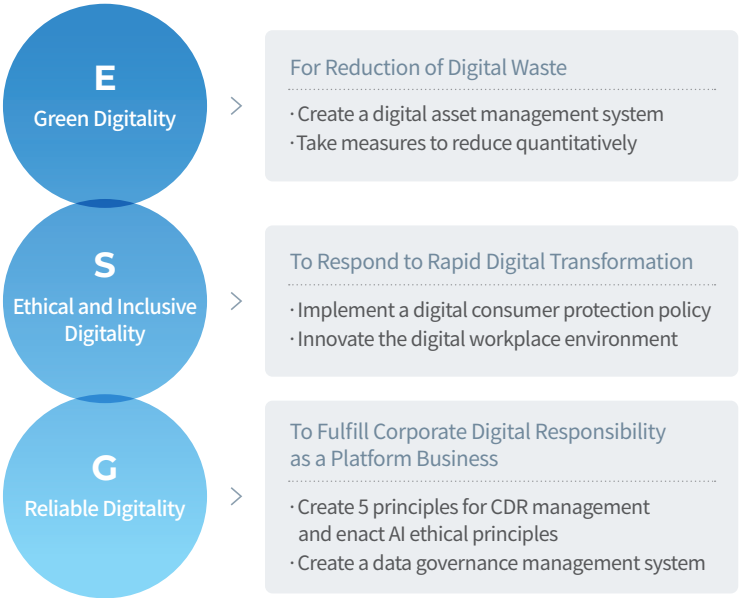
rapid digital transformation. We drew up a digital consumer protection policy to implement the customer-friendly digital policy for customer-inclusive digitality. We are also committed to creating a smart workplace and helping employees build their digital capacity and adjusting to the rapidly changing digital environment emotionally and physically.

Reliable Digitality (Governance)

Shinhan Card has come up with five principles of CDR Management and introduced the ‘Basic Principles for Digital Management’ to fulfill its reliable corporate digital responsibility. We are also pursuing corporate responsible management as a reliable digital platform service provider by enacting AI ethical principles, creating a data governance system, and consolidating the information protection management system.



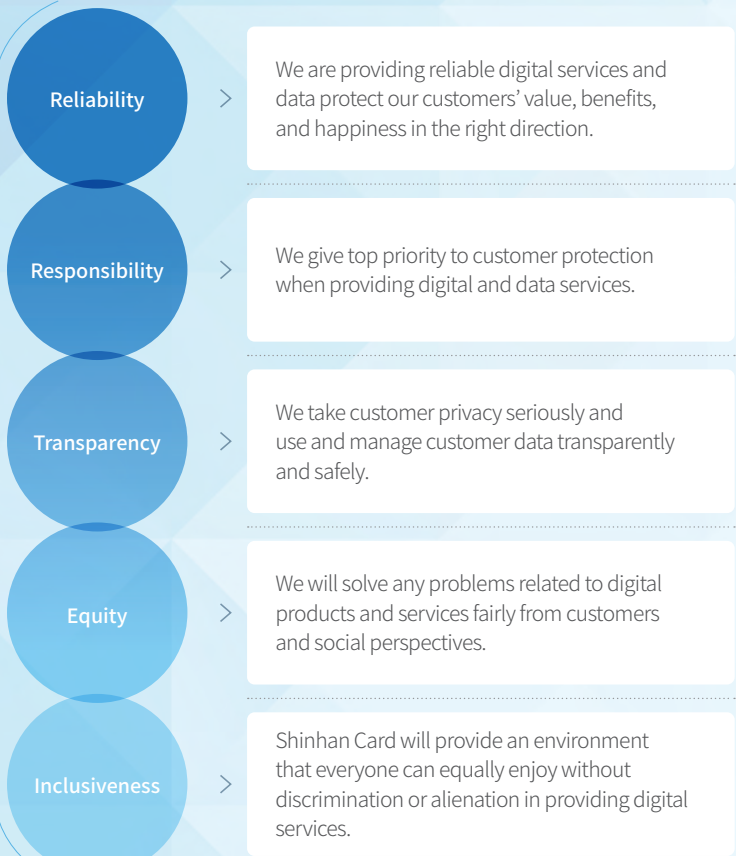
ESG-based CDR Management System



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Shinhan Card’s 5 principles for CDR Management

We are committed to helping create a more convenient and reliable society through digital technology and data innovation.



Achievements in Digital Innovation

Corporate Innovation Awards

In Dec. 2021, Shinhan Card won the Prime Ministerial Award at the 28th Business Innovation Grand Award held jointly by the Ministry of Trade, Industry and Energy and the Korea Chamber of Commerce and Industry. We were awarded the prize in recognition of the outstanding performance of Shinhan pLay, an application we launched by incorporating life into finance in an effort to become a comprehensive financial platform business. Also, we also drew attention from the industry with our success in the spread of the facial-recognition payment system Shinhan FacePay and the designation by the Financial Services Commission as the credit card company with the largest number of innovative financial products along with fintech-based digital payment systems. With the commercialization of the touch pay system, which allows users to make payments without a card at brick-and-mortar stores, and the



facial-recognition payment system, we could cut over KRW 60 billion a year. In 2021, our digital transaction reached KRW 40 trillion, an increase of KRW 10 trillion from the previous year. We at Shinhan Card will continue pushing digital transformation and stepping up our efforts to become a world-class platform business to fulfill the SFG’s vision, “Friendlier, more secure, more creative finance.”

| Achievements in Innovation and Digital Transformation |

Classification		Unit	2019	2020	2021
Shinhan pLay members (cumulative)		Person	11.58 million	12.83 million	14.02 million
Shinhan pLay MAU		Person	4.25 million	5.1 million	6 million
The amount of money handled through Shinhan Pay		Trillion	KRW 10.4	KRW 13.0	KRW 16.0
The amount of money handled through digital transactions	Payment	%	17.0	21.2	24.0
	Banking	%	44.4	51.8	59.5

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Zero Carbon
Drive

SPECIAL NOTE 2.

ENVIRONMENTAL SUSTAINABILITY

Responses to Climate Change

Environmental issues faced by the world have influenced considerably both consumers and businesses, not to mention the government, on their perception of challenges associated with climate change. In Europe, for instance, research and diverse experiments on the carbon footprint, the total amount of greenhouse gases a business generates through business activities, in terms of consumption, and carbon footprints in relation to other industrial areas are being conducted actively. Also, the Korean government announced the “Green New Deal” policy for the promotion of the low carbon and green economy at the government level. In order to fulfill the SFG’s ‘Zero Carbon Drive,’ Shinhan Card continues carrying out diverse innovative activities to reduce carbon and encourage customers to join the effort to save the environment.

Development of Shinhan Green Index*

Shinhan Card introduced the Shinhan Green Index, a carbon emission index based on card consumption data. We developed the index with the aim of encouraging green consumption by calculating the carbon emission factors caused by consumption using the consumption data of card users in partnership with Visa, which possesses the know-how to calculate the carbon emission index. We plan to expand and utilize the Shinhan Green Index as an ESG marketing platform with the aim of enlightening consumers and the market on the importance of environmental protection. We also plan to build a virtuous cycle of consumption for mutual prosperity through partnerships with the government, and public institutions, and green businesses.

> What is the Shinhan Green Index?

- Created with the payment data collected by Shinhan Card, which boasts over 2.7 million retailers that accept Shinhan cards and 25 million card members and the largest payment data in Korea
- Provides personal green index and information on carbon emissions produced by consumption in the green format through the Shinhan play application and others.
- Provides information in order to allow card users to experience the impact of consumption on the environment and encourage green consumption in them



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Participation in K-EV100

Shinhan Card declared K-EV100* to take the lead in the supply of zero-emission vehicles in Korea while providing matchless services to keep up with the automobile market that experiences a rapid shift to eco-friendly vehicles, such as electric vehicles (EV) and hydrogen vehicles (HV). We also vowed to switch to electric and hydrogen cars completely by 2030. In order to do so, we mapped out a plan to replace all the 61,086 fleet vehicles, including long-term rental and leased cars, to pollution-free cars by 2030. In 2021 alone, we completed the replacement of 600 vehicles to pollution-free ones.

We launched 'Shinhan EV Card', an EV discount card, in a bid to encourage card users to make purchases and drive green cars as well as our shift to pollution-free vehicles. We also provide customers with matchless EV-only products and services from auto purchase financing and EV purchase grant application to follow-up management. We plan to continue expanding our eco-friendly programs while fulfilling our environmental responsibilities as a K-EV100 participant.

> **K-EV100** (a Korean transition project towards zero-emission cars)

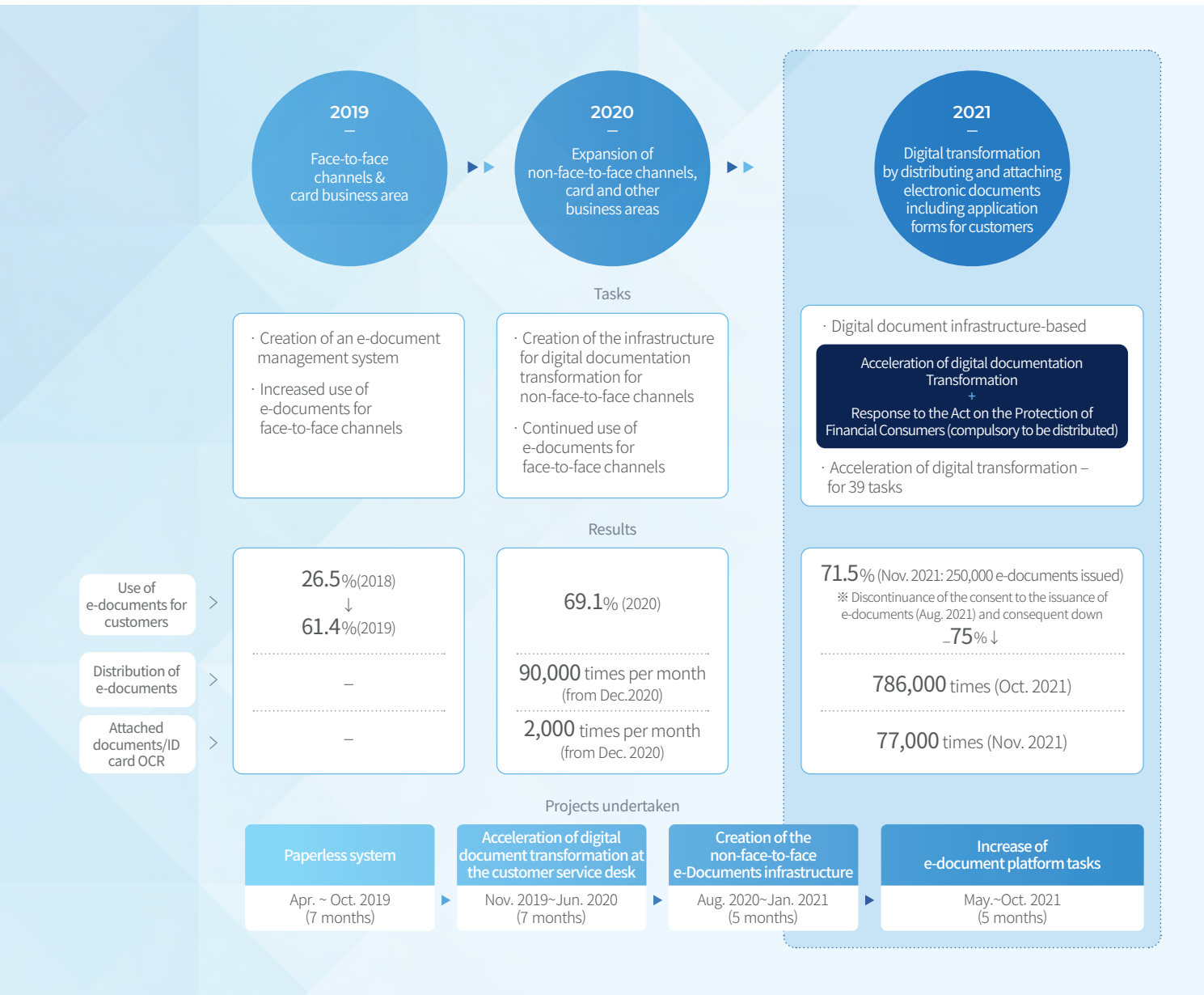
Hosted by the Ministry of Environment and organized by the Korea Automobile Environment Association, it is an initiative that aims to encourage private businesses to publicly vow to switch all fleet vehicles to EVs and HVs by 2030 and gradually implement it.



		Yearly EV and HV fleet transition plan			
Classification	No. of fleet vehicles*	2021	2025(30%)	2028(70%)	2030(100%)
Leased cars	24,653	150	7,396	17,257	24,653
Rental cars	36,433	450	10,930	25,503	36,433
Total	61,086	600	18,326	42,760	61,086

*As of Mar. 2021

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Creation of an Eco-friendly Circular Economy

Going paperless in the office

Acceleration of digital documentation transformation

In an effort to cut the use of paper in the credit card business division and on face-to-face channels, Shinhan Card has created the Paperless Process Reengineering (PPR) and undergoing digital documentation transformation to replace paper documents generated from customer service desk, an important face-to-face channel, branch banking centers, and delivery businesses, to e-documents. We are aiming to go paperless by utilizing non-face-to-face e-document infrastructure that allows paper documents to e-documents using mobile devices. We have also supplied tablet PCs to each department to go paperless. In addition, we have installed the Android-based smartboard in conference rooms to cutting out the paper in the workplace.

As a result, we could reduce office paper used for printing by 36 percent from an average of 1.64 million sheets in the first quarter of 2019 to 1.05 million sheets in the fourth quarter of 2021. Also, the use of e-documents increased from 61.4 percent in 2019 to 72.7 percent in 2021.

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Increase in the use of mobile statements

Shinhan Card is reducing carbon emissions that are generated in the process of issuing and sending paper statements by sending paperless statements to customers every month. The mobile statement is effective in cutting carbon emissions, at no risk of being lost or misplaced, and not accessible by anyone but you and, accordingly, highly effective in protecting personal information. In order for more customers to benefit from mobile statements, we have doubled the server capacity so that we can send up to 1.8 million statements monthly. We also send the image of the paper statement as a text message to those who have difficulty in using necessary apps, such as Shinhan pLay and My Bill&Pay, and digitally disadvantaged people, to make sure all our customers can join our effort to save the environment.

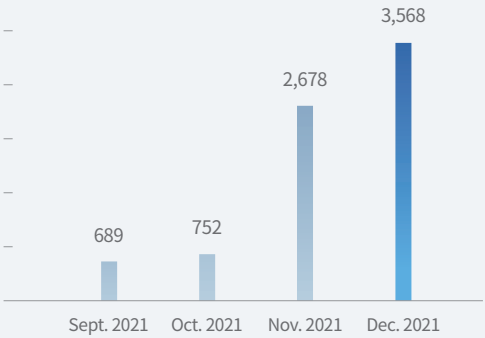
Reduction of plastic use

Introduction of credit cards made from recycled plastics

In August 2021, Shinhan Card introduced the credit cards that were made from eco-friendly, recycled plastics (R-PVC: recycled PVC), first of its kind in Korea, one after another, including both old and newly released recycled credit cards. As of Dec. 2021, we issued a total of 7,687 cards of seven products (Deep Dream Credit, Check, Mo-better Works, Deep Dream Platinum+, Deep Oil, Deep Store, and Puzzle). We joined hands with KONA I, a Korea-based total solutions provider and the first to be certified by the Ministry of Environment, to make credit cards using recycled plastics. We will continue to do our best to reduce Scope3 carbon emissions generated from our products and services.



No. of cards made from recycled materials (Unit: cards)



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SPECIAL NOTE 3.

ESG MANAGEMENT

ESG Strategy

Shinhan Card is in the process of building an ESG platform in order to lead the market using the ESG management strategy with the environment, mutual prosperity, and reliability in mind. We are striving to upgrade or unmatched ESG management by ‘maximizing our ESG performance,’ ‘building an ESG-integrated financial ecosystem,’ and ‘developing DEEP-tact CSR programs.’



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ESG best practices
in 2021

Environment

E



Social

S



Firmwide discovery of ESG strategic tasks and action

Shinhan Card is committed to fulfilling the firmwide ESG tasks designed to upgrade and consolidate its ESG management system. In 2021, we identified 85 tasks for each ESG area and screened 22 ESG best practices among them. The winner received the CEO prize.

Task	Remark
Launch of new products and utilization of recycled plastics as credit cards	Grand prize
Participation in the My Car Blue Driver campaign and related ESG activities	Excellence prize
Development of the Green Index (carbon emission index)	Excellence prize
Issuance of ESG (social) ABS	Excellence prize
Specialized marketing of products produced by green businesses in partnership with distributors	
Development and sales of installment loan products for green interior remodeling	
Development and sales of installment loan products for the construction of EV charging stations	
Renewable energy factoring	
Development of eco-friendly new business models in partnership with the NCF	
Green vehicle-only product and service lineup in response to green transformation in the automobile market	
Participation in carbon-emission reduction activities through contact center platform transformation in the bank and work-process digitalization	
Increase of mutual prosperity with social enterprises and creation of the Allthat Green Product Showroom for virtuous consumption	
E-document platform-based digital documentation transformation in the office	
Reduction of paper use through the creation of a mobile document management system	
Increase in the use of mobile forms in the credit card review and issuance process	
Task	Remark
Creation of models for mutual prosperity through a partnership with social venture enterprises (ESG/social enterprises)	Excellence prize
Laying the foundation for capacity building for long-term growth and recruitment of more women into the talent pool	Excellence prize
Expansion of financing programs for people in need	
Support for small and medium businesses through advertising of 'local attractions' and government policy on COVID-19	
Credit-up program for small and medium businesses as part of the effort to create a society of hope	
Reinforcement of the consumer-centric management system	
Support for the improvement and review of the innovative finance-related process	

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ESG Governance

ESG action plan

ESG Committee

Shinhan Card established the ESG Committee within the board of directors (BOD) for the first time in the industry in May 2021. The ESG Committee is composed of five members (directors) including the chairperson and plays a role as the highest in-house decision-making body that deliberates and ESG strategies and ESG management activities planned by Shinhan Card. In addition, we established an organic ESG management driving system by creating the firmwide ESG Council.

ESG leadership and ESG Team

Shinhan Card established the ‘ESG Team’ in 2020 to draw up firmwide ESG management strategies and systematically carry out a wide range of ESG programs. In addition, the chief strategy and sustainability Officer (CSSO), an executive in sustainability management, provides overall supervision and support for the implementation of climate action principles and sustainable management.

SFG’s ESG Driving System



ESG governance system



* Subject to change in terms of the participation of working-level teams depending on issues for discussion

Consolidation of the SFG's ESG system

The SFG has stepped up its efforts to promote ESG management by consolidating its ESG Implementation Committee for the monitoring of its progress on ESG activities and discussion on the direction of ESG activities. Also, it operates the SFG CSSO Council and SFG's Working-level Council to accelerate its effort to integrate ESG into its corporate culture and build the capacity to take action.

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Achievements in ESG Investing

Offshore public offering social bond

Shinhan Card succeeded in issuing the first Social Formosa Bond to be listed on the Taiwan Stock Exchange in June 2021, and attracting investors by expanding its presence in the Taiwan financial market. The Formosa Bond is issued by foreign financial companies or institutions in a currency other than the local currency. It is an ESG bond for special purposes that are issued to solve social problems. It has five years to maturity and a value of KRW 300 million.

This bond received A2, the highest credit rating in the industry, from the international credit rating agency Moody's and was issued at 70 basis points, which are 35 basis points lower than the initially suggested rate due to its high performance. The funds thus raised were used to assist socially dis-

advantaged people including people with a poor credit history and low-income people.*

ESG ABS issuance

Shinhan Card issued social asset-backed securities (ABS) twice in 2021. We issued ABS worth KRW 350 billion with a maturity of 3.5 years in Jan. 2021 and ABS worth KRW 400 billion with a maturity of four years in Sep. 2021. The funds thus raised were used for the finance services provided to socially vulnerable people, including people with a poor credit history and low-income people.

*Low-income people with an annual income of KRW 35 million or less, or those whose credit rating is grade 6 or lower.



ESG-related bonds issued by Shinhan Card in 2021

Year	Classifica- tion	Session	Bond types	Issue date	Maturity date	Maturity	Interest rate(%)	The amount issued KRW 100 million/USD 100 million	Purpose
2021	ABS	2021-1	Local ABS	Jan. 21, 2021	Oct. 28, 2024	3.5	1.16	3,500	Loans to persons with a poor credit history and low-income people
		2021-2	Local ABS	Sep. 9, 2021	Dec. 26, 2025	4.0	1.40	4,000	Loans to persons with a poor credit history and low-income people
			ABS total					7,500	
	Onshore ABS	2106-1(S)	Coupon	Mar. 26, 2021	Feb. 24, 2023	1.9	1.223	600	COVID-19 emergency loan and banking products for businesses
		2106-2(S)	Coupon	Mar. 26, 2021	Mar. 26, 2024	3.0	1.498	1,000	
		2106-3(S)	Coupon	Mar. 26, 2021	Mar. 26, 2026	5.0	1.808	400	
		2108-1(G)	Coupon	May 10, 2021	Aug. 10, 2023	2.3	1.222	800	Green car-only POS financing and banking products
		2125-3(G)	Coupon	Nov. 23, 2021	Nov. 22, 2024	3.0	2.478	1,000	
			2106th session total					3,800	
	Offshore ABS	2111(S)	Offshore public offer- ing	Jun. 23, 2021	Jun. 23, 2026	5.0	1.375	USD 3	Social bonds for people with a poor credit history and low-income people (SFG's ESG framework used)
			2111th total					USD 3	
			Total (KRW 100 million)					14,654	

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ESG Finance

ESG Investing Principle

Nowadays, non-financial as financial factors have emerged as key investment indicators in the evaluation of corporate sustainability. Especially, ESG has become a new standard in finance. We reflect the global trends as such and, as a corporate citizen and a member of society, operate ESG investment policies that reflect climate change risks and social responsibility factors.

ESG Products and Services

Launch of the mobile card ‘Puzzle’

In Oct. 2021, Shinhan Card launched the virtual credit card ‘puzzle.’ However, a physical card made from recycled plastic is available for anyone who pays KRW 3,000 for card issuance. As of Dec. 2021, a total of 1,444 Puzzle Card was issued and 529 among them were virtual cards, which translates into the reduction of plastic use by 36.6 percent compared to the issuance of physical cards. Also, the card-holders can save 30 percent of the EV charge amount as part of the perks for customers with green cars.



Eco-friendly projects

Shinhan Card is operating a renewable energy factoring

project worth KRW 7.1 billion since 2021 to spread the use of green energy. The renewable energy factoring project is a loan bond method in which Shinhan Card installs and rents solar-power facilities in customers’ homes and customers pay a portion of the deducted electric bill. Another method is a long-term installment payment method, in which Shinhan Card purchases the installation bond from the solar power plant construction business and collects it from the business in long-term installments.

ESG bond issuance standards

Shinhan Card issues ESG bonds in order to increase social value, support socio-economically vulnerable people, create jobs, improve the environment, and support the development of renewable energy. Our ESG bond standard management system is categorized to comply with the ‘Green Bond Principles,’ ‘Social Bond Principles,’ and ‘Sustainability Bond guidelines’ established by the International Capital Market Association.

| Shinhan Card ESG bond classification |

Classification	Description	
Sustainability bonds	Bonds issued for the purpose of investing in eco-friendly and social support projects	
	Bonds issued for the purpose of raising funds to invest in eco-friendly business fields	
Green bonds	Area and eligibility	Energy efficiency Eco-friendly business for energy efficiency and reduction of electricity consumption
		Environmental pollution prevention and management Corporate social responsibility and related programs for environmental protection
		Green transportation Support for purchasing eco-friendly means of transportation and infrastructure establishment - Purchase of electric, hydrogen, hybrid vehicles and parts - Promotion of the use of public transportation
		Green construction Support for construction projects that contribute to energy conservation and environmental pollution reduction - Buildings that have obtained green building certification - Construction and renovation/repair of green buildings, etc.
Social bonds	Bonds issued for the purpose of raising funds to invest in the projects designed to solve social problems by supporting the underprivileged, building social infrastructure, and others.	
	Area and eligibility	Basic infrastructure Provision of basic social infrastructure for the underprivileged - Safety, disaster prevention, and improvement of worn-out facilities - Welfare and cultural infrastructure improvement projects for culturally vulnerable areas, and the like.
		Basic service Provision of basic services for the underprivileged - Support for education, financial services, improvement of accessibility to welfare and cultural services, and others
		Low-cost housing Support for the purchase or rental of residential facilities
		Socio-economic development Provision of financial benefits to small businesses and other eligible people Financial support for low-income people Support for venture businesses and small and medium businesses Support for startups that were founded three years ago or earlier

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Inclusive and Innovative Finance

Support for Small and Medium-sized Businesses and Retailers

Shinhan Card provides financial services and support for sharpening competitiveness, marketing, and sales channels to small and medium-sized enterprises (SMEs) and retail merchants. We work together with public institutions to offer merchants who have been hit hard by COVID-19 a range of services for sales increase.

Expansion of financial support for low-income persons

In Oct. 2021, Shinhan Card introduced the Shinhan Card MyCredit Business Loan, a loan for operating funds that incorporated MyCredit, to help retail merchants who have financial problems. The loan has low or capped interest rates for retailers and businesses with a certain amount of income. We will continue to do our best to develop new products and services that benefit low-income people and lay the foundation for mutual prosperity.

Allthat Shopping showroom for small businesses

Shinhan Card operates a showroom in the Allthat Shopping platform to provide SMEs and retail merchants with marketing and sales channels. In 2021, we helped them sell over 2,000 items worth KRW 100 million in sales in the showroom.

Cheer-Up Program for small businesses

Shinhan Card launched the small business CUP (Cheer-Up Program) as they have suffered substantial economic damage due to the continued COVID-19 pandemic. We provided market analysis training at Shinhan SOHO Academy and Baehwa Women's University's Open Campus to get an insight into the latest market trends in Seoul for their businesses. We will continue to offer training to help them sharpen their competitive edge.

Recommended dining map service

Based on Shinhan Card's BigData analysis, we are operating a service that recommends small-scale restaurants on the map. When a customer who has agreed to receive information enters a specific commercial area or makes an approved transaction, a push notification is sent to guide the 'recommended dining map service'. It gives information on restaurants on diverse themes, such as local diners, favorite restaurants, and popular places for desserts, among others, and restaurants that accept disaster relief funds given by the central and local governments using the Shinhan Card consumption data. As of 2021, over 121,000 restaurants are on the list.



Related Page: Shinhan pLay menu on the right > "Useful Service" on the bottom > "attractions"

Tips for using COVID-19 relief funds

Shinhan Card has launched a program that gives clever tips for using Coronavirus relief funds more conveniently so that local small businesses can benefit from it. The program is designed to identify where the user is and give information on the shops and restaurants where one can use Coronavirus relief funds through push notifications, ultimately contributing to mutual prosperity between customers and shops.



CASE STUDY



Data flagship program for people with thin credit files

Shinhan Card upgraded its credit rating system as it was chosen for the 2021 data flagship project sponsored jointly by the Ministry of Science and ICT and the National Information Society Agency (NIA). The personal credit evaluation items in Korea are based on one's financial transaction history. To address the problem, Shinhan Card has introduced a reasonable credit evaluation system that utilizes non-credit data from different industries for people with thin credit files, such as those who just entered the workforce, elderly, and foreign nationals living in Korea. In doing so, we expect to come up with measures for data-based inclusive finance.

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| MySHOP Partner Concept |



Shinhan Card MySHOP Partner

Shinhan Card has upgraded its MySHOP Partner in Sep. 2021 to transform it from a simple marketing tool to a ‘general financial services platform’ for self-employed persons. In doing so, we subdivided the services necessary for business operation for each step and provided the services to merchants for free for their convenience, so businesses can manage sales and expenses with MySHOP Partner alone. It also allows them to manage part-time workers and have access to customer survey services. In addition, we operate MySHOP Coupon to provide support for online marketing. When businesses can select targets or marketing and decide the number of targets, duration, and ideas for promotions (cashback, mobile coupon, etc.), we select the best possible customers using our big data to issue marketing coupons. We also cover all the fees necessary to use the service.

Currently, more than 60,000 businesses are using MySHOP Partner. We will continue increasing more services, including loan and insurance products exclusively for merchants to become a business partner platform that is indispensable to small businesses.

First financial service provider to obtain private business credit rating certification and business license

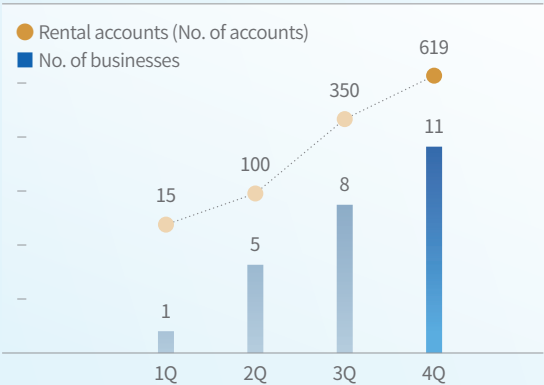
In Sep. 2021, Shinhan Card became the first financial services provider to obtain the private business credit rating certification and business license with its BigData competitiveness, specialized information on private businesses (SOHO), and years of experience in modeling. In Dec. 2021, we utilize seven products, such as merchant profile service (MPS), for credit review of 12 customers. With our proven credit rating capacity, we will push further to provide innovative financial services to small businesses and merchants.

Rental brokerage platform “My Rental Shop” service

Shinhan Card’s My Rental Shop (MyRental#) platform service is designed for SMEs to enter the fast-growing rental market readily even without the ‘rental processing’* infrastructure as Shinhan Card does all the business for them from rental review and e-contract to billing and payment. With our BigData know-how, we recommend the best possible rental products and provide marketing support, on the one hand, and provide digitization of the rental process and eligibility criteria through customized rentals for each partner. This service was named an innovative financial service by the Financial Services Commission. As of Dec. 2021 after its launch in Nov. 2020, a total of 11 promising small and medium businesses joined to secure 619 rental accounts. We will continue to provide the service for the prosperity of SMEs and grow into a platform that leads the rental market in the future.

* Rental processing: This refers to the establishment of a process to provide rental services, such as review of rental eligibility review, e-contract signing, invoice scheduling, payment, and mid-term cancellation and termination on the maturity date

Rental platform in 2021 at a glance



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Shinhan Card’s Financial Innovation

Shinhan Card is leading the industry in diverse aspects, including scale, profitability, and brand power, by continuously introducing peerless innovation models tailored to the SFG's new vision, “More friendly, more secure, more creative finance.”

| Shinhan Card financial innovation system |



As the global business environment is rapidly changing, we are seeking to secure a competitive advantage in the future market by making a strategic equity investment through direct investment or investment in the SFG SI Fund. Also, we are striving to create a new financial ecosystem for innovative growth through the operation of company-wide venture businesses that encourage employees to challenge themselves and build creative capacities, proposal of ideas through a platform for employees, and collaboration and investment with external startups.

Innovative financial services
(sponsored by the Financial Services Commission)

Shinhan Card is the first single-business company to be recognized by the Financial Services Commission for its 12 innovative financial services* during a period of three years, including the credit rating program for self-employed people, credit card-based remittance service, investment of

loose change into foreign stocks when making credit card payments, monthly rent payments with credit cards, and integrated My Data certification service, among others. As the winner with the largest number of services to be designated as innovative among the participants, Shinhan Card has been creating tangible results. To give an example, four services we launched were designated in 2021 and 10 services among the 12 have been turned into reality. We continue to do our best to introduce the remaining two innovative financial services on the market in due course.

* Innovative financial service: A system that grants special exceptions to innovative financial services that give a positive impact on customers, society, and businesses by lifting or deferring regulations under certain circumstances (duration, location, and size) in order to make it possible for the services to be introduced, tested, and verified on the market.

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| Innovative financial services selected for the last three years (cumulative) |

Participant	Service and Description	Date
Shinhan Card's Innovative Financial Services (12 services designated during a period 3 years)	MyCredit: Individual business credit rating using information on credit card sales	Apr. 2019
	MyTransfer: Wire transfer of money (cash gifts, etc.) between individuals using credit cards	Apr. 2019
	Small-sum investment through personal expenditure management: Investment of loose change or a fixed sum of money in the overseas stock market when making card payments	Jul. 2019
	Facial-recognition payment service "Shinhan FacePay": A future-oriented payment system that allows you to pay with your face	Oct. 2019
	Monthly rent payments with credit cards: A service that allows card holders to pay their rent (currently paid with cash) with credit cards	Nov. 2019
	Rental processing service through rental brokerage platform: A service that helps small and medium manufacturers to sell renting products	Feb. 2020
	Overseas transfer service for non-residents and foreign nationals living in Korea (applicable to 5 credit card companies): Approval of credit card companies to provide the transfer service (business limit applicable to all)	Sep. 2020
	Expedited payment service for merchant sales: Payment to retailers with points, fee reduction, and shorter payment terms	Dec. 2020
	Family card service for minors: Issuance of a family card for middle and senior high schoolers who are 12 or older, allowing them to use their own card without borrowing	Jan. 2021
	My Data integrated certification service in the financial sector (applicable to 28 companies): Authentication required by each business involved when using My Data -> only one integrated authentication required	May. 2021
	My Data information on credit card use (applicable to 9 credit card companies): Business registration numbers of credit card issuers offered by My Data	Oct. 2021
	Contactless card issuance service using facial-recognition technology (fast-track): Video call during contactless authentication ->approved to replace facial-recognition technology	Nov. 2021

Family card service for minors
'My TeenS' card

Driven by the recognition as an innovative financial service in May 2021, Shinhan Card launched the 'My TeenS' card for youths, a financially vulnerable group, and issued 3,072 cards in five months.

The 'My TeenS' card is designed for parents of teenagers aged 12 years and up to apply online for their children. It allows parents to suspend and adjust the card limit at any time. The card can be used at convenience stores, hospitals, pharmacies, online bookstores, stationeries, and the like. It is also accepted for public transportation, and delivery services, among others. It also provides a card-monitoring service that notifies parents whenever a transaction is made on the card in real-time. In addition, teenagers can earn points and discounts automatically when they use the card at a GS25 convenience store and receive virtual gifts depending on how much they use monthly. They also are given an automatic discount whenever they use the card for public transportation. We provide youth financial education programs on the My TeenS-exclusive screen to guide children on how to use credit cards responsibly.



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Integrated My Data integrated certification service

On Dec. 1, 2021, Shinhan Card launched the ‘My Data Service,’ a more friendly and secure, innovative AI asset manager based on its BigData and digital capacity, which is the best in the industry. My Data integrated certification service was designated along with other 28 organizations as an innovative financial service by the Financial Services Commission. We started providing consulting services for innovative finance-based investment, a first by a local the finance company, and created the ‘DNA Project Team’ through which to take a leap forward to become a My Data-based platform business. We also undertook the UI/UX project for the optimization of My Data in order to provide a peerless customer experience. We plan to share mobile-based personal experiences in asset management nationwide by providing AI asset management services, including personal expenditure management, integrated asset inquiry, customized financial products, credit management services, and useful investment information using Shinhan pLay.

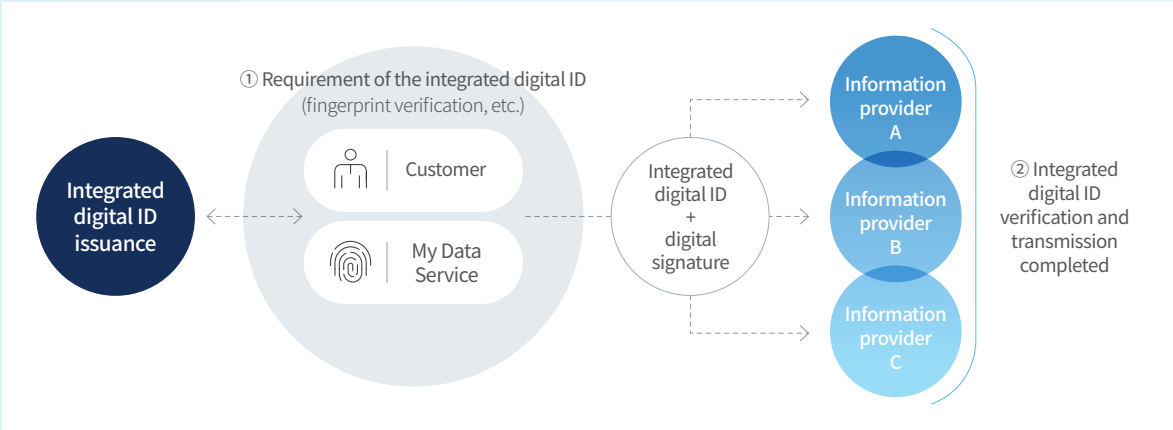
Provision of detailed information on credit card spending

In Dec. 2021, Shinhan Card launched a service that provides the business registration numbers of the shops along with the information on the cardholder’s credit card spending. It is designed to provide My Data operators with upgraded customized services that allow them to have accurate information on the business types and activities of retail shops.

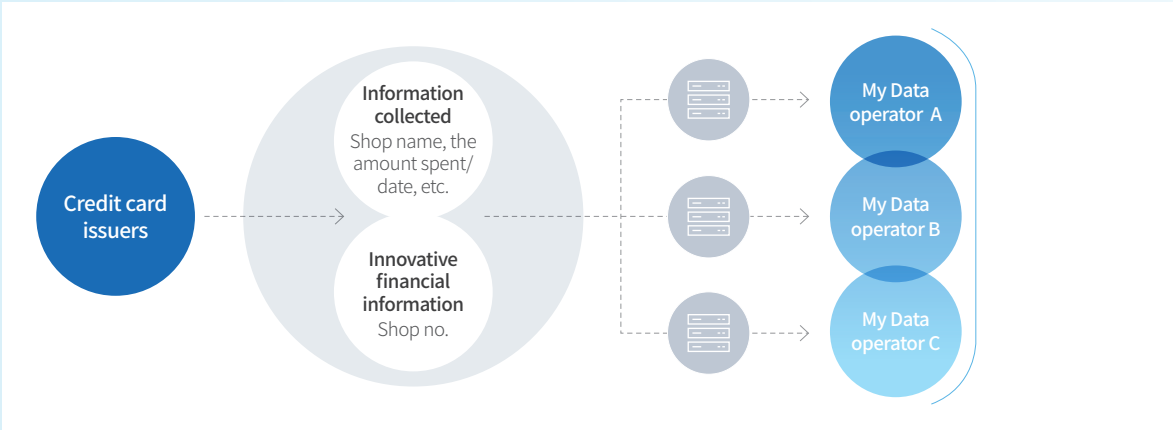
Non-face-to-face card issuance service utilizing facial recognition technology

The contactless credit card issuance service was introduced for the first time in the credit card industry in Korea by Shinhan Card. Taking advantage of the facial-recognition technology, the contactless card issuance service is capable of verifying the card applicant’s ID and name through the photo of the ID card and then the selfie before issuing the card. This service, an upgraded version of the identity verification method that uses video calls or the applicant’s bank account verification, incorporates bio-

Overview of the integrated verification system

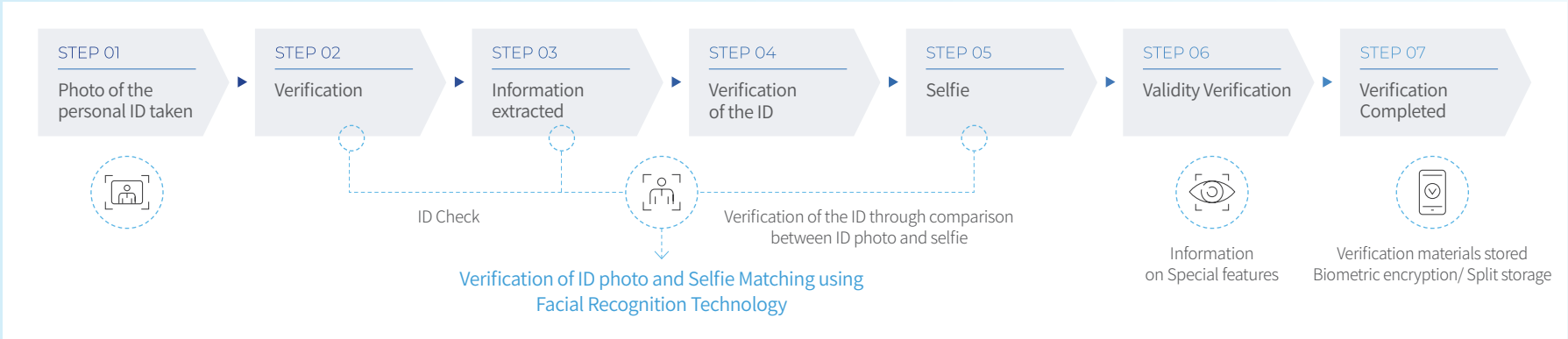


My Data integrated verification service



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| Contactless Identity Verification Process |



metrics and cutting-edge digital technologies, image reading, and encryption/decryption, among others, to streamline the process of issuing credit cards contactlessly and make credit card use more readily accessible to those who have difficulty using video calls. We expect that the service will increase customer convenience and save time.

Support for Startups

I'm Ventures

In an effort to create an innovative growth ecosystem that the SFG pursues, Shinhan Card teamed up with 18 businesses to develop a collaborative model through I'm Ventures, an in-firm venture and startup support program. We have injected KRW 74.5 billion to the New Technology Investment Cooperative, which the SFG created with the aim of investing in startups that specialize in new technology, and directly invested KRW 7.8 billion in innovative businesses. We continue expanding our investment in the 18 startups as they are expected to create synergies for mutual prosperity.

'CV3', the in-firm venture business, which has been nurtured by the I'm Ventures program, became the first in the credit card industry in Korea to be spun off as an independent business. Shinhan Card has injected KRW 200 million in equity investment, while the SFG is providing a wide range of support, such as office spaces, incubating education, and mentoring IR, through the startup nurturing program Future's Lab. 'CV3', which collects and analyzes information on each product that has been showcased in live commerce to offer the information that appeals to customers' tastes, is consistently making progress.



| Collaboration with Startups and Investment Activity |

Classification	Activity
Collaboration with startups	A total of 18 ventures were selected through the I'm Ventures program for their innovative technologies and services in diverse areas, such as payment, fintech, and lifestyle platform, among others; identification of collaborative work agenda, business model development, and other joint programs
Investment in innovative businesses	Investment in innovative businesses with excellent technologies (KRW 7.8 billion in 18 businesses); startup growth through strategic partnerships and the creation of an ecosystem through strategic partnerships

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Partnerships with Social Ventures

Shinhan Card teamed up with the Korea Productivity Center to provide social ventures among the ventures that were selected through I'm Ventures with mentoring and educational programs. We created a social partnership model for mutual prosperity with social ventures, supporting startups to become full-fledged businesses and creating investment opportunities.

In May, 2021, Shinhan Card launched the in-firm venture Art for the first time in the industry in Korea. With 'Art+', which was selected as the 6th venture born out of the I'm Venture program as the leader, we held the first art fair 'The Preview Hannam with Shinhan Card'. As sales of home décor artworks have increased rapidly due to the continued Covid-19 pandemic and the transaction of art for fun or as a means of investment has grown rapidly, Shinhan Card views art as a niche market and is seeking to open a new market by connecting credit cards with art.

The Preview Hannam with Shinhan Card was held twice at the Nemo Hall in Blue Square in Hannam-dong, Seoul, which Shinhan Card has sponsored. The show focused on discovering and supporting new galleries and further artists. Over 30 selected galleries and 60 artists joined to display and sell their works and produced collaboration items by taking advantage of the brand power of Shinhan Card in a bid to offer more opportunities to

young artists. We also incorporated the exhibition sponsorship project of Shinhan Bank's Mecenat facility 'Shinhan Gallery' to hold a special exhibition for artists with physical disabilities as part of the art fair in an effort to turn its vision of mutual prosperity with the cultural and art circles into action at the SFG level.

'Art+' is also preparing 'My Art Flex,' an online art platform designed to connect sellers and buyers with the N-th market* for artworks. 'My Art Flex' not only allows direct transactions between buyers and sellers, it also offers a space in which participants showcase their collections, and share information on art exhibitions and take quality lecture classes given by professional artists. This meets the needs of millennials and zoomers to express their identity through art consumption and pursue art life.

Once the platform is launched, we plan to expand our business model by incorporating our business areas, such as digital-based recommendation and management, additional payment modules, and reward point management, among others, with our big-data prowess under our belt. We will continue promoting in-firm venture activities based on Shinhan Card's ESG management strategy for mutual prosperity, discovering new ideas as growth engines for the future, and spreading a creative organizational culture. In doing so, we will sharpen our unique competitive edge.

*N-th market: This refers to an auction market where artworks are sold and resold many (N-th) times.



The Preview Hannam with Shinhan Card

STAKEHOLDER INTERVIEW | STARTUP



"Hoping for better financial access and more financial education opportunities for future generations"

Athenas Lab, which operates community services for elementary, middle and high school students, participated in the Shinhan Card Startup Support Program in 2021. Shinhan Card provided in-kind support for market research, which is highly challenging for startups for economic and other reasons, helped us develop and upgrade our service. I hope Shinhan Card will continue working hard to improve financial accessibility and increase financial education opportunities for young people, our leaders in the future, as part of its sustainable management.

Im Hyo-won, CEO of Athenas Lab

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Shinhan Day discount event

Shinhan Card held the Shinhan Day event, which is designed to benefit customers related to payment, O2O service, and other digital payment services. Launched in 2020, the monthly event has received positive responses from our customers as it gives discounts when they make purchases at the shops they frequently visit, online or offline. The event, which is held every month based on a different theme, has been upgraded in order to meet the needs of customers who use contactless shopping and digital payment services. We continue upgrading our services in order to provide our customers with unrivaled benefits. In June 2021, we provided discount events, such as “10% cashback bonus on restaurants and movies,” “KRW 3,000 cashback offer for simple payment service users” and “KRW 3,000 cashback offer for installment payment service users.”



Shinhan Day Discount Event

Establishment of an early sensing system for small businesses (promising online businesses)

Shinhan Card has established a process designed to discover new and growing small businesses, not existing large e-commerce companies, by its combining BigData analysis capacity with sales/industry and online information. We are striving to lay the foundation for discovering examples of how various SMEs/merchants grow by considering their value now and in the future. Especially, we are establishing a multi-faceted support system to discover promising companies such as startups that are emerging in the rapidly changing market amid COVID-19 and collaborate with them for mutual prosperity.

Expansion of startup-only corporate cards

Shinhan Card is the first organization to issue non-face-to-face corporate cards to businesses that sponsor the Korea Institute of Startup & Entrepreneurship Development. We expanded our services for startups, such as Saas tracker, card management service, and provision of increased credit limit (KRW 10.3 billion as of 2021). In doing so, we achieved a startup-only card usage rate of 76.8 percent, exceeding the 63.9 percent usage rate for general businesses as of 2021. The transaction amount in 2021 was KRW 33.2 billion, which is ten times more than the KRW 3.3 billion in 2020, and added 361 members to secure a cumulative total of 552 members.

Financial support for startups

Shinhan Card has increased digital-based contactless loan applications and supported startups that suffer from financial difficulties by nature by increasing their credit limits. As of the end of Feb. 2021, we increased credit limits up to KRW 6 billion for 244 startups by receiving some deposit collateral and researching for the borrower's deposit balance through scraping for risk management. We plan to increase the limit by KRW 2 billion by receiving additional deposit collateral; and in doing so, we plan to increase innovative financial support and transaction amount to help start-ups reach their full potential.

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Customer Value Creation

Consumer-Centric Management System

Consumer-Centric Management Strategy System

With the establishment of its consumer-centric management system, Shinhan Card aims to reflect the needs of financial consumers in business activities, establish specific processes for financial consumer protection, and strengthen financial consumer protection capacities and expertise through education and training. In doing so, we can effectively protect our customers and provide prompt relief, on the one hand, to win financial consumers' trust, and on the other to further sharpen our competitive edge in consumer protection.

Consumer-centric management strategy

Reflect the needs of financial consumers

Establish a financial consumer protection process

Build capacity for financial consumer protection and expertise

- Customer participation system (customer panel FGI, analysis of the impact of consumers on new products)
- Work process improvement based on consumer complaint and voice of the customer (VoC) and creation of a feedback system

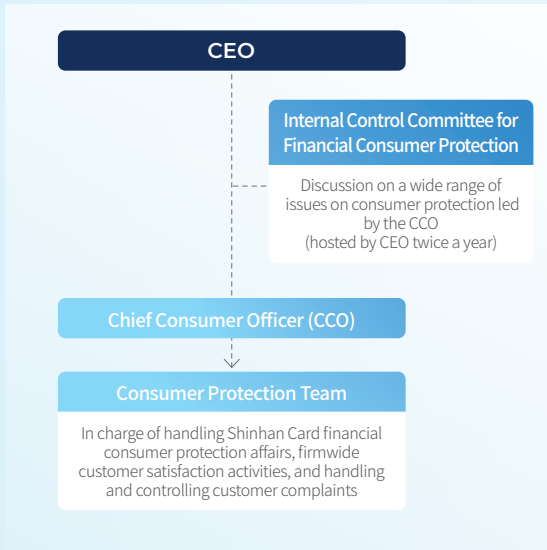
- Preparation of a consumer protection systems/policies throughout the entire process from product development to sales
- Establishment of mis-selling prevention process

- Operation of the firmwide consumer-centric management system internalization program
- Provision of training for employees' capacity for consumer protection

Consumer-Centric Management Promotion Organization

Shinhan Card has appointed a Chief Consumer Officer (CCO) under the direct control of the CEO to promote prompt and consistent consumer-centric management. The consumer

Consumer-Centric Management Organization Chart



protection team, which is responsible for consumer-centric management, serves as the command center. The consumer protection team listens to the voice of the customer and handles customers' complaints as valuable sources of management. It also holds the firmwide internal control committee meeting for financial consumer protection on a regular basis for the stable management of internal control in relation to the Act on the Protection of Financial Consumers and discusses major issues on consumer-centric management.

Customer-Centric Products and Services Improving Financial Access

As financial products become more complex and diversified, financially vulnerable groups such as youths, seniors, and people with physical disabilities may experience difficulty or

unexpected financial damage while using financial products and services due to their little access to information. In order to minimize the damage that can be caused by a lack of information and asymmetric information and preemptively respond to the government and supervisory authorities' inclusive financial policies, we launched a Braille credit card and AI chatbots and created a manual to protect socially vulnerable people. We are also preparing a manual for the protection of financially vulnerable people for each work process. In 2021, Shinhan Card introduced the 'designated guardian alert service' for seniors in an effort to create an age-friendly financial environment, which the Financial Services Commission is carrying out, and prevent possible bank fraud, etc.

With the introduction of the 'designated guardian alert service', a senior over 65 can designate one of his or her family members or other people as a guardian. Shinhan Card, then, sends a text message to the senior and the designated guardian whenever she uses a long-term card loan (card loan), or short-term card loan (cash advance) in real-time. The service helps prevent financial scams including voice phishing targeting seniors and responds promptly to any financial loss caused by financial fraud.

Shinhan FacePay

Shinhan Card has been seeking ways to provide its customers with convenient services based on technological development in the era of the 4th industrial revolution and help diverse groups of people benefit from the services. We then developed the payment system Shinhan FacePay with digitally disadvantaged people in mind. Shinhan FacePay, which uses biometric verification, split storage, and encrypt payment technology, is convenient enough for customers to make payments by simply adding their credit cards to the app without having to carry plastic cards or even cell phones. We have also upgraded the service in order to make it better analyze the upper part of the face not covered with a facial mask so that customers can use the payment system without having to remove the facial mask if

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they register their face using the unmanned registration device without wearing a facial mask. Shinhan FacePay, which was selected as an innovative financial service by the Financial Services Commission in 2019, was used for the first time in Korea at the hybrid convenience store, CU Hanyang University Dormitory Branch. In 2021, Homeplus World Cup Branch also started using Shinhan FacePay, which prompted us to spread the facial recognition payment system to large retail stores in Korea.

Shinhan Card Mobile Wallet

Shinhan Card Mobile Wallet is a simple payment service that allows you to make payments with your smartphone without a physical card, offline as well as online. Driven by the success of the service for Android devices, Shinhan Card launched its iPhone version in 2021, which allows iPhone users to make payments using their cell phones offline for the first time in the world. The service is accessible to any iPhone user of any model with an iPhone case or card wallet-type device.

The amount spent using Shinhan Card Mobile Wallet and no. of payments made in 2021

KRW 538 billion / 17.75 million times

AI-based comprehensive asset management service

Armed with the best BigData and digital capacity in Korea, Shinhan Card started providing the asset management service ‘Shinhan MyReport’ in Mar. 2020. We moved on to upgrade the service to launch the AI comprehensive asset management service ‘My Data’ in Dec. 2021. Shinhan Card My Data is designed to provide friendly, comprehensive asset management platform services loaded with useful information from customers’ perspectives. As a result, it attracted over two million subscribers, the largest in the industry, as of Jan. 2021. In order to integrate customer information, we increased the number of information providers to 215 and organized the information in a way that can be readily

accessible at a glance. In particular, it contains your financial status (savings, debts, net assets, etc.) on one screen, detailed status of each asset, and your credit score. It also allows you to manage your expenditure through a timely notification and track your spending using the financial calendar. In addition, it analyzes your consumption habits and to recommend customized financial products and connect the data with spending stories, offering daily life-related information useful for reasonable spending.

Specialized credit rating model tailored to the elderly

We have forecasted that the number of our customers aged 60 and over will increase from 21.4 percent in 2021 to over 30 percent in 2026. In order to preemptively respond to accelerating population aging and paradigm shift, we have developed a credit rating model tailored to seniors and shored up the ESG-based inclusive finance infrastructure. Above all, we developed a specialized credit rating method unique to Shinhan Card by reflecting pension status, employment status, and card spending patterns of our customers in their 60s and 70s in order to address the disadvantages they face in the credit-rating process. In order to meet the financial needs of seniors and offer inclusive banking opportunities, we practice inclusive finance and the credit rating model specialized for baby boomers is an example. We plan to develop credit rating and risk management models for each age group in response to changes in line with the SFG’s strategy to deal with changes in demographic makeup.

Writing from customers’ perspectives project

In 2021, Shinhan Card undertook a customer-friendly writing project in partnership with relevant departments in an effort to write friendly messages from customers’ point of view, messages with integrity that reflect Shinhan Card’s unique tone and manners, and succinct messages, moving away from unilateral communication from our perspective. We teamed up with relevant departments. We have invited professional



Matchless platform service

Matchless user experience insight (UX/I) supplied for digitally disadvantaged people



Mobile sign-language counseling

Sign-language counseling service for customers with hearing impairment (using a mobile/pc channel)



Foreign language counseling

Foreign language service for foreign customers

copywriters to provide online training with the aim of improving our writing and sending messages from customers’ point of view. We are also making diverse efforts to provide customer-centric peerless customer experience to customers of all ages. We will apply User Experience Insight (UX/I) in consideration of digitally disadvantaged people and mobile counseling or foreign language counseling services to practice customer-centric management and create social value.

Banking fraud prevention service

As voice phishing has increased rapidly and customers are increasingly in demand for the prevention of phishing and compensation for the losses caused by phishing, we have launched the ‘phishing security service’ by upgrading the anti-phishing app Phishing Eyes. As the first of its kind in Korea, the service incorporates phishing prevention services and a monthly fee is charged.

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Process Improvement from Customers' Perspective

Development of SFG's Shinhan Pay

The SFG's integrated payment system, 'Shinhan Pay', has redefined the meaning of convenience in payment systems from customers' perspectives apart from existing payment services. Shinhan customers can conveniently use the payment service without having to apply for a credit card. Also, youths, who are not eligible to apply for a credit card, can use the payment service. In other words, the SFG has improved its payment service in a way that customers can have access to the service they want from the customers' perspective.

Jeju Security Code Service

Shinhan Card introduced the 'MyID platform' based on ICON-LOOP's DID (Decentralized IDentifier) technology to make its pLay wallet more powerful and added the Jeju Security Code for the first time in the financial sector in Korea. It is the first service we provide by adopting the platform. The Jeju Security Code is the blockchain KI-pass Jeju Island and ICONLOOP jointly developed for the prevention of COVID-19 and effective epidemiological surveillance. When visiting an indoor place on Jeju Island, you have to take the picture of the QR code, which is provided in the store, using your smartphone camera through the 'Jeju Safe Code' application to complete verification. Shinhan pLay equipped with the Jeju Security Code allows you to enter public places on Jeju Island without having to install any other application.

Shinhan Meme card

In Oct. 2021, Shinhan Card and Shinhan Bank jointly launched 'Shinhan Meme,' a prepaid electronic payment system, which teenagers aged 14 to 18 years can apply for by using Shinhan pLay and Shinhan SOL without a payment account and use right away after loading it. Shinhan Meme allows cardholders to readily



use the payment system using the 'Shake & Slide' function by shaking their smartphone. The card is available in four different trendy designs: metaverse, sticker, ghost, and flexpace, reflecting teenagers' preferences. Especially, the card holders can earn 5% cashback of the amount they use in convenience stores, music streaming platforms, and app markets, which teenagers use frequently. Also, the card can serve as a mobile transportation card for youths. In addition, it allows for money transfer without fees through Shinhan pLay and Shinhan SOL.

Simplified screening using public My Data

Selected for the public My Data project, Shinhan Card collects administrative information necessary for credit card issuance in real time with individual consent and utilizes them for screening. We collected five different kinds of information, including income certificate, Certificate of Register (abstract), health insurance qualification certificate (for both employed and unemployed) from 3 different public offices, including the National Tax Service, the Ministry of the Interior and Safety, and the National Health Insurance Corporation, through public My Data in order to issue credit cards. Using public My Data, we could contribute to enhancing customer convenience and issued over 94,000 credit cards cumulatively in 2021. As we are allowed to have access to loan-related information while participating in the project in 2022, we plan to use the information for card issuance or automatic loan review after the completion of internal infrastructure maintenance.

STAKEHOLDER INTERVIEW | CUSTOMER



"Continue listening to customers for innovation"

I have been working as a member of the advisory group for Shinhan Card's customer panel for four years, participating in the improvement of Shinhan Card's products and processes. Shinhan Card always puts customers first in mapping out future plans and planning products and services. Shinhan Card operates the customer advisory group. This year, Shinhan Card recruited 3,000 customers, online and offline, first of its kind in the credit card industry in Korea, to listen to customers. While Shinhan Card is customer-centric as such, it still has increased in sales as well, achieving both qualitative and quantitative growth. In order for Shinhan Card to stress sustainable management, I think the practice of 'equity' is essential. Shinhan Card should adhere rigidly to its equity standards when recruiting its workforce, evaluating employees' performance, and abiding by compliance, internally, while setting its principles of action in order to utilize the enormous volume of customer information collected through its platform in the data era and carry out its corporate social responsibility activities. I hope that Shinhan Card continue to listen to customers and achieve innovation without compromising its principle of equity.

Lee Myeong-ryeol, a Member of the Customer Panel

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Customized Services for Millennials and Zoomers

Shinhan Card is drawing positive responses from young customers by accurately identifying and providing the products and services millennials and zoomers want. We chose BTS as Shinhan pLay’s ambassador and launched the Weverse Card loaded with a variety of services youths want by teaming with the financial industry. We also provide teenagers with a variety of useful services, such as the charge card Shinhan Meme and mobile student ID, among others. Other services include Mobetter Works, a limited-edition collaboration card, PLCC(Private Label Credit Card) in partnership with specific brands favored by youths. We strive to provide the products and services customized to meet the changing tastes of our customers by, for instance, teaming up with resale and subscription market leaders and introducing ‘My NFT’, the first NFT issuance/inquiry service, a first by a local financial company, among others.

MZ Player

In 2021, Shinhan Card created the ‘MZ Player,’ a specialized panel for millennials and zoomers, in the customer panel ‘Shinhan Cider’ in order to listen attentively to the voices of young customers. Consisting of 20 customers in their 20s, the Shinhan Cider MZ Player presents diverse ideas regarding new products, services, and marketing activities targeting teenagers. They also advertise their diverse activities using social media, contributing to increasing brand recognition among youths. We will continue to expand our business models based on young customers by identifying the products and services our customers want through the diverse activities of the MZ Player.

Resale market

Shinhan Card signed a partnership agreement with Beongae Market, the second-hand market, where more than 70



percent of the customers are millennials and zoomers, in recognition of the importance of youths as an emerging customer of the resale market whose sales hit KRW 20 trillion annually. In Oct. 2021, Shinhan Card formed a strategic partnership with Beongae Market for the development of specialized services for youths and the linking of finance and lifestyle for the expansion of the platform T&T (traffic & Transaction) by linking the platforms of the two parties. Both parties agreed to jointly develop resale technology to improve the convenience of second-hand sales and product authentication. We then moved on to issue our first NFT to let the market know about our strategic cooperation. Shinhan Card and Beongae Market will work together to consistently discover new agendas and create synergy in all business areas where cooperation between financial and resale platforms are possible in the future.

Card design targeting teens

Shinhan Card is showcasing a wide range of card services and designs in a bid to offer rich brand experiences to young customers. For instance, the digital debit card Shinhan Meme captures the lifestyles zoomers share, such as street culture and emojis in witty and appealing designs. Also, Shinhan Card My TeenS, a family credit card for underage children,

puts a futuristic and luxurious image on the card to add value to the first-time credit card experience. It also comes with cute designs appealing to the age group to choose from.

Moreover, we are enhancing the value of our young customers by introducing credits in diverse designs that reflect the ‘fandom’ culture. For instance, the PLCC products developed jointly with the comprehensive platform Weverse for global fan communities incorporate four stories about K-pop artists, including BTS, SEVENTEEN, TXT, and ENHYPEN, in relationship with fandoms. We incorporated diverse technologies, such as diffractive optical elements (DOE), 3D lenticular, and the like, to add newness. The special package and collectible credit cards with photo images also offer special integrated brand images. In addition, we collaborated with Mobetter Works, which is rising as an icon that communicates the perspectives of young consumers through designs and messages. We also jointly undertook marketing activities and renewal of Deep Dream credit and debit cards, which capture the two-dollar bill, a symbol of good luck, packaged in a yellow envelope advertising materials that look like bills. We designed the card to look lively and amusing with ‘Small Work Big Money,’ the motto that resonates with youths, and issued 3,826 cards in two months.



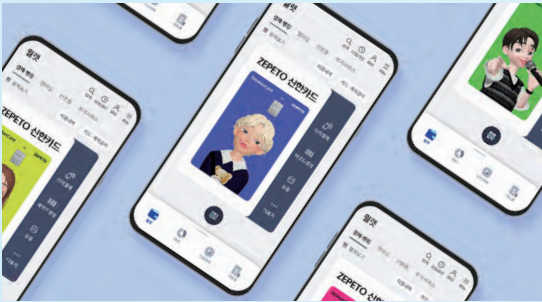
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MOU signed with ZEPETO

Shinhan Card signed a strategic partnership agreement with Naver Z* in July 2021 to secure a contact point with teens, a major consumer demographic in the future, and to create a financial ecosystem preemptively in the metaverse area, a global trend. We are preparing to launch the ‘ZEPETO Shinhan Card’ in line with financial patterns in the lives of teens, heavy ZEPETO users. The ZEPETO Shinhan Card will be prepaid and digital cards teenagers can readily apply for. We plan to launch the card by allowing teens to link their ZEPETO IDs so that they can design their own cards by using their own avatars. In addition, We plan to integrate Shinhan Card metaverse items into ZEPETO so that your avatars can navigate the new territory, experiencing Shinhan Card’s digital payment systems, products, and advertising videos.

* Naver Z: The operator of the metaverse platform ZEPETO, which is popular among Zoomers.



Merry Life with Cards

Shinhan Card introduced the consumer guide webtoon ‘Merry Life with Cards’ to provide useful information to Zoomers who



are the first-time credit card users and help them responsibly use their credit cards. We produced the webtoon, a platform that teenagers are familiar with, and download a series of webtoons on the blog to readily communicate complex financial information with young customers. In doing so, we expect to contribute to helping teenagers have ready access to useful information, including voice phishing, how to use points, and payment default, among others, and protecting Zoomers’ rights and interests as financial consumers.

Customer Engagement to Improve Satisfaction

Customer panel ‘Shinhan Cider’

Shinhan Card operates the customer communication channel ‘Shinhan Cider’ in an effort to communicate with customers from their points of view and, in doing so, provide tangible values to them. We have introduced the customer panel system in order to accurately identify the products and services our customers want and reflect their voices in our business activity. Starting in 2020, the panel consisting of over 3,000 members from all walks of life is working actively, online and offline. We have carried out a wide range of activities, incorporating ideas and feedback as sparkling as cider given by 3,000 panel members of all ages. As Shinhan Card

customers, the customer panel ‘Shinhan Cider’ has actively engaged in a variety of activities, including 4 times of focus group interviews, 7 times of comprehensive analysis reporting sessions, 20 online surveys, and production of a video on the Act on the Protection of Financial Consumers.

Customer Engagement and Incorporation of Customer Feedback (Unit: times)			
Classification	2019	2020	2021
Customer engagement system operation	12	14	31
Incorporation of customer feedback	120	136	113

Voice of the Customer as a Management Resource

Shinhan Card divides customer feedback collected through customer complaints, satisfaction surveys, polls, and the customer panel into four steps, including collection, analysis, utilization, and evaluation. We are seeking ways to utilize the voice of the customer as a guideline for sharpening our competitive edge in handling customer complaints and developing products, services, and platforms by turning customer feedback into our management resource. In order to utilize the customer feedback collected firmwide, we created a ‘single view’ environment which shows all the internal classification systems by unifying them. We also have built an analysis database (DB) that combines structured and unstructured data using speech to text (STT) and text analysis (TA) technologies. By utilizing customer feedback as our management resource, we digitize it to redefine and reorganize all business areas by placing customers at the center. We also strive to fulfill our duties to communicate with our customers and create a value proposition with sincerity, protect consumers, and achieve mutual prosperity.

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Quick ‘Shinhan Poll’ on the Shinhan website

Shinhan Card has built and operated a quick survey, ‘Shinhan Poll’, on its website, through to listen to our customers regarding our products and services. As it is our representative communication survey tool that anyone can participate in, we share customer feedback with relevant departments to promptly find ways for improvement, on the one hand, and provide rewards to participating customers for smooth two-way communication.

Shinhan Poll Conducted in 2021

Total of **25** times
Participated by **158,860** Customers

SNS Channel

Shinhan Card is operating an SNS channel to serve as a lifestyle partner that encompasses the emotional realm beyond the financial lives of consumers. We are communicating with about 3.88 million consumers via various channels such as YouTube, Facebook, Instagram, KakaoTalk, blogs, and posts. We also create 30 materials a month on average to share with over 20 million users. Among them, some 90,000 viewers responded to them (“good,” comments, etc.) In recognition of our activities as such, we have won ‘2021 Korea Social Communication Satisfaction Index Grand Prize’(Minister of Science And ICT Award) for four consecutive years at the Korea Internet Communication Association as a leader in digital communication. We also won The Minister of Science and ICT Prize at the Republic of Korea Social Media Awards as a leader in digital communication.

No. of Channel Viewers				(Unit: persons)
YouTube	Facebook	Instagram	KakaoTalk	
570,000	1.22 million	760,000	1.32 million	

Building Capacity for Handling Customer Complaints

Management of Customer Complaints

Shinhan Card responds promptly to customer complaints filed with external institutions (Financial Supervisory Service, Korea Consumer Agency, etc.) by creating the consumer protection team, which is responsible for handling customer complaints. We also share customer experiences and satisfaction with our products and services via the Internet. We also select valuable opinions that prompt us to take action and reward them through the Yes-Reward Program. We introduced the management system designed to create a virtuous cycle of customer feedback, enhancing financial consumers’ trust and satisfaction.

| Customer complaints filed and handled in 2021 |

Classification	2019	2020	2021
Customer complaints filed	1,030	1,128	993
Customer complaints handled	1,030	1,128	993

Customer satisfaction (CS) training

Since its founding, Shinhan Card has been committed to practicing consumer-centric management as its management principle firmwide. We provide CS training related to CS mind,

| CS training in detail |

Classification	Description
Training materials	Art of counseling, active suggestion of alternatives, expression of sympathy Trust-building, high-level responsive expressions, CS video materials, etc.
Video education	Greetings, requests, responsive expressions, habitual expressions, attentive listening attitude, right expressions, etc.

responses to external institution authorization, and product quality control, etc. to level up employees’ mindset with customers at the center and spread matchless customer service culture. In addition, we are now providing contactless CS training using a video camera due to the continued spread of the COVID-19 pandemic.

Customer satisfaction index (CSI) management

Shinhan Card works together with top-notch local CS consulting companies to continuously improve service quality and maintains the highest spot in the industry in various service quality and customer satisfaction surveys. In 2021, we achieved the highest level of service quality and customer satisfaction by ranking the 1st place in Korean Standard-Service Quality Index (KS-SQI) survey hosted by the Korean Standards Association and the Korean Customer Satisfaction Index (KCSI) survey by the Korea Management Association Consulting for 11 consecutive years, which attests to the reputation of Shinhan Card as a financial company with the highest service quality and customer satisfaction. In addition, we won the first place in the 1st 2021 Korean Consumer Protection Index excellent enterprise (KCPI) survey, a model that structured and investigated the legal compliance status of financial companies as a consumer sentiment index item in accordance with the Act on the Protection of Financial Consumers, along with basic product and service quality inspection. The fact that we won the first place in this survey, which is not comparable with the existing CS surveys, is the result of our consistent practice of customer-centric management. We will continue to do our best to evaluate our service quality through CS surveys for improvement and provide the best possible services customers deserve as an excellent financial company for financial consumer protection.

Customer satisfaction survey

We conduct customer satisfaction surveys in 10 areas to measure and manage customer satisfaction with our products, services, and platforms. The customer satisfaction survey is not designed to simply calculate a satisfaction index; it aims to provide basic

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Customer satisfaction survey results (Unit: points)

Classification	2019	2020	2021
Total score	89.0	89.2	88.0



Korean Standard-Service Quality Index
the 1st place
Korean Standards Association



Korean Customer Satisfaction Index
the 1st place
Korea Management Association Consulting



2021 Korean Consumer Protection Index
excellent enterprise

data for the accurate evaluation of the service level felt by customers and analysis of problems as well as quality improvement.

Increase in Financial Consumer Protection
Strategy for financial consumer protection

Shinhan Card has appointed a Chief Consumer Officer (CCO) under the direct control of the CEO in order for the CCO to perform the tasks of protecting consumers independently. Also, the consumer protection team, which is dedicated to consumer protection affairs, serves as the command center, mapping out firmwide financial consumer protection-related policy and operating a related system, and encouraging all employees to work with consumer protection as the top priority. Especially, we are operating a misselling prevention system to fight the entire process of misselling, which results from financial consumers' limited decision making and sellers' unsound business practices. We are operating a comprehensive monitoring system for financial consumer protection, which examines the Act on the Protection of Financial Consumers, internal regulations, and manuals, among others.

Comprehensive management system for consumer protection

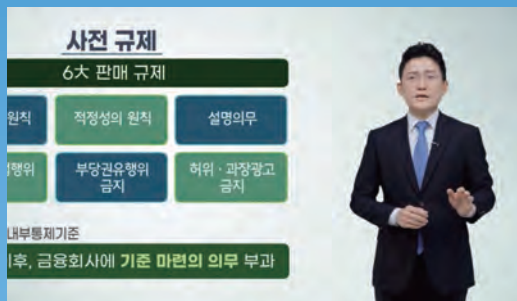
Shinhan Card developed the 'Consumer Protection System5.0' in 2021. It is now utilized as a core platform for the 'voice of the customer as a management resource', and at the same time a comprehensive consulting system for consumer protection. The 'Consumer Protection System', which was launched in 2016, is a firmwide, comprehensive management system that integrates information on financial consumer protection collected firmwide. The Consumer Protection System is loaded with the Data Narrative Analysis (DNA) system, which identifies what customers need by analyzing customer feedback, and capable of identifying the potential causes of customer dissatisfaction through solution-utilized keyword analysis and real-time VoC monitoring. We are undertaking activities to comprehensively improve the consumer protection system by reflecting customer complaints and suggestions.

Financial consumer counseling program

In order to preemptively prepare for the implementation of the Act on the Protection of Financial Consumers in 2021 and protect financial consumer rights and interests, and improve communication with consumers in accordance with the Act, we launched the financial consumer counseling program 'Financial Consumer Guardian'. A team of 120 high-performing employees were selected from each department to serve as the Financial Consumer Guardian and perform in-firm advertising and monitoring related to the Act on the Protection of Financial Consumer.



CASE STUDY



Financial education on the Act on the Protection of Financial Consumers

We conducted online training for all employees to help them better understand the Act on the Protection of Financial consumers, which went into effect in 2021, and to establish a legal compliance system. All employees have completed the educational program, which was held 8 times in total, on financial consumer complaints and the direction of the financial authorities' consumer protection policy, understanding of the Act on the Protection of Financial Consumers, relevant case studies, and issues, among others.

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Information & Data Security

Customer Information Protection and Data Security

Information Protection and Security System

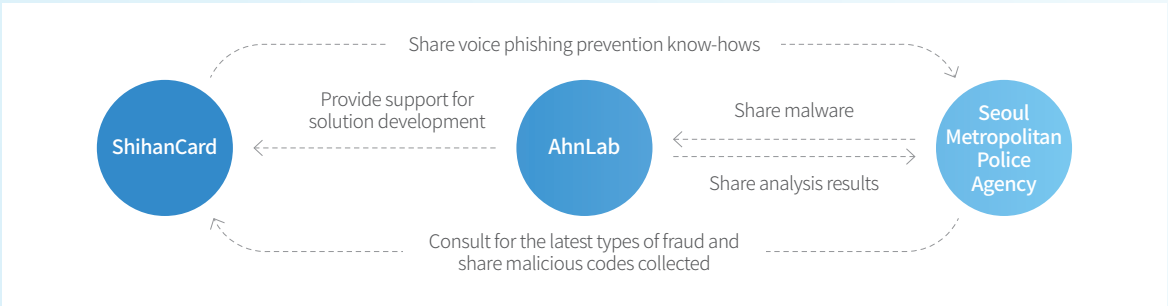
As a financial company that operates business based on customer information, Shinhan Card protects customer information from threats of information leakage and infringement. In order to keep customer information secure, we operate an information protection management system, which includes the formulation of information security policy, status check, detection of abnormal signs monitoring, formation of an information protection system, and security control. In addition, we obtained local and international information security standard certificates (PCI-DSS, ISMS-P, ISO27001), proving our security management capacity and building trust in information security safety externally. In the future, we plan to establish an information protection compliance management system, upgrade the security infrastructure, develop digital/data security expertise, and make the firmwide information protection second nature.

Telecom fraud prevention system

As telecom fraud schemes have become increasingly sophisticated, we at Shinhan Card have strived to prevent credit card fraud losses by organizing a fraud monitoring system and a task force dedicated to responding to credit card fraud.



Shinhan Card Phishing Prevention Solutions



Prevention through FDS monitoring before financial transactions

Classification		2019	2020	2021
Prevention	Amount (KRW 100 million)	183.4	512.0	695.4
	No. of Persons	2,522	7,424	9,946

Above all, we signed an MOU with the Seoul Metropolitan Police Agency and AhnLab (V3) for cooperation to develop a telecom fraud prevention system analyzing diverse examples of telecom fraud and creating a fraud response system. SFG affiliates also signed an MOU with the local police agency for the prevention of telecom fraud (July 2021), building a cooperative system in partnership with internal and external institutions to upgrade fraud prevention systems. In addition, we have worked together with fintech businesses to develop banking fraud solutions (Phishing Eyes, V3 Detection) and utilize BigData for fraud analysis and monitoring, a first of its kind in the local financial industry. Recently, we have also created a real-time voice phishing monitoring system, including high-risk financial transaction detection and delayed bank transfer process, a first by a local financial company. In doing so, we continue working hard to take the initiative

in addressing fraud and reinforcing our financial consumer protection system based on customer trust.

Response to Security Incidents

Shinhan Card is aggressively responding to private information leak, infringement, threats, and other related cybersecurity accidents through a response system. We also conduct an emergency cyberattack (hacking, malware, DDoS attack, etc.) response training and mock training in response to personal information leaks on a regular basis. We also conduct firmwide mock training to avoid malware in business emails and raise employees' awareness of cybersecurity periodically to preemptively respond to a cyberattack.

Upgrading Fraud Prevention Solutions

We have upgraded the credit card fraud prevention solutions using ARS channel transaction abnormality analysis information, spam, and STT information detection. We work together with police agencies and other related external institutions to prevent fraud and conduct fraud awareness campaigns using social media and other channels of communication with our customers. In doing so, we strive to protect financial consumers by creating an environment in which fraud like voice phishing cannot thrive.

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BEST PRACTICES



Grand prize won at the ‘Best Practice Contest for Voice Phishing Prevention’ by Financial Supervisory Service

Shinhan Card won the grand prize at the ‘2021 Best Practice Contest for Voice Phishing Prevention’ jointly held by the Financial Supervisory Service and financial associations and federations. The FD(Fraud Detection) Team with Shinhan Card won the grand prize for its ‘Preemptive Introduction of the Voice Phishing Prevention System in the Credit Card Sector’ in recognition of its contribution to protecting financial consumers through voice phishing prevention by introducing preventive solutions within the DFS system and upgrading the best possible detection techniques.



Fraud prevention through FDS monitoring during financial transaction

Classification		2019	2020	2021
Fraud Prevention	Amount (KRW 100 million)	95.1	121.6	216.7
	No. of victims	662	1,843	2,505

Tough measures to protect and manage customer information in and out of public systems

Shinhan Card has established a system designed to prevent information leakage by applying sectional encryption methods to the customer information sent from public systems by Apr. 2021. We completed systematically encrypting the information transmitted from our partners in the systematic encryption management system in Oct. 2021 to seamlessly protect customer information.

Safer international transaction

We adopted the Address Verification Service (AVS) which enable us to detect suspicious international credit card transactions online and protect our customers from credit card fraud and financial loss.

Information protection training

We at Shinhan Card provide information protection training to employees and business partners in a bid to raise their awareness and understanding of information protection and help relevant staffers sharpen their professional skills.

Information protection training given in 2021

Target	No. of trainees	Hours
Employees	2,785	16,172
Business partners	3,087	15,633

The training is conducted in diverse forms, including training courses given by external institutions, group content online training, in-firm training, seminars and conferences, in consideration of the nature of the job.

ISMS-P certification/ Regular Information Protection Evaluation*

Shinhan Card was the first among the SFG affiliates to acquire ISMS-P certification for all customer service areas, including credit cards, websites, and electronic financial services. We also received the highest grade (grade S) in the ‘Regular Information Protection Evaluation,’ which was implemented first in 2021 in accordance with the revised Credit Information Act, in recognition of the excellence of our personal information protection and security management system.

* Regular Information Protection Evaluation system: A system that evaluates over 3,600 institutions that manage personal credit information in accordance with the Credit Information Act and related laws by monitoring how the information is used and managed and scores/grades of the institutions (held by Financial Security Institute and Financial Supervisory Service)



PCI-DSS ISMS-P ISO 27001

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Talent Management

Diversity and Inclusiveness

Open recruitment

Shinhan Card is committed to reflecting diversity in its employment criteria to promote active communication and cooperation among employees with diverse backgrounds, and to provide equal opportunities in competency-based open recruitment. We recruit our workforce through open recruitment and we advertise job openings using popular social media, YouTube, and various external job portals.

We support open communication for applicants to have access to sufficient information through an open hiring blitz. In the selection process, we adhere to our non-discriminatory policy. In other words, we focus only on the applicants' capacity, regardless of other unrelated factors, such as educational background, residency, physical conditions, age, gender, and so forth. We conduct online video interviews using a digital interview tool in order to provide as many applicants as possible with the best possible opportunities and the safest possible job interview environment amid the continued spread of COVID-19.

Strategy to attract and retain a talented workforce

Shinhan Card is recruiting experts in key digital fields to successfully implement the platform-based 'future business' for sustainable growth, and nurturing internal human resources by offering them specialized training courses. We hire talented individuals all year round by making quick hiring decisions, in addition to the regular job recruitment. In order to help new hires adjust to their new work environment and duties and achieve good results, we operate the onboarding program supported by the HR department and seasoned workers.

We are also providing self-directed career development programs to our employees to support them, and thereby to increase their job satisfaction and improve work performance at the same time.



Nurturing female leadership

Starting in 2018, Shinhan Card has been operating a wide range of programs designed to increase women's opportunities for leadership positions through the nurturing of female leaders program, 'S-DIVA'. In 2021, we gave online leadership training for employees at all career levels and coaching programs for competent female workers. We also operated the S-OnBoard program for employees who returned to work after a break to help them promptly readjust to the workplace. In addition, we also held a mentoring program for women with the group heads as the mentors during the first half of the program and the CEO during the second half of the program.

Talent Nurturing and Support

Talent nurturing system

Shinhan Card is committed to nurturing talented individuals for mutual prosperity with colleagues, customers, and society. In order to remain sustainable amid changes in the business environment, the company needs to develop outstanding expertise and competencies of its employees, who need to secure their competitive edge through hands-on experience and success in line with corporate growth.

The basic philosophy of nurturing talents as such serves as the foundation for our vision for talent nurturing and identifying

the right people for the right job. We nurture talented individuals in conjunction with our vision and strategy with the aim of creating a performance-based organization as a midterm goal and upgrading the HRD system as a short-term goal.

Above all, we are creating a performance-based organization based on digital finance professionals including global business experts, digital specialists. We are also focusing on educational platforms and reorganizing self-directed learning programs to reinforce our capacity to convert short-term strategies into action. We pursue a Shinhan Card that thrives together through detailed training programs and courses to enhance fundamental competencies, including leadership competency, and work competency.

| Talent-nurturing system |



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Employee competency building

S-Learnch

S-Leanch, a portmanteau comprising ‘learn’ and ‘lunch,’ refers to an in-firm special program. It allows workers to introduce duties they would like to share with others and receive feedback during the lunch break, helping them develop a creative and flexible mindset. The non-face-to-face training was conducted ten times in 2021 using the video conferencing system.

Date	Theme	Participants (employees)
Feb	Introduction to MyCar platform	108
Apr	Introduction to S-TColla	134
May	Introduction to the firmwide customer integrated management (CIM) system	75
June	Introduction to open banking system	91
July (held twice)	1) Sharing business performance during the first half and future direction 2) Introduction to group Data Dam	171 126
Aug	Sharing marketing strategies targeting millennials and zoomers as customers	120
Oct	Introduction to Shinhan pLay app	116
Nov	Introduction to AI counseling chatbot	123
Dec	Introduction to millennials and zoomers shoppers based on MBTI	131

Leadership Education

Shinhan Card has been operating the ‘Management Leader Development System’ since 2018. Aiming to develop employees’ leadership skills and preemptively respond to the rapidly changing business environment, this program consists of coaching, education, career development and management. In 2021, We held the S-DNA Coaching program, which is designed to support business leaders for mutual prosperity, as a foundation for digital capacity diagnosis to focus on digital

leadership capacity building for business leaders. We also held an educational program that encouraged a paradigm shift in leaders’ organizational behaviors through special lectures on the keywords of ‘1 New SHIFT,’ a campaign to promote a world-class organizational culture.

Nurturing in-firm venture

We have been operating the in-firm business venture program ‘I’m Ventures’ since 2016 in a bid to discover growth engines for the future and encourage employees to push their limits to spread the organizational culture. A total of 18 ideas were discovered and among them six were commercialized, while two ideas are in the making. The in-firm business ventures are spun off to become full-fledged businesses after the incubation period of 6 to 12 months and business model evaluation. During the incubation period, support is provided to employees of in-firm business ventures to work at a separate office through Job-Off, so that they can concentrate on and freely engage in the venture business. The Company is operating

| In-firm venture program ‘I’m Ventures’ at a glance |

Classification	Idea	Progress and performance
In-firm ideas turned into businesses	Wedding O2O platform	‘Allthat Wedding’ (KRW 556.1 million in the cumulative sale, KRW2.12 billion in operating profit as of Nov. 2021)
	Small-scale financial institution loan broker platform	‘Loan broker business’ (KRW 572.5 billion in the cumulative loan amount brokered as of Nov. 2021)
	Credit-rating model for foreigners	Credit-rating model for foreigners residing in Korea : Credit-card review model (Jul. 2019), loan model (Apr. 2020)
	Workers’ pastime life platform	Hobby-related shopping mall ‘Allthat Hobby’ launched (Jan. 2020) : Sales of hobby class lecture admission/kit, B2B Lecture broker
	Shop reviews by customers and data	Shop review information data underway
	Platform for the financial benefit of platform workers (Gig workers)	Income balance cycle shortcut service based on the credit cards of platform workers (e.g. designated drivers, delivery persons, etc.)
Incubating	Art total platform and art fair	Art fair held (Jun. 2021), a first by a local financial company, and development of an integrated information platform for artworks underway
	Automobile maintenance broker platform	Development of customer to mechanic automobile maintenance platform underway

various support programs such as allocating separate budget to in-firm ventures and linking internal training with external programs to enhance their business capabilities. As Shinhan Card operates the ‘in-firm venture nurturing program’ sponsored by the Ministry of SMEs and Startups, in-firm ventures, when spun off, receive support from the government as government-sponsored programs. We worked together with Visa Korea in 2019 to discover collaborative business models between I’m Ventures and Visa. We also partnered with D. CAMP (youth venture foundation for local banks) in 2020 and SFG’s Future’s Lab in 2022 for collaboration.

Reasonable performance evaluation

We are conducting a multi-faceted performance evaluation based on the performance and capacity-based reasonable and systematic evaluation process we have created. The evaluation consists of items designed to directly and accurately analyze employees’ work performance and capacity. The evaluation system also contributes to creating practical

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results through target coaching and performance interviews. We also provide training and monitoring programs so that both evaluatees and evaluators can take advantage of the evaluation system as an objective tool with which to measure personal goals, performance, and capacity level.

Fair compensation

Shinhan Card implements fair compensation management in which organizational and individual performance is reasonably linked. For employees with excellent performance and capacity, various benefits are provided from the HR perspective, such as promotion and selection for advanced training courses. Through a performance-based compensation system and HR system that are closely intertwined with individual evaluations of each employee, we strive to create an environment where both the company and employees can immerse themselves in a common goal.

Organic relationship between performance and reward system



World-class Organizational Culture, 1New SHIFT

1New SHIFT organizational culture innovations

Shinhan Card, which aims to become a company that dreams of a better future and grows together with all its stakeholders, is carrying out organizational culture activities centering on world-class DNA. We have established world-class DNA by constantly upgrading the way of working from a global perspective, based on our achievements toward realizing a No. 1 organizational culture with the continued engagement of employees. World-class DNA serves as the standard of thinking and behavior of all Shinhan Card workers. It is implemented with three values in mind, namely: ‘Together Deep’ for mutual prosperity; ‘Open New’ for conquering inertia; and ‘Proactive Act Strong’ — to enhance their capacity to take self-directed action to achieve goals.

World-class organizational culture system



* Organizational culture practice program during 2021~2022

Effort to create an ESG-based organizational culture

Shinhan Card pursues mutual prosperity with its customers in order to fulfill the vision of the Shinhan Financial Group (SFG): ‘Finance for the benefit of the world and friendly finance for the future together.’ To this end, we are undertaking a wide range of activities to raise public awareness of Environmental, Social and Governance (ESG) and encourage public participation in it by publishing the ESG Monthly Review and giving a quiz, as well as providing all employees with education on financial consumer protection and prevention of discrimination against persons with physical disabilities, which is compulsory for all workers in Korea. We are also encouraging ESG practices in the workplace by awarding the SFG’s most prestigious prize, the Shinhan Man Award by selecting the best practices for mutual prosperity between customers and society and sharing the best practices with all employees.

1New SHIFT Book

1New SHIFT is a guidebook that will guide you on the journey of organizational culture change based on RE:Boot Shinhan. It contains many stories about people, the key factor for creating positive results, work, and the environment. It is designed to introduce diverse examples of Shinhan Card’s organizational culture, as well as other organizational cultures by comparing them with tourist attractions around the world, in a way that readers can breeze through it.



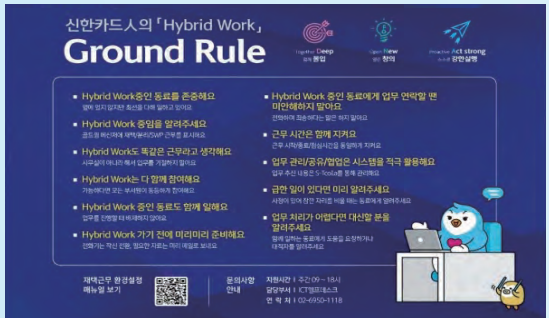
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SAI (SHIFT Acting Index)

Shinhan Card has independently developed and operated the SHIFT Action Index (SAI) survey in which all employees participate to measure the performance of data-based organizational culture improvement activities and to push the 1New SHIFT innovation movement. The survey consists of five drivers that check the level of practice based on the five keywords of SHIFT and 46 questions. We use them when identifying changes in each department. We also use it as feedback data as we communicate with employees regarding the goal of 1New Shift on a regular basis through the SAI survey. The SAI indicators calculated by each department are used as basic data for improvement, led by department heads and the Culture Crew. We also continue our efforts to innovate work methods by simultaneously pursuing company-wide communication through Culture Morning and Monthly Young-jinnim.

Culture Crew

Culture Crew is an innovation partner that is the center of communication for Shinhan Card 1New SHIFT and creates practical changes in the field. It consists of 104 employees who understand the goal of 1New SHIFT and have an innovation DNA embedded in them. It spreads the content of each department's organizational culture, listens to voices of department members and employee feedback, leading field-oriented changes.



Ground rules for hybrid work

As COVID-19 has ushered in workplace diversity, such as work from home, distance work, and smart work, we set up 11 ground rules in order to enhance work efficiency and create outcomes persistently regardless of location. We called for the rules and employees pitched in. We finally chose 11 that employees can resonate with and practice. We then created and distributed a hybrid work mousepad to make employees be well aware of, and comply with, the ground rules anywhere.

Digital Workplace

Shinhan Card RPA

Since the introduction of the 'robot process automation (RPA),' we are saving roughly 85,000 hours of work yearly in the 105 work processes, from card applicant recruitment, to review, issuance, and payment, as well as auto finance, and sales support. RPA is an automation solution that allows robots to perform standardized and repetitive tasks, while humans focus on high value-added and creative tasks. It is noteworthy that Shinhan Card RPA is designed for robots to work together with humans and maximize work capability beyond simply replacing humans to perform repetitive work. The tasks received during business hours are completed by RPA at night, which allows the person in charge to carry out the follow-up work during business hours the next day.

Being a financial company, we use the work network separated from the Internet network for information security, which makes it quite challenging work from home. Despite such challenging circumstances, we built a remote work system using RPA by remotely operating RPA according to the crisis response manual in an emergency, which enables us to work seamlessly.

STAKEHOLDER INTERVIEW | EMPLOYEE



"Shinhan Card is commonly recognized as No. 1 in its firmwide digital strategy and platform capacity "

I've been working at Shinhan Card for almost 20 years. I'm in charge of firmwide digital transformation-related tasks in the Digital Planning Team. Shinhan Card's capacity to formulate digital strategies firmwide, digital transformation process level, and digital platform capacity are widely recognized as top in the local financial industry. Recently, Shinhan Card changed the 'Shinhan Paypan' into 'Shinhan pLay,' a platform that combines life and finance, which is drawing positive responses from customers. Shinhan pLay, which is advertised by the renowned k-Pop group BTS, sets itself apart from other financial apps in general as it provides financial services only by inviting customers to experience both finance and non-finance content. Over 14 million people have used the service in Korea. Moreover, we are the first local financial company to declare CDR management to take the initiative in digital ESG management. Driven by the declaration of CDR management, we incorporate ESG into management firmwide by focusing on the digital-based reduction of carbon emissions, solving the digital divide, and providing data consumer protection. We at Shinhan Card will continue to draw up mid- and long-term strategies for sustainability and develop new financial products and services to keep up with social trends and changes in customers, such as Millennials and Zoomers.

Shinhan Card Digital Planning Team | Lee Du-hyeon

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| RPA tasks |

Applicable area	Task
Recruitment/ review/ issuance	Confirmation of the required information on the card application documents/ Verification of the authenticity of ID documents
Payment	Automatic handling of the international payment process
Counseling	Automatic mailing of the documents required by customers
Sales support	Branch-specific marketing and sales-support for stores
Risk management	Automatic risk-monitoring Updating of information on the stores on the Financial Supervisory Service's blacklist
Others	Pre-registration of information on employees working from home and remote access authority Automation of AI contact center, PDA virtual counseling

SMART / Front data reporting culture at workplace

Shinhan Card strives to spread a dynamic and transparent organizational culture. In order to establish an efficient reporting culture with relevant workers' tasks involved, we have implemented the 'SMART reporting,' which enables an employee to contactlessly report to superiors below the department chiefs all at once. Also, we are committed to creating a culture with the transparent decision-making process based on data through the implementation of 'Front Data,' placing core data at the top of the report.

Workplace culture based on collaboration and sharing

As a non-face-to-face work culture is becoming more common, we have adopted S-Tcolla, a tool for collaboration developed by Shinhan DS, to change the way we manage, share, and work together in the workplace. S-Tcolla allows employees not only to share individual tasks, clocking in and out, and even departmental weekly tasks on a regular basis but to communicate actively in real-time, thus saving time. We also recognize departments for their excellent best practices to share their know-how. As such, we strive to make positive changes in our workplace culture.

Increasing Employee Satisfaction

Smart Work Place

We operate the Smart Work Place (SWP), a shared workstation through which Shinhan Card head office employees can work remotely regardless of location. We created SWPs in Daejeon and Busan, respectively, in July 2020, and added three SWPs in 2021 in Daegu, Incheon, and on Jeju Island.

Thanks to the SWPs, head office employees could work anywhere in the nation. For instance, an employee who relocates from Daegu to Seoul no longer has to come to Seoul, as he or she may work at the SMP in Daegu.

In addition, remote workers can manage reporting using messenger and emails and hold video meetings without having to commute all the way to the office unless necessary. While the SWPs we created serve as remote offices, the one in Incheon is a shared office that is open to any employee residing nearby without having to commute to the headquarters. We plan to secure and open SWPs in two more locations including Incheon in 2022.

Hot desking

We are geared toward changing workplace environments in response to the rapidly evolving business environment in the digital/contactless era, with the acceleration of digital transformation in the age of Millennials and Zoomers. In an effort to create a smart workplace environment that connects anyone anytime, anywhere we adopted the concept of 'hot desking' on the first floor (eight departments) in Nov. 2021, on a trial basis. In the belief that "where we work shapes us and how we work," we have transformed vertical and unilateral organizational culture focusing on organization and place into work and employee-centric horizontal culture. In an effort to create a workplace environment that promotes autonomy and creativity, we adopted the 'hot desking' system that allows workers to sit in any workstation they want

by removing assigned desks, and divisions between departments in the workplace. We plan to gradually expand the smart work environment and 'hot desking' in 2022 by reflecting the pilot operation results.

Family-friendly management

We at Shinhan Card operate diverse systems and programs, including flextime (five different options to choose from), PC On&Off, and flexible working hours, among others, to support a work-life balance of our employees. We are committed to creating an ecosystem to provide an ecosystem to support childbirth and childrearing, such as childbirth and childcare support systems (diverse types of leave/vacation systems, etc.) and childcare services (three SFG childcare facilities).

Due to the continued spread of COVID-19, we have allowed all expectant mothers to work from home since Feb. 2021. Also, we supported our employees to experience nature in the city, such as hobby farming, attending cultural events, and traveling with their families.

We have donated supplies and held lunch meetings (twice yearly) for expectant mothers, visited the SFG childcare centers and delivered supplies for children (once annually), building consensus of work-life balance between the management and employees through regular communication.

Employee satisfaction programs

Shinhan Card strives to create a robust and happy work environment by operating digital and non-face-to-face employee satisfaction programs, plus interactive programs designed to promote health and boost employee motivation, which will ultimately contribute to creating a dynamic organizational culture. We also develop diverse programs designed to promote internal communication through collaboration within and among departments. We also develop programs for mutual prosperity with local communities to enhance employee satisfaction.

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| Programs for work-life balance and employee protection |

Program	Description
Work system	PC On&Off, flextime, childcare leave, fertility leave, support for fertility treatment
Part-time work	Part-time work for expectant and childcaring employees
Vacation	Menstrual leave, pre- and post-partum leave, parental bereavement leave, prenatal diagnosis leave, infertility leave, paternity leave, etc.
Health management	-Upgraded smart health checkup system customized to individual employees (app and web operation) -In-house cafeteria: Healthy special meal/salad lunchbox set available for sale any time -In-house gym: Workout program tailored to employees, lectures on healthcare management for employees - Lectures on 'stress-zero' healthy workplace in development
Employee assistance program (EAP)	In-house counselors (3), external counseling institutions (6), EAP website operation, EAP counseling 'Mind healing program' in development
Labor-management ombudsman	-Two in-house grievances counseling centers in operation -HR director and vice-chairman of the labor union appointed as committee members at labor-management committee meetings -Handling grievances within 10 days after they are filed and reporting on the outcomes to the employees concerned
Industrial Safety and Health Committee	Discussion on industrial-accident prevention and workers' health improvement
Others	Family care leave, maternity chair, women's lounge, family counseling service, three SFG childcare centers in operation

Trust in labor-management relationships

Shinhan Card has established a labor union in the Shinhan Card Branch under the Korean Finance and Service Workers' Union Loan and Banking Business Headquarters. The total number of eligible workers for union membership in Shinhan Card is 2,401, or 89.1%, and 2,140, are members of the union. Shinhan Card concludes wage negotiations every year and collective agreements every other year. In addition, we are operating a labor-management council meeting at least once every quarter to listen to feedback and suggestions from employees.

In addition, we achieve labor-management harmony through various communication channels such as the grievance committee. In order to create a new future-oriented labor-management culture, we work together for cooperation and mutual prosperity, mutual trust, and respect, and joint programs. We do not have

any workplaces that may infringe upon workers' freedom of association or collective bargaining rights or place them at serious risk.

Grievance-handling system

Shinhan Card operates various programs for the support and protection of employees, such as the EAP system, a grievance-handling committee, and an occupational safety and health committee. We also operate a grievance-relief procedure such as for workplace bullying and sexual harassment at all times, as we created a labor-management grievance committee to which the head of the HR headquarters and the vice-chairman of the labor union belong. We operate landline phones (AWP Team and labor union), an EAP system, and online channels to handle grievances filed, and notify the results to the relevant employee within 10 days of the grievance hearing. The AWP team and the HR team take appropriate measures for the victim based on his or her de-

cision, such as relocation, transfer, and orders for paid leave. They also take appropriate disciplinary measures against the offender, including suspension or termination of employment, etc., in accordance with the internal regulations.

Employee Safety and Health

Shinhan Card is drawing up a safety and health management plan focusing on employee safety and health. In order to maintain business continuity according to the plan we mapped out, we provide paid leave to employees to get a COVID vaccination and financial support for COVID-19 PCR testing. We also created the firmwide guidelines for COVID prevention and control and public health. All employees, including regular, irregular, and contract workers, as well as executives, and their spouses and parents are advised to receive an employee health screening. Moreover, we are fulfilling our duties to implement safety and health measures for business partners and monitor the tasks and work environment of workers in special employment categories according to the revised Industrial Safety and Health Act. We also run the un-tact health program and conduct employee safety and health training with the continued spread of COVID-19 under consideration.

| Safety and health management organization |



Duties

- Matters related to the formulation of an industrial disaster prevention plan and health management for workers
- Other tasks that are necessary for industrial disaster prevention in response to the duties stipulated by law

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Post COVID-19 recovery strategy and activities

Shinhan Card has carried out a ‘Cheer-up program’ at the corporate level to respond to the post-COVID-19 era, and boost the morale of employees, who have been stressed out due to the prolonged social distancing. We have come up with preemptive measures to respond to long-term paradigm shifts after COVID-19 to help employees and the organization reset vitality, and imbue them with a positive attitude for a fresh start.

Support for employee health management

Diverse programs for workplace health promotion

Program	Description
Comprehensive health check for employees	All employees and their spouses (Checkup cost worth KRW 380,000~480,000 per age group covered) Employees’ parents aged 60 years or older (Checkup cost worth KRW 280,000 covered)
Support for medical costs	Medical expenses for the treatment of injuries and diseases covered for employees and their families including spouses, children, and parents (up to KRW 6 million per year)
Group insurance for employees	Financial support to victims of disasters, and those diagnosed with cancer and other diseases (up to KRW 100 million, but coverage differs from case to case)

Employee health management system

Program	Description
Health checkup	Upgrading of smart checkup system customized to individual employees
S’Lounge	Healthy special meal/salad lunchbox sets available for sale any time
S’Clinic	Treatment by family physicians, counseling about the medical checkup results, vaccination for disease prevention, etc.
S’Gym	Diversification of exercise programs customized to employees, lectures on employee health management, home workout, etc.
Others	EAP counseling “mind healing program” for workers outside the head office

Vital Employee Communication and Participation

Horizontal organizational culture

We have been implementing the 1New SHIFT initiative for our sustainability in the digital era through the organizational culture unique to Shinhan. In 2020, we decided to address employees using the honorific suffix ‘-nim’ instead of their titles in order to promote smooth communication based on mutual respect and create a horizontal organizational culture. A year later, we went on to stage the ‘Dear All Together Campaign’ to encourage all employees to address top-level management including the CEO, executives, and department heads the same way. In doing so, we are striving to create a world-class organizational culture that drives high-efficient high performance that accommodates diversity and creative ideas all together.

Employee communication channels

Communication channel	Description
Vital communication within and between departments	- We share food, chicken & beer, Euljiro Blues, etc.
Small happiness program for workers in the field	- Picnic with parents, Surprise Party! Doodling workshop, support for events prepared by Shinhan Card branches and centers
Contactless communication program in response to COVID-19	- Contactless healthcare series (home workout people, etc.) staycation challenge, Covid depression out, I’m working from home, etc.
Horizontal communication program	- Cross-generational communication program, support for in-house gatherings (IG) and small gatherings, etc.
Communication program based on facilities for employees	- New-year party at in-house cafeteria S’Lounge, escape from the heatwave, celebration of the company anniversary, Christmas specialties
Communication program customized to employees	- Rooftop S’ forest (H.U.E.), spring lunchbox, emotional care for employees, HR staff appreciation event
Local community-related communication program for mutual prosperity (currently underway)	- Health center appreciation event, Cheer on people in need (undernourished children, seniors living alone, etc.)

Reverse mentoring

Shinhan Card is implementing a reverse mentoring system in order to incorporate the professional capacity of the millennials and zoomers into management — and, in doing so, collect diverse ideas and aggressively respond to changes in market trends. Through reverse mentoring, we could advance metaverse-related new businesses and the mobile payment platform Shinhan pLAY new branding, among others.

Equipped with R2, a group of consultants in charge of discovering new businesses and giving suggestions, and a group of millennials and zoomers in charge of sales, along with our brand creators, we are stepping up digital innovation based on the expertise and interest of young minds.

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Community Engagement & Development

Corporate Social Responsibility (CSR) Vision System and Activities

With ‘benefiting the world through finance’ as its mission, Shinhan Card is committed to creating a society of hope through the virtuous cycle of mutual prosperity, one of Shinhan Card three ESG strategies, including green environment and trust, that enhances the value of customers, Shinhan, and society. We are undertaking matchless and systematic CSR activities for the sustainability of our stakeholders from all walks of life and Shinhan Card based on our slogan, ‘Beautiful world, beautiful cheer,’ and our CSR brand ‘Arumin’ since 2005.

‘Arumin’ as a brand

Shinhan Card’s ‘Arumin’ is a portmanteau that combines ‘areum,’ meaning ‘armful’ of love and people (pronounced ‘in’ in Korean). Arumin implies our slogan, ‘Create a beautiful world together.’ We aim to improve the quality of life and social infrastructure for all members of society, together with our customers, and ultimately contribute to increasing the value of all stakeholders. In order to carry out unparalleled CSR activities, we created the symbol of the brand ‘Arumin’ using three colors (violet, green, and orange). We deliver the same messages consistently through our CSR programs. Arumin represents all CSR activities we undertake, which include ‘Arumin Library,’ ‘Arumin Site,’ ‘Arumin Financial Education,’ ‘Arumin Book Mentor,’ and ‘Arumin Shinhan Card Volunteers.’ In 2021, ‘Arumin’ of Shinhan Card won first place for the 9th time in a row in the Korea Brand Power Survey in the good-natured brand category in all industries in 2021.



Shinhan Card Arumin website

Arumin volunteer Group

Employees and their families are voluntarily engaging in the non-face-to-face volunteer activities through an Arumin Employee Volunteer Group, which was organized by the volunteer groups of each Department headed by the CEO, to help the vulnerable at home and abroad, despite the COVID-19 pandemic situation. The Arumin Customer Volunteer Group was created as a CSR program, in collaboration with the social welfare institutions, with Shinhan Card customers and their families, who wanted to join the volunteer activities but did not have the opportunity to do. The Arumin Customer Volunteer Group undertakes CSR activity once monthly for people in need including people with physical disabilities, seniors living alone, and children and youths. In 2021, a total of 1,812 employees and customers sustained participation in volunteer activities for 6,694 hours for people in need despite the continued COVID-19 pandemic.

| Volunteer activities |

Classification	Performance
Participants(persons)	1,812
Hours	6,694

Arumin Library

Since its opening in 2020, Shinhan Card representative CSR program Arumin Library has been promoted with the goal of solving the social problem of educational gaps, and nurturing future generations through the program supporting an eco-friendly reading environment, and book mentor programs. In 2021, we supported the Arumin Library in order to close the digital divide, which had become deeper due to the spread of non-face-to-face education since the outbreak of COVID-19. The library is equipped with digital books and digital devices for e-Books and e-Content. Furthermore, the general welfare space for the people with disabilities

features universal designs, while the urban resources circulation space is an eco-friendly space filled with furniture and fixtures made from waste wood, upcycled fabric, etc. The library has established itself as a space for reading and cultural space for the local community befitting its concept.

Shinhan Card ‘Arumin Book Mentor’

The Arumin Book Mentor program, which has been operating since 2012, was designed for children to develop a love of interest in reading and build self-confidence. Shinhan Card supported the program so that selected college student mentors could systematically carry out book-reading activities and book-mentoring activities to help needy children develop good reading habits for about six to seven months. In 2021, the literacy coaches turned the program into the contactless Arumin Book Mentor program due to COVID-19 to allow children access to it anytime, anywhere. As of the end of 2021, a total of 1,920 children in 215 institutions joined the program 3,380 times for 42,780 hours.



No. of Arumin Libraries

524 Libraries



No. of library users

237,000 Persons



No. of books donated

Total of 660,000 Books
(Including e-Books)

* As of Dec. 2021

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| Arumin Library at a glance |

Arumin Library, illuminating a future filled with hope

Seoul/Incheon/Gangwon	146	Gyeongsangbuk-do/Daegu/Ulsan	60
Seoul	85	Gyeongsangbuk-do	28
Incheon	37	Daegu	25
Gangwon-do	24	Ulsan	7
Gyeonggi-do	73	Gyeongsangnam-do/Busan	62
Chungcheong/Daejeon/Sejong	73	Gyeongsangnam-do	26
Chungcheongbuk-do	18	Busan	36
Chungcheongnam-do	28	Jeju Island	8
Daejeon	26	Overseas	6
Sejong	1	Myanmar	1
Gwangju/Jeollabuk-do/Jeollanam-do	96	Vietnam	2
Jeollabuk-do	18	Indonesia	2
Jeollanam-do	35	Kazakhstan	1
Gwangju	43		



→ STAKEHOLDER INTERVIEW | LOCAL COMMUNITY



“Hope the Arumin project reaches out to many more people through more diverse CSR activities for the future generations”

The Children and Future Foundation has been in a relationship with Shinhan Card for over 10 years and participates in this library program, Shinhan Card’s representative CSR activity. Shinhan Card is an excellent business that has established a CSR project essential to society with the brand ‘Arumin’ and has been operating the program consistently for a long time regardless of changes in management. Arumin provides books and book mentoring services for children’s education. Recently, we began to invite our employees, customers, and business partners to join, encouraging our stakeholders to participate in the program. I hope that the Arumin program will continue to reach out to the public in the future. In addition, I hope that Shinhan Card will expand its diverse support such as supporting digital libraries and providing financial education, literacy education, etc. for youths, potential customers of Shinhan Card, in the future.

Children and Future Foundation |
Executive Director Park Du-jun

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Developing fun reading skills! Arumin Book Quiz Contest

Shinhan Card held a quiz contest for elementary school children who use Arumin Libraries across the nation to raise their interest in books and make book reading second nature. The Book Quiz Contest, which was held online due to the spread of the COVID-19 pandemic, was joined by over 200 children from 60 institutions.

Little Picasso Art Contest

The Little Picasso Art contest celebrates its 20th anniversary since its launch in 2002. Over 170,000 children have participated in the event since then. Starting in 2018, the Ministry of Gender Equality & Family sponsors the event and awards winners the Minister of Gender Equality & Family Prize.

The Shinhan Card Little Picasso Art Contest, a cultural event that represents Shinhan Card's CSR activity that the whole family can enjoy together, was held in other areas as well, including Gwangju and Busan, in 2019. Since 2020, it has become a non-face-to-face, digital drawing contest, which makes it possible for children living overseas to participate. We will continue to hold the Little Picasso Art Contest to give wings to talented children to grow into great artists.



Shinhan Scholarship Foundation

The Shinhan Scholarship Foundation provides tuition, academic subsidies, and academic promotion programs to talented individuals whose financial difficulties do not allow them to focus on their studies. We also offer support to children of people of national merit to honor their patriotism and help their children. The Shinhan Scholarship Foundation provided over KRW 32.4 billion in scholarships to support over 9,000 selected students by 2021.

Twinning with a rural community

Shinhan Card has maintained a twinning relationship with Sambari Village in Hoengseong, Gangwon-do, for 15 years. We are advertising the agricultural products the village produces, and are selling them to our employees to provide support to people in need and the rural community.

CSR activity recognition system

Organized jointly by the Ministry of Health and Welfare and the Seoul Council on Social Welfare, the CSR activity recognition system, aims to recognize the efforts made by businesses and institutions to fulfill their CSR. Shinhan Card has been selected for the program for three consecutive years in recognition of its contribution to solving problems in the local community and vitalizing the local economy.

ECO Zone project

The ECO Zone project is designed to create healthy parks and a cleaner Earth with eco-points that green consumers who practice eco-friendly living, have earned and Shinhan Card Green Campaign donations. In 2021, the first ECO Zone, 'Our Flower Road (1300㎡)' was created in Seoul Forest Park. The forest is filled mainly with Korea's native species, which are well-matched with benches. It was reformed as a new concept of linear green space ECO Zone through space remodeling with complementary planting,



Seoul Forest Park Eco Zone

relocation of damaged green plants, vegetation restoration. In commemoration of Environment Day in June, we held an environment campaign in the ECO Zone. We plan to spread it further to include Busan and many other regions across the nation in an effort to contribute to promoting civic engagement activities.

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Resolving Local Community/Global issues

Slogan Contest for ChamShinhan Hangeul Slogan Board

The ChamShinhan Hangeul Board is a slogan board installed on the outer wall of the Blue Square Shinhan Card Hall, which Shinhan Card has been sponsoring since 2021. The ‘ChamShinhan’ implies the SFG’s sincerity (‘cham’ in Korean) and Shinhan. Since May 2021, Shinhan Card has held a slogan contest for the board in order to communicate with citizens and share supportive and inspirational messages with them as part of everyday life. We created the slogan board with upcycled materials to implement resource circulation and environmental protection.



Sustainable Consumption Project

The Sustainable Consumption Project is designed as part of our ESG engagement to draw public attention to ethical consumption and sustainable consumption from a future-oriented perspective. In 2021, we teamed up with the Seoul National University Food Biz LAB to create YouTube videos on themes related to food and consumption — such as animal welfare certification, restoration of native species, and geographical indication system — and distribute to consumers. We also sell animal welfare-certified food stuff at reasonable prices via live commerce channels. In doing so, we intend to create a win-win opportunity both for con-



sumers and producers, by providing consumers with the opportunity to purchase safe food, while giving food producers with the opportunity to explore new markets.

Shinhan Card Confidence Factory

Shinhan Card invested KRW 1 billion to open the Confidence Factory, an open studio with a size of some 165 square meters, in March 2021. As the first digital content production studio in the financial sector, it was carried out as part of Shinhan Card's digital branding. Shinhan Card broadcasted live commerce (a method of selling products by communicating with consumers through a real-time on-line broadcasting) program ‘Confidence Live’ at the studio and generated over KRW 17.03 billion by selling products. We will continue to communicate with millennials and Generation Z, a powerful consumer group, and reach out to more consumers through live commerce.

Shinhan Card Blue Square as a cultural and art companion

Shinhan Card has been continuously supporting the pop culture industry in a variety of ways and continues to invest in performance infrastructure as well. To give an example, the Digital stage is held to provide support to small-scale performers and the rookie project is designed to discover and support talented musicians. In 2021 we signed a sponsorship

agreement with Blue Square, the largest concert hall dedicated to musicals in Hannam-dong, and opened the Blue Square Shinhan Card Hall, featuring large-scale musicals, including Wicked, Dracula, and Xcalibur. In doing so, Shinhan Card is now sponsoring three theaters, including Shinhan Card pLay Square, a multi-purpose concert hall located in Hapjeong-dong, Seoul, and Shinhan Card Sohyang Theater, a musical theater located in Busan. Going forward, we plan to continue our support for the pop culture industry.

Eulji-ro Restaurant Subscribers (EulGuMi)

Shinhan Card is producing a YouTube video titled ‘Eulji-ro Restaurant Subscribers’ to introduce small-scale restaurants in Eulji-ro and create a virtuous cycle of local economic growth for mutual prosperity. Inspired by the Japanese drama ‘Solitary Gourmet,’ the video is a type of mockumentary intended to draw public attention and interest by parodying the Japanese TV series rather than simply advertising or delivering information. We premiered the video in Sept. 2021 and feature one episode every month. Boasting 560,000 subscribers, the videos are shown on the Shinhan Card YouTube channel. Currently, the video enjoys positive feedback with over 40,000 views per episode.



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Hero (Here: Road) Project

The mutual prosperity project was held in 2021 again following the previous year. Driven by the Shinhan Card brand and its ESG capacity, the project aims to market local businesses to customers across the nation. During a period of two months, we introduced local hot spots in lesser-known small towns we discovered utilizing social data, such as Gurye, Hadong, Gunwi, and Okcheon, among others, on the SNS LAN travel Instagram account here.map. The travel program has provided customers wearied by COVID-19 the opportunity to refresh themselves and attracted 17,000 followers and over 15,000 actions, contributing to vitalizing the local economy.

Daedeok e-Roum debit card

Shinhan Card launched the ‘Daedeok e-Roum Debit Card’ in partnership with Daedeok-gu, Daejeon, for the convenience of local currency users and local economic vitality. Daedeok-gu residents can pay for bus fares using the debit card they hold, and they can also make payments using a mobile payment system (Samsung Pay) without having to carry the card with them.

Consumer support card

Shinhan Card launched the ‘Hatsaloon Card’ in Oct. 2021 to increase payment options for the underprivileged and to enjoy the benefits of using credit cards in accordance with the revised credit provision policy for low-income families and business agreements. The card is available to anyone who has completed credit management training and has disposable assets worth KRW 6 million or more. Also, people's credit card score should be below the bottom 10% and they should not own a personal credit card in order to be eligible to apply for the card. Shinhan Hatsalon Card provides cardholders with low credit scores with access to loan services and a 7 percent discount on the amount used at small and medium-sized retail stores.

Live commerce broadcast with Jeju farmers for sales of local specialties

Shinhan Card produced a live commerce broadcast to promote Jeju specialties (tomahawk steak, pork ribs, pork belly, pork feet, sausages, etc.) in collaboration with Jeju Seogwipo Agricultural Cooperatives at Shinhan Card's Confidence Factory, a video production studio. In cooperation with the Korea Agro-Fisheries & Food Trade Corporation (aT) under the Ministry of Agriculture, Food and Rural Affairs, we open a direct sales channel that can revitalize the local economy in rural areas, which has shrunk amidst the spread of COVID-19. We provided consumers with the opportunity to purchase agricultural and marine products at reasonable prices. Live commerce of Jeju specialties was aired through Shinhan Card's official YouTube channel and Interpark TV and sold over KRW 5 million in sales of local products.

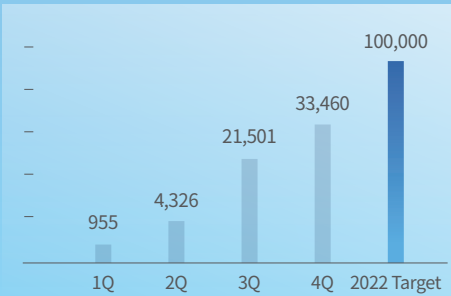
CASE STUDY



Digital financial service expanded in Vietnam

In Jan. 2021, Shinhan Vietnam Finance upgraded the digital platform to expand non-face-to-face financial services in Vietnam. We made the best use of digital platform-based non-face-to-face services to increase the convenience of financially vulnerable customers during the total lockdown period in the third quarter of 2021. In 2021 alone, we conducted over 60,000 non-face-to-face reviews using the platform. We aim to achieve 100,000 reviews by introducing more diverse digital products in 2022.

No. of Non-face-to-face reviews/ No. of loans provided



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Financial Education

Arumin Financial Expedition Team

Shinhan Card's Arumin Financial Expedition Team is a youth financial education program created for the middle schools' free semester system to help youths develop smart financial habits and grow into responsible financial consumers. In 2021, we offered both online and offline education in real-time due to the spread of the COVID-19 pandemic. The program consisted of several parts on diverse themes, including finance, credit, consumption, and the latest financial technologies, such as fintech and My Data, conveying a lively financial scene.



Arumin Financial Class

Shinhan Card offers financial education for elementary school children to get familiar with the financial area and learn how to manage their allowances. We provided both interactive real-time online education and offline classes. The programs operated included learning basic knowledge on finance, wise consumption, allowance management, and credit management. In addition, the program has offered children the opportunity to learn how to set their own money-management principles and what credit means through field classes.

Financial Education Recipients in 2021

12,371 Students
(Cumulative total: 72,239 Students)

Arumin Financial Friend

Shinhan Card Arumin Financial Friend is our CSR program designed to support slow learners to readily understand financial activities and financial crimes including financial crime prevention and damage. Online education consists of reading and discussion of books on everyday economy with students in a special class in middle and high school and students attending special schools.

Slow learners are likely to be easily exposed to financial crimes and often experience difficulty in solving problems even when they fall victim to crimes. Arumin Financial Friend offers easy-to-follow learning materials and encourages students to think for themselves about what to do through case studies about financial crimes. In 2021, we developed the everyday economy curriculum that focuses on basic skills needed in everyday life (money manage-



ment including spending and saving, purchasing priorities, etc.) in order to help students realize that they are the ones who should live their own lives and understand economic concepts to live a financial life. Also, we signed an agreement for cooperation with the Seoul Welfare Foundation to expand the program to reach out to more students and eliminate financial blind spots.

Financial Education Tailored for The Financially Vulnerable

Shinhan Card educates the underprivileged in digital finance (such as seniors) the concept, types, and methods of simple payment and supports smartphone practice activities so that training participants can understand safe and convenient payment methods. We deliver detailed and easy-to-follow information on mobile finance through easy-to-read books designed to resolve seniors' unfamiliarity with mobile finance. In addition, we are working hard to provide financial convenience to more vulnerable groups in digital finance by promoting business agreements with the Seoul 50 Plus Foundation to expand the number of education recipients and foster senior mentors.



Shinhan Card Arumin Financial Friend

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Environmental Management

Environmental Management by Digitalization

Digital transformation of the work process

In 2021, Shinhan Card saw remarkable achievements in cost reduction through firmwide work process innovation. We switched from paper statements to digital statements. We also increased the online card applications, review and issuance process and automated the counseling service, robotic process automation (RPA), and work process, thereby reducing expenses by KRW 59.3 billion.

Print volume		(Unit: 10,000 sheets)		
Classification	2019	2020	2021	
Paper	1,675	1,504	1,449	
Comparison with previous year	-	-10.2%	-3.6%	

Reduction of paper-use due to mobile content-based digital screening and issuance

900,000 Customers

Block scraping using website HCAPTCHA

Shinhan Card blocks bot access when necessary in case where a user has access to a specific page on the website and the score calculated by Google AI is automatically transmitted to our server. Currently, 55 percent of some services available on the PC website are presumed to be scraping transactions through bots. We blocked unnecessary access, contributing to the reduction of carbon emissions by preventing server resource waste.

Environmental Management System

Obtaining international environmental management system certification

In June 2019, Shinhan Card obtained ISO 14001, an international standard for green management systems and is undergoing a follow-up audit every year. We are taking the initiative in introducing green financial services, including plate using recycled plastics, e-Bills, and solar factoring. At Shinhan Card, we continue carrying our low-carbon green management activities by staging paperless employee campaigns, creating smart conference rooms, and using pollution-free vehicles.



Climate Change Education

We provided the 'Taking Action on Climate Change' program in an effort to encourage all employees to better understand climate change, a priority ESG issue, and explore possible actions to take by incorporating it into work. The program, which covered the impact of climate change on the economy, Shinhan Card's response to climate change, climate financial activities by credit card industries at home and abroad and firmwide climate actions, was provided for a total of 2,388 employees and 2,224 employees (93.5 percent) in total completed the program.

Switching to Hybrid vehicles

We are replacing combustion engine-powered fleet vehicles with eco-friendly (hybrid) vehicles in a bid to join the effort to reduce greenhouse gas emissions by cutting exhaust gas emitted as a result of the combustion of fuels. Starting with switching to 13 hybrid vehicles in 2019, we continued to add 17 more in 2020, and 42 more in 2021. Currently, we use a total of 71 hybrid vehicles (out of 114 fleet vehicles, or 62%).

Green campaign ESG pLAY

Shinhan Card staged the ESG pLAY campaign, which is intended to encourage employees, families, and customers to engage in ESG activities together. For 'Green Maker pLAY' for resource circulation, we sorted out ice packs and old and broken umbrellas and delivered ice packs to local merchants for reuse and broken umbrellas to social enterprises for up-cycling, respectively. We hosted 'Green Consumer pLAY' on SNS to encourage customers to practice green consumption life, sharing the results of quizzes (green label) on eco-friendly life with others. Shinhan Card donated money to ECO Zone according to the customers' engagement to contribute to the creation of green zone.



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Eco-friendly Projects

Creating a walkable forest

Shinhan Card undertook a green project to turn a damaged green area into a ‘walkable forest’ to provide a nature-friendly space to local residents, reduce fine dust in the city, and mitigate the urban heat island phenomenon. We initiated the project jointly with Seoul City and the National Forestry Cooperative Federation. The first ‘walkable forest’ was created in Gonreung-dong, Nowon-gu, Seoul, in accordance with Seoul City’s recommendation. The forest fully covers an area of 860m² and is full of trees known to be excellent for air purification. The forest is expected to absorb 1.8 tons of carbon per year and reduce greenhouse gas emissions by 71.355 tCO₂ over the next 30 years.

* Calculation of greenhouse gas absorption based on 30 years with reference to Article 19 (1) of the Carbon Sink Act

Plastic-Free Movement

CEO social media relay campaign

Shinhan Card actively participated in the social media relay campaign ‘GoGo! Challenge’ for the plastic-free movement organized by the Ministry of Environment. Shinhan Card’s CEO Lim Young-jin was nominated by LGU+ CEO Hwang Hyeon-sik and accepted the challenge and fulfilled it right away (June 25, 2021). The fact that the CEO is from a different industry participated in the campaign helped bring public attention to social issues. It gave us an opportunity to publicize Shinhan Card’s green management, such as the use of pollution-free vehicles, the development of a carbon emission index and the creation of the Eco Zone in line with the SFG’s Zero Carbon Drive.



→ BEST PRACTICES

Named a winner of the Carbon Management Honors Club

The SFG won the ‘Carbon Management Honors Club’ in the ‘2020 Carbon Disclosure Project (CDP)’ — a global project that is commissioned by financial investment institutions around the world to ask major listed and unlisted businesses worldwide to participate in disclosing information related to climate change issues, and publishes an annual report based on the information thus collected. CDP is one of the highly reliable sustainability evaluation indices along with the Dow Jones Sustainability Indices (DJSI) and others. From 2014 to 2020, the SFG won ‘Leadership A’, the highest grade, and became the first local financial company to join the CDP Hall of Fame for three consecutive years.

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Climate Change Response

Launching Climate Change Strategy (Zero Carbon Drive)

The SFG declared ‘ECO Transformation 20·20’ and pledged to invest KRW 20 trillion in green industries in order to cut greenhouse gas emissions by 20 percent. In Nov. 2020, it also declared the Zero Carbon Drive, a carbon neutrality strategy, a first by a financial group in East Asia. The SFG has set a goal of achieving zero carbon emissions with the Group’s asset portfolio by 2050 by expanding its green financial support and of reducing carbon emissions by 46 percent by 2030 and 88 percent by 2040 using the Science Based Target initiative (SBTi) in line with the Paris Agreement. We also plan to join forces with the K-EV100 campaign organized by the Ministry of Environment, aiming to switch all of the 65,000 leased/rental fleet vehicles to pollution-free (electric and hydrogen) vehicles by 2030. We issued green bonds worth KRW 180 billion in May and Nov. 2021 to enhance the use of green cars and use the money as loans for zero-emission cars, and ultimately contribute to carbon neutrality.

Climate Change Governance

The CSO in the Management Planning Group under the CEO is responsible for handling climate change-related issues. The EST Team in the Management Planning Group works together with the Risk Management Team and relevant departments to analyze climate change-related risks and opportunities. The ESG Committee under the BOD reviews non-financial issues including firmwide financial issues.

| Environmental management principles |

- All employees do their best to protect the environment by reducing environmental impact and energy consumption.
- We comply with the international environmental requirements, domestic laws, and duties as stakeholders, and transparently disclose information to fulfill our role as a sustainable business.
- We set environmental goals and action plans and evaluate performance to ensure consistent improvement.
- We strive to improve performance by supporting material resources necessary for environmental management and operating a systematic management system.
- We purchase products and services and upgrade our facilities with environmental certification and energy efficiency under consideration.
- We encourage our business partners to participate in environmental management by sharing our principles and policy and provide them with capacity-building programs as a partner.
- We provide environment-related financial support to contribute to reducing our environmental impact on local communities and customers and energy consumption.

Climate-Change Risk Management

Shinhan Card is developing a wide range of strategies at the Group level to aggressively respond to the recent ESG paradigm shift and upgrade ESG management to meet global standards. Above all, we are pursuing the credit review process program with financed emissions measurement,* ESG internal model development, and ESG under consideration, scheduled for completion in April 2022. In 2021, we contributed to setting the SFG’s carbon emissions target by calculating financial carbon emissions. We are stepping up to build our capacity to address climate change issues through the sophistication of our relevant projects.

* Financed emissions: Carbon emissions associated with financial institutions’ asset portfolio

Greenhouse gas reduction goals and indicators

Greenhouse gas reduction management

Shinhan Card developed a financial emissions calculation system as part of the risk management plan in accordance with SFG’s climate change response strategy. We also created a management system by reflecting the refinement of emission calculation and the screening process. In doing so, we are managing financial emission reduction targets and formulating climate change response strategies. We plan to systematically manage our internal/asset carbon emissions and gradually reduce carbon emissions.

| Greenhouse gas emissions |

(Unit: tCO₂eq)

Classification	2019	2020	2021
Emissions target	3,526	3,483	3,441
Emissions reduced	2,981	2,897	2,760
Year-on-year reduction rate	-16.6%	-2.8%	-4.7%

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| Energy consumption |

(Unit: TJ)

Classification	2019	2020	2021
Electricity	38.9	40.3	37.03
LNG (Liquefied Natural Gas)	11.9	10.6	11.38
Diesel	0.1	0.0	0.006
Gasoline	6.5	6.0	5.69

| Greenhouse gas emissions by energy source |

(Unit: tCO₂eq)

Classification	2019	2020	2021
Electricity	1,937.6	1,954.9	1,798.8
LNG(Liquefied Natural Gas)	602.7	535.5	577.8
Gas/diesel	10.4	3	0.462
Gasoline	430.5	403.7	382.89

Internal Carbon Management Activities

Building an eco-friendly virtual desktop infrastructure (VDI) environment

In an effort to create an innovation culture for changes as we go digital and contactless, we developed an infrastructure that enables us to work and maintain productivity anytime and anywhere. In 2021, we introduced the VDI system to connect some 500 computers to the central server, thereby reducing carbon emissions by 50 percent. We also prepared 1,200 thin clients for simultaneous access to VDI in order to reduce PC power consumption and decrease room temperature. We plan to create a VDI environment for 3,500 computers by 2022 to extend computer lifespan and additionally reduce environmental pollution caused by PC disposal.

Making a transition to the public cloud

Shinhan Card is stepping up digital innovation by establishing a public cloud architecture standard that supports data and users with consistency in security and governance in various locations. A public cloud is a type of service in which a service provider lends computing resources such as servers and storage to an unspecified number of companies or individuals through the Internet network. It is eco-friendly IT that increases PC availability and implements a consistent user environment. We expect that the transition to the public cloud will enable us to reduce carbon emissions by 50 percent compared to on-site construction. We are building a

hybrid landing zone and transitioning to All-That, data dam, and other public clouds in stages to serve our customers.

Power-saving campaign

Shinhan Card's headquarters building operates various energy-saving facilities, such as gray water facilities, solar panels, and rainwater storage, to continuously reduce carbon emissions generated by the building. We have installed sensors to turn off the lights when not in use, such as at lunchtime, after work, on weekends, and on holidays. We are also saving power by staging an energy-saving campaign to stop wasting energy in the facilities for employees, such as S'Lounge, S'Gym, and S'Clinic. We will continue energy-saving practices by replacing fluorescent lighting fixtures with LED ones for energy efficiency in the workplace.



| Monthly Power Consumption Estimate |

Classification	Power Required
PC	120W×9(PC on)×30 days×500 PCs=16200k
Thin-client	60W×9(PC on)×30 days×500 thin-clients = 8100k

CO ₂ Emissions
7,554kg CO ₂
3,777kg CO ₂

8,100kWh
of energy saved per month
3,777 kg
of carbon emission estimated to be reduced
50%
based on 500 PCs

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Eco-friendly Products and Services

Establishment of eco-friendly vehicle products/ services

We at Shinhan Card are committed to fulfilling our corporate environmental responsibility by encouraging green consumption among our customers and presenting products that benefit our customers who use green vehicles. In Mar. 2021, Shinhan Card launched ‘Hondimoyang’ a Jeju-exclusive card that reflects customers’ consumption patterns by analyzing local BigData on Jeju Island over the past five years. As Jeju Island is one of the regions with the largest number of electric vehicles in Korea, we provide customers who use green vehicles with the benefit of earning 30 percent (up to 15,000 points a month) of the amount of the cost of charging their electric vehicle. In addition, we launched the ‘SK Rent-a-Car Shinhan Card My Car,’ a private label credit card (PLCC) that provides benefits tailored to the needs of rental car users, such as long-term deposit installment payment, car rental discount, and a 30 percent discount on the cost of charging an electric car, among others. As green vehicles are expected to dominate the local rental car market, we strive to distribute green vehicles in line with SFG’s vision, Zero Carbon Drive.



Launching Eco-friendly ESG Shopping Mall

We launched the ‘Eco-friendly Hall’ an ESG-exclusive shopping mall that sells a variety of eco-friendly home items, including everyday necessities. The Eco-friendly Hall sells a total of 100 green food, daily necessities, and first-grade home appliances at up to 50 percent cheaper than the reg-



ular prices. In 2021, around 2,500 customers shopped at an ESG-exclusive shopping mall, which translates into KRW 110 million in sales. We expect that the launch of the Eco-friendly Hall will contribute to reducing carbon emissions by encouraging green consumption among customers.

Green remodeling program

Shinhan Card participated in the ‘Green remodeling program,’ sponsored by the Ministry of Land, Infrastructure, and Transport. The program is designed to provide financial assistance to owners of old buildings to increase energy efficiency while reducing carbon emissions by adding insulation. In cases where a person who owns a property in his or her name completes home insulation, the government provides financial support to the owner to cover the interest of the total cost. Shinhan Card offered an installment payment service without interest for 36 months for up to KRW 30 million for apartment insulation and KRW 50 million for detached house insulation. The applicant could enjoy the interest-free financial support without having to submit any document proving real estate ownership. A total of 265 people received financial support worth KRW 2.84 billion. By joining the program, Shinhan Card could contribute to reducing greenhouse gas emissions and energy consumption.

Electric vehicle charging facility program

In Oct. 2020, we introduced the installment loan plan for

electric vehicle charging station construction, contributing to electric vehicle infrastructure expansion. As the sales of electric vehicles are rapidly on the rise thanks to growing interest in carbon neutrality and the electric vehicle subsidy, the electric vehicle infrastructure has a long way to go. Having been acutely aware of this, we launched financial products worth KRW 1.9 billion in 2021 for all types of vehicles, including buses, contributing to the expansion of electric vehicle charging facilities.

My Car Blue Driver Campaign

Shinhan My Car has been staging the ESG campaign, ‘#Blue Driver.’ We coined a slogan, ‘Blue Driver,’ for a nationwide campaign encouraging careful driving manners. ‘Blue Driver’ refers to a driver who cares for others and drives safely on the road without reckless driving and retaliatory aggressive driving. In Aug. 2020, we conducted a blue driver campaign as part of our ESG engagement, and in conjunction with the ECO Zone we created in an urban park for a healthy planet. We provided goods related to courteous driving to over 300,000 people who participated in the test to raise public awareness of courteous driving. We also made donations as much as the number of participants for the Shinhan Card ECO project. In 2022, we will continue to carry out Shinhan My Car’s ESG engagement campaign activities for the prevention of drunk driving and safe driving all year round.

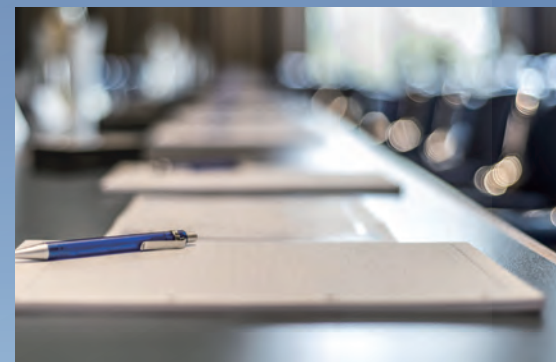


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Corporate Governance

BOD Composition

The Shinhan Card Board of Directors (BOD) is the company's highest standing decision-making body. It draws up Shinhan Card's strategy and management plan and supervises their implementation. Shinhan Card's management is appointed at the BOD meeting (the CEO and president are appointed at the general shareholders' meeting). The BOD may ask them to report the progress of their business activities and submit relevant materials. In doing so, the BOD oversees and checks management on a regular basis.

As members of the BOD, the outside directors hold a majority in pursuance of Article 3, Paragraph of 2 of the Shinhan Card corporate governance internal control. As of Dec. 2021, there are four outside directors out of seven BOD members, accounting for 57 percent. The BOD members are appointed from among experts in diverse areas to fulfill their duties.

BOD Operation

The Shinhan Card BOD pursues robust management and governance. It strives to fulfill its duty to implement responsible management under the SFG mission, 'Friendly finance' that implies 'finance benefits the world.' BOD meetings were held 11 times (four regular, and seven temporary) in 2021 with 100 percent attendance of all members. Shinhan Card transparently discloses important corporate regulations, including the articles of association, corporate governance internal control, and BOD regulations, as well as matters related to governance referred by the BOD, and activities of the outside BOD members, through the 'the Annual Report on Governance Remuneration System' in March every year on the Credit Finance Association website.

| BOD Committees |

BOD committee	Task	Composition	BOD meetings held in 2021(times)
Audit Committee	Adequacy of the company's internal control system and supervision of directors/managers' business activities	One executive director, two outside directors	9
Risk Management Committee	Establishment of risk management policies such as recognition, measurement and control of various risks arising from business management and monitoring compliance with them	Two outside directors, one non-executive director	9
Executive Nomination Committee	Evaluation of executive candidates (CEO, outside director, audit committee members) and management of the candidates for outside directors	Three outside directors, one non-executive director	4
Remuneration Committee	Setting the policy of remuneration of management and performance evaluation	Two outside directors, one non-executive director	3
ESG Committee	Operation of sustainable management policy and decision making on related matters	Four outside directors, one CEO	2

BOD Committees

Shinhan Card operates five BOD committees on a regular basis, including the Audit Committee, Risk Management Committee, Executive Nomination Committee, Remuneration Committee, and ESG Committee. The Audit Committee is composed of at least two-thirds outside directors and at least one accounting/financial expert. The Risk Management Committee consists of a majority of outside directors and at least one seasoned professional with a financial institution. The Remuneration Committee consists of a majority of outside directors, at least one expert in banking/accounting/financial area, and at least one member of the Risk Management Committee. The ESG Committee consists of three to five executives. Each committee fulfills its own tasks and, in doing so, reinforces the BOD's duty to oversee and keep management in check.

BOD Independence and Professionalism

Shinhan Card consists of experts in diverse areas to maintain mutual balance while keeping one another in check (As of Dec. 2021, the outside directors are composed of four experts in administrative management, management, law, and IT, respectively) to ensure that there is no bias against specific background or profession. Also, BOD members solve diverse problems faced by the company by holding meetings whenever deemed necessary and maximizing and complementing the expertise of each member.

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Board Evaluation and Remuneration

Shinhan Card supports the BOD and committees under the Board to properly perform their duties and responsibilities required by laws and company regulations. We also support the BOD and BOD committees to properly establish themselves as the company's main decision-making body and keep management in check. We conduct an evaluation of the BOD and outside directors every year.

We reflect the SFG KPI, Shinhan Card KPI, task KPI, and strategic tests in the performance evaluation at a certain rate depending upon their duties. All financial and non-financial evaluation factors are reflected in the performance indicators. We grade the performance of the executives in terms of their firmwide financial performance, relevant KPIs, and non-quantitative strategic task performance. We set the performance remuneration payment rates based on the results of the performance evaluation.

Ownership Structure

Shinhan Card is a wholly-owned subsidiary of SFG, in which SFG owns a 100-percent stake.

| BOD Composition |

(as of the end of Dec. 2021)

Classification	Name	Birthyear	Gender	Duty(Title)
Executive director (2)	Lim Young-jin	1960	Male	President & CEO, chairman of the BOD, ESG Committee
	Kim Jai-choon	1961	Male	Regular Audit Committee Member, Audit Committee
Outside director (4)	Kim Sung-lyul	1958	Male	Senior Outside Director, Auditor/ Executive nomination / ESG Committee
	Oh Gong-tae	1946	Male	Risk management/ executive nomination/ ESG Committee
	Choi June-sun	1951	Male	Audit / executive nomination/ remuneration/ ESG Committee
	Lee Zoon-ki	1962	Male	Risk management/ remuneration / ESG Committee
Non-executive director (1)	Ahn Jun-sik	1965	Male	Risk management/ remuneration/ Executive Nomination Committee

| BOD Operation |

(as of the end of Dec. 2021)

Classification	2017	2018	2019	2020	2021
No. of agenda	60	54	57	62	66
No. of BOD meetings held (times)	12	10	9	9	11
Attendance (%)	Executive directors	100	100	100	100
	Outside directors	97.9	100	97.2	88.9
	Non-executive directors	100	90.0	77.8	100

| Shareholders |

(as of the end of Dec. 2021)

SFG	100% (125,369,403 shares)
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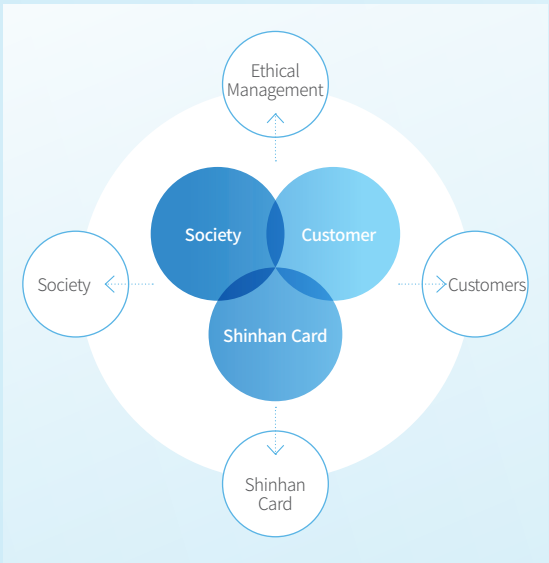
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Ethics and Compliance

Ethical Management System

Shinhan Card has enacted and implemented the ‘Shinhan Financial Group Code of Ethics’ to establish and instill the ideology and basic principles of ethical management, such as the work ethics of the employees and their ethical and social responsibility for and contribution to stakeholders. We have also enacted the ‘Conduct Standards of Employees,’ a more detailed code of ethics, to apply the ethical standards more effectively. To this end, the BOD appoints a compliance officer and the compliance team, a support body, carries out diverse activities to raise employees’ awareness of ethics and compliance. We operate the practical internal control program to incorporate ethics into our organizational culture.

Ethical Management System Chart



Making Ethical Management Second Nature

Ethical management action scheme

Shinhan Card operates an ethical management action program that makes ethical values a top priority in business activities in an effort to create a virtuous circle of mutual growth in which customers, Shinhan Card, and society grow their value together while complying with the new environmental regulations and standards.

Ethical management action scheme

- ‘Integrity contract system’ to secure contract transparency and equity
- ‘Ethical Practice Pledge System’ with employee commitment to ethical compliance
- ‘Law compliance self-diagnosis test’ to check employee activities ethically and legally.
- ‘Regulations on the prohibition’ of improper solicitation and bribery
- ‘Internal whistleblowing program’, in which employees themselves watch for any illegal and unfair activities
- ‘Leniency in exchange for confession’ offered to business partners for prevention of unfair trading

Ethical management training

Shinhan Card is providing a training program for ethical management practice, focusing on making ethical culture second-nature to reflect SFG’s vision, “Doing the Right Thing,” for ethical and fair business activity.

Direction for Ethical management training

Training for the spread of ethical management culture	>	Improving compliance and ethics in the workplace, with management setting an example
Training resonant with ethical management	>	Composition of ethical management body, employee engagement in ethical management
Training to take action for ethical management	>	Employee-training centered on work ethics, job training focusing on fraud prevention

Goal of ethical management training

Goal
Doing the Right Thing
⬆
Goals for Training
Spread ethical management/resonate with ethical management/practice ethical management

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| Ethical management training at a glance |

(Unit: Persons)

Classification	Education target	Unit		
		2019	2020	2021
Firmwide ethics and compliance cyber education	all employees	2,918	3,067	3,052
Raising legal compliance and ethical awareness	Business ethics pledge signed by all employees	2,918	3,067	3,052
Compliance self-diagnosis	Once a month for all employees	2,918	3,067	3,052
Competency-building training for compliance officers	Compliance Officer	117	118	121
Total		8,871	9,319	9,277

Applying strict ethical standards and putting principles into action

Shinhan Card provides an ethical management program on a regular basis. The program consists of writing a pledge to practice ethical compliance, departmental self-monitoring, self-check of legal compliance, and periodical webpage publication. We also invest in a wide array of employee training for capacity-building for the compliance officer, code of ethics and compliance training for all employees, anti-money laundering, and ethical compliance awareness. In addition, all members of the BOD are given anti-corruption training, including an understanding of the anti-money laundering system once a year.

Market abuse-related training

Shinhan Card enacted the ‘Rules for the Prohibition of Use of Undisclosed Material Information’ to monitor unfair transactions through reporting of the trading of financial investment products and regular monitoring. We also provide training to departments with a high probability of access to classified information to prevent any illegal activities.

Internal whistleblowing program

Our internal whistleblowing program encourages employees and business partners to speak out about misconduct allegations using diverse readily accessible channels, including our website, intranet, e-mail, fax, phone, mail, and interviews (in/out of the firm). The ‘cyber Sinnungo (meaning petition)’ on our website is the channel for internal/external whistleblowing or self-reporting of unfair trading. We operate this program in a bid to prevent unfair conduct regarding the abuse of superior bargaining positions in purchasing goods, bidding, and contract-signing by granting leniency. We run the program to proactively deal with violations of regulations, code of ethics, and fraud committed by employees. We provide awards or preferential treatment in job evaluation to eligible individuals who come forward with important information and contribute to prevent corruption and malpractice. We also do our best to protect them against any retaliation, such as unfair promotion and business activities by securing their anonymity. In 2021, we terminated the business contract with the partners who violated the ethical regulation by undertaking illegal credit-card marketing activities by canceling partnerships.

Leniency plan for employees and business partners

We offer leniency (immunity from a penalty given to those who self-report unfair business transactions) to employees and business partners in a bid to encourage employees to comply with the ethical codes and prevent the abuse of superior bargaining positions, such as the forced provision of financial benefits.

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Human Rights in Business

As a member of SFG, Shinhan Card aims to achieve sustainable growth while maintaining partnerships with customers and society by creating value for customers, ourselves, and society based on the SFG mission, ‘Friendly finance for the future together,’ which implies ‘Finance benefits the world.’ In order to maintain and develop partnerships with customers and society, we respect the basic rights of our stakeholders, including employees, customers, and business partners, and practice ethical management with respect for human rights.

Fair-Trade Compliance

Shinhan Card uses competitive bidding as a principle to establish a fair transaction relationship and transparently handles everything from bid notification to the selection of the final winner and contract signing through the ‘integrated procurement management system.’ In addition, we adhere to the company regulations for all procurement-related procedures and detailed standards. When signing a contract, we present our integrity pledge to fulfill transparency and a code of conduct, prohibiting all unfair business activities that unreasonably disrupt free competition. In 2021 alone, we purchased 64 construction/general products and 123 IT products and services provided by the business partners with whom we had signed contracts. There is not one contract that we terminated due to non-fulfillment of integrity obligations, such as anti-competition and antitrust violations, in relation to the partners.



| SFG declaration of human rights |

Human rights for employees	<ul style="list-style-type: none">· We do not discriminate in any way according to cronyism, age, gender, race, religion, etc.· We evaluate and reward fairly based on performance and provide fair opportunities for self-development based on capacity and qualification.· We consistently improve the workplace environment to make it safe and pleasant to improve the health of employees.
Human rights for customers	<ul style="list-style-type: none">· We do not provide discriminatory financial services based on gender, race, religion, or political orientation.· We demand only necessary information from customers and take technical and physical measures to protect personal information.· We respect customers’ sincere demands and expectations, and develop and provide the best possible products and services in return.
Human rights for Shareholders and investors	<ul style="list-style-type: none">· We maintain the accuracy and reliability of accounting data to secure management transparency.· We provide the information necessary for shareholders and investors in a timely and fair manner in accordance with relevant laws and internal regulations.· We maintain mutual trust by respecting legitimate demands and suggestions by shareholders and investors.
Human rights for business partners	<ul style="list-style-type: none">· We cherish the value of SFG’s business partners as partners for mutual prosperity.· We do not force the purchase of our products and services for selection as partners.· We trade fairly on an equal footing, not from a superior position.
Human rights for community	<ul style="list-style-type: none">· We are aware of our CSR for community development and actively engage in CSR activities as a member of the community.· We do not discriminate against the underprivileged people in the community in providing banking products and services, employment opportunities, and opportunities to participate in financial education programs.· We take loan or investment decisions for large-scale projects that may cause environmental and social problems in the local communities in consideration of its impact.

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Internal Control System

Internal control activity

The internal control committee at Shinhan Card is led by the CEO and is responsible for cooperating and coordinating with relevant staffers in relation to developing and implementing internal control policy and implementation. The compliance officer in each department is in charge of on-site internal control through self-inspection for compliance with departmental regulations, workplace sexual harassment prevention education, accident prevention, and other related compliance programs.

Legal compliance system implementation

We conduct a monthly inspection of accident prevention activities including a review of daily routines in accordance with the departmental internal control standards. The compliance surveillance team monitors internal control issues (consumer protection, unfair trade practice prevention, compliance with internal control procedures, etc.). In addition, we provide ac-

cident prevention and ethical compliance training for all employees (collective/online training) and conduct self-diagnosis of legal compliance every month to ensure that all employees are well aware of work-related laws and regulations.

Anti-money laundering activities

We conduct a rigorous verification process, including ID authenticity and property ownership, for the customers who apply for credit cards and loans. We also operate a management approval process for the customers from the nations not cooperative with the Financial Action Task Force (FATF) and persons under the blacklist to prevent money laundering and terrorist financing. In addition, we operate a monitoring system, which is designed to report suspicious activities, including potential money laundering and terrorist financing, as well as the customers who transact large sums of cash, to the Korean Financial Intelligence Unit (KoFIU). We consistently upgrade our anti-money laundering management system by expanding the workforce in the related areas in order to meet international standards.

Ethics and internal control training programs

Program	Description
Competency-building training for compliance officers	Capacity-building for departmental compliance officers for making the internal control awareness second nature once a year
Ethics and compliance cyber education	Employee cyber training for an understanding of the code of ethics and other regulations once per year
Ethics and compliance pledge	Pledge to comply with the code of ethics and laws by all employees
Anti-money laundering	Quarterly, relevant department
Mis-selling prevention training	Quarterly, relevant department
Prevention of unfair trading in the stock market	Quarterly, relevant department
Righteousness management activities	Righteousness management training for all branch heads and applicants
Prevention of sexual harassment and bullying in the workplace	All employees once per year
Theme-based training (employee work ethics, etc.)	Periodic theme-based training
Publication of compliance web magazine	Quarterly, internal control-related communication and information
Behavioral standards before and after holidays	Guides to the behavioral standards, self-reporting of the receipt of bribes and gifts during holiday seasons including New Year's Day and Chuseok (Thanksgiving holidays)
Leniency program for business partners	Once per year, a letter mailing to business partners once, self-reporting on a regular basis

→ BEST PRACTICES



Upgrading the compliance support system

We have upgraded the compliance support program in order to provide support to the internal control department and employees' voluntary compliance with laws

We effectively track the entire internal control process and monitor periodically to promptly respond to risks. We also communicate with the internal control department and relevant staffers to upgrade the internal control system on a regular basis. In addition, we strive to raise employees' awareness of ethical and legal compliance by operating the compliance program by creating an environment in which employees voluntarily comply with the internal control program throughout the entire work process and build their capacity for risk management.

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Risk Management

Risk Management System

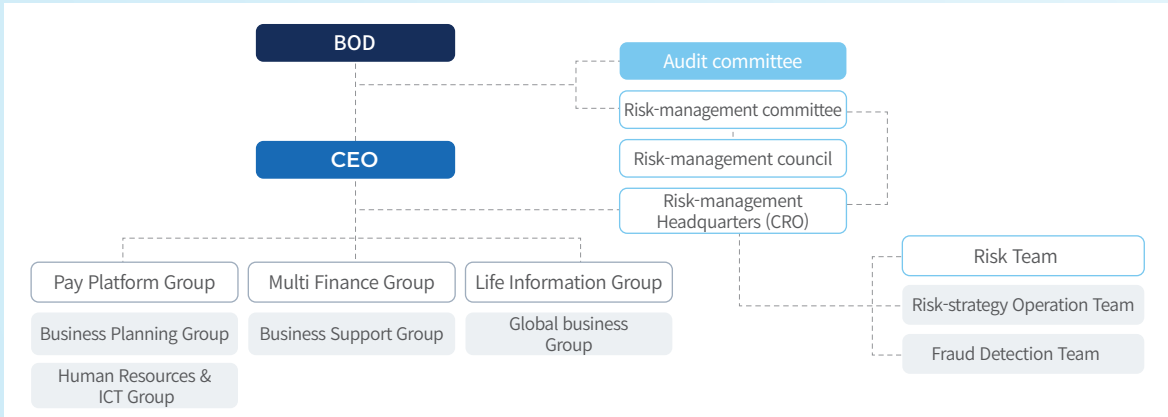
Our risk-management system consists of the risk-management committee (BOD committee) and the chief risk officer (CRO), the risk-management council, and the risk-management department. The risk-management committee is responsible for identifying diverse risks that occur in the course of business activities and developing policies and strategies for risk measurement and control. It also monitors compliance with the risk-management policies. The CRO assists the risk-management committee, while the risk-management council is in charge of effectively implementing the decisions made by the risk-management committee.

Risk management principles

Shinhan Card shares SFG’s risk-management philosophy that “for sustainable growth, all members of the organization have a sense of ownership and maintain a balance between risk and return in carrying out business activities.” We thus strive to make risk awareness and management second nature in fulfilling our duties.

Risk management organization chart

(As of Jan. 2022)



Risk management principles

- Undertake all business activities in consideration of the balance between risk and return within a preset risk appetite.
- Operate a risk-related decision-making system that enhances management involvement.
- Operate a risk-management body independent of the sales division.
- Operate a performance-management system that clearly takes risks into account when making business decisions.
- Look for preemptive and practical risk-management functions.
- Maintain a cautious perspective in preparation for the possibility of a worsening situation.
- Comply with SFG’s corporate governance codes and upgrade the risk-management system on a regular basis.

Risk Management Council

The risk-management council is composed of the CRO as the chairperson and executives (10 executives as of Jan. 2022). It holds a regular meeting once per month and special meetings that are held when necessary. The risk-management council is designed to efficiently implement the decisions made by the risk-management committee. It is responsible for comprehensively managing a wide range of risks, asset liability management (ALM), and profitability.

Resolutions and deliberations of the risk management council

- Setting and adjustment of risk limits for each business division and product
- Selection and management of major risk-related management indicators
- Establishment and adjustment of guidelines for appropriate portfolios and indicators
- Creation and adjustment of basic policies on the optimal management and procurement of assets and liabilities
- Launch of a new business and financial products, change of interest rate and fee system, adjustment of credit card/loan/installment loan qualification standards, credit card limit, card loan and installment loan limit, etc.
- Establishment and adjustment of the credit rating model system
- Sale and purchase of commodity assets
- Total exposure limit of individual corporations and main debtors, setting of the limit of equity investment and the approval of excess
- Enactment of risk management council rules, general risk management rules, and credit review regulations, opening and closing of the risk-management council
- Matters stipulated in relation to risk management in other risk-management regulations or matters deemed necessary for risk management by the chairman of the council

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Strengthening Risk Management

Firmwide risk monitoring/response process

We operate a comprehensive risk-management system at the group level to ensure that we maintain an appropriate level of equity and achieve stable and sustainable growth through the balance between profit and risk. It is reflected in the bylaws. We recognize a crisis through integrated crisis situation analysis and monitoring of diverse early warning indicators based on significant and conservative scenarios. We identify the stages of the crisis and respond to it through impact analysis. We share our decision on the stages of a crisis and responses to it through the SFG risk council and come up with countermeasures jointly at the group level through the SFG risk management committee.

* Performance evaluation (RAPM) with risk capital management, risk planning and risk limit setting, capital adequacy assessment, and integrated crisis analysis, risk monitoring and reporting, risk review, comprehensive risk management, and risk into consideration.

Pre-risk Inspection Methods by seriousness of the risk

Pre-risk inspection	Risk/materiality	Procedure
Preliminary consensus	Low	The relevant department consults with the risk-management department for approval before risk inspection.
Preliminary inspection	Average	The relevant department conducts risk inspections in accordance with the checklist (13 types) with the risk inspection items and risk inspection department specified. The risk-management department then gives comprehensive feedback.
Deliberation and decision making by the risk management council	High	The risk-management council deliberates and takes decisions based on the pre-risk inspection results.

Risk expert network operation

We communicate with SFG’s risk-management bodies when formulating our risk policies and strategies for consistency. We also strive to increase our risk-management capacity. In 2009, SFG completed the integrated risk-management system as part of the group risk-management program. We consult with SFG to identify possible risks when launching new projects, developing and revising policies. We also share the risk status with the risk expert network (REN) that includes SFG risk management officers and experts to seek creative ways to solve the crisis to guild group synergy.

Pre/post risk monitoring

We conduct pre- and post-risk inspection as we do business in accordance with Article 20 of the internal risk-management regulations in order to prevent and effectively manage risks. We identify the target of risk inspection and take action in detail based on the pre-and post-risk management regulations.

Pre-risk inspection checklist of each type

- 1

Launch of a new business and new products, renewal of existing products, the addition of new services and renewal (environmental and social risks included)
- 2

Marketing event
- 3

Adjustment of the interest and service charge system
- 4

Introduction of a new principal and interest payment plan and adjustment
- 5

Setting the standards of eligibility, excess approval, and limits and adjustment
- 6

Creation and adjustment of debt collection / Fraud model systems
- 7

Same borrower and individual company exposure limit setting and approval
- 8

Financing
- 9

Acquisition and disposal of equity securities
- 10

Adjustment of the corporate credit rating standards
- 11

Entering a market overseas
- 12

Operation risk
- 13

Risks from a customer’s point of view

Responses to Risks by Type

Financial risk management

We at Shinhan Card are aware of and measure all serious risks we face now and potential risks that may occur in a crisis. The types of the risks we manage include risks related to credit, interest, liquidity, operation, and market. Our risk limit management program is designed to maintain the risk relative to our equity capital at an appropriate level. We set the limits of integrated risks and each type of risk and evaluate the risks on a regular basis and whenever necessary. Also, we report to management, the risk management council, and the risk-management committee about the progress of our risk limit management and other important matters. The concept of each type of risk and the method of risk management are reflected in the bylaws, risk-management regulations, and work regulations.

Non-financial (ESG) risk management

As a member of SFG, Shinhan Card is increasing its sustainability in accordance with SFG’s environmental society risk management code, which was enacted in 2018, and consolidating its ESG management that takes environment, society, and governance into account in order to management reputational risk. We have chosen 12 areas of concern* at the group level to monitor or manage. We have also selected four areas (customer complaints, security, merchants, and credit card forgery) that affect ESG in the process of business activities as non-financial risk management items to monitor them on a regular basis.

* Large-scale agriculture and food crop production, forestry, chemical manufacturing, mining, oil and gas development, large-scale infrastructure construction, power generation, wastewater and waste treatment, arms and defense industry, promising fishing, tobacco, coal processing

Solutions to financial risks by type

Classification	Definition	Solution
Credit Risk	Potential risk of an economic loss that may occur due to default of the debtor or breach of contract by the counterparty	Determine the risk grade and estimate the expected loss for individual exposures; manage the portfolio's concentration risk and conduct the stress test by taking the fluctuation of the macroeconomic indicators and deterioration of member portfolios comprehensively into consideration.
Interest Rate Risk	Decrease in net asset value that occurs when interest rates fluctuate unfavorably to the financial state, or the risk of a decrease in net interest income	Measure the risks of the interest income accounts using value at risk (VaR) and earning at risk (EaR) and analyze the risks for comprehensive management.
Liquidity Risk	The risk that the company may not be able to raise funds for asset growth without incurring unacceptable losses or not be able to repay its maturity obligations	Estimate and monitor the cash flow at the end of the month and at the same time consistently monitor the occurrence and possibility of triggers such as the concentration and dispersion of financing and asset securitization. Draw up a plan or crisis analysis and emergency procurement.
Operation Risk	Risk of a loss due to improper personnel or incorrect work procedures, system errors, and external events	Evaluate the risks by using the risk measurement methods stipulated by the supervisory authority or BIS-based standard methods; monitor the risks by controlling and mitigating the risks above a certain level.
Market Risk	Risk of a loss due to diverse factors of market fluctuation, such as interest rates, stock prices, exchange rates and commodity prices	Appropriately control and mitigate risks above a certain level by using the standard method of the BIS ratio to calculate and monitor the market risk, and comprehensively manage the risks by analyzing issues and sensitivity according to changes in market factors and conducting stress tests.

In addition, we are carrying out the group-wide ESG risk-management system in order to create a credit/investment program that utilizes the international standards for financial carbon emission management and the ESG evaluation model.

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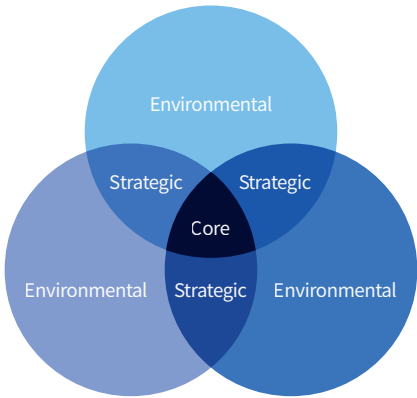
Stakeholder Engagement

Stakeholder Selection and Classification

We classify stakeholders into three groups, core stakeholders, strategic stakeholders, and environmental stakeholders, according to their legal, financial, and operational responsibilities and the degree of their impact, which are the stakeholder classification standards suggested by ISO 26000. We identify executives, customers, shareholders and investors, the government and relevant institutions, communities, and business partners as the core and strategic stakeholder groups. We have collected opinions from stakeholders through diverse online/offline channels to expand sincere communication with them, and established sound and reliable relationships with the stakeholders by identifying major issues of all stakeholders and actively responding to such issues.

Stakeholder Mapping & Grouping

- The groups for which Shinhan Card has legal, financial or operational responsibilities
- The groups that affect Shinhan Card performance
- The groups that are affected by Shinhan Card operation



Classification	Definition	Stakeholder group
Core stakeholders	Stakeholders essential to the survival of a company	Employees, customers, shareholders, and investors
Strategic Stakeholders	Stakeholders essential to the company in responding to specific issues	Government and related organizations, local communities, and business partners
Environmental Stakeholders	Stakeholders other than core and strategic ones	Media, NGOs/NPOs, socially disadvantaged, peer groups, research institutes, and experts

Communication Channels Operated by Stakeholder Groups

Classification	Stakeholder	Areas of interest	Communication channel	Response
In-house	Employees (including unions)	<ul style="list-style-type: none">· Work-life balance· Employee capacity building· Horizontal organizational structure· Employee communication	<ul style="list-style-type: none">· Communication programs· Regional headquarters & branch workshops· In-house clubs· Labor-management council· In-house broadcasting	<ul style="list-style-type: none">· Work-life balance and employee reporting· Various firmwide communication programs· Smart work manual How40· Labor-management meeting twice a month
Out-of-house	Customers	<ul style="list-style-type: none">· Better customer services· Customer-centric products and services· Listening to customers and encouraging customer engagement· Information and data protection· Protection of under-privileged customers	<ul style="list-style-type: none">· Customer panels· Short website survey 'Shinhan Poll'· Website/social media channels· Chatbot 2.0· Customer satisfaction surveys	<ul style="list-style-type: none">· BigData-based customized personal service· Innovative financial products· Development of the mis-selling prevention process· Improvement of financial accessibility· Free apps for voice phishing prevention
	Shareholders and investors	<ul style="list-style-type: none">· Transparent information disclosure· Enhancing corporate value· Robust governance· Risk management	<ul style="list-style-type: none">· Website· IR activities· Periodic reports· Disclosure	<ul style="list-style-type: none">· Transparent management disclosure· Risk monitoring/response process· Risk management by type
	Government and related organizations	<ul style="list-style-type: none">· Inclusive finance· Ethical management· Financial innovation	<ul style="list-style-type: none">· Press releases· Compliance with laws and regulations	<ul style="list-style-type: none">· Ethical management training· Compliance support system· Selection of new financial services for innovation in finance
	Community	<ul style="list-style-type: none">· Expanded CSR activities· Mutual prosperity with local communities	<ul style="list-style-type: none">· Arumin website· Employee/customer volunteer Groups· Website/social media	<ul style="list-style-type: none">· Development of CSR programs· Arumin library/financial education· Arumin Employee/customer volunteer groups· ECO Zone

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Materiality Assessment

Materiality Assessment Process

We conducted a materiality assessment to identify material topics in the field of sustainability management and transparently communicate with our stakeholders. The materiality assessment was conducted based on the principles of sustainability context, materiality, completeness, and stakeholder inclusiveness recommended by GRI Standards and ISO 26000. We identified and selected our stakeholders' major areas of interest by conducting the materiality assessment and created the report contents and details based on it. We did our best to faithfully deliver the relevant information.

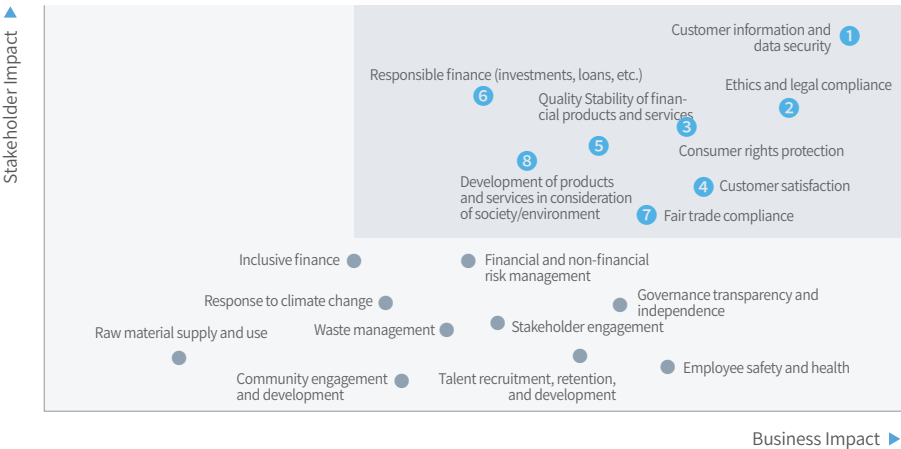
Materiality Assessment Process



Materiality Assessment Result

We finalized the selection of eight material issues out of 18 issues after final validity verification with stakeholder impact and business impact into consideration. We transparently disclose our sustainable management activities and performances regarding each issue throughout the report.

Materiality Assessment Matrix



No.	Topics	GRI Standards Topic	Rank increase compared to the previous year	Reporting boundaries	Pages
1	Customer information and data security	GRI 418 Customer privacy	Same	Inside/Outside	44-45
2	Ethics and legal compliance	GRI 205 Anti-corruption	Up	Inside/Outside	69-72
3	Consumer rights protection	-	Down	Inside/Outside	43-45
4	Customer satisfaction	-	Same	Inside/Outside	37-43
5	Quality stability of financial products and services	-	Same	Inside/Outside	13-17
6	Responsible finance (investments, loans, etc.)	GRI 417 Marketing and labeling	Up	Inside/Outside	25, 28
7	Fair trade compliance	GRI 206 Anti-competitive Behavior	New	Inside/Outside	71
8	Development of products and services in consideration of society/environment	-	New	Inside/Outside	18-21, 29-30, 65

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Management Approach

Material Topics and Responses

We analyzed the opportunities and risk factors of the 8 issues identified according to the results of the materiality assessment and included the management direction and activities to address the issues in this report. We will do our best to materialize our goals for the material issues this identified and share our achievements with stakeholders consistently.

Classification	Context	Our Approach	Key Performance
Customer information and data security	With the enforcement of the revised Credit Information Act, the financial sector has been able to implement the data industry such as My Data and data combination. As information and data are becoming more important, financial companies should reinforce security to protect customer information and data from various types of risks.	We are taking measures to protect customer information so that our customers can use services with trust. We have consistently invested in customer information protection, rebuilding systems, and obtaining relevant certifications. We also manage and support security services for customers at home and abroad who can use them securely.	<ul style="list-style-type: none">· Focus on customer information management inside and outside public systems· Safer international transactions· ISMS-P certification
Ethics and legal compliance	Stakeholders' expectations for corporate ethics and compliance are growing, which makes ethical management and compliance become essential elements for a business to earn stakeholders' trust.	We run a wide range of programs to make compliance with ethics and laws second nature.	<ul style="list-style-type: none">· Ethics and compliance cyber training· Ethics and compliance pledge· Compliance officer in each department
Consumer rights protection	As the Act on the Financial Consumer Protection was enacted for the effectiveness of protecting consumer rights and interests, financial companies are required to take appropriate measures to fulfill their obligations therewith.	We are committed to protecting consumers' rights and interests. In line with the recent government policy, we created the counselor program that specializes in the Act on the Protection of Financial Consumers to provide relevant training.	<ul style="list-style-type: none">· Counselors specializing in the Financial Consumer Protection Act
Customer satisfaction	For the sustainability of a business, customer loyalty and repurchase are critical, and customer satisfaction should come first. It is critical to consider customers' diverse needs to satisfy and enhance customer satisfaction.	We strive to provide customers with the best possible benefits as customer value is our highest priority. We have created a channel to hear and reflect customers' opinions, and we are expanding digital-based services such as Face Pay and touch payment to enhance customer convenience.	<ul style="list-style-type: none">· Consumer-centric management system· Faster Shinhan pLay offline payment system service
Quality Stability of financial products and services	Financial businesses should ensure the quality and safety of their financial products and services to earn trust and keep their businesses going. It is essential to provide stable financial services while reflecting changes in trends.	In order to provide stable and up-to-date services to customers, we conduct a survey of the customer panel on new products and discuss the results through the product working group.	<ul style="list-style-type: none">· Analysis of consumer impact on the launch of new products
Responsible finance (loans, investments, etc.)	The fundamental social responsibility of financial businesses is to provide appropriate financial services. Financial businesses are required to serve as responsible financial players by providing financial products and services that address social and environmental issues through ESG management.	In an effort to expand ESG management, we have established ESG-related systems, including the ESG committee, programs for ESG integration, and ESG risk-management programs. We also provide responsible financial products by issuing ESG bonds and asset-backed securities (ABSs).	<ul style="list-style-type: none">· ESG committee/council meetings· Risk management council meetings· Disclosure of socially responsible bond postoperative report
Fair trade compliance	Duties of financial businesses include ensuring fair trade between businesses in compliance with laws and regulations while preventing unfair trade.	We are committed to complying with the code of ethics and preventing the abuse of power by our business partners.	<ul style="list-style-type: none">· Voluntary compliance training programs· Leniency system for business partners
Development of products and services in consideration of society/environment	Both businesses and local communities need mutually cooperative services for sustainable development. Businesses should strive to provide the products and services, which enable mutual growth with local communities and encourage customers to engage in such efforts.	Shinhan Card is taking the lead in protecting the environment for customers and the future society by providing green services and products. We develop and provide green products and electric/hydrogen vehicle-related services that customers can readily have access to and trust. We are introducing credit cards that are associated with specific regions, such as Daedeok-gu, Daejeon, and Jeju Island, in an effort to develop diverse services to create customer value in local communities.	<ul style="list-style-type: none">· ESG product/service development

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ESG DATA

Economy

Condensed Consolidated Financial Statements

Classification	Unit	2019	2020	2021	Remark
Cash and deposit	KRW 1 million	668,414	671,599	435,662	
Financial assets at fair value through profit or loss	KRW 1 million	406,109	487,873	353,562	
Derivative financial instruments	KRW 1 million	54,497	7,358	88,201	
Credit card receivables & at amortized cost, etc.	KRW 1 million	29,335,281	30,935,740	33,755,177	
Lease asset	KRW 1 million	548,900	1,016,237	1,397,773	
Financial Asset at fair value through other comprehensive income	KRW 1 million	35,938	32,143	197,019	
Tangible and intangible assets	KRW 1 million	800,282	786,382	837,148	
Other assets	KRW 1 million	1,068,488	947,891	1,407,686	
Total assets	KRW 1 million	32,917,909	34,885,223	38,472,228	
Derivative financial liabilities	KRW 1 million	48,675	170,761	16,243	
Borrowings	KRW 1 million	3,314,687	4,084,495	6,662,856	
Bonds	KRW 1 million	18,645,325	20,215,457	20,841,868	
Other liabilities	KRW 1 million	4,760,356	3,994,962	4,216,258	
Total liabilities	KRW 1 million	26,769,043	28,465,675	31,737,225	
Controlling equity	KRW 1 million	6,152,347	6,424,253	6,738,510	
Capital	KRW 1 million	626,847	626,847	626,847	
Additional paid-in capital	KRW 1 million	860,592	860,592	860,592	
Capital adjustment	KRW 1 million	263	2,219	1,871	
Accumulated other comprehensive income	KRW 1 million	(67,535)	(73,314)	(42,190)	
Retained Earnings	KRW 1 million	4,732,180	5,007,909	5,291,390	
Non-controlling equity	KRW 1 million	(3,481)	(4,705)	(3,507)	
Total shareholders' equity	KRW 1 million	6,148,866	6,419,548	6,735,003	
* The number of businesses included in the consolidation	businesses	13	13	12	

*The numbers that do not include Shinhan Card

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Condensed Consolidated Statement of Comprehensive Income

Classification	Unit	2019	2020	2021	Remark
Operating income	KRW 1 million	3,891,906	4,090,978	4,359,592	
Operating expenses	KRW 1 million	3,207,798	3,268,764	3,456,102	
Operating profit	KRW 1 million	684,108	822,214	903,490	
Non-operating Income	KRW 1 million	(7,352)	(1,002)	4,505	
Share of profit or loss of associates	KRW 1 million	-	-	(1,109)	
Net income before income tax	KRW 1 million	676,756	821,212	906,886	
Income tax expenses	KRW 1 million	(167,723)	(214,658)	(230,589)	
Profit after tax	KRW 1 million	509,033	606,554	676,297	
Other comprehensive income (loss)	KRW 1 million	(22,918)	(7,103)	33,793	
Comprehensive income (loss)	KRW 1 million	486,115	599,451	710,090	
Net income attributable	KRW 1 million	509,033	606,554	676,297	
Net income (loss) attributable to owners	KRW 1 million	508,800	606,453	674,997	
Non-controlling equity	KRW 1 million	233	101	1,300	
Other comprehensive income and loss attributable	KRW 1 million	486,115	599,451	710,090	
Net income (loss) attributable to owners	KRW 1 million	484,952	600,675	708,893	
Non-controlling equity	KRW 1 million	1,163	(1,224)	1,197	
Net income per share	KRW	4,058	4,837	5,384	
The number of businesses included in the consolidation*	No. of businesses	13	13	12	




*The numbers that do not include Shinhan Card

Credit rating in Korea

Classification	Unit	2019	2020	2021	Remark
Korea Investors Service	Grade	AA+ (Stable)	AA+ (Stable)	AA+ (Stable)	
Korea Ratings	Grade	AA+ (Stable)	AA+ (Stable)	AA+ (Stable)	
NICE Investors Service	Grade	AA+ (Stable)	AA+ (Stable)	AA+ (Stable)	

Overseas credit rating

Classification	Unit	2019	2020	2021	Remark
Moody's	Grade	A2 (Stable)	A2 (Stable)	A2 (Stable)	
S&P	Grade	A- (Stable)	A- (Stable)	A- (Stable)	

		
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Achievements in innovation and digital transformation

Classification	Unit	2019	2020	2021	Remark
Cumulative Shinhan pPlay membership	10,000 persons	1,158	1,283	1402	
Shinhan pPlay MAU	10,000 persons	425	510	600	
Shinhan pPlay transaction amount	KRW 1 trillion	10.4	13.0	16.0	
Digital transaction amount coverage	Payment	17.0	21.2	24.0	
	Finance	44.4	-51.8	59.5	

No. of credit/debit card holders

Classification	Unit	2019	2020	2021	Remark
No. of members	1 million	21.0	21.0	20.9	
No. of users (1 month)	1 million	10.3	10.5	10.9	

No. of debit card members

Classification	Unit	2019	2020	2021	Remark
Total number of debit card users	1 million	14.4	14.3	14.3	
CheckOnly	1 million	8.5	8.2	8	

Transaction amount (Separate criteria excluding overseas subsidiaries)

Classification	Unit	2019	2020	2021	Remark
YOY	%	5.1	0.6	7.5	
Others (installment loans, etc.)->others	KRW 1 trillion	5	5	7	
Long-term card loans	KRW 1 trillion	10	11	11	
Short-term card loans	KRW 1 trillion	15	13	13	
Credit sales-> full payment/ installment payment	KRW 1 trillion	156	158	170	
Debit	KRW 1 trillion	30	32	32	

Size of stock-in-trade (Separate basis excluding overseas subsidiaries)

Classification	Unit	2019	2020	2021	Remark
Others (installment loan, etc.)	KRW 1 billion	6,371	8,419	9,607	
Long-term card loans	KRW 1 billion	6,761	7,372	7,653	
Short-term card loans	KRW 1 billion	1,864	1,571	1,673	
Credit sales-> sale proceeds	KRW 1 billion	15,184	14,602	16,439	

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Society

ESG Finance

Sustainable Finance

Classification	Unit	2019	2020	2021	Remark
Sustainability bond (new)	KRW 1 billion	100	559	1,285	
Green bond (new)	KRW 1 billion	0	0	180	
Loan for financial support for low-income persons (new)	KRW 1 billion	259.6	778.2	1249.3	
Loan for financial support for low-income persons (balance)	KRW 1 billion	260.1	683.9	956.6	
Startup equity investment (balance)	KRW 1 billion	5.1	5.5	7.0	
Green loan (new)	KRW 1 billion	4.5	6.2	9.0	Solar power & electric vehicle charging facility
Green loan (balance)	KRW 1 billion	7.8	12.2	18.3	Solar power & electric vehicle charging facility

Green-related Card Transaction Amount

Classification	Unit	2019	2020	2021	Remark
Total	KRW 100 million	1,123.8	2,474.1	3,625.8	
Arumdaun	KRW 100 million	249.8	221.2	206.6	
EV	KRW 100 million	713.2	1,139.6	2,032.0	
Deep ECO	KRW 100 million	160.8	1,113.3	1,387.2	

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Employees

Employees at a glance

Classification		Unit	2019	2020	2021	Remark
Total no. of employees		Persons	2,630	2,626	2,613	
New hires	Male (ratio)	Persons, %	41(47.7)	75(56.8)	42(47.5)	
	Female (ratio)	Persons, %	46(52.9)	57(43.2)	52(52.5)	
	People with physical impairment	Persons	5	3	5	
	High school graduates	Persons	20	34	35	
	Local talent	Persons	-	-	-	
Leavers/retirees	Male (ratio)	Persons, %	13(0.9)	50(3.3)	28(1.9)	
	Female (ratio)	Persons, %	12(1.1)	17(1.5)	10(0.9)	
Types of employment	Regular	Persons	2,447	2,429	2,424	
	Irregular	Persons	159	172	164	
Location	Korea	Persons	2,621	2,615	2,602	
	Overseas	Persons	9	11	11	
Title	Executives	Persons	24	25	25	
	Management-level	Persons	1,529	1,594	1,676	
	Rank-and-file	Persons	1,077	1,007	912	
Age	20s (ratio)	Persons, %	125(4.8)	148(5.6)	126(4.8)	
	30s (ratio)	Persons, %	510(19.4)	438(16.7)	400(15.3)	
	40s (ratio)	Persons, %	1,592(60.5)	1,554(59.2)	1,500(57.4)	
	50s and older (ratio)	Persons, %	403(15.3)	486(18.5)	587(22.5)	
Gender	Male (ratio)	Persons, %	1,512(57.5)	1,506(57.3)	1,491(57.1)	
	Female (ratio)	Persons, %	1,118(42.5)	1,120(42.7)	1,122(42.9)	

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Employee Diversity

Classification		Unit	2019	2020	2021	Remark
Female leadership						
Title	Women among all employees (ratio)	%	42.9	43.0	43.3	
	Women among all employees (ratio)	%	26.6	28.9	31.3	
Type of employment	Women among irregular employees	%	44.7	39.0	37.2	
	Women among regular employees	%	42.7	43.3	43.7	
Others	Foreigners (ratio)	Persons, %	-	-	-	
	Military veterans (ratio)	Persons, %	45(1.7)	47(1.8)	49(1.9)	
	Persons with physical impairments (ratio)	Persons, %	28(1.1)	26(1.0)	26(1.0)	

Employee Education

Classification		Unit	2019	2020	2021	Remark
Hours of education per person		Hours	79	87	56	
Total hours of education		Hours	208,709	229,580	146,306	
Training budget per person		KRW 10,000	85	60	99	
Satisfaction with training		Points	4.57	4.41	4.33	

Employee Education and Training

Classification		Unit	2019	2020	2021	Remark
Average cost of education per person		KRW 10,000	85	60	99	
Average hours of education per person		hours	79	87	56	
Average hours of education per person- by sex	Male	hours	-	-	52	
	Female	hours	-	-	62	
	Under 30s	hours	-	-	58	
Average hours of education per person -by age	30s~50s	hours	-	-	58	
	Over 50s	hours	-	-	51	

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Employee Safety and Health

Classification	Unit	2019	2020	2021	Remark
No. of industrial disasters	Cases	0	0	0	
Disaster rate (No. of disasters/no. of employees*100)	%	0	0	0	
No. of employees who died of work-related diseases	Persons	0	0	0	
Work hours	Hours	5,260,000	5,252,000	5,253,000	

Union Membership (ratio)

Classification	Unit	2019	2020	2021	Remark
Membership	%	90.5	89.2	89.2	

Flextime

Classification	Unit	2019	2020	2021	Remark
Flextime (ratio)	%	69.3	85.6	79.8	

Parental Leave

Classification		Unit	2019	2020	2021	Remark
No. of employees expected to return within the year after parental leave	Female	Persons	65	66	56	
	Male	Persons	3	8	8	
No. of employees returning within the year after parental leave	Female	Persons	62	64	55	
	Male	Persons	3	6	8	
No. of employees returning within the year after parental leave (ratio)	Female	%	95	97	98	
	Male	%	100	75	100	
No. of employees who returned from parental leave more than 12 months ago	Female	Persons	49	61	61	
	Male	Persons	9	3	6	
No. of employees who returned from parental leave more than 12 months ago (ratio)	Female	%	98	98	95	
	Male	%	90	100	100	

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Support for Physical Exam

Classification	Unit	2019	2020	2021	Remark
Participation in physical exam	%	96.6	99.8	98.1	Unexamined: pregnancy, childbirth, including persons who took leave

Human-rights Training

Classification	Unit	2019	2020	2021	Remark
Education (ratio)	Persons, %	2,918(95.3)	2,837(94.4)	2,877(95.0)	

Customers

CS Employee Training

Classification	Unit	2019	2020	2021	Remark
No. of training sessions given	Numbers	41	51	46	
No. of employees who received the training	Numbers	1,300/per training	1,097/per training	1,055/per training	

Information Protection Education

Classification		Unit	2019	2020	2021	Remark
Employees	Duration	Hours	19,248	17,442	16,127	
	No. of persons who participated	Persons	2,950	2,852	2,785	
Out-of-house workers/ Business partners	Duration	Hours	17,746	15,714	15,633	
	No. of persons who participated	Persons	3,545	3,271	3,087	

No. of Data Breaches

Classification	Unit	2019	2020	2021	Remark
No. of data breaches	Numbers	0	0	0	

Results of Customer-Satisfaction Survey

Classification	Unit	2019	2020	2021	Remark
Total scores	Scores	89.0	89.2	88.0	

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Customer Engagement and Feedback Implemented

Classification	Unit	2019	2020	2021	Remark
Customer engagement system (customer panel FGI held)	Times	12	14	31	
Customer feedback implemented (no. of feedback implemented)	Numbers	120	136	113	

Customer complaints handled-based on the no. of complaints filed with the Financial Supervisory Service

Classification	Unit	2019	2020	2021	Remark
Complaints filed	Numbers	1,030	1,129	993	
Complaints handled	Numbers	1,030	1,129	993	

Violation of customer data and leakage/theft/loss of customer data

Classification	Unit	2019	2020	2021	Remark
No. of complaints about privacy violations confirmed	Numbers	0	0	0	
-No. of complaints filed by outside individuals and confirmed by the firm	Numbers	0	0	0	
-No. of complaints filed by regulatory authorities	Numbers	0	0	0	
No. of confirmed leaks, theft, and loss of private data	Numbers	0	0	0	

Marketing and labeling

Classification	Unit	2019	2020	2021	Remark
No. of incidents in which the violation of legal regulations and voluntary regulations on product and service information and labeling occurred	Cases	0	0	0	

Local Community

CSR activities

Classification	Unit	2019	2020	2021	Remark
The amount of money invested in local communities (including monetary donations)	KRW 100 million	156	147	157	
Employees' volunteer work hours	Hours	29,742	2,935	3,053	

		
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Environment

Greenhouse Gas Emissions

Classification		Unit	2019	2020	2021	Remark
Emissions target		tCO ₂ eq	3,526	3,483	3,441	
Emissions reduced		tCO ₂ eq	2,981.2	2,897.03	2,760.0	
Emission reduction in comparison with the previous year		%	△ 16.6%	△ 16.8%	△ 4.7%	

Greenhouse Emissions by Energy source

Classification		Unit	2019	2020	2021	Remark
Electricity		tCO ₂ eq	1,937.6	1,954.9	1,798.8	
Liquified natural gas (LNG)		tCO ₂ eq	602.7	535.5	577.8	
Gas/diesel		tCO ₂ eq	10.4	3	0.462	
Gasoline		tCO ₂ eq	430.5	403.7	382.89	

Energy Consumption and Greenhouse Gas Emissions

Classification		Unit	2019	2020	2021	Remark
Energy consumption	LNG	TJ	11.9	10.6	11.38	
	Diesel	TJ	0.1	0.0	0.006	
	Electricity	TJ	39.9	40.3	37.03	
	Gasoline	TJ	6.5	6.0	5.69	
Greenhouse gas emissions	Scope1 (direct emissions)	tCO ₂ eq	440.9	406.7	383.4	
	Scope2 (indirect emissions)	tCO ₂ eq	2,540.3	2,490.4	2,376.6	
	Scope3 (other indirect emissions)	tCO ₂ eq	31.3	13.8	12.2	Employee business trips (By bus, train, or plane)

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Print Volume (average per quarter)

Classification		Unit	2019	2020	2021	Remark
Average per quarter	1st quarter	10,000 sheets	164	129	139	
	2nd quarter	10,000 sheets	150	129	128	
	3rd quarter	10,000 sheets	125	127	110	
	4th quarter	10,000 sheets	181	116	105	
Difference	1st quarter	10,000 sheets	x	△35	10	
	2nd quarter	10,000 sheets	x	△21	△1	
	3rd quarter	10,000 sheets	x	△2	△17	
	4th quarter	10,000 sheets	x	△65	△11	

Waste Discharges

Classification		Unit	2019	2020	2021	Remark
General waste		ton	51	48	55	
Recyclable waste		ton	107	108	109	

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Governance

BOD Operation

Classification		Unit	2019	2020	2021	Remark
No. of agendas		Numbers	57	62	66	
No. of BOD meetings held		Times	9	9	11	
Attendance	In-house	%	100	100	100	
	Out of house	%	97.2	88.9	100	
	Other non-executive directors	%	77.8	100	100	

Ethical Management

Classification		Unit	2019	2020	2021	Remark
Compliance officer capacity building training		Persons	117	118	121	
Ethics and compliance cyber training		Persons	2,918	2,837	2,877	
Ethics and compliance pledge		Persons	2,918	2,837	2,877	
Self-diagnosis of compliance		Persons	Once a month	Once a month	Once a month	

Legal Action Against Unfair Trade practices, Such as Anti-competitive Practices and Monopoly

Classification		Unit	2019	2020	2021	Remark
Legal action against unfair trade practices		Cases	0	0	0	No sanctions for violation of the Fair Trade Act
Cash penalties for unfair trade practices		KRW 100 million	0	0	0	

Consulting on Ethics and Reporting Mechanism

Classification		Unit	2019	2020	2021	Remark
No. of inquiries related to ethics and compliance		Numbers	1276	1493	1682	No. of legal consultations received
Responses to inquiries		%	100	100	100	
No. of fraud reports		Numbers	0	0	0	Criteria for decision: sanctions imposed on relevant individuals
Fraud reports handled (ratio)		%	0	0	0	

		
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Third-Party Assurance Statement

To the Management and Stakeholders of Shinhan Card

Foreword

The Korea Standards Association (hereinafter, “the Assurers”) was commissioned to perform an independent audit on Shinhan Card’s 2021 ESG Report (hereinafter “the Report”). The Assurers have provided an independent opinion based on a review of the data contained in the Report prepared by Shinhan Card (hereinafter, “the Company”), and all the statements and performance data included in the Report are the responsibility of Shinhan Card.

Independence

The Assurers, as an independent assurance body, have no professional interest in Shinhan Card other than in providing this third-party assurance on the Report, and they are not related to the Company in any way that may undermine its independence or cause a conflict of interest.

Assurance Standards

The Assurers have verified the inclusiveness, compliance with the principles of materiality, responsiveness and Impact, and reliability of the data disclosed in the Report at the “moderate” level in accordance with the AA1000AS v3 verification standards and the GRI Standards have also been applied in the verification process.

Type and Scope

The Assurers conducted (the) Type 2 verification according to the AA1000AS v3 verification standards, which means that the audit assessed the accuracy and reliability of the Company’s statements and performance data provided in the Report. The verification scope is from January 1, 2021, to December 31, 2021 and the assurance focused on systems and activities including policies and goals, businesses and programs, standards, and achievements of the Company’s sustainability management. In addition, the financial audit was conducted on environmental and societal data and economic performance in a broad sense. The verification of stakeholder engagement was limited to a review of the Company’s materiality assessment process.

Methodology

The Assurers collected data, information, and evidence by using the following method.

- Review and analyze media coverage on the Company’s sustainability management
- Review systems and processes that were used in improving the performance of sustainability management and preparing the Report

- Crosscheck between the financial performance data in the Report and the data in the Assurers’ report on the Company’s financial statements and disclosures
- Examine internal documents and basic data

Results and Opinions [Principles & Process]

The Assurers have reviewed the content of the draft report and offered our opinions, and the report has been revised accordingly. The Assurers have not found any material errors or inappropriate statements regarding the content of this report. The Assurers offer the following opinions on Shinhan Card’s 2021 ESG Report:

Inclusiveness

- Did the Company include stakeholders in the process of strategically responding to issues of sustainability management?

The Assurers have verified that the Company is aware of the importance of stakeholder participation and is striving to establish a process that will increase their participation. The Company has identified its employees (including unions) customers, shareholders and investors, government and competent authorities and local communities as stakeholder groups. The Assurers have verified that the Company possesses communication channels for each stakeholder group and is collecting different opinions through those channels.

Materiality

- Did the Company include material information that can assist stakeholders to make informed decisions?

The Assurers found that the Company has neither omitted nor excluded any material information that stakeholders need to know. We have confirmed that the Company conducted a materiality assessment on the key issues that were identified in the analysis of the internal and external environment(s) and prepared the report based on the results of the analysis.

Responsiveness

- Did the Company respond to the demands and interests of (the/its) stakeholders?

The Assurers have verified that the Company is properly responding to the demands and interests of its stakeholders by reflecting the opinions collected from stakeholders (them) on the Report. The Assurers have found no evidence that the Company’s responses to material issues involving stakeholders were (have been) misrepresented or misstated in the Report.

		
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Impact

- Does the Company appropriately monitor its impact on the stakeholders?

The Assurers have 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.

GRI Standards and Review of Disclosure

The Assurers have verified that the Report was written in accordance with the Core Option of the GRI Standards. Based on the documents provided by the Company, the Assurers have verified that the Report complies with the requirements specified in the indices of the Universal Standards and the Topic-specific Standards.

Universal Standards

The Assurers have verified that the Report complied with the requirements of the Universal Standards of Core Option, and reviewed the following indices :

- 102-1~102-13, 102-14, 102-16~102-17, 102-18, 102-40~102-44, 102-45~102-56, 103

Topic-specific Standards

The Assurers have verified the detailed items on the material aspects identified through the process of determining the reporting items and reviewed the following indices

- 205-2, 205-3, 206-1, 305-1, 305-2, 306-3, 401-1, 401-2, 401-3, 417-2, 418-1

Opinions and Recommendations [Performance /Issues]

The Assurers offer the following proposal to implement strategies in sustainability management in response to the issues with coherence at the organizational level.

Economy

Shinhan Card is securing its top position in the Korean credit card industry by taking the initiative in incorporating ESG into business and teaming up with SFG affiliates. As the first financial company to declare CDR management, Shinhan Card has created an ESG department and the ESG Committee under the BOD, staying active in practicing ESG management. We expect that Shinhan Card will continue working hard to upgrade ESG strategies unique to it and maintain transparency in business, based on management innovation and reliable accounting information.

Environment

Shinhan Card declared its ‘Zero Carbon Drive’ with the goal of becoming carbon neutral by 2050. In the assurance report, Shinhan Card’s commitment to achieving carbon neutrality was verified through its ‘K-EV100’, ‘Developing Shinhan Green Index’, ‘Paperless workplace campaign,’ and ‘Provision of financial services utilizing cards made from recycled plastic.’ Shinhan Card’s efforts to integrate environmentally friendly practices into business and develop green programs are noteworthy.

We hope that Shinhan Card will come up with strategies to address issues on climate change from long-term perspectives, aware of the risks and opportunities posed by climate change, and pursue goal-oriented environmental performance management.

Social

We have confirmed that Shinhan Card is undertaking a wide range of activities to make ESG management second nature under the ESG slogan, ‘Do the Right Thing for a Wonderful World.’ It also created the ESG Committee under the BOD as the highest decision-making body and launched the ESG consultative bodies, such as the ESG council and ESG working council to work with the ESG Committee and encourage each department to discover ESG tasks, which are impressive.

In the recent business environment, labor/human rights along the value chain are ‘hot potato’ topics. We suggest that Shinhan Card should be ready to conduct a human rights risk assessment by each stakeholder group, including employees, business partners, and customers, and take action to address the risks.



April. 2022
Myung-soo Kang KSA Chairman & CEO

The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge-service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS certification and ISO certification. The KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, certified GRI training partner, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, and UN CDM DOE (development operational entity), and as an assurance provider of the Korean government’s greenhouse gas energy target management system.

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	205-3	Confirmed incidents of corruption and actions taken	No corruption identified
GRI 103: Management Approach 2016	103-1,2,3	Explanation of material topics and their boundaries, management approach and its components, management approach evaluation	79
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GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	85
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GRI 103: Management Approach 2016	103-1,2,3	Explanation of material topics and their boundaries, management approach and its components, management approach evaluation	79
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GRI 103: Management Approach 2016	103-1,2,3	Explanation of material topics and their boundaries, management approach and its components, evaluation of management approach	79
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TCFD & SASB INDEX

TCFD

Classification	Recommendations	Page
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	24, 63
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	24, 63
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	18, 63
	b) Describe the impact of climaterelated risks and opportunities on the organization’s businesses, strategy, and financial planning	63
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	18, 63
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks	63, 75
	b) Describe the organization’s processes for managing climate-related risks	61-65, 75
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	63, 75
Metrics and Targets	a) Disclose the metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process	18-19, 63, 89
	b) Disclose Scope1, Scope2, and, if appropriate, Scope3 greenhouse gas (GHG) emissions, and the related risks	63, 89
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	18-19, 63, 89

SASB

Consumer Finance

Topic	Indicator		Unit of measure	Code	2019	2020	2021
Customer privacy	Total amount of monetary losses as a result of legal proceedings associated with customer privacy ¹⁾		KRW 1 million	SASB FN-CF-220a.2.	0	0	29
Data security	Number of data breaches		Case	SASB FN-CF-230a.1.	0	0	0
	Number of personally identifiable information (PII) breaches		Case	SASB FN-CF-230a.1.	0	0	0
	Percentage of personally identifiable information breaches among information breaches		%	SASB FN-CF-230a.1.	0	0	0
	Monetary loss casued by (1) Card Not Present (CNP) and (2) Card Present fraud and other fraudulent		KRW 1 million	SASB FN-CF-230a.2.	0	0	0
Selling practices	Number of complaints filed	(1) Number of complaints filed with the Financial Supervisory Ser	Case	SASB FN-CF-270a.4.	1,030	1,128	993
		(2) Monetary or non-monetary relief rates;	%	SASB FN-CF-270a.4.	0	0	0
		(3) Percentage of complaints filed by consumers	%	SASB FN-CF-270a.4.	100	100	100
		(4) Ratio of complaints investigated by the Financial Supervisory Service	%	SASB FN-CF-270a.4.	0	0	0
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products		KRW 1 million	SASB FN-CF-270a.5.	0	0	0

1) Standard of fines imposed for violating the Credit Information Act among the 'Sanction' reported in the current year's business report

	Activity index	Unit of measure	Code	2019	2020	2021
Number of card users and number of accounts	Number of users with active credit cards ¹⁾	1,000 persons	SASB FN-CF-000.A	12,843	13,056	13,283
	Number of users with active prepaid cards ²⁾	1,000 persons	SASB FN-CF-000.A	14,541	14,446	14,466

1) Number of credit card users that hold usable cards as of the end of the previous month 2) Number of debit card users that hold usable cards as of the end of the previous month

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Awards & Memberships

Awards

Date	Held by	Awards
Dec. 2021	Ministry of Trade, Industry and Energy	‘Business Innovation Grand Award’ Prime Ministerial Award
Nov. 2021	Ministry of Science and ICT	‘Korea Digital Management Innovation Awards 2021’ Digital Management CEO Awards(Chairman’s Award)
Nov. 2021	Korea Internet Communication Association	‘2021 Korea Social Communication’ Satisfaction Index Grand Prize(Minister of Science and ICT Award)
Nov. 2021	Fair Trade Commission	‘Consumer-Centered Management’ certification 4 times in a row
Nov. 2021	Korea Management Association Consulting	‘Korean Customer Satisfaction Index’ The 1st place
Nov. 2021	Korean Standards Association	‘2021 DX Service Award’ World Gran Prix
Oct. 2021	Korean Standards Association	‘Korean Sustainability Index’ The 1st place
Oct. 2021	Financial Services Commission	‘Korea Financial Innovation Award’ Management Innovation Award(Chairman’s Award)
Oct. 2021	Korean Standards Association	‘Korean Standard Contact Service Quality Index’ The 1st place
Oct. 2021	Korea Management Association Consulting	‘2021 Korean Consumer Protection Index’ excellent enterprise
Sep. 2021	Chosun Biz, Ministry of Education	‘Social Contribution Awards 2021’ Minister of Education Award
Sep. 2021	Korea Productivity Center	‘National Brand Competitiveness Index’ The 1st place
Jul. 2021	Korean Standards Association	‘Korean Standards\ -Service Quality Index’ The 1st place
Jul. 2021	Korean Standards Association	‘Korean Standard Premium Brand Index’ The 1st place in 4 categories(Credit card/Check card/App card/Car installment)
Jul. 2021	The Institute for Industrial Policy Studies	‘National Industry Awards’ social contribution grand prize
Jul. 2021	The Institute for Industrial Policy Studies	‘National Service Awards’ The 1st place
May. 2021	Korea Management Association Consulting	‘Korean Service Quality Index’ The 1st place
Mar. 2021	Brandstock	‘Korean Brand Star’ The 1st place
Mar. 2021	Korea Management Association Consulting	‘Korea Brand Power Index’ the 1st place in 4 categories(Credit/Check card/App card, CSR)
Feb. 2021	Korea Management Association Consulting	‘KOREA’s Most Admire Company The 1st place
Jan. 2021	The Institute for Industrial Policy Studies	‘Korea Brand Hall of Fame’ The 1st place in 2 categories(Credit card/App card)

Membership

· Korea Management Association	· Korea Consumer Agency	· Korea Mecenat Association
· Korean Standards Association	· Fair Competition Federation	· The Credit Finance Association of Korea
· Korea Consumer Association	· Seoul Chamber of Commerce and Industry	· Council for INCLUSIVE CAPITALISM

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About This Report

Report Overview

Shinhan Card publishes its ESG performance report every year starting in 2021 to transparently disclose its ESG management activities, achievements, and future plans. Looking toward the future, Shinhan Card is committed to creating positive and consistent changes in the world by systematically implementing ESG management and building its capacity, and communicating it with our stakeholders in a transparent way.

Reporting period and scope

This report covers our activities during the period from Jan. 1 to Dec. 31, 2021 and includes some of our achievements in the first quarter of 2022 in a bid to help our stakeholders get a better glimpse of our activities. This report focuses on the activities of the Shinhan Card headquarters, which is located in Seoul, and the performances of some of our overseas branches. The scope of the data that includes the activities of overseas branches is specified in footnotes or with additional reporting principles.

Reporting standards

This report is based on the Core option of the Global Reporting Initiative (GRI), the international reporting standards for sustainability management.

Assurance

This report was verified by the Korean Standards Association, an independent verification organization, to ensure the accuracy and reliability of information. The assurance statement can be found on pages 92-93.

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