



## Pursuing Shared Development with Suppliers and Supporting their CSR Activities

Along with increased business influence of corporations, the demands for CSR activities by stakeholders are expanding not only to relevant companies but also to supply networks within the value chain. At the same time, the diversification and complexity in trade relationships is growing deeply due to expansion of corporate sizes, shifting the competitive paradigm from competition among companies to competition between value chains. As a result, risk management for suppliers and support on their competitiveness are rising as important issues for sustainable growth.

Shinhan Financial Group is trading with a total of 1,773 suppliers regarding electronic system construction and service, credit card production, DM printing and delivery, call center systems, etc., and is practicing compassionate finance through its four basic principles for shared development, guaranteeing with basic rules for shared development, guaranteeing fair pricing, removal of irrationality in trade relationships, and mutually beneficial CSR. Based on these four basic principles, the group affiliates are improving their trade policies with suppliers, and are strengthening mutually beneficial relationships through consistent communication efforts such as discussion meetings and satisfaction surveys.

### Exemplary CSR practice from Suppliers 주식회사 브리지텍

In 2015, Shinhan Financial Group increased fulfillment and promotion of corporate responsibility for sustainable growth to its supply network through programs for diagnosing and supporting socially responsible management of its suppliers. Bridgetec, a supplier selected for its excellent CSR, is the only total solution call center company in Korea which has conducted multiple projects with Shinhan Financial Group such as call center construction for Shinhan Bank, concentration of branches, and upgrades on Smart customer centers.



#### Factors for Practicing Excellent Socially Responsible Management



##### Policy for Handling Difficulties of Employees

- Activate communication using One Page Idea policy
- Hold quarterly joint labor-management conference



##### Compliance with Labor Standards

- Establish culture for voluntary use of vacation through real-time check on individual annual vacation
- Introduce policy of Flexitime and support alternative paid vacation
- Carry out salary and labor contracts once a year



##### Health and Safety Management

- Conduct self-diagnosis on health by operating a health management office in the company
- Conduct safety management education and safety assessment on business sites



##### Environment Management

- Acquired ISO 14001(Environmental Management System) certificate for the first time



##### Corporate Ethics

- Provide education on ethics charter for all employees and sign ethics oath
- Improve service quality through customer satisfaction survey
- Conduct education on information protection and company-wide campaign for employees
- Provide academic donations to local colleges