



Stakeholder Engagement

Definition and Engagement of Stakeholders

Shinhan Financial Group defines major stakeholders as customers, shareholders · investors, employees, government agencies, local community, NGO, suppliers, etc., which have direct and indirect influence in operating the company. Shinhan Financial Group establishes and operates communication channels according to the characteristics of each stakeholder, and utilizes such channels to listen to expectations, interests, and various opinions of stakeholders.

Among the expectations of stakeholders, Shinhan Financial Group checks issues which pose a significant effect on corporate management performance as well as economy, society, and the environment, and reflects them in managerial activities, strengthening its relationship of trust with stakeholders, and creating new business opportunities.

Customer

- Customer Evaluation Group
- Customer Panel System
- Customer Satisfaction Survey
- VOC and Customer Complaint Data Analysis

Shareholder·Investor

- Meeting with Investors
- General Meeting of Shareholders
- Disclosure Committee
- IR Presentations

Suppliers

- Transaction Satisfaction Surveys
- Joint Volunteer Works
- Invitational Financial Seminars
- Continuous Business Meetings and Present Status Monitoring
- Discussion Meetings for Mutual Growth

Employees

- Training and Education Programs
- Campaigns
- Internal Suggestion and Debate Systems
- Intranet, Company Magazines, Internal Broadcasting etc.
- Communication Programs between Employees and Departments
- Employee Satisfaction Programs
- Community of Practice(CoP), Clubs

Local Community and NGO

- Local Community Contribution Activities
- Philanthropic Activities Review and Plan Discussions
- Cooperation with Partnerships When Carrying Out Volunteer Programs
- Develop Social Contribution-related Products and Services and Consult on Partnership
- Local Community and NGO Discussion Meetings
- Sports and Mecenat Sponsorships
- Global Social Contribution Activities
- Scholarship Foundation

Government Agency

- Partnership Agreements with Government Agencies and Public Institutions
- Consulting Groups related to Policies of Financial Authorities
- Consultations and Responses to Issues Raised at the National Assembly
- Making Recommendations to Relevant Associations on Governmental Issues





Stakeholder Engagement Performance



Key Issues	Reflection in Management(Shinhan Financial Group's Response)
Strengthening Customer Protection	<ul style="list-style-type: none"> Created 'Consumer Protection Index' to promote customer-oriented thinking Signed oath to practice 'Behavioral Principles for Financial Consumers' Conducted meetings for consumer protection and education of employees regarding consumer protection Conducted role-plays by branches for understanding product sales and preventing complaints Developed tasks that process consumer protection by launching Consumer Protection System(CPS) Provided Self FDS(Fraud Detection System) used by customers for promoting safe card use
Improvement of Customer Satisfaction	<ul style="list-style-type: none"> Expanded company-wide CS culture through internal campaign during the business year Operated 'Yes-Reward,' a policy for accepting outstanding suggestions by customers Provided various customer-centered convenience activities such as preferential services to long-term customers
Improved Convenience at Customer Contact Points	<ul style="list-style-type: none"> Conducted satisfaction survey at customer contact points(once a quarter) and reflected the results in branch KPI Expanded simple service on cyber/smart channels and managed usage status
Information Protection	<ul style="list-style-type: none"> Upgraded compliance system on group information protection Established self-examination process for affiliates Conducted preliminary response training and established detection · control system Conducted on-site examination and reflected the result for branches · HQ departments



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Improving the Value of Shareholders and Investors	<ul style="list-style-type: none"> Shared the interests and demands of shareholders and investors with relevant departments to improve the shareholder value
Improve Information Accessibility	<ul style="list-style-type: none"> Strengthened indirect channels through tablets and smartphone channels
Improvement of Disclosure System	<ul style="list-style-type: none"> Standardized tasks by creating a disclosure system manual Strengthened disclosure control system by implementing disclosure risk monitoring which reflects task characteristics



Key Issues	Reflection in Management(Shinhan Financial Group's Response)
Enhancement of Communication between Employees and Departments	<ul style="list-style-type: none"> Operated diverse communication programs for employees and departments
Work-Life Balance	<ul style="list-style-type: none"> Operated stress care programs for employees Hosted cultural events participated by families of employees Operated PC OFF policy
Strengthening of Employees' Capabilities	<ul style="list-style-type: none"> Operated MBA course in core areas of global channels Selected and developed the 'Global Leader Group' for local employees overseas
Development of female workforce	<ul style="list-style-type: none"> Increased quotas for women in promotion and training Operated 'Shinhan Mom-pro Program' using flextime for certain periods Operated job promotion policy to strengthen professionalism of women doing office work Newly created local head policy for task support in order to support female workforce at sales sites

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Financial Innovation(Fintech, etc.)	<ul style="list-style-type: none"> Operated evaluation/reward system based on performance by position in order to develop performance-based system in the financial sector Improved accessibility/convenience of finance by expanding complex finance channels (PWM center, Creative Finance Plaza, etc.) Established Fintech ecosystem by operating Shinhan Future's Lab Led digital financial environment by commercializing non-face-to-face certification method (Digital Kiosk, Sunny Bank, etc.)
Creative Finance	<ul style="list-style-type: none"> Supported revitalization of real economy by improving household debt restructuring and increasing support for microfinance Improved its own model for technology evaluation and revitalized investment based on technological value Developed/operated education programs on technology finance by stage for the first time in the banking sector Revitalized performance-sharing products and relationship-oriented finance for blue-chip technology companies and companies with high potential for growth
Job Creation	<ul style="list-style-type: none"> Expanded employment of youths with high capabilities(including graduates of specialized vocational high school) Introduced differential wage peak system for efficient personnel operation Conducted flextime employment(for women with career discontinuation, etc.) and continue employment of disabled people and people of merits.



Key Issues	Reflection in Management(Shinhan Financial Group's Response)
Support for Socially Disadvantaged and Vulnerable Groups	<ul style="list-style-type: none"> Conducted 'Education for preventing financial fraud of the elderly' by visiting welfare centers in Seoul and Gyeonggi regions Operated Visiting Finance Education using mobile branch Bangbird for students living in financially underserved regions Supported employment at outstanding small and medium-sized companies through the Best Company-Best Employee Matching Project Supported the socially disadvantaged through charity programs run by employees (Click of Love, Good Day Good Donation, etc.)
Activation of Cultural Art for Local Community	<ul style="list-style-type: none"> Establishment of volunteer group for systematic and professional management of preservation of cultural assets Hosted Shinhan Gallery Cultural Arts Academy Hosted Shinhan Gallery exhibition for culturally underserved class(intellectual disability, developmental disability, etc.)
Activation of Employees' Engagement	<ul style="list-style-type: none"> Spread a culture of participation by holding the Grand Festival of Volunteer Work Actively participated in solving social problems(MERS) - supported traditional markets, purchased agricultural products in isolated areas, etc.
Activation of Stakeholders' Engagement	<ul style="list-style-type: none"> Participated in project for improving the educational environment in Myanmar, supported by KOICA Operated the Customer Volunteer Group to enable customers to voluntarily participate in volunteer activities for the local community



Key Issues	Reflection in Management(Shinhan Financial Group's Response)
Compliance with the Basic Principles for Shared Development	<ul style="list-style-type: none"> Opened communication channels with suppliers within integrated purchase management system Added suppliers' code of conduct to contract with Shinhan Financial Group suppliers Granted plus points to companies that possess outstanding technology and conduct CSR activities Granted fair opportunities for project participation through ICT project disclosure
Guarantee of Appropriate Price	<ul style="list-style-type: none"> Prohibited unconditional minimum bidding system which cannot guarantee appropriate price Calculated additional expenses if any

