

DIVERSITY REPORT

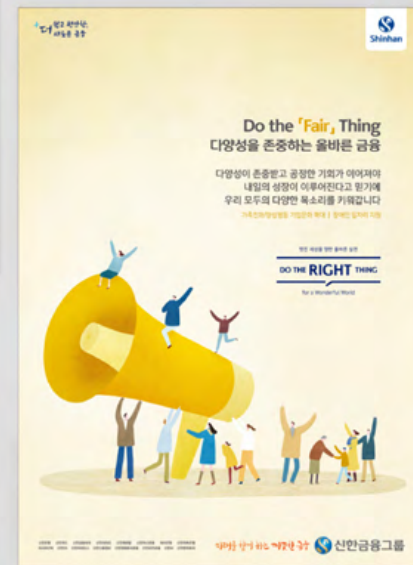
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Diversity at Shinhan Financial Group

Importance of Diversity in the Workplace

The concept of diversity and inclusion has more significance than a socially right value. Guaranteeing diversity by responding to increased economic activities of women and a rise in employees with different backgrounds and values is now regarded as a main evaluation index that indicates corporate competitiveness. By managing diversity in the organization, a company can prevent conflicts among employees and derive innovativeness and synergies from various experiences, values, and behaviors of individuals.

Shinhan Financial Group recognizes diversity as a critical part of corporate strategy, and is strengthening relevant principles, policies, and activities. To transparently share these activities and outcomes with stakeholders, we disclosed our first Diversity Report in 2021 and the second one this year. We will continue to make efforts to enhance the value of diversity and inclusion and share them with stakeholders.



Launched the “Do the Fair Thing” Campaign in 2021

Based on the Group’s ESG slogan, “Do the Fair Thing for a Wonderful World”, Shinhan Financial Group is taking the lead to create a wonderful world where everyone has equal opportunities.



Principle of Diversity and Inclusion

Shinhan Financial Group perceives diversity as a new opportunity for the Group's sustainable development. This is why we established the "Shinhan Financial Group's Commitment to Diversity and Inclusion" which specifies five key promises based on a major premise that we do not discriminate in any area. By doing so, we clearly made known our determination to implement diversity and inclusion, and continue our efforts to execute them.

Shinhan Financial Group's Commitment to Diversity and Inclusion

Shinhan Financial Group pursues diversity in people and culture. We cherish and embrace employees, clients, and all the members of society. Diversity and inclusion are key values underpinning Shinhan Financial Group's mission, "Compassionate Finance, Your Companion for the Future".

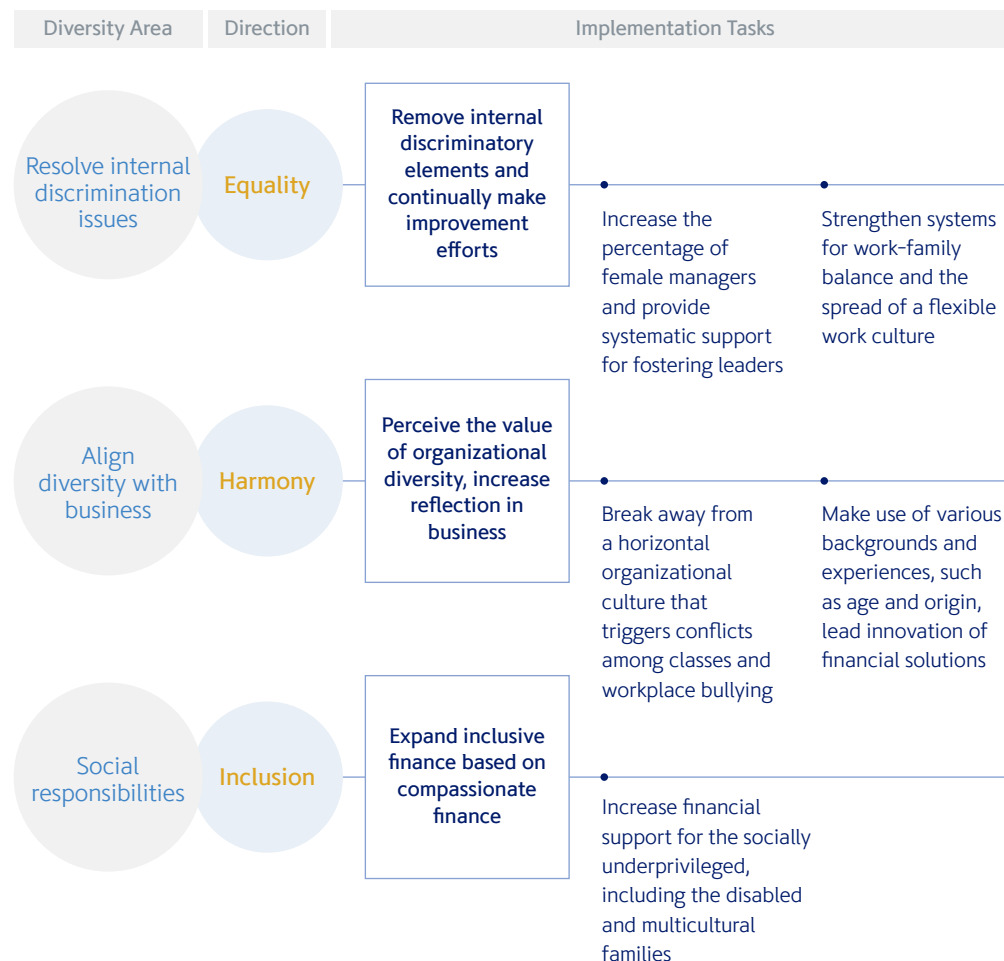
We will not take prejudice or discriminate against any personal characteristics, background, identity, or cultural differences including, but not restricted to, gender, disability, nationality, personal ties, religion, and sexual orientation.

To ensure diversity and inclusion:

- 1 We provide equal opportunities and make fair and transparent evaluations in employee recruitment and personnel management.
- 2 We pursue diversity in board and management. We will primarily establish gender diversity targets, and focus on achieving these targets.
- 3 We create an inclusive culture where all members can work with respect and a sense of belonging.
- 4 We respect the individuality of all our business partners including clients, and treat them equally.
- 5 We embrace the socially vulnerable and actively support them to enrich their hope as members of the society.

Analysis of the Diversity Status and Implementation Directions

Shinhan Financial Group analyzed the status of diversity based on which it identified the need for goals and policies to prevent discrimination, promote human resources diversity and an organizational culture that supports this, and foster female leaders. We set resolution of internal discrimination for improvements to internal fundamentals, business connection of diversity, and social responsibilities for customers and local communities as three implementation directions of our diversity strategy, and also identified and are executing implementation tasks.



3 Key Tasks



Fostering Female Leaders

We chose the issue of “fostering female leaders” as our implementation task with top priority, and established mid-to long-term goals and roadmap.

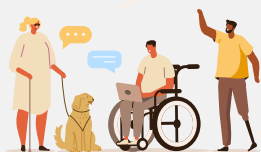
Implementation Direction

Increase female management and department heads

- Establish a mid- to long-term goal on the percentage of female managers
- Increase the number of female management and department heads, improve the percentage of female managers

Strengthen execution capabilities with regards to fostering female leaders

- Strengthen female leader-fostering policy execution capabilities through management leader-fostering interviews and subsidiary management leader-fostering evaluations (CEO evaluations)



Supporting the Disabled

We provide support to the disabled with a focus on job/education programs from the perspective of reducing inequality and improving universal access, and strive to improve treatment and to establish a foundation for financial independence of the disabled.

Increase employment opportunities

- Identify duties that are performed by the disabled and create jobs
- Expand vocational training/field experience opportunities

Foster social enterprises

- Increase trade with standard workplaces for the disabled and hire employees in partnership with them
- Foster social enterprises and support their strengthening of competitiveness

Expand financial services

- Expand financial consulting that is dedicated to the disabled
- Prevent and protect the disabled from financial fraud



Supporting Multiculturalism

We provide focused support for stable settlement of foreign workers and multicultural families, thereby promoting harmony of the local community and co-existence of different cultures.

Support social inclusion

- Improve social skills through language learning and increased cultural understanding
- Support the facilitation of local community exchange

Expand financial services

- Expand specialized services aimed at removing the financial gap of foreign workers and improving accessibility
- Improve and expand financial services for industrial trainees

Support underdeveloped countries

- In connection with countries and businesses into which SFG has globally advanced, provide employment education and jobs
- Investment and support programs for infrastructure expansion

Generating the Value of Diversity

Became the first in Korea in 2022 to be included in the Bloomberg Gender Equality Index (GEI) for four consecutive years

Entered into a gender balance inclusive growth partnership with the Ministry of Gender Equality and Family in 2019

Chosen as a family-friendly certified company by the Ministry of Gender Equality and Family (Shinhan Bank, Shinhan Asset Management, Jeju Bank, Shinhan Credit Information, Shinhan Capital)

Respect for Organizational Diversity

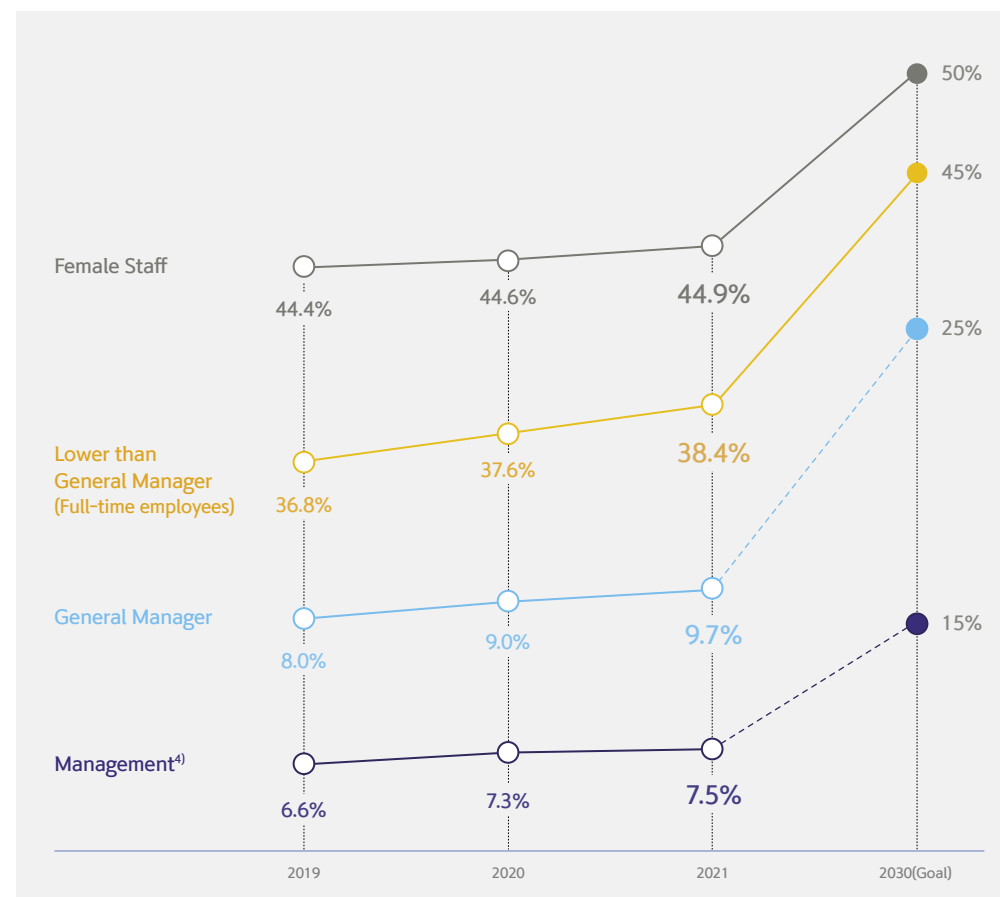
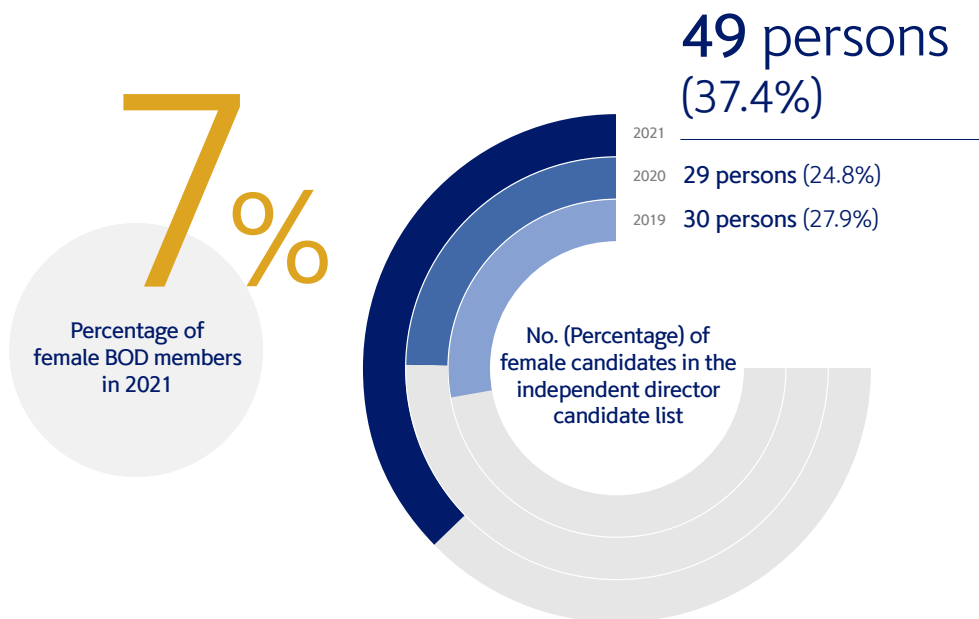
BOD Diversity

Shinhan Financial Group stipulated the 'diversity principle' of BOD composition in the Internal Code of Corporate Governance to realize governance diversity and expertise. As of the end of December 2021, 14 BOD members are experts in a total seven major professional fields, including management, finance, and global, and contribute to stable growth of Shinhan Financial Group.

In addition, we observe the "Board Diversity Guidelines" that specifies that we arrange a long list of candidates for independent directors with varying experience and perspectives in terms of ethnicity, gender, age, experience, and background. We clarified standards so that we maintain a minimum 20% for female candidates in the long list, pursue the BOD's gender diversity by including one female independent director, and have the BOD consist of independent directors who are diverse in their nationality and countries where they worked in, resulting in the successful execution of management from a global perspective.

Expanding Women's Roles in the Organization

Shinhan Financial Group is raising the percentage of female employees¹⁾ through a continuous female talent-fostering policy. We pursue an even (50%) employee gender ratio of all departments (profit-generating departments²⁾, STEM³⁾, departments, supporting departments, etc.) to build a creative organizational culture and ensure efficient department operations.



¹⁾ Based on seven Group subsidiaries (Shinhan Bank, Shinhan Card, Shinhan Investment, Shinhan Life Insurance, Shinhan Capital, Shinhan Asset Management, Jeju Bank)

²⁾ Branches, etc.

³⁾ Science, Technology, Engineering, Math

⁴⁾ Executives and Division Heads

Establishing a Culture of Diversity

Strengthening the Nurturing of Female Leaders

Shinhan Financial Group became the first in the financial industry to launch “Shinhan SHeroes”, a program to nurture female leaders, and chose 187 (cumulative figure) department head and higher position employees and provided with support for strengthening leader capabilities, including mentoring and academic instruction. A male mentor participated in the fourth group of SHeroes in 2021 to provide support for enhancing leadership capabilities that is not confined to gender. We also improved training quality by building a mobile platform learning environment.

The Group distributes female talent training principles (R.O.S.E) and training guidelines, supports the operation of customized programs for each Group subsidiary, and examines training activities and outcomes every year. We also operate diverse programs based on a mid-term training roadmap of each Group subsidiary for strategic training of female talent.



Selected 27 persons for the 1st group, 49 for the 2nd group, 67 for the 3rd group, and 44 for the 4th group

187
persons
(Accumulated figure)

Systems to nurture female leaders

Female talent-training program by position, leadership training, CEO coaching, and meeting with executives

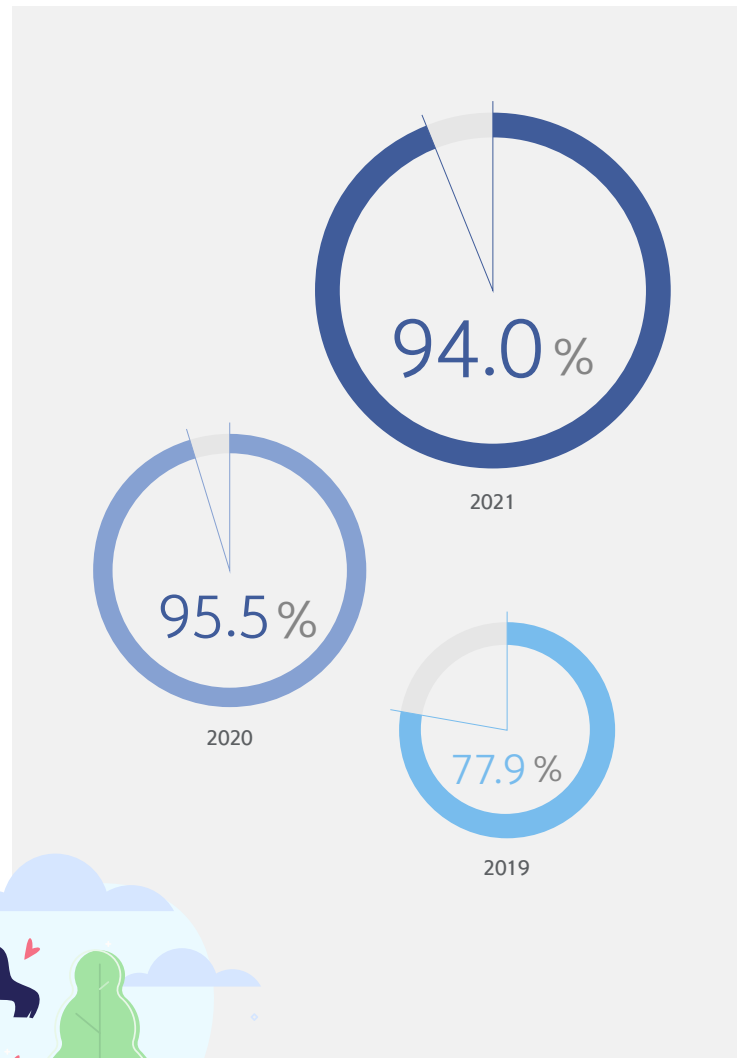
Specialized programs of each Group subsidiary for prospective female leaders, including Shinhan SHeroes Blue (Bank), S-Diva (Card), S-Wing (Life), and Sai-Salon (Aitas)

Corporate Culture that Promotes Work-family Balance

Shinhan Financial Group is taking the lead in establishing a family-friendly culture for work-family balance of employees. We are fully establishing a flexible work culture through the implementation of the flexible and smart working hours system (telecommuting/flexible hours for coming to and leaving work) of all Group subsidiaries. We also encourage employees to use a five-consecutive-day leave and paternity leave, while running six daycare centers in Seoul and the metropolitan area as part of efforts to reduce employees' childcare burden. As of 2021, the 12-month retention rate after using parental leave is 94.0%.



Retention Rate After Using Parental Leave¹⁾



¹⁾ Data was updated to reflect OrangerLife's incorporation into the Group in 2019

Maternity Protection and Family-friendly Systems

Support for maternity protection

Reduced work hours during pregnancy, fertility leave, prenatal diagnosis leave, infertility leave, maternity leave, miscarriage leave, and parental leave

Digital badge for expecting mothers

Introduced a digital mother-to-be sign for pregnant employees working at a branch, thereby protecting them and encouraging customers and employees to show mutual consideration and respect (Shinhan Bank)



Establishment of a family-friendly culture

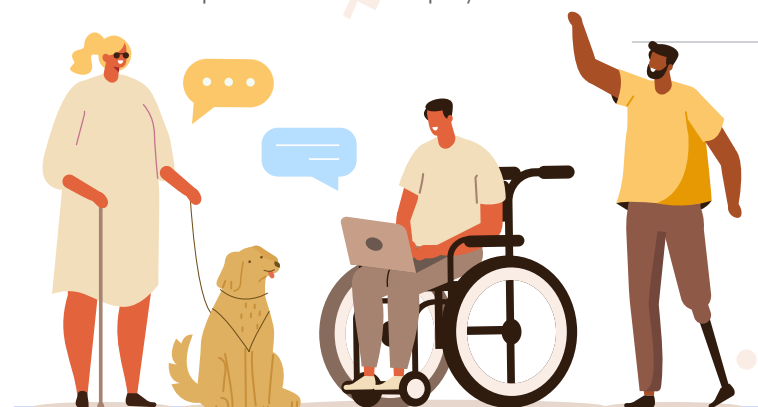
Building a family-friendly corporate culture through family-care leave, system of reduced work hours for employees with an infant, system of coming to work at 10am for employees with a child in elementary school, flexible working hours system, smart telecommuting system²⁾, etc.

²⁾ Including telecommuting and flexible hours for coming to and leaving work. This system was first adopted by Shinhan Bank and is now implemented at all Group subsidiaries.

Facilitating Support Programs for the Disabled

Shinhan Financial Group is striving to lower the financial threshold of the disabled through financial education. We run the “Hope School Software Class”, a software education program for special school students, and support an independent financial life of the disabled through a customized financial education program that has identified the characteristics of children with developmental disorders.

In addition to providing jobs to the hearing-impaired through Café S with, a social cooperative, we reinvest earnings from Shinhan employees’ kind spending to offer the hearing-impaired with barista education and job support. In November 2021, the third Café S with was opened at Shinhan Financial Group’s 100th Anniversary Center, thus spreading its warm-hearted influence. In addition, Shinhan Financial Group is investing in social enterprise funds, purchasing goods from workplaces for the disabled, and making other such efforts to create practical employment opportunities for the disabled and help them maintain employment.



Major Programs to Support the Disabled

Classification	Major Programs
Improve financial accessibility	<p>Run exclusive channels for the disabled Set disabled person-friendly branches and dedicated employees in place Call center exclusively for the disabled (Digital ARS sign language counseling) Electronic complaint receipt system and convenience service</p> <p>Improve convenience for the disabled Counseling booking for the disabled and service that provides transportation support Text-to-speech barcodes for product provisions and booklets Have braille product provisions and braille blocks available</p>
Provide education	<p>Intern training and employment/business startup education for the disabled “S2 Bridge : Youth” “City Center Work School” Vocational training in connection with the Career Development Center for Career Interrupted Women</p> <p>Financial and software education Financial Education Center program for persons with developmental disabilities “Hope School Software Class” for students/parents of special schools</p> <p>Produce braille books for the visually impaired</p>



Classification	Major Programs
Create jobs	<p>Provide jobs to the disabled and sponsor their employment Hire the hearing-impaired for “Café S with” Offer sponsorship for GoodWill Store employment by using SRI fund fees</p> <p>Special recruiting for the disabled and veterans</p>
Infrastructure support	<p>Provide management support software Social enterprises, standard workplaces for the disabled, etc.</p> <p>Support for disabled artists Shinhan Gallery exhibitions, recital performances, etc.</p>
Support for social enterprises	<p>Purchase goods and use services</p> <p>Support workplaces for the disabled Purchase goods and services from manufacturers that have severely disabled employees and disabled artists</p> <p>Run employee programs in connection with social enterprises</p> <p>Emergency COVID-19 support Daily necessity package for the disabled, etc.</p> <p>Financial support</p> <p>Invest in social enterprise funds (No. 1 & 2, a total of 17 enterprises)</p> <p>Provide loan support to social enterprises Preferential interest rate for the products for Social Enterprises Do Dream Loan</p> <p>Foster social enterprises</p> <p>Foster social enterprises and town companies in connection with the Ministry of Land, Infrastructure and Transport Cheongsujeong in Suncheon / Saebat in Busan / Chimsan Town in Sejong</p>

Strengthening Support for Multiculturalism

To help foreign workers and multicultural families achieve harmony and co-exist with local communities, Shinhan Financial Group helps the underprivileged overseas and provides overseas employment/startup support, with central roles performed by the Shinhan Financial Hope Foundation. We run a program that improves financial accessibility of foreign workers and also a social inclusion program for children from multicultural families.

Shinhan Bank ran a special recruitment program to create social value

Shinhan Bank hired the disabled, veterans, and persons from multicultural families for regular positions in the areas of corporate finance, wealth management (WM), and ICT in the second half of 2021 as a way to create social value. By doing so, we realized corporate social value and secured employee diversity.



Programs to Support Multiculturalism

Classification	Major Projects
Support the underprivileged overseas	Support children in poverty in cities in underdeveloped countries Sponsor children in poverty in the Philippines, Tanzania, and other countries and provide online education support
	Overseas scholarship programs and fostering of future talent Provide scholarships and stable learning opportunities in connection with subsidiaries in eight Asian countries ¹⁾
Support overseas employment/startups	Provide overseas employment education and lead it to employment Operate the "Global Young Challenger" program Provide domestic and overseas training and overseas job matching to young talent who want a job overseas
	Discover and foster overseas startups Launched "Shinhan Future's Lab Vietnam/Indonesia", selecting and investing in local startups Provide office space and support for marketing, equity investment, joint business, etc.
Improve financial accessibility	Improve financial accessibility of foreign workers and offer specialized services Operate specialized branches for foreign workers and provide support to handle financial affairs on days off through the "Sunday FX Center" Run an account-opening business for industrial trainees who received an employment permit in connection with the Human Resources Development Service of Korea Provide a mobile platform dedicated to foreigners (SOL Global) and an exclusive counseling service
	Provide children from multicultural families with opportunities to experience cultures and conduct exchange
Support social inclusion	Opened the "Areumin Library", an eco-friendly book environment, in partnership with the Multicultural Family Support Center Provide smart device and online learning support to children from multicultural families and offer sponsorship for improving and repairing learning center facilities

¹⁾ China, Vietnam, Cambodia, Indonesia, Myanmar, India, Kazakhstan, Uzbekistanis now implemented at all Group subsidiaries.



Future Directions for Diversity

Recent increases in global exchange and diversification of the population structure have led to global recognition of the diversity issue and increased importance of diversity as a major investment criterion. For this reason, Shinhan Financial Group has chosen employees' nationality diversity and overseas localization ratio as new monitoring indexes. Shinhan currently has a presence in 20 countries with employees from 24 nationalities. Of these, employees with foreign nationality account for 90% and managers account for 77% of the total.

Going forward, Shinhan Financial Group will go beyond the previous gender equality-centered diversity index management to actively monitor and manage diversity issues regarding ethnicity and multiculturalism.

Nationality	No. of Employees	No. of Managers ¹⁾	Nationality	No. of Employees	No. of Managers ¹⁾
Vietnam	2,776	442	Hong Kong	21	7
Indonesia	934	261	Singapore	9	4
China	470	172	Germany	7	7
Cambodia	387	84	U.K.	4	3
Myanmar	316	25	Australia	4	4
India	312	68	Russia	3	3
Japan	183	75	Malaysia	2	1
U.S.	140	92	Kenya	1	1
Kazakhstan	130	34	Taiwan	1	1
Mexico	43	24	Poland	1	1
Canada	41	17	New Zealand	1	1
Philippines	22	3	Hungary	1	-
Total	5,809	1,330			

* Based on overseas subsidiaries and business sites of the Shihan Bank, Shihan Card, Shihan Investment, Shihan Life Insurance, Shihan Asset Management, and Shihan DS

¹⁾ Managers and higher positions

Country	No. of Employees	No. of Locally-hired Employees	Employees with Korean Nationality	Employees with Foreign Nationality (Percentage)	No. of Managers ¹⁾ (Percentage)
Japan	323	300	117	183 (56.7%)	75 (54.7%)
China ²⁾	560	508	25	483 (86.3%)	178 (72.4%)
Vietnam	2,861	2,810	34	2,776 (97.0%)	442 (87.2%)
U.S.	287	262	114	148 (51.6%)	96 (51.6%)
India	333	311	1	310 (93.1%)	67 (75.3%)
Indonesia	951	937	3	934 (98.2%)	261 (94.6%)
Canada	98	94	49	45 (45.9%)	17 (48.6%)
Germany	24	20	14	6 (25.0%)	6 (46.2%)
Cambodia	399	390	3	387 (97.0%)	84 (88.4%)
Kazakhstan	140	134	1	133 (95.0%)	37 (84.1%)
Mexico	47	43	-	43 (91.5%)	24 (85.7%)
London	34	26	20	6 (17.6%)	5 (29.4%)
Singapore	24	18	8	10 (41.7%)	4 (36.4%)
Manila	27	24	4	20 (74.1%)	3 (37.5%)
Dubai	11	8	4	4 (36.4%)	2 (40.0%)
Sydney	13	9	5	4 (30.8%)	4 (50.0%)
Yangon	321	317	1	316 (98.4%)	25 (86.2%)
Hungary	2	1	-	1 (50.0%)	-
Uzbekistan	-	-	-	-	-
Poland	-	-	-	-	-
Total	6,455	6,212	403	5,809 (90.0%)	1,330 (76.7%)

* Based on overseas subsidiaries and business sites of the Shihan Bank, Shihan Card, Shihan Investment, Shihan Life Insurance, Shihan Asset Management, and Shihan DS

¹⁾ Managers and higher positions

²⁾ Including Hong Kong