

Shinhan Financial Group (SFG)

Scope 1 and 2: Shinhan Financial Group commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.

Scope 3 Portfolio Targets

Headline target: Shinhan Financial Group's portfolio targets cover 20% of its investment and lending activities as of December 2020.¹

Scope 3 asset class level targets

| Asset class | Method | Target language |
|--|---------------------------------------|--|
| Electricity generation project finance | Sector Decarbonization Approach (SDA) | SFG commits to reduce its electricity generation project finance portfolio GHG emissions 76% per kWh by 2030 from a 2020 base year. |
| Corporate loan: commercial real estate | SDA | SFG commits to reduce GHG emissions from the commercial real estate sector within its corporate loan portfolio 52% per square meter by 2030 from a 2020 base year. |
| Corporate instruments (loans, equity, bonds): electricity generation | SDA | SFG commits to reduce GHG emissions from the electricity generation sector within its corporate loan, listed equity, and corporate bond portfolios 76% per kWh by 2030 from a 2020 base year. |
| Corporate instruments (loans, equity, bonds): iron and steel | SDA | SFG commits to reduce GHG emissions from the iron and steel sector within its corporate loan, listed equity, and corporate bond portfolio 43% per ton of iron/steel by 2030 from a 2020 base year. |
| Corporate instruments (loans, equity, bonds): cement | SDA | SFG commits to reduce GHG emissions from the cement sector within its corporate loan, listed equity, and corporate bond portfolio 24% per ton of cement by 2030 from a 2020 base year. |
| Corporate instruments (loans, equity, bonds): aluminum | SDA | SFG commits to reduce GHG emissions from the aluminum sector within its corporate loan, listed equity, and corporate bond portfolio 17% per ton of aluminum by 2030 from a 2020 base year. |

¹ These targets and coverage % do not include third-party asset management activities.

| | | |
|---|--------------------|--|
| Corporate instruments (loans, equity, bonds): paper and pulp | SDA | SFG commits to reduce GHG emissions from the paper and pulp sector within its corporate loan, listed equity, and corporate bond portfolio 33% per ton of paper and pulp by 2030 from a 2020 base year. |
| Corporate instruments (loans, equity, bonds): passenger transport | SDA | SFG commits to reduce GHG emissions from the transportation sector (passenger) within its corporate loan, listed equity, and corporate bond portfolio 34% per passenger km by 2030 from a 2020 base year. |
| Corporate instruments (loans, equity, bonds): freight transport | SDA | SFG commits to reduce GHG emissions from the transportation sector (freight) within its corporate loan, listed equity, and corporate bond portfolio 37% per ton km by 2030 from a 2020 base year. |
| Corporate loan: other long-term debt | Temperature Rating | SFG commits to align its scope 1 + 2 portfolio temperature score by loan value within its other long-term corporate loan portfolio from 3.15°C in 2020 to 2.8°C by 2025. SFG commits to align its scope 1 + 2 + 3 portfolio temperature score by loan value within its other long-term corporate loan portfolio from 3.15°C in 2020 to 2.86°C by 2025. |
| Listed equity: other sectors | Temperature Rating | SFG commits to align its scope 1 + 2 portfolio temperature score by invested value within other sectors of its listed equity portfolio from 3.13°C in 2020 to 2.79°C by 2025. SFG commits to align its scope 1 + 2 + 3 portfolio temperature score by invested value within other sectors of its listed equity portfolio from 3.13°C in 2020 to 2.85°C by 2025. |
| Corporate bonds: other sectors | Temperature Rating | SFG commits to align its scope 1 + 2 portfolio temperature score by invested value within other sectors of its corporate bond portfolio from 3.11°C in 2020 to 2.77°C by 2025. SFG commits to align its scope 1 + 2 + 3 portfolio temperature score by invested value within other sectors of its corporate bond portfolio from 3.11°C in 2020 to 2.83°C by 2025. |