



LRQA Independent Assurance Statement

Relating to Shinhan Financial Group's CDP¹ Response for the calendar year 2021

This Assurance Statement has been prepared for Shinhan Financial Group in accordance with our contract.

Terms of engagement

LRQA was commissioned by Shinhan Financial Group to provide independent assurance on its CDP Response ("the report") for the calendar year 2021 against "Guidance for companies reporting on climate change on behalf of investors & supply chain members 2022"² to a limited level of assurance and materiality of professional judgement using "CDP Korea verification procedure"³.

Our assurance engagement covered Shinhan Financial Group's operations and activities in Korea and specifically evaluating the accuracy and reliability of data and information in the report.

Our assurance engagement excluded the following data and information mentioned in the report:

- Prospective financial data relating to climate change
- Data and information of Shinhan Financial Group's suppliers, contractors and any third parties
- Scope 3 emissions relating to investment of Shinhan Financial Group.

LRQA's responsibility is only to Shinhan Financial Group. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Shinhan Financial Group's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Shinhan Financial Group.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Shinhan Financial Group has not, in all material respects, disclosed accurate and reliable data and information as all errors or misstatements identified during the assurance engagement were corrected.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

¹ <http://www.cdp.net>

² <http://www.kosif.org>

³ <http://www.kosif.org>

⁴ Our assurance engagement includes Shinhan Financial Group Co. Ltd., Shinhan Bank Co., Ltd., Shinhan Card Co., Ltd., Shinhan Investment Corp., Shinhan Life Insurance Co., Ltd., Shinhan Asset Management Co., Ltd., Shinhan Capital Co., Ltd. and Jeju Bank Co., Ltd.



- Interviewing Shinhan Financial Group’s managers to obtain an understanding of their management approach relevant to climate change.
- Reviewing supporting evidence made available by Shinhan Financial Group.
- Auditing Shinhan Financial Group’s data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Checking whether direct (Scope 1) and indirect (Scope 2) GHG emissions of Shinhan Bank were transposed correctly from the GHG inventory which was verified by the third party assurance provider.
- Checking whether direct (Scope 1) and indirect (Scope 2) GHG emissions of Shinhan Financial Group excluding Shinhan Bank were transposed correctly from the GHG inventory which had been verified according to another contract with LRQA, where the calculations of those GHG emissions had been reviewed, but the completeness of the GHG inventory and the accuracy of the activity data had not been verified by LRQA.
- Checking whether other indirect GHG emissions (Scope 3) of Shinhan Financial Group were transposed correctly from the GHG inventory which had been verified according to another contract with LRQA, where the calculations of those GHG emissions had been reviewed, but the activity data and any assumptions applied had not been verified by LRQA.

LRQA’s standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LRQA for Shinhan Financial Group and as such does not compromise our independence or impartiality.

Tae-kyoung Kim
LRQA Lead Verifier
On behalf of LRQA
17th Floor, Sinsong Building, 67 Yeouinaru-ro, Yeongdeungpo-gu, Seoul, Korea

Dated: 24 July 2022

LRQA reference: SEO00000861

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