

Shinhan Financial Group Environmental Management Standards

Enacted on April 26, 2013

Revised on May 20, 2016 (1)

Revised on May 18, 2018 (2)

Revised on May 12, 2022 (3)

Shinhan Financial Group (hereinafter referred to as the 'Group') recognizes that environmental issues are an important factor influencing a company's sustainable development. To achieve its 2050 Carbon Neutrality goals, the Group will actively pursue its efforts minimize greenhouse gas emissions through efficient use of resources and energy, manage green financial products to support green industries and eco-friendly lifestyles, comply with environmental laws and regulations, and continue to exchange in more dialogue with stakeholders on this topic.

Chapter 1 Efficient Use of Resources and Minimizing of GHG Emissions

Article 1 Efficient Use of Resources and Energy

Introduce and operate a management system to efficiently use resources and energy necessary for the Group's management, and strive to enhance efficiency through continuous improvement activities.

Article 2 Reduction of Greenhouse Gas Emissions

Systematically manage the level of greenhouse gas emitted from the Group's use of resources and energy, and actively promote investments and campaigns to reduce greenhouse gas emissions.

Article 3 Consideration of Environmental Efficiency of Products and Facilities

Increase the purchase of green products with low environmental impact (products with Eco labels or with a GR mark, or energy-efficient products, etc.) and use energy-efficient materials and resources when expanding or establishing new facilities

Chapter 2 Development of Green Financial Products and Financial Support

Article 4 Financial Support for Green Companies

By reflecting environmental factors, we develop and support green financial products that provide benefits such as lowering interest rates and preferential fees to companies that have received certifications related to green energy, low-carbon and highly-efficient new industries, and environmental management, and refrain from providing financial support to areas with negative impact on the environment.

Article 5 Financial Support for Green Consumers

Develop and support green financial products that increase resource and energy efficiency and have positive impact on the environment, while also providing substantial benefits to subscribers of these financial products (including deposits, savings accounts, cards, and insurance products).

Article 6 Expansion of Investment in Green Industry

Fulfill our role as a financial institution in facilitating the speed of social and industrial transition to the so-called “green economy” through various efforts, including green technology development and expanded support for the transformation of organizations with high carbon emissions through active investment in domestic and global businesses for low-carbon green growth.

Article 7 Environmental and Social Risk Management

Select and manage areas that have a significant impact on the environment and society. And, when providing financial support, conduct environmental and social impact assessment, manage and monitor the exposure to ensure the environmental and social sustainability of the infrastructure investment or the project financing, and minimize their negative impact on the environment.

Article 8 Climate Risk Management

Monitor climate risks regularly and reinforce the Group’s standards for climate risk management. Mitigate the climate change risks by controlling the carbon emission (financial emission) of our asset portfolio and increase the feasibility of carbon-neutral finance mechanism.

Chapter 3 Strengthening Green Communication

Article 9 Reinforcement of Green Management Capabilities

Management should provide education and training to strengthen the environmental management competency of its employees, and ensure regular communication on environmental management issues.

Article 10 Strengthening Green Partnerships with Suppliers

Establish and operate a system for green supply chain management and support programs to strengthen the environmental management capabilities of partner companies that directly or indirectly affect the environmental management performance of the Group and its subsidiaries.

Article 11 Disclosure of Environmental Management Performance and External Cooperation

Disclose the Group's environmental management performance based on objective information to stakeholders by systematically managing the Group's climate-related data, and actively participate in external cooperation programs and support projects to fulfill our corporate social responsibility.

Article 12 Identifying and Responding to Stakeholder Requirements

In addition to the Group's environment and energy management, identify internal and external issues as well as the needs and expectations of stakeholders, and implement countermeasures.

Article 13 Regulatory Compliance

Comply with laws and regulations on environmental management and establish, implement, maintain, and follow up on enterprise standards to ensure regulatory compliance.

Article 14 Operation of Environmental Management System

Implement the Group's environmental management system as a part of the sustainability management policy, and a decision-making committee shall be comprised of the chief officers, responsible working groups, and a consultative panel specified in the SFG's Climate Change Response Principles.

Addendum (1)

This norm will come into effect from April 30, 2013.

Addendum (2)

This norm will come into effect on May 20, 2016.

Addendum (3)

This norm will come into effect from May 18, 2018

Addendum (4)

This norm will come into effect from May 12, 2022