Shinhan Card

www.shinhancard.com

Shinhan Card

2024 Sustainability Report



ABOUT THIS REPORT



COVER STORY

To address the climate crisis and protect biodiversity, Shinhan Card is working with the Korea Forest Service to conserve natural ecosystems. The cover of this fifth Sustainability Report features Paeonia obovata, a wild peony native to forested areas of the Korean Peninsula and designated as a Class II Endangered Wild Plant by the Ministry of Environment. It is listed as "Endangered (EN)" on the National Red List due to habitat loss from indiscriminate collection and human activity.

Shinhan Card is committed to preserving nature's value, raising awareness of endangered plant protection, and enhancing its sustainability management for a more sustainable future.

REPORTING PERIOD & SCOPE

Shinhan Card has published its Sustainability Report annually since 2021. This report covers the company's performance from January 1 to December 31, 2024, and includes certain achievements from the first half of 2025. Key quantitative indicators are presented with three-year trend data to show year-over-year changes.

The report primarily covers Shinhan Card's Seoul headquarters and domestic branches. Financial results are based on consolidated statements. Select nonfinancial indicators include data from consolidated subsidiaries, such as four overseas branches and Shinhan Credit Information. However, the ESG Data section reports standalone data for Shinhan Card only, excluding its subsidiaries. Any deviations from the defined scope or changes from previous reports are noted in footnotes.

REPORTING STANDARD

This report adheres to the GRI Standards 2021, the globally recognized benchmark for sustainability reporting. Furthermore, we have integrated the Sustainability Accounting Standards Board (SASB) standards and the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations to address sustainability matters that could materially impact our financial performance.

ASSURANCE

The report has undergone third-party assurance by an independent verification body, LRQA, to ensure the reliability and completeness of the data and the reporting process. The assurance results have been reviewed by the management. The assurance statement is available on pages 94 to 95.

REPORT LIMITATIONS & RESPONSIBILITY FOR PREPARATION

This report may include forward-looking statements related to Shinhan Card's sustainability initiatives, including past, present, and future activities and goals. Terms such as "expect," "plan," "target," and "estimate" are based on reasonable assumptions and expectations as of the time of reporting. However, actual results may differ materially due to various risks and uncertainties. The content of this report is provided for informational purposes only, offering insights into Shinhan Card's sustainability approach, strategy, and performance, and should not be relied upon for investment, legal, or other financial decisions.

REPORT INQUIRIES

This report is available for download via the Shinhan Card website. For any feedback or further inquiries, please contact Shinhan Card SDGs team.

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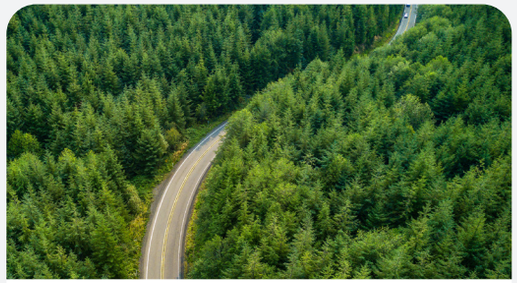
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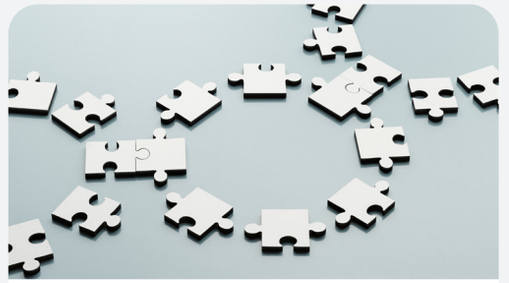
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CEO MESSAGE



박 찬 훈

Park Chang-hun,

President & Chief Executive Officer of Shinhan Card

To our stakeholders,

On behalf of all Shinhan Card employees, I would like to express my sincere gratitude for your unwavering support and trust, especially during a year that was marked by significant challenges, including a volatile global economy, the escalating impact of climate change, and the nation's demographic shift toward a super-aged society.

In the past year, Shinhan Card has made significant efforts to further embed sustainability management into our operations. We strengthened our internal controls by refining our responsibilities map and expanded our inclusive finance programs to better support small businesses, the self-employed, and those facing financial hardship.

We are committed to turning these challenges into opportunities for growth and innovation, and we will do our utmost to fulfill this goal.

We will create new value for Shinhan Card by placing top priority on customer value and implementing our own differentiated strategies.

We will promote the internal integration of 'customer convenience' enhancement program to seek and eliminate factors that may hinder customer trust in advance. Additionally, we will also present next-generation, customer-centric payment services using digital technology to enhance competitiveness and building a sustainable profit base.

In line with Shinhan Financial Group's ESG slogan of "Do the Right Thing for a Wonderful World," we will enhance our capability as a corporate citizen.

By fully leveraging our ESG data platform across the company, we will elevate our risk management practices and contribute to achieving carbon neutrality through internal carbon emissions management, employee engagement, and eco-friendly finance initiatives, in alignment with the Shinhan Financial Group's sustainability management strategy.

Shinhan Card will continue to evolve and grow from within, reinforcing our foundations and boldly taking on challenges that go beyond conventional boundaries. We look forward to your continued interest and partnership as we move toward a more sustainable future.

Thank you.

→ **06** Who We Are
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INTRODUCTION

WHO WE ARE

COMPANY PROFILE

Shinhan Card offers a wide range of financial services, including credit cards, debit cards, installment financing, auto leasing and loans. The company continues to innovate with products and services designed to meet customers' evolving lifestyles and needs. With 33.2 million members from all walks of life and an annual transaction volume of KRW 228 trillion, we stand proudly as a leading credit card company in Korea. By leveraging the power of digital finance and data analytics, we are committed to creating new value and enhancing our global competitiveness in the financial sector.

Company Name	Shinhan Card Co., Ltd.
Founding Date	December 17, 1985
CEO	Park Chang-hun
Head Office	Pine Avenue A, 100 Eulji-ro, Jung-gu, Seoul, Republic of Korea
Business Areas	Credit sales, short-/long-term card loans, installment financing, auto leasing and other financing services
Number of Employees	2,594 persons (2,583 in Korea and 11 overseas)

2024 Financial Highlights

(As of Dec. 2024)

Number of Active Members (Credit + Debit)
20.44 million

Total Assets
KRW 44.137 trillion

Net Income (attributable to owners of the parent)
KRW 572.1 billion

Operating Assets
KRW 40.199 trillion

Credit Rating
AA+ (Domestic) / A- (S&P) / A2 (Moody's)

Our History at a Glance

2007~2009

Mar. 2007
SFG acquired and integrated LG Card as an SFG subsidiary

Oct. 2007
Integrated all former Shinhan Card business units, creating the unified Shinhan Card

Jan. 2008
Corporate finance lease business unit transferred to Shinhan Capital

Aug. 2008
Integrated the IT systems of former LG Card and former Shinhan Card

2010~2019

Oct. 2012
Opened the next-generation computer system

Nov. 2014
Established Shinhan Finance Limited (Shinhan Card Kazakhstan Office)

Dec. 2015
Acquired Shinhan Indo Finance

Mar. 2016
Established Shinhan Microfinance (Shinhan Card Myanmar Office)

June 2019
Acquired shares of Shinhan Vietnam Finance (Shinhan Card Vietnam Office)

2020~2024

Mar. 2020
Acquired operating assets of the car rental unit from HD Capital

Oct. 2020
Acquired real estate and auto loan portfolios from Shinhan Capital

July 2022
Acquired 100% of shares in Shinhan Credit Information from SFG

July 2023
Designated as a specialized data organization by the Financial Services Commission

Aug. 2024
Launched the DataBada business data platform

WHO WE ARE

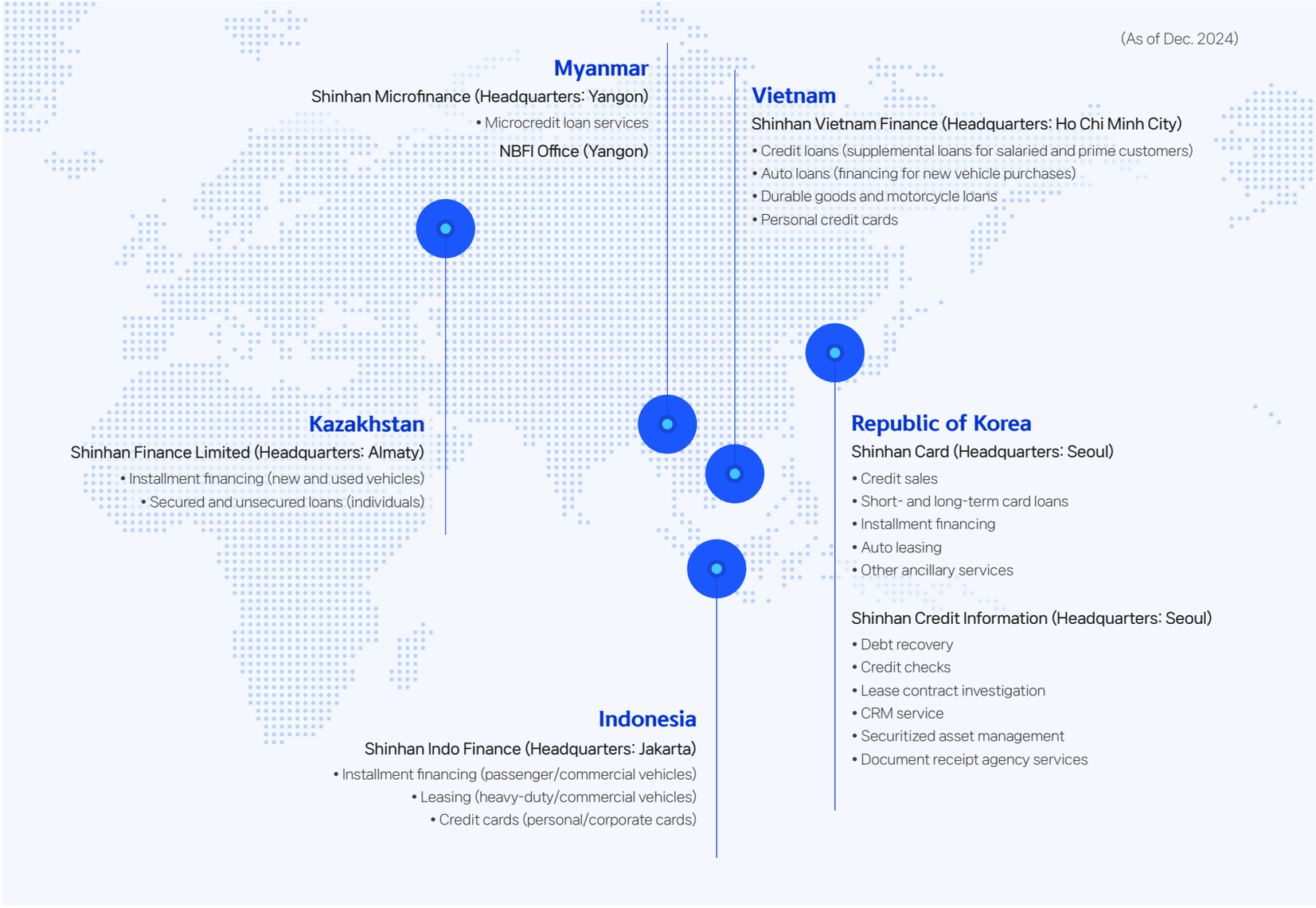
GLOBAL NETWORK

Shinhan Card's international subsidiaries – Shinhan Vietnam Finance (Vietnam); Shinhan Finance Limited (Kazakhstan); Shinhan Indo Finance (Indo); and Shinhan Microfinance (Myanmar) – serve as localized extensions of our consolidated operations. In 2022, we acquired Shinhan Credit Information (SCI) through business integration, enabling us to offer debt recovery, credit checks, and civil complaint handling services. Leveraging our robust risk management and competitive advantages, we will continue to expand our footprint in the securities sector, both domestically and internationally.

Global Network Profile

(Unit: KRW 100 million)

Company	Established	Total Assets
Shinhan Card	Dec. 1985	44,137,094
Shinhan Credit Information	July 2002	35,676
Shinhan Finance Limited	Nov. 2014	287,009
Shinhan Indo Finance	Dec. 2015	238,562
Shinhan Microfinance	Mar. 2016	15,736
Shinhan Vietnam Finance	June 2019	629,441



WHO WE ARE

Global Business Overview

Shinhan Credit Information Co., Ltd.

Shinhan Credit Information (SCI), established in July 2002, is a licensed debt collection agency offering services like debt recovery, credit investigations, and outsourced private services. In July 2022, Shinhan Card completed its acquisition of 100% of SCI's shares from SFG, bringing it fully under the company's umbrella. SCI now handles the group's non-performing loan portfolio, credit checks, and civil complaint handling services aiming to create synergies and improve overall asset quality. With its deep expertise in debt recovery and credit analysis, SCI is expanding its service offerings in asset management and credit inquiries.

Business Site Overview	1 HQ / 13 Branches / 2 Representative Offices
Employees	149

Shinhan Finance Limited

Shinhan Finance Limited, a wholly owned subsidiary of Shinhan Card, was founded in November 2014. After securing its operating license, it launched its installment financing and credit loan services in July 2015. In 2021, the company saw substantial growth through a strategic alliance with Aster, a major local dealership. Building on this successful partnership, Aster invested in Shinhan Finance in March 2024, transitioning it into a joint venture. Shinhan Card now holds a 75% stake, while Aster owns 25%. Since becoming a joint venture, Shinhan Finance Limited has continued its expansion by broadening its partnerships with both Aster and other key local dealerships.

Business Site Overview	1 HQ / 3 Representative Offices
Employees	158

Shinhan Indo Finance

Shinhan Indo Finance was founded in December 2015 as a joint venture between Shinhan Card and Indomobil Group, part of Indonesia's leading Salim Group. Shinhan Card took control of the company, securing a 50 percent stake plus one share, and began operations. In December 2016, Shinhan Card also obtained an Indonesian credit card license, launching its full credit card business in January 2017. By the end of 2022, Shinhan Card had increased its stake in Shinhan Indo Finance to 76.33 percent through a sole investment. Leveraging successful partnerships with popular Indonesian commercial vehicle and heavy equipment brands like Hino and Volvo, the company has since grown into a prominent mid-sized multi-finance player in the local market.

Business Site Overview	1 HQ / 4 Branches
Employees	201

Shinhan Microfinance

Shinhan Card launched Shinhan Microfinance in Yangon, Myanmar, in March 2016. After receiving its microfinance institution (MFI) license in July 2016, it commenced microloan operations in September of that year. Headquartered in Yangon, the country's economic hub, the company is actively expanding its network across Myanmar. Its goals are to increase its MFI market share, offer sustainable financial support to underserved communities, and foster inclusive finance.

Business Site Overview	1 HQ / 4 Branches / 17 Sales Offices
Employees	254

Shinhan Vietnam Finance

In June 2019, Shinhan Card acquired Prudential Vietnam Finance, rebranding it as Shinhan Vietnam Finance Co. Ltd. (SVFC), a wholly owned subsidiary. Leveraging its extensive nationwide network, SVFC focuses on credit loans as its core business. The company has also expanded its local offerings, launching an installment finance business in June 2020, and a credit card business in August 2022.

Business Site Overview	1 HQ / 10 Branches / 26 Sales Offices / 3 Representative Offices
Employees	660

WHO WE ARE

Our Global Sustainability Commitment in Action

Shinhan Vietnam Finance

Signing MOU with Vietnam's Mobile World Group

Shinhan Vietnam Finance Co. (SVFC) has partnered with Mobile World Group, a leading Vietnamese retail distributor, to simplify electronic product installment purchases. The collaboration has resulted in the launch of customized credit loan options for Mobile World's 18 million customers, as well as exclusive loan products for its employees.

Fostering Group Synergy through Unified Workspace

In August 2024, over 1,200 employees from five SFG companies—including Shinhan Card, Shinhan Bank, Shinhan Securities, Shinhan Life, and Shinhan DS—moved into a new shared office building in Ho Chi Minh City. This initiative aims to enhance intercompany collaboration, streamline financial service integration and accessibility, and deliver more efficient and sustainable financial solutions to local customers.



Shinhan Finance Limited

Cultivating "Triple 1" Culture Through Overseas Training

In July 2024, we conducted an overseas organizational culture training program designed to instill our management philosophy, foster a strong "One Team" spirit, and develop leadership capabilities. Participants actively engaged in sessions focused on Shinhan Card's vision and strategy, reinforcing the "Shinhan mindset" essential for our employees. They also collaborated on creating volunteer kits for the Areumin initiative, donating them in Shinhan Finance's name. Notably, our leader-level program brought together group and division heads, solidifying our shared vision for the future and strengthening team unity.



Shinhan Indo Finance

Delivering Smiles to Jakarta Students

Shinhan Indo Finance, through the Areumin initiative, donated tote bags and school supplies—hand-decorated by Shinhan Card headquarters employees—to all students at Krida Elementary School in Jakarta. Krida Elementary, located approximately five kilometers from our office, also benefited from the donation of ceiling fans and whiteboards. In gratitude, the students hosted a warm welcoming ceremony, and showcased a variety of performances.



Shinhan Credit Information

Financial Literacy Workshops for the Hearing Impaired

To protect the hearing impaired community from financial fraud and other crimes arising from communication barriers, Shinhan Credit Information (SCI) is offering workshops on essential topics. These sessions cover credit and debt management, debt relief programs, housing lease fraud prevention, personal data protection, and the Housing Lease Protection Act. By providing this targeted education, SCI aims to mitigate financial risks for individuals with hearing loss.

Trailblazers Giving Back to the Community

As part of its community outreach initiatives, SCI is actively engaged in volunteer work. The company organized two blood donation drives in 2024, supporting patients requiring emergency transfusions and earning recognition as an "exemplary blood donation supporter." In August 2024, SCI employees participated in the "Marathon with the Visually Impaired" to promote health and raise awareness for individuals with physical disabilities. Additionally, they joined a "volun-tour" program, combining travel with local volunteer efforts.

WHO WE ARE

2025 BUSINESS STRATEGY

Vision and Strategy

Group Mission

Your Companion for the Future — Compassionate Finance — A Better World through Finance

Core Values

Right
We value doing what is RIGHT for our customers and for the future generations

Nimble
We value doing NIMBLE-executing with flexibility and efficiency, never stop learning and keep moving forward

Different
We respect individual DIFFERENCES and value having DIFFERENTIATED outcomes

Group Vision

+More Friendly, Secure, Creative

We believe finance should be More Friendly, More Secure, More Creative

Shinhan Card Vision

Connect more, Create the most

Connect more, Create the most
A company creating the best value through connection

Group Business Slogan

고객중심 一流신한
HUMANITAS, COMMUNITAS

Shinhan Card Business Slogan

비움과채움
미래를 위한 전략적 구조개선

* Humanitas, Communitas:
Build a strong, trusted organization through individual integrity! Earn the confidence of customers and stakeholders.

2025 Strategic Direction

Guided by the principle of "clearing out the old to make way for the new," Shinhan Card has embraced "Empty and Fill" as its strategic restructuring direction for 2025. We are dedicated to laying a solid foundation for transformational growth, thereby ensuring that we stay ahead of future changes through company-wide renewal. With a strong commitment to change and innovation, we will move toward our 2025 goals, delivering differentiated value through the customers' perspectives.

Strategic Direction

	EMPTY	FILL
Customer value	**Enhancing Internal Controls** (Eliminating factors that erode customer trust) Internal control Scandal Zero 2.0 (effective control) Customer privacy protection Enhancing management systems to proactively and reactively address all issues ESG Fulfilling corporate social responsibility	**Incorporation and Extension Based on Core Business, Payment Process** Membership Pinpoint targeting of potential future customers Partnerships Fostering relationships through a balance of cooperation and healthy competition One Shinhan Creating a model for payment business expansion through related ventures
Corporate value	**Optimizing Business Portfolio** (Reducing low-efficiency businesses) Profit Rebalancing through ROC-driven selection and concentration Cost Innovative activity for tangible results, ROI calculation for each organization Robustness Balancing support for risk management with sustainable growth	**Expanding High-Efficiency Business Areas** CP Expanding profitable assets and elevating market positioning Data, Life Generating tangible outcomes and strengthening the core business Global Pursuing growth opportunities and business revitalization
Internal capacity	**Maximizing Customer Convenience** (Revamping business structure) Contact-point channel Pursuing optimization of AI Transformation (AT) Integration Service Advancement of the Go & Stop System Process Innovating customer experience through optimized internal and external processes	**Innovation of the Operating System** Organization DevOps/ Enhancing the internal entrepreneurship system and optimizing the operation system HR Cultivating a modern work culture, attracting top D&D talent, and refining our workforce structure Infrastructure Integrating AI and creating core business channels for Shinhan SOL Pay

WHO WE ARE

PRODUCT & SERVICES

Business Areas

Shinhan Card is a specialized credit finance company offering services such as credit cards and installment financing. By integrating digital, platform, and data capabilities, we are evolving into a financial company that delivers the highest value in partnership with our customers.

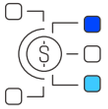
Credit Sales & Short-Term Card Loans (Cash Services)

Our services include credit card sales, allowing individuals, businesses, and public institutions to make purchases within their credit limits, and short-term cash loans for immediate access to funds.



Installment Financing

We provide a range of installment finance options, enabling customers to purchase goods and services without upfront payment, spreading the cost through convenient monthly payments. Supported by a national network of over 10,000 merchant partners, we further reward customers with exceptional credit by offering exclusive loan advantages.



Shinhan Card

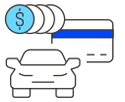
Long-Term Card Loans & Refinancing Loans

We develop and manage a comprehensive portfolio of long-term card loans and refinancing products, catering to credit card members and the broader public. Specifically, we offer refinancing loans to assist customers in consolidating and repaying their debts through extended installment plans.



Auto Leasing

We offer auto leasing, allowing customers to drive the vehicle they want by making affordable monthly payments over their chosen lease term.



Platform & Data Business

We are enhancing our customers' financial experience by integrating financial services into their daily lives through our digital platform, Shinhan SOL Pay. This enables us to offer personalized product and service brokerage, expanding beyond standard financial product offerings.



WHO WE ARE

Shinhan Card Lineup

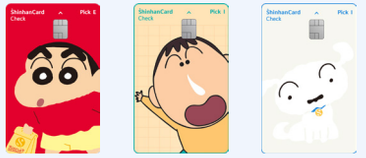
Shinhan Card Point Plan

Benefits for everyday spending and recurring payments



Shinhan Card Pick E / Pick I

Personalized benefits by category, tailored to the MZ generation's spending preferences: E (Extrovert) / I (Introvert)



Shinhan Card BIZ

Business card for individual and corporate owners, with benefits on business spending, legal consulting, and fire insurance services



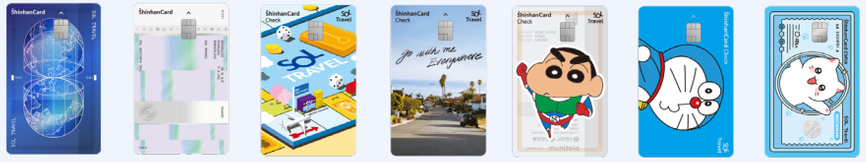
Shinhan Card Edu

Education-focused card with benefits for tuition and related expenses



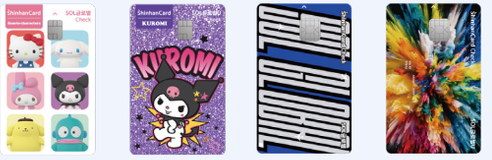
Shinhan Card SOL Travel

Travel benefits for domestic and international trips, including airport lounge access



Shinhan Card SOL Global

Exclusive card for foreign residents in Korea, enhancing everyday spending



Shinhan Card The Pet

Benefits for pet-related spending, including clinics, online malls, and care services



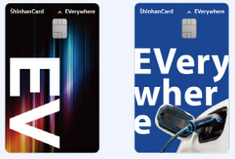
Shinhan Card Cheoeum (First)

Exclusive card for young adults, offering focused benefits and encouraging healthy spending habits



Shinhan Card EVerywhere

A specialized card for electric vehicle owners, offering cashback on EV charging costs



Shinhan Card K-PASS

Discounts on public transportation and everyday spending



Shinhan Card Life Partner

Personalized benefits based on user lifestyle



OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY STRATEGY

Our 2025 Sustainability Strategy

Shinhan Card aims to take meaningful action for a better world through "carbon neutrality," "inclusion," and "collaboration," in line with the Group's sustainability strategy. Recognizing sustainability as a key growth driver, we pursue strategic initiatives closely aligned with our core business.



* 3Ps: Shinhan's Approach to Sustainable Development

OUR APPROACH TO SUSTAINABILITY

ESG GOVERNANCE

SFG's Sustainability Implementation Framework

Shinhan Financial Group operates a group-wide sustainability implementation framework. The holding company and major affiliates have established board-level committees to oversee sustainability strategies and policies, as well as dedicated organizations responsible for executing sustainability initiatives. Furthermore, to embed sustainability across the Group, the ESG Steering Committee—comprising the Group CEO and CEOs of key affiliates—and the ESG Working Committee—comprising relevant executive officers—are in place to coordinate and drive group-wide ESG efforts.

ESG Committee

Shinhan Card established the ESG Committee in May 2021 and has been operating it continuously to ensure transparent and accountable sustainability management. This committee is the primary decision-making body for Shinhan Card's sustainable management strategy and key decisions. It operates under its own charter, developing long-term sustainability plans and approving related standards. The committee also reviews and finalizes issues raised by the chair.

ESG Council

Shinhan Card has appointed a vice-president-level CSO responsible for sustainability-related matters, overseeing GHG emissions reduction reporting to SFG and developing inclusive financial programs for mutual prosperity. To ensure transparency and fairness, we also manage trust programs relevant to the credit card business. The CSO regularly reports activities to the ESG Committee for review. In 2024, the ESG Committee convened three times.

ESG Committee Reporting Agenda

Meeting	Date	Agenda	Attendance
1st	Mar. 25, 2024	· Appointment of the ESG Committee Chair	100%
2nd	May 20, 2024	· Report on the 2024 ESG Management Action Plan · 2023 ESG performance report	100%
3rd	Dec. 24, 2024	· Key ESG Achievements in 2024 · Report on the 2024 Materiality Assessment of Shinhan Card	100%

ESG Governance

(As of Jan. 2025)



Sustainability Performance Management System

SFG reflects sustainability performance in the evaluation of the Group CEO and affiliate CEOs to promote effective implementation. In line with this policy, Shinhan Card incorporates quantitative metrics—such as green finance results and GHG reduction—into its CEO performance evaluations.

OUR APPROACH TO SUSTAINABILITY

JOURNEY TO SUSTAINABILITY(2021~2024)

Shinhan Card is committed to strengthening sustainability management and advancing sustainable finance and social responsibility. We strive to operate responsibly and deliver financial services that serve the best interests of our stakeholders.

2021

Feb. 2021
- (S) Launched the customer panel, "Shinhan Cider"

Mar. 2021
- (S) Announced Corporate Digital Responsibility (CDR) principles

Apr. 2021
- (E) Launched the "ECO Zone" project
- (E) Launched the Zero-Emission Vehicle Transition Project (K-EV100)
- (G) Published the first ESG Performance Report
- (G) Implemented a dedicated counselor system for the Act on the Protection of Financial Consumers

May 2021
- (G) Created the ESG Committee within the BOD

Aug. 2021
- (E) Introduced credit cards made from recycled plastic
- (S) Developed a credit rating model for seniors

2022

Mar. 2022
- (G) Increased digital literacy training

Apr. 2022
- (S) Developed a specialized credit evaluation model for financially marginalized groups

Sept. 2022
- (S) Established AI Ethics Principles
- (S) Provided AI-driven support for small business owners and improved business district information systems

Oct. 2022
- (E) Launched "EVerywhere," a specialized card for electric vehicle owners

Nov. 2022
- (E) Signed the ESG Management Agreement with Korea Forest Service
- (G) Introduced the Shinhan Green Index
- (G) Conducted ESG training for overseas subsidiaries

2023

Feb. 2023
- (E) Launched Shinhan SOL Pay "Shinhan Green Index"
- (E) Formulated green roadmap

Apr. 2023
- (G) Enhanced internal control systems
- (G) Strengthened responsibilities map and internal control systems

June 2023
- (S) Provided data skill training for college students

July 2023
- (S) Expanded mutual growth solutions for small business owners
- (G) Developed a customer complaint prediction model

Sept. 2023
- (S) Launched "Next-generation Guardian Project"

Nov. 2023
- (E) Launched biodiversity conservation project

2024

Feb. 2024
- (S) Held "Healthy Mind Literacy" training for K-12 students in Korea
- (S) Held digital competency training for students and teachers in Vietnam

Mar. 2024
- (G) Published the 2023 ESG Highlights Report
- (G) Initiated the "AI 5025" project

Apr. 2024
- (E) Launched the "Shinhan Employee Green Index" Service

July 2024
- (S) Promoted "Areumin Good Meal," a program supporting children from underprivileged families in partnership with local small businesses

Oct. 2024
- (S) Opened Areumin library at Seoul Youth Gijigae Center

OUR APPROACH TO SUSTAINABILITY

2024 ACHIEVEMENTS



Expansion of Green Finance

KRW **42** billion
in new green loans

Green Bonds &
Environmental Policy Loans

KRW **206** billion



Areumin Library Expansion

548 libraries
opened in total (cumulative)

Recognized for Excellence in Corporate Governance
(by the Korea Institute of Corporate Governance and Sustainability (KCGS))

Third-Party Verification of GHG Emissions
(Voluntary verification of GHG inventory)



Mutual Growth Finance

340,000
MySHOP partners

Inclusive Finance

KRW **2.2858** trillion
in new inclusive loans



Customer Satisfaction

Scored **90.5**

Established the Internal Control Committee
Board-level committee

Enhanced Financial Literacy

19,650 participants
trained in financial education



→ **18** Responsible Governance & Operation
→ **39** Trusted Commerce & Empowering People
→ **64** Protecting the Planet

PERFORMANCE REPORT



PERFORMANCE REPORT 01

RESPONSIBLE GOVERNANCE & OPERATION

Shinhan Card is committed to building a transparent and responsible governance system to realize sustainable finance. By strengthening robust corporate governance, fostering an ethical culture, and enhancing risk management, we aim to build trust with customers and society, and deliver long-term corporate value.

ROBUST GOVERNANCE

CORPORATE GOVERNANCE

Board Operations

The Board of Directors (BOD) of Shinhan Card serves as the highest decision-making body, responsible for formulating management strategies and goals, as well as revising key regulations such as the articles of incorporation. Additionally, the BOD approves budgets and financial accounts, sets governance policies and principles, and establishes and evaluates internal control and risk management standards. Outside directors with diverse expertise and ample experience participate in the BOD to enhance oversight of management. Regular disclosures are used to communicate with stakeholders and provide transparency into the governance system. Information regarding Shinhan Card's governance structure and compensation system is available in the "Annual Governance and Compensation Report" published 20 days prior to the regular general meeting of shareholders. This report can be accessed via the Shinhan Card website and the Credit Finance Association website for further details.

Board Composition

To ensure robust governance, Shinhan Card's BOD comprises members with expertise and independence, adhering faithfully to the provisions of the "Act on Governance of Financial Companies." We operate the BOD to establish stable governance based on checks and balances among members. To achieve this, the majority of our BOD members are outside directors whose independence has been verified. As of March 2025, our BOD consists of eight members: two inside directors, five outside directors, and one non-executive director.

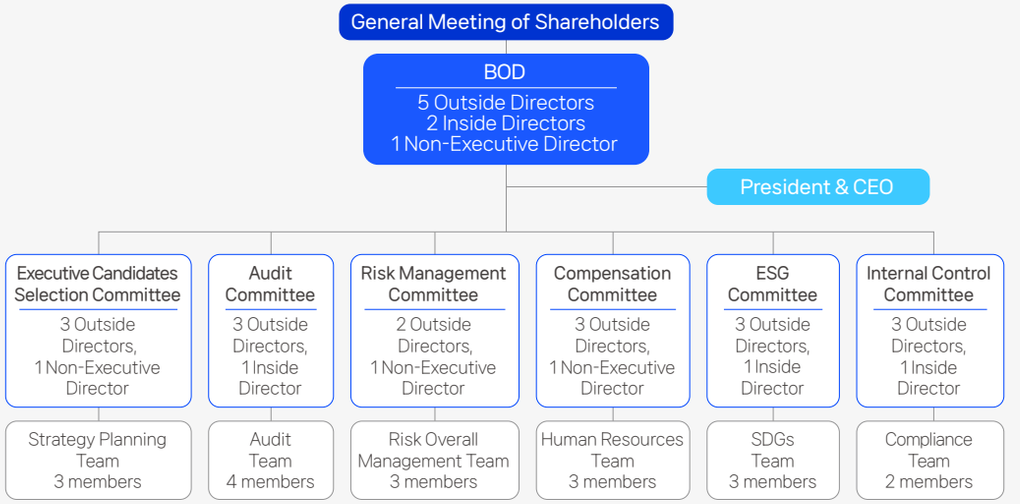
BOD Operations Overview

(As of Dec. 2024)

Classification		2022	2023	2024
Number of Agenda Items		67	63	60
Number of Board Meetings		10	9	8
Attendance(%)	Inside Directors	100	100	100
	Outside Directors	100	97.8	100
	Non-Executive Director	90.0	100	87.5

BOD and Committee Structure

(As of Mar. 2025)



BOD Composition Status

(As of Mar. 2025)

Classification	Name	Birth Year	Gender	Duties (titles)
Inside Directors	Park Chang-hun	1968	Male	President & CEO/ BOD chair/ ESG Committee
	Shin Won	1964	Male	Director & Standing Auditor/ Audit Committee/ Internal Control Committee
Outside Directors	Chung Ho-yul	1954	Male	Lead Outside Director/ Audit Committee chair/ Internal Control Committee/ Executive Candidates Selection Committee
	Cho Jin-hee	1963	Female	ESG Committee chair/ Audit Committee/ Risk Management Committee/ Internal Control Committee
	Choi Jae-Boong	1965	Male	Risk Management Committee chair/ Audit Committee/ Compensation Committee/ Internal Control Committee
	Ohno Masamichi	1970	Male	Executive Candidates Selection Committee chair/ Compensation Committee/ ESG Committee
	Hirakawa Yuta	1981	Male	Compensation Committee chair/ Executive Candidates Selection Committee/ ESG Committee
Non-executive Directors	Koh Seog-heon	1968	Male	Risk Management Committee chair/ Compensation Committee/ Executive Candidates Selection Committee

ROBUST GOVERNANCE

BOD Committees

Shinhan Card has six board committees: Executive Candidates Selection, Audit, Risk Management, Compensation, ESG, and Internal Control. Each committee comprises a majority of outside directors.

BOD Committees and Duties

(As of Dec. 2024)

Committee Name	Key Duties	Meetings Held
Executive Candidates Selection Committee	Focuses on identifying and managing candidates for key executive roles, including CEOs, outside directors, and auditors	4
Audit Committee	Oversees audit planning, implementation, and monitoring, evaluates internal controls, and supervises directors and management	8
Risk Management Committee	Sets and adjusts risk appetite, and develops and updates risk management policies	6
Compensation Committee	Evaluates management performance, approves compensation plans, and determines performance-based compensation structures	3
ESG Committee	Develops sustainability strategies and establishes ESG standards and regulations	3
Internal Control Committee	Communicates the findings of internal control reviews and incorporates them into employee performance assessments Investigates and develops responses to internal control vulnerabilities, such as financial irregularities Facilitates discussions on matters related to internal control Enhances employee understanding of ethical conduct and regulatory compliance	1

BOD's Independence and Expertise

As of March 2025, Shinhan Card's Board of Directors is intentionally diverse, drawing on expertise from finance, management, law, digital technology, IT, and other fields to ensure balanced representation and avoid bias. We appoint outside directors via multiple channels, including shareholders, the Executive Candidates Selection Committee, and external advisors, prohibiting self-nomination for self-empowerment. In doing so, we are striving to maintain board independence and transparency.

Board Skills Matrix

(As of Mar. 2025)

Expertise	Park Chang-hun	Shin Won	Chung Ho-yul	Cho Jin-hee	Choi Jae-Boong	Ohno Masamichi	Hirakawa Yuta	Koh Seog-heon
Finance	●	●						●
Business administration	●		●	●	●	●	●	●
Finance/Risk management		●			●	●	●	
Accounting						●	●	
Law/Regulation		●	●					
Digital/IT					●			
ESG/Consumer protection				●			●	

ROBUST GOVERNANCE

BOD Evaluation and Compensation

BOD and Committee Evaluation

In accordance with Article 8, Shinhan Card conducts annual evaluations of the BOD and its committees to establish effective and transparent governance. These evaluations assess board performance, meeting effectiveness, agenda appropriateness, BOD meeting frequency, and access to company information, based on diverse standards. Additionally, we review the appropriateness of BOD performance for effective BOD and internal committee operations. The evaluation results serve as a valuable reference for setting BOD's operational strategy.

The initial term for outside directors is one year, with potential reappointment for up to six consecutive terms based on annual evaluations, thereby ensuring business continuity and enhancing board quality. To maintain objectivity and anonymity, an external expert is involved in the evaluation process, thereby reinforcing the transparency and accountability of the Board of Directors.

Executive Evaluation and Compensation System

Shinhan Card's Compensation Committee, operating with expertise and independence, decides on CEO and executive compensation using a comprehensive performance-evaluation system. Management performance is assessed according to group, company, and business KPIs, as well as strategic objective attainment. The system balances financial metrics—including operating net profit, return on assets, adjusted delinquency rate, risk-adjusted return on capital (RAROC), and operating profit ratio—together with nonfinancial factors including data industry leadership, global growth diversification, advancement of sustainability management, consumer and privacy protection, internal accounting controls, and strategic initiative execution.

Ownership Structure

Shinhan Card is a wholly owned subsidiary of Shinhan Financial Group (SFG), with SFG holding a 100% ownership stake.

Shareholders

(As of Dec. 2024)

Shinhan Financial Group
100% (125,369,403 shares)

#1 PERFORMANCE HIGHLIGHTS

Reinforcing Internal Control and Responsibility



Internal Control Reinforcement Initiatives

In response to the escalating frequency of financial incidents within the financial sector, Shinhan Card is enhancing its internal control framework to proactively address potential risks and mitigate associated financial and nonfinancial losses that may impede sustainable growth. Acknowledging that internal control is a shared responsibility across the organization rather than limited to specific relevant departments, we are implementing the 'three lines of defense model' to ensure effective operational management and embed ethical compliance within our business practices.

Three Lines of Defense Framework

1st Line Control [Field Departments]	2nd Line Control [Internal Control Units]	3rd Line Control [Audit Units]
Implement internal controls	Develop and review policies	Investigate incidents for improvement and compliance

Launching the Board-Level Internal Control Committee

To strengthen our internal control infrastructure and promote a culture of ethics and compliance, we have established the Internal Control Committee. In December 2024, we revised our internal governance regulations, placing the committee under the Board of Directors (BOD). The committee is now responsible for developing internal control principles and strategy, and finalizing internal control criteria.

Internal Control Committee: Structure and Duties

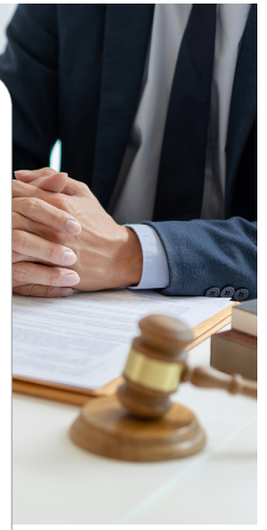
(As of Mar. 2025)

Structure

- Chair: Chung Ho-yul (Outside Director)
- Outside Director: Cho Jin-hee, Choi Jae-Boong
- Inside Director: Shin Won

Duties

- Develop and implement initiatives to foster a culture of professional ethics and compliance
- Establish and maintain internal governance policies
- Create, review, and finalize internal control standards
- Evaluate CEO and executive performance regarding internal controls and recommend improvements, etc.



2024 Internal Control System Roadmap

Implement preventive measures
(updated inspections and system improvements)

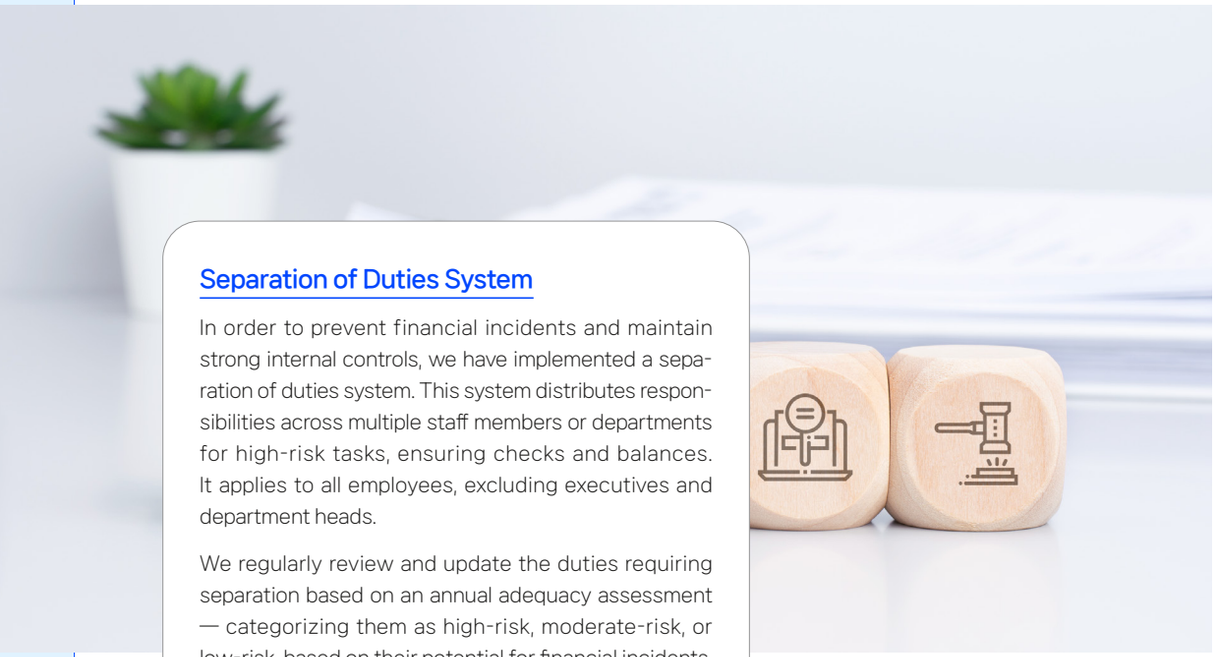
- Increase focused inspections of high-risk areas and conduct independent on-site audits
- Develop and enhance preventive monitoring systems (AI and digital technology)
- Ensure separation of duties and maximize the effectiveness of mandatory vacation policies

Reinforce internal control infrastructure
(system upgrades and employee training)

- Digitize internal control processes
  - Convert high-risk manual tasks to digital formats
  - Automate workflows using RPA
- Conduct on-site inspections of subsidiaries and overseas branches, and improve their internal control systems
- Boost internal control expertise (Professional training and certifications)

Foster a culture of ethics and compliance
(personal ethics and responsibility)

- Expand employee internal control training (Relevant laws, policies, and systems with practical case studies)
- Implement on-site ethics and compliance initiatives (Ethics and Compliance Day)
- Promote whistleblowing (Training and incentive programs)



Separation of Duties System

In order to prevent financial incidents and maintain strong internal controls, we have implemented a separation of duties system. This system distributes responsibilities across multiple staff members or departments for high-risk tasks, ensuring checks and balances. It applies to all employees, excluding executives and department heads.

We regularly review and update the duties requiring separation based on an annual adequacy assessment — categorizing them as high-risk, moderate-risk, or low-risk, based on their potential for financial incidents. High-risk duties receive particular attention, with mandatory task diversification and reinforced checks and balances to minimize vulnerabilities.

Employees subject to this separation of duties, as well as department heads, are required to register their assigned duties in the internal system and report any changes to compliance officers, either annually or as needed.

The system's operational effectiveness is regularly monitored and evaluated, alongside our traceability management practices. To ensure seamless integration into our daily operations, we conduct annual training sessions covering the system's objectives, operational procedures, and relevant case studies.





Types of Risk-Sensitive Duties

High-Risk Duties	• Company-wide management of key financial assets and physical inventory • Financial management, including fund financing, contracts, securities, foreign exchange, and derivatives, contract management involving fund handling
Other Risk-Sensitive Duties	• Management of duties with potential financial risk, beyond high-risk categories, to prevent financial incidents
Non-Risk-Sensitive Duties	• Duties requiring separation of duties as mandated by company regulations

Governance Excellence Recognized



Shinhan Card was recognized in the governance category at the 2024 Korea Institute of Corporate Governance and Sustainability (KCGS) Excellent Business Awards. This award reflects our ongoing commitment to developing transparent and advanced governance and integrating ESG principles into our core business practices.

To strengthen our sustainable management system, we have incorporated key ESG issues, as determined by our Board of Directors, into management's KPIs, thereby ensuring effective ESG implementation. Furthermore, the strong commitment of our CEO and Board of Directors to governance is reflected in our organizational culture, propelling the expansion of ESG management. Building on this recognition, Shinhan Card will continue to lead in sustainable finance through its solid governance framework, while further strengthening trust with stakeholders.

RISK MANAGEMENT

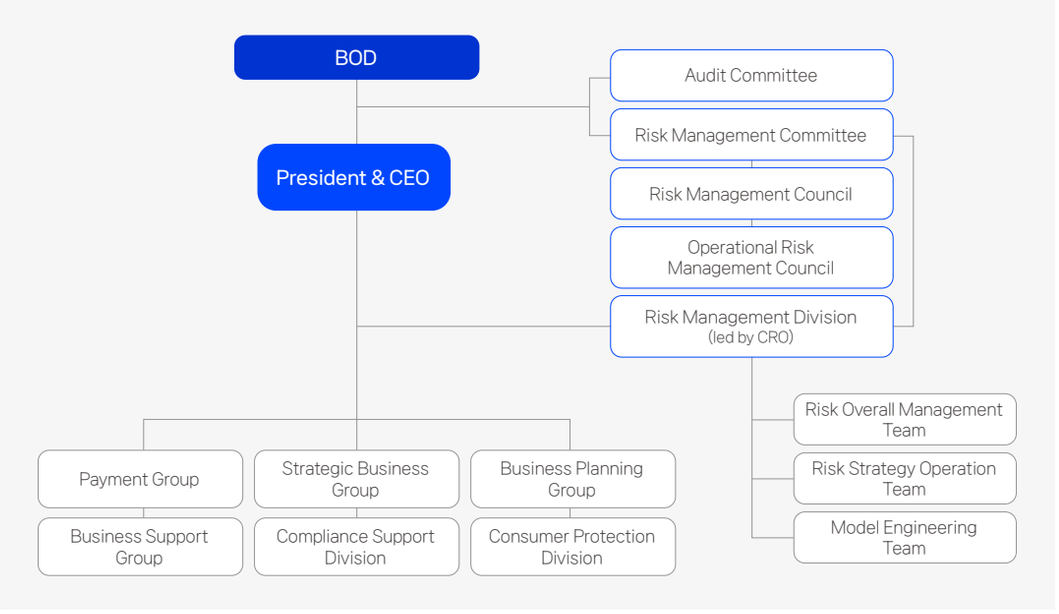
INTEGRATED RISK MANAGEMENT

Risk Management System

At Shinhan Card, we operate a risk management body in order to effectively manage financial and nonfinancial risks that may occur in the course of business operations. Our risk management system comprises the Risk Management Committee, Risk Management Council, and Risk Management Division under the Board of Directors. Each body operates systematically to ensure effective risk control and response. Our Risk Management Committee establishes core risk management policies and strategies, identifies, assesses, and mitigates potential risks across our business operations and ensures compliance. The Chief Risk Officer (CRO) supports the Risk Management Committee, while the Risk Management Council is responsible for effectively implementing and managing its resolutions and deliberations. Furthermore, the Operational Risk Council—a subunit of the Risk Management Council—proactively identifies key operational risks, allowing us to strengthen our management system for preemptive action.

Risk Management Structure

(As of Jan. 2025)



Risk Management Council

The Risk Management Council is responsible for the comprehensive management of various risks arising from our business operations, including the systematic management of asset liability management (ALM) and profitability. It oversees and manages risk issues related to asset management, business performance, and other transactions, ensuring effective implementation of decisions made by the Council. The Council is chaired by the Chief Risk Officer (CRO), who oversees its operations, and comprises eight members, including key management personnel. Meetings are held monthly or as necessary to facilitate timely responses to emerging issues.

- Risk Management Principles
- Risk Management Council Deliberations
- Pre-Risk Inspection Checklists

Pre-Risk Inspection Procedures by Risk Level

Classification	Risk Level	Procedures
Pre-approval	Low	Risk Management's plan approval for inspections
Pre-inspection	Moderate	Departmental inspections based on the checklists and risk management's evaluation process
Deliberation and finalization by the Risk Management Council	High	Deliberation or resolution by the Risk Management Council based on the results of pre-inspection

RISK MANAGEMENT

Financial Risk Management

At Shinhan Card, we are proactive in identifying and assessing all significant risks, both current and potential, especially during times of crisis.

Financial Risk

Our risk management covers credit, liquidity, operational, and market risks. We have a robust risk limit management program to keep these risks within acceptable levels relative to our capital. This program sets limits for each risk type, including integrated risks, which we continuously monitor and adjust. We regularly report on risk limit management and other key issues to senior management, the Risk Management Council, and the Risk Management Committee. Our company bylaws, risk management regulations, and operational guidelines detail the principles and methods for each risk type. In line with Basel III, implemented in January 2023, we have built specialized systems for liquidity, market, and operational risks. These systems use quantitative models, scenario analysis, and real-time monitoring for effective risk management.

Nonfinancial Risk Management

Being part of SFG, we at Shinhan Card are dedicated to boosting our sustainability efforts, complying with SFG's Environmental and Social Risk Management Policy Framework since 2018.

Environmental and Social Risks

Shinhan Card operates a nonfinancial risk management system that performs climate risk scenario analyses and monitors financed carbon emissions. When pursuing new business initiatives, the company conducts a pre-review of environmental and social risks to identify and mitigate potential negative impacts in advance. For 12 high-risk sectors—including chemical manufacturing and power generation—Shinhan Financial Group closely monitors credit exposure and key issues at the group level and strengthens post-management measures.

Reputational Risk

To maintain our strong reputation, the Risk Council regularly checks company-wide complaints, information security, merchants in high-risk sectors, and fraud management. We also run a Fraud Detection System (FDS) to combat online financial fraud. In order to stay ahead of evolving payment trends and new fraud types, we are upgrading our FDS with AI machine learning. We are also constantly improving our security and information protection by using an information security governance dashboard, refining our abnormal symptom detection, and setting up a customer consent information system.

Risk Management by Risk Type

Risk Type		Management Approach
Financial Risk	Credit Risk	· Assess risk grades and estimate expected losses for individual exposures · Manage portfolio concentration risk · Factor in macroeconomic indicator fluctuations · Conduct stress tests
	Liquidity Risk	· Track month-end cash flow using our liquidity risk system · Continue monitoring potential triggers and risks such as funding concentration, asset securitization, and dispersion · Analyze crisis scenarios and create emergency funding plans for market-driven liquidity crises
	Market Risk	· Apply BIS standard methods for our market risk management · Calculate and track market risk levels · Control and mitigate risks exceeding set thresholds · Analyze issues and sensitivity to market factors like interest rates, exchange rates, and stock prices · Run stress tests for overall risk management
	Operational Risk	· Use Shinhan Card's internal system to identify and monitor risk profiles and key risk indicators by department · Collect and manage loss data · Evaluate risks using measurement methods defined by government authorities or based on BIS standards · Take action to control and mitigate risks exceeding set thresholds
Nonfinancial Risk	Environmental/ Social Risk	· Use the group's ESG management system to automate processes · Analyze and manage climate risk scenarios · Monitor credit exposure and industry-specific issues in 12 key sectors, including financial carbon emissions and chemical manufacturing, and follow up with post-management
	Reputational Risk	· The Risk Council regularly reviews all complaints, information security, merchants in similar sectors, and fraudulent transaction management · Proactively prevent incidents by automating our FDS and information protection systems

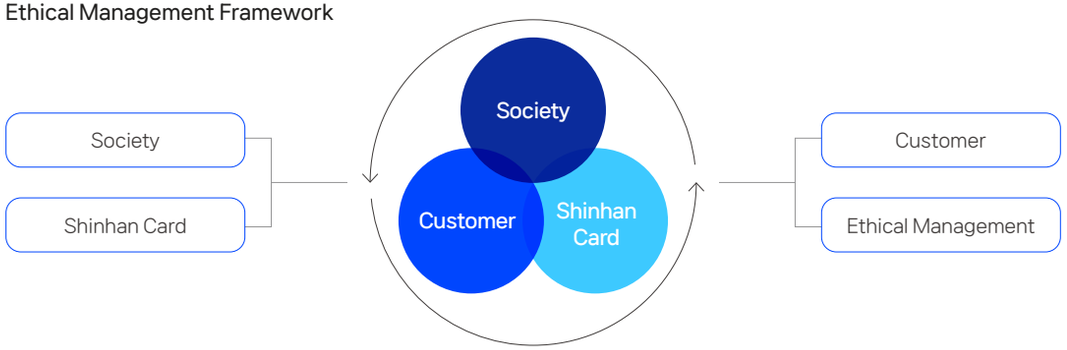
ETHICS AND COMPLIANCE

ETHICS MANAGEMENT

Ethical Management System

Shinhan Card adheres to the Shinhan Financial Group Code of Ethics to foster robust work ethics, ethical and social responsibility, and CSR across all stakeholder groups. To ensure the effective application of this code, we have also established an Employee Code of Ethics, which offers practical guidance for our workforce. A legal supervisor, appointed by the BOD, oversees the implementation of our ethics management principles. Furthermore, we promote ethical management by appointing a compliance officer—approved by the BOD—to oversee internal control, monitor compliance, investigate violations, and drive improvements. These efforts are supported by the Compliance Team and Legal Support Team, which help embed a culture of ethics and accountability across the organization.

Ethical Management Framework



Ethical Management Action Program

Shinhan Card prioritizes ethical values in all business activities and has implemented an ethical management action program to promote a virtuous circle of mutual growth, promoting active participation from employees.

Ethical Management Action Program

- "Integrity contract system" to secure contract transparency and equity
- "Ethical practice pledge system" with employee commitment to ethical compliance
- "Law-compliance self-assessment test" to check employee activities ethically and legally
- Publication of Compliance Web Magazine to promote employees' understanding of and participation in ethical compliance
- "Regulations on the prohibition" of improper solicitation and bribery
- "Internal whistleblowing program," in which employees themselves watch for any illegal and unfair activities
- "Leniency in exchange for confession (unfair trade self-reporting with fine immunity)" offered to business partners for prevention of unfair trading
- Conduct the "All Right Day" program to educate employees on ethics compliance policies and systems and to encourage their application in daily work processes

Ethical Management Training

Shinhan Card mandates that all employees pledge adherence to ethical practices and delivers company-wide cyber training on ethics and compliance. We are developing a practical, action-oriented education system to cultivate a culture of ethical management, ensuring employees comprehend and uphold our ethical standards in their actions.

Ethical Management Training Focus Areas

❶ Training to Promote Ethical Management Culture	Delivering messages on ethical management, sharing cases of ethical excellence
❷ Training to Emphasize Ethical Awareness	Strengthening employees' awareness of ethics and compliance
❸ Training for Ethical Practice	Practical training focused on workplace ethics and financial accident prevention

ETHICS AND COMPLIANCE

Ethical Management Training

(Unit: persons)

Training	Target Participants	No. of employees who completed training		
		2022	2023	2024
Ethics & Compliance Cyber Training	All employees	2,975	2,956	3,056
Ethics & Compliance Practice Statement		2,975	2,956	3,056
Compliance Self-Assessment	All employees (excluding dispatched workers)	2,399	2,640	2,535
Capacity Building for Compliance Officers	Compliance officers	123	124	138
Total		8,472	8,676	8,785

Fostering a Culture of Ethics and Compliance

We have outlined key initiatives to embed ethics and compliance into our business practices, aligning with SFG's group-wide goal of fostering a strong organizational culture. We are focusing on four core areas: strengthening our company-wide ethics culture; making training and actions more effective; ensuring leadership demonstrates these principles; and sharing disciplinary examples. Regular employee awareness surveys help us assess and strengthen our ethics and compliance commitment.

Approach for Improvement →

- **Strengthen Company Culture**
  - Improvement of HR, evaluation, and sales culture
  - Fair evaluation, no results-at-any-cost mindset, attendance discipline
- **Enhance Training and Action Effectiveness**
  - Use of real legal violation cases
  - Diverse and practical training, including in-person sessions
  - Activities to strengthen individual commitment
- **Demonstrating Leadership by Example**
  - Executives and department heads should consistently align their words and actions
  - Take decisive action against unethical behavior
  - Maintain and strengthen management-led communication initiatives
- **Transparent Disciplinary Actions**
  - Implement stricter penalties for violations, with clear reward and punishment criteria
  - Strengthen monitoring of unethical behavior
  - Share detailed examples of violations, including the reasoning and outcomes of disciplinary actions

AI Ethics Principles

To ensure responsible use of artificial intelligence (AI), Shinhan Card has put in place AI ethics principles designed to prevent issues like biased algorithms, invasions of privacy, and data breaches– ultimately building trust in our AI systems. These principles cover six essential areas: privacy protection; fairness; transparency; safety; accountability; and putting customers first. We maintain these ethical standards throughout the entire AI lifecycle – from initial design and development to ongoing operation – by using an "AI Ethics Self-Checklist" for both self-inspections and internal controls. Furthermore, any documentation related to AI technologies used in customer services, especially those involving machine learning, deep learning, or other AI algorithms, must include a detailed AI ethics self-inspection report. Finally, to clearly demonstrate compliance, all AI-related documents must conclude with the statement, "AI ethics complied."

❶ Customer Focus	AI should benefit everyone. We are committed to protecting our customers' freedom and rights.
❷ Privacy Protection	We will safeguard customer privacy by implementing robust security measures throughout the entire AI development and usage process.
❸ Fairness	Practical training focused on workplace ethics and financial accident prevention.
❹ Transparency	We will clearly communicate to our customers what data is used in AI-driven decisions and the impact those decisions have.
❺ Safety	We will promptly correct any AI-related errors and address any risks or negative outcomes that arise.
❻ Accountability	The teams and individuals responsible for developing and operating AI systems will adhere to these principles and take full responsibility for the outcomes.

CDR Management AI Ethics Principles

ETHICS AND COMPLIANCE

COMPLIANCE

Compliance Support System

Shinhan Card has implemented a comprehensive compliance support system to streamline compliance monitoring and internal controls, including inspections, training, policy management, and contract administration. This system standardizes key processes and performance records, enhancing efficiency, user experience, and stability through ongoing updates. We are committed to continuously improving this system to ensure effective compliance support.

Enhancing Internal AML Controls

Shinhan Card has put in place a robust anti-money laundering (AML) system to safeguard our financial products from illegal use. This system features a monitoring tool that flags suspicious transactions and large cash movements. In 2024, we sharpened our ability to detect and manage money-laundering risks associated with new products and services by upgrading our detection system to ensure that no suspicious or high-value cash transactions slip through the cracks. We also streamlined our AML risk assessment process using digital solutions (such as RPA). To further strengthen our internal controls, we provided online AML training to all employees, including our BOD, using a program that we developed in-house.

Internal Control Activities

At Shinhan Card, the Internal Control Committee, led by the CEO, is responsible for collaborating with relevant teams to develop and implement internal control policies. Each department has a designated compliance officer who oversees on-site internal control, including conducting self-inspections to ensure regulatory compliance, providing training on accident prevention, and other related responsibilities.

Ethics and Compliance Programs

Shinhan Card promotes a strong culture of ethics and compliance by operating a range of programs for all employees, including contract workers. These include "All Barage Day," a company-wide initiative encouraging all employees to act with integrity and responsibility, as well as activities such as employee conduct guideline sharing, publication of a compliance magazine, and self-assessment checklists for ethical and compliant behavior.

Ethics and Compliance Programs

Programs	Description
Guidelines for employee conduct before and after national holidays	• Company-wide communication of employee conduct standards - A strict ban on bribery, gifts, or entertainment - Special focus on accident prevention before and after national holidays (e.g., embezzlement, privacy protection) • Information on the subcontractor whistleblowing and leniency program for subcontractors
Compliance magazine publication	• Employee communication on internal control - Guidelines covering the separation of duties, information security, communications networks, and advertising regulations - Overview of the anti-money laundering (AML) system - Case studies of financial incidents and legal violations
Ethics and compliance self-assessment	• Legal compliance and employee risk prevention self-assessments - February: Regulations on monopolies and fair trade (Fair Trade Act) - April: SFG's code of ethics, employee conduct standards, financial consumer protection - June: Internal whistleblowing program - August: Operational risk management - September: Privacy protection - November: Governance act, responsibilities map, and anti-money laundering
All Barage Day	• Promotion of a culture of ethics and compliance - Q1 (March): Shinhan employees' ethical pledge and ethics guide - Q2 (June): Internal whistleblowing program promotion - Q3 (September): Practical privacy protection in daily life, including case studies - Q4 (December): Financial institution duty of due diligence and departmental discussions on conventional business practices

ETHICS AND COMPLIANCE

UNFAIR TRADE PREVENTION

Internal Whistleblowing Program

Shinhan Card maintains an "internal whistleblowing program" to encourage employees to promptly identify and report any illegal or unethical conduct that could hinder the company's sustainable growth. Employees can report these issues through various channels, including our internal whistleblowing system, website, mail/email, phone, and in-person interviews. We guarantee strict confidentiality for the whistleblower's identity and the report's content through an anonymous reporting process, ensuring full protection. To promote the program's effectiveness, we reward employees who contribute to preventing misconduct and offer preferential consideration in their performance evaluations.

Internal Whistleblowing Program Process

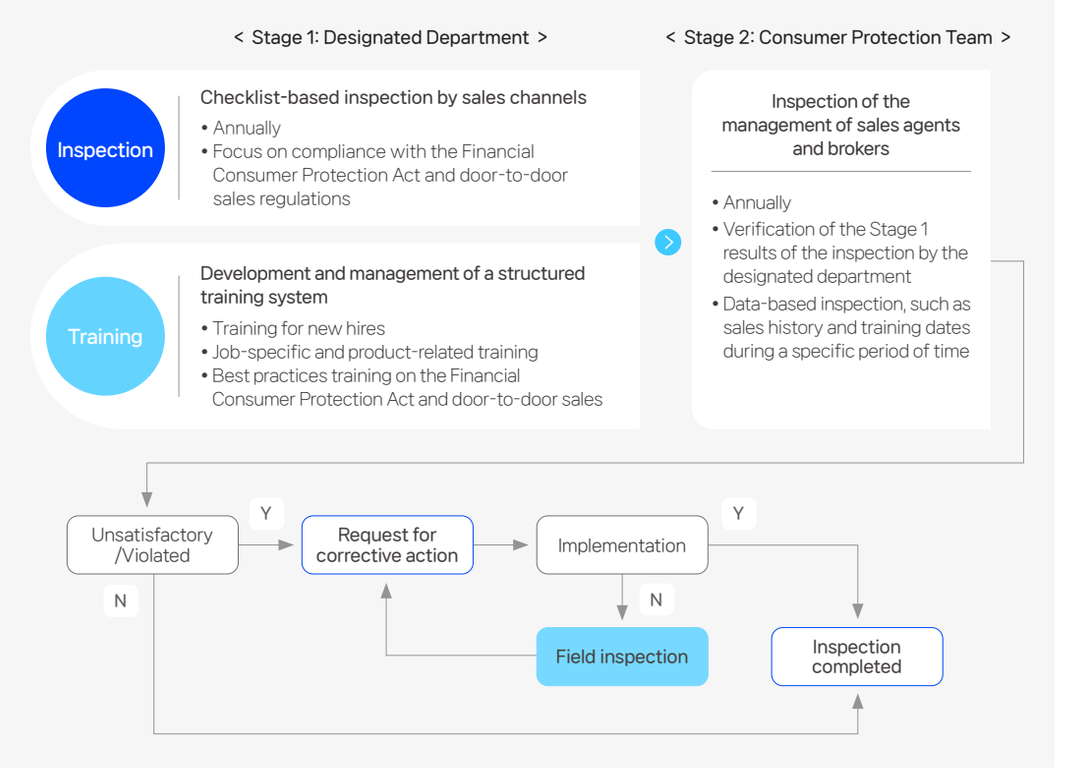
① Reporting Channels	② Receipt & Investigation	③ Action & Notification	④ Protection & Incentives
• Internal reporting system • Website • Mail/E-mail • Phone/In-person visit • Request for face-to-face meeting	• Delivered to Compliance Officer or responsible personnel • Report contents handled with confidentiality	• Notification of results in principle • Omission allowed for anonymous reports or confidential matters	• Anonymity and confidentiality strictly protected (prevention of retaliation) • Rewards and preferential treatment for contributions to accident prevention (confidential)

Subcontractor Leniency Program (Unfair Trade Self-reporting with Fine Immunity)

Shinhan Card operates a leniency program to prevent scandals and ensure swift detection and responses to employee misconduct, including illegal and unethical practices. This voluntary reporting program reduces or waives penalties for employees who self-report, thus helping to deter misconduct such as accepting bribes or entertainment from subcontractors, and abuse of power through verbal, physical, or sexual harassment.

Enhancing Legal Compliance Among Sales Agents and Brokers

In accordance with the Financial Consumer Protection Act and related regulations, Shinhan Card has strengthened its inspection and training system to ensure that financial product sales agents and brokers comply with the law and conduct transactions responsibly. First, the designated department reviews sales agents and brokers every six months, categorizing them by product and channel. The Consumer Protection Team then oversees them using a two-track inspection system during comprehensive inspections to ensure compliance with internal financial consumer protection controls. If any violations or non-compliance with the Financial Consumer Protection Act are identified, we request corrective action and monitor implementation. If no improvements are made, the designated department and Consumer Protection Team conduct joint field inspections. The entire process is reported to the CEO and CCO through the Financial Consumer Protection Internal Control Committee.



ETHICS AND COMPLIANCE

Internal Control Operational Process Based on the Responsibilities Map

In response to the revised Corporate Governance Act, Shinhan Card plans to implement an inspection, management, and reporting system to reinforce executive and CEO responsibilities. The revised law mandates that executives develop and execute duty performance plans, reporting results to the CEO. The CEO will then evaluate executive performance and submit the results to the BOD. We are committed to maintaining accountable management through internal controls based on a clear responsibilities map thereby preventing financial incidents.



Unfair Trade Prevention Training

With stricter unfair trading regulations under the Capital Market Act, Shinhan Card provides training on preventing insider trading to executives and employees with access to undisclosed material information, such as those in the corporate limit examination and investment business departments. We also require voluntary periodic reporting of financial investment transaction records to reduce the risk of unfair trading practices.

2024 Compliance Monitoring Training

No.	Training Program	Target Participants
1	New hire orientation (2024)	New hires
2	Compliance officer skills development	Compliance officers
3	Senior employee training (2024)	Senior-level new hires
4	Separation of duties training	Regular and contract employees
5	Consumer protection training (first half)	Executives/regular and contract employees
6	Insider trading prevention (first half)	Designated staffers
7	Online financial consumer protection training	Executives/regular and contract employees
8	Mandatory vacation policy training	Regular and contract employees
9	Group ethics and compliance workshop	Executives/regular, contract, and dispatched employees
10	Company-wide accident prevention Initiatives	Regular and contract employees
11	Training for top performers in overseas branches	Employees invited from overseas branches
12	Volcker rule compliance and internal controls	Employees from five relevant departments
13	Insider trading prevention (second half)	Employees from five relevant departments
14	Online ethics and compliance training	Executives/regular and contract employees
15	Monthly briefings on financial risk incidents	Regular and contract employees

FINANCIAL CONSUMER PROTECTION

CONSUMER RIGHTS PROTECTION

Financial Consumer Protection System

Financial Consumer Protection Strategy

To strengthen consumer protection, Shinhan Card has created a Chief Consumer Officer (CCO) position, with the CCO reporting directly to the CEO, ensuring independence in safeguarding consumer interests. The Consumer Protection team, dedicated to consumer protection is responsible for developing company-wide financial consumer protection policies and systems. We also work to instill a consumer-first culture across the organization. Specifically, Shinhan Card has put in place a mis-selling prevention system to mitigate issues arising from product misrepresentation. Additionally, we have established a robust monitoring system to oversee adherence to financial consumer protection regulations, including the Act on the Protection of Financial Consumers.

Internal Control Committee for Financial Consumer Protection

To maintain robust internal controls and safeguard financial consumer rights under the Act on the Protection of Financial Consumers, Shinhan Card established the "Internal Control Committee for Financial Consumer Protection." This committee reviews amendments to enforcement decrees related to internal controls, continuously manage and improve relevant processes, and discuss initiatives such as the "Three-Filters Inspection System" and the operation of the "Complete Sales Council." We prioritize open communication with executives and department heads, actively soliciting their input on all internal control matters.

Comprehensive Management System for Consumer Protection

To proactively prevent mis-selling and optimize our operations, we have adopted the "Voice of the Customer as a Management Tool" approach. This involves centralizing all customer feedback — inquiries, complaints, suggestions, and input from external panels. Our "Soboro System" acts as a comprehensive consumer protection management platform, enabling us to seamlessly collect, analyze, and act upon customer insights.

We are also leveraging systemized data accumulated from business improvement initiatives, along with human expertise, to analyze and identify high-impact resources that can drive organization-wide improvements. We facilitate discussions on process improvements through platforms like the Soboro System, the Financial Consumer Protection Internal Control Committee, and the Mis-selling Prevention Council. We are dedicated to investing in robust policies and systems that align with our "Voice of the Customer" strategy to ensure strong financial consumer protection.

Enhanced Internal Control for Consumer Protection

Shinhan Card took significant steps to enhance financial consumer protection in January 2023 by establishing an Internal Control Part within our Consumer Protection Team and upgrading our associated programs, policies, and infrastructure. We conduct thorough monitoring of our control systems, in line with relevant laws and policies, through both scheduled and unscheduled company-wide and on-site inspections. We also analyze performance-based compensation related to financial product sales. Customer complaints are addressed through data-driven monitoring, and we provide extensive employee training to promote financial consumer protection awareness.

Key Internal Control Measures for Financial Consumer Protection

Classification	Description
Aligning with Financial Consumer Protection Laws and Policies	• Developing a robust legal compliance framework • Improving policies to protect financially vulnerable individuals
Company-Wide Assessment of Consumer Protection Systems	• Utilizing the "three-filters" inspection for consumer protection internal control • Performing comprehensive pre- and post-sales reviews with a consumer focus • Analyzing compensation structures related to financial product sales
Data-Driven Monitoring for Consumer Protection	• Maintaining an active ethical selling council • Ensuring ongoing oversight of sales activities • Leveraging domestic and international customer feedback data for analysis
Promoting Consumer Protection Awareness	• Providing inspection and training to guarantee sales process integrity • Offering targeted operational and thematic training on consumer protection • Measuring and rewarding effective consumer protection practices

FINANCIAL CONSUMER PROTECTION

Monitoring of Mis-Selling

To prevent mis-selling, Shinhan Card has set up self-monitoring within each sales department. Our Consumer Protection Team tracks customer feedback, including complaints, to quickly identify and resolve potential issues. We have also implemented a comprehensive consumer protection system that monitors real-time customer feedback, such as counseling, complaints, and inquiries.

Principles of Proper Selling

❶ Principles of clear information disclosure	• Provide comprehensive product information to prevent mis-selling. • Ensure consumers fully understand the product through clear explanations.
❷ Principles of product suitability	• Recommend products that match consumers' preferences, financial situation, and age. • Avoid pressuring consumers to buy unwanted products.
❸ Principles of data protection	• Obtain clear consent for collecting and using personal information. • Use collected information only for its intended purpose.
❹ Principles of ethical conduct	• Avoid unfair competition through bribery or illegal sales practices. • Promptly resolve any consumer issues or damages arising from sales.

Right to Request Interest Rate Reduction

Shinhan Card offers an "interest rate reduction request" program for customers whose loan interest rates are impacted by their credit status. We internally evaluate improvements in customers' credit ratings, which significantly influence potential interest rate reductions. Our credit assessments consider factors like loan and credit card usage history, overdue amounts and periods, and financial stability, including annual income and asset levels.

Right to Request Interest Rate Reduction

Promoting Financial Consumer Protection Awareness

Employee Self-Assessment: Consumer Protection Awareness

Shinhan Card conducts semiannual employee self-assessments to enhance understanding of the Financial Consumer Protection Act and its practical application. In 2024, we performed a company-wide assessment focusing on the three core financial consumer protection rights.

Training Employees on Financial Consumer Protection

We offer various training programs to raise awareness of financial consumer protection, including regular sessions, practical workshops and specialized seminars. In July 2024, we held a training session on the Financial Consumer Protection Act and door-to-door sales to enhance employee understanding of these areas.

CC Leader* Training

In February 2024, Shinhan Card provided training for CC leaders in each department to strengthen their understanding of the Financial Consumer Protection Act and improve overall employee awareness of consumer protection. The training focused on ensuring all employees grasped key financial consumer protection issues. We also shared strategies for efficient customer complaint resolution.

* CC Leader: Responsible for consumer protection and handling of customer complaints

Training Courses

No.	Title	No.	Title
1	Regulatory Policy and Current Status Assessment	6	Internal Controls for Consumer Protection
2	Financial Consumer Protection Evaluation	7	Sales Inspection for Consumer Protection
3	Customer Complaint Prevention	8	Customer Communication Strategies
4	Online Complaint Handling Procedures	9	Using Customer Feedback for Process Improvement
5	Financial Supervisory Service Complaint Procedures	10	Consumer Protection Consulting Program ('Soboro')

FINANCIAL CONSUMER PROTECTION

Customer Engagement and Communication

4th Shinhan Cider Cohort: Customer Panel

Shinhan Cider is Shinhan Card's customer panel, designed to gather direct customer feedback across various areas like new products, finance/installment services, digital platforms, support for vulnerable customers, and Gen Z marketing. The 4th Shinhan Cider cohort includes "Zinanciers" (Gen Z + Financiers), primarily Gen Z and college students; an "Expert Advisory Group" with deep financial and card industry knowledge; and "Online Supporters" from diverse backgrounds, acting as a vital communication link. Notably, the 4th cohort introduced "Zinanciers," who provided insights from customers with less financial experience, generating ideas for future customer engagement and Gen Z-focused social media marketing. Shinhan Card aims to expand customer communication through panels and other channels, integrating customer feedback into all management aspects in order to enhance financial consumer protection.

Customer Satisfaction Survey

We survey customers after contact service interactions to directly evaluate service quality. We have also enhanced our customer satisfaction feedback system to gather diverse perspectives, including monitoring for potential mis-selling and improving digital channels.

Customer Satisfaction Survey Results

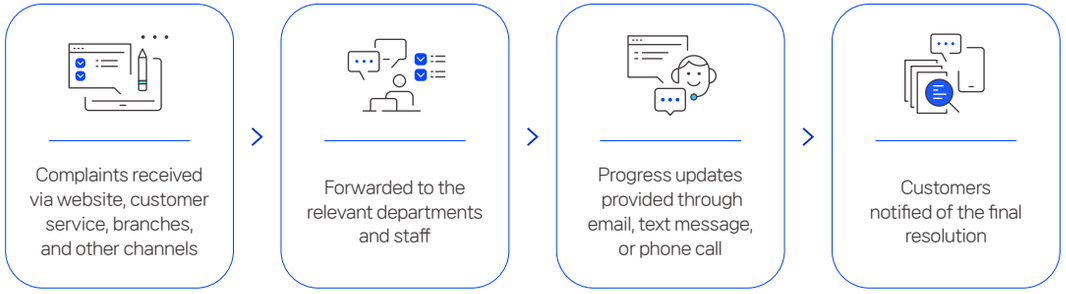
(Unit: points)

Classification	2022	2023	2024
Customer Satisfaction	85.3	89.6	90.5

Customer Complaint Handling

We accept financial complaints from customers and stakeholders through our website, customer center and branch offices. Complaints are routed to the appropriate departments based on our established process, and customers are kept informed of the results. This transparent approach ensures effective complaint resolution.

Complaint-Handling Process



AI Chatbot "Help! LAY" for Help

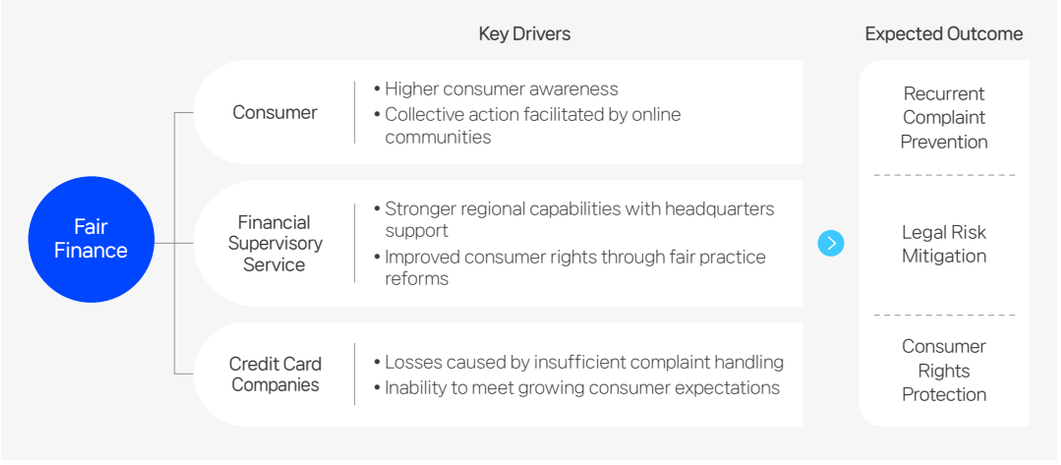
Shinhan Card uses its chatbot, "Help! LAY," to efficiently address customer complaints and grievances based on specific complaint scenarios. Since its launch in September 2024, "Help! LAY" has processed over 6,500 customer inquiries in four months. We plan to continuously improve customer communication through ongoing algorithm and scenario updates.

FINANCIAL CONSUMER PROTECTION

Launching Fair Finance Council for Better Customer Experience

Shinhan Card established the "Fair Finance Council" to review unfair financial practices and take strong corrective actions. In 2024, the council reviewed 24 reported issues and resolved 17 of them. We will continue to use the council to prevent recurring complaints, mitigate legal risks, and strengthen customer rights, thereby promoting a culture of fair finance.

Key Drivers and Expected Outcome of the Fair Finance Council



2024 Fair Finance Council Activities



Voice of the Customer as a Management Tool

Shinhan Card uses customer feedback from sources like sales monitoring, panel suggestions, online complaints, and the Soboro system to drive business improvements through data analysis. In 2024, we enhanced product and service competitiveness by incorporating customer input on AI counseling quality, touch payment NFC functionality, debit card transportation prepayment, and streamlined mileage accumulation for slim-installment transactions.

CUSTOMER PRIVACY AND DATA SECURITY

PRIVACY PROTECTION AND SECURITY

Information Security Management System

Shinhan Card has established and operates a comprehensive information security management system to safeguard customer data from leaks and intrusions. This system includes the development of security policies, monitoring of abnormal activity, and implementation of advanced security infrastructure. We have obtained domestic and international certifications to validate our practices and demonstrate objective security capabilities. To respond to the evolving digital financial environment—including data business, cloud infrastructure, and new payment services—we are continuously enhancing our information security expertise.

Information Security Governance

Shinhan Card adheres to all relevant laws, including the Personal Information Protection Act and the Electronic Financial Transactions Act. To ensure strong oversight, we have appointed a Chief Information Security Officer (CISO), a Chief Privacy Officer, and a Credit Manager. We also have dedicated units for privacy protection, IT security, and security inspection. Information security activities are reviewed and approved by the Information Security Committee, chaired by the CISO. The committee, composed of departments handling personal information and ICT operations, regularly assesses and improves security policies and systems to ensure the safe management of customer data.



Certified Information Security and Privacy Management System

In 2021, Shinhan Card became the first Shinhan affiliate to obtain ISMS-P*, a certification covering all our customer service areas, from credit cards to our website and electronic financial services. We have maintained this certification, along with ISO 27001 and PCI-DSS**, by consistently meeting global security standards.

* ISMS-P (Information Security Management System-Privacy) is a new certification that combines the best of existing security and privacy standards like ISMS (IT security) and PIMS (credit and privacy protection).

** PCI-DSS (Payment Card Industry Data Security Standard) is an international standard designed to enhance credit card data security and protect customers.

ISO 27001

Shinhan Card has achieved the ISO/IEC 27001:2022 certification, the latest international standard from the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). ISO 27001 is a globally recognized standard for information security. Shinhan Card obtained the certification in 2010, upgraded to ISO/IEC 27001:2013 in 2015, and completed the transition to ISO/IEC 27001:2022 in 2024, reaffirming the strength of its security management system. We are committed to maintaining ISO 27001 to strengthen our global security reputation and continuously improve our information security practices.

PCI-DSS v.4.0

We have achieved PCI-DSS v.4.0, the international security standard for the credit card industry, aimed at preventing credit card data breaches. PCI-DSS was created by five major credit card brands— Visa, Mastercard, JCB, American Express, and Discover— to combat credit card information theft. We were certified under v.3.2.1 in 2018 and upgraded to v.4.0 in 2024. We are dedicated to maintaining global security standards to protect customer data, including credit card numbers, and ensure customer trust.

CUSTOMER PRIVACY AND DATA SECURITY

Regular Information Security Evaluation Program

Shinhan Card undergoes regular information security evaluation program* mandated by the Financial Services Commission and the Financial Supervisory Service. This program, introduced in 2021, assesses 59 key areas, and the results are reported directly to our BOD. We have maintained the highest rating for four consecutive years (2021–2024), demonstrating the strength of its information security management system.

* This program inspects and grades organizations' information utilization and management practices for personal credit data, thereby verifying compliance with the Credit Information Act and applicable laws.

Information Security Inspection System

To prevent data breaches and hacking, Shinhan Card conducts regular inspections of IT systems and on-site operations. Our IT infrastructure is segmented into three distinct areas: website, mobile app, and core systems. Each area is categorized and managed based on its required availability, confidentiality, and integrity. We use tailored inspection methods for each category to quickly identify and address vulnerabilities. Additionally, we perform regular safety checks on how personal (credit) information is handled within relevant departments, thus ensuring customer data is processed securely and according to established data flows.

Privacy Policy

Shinhan Card complies with the Personal Information Protection Act and the Credit Information Use and Protection Act to safeguard customer data and ensure prompt, efficient handling of related inquiries. Our privacy policy, which includes the purpose of data processing and retention periods, is publicly available on our official website.

Privacy Policy Credit Information Usage Policy

IT Security System

Shinhan Card's IT security is managed across four key areas: access control, vulnerability assessment, security architecture, and system management. IT security experts oversee each area, and we partner with specialized security firms for comprehensive protection. Working closely with our IT infrastructure team, dedicated information security specialists conduct vulnerability checks on our website, mobile app, network, and servers, allowing us to quickly address any weaknesses.

IT and Information Security Investment

Shinhan Card implemented an integrated endpoint security system in response to increased remote work and the adoption of virtual desktop infrastructure (VDI). This system allows us to effectively prevent data breaches, control media access, and securely manage customer information. We have also deployed a next-generation firewall and intrusion detection system (IDS) at our external communication points to protect against intrusion threats. This has strengthened the security of our external services, improved service stability, and enabled us to provide even safer financial services to our customers.

Information Security Training for Employees and Subcontractors

Shinhan Card offers annual information security training to all employees and subcontractors, aimed at raising awareness and improving expertise. This training is delivered through a variety of methods, including external courses, online group sessions, in-house workshops, seminars, and conferences, all tailored to the specific roles and responsibilities of the participants.

2024 Information Security Training

(Unit: persons, hours)

Target Participants	No. of persons	Hours
Employees	2,486	16,023
Subcontractors	2,887	14,821

CUSTOMER PRIVACY AND DATA SECURITY

PRIVACY PROTECTION

Smart Security Control

Shinhan Card operates a 24/7 AI-powered security system that is always on the lookout, not just for typical external threats, but also for unknown attacks. Our AI constantly learns from the security systems, using such insights to spot hidden threats with its own judgment model. We have 14 specialized threat-detection models for web and mobile, thus ensuring our customers' privacy is rock-solid against any outside attacks.

Integrated System for Managing Customer-Consent Information

Shinhan Card operates an integrated system for managing consent information, which includes consent forms and customer-consent information, and serves as the legal basis for the use of personal (credit) information. We prioritize individuals' rights to choose and decide whether to give consent for the processing of their privacy, as well as the scope of their consent. Additionally, we have systematized consent data to ensure compliance with regulations governing the use of private information and business expansion and created a monitoring system for the appropriate use of private information as basic data to verify legal requirements.

Taking Down Phishing and Pharming Pages

Shinhan Card is teaming up with other SFG subsidiaries to keep customer privacy safe by actively monitoring and blocking phishing and pharming attempts disguised as SFG. We are constantly watching for and shutting down fake websites and malicious code that pretend to be from SFG. Phishing attacks typically involve the dissemination of deceptive emails or text messages designed to mimic trusted organizations and elicit sensitive data. Pharming, on the other hand, utilizes malware to compromise computers and reroute users to fake websites. We are dedicated to proactively preventing these attacks and ensuring a safe financial environment.

Record of Phishing/Farming Page Takedowns

Date	Takedowns	Domain/App
Mar. 2024	1 case	https://apkcombo.com/%EC%8B%A0%ED%95%9C%EC%B9%B4%EB%93%9C-%EA%B5%AC/com.shinhancard.smartshinhan/(Detection type: mobile apps)
May 2024	1 case	https://apkcombo.com/%EC%8B%A0%ED%95%9C%EC%B9%B4%EB%93%9C-ar/com.shinhancard.ar/(Detection type: mobile apps)

Improving Customer Privacy Protection: Internal and External Systems

We are committed to preventing data breaches by encrypting customer information, from end-to-end (E2E) and across our network, as it moves from our core systems to the public. This robust encryption protects data during the entire transmission, thereby proactively guarding against leaks. By securely managing customers' personal information, we reinforce confidence in the security of our financial services.

Personal Data Breach Response Framework

We regularly conduct simulated training exercises to prepare for various threats, including electronic intrusions and personal information leaks. To evaluate our defense systems against electronic threats like DDoS, APT, and server hacking, we simulate attacks based on current hacking trends. We continually enhance our cyber-threat prevention and defense capabilities. To minimize customer damage from privacy leaks, we have streamlined the entire incident-response process. This includes comprehensive procedures for identification, damage mitigation, and follow-up actions. Our staff is trained to follow these procedures for rapid and effective breach responses, thus ensuring a reliable customer experience.

Pseudonymous/Anonymous Information Management System

Following the three major data protection laws enacted in August 2020, we have prioritized the systematic handling of pseudonymous and anonymous information. We operate a customized system to streamline data requests, oversee the entire data lifecycle, and rigorously assess anonymization, in line with Financial Services Commission standards. This approach allows us to securely anonymize customer data and facilitate reliable data sharing, strengthening both data utilization and security.

ETHICS AND COMPLIANCE

FRAUDULENT PAYMENT PREVENTION

Redeveloping FDS System 2.0

To combat evolving fraud and prepare for growth, Shinhan Card completely revamped its fraud detection system (FDS). This upgrade delivered three key improvements: expanded monitoring from card-level to customer-level with integrated fraud-sales detection, a domestic transaction election system for faster incident response, and enhanced AI capabilities through upgraded machine learning models. Finally, the system's design, adhering to development standards and data standardization, allows for rapid scaling to meet future needs.

FDS Transition to EPAS and Expansion to New Projects

Shinhan Card has modernized its fraud detection system (FDS) by migrating from an Oracle database to EDB Postgres Advanced Server (EDB EPAS). This cloud-based transition, designed for compatibility and efficient system conversion, has improved server efficiency and strengthened sustainable financial services through cost reductions and data optimization. We have also utilized open-source technologies to transition our IT ecosystem to a flexible and scalable cloud architecture. We are committed to maintaining the security and reliability of financial data while pursuing innovative, sustainable changes to further protect customer data.

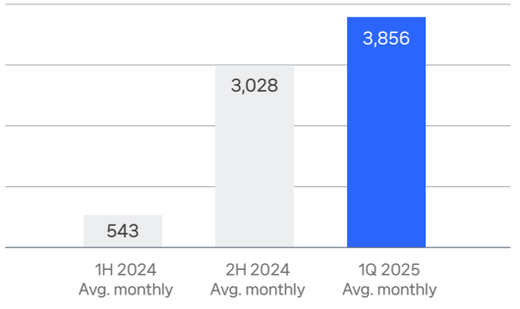
Optimization of Incident Prevention

To minimize customer impact and optimize our fraud detection system (FDS), we have implemented an automated system that analyzes missed fraud attempts and identifies the most effective solutions. For instance, our AI-powered process automatically detects optimal fraud detection rules and suggests new variables to apply to previously undetected transactions. This allows us to respond rapidly to emerging financial fraud while minimizing disruptions for legitimate customers.

Phishing Alert Service

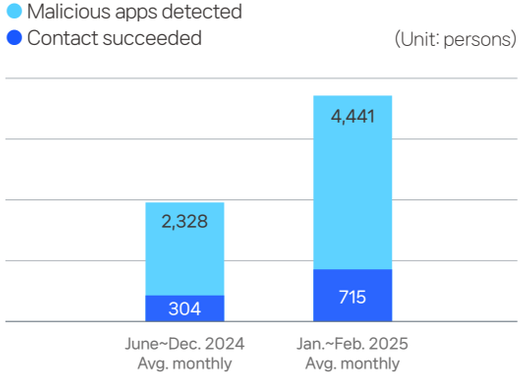
We offer "Family Phishing Guard" and an AI voice bot that detect malicious mobile apps, immediately alerting the phone owner and their designated contacts. "Family Phishing Guard" sends real-time warnings to users and their close contacts via Shinhan SOL Pay app notifications. This service is available 24/7 to the user and up to four family members, even when the Shinhan SOL Pay app is not actively running.

Family Phishing Guard Service Users



* Family Phishing Guard: A service that sends real-time warnings to users and their close contacts when malicious mobile apps are detected.

AI Voice Bot for Detecting Malicious Mobile Apps



* We alerted 25,181 users about malicious apps since June 2024, successfully reaching 3,559 users (approx. 14%).
** Malicious apps detected, removed, or users alerted using SOL Pay/ Citizen Konan.

Voice-Phishing Prevention Using FDS



The Fraud Detection Team at Shinhan Card received a letter of appreciation from the Seongbuk Police Station in Seoul for successfully detecting a suspicious card loan transaction and preventing voice phishing losses of KRW 15 million. We are committed to continuously upgrading our FDS and other monitoring systems to protect our customers against financial fraud.



PERFORMANCE REPORT 02

TRUSTED COMMERCE & EMPOWERING PEOPLE

Shinhan Card pursues people-centered sustainable growth, grounded in a trusted financial platform. Through improved financial accessibility, digital inclusion, community engagement, and talent development, we strive to connect people and society in a better way.

CUSTOMER-CENTRIC FINANCE

PEERLESS PRODUCTS AND SERVICES

Services Designed for Customer Convenience

Shinhan Card Quick Order Service

Shinhan Card offers a "Quick Card Order Service," enabling customers to apply through the mobile app and receive their card at a Shinsegae Department Store on the same day. When a customer applies through the Shinhan SOL Pay app and selects a Shinsegae Department Store as their pickup location, we initiate an immediate examination and send a text message once the card is ready. The applicant can then collect their card at the Shinhan Card customer center desk within the department store after ID verification. The entire process can take as little as 15 minutes or up to two hours.

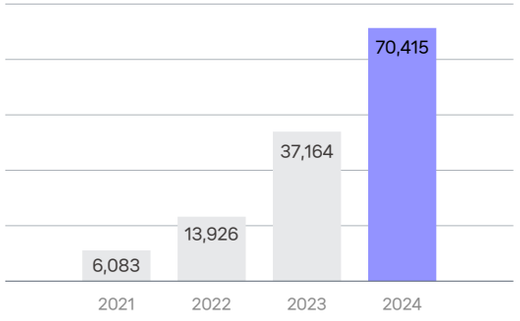
Expanding Mobile ID Verification Service

Since 2023, Shinhan Card has been enhancing customer convenience and security by integrating government-issued mobile driver's licenses as a means of identity verification across both online and offline operations. In line with the government's mobile ID expansion policy for 2024, we have also begun accepting mobile national veterans' IDs in July and mobile resident registration cards in December. Furthermore, in line with the government's policy to allow private apps to store mobile IDs, we have built and operate a system that enables customers using mobile IDs stored in Samsung Wallet to access our services without restrictions. Since launching in 2023, our mobile ID verification service has significantly improved customer convenience, as evidenced by over 20,000 monthly transactions as of December 2024.

Rental Brokerage Platform "Allthat Myrental"

Our Allthat Myrental platform is designed to empower small and medium-sized enterprises (SMEs) to launch rental businesses, even without their own rental brokerage systems. We provide comprehensive solutions ranging from customer contract management to automatic rental fee payments. Allthat Myrental was officially approved as an Innovative Financial Service by the Financial Services Commission after four years of pilot operation.

Allthat Myrental – Cumulative Contracts (Unit: cases)



Shinhan SOL Travel Card "Switch"

Shinhan Card has enhanced its Shinhan SOL Travel Credit Card, which offers up to 2% point rewards on domestic and international spending, by introducing a Switch feature. This new feature allows customers to seamlessly choose their preferred payment method, catering to both domestic and overseas transactions. Previously, the card only offered credit and debit payment options for domestic purchases. Now, with the switch option, customers can select their payment method for any transaction, thereby significantly expanding their financial flexibility. Cardholders can switch between credit and debit payments anytime, anywhere, through the Shinhan SOL Pay app, without any limitations, thus providing a more convenient and versatile financial experience.



CUSTOMER-CENTRIC FINANCE

Products Tailored to Customer Preferences

Youth Credit Card "My TeenS" in Collaboration with Sanrio Character

Driven by the popularity of the youth credit card brand "My TeenS," Shinhan Card introduced a new My TeenS product featuring the Sanrio character "Pochacco." My TeenS is an innovative financial service that allows youth who are ineligible for their own credit cards, to make transactions using a portion of their parents' existing credit limit. Recognized as an innovative financial service, My TeenS allows minors to experience small-scale financial transactions under parental oversight, replacing the informal practice of lending adult cards. Shinhan Card plans to expand eligibility and benefits to foster healthy financial habits in younger generations.

Launch of the First "ANNIVERSE Edition" Card

Shinhan Card introduced the "Shinhan Card Cheoeum (First) ANNIVERSE Edition," featuring 365 images of space captured by NASA's Hubble Telescope. "ANNIVERSE," a blend of "anniversary" and "universe," represents both the cardholder's personal anniversary and the wonder of the cosmos. We designed this card, targeted at adults in their 30s and 40s who appreciate self-analysis and personalized content, to incorporate NASA's 30th-anniversary Hubble photos and the "What did Hubble See on Your Birthday?" concept. Card applicants receive a card featuring the Hubble image from their selected date, along with a description.

Winning Recognition at the World's Top-Three Design Awards

Shinhan Card's innovative upcycled products—created from discarded Hangeul boards—and its Braille card won two grand prizes in the Social Impact category at the 2024 IDEA Design Awards. At the iF Design Awards, the Singapore Airlines KrisFlyer, The Best Shinhan Card was recognized in the Communication category in 2024, while EVerywhere and GS Prime Card were honored in 2023. The Blue Square Musical Lounge received acclaim in the Interior Architecture category, also in 2023. This recognition across all three major global design awards highlights Shinhan Card's dedication to delivering exceptional brand experiences through sustainable and thoughtful design. We will continue to use our unique designs to connect with our customers.









► Youth Credit Card "My TeenS"



► Cheoeum (First) "ANNIVERSE Edition"

DIGITAL FINANCE

DIGITAL AND INNOVATIVE FINANCE

Sharpening Data Competitive Edge

Establishment of a Dedicated Division for Data Business

Shinhan Card established the Capital Light Business Division*, a dedicated data business unit, to enhance data competitiveness and lead innovation. Working closely with the Artificial Intelligence & Data Research institute**, the division aims to link and implement analyzed data on merchants and consumer payment information into profitable business ventures. Two internal teams drive the initiative: one develops data-based models, products, and content; the other focuses on advanced tasks such as personalized credit scoring (CB). Leveraging its extensive payment data and analytics capabilities, Shinhan Card aims to generate new value and co-develop services with partners across telecommunications and other sectors.

* Originally established in 2024 as the "Data Business Division," renamed "Capital Light Business Division" as of 2025
** Renamed the Big Data Research Institute to the Artificial Intelligence & Data Research Institute as of 2025

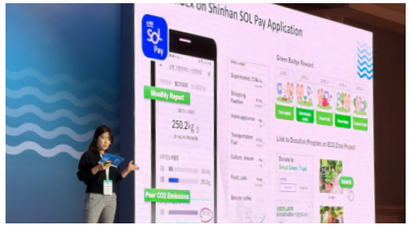
Assisting Uzbekistan's Big Data Policy Making

For the past three years, we have participated in the "Economic Development Experience Sharing Project," aimed at supporting partner nations' economic and social development. This initiative allows us to introduce our data capabilities to public institutions both domestically and internationally and to enter the global data market. This year's seminar focused on improving business investments in Uzbekistan, followed by Malaysia and Hungary, through fintech regulatory sandbox pilot project design. The seminar's theme was "Sharing Experience in Fintech Business and Support for Policy Making." Shinhan Card gave a presentation on the trends of data-driven fintech industries in Korea and showcased our big data and digital business expertise through our policy support data projects.

Business Insights for Aspiring Entrepreneurs

Shinhan Card's Artificial Intelligence & Data Research Institute delivered a lecture on big data-driven consumption trends to support aspiring startups, self-employed individuals, and college students. For the 17th cohort of the "New Business Startup Academy," we presented insights on evolving consumer values, shifts in time and space utilization, and the appeal of specific business districts and spaces, illustrated with real-world examples. The institute also shared various data literacy examples, showcasing how corporations leverage big data for strategic insights. Additionally, we published Next Value, a book analyzing changes in time and space values using our extensive consumption data.

Sharing Experiences in Data-Based Sustainability Practices with Developing Nations



We participated in the World Bank's "Korea Green Innovation Days (KGID) Jeju" conference, where we presented our sustainability integration and data-driven strategies to achieve carbon neutrality. We highlighted key sustainability strategies, including our Zero Carbon Drive initiative and the Shinhan Green Index, a carbon-emissions calculation model based on credit card transactions. By leveraging our big data analytics and the World Bank's expertise in carbon neutrality, environment, sustainability management, we are committed to advancing carbon neutrality efforts in developing countries.

Data Marketplace "DataBada"

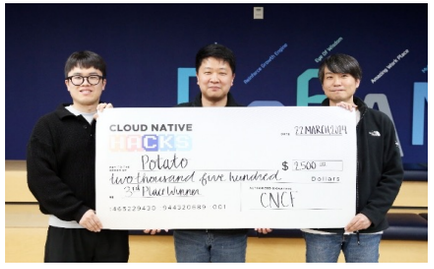
Shinhan Card launched "DataBada," a data business platform designed to foster mutual growth between customers and partners through a healthy data ecosystem. Literally meaning "to see data," DataBada is an open marketplace offering a wide range of data products and solutions, leveraging our big data and analytics expertise. We provide diverse products like consumption pattern analysis and credit models to support customer decision-making, along with customized analysis tailored to specific needs. We are committed to creating new business opportunities for tech-savvy companies through DataBada, driving a sustainable data ecosystem for everyone's benefit.

DataBada



DIGITAL FINANCE

Ranked 3rd in the Safe Walking Category at the CNCF Hackathon



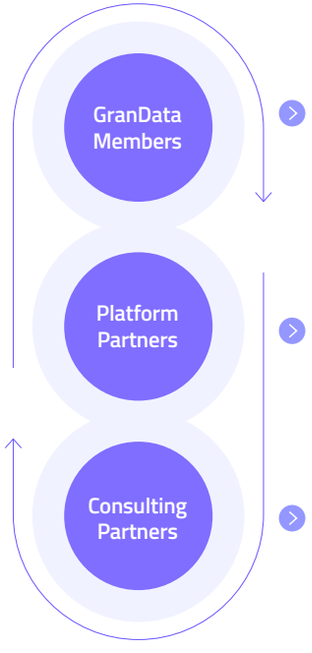
Shinhan Card took third place at a hackathon hosted by the Cloud Native Computing Foundation (CNCF), the world's largest open-source nonprofit. The hackathon, co-hosted by CNCF in collaboration with the United Nations, was designed to leverage open-source technology to solve real-world problems and contribute to a more sustainable future. We competed in the "Collaborative Walking-Safety Map" category, one of ten UN-sponsored challenges, and presented a walking-route safety app. This app, powered by a Google Maps-based AI model, assesses pedestrian risks in various urban environments. It suggests safe routes by analyzing factors like user speed, nearby pedestrian density, lighting levels, and the location of street lamps and CCTV cameras. We are committed to staying at the forefront of technology, including cloud and open source, to ensure our future success.

Data Business Partnership Network

Private Data Dam "GranData"

We established "GranData," a private data lake, in partnership with SK Telecom, KBC, and other key players. GranData has since seen consistent growth in its partner network and business scope. The integration of KakaoMobility which brings together valuable data on taxi services, last-mile logistics, navigation, and population mobility, allows for deeper data merging and integration within GranData. In October 2024, we hosted the "AI for GranData 2024 Seminar," demonstrating practical examples of GranData enhanced with AI technology and fostering close relationships with customers and analysts across public and private sectors. We will continue to drive innovation in the data business by maximizing GranData's business competitiveness.

GranData



KCB	SK Telecom	Shinhan Card
emart	KakaoMobility	KFTC*
	SK broadband	
SK C&C	FSI**	LG CNS
KDX	snowflake	LDCC***
SPH	Consumer Insight	biz-gis.com
PentaSYSTEMS	magis	Pitagraph

* KFTC: Korea Financial Telecommunications and Clearings Institute
** FSI: Financial Security Institute
*** LDCC: Lotte Data Communication Company

DIGITAL FINANCE

Next-Generation AI Joint Research

Shinhan Card has partnered with LG CNS and LG AI Research for joint AI research. We aim to create financial sector-optimized synergies by combining Shinhan Card's strengths in payments, finance, and platforms, along with our data maximization capabilities, with LG CNS and LG AI Research's expertise in developing industry-specific services using core generative AI technologies. This collaboration will enable us to commercialize AI-driven personalized search, recommendations, and offers for customers and merchants and build an AI-assistant system for internal and external efficiency. We intend to build upon this next-generation AI research to continuously drive AI success stories and establish financially specific competitiveness within the AI ecosystem.

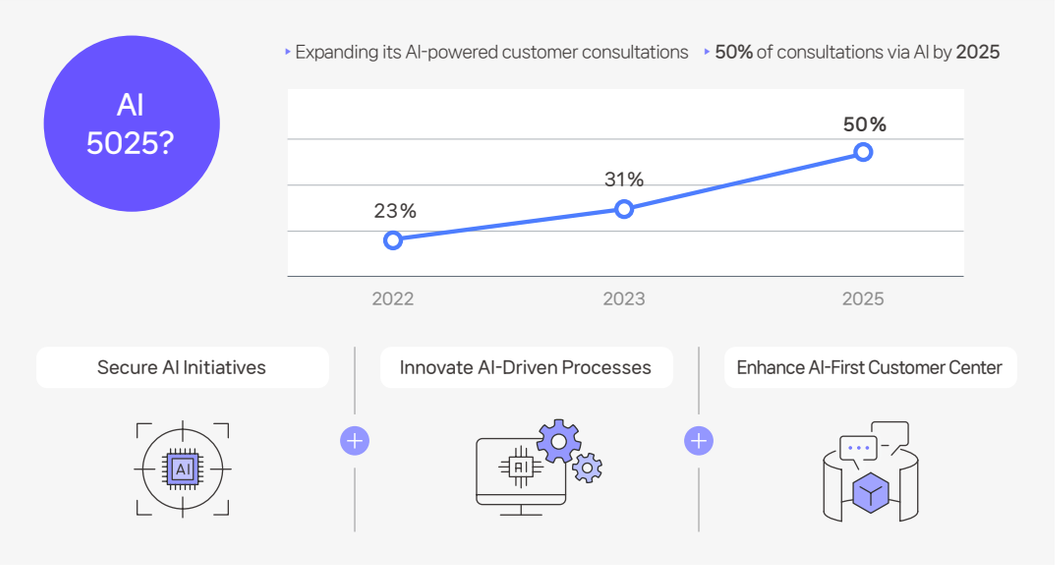
Joining Hands with MyData and Zero-Party Data

Shinhan Card has entered into partnership agreements with Datamond, MyData, and Zero-Party Data providers. MyData encompasses personal financial transactions, card usage, insurance subscriptions, and other finance-related information. Zero-Party Data includes voluntarily shared customer preferences and tendencies, complementing financial data. By combining these datasets, we can create a comprehensive view of financial history, spending habits, and preferences, enabling us to deliver customized services, enhance customer satisfaction, and develop hyper-personalized marketing strategies that reduce business costs. This data partnership will drive the development of hyper-personalized financial services, delivering greater value to customers.

AI-driven Work Efficiency

"AI 5025" Initiative

Shinhan Card is pushing forward with its "AI 5025" initiative, which is all about integrating AI throughout our operations. By 2025, we are aiming for 50 percent of our customer service to be handled by AI. This will free up our human agents to focus on more complex issues, allowing us to provide better overall service. We are also planning to leverage AI across the entire card lifecycle, from marketing and risk management to card issuance, payments, and financial services. We are committed to investing in AI and developing customer-focused services as we transform into an AI-driven company.



AI-driven Automatic Modeling Maker "SAMM"

We operate over 170 AI models across our business operations, covering everything from card issuance and usage to marketing and risk management. Among them, SAMM (Shinhan Card AI Model Maker) enables both prediction model developers and non-developers to easily create models for marketing, customer retention, and other areas—without coding—through automated algorithms (AutoML). We plan to aggressively expand AI applications in RegTech, including internal control and marketing. Our goal is to advance AI technology to a level where it can recommend personalized messaging from a customer's perspective, while ensuring compliance with generative AI-related regulations.

AI and Work Automation Processes

We have gradually expanded our use of AI and personalized work automation, streamlining processes while saving time and costs. In 2018, we introduced AI-based RPA to automate manual tasks. Previously, RPA was primarily used for large-scale processes in a centralized system, but we have since upgraded it into a personalized assistant bot that employees can use for their individual tasks.

INCLUSIVE AND MUTUAL GROWTH FINANCE

INCLUSIVE FINANCE

Financial Education

Financial Literacy Education for Financially Vulnerable Groups

Personalized Financial Education

We are leading the way in financial education, being the first in our sector to build a program directly tied to our business. We are developing a top-notch curriculum with the help of outside experts, and our dedicated financial education team keeps it updated with input from teachers and students. In addition, we are making learning fun and engaging with diverse teaching tools and interactive activities. Importantly, we are providing tailored financial education to a wide range of individuals, including K-12 students from economically disadvantaged backgrounds, young adults transitioning to independence, and seniors. By sharing essential financial knowledge and improving financial literacy, we are dedicated to cultivating informed financial consumers and improving overall financial literacy.

Shinhan Card Areumin Financial Expedition

Our Areumin Financial Expedition program is designed to provide financial education to young people. Covering key topics such as finance, consumption, credit, and digital finance, the program is interactive, engaging students while maximizing its educational impact. It incorporates a variety of tools and hands-on activities to make financial education both fun and practical. To keep up with the evolving educational landscape, we continuously update our textbooks and teaching aids. In particular, we have added digital finance courses that explore emerging financial technologies such as AI, mobile payments, and fintech. These courses enhance student engagement and satisfaction through relevant videos and interactive content.



Shinhan Card Areumin Financial Classroom

As a financial education program for children, this training is offered both online and offline at elementary schools, local children's centers, and welfare centers. We use a textbook covering "Building Financial Foundations" and "Building Financial Skills" along with teaching aids and multimedia resources, to provide structured financial education. Since the program is designed for elementary school children, we have incorporated Shinhan Card characters into the textbook to create a friendly and engaging learning environment. The program also includes various interactive activities, such as "Building a Financial Village" and "Hands-on Financial Experiences" helping children grasp financial concepts more easily.



Shinhan Card Areumin Financial Friend

This financial education program is designed for students in special classes and special schools. We help them understand economic concepts in everyday life and equip them with essential financial knowledge so that they can manage their finances independently in the future. The program covers a range of topics, including managing income and expenses, setting priorities when making purchases, recognizing and preventing financial crimes, and other practical financial skills for daily life. It is offered both online and offline. The curriculum includes a three-volume textbook series titled Stories of Everyday Economy for Shinhan People, which covers Planning, Consumption, and Financial Crimes, as well as a picture dictionary, Stories of Everyday Economy for Shinhan People Picture Dictionary, consisting of 210 word cards. The picture dictionary features words that may be challenging, such as Chinese characters, foreign terms, and financial jargon. The program incorporates these word cards alongside the textbook to help students infer meanings and learn in an engaging and interactive way.



Areumin Financial Friend

INCLUSIVE AND MUTUAL GROWTH FINANCE

Shinhan Card Areumin Finance Book Review Contest and Quiz

We host a book review contest for students in special education programs and their teachers who read the Stories of Everyday Economy for Shinhan People series and The Story of Everyday Economy, as part of the Areumin Financial Friend program. Winners receive awards, and their essays and book reviews are showcased in an exhibit to further promote the impact of financial education. Additionally, we host a finance book quiz contest for 4th to 6th-grade elementary students who use Shinhan Card Areumin Libraries and other nonprofit public institutions. This initiative helps children develop financial literacy while fostering a love for reading. Over 500 children participated in the online quiz show, along with various side events. We remain committed to improving students' financial literacy and fostering healthy financial habits by consistently providing meaningful learning opportunities rather than one-time events.



Shinhan Card Areumin Finance Academy

To promote financial literacy and independence, we provide financial education to young people preparing to leave foster care (youth in transition). The academy equips them with the skills they need to achieve financial self-sufficiency through lectures on business communication, stress management for mental well-being, effective wage management, and smart use of self-reliance funds. The program aims to improve accessibility, strengthen financial confidence, and promote social integration.

Financial Education Content Available for Higher Education

Shinhan Card sends financial education videos on smart credit card use and credit management, along with confirmation text messages, to new and returning college students who apply for a multifunctional student ID. Produced by the Financial Services Commission, these videos cover key topics such as the differences between debit and credit cards, installment payments, revolving credit, cash services, card loans, and how credit card use affects credit scores. As the saying goes, "a lesson in need is a lesson indeed," we believe that issuing student IDs is the perfect opportunity to deliver these videos, maximizing the educational impact of content approved by a public institution.

Nationwide Big Data Hackathon for College Students

Shinhan Card, in partnership with SFG and the Convergence and Open Sharing System (COSS) corps led by Seoul National University, hosted the Big Data Hackathon to develop new products and services through financial data analysis. Now in its third year, the 2024 Big Data Hackathon was held alongside the COSS event, organized by the Ministry of Education and the National Research Foundation of Korea. The event brought together over 300 college students from 40 universities nationwide. Aligned with our commitment to discovering and supporting young talent in the future financial industry, we focused on strengthening participants' data analysis skills and financial literacy rather than fostering competition. After a rigorous evaluation of innovative finance ideas from a youth perspective, we selected 12 winning teams. We plan to collaborate with relevant departments to transform these winning ideas into real financial products and services.



INCLUSIVE AND MUTUAL GROWTH FINANCE

Strengthening Access for Financially Vulnerable Groups

To better serve our senior financial customers, we have launched a dedicated "Gold Care Team" offering tailored counseling with their needs in mind. We have also developed a senior-friendly app, featuring large fonts and simplified menus, designed to bridge the digital divide. Recognizing the importance of accessibility, our call center now includes a sign language interpretation service. Our digital ARS menu also features a "Sign-Language Counseling Service" option, ensuring our services are inclusive for hearing-impaired individuals. In order to protect our credit cardholders aged 65 years and over from fraud like voice phishing, we have implemented a notification system that sends text alerts to both the cardholder and a designated family member whenever short- or long-term credit card loans are used.

Public Policy Engagement

Agreement for Energy Voucher Care Services

As part of our sustainability commitment, we have signed a business agreement with the Korea Energy Agency and Energy Sarang to identify and assist energy-vulnerable individuals who are currently underserved by existing energy welfare programs. Initially launched in Ulsan and now expanded to Gwangju, this initiative focuses on identifying households eligible for energy vouchers but who have not utilized them for an extended period. We will be conducting in-person visits to these households to provide personalized support. This agreement enables us to enhance our support system and proactively reach eligible populations, thereby fostering a more effective public-private partnership for energy welfare.

Yellow Umbrella Partnership Card for SMEs

Shinhan Card has partnered with the Korea Federation of SMEs to introduce the Yellow Umbrella Card, named after the mutual aid program established by the Federation. This card offers customized benefits, including points and discounts, when used for everyday expenses such as shopping at discount stores and e-commerce platforms, paying mobile and electricity bills, and making purchases at local merchants, hospitals, drug stores, and public transportation. In addition, we support SMEs in maintaining stable business operations by providing services such as simplified VAT reporting, free issuance of up to 250 electronic tax invoices per month, complimentary one-on-one tax consultations, access to merchant marketing analysis reports, and preferential interest rates on Shinhan Bank business loans. Furthermore, to encourage mutual support among members, we offer a 5 percent discount (up to KRW 100,000) when using the Yellow Umbrella Card at designated Yellow Umbrella discount merchants.

Empowering Small Enterprises

Promoting the Use of Ethical Stores

The "Ethical Small Business" program, launched in 2011 by the Ministry of the Interior and Safety and local governments, recognizes small stores that offer quality services at affordable prices, thereby contributing to price stability. In 2024, Shinhan Card held a competition to identify these ethical stores through customer essays and reviews. After carefully evaluating over 1,400 submissions, we selected nine winning stores based on essay content, customer reviews, and pricing. We presented each winner with a motorbike worth KRW 2.5 million, acknowledging their commitment to fair practices and pledging our ongoing support for ethical small businesses.

Card Payment System for Merchant Supply Payments

Shinhan Card has created a card payment system specifically for Nolbu franchise restaurant owners, providing practical support to both customers and these self-employed individuals. This system enables Nolbu franchisees to purchase food ingredients and operating supplies directly from the franchisor using their card, thus easing the burden of cash payments and improving their cash flow. The system is also expected to benefit the Nolbu franchisor by minimizing unpaid invoices and unforeseen financial issues, thereby contributing to more stable fund management.

INCLUSIVE AND MUTUAL GROWTH FINANCE

MUTUAL GROWTH FINANCE

Cooperation for Mutual Growth Finance

Financial Inclusion via Consumption Analysis

KCB

Shinhan Card has partnered with KCB through an MOU to join the "Alternative Information Consortium," aiming to create a new credit-scoring system based on consumer behavior. By comprehensively analyzing diverse customer card usage, payment methods, and spending habits, we plan to develop detailed consumer behavior profiles. These profiles, combined with KCB's existing credit data, will be used to build an advanced credit-scoring model leveraging AI and machine learning. The consortium's core focus is utilizing "consumer behavior pattern information." This new system will allow for a more precise credit evaluation based on a holistic view of individual spending habits. Through this partnership, we aim to move beyond traditional credit scoring, which primarily relies on financial transactions, and expand financial access for financially marginalized populations. This will facilitate personalized financial services, ultimately contributing to greater financial inclusion.

New Market Access for Startups

Seoul City

Shinhan Card has partnered with Seoul City on the "Happiness for Young Startups" initiative, aimed at supporting young entrepreneurs. We are providing them with access to Shinhan Card's platforms, including our official shopping mall, "Allthat Shopping," and our small business management service, "MySHOP Partner," thus opening up new sales channels for their businesses. Furthermore, we are planning a range of collaborative efforts, such as financial consulting training, promoting Seoul City's youth policies through our online and offline channels, and offering discounts at participating convenience stores.

3rd Finnovation Challenge for Fintech Startups

Seoul City Shinhan Bank Shinhan Securities

Shinhan Card, in collaboration with Seoul City, Shinhan Bank, and Shinhan Securities, hosted the "3rd Finnovation Challenge: EXPANSION" to accelerate the fintech industry and identify promising fintech startups with unicorn potential in the global financial market. This "Finnovation Challenge" is a unique local government-led fintech open innovation initiative, jointly organized by Seoul City and financial institutions, designed to empower innovative startups by providing access to traditional financial infrastructure and supporting the development of digital financial solutions. The six selected companies, chosen from 205 applicants, will partner with SFG to develop and commercialize their financial innovation technologies. They will also participate in startup incubation and scale-up programs at the Seoul Fintech Lab and Shinhan Future's Lab.

Enhancing Credit Scoring Models for Small Business Owners

KCB

Shinhan Card is strengthening its alternative credit scoring models in collaboration with KCB to broaden support for the SOHO (small office/home office) segment. By utilizing card merchant data, the company provides financial institutions with alternative insights to more accurately evaluate the creditworthiness, business viability, and operational stability of self-employed individuals. This approach enables even those with limited credit history or lower personal scores to access financing if their businesses are sound. By factoring in projected business sustainability and financial performance, lenders can better tailor loan limits and terms.

Joint Development of Solutions for the Self-Employed

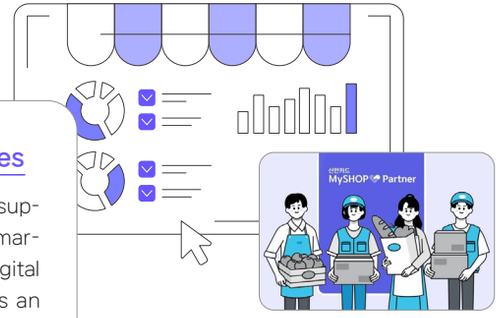
Finda forSPACElab

Shinhan Card signed a business agreement with Finda and forSPACElab to develop joint business models for franchise businesses in Korea, prospective startups, and self-employed businesses. With the agreement signed, we plan to develop business solutions for local franchisors and new business models for local franchisors and merchants, among others. Above all, we will offer commercial-district analysis solutions that include commercial-district trends and consumption patterns to franchisors and prospective startups. We will also provide information that recommends promising locations and allows new businesses to predict sales estimates for the success of self-employed businesses. We will continue to develop new business models for franchisors and startups by leveraging our big data and AI capabilities.

#2 PERFORMANCE HIGHLIGHTS

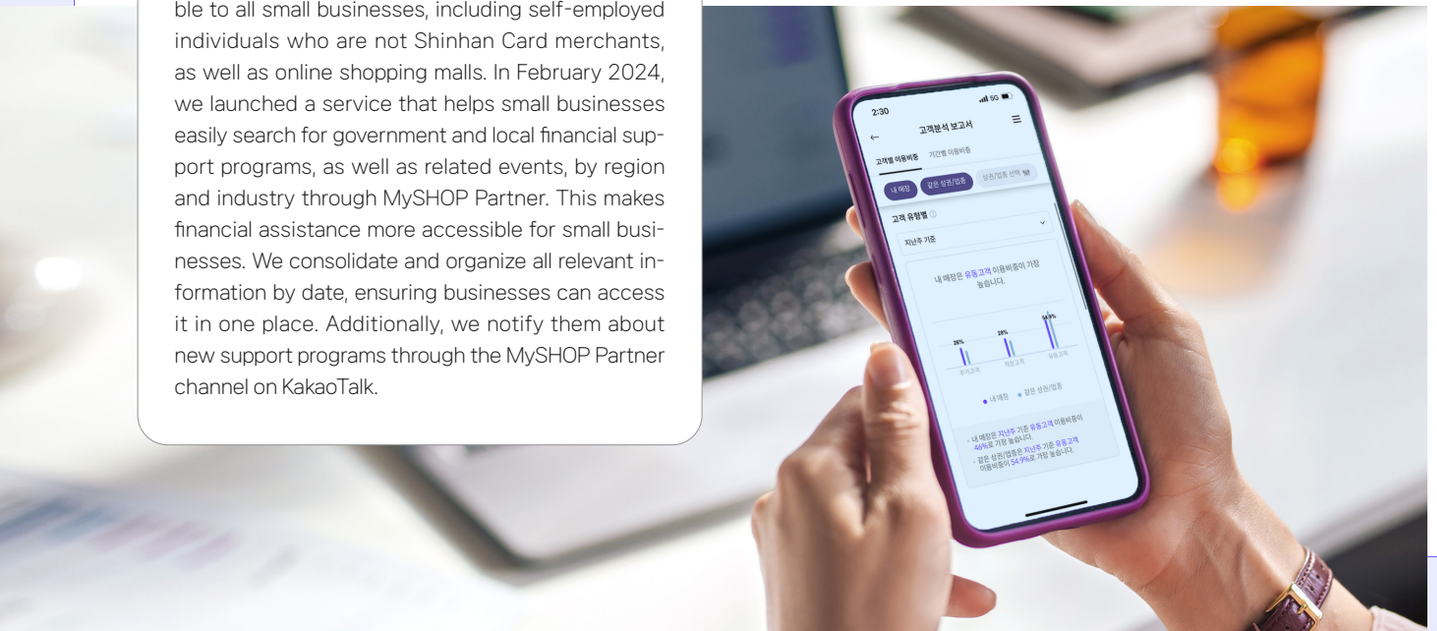
Responsible Finance for Mutual Growth

In 2024, Shinhan Card established the "Mutual Growth Finance Part" to better align its social contribution efforts with inclusive finance programs, reinforcing its commitment to social responsibility as a financial institution.



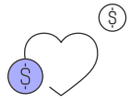
Marketing Platform for Small Businesses

We operate MySHOP Partner, a platform that supports small businesses with everything from marketing to financial services by leveraging our digital and big data capabilities. MySHOP Partner is an open, mutually beneficial financial platform accessible to all small businesses, including self-employed individuals who are not Shinhan Card merchants, as well as online shopping malls. In February 2024, we launched a service that helps small businesses easily search for government and local financial support programs, as well as related events, by region and industry through MySHOP Partner. This makes financial assistance more accessible for small businesses. We consolidate and organize all relevant information by date, ensuring businesses can access it in one place. Additionally, we notify them about new support programs through the MySHOP Partner channel on KakaoTalk.



Mutual Growth Marketing for Traditional Open Markets

We are committed to helping local businesses thrive, both online and in person, by leveraging our digital and big data expertise, combined with our strong local presence. Through partnerships with 27 traditional markets across the country, we have boosted local commerce by offering interest-free installment plans and cashback deals at roughly 4,000 vendors. Plus, we are continuously collaborating with these markets on various initiatives, like marketing through "MySHOP Partner" and leveraging our branch network.



KRW 6.5 billion / 150+ organizations

Shinhan Card's Areumin program has donated over KRW 6.5 billion to more than 150 organizations, supporting diverse community initiatives.

Revamping the CSR Channel "Areumin"

Shinhan Card Areumin, our CSR channel established in 2005, has been a leader in promoting charitable giving. Through various support initiatives, Areumin has donated over KRW 6.5 billion to more than 150 organizations, benefiting vulnerable groups such as children, people with disabilities, and the elderly, as well as supporting environmental, cultural, and artistic causes. As the digital donation culture continues to grow, we have upgraded Areumin to further encourage giving and enhance the customer experience. Most notably, we redesigned the UI/UX with an intuitive and friendly concept, incorporating Shinhan Friends characters from SFG. To make donating more engaging, we introduced fun elements such as Areumin sprouts, saplings, trees, and fruits that reflect donation amounts, sparking greater interest in charitable contributions. Additionally, we integrated Areumin, which was previously operated on a separate platform, into Shinhan SOL Pay and our website services, streamlining the donation process to make participation easier. To celebrate this upgrade, we matched our customers' donations made in October and contributed to four meaningful campaigns: the Areumin Library Support Campaign to promote reading; Rescue Animal Sponsorship Campaign with the KAPES Animal Protection Center; the Children's Mental Health Promotion Campaign with UNICEF; and the SAVE OUR PLANET Campaign to protect endangered corals.

Shinhan Card Areumin

COMMUNITY ENGAGEMENT

CSR SYSTEM

At Shinhan Card, we are committed to sustainable CSR activities through our CSR brand, Areumin, a name that conveys the beauty of togetherness and the spirit of embracing love. We will continue to create social value by actively engaging in meaningful social impact projects aligned with our business. We strive to create social value through support programs that reflect the unique characteristics of the financial industry—building a "warm world" that embraces vulnerable groups, a "clean world" that protects our one and only Earth, and a "joyful world" where future generations and local communities can thrive.

Shinhan Card Areumin Social Contribution Programs

I BELIEVE, WARM WORLD	• Areumin Library • Training programs for financially marginalized groups • Areumin Donation Campaign • Employee salary donations for medical treatment of children from low-income families • Welfare fund donations for persons with physical disabilities
I HOPE, CLEAN WORLD	• Forest ecosystem conservation projects • ECO Zone: Creating eco-friendly parks in urban areas • Adopt-a-Village project & support for eco-friendly agricultural products • Sign language and multilingual counseling services • Braille card issuance & Braille notification services
I LIKE, JOYFUL WORLD	• Future-generation support projects • Areumin Financial Literacy Challenge • Picasso Kids' Art Fest • Cham Shinhan Font Contest • Ethical and Sustainable Consumption Project

Support for Vulnerable Groups

Opening of the 548th Areumin Library

Shinhan Card's Areumin Library program, a long-standing social contribution initiative launched in 2010, aims to address educational inequality and foster future talent. As of 2024, we have established 548 libraries (541 in Korea and 7 overseas) in regional children's centers, social welfare centers, recreational facilities, military bases, children's hospitals, and more. The 546th library was opened at the Seoul Youth Gijigae Center, a dedicated support institution for isolated and reclusive youth. This library provides a safe and dedicated space for young individuals to find emotional stability and prepare for a healthy reintegration into society.

Areumin Library



▶ "Areumin Library" Opened at Seoul Youth Gijigae Center

Tailored Digital Finance Education for Vulnerable Groups



Shinhan Card offers the "Digital Finance Training for the Digitally Vulnerable" program to support slow-learning children, young adolescents, and seniors who face challenges in their daily lives due to unfamiliarity with digital finance. In December 2024, we provided training to over 5,700 digitally vulnerable persons in partnership with the Credit Card Foundation and the Community Chest of Korea. Our customized digital finance training, available both online and in person, aims to enhance digital literacy and financial skills. Additionally, we collaborated with the social enterprise Peach Market to train senior lecturers who, in turn, educate other seniors at welfare centers, libraries, and senior citizen centers, thereby amplifying the impact of peer learning. In 2024, over 100 senior lecturers taught more than 3,300 seniors, helping to fulfill their academic curiosity and foster a positive outlook on life.

COMMUNITY ENGAGEMENT

Employee Volunteer Activity

Group Leading-by-Example Relay

The Group Leading-by-Example Relay is an employee-driven campaign in which Shinhan Financial Group employees propose ideas for social contribution, select them through a voting process, and make donations that lead to social contribution initiatives and volunteer activities. Through this campaign, employees carried out meal support and recreational activities for children at risk of food insecurity during school vacations. Additionally, over 100 food kits—comprising ready-to-eat meals and other essentials—were prepared and delivered to children in need via local community centers. The campaign also supported improvements in the living environment of underprivileged large families, including wallpaper replacement and furniture donations.

Volunteer Work at Mapo Sheltered Workshop

Shinhan Card executives participated in a volunteer activity at Woori Mapo Sheltered Workshop in Mapo-gu, Seoul. Sheltered workshops offer stable employment to individuals with developmental disabilities who face challenges in mainstream workplaces. Over 20 executives assisted workshop employees with packaging and other tasks.

Volunteer Work for a Better Areumin Library Environment

To support the 344th Areumin Library, the first Areumin Library that Shinhan Card employees helped establish at the Marronnier Children's Center in October 2013, we volunteered to create an eco-friendly garden and vegetable patch for the children. We also donated stationery and new books and organized the library shelves.

Areumin Backpacks Donated to Children in Need Overseas

Our "Areumin Backpack Making" project, which began in 2015, allows our employees to make a difference for less-privileged children in Vietnam, Indonesia, Kazakhstan, and Myanmar, where we have overseas branches. Employees colored "Shinhan Friends" backpacks and assembled "Shinhan Friends" school supply sets to put inside. These backpacks were then sent to our local branches for distribution to the children.

"Bee-meal" Pollinator-Friendly Planting Project

We launched a pollinator-friendly planting project to create harmonious spaces for people and nature. In urban parks, popular with residents, we planted a variety of plants to boost biodiversity and create habitats for natural pollinators like birds, bees, and other small creatures. This effort aims to build a strong ecosystem and raise public awareness of ecological issues.



- Garden area: Welcome Garden, Seoul Children's Grand Park (180㎡)
- Plant species: Three shrub species (24 plants); seven herbaceous species (180 plants)
- Total no. of plants: 204 (24 shrubs and 180 herbaceous plants)

GIVE & RUN 2024 Campaign

We held our second annual "GIVE & RUN" campaign in 2024, a run-to-donate event for employees. Participants donated funds based on the distance they ran during the campaign. This year, over 150 employees ran a combined 7,276km, raising KRW 9 million. The employee donations, matched by the company, were sent to the Salvation Army Community Children's Welfare Center, which hosts the 534th Areumin Library.

CSR in the Community Recognized for Six Consecutive Years

Shinhan Card actively addresses local community needs and supports the economy through various initiatives, including the "Areumin Library" for children and youth, "Areumin financial training" for residents' digital literacy, and the "MySHOP" platform for local markets and small businesses. We have been recognized for our community CSR efforts for six consecutive years since the system's inception in 2019.

COMMUNITY ENGAGEMENT

Investing in Tomorrow's Leaders

23rd Shinhan Card Picasso Kids' Art Fest

Shinhan Card hosted the Picasso Kids' Art Fest to inspire children's dreams and imagination and offer families a unique shared experience, leveraging the Shinhan Card brand. Now in its 23rd year, the Art Fest, which began in 2002, is a long-standing cultural event with approximately 190,000 participants to date. It features painting activities and interactive events designed for families.

Job Fair for Youths

Shinhan Card held an online and offline job fair jointly with its in-house venture IZ and IT education startup, Team Sparta. The offline fair introduced core competencies and employment strategies for jobs such as Kotlin, Node JS, and game development, reflecting recent IT employment trends. It was held at universities in Daejeon and Jeonju, bridging the regional bias in employment support services.

Future Generations Protection Project

We are providing mental health literacy education to elementary, middle, and high school students through the Future-Generations Protection Project in collaboration with UNICEF. This project aims to protect children and adolescents from the risks and harmful effects of advancing digital technology while creating a safe digital environment and offering learning opportunities both in Korea and abroad.

Domestic (South Korea)

1. Developed workbooks, guidebooks, and supplementary resources for children, teens, parents, and teachers
2. Launched a "Mental Health Literacy Education" project in partnership with the Seoul Metropolitan Office of Education
3. Conducted teacher training sessions on the mental health literacy program, also with the Seoul Metropolitan Office of Education
4. Formed a 101-member review panel to prepare materials for parents
5. Distributed educational content and training for elementary, middle, and high schools (41,000 copies)

Overseas (Vietnam)

[Promoting Digital Literacy]

1. Supported the Vietnamese Ministry of Education and Training (MOET) through the Vietnam Institute of Educational Sciences (VNIES) to create a Digital Competency Framework for students
   - This initiative benefits 1.3 million teachers and reaches 23 million students across Vietnam
2. Provided training and learning materials on digital inclusion and innovation to teachers and students from vulnerable groups
   - Specifically, reached 19,010 students (including female students, ethnic minorities, and students with disabilities) and 737 teachers in 35 schools
3. Offered national-level support to MOET for developing digital safety, well-being, and cyber problem-solving education packages
   - Distributed these packages to 1.3 million teachers nationwide



► Source: © UNICEF Korea



► Source: © UNICEF/UN0610296/Le Vu



► Source: © UNICEF VIETNAM

COMMUNITY ENGAGEMENT

Shinhan Card x Art

The Preview Seongsu with Shinhan Card

Shinhan Card is supporting emerging artists, making art fairs more accessible, and fostering a collaborative and thriving art market. The Preview Seongsu is an art fair that Shinhan Card has hosted for four years, dedicated to expanding the art market ecosystem by spotlighting new artists and galleries. Many artists and galleries that have participated in The Preview have gone on to gain international recognition, growing and evolving alongside the global art scene. Reflecting this spirit of collective growth, we chose "Roar—Growing Together" as the theme for this edition. This year, 39 galleries – including 12 newcomers – participated, showcasing new works by approximately 200 artists. The event was designed as a vibrant cultural and artistic festival, featuring various performances and interactive experiences, including the "Shinhan Friends" work zone, where emerging artists and university students offered fresh reinterpretations of artistic expression.



2024 The Preview Seongsu Strategy

Global

- Selected for the Art Fair Promotion Project for three consecutive years, receiving high evaluations.
- Introduced emerging Korean galleries to international audiences through overseas art fairs.
  - Facilitated joint programs by hosting international gallery experts during KIAF/Frieze.

Creative

- Provided specialized consulting for upgraded marketing and event execution.
  - Included an AI-powered art preference analysis program and architectural booth design consultations.
- Organized engaging interactive programs for participants and attendees.
  - Featured artist talks with gallery representatives and participatory audience activities

Extension

- Invited key customers and continued collaboration with SFG, as in previous years.
  - Promoted the Shinhan Character Zone (Shinhan Friends) and extended invitations to VIP clients (Shinhan Bank high-net-worth individuals, investment securities customers, TOPS customers, etc.).
- Developed programs for businesses committed to ESG initiatives within the cultural and artistic community.

2024 Jeju Mécénat Matching Grant Project

Shinhan Card was selected for the 2024 Jeju Mécénat Matching Grant project, which promotes collaboration between businesses and the arts. In partnership with Jeju Bank, we sponsored 23 artists from diverse genres who are actively contributing to Jeju Island's cultural and artistic community. Under the theme "Exploring Desire," the event featured special performances, exhibitions, and interactive programs, including a one-day class on the climate crisis using artworks. This multidisciplinary art festival took place in Hwabuk Industrial Complex, an area affected by gentrification, and highlighted the iconic Sanji Lighthouse. The festival showcased a rich blend of paintings, sculptures, installations, videos, and performances by Jeju-based artists, offering both locals and tourists an immersive cultural experience.





Jeju Art & Life Festa

To promote mutual prosperity, we hosted the JEJU Art & Life Festa, bringing together sellers and artists active on Jeju Island. The event featured four themed zones – weddings, art, luxury goods, and a flea market – catering to a diverse audience, including prospective couples, locals, and tourists. We also collaborated with small businesses and social enterprises, such as Jeju General Trading Company, to offer a variety of engaging programs.

Supporting Emerging Korean Galleries and Artists through Sponsorship of Access Bangkok Art Fair

We are exploring ways to support galleries and artists participating in the Preview as they enter the international market and showcase Korean modern art. Most importantly, we are sponsoring Korea's first international art fair, held in Bangkok, by covering transportation costs, advertising, and VIP customer travel packages.



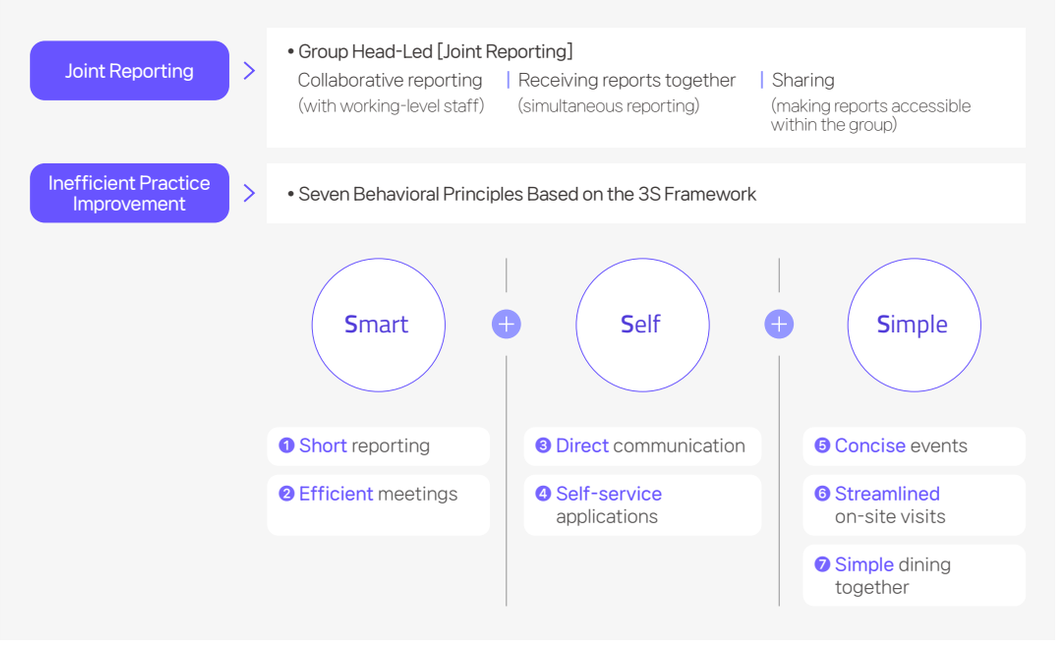
HUMAN RESOURCES MANAGEMENT

ORGANIZATIONAL CULTURE

Building a Thriving Organizational Culture Together

Innovating Working Processes

We have revamped our reporting culture to boost work efficiency and execution. We introduced a system where employees and department heads report together, ensuring greater transparency and improving work efficiency. Additionally, we aligned our efforts with SFG's "Simple & Essential" campaign by launching the "Improvement of Inefficient Practices" initiative to enhance workplace efficiency. Through an in-depth review of inefficient practices, we identified seven key behavioral principles based on the 3S framework (Smart, Self, Simple), reflecting its unique organizational culture. These principles have been actively promoted and adopted to foster a culture that prioritizes substance over form.



Reshaping Organizational Culture

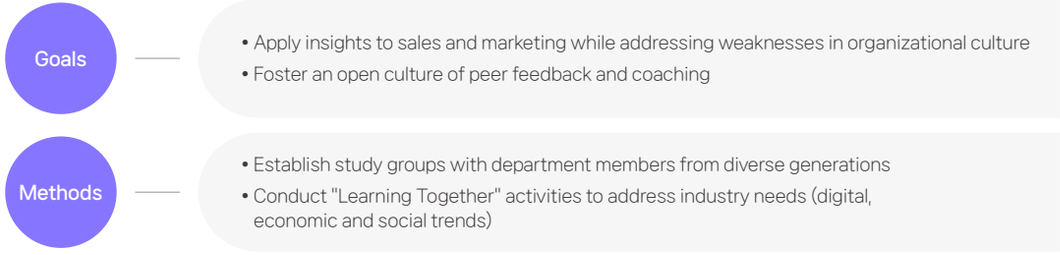
Shinhan Card is committed to building an organization that grows together toward the future, continuously evolving to foster a culture with "world-class excellence in our DNA." These core values reflect our commitment to consistently improving the way we work, with active participation from our employees to achieve world-class performance. They serve as the guiding principles for how all Shinhan members think and act. We uphold three key values: "Together Deep" for mutual growth; "Open New" for stepping beyond our comfort zone; and "Proactive, Act, Strong" for taking initiatives and striving toward achieving our goals.

Work Experience Index (WXI)

For the past four years, we have used the Work Experience Index (WXI), a company-wide survey system we developed, to assess our progress in strengthening our data-driven organizational culture and work processes. In 2024, we identified quarterly priorities focused on each group's weak points and explored opportunities to further improve work processes. Each department actively leverages WXI to drive initiatives that enhance workflows and strengthen interdepartmental communication, thereby reinforcing a culture of collaboration.

Creating a "Learning Together" Environment for Mutual Growth

Shinhan Card restructured its Saminhaeng (三人行) mentoring program into division- and department-based study groups to strengthen intergenerational dialogue and improve organizational culture. This study group brings together new employees, mid-level managers, and organizational leaders from different generations, ensuring broad participation. By facilitating open discussions on topics such as job insights, best practices, and workflow improvements, the study group not only strengthens generational communication but also cultivates a culture of shared learning and collective growth.



HUMAN RESOURCES MANAGEMENT

INCREASING EMPLOYEE SATISFACTION

Work-Life Balance Programs

Creating a Family-Friendly Work Environment

We offer a reduced working hours program for employees with children starting elementary school. As part of our family-friendly work policy, this program allows eligible employees to start work an hour later for up to two months, from March to April. We have also expanded our parental leave program to include employees with children aged 9 or in the third grade.

Flextime Program

Shinhan Card offers a flexible work schedule to improve employees' work-life balance and enhance workplace flexibility. We have expanded the available options from five to six, allowing employees to choose the schedule that best fits their needs. This helps reduce commuting stress and creates a more adaptable work environment tailored to individual needs.

Smart Working Place+ (SWP+)

We operate "Smart Working Place+ (SWP+)," an enhanced version of our original SWP, which provides shared workstations for Shinhan Card head office employees to work remotely from any location. Eligible employees can choose to work from any SWP nationwide when they are unable to be at the head office due to personal reasons such as childcare, self-development, or errands. Currently, we offer 46 workstations across 14 flexible work locations.

Smart Working Place (SWP) Operations Overview

Classification	Locations Operated	Regional Coverage
Workstations	4	Daejeon/Busan/Daegu/Incheon
Flexible Workspaces	14	HQ, Ilsan/Incheon/Gangnam-gu/Nowon-gu/Wonju/Anyang/Bundang/Daejeon/Cheonan/Gwangju/Busan/Ulsan Branch

Employee Satisfaction Programs

Implementation of Employee Satisfaction Programs

We are dedicated to fostering a positive and healthy workplace by offering employee satisfaction programs designed to meet the diverse needs of our employees and boost morale. These programs, which include communication initiatives to build trust across generations, health and wellness programs, and life-planning resources, aim to create a virtuous cycle of engagement and well-being.

Programs for Employee Protection and Work-Life Balance

Programs	Description
Work System	· PC shutdown after work hours, flextime, childcare leave, fertility leave, support for fertility treatment
Reduced Working Hours	· Shorter working hours for expectant and parenting employees, employees with children starting elementary school, employees pursuing further education or caring for ill family members
Vacation	· Menstrual leave, maternity and paternity leave, parental bereavement leave, prenatal diagnosis leave, infertility leave, paternity leave, month-long sabbatical, unpaid leave, etc.
Wellness	· Personalized smart health checkup system (app and web) · In-house cafeteria: Healthy special meal/salad lunchbox set available for sale anytime · In-house gym: Workout program tailored to employees, lectures on healthcare management for employees · "Deskercise" programs
Employee Assistance Program (EAP)	· In-house counselors (4), external counseling institutions (6), EAP website operation, programs providing access to regular professional counseling
Labor-Management Grievance Committee	· Two in-house grievance counseling centers in operation · Head of HR division and vice-chair of the labor union serve as committee members · Grievances resolved within 10 days and results reported to the concerned employee
Industrial Safety and Health Committee	· Discussions on industrial-accident prevention and workers' health improvement
Others	· Family care leave, maternity chair, women's lounge, family counseling service, three SFG-operated childcare centers

HUMAN RESOURCES MANAGEMENT

EMPLOYEE COMMUNICATION

Employee Communication and Grievance Handling

Shinhan Card has implemented comprehensive employee support and protection programs to ensure a safe and respectful workplace. We have established an Employee Assistance Program (EAP), a grievance-handling committee, and an occupational safety and health committee. Additionally, we have a structured grievance-relief procedure to address workplace bullying and sexual harassment. To support this process, we have formed a Labor-Management Grievance Committee led by the head of HR division and the vice-chairman of the labor union. Employees can report grievances through multiple channels, including landline phones (Amazing Work Place Team and labor union) and online platforms. We are committed to prompt responses, notifying the affected employee of the results within 10 days of the grievance hearing. Our Amazing Work Place Team and Human Resources Team take appropriate actions based on the victim's decision, which may include relocation, transfer, or paid leave. Furthermore, we uphold a fair and safe work environment by enforcing personnel and disciplinary measures against those involved, in accordance with internal regulations.

Employee Engagement and Communication Programs

Programs	Description
Vital Communication Within and Between Departments	May's Table, Summer Olympics watch parties, the S'fresh, door-to-door communication cart, team-building events, etc.
Family Engagement Program	Shinhan Card Camping Fest, biannual marathon competitions, appreciation events, summer break events, etc.
Communication through Employee Perks	Special meals before national holidays, special meals on the first 'dog day' of summer, meals for management, seasonal snack events, etc.
Employee Health and Future Planning	Shinhan Card life-planning program, 100-day weight-loss challenge, meditation and yoga classes
Family Support Program	College admissions workshop, junior mentoring camp, college admissions consulting service, etc.

Labor-Management Trust

Shinhan Card's labor union is affiliated with the Shinhan Card Branch of the Korean Office and Financial Services Workers Union. Of the 2,328 employees eligible to join, 2,112 (90.7%) are union members. We conduct annual wage negotiations and engage in collective bargaining every other year. To ensure our employees' voices are heard, we hold regular labor-management council meetings and integrate their feedback into our management decisions. In addition, we promote labor-management harmony through various communication channels, including the Grievance Handling Committee. Our approach prioritizes cooperation, mutual prosperity, and sustainable corporate growth. By building labor-management relations based on mutual respect and trust, we continue to strengthen our partnerships through joint programs and initiatives. Shinhan Card is committed to upholding workers' freedom of association and collective bargaining rights without significant risks or infringements.

Workplace Counseling Services

Shinhan Card offers confidential counseling services to employees experiencing work-performance challenges due to psychological factors like insomnia, fatigue, anxiety, and stress. These services help employees manage workplace and personal stress, improve their emotional well-being, and enhance their quality of life. This also fosters a more productive and positive work environment. All counseling sessions are strictly confidential and are not shared with the company.

HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES DEVELOPMENT AND TRAINING

Talent Development System

Driven by the vision "Connect more, Create the most," Shinhan Card is committed to developing talent for mutual growth with employees, customers, and society. Our talent development philosophy reflects the vision and ideal employee profile we strive for. This includes fostering a proud organizational culture rooted in positive work experience (WX) and nurturing self-driven individuals who thrive through engagement and creativity. Our talent development strategy is closely aligned with the company's overall vision and business strategy. In the medium term, we aim to establish a new, employee-led work culture. In the short term, we focus on creating an environment that supports continuous self-development through targeted education programs.

HR Strategy and Agenda

Boosting HR Competitiveness	Driving Employee-Led Work Experience (WX) Innovation	Evolving HR Roles and Responsibilities
Building a sustainable and healthy organization	Expanding competency and performance-based opportunities	Contributing to social value through work-life balance
Proactively securing future talent	Fostering a proud organizational culture	Strengthening corporate citizenship
	Creating an optimal work environment for engagement and performance	Supporting strategic cost reduction and profit generation

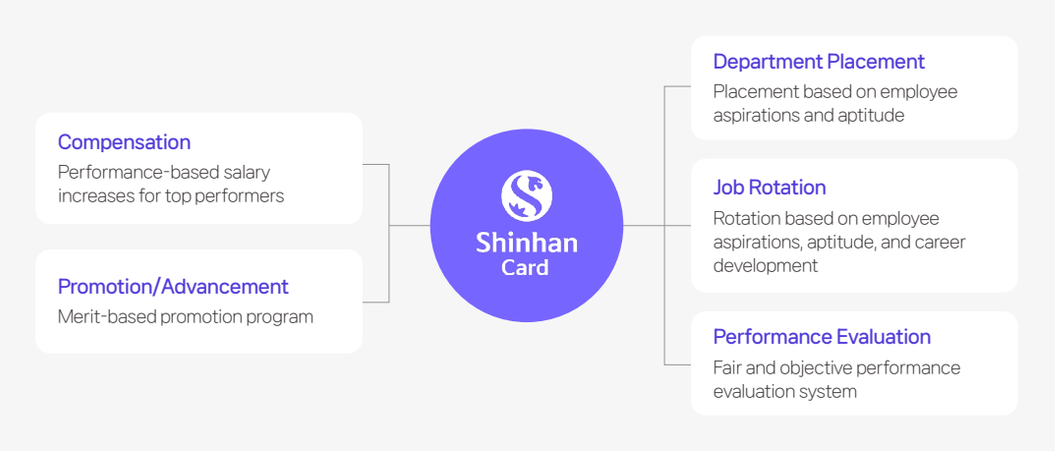
Open Recruitment

Shinhan Card ensures a fair and open recruitment process for all applicants. To enhance transparency and fairness, we implement blind recruitment throughout all stages. We maximize applicant accessibility by sharing recruitment information through external channels and our platforms, like Shinhan SOL Pay. We actively participate in recruitment fairs and briefing sessions, including the joint financial sector fair, to help potential applicants understand the process. We also utilize and refine AI competency tests to expand application opportunities and select candidates who align with our ideal talent profile.

Securing Promising Talent

Shinhan Card is recruiting experts in key digital fields to drive growth in future industries. We also employ rolling recruitment to attract top talent year-round, alongside our standard open recruitment. In 2024, we have enhanced our social recruiting on platforms like LinkedIn and Wanted, in order to improve applicant communication. We are also using virtual interview platforms, such as Google Meet and Zoom, for increased accessibility and convenience.

Shinhan Card Personnel System



HUMAN RESOURCES MANAGEMENT

Training Programs Tailored to Each Duty and Level

Employee Training System

Shinhan Card offers structured training programs tailored to rank and job function to enhance employee capabilities.

- **Leadership Training |** Designed to develop essential skills and knowledge, this program includes mandatory courses such as new hire training and specialized leadership development programs based on position-specific leadership requirements.
- **Expert Training |** To cultivate global financial professionals, we provide learning opportunities through external specialized institutions. These include overseas MBA programs linked to global business, graduate-level training in big data and digital expertise, financial training institute courses, and work assignments at financial institutions.
- **Job Training |** Focused on developing top business professionals in each field, this program offers structured, stage-based training tailored to specific job functions.

Soft Landing for New Hires and Experienced Employees

Shinhan Card provides tailored programs for new and experienced employees to facilitate seamless integration. Our 2024 new employee orientation aims to cultivate "world-class Shinhan Card people" who embrace our management philosophy and goals, fostering mutual growth based on trust. This orientation includes mindset development, work and job-competency training, team-building activities, and collaborative projects. For senior-level hires, we offer customized onboarding programs based on their tenure to ensure rapid adaptation. Upon joining, they receive welcome kits and essential manuals. Initial training includes online job training and a one-day group session to enhance business and task understanding. We also support networking through a three-month mentoring program, pairing senior-level employees with mentors and executives.

S-Learnch

We created "S-Learnch," an in-house program that combines learning with lunchtime. This is a portmanteau of "learn" and "lunch," designed to encourage departments to share their work over lunch, give and receive feedback, and foster creative and adaptable thinking. Throughout 2024, we hosted 12 sessions, offering both online video conferencing and in-person participation.

2024 S-Learnch Topics

Month	Topic
January	CES 2024: AI trends and applications
February	2024 Consumer trends: the S.P.A.R.K. framework
March	MWC 2024: Mobile industry insights
April	Generative AI: Practical applications
	Metacognition and brain training for self-confidence
May	App usability: Verification methods
June	Digital marketing trends: Insights from DMS 2024
July	HCI Seminar: 2024 highlights
August	PaaS Business: An overview
September	Content Marketing Trends from CMS 2024
October	MyData main screen redesign: Field support case study
November	Understanding of responsibilities map

HUMAN RESOURCES MANAGEMENT

Nurturing Business Leaders

Shinhan Card has a structured leadership development program designed to cultivate talent for future core business initiatives, and to ensure the continuity of Shinhan's corporate culture. We strategically select management leaders based on their performance and leadership potential, focusing on proactive talent acquisition and development. In 2024, our selection emphasized individuals who can drive our evolution into a "Life & Finance Company," while maintaining the strength of our core operations. We broadened our selection to include key internal control roles, such as consumer protection, risk management, compliance, auditing, and information security. We also prioritized candidates with digital and big data expertise, essential for our platform and digital transformation. Selected leaders participate in a self-directed development program, and we support their career growth through promotions, role assignments, and transfers, all guided by personalized career plans. This encourages self-awareness and metacognition. To further enhance their leadership skills, we provide a range of educational opportunities, including customized training, coaching, and feedback sessions for all executives.

Fostering Female Leaders

Shinhan Card is committed to developing and promoting female leaders across various business areas. In 2024, the company enhanced its female leadership development program, PRIDE*, offering a wide range of initiatives focused on personal growth and role modeling. To strengthen self-leadership among female leaders, Shinhan Card diversified its learning platforms by dispatching participants to conferences, providing online leadership courses, and supporting participation in external job-related training programs. In addition, to foster stronger networks, the company facilitated active communication between executives and female leaders through a mentoring program, CEO roundtables, and special lectures by senior management.

* PRIDE: Promotion (Expanding female leadership), Resilience (Embracing diversity & emotional support), Insight (Broadening business perspective), Development (Strengthening leadership capabilities), Expansion (Building professional networks)

2024 Female Leadership Development Achievements

Category	Program Details
Conference Participation	3 sessions
Online Leadership Courses	2 sessions
External Job Training	1 session
Sponsorship Program	Annual course (5 months)
CEO Roundtable & Special Lecture	1 session
Number of Participants	643 participants

Training Programs for Retirees

Life Planning Program for Retirees

With growing public interest in "second life" planning and the increasing awareness of the importance of preparing for it, we launched the Life Planning Program in 2023. This initiative helps employees plan for a stable future while fostering a work environment where they can stay focused. The program includes special lectures open to all employees, covering a wide range of topics relevant to different age groups, such as financial planning, taxes, real estate, healthcare, and professional certifications.

Retiree Career Services

We have been providing reemployment support for retired employees since 2021. To date, 70 employees have successfully completed our program, which runs for 16 hours and is facilitated by a dedicated reemployment training organization. The curriculum includes information on government support and personalized career development.

HUMAN RESOURCES MANAGEMENT

Employee Capacity Building

Shinhan Card is continuously discovering new growth engines through patent idea contests, fostering internal ventures, and innovative financial services. As the financial sector is also expanding its business areas and the number of BM patents* is increasing, we plan to pursue patents from the early stages when developing new business models or fostering new businesses for internal ventures. Shinhan Card holds 66 valid patents and is also working to strengthen its overseas intellectual property rights (IP), such as acquiring Japanese patent for a blockchain-based credit card transaction system.

* BM patent: a patent for a new business model that leverages information systems

Patent Contest for Employees

To foster future growth, we held a two-week patent idea contest for employees. We received over 50 innovative ideas showcasing Shinhan Card's competitiveness and creativity across areas like big data, AI, blockchain, and payment systems. These ideas reflected our unique services currently used in platforms and card issuance, potential new business models, and valuable know-how gained through our operations. We plan to pursue patents for the winning ideas, selected through internal reviews and interviews with patent attorneys.

"Memorial" In-House Venture Spin-Off

We encourage our employees to launch diverse ventures outside the traditional financial framework. As an example, in August 2023, our in-house venture, "Memorial," which developed the grave management platform "Josangnim Memorial Agent," was spun off to become an independent business. "Josangnim Memorial Agent" is a comprehensive platform offering hard-to-access grave management information and services, such as relocation, opening existing graves, weeding, and memorial park searches. Since becoming independent, "Memorial" plans to expand its services to include "Ending Planner," a platform for individual end-of-life planning. Our first in-house venture to spin off, "CV3," is an e-commerce marketing solutions company. Through its "La Bangba Data Lab," CV3 supports various marketing activities, from live commerce production to advertising brokerage and providing statistical data.

Shinhan Card In-House Venture Program

From "I'm Ventures" to Reality

Ideas Developed **21**

Spin-Offs (planned included) **2** / Internally Commercialized **6** / Currently Incubating **2**

Fair Performance Evaluation and Compensation

Shinhan Card has implemented a performance evaluation and compensation system designed to minimize internal competition, foster a collaborative culture, and promote shared organizational growth. All employees are evaluated through a unified system based on capabilities and performance, regardless of age, gender, or job function. High performers receive differentiated compensation. To ensure fairness and objectivity, the cycle includes goal-setting, coaching, feedback, and achievement reviews.

Evaluation Process

- STEP 1 — • Goal-setting and agreement
- STEP 2 — • Coaching and feedback on goals
- STEP 3 — • Progress tracking and documentation
- STEP 4 — • Evaluator's assessment
- STEP 5 — • Employee's review of evaluation

Compensation System

Salary and Compensation

Evaluation results influence base salary, performance-based pay, and additional compensation.

Promotion and Advancement

Evaluation results are used as a basis for promotions, rank increases, and role assignments.

HUMAN RESOURCES MANAGEMENT

ENSURING HUMAN RIGHTS AND SAFETY

Human Rights Commitment

Shinhan Card is committed to upholding the fundamental rights of our employees, customers, and subcontractors, adhering to SFG's human rights principles. We integrate human rights into our business practices, guided by the "SFG Code of Ethics," and the "CoC for Partner Companies," which reflect SFG's respect for human rights.

SFG's Code of Ethics CoC for Partner Companies

Commitment to Respecting Human Rights

Shinhan Card adheres to all local employment and labor laws, aligning with SFG's human rights integration efforts. We also comply with the UN's "Universal Declaration of Human Rights" and "Guiding Principles on Business and Human Rights." We endorse the protection and respect of human rights, as outlined in the "Guiding Principles." Specifically, we ensure prompt and effective action against any human rights violations, including those related to our financial products and services.

Labor rights protection

- A safe and pleasant workplace environment
- Prevention of unfair labor practices
- Compliance with working hours
- Payment of appropriate wages
- Prohibition of discrimination

Investment screening

- Restrictions on sales and investments in regions, industries, or companies with potential forced or child labor
- Restrictions on investments that may infringe upon the human rights of indigenous communities

Rights to access financial services

- Equal access to financial services
- Privacy protection
- Protection of financially marginalized persons

Stakeholder Rights and Human Rights Principles

Shinhan Card contributes to SFG's mission of "compassionate finance" by prioritizing respect for all stakeholders' human rights. We aim to foster shared growth and prosperity for our employees, customers, and the broader community. As a community-focused financial service provider and trusted partner, we strictly adhere to local employment and labor laws at all our locations. We also support the fundamental principles of human rights protection and respect as outlined in global standards such as the UN Guiding Principles on Business and Human Rights (UNGP), and we integrate these principles across our operations to advance sustainable finance.

Protecting the Human Rights of Frontline Service Workers

Shinhan Card is committed to enhancing the safety of frontline employees and ensuring the well-being of innocent consumers by actively managing challenging customer interactions involving sexual harassment, verbal abuse, threats, or persistent workplace disruption. Customers exhibiting problematic behavior are evaluated based on internal guidelines, considering frequency, timing, and severity, and are managed through a structured four-stage response. In cases where interventions are ineffective, we reserve the right to discontinue services to safeguard our employees.

Step-by-Step Response Process

Step 1	Step 2	Step 3	
Request to cease problematic behavior	Inform customer of potential legal action/ End of consultation	Redirect to ARS/ Terminate call	Conducting legal action

In 2024, we convened four problematic customer review council meetings and identified 31 customers exhibiting problematic behavior. We subsequently restricted card issuance and sent certified mail to these individuals.

Classification	Card Issuance Restriction	Certified Mail Sent
Problematic consumers addressed	10 Persons	5 Persons

HUMAN RESOURCES MANAGEMENT

Human Rights Education

Shinhan Card prioritizes human rights awareness and legal compliance for all employees. To achieve this, we offer educational programs to improve understanding of physical disabilities and prevent workplace harassment, including bullying and sexual harassment. We also consistently remind employees of their responsibility to avoid any illegal or unfair practices that might violate stakeholder rights. We actively support our employees in making respect for human rights an ingrained practice.

Human Rights Training Hours

(Unit: hours)

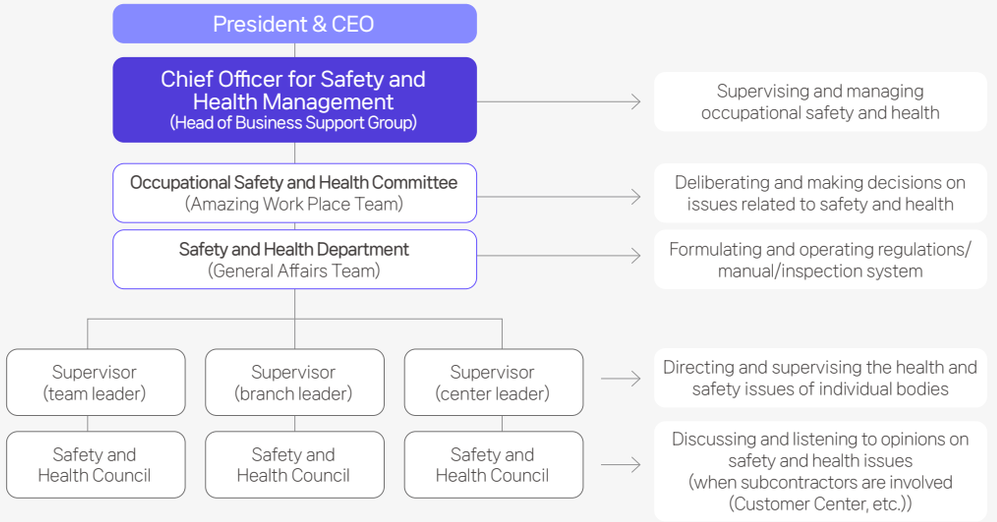
Classification	2022	2023	2024
Human Rights Training	7,644	8,452	10,696

Employee Safety and Health

Safety and Health Management System

Shinhan Card prioritizes employee safety and health in all operations and has implemented a comprehensive safety and health management system to ensure a safe and comfortable work environment. The Head of Business Support Group oversees safety and health management, provides job training, and convenes quarterly meetings of the Occupational Safety and Health Committee. We also comply with the Severe Disaster Punishment Act by establishing risk identification and mitigation procedures, and developing and inspecting a serious disaster response manual.

Safety and Health Management System



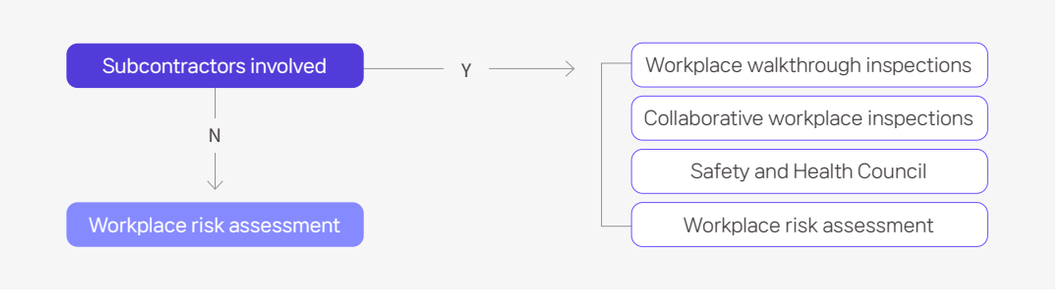
Safety and Health Management Principles

1. Our top priority is to "safeguard the lives of our workers" and foster a "safe working environment" during all business activities.
2. We will implement a workplace safety and health management system that dedicates sufficient human and material resources to identify, eliminate, and control workplace risk factors.
3. We establish safety and health goals, develop action plans to achieve them, and ensure their thorough implementation.
4. We develop and enforce internal regulations that comply with safety and health laws and regulations to prevent accidents.
5. We identify and address risk factors, actively involving employees through participation and information sharing.
6. We actively support employee engagement in various initiatives aimed at enhancing workplace safety and health.

HUMAN RESOURCES MANAGEMENT

Safety and Health Inspection System

We regularly assess potential workplace risk factors through our safety and health inspection system. In particular, inspections of subcontracted worksites are conducted jointly with partner companies to ensure the safety of both workers and the broader supply chain.



Inspection Type	Frequency	Inspector
Workplace walkthrough inspections	Weekly	Supervisor (head of operation)
Collaborative workplace inspections	Quarterly	Supervisor (head of operation) with relevant subcontractors
Safety and Health Council	Monthly	Supervisor (head of operation) with relevant subcontractors
Workplace risk assessment	Quarterly	Supervisor (head of operation)

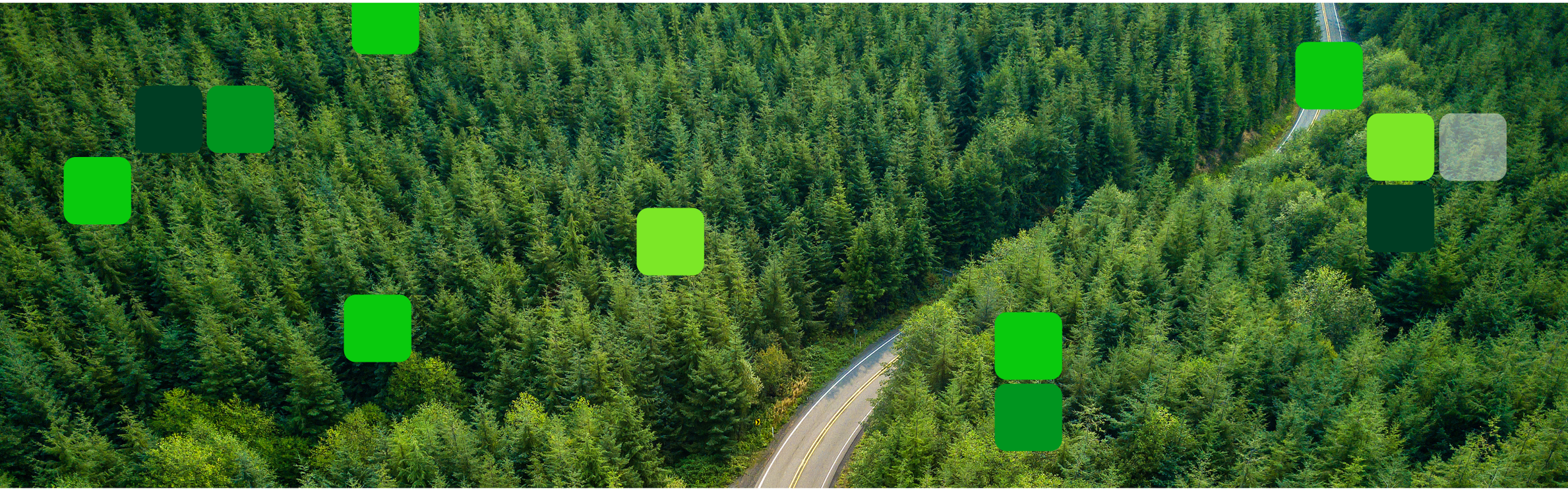
Workplace Health Promotion Programs

Workplace Health Promotion Programs

Classification	Description
Comprehensive Health Check for Employees	All employees and their spouses (Checkup costs worth KRW 380,000~480,000 per age group covered) Employees' parents aged 60 years or older (Checkup costs worth KRW 280,000 covered biennially)
Support for Medical Costs	Medical expenses for the treatment of injuries and diseases covered for employees and their families including spouses, children, and parents (up to KRW 6 million per year)
Group Insurance for Employees	Financial support to victims of disasters, and those diagnosed with cancer and other diseases (up to KRW 100 million, depending on case)
Dental Care Support	Financial support of up to KRW 200,000 per year
Free Flu Vaccination	Free quadrivalent flu vaccination

Workplace Health Management Programs

Classification	Description
Health Checkup	Upgrading of smart checkup system customized to individual employees
S'Lounge	Seasonal healthy special meal/salad, lunchbox sets available for sale anytime
S'Clinic	Treatment by family physicians, counseling about the medical checkup results, vaccination for disease prevention, etc.
S'Gym	Diversification of exercise programs customized to employees, lectures on employee health management, home workout, etc.
Others	Periodic counseling at the workplace for employees' mental and physical healthcare management



Climate Action | Eco-Friendly Management | Green Finance

PERFORMANCE REPORT 03

PROTECTING THE PLANET

Shinhan Card is dedicated to climate action and eco-friendly management for a sustainable future. We aim to minimize environmental impact by reducing both operational and financed emissions, expanding green finance, and managing waste responsibly—fulfilling our environmental responsibilities as a corporate citizen committed to a sustainable planet.

CLIMATE ACTION

CLIMATE CHANGE MITIGATION SYSTEM

SFG launched its "Zero Carbon Drive" in 2020 and received SBTi approval for its emissions targets. Shinhan Financial Group is expanding support for green businesses and technologies that offset emissions from financial assets, aiming to achieve carbon neutrality by 2050 through a low-carbon transition. Aligned with this, Shinhan Card is issuing ESG bonds and pursuing RE100 targets for its data centers.

Our Climate Strategy and Policy

Shinhan Zero Carbon Drive

DO THE GREEN THING

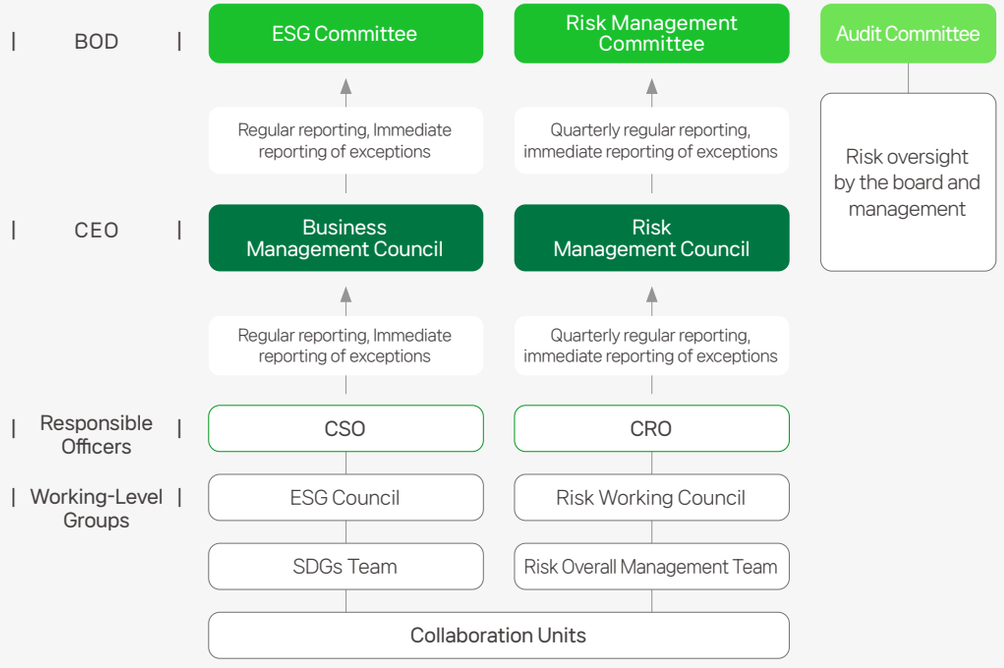
01	• Carbon-intensity assessment of SFG affiliates, goal management
02	• Vitalization of eco-friendly finance • Increase of new products/services
03	• Carbon Reduction Customer Engagement • Employee Internalization

Sustainable Financial Policy	• Guidelines for E/S/G factor integration in credit/loan businesses • Communication on sustainability-related customer risks and opportunities
Sustainable Investment Policy	• Definition of E/S/G factors separately when considering investment • Guidelines for classifying assets and industries

Governance

Shinhan Card oversees and approves climate-related policies and strategies through its ESG Committee within the Board of Directors. The ESG Committee serves as the company's highest internal decision-making body on sustainability-related issues, including climate change, and is composed of four directors, including the committee chair. To strengthen its climate governance, Shinhan Card has appointed a Chief Sustainability Officer (CSO) responsible for managing climate-related matters. When climate risks are identified, the CSO reports them through the regular quarterly management meetings. Matters overseen by the CSO are also regularly reported to and reviewed by both the ESG Committee and the Risk Management Committee.

Climate Governance (As of Mar. 2025)



CLIMATE ACTION

Strategy

Shinhan Card manages both transition and physical risks arising from climate change and is developing strategies to leverage these risks as opportunities.

Risk factors

Transition risks include strengthened regulations on financial emissions due to policy and legal changes, increased costs of investment in low-carbon technologies, potential declines in the market value of high-carbon companies, and brand reputation damage from negative stakeholder evaluations. Physical risks encompass asset damage and business disruptions caused by extreme weather events such as typhoons, floods, and heavy snowfall, as well as increased energy costs due to heatwaves.

Opportunity factors

Climate-response opportunities include resource efficiency gains through digital transformation, energy reduction by using zero-emission vehicles and high-efficiency products, and lower financial emissions by developing low-carbon financial products. Furthermore, we are fostering a low-carbon economy by issuing green bonds and investing in eco-friendly businesses, aiming to generate economic value through our eco-friendly financial products and services.

Time Horizon Setting

Shinhan Financial Group classifies the time horizon for climate scenario analysis into short-term (0–1 year), medium-term (1–5 years), and long-term (beyond 5 years), and the same timeframes are applied to opportunity factors. The medium-term refers to up to five years, during which significant changes in financial indicators such as the BIS ratio may occur, while the long-term is defined as beyond five years, which exceeds the reliable forecasting range and is therefore assessed conservatively. Transition risks can also present opportunities, and opportunity factors arising from regulatory responses are set as short-term (1 year). Although Shinhan Card is not currently subject to direct climate-related regulations, it responds to related risks and opportunities in line with Shinhan Financial Group's pace of transition to green finance.

Climate-Related Risks and Opportunities

Classification			Potential Financial Impact	Time Horizon
Risk	Transition risk	Policy/Regulation	· Tighter climate-change regulations, both at home and abroad, along with growing pressure on financial firms to cut financed emissions (e.g., industry-level investment restrictions) · The risk of lawsuits from customers, investors, NGOs, etc., potentially leading to lower company value and higher legal expenses if environmental laws or public commitments are breached, or if greenwashing allegations surface	Mid
		Technology	· Possible financial setbacks from increased costs for research and investment in new low-carbon technologies and facilities, as well as any unforeseen problems arising from their use	Long
		Market	· Potential investment losses due to the declining value of high-carbon businesses and those with negative environmental impacts	Long
		Reputation	· Possible drops in operating revenue due to a damaged brand, reduced product demand, and fewer customers resulting from negative stakeholder perceptions	Mid
	Physical risk	Acute	· Increasing costs to recover from damage or breakdowns of company assets and facilities caused by more frequent extreme weather events (like typhoons, floods, heavy snow, and disease outbreaks), along with disruptions to business operations from infrastructure damage and limitations on payment and financial services	Mid
		Chronic	· Potential financial losses from heatwaves and extreme cold, leading to higher energy use, economic slowdowns due to rising energy costs, and lower asset values in invested companies	Long
Opportunity		Resource efficiency	· A shift toward digital documents, which is cutting down on paper use	Short
		Energy resources	· Reducing internal carbon emissions and energy costs through green operations (such as transitioning to zero-emission vehicles and using high-efficiency energy products) and RE100 implementation at data centers	Mid
		Products/services	· Reducing emissions linked to our financing activities by offering low-carbon financial products and making green investments	Mid
		Market	· Supporting a low-carbon economy by issuing green bonds and backing green transportation, sustainable construction, and other environmentally friendly businesses	Short
		Resilience	· Generating economic value through our green finance products and services	Mid

CLIMATE ACTION

Risk Management

SFG effectively identifies and monitors climate-related risks throughout its business by incorporating climate risk into its existing risk-management framework. In line with TCFD recommendations, it systematically defines environmental and social risks for management and develops suitable risk assessment methods. Furthermore, SFG has enhanced its risk-management governance and regulatory framework by implementing a financial emissions measurement system and database, and by establishing climate-risk-management best practices. At Shinhan Card, we continuously analyze and manage climate-risk scenarios and track financial carbon emissions using this measurement system. We also manage climate risks according to our risk management governance and regulations by proactively controlling high-carbon industries and businesses with potential negative environmental and social impacts through an 'environmental and social risk review' process for new ventures.

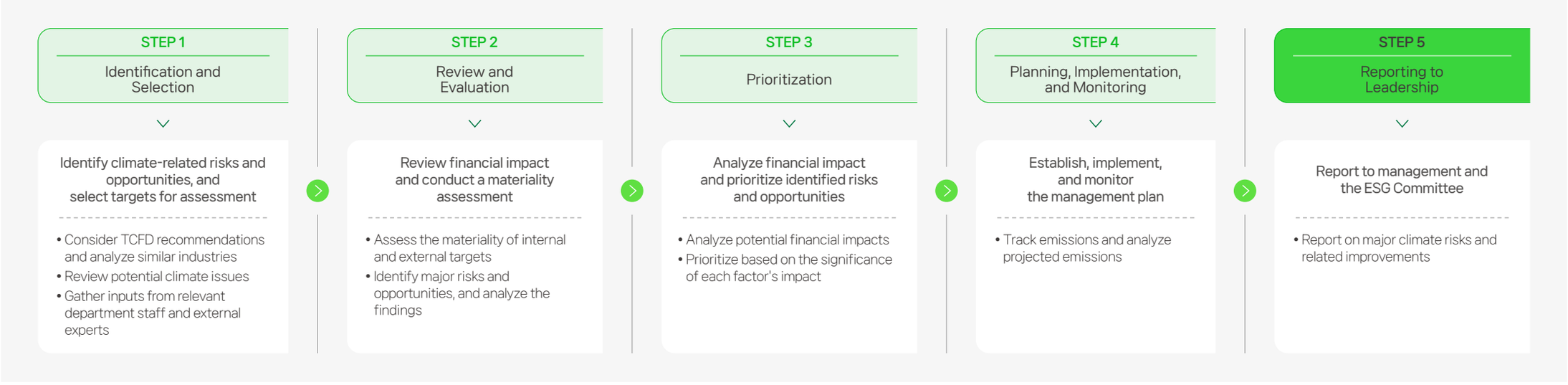
High-Carbon Industry Management

SFG manages its selected high-carbon industries by taking into account financial emissions, exposure levels, and financial emissions intensity. This allows SFG subsidiaries, including Shinhan Card, to prioritize financial emissions management targets, which they then use for risk management and future portfolio adjustments.

*** High-carbon industries (based on standard industrial classification)**

Basic steel manufacturing and casting, fuel gas production and steam/hot water supply, coke and briquette manufacturing, basic chemical manufacturing, cement, lime, plaster, and other related products manufacturing, petroleum refining, chemical fiber, and non-ferrous metal manufacturing

Risk Management Process



CLIMATE ACTION

Metrics & Targets

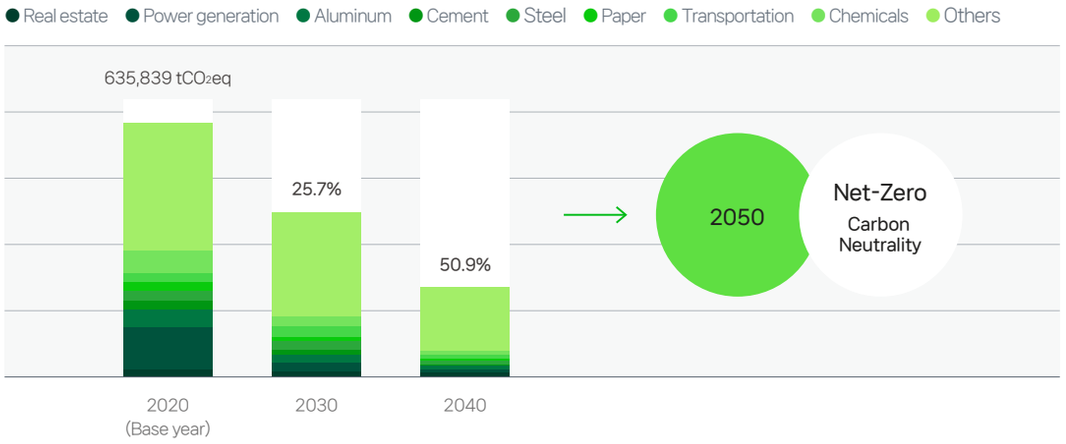
Our Net-Zero Target

Setting 2020 as the baseline year, Shinhan Card is committed to a gradual annual reduction of 4.2 percent in carbon emissions. This trajectory aims to achieve a 25.7 percent reduction by 2030 and ultimately reach net-zero emissions by 2050. The primary energy sources contributing to Shinhan Card's Scope 1 emissions are city gas (LNG) and gasoline used for company vehicles. Scope 2 emissions are attributed to electricity consumption at the company's office buildings. Shinhan Card plans to achieve net-zero emissions by transitioning to eco-friendly vehicles and purchasing Renewable Energy Certificates (RECs) and Green Premium energy.

Metrics

Shinhan Card monitors and reports greenhouse gas (GHG) emissions using Scope 1, Scope 2, and Scope 3 (financed emissions) as its key management indicators. In 2024, the location-based internal carbon emissions (Scope 1 and Scope 2) amounted to 12,145 tCO_2eq, while the market-based internal carbon emissions, reflecting REC and Green Premium purchases, totaled 6,752 tCO_2eq. Financed emissions (Scope 3) were 687,876 tCO_2eq, representing an increase of 56,167 tCO_2eq compared to the previous year.

Our Mid-Term Financial Emissions Reduction Goal



Energy Consumption[1]

(Unit: GJ)

Classification			2022	2023	2024
Fossil Fuels	City Gas (LNG)		19,228.3	18,311.0	17,780.5
	Gas/Diesel (Generator)		13.6	13.6	13.6
	Vehicles	Gasoline	7,225.4	6,877.9	9,892.6
		Diesel	14.8	28.0	29.5
Electricity	Purchased Electricity[3]		145,338.0	216,584.5	219,621.2
	EV Charging		7.4	8.5	6.3
	Renewable Energy	REC Purchase	0.0	-19,565.2	-19,565.2
		Green Premium Purchase	0.0	-78,931.2	-93,129.6
Energy Consumption (Total)			171,827.0	143,327.0	134,648.0

GHG Emissions

(Unit: tCO_2eq)

Classification			2022	2023	2024
Internal Emissions[1]	Location-based	Scope 1	1,463.6	1,394.6	1,585.5
		Scope 2	6,955.5	10,365.1	10,560.2
		Scope 1+2 (Total)	8,419.0	11,759.0	12,145.0
	Market-based	Scope 1	1,463.6	1,394.6	1,585.5
		Scope 2	6,955.5	5,651.5	5,167.2
		Scope 1+2 (Total)	8,419.0	7,046.0	6,752.0
Financed Emissions[2]	7 Assets		697,975	631,709	687,876
	Scope 3 (Total)		697,975	631,709	687,876

1) GHG inventory was third-party verified in April 2025, resulting in partial data recalculation and adjustment

2) Emissions in 2022 were based on six asset classes; from 2023, reporting expanded to seven assets including government bonds (i.e., listed equity and corporate bonds, corporate loans and unlisted equity, project finance, commercial real estate, mortgages, auto loans, and government bonds)

3) From 2023, Shinhan Card's share of data center usage within SFG has been included



#3 PERFORMANCE HIGHLIGHTS

Public-Private Sector Efforts to Preserve Biodiversity

Forest Garden Project

Shinhan Card has partnered with the Korea Forest Service to form a forest garden in the Baekdudaegan National Arboretum for carbon neutrality and biodiversity.

Ex-Situ Conservation

To ensure the preservation of our target species, we investigated the flowering times and growing conditions of six key plants selected for ex-situ conservation – golden bellflower, anemone, mountain forsythia, Korean abelia, Korean necklace pod, and Paeonia japonica. We also conducted environmental surveys of their native habitats along the Baekdudaegan Conservation Trail, including Seoraksan, Taebaeksan, and Odaesan. In addition, seeds of four native species were stored in the national seed vault, and high-quality specimens were secured in collaboration with local farmers, growers, and arboretums. A stable supply system for native plants was established through institutional partnerships.

Forest Garden Pathways and Zoning

We developed a 2.25-kilometer forest trail and divided the 1,400-kilometer Baekdudaegan trail into nine zones for more systematic management. We have also established forest gardens in three zones – including the Jirisan, Taebaeksan, and Baekdusan zones – and planted 15,942 plants representing 26 native species. Currently, we are working on clearing areas to create forest paths and compacting the soil. Simultaneously, we are improving the environment for plant life by enhancing drainage and removing invasive species to prepare for heavy rains and landslides during the monsoon season.



2.25km

We developed a 2.25-kilometer forest trail and divided Baekdudaegan trail into nine zones for more systematic management.

	Date completed	Theme	Area
Jirisan Zone	Apr. 2024	Jirisan forest path with Korean fir and Korean winter hazel colonies	625㎡
Taebaeksan Zone	June 2024	Sobaeksan path with Korean abelia and forsythia colonies	300㎡
Baekdusan Zone	Nov. 2024	A forest path that extends beyond the Baekdusan Garden, a space that showcases Baekdu Mountain's unique "vertical ecosystem."	1,172㎡

Save Our Planet Campaign

At Shinhan Card, we are committed to a range of ESG initiatives aimed at creating positive financial impacts for our customers. In 2024, we partnered with the World Wide Fund for Nature (WWF) on the "Save Together" campaign through our "Areumin" donation service. This initiative introduced our ESG efforts, encouraged donations, and raised public awareness about biodiversity and environmental pollution. Moving forward, we will continue to highlight the importance of biodiversity and the ecosystem for a sustainable planet by providing information and a 1:1 matching sponsorship for Shinhan Card Areumin customers.

2024 Campaign Themes

1 Apr: Honeybee Habitat Conservation
2 May: Forest Conservation







3 Jun: Panda Conservation
4 Jul: Addressing the Climate Crisis
5 Aug: Ocean Protection

6 Sep: Coral Reef Protection
7 Oct: Asian Elephant Conservation
8 Nov: Reducing Plastics in Nature







9 Dec: North Polar Bear Conservation

► Source: © WWF

ECO-FRIENDLY MANAGEMENT

ECO-FRIENDLY MANAGEMENT SYSTEM

Eco-Friendly Management System

Shinhan Card has obtained certification for its environmental management system (ISO 14001), demonstrating our commitment to green management according to international standards. We initially received this certification in June 2019, and have consistently completed the required training and audits to maintain it.

Environmental Management Principles

- At Shinhan Card, we are committed to protecting the environment through individual efforts to minimize our environmental impact and conserve energy as part of our environmental management practices.
- We uphold our responsibility as a sustainable business by adhering to international environmental standards, domestic laws, and stakeholder expectations, and by transparently disclosing our commitments.
- We establish environmental goals and strategies, and regularly evaluate our performance to ensure continuous improvement.
- We provide the necessary resources for environmental management and maintain a systematic management system to enhance our performance.
- When purchasing products and services, and when constructing or expanding facilities, we prioritize environmental certifications and energy efficiency.
- We engage our subcontractors by promoting our environmental principles and strategies, and we encourage their participation in environmental management through capacity-building programs.
- We contribute to reducing environmental impacts and saving energy for our customers and local communities through environmentally aware financial support.

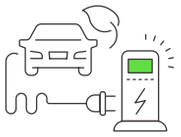
ECO-FRIENDLY WORKPLACE

EV Charging Stations

To meet our carbon-emissions reduction targets, we have expanded our electric vehicle (EV) charging facilities in accordance with the Eco-friendly Vehicle Act, thereby supporting the wider adoption of low-emission vehicles. In July 2024, we installed nine additional 7kW slow chargers at our headquarters, bringing the total charging capacity to 2% of the building's parking spaces. We also provide clear instructions for easy use by both customers and employees and conduct regular maintenance to ensure safe and reliable service.

EV Charging Stations

Fast 3 / Slow 9 / Total No. of Parking Spaces 604





ECO-FRIENDLY MANAGEMENT

Upcycling of Discarded Cards and Banners

We are running an upcycling project that breathes new life into discarded card plates and banners. We have repurposed old credit cards, made from non-renewable composite plastic, into luggage tags featuring the design of Shinhan Card's "Shinhan SOL Travel Debit" travel card. Discarded banners from Shinhan Card's Cham Shinhan Hangeul Board have been transformed into a "lifestyle goods" series, including around ten everyday items like mats, shopping bags, camping chairs, and cooler pouches. We plan to continue offering a variety of upcycled goods, such as these luggage tags and gift items, for card issuance and event participation.

Digital Name Cards

Shinhan Card offers a credit card-style digital business card that can be shared via NFC. These digital cards are easily exchanged using mobile phones anytime, anywhere, and can be updated as needed. In line with the latest digital trends, they also help reduce carbon emissions by minimizing the use of paper business cards. Unlike traditional paper cards, our digital version allows users to create a personal profile to share professional details such as self-introductions and project experience. When ordering paper cards, employees also have the option to opt out of receiving a card case, thereby helping to further reduce unnecessary waste.



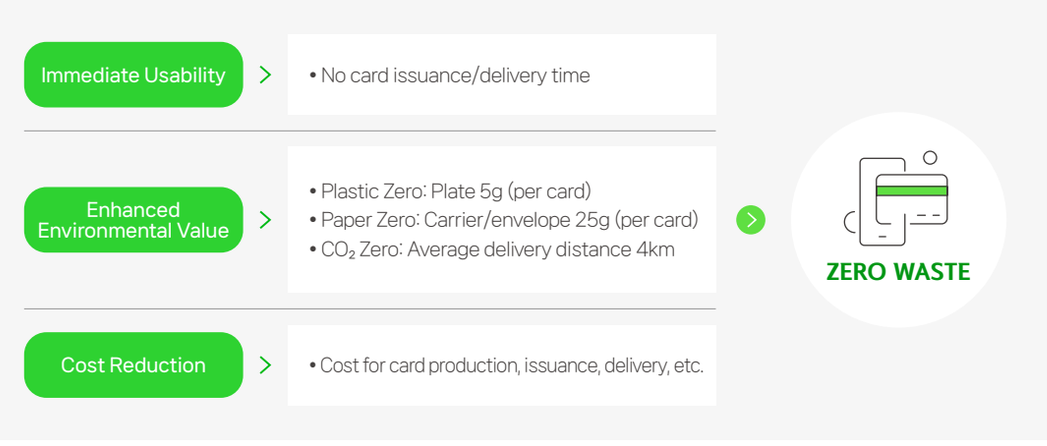
We actively promote our digital business card app each year from December to February – a time of high demand due to appointments and promotions – which significantly reduces paper waste. Employees who do not request new cases often reuse their existing ones, and our general affairs team collects and recycles any unused cases.

Upgrading Eco-friendly Work and System

Promoting Non-Plate Cards

Since December 2023, Shinhan Card has implemented and operated a "Non-Plate Card Issuance Process." A non-plate card is a mobile app-based card that does not involve a physical plastic card. It can be registered and used immediately via Shinhan SOL Pay, without waiting for card production or delivery. For general customers, an application message for non-plate issuance is sent only to those who have used a simple payment method within the past six months. For employees, the process has been improved so that an application message is automatically sent when they apply for a card eligible for non-plate issuance. Shinhan Card aims to promote the adoption of non-plate cards to continuously reduce the environmental impact caused by the production and delivery of plastic cards.

Expected Benefits of Non-Plate Cards



GREEN FINANCE

ESG INVESTMENT

ESG Investment Principles

Shinhan Card adheres to the ESG bond management framework that incorporates the four core components outlined by the International Capital Market Association (ICMA) under the Green Bond Principles (June 2018), Social Bond Principles (June 2018), and Sustainability Bond Guidelines (June 2018). These core components encompass the use of proceeds, the process for evaluating and selecting eligible projects, the management of funds, and reporting on investments. We ensure that funds are allocated appropriately to qualifying projects and maintain regular oversight of relevant information. Any unutilized funds are managed as highly liquid and stable financial instruments, in line with our internal fund management policies.

ESG Bond Framework K-Green Bond Framework



ESG Bonds

Bonds		Supported Projects
Green Bonds	Energy efficiency	• Energy efficiency and reduced energy consumption projects
	Pollution prevention & control	• Environmental protection project and pollution prevention initiative
	Eco-friendly transportation	• Eco-friendly transportation adoption and infrastructure development - Electric, hydrogen, and hybrid vehicle/parts purchase support - Public transportation promotion
	Green buildings	• Green building projects for energy efficiency and pollution reduction:- - Certified green architecture - Green building construction, renovation, and repair
Social Bonds	Basic infrastructure	• Essential social infrastructure development for vulnerable individuals - Safety, disaster prevention, and aging facility improvements - Well-being and cultural infrastructure enhancement in underserved regions
	Basic services	• Provision and expansion of educational, financial, and cultural services for vulnerable individuals - Educational and financial service support - Improved access to welfare and cultural services in disadvantaged areas
	Affordable housing	• Affordable housing acquisition and leasing for vulnerable individuals
	Socio-economic development	• Financial support for small business owners, low-income SMEs, and early-stage startups

GREEN FINANCE

Overseas Social ABS

In March 2024, Shinhan Card issued overseas Social Asset-Backed Securities (ABS) totaling approximately USD 600 million (comprising USD 300 million and EUR 276 million, equivalent to approximately KRW 800 billion). This offshore ABS has a 3.5-year maturity and incorporates currency and interest-rate swaps to manage risks related to exchange rate and interest rate volatility. For this landmark issuance, the largest single ABS issuance to date in the credit card industry, we collaborated with IMG, a leading firm in ESG finance, and MUFG Bank, a leader in offshore ABS issuance. The proceeds were allocated to providing financial assistance to vulnerable populations, including individuals with low credit scores and low incomes.

Korean Green Bonds

In August 2024, Shinhan Card issued KRW 150 billion worth of Korean green bonds certified by the Ministry of Environment. The issuance included KRW 120 billion in 3-year bonds and KRW 30 billion in 5-year bonds. These funds are being used for installment loans for eco-friendly vehicles and related financial products.

Environmental Policy Funds

In May 2023, Shinhan Card signed an agreement to borrow up to KRW 190 billion in environmental policy funds through an interest-subsidized loan program under Shinhan Bank's Green Policy Finance Initiative. Based on this agreement, the company executed a loan of KRW 25.7 billion in 2023, followed by additional loans in 2024 totaling KRW 56 billion—KRW 38 billion in May, KRW 9.2 billion in July, and KRW 8.8 billion in November. All borrowed funds were fully utilized to support the purchase of eco-friendly vehicles through auto financing.

2024 ESG-Related Financing Performance

Category	Issue Date	Maturity	Amount Issued	Purpose
Overseas ABS (Social)	2024-03-28	3.5 years	USD 300 million + EUR 276 million	Social bonds to support inclusive and affordable finance
Subtotal	Approx. USD 600 million			
Environmental Policy Funds	2024-05-03	2.1 years	KRW 38 billion	Financing for eco-friendly vehicle purchases
	2024-07-08	1.9 years	KRW 9.2 billion	
	2024-11-08	1.6 years	KRW 8.8 billion	
Subtotal	KRW 56 billion			
K-Green Bonds (Green)	2024-08-08	3.0 years	KRW 120 billion	Green vehicle loans and green operating capital
	2024-08-08	5.0 years	KRW 30 billion	
Subtotal	KRW 150 billion			

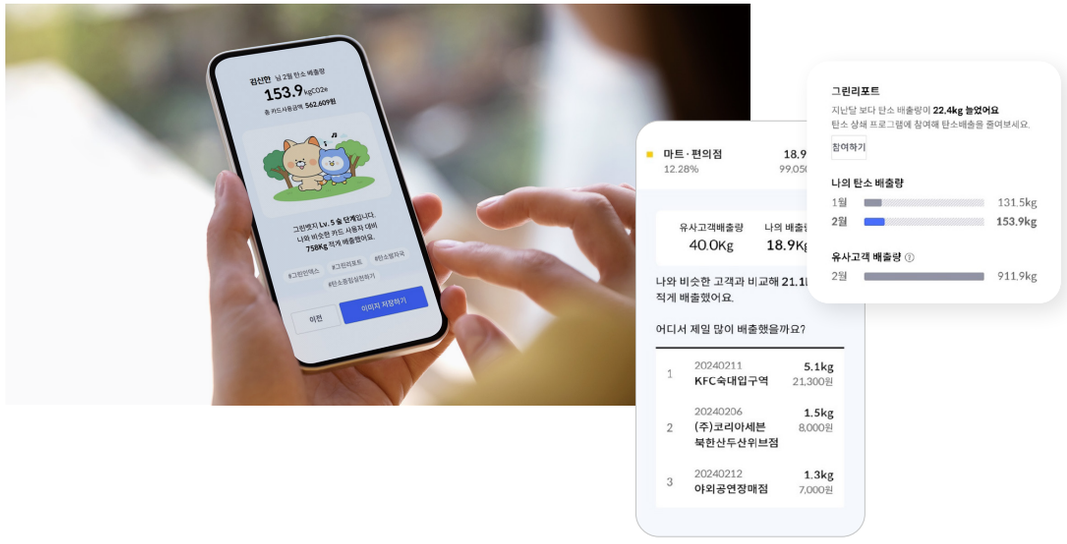
GREEN FINANCE

ESG FINANCE

Encouraging Carbon Emission Reduction at the Consumption Stage

Green Index 2.0 Upgrade

Through the Green Index service in the Shinhan SOL Pay app, we enable our customers to monitor their own carbon emissions, thus fostering greater awareness and participation in carbon neutrality. The first version of the Green Index displayed total spending and carbon emissions across eight categories. Building on this, the 2.0 update offers a deeper dive, revealing the top three merchants responsible for the most emissions, along with the corresponding spending and carbon figures. In addition, we encourage customers who see an increase in their monthly emissions to join our carbon-offset program as a way to reduce their impact on the environment. To recognize and promote eco-conscious behavior, we attach a "Green Badge" to the "Green Report," a monthly summary of card usage and carbon emissions reflecting their emission levels. This report can be saved as an image and shared on social media, making it easier for consumers to connect with and enjoy environment-friendly activities.



ESG Finance

ESG-Linked Credit Examination

Shinhan Card has strengthened its screening and benefits system by incorporating ESG ratings into credit limit examinations. Our corporate card issuance process now considers both credit scores and ESG ratings. In addition, we established a credit limit examination guideline to enhance fairness and consistency in the review process while improving overall operational efficiency. By increasing the credit limit acceptance rate for corporations with strong credit and ESG ratings, the company boosted customer satisfaction and generated additional business revenue.

Promoting Electric Vehicle Adoption and Sales

Shinhan Card runs a financial support program aimed at promoting EV adoption and green mobility. We have reduced the interest rate for purchasing a Volvo EV by 0.1% compared to internal combustion vehicles, offering a benefit to potential Volvo EV buyers. Additionally, customers who purchase an EV through us receive a welcome kit with various useful items for drivers, thereby enhancing their initial experience and overall satisfaction.

Financial Support for Rental Factoring

Since 2023, Shinhan Card has been offering factoring financing for customers renting kitchen composters and electric bikes. In 2024 alone, we received over 1,200 applications, totaling KRW 2.2 billion in financing and contributing to the growth of green finance. We remain committed to providing diverse financial support for a sustainable, low-carbon economy.

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APPENDIX

MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT: AN OVERVIEW

Shinhan Card conducts a double materiality assessment annually to identify the sustainability topics that are most significant in terms of both impact and financial materiality, as well as to understand the expectations of stakeholders regarding sustainability. In 2024, the company carried out surveys with both internal and external experts to evaluate the impacts, risks, and opportunities associated with key topics relevant to Shinhan Card. Based on the results of these assessments, five topics were identified as material and the related content has been included in this report.

Materiality Assessment Process

STEP 1
Identifying Sustainability Topics

- An issue pool derived through internal and external environmental analyses
  - Review of issues identified in the previous year
  - Analyses of media coverage and peer company practices
  - Review of ESG disclosure standards, guidelines, and assessment indicators
  - Stakeholder engagement

STEP 2
Analyzing Impact, Risks, and Opportunities

- In-depth review of each sustainability topic using the IRO analysis
  - Analysis of Shinhan Card's core business areas in relation to issue pool topics
  - Evaluation of the mutual impact between business activities and sustainability topics

STEP 3
Prioritization

- Materiality assessment of each sustainability topic
  - Formation of an assessment team, including internal and external sustainability experts
  - Scoring of each topic based on double materiality, on a scale of 0 to 5

STEP 4
Validation and Selection of Reporting Topics

- Validation of material topics selected through the prioritization process
  - Review of topic relevance and appropriateness by relevant departments and advisory committees
  - Final review and approval of material topics by senior management and the BOD

Materiality Assessment Process

Shinhan Card selected its material topics through a four-step process: Identifying Sustainability Topics – Analyzing Impact, Risks, and Opportunities – Prioritization – Validation and Selection of Reporting Topics. This process involved both internal and external stakeholders to gather and address their concerns.

❶ Identifying Sustainability Topics

We reviewed media coverage of Shinhan Card as well as key topics related to peer companies, both domestically and internationally. We then mapped these according to global sustainability standards (GRI, SASB, IFRS S1 & S2, ESRS, TCFD) and ESG rating indicators (MSCI, KCGS) to develop a pool of sustainability issues. Shinhan Card selected 12 topics most relevant to its business and conducted preliminary research and a literature review to support the Impact, Risk & Opportunity (IRO) analysis.

❷ Analyzing Impact, Risks, and Opportunities

We analyzed our core business activities, their outcomes, and impact using our prior year's ESG performance report, website, internal data, and media coverage of sustainability topics. For the impact materiality analysis, we identified positive and negative impacts, actual and potential impacts, and the key stakeholders affected. For the financial materiality analysis, we categorized risks and opportunities by risk type and assessed their potential positive or negative financial impacts.

MATERIALITY ASSESSMENT

❸ Prioritization

To assess the impacts, risks, and opportunities of each material topic, Shinhan Card conducted a Focus Group Interview (FGI) involving five external experts—including a lawyer, a labor attorney, and a climate change specialist—and internal representatives from 17 departments such as HR, information security, compliance, and customer marketing. Impact materiality was evaluated based on the scale, scope, and remediability of each topic's effects on the economy, society, and environment. Financial materiality was assessed based on the likelihood of occurrence, financial magnitude, and time horizon of each topic's impact.

Six Considerations for Prioritization

Impact Materiality	
① Scale	How severe is the positive or negative impact of the topic on the economy, society or environment?
② Scope	How widespread is the topic's impact on people or the economy?
③ Remediability	If a negative impact occurs, how feasible is it to reverse or compensate for the harm?

Financial Materiality	
④ Likelihood	How likely is the topic-related issue or event to occur?
⑤ Magnitude	How large is the potential financial impact on the company's performance, access to capital, or cash flow?
⑥ Time Horizon	Over what duration could the topic affect the company's financials, such as cash flow or capital access?

❹ Validation and Selection of Reporting Topics

Through the prioritization process, five out of the twelve topics with high double materiality were selected as material topics. The selected topics were finalized through review by relevant departments and management, followed by approval from the BOD.

Topic-Level Materiality

		Topics	Impact Materiality	Financial Materiality	Material Topics
Tier 1	E	Climate action	◕ Significant	◕ Significant	V
	S	Digital finance and technological innovation	◑ Important	◑ Important	V
	G	Financial consumer protection	◑ Important	◔ Informative	V
	G	Customer privacy and data security	◑ Important	◔ Informative	V
	G	Robust governance	◔ Informative	◑ Important	V
Tier 2	G	Ethical and legal compliance	◔ Informative	◔ Informative	
	S	Customer satisfaction	◔ Informative	◔ Informative	
	E	Green financial products and services	◔ Informative	◔ Informative	
	S	Respect for human rights and diversity	◔ Informative	◔ Informative	
	S	Human resources management and development	◔ Informative	◔ Informative	
Tier 3	S	Inclusive and mutual growth finance	○ Minimal	◔ Informative	
	S	Community engagement and development	○ Minimal	◔ Informative	

* Impact Level Legend:

● Critical: Severe Impact ◕ Significant: Major Impact ◑ Important: Moderate Impact
◔ Informative: Meaningful but Limited Impact ○ Minimal: Marginal Impact

MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT RESULTS

Following a thorough materiality assessment, we have identified five key material topics for this year: climate action; digital finance and technological innovation; financial consumer protection; customer privacy and data security; and robust governance. We have monitored the potential risks and opportunities associated with these topics and detailed our strategy, actions, progress, and future plans in our 2024 Sustainability Report.

Potential Risks and Opportunities Related to Material Topics

Material Topics	Business Environment and Key Activities		Potential Risks and Opportunities	Page
Climate Action	• Cutting emissions from our investments (in seven assets including corporate bonds, loans, private equity, mortgages, etc.) • Reducing our operational emissions (buildings we own, green vehicles, going paperless)	Risks	• Increase in recovery costs due to damage to company assets and facilities caused by extreme weather events • Climate change leading to stranded assets and lower company asset values	65~68
		Opportunities	• Lower operating costs thanks to reduced energy expenses • Reviewing climate change risks to reduce the chance of stranded assets	
Digital Finance and Technological Innovation	• Setting up a system to boost digital finance innovation by creating a "Platform Innovation Group" • Spearheading artificial intelligence transformation (AX) that goes beyond just digital transformation (DX) (including AI consulting, big data products, AI-powered fraud detection system, and marketing support for social enterprises, etc.)	Risks	• Inconvenience for digitally excluded individuals due to reduced access to offline financial services • System failures and accidents in digital financial services	42~44
		Opportunities	• Enhanced customer convenience through digital transformation • Increased employee productivity through improved customer response and work efficiency	
Financial Consumer Protection	• Strengthening consumer protection infrastructure, including the establishment of an Internal Control Part, development of related systems and policies, implementation of a compliance system aligned with laws and regulations, and data-driven monitoring • Employee training (including customer service skills) and promoting a culture of consumer protection through self-assessments and internal initiatives	Risks	• Loss of consumer trust resulting from misselling, customer attrition, and heightened legal risks • Missed opportunities for product and service improvements due to underutilized customer feedback	31~34
		Opportunities	• Strengthening consumer protection systems and policies to enhance transparency and boost corporate reputation • Improving financial literacy to reduce consumer risk and build greater trust	
Customer Privacy and Data Security	• Enhancing the Fraud Detection System (FDS) to prevent online financial fraud and misuse • Promoting voice phishing prevention initiatives, including family protection services • Strengthening information security through monitoring, internal controls on data transfers, and unannounced on-site inspections of employees and contractors	Risks	• Harm to customers and damage to corporate reputation caused by fraudulent payments • Disrupted customer service and financial losses resulting from cybersecurity incidents	35~38
		Opportunities	• Preventing a range of information security incidents, including data breaches from DDoS attacks and hacking • Protecting customer privacy, especially for vulnerable groups such as the elderly who are more susceptible to financial fraud	
Robust Governance	• Proactive implementation of a "responsibilities map" to strengthen internal controls • BOD composed of members with diverse expertise in areas such as administration, management, law, and digital finance	Risks	• Reduced effectiveness of management and oversight due to diminished independence of BOD	19~23
		Opportunities	• Enhanced risk prevention through clear definition of internal control roles and responsibilities, along with active implementation of control measures • Improved oversight and resolution of management issues through a BOD equipped with relevant experience and expertise	

STAKEHOLDER ENGAGEMENT

STAKEHOLDER COMMUNICATION

Shinhan Card engages with stakeholders through a variety of online and in-person channels to connect more proactively and listen to their feedback. We are also committed to building strong trust with all our stakeholders by understanding what matters most to them and responding effectively.

Stakeholder Communication Channels

	Employees (including labor unions)	Customers	Shareholders and Investors	Government & Regulators	Local Community
					
Areas of Interest	• Work-life balance • Employee capacity building • Horizontal organizational structure • Employee communication	• Better customer service • Customer-centric products and services • Listening to customers and encouraging customer engagement • Information and data protection • Protection of less-privileged customers	• Transparent information disclosure • Enhancing corporate value • Robust governance • Risk management	• Inclusive finance • Ethical management • Financial innovation	• Expanded CSR activities • Mutual growth with local communities
Communication Channels	• Communication programs • Regional headquarters & branch workshops • In-house clubs • Labor-management council • In-house broadcasting	• Customer panels • Short website survey "Shinhan Poll" • Website/social media channels • Chatbot 2.0 • Customer satisfaction surveys	• Website • IR activities • Periodic reports • Disclosure	• Business websites • Periodic reports • Disclosure	• Arumin activities • Employee/customer volunteer groups • Website/social media
Actions	• Handling employee grievances and providing counseling services • Implementing work-life balance initiatives and employee protection programs • Hosting labor-management council meetings, in-house clubs, and events at both headquarters and worksites • Providing a variety of employee training and development programs	• Developing innovative and digital financial products and services • Conducting customer satisfaction surveys and managing customer panels • Engaging stakeholders via YouTube and official social media channels • Supporting small businesses and participating in public initiatives • Offering financial education and improving processes for financially vulnerable individuals	• Holding general meeting of shareholders and BOD meetings • Publication of Regular Disclosures and the Annual Governance and Compensation Report • Conducting proactive risk inspections and implementing corrective actions • Managing risks by category for more effective oversight	• Operating ethics reporting channels for stakeholder concerns • Strengthening internal controls and maintaining clear separation of duties	• Providing employee volunteer programs and managing CSR and donation platforms • Developing and implementing corporate social responsibility programs • Providing financial education for children, youth, and vulnerable persons in society • Promoting initiatives focused on protecting and supporting future generations

ESG Data

ECONOMY

Summary Consolidated Statement of Financial Position

Category	Unit	2022	2023	2024
Cash and due from banks	KRW million	664,928	587,523	864,692
Financial assets at fair value through profit or loss	KRW million	389,326	951,025	606,717
Derivative assets	KRW million	196,596	147,727	670,186
Credit card receivables at amortized cost and others	KRW million	36,831,167	36,740,727	37,267,649
Lease assets	KRW million	1,944,650	2,082,762	2,133,859
Financial assets at fair value through other comprehensive income	KRW million	375,471	393,979	378,530
Property and equipment	KRW million	646,555	638,694	645,716
Investments in associates	KRW million	88,692	92,456	101,903
Other assets	KRW million	1,912,936	1,785,270	1,467,842
Total assets	KRW million	43,050,321	43,420,162	44,137,094
Derivative liabilities	KRW million	21,346	18,978	6,100
Borrowings	KRW million	9,136,178	7,962,662	6,550,378
Debentures	KRW million	21,502,816	21,650,752	24,409,874
Other Liabilities	KRW million	4,931,227	5,732,784[2]	4,893,846
Total liabilities	KRW million	35,591,567	35,365,175	35,860,198
Equity attributable to owner of the Company	KRW million	7,451,190	8,046,290[2]	8,253,755
Common stock	KRW million	626,847	626,847	626,847
Capital surplus	KRW million	860,729	860,729	860,729
Capital adjustments	KRW million	-1,550	-1,548	-2,354
Accumulated other comprehensive loss	KRW million	-17,253	-55,952	-79,023
Retained earnings	KRW million	5,582,516	5,916,393	6,147,734
Non-controlling interests	KRW million	7,564	8,696	23,141
Total equity	KRW million	7,458,754	8,054,987	8,276,896
Number of consolidated entities[1]	Number	15	12	14

1) The figure represents the number of consolidated subsidiaries, excluding Shinhan Card headquarters
2) Revised due to data entry error

Summary Consolidated Statement of Comprehensive Income

Category	Unit	2022	2023	2024
Operating Revenue	KRW million	4,761,181	5,378,612	6,173,106
Operating Expenses	KRW million	3,996,140	4,575,783	5,415,665
Operating income	KRW million	765,041	802,827	757,441
Non-operating income (expense)	KRW million	64,575	3,204	12,081
Share of gain (loss) of associates	KRW million	7,115	-2,831	-4,053
Profit before income tax	KRW million	836,731	803,201	765,469
Profit for the year	KRW million	644,555	621,908	575,261
Profit (loss), attributable to owner of the company	KRW million	641,368	620,582	572,147
Profit (loss), attributable to non-controlling interests	KRW million	3,187	1,326	3,114
Total comprehensive income for the period	KRW million	671,113	583,014	553,274
Comprehensive income attributable to owner of the company	KRW million	666,304	581,882	550,576
Comprehensive income attributable to non-controlling interests	KRW million	4,809	1,132	2,698
Basic and diluted earnings per share	KRW	5,015	4,710	4,309
Number of consolidated entities[1]	Number	15	12	14

1) The figure represents the number of consolidated subsidiaries, excluding Shinhan Card headquarters

Credit Rating

Category	Unit	2022	2023	2024
Moody's	Grade	A2(Stable)	A2(Stable)	A2(Stable)
S&P	Grade	A-(Stable)	A-(Stable)	A-(Stable)
Korea Investors Service	Grade	AA+(Stable)	AA+(Stable)	AA+(Stable)
Korea Ratings	Grade	AA+(Stable)	AA+(Stable)	AA+(Stable)
NICE Investors Service	Grade	AA+(Stable)	AA+(Stable)	AA+(Stable)

ESG Data

No. of Credit & Debit Cardholders

Classification	Unit	2022	2023	2024
No. of members	Million persons	20.9[1]	20.7	20.6
No. of users (1 month)	Million persons	11	11.1	10.9

1) Revised based on IR report data

No. of Debit Card Members

Classification	Unit	2022	2023	2024
Total number of debit card users	Million persons	14.2	14	14
Debit card only	Million persons	7.7	7.6	7.7

Transaction Amount (Separate Criteria Excluding Overseas Subsidiaries)

Classification	Unit	2022	2023	2024
YoY	%	6.4	2.7	3.9
Others	KRW trillion	7	7	7
Long-term card loans	KRW trillion	10	9	9
Short-term card loans	KRW trillion	14	13	13
Credit sales (full payment/installment)	KRW trillion	182	190	199
Debit	KRW trillion	30	29	31

Size of Operating Assets (Separate Basis Excluding Overseas Subsidiaries)

Classification	Unit	2022	2023	2024
Others (installment loans, etc.)	KRW billion	11,279	11,621	11,624
Long-term card loans	KRW billion	7,939	8,126	8,420
Short-term card loans	KRW billion	1,794	1,510	1,569
Credit sales	KRW billion	18,424	18,132	18,587

SUSTAINABLE FINANCE

Green-Related Card Transaction Amount

Classification	Unit	2022	2023	2024
EV	KRW 100 million	3,100.5	3,631.1	4,559.2
Deep ECO	KRW 100 million	1,635.3	2,551.8	1,866.9

Sustainable Finance

Classification	Unit	2022	2023	2024
Social bond (new)	KRW billion	478	319.5	803.7
Green bond (new)	KRW billion	110	0	150
Loans for low-income individuals (new)	KRW billion	2,595	2,675.7	2,285.8
Loans for low-income individuals (balance)	KRW billion	2,180	2,568.2	2,345.5
Startup equity investment (balance)	KRW billion	7.6	6.7	6.9
Green loan (new)	KRW billion	17.3	31.3	42.0
Green loan (balance)	KRW billion	29.6	33.2	21.7

Results of Digital Innovation

Classification	Unit	2022	2023	2024
Shinhan SOL Pay members (cumulative)[1]	10,000 persons	1,544	1,687	1,805
Shinhan SOL Pay MAU[2]	10,000 persons	804	903	893
Shinhan SOL Pay transactions[3]	KRW trillion	20.9	27.7	28.5
Digital transaction coverage (payment)[4]	%	26.3	27.7	29.4
Digital transaction coverage (finance)[5]	%	64.4	67.5	70.7

1) The total number of Shinhan SOL Pay members accumulated as of the end of the year
2) The number of members who have visited Shinhan SOL Pay at least once in December of the current year
3) The total amount of payments and transactions that have been made through Shinhan SOL Pay during the period
4) The amount of money handled through digital transactions (payment)
5) The amount of money handled through digital transactions (finance)

ESG Data

ENVIRONMENT

Energy Consumption [1]

Classification			Unit	2022	2023	2024
Fossil fuels	City Gas (LNG)		GJ	19,228.3	18,311.0	17,780.5
	Gas/Diesel (Generator)		GJ	13.6	13.6	13.6
	Vehicles	Gasoline	GJ	7,225.4	6,877.9	9,892.6
		Diesel	GJ	14.8	28.0	29.5
Electricity	Purchased electricity [3]		GJ	145,338.0	216,584.5	219,621.2
	EV charging		GJ	7.4	8.5	6.3
	Renewable energy	REC purchase	GJ	0.0	-19,565.2	-19,565.2
		Green premium purchase	GJ	0.0	-78,931.2	-93,129.6
Energy consumption (Total)			GJ	171,827.0	143,327.0	134,648.0

GHG Emissions

Classification			Unit	2022	2023	2024
Internal emissions [1]	Location-based	Scope 1	tCO_2eq	1,463.6	1,394.6	1,585.5
		Scope 2	tCO_2eq	6,955.5	10,365.1	10,560.2
		Scope 1+2 (Total)	tCO_2eq	8,419.0	11,759.0	12,145.0
	Market-based	Scope 1	tCO_2eq	1,463.6	1,394.6	1,585.5
		Scope 2	tCO_2eq	6,955.5	5,651.5	5,167.2
		Scope 1+2 (Total)	tCO_2eq	8,419.0	7,046.0	6,752.0
Financed emissions [2]	7 Assets		tCO_2eq	697,975	631,709	687,876
	Scope 3 (Total)		tCO_2eq	697,975	631,709	687,876

Renewable Energy Generation

Classification	Unit	2022	2023	2024
Solar power generation [4]	MWh	25	24	24

1) GHG inventory was third-party verified in April 2025, resulting in partial data recalculation and adjustment
2) Emissions in 2022 were based on six asset classes; from 2023, reporting expanded to seven assets including government bonds (i.e., listed equity and corporate bonds, corporate loans and unlisted equity, project finance, commercial real estate, mortgages, auto loans, and government bonds)
3) From 2023, Shinhan Card's share of data center usage within SFG has been included
4) Solar panels installed on the headquarters rooftop

Paper Usage

Classification	Unit	2022	2023	2024
Paper consumption	ton	51.30	47.89	38.12

Water Consumption

Classification	Unit	2022	2023	2024
Water	m^3	46,511	47,210	46,460
Sewerage	m^3	6,102	5,558	4,749

Waste Discharge

Classification		Unit	2022	2023	2024
General waste	Incinerated [1]	ton	52.5	52.5	52.5
Recyclable waste	Paper	ton	42.4	57.1	57.0
	Waste	ton	42	42	42
	Glass	ton	11.6	10.78	11.23
	Can	ton	0.24	0.51	0.57
	Plastic	ton	15.1	26.7	28.03

1) Waste incineration without energy recovery

Environment Management in General

Classification		Unit	2022	2023	2024
No. of reviews of performance in environmental management by BOD		Number	3	3	3
No. of environmental education given to employees		Number	7	19	10
Investment in environment	Eco-friendly IT products	KRW million	2,811.70	551.55	1,390.64
	Renovation of aging facilities	KRW million	34.84	72.82	126.29

ESG Data

SOCIETY

Employees [1]

Employees at a Glance

Classification		Unit	2022	2023	2024
Contract type [2]	Temporary (female)	Person	79	79	60
	Temporary (male)	Person	131	131	91
	Regular (female)	Person	1,050	1,075	1,095
	Regular (male)	Person	1,333	1,343	1,348
	Workers not employed [2]	Person	2,221	2,207	2,012
Position	Executive (female)	Person	4	4	4
	Executive (male)	Person	30	28	24
	Department head (female)	Person	12	12	15
	Department head (male)	Person	123	126	146
	Regular manager~assistant department head (female)	Person	566	640	700
	Temporary manager~assistant department head (female)	Person	0	0	0
	Regular manager~assistant department head (male)	Person	994	999	990
	Temporary manager~assistant department head (male)	Person	0	0	0
	Regular, below manager (female)	Person	472	423	381
	Temporary, below manager (female)	Person	75	75	56
	Regular, below manager (male)	Person	216	218	211
	Temporary, below manager (male)	Person	101	103	67
Type of work	Full-time	Person	2,540	2,569	2,592
	Part-time	Person	53	59	2
Region	Domestic	Person	2,585	2,618	2,583
	Overseas	Person	8	10	11

1) The criteria for calculating the number of employees are reported based on the number of employees (headcount) rather than the full-time equivalent (FTE) standard

2) Shinhan Card's business activities involve contracted personnel, including contractors, call center staff, and card recruiters, in addition to regular employees

Recruitment and Turnover

Classification			Unit	2022	2023	2024
New hires	by age	Below 30s (female)	Person	31	25	20
		Below 30s (male)	Person	36	38	22
		30s~50 (female)	Person	30	43	20
		30s~50 (male)	Person	26	26	29
		50s and older (female)	Person	0	1	0
		50s and older (male)	Person	5	13	5
	by position	Executive	Person	0	0	0
		Department head	Person	0	0	0
		Manager~assistant department head	Person	9	8	4
		Below manager	Person	119	138	92
Retirement	by gender	Retirees (female)	Person	55	46	47
		Retirees (male)	Person	125	72	78
Leave [1]	by gender	Leavers (female)	Person	29	46	47
		Leavers (male)	Person	73	65	69
	by age	Below 30s	Person	10	24	13
		30s~50	Person	37	55	55
		50s and older	Person	55	32	48
	by position	Executive	Person	0	0	0
		Department head	Person	3	1	0
		Manager~assistant department head	Person	67	23	7
		Below manager	Person	32	88	109

1) Voluntary turnover only; no involuntary turnover occurred during the reporting period

ESG Data

Employee Salaries

Classification		Unit	2022	2023	2024
Average salary (by position and gender)	Executive (female)	KRW million	150	160	159
	Executive (male)	KRW million	172	167	168
	Department head (female)	KRW million	105	110	116
	Department head (male)	KRW million	113	113	117
	Manager~assistant department head (female)	KRW million	75	77	81
	Manager~assistant department head (male)	KRW million	85	87	90
	Below manager (female)	KRW million	52	54	57
	Below manager (male)	KRW million	46	47	55
CEO and executives	Total compensation for the highest-paid individual	KRW million	1,217	853	924
	Total compensation for all employees (median)	KRW million	126	123	129
	Annual total compensation ratio[1]	Times	9.7	2.8	7.2
	Percentage increase in annual total compensation for the highest-paid individual	%	12.1	-29.9	8.3
	Median percentage increase in annual total compensation for all employees	%	6.8	-2.5	4.9
	The change in the annual total compensation ratio[2]	Times	1.8	11.96	7.2
Retirement pension	Present value of DBO (defined benefit obligation)	KRW million	297,251	308,106	324,060
	Fair value of plan assets	KRW million	316,659	321,238	342,446

1) Annual total compensation ratio = (Total compensation for the highest-paid individual) / (Median total compensation for all employees)
2) The change in the annual total compensation ratio = (Change in annual total compensation) / (Median percentage increase)

Employee Diversity

Classification		Unit	2022	2023	2024
Age	Below 30s (female)	Person	74	62	79
	Below 30s (male)	Person	68	56	70
	30s~50 (female)	Person	923	869	862
	30s~50 (male)	Person	858	651	659
	50s and older (female)	Person	132	223	214
	50s and older (male)	Person	538	767	710
Duty	Sales department (female)	Person	534	525	518
	Sales department (male)	Person	616	613	581
	STEM department (female)	Person	122	122	135
	STEM department (male)	Person	285	278	294
Others	Military veterans (female)	Person	14	12	12
	Military veterans (male)	Person	32	31	31
	Persons with physical impairments (female)	Person	7	5	5
	Persons with physical impairments (male)	Person	20	18	17
	High school graduates without college degrees (female)	Person	179	182	170
	High school graduates without college degrees (male)	Person	160	148	143

Flextime

Classification	Unit	2022	2023	2024
Flextime (ratio)	%	78.3	82.1	82

Sick Leave

Classification	Unit	2022	2023	2024
No. of days absent due to sickness and medical leave	Day	10,849	3,565	1,287

ESG Data

Parental Leave

Classification		Unit	2022	2023	2024
Employees eligible for parental leave[1]	Female	Person	203	153	157
	Male	Person	269	228	242
Employees who took parental leave[1]	Female	Person	59	49	39
	Male	Person	15	15	17
No. of employees expected to return within the year after parental leave	Female	Person	49	39	30
	Male	Person	14	9	11
No. of employees returning within the year after parental leave	Female	Person	44	31	29
	Male	Person	12	9	11
No. of employees who returned from parental leave more than 12 months ago	Female	Person	33	38	34
	Male	Person	7	14	9

1) Data adjusted due to changes in the eligibility criteria for parental leave in 2024

Support for Physical Exam

Classification	Unit	2022	2023	2024
Participation in physical exam	%	99.6	99.8	99.8

Employee Satisfaction

Classification	Unit	2022	2023	2024
Department head	Point	94	93	92
Manager~assistant department head	Point	85	84	85
Below manager	Point	81	80	79
Participants in employee satisfaction survey	Person	1,932	2,024	2,059

Employee Training

Classification		Unit	2022	2023	2024
Training hours	Female	Hour	51,820	77,568	49,260
	Male	Hour	68,693	101,109	61,797
	Executive	Hour	1,115	1,811	1,031
	Department head	Hour	3,532	5,810	8,226
	Manager~ assistant department head	Hour	78,777	124,350	71,799
	Below manager	Hour	37,088	46,707	30,001
	Total training hours	Hour	120,513	178,677	111,057
	Average training hours per person	Hour	46.5	68.0	42.8
Cost for education	Female	KRW 1,000	818,230	1,209,754	1,258,982
	Male	KRW 1,000	1,084,631	1,576,916	1,579,405
	Executive	KRW 1,000	17,612	28,243	26,350
	Department head	KRW 1,000	55,772	90,614	210,239
	Manager~ assistant department head	KRW 1,000	1,243,868	1,939,372	1,835,034
	Below manager	KRW 1,000	585,609	728,441	766,764
	Total cost for education	KRW 1,000	1,902,861	2,786,670[1]	2,838,387

1) Revised due to data entry error

Union Membership & Collective Bargaining Agreements

Classification	Unit	2022	2023	2024
No. of employees covered by collective bargaining agreements	Person	2,536	2,561	2,527
Percentage of employees covered by collective bargaining agreements	%	100	100	100
No. of employees with the right to join the union	Person	2,343	2,383	2,328
No. of employees who have joined the union	Person	2,107	2,119	2,112

Occupational Hazards

Classification	Unit	2022	2023	2024
No. of occupational accidents occurred	Number	1	0	0
No. of days absent from occupational accidents	Day	0	0	0
On-duty hours	Hour	5,274,880	5,326,880	5,256,160

ESG Data

CUSTOMER

Customer Satisfaction Survey

Classification	Unit	2022	2023	2024
Customer satisfaction	Point	85.3	89.6	90.5

Training on Finance and Economy for Customers

Classification	Unit	2022	2023	2024
Training on finance and economy for customers	Person	18,562	17,278	19,650

Customer Complaints

Classification	Unit	2022	2023	2024
No. of complaints filed (including complaints related to human rights) [1]	Number	1,393	2,198	1,628
Total complaints handled (including complaints related to human rights) [1]	Number	1,393	2,198	1,628
No. of CS training sessions given to employees	Number	38	37	32
No. of employees who have received CS training (average)	Person	924	999	911

1) Revised based on complaint data disclosed by credit card companies evaluated by the Financial Supervisory Service

Customer Accessibility

Classification	Unit	2022	2023	2024
Amount spent using Shinhan SOL Pay's "Touch Pay"	KRW 100 million	6,896	8,335	9,824
No. of payments using Shinhan SOL Pay's "Touch Pay"	10,000 transactions	2,082	2,308	2,301

LOCAL COMMUNITY

CSR Activity

Classification	Unit	2022	2023	2024
Investment in CSR	KRW 100 million	186	169.8	165.3
Charitable donations	KRW 100 million	81.6	89.4	57.1
Community investment	KRW 100 million	26.6	9.63	40.2
Commercial initiatives	KRW 100 million	77.5	70.8	68
Employee volunteering hours	Hour	2,442	6,812	12,237

Donation Amount by Type

Classification	Unit	2022	2023	2024
Donation in cash	KRW million	18,365	16,615	15,868
Monetary value of employee volunteering hours during work hours	KRW million	160.29	355.6	644
Monetary value of in-kind donations	KRW million	13	0	0
Indirect costs	KRW million	22	11	18

ESG Data

GOVERNANCE

BOD Operation

Classification		Unit	2022	2023	2024
No. of agenda		Number	67	63	60
No. of BOD meetings held		Number	10	9	8
Attendance	Inside directors	%	100	100	100
	Outside directors	%	100	97.8	100
	Non-executive directors	%	90	100	87.5

BOD Training

Classification	Unit	2022	2023	2024
No. of training sessions on strategy/finance/ accounting/risk management/sustainable finance given to the BOD	Number	9	7	5

Ethics Management

Classification	Unit	2022	2023	2024
Competency-building training for compliance officers	Person	123	124	138
Ethics and compliance cyber education	Person	2,975	2,956	3,056
Ethics and compliance pledge	Person	2,975	2,956	3,056
Compliance self-diagnosis	Person	2,399	2,460	2,535

Training on Raising Awareness of Ethics and Human Rights

Classification	Unit	2022	2023	2024
Participants	Person	2,975	2,956	3,056
Hours of online training on raising awareness of ethics and human rights	Hour	11,034	14,294	12,224
Hours of human rights training	Hour	7,644	8,452	10,696
Training satisfaction scores	Point	4.3	4.7	4.78

Consulting on Ethics and Reporting Mechanism

Classification	Unit	2022	2023	2024
No. of inquiries related to ethics and compliance	Number	1,588	1,765	1,975
Responses to inquiries	%	100	100	100
No. of fraud reports	Number	0	0	0
Fraud reports handled (ratio)	%	0	0	0

Internal Whistleblowing Program

Classification	Unit	2022	2023	2024
Total cases reported	Number	0	2	3
No. of resolved cases related to discrimination and harassment	Number	0	0	0

Legal Action Against Unfair Trade Practices, Including Anti-Competitive Practices and Monopoly

Classification	Unit	2022	2023	2024
Legal actions taken against unfair trade practices	Number	0	0	0
Cash penalties for unfair trade practices	KRW	0	0	0

ESG Data

Marketing and Labeling

Classification	Unit	2022	2023	2024
No. of incidents in which the violation of legal regulations and voluntary regulations on product and service information and labeling occurred	Number	0	0	0

Violation of Customer Data Leakage

Classification	Unit	2022	2023	2024
No. of complaints about privacy violations	Number	0	0	0
No. of customers who have been affected by data breaches	Person	0	0	0
The amount of loss caused by customer data breaches	KRW	0	0	0
No. of complaints related to customer data protection filed	Number	0	0	0

Information Security Training

Classification	Unit	2022	2023	2024
Information security training given for employees	Hour	17,810	18,270	16,023
No. of employees who participated in information security protection training	Person	2,427	2,483	2,486
Information security training provided to business partners	Hour	13,326	15,649	14,821
No. of business partners who participated in information security training	Person	2,881	2,967	2,887

FDS (Fraud Detection System) Monitoring

Classification	Unit	2022	2023	2024
The amount of financial losses prevented by FDS monitoring during financial transactions	KRW 100 million	77.6	117.3	78.4
No. of people who avoided financial losses during financial transactions	Person	754	747	324

Investment in Information Security

Classification	Unit	2022	2023	2024
The ratio of IT budget allocated to information security	%	10.8	9.3	8.2

GRI Contents Index

- Statement of Use | Shinhan Card has reported its sustainability performance and data for the period from January 1 to December 31, 2024, in accordance with the GRI Standards
- GRI 1 used | GRI 1: Foundation 2021
- Applicable GRI Sector Standard(s) | N/A

GRI Standard	Disclosure		Location
GRI 2: General disclosures 2021			
The organization and its reporting practices	2-1	Organizational details	6~9
	2-2	Entities included in the organization's sustainability reporting	2
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	68, 80, 81, 82, 85, 86, 92
	2-5	External assurance	94~95
Activities and workers	2-6	Activities, value chain, and other business relationships	11~12
	2-7	Employees	83
	2-8	Workers who are not employees	83
Governance	2-9	Governance structure and composition	14, 19, 2024 Annual Governance and Compensation Report(p.112~113)
	2-10	Nomination and selection of the highest governance body	19, 2024 Annual Governance and Compensation Report(p.186~187)
	2-11	Chair of the highest governance body	19, 2024 Annual Governance and Compensation Report(p.23~24)
	2-12	Role of the highest governance body in overseeing the management of impacts	2024 Annual Governance and Compensation Report(p.182~186)
	2-13	Delegation of responsibility for managing impacts	14, 2024 Annual Governance and Compensation Report(p.182~183)
	2-14	Role of the highest governance body in sustainability reporting	2024 Annual Governance and Compensation Report(p.188~189)
	2-15	Conflicts of interest	2024 Annual Governance and Compensation Report(p.17)
	2-16	Communication of critical concerns	2024 Annual Governance and Compensation Report(p.188~189)
	2-17	Collective knowledge of the highest governance body	87
	2-18	Evaluation of the performance of the highest governance body	21
	2-19	Remuneration policies	2024 Annual Governance and Compensation Report(p.88~100)
	2-20	Process to determine remuneration	2024 Annual Governance and Compensation Report(p.198~204)
	2-21	Annual total compensation ratio	84
Strategy, policies and practices	2-22	Statement on sustainable development strategy	4
	2-23	Policy commitments	61, Shinhan Financial Group Human Rights Report(https://www.shinhangroup.com/main/downloadAttach?attachNo=f55947888ab14d9b99d16c51a7e11457&seq=1)
	2-24	Embedding policy commitments	61, Shinhan Financial Group Human Rights Report(https://www.shinhangroup.com/main/downloadAttach?attachNo=f55947888ab14d9b99d16c51a7e11457&seq=1)
	2-25	Processes to remediate negative impacts	61, Shinhan Financial Group Human Rights Report(https://www.shinhangroup.com/main/downloadAttach?attachNo=f55947888ab14d9b99d16c51a7e11457&seq=1)
	2-26	Mechanisms for seeking advice and raising concerns	Instructions for operation of internal self-report (https://www.shinhancard.com/pconts/company/html/management/cyber/insider_report.html)
	2-27	Compliance with laws and regulations	2024 Shinhan Card Business Report (p.417~418)
	2-28	Membership associations	96
Stakeholder engagement	2-29	Approach to stakeholder engagement	79
	2-30	Collective bargaining agreements	85

GRI Contents Index

GRI Standard	Disclosure		Location
GRI 3: Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	76~77
	3-2	List of material topics	77~78
Economy			
Digital Finance and Technological Innovation			
GRI 3: Material Topics 2021	3-3	Management of material topics	78
Organization-specific indicators	-	Shinhan SOL Pay members (cumulative)	81
	-	Shinhan SOL Pay MAU	81
	-	Shinhan SOL Pay transactions	81
	-	Digital transaction coverage (payment and finance)	81
Environmental			
Response to Climate Change			
GRI 3: Material Topics 2021	3-3	Management of material topics	78
GRI 305: Emissions 2016	305-1	Direct (scope 1) GHG emissions	82
	305-2	Energy indirect (scope 2) GHG emissions	82
ESG Products and Services			
GRI 3: Material Topics 2021	3-3	Management of material topics	72~74
Organization-specific indicators	-	Amount of social bond issued	81
	-	Amount of green bond issued	81
	-	Loans for low-income individuals	81
	-	Startup equity investment	81
	-	Green-related card transaction amount	81

GRI Contents Index

GRI Standard		Disclosure	Location
GRI 3: Material Topics			
Social			
Customer Information & Data Security			
GRI 3: Material Topics 2021	3-3	Management of material topics	78
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	88
Financial Consumer Protection			
GRI 3: Material Topics 2021	3-3	Management of material topics	78
Organization-specific indicators	-	The amount of financial losses prevented by FDS monitoring during financial transactions	80
	-	No. of people who avoided financial losses during financial transactions	80
Customer Satisfaction			
GRI 3: Material Topics 2021	3-3	Management of material topics	40~41
Organization-specific indicators	-	Results of customer satisfaction survey	86
	-	Customer complaints filed and handled	86
Financial Inclusiveness and Accessibility			
GRI 3: Material Topics 2021	3-3	Management of material topics	45~47
Organization-specific indicators	-	The amount spent using Shinhan SOL Pay's "Touch Pay"	86
	-	No. of payments using Shinhan SOL Pay's "Touch Pay"	86
	-	Training on finance and economy for customers	86
	-	Inclusive finance products and services	45~47
Human Resources Development and Training			
GRI 3: Material Topics 2021	3-3	Management of material topics	57~60
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	85

SASB/TCFD Index

SASB Index

Consumer Finance

Topic	Code	Metrics	Unit	2022	2023	2024
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Number	0	0	0
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	KRW million	0	0	0
Data Security	FN-CF-230a.1	Number of data breaches	Number	0	0	0
	FN-CF-230a.1	Percentage that are personal data breaches	%	0	0	0
	FN-CF-230a.1	Number of account holders affected	Person	0	0	0
	FN-CF-230a.2	Card-related fraud losses from card-not-present fraud and card-present and other fraud	KRW billion	1.98	0	0
Selling Practices	FN-CF-270a.4	Number of complaints filed with the Consumer Financial Protection Bureau [1]	Number	1,393	2,198	1,628
	FN-CF-270a.4	Percentage with monetary or non-monetary relief	%	100	100	100
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	KRW	0	0	0
Activity Metrics	FN-CF-000.A	Number of unique consumers with an active credit card account	1,000 Persons	13,140	13,047	12,873
	FN-CF-000.A	Number of unique consumers with an active pre-paid debit card account	1,000 Persons	14,180	14,019	14,008
	FN-CF-000.B	Number of credit card accounts	1,000 Accounts	17,678	17,443	17,190
	FN-CF-000.B	Number of pre-paid debit card accounts	1,000 Accounts	19,822	19,512	20,028

1) Revised based on complaint data disclosed by credit card companies evaluated by the Financial Supervisory Service

TCFD Index

Classification	Recommendations	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities	65
	b) Describe management's role in assessing and managing climate-related risks and opportunities	65
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	66
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	66
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	-
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	24~25, 67
	b) Describe the organization's processes for managing climate-related risks	24~25, 67
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	24~25, 67
Metrics & Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	68
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	68
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	68

Greenhouse Gas Verification Opinion

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Shinhan Card ("Company") to perform third party verification for the Greenhouse gas Inventory ("GHG Inventory") of the Company. The Company is responsible for the preparation of the GHG Inventory on the basis set out within 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard', 'IPCC Guidelines: 2006', National Greenhouse Gas Guidelines. The Company has full responsibility of the GHG Inventory. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG Inventory, and the scope of verification is as follows;

- Organizational Boundary: Shinhan Card domestic business sites 1
- Reporting Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period: 2024.01.01 ~ 2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Reasonable Level of assurance. DNV planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG Inventory is not materially correct and is not a fair representation of GHG data and information.

- DNV represents "Unmodified" opinion on Greenhouse Gas Emissions.

Shinhan Card Domestic Greenhouse Gas Emissions in 2024

(Unit: ton CO_2eq)

Division	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Total Emissions
Domestic (Location-Based)*	1,586	10,560	12,145
Domestic (Market-Based)**	1,586	5,167	6,752

※ In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1tCO_2eq.

* Location-based: Includes GHG emissions reported as Scope 2 by the Company under the domestic GHG emissions trading scheme, using electricity

** Market-based: Includes GHG emissions from Scope 2, reflecting the purchase of electricity generated through renewable energy (RECs and Green premiums) in 2024.

10th April 2025

Country Representative, Jang Sup Lee
DNV Business Assurance Korea Ltd.

1) As of 2024, business sites identified as HQ, branches, branch offices, customer centres and other

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

Third-Party Assurance Statement

LRQA Independent Assurance Statement

Relating to Shinhan Card Co., Ltd.'s Sustainability Report for the calendar year 2024

This Assurance Statement has been prepared for Shinhan Card Co., Ltd. in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

LRQA was commissioned by Shinhan Card Co., Ltd. (Shinhan Card abbreviated) to provide independent assurance on its 'Shinhan Card 2024 Sustainability Report' ("the report") against the assurance criteria below to a "moderate level of assurance and materiality of professional judgement" using "Accountability's AA1000AS v3", where the scope was a Type 2 engagement.

Our assurance engagement covered Shinhan Card's operations and activities in Korea and specifically the following requirements:

- Evaluating adherence to the AA1000 AccountAbility Principles[1] of Inclusivity, Materiality, Responsiveness and Impact
- Confirming that the report is in accordance with GRI Standards 2021[2]
- Evaluating the accuracy and reliability of data and information related to performance indicators on material topics listed in the GRI Content Index

Our assurance engagement excluded the data and information of Shinhan Card's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to Shinhan Card. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Shinhan Card'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 Card.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Shinhan Card has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as all errors or omissions identified during the assurance engagement were corrected
- Covered all the issues that are important to the stakeholders and readers of this report.

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

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

- Assessing Shinhan Card's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
- Reviewing Shinhan Card's process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by Shinhan Card and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether Shinhan Card makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing Shinhan Card's data management systems to confirm that there were no significant errors, omissions or mis-statements 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.
- Confirming that the reported direct (Scope 1) and energy indirect (Scope 2) GHG emissions were consistent with the results verified by another verification body.
- Reviewing additional evidence made available by Shinhan Card at its headquarters in Seoul.

[1] https://www.accountability.org [2] https://www.globalreporting.org

Third-Party Assurance Statement

Observations

Further observations and findings, made during the assurance engagement, are:

- Inclusivity

  We are not aware of any key stakeholder groups that have been excluded from Shinhan Card's stakeholder engagement process.

- Materiality

  We are not aware of any material issues concerning Shinhan Card's sustainability performance that have been excluded from the report. It should be noted that Shinhan Card has established extensive criteria for determining which issue/aspect is material and that these criteria are not biased to the company's management. Shinhan Card, in particular, has enhanced the validity of material issue decision-making by gathering and reflecting opinions from experts in various fields related to sustainability.

- Responsiveness

  Shinhan Card has processes in place to respond to its stakeholders especially consumers, employees, shareholders/investors, government and related agencies, and the local community.

- Impact

  Shinhan Card has established an AI-related code of ethics and maintains monitoring activities through a self-assessment checklist to manage the impacts associated with artificial intelligence. In the future, it is expected that specific outcomes related to these efforts will also be reported.

- Reliability

  Shinhan Card's data management system for the selected indicators are well defined.

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 Card and as such does not compromise our independence or impartiality.

Dated: 15 April 2025

Tae-Kyoung Kim

LRQA Lead Verifier
On behalf of LRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

LRQA reference: SEO00001245

AA1000 Licensed Report 000-11/V3-U54NV

LRQA

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Awards and Memberships

Major Awards in 2024

Organizer	Awards
The Institute for Industrial Policy Studies	'Korea Brand Hall of Fame' The 1st place in Credit Card and App card Categories
Korea Management Association Consultants	'Korea Brand Power Index' The 1st place in Credit Card, App Card, CSR Categories
Korea Management Association Consultants	'KOREA's Most Admired Company' The 1st place in Credit Card Category
The Institute for Industrial Policy Studies	'National Industry Awards' Grand Prize in the ESG-CSR Category
Korean Standards Association	'Korea Service Grand Prix' The Hall of Fame
The Institute for Industrial Policy Studies	'National Service Awards (NSA)' The 1st place in Small Business Support Platform and Rental Brokerage Platform Categories
Korea Management Association Consultants	'Korean Service Quality Index (KSQI)' Platinum Call Center, The 1st place in Credit Card Category
Korean Standards Association	'Korean Standard Premium Brand Index (KS-PBI)' The 1st place in Credit/Check Card, App Card, Car Installment Categories
Korean Standards Association	'Korean Standard Service Quality Index (KS-SQI)' The 1st place in Credit Card Category
Korea Productivity Center	'National Brand Competitiveness Index (NBCI)' The 1st place in Credit Card and App Card Categories
Korea Bigdata Society	'Korea Big Data AI Awards' Big Data AI Guru Grand Prize (Commendation from Minister of Science and ICT)
Korean Standards Association	'Korean Standard Contact Service Quality Index (KS-CQI)' The 1st place in Credit Card Category
Korean Standards Association	'Korean Sustainability Index (KSI)' The 1st place in Credit Card Category
Korea Management Association Consultants	'Korean Customer Satisfaction Index (KCSI)' The 1st place in Credit Card Category
iF	'iF Design Award 2024' Grand prize in Communication Category
Korea Management Association Consultants	'Korean Net Promoter Score (KNPS)' The 1st place in Credit Card Category
Financial Services Commission	'The 9th Finance Day' Commendation from the Financial Services Commission Chairperson in Inclusive Finance Category
Ministry of Health and Welfare	'Social Contribution Recognition Day' Commendation from the Minister of Health and Welfare

Memberships

- Korea Management Association Consultants
- Korean Standards Association
- Korea Society for Consumer Studies
- Korea Consumer Agency
- Fair Competition Federation
- Korea Chamber of Commerce and Industry
- Korea Mecenat Association
- The Credit Finance Association of Korea


Shinhan Card