

SFG Hope Foundation
2022 Corporate
Social Responsibility Report

HOPE. TOGETHER.

SFG



Shinhan
Financial Group
Hope Foundation

 **Shinhan Financial Group Hope Foundation**



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SFG Hope Foundation 2022 Corporate Social Responsibility Report

Overview

This SFG Hope Foundation 2022 Corporate Social Responsibility Report was created to disclose information on the SFG Hope Foundation’s main CSR activities and to measure and report the outcomes of social value creation activities.

Scope

This report covers the performance of the Foundation through the 'Hope Society Project' its main social commitment, from January 1, 2022 to December 31, 2022.

In addition, from among the Foundation’s ‘Hope Society Project’ programs, we identified the major status and outcomes and measured social value for programs that were carried out for more than a year.

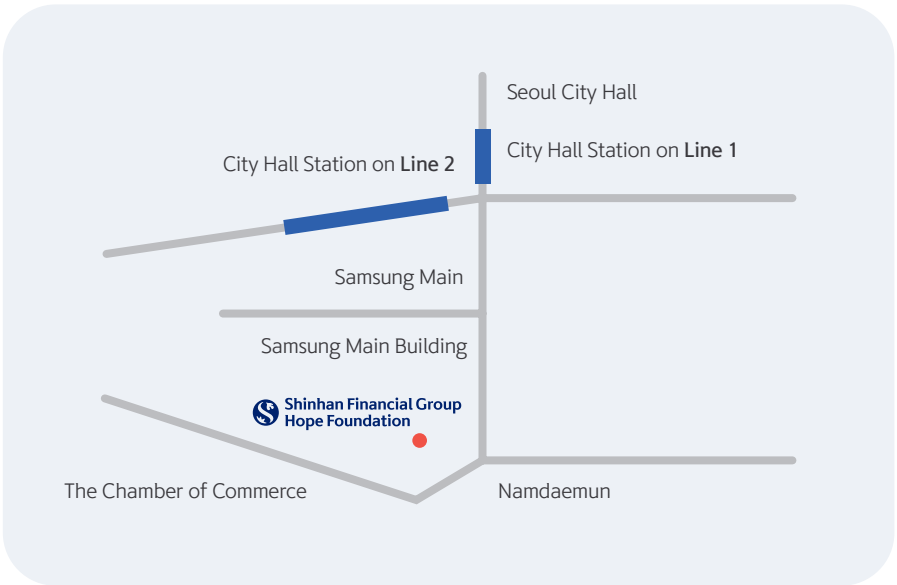
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Foreword

The SFG Hope Foundation is a leading, top-tier non-profit foundation in the financial industry that realizes sustainable development of the Group, the Foundation, and its CSR projects. It has been implementing a wide array of support programs to contribute to development of local communities and build a society of hope in which everyone shares and prospers, including support for the financially vulnerable, job support, local community development, culture and art support, and education.

Humankind faces substantial economic, environmental, and social challenges. In response, the UN adopted 17 Sustainable Development Goals (SDGs) that should be achieved by 2030. Governments all across the globe, including Korea, agreed to the goals. Amid this demand of the era, the Hope Society Project represents the SFG Hope Foundation's strong, sincere promise to actively take part in the execution of the SDGs for a society where nobody is left behind.

Through the report, we aim to continue with the SDGs and make 2023 more meaningful by reviewing the results and significance of the various support programs the SFG Hope Foundation put into action in 2022.

Hope.
Together.

01

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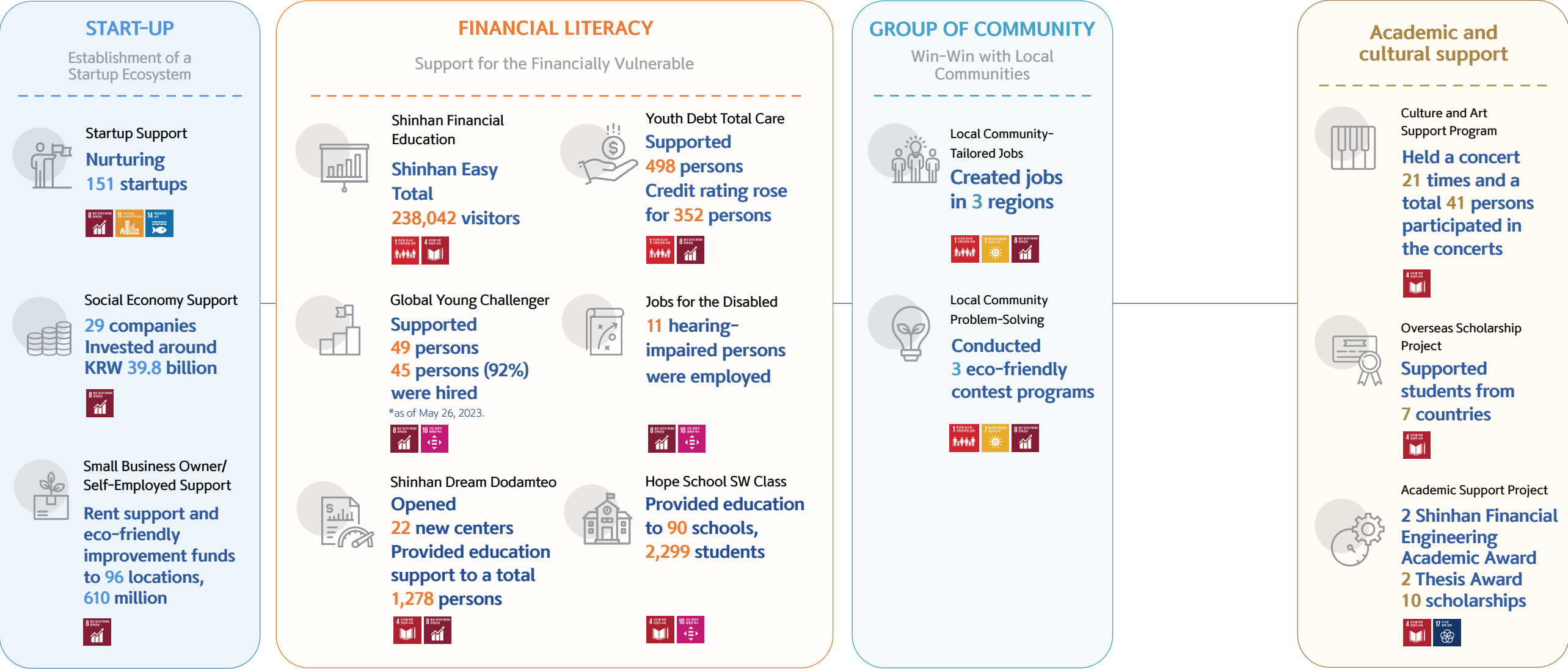
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1. Summary of Main Project Performance in 2022



In 2022,

Based on Shinhan Financial Group's CSR project, the 'Hope Society Project', we systematically carried out academic and cultural support programs as well as CSR programs aimed at establishing a startup ecosystem, supporting the financially vulnerable, and achieving win-win with local communities, under the slogan, 'Hope. Together. SFG.'

In 2023,

We will further expand our CSR activities during the 'Beyond Hope Society Project' period. Based on Shinhan Financial Group's ESG slogan, 'Do the Right Thing for a Wonderful World', we will do our best to deliver bright hope to society by continually practicing ESG.

Greetings from the Chairman

Let's build
hope for our society together.

Hope. Together.

At the end of 2017, Shinhan Financial Group launched the 'Hope Society Project', which is Korea's largest CSR initiative in the financial sector and in which all SFG affiliates are participating, to build 'a compassionate, hopeful society where everyone prospers.' Based on the slogan 'Hope. Together.' the sense of sincerity of Group affiliate employees was brought together to actively practice 'Compassionate Finance, Your Companion for the Future' that enhances the value of customers, Shinhan, and overall society.

The Year 2022 will be remembered for having great significance to the SFG Hope Foundation and society. As the Hope Society Project celebrates its fifth year, the Foundation is achieving two major meaningful outcomes. First, through a startup support program that pursues innovative finance, the Foundation is discovering a solution for the demand of the era, which is to vitalize the Korean economy and to create and maintain jobs, based on a distinctive program of a non-profit foundation. Second, the Foundation steadily provides support for the underprivileged as well, thereby continually expanding CSR programs aimed at inclusive finance. During the early phase of the Hope Society Project, the Foundation focused on traditional social welfare that involved providing direct support to credit-poor people and career-interrupted women. This was followed by the operation of a platform called 'S² Bridge' and the

implementation of an innovative program that contributes to the growth of startups. These experiences ultimately connected to the Foundation's expansion of program areas, leading to the Foundation's development into a non-profit foundation that carries out both innovative and inclusive programs.

At a time when we are once again able to dream of hope as the COVID-19 pandemic that continued since 2020 calms down, we are facing yet another crisis, mainly the economic downturn and inflation. Various factors are directly deteriorating people's quality of lives, including a rise in housing expenses and heating costs, while diverse crises remain unresolved, such as polarization, job instability, and youth employment, resulting in greater difficulties for our neighbors. These complex issues cannot be solved by a single, fragmentary method. The Foundation will strive to establish a system in which the Foundation uses its know-how as much as possible and our society's various stakeholders gather their strengths to take joint responses for Collective Impact.

In this Report, we changed the Shinhan Social Value Measurement Framework (SVMF), which we unveiled for the first time in 2020, to the ESG Value Index, which is a more easily-understandable, intuitive name, and organized monetary social value. Measurement results indicated effects of more than 200%,

confirming the creation of greater social value than the input amount. In particular, we measured a high level of effectiveness for programs that focus on social value, such as the Shinhan Dream Dodamteo and Hope School SW Class, enabling us to confirm new possibilities of programs that support the socially underprivileged.

The Foundation plans to carry out a wide array of CSR programs based on the theme, 'grow together with Shinhan', to expand the social value and social impact of the programs. We will strive to find people who have the will but were not given opportunities, neighbors who are in a difficult environment, and people who are in a crevasse that cannot be reached by public policies, and provide them with opportunities to take on challenges and grow together with the Foundation.

I kindly ask for your continued interest and support in the Foundation's initiatives, and I sincerely wish for a future filled with happiness for everyone in our society. Thank you very much.

SFG Hope Foundation Chairman
Cho Yong-byoung




History of the Foundation



Purpose of Establishment

The SFG Hope Foundation

The SFG Hope Foundation is a leading, top-tier non-profit foundation in the financial industry that realizes sustainable development of the Group, the Foundation, and its CSR projects. It has been implementing a wide array of support programs to build a society of hope in which everyone shares and prospers and to contribute to the development of local communities, including support for the financially vulnerable, job support, local community development, culture and art support, and education.

2020

Sustainable Hope Foundation
Create significant social value at the global level by achieving the Sustainable Development Goals (SDGs)

Financially vulnerable Jobs CSR Synergy The Foundation's other projects

2019

Sustainable Business
Laying a solid foundation for lasting social contributions that increase business and social value

Social value Future value Economic value Social impact

2018

Sustainable CSR Activities
Continuous contributions to ESG and CSR

Social economy Income-led growth Innovative growth

2021-2022

Hope. Together.

Creating Opportunities for All, SFG
Expanding social value through
ESG connection and creating best practices of
social impact

START-UP



FINANCIAL LITERACY



GROUP OF COMMUNITY



ACADEMIC AND
CULTURAL SUPPORT



Board of Directors

The SFG Hope Foundation has adopted 'diversity' as the basic principle of BOD composition to ensure that members do not have a specific common background or represent specific interests. Board directors have diverse backgrounds and perspectives across gender, age, experience, and cultural background. We also strive to create a Board made up of experts in six key areas, including finance, business management, economy, law, accounting, and information technology, in consideration of our strategic management directions, to reinforce the overall expertise of the Board.

Chairman



Cho Yong-byoung
Business Administration, Finance

Current) Chairman of the SFG Hope Foundation
Current) Chairman of the
Shinhan Scholarship Foundation
Former) CEO of Shinhan Financial Group

Director



Park Jeong-gyu
Law

Current) corporation lawyer, Kim & Chang
Former) Senior Secretary of
Civil Affairs, Presidential Secretariat
Former) Seoul District Prosecutors' Office,
Eastern Branch, Criminal Division 3



Kim Bong-rae
Law, Accounting

Current) Executive advisor of Samjong KPMG
Former) Deputy Director of the
National Tax Service
Former) Member of National Tax Administrative
Reform Committee



Kim Seok-dong
Finance, Economy

Current) Representative of
Jipyong Humanities and Social Science
Former) Chairman of the
Financial Services Commission
Former) First Vice Minister of Finance and Economy



Cho Sang-mi
Social Welfare, Social Economy

Current) Director of Korea Central Public
Agency for Social Service
Current) Professor, College of Social Sciences,
Ewha Womans University
Current) Director of HappyNarae Co., Ltd.
Former) Director of the Community Chest of Korea



Jeong Seo-jin
Social Welfare, Business Marketing

Current) CEO & President of
Kwangju Broadcasting Company
Former) Vice President of Asia Trust
Former) Management Strategy Director of
Segye Ilbo

Auditor



Seong Yong-rak
Law

Current) Advisor to BKL law firm
Former) Visiting Professor, Graduate School
of Public Administration, Seoul National University
Former) Secretary-General of the Board of
Audit and Inspection, Acting Chairman of the Board



Cho Seong-pyo
Accounting

Current) Professor, School of Business Administration,
Kyungpook National University
Current) Director of KAIST
Former) President of the Korean Accounting Association

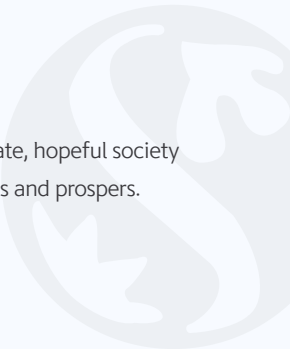
Mission and Vision

MISSION

To realize a compassionate, hopeful society in which everyone shares and prospers.

VISION

We are moving towards a hopeful society, in which there is a ‘virtuous cycle of win-win’ that increases the value of our customers, Shinhan, and society, by carrying out CSR activities of One Shinhan that realize, in detail, ‘Compassionate finance, your companion for the future’, including the Hope Society Project, CSR activities of Shinhan Financial Group, and collaborative projects with our partner companies.



Purpose



Vision



Strategic Direction

Creating Opportunities for All, Hope. Together.

<p>START-UP</p> <p>We nurture social enterprises and startups to vitalize the social economy.</p> <p>Main Projects Startup Support Social Economy Support Small Business Owner/Self-Employed Support</p> <div><div>8</div>8월 10일 10시 30분</div> <div><div>11</div>11월 10일 10시 30분</div> <div><div>14</div>14월 10일 10시 30분</div>
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Business Area



Strategic Direction

Creating Opportunities for All, Hope. Together.

By providing support that leverages the business characteristics of SFG to all people in all local communities that are unable to receive the benefits of finance, we help people enjoy financially healthy and stable lives.

S² Bridge

Shinhan is taking the lead in establishing a more friendly, more secure, more creative ecosystem

(S² Bridge)

- H.Q. : S² Bridge strategy, investment, PR
- Seoul : Open innovation, nurturing deep tech companies
- Incheon : Nurturing deep tech, bio, digital health and smart city companies
- Jeju : Creating social and economic value in the areas of environment, resource, and agriculture
- Vietnam : Resolving social issues, such as employment, the disabled, and educational gap
- YOUTH : Job training for young job seekers, connecting startups with job seekers
- Daegu : Nurturing eco-friendly, water industry, and social impact companies
- Daejeon : Nurturing deep tech companies based on local characteristics of being technology-talent intensive

Social economy support

- Startup investment and nurturing support

Grow Together

CSR that connects youths, families, and local communities

Youth employment support program

- The expertise of retired financial experts is used to help youths preparing for employment

Shinhan Dream Dodamteo

- Enable a stable environment for bringing up children for double-income families

Global Young Challenger

- Strengthen the capabilities of youths for overseas employment

Hope School SW Class

- Provide coding education to students with developmental disabilities

Jobs for the Disabled

- Supported the creation of jobs for the Disabled

Shinhan Financial Education

- Operate a financial education program that connects Group affiliates and all generations

Connect the underprivileged with social workers to support the underprivileged

- Support connection between the underprivileged and social workers

Win-win with local communities

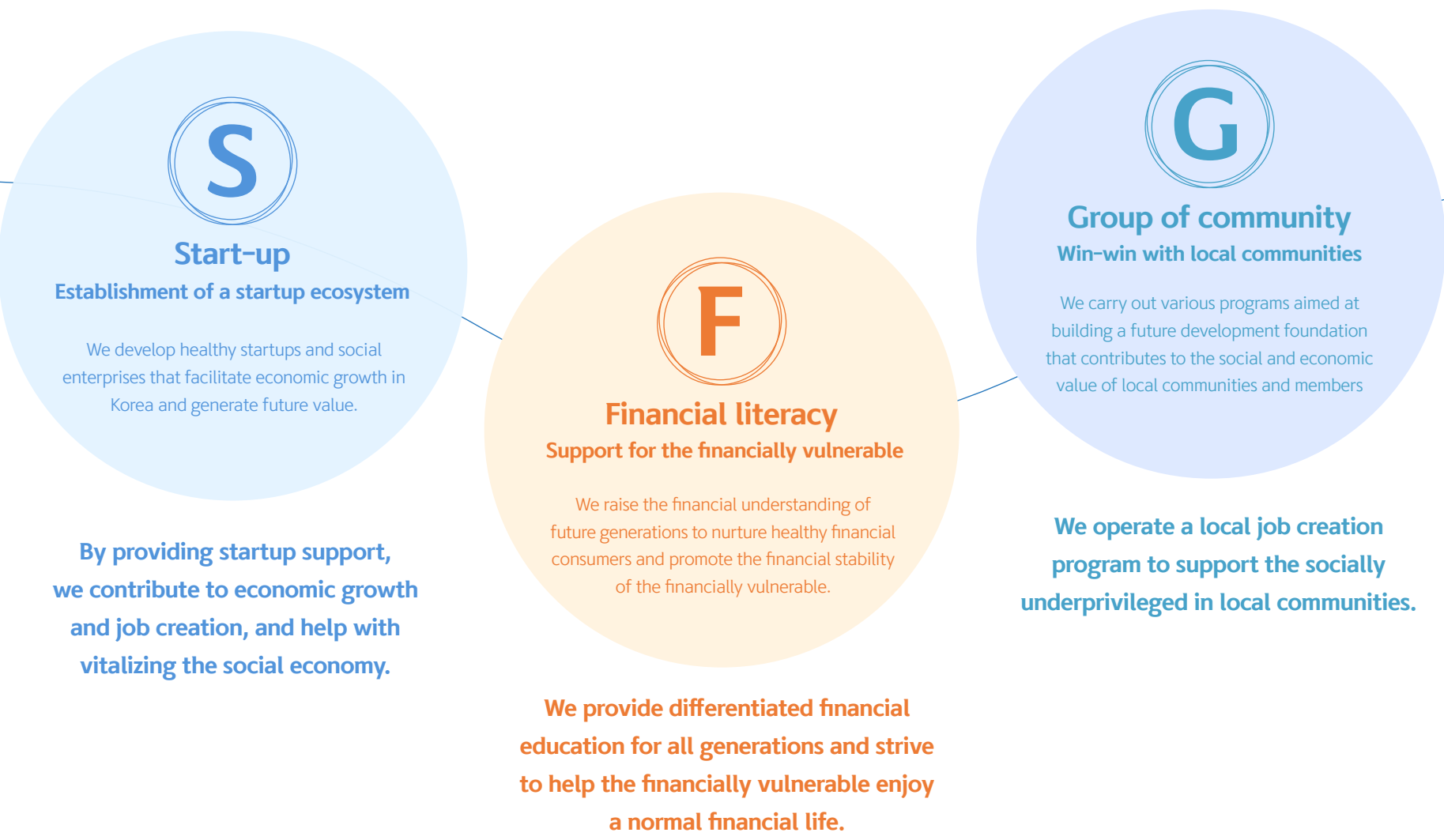
- Provide support to resolve local community issues and support the self-employed

Youth Debt Total Care

- Provide support for youths' debt/credit recovery

Hope Society Project

Creating Opportunities for All, Hope. Together. SFG



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(Shinhan Music Awards)
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1. Startup Support (S² Bridge)

We nurture and invest in startups with innovative technologies, and help them grow into global unicorns.

‘S² Bridge’ is a leading startup support program of the SFG Hope Foundation that nurtures and invests in innovative technology startups through incubation, acceleration, and open innovation, by adopting major cities across the nation as bases, including Seoul, Incheon, Daegu, Daejeon, and Jeju, and that helps the startups grow into global unicorns.



The Connect 2022

At ‘The Connect 2022’, which is a startup conference of ‘S² Bridge’, startup ecosystem and Collective Impact leaders as well as Korean companies that are taking the lead in nurturing startups disclosed the why, what, and how of ‘startup X Collective Impact’ through three sessions, based on the theme, ‘cooperation for a sustainable startup ecosystem.’



3rd HERO IR DAY

The ‘S² Bridge HERO IR DAY’ is the largest innovative startup contest in Korea that is held by Shinhan Financial Group to help startups that grew through ‘S² Bridge’ attract Investments and to promote qualitative growth of the startup ecosystem.

The 3rd HERO IR DAY was held on Nodeul Island in Yongsan-gu, Seoul in July 2022. Prize money totaling KRW 500 million was provided to 17 startups that were chosen in a total of three tracks, which were the Environmental Track, Shinhan Impact Track, and Undergraduate Track. Startups were given opportunities for IR pitch deck design consulting, operation of offline exhibition booths, and networking with around 70 ACs and VCs participating onsite.



	Grand Prize	Top Prize	Excellence Award
Environmental Track (Minister of Environment Award)	COSMOS LAB	NETSPA, HRM	NUVI LAB, TERRA BLOCK, POEN
Shinhan Impact Track	BUSINESS-CANVAS	XPANNER, LOMIN	LOUNGE'LAB, FULLSTACK, UMTN
Undergraduate Track	BCD	BEST MIND	PLA-VIS CHIP, PPLE, AD-BALLOON
Investment Commitment	WONKWANG S&T	LDC	

H.Q.

‘S² Bridge’ H.Q. manages overall ‘S² Bridge’ platform operations, and establishes strategies that are aimed at efficiently providing support concerning startup growth phase, regional characteristics, and specialized industries. It works on Collective Impact generation with the SFG Hope Foundation, SFG, stakeholders, and member companies and support investment connections.

Startup IR contest

‘HERO IR DAY’, the largest innovative startup contest in Korea, is held to help startups that grew through ‘S² Bridge’ attract investments and to promote qualitative growth of the startup ecosystem

Member company and stakeholder insight chapter

- ‘HERO’S NIGHT’, a year-end networking event, is held with ‘S² Bridge’ member companies, SFG investors, ACs, VCs, and other startup officials
- The ‘Shinhan Social Impact Chapter (SSIC)’ is provided to jointly look for solutions for local community issues and sustainable growth

Connection of ‘S² Bridge’-dedicated fund to investments

Supported connection to investments of the ‘No.1 ESG Investment Association fund, which supports startups with growth potential

Measurement of social value (ESG Value Index)

Supported the step of quantifying a company's non-financial ESG activity outcomes in monetary value for efficient use and management of limited resources

SEOUL

- Open Meetup
60 companies
- 8th, 9th group of Incubation
15 companies
- CES 2023 Award
4 companies
- 5th, 6th group of Open Innovation
39 companies

‘S² Bridge Seoul’ began as Shinhan Do Dream Space in 2018 and supports the scale-up of companies based on its four-year know-how of nurturing startups in diverse fields, including tech and social areas.

Its programs consist of the ‘Shinhan Open Innovation’, which makes a connection between large and mid-sized companies and startups with outstanding technologies; ‘Shinhan Incubation’, which promotes the growth of startups that have an outstanding business model and technologies; and a program that facilitates networking among startup officials.

“ We expanded our business areas and also set a business direction ”

After participating in the program, we expanded our business areas through business coaching and also setting a business direction that considered both mid- to long-term business tasks and the current cash flow. By establishing alliances with around 40 brands and gaining PoC opportunities with large companies, we achieved year-on-year growth of almost two-fold and completed pre-A investment attraction.

- Interview of ‘Yune’, a company that participated in Shinhan Incubation -



INCHEON

- Incubation Program
10 companies
- Accelerating Program
15 companies
- Global Program
24 companies
- CES 2023 Award
10 companies
- Selection for Baby Unicorn 200
4 companies

‘S² Bridge Incheon’ is One Place, One Platform that pursues to become a global startup hub. It supports startup growth with the establishment of a startup-nurturing system for the entire process that ranges from startups in their initial stage to global startups seeking to expand into overseas markets.

‘S² Bridge Incheon’ runs startup-nurturing programs in three areas which are the incubation program for the ‘build-up’ stage that is within three years of establishing a startup; the accelerating program for startups that were established no more than seven years ago and that seek a ‘scale-up’; and the global program that helps startups enter overseas markets.

“ We developed a driving force for entry into the US and European markets ”

BANF is a company that provides a solution for operation analysis of autonomous-driving trucks, and secures the safety and economic feasibility of unmanned autonomous driving trucks based on a tire data profile system. BANF developed a driving force for entry into the markets of the US and Europe through programs provided by ‘S² Bridge Incheon’, including the global open innovation program, investment connection program, and overseas exhibition program. We made such achievements as attracting Series A investment and making a patent application overseas.

- Interview of ‘BANF’, a company that participated in ‘S² Bridge Incheon’ -



JEJU

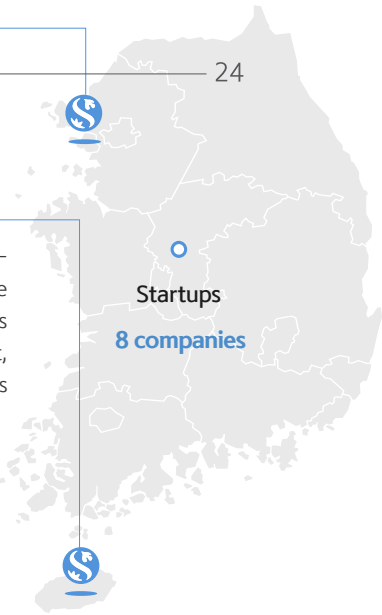
‘S² Bridge Jeju’ uses SFG’s startup-nurturing and investment know-how as well as social value creation experiences to help innovative startups create Jeju’s social and economic value and resolve, by means of Collective Impact, Jeju’s social issues concerning the environment, resources, and agriculture that are difficult to solve through efforts made alone by the public and private sectors.



2022 Shinhan Social Impact Chapter

The ‘2022 Shinhan Social Impact Chapter (SSIC)’ Conference was held at Haevichi Hotel & Resort Jeju for two days on October 6 and 7, 2022. The purpose of the event was to promote ‘Collective Impact’, encouraging startups that were nurtured by ‘S² Bridge Jeju’ and various stakeholders in Jeju to look into ways to resolve local community issues and achieve sustainable growth.

Held for the first time in 2022, SSIC was attended by startup officials and stakeholders in Jeju, including the Jeju Special Self-Governing Province Office, Jeju Center for Creative Economy & Innovation, Jeju Deo Keun Nae-il Center, and Jeju Bank. The Conference presented an opportunity to re-establish the meaning of Collective Impact and included a wide array of programs, including the sharing of success cases of ‘S² Bridge Jeju’s’ member companies to discuss the direction of collaboration between startups and private companies.



VIETNAM

‘S² Bridge Vietnam’ is a program that helps outstanding startups in Korea supply their technologies and products in Vietnam and create shared value. It helps startups settle down in the local market by providing brand enhancement and scale-up support.

By using a government-private network, it provides customized support so that Korean startups can systematically integrate into the local market and achieve their goals. In addition, it helps Korean startups share best practices and raise local awareness at the Vietnam Techfest, which is an annual large event hosted by Vietnam’s Ministry of Science and Technology. It also works together with the Ministry of Science and ICT to develop an entrepreneurial spirit among Vietnamese youths.



Initiatives	Start-ups	Outcomes
Provide labor market-tailored youth education and employment support	AIMMO, PLATFARM, ZOOKIZ	Participated in 300 college students, Created jobs for 8 college students
Establish a barrier-free smart city for the visually impaired	OVERFLOW, LBS Tech	Supported 140 visually-impaired persons
Establish a technology-based school community for children in the outskirts of cities	TRIPATH	Established 35 public schools

YOUTH

- 2nd group of Shinhan Career On
326 persons
- Connection to internship
71 persons
- 1st, 2nd group of Shinhan Career Up
185 persons



‘S² Bridge YOUTH’ seeks to reduce mismatching in the job market and establish a stable employment ecosystem, thereby creating social impact. To this end, it provides opportunities to gain practical experience to vocational school students and young job seekers through job training and internship programs, while providing startups with customized talent-matching support.

In 2022, ‘S² Bridge YOUTH’ segmented the support it provides based on targets of support to ensure more effective programs. It named the program that supports vocational school students as ‘Career On’ and the program that supports young job seekers as ‘Career Up’ For practical employment support, it provided help with duties that startups have high demand for, including design, PR and marketing, video filming and editing, and development.



DAEGU

- Eco-friendliness Track
10 companies
- SDGs Track
20 companies

‘S² Bridge Daegu’ is an ESG-specialized base of ‘S² Bridge’ and opened its doors on the sixth floor of DASH (Daegu Scale-up Hub) in Dongdaegu Venture Valley on February 25, 2022. Its goal is to nurture startups in the area of ESG to create Korea’s innovative growth drivers. To achieve this goal, ‘S² Bridge Daegu’ focuses on selecting/nurturing startups that pursue social value related to eco-friendliness, the water industry, and UN SDGs.

One of ‘S² Bridge Daegu’s’ programs is ‘ESG Incubation’, which discovers and nurtures mainly ESG-area startups and consists of the Eco-friendliness and SDGs Tracks. A different program provides networking opportunities for startup officials.

DAEJEON

Daejeon is a tech-based city that is home to outstanding educational institutions, such as KAIST and Chungnam National University and a great number of various research institutions and facilities. Notwithstanding, startup support in this area was relatively weak.

In consideration of such circumstances, ‘S² Bridge Daejeon’ signed an SFG MOU with Daejeon Metropolitan City to vitalize the startup ecosystem in Daejeon. Its goal is to build an infrastructure for early startups and facilitate investments.



- Ignition
18 teams, 49 persons
- Accelerating
10 companies

ESG Value Index

The Shinhan ESG Value Index became the starting point for communicating Shinhan Financial Group's social performance with objective monetary value through a social responsibility report first published under the name of the SVMF (Shinhan Social Value Measurement Framework) in 2020.

Through the ESG Value Index, which is the index’s new name, we are striving to deliver the significance and framework of measurements more intuitively. We applied the ESG Value Index to ‘S² Bridge’ Seoul, Incheon, Daejeon, Daegu, Jeju, Vietnam, and YOUTH project cases in 2022, indicating that startup businesses that pursue social value can create social impact. We are increasing measurability so that social value can be monetized and converted into tangible outcomes. When we convert the social value of S² Bridge in 2022 to a monetary unit, following ESG Value Index, the total social value amount is KRW 23.84 billion, which is around 1.8 times more than the input of KRW 13.18 billion that Shinhan Financial Group contributed to society through the S² Bridge program in 2022.



‘S² Bridge’ provided a total KRW 13,138,098,432 to competent startups.

The SROI recorded by ‘S² Bridge’ Seoul, Jeju, Vietnam, Daejeon, and YOUTH is 278.9%, 222%, 260.1%, 287.4%, and 208.8%, respectively. Most major bases achieved a performance of over 200%. In particular, Daegu, which focuses on ESG and the environment, including water industry startups, also achieved an SROI of 198.2%, thus indicating the potential of generating outcomes from environmental support projects.

The SFG Hope Foundation’s ‘S² Bridge’ program was launched for the purpose of overcoming the limitations of the previous startup ecosystem and establishing a more scalable, sustainable startup-nurturing platform. In 2023, we will achieve operational advancement and efficiency of the completed platform to solidify the startup growth foundation, and will continue to provide full encouragement and support so that startups with potential can enter the global stage, going beyond Korea.

S² Bridge

Total program costs **KRW 15,523,447,268**

New members 151 companies (cumulative 479 companies)	Connection to investment attraction totaling KRW 299.7 billion	Create / maintain jobs 4,621 persons
Receive the ‘CES 2023’ Award 17 companies	Selection for Baby Unicorn 200 10 companies	

- 01 Formed KRW 33 billion ‘S² Bridge’-dedicated fund
- 02 Held the 3rd HERO IR DAY & Culture Day, chose 17 outstanding startups
- 03 ‘S² Bridge Jeju’ held the Shinhan Social Impact Chapter (SSIC)
- 04 Collaborated with Daejeon Metropolitan City, KAIST and Chungnam National University to nurture startups and innovative technology talents
- 05 KT Group acquired ‘JUICE (music AI)’ , a startup that was a part of the 5th group of the Shinhan Open Innovation

Of total program costs of KRW 15.5 billion

Input costs measurable as social value

Input

13.1

23.8

Created social value outcome costs

Tsv

2. Social Economy Support

The SFG Hope Foundation raises funds to vitalize the social enterprise finance ecosystem and supports the growth of social enterprises.

The Social Enterprise Investment Fund was first established in October 2018, and three funds (a contracted total of KRW 52 billion) are being managed as of February 2023. Through the funds 29 (preliminary) social enterprises, companies that have pledged to convert to social enterprises, and impact companies received investments.

The SFG Hope Foundation has been continuing close collaborative relations since the initial phase of this social enterprise fund program, including fund investment and introduction to investment companies. The Foundation especially participates as a subordinated investor in social enterprise funds and contributes substantially to recruiting outside investors.

In addition, the program has partnered with the 'S² Bridge' program to achieve such outcomes as discovering new investment companies, supporting corporate growth, and promoting mutual growth.



As part of Social Economy Support, around KRW 38.9 billion in investments were made in 29 companies by the end of December 2022. We completed recovery for 2 cases from Social Enterprise Fund No. 1 in April 2022.

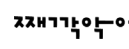
We are managing the largest social enterprise fund among private asset management firms. We seek to build a virtuous cycle of finance by investing in venture companies that generate both social value and economic value and recovering funds after their growth. Social enterprises may find it more advantageous to recruit investors through the social enterprise fund. For enterprises that have high growth potential, we collaborate with affiliates at the Group level to provide all-encompassing financial support (Bank loan support, Shinhan Investment's IPO support, etc.)

Fund No. 1

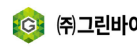
Investment in 2019 - Paybacks in 2022



Fund No. 2



Fund No. 3



Social Economy Support

Total program costs **KRW 1,656,000,000**

Social Enterprise Fund No. 1 - No. 3

Invested companies
29 companies

Investment amount
KRW 38.9 billion

Shinhan Green Way Fund

Invested companies
6 companies

Investment amount
KRW 14 billion

01 Completed recovery for 2 invested companies (DEOHAM, ROKYA) of 'Social Enterprise Fund No. 1'

Of total program costs of KRW 1.6 billion

Input costs measurable
as social value

Input

1.6

1.9

Created social value
outcome costs

Tsv

“ We will strive to enable social enterprises' sustainable growth and create a financial virtuous cycle ”

Social enterprises or impact companies have the task of generating both social value and economic value. Some of them give up on social value for economic value in this process. We will provide help so that these social enterprises do not give up on social value. We will also strive to build a virtuous cycle in which management firms that invested in social enterprises stably recollect their funds and make reinvestments

- Program operator interview -

We completed investments amounting to KRW 14 billion in six carbon neutrality-related companies through the Shinhan Green Way Fund.

The 'Shinhan Green Way Fund' is a fund managed by Shinhan at the Group level and invests in companies related to carbon neutrality, including new and renewable energy, circular economy and green building, to contribute to establishing an ESG industry ecosystem.

Shinhan Green Way Fund



3. Small Business Owner/ Self-Employed ●

In addition to providing support for business improvements of small business owners and the self-employed, we help them carry out ESG management activities in daily life.

To improve the business environment of small business owners and the self-employed who suffered damages from COVID-19, the SFG Hope Foundation provided rental fees amounting to around KRW 430 million to encourage their continued execution of ESG management and participation in eco-friendly activities. To help them establish a business site environment that is eco-friendly, we provided improvement funds of around KRW 180 million to cover the purchase and installation of eco-friendly items or facilities. We also signed paper carton recycling MOUs to carry out milk carton collection activities.

By supporting small business owners/the self-employed based on eco-friendly management, we were able to raise awareness of practicing eco-friendliness.



As part of Small Business Owner/Self-Employed Support, we provided KRW 610 million (rent, eco-friendly management funds) to 96 small business owners in 2022.

We will continue to take the lead in business activity improvements, credit consulting and eco-friendly culture to enhance the competitiveness of small business owners and encourage their execution of ESG management. In addition, we will establish a business safety net for small business owners and create value, such as expanding eco-friendly management.



“ I informed customers of ways to practice eco-friendliness by using used coffee grounds which led to an increase in customer revisits ”

I gave out used coffee grounds to customers and informed them that they can use the grounds as natural compost and air freshener as well as to remove grease spots when washing dishes. I was able to become acquainted with the customers and provide them with better services, leading to an increase in re-visiting customers.

- Program operator interview -

Small Business Owner/Self-Employed

Total program costs **KRW 613,300,292**

Small business owner support
96 persons

Rental fee support
KRW 430 million

Eco-friendly improvement fund support
KRW 180 million

01 40,381 1-liter cartons collected for milk carton recycling (1.914 tons)

Of total program costs of KRW 0.6 billion

Input costs measurable as social value

Input

0.6

0.8

Created social value outcome costs

Tsv

1. Shinhan Financial Education (Shinhan Easy) ●

We provide education needed for financial stability to members of society who are experiencing difficulties due to financial issues, while raising financial understanding of future generations and nurturing healthy financial consumers.

'Shinhan Easy' is an integrated financial education platform of Shinhan Financial Group. It facilitates synergy creation and effective operation of financial education programs and offers simple, intuitive financial education content in consideration of learners in diverse age groups and with different academic backgrounds.



Shinhan Financial Experience Class for Children

This experiential financial education program for elementary school students is Shinhan Bank's flagship financial education program, in which Shinhan Bank employees directly serve as mentors, lecturers, and counter volunteers for talent donation. Children can easily and effectively develop financial knowledge that they may otherwise find difficult.



Career and job experience education for youths

This free semester system-tailored career experiential education program is for middle and high school students. Participating students are able to audit job lectures and information on diverse fields from the bank employees at a dedicated experiential hall built to have the same environment as a bank branch. They also take turns to take roles as bank employees and customers for career exploration. We provide career exploration education opportunities to youths in distant regions through remote video education for career mentoring by using a video system.



Daily life finance education for the financially alienated

We also provide a wide array of daily life finance education programs for the financially alienated who find it difficult to use banks in their daily life. We offer customized financial education to people who need financial education, ranging from the 'Visiting Financial Experience Class' that is offered by making direct visits to youths in isolated regions by using mobile branches (Bank Bird) to daily life finance education for youths with developmental disorders who don't have many opportunities to visit bank branches, and customized financial education for North Korean refugees, including youths, to help them settle down in South Korea.

The SFG Hope Foundation provides a program to children and youths that enables them to experience finance 'visually, mentally, and physically.'

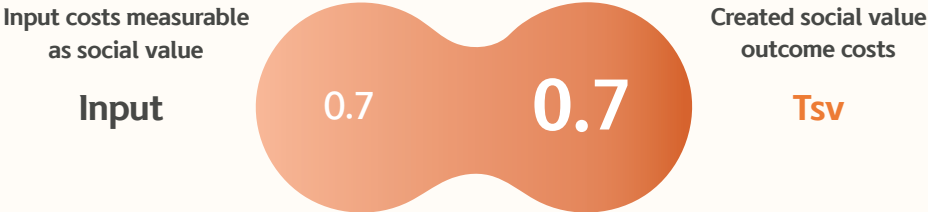
We also offer tailored financial education needed for daily life for people who find it difficult to access finance, thereby creating an environment that ensures a familiar, compassionate financial life.

Shinhan Financial Education

Total program costs **KRW 738,020,000**

Total registered	Total visitors
4,864	238,042

Of total program costs of KRW 0.7 billion



2. Youth Debt Total Care

We support youths who are undergoing financial difficulties due to student loans.

We provide subsidies for different activities to enhance low-income youths’ understanding of debt and credit management and encourage them to form asset-building habits. We break away from simple cash support and provide guidance regarding finance and debt as well as customized consulting so that youths can develop good consumption habits.



Youth hope support fund

By providing funds to cover living expenses, we help youths develop debt payment habits based on good consumption patterns.

Online credit education and credit consulting

For continued credit and debt management even after the end of the program, we provide online credit education, a personal credit management platform (voucher for KCB comprehensive credit management), and credit consulting through professional counselors.

Support fund to prepare for the future

In case of new subscription or maintenance of an installment savings for three months or longer, we provide support funds to prepare for the future, thereby encouraging youths to form asset-building habits and providing them with motivation.

Additional repayment encouragement fund

When youths repay tuition loans that is more than the recommended amount for four cumulative months, we provide encouragement funds to facilitate repayments.

Support to strengthen personal capabilities

We provide capability-building support funds when low-income youths obtain a certificate or take part in volunteering so that they can raise their income levels by strengthening personal capabilities.

Credit improvement support

We provide support funds to youths who increase their credit rating by the end of the program from when they first participated in the program by using a personal credit management platform (KCB comprehensive credit management voucher) and receiving consulting from professional counselors.

In 2022, ‘Youth Debt Total Care’ provided KRW 1.53 billion and supported KRW 890 million debt repayment, credit counseling, and future preparation for 498 young individuals.



“ I believe this program can have a good impact on families, going beyond youths ”

In the process of choosing participants, I met a participant who said he was raising his child alone and that he wanted to pay back his tuition loan and strive to purchase a home. He went through a difficult time, being burdened by his child’s hospital bills, living expenses, and debt repayment. However, his participation in the Youth Debt Total Care program led to positive change, including full repayment of his tuition loan and a higher credit rating. I previously thought the program simply supported young members of families because of the term ‘youth’, but realized that the program also helps heads of households after reading this participant’s comments. While considering this program’s influence on society, I promised myself to help the program have positive impact on a greater number of people.

- Program operator interview -

Youth Debt Total Care

Total program costs **KRW 1,636,595,247**

Supported
498 youth

Credit score improvement of
352 individuals

Student loan repayment
KRW 890 million

Of total program costs of KRW 1.6 billion

Input costs measurable
as social value

Input

1.6

1.7

Created social value
outcome costs

Tsv

3. Global Young Challenger

We support young Korean talent to make their dreams come true on the global stage.

'Global Young Challenger (GYC)' is an overseas employment support program for youths that is provided based on cooperation among three organizations – the SFG Hope Foundation, KOTRA and Hankuk University of Foreign Studies (HUFS). By offering overseas employment-specialized education, including language, job, and foreign culture education, this overseas employment support program, which is the best of its kind in Korea, nurtures talents with skills that meet the needs of overseas companies and provides one-stop support that even covers local job matching.



Full support for training expenses

We cover the full amount of training expenses so that youths hoping to work overseas can concentrate on their studies without financial burden. We provide lodging and settlement support funds during overseas training periods, thus strengthening youths' growth drivers.

Collective camp training

The Shinhan GYC course is in the form of camp training to provide training opportunities to residents in isolated and regional areas. During the camp training period, coordinators for different countries stay at the training site and closely manage overall learning and daily life at the camp.

Customized employment support

Customized training is provided to trainees in line with the company and duty they are respectively interested in. A coordinator who is in charge of the respective country provides regular one-on-one counseling to a trainee, enabling the trainee to obtain employment information that meets his or her needs and identify job openings. In this way, tailored employment support is provided.

Providing many quality jobs

This program is run based on collaboration among the SFG Foundation, KOTRA, and HUFS. It generates synergy effects when providing overseas employment support by establishing cooperative relations with government and private organizations as well as overseas KOTRA offices or by using Shinhan GYC's unique network.

Nurturing local experts

We nurture locally-tailored talents who are suitable for overseas work environments, having local expertise based on local language skills and an understanding of regional studies and foreign culture as well as completing basic job training.

Enhancing capabilities after training

After the program comes to an end, we help the employed adapt to the local environment and settle down early. In addition, we help unemployed trainees achieve their employment goal and improve their capabilities after training.



The 4th Global Young Challenger program had a total 49 participants, of which 45 participants were hired to record an employment rate of 92%.

* as of May 26, 2023

A company that previously hired a program participant requested to hire a participant in the fourth program, highly assessing the sincerity and outstanding adaptability of previous program participants who were successful at finding a job through the Shinhan GYC program. Also, a company shared information about this program with an overseas subsidiary that led to special recruitment. In addition, after the program's training period, overseas subsidiaries located in countries other than those chosen by Shinhan GYC scouted participants who completed the program after hearing about the Shinhan GYC program's excellence, resulting in an expansion of Shinhan GYC's overseas network.

“

Shinhan GYC enables participants to develop conversational skills and also learn about the culture and business manner in the country they apply to.

”

I remember a trainee who participated in the first Japan program. He didn't know even basic Japanese when he applied to the program, but he thoroughly familiarized himself with Shinhan GYC training content. At around the time the 16-week training period in Korea was coming to an end, he was able to express his opinions in Japanese. He further developed his skills during his 8-week local training period. He completed an interview in Japanese and is now working at a company of his choice. Program participants say that Shinhan GYC enabled them to develop conversational skills in a short period and learn about the culture and business manner in the country that they respectively want to work in, allowing smooth progress until they successfully get hired. I feel proud because these participants are perfectly in line with the educational direction that Shinhan GYC pursues.

- Program operator interview -

Global Young Challenger

Total program costs **KRW 1,536,859,833**

Participants in the Program

49 persons

Employed

45 persons
(92% employment rate)

* as of May 26, 2023

01 275 cumulative participants / 219 employed in Shinhan GYC's 1st~4th periods

Of total program costs of KRW 1.5 billion

Input costs measurable
as social value

Input

1.6

3.3

Created social value
outcome costs

Tsv

4. Jobs for the Disabled

We create jobs without barriers to build a society where people can equally work irrespective of disability.

The SFG Hope Foundation established 'S-With', a social cooperative, to contribute to financial independence of the disabled (underprivileged), and is creating jobs. Through 'Cafe S-With', where the hearing-impaired are employees, we are increasing employment of the disabled and creating stable jobs, while improving perceptions to bring about social change and taking the lead in resolving social issues.

To support employment and startups of disabled youths, we offer the barista internship, which is a domestic internship program, at Cafe S-With, thus providing job capability education.



Café Swith SOL



We opened and operated 6 Cafe S-With branches from December 2020 to December 2022 and hired 25 hearing-impaired employees.

In a space that removes disability as a barrier, hearing-impaired employees and non-hearing-impaired employees and customers develop an understanding of each other and become one



Domestic internship for disabled youths
4 participants

Campaign to improve people's perception of disability
Held 3 times,
Participated in by around
30 thousand people

Non-hearing-impaired employees of the social cooperative Cafe S-With voluntarily learn sign language to communicate with hearing-impaired employees more smoothly.

As an ESG measure for social value creation, we operate Cafe S-With as a zero-waste cafe that uses multi-use and biodegradable cups, while striving to reduce the use of disposable plastics and take part in carbon emissions reduction efforts.

We reduced carbon emissions by 10,055,583g through the use of multi-use and biodegradable cups at Cafe S-With for a year in 2022. This is equivalent to the environmental value of 3,643 of 20-year-old pine trees.



“ I was able to work harder thanks to the thoughtful considerations that were made so that hearing-impaired employees can enjoy working. ”

What I realized the most while working at Cafe S-With was that many of the hearing-impaired work as a barista or baker. I initially thought that communication would be difficult because the store is located in Myeong-dong and therefore has many foreign customers. However, visual language is used for smooth communication. Detailed considerations were made with regard to the store environment to ensure that hearing-impaired employees, such as myself, can work with enjoyment. Thanks to this environment, I am striving to work harder and appreciate others for recognizing my efforts.

- From a review written by a hearing-impaired employee working as a baker at a Myeong-dong branch -

Jobs for the Disabled

Total program costs **KRW 1,000,000,000**

Hearing-impaired employees and internships
25 persons

Employment rate of people with disabilities
54%

Barista internships for disabled youth
4 persons

Job placement
2 persons

- 01 Total 284,543 customers visited in 2022
- 02 Opened 4 new branches
- 03 3 interactive offline campaigns for enhancing disability awareness, with 30,000 people participated
 - World Hearing Day (March 3rd), International Day of Persons with Disabilities (April 20th), World Day of the Deaf (June 3rd)
- 04 Reduced carbon emissions by 10,055,583g through the use of multi-use and biodegradable cups at Cafe S-With

Of total program costs of KRW 1 billion

Input costs measurable as social value

Input

0.6

2.1

Created social value outcome costs

Tsv

5. Shinhan Dream Dodamteo ●

We provide after-school care and various education programs for elementary school children from double-income families.

Shinhan Dream Dodamteo is a program that supports the establishment and operation of joint childcare centers to address the matter of caring for elementary school students after school. It was launched in 2018 and has opened and operates 145 centers across the nation as of 2022.

The program uses unused spaces in local areas to establish a childcare-friendly environment and minimizes the absence of childcare for elementary school children, thereby promoting women's participation in economic and social activities. In addition to establishing childcare space, the program offers educational programs, teaching aids and materials, equipment, spatial maintenance, and other practical support, as part of efforts to ensure sustainability of spatial operations.



Education on finance

We provide financial education to children who use the joint childcare centers. By providing a financial education program at Shinhan Dream Dodamteo, we seek to raise children's level of interest in finance and the economy and help them develop basic knowledge that can be applied in real life. We help children develop good financial sense by teaching them how to manage their allowances and offering financial education programs related.

2,596 persons / Provided 285 times



Hope School SW Class

The Shinhan Dream Dodamteo Software Class is a 'visiting coding class' that provides software education to children who use joint childcare centers that the SFG Hope Foundation established across the nation. Quality coding education is provided mainly to elementary school children during their summer and winter breaks, including robot coding and programming experience opportunities.

77 centers / Education for 979 students



Education on developing social skills

We provide education on developing social skills so that children maintain relationships with others even in the COVID-19 era. We use professional teaching materials and programs to help children communicate with their friends and learn about ways to build relationships with others.

2,401 persons / Provided 279 times



Reading discussion

We developed an SFG-tailored reading discussion curriculum and provide education that encourages children to become interested in reading and develops their literacy in the process of reading books and freely sharing their opinions.

979 persons / Provided 125 times



Job experience

We provide job experience education in diverse areas, including science, art, and entertainment, so that children can gain diverse experiences through a creative job exploration process.

1,599 persons / Provided 150 times



Docent tour

We provide a National Museum of Korea curating program and museum docent tour to raise children's interest and understanding of history.

471 persons / Provided 3 times



5. Shinhan Dream Dodamteo



“ We hope to contribute to the establishment of a gender-equal care culture. ”

I hope to see the care system in the local community become more thorough so that a fewer number of mothers quit their jobs, leading to the establishment of a gender-equal care culture. Our current culture expects women (mother, grandmother) to care for children. If parents can leave their children under the care of others without worry, we can prevent the disruption of women’s careers and realize balance between work and family life.

- Program operator interview-



Shinhan Dream Dodamteo

Total program costs **KRW 3,407,280,297**

Space support
22 locations

Space user
52,800 persons

Provided education to
11,278 students

“ I am able to focus on my work, seeing that my child is studying and also getting along with his friends. ”



We are a double-income family and I was considerably worried about leaving my elementary school child in good hands. I got off work early one day and went to Shinhan Dream Dodamteo to pick up my child. After seeing my child studying and getting along with his friends, I was able to concentrate on my work without worry.

- Interview of a parent of a child using 'Shinhan Dream Dodamteo' -

In 2022, Shinhan Dream Dodamteo was used by a total 52,800 persons, and the number of education beneficiaries reached 11,278 persons.

Continually operated since 2018, Shinhan Dream Dodamteo is focusing on strengthening content, including financial education, education to develop social skills, and software education, going beyond a simple spatial establishment project, and also concentrates on continuous space operation. It will become a reliable childcare center so that double-income parents can continue their work without worrying about their children and that children can enjoy a fun, useful time in a safe environment.

Of total program costs of KRW 3.4 billion

Input costs measurable as social value

Input

2.9

4.3

Created social value outcome costs

Tsv

6. Hope School SW Class

We strive to remove the digital gap between the disabled and non-disabled, and build a world where they live together without discrimination.

This is the nation's first software education program provided to special education schools that launched in 2018. We provide software education to disabled students who relatively lack software education opportunities, and help them grow into healthy members of society by developing capabilities needed in future society. Since launching a pilot program in 2018, we have been expanding the program every year and providing education to around 50 thousand students at 90 special education schools.

A professional software instructor directly visits a special education school and provides education 10 times during a semester. In addition, a year-end contest is held, helping disabled students improve their IT skills and make coding experiences more accessible for them. We carry out a wide array of activities, such as providing training to nurture software instructors and offering training to special education school teachers, to take the lead in expanding the digital education foundation for disabled students, removing prejudices about disability, and improving people's perceptions towards disability.



Instructor

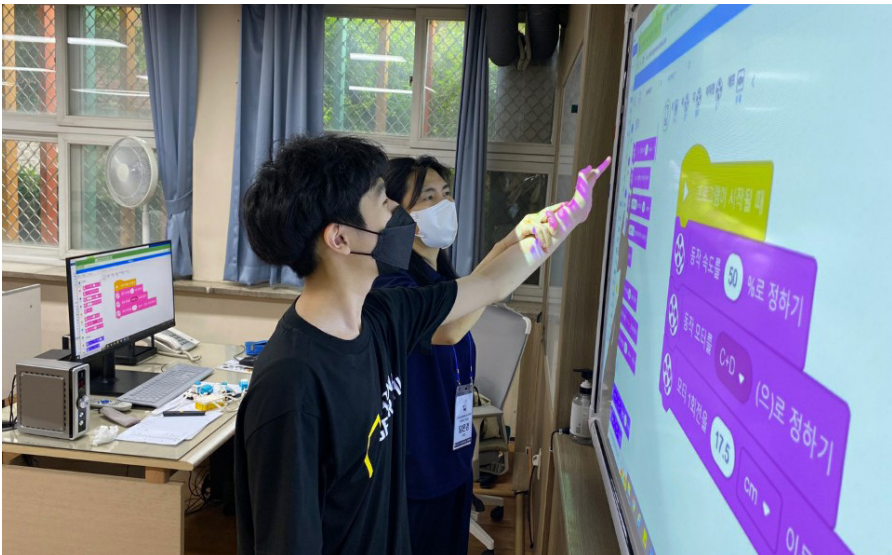
"There are many cases where disabled students are indifferent to even new activities. I feel happy and surprised to see students in the Hope School SW Class focus and have fun."

Student

"It was fun to create a robot. Learning with my friends made the experience more enjoyable."



The support amount of the Hope School SW Class is **KRW 811,714,286**. At 413 SW Class, education was provided to 2,299 people.



Hope School SW Class

Total program costs **KRW 767,561,160**

Provided education
90 schools / 413 classes

Provided education to
2,299 students

Training and support for SW instructors to
290 individuals

- 01 Year-end joint SW competition held by the Ministry of Education with 327 participants
- 02 93% satisfaction rate recorded among teachers

Of total program costs of KRW 0.7 billion

Input costs measurable
as social value

Input

0.8

3.5

Created social value
outcome costs

Tsv

“ We hope to see disabled students develop software-related skills early and grow into healthy members of society. ”

The education environment is changing amid the worldwide facilitation of software education and the inclusion of coding in the regular curriculum of elementary, middle, and high schools. The 'Hope School SW Class' was launched to provide fair learning opportunities to all students.

Although software education and use are important to disabled students, an education infrastructure and opportunities are still lacking. Through Fourth Industrial Revolution technologies and digital devices, disabled students can overcome their disability and gain opportunities to take part in daily and social activities. Digital skills are regarded as an important factor in future society. As such, I hope this program helps school-age disabled students improve relevant skills early and grow into healthy members of society.

- Program operator interview-

In line with the trend of the era in which digital skills are regarded as an important factor of future society, we will continue to provide support so that disabled students can communicate with the world, adapt to the new environment, and improve their social skills through the 'Hope School SW Class.'

1. Local Community–Tailored Jobs

We provide tailored job support to vulnerable region residents and the underprivileged who are determined to support themselves.

The SFG Hope Foundation conducted focused analyses of the town environment and market locations based on a professional consulting firm’s town diagnosis. Based on the analyses, we developed a locally-tailored brand and business model and provided PR and marketing support, thus providing help for residents to ultimately run a business on their own.

The ‘Local Community–Tailored Jobs program’ helped resident communities in vulnerable regions across the nation directly run a joint facility in the respective community through a democratic process to create jobs and work, and also helped local residents enjoy diverse cultural welfare and achieve win-win with the local community. This program comes to an end in 2022, but it presented a local resident-centered sustainable, customized job model by strengthening the competencies of local residents who participated in the program in addition to building an infrastructure to facilitate local businesses.



TTT Center in Saebat Town, Busan

‘My neighborhood lifestyle platform, the TTT (Time, Together, Town) Center’ is a leisure and cultural complex where diverse people visit to spend time together. The TTT Center was opened in Saebat Town, Sasang-gu which was regarded as one of the most backward regions of Busan City and merely a commuter town. The TTT Center has now become a daily life and cultural hub for residents and the town’s economic center, and is growing into a ‘lifestyle platform’ that vitalizes town life. We improved six run-down areas and three dangerous structures in the town and contributed to reducing the crime rate by 17%, thus creating a town community center that is enjoyed by all.

Cheongsujeong in Suncheon

The ‘Cheongsujeong Restaurant’ and ‘Cheongsujeong Coffee Shop’ are a town company and regional brand that is run by the Cheongsujeong Cooperative, which mainly consists of town seniors of Geumgok-dong, Suncheon City. An unused traditional Korean-style house was remodeled into a coffee shop and restaurant to sell food and beverages that embody the unique taste and fragrance of Suncheon mudflats. Cheongsujeong was established in Cheongsugol, Geumgok-dong, Suncheon City where the physical daily life environment was poor. We carried out the branding process in collaboration with a local brand and provided tailored jobs to the underprivileged in Suncheon. Having created a case of a virtuous cycle in the local community, Cheongsujeong garnered the attention of many local governments. Around 16,000 people from 34 organizations across the nation visited Cheongsujeong for urban regeneration benchmarking.



The town Yayoung center, Chim San Chu Wol in Sejong

Yayoung (夜影) means a faint shadow created by moonlight. ‘Chim San Chu Wol’ has long been renowned for the autumn moon’s picturesque scenery viewed from Mt. Chim. This is where ‘Chim San Chu Wol, the town Yayoung (夜影) center’, originates from. Chim San Chu Wol established a business model for camping beginners, enabling them to enjoy camping without camping equipment or any other preparations in an area near a city. The social cooperative Chim San Chu Wol was established to have a resident organization perform a central role in operations. Through a sustainable economic circulation structure that has a symbiotic relationship with the town, a vitalized town and resident jobs are created.



“ Above all, I remember the residents who sincerely participated in the program to revive the town. ”

The residents were initially not familiar with the program’s operation and consulting system that gradually derives outcomes. However, they came to understand the consulting system and sympathize with the need for the curriculum as consulting continued to progress. They also demonstrated enthusiasm for independent operations. Although the beginning was clumsy, the residents engaged in the program with great sincerity to save the town. Great thought was given to creating jobs, which was the fundamental purpose of the program, and the emotional interaction and value that were experienced by spending much time with the town residents.

– Program operator interview –

Local Community–Tailored Jobs

Total program costs **KRW 755,000,000**

TTT Center in Saebat Town, Busan	Cheongsujeong in Suncheon	Chim San Chu Wol in Sejong
Created Jobs 19	Created Jobs 7	Created Jobs 15
Improvement to run-down areas 6	Cumulative visitors Around 30 thousand	Cumulative visitors 9,000

- 01 Saebat Town in Busan – Improved 6 run-down areas and 3 dangerous structures, reduced the crime rate by 17%
- 02 Cheongsujeong in Suncheon – Around 16,000 people from 34 organizations across the nation visited for urban regeneration benchmarking
- 03 Chim San Chu Wol in Sejong – Achieved 9,000 cumulative visitors

Of total program costs of KRW 0.7 billion



2. Local Community Problem-Solving, ‘Do the Green Thing’

Together with various local community organizations, we resolve social issues in the post-COVID-19 era.

The Local Community Contest Program, which is hosted by the SFG Hope Foundation, is an alliance model-based social program that was jointly planned by SFG and Community Chest of Korea to support local communities and their members who face financial crises and daily life difficulties due to COVID-19.

An alliance model refers to a community that is formed by the signing of an MOU by a non-profit organization, social economy company, and local government at the local community level to resolve local community issues. The 2022 Contest Program was launched to resolve environmental issues as well as social issues, such as economic and social inequality and build a sustainable society by presenting solutions for environmental issues that emerged due to COVID-19 and environmental issues in the local community that result from the climate crisis.



GeolJaHaeJi

Together with citizens (teenagers, youths, families), we carried out GeolJaHaeJi (People will restore the environment that was damaged by people!), a project aimed at protecting the marine environment and realizing carbon neutrality. The project was participated in by 300 elementary and secondary school students, 50 high school students and youths, 270 family members including teenagers, and 300 Plastic Diet Challengers. The project strived to spread the green spirit in the local community, make a daily habit of being plastic-free, and resolve environmental issues in the local fishing village.

Environmental education,	Cleaning of the underwater environment	Removal of ocean wastes/harmful marine life	Plastic reduction campaign
Total 22 times	8 hours*2 times	Total 1068.5 kg	2 times

Green Village, a Village Practicing Carbon Neutrality

We carried out carbon neutrality-related environmental education of the Special Carbon Neutrality-Practicing District that was led by local residents and youths. Twenty local residents of Pyeongri, Jochiwon-eup, Sejong City, and 20 undergraduates and youths residing in Sejong City or attending a college in the city came together and operated the Pyeongri Culture Town (carbon neutrality town). A total of 20 environmental education instructors were nurtured from among town residents. Also, a shared vegetable garden was set up in the Cultural Garden in Jochiwon to spread a town-led carbon neutrality-practicing culture.

Nurtured environmental education instructors from among town residents
20 persons

Plastic Resource Circulation Program for a Carbon-Neutral Jeju

We carried out such activities as collecting PET bottle caps, creating and setting up upcycled benches, and operating an upcycling experience hall, with participation by at least 1,000 Jeju-do residents, Jeju tourists, and Jeju Olle Trail visitors, to spread the culture of separately collecting wastes correctly and practicing resource circulation, thereby raising environmental awareness among Jeju-do residents and tourists.

Collection of PET bottles	Experiential education on upcycling	Replaced broken benches along Jeju Olle Trail
Total 319 kg (Achieved 150% of target)	15 times Participated in by 184 persons	6 benches

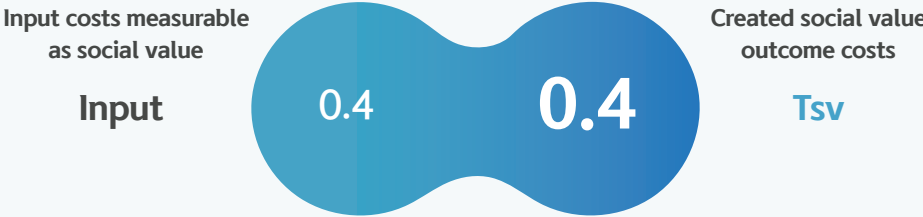


Local Community Problem-Solving

Total program costs **KRW 900,683,461**

Contest program
3 cases

Of total program costs of KRW 0.9 billion



1. Culture and Art Support Program (Shinhan Music Awards) ●

We discover and nurture promising young talent in the field of art and culture.

The Shinhan Music Awards is the first classical competition in the domestic financial industry that was launched in 2009 based on donations made by Shinhan Bank employees for the development of classics in Korea.

Held for middle and high school students in Korea, the Shinhan Music Awards are classified into the four categories of violin, cello, piano, and singing. We changed the system starting from the 12th Awards in 2020 to choose the second-place winner in addition to the first-place winner by category, thereby choosing a greater number of winners and providing practical benefits to more participants

Thanks to such support, singer Kim Tae-han (aged 23, baritone), who was a part of the 8th Shinhan Music Awards, became the first male singer from Asia to win at the ‘Queen Elisabeth Competition’ held on June 4, 2023 which is regarded as one of the world’s top three competitions.

Other participants of the Shinhan Music Awards, including cellist Kim Ga-eun (10th Shinhan Music Awards, 1st place at the Irving M. Klein International String Competition in 2022) and Han Jae-min (12th Shinhan Music Awards, 1st place at the Enescu Competition in 2021), distinguished themselves at music competitions held in Korea and abroad. The Shinhan Music Awards is therefore assessed as serving as a foundation for Korean musicians to perform on the international stage.



The amount supported in 2022 totaled KRW 451 million. We held 4 concerts at the Sejong Center which were concerts of the winners and 4 recitals at the Shinhan Art Hall, in addition to providing 13 opportunities to perform together with performing artists with developmental disabilities.



The Shinhan Music Awards holds all contests at the Shinhan Art Hall, and pursues transparent contests by means of a live YouTube broadcast. It is a domestic competition that also serves as a true Mecenat program for which participation fees are not received.

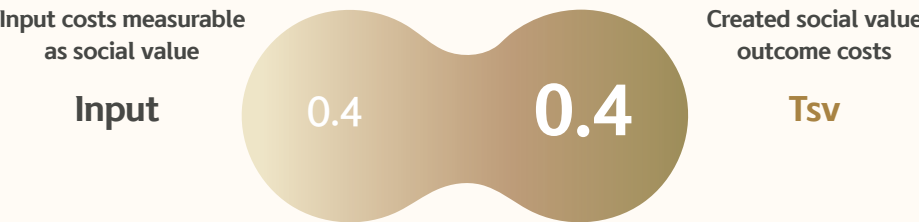
In addition to providing scholarships to winners, we hold a concert for winners to perform at the Sejong Center. By providing opportunities to perform together with performing artists with developmental disabilities and holding regular social contribution concerts, we promote their growth as performing artists who share their talent.

Culture and Art Support Program

Total program costs **KRW 440,181,470**

Concerts for winners 4 times	Shinhan Art Hall recitals 4 times
Joint performance with developmental disorder artists 13 times	YouTube channel views 202 thousand views

Of total program costs of KRW 0.4 billion

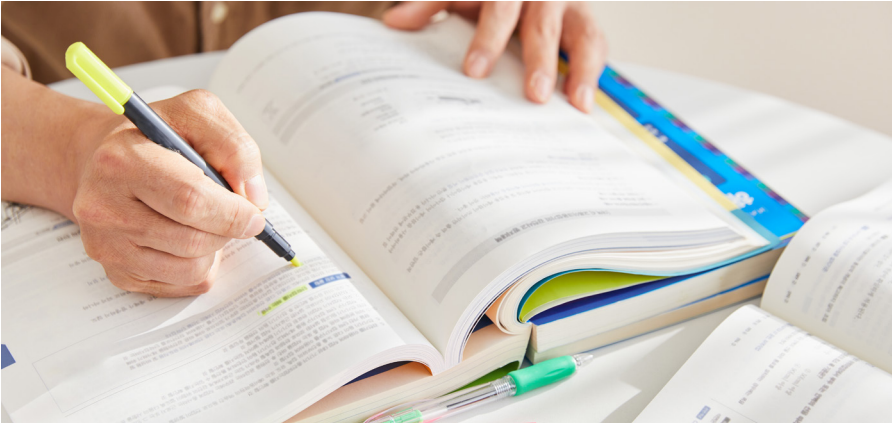


2. Overseas Scholarship Project

We foster future talent by providing stable learning opportunities to overseas students.

By choosing and supporting elementary, middle, high school, and undergraduate students through local subsidiaries in eight Asian countries, including Kazakhstan, Uzbekistan, Vietnam, India, Myanmar, Cambodia, and Indonesia, beginning with China in 1997, the SFG Hope Foundation is fully investing in the future of Asia. Vietnam is directly running the scholarship project in Vietnam as part of its CSR program, enabled by its growth.

By providing scholarships, the SFG Hope Foundation seeks to change the future of students and also anticipates building a virtuous cycle in which the students grow into talents who can practice the spirit of sharing over the long term and contribute to global economic growth.



The total amount of support funds in 2022 is KRW 87 million. We provided students in 7 developing countries with stable learning opportunities and nurtured outstanding talents.



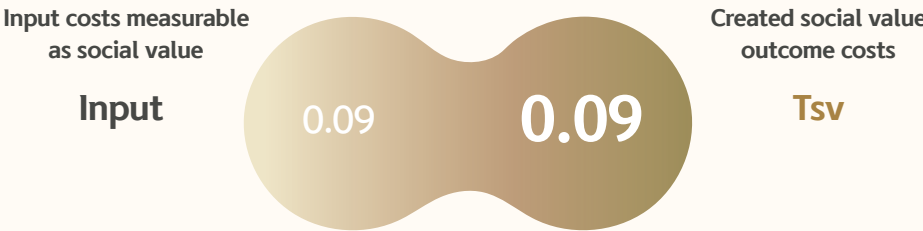
Through this scholarship project, the SFG Hope Foundation will continue to provide support to even overseas students to reduce the education gap that results from financial difficulties and to prevent students from giving up on their studies because of the hardships of life.

Overseas Scholarship Project

Total program costs **KRW 74,320,388**

Supported students in developing countries	Scholarships
7 Countries	KRW 87 million

Of total program costs of KRW 0.07 billion



3. Academic Support Project

We build a brighter future for the Korean financial industry by supporting academic research in the financial sector.

Conducted jointly with the Korea-America Finance Association, the Academic Support Project provides scholarships to scholars with outstanding academic achievements, authors of excellent theses, and doctoral students in finance among members of the Korea-America Finance Association.

By presenting the ‘Shinhan Financial Engineering Awards’, we are encouraging outstanding talents, including those who receive the Academic Award and Best Thesis Award, and are facilitating finance-related research.



The total amount of support funds in 2022 was KRW 24.63 million. We presented the Academic Support Project (Shinhan Financial Engineering Awards) Academic Award to 2 people and Best Thesis Award to 2 people.



Since this project supports the Association and researchers located overseas, there are difficulties in direct communication because of distance.

However, we continued to actively support academic research in the financial sector by providing doctoral program scholarships to 10 persons and covering Association operation expenses.

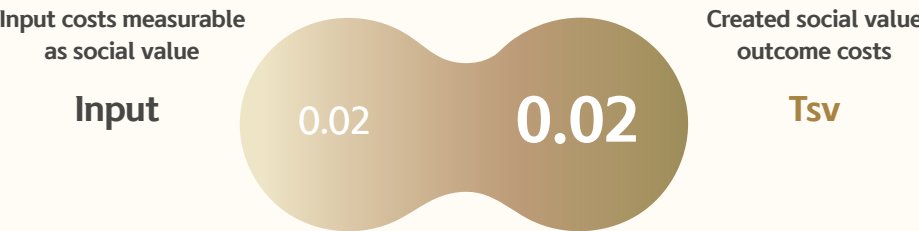
Based on the conviction that these efforts will contribute to building a bright future for the Korean financial industry, we will continue to provide scholarships to overseas researchers and the Association.

Academic Support Project

Total program costs **KRW 14,445,834**

Supporting academic research KRW 24.63 million	Shinhan Financial Engineering Award 2 people
Best Thesis Award to 2 people	Doctoral program scholarships 10 people

Of total program costs of KRW 0.01 billion



Hope.
Together.



03

APPENDIX .

01. Measuring Social Value

- 1) Social Value Measurement System --- 58p
- 2) Social Value Measurement Results --- 59p

02. 2022 Financial Statements ----- 61p

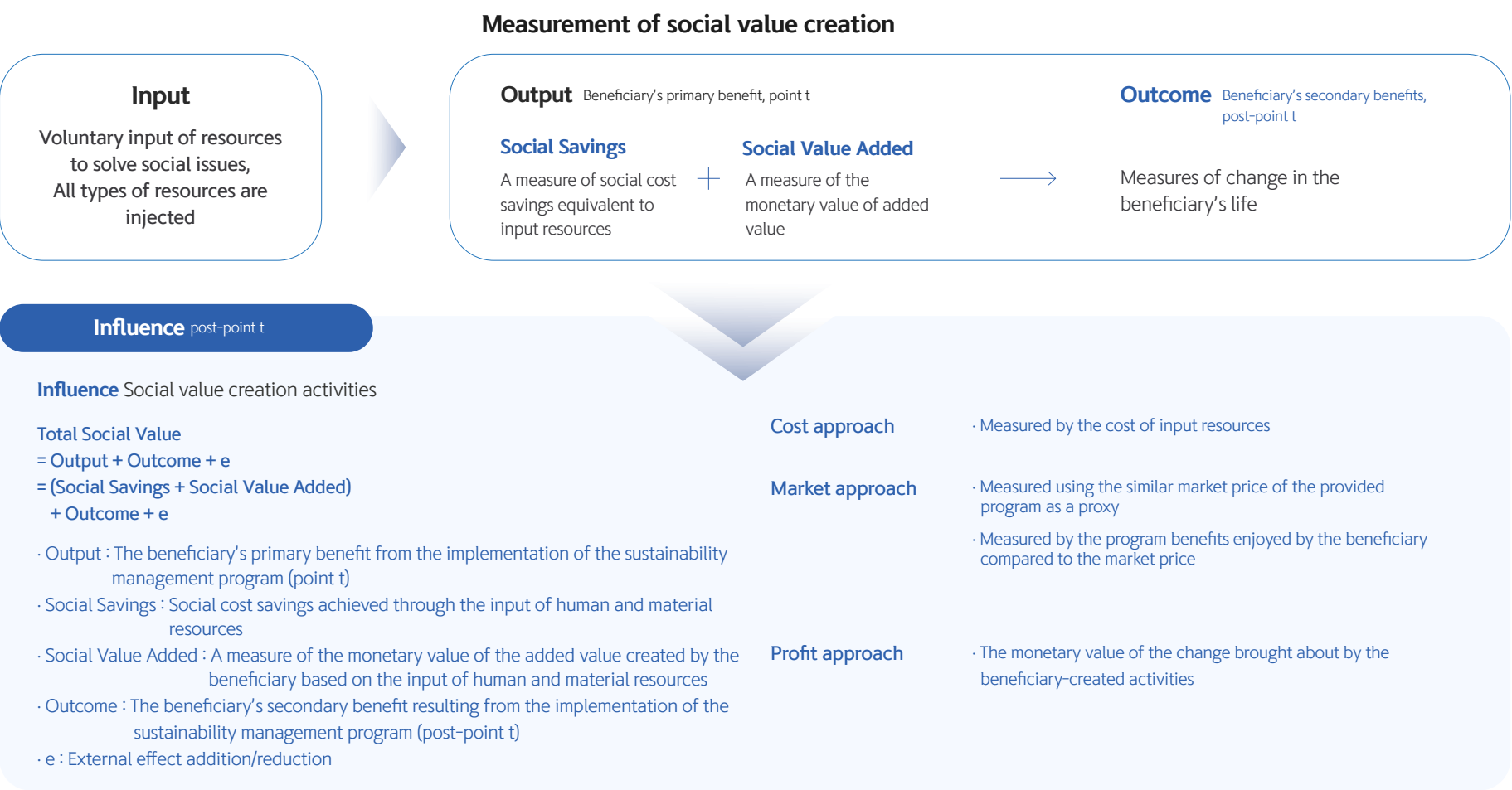
Social Value Measurement System

We classified social value creation areas of the SFG Hope Foundation into the four categories of Social Savings, Social Value Added, Outcome, and Influence from the beneficiary's point of view. We developed and applied SFG's unique Social Value Measurement System (ESG Value Index) based on the classification.

※ Caution : Social value presented by the Shinhan ESG Value Index includes various assumptions and estimates. Significant amount differences may be caused by changes in various factors. The market value of ESG management activities is not guaranteed.

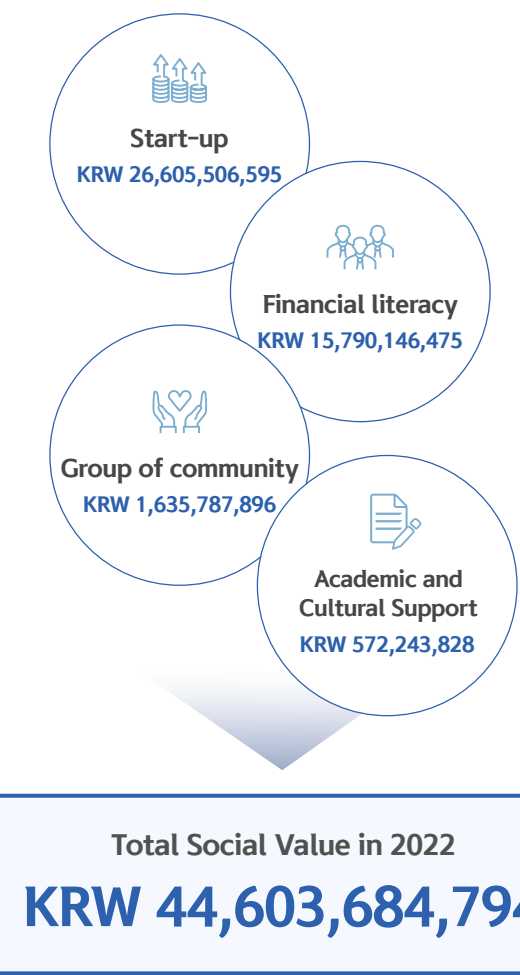


Measurement of the social value of sustainability management programs



Social Value Measurement Results

Total Created social value outcome



Social Value of the Hope Society Project in 2022 (ESG Value Index assessment)

- The Total Social Value (TSV) in 2022 is KRW 44.6 billion, which is 185% of the input of KRW 24.1 billion.
- Key project : S² Bridge (Seoul, Incheon, Jeju, YOUTH, Vietnam, Daegu, Daejeon) achieved an SROI of 209%
- SROI : Hope School SW Class 434%, Jobs for the Disabled(Cafe S-With) 311%

Measurement results

- Approximately KRW 24.1 billion worth of input for the Foundation's projects that are classified into four projects and 19 sub-projects
- Social value added of KRW 20.5 billion created through 28 sub-projects, for which social value added and outcome were measured
- Total KRW 44.6 billion, 185% SROI

Classification	Number of Programs	Social Savings (SS = Input) (A)	SS proportion(%)	Total Social Value (B)	(B) / (A) %
Start-up	13	13,914,751,834	57.6	26,605,506,595	191.2
Financial literacy	8	8,461,831,919	35.0	15,790,146,475	186.6
Group of community	4	1,197,314,286	5.0	1,635,787,896	136.6
Academic and Cultural Support	3	572,243,828	2.4	572,243,828	100.0
Total	28	24,146,141,867	100.0	44,603,684,794	184.7

Financial Statements

As of December 31, 2022, for the 27th (current) term

As of December 31, 2021, for the 26th (previous) term

Shinhan Financial Hope Foundation

Unit : KRW

Accoount	(Current) 27 th term			(Previous) 26 th term		
	Consolidated	Public purpose business	Other business	Consolidated	Public purpose business	Other business

Assets

I . Current assets	52,414,338,793	-	52,414,338,793	51,903,620,605	-	51,903,620,605
1. Cash and cash assets	6,197,238,060	-	6,197,238,060	1,935,938,979	-	1,935,938,979
2. Short-term financial products	45,731,510,335	-	45,731,510,335	49,738,607,215	-	49,738,607,215
3. Accrued income	353,130,048	-	353,130,048	168,480,121	-	168,480,121
4. Current tax assets	132,460,350	-	132,460,350	60,594,290	-	60,594,290
II . Non-current assets	3,797,453	51,937,043,248	-	6,370,576	51,685,414,170	-
(1) Investment assets	-	51,933,245,795	-	-	51,679,043,594	-
1. Other project investment	-	51,933,245,795	-	-	51,679,043,594	-
(2) Tangible assets	3,497,453	3,497,453	-	6,370,576	6,370,576	-
1. Fixtures	42,000,000	42,000,000	-	42,000,000	42,000,000	-
Accumulated depreciation	(38,502,547)	(38,502,547)	-	(35,629,424)	(35,629,424)	-
(3) Other non-current assets	300,000	300,000	-	-	-	-
1. Lease deposit	300,000	300,000	-	-	-	-
Total assets	52,418,136,246	51,937,043,248	52,414,338,793	51,909,991,181	51,685,414,170	51,903,620,605

Liabilities

I . Current liabilities	789,974	789,974	-	99,919,605	99,919,605	-
1. Accounts payable	-	-	-	98,630,911	98,630,911	-
2. Deposits	789,974	789,974	-	1,288,694	1,288,694	-
II . Non-current assets	132,460,350	-	132,460,350	60,594,290	-	60,594,290
1. Reserve fund for essential business	132,460,350	-	132,460,350	60,594,290	-	60,594,290
Total assets	133,250,324	789,974	132,460,350	160,513,895	99,919,605	60,594,290

Capital

I . Basic net worth	21,927,191,700	21,927,191,700	51,933,245,795	21,927,191,700	21,927,191,700	51,679,043,594
1. Original property contribution	21,927,191,700	21,927,191,700	51,933,245,795	21,927,191,700	21,927,191,700	51,679,043,594
II . Ordinary net worth	30,357,694,222	30,009,061,574	348,632,648	29,822,285,586	29,658,302,865	163,982,721
1. Retained earnings	30,357,694,222	30,009,061,574	348,632,648	29,822,285,586	29,658,302,865	163,982,721
Total equity	52,284,885,922	51,936,253,274	52,281,878,443	51,749,477,286	51,585,494,565	51,843,026,315
Total liabilities and capital	52,418,136,246	51,937,043,248	52,414,338,793	51,909,991,181	51,685,414,170	51,685,414,170

-  Shinhan Bank
-  Shinhan Investment
-  Shinhan Capital
-  Jeju Bank
-  Shinhan Asset Trust
-  Shinhan Aitas
-  Shinhan AI
-  Shinhan EZ General Insurance

-  Shinhan Card
-  Shinhan Life
-  Shinhan Asset Management
-  Shinhan Savings Bank
-  Shinhan DS
-  Shinhan REITs Management
-  Shinhan Venture Investment

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 Shinhan Financial Group Hope Foundation