

## Shinhan Financial Group (SFG)

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

## **Scope 3 Portfolio Targets**

**Headline target:** Shinhan Financial Group's portfolio targets cover 20% of its investment and lending activities as of December 2020.<sup>1</sup>

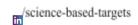
## Scope 3 asset class level targets

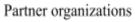
Asset class	Method	Target language
Electricity generation project finance	Sector Decarbonization Approach (SDA)	SFG commits to reduce its electricity generation project finance portfolio GHG emissions 76% per kWh by 2030 from a 2020 base year.
Corporate loan: commercial real estate	SDA	SFG commits to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

<sup>&</sup>lt;sup>1</sup> These targets and coverage % do not include third-party asset management activities.



@ScienceTargets















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