

Materiality Assessment

Shinhan Financial Group annually conducts materiality assessment in accordance with principles for defining report content of GRI G4 guideline in order to determine contents to be included in the report. The materiality assessment process consists of 4 stages of analyzing environment for CSR, creating the issue pool, prioritizing, and selecting and reporting issues. We created 30 issue pools by analyzing internal and external environments, and ultimately derived 10 core issues such as improvement of customer satisfaction and prevention of financial fraud through prioritization of issue pool based with criteria of social interest, which considers expectations and interests of stakeholders, and business impact on corporate management activities. The CSR activities and achievements related to these core issues are available in the report and on the website.

Materiality Assessment Process

STEP 1. Analyzing Environment for CSR Analyzing

- Analyze international standards and trends
- Analyze media research
- Analyze management status and strategic tasks

STEP 2. Creating Issue Pool

• Create 30 CSR issue pools through internal and external environmental analysis

STEP 3. Prioritizing the Subjects

- Level of social attention
- → Review legislation and regulations, industrial issues, and media exposure
- \rightarrow Review links with management strategies and financial performance

STEP 4. Selecting and Reporting Issues

- → Report activities and performances in the report
- · Potential issues
- → Manage activities and performances consistently

Materiality Assessment Result

* Report boundary: Shinhan Financial Group Advance to global market **Conduct Social contribution** and expand sales network using business characteristics Create synergy within affiliates 1 Cyber security Reinforcing financial risk managements Accomplish stable management performance 2 Financial inclusion Develop employee capabilities and nurture human resources Develop products and services by 5 Improve customer Reinforcing the internal control Constructing an appropriate considering environmental impact system and activating whistle- cooperative relationship between satisfaction blowing system labor-management Improvement of the working environment Strengthening of business portfolio Conduct social contribution 6 Prevent financial fraud activities for supporting Pursuing sound governance 8 Expand employment and ensure employment stability developing local community Abiding by the code of ethics and eradicating corruption Strengthen accessibility of socially 9 disadvantaged people for financial services Improve brand Pursuing shared development with suppliers and supporting their CSR activities Expanding the scope of non-financial risk management such as climate change value Core issues area Expanding socially responsible investment Using energy efficiently Work-Life Balance Sprading ethical management education Eradicating incomplete sales Respecting human rights and preventing the violation of human rights Enhancing environment-friendly purchases **Potential issues areas** Social interest

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