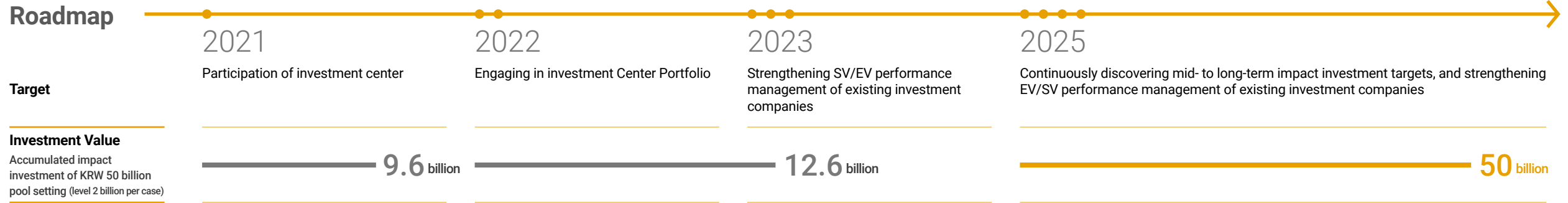


# SE Ecosystem Support

- Discovering social ventures with clear goals and capabilities for solving social problems
- Contributing to vitalizing the impact investment ecosystem by discovering and supporting social ventures

## Roadmap



## Impact Investment Policy

### Definition of Impact Investing

- An investment method aimed at solving social problems while generating profits through investment
- Pursuing both EV and SV through impact investment in a way that supports social ventures that take the lead in solving social problems as an investment company
- Focusing on contributing to the social financial ecosystem and supporting value-up of investment social ventures, and approaching from the perspective of value investment in new growth areas at the mid- to long-term level

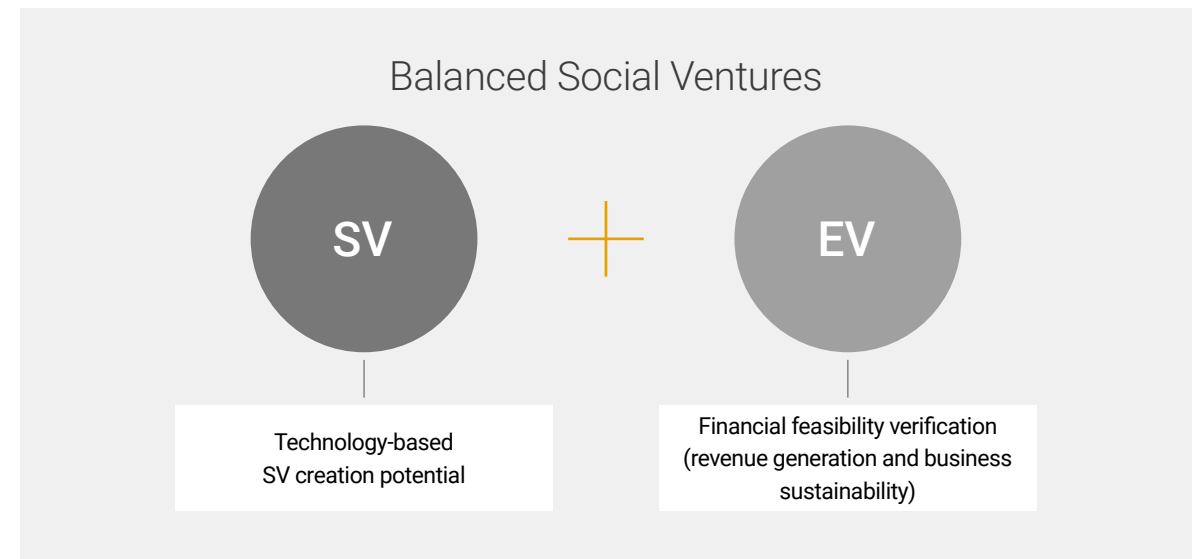
### Impact Investment Targets and Plans

- A company that combines technology and SV creation potential among social ventures that are related to the four major investment areas of Financial Story.
- Pursuing direct capital investment (FI) from a mid- to long-term perspective
- Promoting overcoming the limitations of domestic impact investment, which lacks scale-up support, while verifying the financial potential of social ventures through investment in the Growth Stage\*

\* Growth Stage: Venture companies with revenue generation and business sustainability are divided into Early – Growth – Late Stages according to the company growth stage. In this Stage, business models are generally established, KPIs are improved, and valuations are formed based on financial indicators.

### Impact Investment Conditions

- SV Perspective: Possess a virtuous cycle structure in which solutions to solve social problems lead to business growth
- EV Perspective: Sustainability in terms of sales and business



# Impact Investment Execution and Performance Management

## Impact Investing Activities

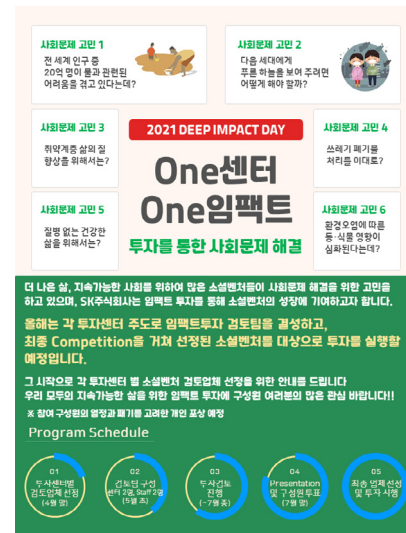
- Operating 'Deep Impact Day', an impact investment program based on employee participation
  - Providing scale-up and value-up opportunities to participating social ventures, encouraging members to empathize with the need to solve social problems and recognize 'new entrepreneurship'
  - In 2021, the One Center-One Impact concept was carried out, and a total of 40 social ventures were supported and the final impact investment target was selected through an investment review process involving members.
- In 2022, after establishing a target area in line with 'solving social problems through investment' for each investment center, change to a process that can discover and review social ventures year-round
  - Reviewing the feasibility of impact investment through the same process as general investment (deliberation by the company-wide investment committee)



Investment education from the perspective of social value



Lectures and education by inviting social entrepreneurs



One Center-One Impact Program

## Impact Investment Performance

2020	<b>3.6 billion won</b> <b>enûma</b> <b>Mission</b> Bridging the Global Education Underprivileged Gap <b>Biz</b> Developing/Selling Digital Learning Solutions for Biz Infants and Toddlers
	<b>2 billion won</b> <b>TESTWORKS</b> <b>Mission</b> Equal Opportunity for All in the Mission Inclusive Employment Base <b>Biz</b> Data collection/refining/processing for Biz S/W QA and AI learning
2021	<b>2 billion won</b> <b>[todo] WORKS</b> <b>Mission</b> Development of technology for the disabled and the elderly <b>Biz</b> Wheelchair Power Assist Product Development/Sales
	<b>2 billion won</b> <b>twt</b> <b>Mission</b> Improving human health and quality of life based on foreign matter detection technology <b>Biz</b> Water pollution (fine substances, bacteria) measurement sensor development
2022	<b>3 billion won</b> <b>THERMO LAB</b> <b>Mission</b> Reduce waste and carbon emissions by developing sustainable packaging solutions <b>Biz</b> Development and sales of Biz reuse (eco-friendly) and smart packaging materials

## SE Ecosystem Support through SK Pro Bono

- In order to support the SE ecosystem, SK operates SK Pro Bono, which supports the growth of the SE ecosystem, such as social enterprises and social ventures, based on the professional capabilities of its employees.
- In 2022, due to COVID-19, 137 social enterprises are provided with consulting and support necessary for the actual growth of social enterprises, such as marketing strategies, legal advice, and web usability tests, in a non-face-to-face manner.

## [Special Page] Hangarae



Hangarae is a mobile app developed by SK Inc., aiming to promote participation in solving social issues in our daily lives. It introduces easily accessible social problem-solving activities and encourages consistent engagement through various motivations and fun elements, thereby fostering participation in spreading social value and creating a better tomorrow. Social issues are challenging to solve solely through the efforts of specific entities such as governments, NGOs, businesses, or schools. Individual actions in addressing social problems, even in small ways, can lead to greater awareness and development. These efforts can align with corporate and organizational initiatives related to ESG management, promoting social value, and CSR activities, making it easier to empathize and actively participate in such endeavors. To contribute to the creation of a sustainable society, SK Inc. developed Hangarae with the belief that the combination of individuals' healthy thoughts and actions can lead to a more prosperous future, creating "a tomorrow that adds happiness." The app has been applied to 61 companies, organizations, and schools, with more than 28,000 participants actively engaged in various social activities through the platform.

### Key features of Hangarae app service

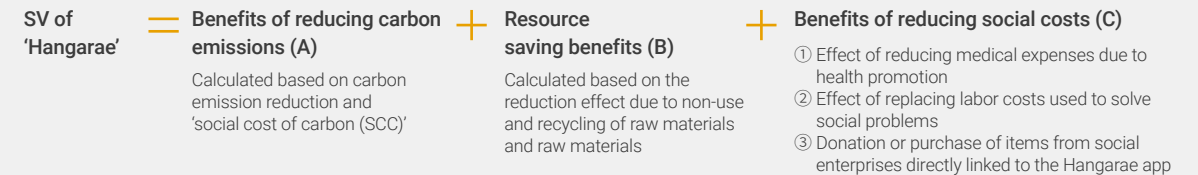
SV Practice Record/Measurement	SV Practice Record/Measurement	SV Practice Record/Measurement				
<ul style="list-style-type: none"> <li>Practice and record various social problem-solving activities in daily life (currently, about 40 activities such as mug cups, stairs, walking, and public transportation)</li> <li>Calculate social values created according to objective measurement indicators (carbon emission reduction &amp; monetization of social values)</li> </ul> <p>* Support customized activities according to individual/organizational environments * Support recording methods such as QR/ NFC recognition, photo authentication, and administrator input through the app</p>	<ul style="list-style-type: none"> <li>Blockchain technology-based reward (SVC) payment according to individual participation in practice</li> <li>Rewards are used in other social value creation forms such as donations and Buy Social</li> </ul> <p>Donation</p> <table border="1"> <tr> <td>Purchase of goods from social enterprises</td> <td>In-house cafe/canteen</td> </tr> <tr> <td></td> <td>Purchase of goods</td> </tr> </table> <p>Conversion of points to the social enterprise shopping mall</p> <p>Gifts between users</p>	Purchase of goods from social enterprises	In-house cafe/canteen		Purchase of goods	<ul style="list-style-type: none"> <li>Activity ranking/level: Inducing goodwill competition among users, recognition factor</li> <li>Stamp: Practice activity/goal achievement, encouragement</li> <li>Challenge: Providing achievement/pleasure through games/missions</li> <li>Buddy: Comparing rankings with close users such as teammates, inviting games/missions, giving gifts, etc.</li> <li>Providing materials such as ESG/SV-related educational videos, columns, news, and glossary</li> <li>Quiz, Quickfall: Learning support/awareness related to individual social values</li> </ul>
Purchase of goods from social enterprises	In-house cafe/canteen					
	Purchase of goods					

### Major Activities of Hangarae in 2022

- About 28,000 Hangarae users participated in about 350,000 ESG activities in 2022 alone
- It is expanding to activities with various stakeholders such as community and group members
  - Campaign to Sponsor Winter Heating Cost for the Underprivileged (December 2022): 150 people participated and donated KRW 4 million
  - New Entrepreneurship Council (ERT) 'Save the region, save the environment' Group-wide Joint Challenge (September-November 2022)
    - SK member companies: 20 subscribers (participants): 12,344 people (6,833 people)
    - Number of practices: 706,380 / Carbon reduction: 222.2 tons / Social value: KRW 151.8 million

### Measurement of Social Value Created through Hangarae

In the ESG management environment, social value measurement and management are activities that show organizational innovation and differentiation as well as preemptive responses to stakeholders, and are becoming increasingly important.



Practice Activities	Number of times (10,000 steps/time)	Carbon emission reduction (kgCO <sub>2</sub> e)	Social value of Hangarae practice activities in 2022** (thousand won)			
			Carbon emission reduction benefit (A)	Resource saving benefit (B)	Social cost reduction benefit (C)	Total social value
Healthy walking	862,817	845,560	89,904	-	474,549	564,453
Plogging	3,793	48	5	-	19,011	19,016
Use the stairs	2,605,143	27,615	2,936	1,198	13,677	17,811
Health bike	48,030	8,602	915	18,061	4,565	23,541
Public transportation/carpooling	110,581	368,518	39,183	220,513	-	259,696
Mugs/tumblers	778,365	21,794	2,317	121,114	-	123,431
Shopping cart/multi-use container	27,582	5,190	552	978	-	1,530
Separation of garbage	419,928	101,203	10,760	-	-	10,760
Separate discharge of transparent pet bottles	28,398	1,193	127	704	-	831
Recycling	2,018	6,270	667	11,255	-	11,922
Zero leftovers	643,562	98,143	10,435	222,029	-	232,464
Low carbon diet	11,391	11,391	1,211	-	-	1,211
Blood donation certification	1,776	-	-	-	178,470	178,470
Saving electricity	110,445	13,969	1,485	764	-	2,250
Save water	11,928	56	6	199	-	205
Double-sided printing	21,147	305	32	1,057	-	1,090
Health exercise certification	2,317	-	-	-	695	695
Social contribution activities	3,534	-	-	-	178,001	178,001
Reward donation/in-kind donation	3,700	232	25	-	69,747	69,772
Buy social	1,530	-	-	-	53,029	53,029
<b>Total</b>	<b>4,835,168*</b>	<b>1,510,088</b>	<b>160,560</b>	<b>597,874</b>	<b>991,744</b>	<b>1,750,178</b>

\* Excluding healthy walking / \*\* PwC Methodology Report, Ministry of Environment public announcement/guide and private medical insurance company calculation data are applied as basis for calculating social value for each practice activity.