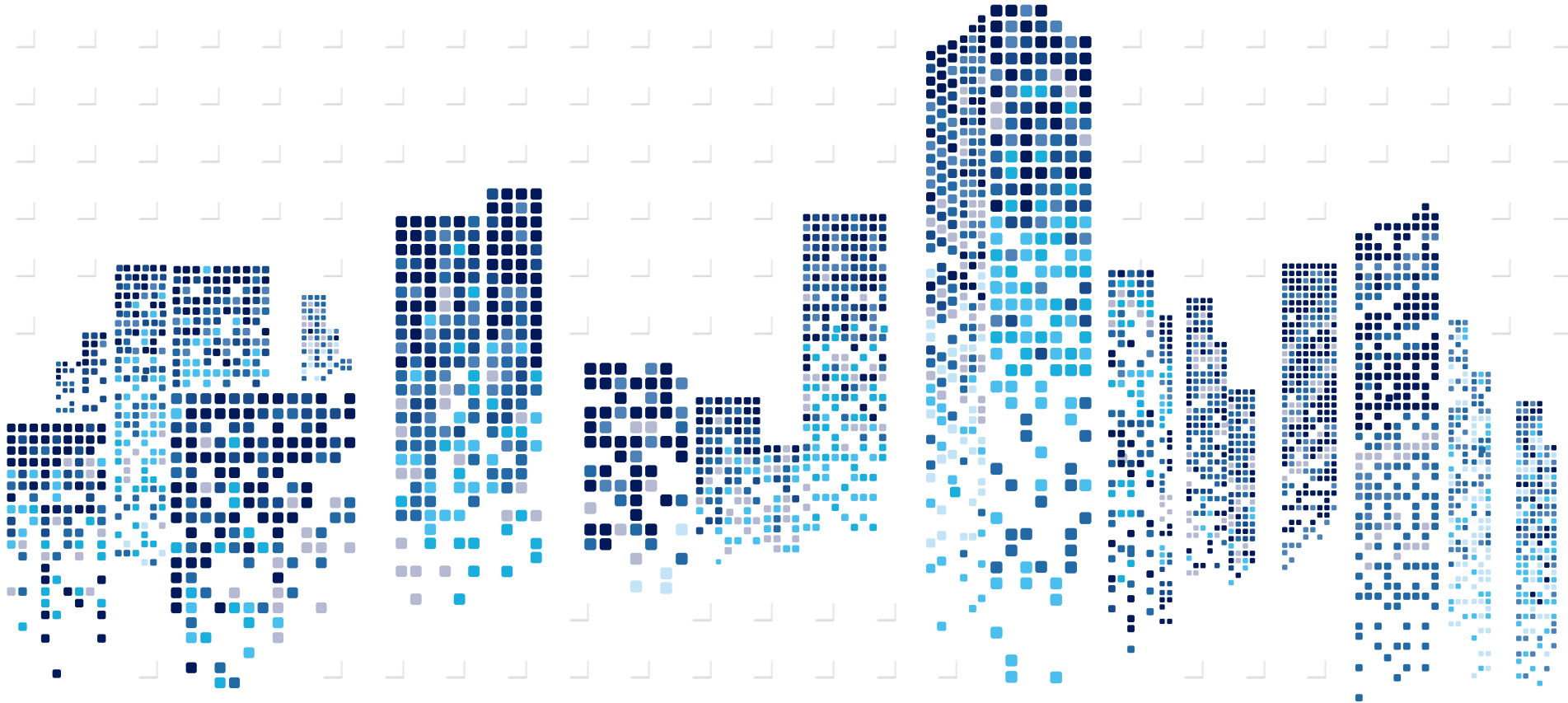


STIC INVESTMENTS SUSTAINABILITY REPORT 2022



About this report

STIC Investments(hereafter, STIC) has published its first sustainability report in an effort to share financial and ESG performance outcomes with various stakeholders. This report includes sections on 'ESG Policy & Program' and 'Corporate Sustainability,' which discuss STIC's ESG efforts as well as sections on 'Responsible Investing' and 'Case Studies,' which present STIC'S responsible investments.

Reporting Scope

This report covers STIC's major ESG activities and performance from January 1 to December 31, 2022, including additional data if necessary.

Reporting Period

Yearly(first published in 2023)

Additional Information

Please do not hesitate to reach out to us should you have any inquiries.

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CEO's Message



In 2023, STIC Investments published its first sustainability report. Twenty-four years have passed since the company was founded in July 1999 with a corporate mission to provide 'Contributions to the Society through Our Investment.'

At a time when the term 'ESG' had not yet appeared, STIC Investments announced its policies of 'Investments to Fulfill Social Responsibility' and 'Joint Value Creation through Corporate Improvement and Coordination of Interests,' which have been implemented over the past 24 years. These policies have constituted the fundamentals of our investments and have developed into STIC's ESG spirit.

The past two years have been for us a period of ESG development, a time when we declared our ESG policies and established ESG action plans to systematize STIC's ESG spirit. STIC Investments places ESG values together with investments and financial values as the top priorities in our business, and ultimately tries to create larger economic and social welfare value by faithfully implementing our ESG initiatives.

This report contains STIC's passion and sincerity for ESG as well as our ESG policies and practices. We hope that STIC's efforts are fully delivered to stakeholders, as we expect to spread ESG values together with our broader stakeholders.

STIC Investments Chairman **Yonghwan Do**

A handwritten signature in black ink, appearing to be 'Yonghwan Do', located at the bottom right of the page.

Company Overview

STIC Investments is a KOSPI-listed private equity firm with an accumulated 24 years of investment experience. Since its launching in 1999, STIC has accumulated fruitful investment experience with a strong track record demonstrated across various industries and economic cycles.

Global Network

STIC Investments has steadily increased its overseas investment activities since the establishment of its Seoul headquarters. Now STIC operates offices in Singapore, Ho Chi Minh City, and Taipei, and an advisory office in Bengaluru.

Name	STIC Investments, Inc.
Address	12, Teheran-ro 78-gil, Gangnam-gu, Seoul
Employees	68 personnel
Equity	232.3 billion KRW
Subsidiaries (as of 2023. 05)	STIC Ventures(Venture capital investment·678.5 billion KRW AUM) STIC Alternative(Real estate, Infrastructure investment·1088.8 billion KRW AUM)



AUM **7.0** trillion KRW

STIC has accumulated 8.186 trillion KRW AUM since its establishment in 1999 and is currently managing a total of 6.968 trillion KRW with 12 blind funds and 6 project funds(as of 2023. 05).



Portfolio Companies **90+**

STIC has invested in 97 companies, including 29 overseas investments, since its start as a private equity company in 2006(as of 2023. 05).



Partner Investment Experience **200+** years

STIC owns a vast investment network of partners with a total investment experience of over 200 years.



Foreign Invested Funds **800** billion+ KRW

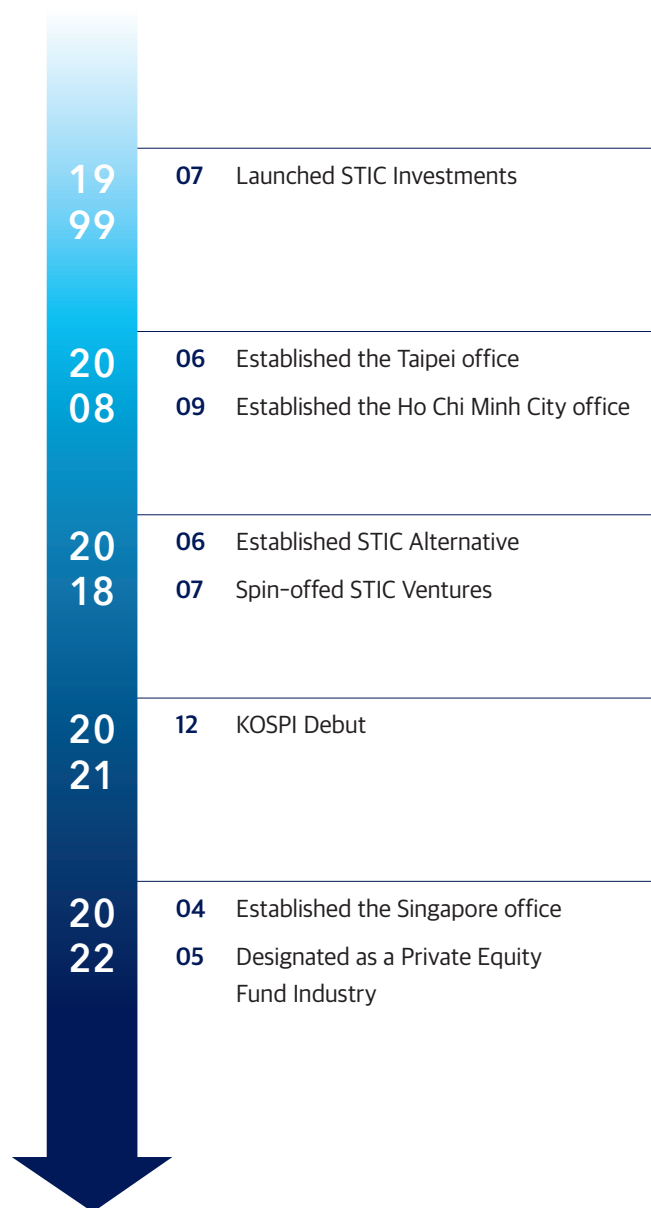
STIC has attracted 862.4 billion KRW of foreign investment funds since it first attracted investment funds from Mitsubishi in 2001.



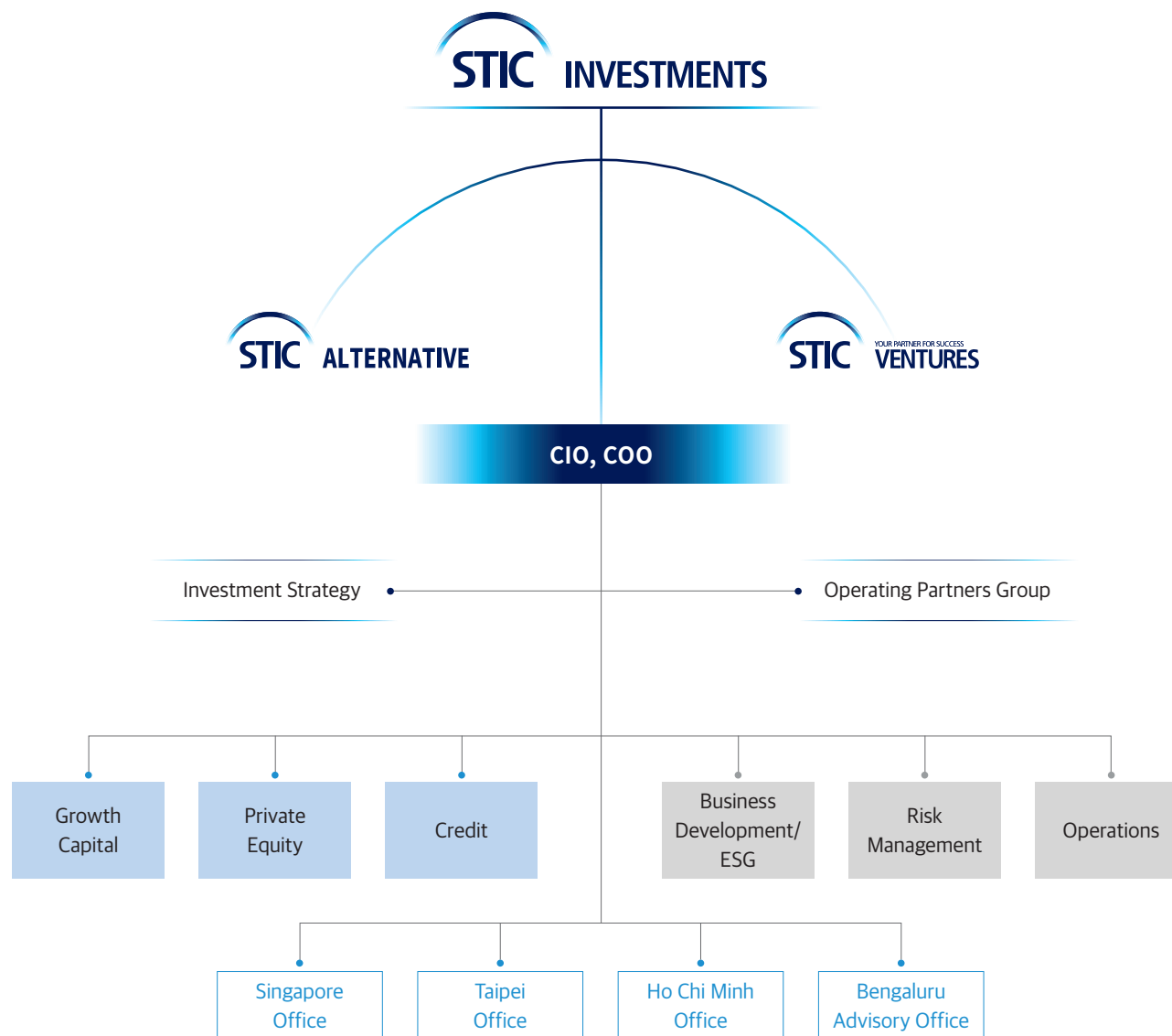
Overseas Investments **1.5** trillion+ KRW

STIC has continuously expanded its overseas investment business since its first foreign investment in 2001. Currently, STIC has invested 1.602 trillion KRW overseas.

Key Milestone



Organization Chart



Investment Spectrum

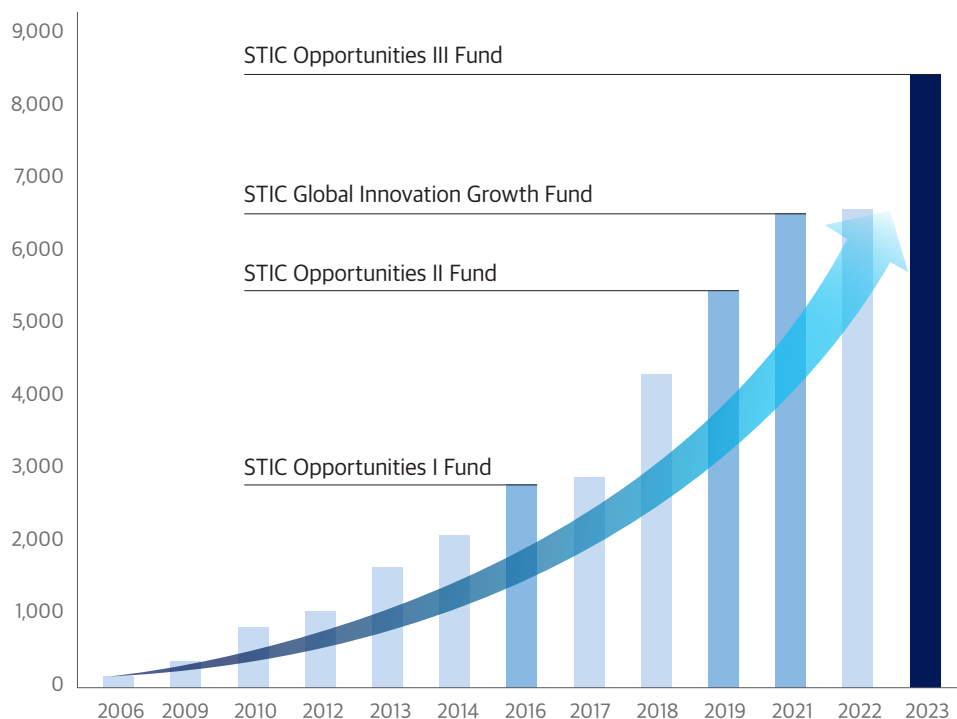
STIC Investments provides a wide range of investment strategies by three investment teams in accordance with the company's growth stages.

STIC's representative funds include the STIC Opportunities I Fund(603.2 billion KRW), STIC Opportunities II Fund(1.22 trillion KRW), and STIC Opportunities III Fund(1.84 trillion KRW, as of 2023. 05.), which are managed by the Private Equity Team. There is also the STIC Global Innovation Growth Fund(555 billion KRW), managed by the Growth Capital Team, and the STIC Eugene Star Fund(300.5 billion KRW), managed by the Credit Team.

Assets Under Management

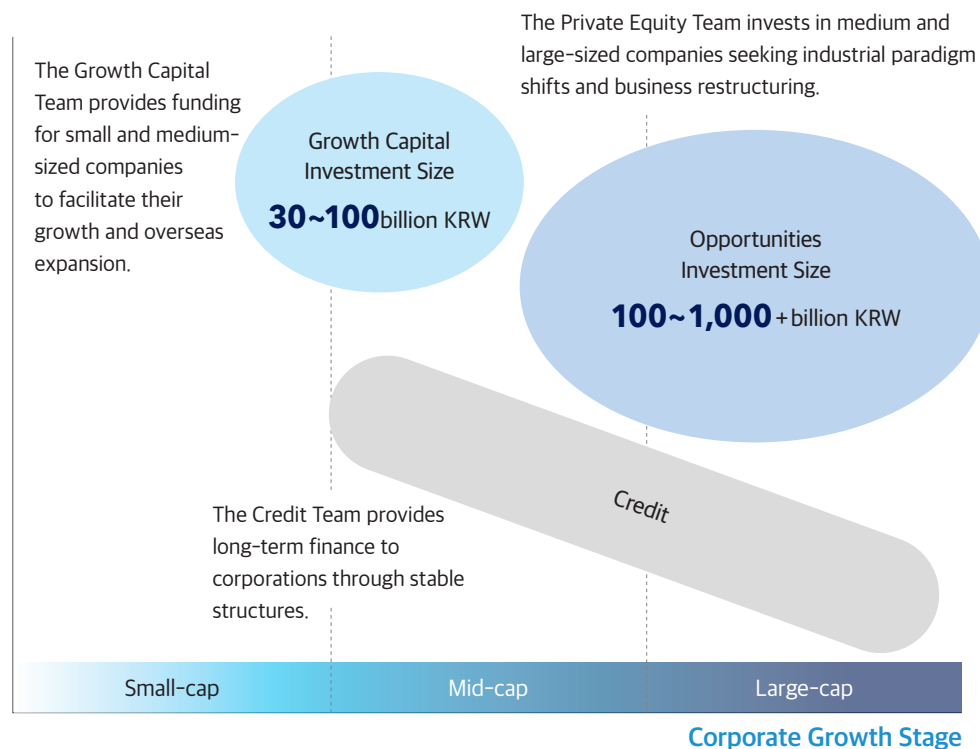
Cumulative AUM by Year

(unit : billion KRW)



Investment Strategy

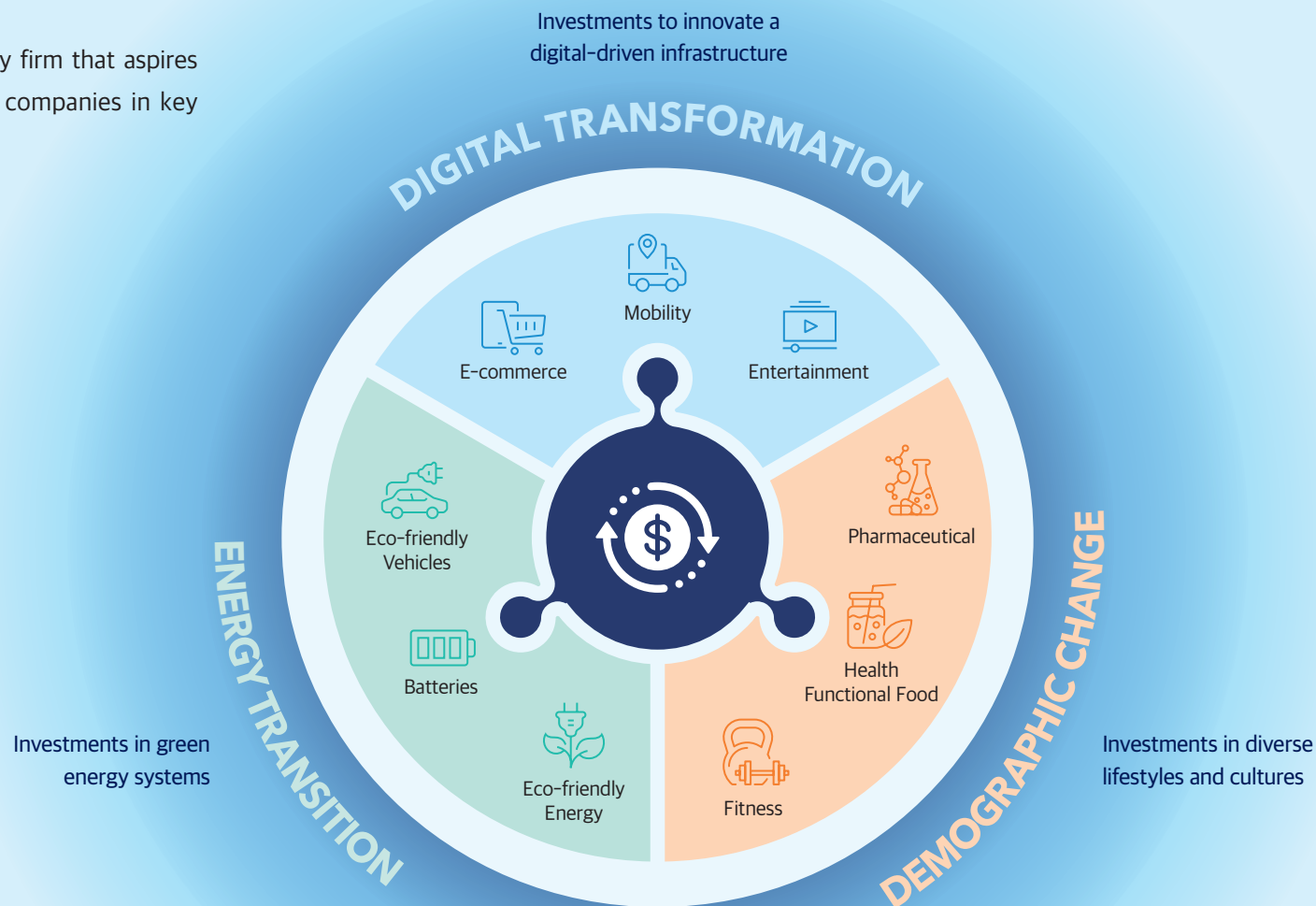
Risk



Investment Strategy

STIC Investments is a professional private equity firm that aspires to a sustainable future by investing in leading companies in key emerging industrial sectors.

STIC Investments expands its investment portfolio for sustainable growth by actively reflecting ESG values into its investment decisions.



ESG POLICY & PROGRAM

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STIC's ESG Pathway



ESG 2.0

- Investments to actively discover opportunities in the environment, society, and governance
- Investments to create a positive impact on society through sustainable management

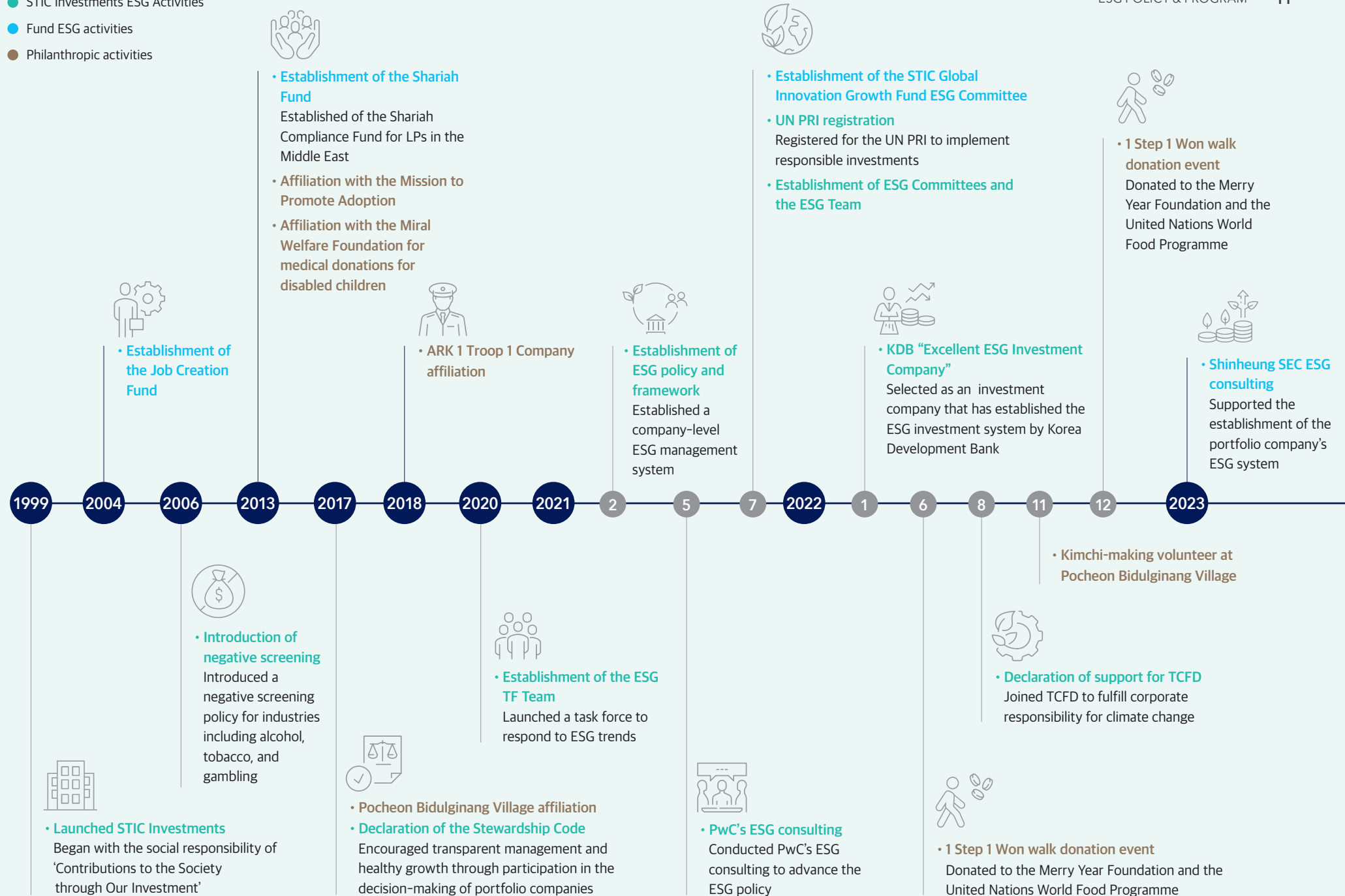
ESG 1.0

- Investments to minimize negative risks to the environment, society, and governance

Contributions to the Society through Our Investment

Investments based on the management principles of 'Client First,' 'People First,' and 'Transparent Management'

- STIC Investments ESG Activities
- Fund ESG activities
- Philanthropic activities



ESG Performance

Environment: Protecting the earth

Climate action to mitigate global warming is one of the key concerns in ESG. The global market provides firm value by reflecting climate-related risks and opportunities including carbon emissions. Moreover, there is demand to disclose information on carbon emissions as we move to carbon-neutral societies.

STIC Investments joined the TCFD in order to actively respond to global environmental initiatives, and announced its transition to an eco-friendly management system. At the same time, STIC is actively investing in secondary battery and electric vehicle businesses, contributing to the development of a society without fossil fuels. In addition, all its employees are engaged in volunteer activities to minimize the negative environmental impacts on the world.



TCFD* Declaration

Global corporate responsibility for climate change

In August 2022, STIC Investments joined the TCFD to fulfill its corporate responsibility for climate change. Starting with its TCFD declaration, STIC plans to implement various environmental policies to achieve its mission of climate action.

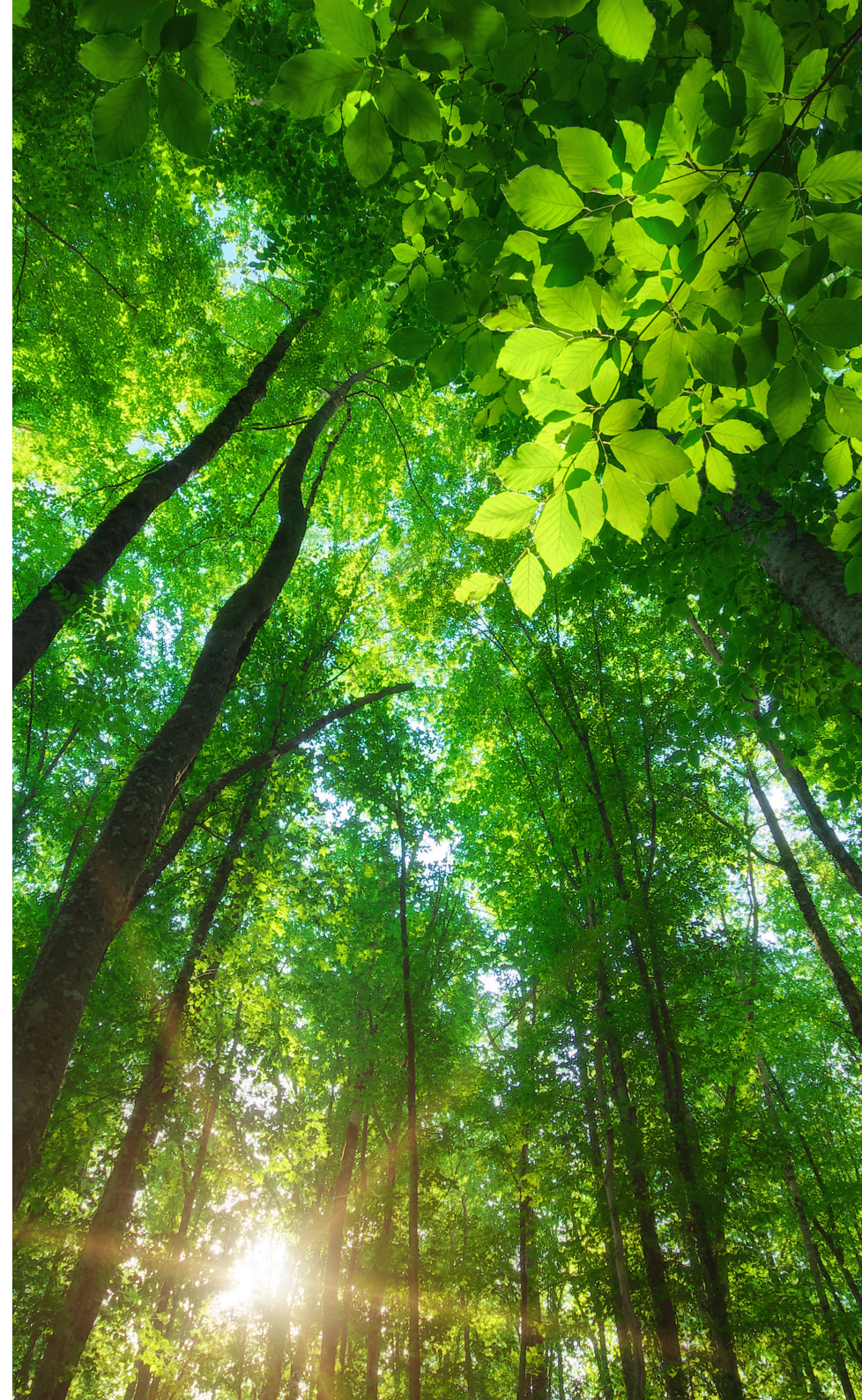


Investments in secondary battery and electric vehicle businesses

A cornerstone for the transition to a carbon-neutral society

STIC Investments is actively investing in secondary battery and electric vehicle businesses to facilitate the transition from a traditional fossil fuel energy system to a renewable energy system.

*TCFD : Task Force on Climate-related Financial Disclosures



Social: Embracing diversity

Inclusive growth with various stakeholders is a necessity to move towards a sustainable society. Companies around the world are establishing policies that reflect not only shareholder values but also stakeholder values.

STIC Investments believes that we can go further together. STIC is adopting policies beneficial for various stakeholders including employees, shareholders, portfolio companies, and local communities. STIC strives for shared growth not only with its direct stakeholders but also with a wide range of stakeholders, including the local community.



In-house ESG training

Strengthening ESG capabilities of all employees

STIC Investments is conducting in-house ESG training for employees to strengthen the ESG capabilities of all corporate members.



Transparent recruitment policies and processes

The first step towards becoming an ethical company

STIC Investments has established policies to establish a transparent recruitment process and recruit talent in compliance with hiring policies.



ESG support for portfolio companies

A collaborative ESG system to grow together

STIC Investments supports the establishment of an ESG system for portfolio companies in order to advance to a sustainable society in which everyone evolves together.



Contributions to the local community

Our efforts for a sustainable community

STIC Investments regularly engages in philanthropic activities that support the local communities, including ARK Unit donations and Pigeonnang Village volunteer activities.



Governance: Moving towards an equitable system

Strong governance is a prerequisite to ensuring the stability of the financial market. In the global society, transparent governance is defined as an important factor for the firm increase of value and requires information disclosure to foster active communication with stakeholders.

STIC Investments is implementing various activities to improve its governance system. STIC protects shareholder rights, operates various communication channels for various stakeholders, and strives to actively communicate with them.



Declaration of stewardship code

Our declaration for transparent management

In June 2017, STIC Investments actively participated in the decision-making of portfolio companies, encouraged transparent management of these companies, and implemented the stewardship code to pursue sustainable growth.



Establishment of ESG Committees

Systematization of ESG policy

STIC Investments established ESG Committees to manage ESG strategies and embed ESG values into its investment activities.



Establishment of ESG organization

Realization of ESG values

STIC Investments established the ESG Team in order to actively implement ESG policies.



ESG Performance

How STIC envisions the future of ESG

STIC Investments was established under the declared goal of ‘Contribution to the Society through Our Investment’ and has strived to fulfill its corporate social responsibility since its establishment. Now, as a global corporate citizen active beyond South Korea, we continue to fulfill our responsibilities for sustainable management.

STIC is realizing ESG values based on the ESG vision and mission as below. ESG vision and mission contains the STIC’s aspiration for responsible investments and is based on the ESG values of 3C: “Core, Comprehensive, Collaboration.” Our ESG vision, mission, and values are implemented throughout the entire investment process.



ESG Framework

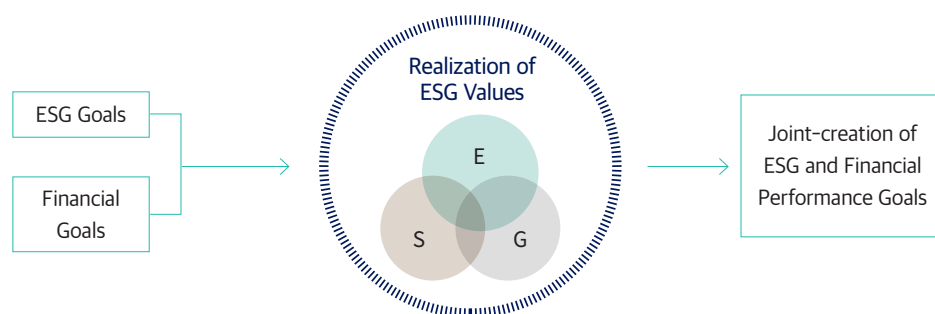
How STIC embodies ESG

STIC Investments believes that by implementing ESG policies, we can nurture a sustainable future for the entire community, including the companies we invest in, shareholders, and investors.

Mission

Our Responsibility for Sustainable Investment

STIC strives to achieve both ESG and financial performance goals.

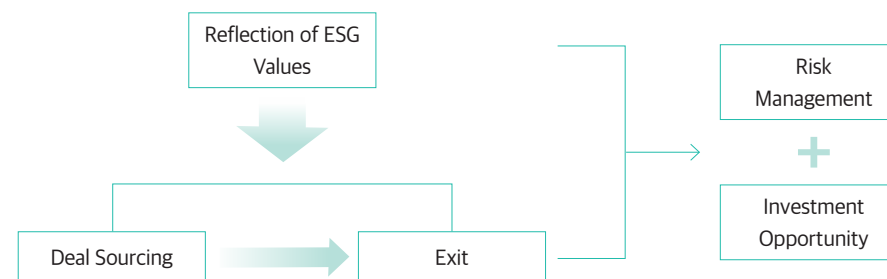


STIC Investments considers Environmental, Social, and Governance(ESG) values as the top priority together with financial values in its business and investment approach. We believe that implementing ESG values across our business strategies and investment decisions will essentially benefit a sustainable growth of the firm, investors, portfolio companies, and a broader community. As we trust that ESG performance is as important as financial performance, we seek to create larger economic and social values by actively integrating ESG factors into our business operations.

Purpose

Our Milestone for Sustainable Investment

STIC seeks both risk management and investment opportunities by practicing ESG values.



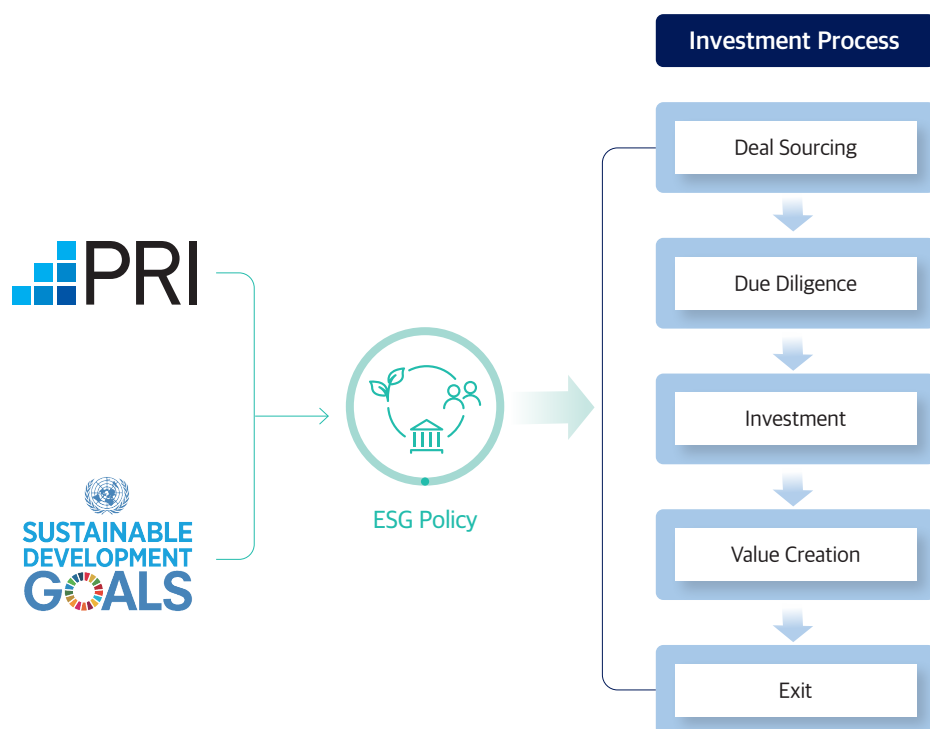
STIC Investments aims to provide an overarching framework for incorporating ESG factors into the management of the firm and portfolio companies, and all investment activities. The purpose of this policy is to not only recognize ESG initiatives as risk factors, but also to highlight their importance as opportunities. All STIC employees are required to adhere to this policy and implement it accordingly.

In 2021, STIC Investments developed an ESG policy and framework to embody sustainability values.

Principles

Our Promises for Sustainable Investment

STIC Investments integrate UN PRI principles and UN SDGs into investment decisions.

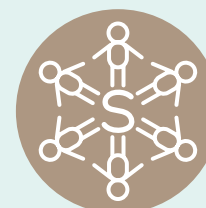


STIC's ESG Factors



Environment ▶ 8

Air and water pollution, Climate change, Energy efficiency, Hazardous materials, Land degradation, Resource depletion, Waste management, Water scarcity



Social ▶ 10

Customer satisfaction, Data protection and privacy, Diversity, Equality, and Inclusion, Government & community relations, Human capital management, Human rights, Labor standards, Marketing Communications, Product safety and liability, Supply chain management

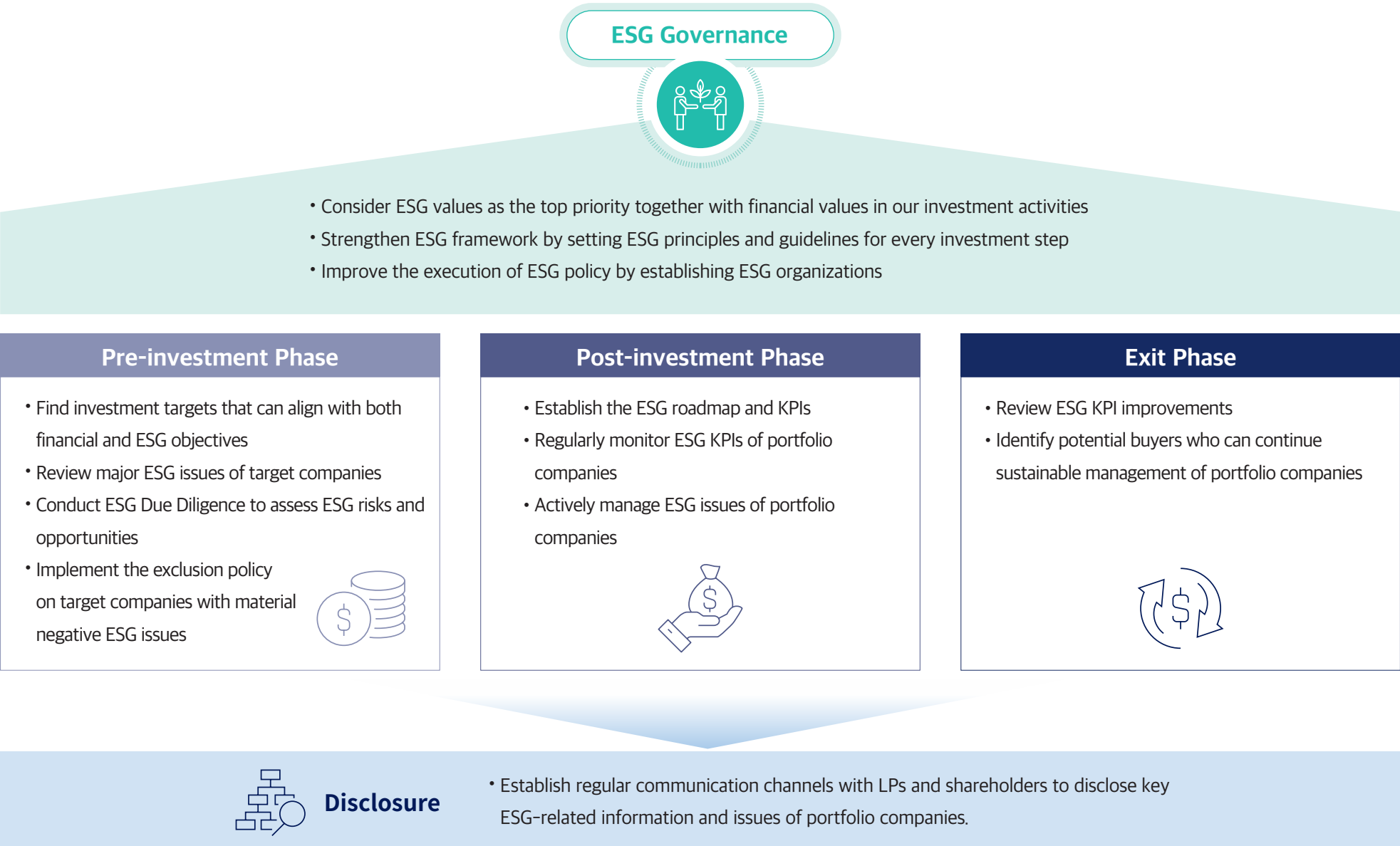


Governance ▶ 10

Accounting standards, Anti-competition conduct, Audit committee structure, Board diversity, Bribery and corruption, Business ethics, Compliance, Political contributions, Risk management, Whistleblowing protection

STIC Investments considers the United Nations' six Principles for Responsible Investment (UN PRI) in its ESG policy and is committed to incorporating ESG factors into all stages of its investment process: deal sourcing, due diligence, investment decision-making, and value creation. STIC not only follows UN PRI but also continues to observe and stay aligned with other global ESG initiatives. We see ESG as underlying values for realizing sustainable returns and outcomes for our investors and stakeholders. We also share the vision of the 17 United Nations Sustainable Development Goals.

Incorporating ESG values into investment decisions



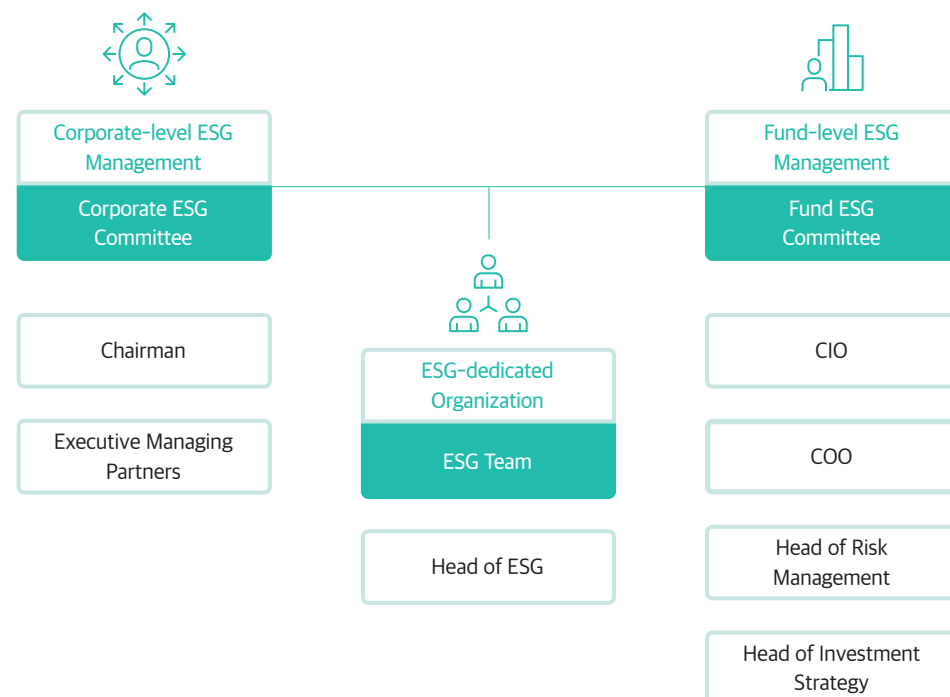
Structuring ESG organizations

STIC operates organizations dedicated to embodying ESG values.

ESG Committees

STIC Investments established the ESG Committee in July 2021. The ESG Committee consists of the Corporate ESG Committee and Fund ESG Committee.

The Corporate ESG Committee is responsible for overseeing the corporate-level ESG strategies. These duties include making amendments to the firm's ESG policy and framework. The Fund ESG Committee is responsible for the fund-level decision-making.



ESG Team

STIC Investments established the ESG Team, an organization dedicated to ESG activities, in July 2021. STIC's ESG Team is responsible for integrating ESG values throughout the firm. The ESG Team also directly supports investment teams by helping them apply ESG principles in investments.



Our ESG Approach

STIC takes active steps to fully integrate ESG considerations throughout its investment process. The following details the process through which we deploy ESG factors across our investment activities.

Pre-investment Phase

Prior to making every investment decision, STIC conducts an initial review of target companies through negative screening. Senior leadership establishes the investment exclusion list and minimum criteria to help investment teams avoid making investments in companies whose businesses cause significant environmental or social harms. Companies ruled out through negative screening usually do not have alternative means to mitigate these negative impacts.

Target companies which passed negative screening are further scrutinized under STIC's due diligence to assess how they manage material ESG issues. Material ESG issues specific to the target company's industry are selected based on the internal evaluation. Material ESG issues include not only ESG risks to avoid but also ESG opportunities for value creation. Our internal ESG Due Diligence Questionnaire (hereinafter, ESG DDQ), which was developed in reference to industry tools and standards, allows us to do such. STIC may also engage consultants and/or third-party service providers to assist in the due diligence process.

Major findings from due diligence, including ESG-related risks and/or opportunities, are subsequently presented to the Investment Committee for further discussion.

Post-investment Phase

STIC will work closely with portfolio companies to establish ESG goals, set up baseline ESG performance measures, and develop ESG action plans to mitigate ESG risks and/or leverage ESG opportunities for sustainable value creation. We encourage portfolio companies to embed ESG factors into their businesses and pursue ESG opportunities to create sustainable impact.

To track the progress of ESG performance and the implementation of ESG action plans, we collect and evaluate qualitative and quantitative data at least annually through the ESG survey. Companies are assessed based on a wide range of ESG issues and a set of minimum ESG requirements. Climate-related risks and/or opportunities are also examined in reference to recommendations from Task Force on Climate-related Financial Disclosures (TCFD). Based on the findings from the ESG survey, companies are assigned a rating, which determines the level of engagement which investment teams are required to take. This helps us determine an engagement frequency and adjusts ESG action plans in accordance with the needs of portfolio companies.

For companies that do not meet minimum requirements, the investment team escalates this matter to the senior management to take immediate action. Survey feedbacks are provided to portfolio companies to help identify areas for further improvement and recommendations on industry best practices at the end of each assessment.

Exit Phase

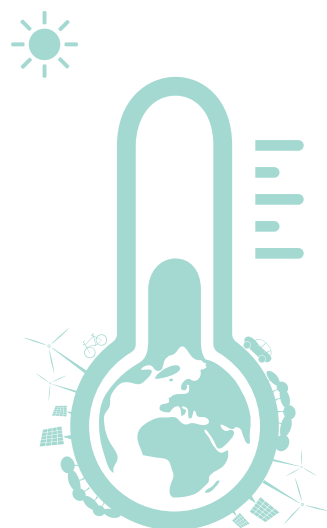
When exiting from portfolio companies, STIC discloses pre-investment and post-investment information on ESG management and value creation opportunities to potential buyers.

Global ESG Initiatives

ESG policy satisfying global standards

The first step towards becoming a global corporate citizen

STIC Investments, as a company that actively accepts corporate social responsibility, has joined a global initiative related to the environment and responsible investment to contribute to the spread of ESG. We will continue to actively participate in global initiatives for the establishment of an ESG ecosystem and sustainable growth, and actively express our commitment to sustainable management practices.



Declaration of Support for TCFD

As the impact of climate change on finance and businesses expands, the 'Task Force on Climate-related Financial Disclosure (TCFD)' was established to mitigate the impact of climate change in 2025 under the G20.

STIC Investments declared its support for TCFD in August 2022, and plans to take climate action according to the key areas emphasized by TCFD: Governance, Strategy, Risk Management, and Metrics and Goals.

UN PRI Signatory

As the role of corporations for sustainable development is becoming more important, the United Nations and financial institutions have jointly enacted the UN Principles for Responsible Investment (UN PRI) and announced six principles for responsible investment in 2006.

STIC Investments joined the UN PRI in July 2021, and established the company's ESG policy by actively adhering to the principles of responsible investment. STIC Investments will continue to strengthen socially responsible investments by adhering to six principles of the UN PRI.

Our Declaration of Adhering to 6 UN PRI Principles

- 1 STIC Investments will incorporate ESG issues into investment analysis and decision-making processes.
- 2 STIC Investments will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 STIC Investments will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4 STIC Investments will promote acceptance and implementation of the Principles within the investment industry.
- 5 STIC Investments will work together to enhance our effectiveness in implementing the Principles.
- 6 STIC Investments will each report on our activities and progress towards implementing the Principles.

Our ESG Promises

STIC Investments dreams of creating a sustainable world through our investment decisions

STIC Investments ensures that each and every investment we make has a positive impact on society and the global community. We pursue sustainable economic development under the principle that financial performance and ESG performance are goals to achieve together. For a future where everyone is together, STIC Investments promises to invest in companies that have a good impact on society. The future of ESG that STIC Investments is creating is a sustainable future with our stakeholders.

Environment: Towards an eco-friendly energy system



Climate change is not something in the distant future. In order to solve the global warming problem facing us, STIC Investments promises the following:

- Introducing an eco-friendly in-house policy for carbon neutrality
- Strengthening investment in eco-friendly energy companies

Social: Towards a society where everyone is respected



Embracing our differences is a crucial step towards a sustainable future. STIC Investments is a company that fulfills its social responsibilities and fulfills the following:

- Ensuring human rights and diversity of employees
- Expansion of philanthropic activities for local communities

Governance: Towards a transparent and open communication



A governance system that can be trusted by stakeholders is the first step towards the future of a company. STIC Investments makes the following efforts for a transparent and open governance system:

- Increasing communication with stakeholders
- Securing a transparent corporate governance structure

RESPONSIBLE INVESTING

ESG Investment Themes 24

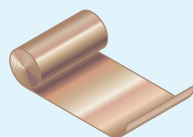
ESG Investment Achievements 28



ESG Investment Themes

Investments in green energy and advanced materials for the next generation

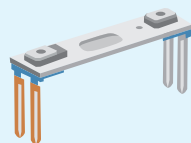
STIC Investments is a first mover in investing in secondary batteries and electric vehicles, aiming to solve environmental issues. Electric vehicles play a key role in the transition to a green energy system. In order to advance the electric vehicle market, STIC invests in the electric vehicle value chain, from secondary batteries, which are core parts of electric vehicles, to electric vehicle charging and sharing infrastructures, which benefit mobility systems. We aim to lead the era of environment-friendly electric vehicles through our strategic ESG-oriented investments.



Copper Foil

Lotte Energy Materials

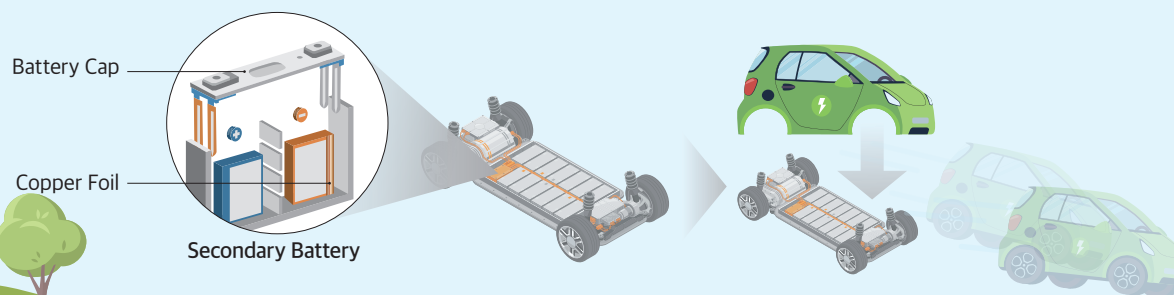
Lotte Energy Materials is a company that produces copper foil for secondary batteries.



Secondary Battery Caps

Shinheung SEC

Shinheung SEC is a company that manufactures safety parts for secondary batteries.



Strategic investments across the entire value chain of electric vehicles, from secondary battery components to infrastructures



EV Charging

Daeyoung Chaevi

Daeyoung Chaevi is a company that offers an electric vehicle charging solutions.



Parking Space Sharing

Humax Mobility HiParking

Humax Mobility operates HiParking, which is a shared parking space service.



Car Sharing

Humax Mobility Carplat

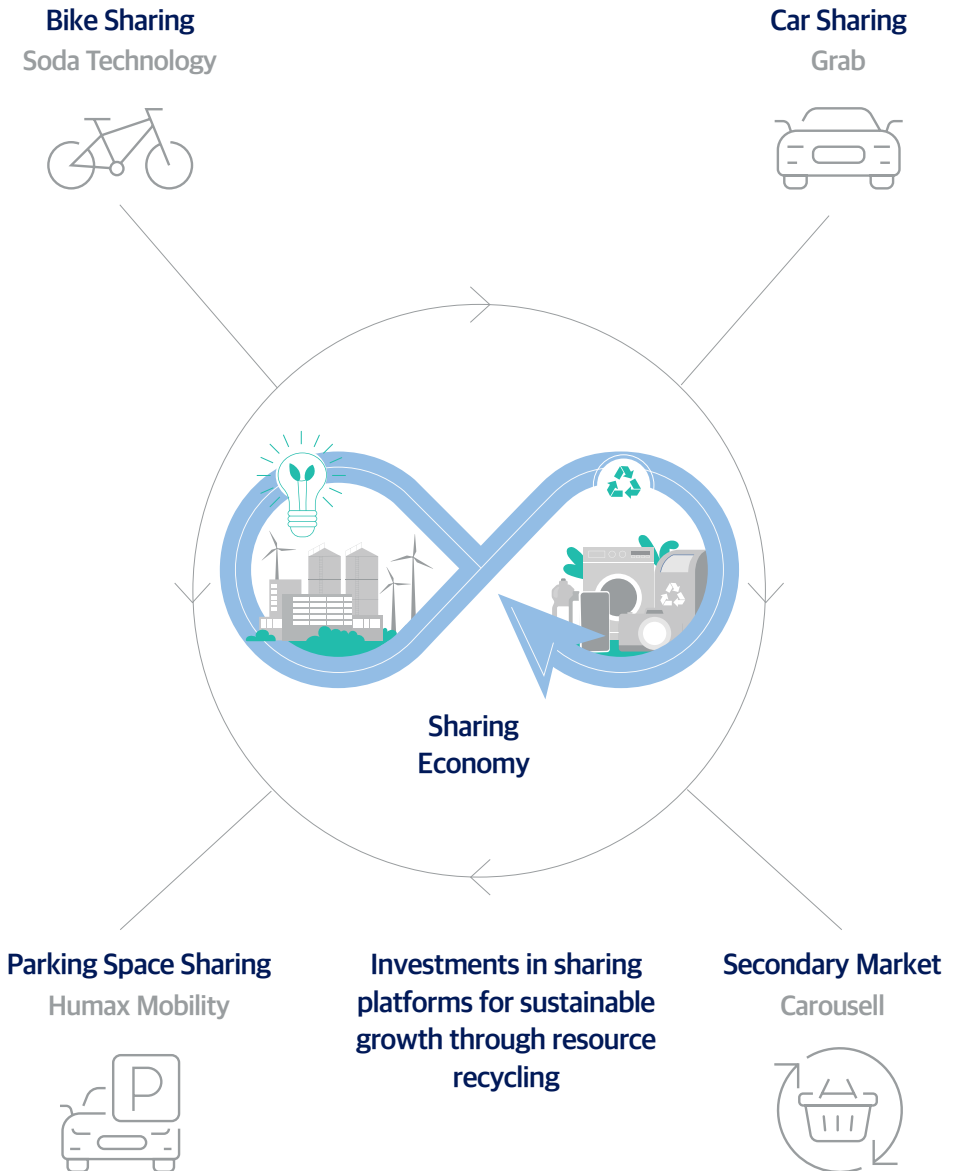
Humax Mobility operates Carplat, which is a car-sharing service.



Investments in a sharing economy to develop a sustainable ecosystem

STIC Investments invests in sharing platforms to build a sustainable ecosystem. Sharing platforms prevent the waste of resources and energy through resource recycling and the establishment of a circular economy.

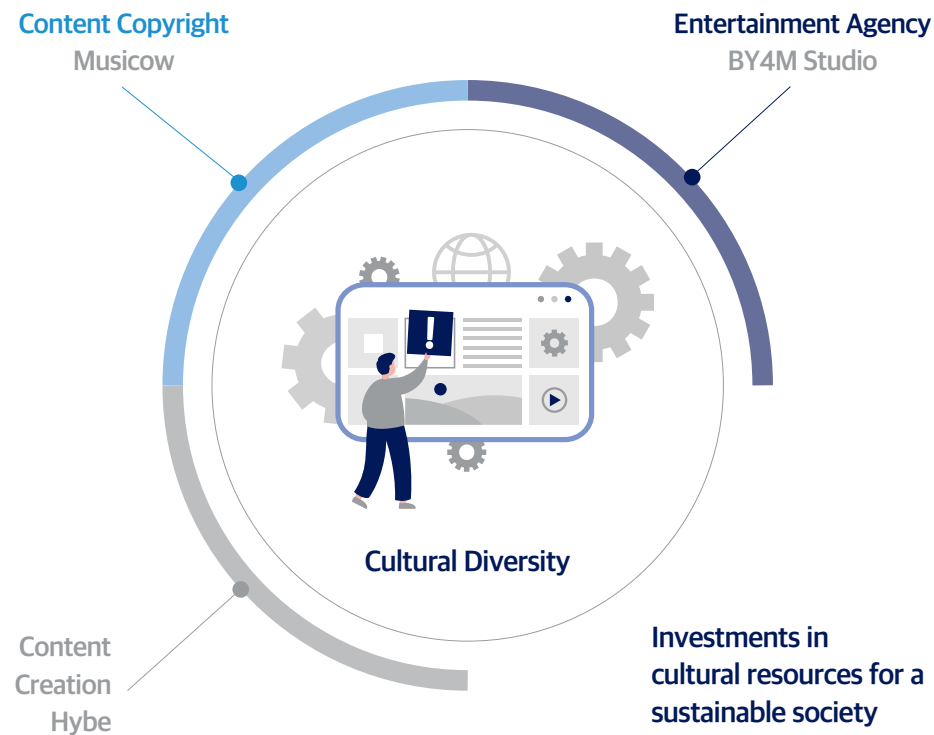
STIC invests in a variety of sharing platforms, from secondary market to car and bike sharing platforms. Through our investments, we encourage members of our society to build a mutually cooperative sharing economy. STIC creates a sustainable ecosystem without overproduction and overconsumption.



Investments in cultural diversity, which create advances in society

STIC Investments has continued to invest in content and entertainment companies to instill dynamics in society for a continuous evolution through cultural diversity.

a safety net responsible for the prosperity of society. Our society steadily develops through underlying cultural resources. A variety of content that every single person in society can enjoy also contributes to the improvement of life quality. STIC invests in a broad scope of the entertainment market, from content creation to copyright protection. We aim to build a society where all cultures can coexist in harmony.



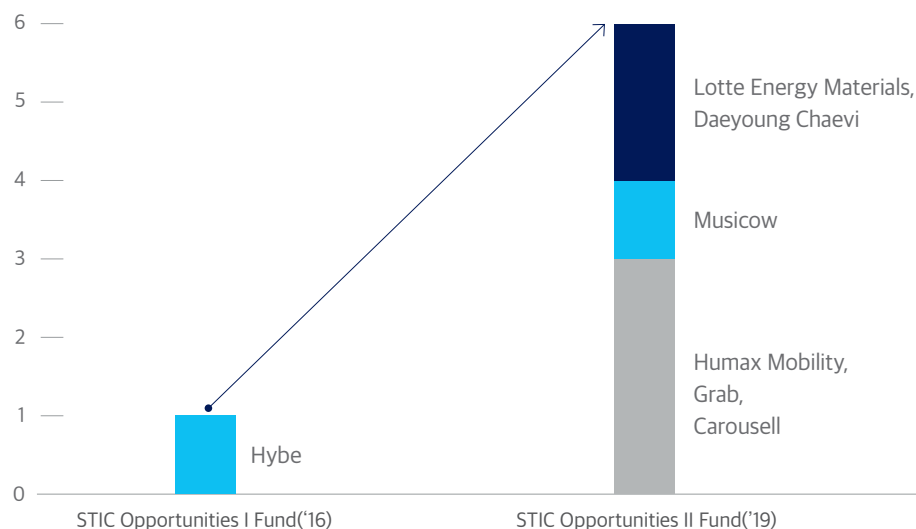
ESG Investment Achievements

STIC Investments is fulfilling its ESG goals by investing in portfolio companies that embody ESG values. STIC's ESG-oriented investments have increased within three themes: 'sharing platform,' 'cultural diversity,' and 'green energy.'

In the STIC Opportunities II Fund, 6 out of 8 portfolio companies are ESG-themed companies, which realized STIC's ESG aspirations. The STIC Global Innovation Growth Fund has grown into an ESG-driven fund encompassing all three ESG themes of sharing platform, cultural diversity, and green energy, compared to the STIC Pan-Asia 4th Industry Growth Fund, which was only focused on sharing platforms.

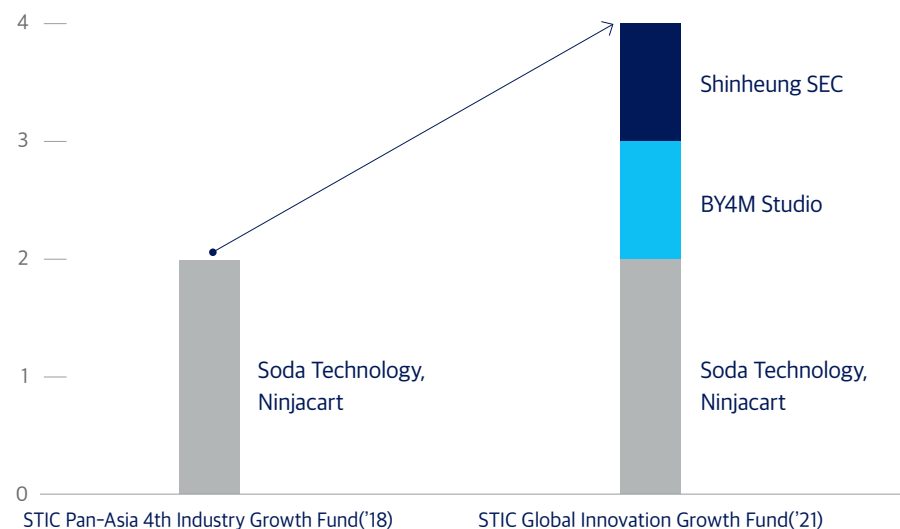
STIC Opportunities I Fund('16) vs. STIC Opportunities II Fund('19)

(unit : company)



STIC Pan-Asia 4th Industry Growth Fund('18) vs. STIC Global Innovation Growth Fund('21)

(unit : company)



■ Sharing Platform ■ Cultural Diversity ■ Green Energy

CASE: STIC Global Innovation Growth Fund

The fruit of STIC Investments' endeavors to achieve its ESG goals is the STIC Global Innovation Growth Fund. From the beginning of its establishment, the STIC Global Innovation Growth Fund was established based on a consensus on the ESG goals with fund investors(LPs).

The STIC Global Innovation Growth Fund is STIC's first ESG-compliant fund, and every investment decision went through ESG due diligence and ESG Committee decisions. After an investment decision, STIC went through a broad-scope of ESG review process starting from selecting ESG KPIs and KPI monitoring. Considering STIC's ESG efforts, the Industrial Bank of Korea(IBK) classified the STIC Global Innovation Growth Fund as an ESG fund.

In 2022, Korea Development Bank(KDB), which highly evaluated STIC's passion to pursue its ESG goals, selected STIC Investments as an 'Excellent ESG Investment Company.'



Soda Technology



Carbon Emission Reduction

Environmental performance by Soda Technology in 2022, a portfolio company of the STIC Global Innovation Growth Fund

Soda Technology is the largest bike-sharing company in China, contributing to reducing GHG emissions

TiKi Global



Eco-friendly packaging material substitution rate

Environmental performance by TiKi Global in 2022, a portfolio company of the STIC Global Innovation Growth Fund

TiKi Global is the largest B2C e-commerce company in Vietnam, committed to replacing packaging materials with eco-friendly solutions

Coop Marketing



Percentage of female employees

Social performance by Coop Marketing in 2022, a portfolio company of the STIC Global Innovation Growth Fund

Coop Marketing is a company that owns the largest number of mobile coupon brands in Korea, and which strives to secure gender diversity

STIC Global Innovation Growth Fund



ESG Committee decisions

Governance performance contributed through ESG Committee decisions on portfolio companies of the STIC Global Innovation Growth Fund

The STIC Global Innovation Growth Fund goes through the process of ESG due diligence and ESG Committee reviews for each portfolio company

CASE STUDIES

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Better World through the Right Investments

STIC Investments has outperformed the industry by investing in leading companies in emerging sectors with technological advancement and new lifestyles.

We will open a new frontier of sustainable growth through our investments and their impact.



ESG Investment Highlights

Humax Mobility

A company that promotes the sharing economy and contributes to establishing a sustainable city



Humax Mobility is a Korean mobility platform company. Humax Mobility provides a wide range of services on mobility, from car sharing to electric vehicle charging stations. Representative services include HiParking, a smart parking service, CarPlat, a car-sharing service, People Car, a B2C car rental service, and Humax EV, an electric vehicle charging service.

Humax Mobility is leading the establishment of various sharing platforms on mobility. Humax Mobility contributes to a circular economy that minimizes new resource inputs and recycles existing resources. Humax Mobility is actively taking steps toward climate action by solving the problem of insufficient parking spaces in urban cities with its shared parking lots. Humax Mobility also reduces car surpluses and greenhouse gas emissions through car sharing and rental services.

Humax Mobility contributes to the circulation of resources and develops the necessary infrastructure to move toward a sustainable city and a sustainable future society.



HUMAX mobility

Daeyoung Chaevi

A company that develops an electric vehicle infrastructure, facilitating the transition to a green energy system



Daeyoung Chaevi is a Korean company that establishes electric vehicle charging infrastructure. Daeyoung Chaevi provides a one-stop service for electric vehicle charging, from electric vehicle charger manufacturing, installation, and sales, to operation. Electric vehicles are a representative eco-friendly mode of transportation that contributes to reducing carbon emissions, but their charging infrastructures are still lacking. Daeyoung Chaevi is a leading company in the effort to expand the supply of electric vehicles by establishing an electric vehicle charging infrastructure.

STIC Investments is investing across a wide range of value chains for electric vehicles from upstream to downstream. In particular, Daeyoung Chaevi's electric vehicle charging infrastructure was installed in Humax Mobility's parking space through STIC's five continuous investments in both Daeyoung Chaevi and Humax Mobility. Through this synergistic effect, our investments contributed to the establishment of the initial infrastructure for electric vehicles in Korea and played an important role in the spread of electric vehicles.

* This investment case will be introduced in the Infratech Compass Report, which will be published by the Asian Infrastructure Investment Bank (AIIB) in 2023.

Shinheung SEC

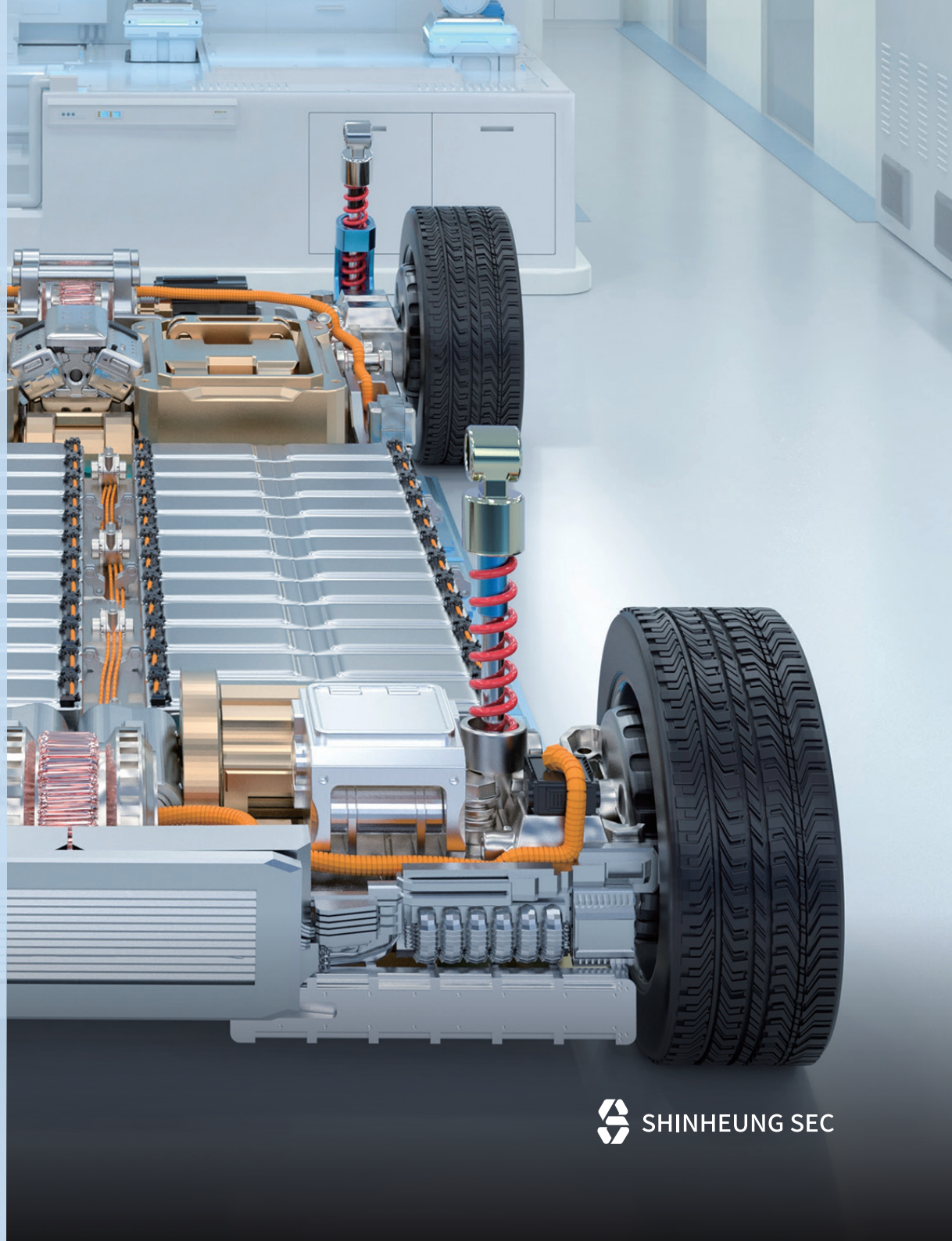
A company that manufactures key components for electric vehicles, mitigating climate change



Shinheung SEC is a Korean company that manufactures safety caps for secondary batteries. Secondary batteries are a key component of electric vehicles. Shinheung SEC contributes to the transition from gasoline-powered vehicles to electric vehicles with its products. Electric vehicles contribute to mitigating climate change caused by global warming through reduction of carbon emissions. Through such efforts, Shinheung SEC is consolidating the foundation for electric vehicles and takes further steps towards mitigating climate change.

Shingheung SEC contributes to the environment not only through its business but also through its in-house ESG policy and dedication for environmental management. Shinheung SEC's Chinese offices in Xian and Tianjin have significantly reduced energy consumption through company-level energy reduction policies. In Tianjin, Shinheung SEC is responding to climate change by introducing renewable energy sources such as solar energy.

Shinheung SEC is a company aims to achieve inclusive growth with all corporate members of the world, where human populations and the environment can evolve together.



Daekyung O&T

A company that reprocesses animal by-products and waste oil into eco-friendly biodiesel.



Daekyung O&T is the company with the largest market share in Korea in the manufacturing of animal and vegetable oils. Daekyung O&T succeeded in its innovation efforts by transitioning its business of animal and vegetable oil manufacturing from animal feed to biodiesel production. Daekyung O&T's products have now become key raw materials for biodiesel production. After STIC's investments, Daekyung O&T started focusing on horizontal integration, which covered over 50% of the market share, and succeeded in increasing business efficiency, positioning itself as a leading company in the biodiesel industry.

Daekyung O&T is a precursor supplier in the production of renewable energy sources that replace fossil fuels. An energy transition from a traditional system based on fossil fuels to a renewable system is a necessity for achieving carbon neutrality. Biodiesel, a renewable energy source, can reduce greenhouse gas emissions by up to 90% compared to diesel fuel. Daekyung O&T produces next-generation fuel and provides a stepping-stone in the transition to a clean energy system.

Daekyung O&T is a leader in acting to solve global environmental issues. In addition, Daekyung O&T is establishing a sustainable resource circulation system through the recycling of waste resources.



BIO

Ninjacart

A company that promotes sustainable agriculture and revitalizes the local economy with its innovative agricultural distribution business



Ninjacart is a B2B mobile platform service company that distributes agricultural products in India. Ninjacart contributes to improving the economic power of farmers by directly connecting farmers with final vendors. To elevate the farmer's rights, Ninjacart strives to set fair trade prices with farmers. Through its efforts to develop a cooperative economic system, Ninjacart also contributes to revitalize the local economy. Ninjacart is a company that builds sustainable communities where all members of the local agricultural economy grow together.

Ninjacart contributes to the efficient distribution of resources through on-demand forecasting systems based on computational algorithms. One of the major social problems in agriculture is waste from agricultural product surpluses. Ninjacart is solving this issue by accurately predicting demand for agricultural products through digital technology and reducing the amount of agricultural product disposals, which also contributes to greenhouse gas emissions reduction.

Ninjacart's business activities reduce the negative impact of human activities on nature by reducing carbon emissions. In addition, Ninjacart is collaborating with STIC Investments to strengthen its own ESG system.



ninjacart

Stakeholder Interviews

Asian Infrastructure Investment Bank(AIIB) Director, **Dongik Lee**

As a member of the International Multilateral Development Bank, AIIB aims for a high ESG standard and conducts strict ESG due diligence without exception when reviewing investments. As AIIB's first Korean investment partner, STIC Investments has worked hard together with AIIB to establish an ESG framework that meets a global standard from the beginning of the project. We evaluate STIC's current ESG system as a model for the Korean private equity fund industry. AIIB has invested in several Korean and foreign companies through STIC's funds from early 2022, and is receiving details on ESG improvements of the portfolio companies. STIC's investment cases will be published in AIIB's Annual Impact Report and shared with 106 member countries.



Industrial Bank of Korea(IBK) Head of Innovative Finance Group, **Intae Kim**

ESG management is a core element of sustainable growth, given the aftershocks of the pandemic and the era of climate change. IBK helps small and medium-sized enterprises to establish their ESG management systems. For the first time in the financial sector, we pushed the 「ESG Management Support Model for Small and Medium-sized Enterprises」 and strived to establish a sustainable society together with small and medium-sized enterprises. STIC Investments is one of the leading investors who are sincere about ESG management, and the STIC Global Innovation Growth Fund was planned as an ESG fund to actively practice ESG values that IBK and STIC share. The STIC Global Innovation Growth Fund analyzes and manages ESG risks and opportunity factors throughout the entire investment process from deal sourcing, due diligence, investment to exit, and related details are shared in the investment report. We ask for your interest and care for STIC's journey of responding to corporate responsibility in solving societal problems such as the climate crisis through investments that consider the future rather than immediate profits.



Shinheung SEC CEO, Manyong Hwang

In this era, sustainability activities to solve environmental and social problems are important for business management. These days, customers and stakeholders are familiar with ESG and the efforts to systematize ESG have become essential. Shinheung has also tackled the issue of sustainable management with its request to establish an ESG system that would address issues such as supply chain due diligence. In this process, we have established our ESG management system while learning from STIC's experience and methods through STIC's investment since 2021. Shinheung and STIC both consider an ESG management system as a prerequisite for survival in the secondary battery industry value chain. We will actively solve environmental and social issues while increasing customer satisfaction, ultimately increasing value together with business growth. We sincerely congratulate STIC's first sustainability report, and Shinheung will also strive to establish a successful ESG management system as a true partner.


PwC Consulting Partner, Kyungmin Cha

PwC Consulting provides a wide range of consulting services on environmental and social issues such as climate change, resource scarcity, and inequality. In early 2021, STIC Investments needed to establish an ESG management system, and PwC proudly provided consultancy to STIC for the establishment of the first ESG investment system in the Korean private equity industry. We are reminded of the times when we analyzed the cases of global private equity companies and discussed passionately about them until late at night. We were impressed by the fearless decision of STIC to go on a road that no one had traveled on before in Korea. As an investor with a strong sense of social responsibility, I believe that STIC's ESG vision, which strives to create an environment of sustainable growth and protect social values, stemmed from its courage and business philosophy accumulated over time. Based on such experiences, we expect STIC to actively implement its ESG management goals and develop this system to a global-level standards. We always support STIC's efforts and actions.



CORPORATE SUSTAINABILITY

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Corporate Philanthropy

Empowering local communities through our giving

STIC Investments aims to establish a sustainable business ecosystem by linking its CSR vision with ESG activities. STIC contributes to local communities through philanthropic activities in which all employees engage and strives to solve societal problems around the world.

Donations across the world

STIC Investments donates to various aspects of society that need help. In order to move towards a sustainable society, STIC carries out various donations and volunteer activities in support of local communities. Moving beyond the local community, STIC drives the globalization of philanthropic activities to lend a hand to those in need around the world.

ESG values embodied in the corporate culture

STIC Investments provides ESG training to all employees. In October 2022, CEO Youngjae Ryu of Sustinvest was invited to provide an ESG lecture to all employees to promote interest in ESG and increase ESG capabilities among corporate members. In addition, ESG policy and framework are posted on the company intranet so that all employees can access them.



CASE: UAE ARK 1 Troop 1 Company Affiliation

Donation activities beyond the Korean border

In 2018, STIC Investments signed the One Troop One Company affiliation with the ARK unit, a Korean special unit dispatched to the United Arab Emirates — the first affiliation with an overseas dispatched unit. After its first donation, STIC continues to donate to the ARK unit. STIC's donations are used to improve the military environment and unit welfare for ARK unit members.



STIC Investments is committed to fulfilling its responsibilities as a corporate citizen of the local and global community. In addition to various donation activities, STIC is carrying out various philanthropic activities in which all corporate members participate together.

Companion with employees

STIC Investments, as a responsible corporate citizen, strives to improve the community through its philanthropic activities. In addition, STIC strives to nurture a philanthropic culture among all corporate members through its volunteer activities. Through its philanthropic activities, in which every single corporate member engages, STIC Investments promotes shared growth with the local community.



STIC Investments' donations

Category	Content
Public	Severance Hospital, School Development Fund
Community Service	Walking donation campaign, Bidulginang Village volunteer service, Briquettes delivering service, Elderly welfare service, Children adoption encouragement, Donations for disabled children
Global Community	Donation for UAE ARK Troop, International exchange with UAE female college students
Disaster	Donations for Yeonpyeong Island residents, Doantions for Yunnan Province, China



CASE: 1 Step 1 Won Walking Donation Event

One step towards our neighbors

STIC Investments holds the '1 Step 1 Won Walking Donation Campaign' twice a year, in which all employees participate. It is a representative donation event where every step taken by executives and employees is directly related to donation. The donations raised through the campaign are contributed to the Merry Year Foundation and the United Nations World Food Programme.



Stakeholder Engagement

Open governance for transparent communication

STIC Investments aims for open governance with a broad range of stakeholders and transparent communication with stakeholders.

Stakeholder Involvement

STIC Investments listens to the various opinions of stakeholders regarding sustainable management. STIC defines a major stakeholder as those directly or indirectly affected by its business including investors, portfolio companies, employees, shareholders, and local communities.

Stakeholder Communication

STIC Investments believes that transparent communication with stakeholders improves business. STIC strives for mutual communication with its internal and external stakeholders, rather than one-way communication. STIC listens to the needs and opinions of stakeholders by establishing various communication channels such as hotline, website, and e-mail. These stakeholder voices are reflected in various aspects of the company's policies.



STIC Investments is proudly committed to **ESG values**.

We look for opportunities to directly communicate with our stakeholders.

Please reach out to esg@sticinvestments.com should you have any inquiries.

