

2024

**STIC INVESTMENTS**  
Sustainability Report



# 1

## Introduction

- 05 Message from the Chairman
- 06 Company Overview
- 08 Investment Strategy
- 13 Assets Under Management
- 14 2024 ESG Performance Highlights

# Contents

# 2

## Responsible Investment: ESG in Investment

- 16 ESG Vision and Mission
- 17 ESG Governance
- 19 ESG Investment Strategy
- 23 Stewardship Code

# 3

## Sustainable Management: ESG in Operation

- 25 Environmental Management
- 28 Climate Change Response
- 34 Stakeholder Engagement
- 41 Board Governance
- 43 Risk Management

### Cover Story

The cover of this report visually conveys STIC Investments' core values of trust and its founding philosophy of 'Contribution to the Society through Our Investment,' through a composition of diverse icons, expanding imagery, and STIC's signature logo colors. Additionally, the perforated design on the cover symbolizes the enduring evolution of STIC's ESG principles—progressing from its founding days into the present and sustainably into the future.

# About this report

## Overview

STIC Investments(hereafter, STIC) published its first sustainability report in 2023 in an effort to share its financial and ESG performance with various stakeholders. STIC has since decided to publish a sustainability report annually to share its various ESG activities and outcomes. This report is structured into three main chapters: 'Chapter 1 Introduction' provides an overview of STIC Investments; 'Chapter 2 Responsible Investment' covers ESG practices by STIC in the investment process as a private equity manager; and 'Chapter 3 Sustainable Management' outlines STIC's ESG practices in corporate management as a KOSPI-listed company.

## Scope

This report mainly covers major ESG activities and performance from January 1 to December 31, 2024, and includes some data from before and after that designated timeline. The report also predominantly covers activities undertaken by the Seoul Headquarters, but also includes material from overseas offices and subsidiary companies, STIC Ventures and STIC Alternative, if necessary.

## Period

Yearly(first published in 2023)

## Contact

Please do not hesitate to contact us with any inquiries.

---

## ESG Team

12, Teheran-ro 78-gil, Gangnam-gu, Seoul, South Korea, 06194

**E-mail** [esg@sticinvestments.com](mailto:esg@sticinvestments.com)

**Website** <https://sticinvestments.com>

# 1. Introduction

- 05 Message from the Chairman
- 06 Company Overview
- 08 Investment Strategy
- 13 Assets Under Management
- 14 2024 ESG Performance Highlights





# Message from the Chairman



## Dear Stakeholders,

It is with great pleasure that I present to you the 2024 Sustainability Report from STIC Investments.

Since our founding in 1999, STIC has remained steadfast in its commitment to the philosophy of ‘Contribution to the Society through Our Investment’—a belief that we can contribute to the sustainable development of the national economy by supporting the growth of portfolio companies. Creating a better world through responsible investment remains our unwavering mission.

As the only KOSPI-listed private equity firm in South Korea dedicated to institutional investors, STIC has earned the trust of both domestic and global limited partners. Our approach goes beyond short-term engagement; we work hand-in-hand with portfolio companies with a long-term perspective in mind—designing and executing growth strategies together. This partnership extends beyond capital provision to include value creation initiatives such as ESG framework development, business restructuring, and strategic value enhancement. Our growth alongside limited partners, shareholders, and portfolio companies is grounded in the values of trust and responsibility, which lie at the core of STIC’s vision for sustainable management.

In 2024, STIC strengthened the integration of ESG principles across all areas of management and ensured practical and consistent ESG execution. In regards with responsible investment, we enhanced our ESG due diligence and post-investment monitoring systems based on key performance indicators(KPIs), which culminated in a top-tier rating in our first UN PRI Transparency Report. Additionally, our continued efforts to build climate response systems and upgrade ESG policies contributed to improved domestic ESG ratings and led to multiple awards—clearly demonstrating our commitment to ESG leadership in both management and investment.

In an era of growing global uncertainty, we firmly believe that trusted partnerships must be grounded in long-term, value-oriented investment philosophies. STIC embraces ESG as a core value and remains committed to fulfilling our role in building a more sustainable future.

We sincerely thank all of our stakeholders for your continued trust and support, and we look forward to continuing this journey of sustainable growth—together.

STIC Investments, Chairman **Yonghwan Do**



# About STIC Investments

## Company Overview

STIC Investments is a KOSPI-listed private equity firm with an accumulated 26 years of investment experience. Since its establishment in 1999, STIC has accumulated rich investment experience with a strong track record demonstrated across various industries and economic cycles. Since its early years, STIC has consistently pursued both domestic and international investments, and currently operates a local subsidiary in Singapore and a representative office in Ho Chi Minh City.

Name	STIC Investments Inc.
Establishment	June 1982(July 1999, Before Consolidation with DPC Inc.)
Representative Director	Dongguel Kwak, Shinwoo Kang
Address	12, Teheran-ro 78-gil, Gangnam-gu, Seoul
Employees	63 (As of December 2024)



### Overseas Investments

KRW 2.1 trillion +

Since its first overseas investment in 2001, STIC has invested approximately KRW 2.1 trillion in international markets.



### Foreign-invested Funds

KRW 860 billion +

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



### AUM\*

\*Based on committed capital

KRW 7.8 trillion +

Since its establishment in July 1999, STIC has achieved a cumulative AUM of approximately KRW 9.3 trillion, and is currently managing about KRW 7.8 trillion through 16 blind funds and 7 project funds.



### Portfolio Companies

100 +

Since launching its private equity operations in 2006, STIC has invested in over 100 companies, including approximately 30 overseas portfolio companies.



### Investment Experience of Partners

200 +

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

# About STIC Investments

## Key Milestone





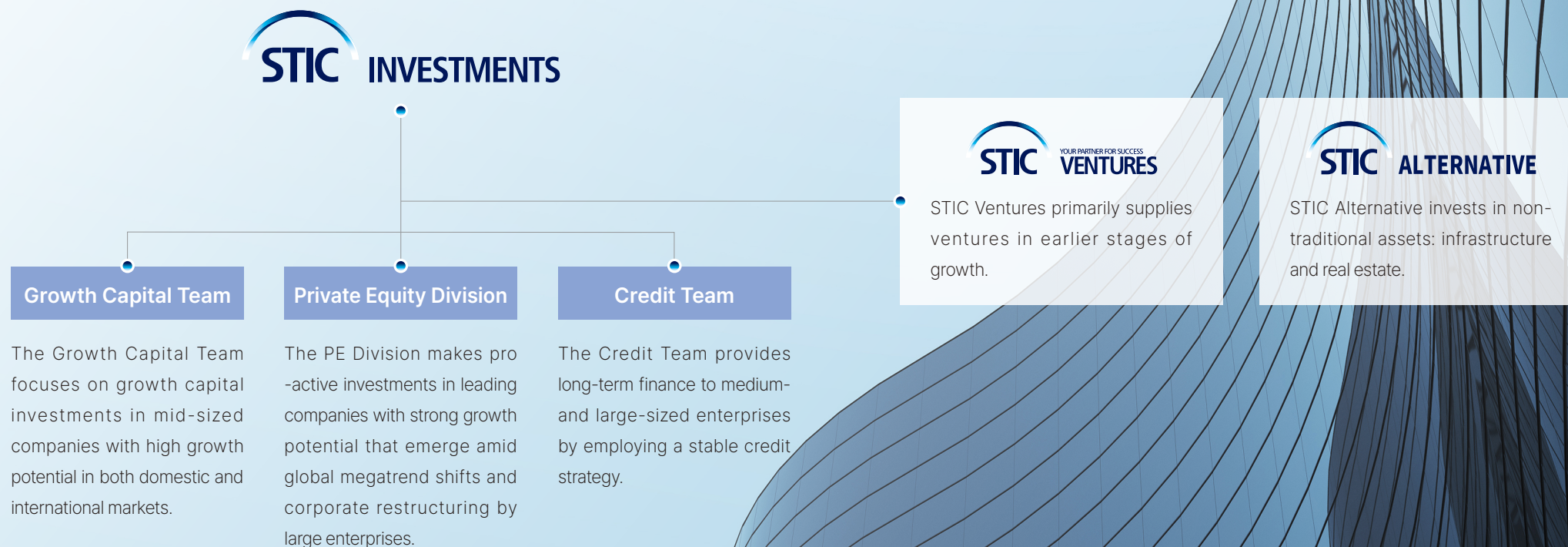
# Investment Strategy

## Introduction

STIC Investments provides a wide range of investment strategies by three differentiated investment divisions in accordance with company growth stages.

STIC Ventures, a subsidiary, invests in varying stages of growth, from seed stage to early-growth and expansion ventures.

Another subsidiary, STIC Alternative, establishes funds from domestic and overseas infrastructure and real estates as an alternative to traditional investment assets.



# Investment Strategy

## Growth Capital Team

The Growth Capital Team provides funding to support the growth and overseas expansion of small and mid-sized enterprises(SMEs), with cross-border investment via STIC's Ho Chi Minh City office serving as a core strategy.

The STIC Global Innovation Growth Fund, launched in 2021 under the Growth Capital Division, is STIC's first ESG-compliant fund. All investment decisions made through the fund are subject to ESG due diligence and formal review by the ESG Committee. The fund successfully attracted a commitment from the Asian Infrastructure Investment Bank(AIIB), which places strong emphasis on a manager's ESG capabilities. This led to the establishment of the STIC Asia Infrastructure Innovation Fund in 2022. Based on these accomplishments, STIC was recognized by Korea Development Bank in 2022 as an 'Outstanding ESG Manager.'



### Assets Under Management

KRW 1,841,244 million



### Number of Active Blind Funds 6



### Number of Active Project Funds 2



### Number of Portfolio Companies 23

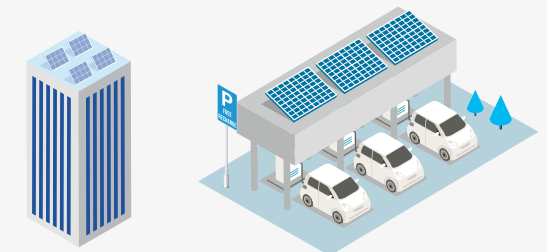
## ESG Highlight 01

### H Energy

H Energy is a leading South Korean company specializing in the development and operation of rooftop solar power plants. By installing photovoltaic systems on unused rooftops of existing buildings, H Energy generates clean, renewable energy without contributing to overdevelopment or environmental degradation. Unlike ground-mounted solar systems, H Energy's rooftop model leverages existing infrastructure to produce energy with minimal environmental impact. This approach contributes to expanding the renewable energy base necessary for a carbon-neutral society. H Energy is also a proactive participant in the RE100 initiative, reinforcing its commitment to sustainability.

Since STIC's investment in 2024, STIC and H Energy have been actively building a comprehensive ESG management system. Guided by STIC's ESG policy framework, H Energy received the 'Family-Friendly Certification' from Korea's Ministry of Gender Equality and Family, highlighting H Energy's exemplary practices in employee well-being and work-life balance. In early 2025, H Energy further strengthened its environmental credentials by obtaining ISO 14001 certification for its environmental management system.

H Energy is committed to continued leadership in renewable energy and sustainability, aiming to contribute to carbon neutrality and the creation of long-term social value.



# Investment Strategy

## Private Equity Division

The Private Equity(PE) Division leverages deep industry expertise and extensive investment experience to identify and invest in leading companies aligned with global megatrends. The division actively seeks opportunities in emerging sectors driven by paradigm shifts such as digital transformation(DT), energy transition(ET), and demographic change(DC).

The PE Division focuses on companies undergoing business restructuring, where STIC's value enhancement capabilities can unlock further growth potential. Its core investment strategy centers around an 'opportunity investing' approach—making proactive investments in companies at strategic inflection points characterized by accelerated growth or valuation uplift.

SOF III, managed by the PE Division, integrates ESG factors into company valuations through ESG due diligence conducted by third-party consultants. Improvement areas identified during the ESG review process are incorporated as ESG KPIs and strategically applied to drive value creation.

\* As of June 2025



### Assets Under Management

KRW 4,782,452 million



### Number of Active Blind Funds

6



### Number of Active Project Funds

3



### Number of Portfolio Companies

15

## ESG Highlight 02

### Daekyung O&T

Daekyung O&T is the largest domestic supplier of eco-friendly raw materials used in the production of biodiesel and sustainable aviation fuel(SAF). When STIC acquired the company in 2017, Daekyung O&T was primarily engaged in collecting pork fat waste from slaughterhouses and converting it into feedstock and industrial oils—a business model with limited alignment to ESG principles at the time.

Following the acquisition, STIC introduced an ESG-driven management strategy to enhance the company's long-term value. As part of this strategy, Daekyung O&T's operations were transformed into rendering and used oil refining businesses. The company also secured new demand channels in line with global carbon neutrality goals, supplying raw materials for biodiesel, hydrotreated vegetable oil(HVO), and bio-naphtha—thereby repositioning itself as a leading provider of sustainable recycled inputs.

Through STIC's proactive ESG integration, Daekyung O&T successfully transitioned from an animal feed raw material business into a sustainable energy feedstock company. This transformation delivered both financial and ESG value, generating a gross IRR of 19.91% and a MoIC of 2.95x. Daekyung O&T has since become one of STIC's flagship ESG success cases. In recognition of this achievement, STIC received the 'Best ESG Deal' award at the 21st Korea IB Awards hosted by MoneyToday.



# Investment Strategy

## Credit Team

The Credit Team focuses on mid-sized M&A transactions in the corporate lending and acquisition finance markets, reflecting the core nature of credit investments that seek mid-risk, mid-return outcomes.

The team is targeting the launch of a blind fund in 2025 and plans to continue pursuing stable returns through credit strategies that include mezzanine financing, structured equity investments, corporate loans, and acquisition financing.



**Assets Under Management**

**KRW 1,264,800 million**



**Number of Active Blind Funds**

**4**



**Number of Active Project Funds**

**2**



**Number of Portfolio Companies**

**2**

\* As of June 2025

## ESG Highlight 03

### CHA Healthcare

CHA Healthcare is a comprehensive Korean healthcare company at the forefront of global medical services and healthcare network development. As the global business arm of the renowned CHA Medical Group, the company continues to expand its influence both domestically and internationally through hospital operations, medical infrastructure development, and the expansion of its bio and healthcare service portfolio.

STIC seeks to invest in companies that go beyond financial returns to create positive change in the world. Guided by this investment philosophy, STIC partnered with CHA Healthcare, a leading global healthcare provider.

Placing patient safety and quality of life at the core of its mission, CHA Healthcare is actively expanding its medical network to improve healthcare accessibility. The company delivers high-quality, patient-centered medical services and contributes to public health through the development of a global healthcare ecosystem.

These efforts not only generate sustainable social value, but also represent a model case of responsible investment aligned with STIC's ESG principles. STIC is proud to collaborate with CHA Healthcare as a long-term ESG partner committed to fostering companies that grow alongside society.





# Investment Strategy

## STIC Ventures

STIC Ventures invests in startups and early-to-growth stage companies with strong innovation capabilities and growth potential. STIC Ventures actively builds its investment portfolio around next-generation industries such as ICT, artificial intelligence(AI), and biotechnology.

In line with regulatory standards, STIC Ventures fully complies with anti-money laundering(AML) laws and rigorously implements customer due diligence(CDD) procedures prior to all transactions. In addition, STIC Ventures contributes to social value by fostering job creation—exemplified by the establishment of the STIC Youth Employment Fund in 2019.

STIC Ventures practices ESG management by investing in sustainability-driven innovators, including companies in the secondary battery space, alternative protein development, and food upcycling. These investments reflect STIC Ventures's commitment to addressing both environmental challenges and future societal needs.



**Assets Under Management**

KRW 852,600 million



**Number of Active Blind Funds**

8



**Number of Active Project Funds**

1



**Number of Portfolio Companies**

136

\* As of June 2025

## STIC Alternative

Established in 2018, STIC Alternative is a specialized private equity management firm that focuses on alternative investments beyond traditional asset classes. STIC Alternative seeks to deliver stable returns and long-term growth through diversified investments in infrastructure, real estate, and private credit.

STIC Alternative pursues a strategy centered on securing long-term, predictable cash flows through infrastructure and real estate project investments. Grounded in a mid-risk, mid-return investment profile, STIC Alternative provides both capital and structured financing solutions across a broad range of sectors including real estate, infrastructure, and corporate assets.



**Assets Under Management**

KRW 1,688,474 million



**Number of Active Blind Funds**

1



**Number of Active Project Funds**

35

\* As of June 2025

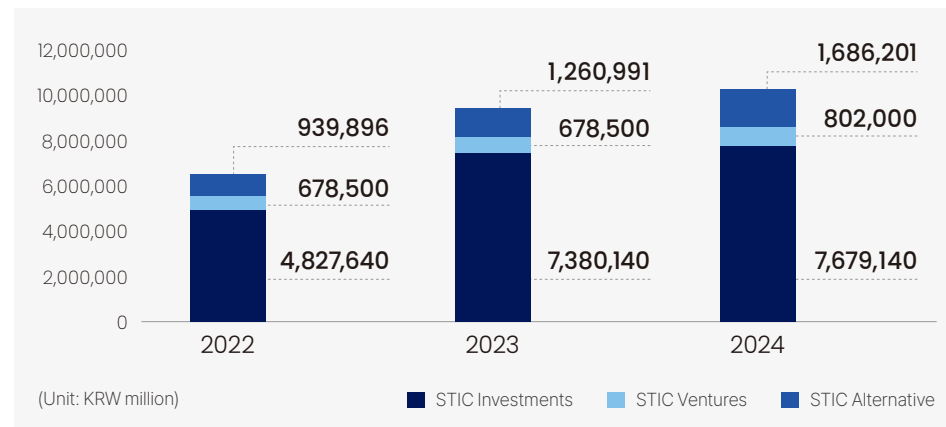
\*\* Included new technology investment funds



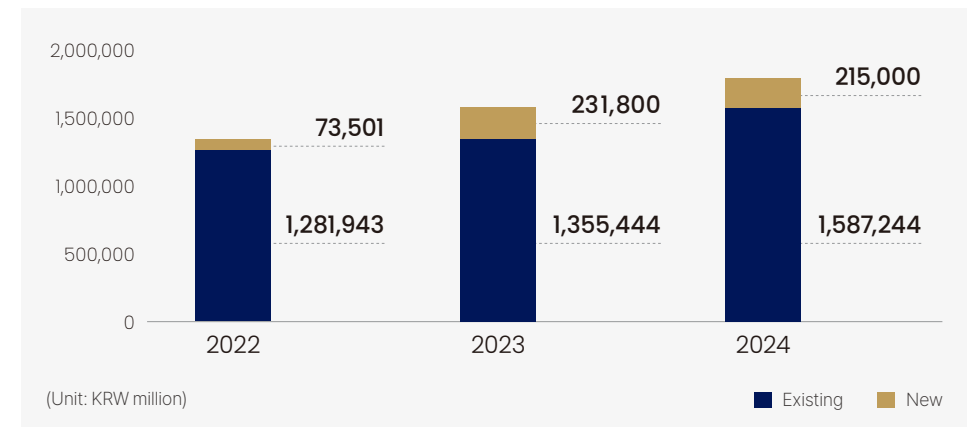
# Assets Under Management

As of June 2025, STIC Investments manages approximately KRW 7.8 trillion in assets through 16 blind funds and 7 project funds. Its subsidiaries, STIC Ventures and STIC Alternative, manage approximately KRW 852 billion and KRW 1.6 trillion, respectively.

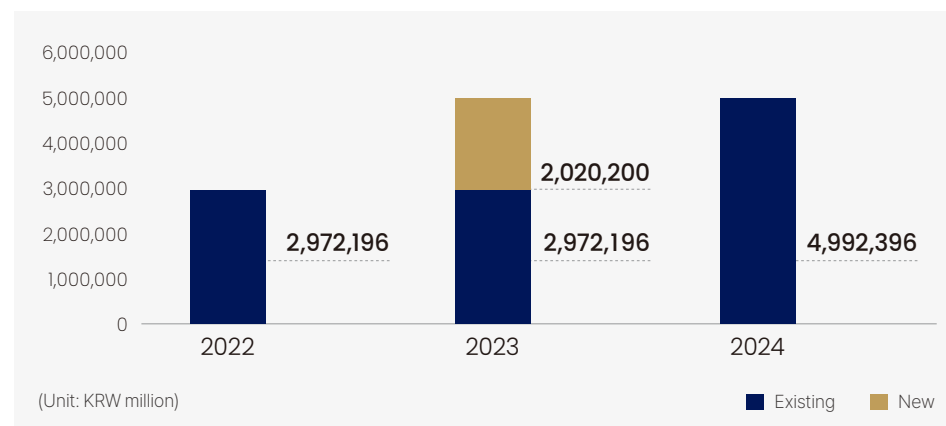
## STIC Financial Group AUM Overview



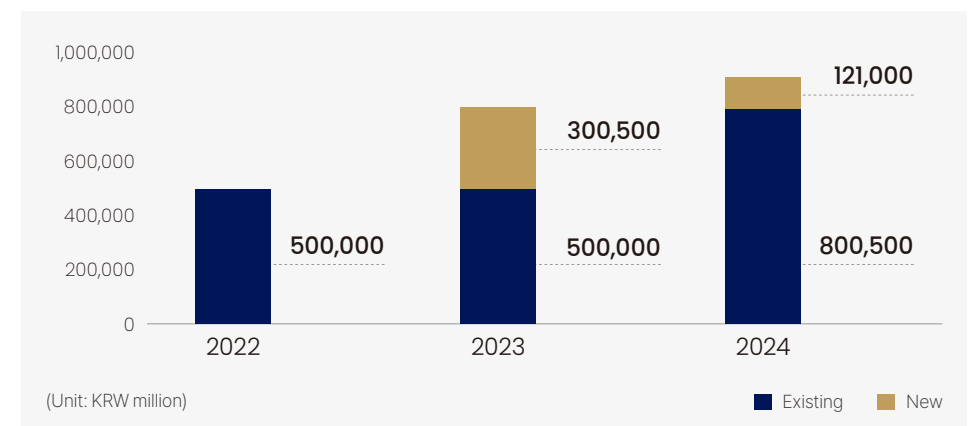
## Growth Capital Team AUM Overview



## Private Equity Division AUM Overview



## Credit Team AUM Overview



\* Based on committed capital

\*\* STIC Alternative included new technology investment funds

# 2024 ESG Performance Highlights

## UN PRI Report

- Policy, Governance and Strategy

5 Star ★★★★★

- Direct Private Equity

5 Star ★★★★★

- Confidence Building Measures

4 Star ★★★★★



## Korea Corporate Governance Service: B+ Rating

Integrated



Environmental



Social



Governance



## Sustainvest: A Rating



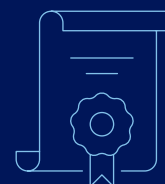
## The 2024, 2025 Financial Investment Awards by EDaily

**Best ESG Private Equity Manager**



## The 21st Korea IB Awards by MoneyToday

**Best ESG Deal**



## Corporate ESG Committee

2 Meetings



## Fund ESG Committee

11 Meetings





# 2. Responsible Investment:

## ESG in Investment

- 16 ESG Vision and Mission
- 17 ESG Governance
- 19 ESG Investment Strategy
- 23 Stewardship Code





# ESG Mission and Vision

Since the founding of STIC Investments under the declared goal of 'Contribution to the Society through Our Investment,' STIC has strived to fulfill its corporate social responsibility. Rising as a global corporate citizen with STIC's influence stretching beyond South Korea, STIC continues to be responsible for sustainable management.

STIC is creating ESG values based on the ESG vision and mission as below. ESG vision and mission contains STIC's aspiration for responsible investments and is based on the ESG values of 3C: 'Core, Comprehensive, Collaboration.' The ESG vision, mission, and values are implemented throughout the investment process.

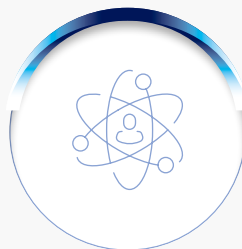
## Vision

**Better World through Right Investments**

## Mission

**STIC moves toward a sustainable society through the right investments, embodying ESG values.**

## '3C' Values



### Core

STIC wants to solve the core environmental and social problems that our society faces.



### Comprehensive

STIC wants to make a comprehensive social impact on the globe.



### Collaboration

STIC aims to enact a positive change through collaboration with our stakeholders.

# ESG Governance

## ESG Policy

In May 2021, STIC Investments established its first ESG policy, incorporating the six principles of the UN Principles for Responsible Investment (UN PRI). The policy outlines the integration of ESG considerations throughout the entire investment lifecycle—from deal sourcing and due diligence to investment decision-making, value creation, and exit. STIC's ESG policy aligns not only with the UN PRI but also with the vision of the 17 United Nations Sustainable Development Goals (UN SDGs). STIC continuously revises and strengthens its ESG policy to reflect evolving global standards and best practices.

STIC firmly believes that through strict adherence to its ESG policy, it can contribute to building a sustainable future for its portfolio companies, shareholders, fund investors, and the broader society.

## Commitment to Global ESG Initiatives

### UN PRI Signatory



The United Nations Principles for Responsible Investment (UN PRI) is a global initiative launched by former UN Secretary-General Kofi Annan to encourage the integration of ESG factors into investment decision-making. As of March 2024, a total of 5,345 organizations have signed on to the UN PRI, representing a combined AUM of approximately USD 128.4 trillion.

STIC Investments became a signatory to the UN PRI in July 2021 and submitted its first Transparency Report in July 2024. In this inaugural report, STIC received the highest rating (★★★★★) in the 'Policy, Governance and Strategy' and 'Direct Private Equity' modules, and the second-highest rating (★★★★★) in the 'Confidence Building Measures' module. STIC remains committed to upholding the Principles for Responsible Investment and will continue to strengthen its efforts in socially responsible and sustainable investing.

### TCFD Support



The Task Force on Climate-related Financial Disclosures (TCFD) is a global climate initiative established by the G20 to encourage companies to disclose the financial impact of climate change on their performance. As of 2023, more than 4,850 organizations worldwide had declared their support for the TCFD.

STIC Investments declared its support for the TCFD in August 2022 and published its first TCFD report in June 2024. Through this process, STIC has reestablished its governance and processes for managing climate-related risks, and developed a roadmap toward mid- to long-term carbon neutrality, along with a system for managing greenhouse gas emissions.

# ESG Governance

## ESG Organization

### ESG Committees

STIC Investments established the ESG Committee in July 2021, consisting of the Corporate ESG Committee and Fund ESG Committee.

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

Currently, three executive directors—Dongguel Kwak(CIO), Shinwoo Kang(COO and CRSO), and Jinho Chai(Head of Private Equity)—serve on the Company-wide ESG Committee. Additionally, four individuals concurrently serve on the Fund-level ESG Committee: the CIO, COO & CRSO, Head of Risk Management and ESG, and Head of Strategy.

### ESG Team

STIC established the ESG Team, an organization dedicated to ESG activities, in July 2021. The ESG Team promotes awareness and implementation of ESG policies and procedures across all employees. It provides ongoing support to investment teams to ensure that ESG principles are actively reflected in investment decision-making, while continuously monitoring ESG-related developments at both the corporate and fund levels.

In 2025, the ESG Team was integrated into the Risk Management and Strategy Division to enhance the efficiency of ESG due diligence for portfolio companies and to ensure the unified management of the firm-wide ESG strategy.

### Organization Chart





# ESG Investment Strategy

## Realization of ESG Values

STIC Investments places the highest priority on ESG values—alongside financial performance—in both its corporate management and fund operations.

STIC firmly believes that the rigorous application of ESG principles across all aspects of its business and investment activities is essential to delivering sustainable growth and long-term value for the firm, fund investors, shareholders, portfolio companies, and society at large. ESG performance, together with financial returns, serves as a dual foundation that supports the future. Guided by this conviction, STIC strives to faithfully implement ESG values and ultimately create greater economic and social value.

To this end, STIC integrates ESG considerations throughout the entire investment lifecycle—from deal sourcing to exit—as well as in the management of the firm and its portfolio companies. STIC approaches ESG not only as a tool for risk management, but also as a source of new investment opportunities.

## ESG Factors Considered by STIC Investments

### Environmental

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



### Social

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



### Governance

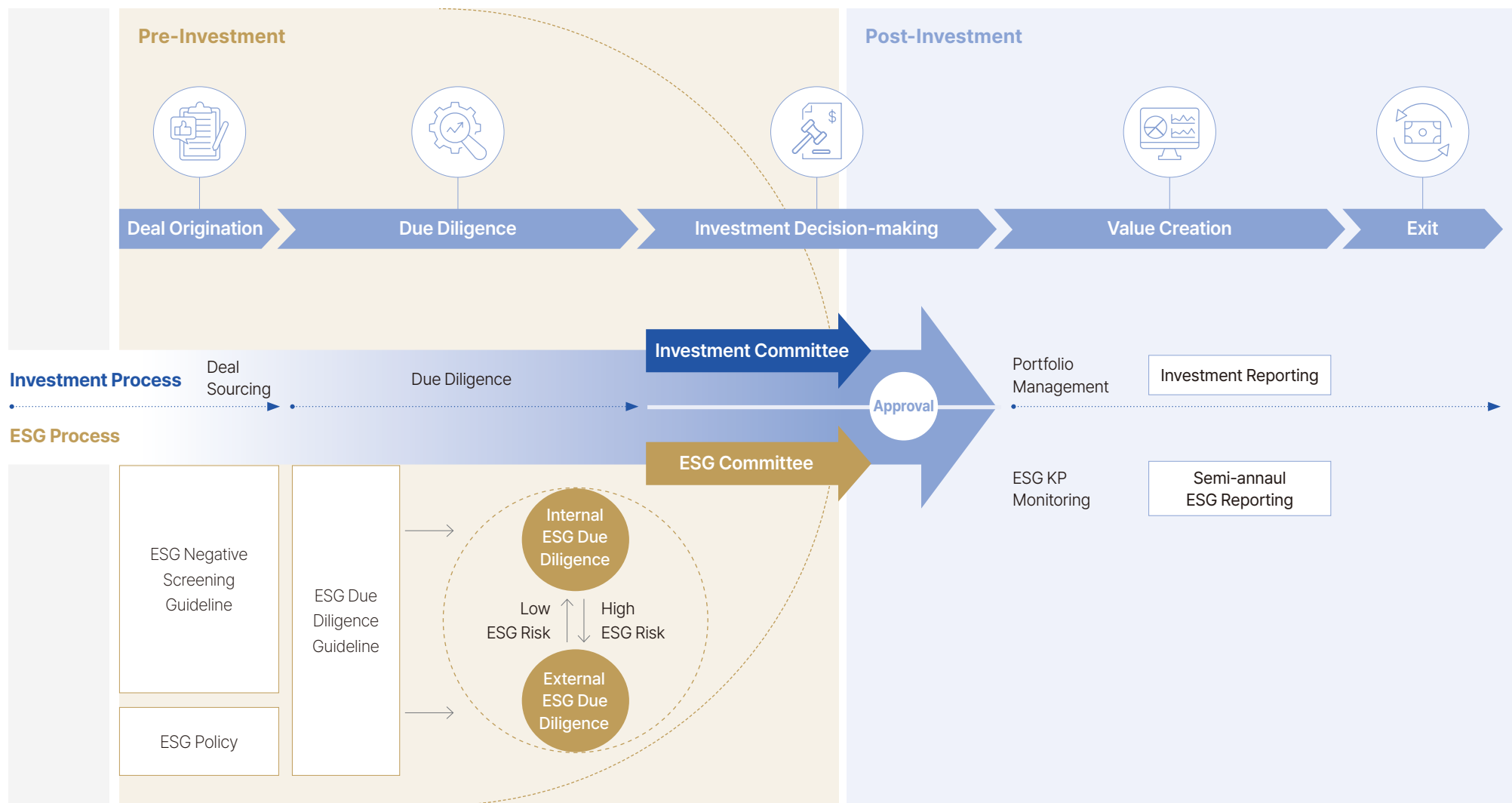
- Accounting standards
- Anti-competition behavior
- Audit committee structure
- Board composition
- Bribery and corruption
- Business ethics
- Compliance
- Political contributions
- Risk management
- Whistleblowing schemes





# ESG Investment Strategy

## ESG in Investment Process

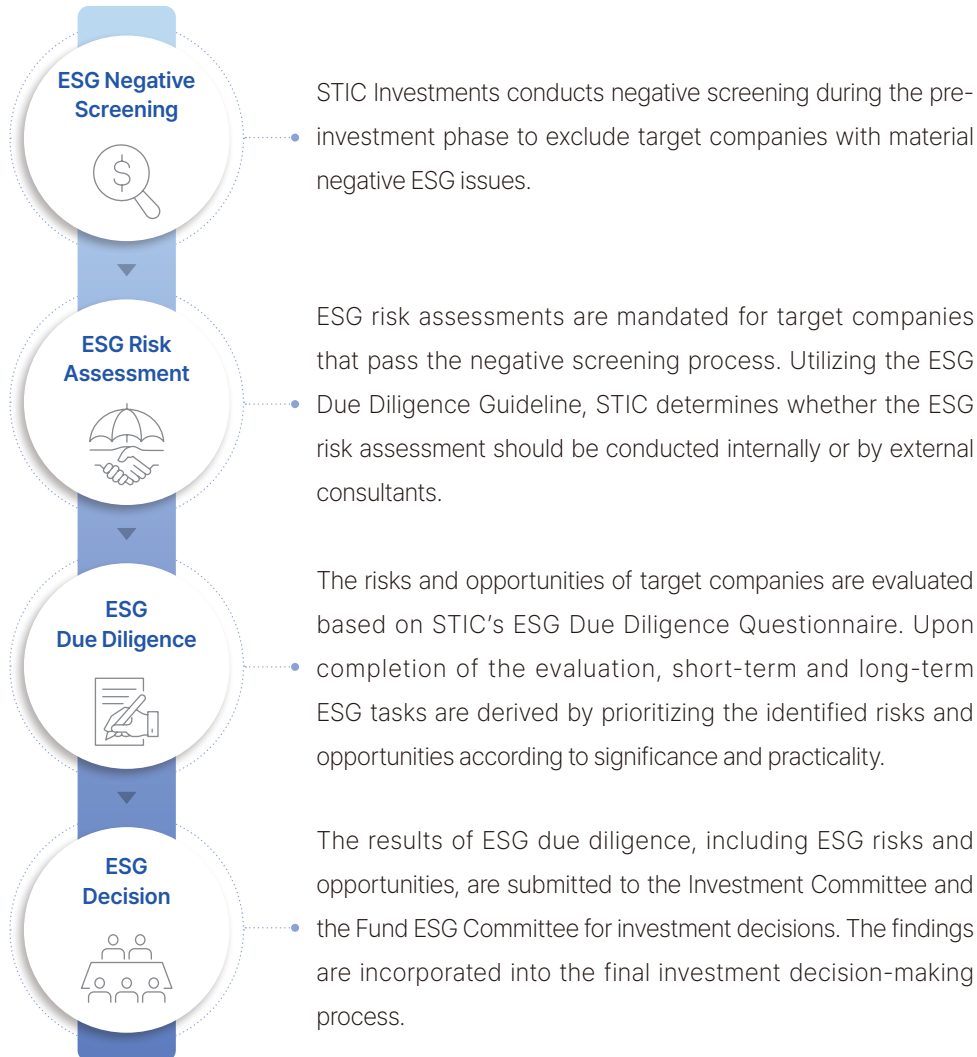






# ESG Investment Strategy

## Pre-investment: ESG Due Diligence



### Case 01

## Duksan Electera

Duksan Electera contributes to the development of the electric vehicle industry through its specialization in the manufacturing and sales of electrolytes for secondary batteries. Electric vehicles lead an eco-friendly industry that substantially reduces greenhouse gas emissions compared to conventional combustion engine vehicles. Despite the alignment of STIC's ESG investment theme and Duksan Electera's business model, the company manufactures electrolytes, a chemical product that can potentially cause environmental harm. To identify potential ESG risks associated with the manufacturing process of chemicals, STIC conducted external ESG due diligence. Through thorough evaluation, environmental, occupational health and safety, and society-related risks were identified. Based on the due diligence findings, STIC established an ESG improvement roadmap and KPIs for Duksan Electera's facilities in South Korea and the United States, which are currently being monitored. Also, the ESG due diligence report is published on the website to share potential ESG risks with stakeholders.

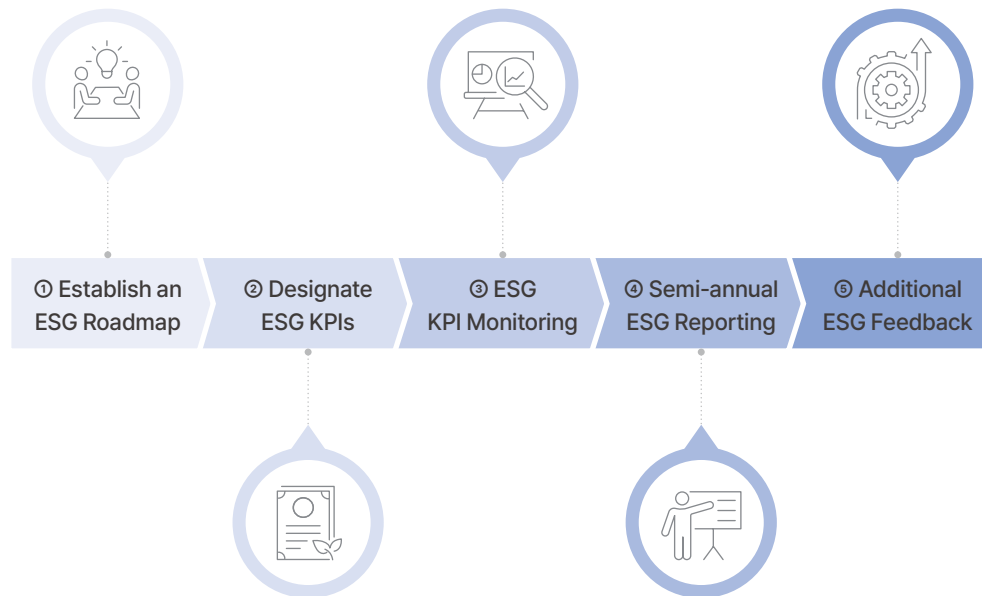


# ESG Investment Strategy

## Post-investment: ESG Monitoring

STIC Investments works closely with portfolio companies to embed ESG factors into their businesses and to pursue ESG opportunities. To create a sustainable impact, STIC has established a long-term ESG roadmap and has designated specific ESG KPIs that need to be realized.

At the closing of an investment, potential investors are provided with key ESG information and value creation opportunities pre- and post-investment phases.



### Case

### 02

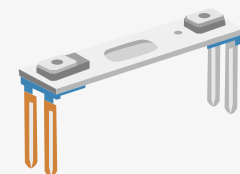
## Shinheung SEC

Shinheung SEC, a Korean company which manufactures safety caps for secondary batteries, worked closely with STIC to establish an effective ESG management system after facing demands on ESG regulatory burdens from their domestic and international supply chains.

Starting from ESG due diligence in August 2021 to ESG framework in February 2022, Shinheung SEC and STIC jointly participated in the six-month ESG consulting journey. A total of 18 ESG KPIs were identified and 3 KPIs were designated as a core, including a supply chain ESG due diligence, carbon emissions management, and ethics and compliance management.

STIC is jointly monitoring the establishment of Shinheung SEC's ESG framework through a quarterly ESG KPI monitoring system. As part of its ESG improvement initiatives, Shinheung SEC conducted an ESG assessment of its suppliers in 2024, which included both self-assessments and on-site audits.

In addition, Shinheung SEC opened an in-house café in 2024 and implemented inclusive hiring practices by employing individuals with disabilities. As of September 2024, a total of five employees with disabilities are working at the café.



# Stewardship Code

## Establishment and Implementation of the Stewardship Code

STIC Investments participated in the Korea Stewardship Code established by the Korea Corporate Governance Service(KCGS) in June 2017. STIC has established its own Stewardship Code following the 'Principles on the Stewardship Responsibilities of Institutional Investors' promulgated by KCGS.

In response to the revised stewardship code guidelines issued by the Financial Services Commission in 2024, STIC Investments updated its Stewardship Code in July 2024 to strengthen provisions related to corporate value enhancement and alignment with the UN PRI. The STIC K-Growth Fund, launched in December 2023, reports on its compliance with the Stewardship Code at annual general meetings in accordance with the fund's articles of incorporation.

### Principle 1

Institutional investors, as a steward of assets entrusted by their clients, beneficiaries, etc., to take care of and manage, should formulate and publicly disclose a clear policy to faithfully implement their responsibilities.



### Principle 2

Institutional investors should formulate and publicly disclose an effective and clear policy as to how to resolve actual or potential problems arising from conflicts of interest in the course of their stewardship activities.



### Principle 3

Institutional investors should regularly monitor investee companies in order to enhance investee companies' mid- to long-term value and thereby protect and raise their investment value.



### Principle 4

While institutional investors should aim to form a consensus with investee companies, where necessary, they should formulate internal guidelines on the timeline, procedures, and methods for stewardship activities.



### Principle 5

Institutional investors should formulate and publicly disclose a voting policy that includes guidelines, procedures, and detailed standards for exercising votes in a faithful manner, and publicly disclose voting records and the reasons for each vote so as to allow the verification of the appropriateness of their voting activities.



### Principle 6

Institutional investors should regularly report their voting and stewardship activities to their clients or beneficiaries.



### Principle 7

Institutional investors should have the capabilities and expertise required to implement stewardship responsibilities in an active and effective manner.





# 3. Sustainable Management

## ESG in Operation

- 25 Environmental Management
- 28 Climate Change Response
- 34 Stakeholder Engagement
- 41 Board Governance
- 43 Risk Management



# Environmental Management

## Environmental Management system

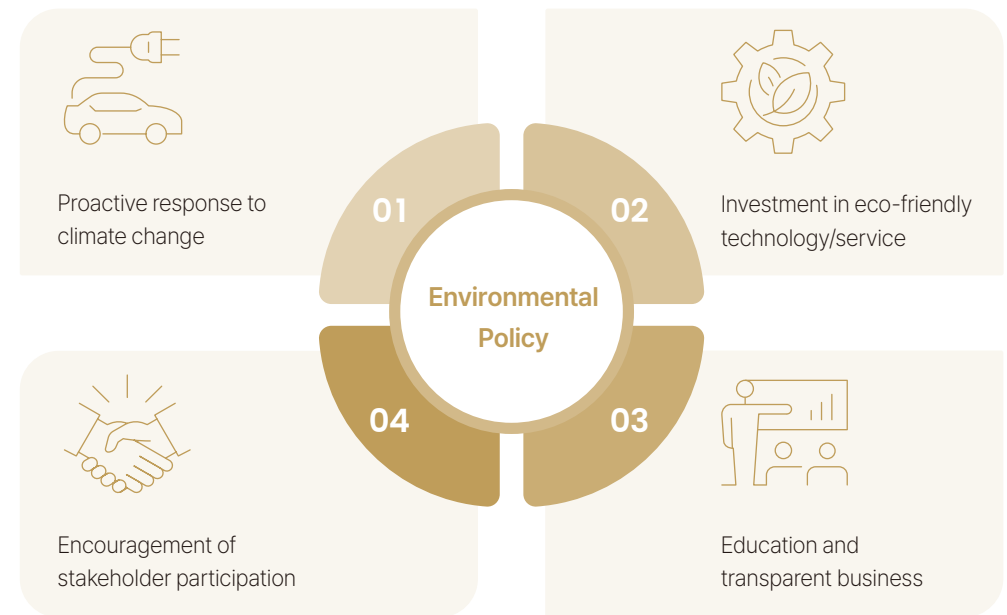
### Environmental Management Governance

STIC Investments has established an environmental management system to implement eco-friendly business practices. The Chief Operating Officer(COO), who also serves as the CEO, oversees key environmental performance and leads decision-making related to environmental risks, including climate change. The ESG Team is responsible for the day-to-day execution of environmental management, including climate-related initiatives. In addition, the ESG Committee reviews major environmental performance at least once annually.



### Environmental Policy

To proactively address various environmental risk factors and continuously improve environmental performance, STIC Investments developed the Environmental Policy in 2023 and published it on the website. This policy outlines STIC's commitment to environment-friendly management and the installment of processes for monitoring and managing environmental risks.



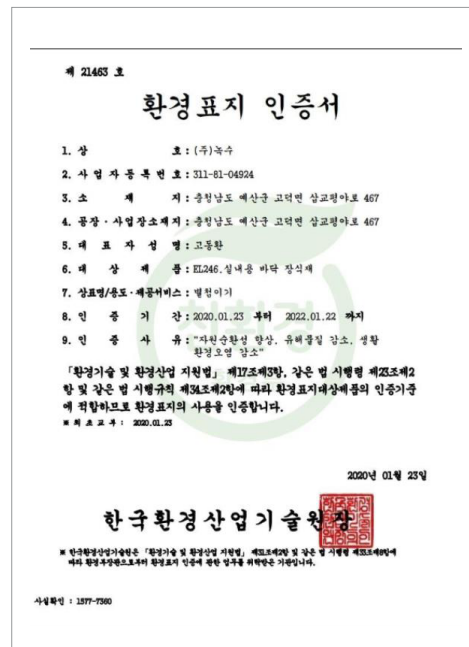
# Environmental Management

## Environmental Management Activities

### Environment-friendly Certifications

STIC Investments undertook office remodeling for all workspaces from November 2021 to May 2022 to create a more comfortable work environment, reduce greenhouse gas emissions, and increase energy efficiency. During this process, multiple environment-friendly office materials and high-efficiency energy equipment, including certified indoor LED lighting, were installed.

### Environmental labeling certificate



### High-efficiency energy equipment certificate



### Resource Circulation Initiatives

STIC Investments recognizes that small everyday actions can be the starting point of a circular economy. In 2023, STIC launched a 'No PET Bottles' campaign, which involved discontinuing the provision of bottled water in office spaces and encouraging all employees to adopt eco-friendly habits by using reusable tumblers instead of single-use plastics. As a result of this initiative, PET bottle purchases decreased from 8,260 in 2023 to 5,740 in 2024, reducing usage by approximately 2,520 bottles.

In addition, STIC implemented a 'Nespresso Capsule Recycling' campaign in 2024 to further promote a culture of circularity within the firm. Through this campaign, STIC participates in Nespresso's official recycling program by collecting used capsules in designated bins and returning them via certified collection routes—contributing to a closed-loop resource recovery system.



# Environmental Management

## Environmental Management Activities

### Biodiversity Conservation Activities

STIC Investments conducts its '1 Step 1 Won' charity walk twice a year as part of its ongoing social contribution efforts. In the second half of 2024, STIC initiated its support for the Peace Forest by donating approximately KRW 9.3 million to promote biodiversity conservation. STIC remains committed to fulfilling its social responsibility for a sustainable ecosystem and will continue to collaborate with various partners to advance biodiversity initiatives.

### Eco-Friendly Social Contribution Activities

In 2024, STIC Investments launched an IT equipment donation initiative in partnership with People&Com to promote both resource recycling and social value creation.

This initiative involves donating decommissioned in-house computers, monitors, and laptops to support proper e-waste recycling and to improve IT accessibility for underserved communities.

In 2024, the firm donated 25 laptops, 10 desktops, and 5 monitors.

This program has been recognized as a sustainable social contribution model based on circular economy principles and also helps to bridge the digital divide. STIC remains committed to expanding environmentally and socially conscious donation activities going forward.

### Environmental Management Training for Employees

On December 2, 2024, STIC Investments held an environmental management training session during its monthly all-staff meeting. Oksoo Lee, a Partner at Deloitte Anjin LLC, was invited as a guest speaker and delivered a live Zoom lecture titled 'Carbon Neutral ESG Era and Eco-Friendly Strategies for Private Equity Managers'. The lecture helped raise awareness across the organization regarding the importance of environmental management and laid the groundwork for company-wide engagement.

Since establishing its ESG framework in 2021, STIC has incorporated ESG due diligence into every investment to identify both risks and opportunities associated with portfolio companies. In particular, when external advisors are engaged for ESG due diligence, STIC conducts sessions attended by all relevant team members, including members of the ESG Committee. These sessions not only cover the findings of the due diligence but also serve as platforms to share the latest developments and issues related to climate change and environmental trends—effectively functioning as comprehensive internal training.

# Climate Change Response

## Roadmap for Climate Change

STIC Investments is a private equity management firm based in South Korea and across Asia, actively engaging in investment activities through a well-established global network. Climate change has a significant impact on STIC's business operations—not only by introducing physical and transition risks, but also by creating new investment opportunities. In this context, it is more important than ever to proactively respond to emerging climate-related risks, policy shifts, and technological innovations, and to build climate resilience by capturing opportunities presented by the energy transition. At the same time, market expectations are rising for companies to disclose their climate strategies, including responses to greenhouse gas emissions. STIC is committed to reducing its carbon footprint across all areas of operation. In addition to managing its internal performance, STIC also systematically monitors the ESG performance of its portfolio companies, thereby actively supporting their sustainable growth.

### Climate change and Carbon Neutrality Roadmap

	2023~2025 : Phase 1	2025~2030 : Phase 2
Mission	Establish Climate Change Mitigation System	Advance Climate Change Mitigation System
Strategy	Cultivating environmentally friendly culture	Preserve the environment through active environmental management activities
Metric & Target	<p><b>GHG Emissions</b></p> <ul style="list-style-type: none"> <li>• Emissions calculation and disclosure <ul style="list-style-type: none"> <li>- Internal emissions(Scope 1, 2)</li> </ul> </li> </ul> <p><b>Energy Consumption</b></p> <ul style="list-style-type: none"> <li>• Energy usage calculation and disclosure <ul style="list-style-type: none"> <li>- Direct energy consumption(gas)</li> <li>- Indirect energy usage(electricity)</li> </ul> </li> </ul>	<p><b>GHG Emissions</b></p> <ul style="list-style-type: none"> <li>• Emissions calculation and disclosure <ul style="list-style-type: none"> <li>- Financial emissions(Scope 3) measurement and disclosure</li> </ul> </li> <li>• Reduce total GHG Emissions by 10% by 2030, compared to 2025</li> </ul> <p><b>Energy Consumption</b></p> <ul style="list-style-type: none"> <li>• Reduce total energy consumption by 10% by 2030, compared to 2025</li> </ul>





# Climate Change Response

## Climate Change Strategy

### Identification of Climate-Related Risk Factors

STIC Investments recognizes climate change and the resulting shifts in the business environment as both a material risk and a source of new opportunities. As a private equity firm, STIC is committed to proactively addressing these risks and integrating climate considerations into its investment strategy.

To that end, STIC analyzes the broader environmental context surrounding its portfolio companies and identifies the potential impacts of climate change. STIC has defined both transition and physical risk factors—including regulatory changes, market fluctuations, and extreme weather events—and continues to develop systematic short-, medium-, and long-term response strategies.

#### Definition

#### Pathway



### Physical Risk

Economic losses caused by changes in long-term climate patterns, such as increased frequency and intensity of typhoons, floods, or heatwaves.

Natural disasters triggered by extreme weather events

Physical damage to production facilities(e.g., factories, equipment), leading to recovery and repair costs

Decline in profitability and financial health of portfolio companies; reduced investment returns



### Transition Risk

Economic losses that may occur as the global economy rapidly shifts toward decarbonization in response to government climate actions.

Carbon taxes or pricing schemes introduced under government policy

Rising costs associated with emissions, particularly for carbon-intensive industries

Deterioration in corporate profitability and financial performance; declining investment returns

**Deterioration in portfolio company performance and reputational risk in future investment decisions**

### Identification of Climate-Related Risk Factors


Category	Type	Expected Timeframe	Climate Change Factor	Impact on STIC and Its Portfolio Companies
 Physical Risk	Acute	Short-, medium-, and long-term	Increasing frequency and intensity of natural disasters such as floods and typhoons, and extreme weather events such as heatwaves	<ul style="list-style-type: none"><li>Declining profitability due to the reduced collateral value of portfolio company assets, damage to facilities and equipment, and decreased production capacity</li><li>Potential increase in insurance premiums and reduced availability of coverage for high-risk asset classes</li><li>Occurrence of payout obligations for life and property insurance covering employees and customers</li><li>Decline in production efficiency due to extreme weather events causing power outages and disruptions to commuting</li></ul>
	Chronic	Medium- to long-term	Long-term shifts in climate patterns leading to sea level rise, increasing average temperatures, and chronic heat extremes	<ul style="list-style-type: none"><li>Increased sunk costs and operating expenses of portfolio companies within related industries</li><li>Chronic climate change risks are driving up energy costs across industries and reducing operating profits due to disruptions in supply chains and logistics network</li></ul>



# Climate Change Response

## Climate Change Strategy

### Identification of Climate-Related Risk Factors

Category	Type	Expected Timeframe	Climate Change Factor	Impact on STIC and Its Portfolio Companies
 Transition Risk	Market	Short-, medium-, and long-term	<ul style="list-style-type: none"><li>Increased volatility in energy and carbon prices</li></ul>	<ul style="list-style-type: none"><li>Potential volatility in investment returns due to increasing financial uncertainty of portfolio companies</li><li>Rising operating costs and declining profitability of energy-intensive companies</li></ul>
		Medium- to long-term	<ul style="list-style-type: none"><li>Shifts in supply and demand for raw materials, goods, and services</li></ul>	<ul style="list-style-type: none"><li>Rising operating costs of portfolio companies due to increases in energy and raw material prices, as well as waste disposal expenses</li></ul>
		Medium- to long-term	<ul style="list-style-type: none"><li>Changes in consumer behavior</li></ul>	<ul style="list-style-type: none"><li>Revenue decline due to reduced demand for high-carbon-emission products</li></ul>
	Policy & Regulation	Short-, medium-, and long-term	<ul style="list-style-type: none"><li>Stricter climate-related regulations and policies</li><li>Requirements for companies to manage climate risks and disclose environmental information</li></ul>	<ul style="list-style-type: none"><li>Increased operating costs and profitability challenges for portfolio companies due to strengthened global climate-related policies and taxation schemes</li><li>Asset revaluation</li><li>Increase in personnel and costs for climate-related due diligence during investment review</li><li>Loss of credibility and potential withdrawal of investment capital due to failure to meet investor and client expectations</li></ul>
		Medium- to long-term	<ul style="list-style-type: none"><li>Litigation by stakeholders against companies that fail to comply with climate change regulations and policies</li></ul>	<ul style="list-style-type: none"><li>Decline in the value of the company and portfolio companies due to litigation</li></ul>
	Technology	Medium- to long-term	<ul style="list-style-type: none"><li>Transition toward low-carbon technologies in manufacturing and processes</li></ul>	<ul style="list-style-type: none"><li>Decline in profitability due to early depreciation and disposal of existing carbon-intensive assets</li><li>Capital expenditures incurred for the transition to and adoption of low-carbon technologies</li></ul>
	Reputation	Medium- to long-term	<ul style="list-style-type: none"><li>Reputational risks faced by certain industries or companies due to rapidly shifting consumer preferences toward eco-friendly and low-carbon options</li></ul>	<ul style="list-style-type: none"><li>Declining profitability due to reduced demand for products or services</li><li>Potential investor or client accusations of greenwashing based on the due diligence findings of portfolio companies</li><li>Insufficient climate risk management and response by portfolio companies may lead to downgrades in credit and ESG ratings, adversely affecting their creditworthiness</li></ul>

# Climate Change Response

## Climate Change Strategy

### Scenario Analysis

STIC Investments analyzed the impact of transition risks on its business using scenario pathways developed by the Network for Greening the Financial System(NGFS), including the Net Zero 2050 and Below 2°C scenarios. For physical risk assessment, STIC adopted the Shared Socioeconomic Pathways(SSPs), which are emissions scenarios introduced in the IPCC's Sixth Assessment Report. These SSPs incorporate projected changes in socio-economic systems—such as population growth, economic development, and energy consumption—along with radiative forcing levels expected by 2100.

### Scenario Analysis – Transition Risk

STIC's portfolio includes sectors such as manufacturing and ICT, where carbon emissions and electricity usage represent significant risk factors. In light of the expected tightening of climate policy, the firm anticipates that exposure to transition risks will continue to grow. Accordingly, STIC conducted scenario analyses based on the Net Zero 2050 and Below 2°C pathways provided by the Network for Greening the Financial System(NGFS), assuming conditions with elevated carbon and energy costs. Under the Below 2°C scenario, carbon prices are projected to increase from USD 5.74 in 2025 to USD 259.23 by 2045. Industrial electricity prices are also expected to rise from USD 28.87 in 2025 to USD 36.39 in 2045. These trends suggest a high likelihood of declining profitability in carbon- and energy-intensive sectors.

### STIC's Response to Transition Risks

STIC currently invests in carbon-intensive industries such as secondary battery manufacturing and agriculture, both domestically and internationally. Going forward, the firm plans to shift its investment strategy toward energy-based businesses—such as power generation—while avoiding future investments in carbon-heavy companies, in alignment with the scenario pathways outlined by the Network for Greening the Financial System(NGFS).

### Scenario Analysis – Physical Risk

STIC conducted a physical risk assessment of its investment portfolio using the Shared Socioeconomic Pathways(SSPs) developed by the Intergovernmental Panel on Climate Change(IPCC). The analysis indicates that coastal flooding and the spread of infectious diseases are likely to intensify across the Asia-Pacific region. Notably, South Korea and Vietnam are projected to face elevated flood risks, while Vietnam and Malaysia appear increasingly vulnerable to typhoons and storm surges.

### STIC's Response to Physical Risks

STIC plans to incorporate country-specific climate risk assessments, based on scenario analysis, into its investment review process. In light of the projected rise in coastal flooding and infectious disease risks, the firm will closely evaluate the geographic exposure of its portfolio companies and intends to expand investments in industries that offer solutions to climate-related risks.

# Climate Change Response

## Greenhouse Gas Emissions Targets and Indicators

STIC Investments established a mid- to long-term carbon neutrality roadmap and an environmental disclosure framework in 2023. Since 2024, STIC has been systematically measuring and managing Scope 1, 2, and 3 greenhouse gas(GHG) emissions from its Seoul headquarters. Although the building is leased—making precise measurements difficult—emissions are estimated based on utility-related expenses.

In 2024, STIC's total GHG emissions from its Seoul headquarters amounted to 369.64 tCO<sub>2</sub>e, consisting of 306.8 tCO<sub>2</sub>e from on-site operations(Scope 1 and 2) and 37.96 tCO<sub>2</sub>e from off-site activities(Scope 3).

STIC does not operate manufacturing facilities requiring combustion equipment, but includes fuel combustion from company vehicles under Scope 1. Scope 2 emissions are calculated based on electricity and steam consumption within office spaces. Scope 3 emissions account for capital goods and business travel.

STIC plans to further strengthen its GHG emissions management going forward and aims to expand its Scope 3 coverage to enhance the transparency and granularity of its climate-related disclosures.

### STIC Investments GHG Emission Calculation Details

Category	Source	Detail
Scope 1	Mobile Combustion	Business vehicle operating emissions
Scope 2	Electricity	Emissions from office electricity use
	Steam	Emissions from office steam use
Scope 3	Category 2(Capital Goods)	Emissions from capital goods acquisition
	Category 6(Business Travel)	Emissions based on distance from employee domestic/overseas business trips

### STIC Investments GHG Emissions Overview

(Unit: tCO<sub>2</sub>e)

Category	2022	2023	2024
Scope 1	73.2	72.5	65.5
Scope 2	221.9	244.1	241.3
Scope 1+2	295.1	316.6	306.8

(Unit: tCO<sub>2</sub>e/million KRW)

Category	2022	2023	2024
Scope 1+2 Emissions Intensity	0.60	0.40	0.47

(Unit: tCO<sub>2</sub>e)

구분	Source	2022	2023	2024
Scope 3	Category 2(Capital Goods)	25.62	21.35	18.11
	Category 6(Business Travel)	19.02	25.19	19.85
	Sub-total	44.6	46.55	37.96

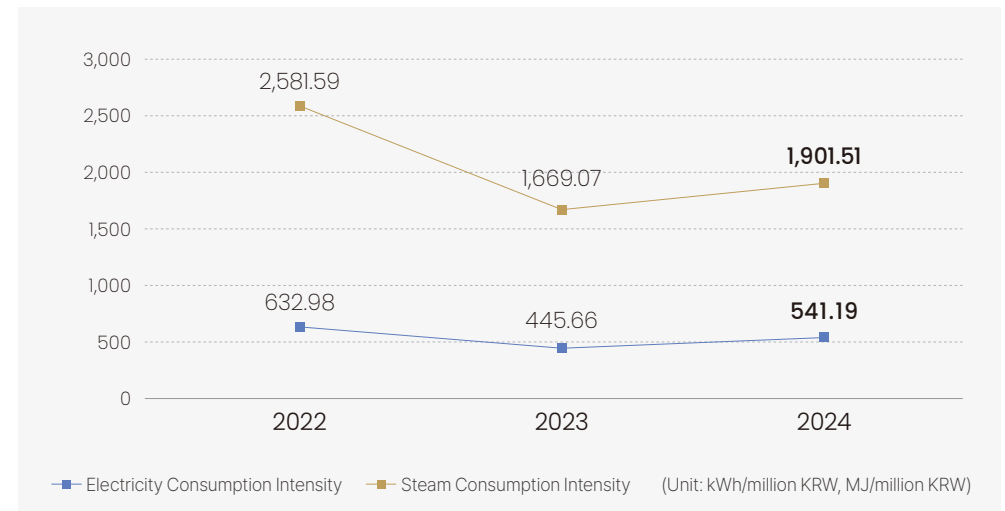
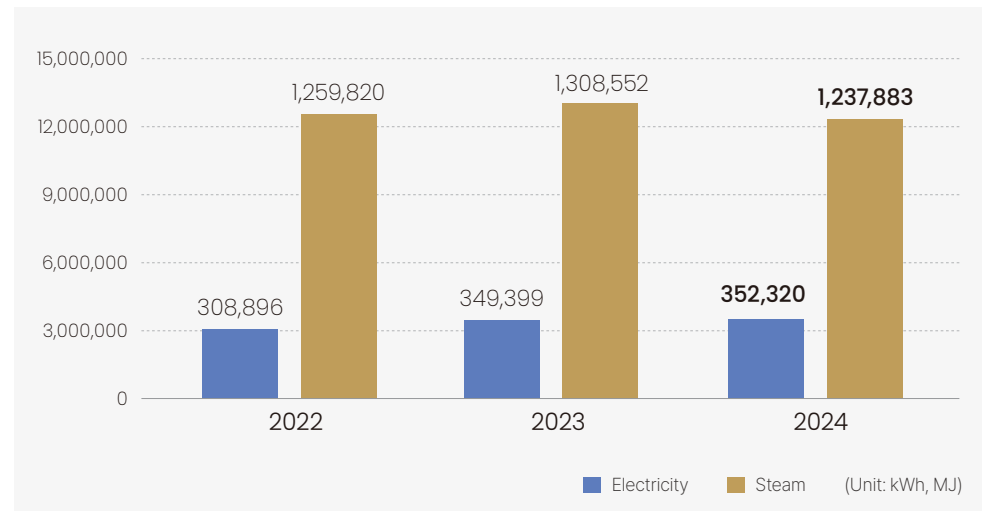
# Climate Change Response

## Energy Consumption Targets and Indicators

Based on the mid- to long-term carbon neutrality roadmap and environmental disclosure framework established in 2023, STIC Investments has been systematically managing the environmental performance of its Seoul headquarters since that year. Although the building is leased—making precise calculations challenging—STIC estimates its energy consumption based on related utility costs.

Energy usage at the Seoul headquarters is categorized into electricity and steam(hot water and heating). In 2024, electricity consumption totaled 352,320 kWh, while steam consumption reached 1,237,883 MJ.

### STIC Investments Energy Consumption Overview





# Stakeholder Engagement

## Human Rights Management

### Human Rights Policy

STIC Investments declared the Human Rights Policy to actively practice human rights, prevent violations against human rights throughout business activities, and satisfy the expectations of its stakeholders.

The Human Rights Policy, which applies to all employees of STIC, is to encourage all stakeholders, including clients, partners, and portfolio companies, to respect and adhere to its principles.

STIC publicly discloses the Human Rights Policy on the website, ensuring easy access to all stakeholders. For potential human rights concerns, stakeholders can address and resolve these issues through the hotline on the website, a channel dedicated to human rights grievances.

### Principles of Human Rights Policy



Prohibition of  
Discrimination



Prohibition of  
Child Labor and  
Forced Labor



Guarantee of  
Freedom of  
Association  
and Collective  
Bargaining



Guarantee of  
Occupational  
Health and  
Workplace Safety



Prohibition of  
Workplace  
Harassment

### Roadmap for Human Rights

Phase 1

#### Establish Human Rights Management System

2023-2025

##### Develop the foundation for human rights management

###### Initiate Human Rights Management System

- Design management guidelines
- Establish a communication channel dedicated to human rights risks

##### Build a respectful community

###### Create a culture of respect

- Cultivate awareness of respect for human rights among executives and employees through education on human rights

Phase 2

#### Advance Human Rights Management System

2025-2030

##### Expand management activities to protect human rights

###### Improve Human Rights Management System

- Design a monitoring system to detect human rights risks

##### Promote a respectful culture for human rights

###### Elevate awareness of human rights

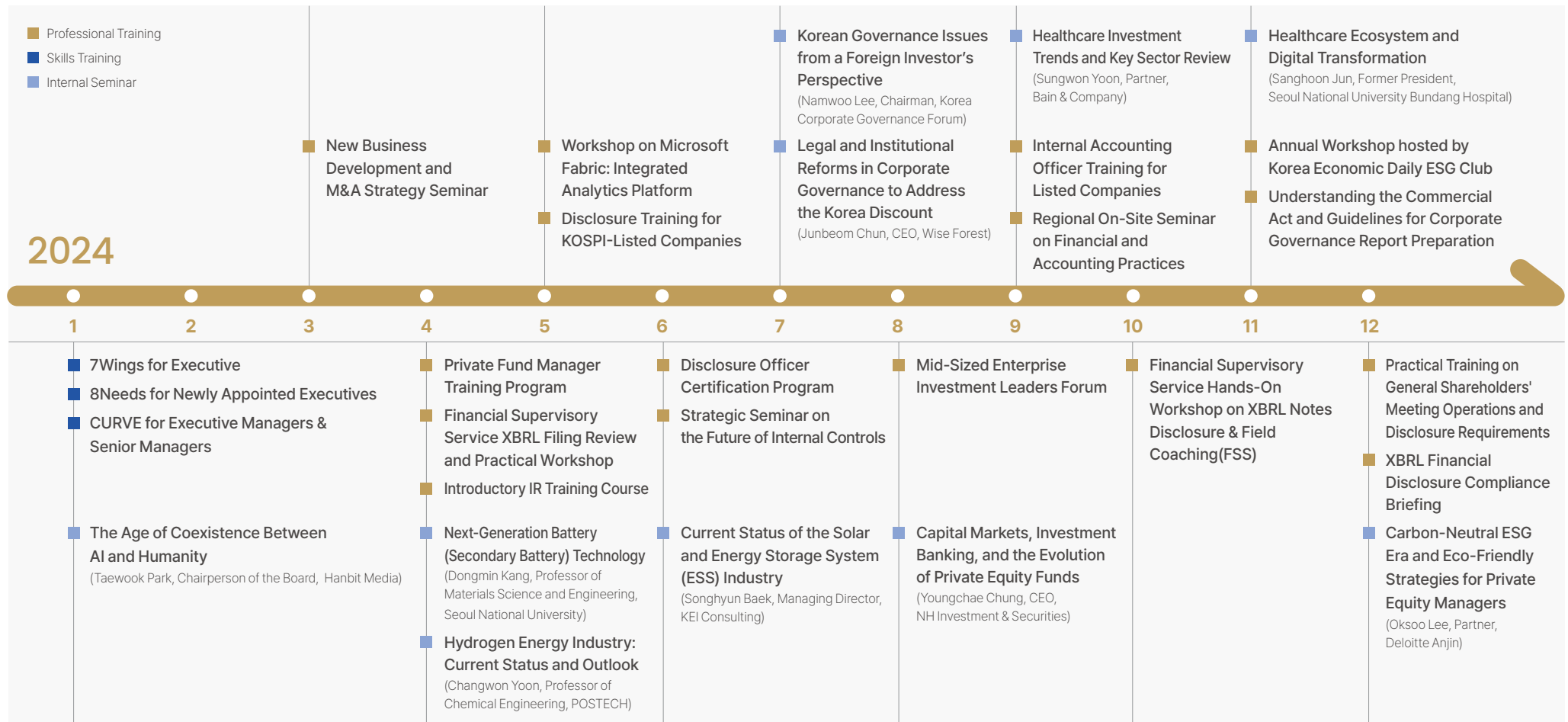
- Embed the spirit of respect for human rights through internal and external human rights campaigns



# Stakeholder Engagement

## Employee Training and Development

STIC Investments supports both professional and ethics-based training to ensure that all employees maintain a high level of expertise and a strong sense of professional responsibility. In addition, STIC regularly invites external experts to conduct in-house lectures on macroeconomic conditions and industry trends, helping employees understand and respond to an ever-changing market environment. These efforts are designed to foster continuous self-development and long-term career growth for all members of STIC.





# Stakeholder Engagement

## Work-Life Balance

### Employee Engagement Events

STIC Investments hosts an annual global workshop at the beginning of each year to foster an open and collaborative organizational culture. In January 2024, employees from all three entities within the STIC Financial Group—STIC Investments, STIC Ventures, and STIC Alternative—gathered to share the firm’s strategic vision and strengthen alignment. Additionally, in November 2024, STIC held its annual Fall Sports Day, where employees from across the group came together for team-based athletic activities, further promoting camaraderie and group cohesion.

### Employee Clubs

STIC Investments operates a variety of employee clubs to strengthen interpersonal bonds and foster a healthy organizational culture. By actively supporting these club activities, STIC encourages a creative and self-driven culture in which employees plan and participate in initiatives of their own interest. These employee clubs play a vital role in enhancing employees’ sense of belonging and contribute meaningfully to the development of a sustainable corporate culture.

### 2024 Global Workshop



### 2024 Fall Sports Day



### 2024 Hiking Club Activities







# Stakeholder Engagement

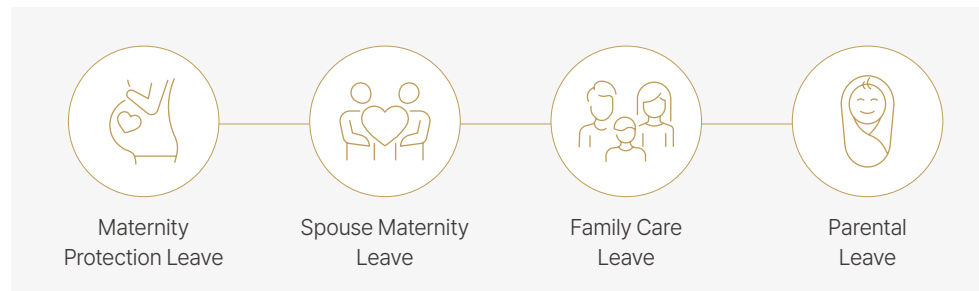
## Work-Life Balance

### Family-Friendly Workplace

STIC Investments adopted various policies to create a flexible and family-friendly work environment and reflected these policies in the Rules of Employment for easy access among employees.

Article 36 of the Rules of Employment articulates maternity protection leave, spouse maternity leave, and family care leave to help employees reduce concerns and stress related to birth and childcare. Article 36 of the Rules of Employment specifies parental leave.

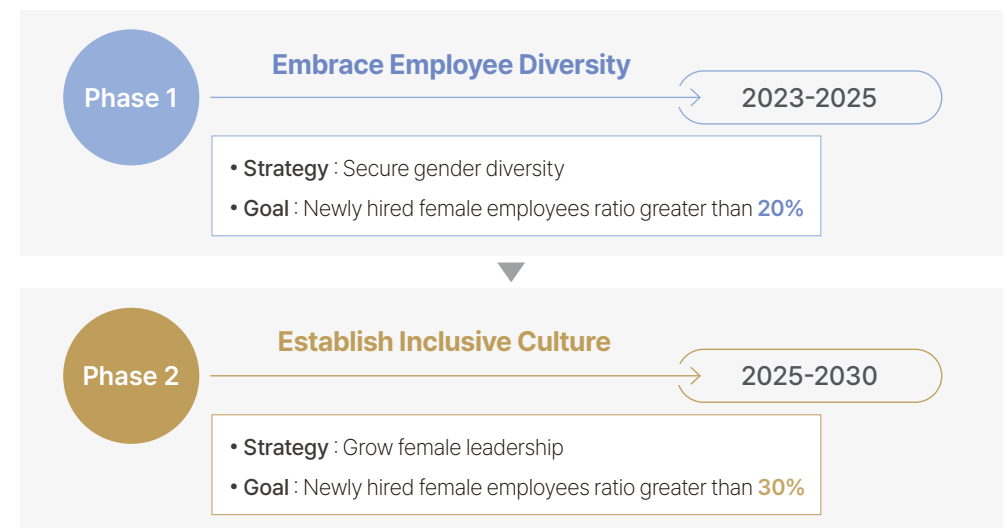
### Family-friendly Work Environment



## Employee Diversity

### Roadmap for Diversity

STIC Investments established a diversity roadmap to ensure that employee diversity goes beyond just the simple prohibition of discrimination; rather, diversity should lead to strengthening corporate competitiveness. STIC monitors the hiring status by gender and job title to continuously manage diversity using quantitative indicators according to the diversity roadmap.



### 2024 Newly Hired Female Employees Ratio

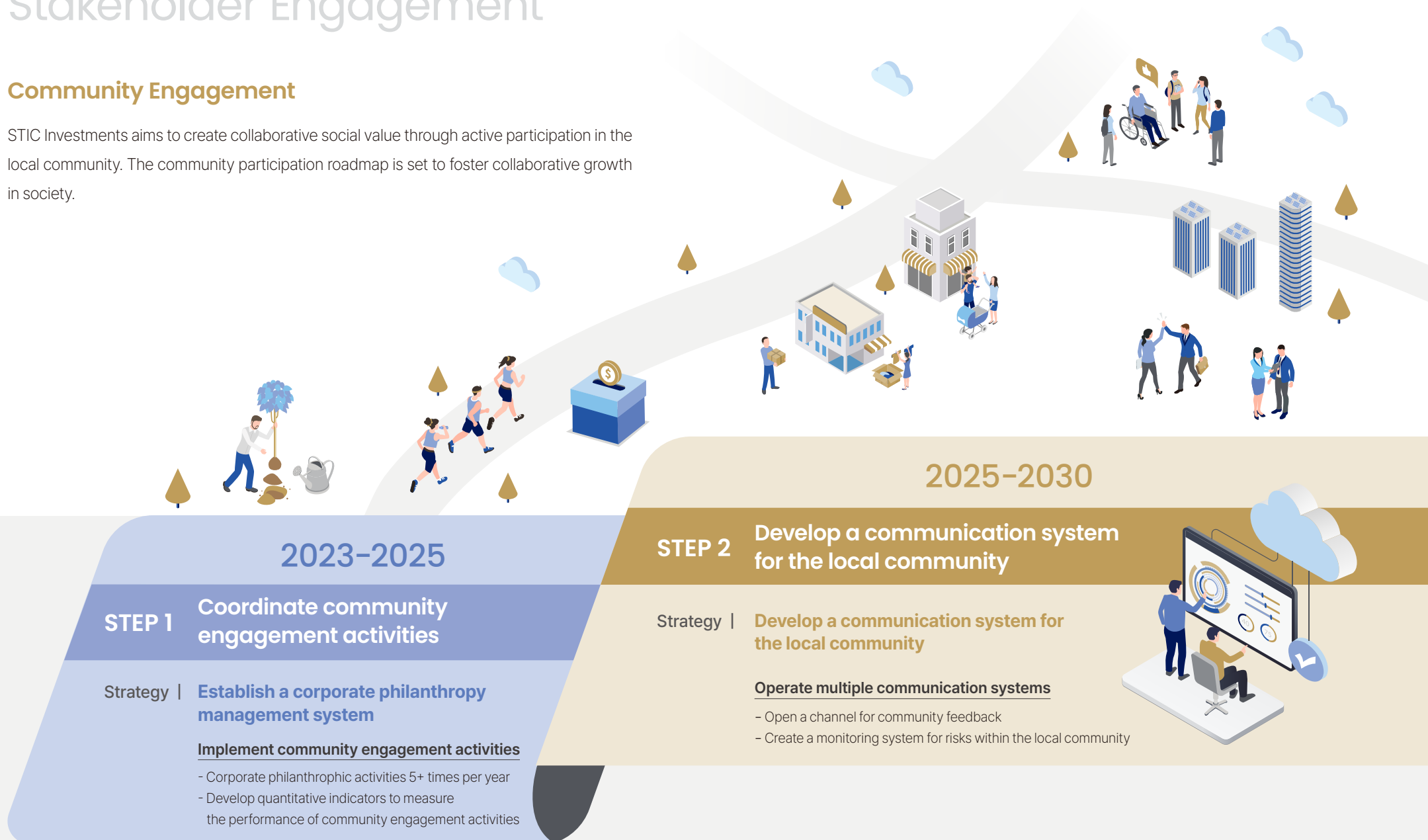




# Stakeholder Engagement

## Community Engagement

STIC Investments aims to create collaborative social value through active participation in the local community. The community participation roadmap is set to foster collaborative growth in society.



# Stakeholder Engagement

\* As of April 2025

## Corporate Philanthropy

STIC Investments aims to establish a sustainable business ecosystem by linking its corporate social responsibility(CSR) vision with ESG activities. The contribution to local communities through philanthropic activities in which all employees engage aims to solve societal problems around the world.

### Sisterhood Relationship with Pocheon Bidulginang Village

STIC established the sisterhood relationship with Pocheon Bidulginang Village in 2017 to initiate volunteer activities twice a year and donate development funds under the name of the Vice Chairman of STIC, Dongguel Kwak, who was appointed as the Honorary Mayor of Bidulginang Village. In the Fall of 2024, STIC employees visited Bidulginang Village as Kimchi-making volunteers, and Kimchi was donated to elderly residents who were living alone in the village alongside KRW 20 million to be used for community development.

#### Sisterhood Relationship Activities



2 times a year

#### Community Development Fund



KRW 20 million

### UAE Akh 1 Troop 1 Company Affiliation

In 2018, STIC signed the 'One Troop One Company' affiliation with the Akh 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 Akh unit, donating approximately KRW 13.33 million to improve the military unit welfare in 2024.

#### UAE Akh Unit Welfare Improvement Donations



KRW 13 million +

### 1 Step 1 Won Donation Event

As a part of its philanthropic activities, STIC organizes a semi-annual event called '1 Step 1 Won Donation Event' to fundraise donations through the total number of footsteps that employees take in the walking donation event. For the two events held in the spring and fall of 2024, STIC donated the footstep-matched donation of approximately KRW 36.35 million to the Merry Year Foundation, World Food Programme(WFP), and Peace Forest.

#### 1 Step 1 Won Donations



KRW 36 million +

### Sponsorship of the Korea Baduk Association

Since the end of 2024, STIC has provided annual sponsorship of KRW 100 million to the Korea Baduk Association as part of its commitment to nurturing young talent in the game of baduk and fulfilling its social responsibility to promote cultural development. As part of this initiative, the Korea Baduk Association operates the 'STIC U-23 Baduk Championship,' a youth tournament open to players born after 2002. The first championship concluded with its final match in April 2025, where 9-dan Woojin Han was crowned the inaugural winner.



#### The Korea Baduk Association Donations



KRW 100 million a year

# Stakeholder Engagement

## Stakeholder Communication

STIC Investments aims to build long-term, balanced value through continuous communication with a wide range of stakeholders, including shareholders, fund investors, portfolio companies, and employees.

STIC actively listens to stakeholder expectations and reflects them in its management activities. To facilitate this, STIC operates multiple communication channels both online and offline, including the Business Development team for fund investors, IR activities for domestic and international shareholders, and an ethics hotline via the website. STIC also runs a Labor Management Council to ensure effective communication with employees and to improve the working environment.

### 2024 Labor Management Council Activities

Date	Agenda	Status
2024.03.22	Employee Engagement Events	Affiliate Networking Event
	Office Renovation	Renovation of Conference Rooms and Lounges on the 7th and 11th Floors
2024.06.21	Social Contribution Activity	First-Half Walking Donation Campaign Activity
2024.09.27	Flu Vaccination Program	Employee Influenza Vaccination Program
	Sports Day	Affiliate Employee Team-Building Event
	Office Renovation	Office Fit-Out for Affiliate Move-In on the 7th Floor
2024.12.06	Social Contribution Activity	Second-Half Walking Donation Campaign Activity
	Mandatory Compliance Training	Mandatory Training on Sexual Harassment Prevention, Personal Data Protection, Disability Awareness, Workplace Bullying Prevention, and the Anti-Graft Act

In addition, STIC engages in external activities to promote ESG values in collaboration with various stakeholders. In 2024, STIC participated in the MDB Environment & Social Safeguards Community of Practice seminar in Beijing, hosted by the Asian Infrastructure Investment Bank(AIIB) and the Multilateral Cooperation Center for Development Finance(MCDF). During the event, STIC presented its first ESG-compliant fund, the STIC Global Innovation Growth Fund, and shared its ESG framework as a private equity manager with international organizations and other participants.

### 2024 AIIB-MCDF MDB Seminar



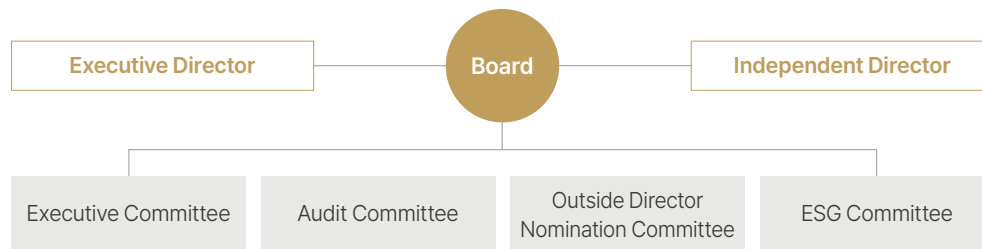


# Board Governance

\* As of April 2025

## Board Operations

STIC Investments promotes board governance as a means of practicing responsible management and enhancing stakeholder value. The Board of Directors is composed of eight members, including four internal directors and four independent outside directors. To ensure effective oversight and decision-making, the Board operates four committees: the Executive Committee, Audit Committee, Outside Director Nomination Committee, and ESG Committee.



## Board Activities in 2024



Board Meetings

7



ESG Committee Meetings

2



Resolutions

17



Reports

13

## Board Overview

Type	Name	Professional Background		Position	Term
Executive Director	Yonghwan Do	(Current) Chairman, STIC Investments	(Former) Chief Investment Officer, Shinhan Life Insurance	Chair of the Board	2023.03 – 2026.03
	Dongguel Kwak	(Current) Chief Investment Officer, STIC Investments	(Former) Samsung Securities	Executive Managing Partner	2024.03 – 2027.03
	Shinwoo Kang	(Current) Chief Risk and Strategy Officer, STIC Investments	(Former) Chief Investment Officer, Korea Investment Corporation	Executive Managing Partner	2024.03 – 2027.03
	Jinho Chai	(Current) Head of the Private Equity Division, STIC Investments	(Former) Chief Executive Officer, Golden Fall	Executive Managing Partner	2025.03 – 2028.03
Independent Director	Daewoo Han	(Current) Auditor, Air Incheon	(Former) Executive Vice President, Korea Development Bank	Audit Committee Member	2023.03 – 2026.03
	Seungkwon Koo	(Current) 1st Division Representative, Jungjinserim Accounting Corporation	(Former) Member, Committee for Protection of Taxpayer Rights and Interests, Gangnam Tax Office	Audit Committee Chair	2023.03 – 2026.03
	Myunwook Kang	(Current) Head of Group Financial Coordination, DB Group	(Former) Chief Investment Officer, National Pension Service	Audit Committee Member	2025.03 – 2028.03
	Sunghoon Koo	(Current) Advisor, Kim & Chang	(Former) Chief Executive Officer, Samsung Securities	Audit Committee Member	2025.03 – 2028.03

# Board Governance

## Shareholder-Friendly Management

### General Shareholders' Meeting

STIC Investments ensures shareholder rights through the general shareholders' meeting and strives to facilitate transparent decision-making on key management matters. To this end, STIC has adopted an electronic voting system to enhance the convenience and efficiency of shareholder participation in the voting process.

### Shareholder Returns

STIC Investments maintains a dividend policy based on stable earnings generation and sound financial fundamentals. STIC aims to sustain an appropriate level of dividends by taking into account market conditions and overall investment performance.

	2022	2023	2024
Total Dividends(KRW million)	7,314	9,143	9,020
Dividend per Share(KRW)	200	250	250
Dividend Payout Ratio	46.1%	33.1%	96.7%
Net Income(KRW million)*	15,856	27,595	9,331
Dividend Yield**	3.6%	3.5%	2.9%

\* Consolidated Basis

\*\* The ratio of dividends per share to the arithmetic average of the final market prices formed on the stock exchange over the one-week period ending two trading days prior to the record date.

### Audit Committee

STIC Investments operates an Audit Committee under the Board of Directors as a key mechanism to promote transparency and enhance shareholder value. The committee is composed entirely of independent and qualified outside directors. It plays a critical role in ensuring the integrity of financial reporting and internal controls, while serving as an independent oversight body that strengthens accountability and supports the establishment of a responsible governance structure.

### Nomination Committee for Outside Directors

To protect shareholder rights and enhance board independence, STIC Investments operates a Nomination Committee for Outside Directors under the Board of Directors. This committee functions independently from the Board and is responsible for screening and recommending director candidates based on objective criteria. The committee evaluates candidates holistically, considering factors such as integrity, professional expertise, independence, and their potential to contribute to enhancing corporate value. Its guiding principle is to recommend individuals who serve the best interests of both the company and its shareholders.

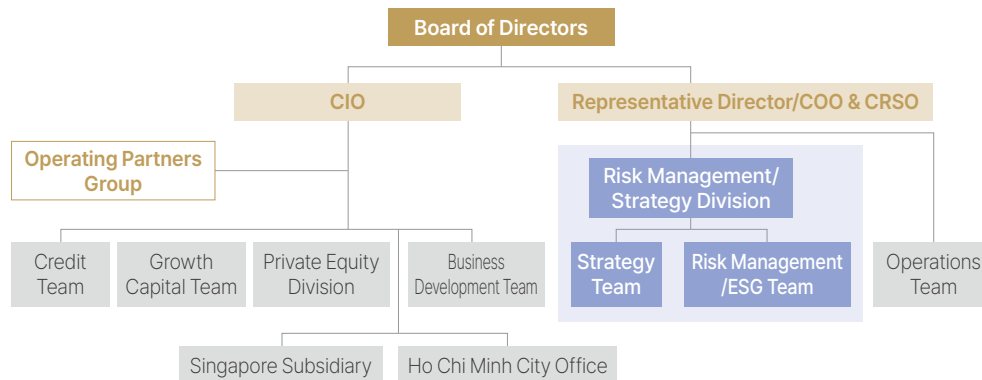
# Risk Management

## Risk Management System

STIC Investments operates a comprehensive risk management framework to identify and address potential risk factors throughout the entire fund lifecycle—from pre-investment to post-investment and exit stages. The Risk Management/Strategy Division, a dedicated risk management unit, is in place to participate in key decision-making processes related to fund operations and investments, while independently implementing measures to eliminate or mitigate risks.

### Risk Management Governance

\* As of April 2025

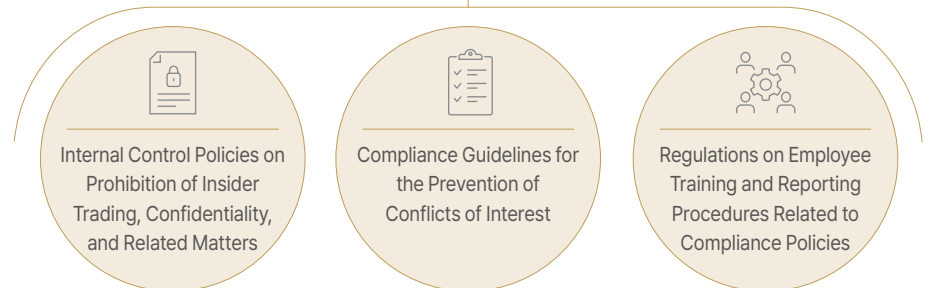


Name	Position	Responsibilities	Remarks
Shinwoo Kang	Executive Managing Partner	Head of Risk Management and Compliance	COO & CRSO
Joonho Lee	Managing Partner	Compliance monitoring, verification of adherence to applicable laws and fund articles, legal due diligence, and legal support during investment and exit phases	Compliance Officer Head of Risk Management & ESG
Dohaeng Lee	Managing Partner	Oversees risk management, financial due diligence, portfolio company monitoring, and analysis of portfolio company financial statements	Responsible for Financial Risk Management Head of Strategy
Keetaek Sung	Managing Director	Verification of compliance with applicable laws and fund articles, legal due diligence, and legal support during investment and exit processes	Responsible for Legal Risk Management
Donghyuck Oh	Managing Director	Financial due diligence, portfolio company monitoring, and analysis of portfolio company financial statements	Responsible for Financial Risk Management

### Compliance Regulation

STIC Investments considers regulatory compliance a core principle of corporate management and has established formal compliance policies accordingly. STIC regularly provides compliance training to its employees and conducts thorough legal reviews during major investment decision-making processes, thereby fostering a culture of responsible and accountable decision-making.

The purpose is to define the standards of conduct that employees must adhere to in the course of performing their duties in order to protect fund investors and promote sound corporate governance



### Code of Ethics

STIC Investments has established its own Code of Ethics, which formalizes the standards of conduct expected of all employees and ensures full compliance across the firm. The Code is comprised of six key areas: ethics in the workplace, ethics toward investors, ethics toward the company, ethics toward shareholders, ethics toward society, and professional ethics.



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

To this end, we seek to engage directly with a wide range of stakeholders, including fund investors, shareholders, local communities, and portfolio companies.



