IMPACT REPORT

2019-2025

Korea Social Value and Solidarity Foundation
Impact Report

Performance of the Wholesale
Social Investment Fund

SVS Korea Social Value and Solidarity Foundation

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Message from the Chair

To everyone who has helped build the path for social finance

Seven years have passed since the Korea Social Value and Solidarity Foundation (SVS) was established. I would like to take this opportunity to express my deepest gratitude and reaffirm our enduring solidarity with everyone who has shared this journey.

We took our first steps in 2019 with a vision of creating humane finance that puts social value into practice. Our ambition was to establish a wholesale social investment fund, a model that had not previously existed in Korea. At the time, the country lacked both the intermediaries needed to channel financing to social and solidarity economy (SSE) organizations and the wholesale funds needed to supply capital to those intermediaries.

Seven years later, the KRW 23.2 billion in seed capital we have provided has been combined with funding from the central and local governments, financial institutions, public-interest foundations, and 121 investors that have emerged during this period, supporting investment and lending programs totaling KRW 188.5 billion. This greater than eightfold mobilization of capital represents more than a numerical achievement. It demonstrates the potential for social finance to operate effectively within the market. Among the 23 social finance intermediaries (SFIs) with which we have partnered, the 15 specialized institutions that have worked with us since the early years have seen their assets under management grow by an annual average of 23.7 percent over four years. Most meaningful to me is the emergence of a diverse social finance ecosystem, encompassing everything from nationwide fund managers to nonprofit intermediaries rooted in particular regions and industries.

Yet this report is not intended merely to showcase our achievements. More than half the capital supplied through our programs still depends on policy financing, and regional intermediaries continue to operate on a small scale. We have yet to establish a comprehensive system for tracking the social value generated by investments after the capital has been recovered. I hope the figures and examples presented in this report will illuminate both what we have accomplished and what remains to be done.

Beyond seven years of experimentation, we will continue to stand firmly behind the social solidarity economy.

Looking back, none of these achievements would have been possible through SVS efforts alone. We owe our progress to the banks, cooperative financial institutions, and consumer cooperatives that contributed capital; the intermediaries that have worked closely with SSE organizations to address gaps in financial access; the central and local governments that helped shape the policy framework; and, above all, the SSE enterprises and organizations that have upheld people-centered values despite challenging circumstances. To all of you, I extend my heartfelt thanks.

Together, we are building a financial future that can change the world

The task ahead is clear. Building on what we have achieved, we must look beyond simply expanding the volume of capital. We need to improve the quality of our investments to generate greater impact and build a sustainable ecosystem supported by a diverse range of investors and intermediaries.

SVS will remain steadfast in pursuing this mission. We look forward to your continued interest, support, and partnership.

August 2026
Seung-chang Ha, Chairperson
Korea Social Value and Solidarity Foundation



Message from the Founding Chair

I vividly remember the hope and excitement that marked the launch of SVS in January 2019.

The idea of a wholesale social investment fund was entirely new to Korea. We had resolved to create social finance, opening new channels through which money could flow toward people and communities. It was a daunting prospect, but also an immensely exciting one.

Seven years have passed since then. With the precious seed capital contributed by the Korea Federation of Banks, cooperative financial institutions, consumer cooperatives, and other like-minded partners, dozens of SFIs have grown, enabling more than 2,000 SSE enterprises to continue their work of transforming lives and communities. Behind the figures in this report are the stories of young people who have found safe homes through social housing, workers in precarious employment who have found hope and security through mutual aid associations, and communities that have established resident-owned energy cooperatives.

I am reminded of the commitment we made at the outset: To build a humane model of finance that offers tangible, practical support to the social economy and serves people in vulnerable circumstances.

Looking back, what mattered most throughout this journey was remaining true to our principles. We deliberately allocated approximately two-thirds of our assets to investments offering below-market returns while maintaining financial sustainability. We moved quickly to establish emergency financing channels in response to the COVID-19 crisis. And when intermediaries encountered difficulties, we considered their potential for recovery and continued social value creation rather than automatically resorting to conventional debt recovery procedures. Every one of these decisions reflected our principles, and I take pride in them.

The seeds have been planted, but they will need more water, wind, sunlight, care, and attention before they can grow into strong trees.

Much remains unfinished. SVS has yet to secure the resources it needs to fully perform its role as a wholesale fund, and important elements of the institutional framework, including enactment of the Framework Act on the Social and Solidarity Economy, remain unfinished. Nevertheless, public awareness has advanced considerably since our founding seven years ago. With so many people working together toward these goals, I believe further progress is within reach.

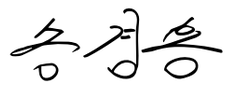
The past seven years have shown that an economy can be both sustainable and centered on people and their lives; that finance can serve as a means of sustaining communities; and that when we move forward together, guided by solidarity and cooperation, a path will emerge. This report may fall short of our hopes and aspirations in many respects. I nevertheless ask that you receive it in the spirit in which it is offered: as an account of our work at the beginning of what will be a long journey toward the future of social finance in Korea.

Once again, I extend my profound gratitude to everyone who joined hands with us, lent their support, and willingly ventured into uncharted territory. I am especially grateful to the SFIs, SSE enterprises, and dedicated practitioners who have worked alongside us over the past seven years.

August 2026

Rev. Kyong Yong Song, Founding Chair and Advisor

Korea Social Value and Solidarity Foundation



Third-party Verification Opinion

Verification period and scope

Reporting period
2019–2025

Scope of verification
- Institutional overview
- Organizational operations and impact strategy
- Governance
- Impact management system and approach
- Impact measurement and management
- Case studies

Verification period
June–July 2026

Verification overview

Triplelight Co., Ltd. (hereinafter the "Verifier") was commissioned by the Korea Social Value and Solidarity Foundation (hereinafter "SVS") to independently verify whether the Korea Social Value and Solidarity Foundation Impact Report (2019–2025): Performance of the Wholesale Social Investment Fund (hereinafter the "Report") was prepared in accordance with reporting standards and principles recognized as best practices in the global impact investment industry.

SVS management is responsible for the Report's contents, including the establishment and operation of its impact management system, performance reporting, and other material disclosures. As preparer of the Report, SVS also bears primary responsibility for ensuring that the published information meets the needs and objectives of its intended users.

The Verifier's responsibility is to express an opinion on the extent to which the Report complies with international reporting principles and norms, based on the verification procedures performed and the evidence obtained.

Verification methodology and procedures

The verification was conducted with reference to Impact Frontiers' Supplement on Independent Review of Impact Performance Reports and the verification framework established under the Operating Principles for Impact Management (OPIM). The verification process was conducted ethically and objectively. The Verifier maintained its independence by refraining from involvement in SVS's investment processes or preparation of the Report. Based on documentation and interviews provided by SVS, the Verifier conducted a review in accordance with the following agreed-upon procedures:

1. **Document review**: Examined materials provided by SVS covering the past seven years, including organizational and internal regulations, asset management records, and post-investment management activities.
2. **Management and staff interviews**: Interviewed management and employees regarding governance arrangements, decision-making processes, and methods for collecting and using impact data.
3. **Case reviews and due diligence**: Selected actual investment and lending transactions across asset classes using materiality criteria and random sampling, and assessed whether those transactions had been executed and managed appropriately in accordance with SVS policies and standards.

Verification findings

The Verifier assessed the Report against detailed review criteria developed from international reporting standards, guidelines, and best practices. The review found that the Report addresses most of the disclosures recommended under established principles and norms for impact performance reporting. Within the scope of supporting evidence obtained during the review, no material discrepancies were identified between the performance information presented in the Report and SVS's internal records. Where recommended disclosures were omitted, SVS provided explanations that the Verifier found reasonable.

The principal findings across 4 areas are summarized below.

- **Impact strategy**: SVS has developed and implemented its business model and portfolio balancing strategy around four strategic priorities. In particular, the Verifier confirmed that SVS has established a logical connection between its impact objectives and investment strategy by presenting its intended contribution to the growth of Korea's social finance ecosystem as a wholesale social investment fund manager through a coherent theory of change (ToC).

- **Governance**: SVS has established and operates a governance structure designed to provide checks and balances, comprising a Board of Directors, an Auditor, and an Investment Committee consisting of seven members, including four external and three internal members. However, an independent risk review function does not yet appear to be sufficiently established within the investment decision-making process. As a result, the Risk Management Committee appears to play a somewhat limited role.

- **Impact management system**: SVS has designed and established processes and criteria for integrating impact considerations throughout the investment lifecycle, which consists of four stages: sourcing, investment decision-making, post-investment management, and recovery or exit. In particular, the Verifier confirmed that SVS conducts preliminary assessments during investment screening using a measurement framework based on the Impact Management Project (IMP) and six impact risk categories developed by SVS. A management system is also in place to enhance impact across asset classes through both financial and nonfinancial measures. However, sufficient evidence was not available to establish that the procedures and principles governing risk monitoring and responsible recovery and exit had been applied consistently to individual investments.

- **Impact measurement**: The review found that the implementation of performance monitoring using impact key performance indicators (KPIs) varies by asset class and fund management approach. Moreover, the impact performance data collected and accumulated over the past seven years were highly limited in scope, making it difficult to aggregate and report comprehensively on the overall impact of SVS activities. The data also lacked sufficient consistency, structure, and completeness.

Statement of independence

Before undertaking this engagement, the Verifier assessed whether the personnel responsible for the impact verification possessed the necessary expertise and qualifications to perform the work. The Verifier also confirmed that no conflicts of interest existed that could compromise the independence or objectivity of the verification. Furthermore, the Verifier confirms that it provided no advisory services to SVS in connection with preparation of the Korea Social Value and Solidarity Foundation Impact Report (2019–2025): Performance of the Wholesale Social Investment Fund, which was the subject of this verification.

Verification opinion issued by:
Triplelight Company Limited
Impact Verification Center
Room 1502, 308 Samil-daero, Jung-gu, Seoul, Republic of Korea

Executive Summary

SVS was established in 2019 to manage a wholesale social investment fund with the aim of building a financial ecosystem that supports development of the social and solidarity economy (SSE) and the creation of social value. This report provides a comprehensive account of SVS's wholesale fund operations and performance over the seven years since its establishment (2019–2025), in accordance with OPIM. The principal findings are summarized below.

01 Institutional and operational overview

A privately led wholesale social investment fund operating in partnership with the public sector

SVS was established on January 2, 2019, as a public-interest foundation. It raised KRW 28.1 billion in wholesale funding through contributions from banks, cooperative financial institutions, and consumer cooperatives.

SVS was established under the government's Measures to Promote Social Finance (2018) to provide wholesale capital and help establish a self-sustaining cycle of financing within the social finance ecosystem.

As of July 2026, SVS had seven executives and directors and 10 full-time staff members.

Two areas of operation guided by three core priorities

Core priorities: (1) Addressing gaps in access to finance; (2) strengthening the capacity of ecosystem participants; and (3) expanding the pool of social investors.

Fund operations: Acting as an active social value investor, SVS provides wholesale investment and lending through impact fund commitments, patient capital loans, project financing, and other instruments.

Ecosystem development: Acting as a social finance ecosystem builder, SVS undertakes nonfinancial activities, including capacity building, networking, policy research, and international cooperation.

02 Impact strategy and management system

A systems-based approach to ecosystem development

SVS assesses the 4 principal components of the social finance ecosystem, namely investors, capital recipients, intermediaries, and infrastructure, and aligns all its activities with strategies for improving each component.

Guided by its theory of change (ToC), SVS seeks to increase the flow of capital into the SSE through the provision of catalytic capital and market-building activities.

Adoption of an IMP-based impact management system in 2020

SVS assesses impact across five dimensions: What, Who, How Much, Contribution, and Risk. It manages impact at two levels: the social value generated by investees and the effects of its activities on the broader social finance ecosystem.
Impact considerations are embedded throughout the investment lifecycle, from sourcing and screening through decision-making, monitoring, and exit. SVS also operates a preliminary assessment system covering 6 categories of impact risk.

Management of four asset classes across the impact–return spectrum

SVS allocates and manages assets across 4 categories, ranging from Class A (market-rate returns) to Class D (acceptance of potential losses), taking into account financial risk, returns, and social value.
SVS differentiates its approaches to financing intermediaries, including anchor investments, participation in the establishment of funds, and matching or linked financing. It also operates distinct support tracks for scaling up, developing new models, engaging established financial institutions, and fostering new intermediaries.

03 Portfolio performance

KRW 23.2 billion allocated to 55 programs over 7 years, supporting programs totaling KRW 188.5 billion

Metric	Result	Metric	Result
Number of programs	55	SVS commitments	KRW 23.2B (KRW 22.8B disbursed)
Total program size	KRW 188.5B	Mobilization multiple	8.1x
Average maturity	6.6 years	Average return	4.3%

SVS's KRW 23.2 billion in funding was combined with resources from the central government, local government funds, public-interest foundations, financial institutions, and privately established mutual aid funds, supporting investment and lending programs totaling KRW 188.5 billion, equivalent to an 8.1-fold mobilization multiple.

An impact-oriented portfolio strategy: Approximately two-thirds deliberately allocated to lower-return assets

Asset class	Number of programs	Amount allocated	Share of allocation
Class A (market-rate returns)	20	KRW 7.89B	34.0%
Class B (below-market returns)	9	KRW 5.29B	22.8%
Class C (principal recovery and cost-of-funds returns)	19	KRW 7.00B	30.2%
Class D (acceptance of potential losses)	7	KRW 3.02B	13.0%

Balanced asset allocation across financing methods, product types, and geographic areas

Investments and loans: Allocations were balanced between investments at 52.5 percent (KRW 12.2 billion across 23 programs) and loans at 47.5 percent (KRW 11.0 billion across 32 programs).
Financial products: Corporate financing accounted for 71.1 percent (KRW 16.5 billion), project financing for 28.2 percent (KRW 6.5 billion), and investment and lending to intermediaries for 0.7 percent (KRW 0.2 billion).
Geographic coverage: Nationwide programs accounted for 43.7 percent of allocations, programs targeting the Seoul metropolitan area for 25.7 percent, and programs targeting regions outside the metropolitan area for 30.6 percent. SVS monitored the proportion allocated to regions with limited financial access.
Financing channels: SVS maintained its principle of indirect financing, channeling 83.0 percent of its capital through intermediated and collaborative investments and loans across 44 programs.

Tailored financing by program type-growth stage, and social purpose

Impact fund investments: SVS committed capital to 16 funds, comprising four Series A funds, six pre-Series A funds, and six seed-stage funds, establishing financing channels for enterprises at different stages of growth.
Lending programs: SVS supplied patient capital through 14 programs, comprising four general lending programs, five matching programs with local government funds, and five matching programs with privately established mutual aid funds.
Project financing: SVS supported 16 projects, including two social impact bond (SIB) projects, six community innovation and community asset ownership projects, two renewable energy projects, and 6 social housing projects.
Intermediary financing and disaster response: SVS supported nine programs, comprising five investment and lending initiatives for intermediaries and other infrastructure organizations and four disaster response programs, including COVID-19 relief.

Capital recovery: Stable performance with responsible exit principles

As of the end of 2025, capital recovery had begun for 30 programs. Principal recovered totaled KRW 8.55 billion, equivalent to 37.5 percent of the capital disbursed, with an additional KRW 0.62 billion in investment and lending income.
Among the 11 completed programs, KRW 4.76 billion in principal had been recovered against KRW 4.81 billion invested, with realized losses of KRW 0.05 billion. The 8 completed programs financed through contributed capital recorded an average annual return of 7.4 percent.

04

Ecosystem development activities: SVS as a market builder

Developing intermediaries and facilitating collaboration

Provided professional training, tailored consulting for regional intermediaries, and financing information sessions.

Established the Social Finance Forum in 2020, Korea's largest collaborative network of its kind, and organized annual summits and conferences.

Participated in international networks, including GSG Impact and the Global Forum for Social and Solidarity Economy (GSEF).

Expanding the pool of social investors

Encouraged participation by private and public investors through subordinated investments while promoting mutual aid funds, citizen crowdfunding, and social investment by public-interest foundations.

Conducted policy research, promoted the introduction of a public-interest investment framework, and supported legislative initiatives, including three bills aimed at promoting social finance.

Published reports on the operation of local government funds and conducted policy research and advisory activities to improve the management of regional funds.

Addressing gaps in access to finance

Monitored financing allocations to regions outside the Seoul metropolitan area and to cooperatives, while developing successful examples of investment-ready impact projects involving social housing, community-owned renewable energy, community asset ownership, and SIBs.

Established a COVID-19 Disaster Solidarity Fund, supported development of the Workers Mutual Aid Association Poolbbang for workers in precarious employment, and assisted SSE organizations in developing countries in cooperation with the Korea International Cooperation Agency (KOICA).

05

Seven years of progress: Growth of the social and solidarity finance ecosystem

Emergence of a diverse range of social investors

A total of 121 investors, comprising 77 institutions and 44 individuals, participated in the programs. Excluding policy-driven wholesale capital, which accounted for 56.9% of the total, the programs mobilized KRW 81.3 billion from new social investors.

The investor base expanded to include public-interest foundations, financial institutions, corporate foundations, local governments, and citizen crowdfunding initiatives. Intermediaries also contributed KRW 10.1 billion of their own capital, including KRW 1.06 billion from mutual aid funds.

Growth and diversification of specialized SFIs

The 15 specialized intermediaries that had worked with SVS since its early years had combined assets under management (AUM) of KRW 488.2 billion in 2025, representing average annual growth of 23.7% over 4 years.

The number of investee enterprises reached 2,048 in 2025, increasing by an annual average of 18.4%. Intermediary business models also became more diverse, ranging from nationwide fund management firms to nonprofit intermediaries specializing in particular regions or industries.

06

Overall assessment

Demonstrated viability of the wholesale fund model: SVS's KRW 23.2 billion in funding supported programs totaling KRW 188.5 billion, achieving an 8.1-fold mobilization multiple. However, continued reliance on policy-driven wholesale funding, which accounts for 56.9% of the total, remains a challenge.

Development and diversification of a specialized intermediary ecosystem: SVS established partnerships with 23 intermediaries, helping foster a more diverse range of operating models. The limited scale of regional intermediaries, however, remains a structural challenge.

A balanced portfolio across the impact–return spectrum: SVS deliberately allocated approximately two-thirds of its assets to lower-return investments while maintaining financial sustainability, with an average return of 4.3%.

Integration of IMP-based impact management into operations: SVS established an IMP-based management system in practice, although ensuring the consistency and reliability of data collected indirectly through intermediaries and tracking impact after capital recovery remain unresolved challenges.

Closing financing gaps and establishing disaster response channels: SVS provided patient capital under normal conditions while also responding to crises. However, securing a sustainable funding structure for Class D investments, which accept the risk of principal losses, remains a priority.

Application of responsible exit principles specific to social finance: SVS formalized approaches involving flexible capital structures and differentiated treatment of distressed debt. It continues to monitor the effects of these practices.

Ecosystem development as a market-building function: SVS's ecosystem development activities helped address gaps in the social finance ecosystem. Further institutional reforms, including the Framework Act on the Social and Solidarity Economy, remain a priority for the next stage.

07

Future priorities

Two strategic directions

Objective: Scaling impact. Move beyond a predominantly lending-based approach by strengthening investment mechanisms that share risks and returns, thereby supporting organizational growth and greater impact creation.

Approach: Building a sustainable system. Develop a multilayered ecosystem encompassing investors, intermediaries, financing demand, and supporting infrastructure.

Seven strategic priorities

Expand the capital base of the public-private wholesale fund and establish the necessary institutional framework.

Diversify the intermediary ecosystem and strengthen institutional capabilities.

Establish growth support systems tailored to different types of SFIs.

Develop regional systems for the provision and circulation of social finance.

Cultivate high-quality demand for financing and support impact projects.

Diversify and expand the social investor base.

Strengthen the impact measurement and management (IMM) system and complete the framework for responsible recovery and exit.

I. Institutional Overview

01

Organizational structure and operations

The Korea Social Value and Solidarity Foundation (SVS) is a public-interest foundation established in 2019 to build a financial ecosystem that supports development of the social and solidarity economy (SSE) and promotes the creation of social value. It was founded to establish a privately led wholesale social investment fund operating in partnership with the public sector.

SVS provides patient capital to support the growth of SSE organizations and catalytic capital to improve access to financing for projects that seek to revitalize local economies and address social challenges. It also supports social finance intermediaries (SFIs) that prioritize social value over profit.

Table 1. SVS mission

Article 3 (Purpose) of the Foundation's Articles of Incorporation

The Foundation aims to contribute to sustainable and healthy social development by identifying, fostering and providing financial support to social economy organizations and conducting research to promote and expand social value, thereby helping to build a healthy social economy ecosystem.

Background

SVS was established as part of the Korean government's policy to promote social finance. In 2018, the government announced its Measures to Promote Social Finance to stimulate the social economy. Drawing on examples from the United Kingdom, the United States, Japan, and other countries, the policy included plans to support the establishment of a Social Value Fund as a wholesale funding institution to address the shortage of social finance in Korea and encourage ecosystem development. The proposed fund was intended to supply capital and develop the necessary infrastructure to establish a self-sustaining cycle of social finance.

SVS was established in 2019 to realize this vision, with capital contributions from banks, cooperative financial institutions, and consumer cooperatives.

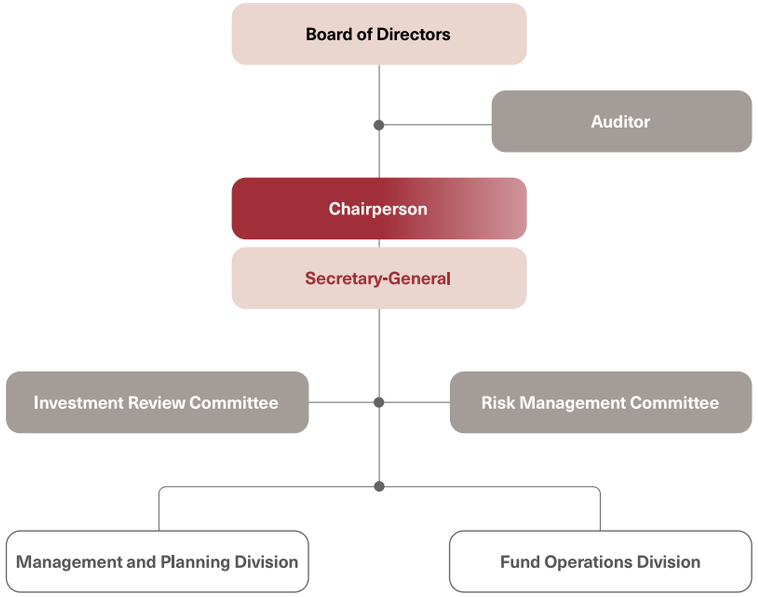
- Date of establishment: January 2, 2019
- Legal basis: Article 32 of the Civil Act (authorized to establish a nonprofit corporation by the Ministry of Economy and Finance on December 27, 2018)
- Website: http://www.svsfund.org
- Address: 2F, 14-10 Yanghwa-ro 11-gil, Mapo-gu, Seoul, Republic of Korea (Ganghwa Building, Seogyo-dong)

- Principal activities:
  Providing investments, loans, and guarantees through social and solidarity finance intermediaries to support the growth and development of SSE organizations
  Providing investments, loans, guarantees, and other forms of support for socially oriented projects expected to generate social value
  Providing education, consulting, incubation, investment, lending, and other support to identify and develop social and solidarity finance intermediaries
  Developing policies, programs, and research to promote social finance
  Organizing and promoting domestic and international forums, academic conferences, lectures, training programs, and other events to advance social finance

Organizational structure

As of July 2026, SVS had seven officers and ten full-time staff members. Its Secretariat comprises a Management and Planning Division and a Fund Operations Division.

Figure 1.
SVS organizational chart



Stakeholders

SVS's principal stakeholders include contributing institutions, SFIs, representative associations and support organizations working within the SSE, and policymakers in the central and local governments. SVS maintains ongoing communication and collaboration with each of these groups.

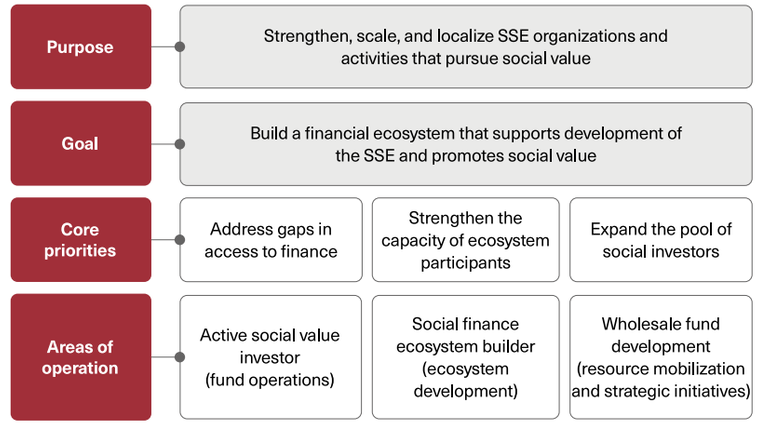
To strengthen Korea's social finance ecosystem, it also works closely with prospective social investors, domestic and international partner organizations, and groups of experts.

02

Overview of operations

SVS has pursued three core priorities: addressing gaps in access to finance, strengthening the capacity of ecosystem participants, and expanding the pool of social investors. Its activities have focused on two principal roles: (1) as an "active social value investor" that raises and manages wholesale funds and (2) as a "social finance ecosystem builder" that promotes capacity development, community building, market information, and institutional reform.

Figure 2.
SVS strategic framework



SVS focuses its activities on building the social finance market. First, it supplies investment and lending capital to a range of social finance programs through impact investment firms, nonprofit intermediaries, and other institutions (fund operations). Second, it seeks to increase stakeholder engagement and encourage changes in behavior among intermediaries, investors, capital recipients, and policymakers through capacity development, market information, awareness-raising, and community building (ecosystem development).

1) Fund operations: Active social value investor

Corporate financing

SVS supports tailored investment and lending programs that provide SSE enterprises with the capital they need to grow. It strengthens and connects financing channels for enterprises at different stages of development and promotes the adoption and use of social value-based assessment and management systems. It also encourages the provision of patient capital to businesses outside the Seoul metropolitan area, cooperatives, and other organizations underserved by conventional financial institutions.

- Investments in social impact funds
- Support for SSE lending programs
- Matching loans for peer-to-peer (P2P) citizen crowdfunding

Project financing

SVS invests in projects designed to address or prevent social problems. It provides catalytic capital for socially oriented projects, including social impact bonds (SIBs), community asset ownership initiatives, social housing developments, and renewable energy generation facilities.

- Investments in SIB projects
- Investments in community asset ownership projects, including the development of community hubs for integrated care and resident-owned spaces in urban regeneration areas
- Investments in social housing and renewable energy projects

Investment and lending to intermediaries

SVS supports the establishment and operation of intermediaries committed to developing SSE enterprises and enabling them to create social value within their communities. Its approach is grounded in an understanding of the distinctive principles and characteristics of the SSE.

- Equity investments to strengthen the capital base of SFIs and working capital loans to support their establishment and continued operation

2) Ecosystem development: Social finance ecosystem builder

Capacity development

SVS strengthens the capacity of social finance ecosystem participants by developing and delivering professional training programs and supporting the establishment and management of regional funds, among other activities aimed at developing intermediaries.

- Training: Development and delivery of professional training programs for social finance practitioners and courses designed to strengthen the capacity to use social finance
- Advisory services: Advice on establishing and operating local government funds and on developing and using privately financed regional funds

Research and publications

SVS identifies policy priorities for promoting social finance and supports legislative and regulatory reforms, including the enactment and amendment of relevant laws. It conducts policy research, analyzes domestic and international social finance trends, undertakes surveys, publishes reports, and organizes policy discussions. It also publishes specialized books, reference materials, and translations to share knowledge of innovative models and promote social value.

- Policy research: Research on measures to promote social finance, surveys, and production of market information
- Content development: Publication of books on social finance and operation of an online social finance hub

Network development

SVS supports the establishment and operation of networks that facilitate information sharing among SFIs, social investors, and capital recipients while encouraging ongoing collaboration among intermediaries. It also participates in international social finance networks to share knowledge and information and facilitate exchanges and cooperation among relevant organizations.

- Community building: Operation of the Social Finance Forum, a collaborative network of intermediaries, and regional fund networks
- Networking events: Organization of social finance conferences, summits, social investment investor relations (IR) meetings, and financing information sessions
- International exchange and cooperation: Participation in international networks and sharing of overseas policies and case studies

03

Governance and reporting practices

1) Governance structure

Board of Directors

To ensure stakeholder perspectives are reflected in the management of its wholesale fund, SVS maintains a Board of Directors comprising representatives of SSE enterprises, subject-matter experts, contributing institutions, the public sector, and civil society.

Table 2. SVS Board of Directors

Position	Name	Affiliation
Chairman	Seung-chang Ha	–
Executive Director	Jiyeon Jang	–
Director	Bora Kim	Mayor of Anseong, Gyeonggi Province; President, Association of Korean Local Governments for Social Economy and Solidarity (SSEGOV)
Director	Young Kim	Secretary-General, SSEGOV
Director	Jeong-hee Kim	Chairperson, iN Lifecare Cooperative Federation
Director	Dong-su Yang	CEO, Deoham Social Developer Group

The Board is SVS's highest decision-making body and, under its Articles of Incorporation, consists of between five and twelve members. Directors serve three-year terms and may be reappointed once. Over the past seven years, the Board has held 38 meetings, averaging 5.4 meetings annually.

Auditor

Under its Articles of Incorporation, SVS is required to appoint one Auditor. The Auditor oversees the Foundation's financial affairs, operation of the Board, and matters relating to the Board's activities.

Table 3. SVS Auditor

Position	Name	Affiliation
Auditor	Sang-geun Lee	Certified Public Accountant, Ilshin Accounting Corporation

Committees

SVS operates specialized committees to ensure expertise and transparency in fund management and organizational operations.

Investment Review Committee: Reviews the Foundation's investment and lending programs and comprises experts in finance and the SSE. Meetings require the participation of a majority of external experts.

Risk Management Committee: Monitors and manages risks that may arise during fund operations across the organization.

Personnel Committee: Ensures that human resource matters, including recruitment, performance evaluation, rewards, and disciplinary actions, are handled fairly and transparently.

Advisory Committee: Provides ongoing advice on program implementation and organizational management. It comprises external experts with relevant knowledge and experience in finance, the SSE, and related fields.

2) Reporting practices

Regular reporting

SVS has provided regular reports to its principal internal and external stakeholders as follows.

Table 4. Regular reporting practices

Recipient	Frequency	Reporting method	Information reported
Board of Directors	Twice a year	In-person and written reports	Programs, budgets, and financial results
Supervisory authority	Once a year	Written report	Programs, budgets, and financial results
Contributing institutions	Once a year	Written report	Key achievements and financial results
Partner organizations and the general public	Once a year	Annual report and management disclosures on the website	Institutional overview, key achievements, and financial position

Third-party verification arrangements

SVS undergoes an annual external audit and publicly discloses information about its operations to ensure management transparency. As of the end of 2025, Sin Sung Accounting Corporation served as its external auditor.

Compliance with disclosure obligations

SVS is a nonprofit corporation established under Article 32 of the Civil Act and is registered as a designated donation organization under the Corporate Tax Act. It discloses its income and expenditures, financial performance, and operational results on its website.

- Annual report: Key program achievements, organizational and stakeholder information, and financial results
- Use of donations: Annual details of donations received and expenditures
- Management disclosures: Principal activities and management performance, general organizational information, and institutional operations
- Audit report: Independent auditor's opinion, financial statements, accompanying notes, and statements of income and expenditure

II. Impact Strategy

01 Goals and strategy

SVS aims to strengthen the ability of SSE enterprises to create impact, helping to build stronger systems for addressing major social challenges and reducing inequality as part of a broader shift toward a people-centered economy. To achieve this, it works to increase the flow of investment into SSE enterprises and projects and bring greater effectiveness to capital directed toward solving major social problems.

SVS takes a systems approach to developing the social finance ecosystem. It identifies four core components of that system—investors, capital recipients, intermediaries, and infrastructure—and develops its strategies based on an assessment of each.

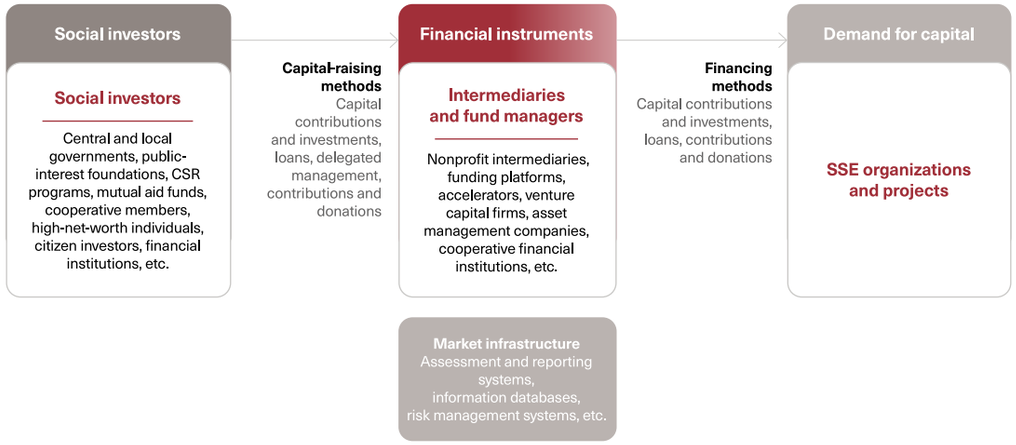
1) Ecosystem assessment

The social finance ecosystem has four principal groups of actors: (1) SSE organizations and projects that need capital, (2) social investors that supply capital, (3) intermediaries that connect the two, and (4) the market infrastructure that supports them, including institutions, information platforms, and related systems.

The Korean government's Measures to Promote Social Finance (2018) described social finance at the time in the country as still being in its infancy, with both an overall shortage of capital and an underdeveloped supporting ecosystem.

- Public-sector financing was expanding, but still fell short of the steadily growing financing needs of the social economy.
- The distinctive characteristics of the social economy were not sufficiently reflected in financial products, creating mismatches between supply and demand in areas such as maturities and financing instruments.
- The broader ecosystem, including social finance intermediaries, remained underdeveloped, as did market infrastructure such as systems for assessing social performance.
- Voluntary private-sector participation was limited, partly because social finance was often mistaken for welfare or perceived as offering low expected returns relative to its risks.

Figure 3. Components of the social finance ecosystem



2) Strategic direction

All SVS activities are managed in alignment with strategic priorities identified through its assessment of the social finance ecosystem.

Table 5. Assessment of ecosystem components and directions for improvement

Category	Assessment	Direction for improvement
Social investors	- Financing dominated by central and local government policy funds - Limited private investor participation - No established operating model for mutual aid funds	- Improve the operation of public funding to make it more effective. - Support participation by private investors such as public-interest foundations. - Promote the establishment of mutual aid funds and support their operation.
Capital recipients	- Heavy reliance on low-interest policy loans - Limited access to finance for cooperatives and organizations outside the Seoul metropolitan area - Too few proven impact project models	- Encourage the formation and use of impact funds. - Monitor the share of financing supplied outside the Seoul metropolitan area and to cooperatives. - Support investment-ready impact projects.
Intermediaries	- Diverse institutional foundations but no common standards - Relatively small assets under management (AUM) - Most intermediaries concentrated in the Seoul metropolitan area	- Build intermediary networks and promote collaboration. - Prioritize support for specialized social finance institutions. - Identify and develop regional intermediaries outside the Seoul metropolitan area.
Infrastructure	- No established practice for assessing and managing social value - Insufficient infrastructure for information sharing among intermediaries	- Introduce and spread social value management practices. - Produce data and conduct policy research and advocacy.

Priority 1. Develop the social investor base

- Support improvements in the operation of central and local government funds established to finance the SSE.
- Encourage public institutions and public-interest foundations that explicitly pursue social value to participate in social investment.
- Raise awareness among corporations and financial institutions that incorporate social value into their business activities through CSR, ESG management, and related approaches.

Priority 2. Address financing gaps and develop high-quality demand for capital

- Require and monitor minimum allocations to regions outside the Seoul metropolitan area when capital is supplied through intermediaries.
- Actively support long-planned initiatives that have been unable to proceed because of financing constraints so as to generate successful examples of impact projects.
- Identify the financing challenges faced by cooperatives, develop solutions, and make policy recommendations.

Priority 3. Identify and develop social finance intermediaries

- Identify and develop regional intermediaries, helping them structure financial products and operating models while also supplying lending capital.
- Training: Develop and deliver professional training programs for social finance practitioners.
- Advisory services: Advise local governments on the establishment and operation of funds.

Priority 4. Build social finance infrastructure

- Produce market data, conduct policy research, develop proposals for institutional reform, and create forums for public discussion on social finance.
- Build and participate in social finance networks and share knowledge, information, and case studies in Korea and internationally.

3) Theory of change

SVS seeks to create conditions in which more capital can flow into and circulate through SSE enterprises and projects. It identifies and works to reduce the barriers that keep potential investors from allocating more capital to the sector, while developing practical ways to increase the flow of capital committed to creating social value. In turn, this enables SSE organizations to make a greater contribution to addressing the needs of marginalized people and local communities.

By driving the changes needed across key market participants and infrastructure, SVS ultimately aims to increase the flow of capital into SSE enterprises and projects. This, in turn, is expected to expand or sustain impact across a broad range of social challenges, particularly for vulnerable populations, underserved communities, and areas where essential services remain insufficient.

Figure 4. Wholesale fund strategy for a social finance ecosystem: Theory of change

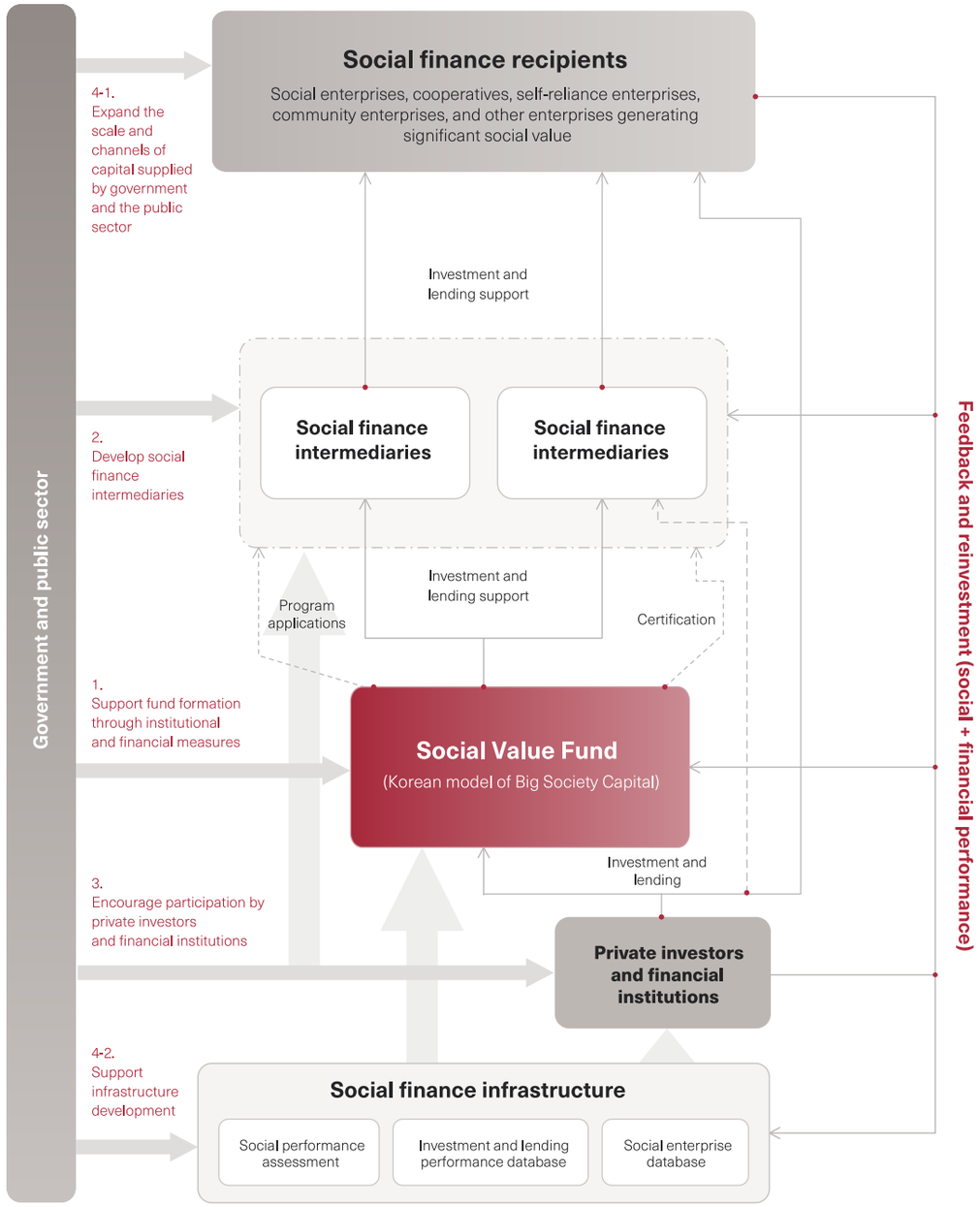
Activities	Output	Outcomes	Impact
Mobilize and deploy wholesale social investment capital while undertaking market-building activities **Catalytic capital provision** - Expand access to capital needed to establish and grow SSE organizations - Expand financing for social-purpose projects **Market building** - Strengthen stakeholder capacity and support participation - Produce market data and promote institutional reform	Develop core components of the social finance ecosystem and strengthen connections between them. - Diversify the social investor base and broaden participation. - Support the growth of social finance intermediaries. - Develop high-quality demand for capital. - Drive changes in policies and practices and improve awareness and understanding.	Increase investment flowing into SSE enterprises and projects. Increase the volume of capital committed to addressing major social challenges. Increase the number and diversity of social finance intermediaries. Expand sustainable SSE models through blended resources.	Scale impact addressing major social challenges and reduce inequality Scale the impact-generating capacity of SSE organizations Increase the effectiveness of support for vulnerable populations and marginalized communities **Sustainable Development Goals (UN SDGs)** 01 No poverty 10 Reduced inequalities 11 Sustainable cities and communities

02 Business model

1) Establishing and operating a wholesale social investment fund

SVS established a KRW 28.1 billion wholesale fund in 2019 with contributions from banks, cooperative financial institutions, consumer cooperatives, and other partners. Since then, it has used this capital as a catalyst for building a sustainable social finance market, supplying capital and developing intermediaries to establish a virtuous cycle of capital provision → organizational and project growth → capital recovery → increased capital provision. Rather than pursuing rapid growth in scale, SVS has focused on demonstrating workable models for deploying and recovering capital, while steadily building its role as a social finance ecosystem builder.

Figure 5. Framework for building the social finance ecosystem
(Joint Ministries, Measures to Promote Social Finance, February 2018)



To explicitly clarify its role as a wholesale fund manager, SVS states in its Articles of Incorporation that it provides investments, loans, guarantees, and other forms of support "through social finance intermediaries."

Table 6. SVS mission-related activities

Article 4 (Activities) of the Foundation's Articles of Incorporation

(1) The Foundation shall undertake the following activities ("mission-related activities") to achieve the purposes set forth in Article 3:

- Providing investments, loans, guarantees, and other forms of support through social finance intermediaries to support the growth and development of SSE organizations
- Providing investments, loans, guarantees, and other forms of support for social-purpose projects expected to create social value
- Providing education, consulting, incubation, investment, lending, and other support to identify and develop social finance intermediaries
- Developing policies and programs and conducting research and development to promote social finance
- Organizing and promoting domestic and international forums, academic conferences, lectures, training programs, and other events to advance social finance
- Other activities approved by the Board of Directors as necessary to achieve the Foundation's purposes

2) Intermediary development strategy

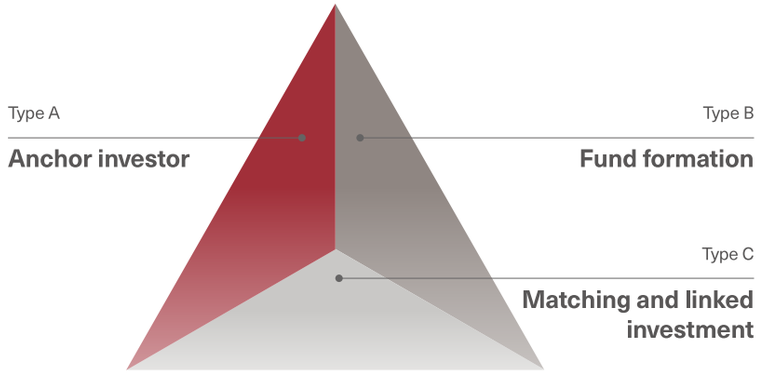
Intermediaries sit between investors and SSE enterprises, reducing transaction and information costs by matching capital with demand, identifying investment opportunities, and developing appropriate financial products. SVS selects SFIs through established procedures and channels funding through those institutions. It also takes a systematic approach to strengthening existing intermediaries and helping new ones emerge.

Approaches to providing capital through intermediaries

SVS uses three main approaches to supply capital through intermediaries: (1) participating as an anchor investor, with the wholesale fund playing a leading role in structuring the financial product; (2) participating on favorable terms in funds and other financing programs initiated by intermediaries; and (3) providing matching or linked investments to support other, less standardized forms of blended finance.

- **Type A (anchor investment)**: The wholesale fund helps shape the program by providing capital at a scale and on terms that materially influence the structure of the financial product.
- **Type B (participation in fund formation)**: SVS provides initial capital or participates on favorable terms so that local government funds, mutual aid funds, private capital, and other sources of capital can be used to participate in products structured by intermediaries.
- **Type C (matching and linked investment)**: SVS provides matching and linked investments to support blended financing outside conventional fund structures.

Figure 6. Approaches to providing capital through intermediaries



Intermediary support tracks

SVS primarily supplies wholesale capital to specialized intermediaries whose core business is social finance, helping them increase their assets under management and scale their operations. It also works with these institutions to develop new financial products that address gaps in access to finance. At the same time, because Korea's social finance market is still at an early stage of development, SVS encourages a wider range of organizations with expertise in finance and the SSE to enter the market. Its intermediary development strategy therefore consists of four tracks.

- **Track A (scaling specialized intermediaries)**: Helps specialized social finance institutions grow their assets under management and scale their operations. SVS supplies patient capital to lending programs tailored to the SSE and acts as a strategic investor to facilitate the formation of social impact funds.

- **Track B (developing new models and strengthening collaboration)**: Works with specialized SFIs to develop and launch new financing products by industry, sector, and region, particularly where SSE enterprises and projects face financing gaps.

- **Track C (engaging established financial institutions)**: Develops products and programs jointly with established financial institutions to encourage them to introduce or expand financing products dedicated to the SSE and participate in impact investing.

- **Track D (fostering new intermediaries)**: Provides technical assistance and capital to support the establishment and development of new intermediaries serving particular regions, industries, or sectors.

03 Portfolio strategy

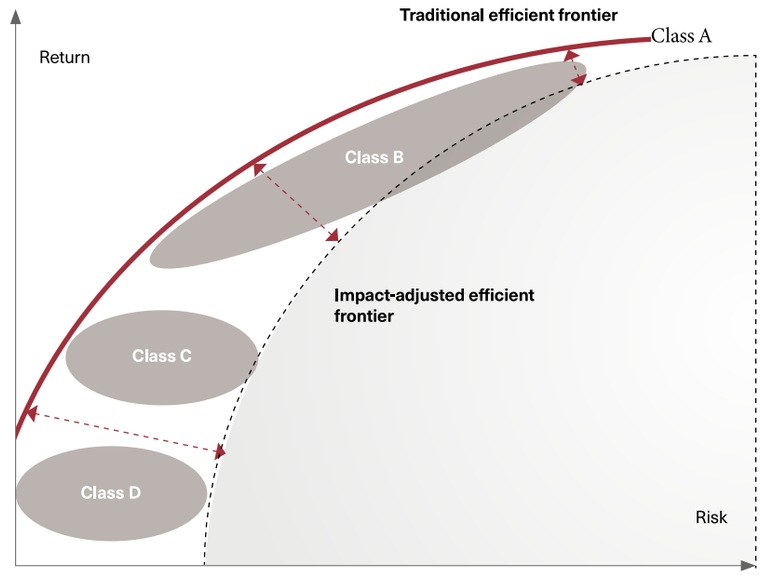
1) Impact–return spectrum

SVS builds its portfolio around the distinctive characteristics of SSE enterprises. Assets are grouped into four classes based on risk, return, and social value, with a different allocation and management approach for each.

Table 7. Asset classes, by impact–return objective

Asset class	Characteristics	Description
Class A	Market-rate returns	- Seeks social value while targeting market-rate returns. - Includes commitments to scale-up-stage funds and investments in impact projects.
Class B	Below-market returns	- Targets returns comparable to Class A but accepts additional risk, such as first-loss exposure, to attract other social investors. - May also take subordinated or longer-term debt positions within the same project.
Class C	Cost-of-funds returns	- Invests without seeking excess returns where needed to achieve policy objectives. - Also serves as a market builder by supporting the development of intermediaries.
Class D	Accepts returns below the cost of funds	- Targets areas where the potential for social value creation is clear but limited access to financial markets prevents capital from flowing. - Includes equity investments with uncertain recovery horizons, such as seed capital used to establish social finance intermediaries.

Figure 7. SVS impact-adjusted efficient frontier

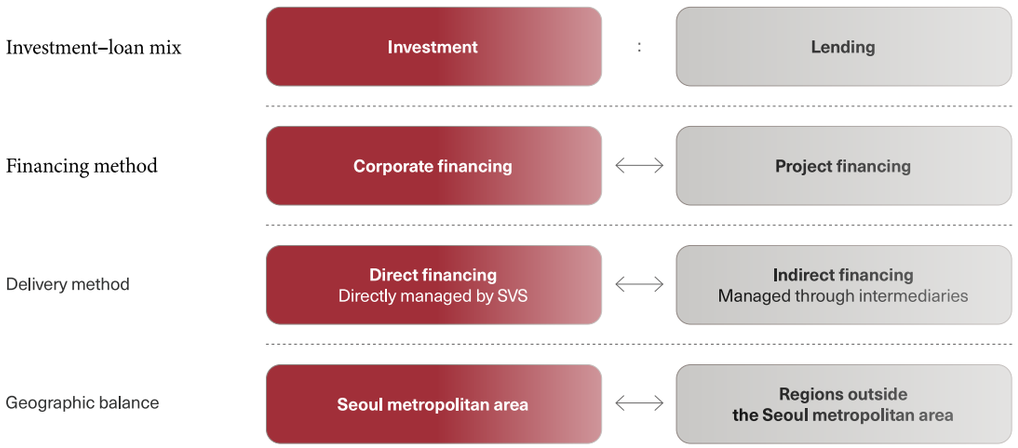


By accepting return profiles that reflect social value, SVS seeks to foster a more inclusive economy and help build the social finance ecosystem. As the market matures through stronger participant capacity, reduced information asymmetry, and improved infrastructure, the impact-adjusted efficient frontier is expected to shift accordingly.

2) Portfolio balancing strategy

Alongside the impact–return spectrum, SVS seeks balance across financing instruments, geography, and delivery structures. As a rule, it deploys capital indirectly through SFIs and keeps investment and lending broadly balanced, taking composition of the intermediary market into account. Where there is potential to generate significant impact but no suitable intermediary is available, SVS provides financing directly. This has allowed it to invest in impact projects, a field that remains at an early stage of development in Korea. SVS also takes into account regional disparities in access to finance. Working with intermediaries, it monitors how much capital reaches regions outside the Seoul metropolitan area and looks for ways to increase that share.

Figure 8. Balanced portfolio management



III. Processes and Structures

01 Investment and lending process

SVS manages its investments and loans through four stages: sourcing, investment decision-making, post-investment management and monitoring, and recovery or exit. Financial risk and impact are managed in parallel throughout the process.

Sourcing

As a rule, SVS sources opportunities through regular and ad hoc open calls for social finance intermediaries (SFIs). Because closing gaps in access to social finance is a priority, it actively seeks demand in areas underserved by conventional finance, including regions outside the Seoul metropolitan area and cooperatives. Where no suitable intermediary exists, SVS may consider providing financing directly.

Investment decision-making

Investment and lending decisions are made by the Investment Review Committee, in which external experts constitute a majority. Smaller transactions, including indirect investments and loans of KRW 500 million or less and direct investments and loans of KRW 100 million or less, can be reviewed more quickly by a working-level committee of internal specialists.

Key considerations in the review process include:

- Compliance with the Articles of Incorporation and internal regulations, including alignment with social value objectives
- Business viability and capabilities of the intermediary
- Preliminary IMP-based impact assessment covering What, Who, How Much, Contribution, and Risk
- Risk assessment covering impact, reputation, credit, intermediaries, operations, and other relevant risks
- Compliance with 11 limit-management requirements

Post-investment management and monitoring

Once capital has been deployed, SVS conducts regular risk monitoring twice a year and separately reviews the social performance of investees in the first quarter of each year. For social impact funds, it monitors compliance with required investment allocations to SSE enterprises and progress against impact KPIs. Lending programs are also monitored for indicators such as the share of financing supplied outside the Seoul metropolitan area and delinquency rates.

Financial performance is monitored through monthly reviews of cash flows, covering commitments and disbursements, recoveries, and income from investments and loans, as well as overall soundness of the investment and lending portfolio. Commitments to social impact funds are monitored through the reporting framework used for limited partners (LPs) in Korean venture capital funds, including regular reporting in March and semi-annual reporting in July or August. Key indicators include revenue, debt ratios, and multiple on invested capital (MOIC). Social performance is assessed using data collected through intermediaries and reported annually under two broad categories: the contribution to development of the social finance ecosystem, and the growth and social value creation of SSE enterprises. Investment and lending agreements with intermediaries expressly require reporting on social value performance. SVS also reports program performance to contributing institutions once a year and incorporates their feedback into planning for the following year.

The portfolio balancing strategy is reviewed on the same cycle. Each year, SVS reviews allocation ratios by asset class, financing approach, product type, and geographic coverage and reports the results to the Board. Target allocations are then adjusted as necessary in the following year's business plan, allowing its balanced portfolio approach to evolve over time.

Recovery and exit

SVS seeks to recover capital without compromising the purpose for which it was invested. Even for Class D investments and loans, where the timing of recovery may be uncertain, recovery is managed in a way that preserves the creation of social value. Cases of default or impairment are reported to the Board and taken into account in subsequent policy decisions.

SVS regards the resilience and growth potential of SSE enterprises as social assets in their own right. It therefore seeks to ensure that the recovery process does not undermine their ability to continue creating social value. When structuring investments and loans, SVS considers ways to provide flexible capital, including accepting subordinated positions, accepting target returns below market rates, and sharing part of the credit risk on loans made by intermediaries. Programs expected to generate greater social value can therefore be given more flexible recovery terms. When a loan or investment becomes distressed, SVS does not automatically apply a standardized debt collection process. It first considers whether moral hazard is involved and then assesses the organization's potential to continue creating social value and contributing to the SSE ecosystem. Where appropriate, restructuring options such as repayment deferrals are considered before conventional collection measures.

02

Impact management system

1) Adoption of an IMP-based impact management system

Since 2020, SVS has applied the Impact Management Project (IMP) framework throughout its investment decision-making and post-investment management. The IMP framework assesses impact across five dimensions: What, Who, How Much, Contribution, and Risk.

Reflecting its role as a wholesale fund, SVS identifies and manages social value at two levels:

- Social value created by investees and projects: Measured and managed using impact indicators established by investees and intermediaries.
- Contribution to development of the social finance ecosystem: Assessed and managed in terms of the distinctive contribution that a wholesale fund can make, drawing on the IMP framework for investor contribution.

2) Impact-focused approach to investment review

During investment and lending reviews, SVS uses an IMP checklist to assess both impact orientation and potential contribution to the ecosystem in quantitative and qualitative terms. The findings inform the Investment Review Committee's decision and are carried forward into post-investment monitoring.

SVS has adapted the IMP's four investor contribution strategies to the wholesale fund model and uses them to determine how capital should be structured and deployed.

- **Signal that impact matters**: SVS makes impact a core consideration in investment decisions and communicates this commitment clearly to investees and the wider market. By investing in a particular field, SVS signals that it merits attention as a social finance opportunity, helping attract interest and participation from other investors.
- **Engage actively**: SVS goes beyond supplying wholesale capital by taking an active role in establishing and strengthening intermediaries. For newer institutions, this may include jointly designing financial products, strengthening investment review and due diligence capabilities, training specialist personnel, and helping to establish impact reporting systems so that the intermediary can grow into a self-sustaining social finance institution.
- **Grow new or undersupplied capital markets**: SVS participates as an anchor investor in markets and sectors where capital has been unavailable or undersupplied, or develops new investment pipelines. By changing the amount, cost, or terms of capital available, it can enable impact that would otherwise be unlikely to occur.
- **Provide flexible capital**: As part of its strategy to grow new or undersupplied markets, SVS may accept lower returns or less favorable terms than conventional investors would accept for investments with comparable risk, liquidity, and other characteristics. This can include subordinated or illiquid positions, enabling private financial institutions and other social investors to participate on more favorable terms and attracting new investors into the social finance market.

SVS makes its contribution through both financial and nonfinancial means.

- Financial contribution: Subordinated capital and adjustments to repayment priority; acceptance of target returns below market rates; zero- or low-interest financing; sharing of intermediary credit losses; and investment and lending for the establishment and working capital needs of intermediaries
- Nonfinancial contribution: Joint development of financial products with emerging intermediaries; support for investment review and due diligence capabilities; assistance in establishing impact reporting systems; professional training; and transfer of social value assessment and management methodologies

These categories also show how two of the IMP strategies in particular—Engage actively and Provide flexible capital—are put into practice through nonfinancial and financial measures, respectively.

BOX 1. Case study

Support for Korea Microcredit Joyful Union's SSE enterprise lending program

Korea Microcredit Joyful Union developed a loan product for preliminary social enterprises and social cooperatives, providing up to KRW 100 million per borrower. It used assessment criteria tailored to these organizations and combined financing with support for business improvement and growth. The program also required at least 50 percent of its financing to go to SSE enterprises outside the Seoul metropolitan area, helping to address geographic gaps in access to capital. Part of the interest income was set aside as a loan-loss reserve, while losses exceeding the reserve were shared between SVS and Korea Microcredit Joyful Union.

BOX 2. Case study

Subordinated commitment to an impact fund managed by D3Jubilee Partners

Of the social impact venture funds backed by the Korea Fund of Funds, SVS selectively committed capital to funds established by specialist impact investment firms, seeking to ensure that social value would be addressed with greater expertise in fund management. To encourage private investors to participate alongside government capital, SVS took a subordinated position under which it would absorb losses before private limited partners. This use of flexible capital was designed to attract and develop social investors.

3) Impact management during monitoring

After capital is deployed, SVS tracks impact KPIs specific to each program. It also works through intermediaries to collect annual financial and nonfinancial data on investees, including revenue, employment, and the share of employees from vulnerable groups, and reports these results to stakeholders. Agreements with intermediaries expressly require them to report social value performance.

Table 8. Examples of impact KPIs for social-purpose projects
(Unit: KRW million)

Program	Year	Amount supplied	Key impact KPI
Seoul youth unemployment SIB investment	2019	1,100	Number of participants obtaining regular employment lasting at least one year
Buyeo dementia prevention SIB investment	2021	100	Rate of mild cognitive impairment among participants
Loan program for precarious workers' organizations in Seoul	2020	1,550	Number of loan beneficiaries; increase in participation in workers' mutual aid
SME factory rooftop solar project	2020	490	Solar generation capacity; reduction in carbon emissions
Equity investment in Ansan and Jeonju health and welfare social cooperatives	2020	134	Volume of community social services provided; growth in cooperative membership
Deposit return guarantee for master-lease social housing in Seoul	2021	300	Number of tenants receiving prompt refunds of rental deposits
Social housing construction loan	2023	500	Interest savings on bridge financing

03 Risk management

Risk categories

In addition to the credit, market, interest rate, and operational risks typically managed by financial institutions, SVS defines and manages three additional categories reflecting the distinctive nature of social finance: impact risk, reputational risk, and intermediary risk. It has developed and applies its own risk management standards tailored to its role as a wholesale social investment fund.

Table 9. Risk categories managed by SVS

Reputational risk: The possibility that SVS's social reputation may be harmed by illegal conduct or regulatory violations related to a program, failure to comply with environmental or social safeguards, inappropriate external communications, involvement in political interests, or similar issues.
Impact risk: The possibility that a supported program may fail to generate the intended social outcomes or may produce unintended negative effects.
Program execution risk: The risk that a shortage of available capital or suitable recipients may delay a program or prevent timely deployment, or that deteriorating liquidity or abrupt changes in market conditions may disrupt implementation.
Intermediary risk: The possibility that deterioration in an intermediary's financial stability, loss of key personnel, declining capacity, or similar factors may impede effective program delivery.
Credit risk: The possibility of unexpected economic losses arising from default, breach of contract, or similar events involving investees or projects financed to advance social value.

Market risk: The possibility of losses on idle funds awaiting deployment due to changes in market factors such as interest rates, equity prices, exchange rates, or commodity prices.
Interest rate risk: The possibility of losses arising from adverse changes in interest rates, including declines in net asset value or net interest income.
Operational risk: The possibility of losses caused by inadequate or failed internal processes, people, or systems, including legal and regulatory risk.

Three lines of defense

SVS has adopted a three-line risk management structure modeled on standard practice in the financial sector.

- **First line — business management**: Each department that originates risk is responsible for primary monitoring during its activities, including due diligence and review of intermediaries, investees, and projects.
- **Second line — integrated risk management**: SVS monitors and analyzes risks across fund management and program operations, issues warnings, recommends improvements, and establishes guidelines for proactive risk management. Compliance requirements are also checked in advance through a checklist during investment decision-making.
- **Third line — audit and compliance oversight**: The Auditor is authorized to assess and oversee whether first- and second-line risk management is being carried out appropriately.

Aligning the risk management framework with fund operations

SVS operates a Risk Management Committee chaired by the Secretary-General. Through policy decisions related to fund management, the Committee seeks to balance financial risk with social value. It sets the strategic direction for fund operations, obtains Board approval, and incorporates the resulting policies into the following year's activities.

At the investment decision-making stage, SVS requires the following risk and limit-management items to be checked against its risk management framework:

- Whether investment or lending support is being provided through an SFI
- Whether the exposure limit for an individual investment or loan is exceeded
- Whether the limit on an individual direct equity investment is exceeded
- Whether the commitment limit for an individual collective investment vehicle or similar structure is exceeded
- Whether the limit on subordinated risk exposure is exceeded
- Whether the principles governing the sharing of credit losses on indirect lending apply
- Permitted uses and financing limits for direct investments and loans intended for facilities

Role of committees from an impact perspective

- **Investment Review Committee**: Considers impact orientation together with business viability and findings of the risk review as part of an integrated investment review.
- **Risk Management Committee**: Regularly monitors enterprise-wide risks, including six types of impact risk, and recommends measures for improvement.

Managing negative impact

Drawing on the IMP framework for impact risk, SVS has defined six impact risk categories relevant to its activities and screens for them according to a checklist during investment review. The same framework carries through into regular monitoring, on-site due diligence, and training for intermediaries.

Table 10. Impact risk checklist

Evidence risk: The risk that there will not be enough high-quality data to determine whether the expected impact has occurred.
Endurance risk: The risk that positive impact will not continue over time.
Execution risk: The risk that planned impact-generating activities will not take place.
External risk: The risk that external factors will prevent the intended impact from being achieved.
Alignment risk: The risk that the impact model will not become embedded in, or effectively enforced by, the investee or project.
Stakeholder alienation risk: The risk that stakeholders affected by the impact will be excluded.

IV. Portfolio Overview

01 Overall portfolio

1) Overview

From 2019 to 2025, SVS committed KRW 23.2 billion across 55 social finance programs. Combined with funding from the central and local governments, public-interest foundations, financial institutions, privately established mutual aid funds, and other sources, these commitments supported investment and lending programs totaling KRW 188.5 billion.

- Number of programs: 55
- SVS commitments: KRW 23.2 billion (KRW 22.8 billion disbursed)
- Total program size: KRW 188.5 billion (KRW 174.5 billion raised)
- Mobilization multiple: 8.1x
- Average maturity: 6.6 years
- Average return: 4.3 percent

2) Allocation by asset class

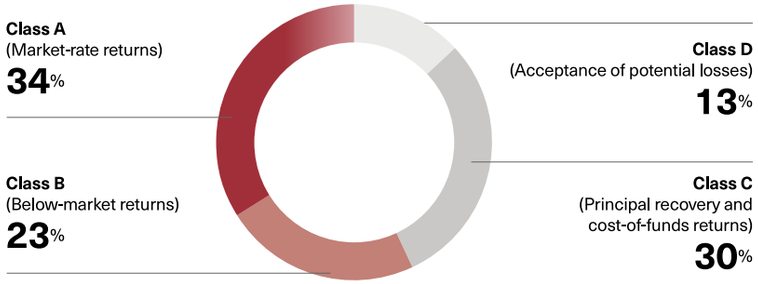
SVS manages its portfolio across four asset classes defined by their impact–return objectives. Class A, which targets market-rate returns, accounts for 34.0 percent of total allocations; Class B, which accepts below-market returns, for 22.8 percent; Class C, which targets principal recovery and cost-of-funds returns, for 30.2 percent; and Class D, which accepts the possibility of losses, for 13.0 percent. In other words, approximately two-thirds of the portfolio has deliberately been allocated to assets that accept lower returns in exchange for greater social value.

Asset classes are not determined by absolute return levels. Instead, each asset is assessed relative to the market return that would ordinarily be expected for an investment of comparable characteristics.

Table 11. Allocation by asset class

Asset class	Number of programs	Amount allocated	Share of allocation	Average return
Class A: Market-rate returns	20	KRW 7.89B	34.0%	6.6%
Class B: Below-market returns	9	KRW 5.29B	22.8%	7.2%
Class C: Principal recovery and cost-of-funds returns	19	KRW 7.00B	30.2%	0.1%
Class D: Acceptance of potential losses	7	KRW 3.02B	13.0%	0.5%
Total	55	KRW 23.20B	100.0%	—

Figure 9. Share of allocations by asset class



BOX 3. Case study

Class A: Commitment to Impact Picnic Investment Fund No. 3 (Climate Fund) (Sopoong Ventures)

SVS committed capital to Impact Picnic Investment Association No. 3, a fund managed by Sopoong Ventures, to support the growth of climate-tech SSE enterprises. Established in September 2024, the fund raised KRW 4.3 billion from SVS, the Korea Fund of Funds, and a number of individual investors, reflecting strong investor interest in climate and environmental issues. The fund focuses on climate-tech social ventures in energy, the circular economy, and food and agriculture, the three sectors responsible for the largest shares of greenhouse gas emissions.

Sopoong Ventures maintains an average deal approval rate of approximately 2.7 percent through a multi-stage decision-making process. It also separates investment and fund administration functions, using multiple layers of investment analysis and management to reduce operational risk. This approach is expected to help guard against greenwashing in climate and environmental investments and strengthen alignment between investment decisions and the fund's stated impact objectives.

BOX 4. Case study

Class B: P2P citizen crowdfunding matching loan for community asset ownership (Geonmaek 1897 Cooperative)

Community asset ownership, in which local residents jointly own and use land, buildings, and other assets needed by their communities, has emerged as an alternative ownership model for addressing challenges such as gentrification and the decline of older urban centers and rural communities.

Through matching loans for community asset ownership, SVS helps SSE organizations secure social infrastructure that can provide a stable base for local social innovation. Working with P2P finance platform BPLUS, SVS launched a matching loan program that paired citizen investment with financing for community asset ownership. Loans were provided at a low interest rate of 2.3 percent to help SSE organizations establish a stable footing for local social innovation.

Geonmaek 1897 Cooperative, established by residents and local merchants to revitalize Mokpo's dried seafood district, has been recognized as a successful example among organizations supported through a Ministry of the Interior and Safety initiative for community asset ownership.

BOX 5. Case study

Class C: Matching loan for the Jeonbuk Social Economy Fund (Jeonbuk Social Economy Network)

From 2021 to 2023, a consortium formed by Jeonbuk Social Economy Network and SVS was selected through an open call to manage the Jeollabuk-do Social Economy Fund. Since 2024, Jeonbuk Social Economy Network has operated the fund independently.

SVS participated in the local government fund program as a consortium partner to help develop a regional intermediary, while providing matching support for the private-sector contribution required from Jeonbuk Social Economy Network as the lead operator.

SVS has also supported the intermediary's development through advisory and consulting services, practical training in sourcing, investment review, and post-investment management, and the transfer of social value assessment and management methodologies.

BOX 6. Case study

Class D: Emergency working capital loans for SSE organizations during COVID-19 (Joyful Union, Disaster Solidarity Fund)

In the early stages of the COVID-19 pandemic, it took time for government support programs specifically serving the SSE to become established.

SVS therefore worked with intermediaries and other partners to create the Disaster Solidarity Fund and provide emergency financing to SSE enterprises. Working capital loans were made to organizations directly affected by the pandemic to help them survive the immediate crisis and improve their prospects for recovery.

The program was designed from the outset to accommodate unavoidable losses, allowing part of a loan to be forgiven where an enterprise faced genuine barriers to recovery. Joyful Union rapidly deployed KRW 230 million through the program. Two years later, KRW 200 million, or 85.5 percent of the amount supplied, had been repaid.

3) Portfolio composition

Under its portfolio balancing strategy, SVS monitors asset allocations across three dimensions: financing approach, such as investment versus lending; product type, such as corporate or project financing; and geographic coverage, including nationwide, Seoul metropolitan area, and non-metropolitan programs.

Financing approach

Based on how capital ultimately reaches the end recipient, 52.5 percent of assets are allocated to investments, where investors share proportionately in gains and losses and may participate in management. The remaining 47.5 percent is allocated to loans that generate fixed interest income.

Figure 10. Share of allocations, by financing approach

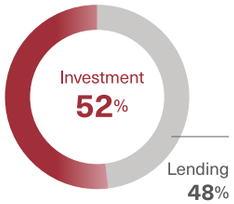


Table 12. Allocation, by financing approach

Financing approach	Number of programs	Amount allocated	Share of allocation	Average maturity	Average return
Investment	23	KRW 12.2B	52.5%	7.4 years	7.0%
Lending	32	KRW 11.0B	47.5%	5.6 years	0.3%
Total	55	KRW 23.2B	100.0%	—	—

Product type

Corporate financing, which provides startup funding, growth capital, working capital, and funding for other purposes, accounts for 71.1 percent of total assets. Project financing accounts for another 28.2 percent. These programs are assessed on a project-by-project basis and, where necessary, use financing structures designed specifically for the project. The remaining 0.7 percent consists of investments and loans to intermediaries for use as establishment capital, working capital, regulatory or operating capital and other purposes.

Figure 11. Share of allocations, by product type

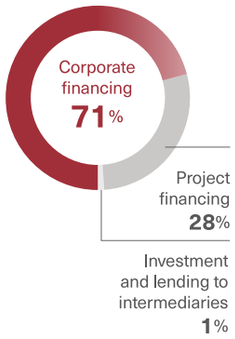


Table 13. Allocation, by product type

Product type	Number of programs	Amount allocated	Share of allocation	Average maturity	Average return
Corporate financing	34	KRW 16.5B	71.1%	7.4 years	4.8%
Project financing	18	KRW 6.5B	28.2%	4.4 years	2.3%
Investment and lending to intermediaries	3	KRW 0.2B	0.7%	7.1 years	4.5%
Total	55	KRW 23.2B	100.0%	—	—

Geographic coverage

Nationwide programs that do not impose geographic restrictions account for 43.7 percent of total allocations across 14 programs. Another 25.7 percent is allocated to 17 programs targeting the Seoul metropolitan area, including Seoul and Gyeonggi-do. The remaining 30.6 percent is directed toward improving access to finance outside the metropolitan area. This includes 21 programs specifically targeting non-metropolitan regions and three nationwide programs that require 50–70 percent of their financing to be deployed outside the Seoul metropolitan area.

4) Financing through intermediaries

Of the 55 programs financed by SVS, 44 were implemented either through intermediaries or in collaboration with them, including P2P matching loan programs. Together, these indirect and collaborative approaches accounted for 83.0 percent of SVS's capital deployment.

Figure 12. Share of financing, by delivery approach

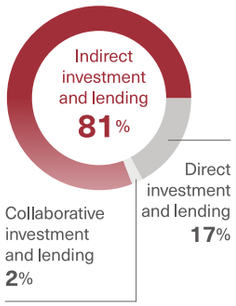


Table 14. Financing, by delivery approach

Delivery approach	Number of programs	Amount allocated	Share of allocation	Average maturity	Average return
Indirect investment and lending	39	KRW 18.82B	81.1%	6.9 years	4.8%
Collaborative investment and lending	5	KRW 0.45B	1.9%	4.0 years	2.3%
Direct investment and lending	11	KRW 3.93B	17.0%	5.2 years	1.5%
Total	55	KRW 23.20B	100.0%	—	—

Intermediary partnerships

As of June 2026, SVS was working with 25 partner organizations. To provide financing tailored to the growth stages of SSE organizations, including social ventures, SVS works with accelerators, venture capital firms, and asset managers engaged in impact investing. It also partners with nonprofit intermediaries to address financing gaps and build locally rooted infrastructure, supporting a wide range of SSE organizations, including social enterprises, cooperatives, self-reliance enterprises, and local creators.

Table 15. SFI partnerships

Category	Type	SFIs
Collective investment vehicle managers	Accelerators	Impact Square; MYSC; CunaeST; Bluepoint Partners
	Venture capital firms	D3Jubilee Partners; Sopoong Ventures; TBT; Cooledge Corner Investment; HGI Initiative
	Asset management companies	Ark Impact Asset Management
Nonprofit intermediaries	Nationwide	Joyful Union; BAND; We Together Social Cooperative
	Regional	Gangwon Social Economy Solidarity; Jeonbuk Social Economy Network; Jeju Social Economy Network; Daegu Social Value Finance; Busan Social Solidarity Fund; Gyeongnam Social Value Finance; Gyeonggi Jeil Credit Union
	Sector-specific	National Association of Civic Energy Cooperatives; Korea Social Housing Association
New financial service providers	Online small-investment broker	OHMYCOMPANY
	Online investment-linked finance provider	BPLUS
	SIB operator	Pan-Impact Korea

*HGI Initiative began working with SVS in 2026 and is therefore not reflected in the performance figures covered by this report.

**OHMYCOMPANY provided fundraising consulting during the COVID-19 pandemic and is therefore not included in the investment and lending performance figures.

Approaches to financing through intermediaries

SVS uses three broad approaches when supplying capital through intermediaries. Type A applies when SVS acts as an anchor investor, contributing capital at a scale and on terms that allow it to play a decisive role in shaping the investment or lending program. Type B applies when SVS participates as a private investor in a program led by another anchor investor. Type C covers matching and linked investments designed to support blended financing through a range of structures.

Of the 44 programs financed indirectly or collaboratively through intermediaries, 11 were Type A programs in which SVS served as the anchor investor, 22 were Type B programs involving participation in the formation of funds, and 11 were Type C matching or linked investment programs. By allocation, Type A accounted for 42.5 percent, Type B for 48.9 percent, and Type C for 8.6 percent.

Where SVS acted as anchor investor, its capital represented 77.3 percent of total program size on average. By contrast, where SVS participated with private capital in programs led by another anchor investor, its average share was 5.6 percent.

Table 16. Allocation by intermediary financing approach

Type	Share of allocation	Mobilization multiple	SVS share	Number of programs
Type A: Anchor investment	42.5%	1.3x	77.3%	1 investment, 10 lending programs
Type B: Participation in fund formation	48.9%	18.0x	5.6%	17 investment, 5 lending programs
Type C: Matching and linked investment	8.6%	1.4x	71.4%	11 lending programs

Intermediary support tracks

SVS has prioritized intermediaries whose principal business is social finance, both to create social value through its capital and to help establish a self-sustaining financing cycle. Track A, which supports the scaling of specialized social finance intermediaries, received 69.2 percent of total allocations. Track B, which identifies and develops regional and sector-based organizations with the capacity and resources to support the SSE, received 10.8 percent.

Average financing per institution was KRW 530 million under Track A and KRW 160 million under Track B. The smaller amounts provided through Track B were intended to help organizations establish themselves as effective intermediaries within their own communities. Regional intermediaries in Jeonbuk, Jeju, Busan, and Gangwon, as well as sector-specific intermediaries in fields such as social housing and citizen-owned renewable energy, were identified and developed through this track.

Track C is designed to bring established financial institutions into social finance. Participating institutions have included investment firms with expertise in technology startups and cooperative financial institutions with strong local lending capabilities. Bluepoint Partners, TBT, Cooledge Corner Investment, and Gyeonggi Jeil Credit Union have participated through this track.

Under Track D, SVS became involved at the establishment stage of new regional intermediaries in Daegu and Gyeongnam and continued to support their development.

Table 17. Intermediary support tracks

Track	Number of intermediaries	Number of programs	Share of allocation	Average amount supplied
Track A: Scaling specialized intermediaries	11	25	69.2%	KRW 530M
Track B: Collaboration and new model development	6	13	10.8%	KRW 160M
Track C: Engaging established financial institutions	4	4	17.6%	KRW 850M
Track D: Fostering new intermediaries	2	2	2.3%	KRW 230M
Total	23	44	100.0%	KRW 440M

5) Capital recovery

As of the end of 2025, capital recovery had begun for 30 of the 55 programs financed by SVS. Principal recovered totaled KRW 8.55 billion, equivalent to 37.5 percent of the KRW 22.78 billion disbursed. SVS had also received KRW 620 million in investment and lending income.

Recovery underway: 30 programs

- Principal recovered: KRW 8.55 billion (37.5%)
- Income recovered: KRW 620 million

By the end of 2025, 11 programs had been fully completed, with all scheduled capital recovery concluded. These programs had received KRW 4.81 billion in financing, against which KRW 4.76 billion in principal was recovered. They generated KRW 0.32 billion in income and realized losses of KRW 0.05 billion.

Responsible recovery management

SSE enterprises contribute to addressing social challenges through activities such as creating inclusive jobs and strengthening local communities. Their resilience and long-term sustainability therefore represent intangible assets with public value. Recovering social finance capital requires a different perspective from the conventional asset-quality approach used by mainstream financial institutions.

How social finance differs from conventional finance

Conventional financial institutions generally design recovery strategies around asset quality, using interest rates that reflect expected losses, collateral requirements, and credit ratings. Social finance intermediaries must consider two additional factors.

First, where a borrower creates meaningful impact in areas such as care, social housing, health care, local culture, or employment, recovery should be approached not simply as repayment management but in terms of preserving the social value being created.

Second, SSE enterprises in investment portfolios frequently need to pivot as they experiment with new approaches to solving social problems. When an enterprise closes, the goal should therefore be to ensure that its experience and learning are not lost but remain useful to the wider ecosystem. This calls for a balanced approach to an 'orderly and meaningful exit'.

SVS's responsible recovery strategy

SVS has observed that intermediaries can support investee growth by doing more than supplying finance: they can also build and mobilize social capital through community partnerships, links to management consulting, and other forms of support. Drawing on these experiences, SVS incorporates responsible recovery principles throughout investment review and post-investment management.

Flexible capital: At the structuring and review stages, recovery terms may be made more flexible where a program is expected to create substantial social value. This may include accepting subordinated positions, accepting target returns below market rates, providing zero-interest financing where intermediary development itself creates value, sharing credit-loss risk with intermediaries, or adjusting maturities and repayment schedules.

Distressed debt management: Where principal or interest remains unpaid for more than three months, SVS requires a recovery plan based on measures such as site visits and stakeholder interviews. If a payment remains outstanding for more than six months after maturity, or recovery is considered unlikely, the exposure is classified as distressed debt. For distressed exposures, the working-level Investment Review Committee considers options such as repayment deferrals after assessing both social performance and contribution to the ecosystem. Where a separate agreement establishes how credit losses are to be shared in intermediary-based investments and loans, those agreed terms take precedence. This allows SVS to move beyond mechanical debt collection and incorporate social value into the recovery process. It also first assesses whether moral hazard is involved, distinguishing between viable organizations willing and able to restructure and those where such recovery is unlikely.

Tracking impact after recovery

Assessing whether financing continues to generate social value over the longer term after capital has been recovered is an important capability for intermediaries to develop. When an investment or lending program ends, SVS conducts a final assessment and reports both its financial performance and the social value to which it contributed. Establishing a systematic approach to tracking post-recovery impact for capital supplied through intermediaries remains a future priority.

02

Portfolio by program type

1) Impact fund commitments: Financing by growth stage

Financing for SSE enterprises at different stages of growth has increasingly been built around impact funds, particularly those targeting social ventures. Over the past seven years, SVS committed capital to 16 funds managed primarily by specialist impact venture capital firms and accelerators.

The portfolio is structured across three stages. Larger funds generally target later-stage, more established companies, while smaller funds focus on earlier-stage enterprises. Average fund size differs by roughly a factor of 10 across the three categories: KRW 28.7 billion for Series A funds, KRW 5.8 billion for pre-Series A funds, and KRW 2.7 billion for seed funds.

Series A stage: Four funds

These funds support companies that have completed initial validation and are entering full-scale growth. SVS participates indirectly through commitments to larger venture investment partnerships and private investment trusts that diversify across multiple portfolio companies. Fund sizes range from KRW 25.0 billion to KRW 33.0 billion, averaging KRW 28.7 billion, making this the largest of the three stages. SVS commitment ratios range from 1.2 to 9.6 percent, with an average of 4.6 percent. All four are nationwide funds, although some may target particular regions where this is required by their policy objectives, as in the case of an urban regeneration fund.

Pre-Series A stage: Six funds

These mid-sized funds provide the next round of financing to companies that have completed initial validation. Fund sizes range from KRW 4.2 billion to KRW 10.0 billion, with an average of KRW 5.8 billion. Although smaller than Series A funds, they have a higher average SVS commitment ratio of 10.9 percent, giving SVS a more strategic role than that of a conventional limited partner. The category includes five nationwide funds and one region-specific fund.

Seed stage: Six funds

These smaller funds identify and finance social ventures and locally focused startups at the earliest stages of development. Fund sizes range from KRW 1.7 billion to KRW 3.8 billion, averaging KRW 2.7 billion. A relatively large share are region-specific funds serving areas such as Gangwon, Gyeongnam, and Jeju.

Table 18. Impact fund commitments (Unit: KRW 1 billion)

Fund	Year established	SVS commitment	Fund size	Notes
Series A stage				
D3 Impact Venture Investment Fund No. 2	2019	20.0	30.9	Nationwide
Ark Impact Venture General Private Investment Trust	2020	25.0	26.0	Nationwide
TBT Open Innovation Investment Fund	2020	5.0	33.0	Nationwide
CCVC Our Neighborhood Urban Regeneration Fund	2021	3.0	25.0	Nationwide; urban regeneration
Pre-Series A stage				
Bluepoint Social Innovation Technology Startup Venture Specialized No. 1 Private Equity Fund	2020	25.0	4.5	Nationwide
Impact Square Social Enterprise Stepping Stone Venture Investment Fund	2020	9.0	5.8	Nationwide; social enterprises
Gyeongbuk Youth Aekkum ESG Venture Investment Fund	2022	1.0	5.0	Regional
Extra Mile Impact No. 6 Venture Investment Fund	2023	1.0	10.0	Nationwide; social enterprises
Impact Picnic Investment Fund No. 3	2024	1.0	4.2	Nationwide; environmental sector
Extra Mile LICORN Fund	2025	1.0	5.5	Nationwide
Seed stage				
Extra Mile Impact No. 2 Individual Investment Fund	2020	4.0	2.0	Nationwide
Social Venture Picnic No. 1 Investment Fund	2020	2.5	3.8	Nationwide
Gyeongnam Youth Impact Investment Fund	2020	2.0	2.2	Regional
Gangwon Picnic Investment Fund	2021	1.0	3.3	Regional
Jeju Early-Stage Startup Development Fund	2024	1.0	3.5	Regional
Korea Social Investment–Simsan Global Impact Investment Fund No. 1	2025	1.0	1.7	Nationwide

2) Lending programs: Providing patient capital

SSE enterprises and organizations often lack sufficient collateral and do not fit neatly within the credit assessment frameworks used by conventional financial institutions. As a result, policy financing and ordinary bank loans alone may not provide them with reliable access to the capital they need. Over the past seven years, SVS has provided patient lending capital, either directly or through matching arrangements, through 14 programs supporting SSE enterprises and intermediaries.

These programs fall into two broad categories: general lending programs financed entirely by SVS, and matching loan programs in which SVS adds capital to funds established by local governments or private-sector organizations. SVS initially focused on nationwide general lending programs. It later expanded into a larger number of smaller regional programs, working with local government and private funds while also helping to develop regional intermediaries.

General lending programs: Four programs

These programs were fully financed by SVS and implemented primarily with nationwide intermediaries such as Korea Microcredit Joyful Union, BAND, and the Korean Association of Local Self-help Centers. Individual programs ranged from KRW 1.4 billion to KRW 1.5 billion. Intermediaries used the capital supplied by SVS to make loans to individual SSE enterprises, with more than 50 percent of the financing directed to enterprises outside the Seoul metropolitan area.

Matching loans with local government funds: Five programs

Under this model, SVS provided matching loans to social economy funds established by local governments. From 2021 to 2024, it helped make funds established by Jeollabuk-do and Jeonju available through intermediaries. Individual programs ranged in size from KRW 500 million to KRW 1.7 billion, with SVS generally accounting for around 10 percent of total program financing.

Matching loans with private funds: Five programs

These programs matched SVS financing with mutual aid funds established by private-sector actors such as regional SSE networks. They were distributed across non-metropolitan areas including Daegu, Jeju, Busan, and Gangwon. At approximately KRW 200 million each, these programs were smaller than the local government fund matching programs, while SVS supplied at least 50 percent of the capital in every case. This gave SVS a more active role during the early stages of developing privately financed, self-help funds.

Table 19. Lending programs (Unit: KRW 1 billion)

Program	Year	SVS financing	Program size	Notes
General lending programs				
Lending support for SSE enterprises	2020	1.50	1.50	Nationwide; regional balance
Lending support for SSE enterprises: Mutual aid funds	2020	1.50	1.50	Nationwide; regional balance
Lending support for SSE enterprises: Self-reliance enterprises	2020	1.40	1.40	Nationwide; regional balance
Lending support for SSE enterprises: Gyeongnam	2020	0.25	0.25	Regional
Matching loans with local government funds				
Jeonbuk Social Economy Fund matching loans, four rounds	2021–2024	0.38	3.28	Regional
Jeonju Social Economy Fund matching loan	2023	0.10	1.08	Regional
Matching loans with private funds				
Private SSE Fund matching loan: Pyeongtaek	2022	0.10	0.20	Regional
Private SSE Fund matching loan: Daegu	2022	0.20	0.24	Regional
Private SSE Fund matching loan: Jeju	2023	0.15	0.20	Regional
Private SSE Fund matching loan: Busan	2024	0.10	0.20	Regional
Private SSE Fund matching loan: Gangwon	2025	0.10	0.12	Regional

3) Project financing: Funding social-purpose projects

Project financing provides capital to individual projects designed to address specific social problems. Unlike fund commitments or standardized lending programs, each project has its own structure and risk-return profile. Over the past seven years, SVS provided investment or lending to 16 projects in areas including social impact bonds (SIBs), renewable energy, social housing, and community asset ownership.

The financing structure differs according to the policy objective of each field. SIBs use an outcomes-based model in which a public-sector entity pays for results. Local innovation, community asset ownership, and social housing require financing for real estate or infrastructure, while renewable energy has the characteristics of infrastructure investment backed by a relatively stable revenue model. SVS's role likewise varies, ranging from direct investor to matching investor or provider of subordinated guarantees.

Social impact bonds: Two projects

The two projects addressed youth unemployment in Seoul and the prevention of dementia in Buyeo. Pan-Impact Korea served as operating intermediary, while SVS participated as an early investor in raising private capital. Both projects were successfully completed and achieved their intended social outcomes. SVS recovered its capital and earned returns linked to achievement of the agreed performance targets.

Local innovation and community asset ownership: Six projects

These programs provided equity or matching loans for community health and care hubs and citizen-funded community asset ownership projects. They ranged from equity investments in the Ansan and Jeonju medical welfare social cooperatives to matching loans for citizen crowdfunding used to acquire community assets in Mokpo, Jeju, and Mapo. SVS financing ranged from KRW 40 million to KRW 120 million per project, smaller than in most other areas. The capital was deliberately catalytic: it helped incentivize additional fundraising or strengthen equity positions so that projects could access conventional financing.

Renewable energy: Two projects

SVS invested in a rooftop solar program using factory roofs owned by small and medium-sized enterprises and also provided matching financing to help energy cooperatives become self-sustaining. For the factory rooftop solar project, SVS invested KRW 490 million toward a total project cost of KRW 14.2 billion. Returns have now been determined, and capital recovery is underway. For the energy cooperative program, SVS provided KRW 150 million in matching financing, enabling 15 newly established energy cooperatives to begin power generation projects. Repayments are proceeding steadily.

Social housing: Six projects

Working with the Korea Social Housing Association, SVS supported lease deposit return guarantees for social housing residents, matching loans to the Social Housing Tenant Protection Fund, and construction financing for individual social housing projects. SVS financing ranged considerably by project, from KRW 50 million to KRW 500 million. Short-term bridge loans for individual developments such as Dadarum House, Eskis Gasan, and Yeogiga were repaid relatively quickly. By contrast, maturities for the lease deposit guarantee and Tenant Protection Fund programs were extended, requiring longer-term monitoring.

Table 20. Project financing (Unit: KRW 1 billion)

Program	Year	SVS financing	Total financing	Notes
SIBs				
Seoul SIB No. 2 investment: Youth unemployment	2019	1.10	2.90	
Buyeo SIB investment: Dementia prevention	2021	0.10	0.50	
Local innovation and community asset ownership				
Localmate citizen crowdfunding matching loan	2020	0.10	0.20	
Community care hub asset ownership: Ansan Medical Welfare Social Cooperative	2020	0.09	0.09	Total project cost: KRW 4.4B
Community care hub asset ownership: Jeonju Social Cooperative for Medical Welfare	2020	0.04	0.04	Total project cost: KRW 2.05B
Community asset ownership citizen crowdfunding matching loan: Mokpo	2020	0.12	0.18	Total project cost: KRW 0.39B
Community asset ownership citizen crowdfunding matching loan: Jeju	2021	0.06	0.09	Total project cost: KRW 0.65B
Community asset ownership citizen crowdfunding matching loan: Mapo	2021	0.12	0.18	Total project cost: KRW 4.04B
Renewable energy				
Investment in SME factory rooftop solar program	2020	0.49	2.49	Total project cost: KRW 14.2B
Matching loan for energy cooperative self-sufficiency program	2021	0.15	0.25	
Social housing				
Seoul master-lease social housing deposit return guarantee	2021	0.30	0.30	
Social Housing Tenant Protection Fund matching loan	2021	0.26	0.46	
Social housing construction loan: Dadarum House	2022	0.05	0.15	
Social housing construction loan: Eskis Gasan	2022	0.10	0.11	
Social housing construction loan: Yeogiga	2023	0.50	0.55	
Matching loan to recovery fund for victims of lease deposit fraud	2024	0.05	0.10	

4) Investment and lending to intermediaries and disaster response

Investment and lending to intermediaries is intended to strengthen the capacity and long-term sustainability of intermediaries and support organizations. Disaster response programs, by contrast, were created to protect the SSE ecosystem and reinforce social safety nets during crises such as COVID-19. The first moves SVS beyond the role of capital provider by supporting the development of intermediaries themselves. The second functions as an emergency financing channel that is activated when ordinary systems are insufficient.

Investment and lending to intermediaries and support organizations: Five programs

Intermediaries whose core business is social finance often find it difficult to obtain working capital or the capital needed for establishment and continued operation from conventional financial institutions. SVS developed these programs to address that gap. Financing per program was relatively small, ranging from KRW 10 million to KRW 100 million. Some programs directly strengthened intermediaries' capital bases, while others provided short-term liquidity. Collectively, they represent an investment in stability of the intermediary ecosystem itself.

Social safety net and COVID-19 response: Four programs

These emergency working capital programs supported SSE enterprises affected by COVID-19 as well as vulnerable groups such as organizations representing workers in precarious employment. Most financing was deployed over a short period between 2020 and 2021, with SVS commitments ranging from KRW 150 million to KRW 1.55 billion per program. Because crisis conditions required rapid deployment, post-investment adjustments such as increases in financing limits and maturity extensions were more common than in other program areas.

Table 21. Investment and lending to intermediaries and disaster response (Unit: KRW 1 billion)

Program	Year	SVS financing	Program size
Investment and lending to intermediaries and support organizations			
Working capital loan to an SIB operator	2019	0.05	0.05
Investment in establishment capital for a regional intermediary	2019	0.01	0.05
Investment in operating capital for a P2P financial institution	2024	0.10	0.10
Working capital loan to an SSE policy organization	2024	0.08	0.08
Working capital loan to an SSE training organization	2024	0.02	0.02
Social safety net and COVID-19 response			
SSE COVID-19 emergency working capital loan	2020	0.23	0.23
Loan support for organizations representing workers in precarious employment in Seoul	2020	1.55	2.40
Loan to the Garment Workers' Mutual Aid Association	2020	0.50	0.50
Working capital loan to a specialist workers' mutual aid support organization	2021	0.15	0.15

03

Capital recovery

As of the end of 2025, 11 programs had been completed and capital recovery was complete. A total of KRW 4.81 billion had been deployed, and KRW 5.08 billion had been recovered, including both principal and returns.

Capital recovery completed: 11 programs

- Capital deployed: KRW 4.81 billion
- Principal recovered: KRW 4.76 billion
- Realized losses: KRW 50 million
- Income recovered: KRW 320 million

The two programs that yielded losses were undertaken in response to the social crisis caused by COVID-19. They used dedicated resources other than SVS's contributed capital and were designed from the outset to absorb some losses where necessary. One of the social housing construction loans was structured to bring a private public-interest foundation into the market as a social investor: SVS borrowed the foundation's capital, guaranteed repayment, and redeployed the funds to the project. Of the completed programs, eight were financed with SVS's contributed capital rather than borrowed funds or special-purpose funds. These eight programs generated an average annual return of 7.4 percent.

Table 22. Completed programs (Unit: KRW 1 billion)

Program	Amount supplied	Annual return	Funding source
Upfront investment in Seoul SIB No. 2	1.10	9.0%	Contributed capital
Investment in Buyeo Dementia Prevention SIB Project	0.10	7.0%	Contributed capital
Working capital loan to Gyeonggi-do SIB operator	0.05	2.0%	Contributed capital
Community asset ownership citizen crowdfunding matching 1	0.12	2.3%	Contributed capital
Community asset ownership citizen crowdfunding matching 2	0.06	2.3%	Contributed capital
Localmate citizen crowdfunding matching loan	0.10	2.0%	Contributed capital
Social housing construction loan 1	0.05	8.0%	Contributed capital
Social housing construction loan 2	0.10	3.5%	Contributed capital
Social housing construction loan 3	0.50	0.4%	Borrowed funds from a public-interest foundation
Seoul loan program for workers in precarious employment	1.50	−0.3%	Borrowing and contributions from a local government fund
SSE COVID-19 emergency financing loan	0.23	−5.8%	Special-purpose funding: Disaster Solidarity Fund
Total	4.81	1.9%	

BOX 7. Case study

Working capital for Tantan Housing Cooperative, established to support victims of lease deposit fraud

In May 2023, 21 victims of lease deposit fraud in the Dongtan area of Hwaseong joined social housing practitioners to establish Tantan Housing Cooperative and acquire the 21 affected homes.
The cooperative stabilized operation of the rental housing and gradually returned members' lease deposits. By May 2025, all 21 victims had received their deposits back.
To support the effort, the Korea Social Housing Association provided Tantan Housing Cooperative with KRW 990 million in low-interest loans, including capital supplied by SVS.
The cooperative also borrowed an additional KRW 860 million from local credit unions and local government funds.
The project achieved a deposit recovery rate of 93.6 percent, compared with an 80 percent recovery rate through Korea Land & Housing Corporation (LH).

BOX 8. Case study

Investment in the Buyeo Dementia Prevention SIB Project

The Buyeo project used a social impact bond (SIB) to deliver a cognitive improvement program aimed at reducing progression to dementia among older residents. Combining ICT with care services, the project applied a smart community care model designed to reduce the growing social costs associated with dementia as the population ages.
Based on an outcomes-payment contract with the local government, SVS and other private-sector investors provided KRW 500 million in upfront capital. Over the three-year implementation period from 2021 to 2024, 264 participants completed the final assessment. Only nine, or 3.4 percent, developed dementia, comfortably meeting the target of 9.7 percent or lower.
Under the agreement, Buyeo-gun paid private investors an outcomes-based return. The project generated an IRR of 7.0 percent.

BOX 9. Case study

Equity investment in the community asset ownership project of Ansan Medical Welfare Social Cooperative

In May 2020, SVS entered into an agreement with Ansan Medical Welfare Social Cooperative, which provides integrated community care, and supported a community asset ownership project for the New Ansan Healthcare Center and Integrated Care Center.
Established in 2000 to bring residents and healthcare professionals together to address local health and medical needs, the cooperative was certified as a social enterprise in 2008. It operates primary healthcare facilities in Ansan, including medical and Korean medicine clinics, a dental clinic, and a health screening center.
In 2019, the cooperative raised KRW 4.4 billion from sources including local government funds, its principal bank, SVS, and local credit unions to establish an integrated care hub and purchase three floors of a commercial building. Taking the cooperative's debt ratio into account, SVS provided KRW 90 million in equity.
From 2018 to 2024, paid employees increased from 114 to 465, including an increase in employees from vulnerable groups from 44 to 290, while revenue increased from KRW 4.7 billion to KRW 16.5 billion and assets grew from KRW 2.7 billion to KRW 10.0 billion.

BOX 10. Case study

Growth capital investment in social enterprise AIWORKX

AIWORKX is an IT company that brings together people from a wide range of backgrounds, including women returning to the workforce, people with developmental disabilities, and people with hearing disabilities, creating inclusive, decent jobs.
Established in 2015 and certified as a social enterprise in 2017, the company had grown to 192 employees and annual revenue of KRW 10.0 billion by the end of 2024.
It raised its first KRW 1.0 billion in growth capital from an SFI in 2019, followed by another KRW 1.0 billion in 2020. The investor was impact investment firm D3Jubilee Partners.
In 2020, SVS became an LP in D3Jubilee Partners' second impact fund. Of the KRW 1.0 billion that the fund invested in AIWORKX, a portion was exited in 2026 at a multiple of 1.85x.

BOX 11. Case study

Financing to help citizen-owned energy cooperatives become self-sustaining

SVS supplied financing through the Korean Federation of Renewable Energy Co-ops to help newly established citizen-owned energy cooperatives develop power generation facilities and grow toward financial self-sufficiency.
The Federation matched SVS financing with its own capital to create a KRW 250 million fund, which financed construction of power generation facilities for member cooperatives with installed capacity of 1 MW or less.
The program helped 15 early-stage energy cooperatives establish power generation facilities. By the end of 2025, their combined installed capacity had reached 5 MW, while annual revenue had grown to approximately KRW 1.5 billion. Their annual carbon emissions reduction totaled 2,813 metric tons.

BOX 12. Case study

Equity investment in rooftop solar projects on SME factories

SVS provided KRW 490 million in equity to a project that installs solar power systems on roofs owned by small and medium-sized manufacturers, helping attract additional private capital into rooftop solar.
Together with impact investment intermediaries, SVS supplied KRW 2.49 billion in equity and worked with financial institutions to support the launch of a dedicated loan fund for factory rooftop solar installations. This enabled the project to raise KRW 14.2 billion in total financing.
By the end of 2025, solar facilities had been installed on 60 factories, with total generating capacity of 21.6 MW and annual carbon emissions reductions of 12,249 metric tons.
Recovery of the capital invested in 2020 was secured through a follow-on financing round at the end of 2025, generating an IRR of 7.7 percent.

04

SSE enterprises financed by SVS

1) Areas of activity: Focus on social value

Alignment with the UN Sustainable Development Goals
To clarify its role as a wholesale social investment fund and measure and manage its contribution to the SSE and social finance ecosystem, SVS draws on the impact classifications of the United Nations Sustainable Development Goals (SDGs) to identify the impact areas targeted by each investment or loan and to analyze and report the resulting impact.

Figure 13. Sustainable Development Goals (UN SDGs)



As of the end of 2024, the largest shares of financing by SDG were directed to SDG 11, Sustainable Cities and Communities, at 26.4 percent; SDG 3, Good Health and Well-Being, at 14.7 percent; SDG 8, Decent Work and Economic Growth, at 14.6 percent; and SDG 7, Affordable and Clean Energy, at 10.8 percent.

A total of 321 enterprises received investment or lending in 2024. Reflecting the strong employment-creation role of SSE enterprises, the largest shares by number of enterprises were SDG 8, Decent Work and Economic Growth, at 25.9 percent; SDG 3, Good Health and Well-Being, at 17.1 percent; SDG 11, Sustainable Cities and Communities, at 10.9 percent; and SDG 12, Responsible Consumption and Production, at 10.0 percent.

Figure 14. Number of enterprises receiving investment or loans (Unit: enterprises)

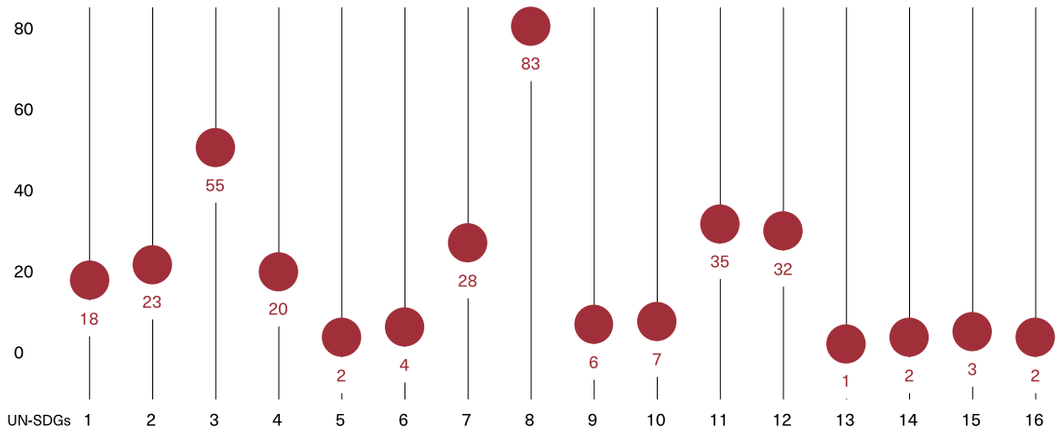
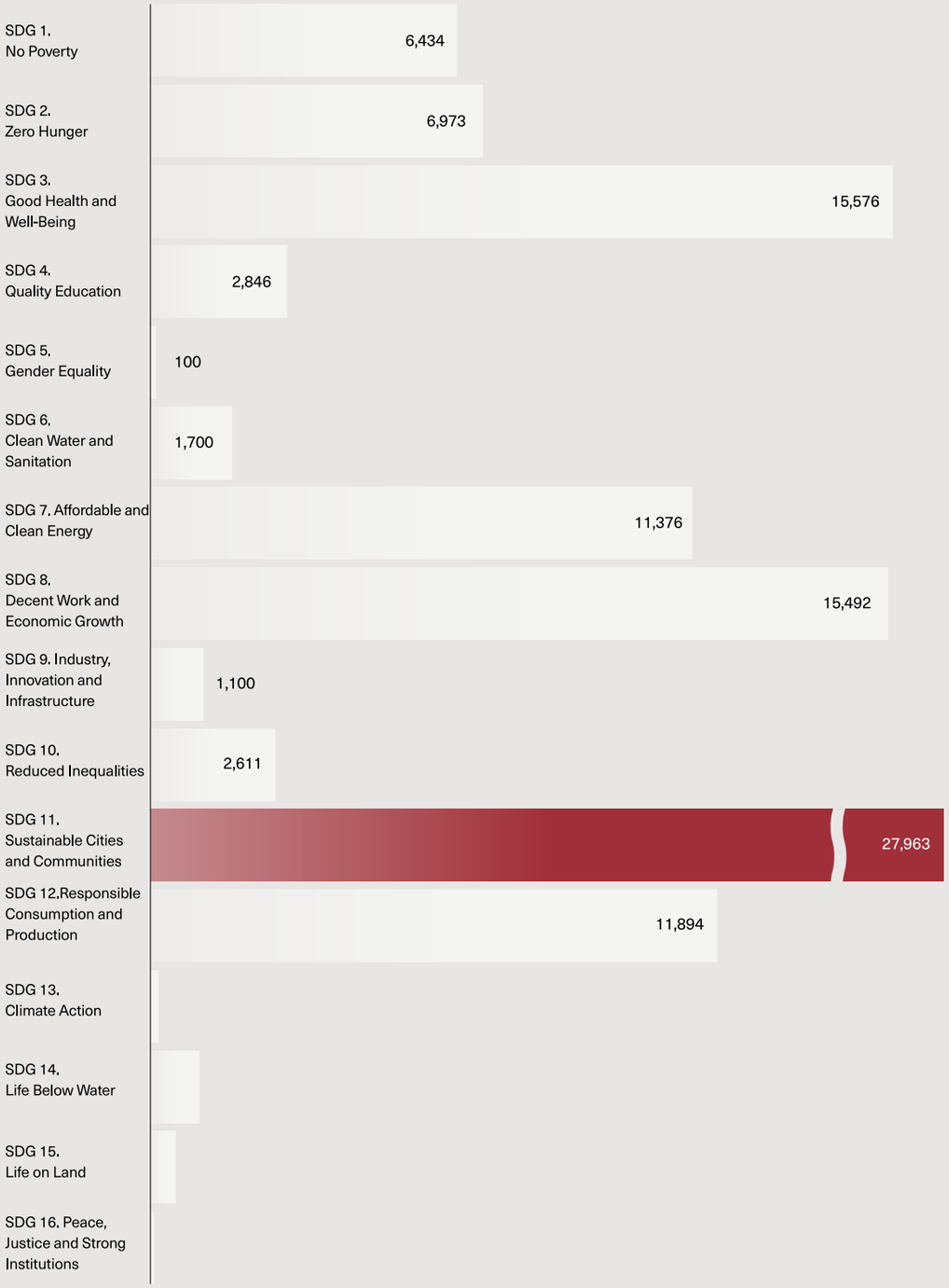


Figure 15. Investment and lending, by SDG (Unit: KRW million)



Monitoring eight priority areas

In 2019, SVS established eight SVS Impact Goals (SIGs), reflecting the major issues addressed by SSE enterprises as well as emerging economic and social opportunities. The SIG framework helps SVS direct capital toward priority areas, assess the social value orientation of its investment and lending programs, and monitor the activities of investee enterprises.

Figure 16. SVS Impact Goals (SIGs)



In 2024, SVS provided KRW 105.8 billion in investment and lending. SIG 5, Environment, Energy, and the Primary Sector, accounted for the largest share at 35.2 percent, followed by SIG 3, Urban Renewal and Culture and the Arts, at 20.3 percent; SIG 4, Health, Elderly Care, and Welfare of the Disabled, at 17.6 percent; and SIG 7, Quality Jobs and Employment, at 14.1 percent.

A total of 321 enterprises received investment or lending in 2024. SIG 5 accounted for 95 enterprises, or 29.6 percent, while SIG 7 accounted for 85, or 26.5 percent. SIG 4 represented 15.0 percent of supported enterprises and SIG 3 represented 10.9 percent.

Figure 17. Investment and lending, by SIG (Unit: KRW million)

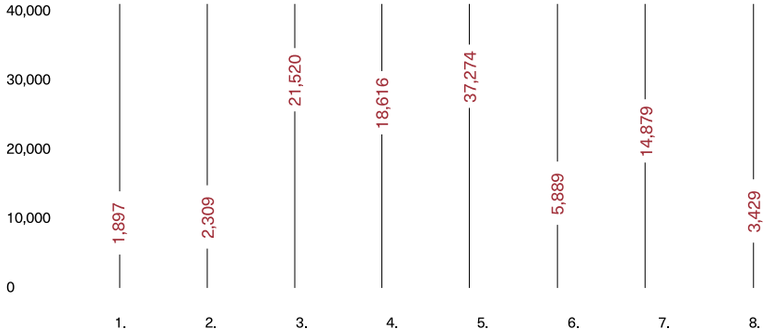
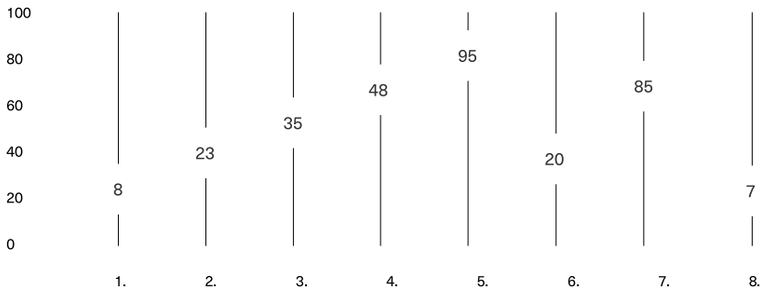


Figure 18. Number of enterprises, by SIG (Unit: enterprises)



2) Enterprise type and geographic and industry distribution

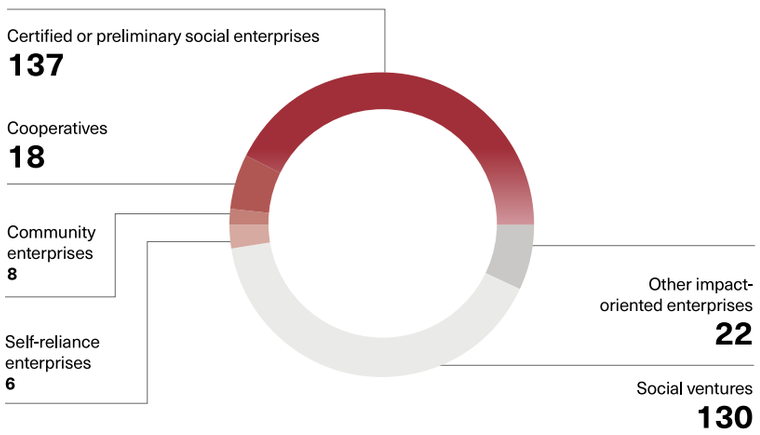
SSE enterprises participating in investment and lending programs through intermediaries had been in operation for an average of 7.12 years. Early-stage enterprises established three years ago or less accounted for 12.9 percent, while early-growth enterprises in their fourth to sixth years accounted for 43.9 percent. Together, these two groups made up 56.8 percent of the portfolio. Growth-stage enterprises in their seventh to tenth years represented 26.1 percent, while mature enterprises operating for 11 years or more accounted for 17.1 percent.

Enterprise type

Of the 321 SSE enterprises receiving investment or lending, 42.7 percent were certified or preliminary social enterprises and 40.5 percent were social ventures. Cooperatives accounted for 5.6 percent, while self-reliance enterprises and community enterprises together accounted for 4.4 percent. The portfolio was therefore weighted relatively heavily toward social enterprises and social ventures.

**Where a self-reliance enterprise, community enterprise, or cooperative is also a social enterprise, it is classified as a social enterprise. The shares shown for these other enterprise types may therefore be lower as a result.*

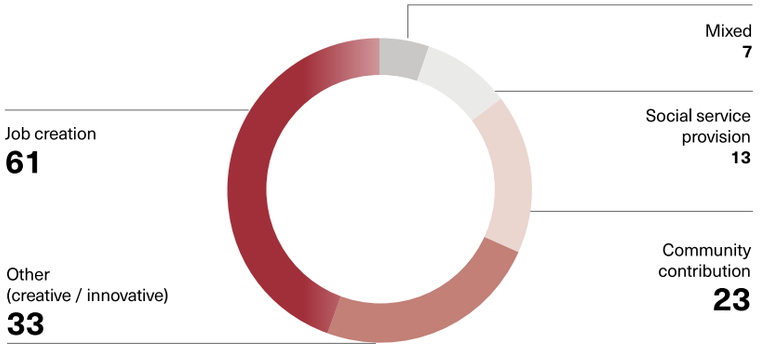
Figure 19. SSE enterprises, by type
(Unit: enterprises)



Social-purpose categories

Of the 137 certified or preliminary social enterprises receiving investment or lending, the largest group was in job creation at 44.5 percent. Reflecting the growing prominence of social value creation through social innovation, other creative and innovative social enterprises accounted for 24.1 percent, while those in community contribution represented 16.8 percent.

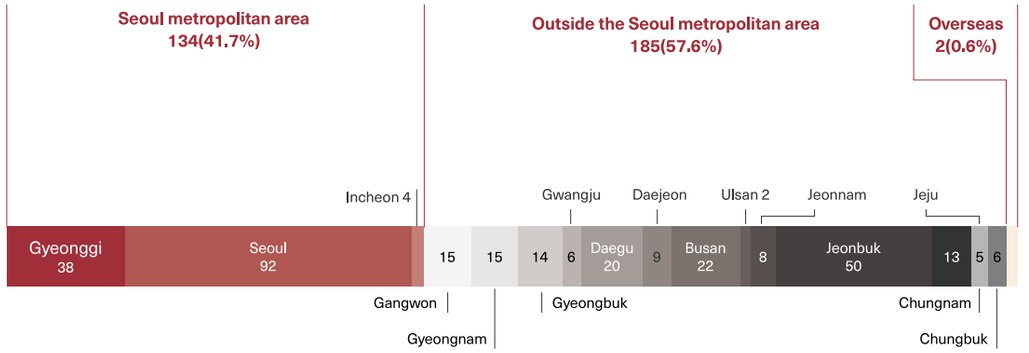
Figure 20. Social enterprises, by social-purpose category
(Unit: enterprises)



Geographic distribution of investment and lending

Of the SSE enterprises financed through intermediary programs linked to SVS, 41.7 percent were located in the Seoul metropolitan area and 57.6 percent outside it. Jeonbuk accounted for a particularly large share, 15.6 percent, largely as a result of four years of matching loan programs with the province's Social Economy Fund. Financial support for SSE enterprises in Daegu and Busan has also increased since regional matching loan programs were launched there in 2022. Since 2021, SVS has expanded its commitments to region-specific social impact funds in areas including Gangwon, Gyeongnam, Gyeongbuk, and Jeju. It has also worked to increase financing outside the Seoul metropolitan area through regional lending intermediaries. This deliberate focus on areas where the need for social finance is relatively high is reflected in the larger number of financed enterprises outside the metropolitan area.

Figure 21. Enterprises receiving investment or lending, by region (Unit: enterprises)



Industry distribution of investment and lending

Looking at the portfolio by industry and at representative enterprises within each sector shows the breadth of the role SSE enterprises play in tackling social problems through viable business models.

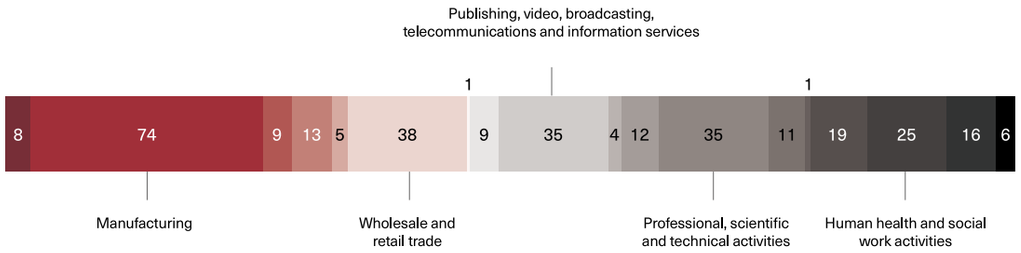
In 2024, manufacturing accounted for the largest share of enterprises at 23.1 percent, followed by wholesale and retail trade at 11.8 percent. Information and communication and professional, scientific and technical activities each accounted for 10.9 percent. Education and human health and social work activities together represented 13.7 percent.

Examples from the manufacturing sector illustrate the range of social problems being addressed, as there are SSE enterprises that produce environmentally friendly paper furniture, donate sanitary products to adolescents in vulnerable circumstances, develop fitness solutions for wheelchair users, prepare and deliver meals for children at risk of going without food, and manufacture mobile energy storage systems using electric-vehicle batteries.

The information sector likewise includes a growing number of SSE enterprises pursuing social innovation through digital platforms. Examples include doorstep collection of household waste, home rehabilitation solutions designed to help children with developmental delays reach their potential, remote platforms for managing chronic illness, smart Braille watches and tablet solutions, and virtual power plant solutions based on renewable energy forecasting.

Social services such as care are also becoming increasingly important as Korea's population ages and birth rate declines. Enterprises in this field provide services including long-term care and household assistance for older people, community-based health care, game solutions for digital dementia treatment, and remote rehabilitation platforms for adults with acquired brain injuries.

Figure 22. Enterprises receiving investment or lending, by industry (Unit: enterprises)



Industry (KSIC* major division)	Enterprises	Share	Examples
Agriculture, forestry and fishing (01–03)	8	2.5%	Solutions for surplus local seafood; products combining fair-trade cacao with Jeju agricultural produce; insect smart farms
Manufacturing (10–34)	74	23.1%	Upcycled fashion products; textiles made using waste oil; insect feed produced from food waste
Electricity, gas, steam and water supply (35)	9	2.8%	Development and operation of systems for peer-to-peer trading and sale of surplus electricity
Sewerage, waste management, materials recovery and environmental remediation (36–39)	13	4.0%	Resident-participation solar projects on public land; production of recycled raw materials from marine waste
Construction (41–42)	5	1.6%	Primarily self-reliance enterprises; home repairs and housing improvements for vulnerable low-income households
Wholesale and retail trade (45–47)	38	11.8%	Distribution of plant-based chicken alternatives; resale of used clothing; rebranding and sale of local specialty liquors
Transportation (49–52)	1	0.3%	Taxi services operated by deaf drivers using communication software for people with hearing disabilities
Accommodation and food service activities (55–56)	9	2.8%	Operation of a cultural complex in a former shipyard; restaurants employing migrant women
Publishing, video, broadcasting, telecommunications and information services (58–63)	35	10.9%	Support services for people with hearing disabilities; fintech platforms for managing allowances; digital storage services for children's artwork
Financial and insurance activities (64–66)	4	1.2%	Overseas remittance services for migrant workers; renewable energy projects; lending-based impact crowdfunding platforms
Real estate and leasing (68)	12	3.7%	Local-space content planning; urban regeneration using vacant properties; construction and rental of social housing
Professional, scientific and technical activities (70–73)	35	10.9%	Patches for dementia treatment; microneedles to expand vaccine access in developing countries; robots for marine oil recovery
Business facilities management and business support services (74–76)	11	3.4%	Cleaning services employing vulnerable groups; rental and collection of reusable containers; waste management
Public administration, defense and social security (84)	1	0.3%	Integrated regional support organization for the SSE, organized as a social cooperative
Education (85)	19	5.9%	Therapy for local children; promotion of traditional games; craft education; development and educational use of local content
Human health and social work activities (86–87)	25	7.8%	Household and nursing care; dementia diagnostic care; long-term care workforce services; speech rehabilitation solutions
Arts, sports and recreation (90–91)	16	5.0%	Sports education and events linked to employment for vulnerable groups; planning of cultural and performing arts programs
Membership organizations, repair and other personal services (94–96)	6	1.9%	Mutual aid for public-interest activists; repair, refurbishment, and resale of toys
Total	321	100.0%	

*KSIC: Korea Standard Industrial Classification

3) Revenue, assets, and employment

Revenue

As of the end of 2023, the 303 responding SSE enterprises reported combined revenue of KRW 791.4 billion. Enterprises in their fourth to sixth years accounted for the largest share, at 41.3 percent. Median revenue rose steadily as enterprises matured: KRW 116 million among early-stage enterprises, KRW 376 million among early-growth enterprises, KRW 740 million among growth-stage enterprises, and KRW 1.855 billion among enterprises operating for 11 years or more.

Assets

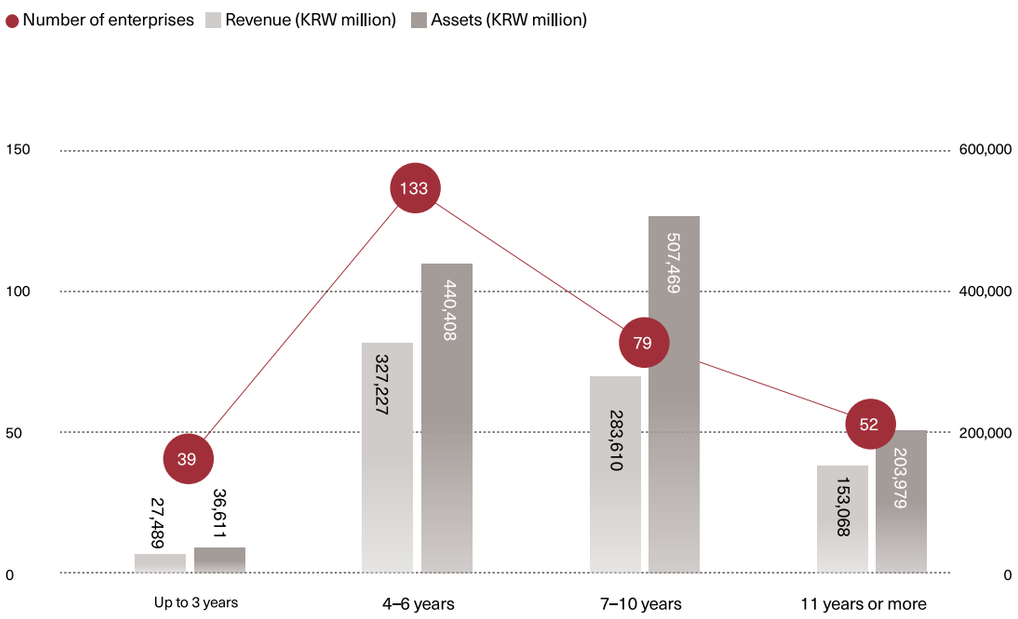
As of the end of 2023, the 297 responding SSE enterprises held combined assets of KRW 1.1885 trillion. Enterprises in their seventh to tenth years accounted for 42.7 percent of total assets, followed by those in their fourth to sixth years at 37.1 percent. Average assets per enterprise were approximately KRW 900–950 million among enterprises operating for four to ten years, rising to approximately KRW 1.68 billion among those operating for 11 years or more.

Employment

In 2024, the 303 responding SSE enterprises participating in investment and lending programs through SVS-linked intermediaries employed a total of 14,762 people. Enterprises in their fourth to sixth years accounted for 10,397 employees, or 70.4 percent of total employment. A total of 9,519 employees, or 64.5 percent of the workforce, were from vulnerable groups. Under the Social Value Index of the Korea Social Enterprise Promotion Agency, a "decent job" is defined here as employment that pays at least the minimum wage, provides at least 15 hours of work per week, and is based on an employment contract with no fixed term. By this measure, the SSE enterprises provided 6,526 decent jobs, equivalent to 44.2 percent of total employment.

Total payroll at these enterprises was KRW 289.6 billion, accounting for 36.6 percent of revenue. By comparison, KOSIS business management indicators show that personnel expenses across all industries accounted for 12.6 percent of revenue in 2023. The substantially higher share among SSE enterprises reflects their strong employment-generating role. The median enterprise employed nine people. Employment also tended to increase significantly as enterprises matured and became more sustainable.

Figure 23. Enterprise distribution and scale, by years since establishment



V. Ecosystem Development Activities

While investment, lending, and guarantees form the core of SVS's work, financing alone cannot fill all the structural gaps in the social finance ecosystem. SVS has therefore pursued a range of ecosystem development activities alongside its financial programs. It has also set aside dedicated resources to explore and respond to underserved areas where financing needs are less predictable, using these resources for targeted support and special lending programs.

01 Developing intermediaries and fostering exchange

SVS combines financial support with nonfinancial assistance such as training, capacity development, networking, and international exchange to help emerging intermediaries become self-sustaining and grow, while encouraging greater exchange and collaboration across the intermediary ecosystem.

1) Training and capacity development

Professional training programs

Since 2022, SVS and the Korea Social Enterprise Promotion Agency have jointly offered regular professional training for practitioners at SFIs and SSE support organizations. The curriculum draws on experienced social finance practitioners as instructors and covers areas including social value assessment, financing, financial statement analysis, and practical investment and lending. In 2025, the program was also adapted to train staff responsible for mutual growth loans at credit unions.

- Cumulative enrollment over four years: 814 participant attendances, 2022–2025
- Approximately 20 hours of instruction per program, delivered through a mix of online and in-person sessions
- Average participant satisfaction: 4.7–4.8 out of 5

Financing information sessions

To improve access to social finance for SSE enterprises, SVS and the Korea Social Enterprise Promotion Agency have held nationwide online information sessions every year since 2020, providing practical guidance on financing strategies for different stages of enterprise growth.

Nine online financing sessions held in total, generally one or two per year, with approximately 100 participants per session, 2022–2025

Regional in-person financing sessions held in approximately five regions each year since 2023

Joint publication of a financing guidebook in 2023

Developing regional intermediaries: Consulting, on-the-job training, and peer learning

SVS provided tailored training and consulting to regional organizations operating social finance programs or SSE mutual aid funds. Support focused on developing manuals for establishing and managing mutual aid funds and lending programs, as well as strengthening the practical skills of operating staff.

Ongoing advisory support, tailored practitioner training, joint participation in loan reviews, mentoring, and support for loan management systems for regional intermediaries in Jeonbuk, Gyeongnam, Daegu, Jeju, Busan, Gangwon, Pyeongtaek, and other regions since 2020

Peer-learning network involving 17 organizations, with monthly online meetings and workshops since 2022

Collaboration on infrastructure development

Joined the Korea Credit Guarantee Fund, Korea Social Enterprise Promotion Agency, and SK in developing a Social Enterprise Assessment System and signing an agreement for its use in 2019

Conducted a joint survey of lending-based intermediaries with the Korea Inclusive Finance Agency in 2019

2) Operating the Social Finance Forum intermediary network

At the end of 2020, SVS joined 24 organizations in launching the Social Finance Forum, a collaborative network of SFIs. The Forum provides a standing platform for exchange and cooperation between intermediaries working to advance social finance. Members have used the network for peer learning, institutional reform initiatives, market data production, and broader public discussion of social finance. SVS participates both as a member and as the Forum's secretariat.

Annual events: Summits, conferences, and side events at expos

Together with member organizations, SVS has held an annual Social Finance Summit or Conference to take stock of ecosystem development over the year, bring social finance issues to the forefront as the policy environment evolves, and broaden participation in the field. The annual program has also included networking sessions between intermediaries and prospective investors, capacity development workshops, and exchanges with international social finance experts, creating opportunities both for relationship building and for developing a shared agenda.

Social Finance Vision Forum held in 2021

Social finance discussion sessions held as side events at the Korea Social Economy Expo in 2021 and 2022

Independent annual Social Finance Forum and Summit events held from 2023 to 2025, with 810 cumulative participants

Surveys and policy proposals

Drawing on input from Forum members, SVS produced market data through initiatives such as social finance surveys and developed joint policy proposals on behalf of SFIs during parliamentary and presidential election periods.

Published the *Social Finance 2020 Survey* report in 2021

Published social finance policy proposals for the 21st National Assembly election in 2020, the 20th presidential election in 2022, and the 21st presidential election in 2025, accompanied by discussion meetings

Social investment IR meetings

SVS created opportunities for intermediaries to meet prospective investors through investor relations and networking sessions. These events helped investors better understand social finance products while creating practical opportunities for investment and collaboration. The sessions were held annually from 2022 through 2024, with 23 intermediaries and 41 current or prospective investing organizations participating in total.

02 Policy research and reform efforts

1) Promoting social finance

Since its establishment, SVS has worked to ensure that social finance receives meaningful attention within broader policies for developing the SSE. It has also sought to deepen the policy discussion by creating public forums in which a wide range of stakeholders can participate. Working with the National Assembly, SVS co-hosted policy forums to assess existing policies and explore future directions.

National Assembly forum, "Current State and Future Challenges of Social Finance Policy," September 20, 2019

National Assembly forum, "Three Years of Policies to Promote Social Finance: Assessment and Future Challenges," February 18, 2021

National Assembly forum, "Promoting the Social Impact Investment and Social Venture Ecosystem," August 7, 2025

Policy forum series on the SSE, "Expanding Access to Finance for the Social and Solidarity Economy," November 6, 2025

Through this work, SVS identified areas where institutional reform was needed and worked with the National Assembly to support legislative and regulatory changes. During the 22nd National Assembly, SVS consolidated proposals from SFIs and proposed legislative amendments to establish a legal basis for credit unions to invest in SSE organizations, create a legal basis for self-reliance mutual aid schemes, and broaden the permitted uses of dormant financial assets. Amendment bills addressing these issues were subsequently introduced in the National Assembly.

…Bill on Support for the Social Economy and Social Finance introduced in December 2021 by Rep. Min Hyung-bae and others; expired at the end of the legislative term

…Partial amendment bills to the *Credit Unions Act*, *National Basic Living Security Act*, and *Act on Support for the Financial Lives of Ordinary People* introduced in November 2025 under the sponsorship of Rep. Yong Hyein

SVS also supported and participated in social finance research conducted by government-funded research institutes, such as:

The Korea Legislation Research Institute's *Social Value Issue Brief 2021: Social Finance*, 2021

The Korea Rural Economic Institute study *Social Economy Strategies for Inclusive Growth and Social Innovation in Rural Areas: Promoting Social Finance at the Local Level*, 2023

2) Supporting local government social economy funds

SVS supported the operation of local government social economy funds and conducted policy research on ways to improve them.

Participated in fund management committees for Gyeonggi-do, Hwaseong, Eunpyeong-gu, Seongdong-gu, Seongbuk-gu, and other local governments

Conducted social finance policy research for Gyeonggi-do, Jeju, and Hwaseong:

Improving the Operation of Local Government Social Economy Funds, commissioned by the Gyeonggi Research Institute, 2022

Strategy and Resource Mapping for Social Venture Development in Hwaseong and *Developing a Growth-Stage Classification and Support System for Hwaseong's Social Economy*, commissioned by the Hwaseong Social Economy Support Center, 2023–2024

Policy Linkages for Building a Jeju Social Finance System, commissioned by the Jeju Provincial Council, 2025

Published *Status of Local Government Social Economy Funds in 2025*, 2025

SVS also helped local governments planning to establish new social economy funds develop operating systems suited to local conditions, drawing on examples and lessons from other regions.

Supported the establishment of social economy funds and related ordinances in Jeollabuk-do and Gyeongsangnam-do in 2020

Supported the establishment of Pyeongtaek's Fund for Cooperation in the Livelihood Economy and related ordinance in 2023

In 2019, SVS also worked with the Seoul Metropolitan Government to request an amendment to the *Framework Act on the Management of Local Government Funds* that would allow local governments to entrust fund management to private-sector organizations.

…The Act was amended accordingly in January 2021, with the amendment taking effect in April 2021.

3) Promoting social investment by public-interest corporations

SVS explored ways to encourage public-interest corporations that pursue social value to participate in social investment, with the aim of improving access to finance for SSE enterprises and social service organizations with limited profitmaking prospects. Drawing on legal frameworks in countries where impact investing by public-interest organizations is more established, SVS developed proposals for reform in Korea. With support from Foundation Dongcheon, SVS developed and proposed to the National Assembly a framework for introducing a "public-purpose investment" system through amendments to the *Inheritance Tax and Gift Tax Act*.

Conducted *Study on Public-Interest Corporation Participation to Promote Investment in Social Services* and *Study on Measures to Establish Financial Support for Social Services*, commissioned by the Ministry of Health and Welfare, 2022–2023.

Participated in the Social Service Institutional Reform Working Group, supporting discussion of measures to promote social investment by public-interest corporations, 2024–2025.

Worked with Foundation Dongcheon to draft amendments to the *Inheritance Tax and Gift Tax Act* for the introduction of a public-purpose investment system and co-hosted private-sector roundtables and a National Assembly forum.

…Partial amendment to the *Inheritance Tax and Gift Tax Act* introduced in January 2025 by Rep. Yun Ho-jung and 10 other lawmakers.

4) Promoting mutual aid based on SSE models

To establish a legal foundation for workers' mutual aid organizations serving people who fall through gaps in the social safety net, SVS and partner organizations jointly held a National Assembly forum on legislative reform. Building on this work, amendments to the *Framework Act on Labor Welfare* were introduced in both the 21st and 22nd National Assemblies to allow workers and persons in special types of employment to establish and operate workers' mutual aid cooperatives for purposes such as improving working conditions.

Co-hosted the National Assembly forum "Advancing Legislation for Workers' Mutual Aid Cooperatives," November 17, 2021

Participated in the Korean Association of Cooperative Studies research project *Developing a Mutual Aid Cooperative Model for Workers in Special Types of Employment and Platform Workers*, commissioned by the Ministry of Employment and Labor, 2022

…Amendments to the *Framework Act on Labor Welfare* introduced by Rep. Ahn Ho-young and others in November 2021 during the 21st National Assembly and in April 2025 during the 22nd National Assembly

SVS also explored ways to expand mutual aid models across the SSE, including consumer cooperative mutual aid and cooperative mutual aid, so that people could build systems of mutual support through solidarity in everyday life. It worked with partners on related legal and institutional reforms.

Co-hosted the National Assembly forum "Promoting Social Solidarity Mutual Aid," February 9, 2022

Participated in the study *Improving Mutual Aid Lending Programs for Public-Interest Activists*, conducted by Donghaeng Social Cooperative, 2025

SVS also supported the Korea Social Housing Association in establishing a recovery fund for Tantan Housing Cooperative to assist victims of lease deposit fraud. Seeking longer-term institutional solutions, SVS additionally participated in citizen-funded research for LAB2050's Lease Deposit Fraud Policy Research Citizen Fellowship.

Participated in citizen funding for the *Lease Deposit Fraud Policy Research Citizen Fellowship* conducted by LAB2050 and Naioth and co-hosted a presentation of the research findings, 2025

03 Communications and international exchange

1) Communications

To improve understanding of social finance and broaden access to high-quality information, SVS developed channels for maintaining ongoing engagement with stakeholders and regularly shared news, information, and trends. Through the *SVS Insight* series, it highlighted noteworthy cases, emerging trends, arguments, and perspectives. It also selected timely and thought-provoking books on the SSE for translation and publication in Korean and brought researchers, practitioners, and experts together to co-author a book exploring the future of the SSE. In 2025, SVS also supported publication of a book presenting recent SSE cases.

Developing and managing online channels

SVS established and operates a bilingual Korean-English website, as well as the Social Finance Forum, Social Finance Hub, and other campaign websites.

Posts through social media and other online channels, including Facebook and blogs

Monthly newsletter with 4,460 subscribers and an average open rate of 27 percent

Special editorial series in the media

SVS Insight series

Issue No. 1. *Platform Cooperativism*, Yang Seok-won, May 2020

Issue No. 2. *Cooperative Financing Cases and Their Implications*, Seo Jin-seon, May 2020

Issue No. 3. *Resident-Led Energy Transition: Focusing on Energy Cooperatives*, Park Gyu-seop, August 2020

Issue No. 4. *The Green New Deal and Social Housing*, Choe Kyung-ho, September 2020

Issue No. 5. *Imagining Social Finance: International Cases in Social Finance*, Jeong Jong-deok, December 2020

Issue No. 6. *Social Finance in Quebec: Current Landscape and Key Characteristics*, Lee Mi-ok, October 2021

Issue No. 7. *Social Finance Today and Tomorrow: A Comparison with Conventional Finance*, Park Jong-hyun, January 2022

Issue No. 8. *Review of Social Value Assessment Frameworks and Directions for Institutionalization*, Koo Bon-woo, July 2023

Issue No. 9. *Legal and Institutional Challenges in Promoting Social Investment by Public-Interest Corporations*, Kim Hyo-sun, May 2025

Issue No. 10. *An SSE-Based Model for Recovery from Lease Deposit Fraud: The Case of Tantan Housing Cooperative*, Tantanji Research Team, October 2025

Support for publication of books on the SSE

Supported adaptation and publication of the Korean edition of *The Community Tool Box: A Guide for Changemakers*, written by the Center for Community Health and Development at the University of Kansas and translated by WAGL Foundation, April 2020.

Supported publication of the Korean edition of *Manifesto of the Poor: Solutions Come from Below*, by Francisco van der Hoff Boersma, translated by Park Hyeong-jun, Manongji, April 2020.

Supported publication of the Korean edition of *Trente ans d'économie sociale au Québec : Un mouvement en chantier*, by Nancy Neamtan, translated by Hong Gi-bin, Coop Dream, published by the iCOOP Cooperative Research Institute, June 2022.

Supported publication of *2030 Prospects of Korea's Social Economy: Rivers to Oceans, Waves of Solidarity and Self-help*, edited by the Korea Social Value and Solidarity Foundation, Kyungin Publishing, June 2023.

Supported publication of *31 Success Stories of Social and Solidarity Economy Enterprises Built by People, Not Capital: What If 1,000 People Became Good Landlords Together?* by Jeong Won-gak, Bookdodum, March 2025.

Supported publication of the Korean edition of *L'Économie sociale et solidaire : une utopie réaliste pour le XXIe siècle ?* by Robert Boyer, translated by Park Chung-ryeol and Ahn Jeong-hyeon, supervised by Song Won-keun and Kim Hyung-mi, Kyungin Publishing, May 2025.

Collaboration with the SSE and civil society

Support for H-ESG, a networked knowledge hub: SVS participated in H-ESG, a networked knowledge hub operated by the Hankyoreh Economy and Society Research Institute (HERI). From a third-sector perspective, participants explored what "human-centered ESG" should look like, studied relevant institutions and practices, and worked together to promote sound norms and a supportive culture. Activities with H-ESG included:

Co-organizing the "Human-Centered ESG" session at the 2021 Asia Future Forum, October 2021

Supporting publication of the report *Human-Centered ESG*, February 2022

Supporting 21 online and in-person seminars and forums from 2022 to 2025

Supporting publication of the Korean edition of the UNRISD *Sustainable Development Performance Indicators (SDPI) Manual*, October 2024

BTSE social economy study group: In 2022, researchers and practitioners came together through the BTSE study group to examine and discuss future directions for the social economy. Their discussions were compiled into the book *2030 Prospects of Korea's Social*

Economy: Rivers to Oceans, Waves of Solidarity and Self-help, published in summer 2023. The book brought together 18 contributors. Following its publication, book talks were held in eight regions around the country.

Collaboration with the HERI Social Economy Policy Forum: SVS provided partial support for the Social Economy Policy Forums operated by HERI in 2024 and 2025.

22nd Forum: "2025 UN International Year of Cooperatives: Growing Together through Cooperatives," July 2, 2024

23rd Forum: "The Future of Local Communities Shaped by the Social Economy in an Era of Demographic Crisis," November 5, 2024

24th Forum: "Follow-up to the National Policy Agenda: Dialogue with the Field on Building an Implementation System for the SSE," August 20, 2025

25th Forum: "How Can the SSE Work at the Local Level?" September 29, 2025

Joint operation of the Sollaci Forum for labor–civil society solidarity: The Sollaci Forum was created as a space where labor and civil society practitioners could move beyond sectoral boundaries and build lasting solidarity and exchange. Annual exchange events have been held since 2023. The Forum is jointly organized through a steering committee that includes the Public Workers Solidarity Foundation, Korea Financial Industry Foundation, Office Workers' Financial Union Uboontu Foundation, Jeon Tae-il Foundation, and other organizations.

2) International exchange

SVS has maintained an active program of international exchange, introducing developments in Korean social finance overseas while bringing international policies and practices to Korea. It has presented its experience operating a wholesale fund at international forums and conferences, raising the profile of Korean social finance and expanding its network of overseas partners. SVS has also identified and introduced relevant policies and cases from Quebec, the United Kingdom, Europe, and elsewhere and translated major publications into Korean to strengthen the domestic knowledge base.

Translation and publication

Published a Korean translation of CAP Finance's *Guide d'analyse des entreprises d'économie sociale*, 2019.

Published a Korean edition of the Global Impact Investing Network's *2023 GIINsights* series, 2024.

Published a Korean edition of the UN Inter-Agency Task Force on Social and Solidarity Economy policy brief *Financing for Development: Unlocking the Potential of the Social and Solidarity Economy*, 2025.

Published a Korean edition of GSG Impact's *Impact Investment Wholesalers and Fund of Funds: Design Insights from the GSG Impact Partnership*, 2025.

International network activities

SVS participates in international networks including the Global Forum for Social and Solidarity Economy (GSEF) and AVPN, collaborating on cross-country research and seminars and sharing information and cases from Korea's social finance sector.

Participated in GSEF's working group on financing the SSE since 2024

Supported a Korean financial institution seeking to adopt an ethical banking model in joining the Global Alliance for Banking on Values (GABV); in 2025, Seongnam Residents Credit Union became the first Korean institution to join as an associate member

Seminars and exchanges with international experts

Online meeting with Simon Borkin of Commonly on community shares in the United Kingdom, 2020

Annual online webinars on social finance in Quebec, 2020–2023

Invited international speakers to Social Finance Forum events in 2023, including representatives from Inclusiv in the United States, the European Federation of Ethical and Alternative Banks and Financiers (FEBEA), the Global Alliance for Banking on Values (GABV), the International Cooperative and Mutual Insurance Federation (ICMIF), and Japan CO-OP Insurance Consumers' Co-operative Federation; supported case sharing and exchange with relevant Korean organizations

Online seminar with former GSEF Secretary-General Laurence Kwak on international developments in the SSE, 2024

Meeting for SSE practitioners on Community Wealth Building (CWB), featuring Matthew Brown, Leader of Preston City Council, and expert Neil McInroy; co-hosted by the Council of Metropolitan Social Economy Support Centers and the Hope Institute, 2024

Presentation and media coverage of international wholesale fund models: case presentation and exchange with an investment officer from Japan Network for Public Interest Activities (JANPIA), and an online presentation by Philipp Essl of Big Society Capital on the UK model, 2025

Presenting Korean social finance internationally

GSG Impact international wholesaler network webinar: presentation on SVS and the Korean social finance landscape, 2020

GSEF Global Virtual Forum: panel participation and presentation of the SVS case, 2020

2020 Asian Approaches to Development Cooperation (AADC) Webinar series: presentation on the role of social finance in responding to COVID-19, 2020

GSG Impact seminar: presentation on the Korean social finance landscape, 2022

Training program for Colombian civil servants on the social economy: introduction to Korean social finance policy, in cooperation with KDI, 2022

2024 Asia Impact Night: presentation of SVS as a case of catalytic capital, 2024

SOCAP24: panel participation in "Southeast Asia Impact Investing: Embarking with the Pioneers," 2024

FAIR-GSEF global study on financing the SSE: SVS featured as a case study, 2025

GSG Impact Dialogue ("Impact Wholesalers and Fund of Funds in Asia"): presentation of the SVS case, 2025

BordeauxGSEF2025: presentations in plenary and thematic sessions, 2025

Participation in cross-country research and joint events

Co-organized the workshop session "The Future of Social Finance after COVID-19" with CAP Finance, Banca Etica, AVPN, and Laboral Kutxa as part of GSEF Virtual Forum 2021, 2020

Participated through the SILK consortium in the OECD–EU Global Action "Promoting Social and Solidarity Economy Ecosystems," 2020–2021

Sponsored the ICA's 33rd World Cooperative Congress in Seoul and participated in the Asia policy conference, 2021

Collaborated on GSG Impact's global report on impact investment wholesalers, 2022–2023

Participated in GSG Impact's country-level research on wholesale funds, with the Korean case included in the report, 2024

Participated in research by the UN Inter-Agency Task Force on Social and Solidarity Economy on country-level financing cases, with the Korean case included, 2024–2025

04

Addressing gaps in access to finance

SVS has worked to identify areas where market-based finance does not reach and to find sources of capital capable of meeting demand in those gaps. For areas with particularly high levels of uncertainty, it mobilized resources separate from its contributed capital. These resources were used to develop technology-enabled social innovators, provide emergency support to the SSE and vulnerable groups during crises such as COVID-19, and respond proactively in areas beyond the reach of conventional financing.

1) Developing technology-enabled social innovators

KT Warm Technology Plus Challenge, 2020–2023

Working with KT and Impact Square, SVS operated the KT Warm Technology Plus Challenge to identify and develop social innovation enterprises using technology to address social problems. The program selected SSE enterprises helping bridge digital divides in areas such as safety, health, the environment, poverty, and local economies. Participating enterprises received implementation grants along with access to KT's ICT resources and management consulting.

Operated an annual support program worth approximately KRW 1.0 billion with funding from KT, 2020–2023.

Selected six to eight enterprises each year, providing up to KRW 100 million in implementation funding per enterprise together with ICT support; high-performing enterprises were also connected to additional implementation funding and impact investment.

2) COVID-19 disaster response

Emergency working capital loans and fundraising support for SSE enterprises, 2020–2022

To support SSE enterprises facing a sudden collapse in revenue during COVID-19, SVS established the Disaster Solidarity Fund in 2020 with contributions from public institutions, corporations, and other partners and used it to provide emergency working capital.

Raised approximately KRW 400 million for the Disaster Solidarity Fund and provided KRW 230 million in emergency COVID-19 working capital loans to 25 enterprises. Part of the capital later recovered was used to support crowdfunding by 55 enterprises, attracting 1,512 investors and raising KRW 210 million in 2020.

Sought to address gaps in the social safety net exposed by the pandemic by providing KRW 150 million in patient capital to an organization working to strengthen protections for workers in precarious employment.

Livelihood loans for precarious workers and development of workers' mutual aid, 2020–2023

To strengthen the social safety net for workers outside the employment insurance system, including workers in special types of employment, freelancers, and platform workers, SVS supported the establishment and growth of mutual aid organizations based on mutual support.

In 2020, when the COVID-19 pandemic began, SVS matched KRW 400 million of its own capital with KRW 2.0 billion from the Seoul Social Investment Fund, creating a KRW 2.4 billion livelihood lending program delivered through organizations representing workers in precarious employment.

During the program, SVS identified the need for an organization specializing in support for precarious workers' groups. It helped worker organizations and supporting institutions establish a federation, leading to launch of the Poolbbang Workers' Mutual Aid Federation in 2021.

To support Poolbbang's development, SVS provided a KRW 150 million working capital loan from the Disaster Solidarity Fund. KT and POSCO sponsorship also provided approximately KRW 150 million in program development funding over three years. SVS further supported operations through participation in executive, management, and asset management committees.

As of June 2026, Poolbbang had grown to 45 member organizations with approximately 5,000 mutual aid members.

Preserving the productive capacity of SSE organizations in developing countries, 2020–2021

To help SSE organizations in developing countries weather the COVID-19 crisis through international solidarity, SVS worked with Korean fair-trade SSE enterprises on the "COVID-19 Support Program for SSE Organizations in Developing Countries." In April 2020, SVS signed an MOU with the Korea International Cooperation Agency (KOICA) and developed projects designed to reduce pandemic-related damage and help SSE organizations restore productive capacity.

Working with program operator Merry Year Foundation, provided USD 500,000 for personnel costs, rent, and business development to 38 organizations around the world from a total program budget of KRW 1.0 billion.
Quickly repurposed existing fair-trade networks as emergency relief channels while international travel and direct contact were severely restricted.
Supported organizations recording meaningful increases in employment, output, and sales compared with the immediate aftermath of the COVID-19 outbreak. Because the support period lasted less than one year, however, the longer-term effects of the prolonged pandemic could not be assessed.

Establishment and use of the Disaster Solidarity Fund for COVID-19 response, 2020–2023

Establishment and first deployment of approximately KRW 400 million in 2020

Funds raised: KRW 300 million in donations and KRW 100 million in grant funding under a KT–Community Chest of Korea project
Investment/lending 1: KRW 240 million in loans to SSE enterprises, including intermediary fees, covering 25 organizations
Investment/lending 2: KRW 150 million in financing for the social safety net for workers in precarious employment, provided to one organization
Support 1: KRW 10 million in grants to two nonprofit organizations through designated donations

Recovery of approximately KRW 200 million and second deployment, 2021–2023

Recovery: KRW 200 million recovered from KRW 240 million in SSE enterprise loans, with 21 organizations repaying
KRW 34 million written off as unrecoverable
Support 2: KRW 100 million used for crowdfunding support and related assistance to 55 SSE enterprise projects
Implemented as grant-funded activities in accordance with Community Chest of Korea guidelines
Investment/lending 3: Rescue financing for a re-lending intermediary under the Seoul Social Investment Fund
Supported stabilization of an intermediary placed at risk by the bankruptcy of an enterprise financed through the Seoul Social Investment Fund

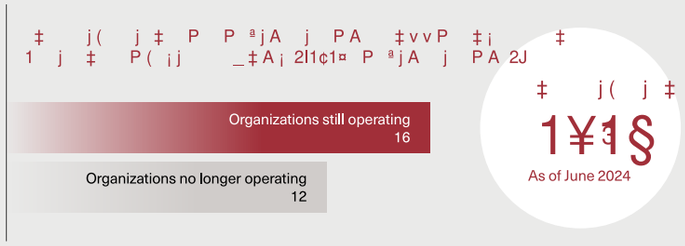


Table 23. Establishment and use of the Disaster Solidarity Fund (Unit: KRW)

Item	Amount	Notes
Disaster Solidarity Fund established	403,996,880	2020
- Donations	303,996,880	Private donations
- Grant funding	100,000,000	KT–Community Chest of Korea project funding
First deployment of Disaster Solidarity Fund	398,615,000	2020
- COVID-19 loans	233,000,000	Loans to 25 organizations
- Intermediary operating expenses	3,390,000	Loan management intermediary
- COVID-19 grants	12,225,000	Grants to two organizations through designated donations
- Workers' mutual aid loan	150,000,000	Social safety net financing for workers in precarious employment
Disaster Solidarity Fund recovered	199,168,750	2021–2023
- Recovery of loans financed through donations	99,168,750	Repayments from 21 organizations; KRW 34 million written off for four organizations
- Recovery of loans financed through grant funding	100,000,000	KT–Community Chest of Korea project funding
Second deployment of Disaster Solidarity Fund	199,912,000	2022–2024
- Crowdfunding support	91,000,000	Fundraising support for 55 projects
- Intermediary operating expenses	9,000,000	Repayment management
- Investment in intermediary maintenance capital	99,912,000	Support for a re-lending intermediary under the Seoul Social Investment Fund

VI. Review and Future Priorities

SVS reviews its performance and evaluates results through annual reports to the Board. Areas identified for improvement through this process are reflected in the following year's business plan, while progress on key priorities is updated and tracked regularly.

01 Key outcomes

1) Growth of intermediaries specializing in social finance

Of the 55 investment and lending programs in which SVS participated, 44 were indirect programs delivered through intermediaries. These programs were carried out in partnership with 23 intermediaries, 19 of which primarily specialize in social finance rather than conventional finance.

- Nationwide fund managers: six institutions, including venture capital firms, accelerators, and private equity firms
- Nationwide nonprofit intermediaries: three institutions specializing in nonprofit lending and mutual aid
- Regional intermediaries: six institutions, including incorporated associations and foundations
- Sector-specific intermediaries: two institutions, including an incorporated association and a federation of cooperatives
- New financial service providers: two institutions, comprising an SIB operator and a P2P finance provider

Of these 19 organizations, the analysis below covers 15, excluding two that began working with SVS in 2025 and two new financial service providers. The figures are based on their annual reports from 2022 through 2025.

Age and staffing of intermediaries

The 15 SFIs have been incorporated for an average of 12.4 years. When periods of operation before incorporation are also counted, including work conducted as informal organizations or within predecessor entities, their average operating history rises to 14.5 years. Nationwide intermediaries are relatively established organizations, with an average operating history of about 19 years. Sector-specific intermediaries average 12.5 years, while regional intermediaries average 8.8 years. This suggests that intermediary models have increasingly begun to diversify and develop along regional and sectoral lines.

The 15 intermediaries employ an average of 16.6 people, including 15.3 full-time employees. Most intermediaries, including accelerators, nonprofit intermediaries, and regional and sector-specific organizations, combine financial intermediation with other forms of support and enterprise development for SSE enterprises. Their entire workforce therefore cannot be regarded as specialized social finance personnel in the narrow sense. This is particularly true of regional and sector-specific intermediaries, which are often emerging from network organizations with existing expertise in supporting SSE organizations and are adding a financial intermediation function.

This hybrid structure can be a weakness where specialized expertise is needed to receive and manage external capital. At the same time, it can also be a strength, allowing intermediaries to combine financing with nonfinancial support for investees. As the sector develops clearer models for SFIs, it will be important both to address these weaknesses efficiently and to build on the advantages of this integrated approach.

Table 24. Age and staffing of social finance intermediaries (15 institutions)

	Institutions	Average years since incorporation	Average operating history	Employees	Full-time employees
Total	15	12.4 years	14.5 years	16.6	15.3
Nationwide fund managers	5	16.8 years	18.4 years	32.2	30.8
Nationwide nonprofit intermediaries	3	12.3 years	19.0 years	7.7	7.0
Regional intermediaries	5	8.8 years	8.8 years	12.3	9.8
Sector-specific intermediaries	2	10.5 years	12.5 years	2.5	2.5

Intermediary fundraising and investment and lending activity

Estimated assets under management (AUM) across the 15 intermediaries totaled KRW 488.2 billion in 2025, up from KRW 258.1 billion in 2022. This represents average annual growth of 23.7 percent over four years. On a per-institution basis, average AUM increased from KRW 19.9 billion in 2022 to KRW 32.6 billion in 2025. Based on 2025 estimates, nationwide fund managers had by far the largest average AUM, at KRW 84.2 billion. Nationwide nonprofit intermediaries averaged KRW 19.8 billion, sector-specific intermediaries KRW 2.6 billion, and regional intermediaries KRW 500 million.

Table 25. Average AUM of 15 social finance intermediaries, by year (KRW 1 billion)

	Institutions	2022	2023	2024	2025 estimate
Total	15	19.90	22.90	27.30	32.60
Nationwide fund managers	5	41.70	52.50	69.30	84.20
Nationwide nonprofit intermediaries	3	15.00	17.00	18.90	19.80
Regional intermediaries	5	0.25	0.33	0.37	0.50
Sector-specific intermediaries	2	1.86	2.55	2.15	2.60

The 15 intermediaries were estimated to have 2,048 investee enterprises in 2025, up from 1,235 in 2022, an average annual increase of 18.4 percent. The average number of investees per intermediary rose from 95 in 2022 to 137 in 2025. Based on 2025 estimates, nationwide fund managers had an average of 116 investees, while nationwide nonprofit intermediaries averaged 431. Regional intermediaries averaged 29 investees and sector-specific intermediaries 16.

Table 26. Average number of investees per SFI, by year (15 institutions)

	Institutions	2022	2023	2024	2025 estimate
Total	15	95	109	118	137
Nationwide fund managers	5	66	83	98	116
Nationwide nonprofit intermediaries	3	281	337	385	431
Regional intermediaries	5	15	17	20	29
Sector-specific intermediaries	2	9	13	15	16

Average investment per enterprise increased from KRW 210 million in 2022 to KRW 240 million in 2025, driven largely by fund managers. Based on 2025 estimates, average investment per enterprise was KRW 730 million among nationwide fund managers, compared with KRW 50 million among nationwide nonprofit intermediaries and KRW 20 million among regional intermediaries. Sector-specific intermediaries averaged KRW 170 million.

Table 27. Average investment per enterprise, by SFI type and year (KRW 1 million)

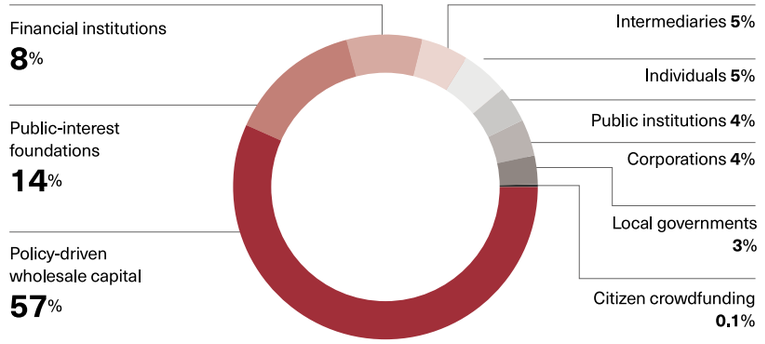
	Institutions	2022	2023	2024	2025 estimate
Total	15	210	210	230	240
Nationwide fund managers	5	630	630	710	730
Nationwide nonprofit intermediaries	3	50	50	50	50
Regional intermediaries	5	20	20	20	20
Sector-specific intermediaries	2	200	200	140	170

2) Emergence of a diverse range of social investors

The KRW 23.2 billion supplied by SVS was combined with capital from other investors, including the central and local governments, financial institutions, and public-interest foundations, to support investment and lending programs totaling KRW 188.5 billion. A total of 121 investors participated alongside SVS: 77 institutions and 44 individual investors.

Policy-driven wholesale capital accounted for the largest share of financing at 56.9 percent. This category comprises institutions deploying capital under the government's social finance promotion policies: the Korea Fund of Funds at 41.9 percent, SVS at 12.3 percent, and Korea Growth Investment Corporation at 2.7 percent.

Figure 24. Composition of investors participating in social finance programs



Of the KRW 188.5 billion in total financing, KRW 107.2 billion came from policy-driven wholesale capital. The remaining KRW 81.3 billion was supplied by social investors that entered the market during this period. Among social investors other than wholesale capital providers, public-interest foundations supplied the largest share, at 13.5 percent. Of the KRW 25.36 billion they provided, KRW 15.0 billion came from the KB Social Investment Fund. Established by KB Financial Group through the KB Foundation to promote social finance, the fund was deployed through Korea Growth Investment Corporation. Other participants included the financial-sector foundation D.CAMP; corporate foundations affiliated with SK, Kakao, and Daekyo; regional Centers for Creative Economy & Innovation in Gangwon, Gyeongnam, Gyeongbuk, and Jeju; Yonsei University, Yeungnam University, Ewha Womans University, and Jeju National University; and the Community Chest of Korea.

Beyond public-interest foundations, the investor base included financial institutions at 8.2 percent, individual investors at 4.8 percent, public institutions at 4.1 percent, corporations at 3.7 percent, and local governments at 3.3 percent. Citizen crowdfunding, although still small in scale, also brought small individual investments into the market through P2P finance platforms.

Notably, this capital was deployed not through conventional financial institutions but through emerging intermediaries specializing in social finance. These intermediaries also invested KRW 10.1 billion of their own capital, equivalent to 5.4 percent of total financing. This included KRW 1.06 billion from mutual aid funds established by regional and sector-based SSE organizations.

SFIs work to persuade an increasingly wider range of institutions and individuals to allocate capital to economic activity that creates social value, while protecting investors' assets and ensuring that financing is used as intended. Their efforts have produced socially significant examples while also generating financial results that point to the potential for long-term sustainability.

Table 28. Investor composition (KRW 1 billion)

Investor type	Number of investments	Number of Investors	Capital supplied	Share	Average per investment
Policy-driven wholesale capital	66	3	107.18	56.9%	1.63
Local governments	11	7	6.22	3.3%	0.57
Public institutions	8	6	7.72	4.1%	0.97
Public-interest foundations	21	17	25.36	13.5%	1.21
Financial institutions	9	9	15.50	8.2%	1.72
Corporations	19	16	7.05	3.7%	0.42
Individuals	51	44	9.12	4.8%	0.18
Citizen crowdfunding	4	1	0.16	0.1%	0.04
Intermediaries	32	18	10.14	5.4%	0.30
Total	221	121	188.45	100%	0.85

02

Review and assessment

1) Demonstrated viability of the wholesale fund model: Confirming the mobilization effect of catalytic capital

The KRW 23.2 billion supplied by SVS supported investment and lending programs totaling KRW 188.5 billion, an 8.1-fold mobilization multiple. Even excluding policy-driven wholesale capital, the programs attracted KRW 81.3 billion from new social investors. Seven years of operating results demonstrate that a wholesale fund can act as a catalyst for mobilizing private and regional capital. At the same time, 56.9 percent of total financing still comes from policy-driven wholesale capital, indicating that a self-sustaining private investment base remains at an early stage of development.

2) Development and diversification of a specialized social finance intermediary ecosystem

SVS maintained its principle of indirect deployment, which accounted for 83.0 percent of financing, and built partnerships with 23 intermediaries. Of the 15 specialized SFIs that have worked with SVS since its earlier years of operation, AUM grew by an annual average of 23.7 percent over four years, while the number of investees increased by an annual average of 18.4 percent. The market has also become more layered, with models ranging from nationwide fund managers to nonprofit intermediaries rooted in specific regions and industries. However, the small scale of regional intermediaries, whose average AUM is just KRW 500 million, together with persistent challenges in developing and retaining specialized personnel, continues to limit their capacity to receive and manage external capital.

3) Balanced portfolio management based on the impact-return spectrum

Through its four Class A-D asset classes, SVS deliberately allocated approximately two-thirds of its assets to areas accepting returns below market rates, while the eight completed programs financed with contributed capital generated an average annual return of 7.4 percent. At the portfolio level, this demonstrates that social value and financial sustainability do not have to be mutually exclusive. As the wholesale fund expands, however, maintaining—and ultimately advancing—the impact-adjusted efficient frontier while establishing a self-sustaining cycle of capital will require stronger investment mechanisms that share both risk and return, rather than continued reliance on lending.

4) Adoption and establishment of IMP-based impact management framework

Since adopting the Impact Management Project (IMP) framework in 2020, SVS has embedded an impact perspective throughout the investment lifecycle, from sourcing and review through decision-making, monitoring, recovery, and exit. It has also developed a wholesale fund-specific approach that manages impact at two levels: the value created by investees and the broader contribution to developing the social finance ecosystem. Methodologies such as preliminary screening across six categories of impact risk have been integrated into day-to-day operating processes. Challenges remain, however. Data collected indirectly through intermediaries still need greater consistency and comparability, and the system for tracking impact after capital recovery remains underdeveloped.

5) Closing financing gaps through patient capital and disaster response channels

SVS supplied patient capital to areas underserved by conventional finance, including regions outside the Seoul metropolitan area, which accounted for 30.6 percent of allocations, as well as cooperatives, social housing, renewable energy, and workers' mutual aid. During COVID-19, the Disaster Solidarity Fund also provided a rapid emergency financing channel. These experiences demonstrated the role social finance can play as a social safety net, both through financing in ordinary times and through rapid response in times of crisis. A sustainable funding structure for Class D assets, which accept the possibility of losses and account for 13.0 percent of the portfolio, remains an unresolved challenge.

6) Applying responsible recovery principles specific to social finance

SVS incorporated responsible recovery into investment structuring and post-investment management, taking into account the continuity of social value and the importance of an "orderly exit." It institutionalized recovery mechanisms that differ from those of conventional finance, including the use of flexible capital structures and differentiated treatment of distressed debt based in part on an assessment of moral hazard. However, recovery has begun for only 30 of the 55 programs, with 37.5 percent of principal recovered, and the impact tracking framework remains incomplete. It is therefore still too early to assess the overall effectiveness of responsible recovery.

7) Ecosystem development as a market-building function, and limits of the current institutional agenda

Nonfinancial activities such as professional training, consulting for regional intermediaries, the Social Finance Forum, and financing information sessions have helped fill gaps that capital alone cannot address. In this sense, SVS has played a substantive market-building role. Important institutional reforms remain unfinished, however, including enactment of the Framework Act on the Social and Solidarity Economy. Building a new policy agenda will therefore be a central task for the next stage.

03

Future priorities

1) Strategic direction

The first phase of the government's social finance promotion policy, pursued alongside the launch of SVS from 2018 to 2021, improved access to finance for SSE organizations. Its effects have continued even after the original promotion programs ended. Building on those achievements, the next phase should move from improving access to finance toward scaling impact, while shifting the emphasis from simply supplying capital to building a sustainable social investment ecosystem.

Direction 1. From improving access to scaling impact

Table 29. Future direction: Scaling impact

	Current approach	Future direction
Strategic objective	Improve access to finance	Scale impact
Purpose of financing	Support market entry and stabilize operations	Support growth and impact creation
Financing needs	Startup and working capital	Growth capital and project financing
Financing approach	Predominantly lending	Strengthen investment mechanisms that share risk and return
Selection criteria	Enterprise eligibility	Scale and depth of intended impact
Value provided	Volume of capital	Nature of capital, including catalytic and patient capital

Direction 2. From supplying capital to building a sustainable system

Table 30. Future direction: Building a sustainable system

	Current approach	Future direction
Primary focus	Supply capital	Build a sustainable system
Investors	Primarily central government	Develop regional and private investors: - Support social investment by public-interest foundations and encourage participation by regional financial institutions. - Improve the use of local government funds. - Develop citizen investment and mutual aid funds.
Intermediaries	Infrastructure primarily serving SMEs and small businesses: public-sector delivery channels and policy cooperation with financial institutions	Diversify intermediaries and build collaborative structures: - Develop private intermediaries and lead arrangers for project finance. - Establish complementary roles by enterprise growth stage and across the impact–risk spectrum.
Demand	Primarily SSE enterprises	Expand to local revitalization initiatives and impact projects: - Develop high-quality demand through consulting and dissemination of strategic models through federations. - Strengthen the financial capabilities of organizations in the field and diversify regional anchor institutions.
Infrastructure	Determine eligibility Build market infrastructure:	- Establish the use of impact measurement and management (IMM) as standard practice. - Build robust risk management systems.

2) Strategic priorities

Priority 1. Expand the capital base of the public-private wholesale fund and establish the necessary institutional framework.

Expanding the wholesale fund is essential if capital flows are to be redirected in ways that respect the distinctive characteristics and principles of the SSE while supporting development of the wider ecosystem. Building on its operating track record, SVS will prioritize the creation and expansion of a public-private wholesale fund in close consultation with stakeholders.

Redesign the public-private wholesale fund model to combine government seed funding with private investment.

Identify new sources of capital for scaling the wholesale fund, including dormant financial assets and public funds.

Establish a substantive institutional foundation following enactment of the Framework Act on the Social and Solidarity Economy.

Priority 2. Diversify the intermediary ecosystem and strengthen institutional capabilities.

There are still too few intermediaries capable of handling impact projects, while the small scale of emerging intermediaries and shortages of specialized personnel remain structural challenges. SVS will support the emergence of a wider range of intermediaries and build collaborative structures so that the social and solidarity finance ecosystem can accommodate the diverse organizations and projects likely to emerge in the future.

Support the growth of private intermediaries and collaboration between them, and develop lead arrangers for project financing.

Establish complementary roles according to enterprise growth stage and across the impact–risk spectrum.

Strengthen the ability of regional and sector-specific intermediaries to receive and manage external capital and support the development of specialized personnel.

Link financing with nonfinancial programs, including SSE support initiatives, and help develop blended finance structures.

Priority 3. Establish growth support systems tailored to different types of SSE organizations.

Cooperatives, nonprofits, corporations, and other SSE organizations require different forms of capital depending on their legal structure and stage of growth.

SVS has maintained a balanced portfolio through its Class A–D framework while preserving financial sustainability. To establish a stronger self-sustaining cycle, however, it will need to move beyond predominantly lending-based financing and expand investment mechanisms that share risks and returns in ways suited to different organization types and growth stages.

Expand investment products tailored to the type and stage of an organization and to the form of capital required, including catalytic and patient capital.

Strengthen risk-sharing mechanisms, including subordinated and upfront investment, to attract private capital.

Priority 4. Develop regional systems for the provision and circulation of social and solidarity finance.

Reflecting the SSE's emphasis on community participation and locally visible impact, SVS will support regional ecosystems in which capital supply, intermediation, and demand circulate within local communities. It will promote regional financing systems in which local government funds can serve as anchor investors alongside regional financial institutions and other local anchor organizations.

Support local government social economy funds in taking on an anchor investor role and improve their operating models.

Develop and disseminate models for collaboration with regional financial institutions, including cooperative financial institutions.

Develop and establish social finance models tailored to local conditions.

Priority 5. Cultivate high-quality demand for financing and support impact projects.

SVS has helped create successful examples of investment-ready impact projects in areas such as social housing, citizen-owned renewable energy, community asset ownership, and SIBs, supporting models capable of generating impact at scale within the SSE. Working with intermediaries and a wide range of support organizations, SVS will broaden the demand base beyond individual SSE enterprises to include local revitalization initiatives and impact projects.

Develop high-quality demand by using consulting and federations to spread proven strategic models.

Develop and disseminate financial products for impact projects in areas such as social housing, renewable energy, and community asset ownership.

Strengthen the financial capabilities of organizations in the field.

Priority 6. Diversify and expand the social investor base.

To reduce long-term dependence on central government policy financing and build a sustainable system, SVS will broaden the investor base across the private sector and citizen investors.

Support participation by public-interest foundations in social investment through a public-purpose investment framework.

Expand citizen-participation financing, including citizen investment and crowdfunding.

Develop regional and sector-based mutual aid funds.

Priority 7. Strengthen the impact measurement and management system and complete the framework for responsible recovery and exit.

SVS has established an IMP-based system that manages impact at two levels: the value created by investees and the contribution to developing the broader ecosystem. However, the consistency of data collected indirectly through intermediaries and the system for tracking impact after recovery remain incomplete. SVS will strengthen both its impact measurement and management framework and its responsible recovery and exit framework.

Establish the adoption and use of impact measurement and management (IMM) as standard practice and strengthen the risk management framework.

Improve the consistency of indirect data and strengthen systems for tracking impact after recovery.

Embed responsible recovery principles, including flexible capital structures and orderly exits.

Performance of the Wholesale Social Investment Fund

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IMPACT REPORT
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Seven years of experimentation,
forging a path

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