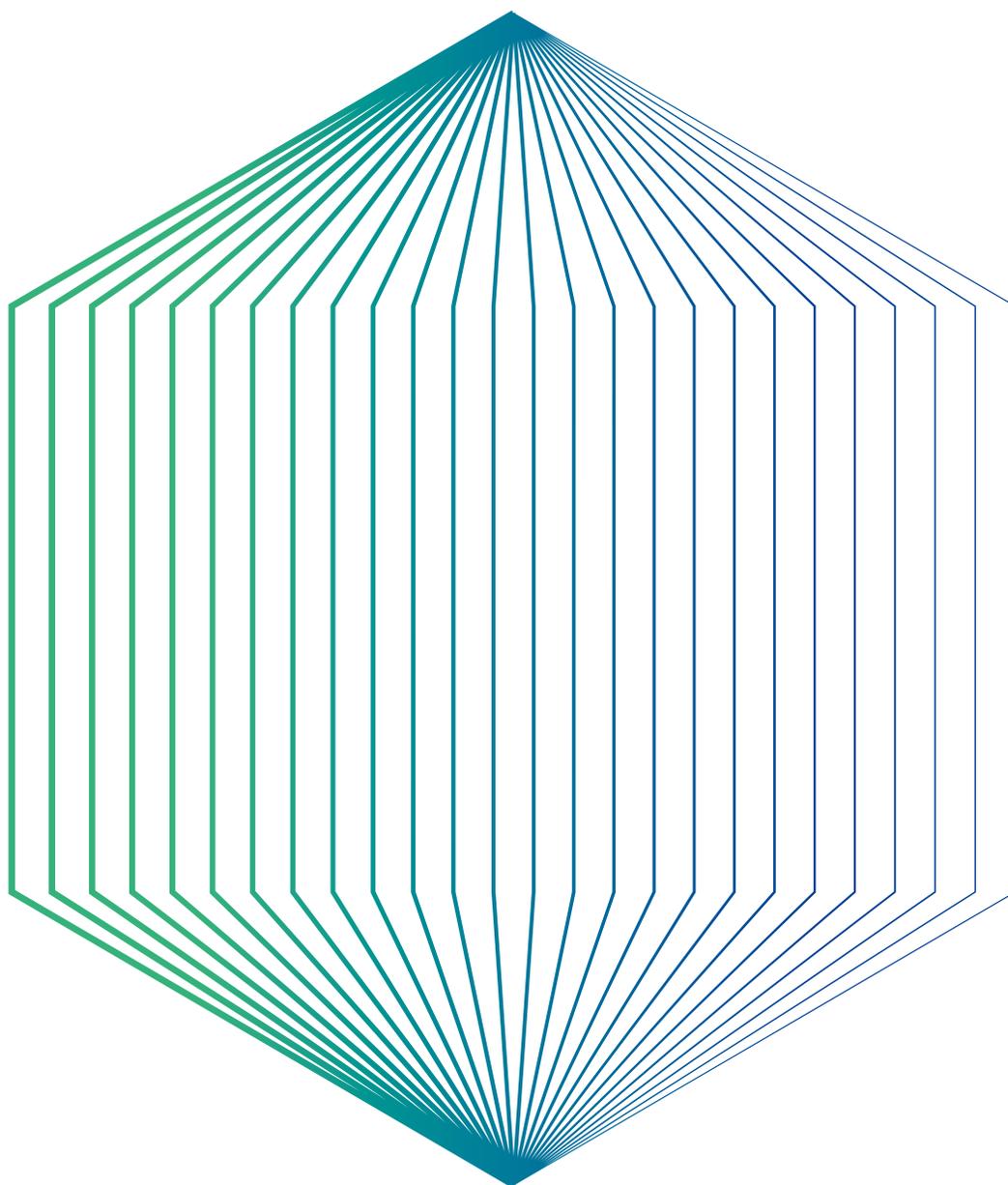


# SVS IMPACT 2022

Korea Social Value and Solidarity Foundation  
Annual Report 2022





### About the Report

The Korea Social Value and Solidarity Foundation (SVS) publishes an annual report each year to provide transparent information on the Foundation's projects and performance over the past year. The report represents the Foundation's efforts to establish sustainable ecosystems for social finance and foster the social economy in Korea. It also provides descriptions of the Foundation's performance from 2019 to 2022 to enable the reader to compare how it has changed over those years.

### Reporting Scope

The main focus of this Report is the fiscal year of 2022, extending from January 2 to December 31. The facts and claims herein have been reviewed by SVS's working-level officers and executives.

### Information on Investments and Social Value Performance

This Report analyzes the performance, as of the end of 2022, of the investments that SVS undertook using its wholesale fund, both in partnership with other social agencies for impact investment, and alone for individual social economy organizations. The analysis therefore also concerns the current state and social value performance of the social economy enterprises so supported.

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SINCE ITS ESTABLISHMENT IN 2019, SVS HAS BEEN STRIVING RELENTLESSLY TOWARD REALIZING ITS GOAL OF ESTABLISHING SUSTAINABLE ECOSYSTEMS FOR SOCIAL FINANCE IN KOREA. THE FOUNDATION CONTINUES TO REVERSE THE SITUATION FOR UNDERSERVED AREAS OF SOCIAL FINANCE, ENHANCE CAPABILITIES FOR SOCIAL FINANCE, AND DEVELOP AND MOBILIZE A WIDENING VARIETY OF PRIVATE-SECTOR RESOURCES, ALL IN THE SERVICE OF FOSTERING A HEALTHY AND THRIVING SOCIAL FINANCE MARKET IN THE COUNTRY.

Despite the continued worsening of conditions for financing in South Korea since last year, amid rising interest rates and the government reducing its available policy funds, the efforts to foster and provide various local and self-sufficiency funds have borne some fruit along the growing social economy network in the country.

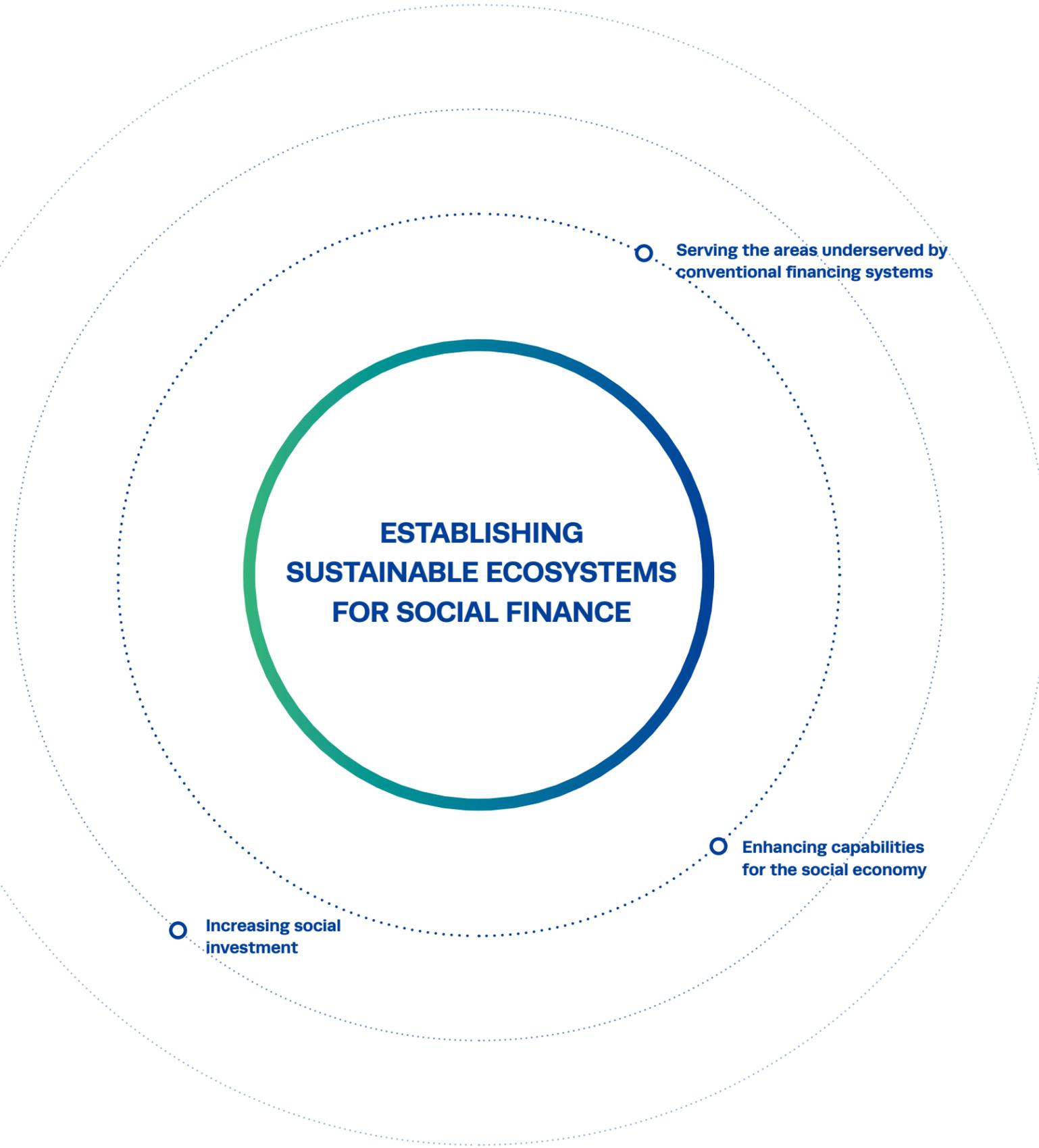
We bring this 2022 Annual Report to you to share what we have done over the past year, in all its glories and shortcomings, in the hopes that we might identify ways to improve our performance.

As I look back on the initial resolution that led to the creation of the Social Value and Solidarity Fund (SVS) and forward to the long and winding road it is to take in the future, I can't help but realize that the Foundation continues to rise to new and daunting challenges at every moment, not the least because the concept of social finance is still quite foreign in this country.

Nevertheless, thanks to the support and participation of many, we have been able to establish examples and models despite the relative brevity of our existence.

I remember saying, at the inaugural ceremony for SVS, that it is our mission "to prove to Korean society the validity of a humane financial model that provides substantial and specific help to the underprivileged." Recalling that mission, my colleagues and I at the Foundation will continue to do our best and more in 2023, refusing to take satisfaction in our past achievements and keeping our commitment to serving as a catalyst for the establishment of a strong social economy in Korea. I ask you to continue to support us with your encouragement. Thank you.

Korea Social Value and Solidarity Fund  
Rev. Kyong Yong Song, Chairperson



THE KOREA SOCIAL VALUE AND SOLIDARITY FOUNDATION (SVS) CAME INTO BEING IN JANUARY 2019 AS SOUTH KOREA'S FIRST-EVER NONPROFIT ORGANIZATION TASKED WITH ADMINISTERING A WHOLESALE FUND EXCLUSIVELY FOR THE PURPOSE OF FOSTERING SOCIAL FINANCE AND RELATED ECOSYSTEMS IN THE COUNTRY. THE FOUNDATION PROVIDES PATIENCE CAPITAL TO SUPPORT THE GROWTH OF SOCIAL ECONOMY ORGANIZATIONS, REVITALIZES STRUGGLING LOCAL ECONOMIES, AND INVESTS AND FINANCES PROJECTS TACKLING SOCIAL ISSUES. AS AN INTERMEDIARY OF SOCIAL FINANCE, SVS PURSUES SOCIAL VALUES OVER PROFIT.



## ACTIVITIES AT A GLANCE, 2022

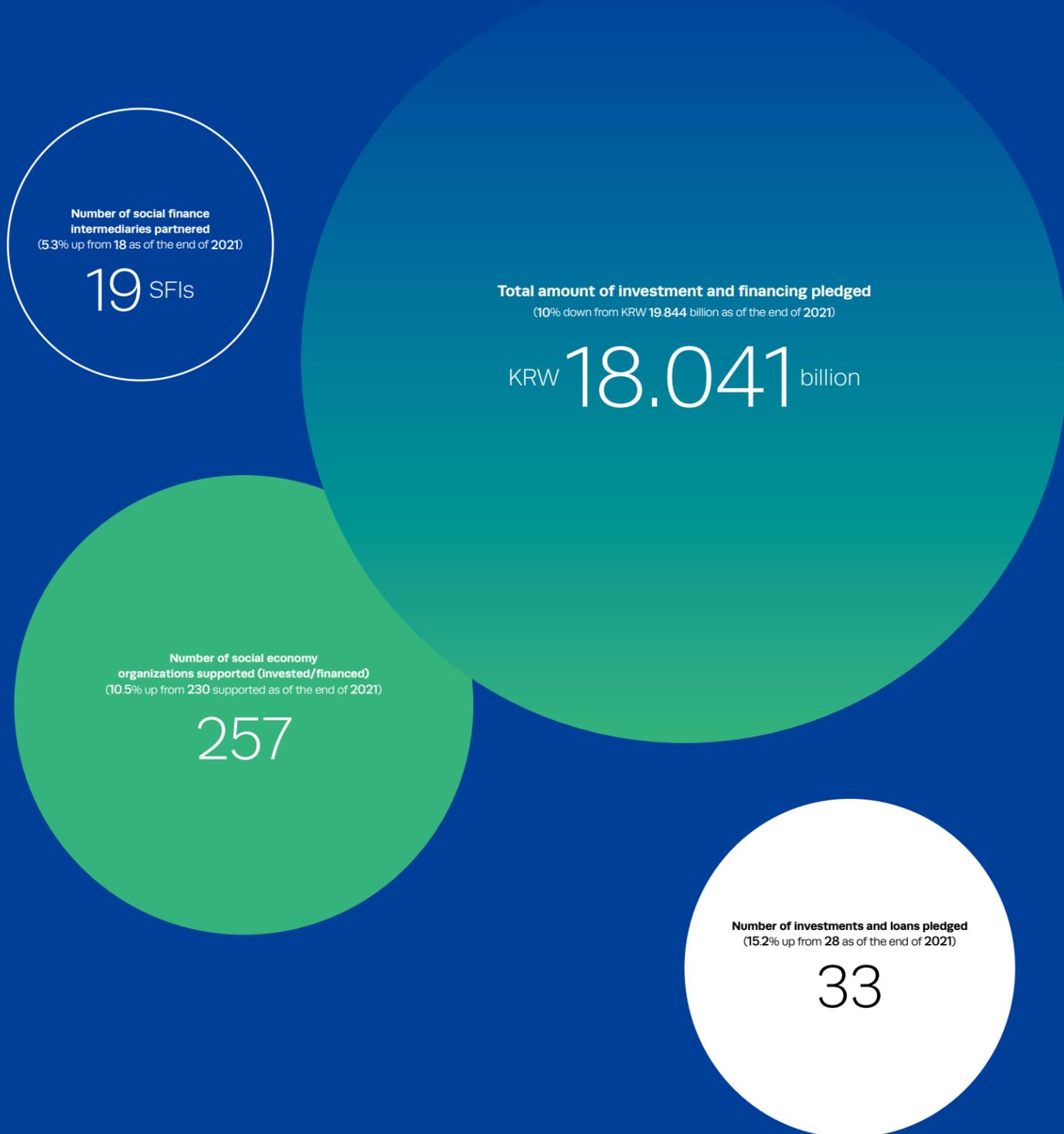
In 2022, SVS continued to provide social finance to support the sustainable growth of social economy organizations and other initiatives to solve and prevent diverse social issues.



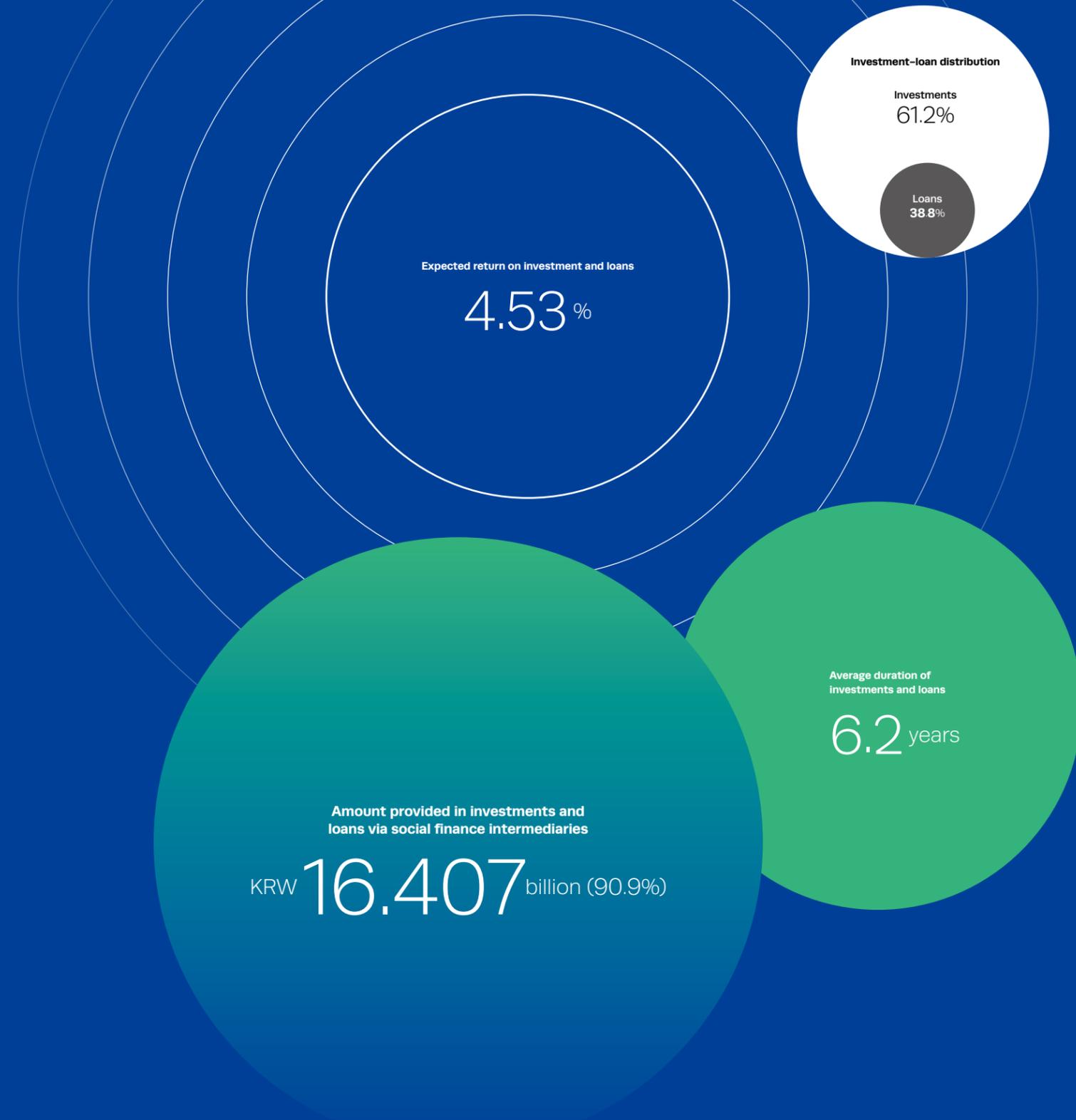
### HIGHLIGHTS OF 2022

(Cumulative total, 2019 through 2022)

## Investments and Loans Provided by SVS



## Social Finance Support at Work Today





# SVS SOCIAL FINANCE ECOSYSTEM

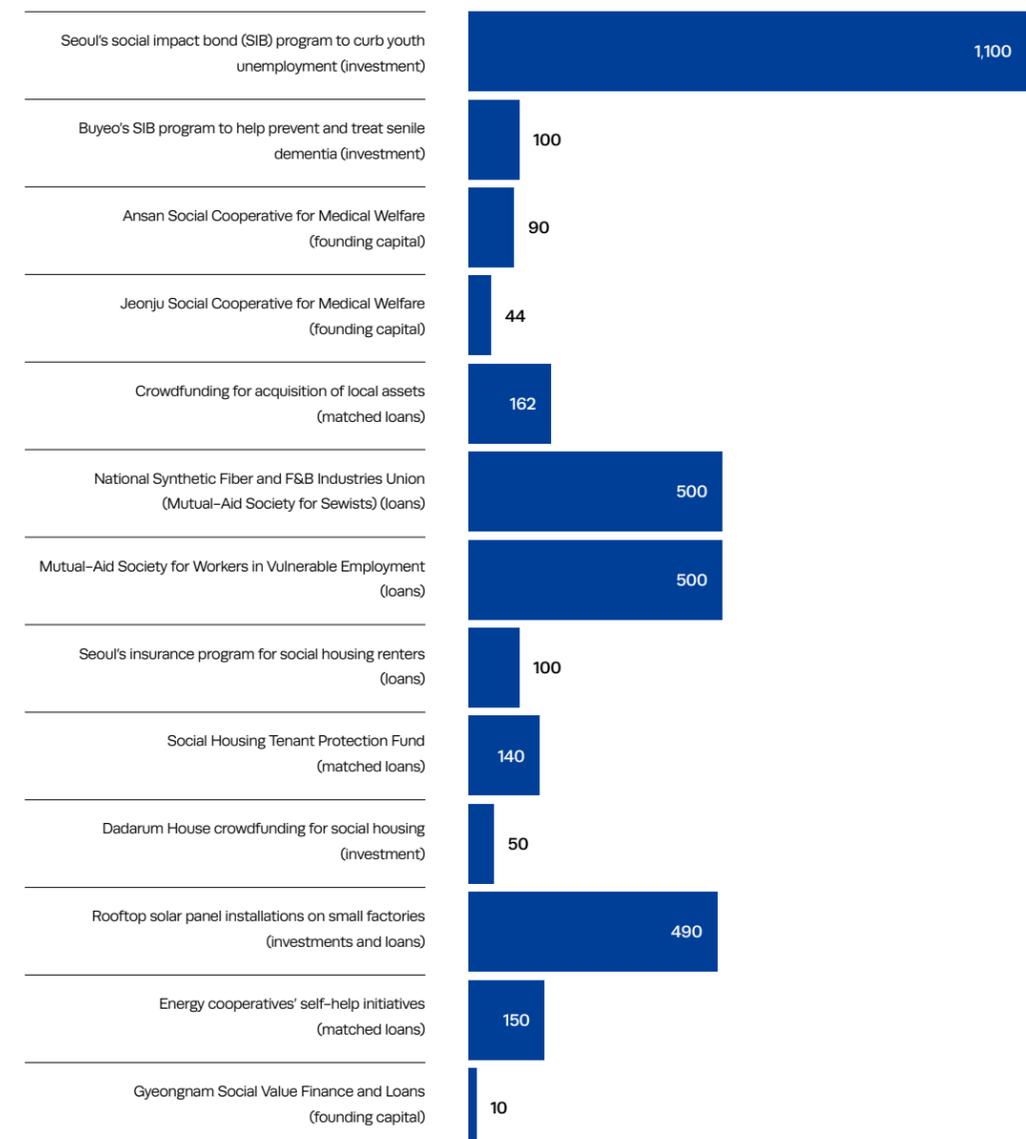
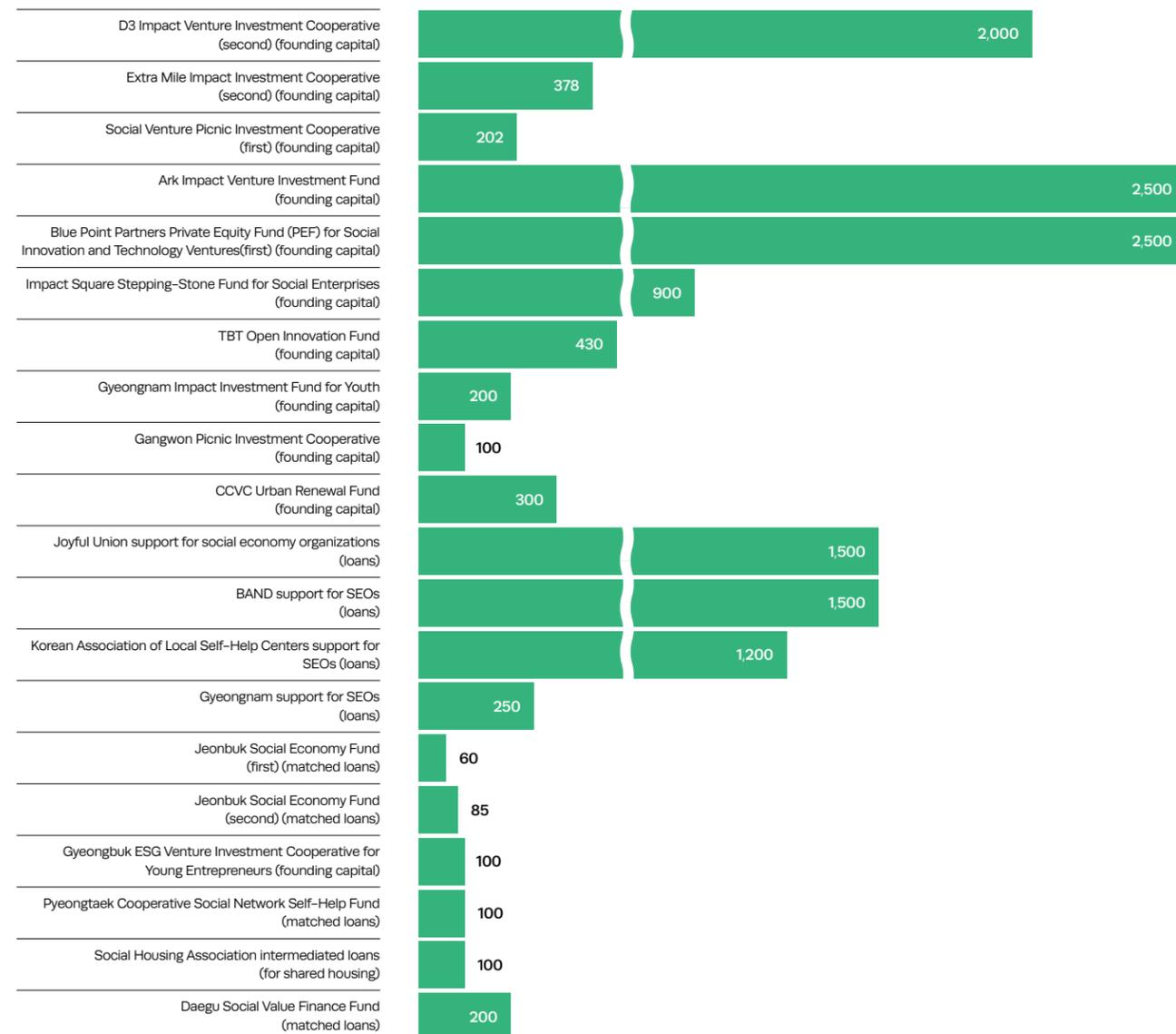
SOCIAL FINANCE PROVIDED  
SOCIAL FINANCE INTERMEDIARIES (SFIS)  
SEOS SUPPORTED TODAY

## SOCIAL FINANCE PROVIDED

### INVESTMENTS AND LOANS FROM SVS

As of the end of 2022, SVS was operating 33 investment and loan accounts supporting social enterprises and other socially conscious projects. In partnership with 19 social finance intermediaries (SFIs) nationwide, the Foundation executed or pledged to provide KRW 18.041 billion. SVS decides how to invest and lend money from its fund by reviewing candidates according to the impact classification system provided by the United Nations Sustainable Development Goals (UN SDGs), and continues to monitor how its investments and loans go on to generate social values and impacts accordingly. In 2022, the Foundation focused on supporting efforts to tackle issues of the environment, energy, and the primary sector, urban renewal and culture and the arts, and health, elderly care, and the welfare of persons with disabilities.

#### Investments and loans pledged (Unit: Million KRW)



## Investments and Loans from SVS Today

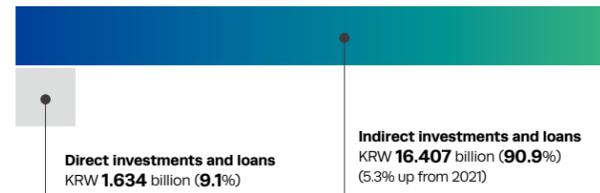
(Unit: Million KRW)

Account	Amount pledged	Areas of Impact							
		Social housing/ local asset acquisition	Education/ childcare	Urban renewal/ culture and arts	Health/ elderly care / disability	Environment/ energy / primary sector	Social innovation technologies	Quality jobs/ employment	Financial access
<b>Investments and loans for social economy organizations (SEOs)</b>									
D3 Impact Venture Investment Cooperative (second) (founding capital)	2,000		●	●	●	●	●		●
Extra Mile Impact Investment Cooperative (second) (founding capital)	378		●		●	●	●	●	
Social Venture Picnic Investment Cooperative (first) (founding capital)	202		●		●	●	●		
Ark Impact Venture Investment Fund (founding capital)	2,500	●	●	●	●	●	●		
Blue Point Partners Private Equity Fund (PEF) for Social Innovation and Technology Ventures (first) (founding capital)	2,500		●		●	●	●		
Impact Square Stepping-Stone Fund for Social Enterprises (founding capital)	900	●	●	●	●	●		●	
TBT Open Innovation Fund (founding capital)	430				●	●	●		
Gyeongnam Impact Investment Fund for Youth (founding capital)	200		●	●	●	●		●	
Gangwon Picnic Investment Cooperative (founding capital)	100		●	●	●	●	●	●	
CCVC Urban Renewal Fund (founding capital)	300	●		●				●	●
Joyful Union support for social economy organizations (loans)	1,500			●	●	●		●	●
BAND support for SEOs (loans)	1,500	●		●	●	●		●	●
Korean Association of Local Self-Help Centers support for SEOs (loans)	1,200				●			●	●
Gyeongnam support for SEOs (loans)	250			●	●	●		●	●
Jeonbuk Social Economy Fund (first) (matched loans)	60								
Jeonbuk Social Economy Fund (second) (matched loans)	85			●	●	●		●	●
Gyeongbuk ESG Venture Investment Cooperative for Young Entrepreneurs (founding capital)	100			●		●		●	●

Account	Amount pledged	Areas of Impact							
		Social housing/ local asset acquisition	Education/ childcare	Urban renewal/ culture and arts	Health/ elderly care / disability	Environment/ energy / primary sector	Social innovation technologies	Quality jobs/ employment	Financial access
Pyeongtaek Cooperative Social Network Self-Help Fund (matched loans)	100							●	●
Social Housing Association intermediated loans (for shared housing)	100	●							●
Daegu Social Value Finance Fund(matched loans)	200							●	●
<b>Investments and loans for social purposes</b>									
Seoul's social impact bond (SIB) program to curb youth unemployment (investment)	1,100		●					●	
Buyeo's SIB program to help prevent and treat senile dementia (investment)	100				●				
Ansan Social Cooperative for Medical Welfare (founding capital)	90	●			●				
Jeonju Social Cooperative for Medical Welfare (founding capital)	44	●			●			●	
Crowdfunding for acquisition of local assets (matched loans)	162	●							
National Synthetic Fiber and F&B Industries Union (Mutual-Aid Society for Sewists) (loans)	500							●	●
Mutual-Aid Society for Workers in Vulnerable Employment (loans)	500							●	●
Seoul's insurance program for social housing renters (loans)	100	●							●
Social Housing Tenant Protection Fund (matched loans)	140	●							●
Dadarum House crowdfunding for social housing (investment)	50	●							●
Rooftop solar panel installations on small factories (investments and loans)	490					●			
Energy cooperatives' self-help initiatives(matched loans)	150					●			●
Gyeongnam Social Value Finance and Loans (founding capital)	10								●

## Investment and loan amounts

In 2022, SVS provided KRW 18.041 billion in investments and loans together. The vast majority (KRW 16.407 billion or 90.9 percent) of this went toward SFIs for indirect investments and loans. The percentage of support provided via SFIs grew slightly from 2021. SVS also provided KRW 1.634 billion (9.1 percent) directly, by investing in the social cooperatives for medical welfare in Ansan and Jeonju, providing emergency small loans for workers in vulnerable employment (through a Seoul City Fund matching program), and investing in or financing solar energy panel installations on the rooftops of small and medium-sized factories.



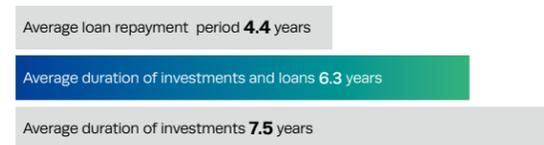
## Types of investments and loans

The percentage of long-term investments, mostly in social impact fund projects and others that take, on average, at least eight years until repayment, increased slightly from 2021 by 2.9 percent to 61.2 percent, in part because the amounts of outstanding loans for workers in vulnerable employment and others have decreased



## Durations of investments and loans

The average time it took for SVS to retrieve an investment or loan was 6.3 years, marginally up (0.19 percent) from 2021. Specifically, SVS estimates the duration of its investments in social impact funds and other such activities to be 7.5 years, and the duration of loans for SEOs, executed via SFIs, to be 4.4 years.



## Rates of return on investments and loans

The estimated return rate on SVS's investments was 6.99 percent, while the Foundation also earned 0.69 percent in returns on its loans. SVS also estimates the internal rate of return (IRR) on its social impact investments to range from 5 to 10 percent. Although the Foundation provides its loans for 2- to 3-percent interest, particularly concerning Social housing and community asset acquisition, many of its matched loans for local governments and other initiatives are interest-free, keeping the overall rate of returns on the Foundation's loans rather low.



# INVESTMENT PORTFOLIO

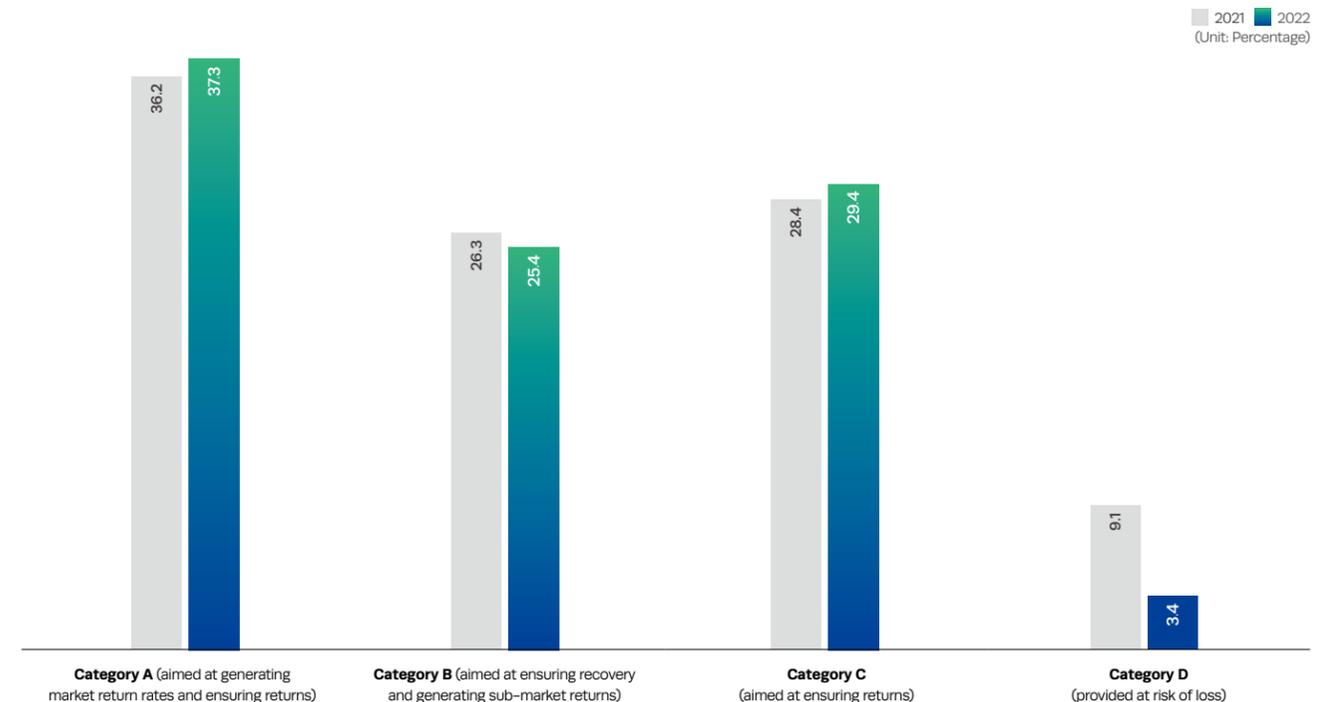
## Portfolio

Investments and loans for SEOs, supporting social ventures and impact-oriented startups at various stages of growth and in different financial situations (and the intermediaries supporting them), made up 77.3 percent of the total. Investments and loans for social purpose projects, including social impact bond (SIB) and shared housing programs, made up 18.1 percent. Another 0.1 percent went toward providing direct investments and loans for SFIs.



## Impact spectrum

As SVS strives to provide social finance geared toward addressing social issues, the Foundation identifies four areas of financial and social values to be aimed at by its investments and loans. Specifically, Category-A investments and loans, intended to generate certain return rates, made up 37.3 percent of the Foundation's total investments and loans in 2022. Category-B and -C investments and loans, focusing more on solving problems and less on generating substantial returns, together made up 54.8 percent. Category-D investments and loans, supporting SFIs serving social causes and provided at risk of loss, made up 3.4 percent. SVS continues to adjust its portfolios across these four categories.



## TYPES OF INVESTMENTS AND LOANS

In 2022, SVS provided KRW 83.95 billion in total to 257 organizations (including 253 SEOs) in both direct and indirect (SFI-intermediated) investments and loans.

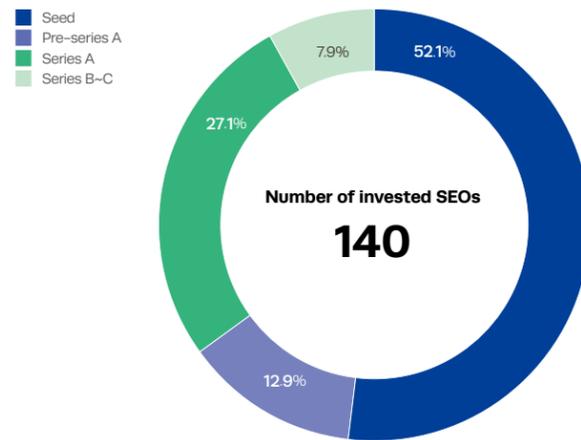
### Investment types

SVS invested KRW 76.939 billion in 140 enterprises and other SEOs, whether directly or indirectly, in 2022. These investments took on various forms depending on the growth stages of receiving SEOs (from "seed" to "series-B" and "series-C"), including common or preferred stocks, convertible preferred stocks (CPS), redeemable convertible preferred stocks (RCPS), and convertible bonds (CBs).

#### Investee and equity types

In terms of the types of recipients, SEOs in their early stages of growth (from "seed" to "pre-series A") together claimed 65 percent of SVS's investments, while SEOs with proven business models received the remaining 35 percent. As for the types of equities acquired, SEOs offering RCPS made up the largest group at 55 percent, followed by those offering common (preferred) stocks at 30.7 percent.

	Seed	Pre-series A	Series A	Series B-C
Common stocks	39	2	2	
CPS	11	1	4	
RCPS	21	15	30	11
CBs	2		2	
<b>Total</b>	<b>73</b>	<b>18</b>	<b>38</b>	<b>11</b>

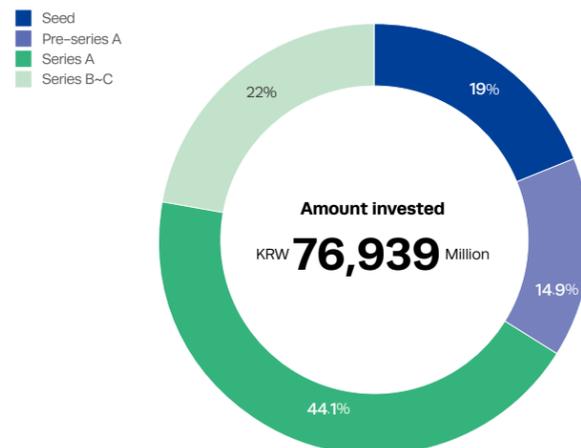


#### Invested amounts by growth phase and equity type

In terms of the amounts invested by SVS, 66.1 percent of the total went to SEOs at series-A or higher phases of growth, while relatively younger SEOs in pre-series A or lower phases claimed 14.9 percent. Of the types of equities, 79.9 percent of the total investment went into acquiring RCPS that is the most favorable to investors in terms of the probability of recovery.

(Unit: Million KRW)

	Seed	Pre-series A	Series A	Series B-C
Common stocks	4,656	1,661	300	
CPS	1,800	300	1,901	
RCPS	5,588	9,499	29,484	16,910
CBs	2,599		2,241	
<b>Total</b>	<b>14,643</b>	<b>11,460</b>	<b>33,926</b>	<b>16,910</b>



### Loan types

SVS provided KRW 7.014 billion in total loans for 117 SEOs. Of this amount, 29.4 percent went toward helping SEOs acquire and improve their facilities, while the other 70.6 percent went toward helping them with their operations.

#### Loanee and equity types

SEOs at relatively mature stages of growth (having operated seven years or longer at the time of the loans) made up 53.1 percent of the recipients of loans for facility acquisitions and improvements. In addition, 70.6 percent of loans for operations went to SEOs in their fourth to 10th years of operation with proven track records of steady revenues, while younger SEOs that had three years of history or less received 7.1 percent of the loans.



#### Loaned amounts by SEO type

In terms of loan amounts, 69 percent of facility loans went to SEOs in their seventh year of operation or longer, while 44.1 percent of operating loans went to those in their 11th year of operation or longer.



## SOCIAL FINANCE INTERMEDIARIES (SFIS)

### SFIS PARTNERED WITH SVS FOR INVESTMENTS AND LOANS

As a source of wholesale funds for social finance, SVS mainly seeks to benefit the social economy in Korea by providing indirect investments and loans mediated by SFIs. The Foundation works with 19 SFIs (including 8 executors of loans and 11 executors of investments) with a good understanding of the social economy and the social values it intends to generate to support the growth of SEOs.

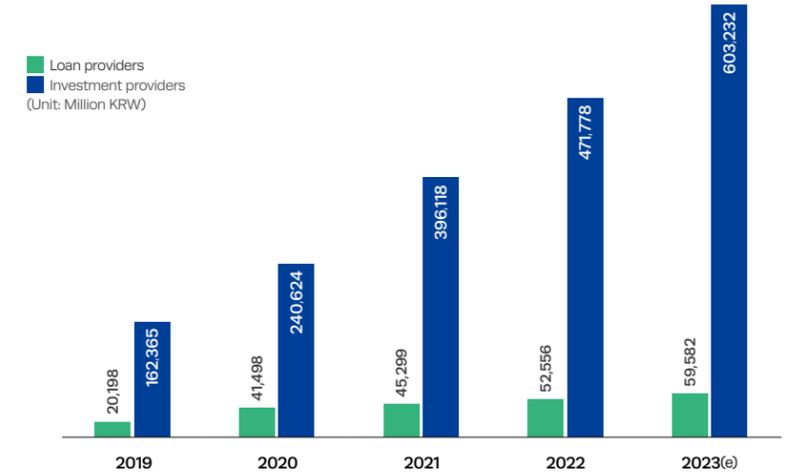
The investment-specialized SFIs partnered with SVS to provide investments for SEOs are diverse, including accelerators that discover and foster early startups and social enterprises-in-the-making, investors in series-A small and medium enterprises (SMEs), and general private equity funds (PEFs) seeking to scale up impact enterprises. The loan-specialized partner SFIs are also varied, from nonprofit loan executors serving a nationwide customer base to locally based loan executors and intermediaries backed by social economy networks and focusing on particular types of SEOs. SVS works with such a wide range of partners because its mission is to decrease the size of areas that are underserved in terms of financing.

The investment and loan projects that SVS undertakes in partnership with these intermediaries can be largely divided into three types, i.e., social economy loans, social innovation and technology funds, and social impact funds. SVS also continues to broaden its involvement in financing for social purposes, such as the Social Housing Tenant Protection Fund and social impact bond (SIB) projects.

Type	SFI	Partnership type	SFI type	Region served	Target customers
Loans	Korean Association of Local Self-Help Centers	Social economy loans	Specialized intermediary (social economy network)	Nationwide	Local self-help centers, local self-help enterprises, local residents
	Korea Social Housing Association	Social housing tenant protection, etc.	Specialized intermediary (social economy network)	Nationwide	Social housing developers/managers (SEOs, etc.)
	Gyeongnam Social Value Finance	Social economy loans	Region-based loan provider (social enterprise)	Gyeongnam	SEOs in Gyeongnam
	Jeonbuk Social Economy Network	Social economy loans	Region-based loan provider (social economy network)	Jeonbuk	SEOs in Jeonbuk
	Gyeonggi Jeil Credit Union	Social economy loans	Region-based loan provider	Pyeongtaek	SEOs
	Daegu Social Value Finance	Social economy loans	Region-based loan provider	Daegu	SEOs and their employees in Daegu
	BAND	Social economy loans	Nationwide loan provider	Nationwide	SEOs and their employees
	Joyful Union	Social economy loans	Nationwide loan provider	Nationwide	Small businesses and SEOs
Investments	National Association of Civic Energy Cooperatives	Energy cooperatives	Specialized intermediary (sector-specific)	Nationwide	Energy cooperatives
	Blue Point Partners Inc.	Social innovation and technology fund	Startup-specialized PEF (accelerator)	Nationwide	Innovative early-stage startups
	D3 Jubilee Partners Inc.	Social impact fund	Investor in startups and SMEs	Nationwide	Impact-oriented startups and SMEs
	TBT Inc.	Social innovation and technology fund	Investor in startups and SMEs	Nationwide	Early-stage startups, SMEs
	Coolidge-Corner Investment	Urban renewal fund	Investor in startups and SMEs	Nationwide	Entrepreneurs, innovation-oriented startups and SEOs
	Ark Impact	Social impact fund	General PEF	Nationwide	Social impact
	BPLUS Inc.	Impact crowdfunding matching	Online person-to-person (P2P) financial intermediary	Nationwide	Small businesses, SEOs, social ventures, local projects
	Sopoong Ventures Inc.	Social impact fund	Accelerator	Nationwide	Impact investment
	MYSC	Social impact fund	Accelerator	Nationwide	Impact-oriented local and early-stage enterprises
	Impact Square Inc.	Social enterprise fund	Accelerator	Nationwide	Impact investment
	Pan-Impact Korea Ltd.	Social performance reward	SIB executor	Nationwide	SIB projects of local governments

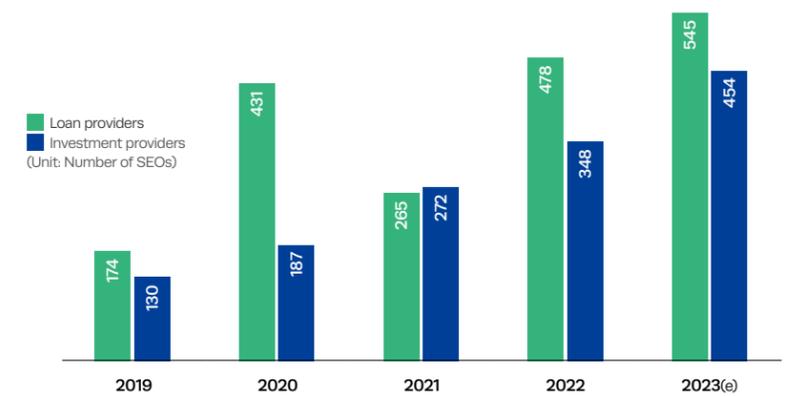
### Assets managed by partner SFIs

The 19 SFIs partnered with SVS were managing KRW 524.3 billion in combined assets as of 2022, 18.8 percent up from 2021. Coolidge-Corner Investment, D3 Jubilee Partners, and Blue Point Partners together managed 65.8 percent of the total assets, or KRW 345.1 billion. These 19 intermediaries are projected to manage approximately KRW 600 billion together in 2023, 26.4 percent up from the previous year. However, much of that growth will be concentrated in the three largest companies, while the total assets managed by loan-providing intermediaries are projected to grow only slightly to KRW 60 billion.



### Numbers of SEOs receiving investment

The 19 SFIs together provided loans or investments to 826 SEOs in cumulative total as of 2022 (including 478 organizations served by loan providers and 348 served by investment providers). This figure was 54 percent higher than in 2021. The number of SEOs served by these SFIs is expected to grow further in 2023, particularly thanks to investment providers.



### Number of employees at SFIs

The 19 SFIs together employ 302 people (96 percent of whom are regular, full-time employees). These SFIs have been operating for 8.6 years on average (7.6 years among loan providers and 9.4 years among investment providers).

The average number of employees per intermediary was 17 in 2022, even though the actual numbers of employees varied widely, from one to 53, depending on the types, lengths, and assets-under-management of intermediaries. Accelerator-type intermediaries tend to have more employees than locally based loan providers as accelerators need to do considerable research to discover, develop and incubate early-stage enterprises.



## SFIS ACROSS SOUTH KOREA

According to surveys by the Korea Social Enterprise Promotion Agency, the Korea Inclusive Finance Agency, and the Korea Venture Investment Corporation, there were 61 SFIs across Korea as of the end of 2022, including 24 loan providers, 35 investment providers, and two providing both loans and investments. Of these, 82 percent or 50 institutions were concentrated in the Seoul-Gyeonggi region. As the vast majority of the remainder serving other regions in Korea are mainly loan providers, they lack extensive personnel, assets and other such resources to provide the most effective support to their clients. SVS works with 19 SFIs across Korea to give them better infrastructure, including referrals for further investment and loan resources, practical training on social finance, and electronic and digital systems.

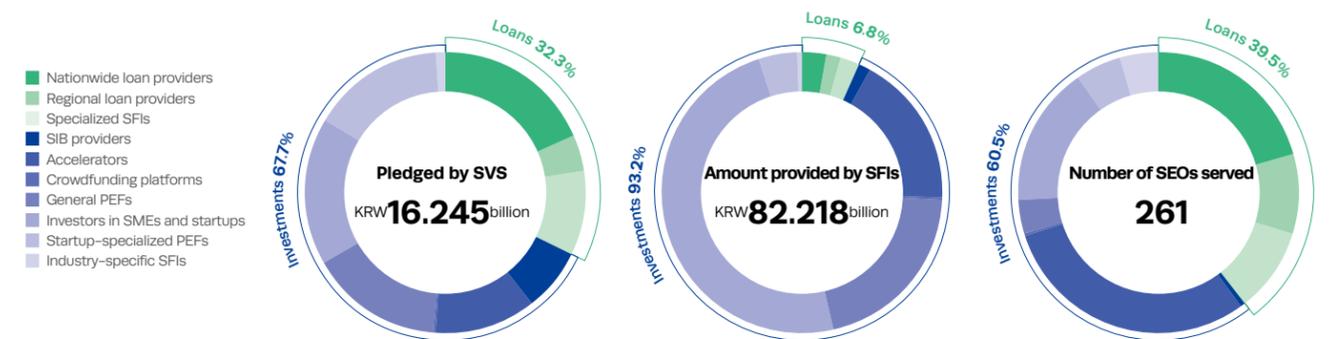
Region	Type	N	Partnered with SVS	Leading SFIs
Seoul	Loan providers (serving nationwide or Seoul)	13	3	Joyful Union, Social Solidarity Bank, Work Together Foundation, Dongjak Credit Union
	Investment providers (serving nationwide)	28	9	MYSC, Impact Square, Sopoong Ventures
	Loan and investment providers (serving nationwide)	2	1	Korea Social Investment, BAND
	Crowdfunding platforms (serving nationwide)	3	1	BPLUS, Ohmycompany, Tumbbug
	SIB providers (serving nationwide)	1	1	Korea Social Investment
Gyeonggi	Loan providers (serving regionally)	1	1	Gyeonggi Jeil Credit Union
	Investment providers (serving nationwide)	1	0	Wadiz Platform
	SIB providers	1	0	Korea Social Innovation Finance
Gangwon	Loan providers	2	0	Gangwon Social Economy Support Center, Gangwon Land CSR Foundation
Chungbuk	Loan providers	1	0	Chungbuk Citizens Foundation
Gyeongbuk	Investment providers (serving nationwide)	1	0	POSCO Capital
Gyeongnam	Loan providers (serving regionally)	1	1	Gyeongnam Social Value Finance
Daegu	Loan providers (serving regionally)	1	1	Daegu Social Value Finance
Jeonbuk	Loan providers (serving regionally)	1	1	Jeonbuk Social Economy and Solidarity Network
Gwangju	Loan providers (serving regionally)	1	0	Sharing Finance and Social Solidarity
Busan	Loan providers (serving regionally)	2	0	Research Institute on Social Enterprises, Busan Social Economy Network
Jeju	Loan providers (serving regionally)	1	0	Jeju Social Economy Network
<b>Total</b>		<b>61</b>	<b>19</b>	

### \*Types of SFIs

- ① Loan providers: These are SFIs that mainly or exclusively focus on lending to social finance projects.
- ② Investment providers: These institutions manage collective investment vehicles to invest actively in funds with social impacts (and not in funds whose byproduct is compliance with social impact criteria).
- ③ The third type of SFIs belong to neither of the aforementioned categories, but work with SVS to mediate and manage social finance resources.

## Investments and Loans Provided by SVS via Partner SFIs

In 2022, SVS provided KRW 5.235 billion to eight loan-providing SFIs, and another KRW 11.010 billion to 11 investment-providing SFIs. More specifically, SVS delivered 18.5 percent of its total pledged fund to loan providers serving clients nationwide, 16.8 percent to institutions that invest in startups and SMEs, 15.4 percent to general private equity funds (PEFs), and another 15.4 percent to PEFs specializing in startups and venture companies. The SFIs mix or match these SVS funds with their own or funds available from other sources to support SEOs in Korea. In terms of the amounts of loans and investments actually executed by these SFIs, 48.8 percent of SVS' total pledged fund was executed by institutions investing in social impact funds for SMEs and startups, another 20.6 percent by general PEFs, and 17.5 percent by institutions serving as accelerators of SEOs in the making. In terms of the number of SEOs supported, accelerators providing small amounts to large numbers of companies were together responsible for 29.9 percent of SEOs helped by SVS's fund, with loan providers serving clients nationwide supporting another 20.7 percent of SEOs.



(Unit: Million KRW)

Type	Partner SFIs	SVS-pledged amount	Amount executed by partner SFIs	Number of SEOs served
<b>Loan providers</b>				
Nationwide loan providers	BAND, Joyful Union	3,000(18.5%)	2,441(3.0%)	54(20.7%)
Regional loan providers	Jeonbuk Social Economy Network, Gyeongnam Social Value Finance, Daegu Social Value Finance, Gyeonggi Jeil Credit Union	695(4.3%)	1,296(1.6%)	24(9.2%)
Specialized SFIs	Korean Association of Local Self-Help Centers, Korea Social Housing Association	1,540(9.5%)	1,819(2.2%)	25(9.6%)
<b>Investment providers</b>				
SIB providers	Pan-Impact Korea	1,200(7.4%)	1,200(1.5%)	2(0.8%)
Accelerators	MYSC, Impact Square, Sopoong Ventures	1,880(11.6%)	14,399(17.5%)	78(29.9%)
Crowdfunding platforms	BPLUS	50(0.3%)	50(0.1%)	1(0.4%)
General PEFs	Ark Impact	2,500(15.4%)	16,900(20.6%)	10(3.8%)
Startup/SME investors	D3 Jubilee Partners, TBT, Coolidge-Corner Investment	2,730(16.8%)	40,113(48.8%)	42(16.1%)
Startup-specialized PEFs	Blue Point Partners	2,500(15.4%)	3,750(4.6%)	14(5.4%)
Industry-specific SFIs	National Association of Civic Energy Cooperatives	150(0.9%)	250(0.3%)	11(4.2%)
<b>Total</b>		<b>16,245(100%)</b>	<b>82,218(100%)</b>	<b>261(100%)</b>

## PLANS TO FOSTER SFIS IN KOREA

Conscious of its role, as a wholesale fund, in fostering a healthy social finance ecosystem in South Korea, SVS considers four tracks of supporting SFIs when it makes decisions on which SFIs to work with to provide loans and investments. SFIs in Track A are those that merit increased support from SVS based on their proven track record. Those in Track B are the ones with whom SVS needs to develop new models of partnership. Organizations in Track C are those SVS intends to foster and transform into SFIs. Organizations in Track D are novice SFIs that require support for creation and stable management.

As of the end of 2022, 72 percent and 22.7 percent of SVS' total pledged amount of finance went to SFIs in Tracks A and C, respectively, while another 1.6 percent went to those in Track B to experiment with new models of wholesale fund management and the remaining 3.7 percent went to those in Track D to help relatively new and locally based SFIs take root.

Track	Purpose of SVS's help	SVS-pledged amount (KRW) (%)	Aims considered	Investment/loan types
A	To help existing SFIs increase their reach and investment by adding more to their assets	11,780,000,000 (72.0%)	- Investment: Promote social impact funds - Loans: Provide financial resources exclusively for lending to SEOs	- Founding capital for D3 Social Impact Fund and Art Impact Fund - SE-specific loans through BAND, Joyful Union, and Assoc. of Local Self-Help Centers - SIB projects for reducing unemployment in Seoul and preventing senile dementia in Buyeo
B	To establish new models of partnership and solidarity projects with existing SFIs	262,000,000 (1.6%)	- Design and test pilot partnership projects	- Crowdfunding-matched loans to help SEOs acquire local assets - Matched loans for Pyeongtaek Social Economy Self-Help Fund
C	To help organizations transform into SFIs	3,720,000,000 (22.7%)	- Investment: Foster early-stage and startup enterprises and increase investors' impact investments - Loans: Provide support for specific industries/ types of SEOs and support networks' social finance projects	- Founding capital for social innovation technology and urban renewal funds - Renters' deposit insurances by Social Housing Association and other financial projects for social housing - Matched loans for National Association of Civic Energy Cooperatives
D	To induce establishment and stabilize operations of new SFIs	605,000,000 (3.7%)	- Help new SFIs launch new local social finance services - Help SFIs build capabilities and increase assets under management	- 1st and 2nd matched loans for social economy funds run by local governments - Matched loans for Daegu Social Value Finance Self-Help Fund - Loans to Gyeongnam Social Value Finance

**D track** KRW 605 million

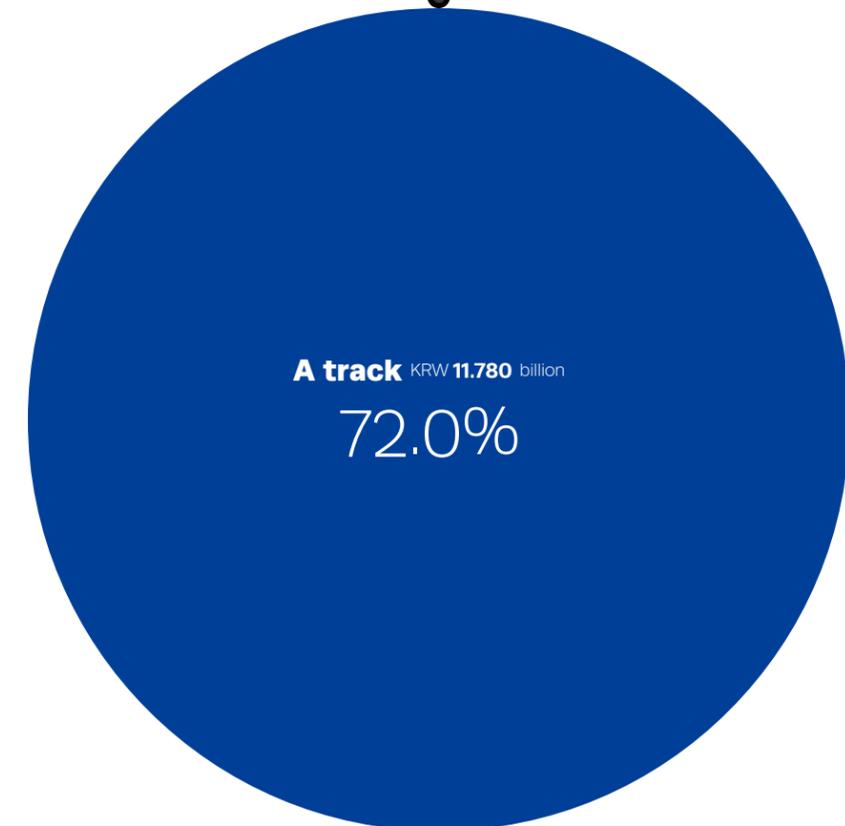
3.7%

**B track** KRW 262 million

1.6%

**C track** KRW 3.72 billion

22.7%



## SEOS SUPPORTED TODAY

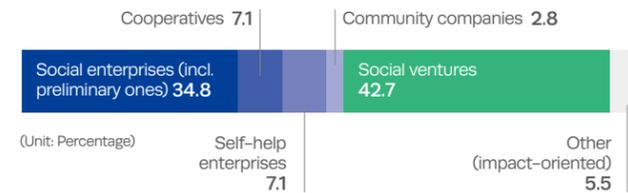
# SOCIAL ECONOMY ORGANIZATIONS(SEOS) SUPPORTED BY SVS TODAY

As of the end of 2022, SVS provided KRW 83.95 billion in total to 257 SEOs and projects (or 253 organizations in total, if we exclude special projects of governmental and other organizations) via its partnership with SFIs nationwide.

## Supported SEOs by Type, Region, and Industry

### SEOs by type

Of the 253 SEOs that benefitted from SVS' funding in 2022, 42.7 percent were social ventures; 34.8 percent, (preliminary) social enterprises; 7.1 percent, cooperatives; and 9.9 percent, community companies or self-help enterprises. Social ventures and social enterprises, in other words, claimed the majority of SVS' funding.



### SEOs by function

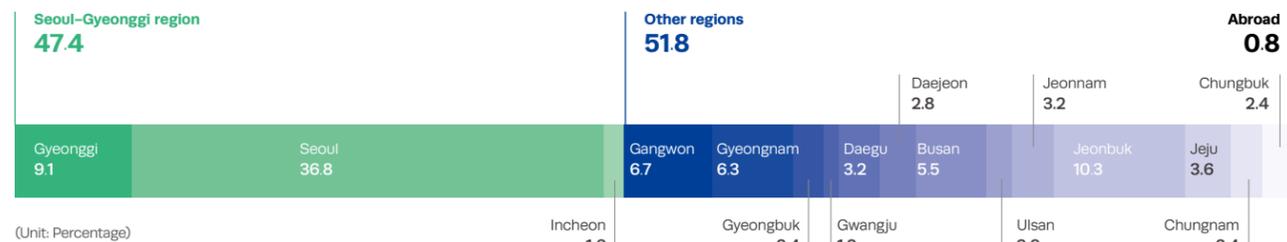
Of the social enterprises supported by SVS, 45.3 percent (or 86 enterprises) were those focusing on creating jobs. Innovative social enterprises, whose chief mission is to apply innovation to generate social values, made up 30.2 percent.



### SEOs by region

Of the 253 SEOs benefitting from SVS via loan- and investment-providing SFIs, 47.4 percent were located in the Seoul-Gyeonggi region; 51.8 percent, in the other regions of Korea; and 0.8 percent, outside Korea. This distribution is quite similar to the overall distribution of SEOs across Korea, as available literature confirms that 41.4 percent of these 32,000 or so organizations were in the Seoul-Gyeonggi region and the remaining 58.6 percent were in other regions of Korea as of the end of 2021.

SVS has helped more SEOs outside the Seoul-Gyeonggi region than those inside because (a), the Foundation's loan support policy dictates that at least 70 percent of the recipients of its loans are SEOs outside of the Seoul-Gyeonggi region, and (b), because SVS has mainly worked with locally focused social economy funds, in the form of matched loans, to distribute its funding. That is not to say, however, that SVS does not invest in other regions of Korea. The foundation is a limited partner in numerous local social impact funds, serving such regions as Gangwon, Gyeongnam, and Gyeongbuk, to invest in fostering local social economies.



### SEOs by industry

In terms of industries and sectors, SEOs specializing in manufacturing made up the largest group, at 24.9 percent, of those benefitting from SVS's funding in 2022. SEOs providing professional/technical services and those providing information services made up 10.3 percent and 9.5 percent, respectively, reflecting the growing importance of digital technologies and innovation in society at large. SEOs in environment-related fields (solar energy, marine waste recycling, etc.) made up another 9.1 percent; those providing social and welfare services (care, long-term care, etc.), 8.3 percent; and education and early childhood service providers (including those providing training for disabled children, folk game training, and arts and crafts education), 5.9 percent.



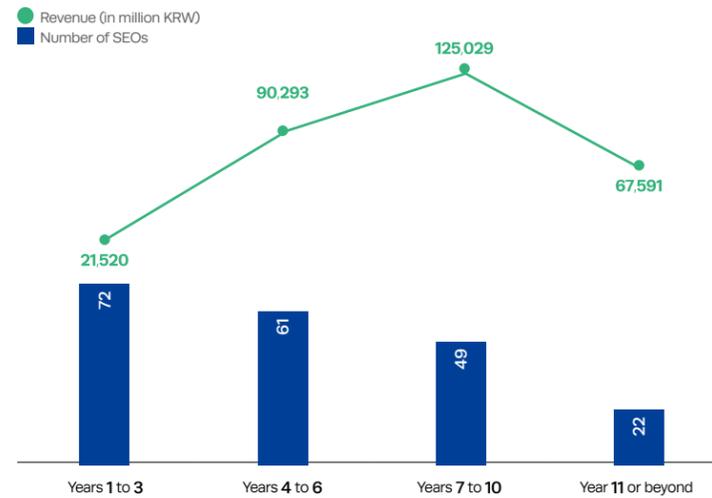
Industry (KSIC* code)	N	Percentage	Sample areas of business
Agriculture, forestry, fishery (01 to 03)	8	3.2%	Managing local fishery inventories, matching Jeju clementine farmers with consumers, smart insect farms
Manufacturing(10 to 34)	63	24.9%	Fashion upcycling, manufacturing fabrics from waste oil, manufacturing insect feed from food wastes
Electricity, gas, steam, waterworks (36 to 39)	1	0.4%	Developing and servicing retail neighbor-to-neighbor power grid
Environmental works (sewage/waste treatment, recycling, environmental restoration)(36 to 39)	23	9.1%	Participatory solar energy project using idle public land, marine waste recycling
Construction (41 and 42)	5	2.0%	Providing home repair, maintenance, and other housing-related services (mostly self-help enterprises catering to underprivileged clients)
Wholesale and retail (45 to 47)	19	7.5%	Distributing chicken alternative, recycling and selling secondhand clothing, rebranding local liquors
Transportation (49 to 52)	1	0.4%	Taxi service for hearing-impaired clients using special software
Hospitality (55 to 56)	4	1.6%	Transforming closed shipyard into a space of culture and arts, hiring immigrant women to work in restaurants
Publishing, filming, broadcasting and information services (58 to 63)	24	9.5%	Aid for the hearing-impaired, pocket money management platform, digital service for storing children's drawings
Finance and insurance (62 to 66)	4	1.6%	Overseas remittance service for migrant workers, renewable energy project, impact crowdfunding providing loans
Real estate (68)	15	5.9%	Local space and content planning, urban renewal projects involving idle spaces, social housing construction and leasing
Expert, scientific, technological services (70 to 73)	26	10.3%	Dementia-treatment patch, micro-needles for vaccination in developing countries, marine oil spill recovery robotics
Facility maintenance services (74 to 76)	9	3.6%	Cleaning service hiring underprivileged groups, food container rental and recovery, waste collection
Public administration, defense, and social security (84)	2	0.8%	Providing comprehensive range of services for local social economy (social cooperatives)
Education/early childhood services(85)	15	5.9%	Training and therapy for local children, folk game training, arts and crafts classes, local contents
Health and social services (86 and 87)	21	8.3%	Home-nursing/care, senile dementia care, long-term care, language rehabilitation
Arts, sports, and leisure services (90 and 91)	10	4.0%	Sports programs hiring underprivileged groups, culture and art shows
Group and personal services (94 to 96)	3	1.2%	Mutual aid for funerals for nongovernmental activists, toy repair and resale
<b>Total</b>	<b>253</b>	<b>100%</b>	

\* KSIC : Korea Standard Industry Code

## SEOs Supported Today (Continued)

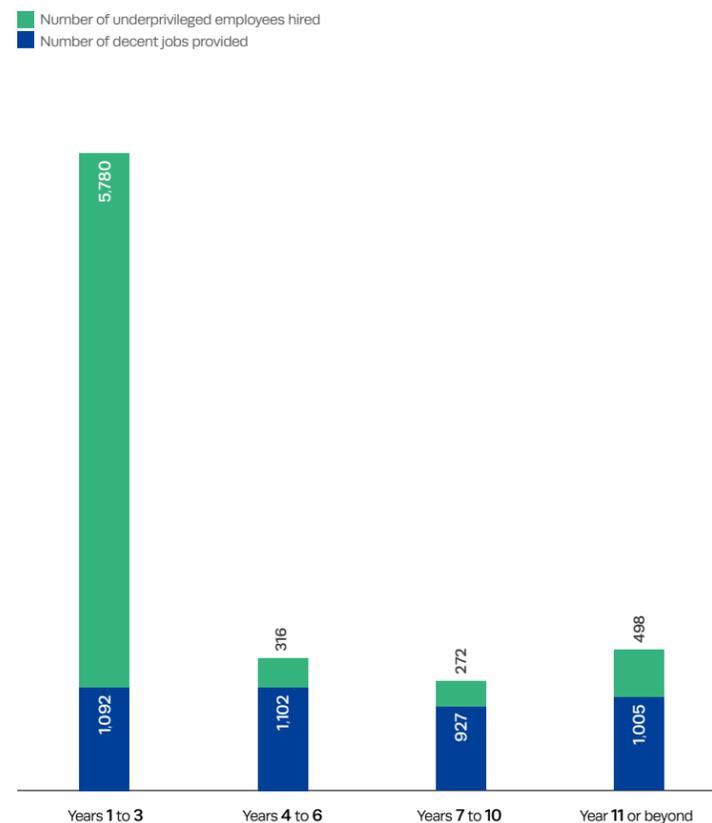
### SEOs by revenue

The SEOs supported by SVS funding in 2022 via SFIs had been in existence for 5.7 years on average by the end of the year. Specifically, early-stage SEOs with three years or less in operation made up 35.3 percent; early-growth SEOs in their fourth through sixth years of operation, 29.9 percent; growing SEOs in their seventh through tenth years of operation, 24 percent; and mature SEOs in their 11th year of operation or more, 10.8 percent. The gross annual revenue of the 204 responding SEOs amounted to KRW 304.434 billion, with growing SEOs in their seventh through tenth years of operation accounting for the most of this amount, at 41.1 percent. The median annual revenue grew in proportion to the operating history of SEOs, growing from KRW 57 million for early-stage SEOs to KRW 513 million for early-growth ones and KRW 1.151 billion for growing SEOs.



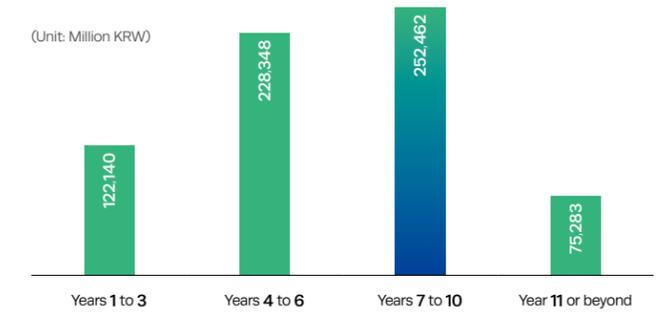
### SEOs by employment

Of the 253 SEOs supported, the 204 responding ones together had 10,148 employees in 2022. SEOs with six years or less in operation accounted for the bulk of that employment, at 7,863 employees or 77.5 percent. The 61 SEOs that affirmed hiring people of underprivileged backgrounds together had 6,866 employees, with 50.0 percent of them being from such backgrounds on average. The Korea Social Enterprise Promotion Agency defines a “decent job” as one that pays at least the minimum wage, lets the worker work at least 15 days per month, and hires the worker without a limited-term contract. The 145 SEOs subject to this criteria reported that, on average, 92 percent of the jobs they created were decent. The median number of workers per organization was 14, but went as high as 19 on average among SEOs in their seventh through tenth years of operation. The 253 SEOs together paid KRW 120.614 billion in wages and labor costs in 2022, 39.6 percent of their annual revenue. These SEOs spend considerably more on labor costs than for-profit companies, whose average spending on labor costs is 14 percent across industries.



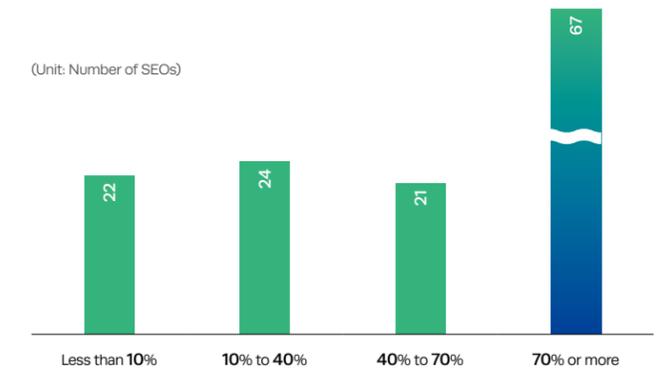
### SEOs by assets

The combined assets owned by the 204 responding SEOs amounted to KRW 678.233 billion in 2022. Of this, 37.2 percent belonged to SEOs in their seventh through tenth years of operation, and another 33.7 percent, to those in their fourth through sixth years of operation. The average value of assets per SEO ranged from KRW 1.1 billion to KRW 1.3 billion, with the exception of early-stage SEOs.



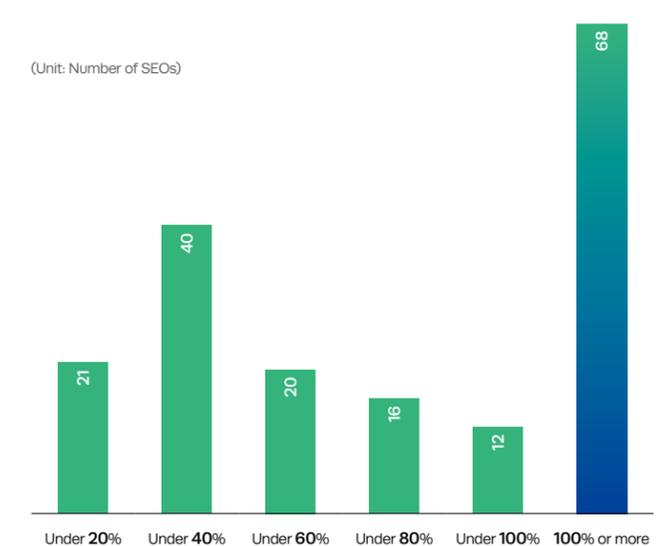
### SEOs by governance type

How the governance of an SEO is structured, and how open it is to the participation of diverse stakeholders in its decision-making, is an important internal value of these organizations. At the 134 SEOs to which this criterion applies, 70.8 percent of their decisions were made with the participation of workers' representatives, independent (nonexecutive) directors, and cooperative members on average, with 59 SEOs or 44 percent answering that 100 percent of their decisions were made with the participation of these stakeholders.



### SEOs by social return rates

SVS annually surveys the SEOs it supports on how much of their profits they return back to society. The 177 SEOs that participated in the survey (based on their financial performance of 2021) reported that, on average, they return 66 percent of their revenues to society, while 38.4 percent of the surveyed companies answered that they return 100 percent or more. This higher-than-100-percent return is possible because many of these SEOs chronically run on deficits, with much of their losses in social investment (labor costs, R&D costs, etc.) subsidized by governmental and other grants that qualify as non-operating income. It is also in part because social ventures and other such for-profit SEOs in very early stages finance their expenses not with their revenue, but with investments from outside sources.

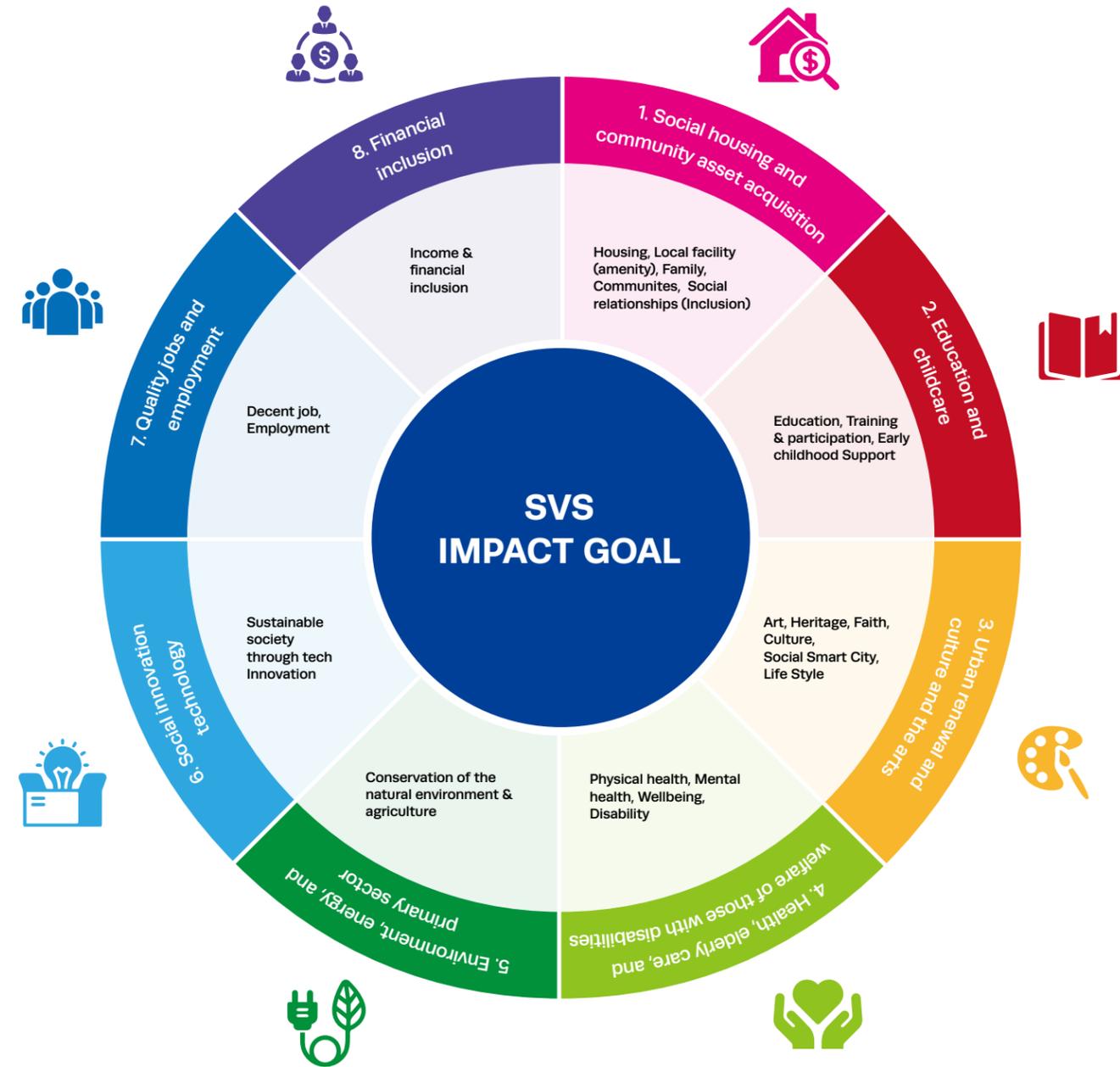




# THE IMPACT OF INVESTMENTS AND LOANS

## AREAS OF SVS IMPACT

SVS strives to identify and measure the effect it has on the social economy and the surrounding financial ecosystem across eight areas of impact referencing the United Nations' Sustainable Development Goals (SDGs) and other literature on impact classification:

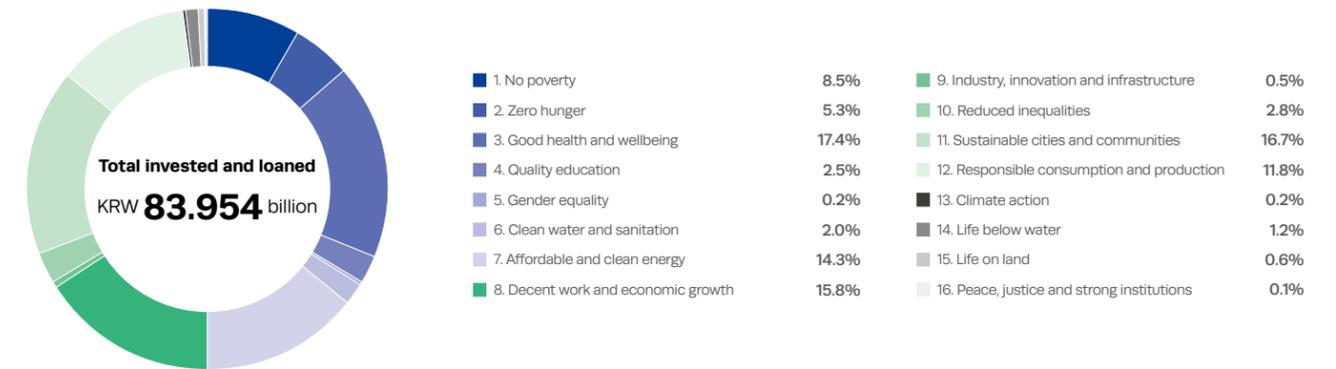


## IMPACT OF SVS INVESTMENTS AND LOANS

### MATCHING SVS IMPACT WITH THE UN SDGS

#### By investment and loan amounts

SVS provided KRW 83.95 billion in total to the social economy and surrounding ecosystems in Korea via partnerships with SFIs as well as direct approaches. Of these investments and loans, 17.4 percent went to promote SDG 3 (good health and wellbeing), 15.8 percent to SDG 8 (decent work and economic growth), 14.3 percent to SDG 7 (affordable and clean energy), 16.7 percent to SDG 11 (sustainable cities and communities), and 11.8 percent to SDG 12 (responsible consumption and production).



#### By number of SEOs served

As SEOs generally serve to create jobs for people who are disadvantaged on the conventional job market, SVS's funding went mainly to serve employment-related SDGs in 2022 in terms of the number of SEOs it supported. Specifically, 24.1 percent of the 257 SEOs it benefitted served SDG 8 (decent work and economic growth); 15.6 percent, SDG 3 (good health and wellbeing); and 12.8 percent, SDG 1 (no poverty).



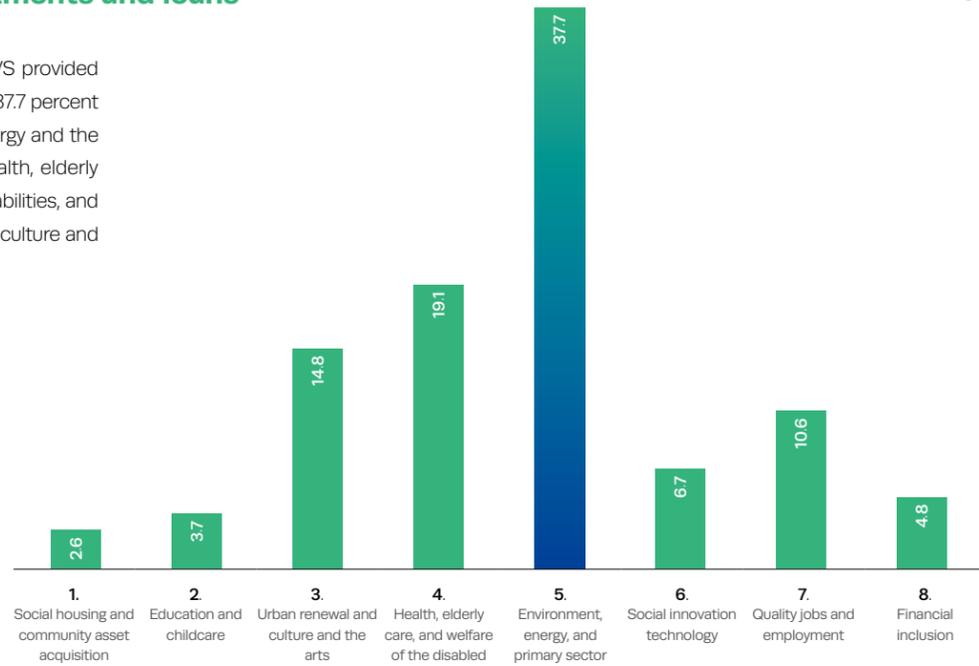


SVS INVESTMENTS AND LOANS  
AREAS OF SVS IMPACT

By amounts of investments and loans

(Unit: Percentage)

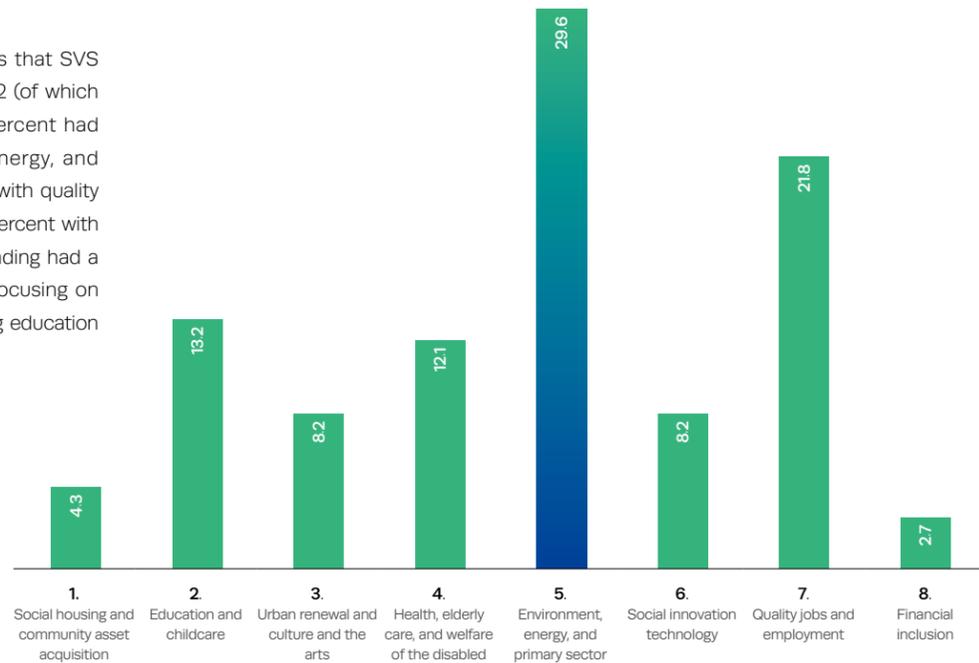
Of the KRW 83.954 billion that SVS provided in investments and loans in 2022, 37.7 percent went toward the environment, energy and the primary sector, 19.1 percent to health, elderly care and welfare of those with disabilities, and 14.8 percent to urban renewal and culture and the arts.



By number of SEOs served

(Unit: Percentage)

In terms of the number of SEOs that SVS funding went on to serve in 2022 (of which there were 257 in total), 29.6 percent had to do with the environment, energy, and the primary sector; 21.8 percent with quality jobs and employment; and 13.2 percent with education and childcare. SVS funding had a major impact on helping SEOs focusing on creating quality jobs and providing education and childcare services.



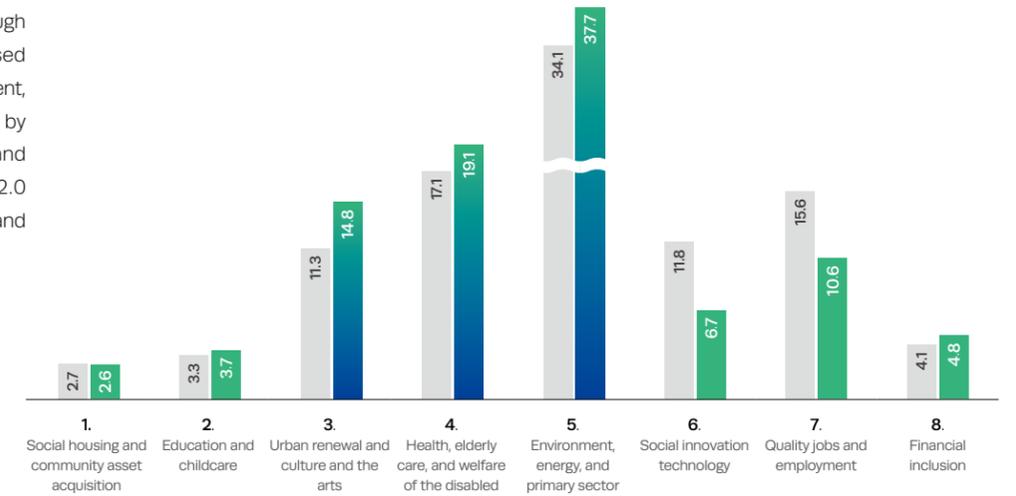
SVS IMPACT GOALS  
CHANGES IN SVS'S IMPACT PORTFOLIO

By investment and loan amounts

Percentage in 2022  
Percentage in 2021

(Unit: Percentage)

SVS annually monitors and analyzes the changes in its impact portfolio. Relative to 2021, SVS' focus, in terms of the amounts it provided through investments and loans, increased by 3.6 percent on the environment, energy, and the primary sector; by 3.5 percent on urban renewal and culture and the arts; and by 2.0 percent on health, elderly care, and welfare of those with disabilities.

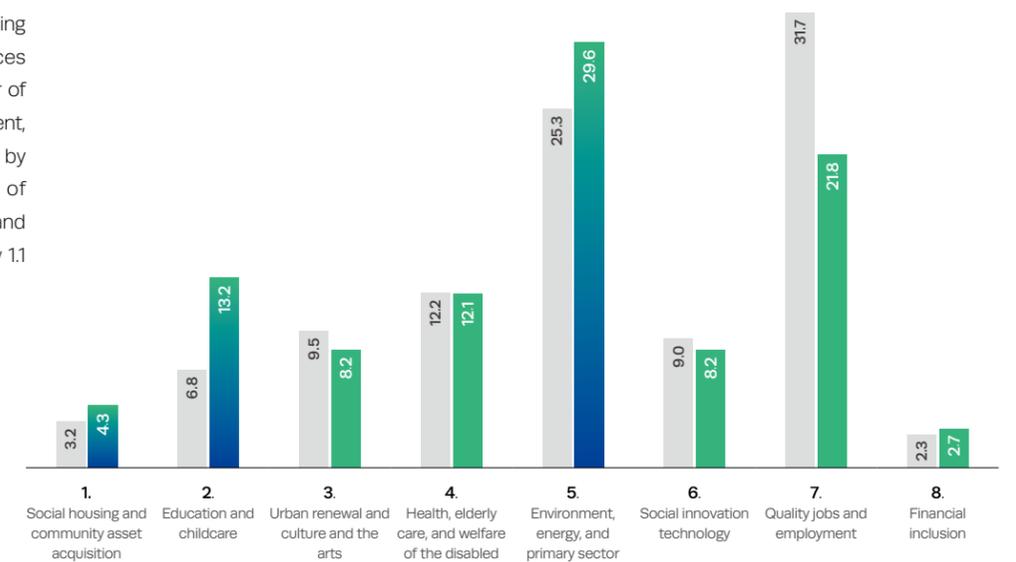


By number of SEOs served

Percentage in 2022  
Percentage in 2021

(Unit: Percentage)

In terms of the number of SEOs that SVS funding went on to serve in 2022, the number of those providing education and childcare services grew by 6.4 percent; the number of those focusing on the environment, energy, and the primary sector, by 4.3 percent; and the number of those providing Social housing and community asset acquisition, by 1.1 percent, all relative to 2021.



## SVS' IMPACT GOALS

# EXAMPLES OF INVESTMENT AND LOAN IMPACT

Impact Goals	Examples
<p><b>1.</b> <b>Social housing and community asset acquisition</b></p> 	<p><b>Social housing:</b> SVS provided Emergency Bridge Loans via the Social Housing Association to SEOs building and managing social housing for low-income and vulnerable groups.</p> <p><b>Local asset acquisitions:</b> SVS provided matched loans to social cooperative "H" in Seoul to help it acquire local properties and help protect SEOs and small businesses against gentrification in area "M" in Seoul.</p>
<p><b>2.</b> <b>Education and childcare</b></p> 	<p><b>On-the-job-training(OJT) platform:</b> SVS provided KRW 1.18 billion in RCPS investment to company "C", via social impact fund "D," as the company's mission was to help reduce the inequality of job opportunities between the Seoul-Gyeonggi region and other regions by providing OJT platform and content.</p> <p><b>Meals on wheels for children:</b> "N," an SEO in Namyangju that creates jobs for locals, had been operating for 15 years as of 2022, generating KRW 1.8 billion in annual revenue and employing 16 workers. The enterprise provides meals on wheels and other child-related services for children in need. SVS loaned KRW 72 million to the enterprise via a nonprofit SFI.</p>
<p><b>3.</b> <b>Urban renewal and culture and the arts</b></p> 	<p><b>Local content development:</b> Social enterprise "G," serving local communities in Okcheon, Chungbuk, generates KRW 500 million in annual revenue with its business model of developing locally themed entertainment contents and expanding related infrastructure. SVS provided a KRW 34 million operating loan via a loan-providing SFI.</p> <p><b>Renewing old urban core:</b> SVS invested KRW 500 million (RCPS-acquiring) via "D" social impact fund in a Busan-based local social venture focusing on renewing the old urban core by developing a multipurpose space.</p>
<p><b>4.</b> <b>Health, elderly care, and welfare of those with disabilities</b></p> 	<p><b>Matching care workers:</b> "K," a social enterprise providing social services, has been drawing attention with its success in providing a platform for freelance care workers and helping to improve wages and service quality of these workers. SVS invested KRW 2.0 billion in K's RCPS via impact fund "A."</p> <p><b>Care (domestic help/nursing) services:</b> "H," a social cooperative and self-help enterprise in its 14th year of operation as of 2022, employs 392 workers in total (including 205 from underprivileged backgrounds) and generated KRW 6.6 billion in annual revenue. SVS provided a KRW 300 million facility loan via a nonprofit SFI to this enterprise that provides nursing and domestic help services to those with disabilities and creates jobs for underprivileged groups.</p>

Impact Goals	Examples
<p><b>5.</b> <b>Environment, energy, and the primary sector</b></p> 	<p><b>Fishnet recycling:</b> "N," a social venture in Busan, has a manufacturing system that extracts and recycles nylon from used fishnets and supplies its products to large corporations, including Hyosung. Via social innovation fund "T," SVS invested KRW 1.0 billion in acquiring the RCPS of this company with a proven history of environmental and social records.</p> <p><b>Participatory solar energy:</b> In partnership with the National Association of Civic Energy Cooperatives, SVS provided a KRW 44 million facility loan to "W," a cooperative of local residents in Gangbuk, Seoul, so that members can generate solar energy using a vacant public lot.</p>
<p><b>6.</b> <b>Social innovation technology</b></p> 	<p><b>Construction safety:</b> SVS invested KRW 1.0 billion, via "D" impact fund, in company "M" that seeks to reduce safety risks for construction workers by developing and providing an Internet-of-Things-based construction platform for integrated construction site management.</p> <p><b>Revitalizing towns with population losses:</b> "M," a company that provides a lodging-brokering platform, also operates small and mid-sized lodging facilities in old urban cores and other areas with significant population losses. SVS invested KRW 500 million in the company via an urban renewal fund.</p>
<p><b>7.</b> <b>Quality jobs and employment</b></p> 	<p><b>Creating jobs for hearing-impaired drivers:</b> "C," a social enterprise in Seoul in its fourth year of operation as of 2022, helped 64 individuals, including 35 with hearing impairment, find jobs as taxi drivers. Via "M" impact accelerator, SVS invested KRW 200 million in the company that provides a software aid to help hearing-impaired drivers communicate with their customers.</p> <p><b>Creating jobs for underprivileged groups and supporting homeless youth:</b> "D" is a social enterprise based in Daegu that focuses on creating jobs for vulnerable groups, providing meals on wheels, and providing services to young adults without parents and homes to return to. SVS provided a KRW 84 million facility loan to D, via a nonprofit SFI.</p>
<p><b>8.</b> <b>Financial inclusion</b></p> 	<p><b>Overseas remittance platform for migrant workers:</b> "C" provides an overseas remittance platform to foreign workers, charging them 90 percent less on remittances than commercial banks. SVS invested KRW 500 million in acquiring C's RCPS via "D" impact fund.</p> <p><b>Mutual aid for nongovernmental activists:</b> "D," a social cooperative supporting social activists who struggle with the irregularity of their work and needs for emergency financial assistance, managed KRW 3.1 billion in assets and generated KRW 450 million in annual revenue in 2022. SVS provided a KRW 50 million operating loan, via a nonprofit SFI, to help this cooperative continue to serve its socially valuable function.</p>



**FINANCIAL REPORTS**

Income and Expenditures  
Financial Statements

**HISTORY OF SVS**

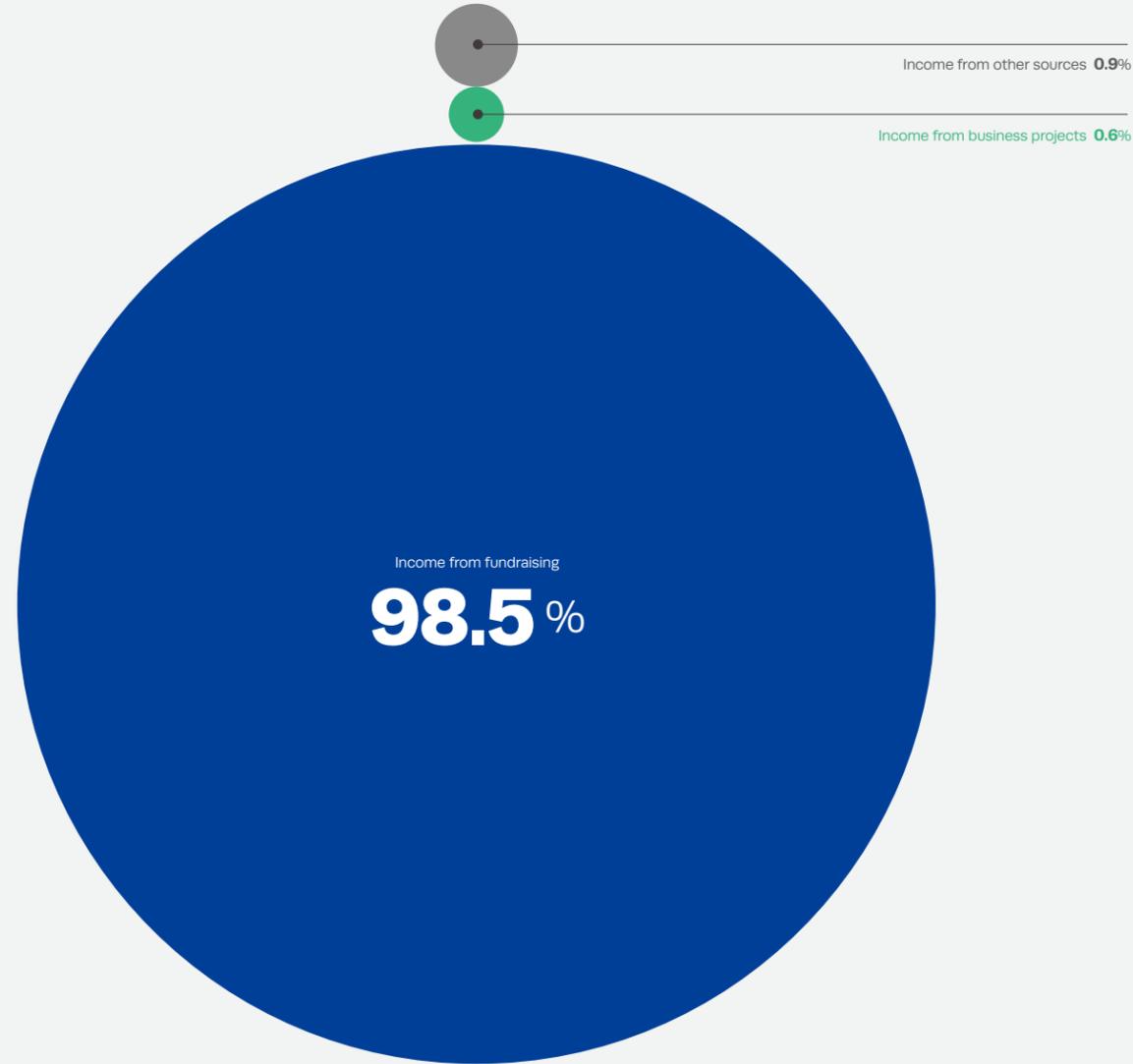
**PEOPLE AT SVS**

Board of Directors  
Partner Organizations in 2022

INCOME AND EXPENDITURES

SVS continues to ensure transparency and fairness in its management practices as part of fulfilling its social mission.

Income in 2022

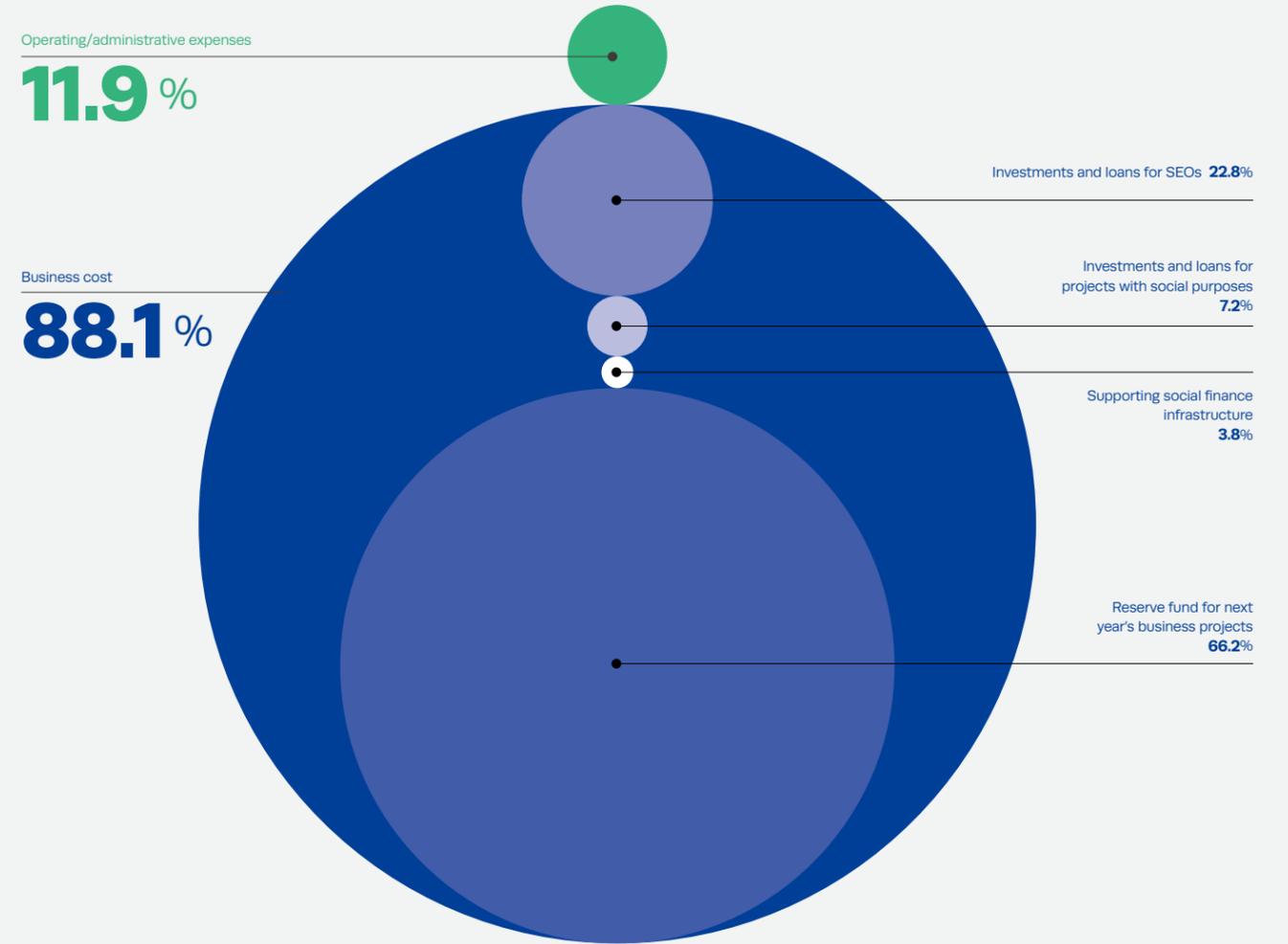


Income from fundraising*	10,332,400,000
Income from business projects	59,600,000
Income from other sources	93,400,000

**10,485,400,000**

\*Including reserve funds carried forward from previous year and loans recovered.

Expenditures in 2022



<b>Business cost</b>	<b>9,241,900,000</b>
Investments and loans for SEOs	2,110,000,000
Investments and loans for projects with social purposes	662,500,000
Supporting social finance infrastructure	354,800,000
Reserve fund for next year's business projects	6,114,600,000
<b>Operating/administrative expenses</b>	<b>1,243,500,000</b>

**10,485,400,000**

## Balance Sheet

(Unit: KRW)

Item	FY4 (current)	FY3 (previous)
<b>Assets</b>		
<b>I. Current assets</b>	<b>7,159,015,977</b>	<b>8,725,662,107</b>
<b>[1] Quick assets</b>	<b>7,159,015,977</b>	<b>8,725,662,107</b>
1. Cash and equivalents	4,114,599,269	5,060,521,408
2. Short-term financial investments	2,000,000,000	3,500,000,000
3. Loan obligations	109,063,000	155,277,581
Bad debt allowance	0	(15,000,000)
4. Current long-term loan obligations	890,000,000	0
5. Uncollected profits	24,105,522	12,157,234
6. Corporate taxes paid in advance	21,248,186	12,705,884
<b>II. Non-current assets</b>	<b>16,677,950,028</b>	<b>17,002,660,339</b>
<b>[1] Investments</b>	<b>16,510,926,540</b>	<b>16,787,816,365</b>
1. Available for sale	10,693,926,540	9,214,000,000
2. Long-term loan obligations	5,817,000,000	7,573,816,365
<b>[2] Tangible assets</b>	<b>89,687,493</b>	<b>63,815,094</b>
1. Equipment and fixtures	46,058,620	34,612,020
Accrued depreciation	(24,983,627)	(16,966,326)
2. Facilities	75,130,000	104,423,500
Accrued depreciation	(6,517,500)	(62,654,100)
3. Assets under construction	0	4,400,000
<b>[3] Intangible assets</b>	<b>47,335,995</b>	<b>63,028,880</b>
1. Software	47,335,995	63,028,880
<b>[4] Other non-current assets</b>	<b>30,000,000</b>	<b>88,000,000</b>
1. Deposit on rents	30,000,000	88,000,000
<b>Total assets</b>	<b>23,836,966,005</b>	<b>25,728,322,446</b>
<b>Debt</b>		
<b>I. Current debt</b>	<b>687,811,070</b>	<b>685,264,869</b>
1. Accounts payable	201,736	201,736
2. Accounts received in advance	5,307,700	0
3. Costs payable	23,968,300	26,729,800
4. Repayments to Current Social Investment Fund	658,333,334	658,333,333
<b>II. Non-current debt</b>	<b>0</b>	<b>860,892,006</b>
1. Repayments to Social Investment Fund	0	658,333,334
2. Debt incurred to pay severance benefits	0	202,558,672
<b>III. Earmarked business reserve funds</b>	<b>0</b>	<b>0</b>
<b>Total debt</b>	<b>687,811,070</b>	<b>1,546,156,875</b>
<b>Net assets</b>		
<b>I. Basic net assets</b>	<b>500,000,000</b>	<b>500,000,000</b>
1. Basic assets	500,000,000	500,000,000
<b>II. Common net assets</b>	<b>22,649,154,935</b>	<b>23,682,165,571</b>
1. Founding investments in social impact	27,570,905,000	27,570,905,000
2. Disaster Solidarity Fund executed	183,831,250	123,766,365
3. Deposit in Disaster Solidarity Fund	102,550,630	162,615,515
4. Surpluses undisposed of (Losses undisposed of)	(5,208,131,945)	(4,175,121,309)
<b>Total net assets</b>	<b>23,149,154,935</b>	<b>24,182,165,571</b>
<b>Debt and net assets combined</b>	<b>23,836,966,005</b>	<b>25,728,322,446</b>

## Statement of Activities

(Unit: KRW)

Item	FY4 (current)	FY3 (previous)
<b>I. Business revenue</b>	<b>241,648,045</b>	<b>270,505,645</b>
1. Non-financial business revenue	35,000,000	3,400,000
2. Revenue from Social Investment Fund subsidies	0	24,309,760
3. Revenue from Disaster Solidarity Fund donations	0	2,000,000
4. Revenue from Disaster Solidarity Fund subsidies	0	100,000,000
5. Revenue from labor deduction subsidies	40,000,000	49,971,037
6. Revenue from private-sector donations	12,419,760	0
7. Revenue from returns on impact investments and loans	24,539,787	16,134,690
8. Revenue from interest on savings deposits	129,688,498	74,690,158
<b>II. Business costs</b>	<b>1,248,331,631</b>	<b>1,536,092,814</b>
<b>[1] Business undertaking costs</b>	<b>987,824,374</b>	<b>1,160,128,816</b>
1. Fund business expenses	328,011,948	626,844,783
2. Infrastructure business expenses	659,812,426	533,284,033
<b>[2] General administrative expenses</b>	<b>260,507,257</b>	<b>375,963,998</b>
1. General administrative expenses	260,507,257	375,963,998
<b>III. Business profits</b>	<b>(1,006,683,586)</b>	<b>(1,265,587,169)</b>
<b>IV. Non-business profits</b>	<b>5</b>	<b>10,003</b>
1. Miscellaneous profits	5	10,003
<b>V. Non-business costs</b>	<b>26,327,055</b>	<b>39,600,000</b>
2. Losses due to corrections to previous term errors	0	39,600,000
Losses due to tangible asset disposition	26,327,046	
Miscellaneous losses	9	
<b>VI. Earmarked reserve funds carried forward from FY3</b>	<b>142,279,997</b>	<b>69,543,842</b>
<b>VII. Earmarked reserve funds carried forward to FY5</b>	<b>142,279,997</b>	<b>69,543,842</b>
<b>VIII. Before taxes</b>		
<b>Net profit (loss)</b>	<b>(1,033,010,636)</b>	<b>(1,305,177,166)</b>
<b>IX. After taxes</b>	<b>0</b>	<b>0</b>
<b>Net profit (loss)</b>	<b>(1,033,010,636)</b>	<b>(1,305,177,166)</b>



## HISTORY OF SVS

Since coming into being in January 2019 as South Korea's first-ever wholesale fund exclusively focusing on providing social finance, SVS has risen to great challenges, striving to ensure the sustainable growth of SEOs and help establish social finance in Korea.

### 2018

#### Korean government unveils measures to foster social finance

Including measures supporting formation of social finance market, increasing social finance from governmental/public sector, and expanding infrastructure, all toward establishing a financial ecosystem supporting the sustainable growth of the Korean economy (February 8).

#### Steering Group and Inauguration Preparation Committee organized

A steering group was assembled, with government officials, representatives of SEOs, SFIs, and financial experts, to help prepare to launch SVS.

### 2019

#### SVS officially launched

- Ministry of Finance authorizes establishment as nonprofit corporation (December 27, 2018).
- Inauguration ceremony held (January 23, 2019).

#### Agreements signed to help foster and expand infrastructure for social finance

- Working Agreement on Knowledge Exchange and Cooperation (CITIES, March)
- Working Agreement on Supporting Local Community and Solving Youth Issues (University of Seoul, March)
- Agreement on Investment in SIB Projects (Ass'n of Korean Local Governments for Social and Solidarity Economy, March)
- Working Agreement on Development and Use of Social Economy Organization Evaluation System (Korea Credit Guarantee Fund, Social Enterprise Promotion Agency, Center for Social Value Enhancement Studies, May)
- Working Agreement on Fostering Social Finance and Generating Social Values (Korean Teachers Credit Union, July)

#### Social impact investments begin

Via impact cooperatives and funds  
- D3 Impact Venture Investment Cooperative (No. 2)

#### Investments and loans begin via SFIs

Providing loans for SEOs and operating loans and founding capital for SFIs

#### Developing a model of social finance and self-help

To support young adults and other people disadvantaged on the labor market

#### "Social Finance Today and Future Tasks," a legislative debate, held at National Assembly

In partnership with Democratic Party's Social Economy Committee (September 20)

#### Working agreement on fostering social finance

Working Agreement on Mutual Cooperation with the Association of Banks to Build a Sustainable Ecosystem of Social Finance (November)

### 2020

#### Investments and loans for SEOs increased

- Impact investment cooperatives and funds:
  - Extra Mile Impact Investment Cooperative 2
  - Social Venture Picnic Investment Cooperative 1
  - Ark Impact Venture Investment Fund
  - Blue Point Social Innovation Startup PEF 1
- Impact Square Stepping-Stone Fund for Social Enterprises
- TBT Open Innovation Fund
- Gyeongnam Impact Investment Fund for Youth
- Gangwon Picnic Investment Cooperative
- Loans for SEOs in Gyeongnam

#### Investing in projects with social purposes

- SIB, local asset acquisition, care service, and climate and energy projects, including:
  - Seoul SIB Project to Reduce Youth Unemployment
  - Local social cooperatives for medical welfare (Ansan and Jeonju)
  - Solar panel installations on small factory rooftops
  - Matched loans for crowdfunding campaigns (local asset acquisition, support for local creators)
  - Loans to National Synthetic Fiber and F&B Industries Union (Mutual-Aid Society for Sewers)
  - Loans for mutual-aid society for workers in irregular employment conditions (in partnership with Seoul Social Investment Fund)

#### Social Value Forum organized to push public sector to do more

Co-hosted with Mutual Benefit and Solidarity Fund, Civil Society Organizations Network, and Ass'n of Korean Local Governments for Social and Solidarity Economy (February 20).

#### Collective Action to Overcome Crisis Together launched

Raising Disaster Solidarity Fund to support Covid-19 response and provide emergency finance for SEOs (March)

#### Helping SEOs overcome Covid-19

Agreement signed with KOICA to help SEOs overcome Covid-19 (April):  
- Covid-19 Support Program for SEOs in Developing Countries launched (August).

#### Seoul Social Housing Safe Insurance

Working agreement signed with Seoul Metropolitan Government, Korea Credit Guarantee Fund, and Social Housing Association (August).

#### Social Finance Forum, a network of SFIs, launched

With the participation of 25 nongovernmental SFIs, including nonprofits, mutual aid associations, impact investors, crowdfunding platforms, and SIB executors (October).  
- Debate on impact investment today held (July).

#### Supporting technological growth of SEOs

2020 KT Warm Technology Challenge launched.

### 2021

#### Debates on fostering social finance

- Social Finance Vision Debate (January 12)
- Evaluating Three Years of Social Finance Policy and Remaining Tasks (February 18)
- Social finance webinar ("Labor Solidarity Fund in North America and Implications for Korea") (May 12)
- Impact Investment Today debate (July 2)
- "The Roles and Future of Social Finance Post-Covid 19" (GSEF 2021, October 7)
- Evolving ESG: Introducing People-Centered ESG (Asia Future Forum, October 20)
- Social finance webinar: "Social Finance in Quebec" (November 19)

#### Policy debate pushing for legislation on workers' mutual-aid cooperatives

Looking for ways to accelerate legislation on mutual-aid cooperatives to enable workers to help one another and work together

#### Strengthening international solidarity and cooperation on social finance

Participating in OECD Social Solidarity Economy Consortium, Mexico Forum of Global Social Economy Forum (GSEF), etc.

#### Supporting projects with social purposes

- Projects on urban renewal, social housing, care, climate, and energy, including:
  - Seoul Social Housing Deposit Security Project
  - CCVC Our Neighborhood Urban Renewal Fund
  - Matched loans for energy cooperatives seeking self-sufficiency
  - Matched loans for fund protecting social housing tenants
  - Matched loans for Jeonbuk Social Economy Fund

#### Publishing impact reports and organizing briefings

- Analysis on social impact of SVS funding activities published and presented (June 28).

#### 2020 Social Finance Survey published

With participation of 25 organizations representing social finance, along with Social Finance Forum (June).

### 2022

#### Supporting local social finance

- Raising funds and providing matched finance for SEOs, including:
  - Gyeongbuk ESG Venture Investment Cooperative for Youth (local government fund supporting local SEOs)
  - Daegu Social Value Finance Fund
  - Pyeongtaek Social Network Fund

#### Building infrastructure and capabilities for social finance

- Publishing demands for social finance for 20th Presidential Election (Social Finance Forum, January)
- Supporting crowdfunding for SEOs (Ohmycompany, February)
- Organizing investors relations roundtable on social investment (May)
- Providing capability-enhancement training for SFI employees (July)
- Organizing public debate ("Roles of Social Finance in Local Innovation") (Social Finance Forum, July 8)
- Organizing investor relations briefing on how SEOs are financed (Social Enterprise Promotion Agency, October)
- Holding roundtables with regional hubs of social finance (Daegu, Gangwon, Jeju, Jeonbuk, Gyeongnam, Gwangju)

#### Policy research

- Basic research on improving social economy fund management by local governments
- Research on how to manage local government funds to foster local social finance ecosystems
- Research on how to increase participation by nonprofit corporations in increasing investment in social services

#### Supporting social housing

- Loans
- Crowdfunding investments
- Roundtable on social housing for youth in Quebec (August 18)
- Re-financing agreement for construction of themed social housing (April 16 Foundation and Korea Social Housing Association, October)

#### Supporting social solidarity deductibles

- Public debate on "Promoting Social Solidarity Mutuals for Just Transition in Post-Covid 19 Era" (February 9)
- National Assembly forum on "Improving Legislative Basis to Strengthen Self-Sufficient Social Security Networks and Mutual Aid for Cooperatives" (June 9)
- Media Workers Mutual-Aid Association launched, with working agreement (National Union of Media Workers, November 23)

#### Learning groups to help produce policy measures

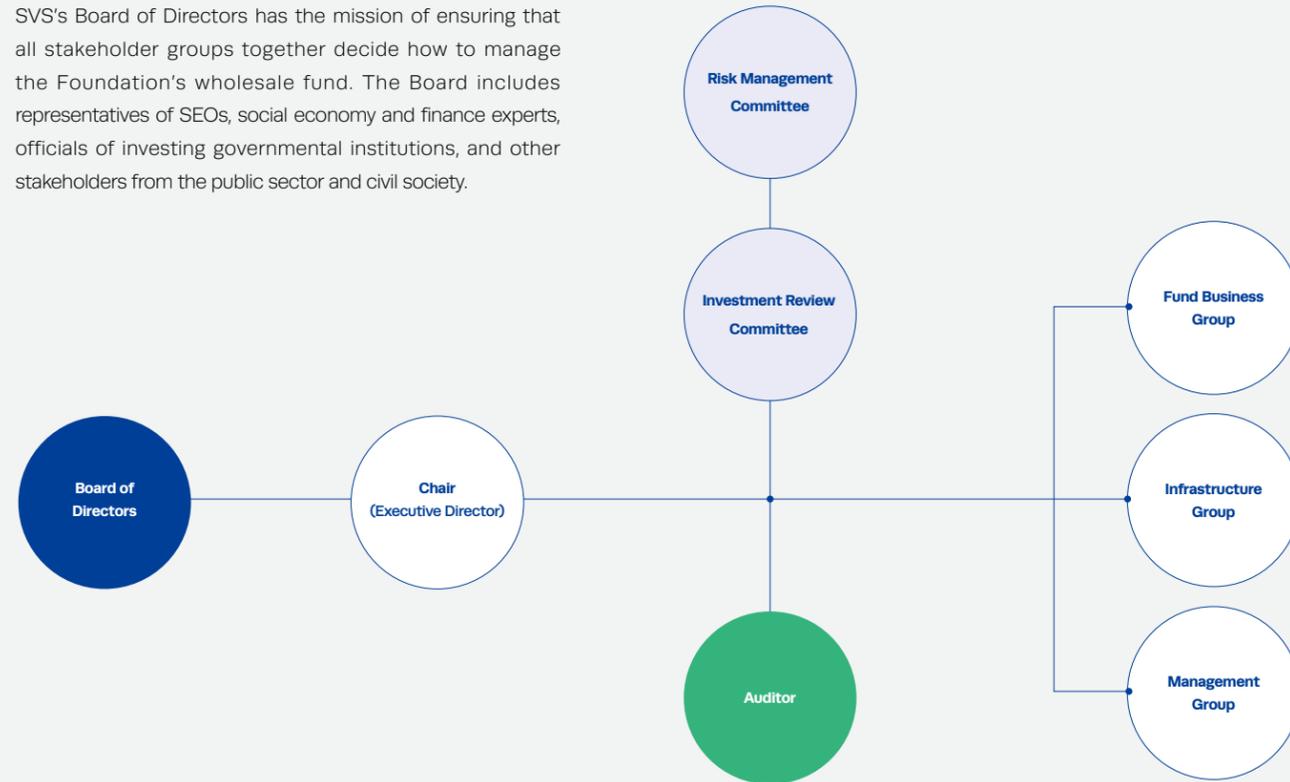
- Three reports published with Hankyoreh Economy and Society Research Institute ("H-ESG Forum," "People-Centered ESG," and "H-ESG").
- BTSE Learning Group for Imagining the Social Economy of 2030 established and open seminars held.

## PEOPLE AT SVS

### Board of Directors

(As of April 2023, in Korean alphabetical order)

SVS's Board of Directors has the mission of ensuring that all stakeholder groups together decide how to manage the Foundation's wholesale fund. The Board includes representatives of SEOs, social economy and finance experts, officials of investing governmental institutions, and other stakeholders from the public sector and civil society.

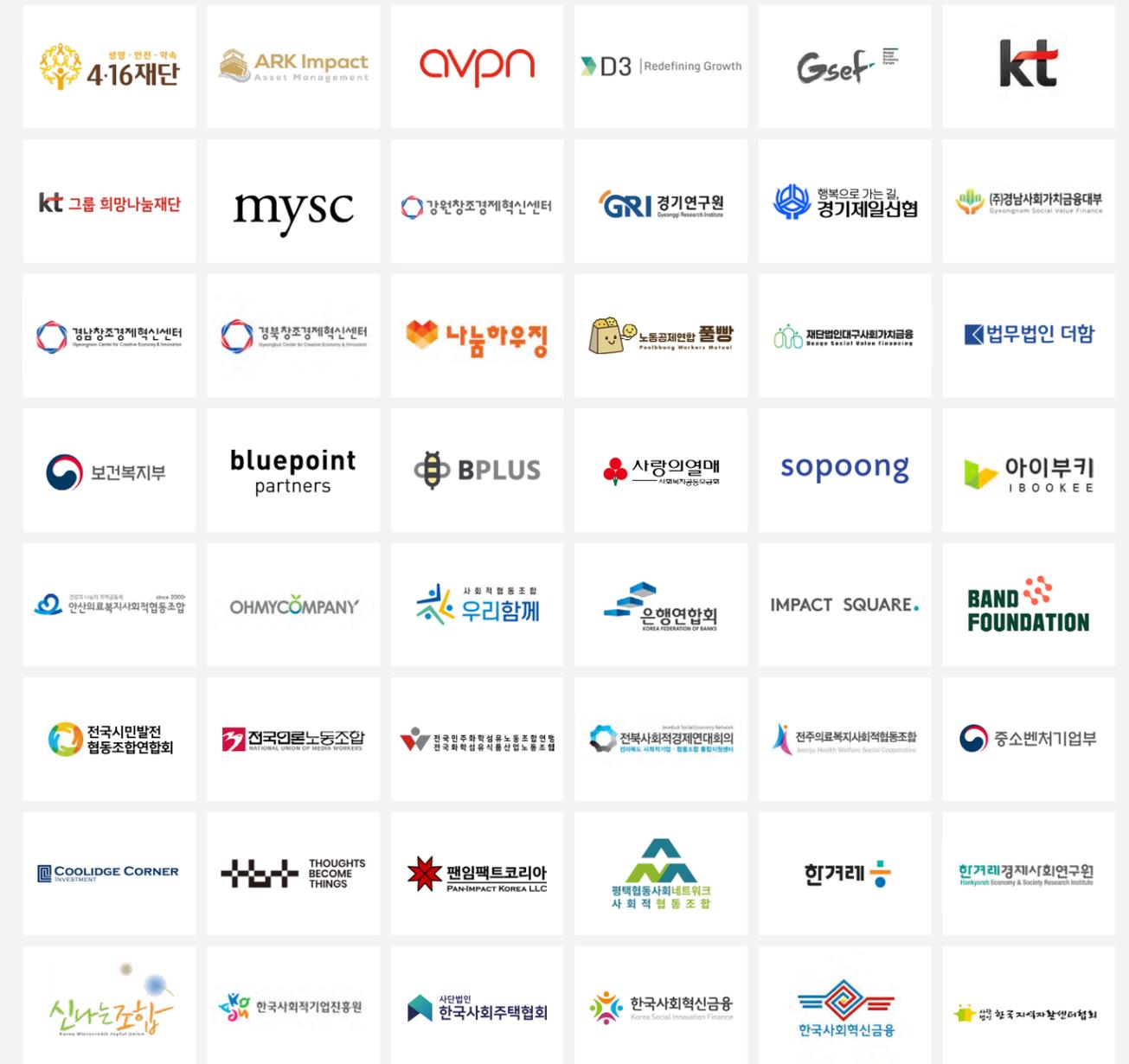


<b>Chair</b>	<b>Song Kyong Yong</b>	Seoul Social Economy Network Fmr. Chairperson
<b>Directors</b>	<b>Kim Young-sik</b>	Secretary-General, Ass'n of Korean Local Governments for Social and Solidarity Economy
	<b>Kim Jeong-hee</b>	Chair, iCoop Consumer Cooperative Group
	<b>Namgung Cheongwan</b>	Chair, Hyeminseo Social Cooperative
	<b>Park Hak-yang</b>	Fmr. Executive Director, Korea Credit Guarantee Fund
	<b>Yang Dong-su</b>	CEO, Deoham Social Developer Group
	<b>Lee Mi-young</b>	CEO, Fairtrade Korea
	<b>Lee Hyun-min</b>	Executive Director, Jeonbuk Regional Development Cooperative
	<b>Chong Won-o</b>	Mayor, Seongdong-gu, Seoul Fmr. Chair, Ass'n of Korean Local Governments for Social and Solidarity Economy
<b>Auditor</b>	<b>Lee Sang-geun</b>	CPA, Ilshin Accounting Corp.

### Partner Organizations in 2022

(In Korean alphabetical order)

SVS is deeply grateful for the support from and participation of all the governmental organizations, state enterprises and private-sector businesses, SFIs, and SEOs who help us continue to build and expand ecosystems for social finance in Korea.





KOREA SOCIAL VALUE AND SOLIDARITY FOUNDATION  
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