

<ESG International Conference in Busan>

ESG Trends, Demands & Tech

September 2nd 2023. / KIM & CHANG

DONGSOO KIM (Director of ESG Research Institute)

No Part of it may be circulated, quoted, or reproduced for distribution without prior written approval from K&C

Copyright © Kim & Chang 2023

Marine Species

829

of marine species disappeared in last 300 years

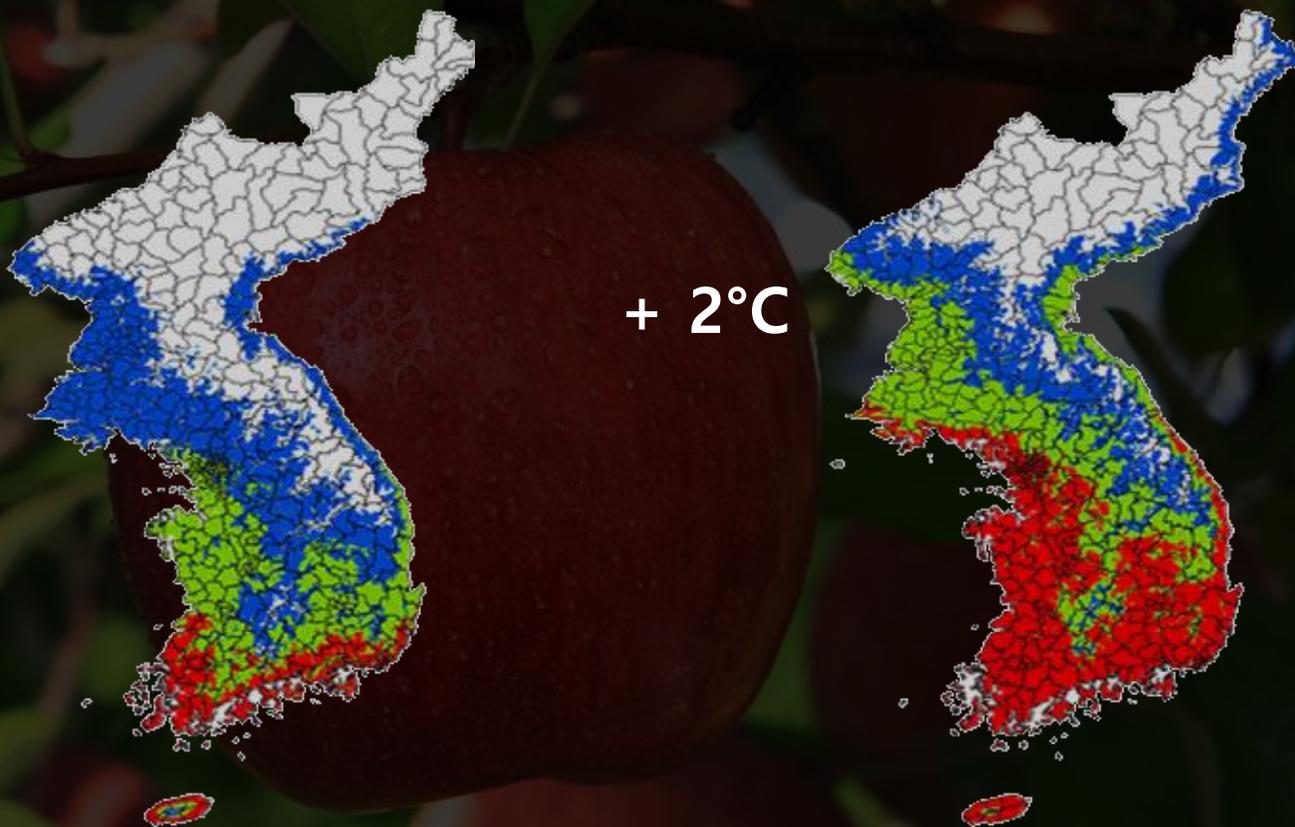


Apple Cultivation Area

45% apple cultivation area has vanished in Korea in 10 years

Average years

+ 2°C



Exponential Growth

Public interest in ESG (2018. 01. ~ 2021. 10.)

4 Times

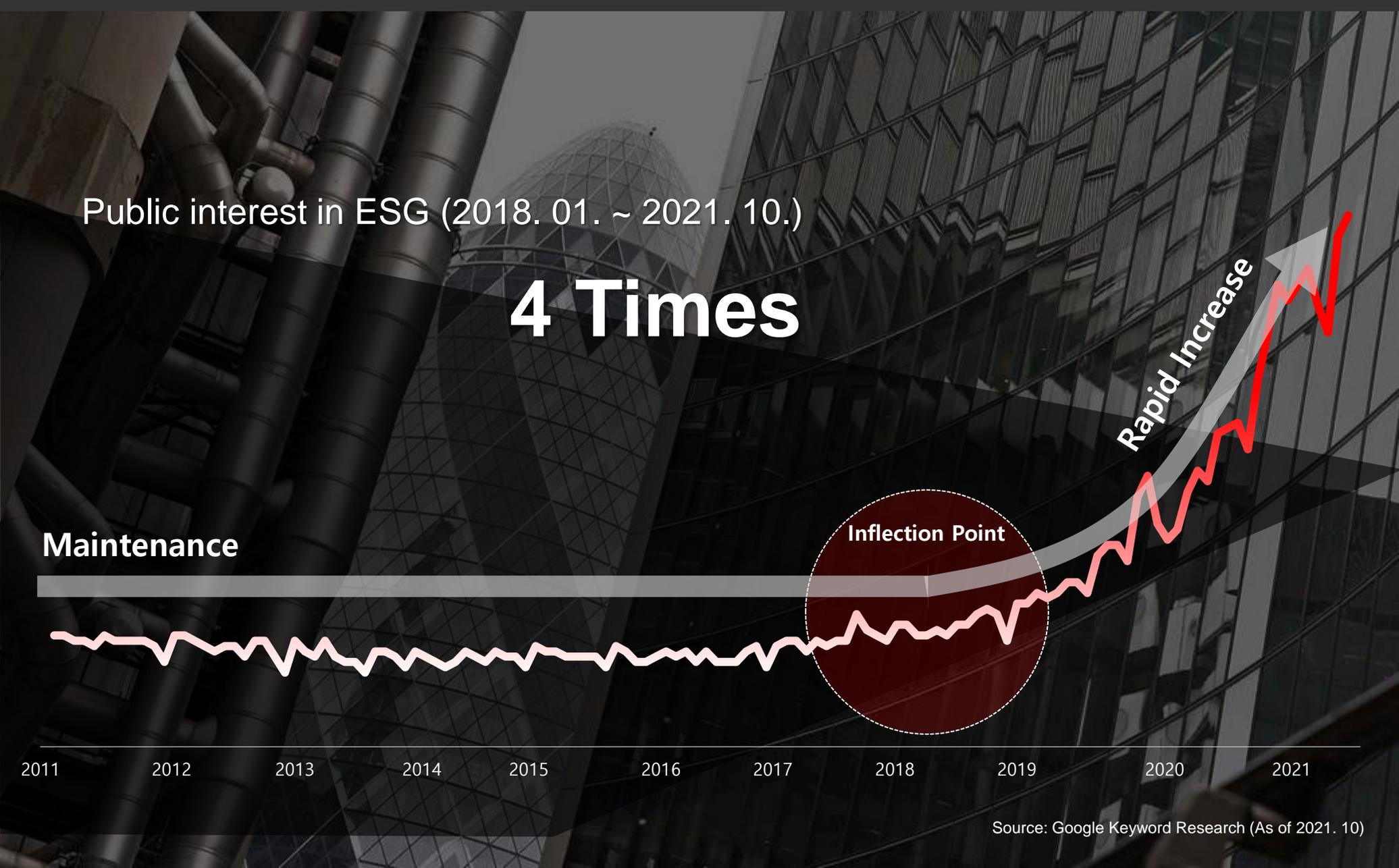
Maintenance

Inflection Point

Rapid Increase

2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

Source: Google Keyword Research (As of 2021. 10)



ESG Upheaval Period

ESG media coverage has increased
117 times (Avg. from 2011 to 2019 vs. 2021)

Average from 2011 to 2019 : **322.7**



#1. Not Rating Info But Consolidated Data

ESG Data is Essential Part (High Quality)

17 out of 65 EA

56.9%

Data Coverage (Consolidated)

43.1%

56.9%

Environmental Data

26.2%

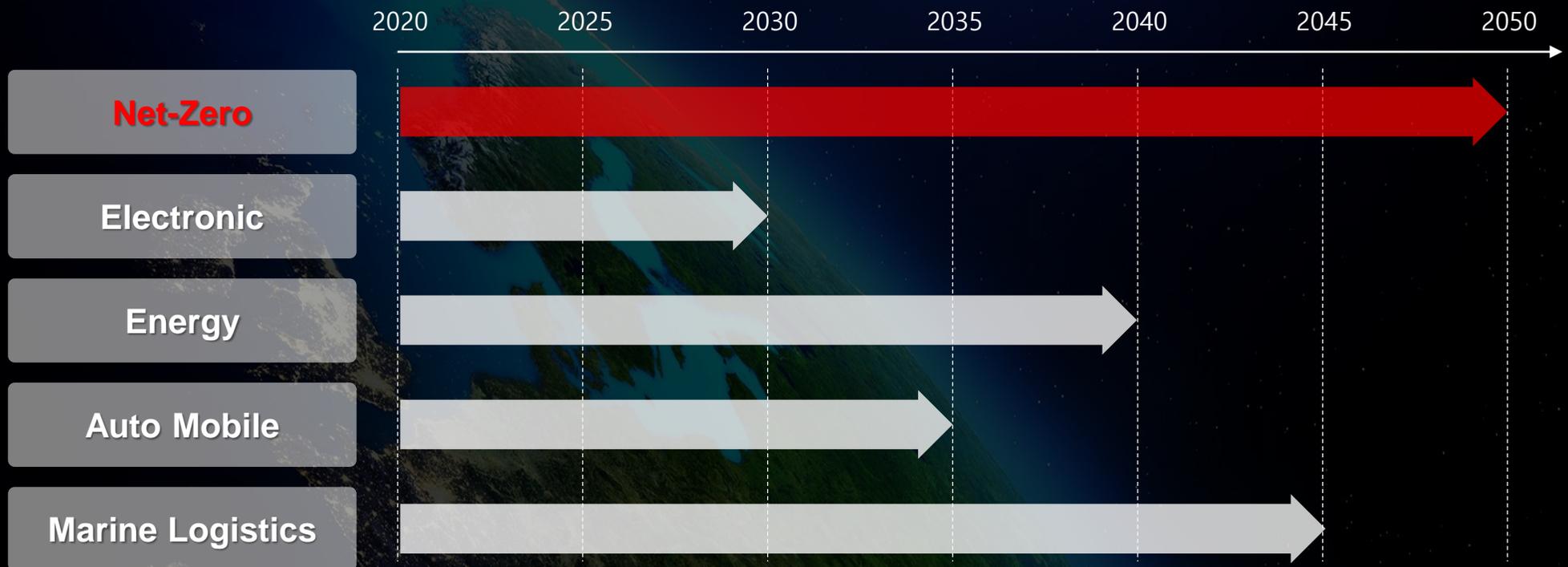
Social Data

30.7%

#2. Industry Specific Information

2050 Carbon Neutral Society Realization

by "Low Carbon Economy", "Renewable Energy Ecosystem", "Resilience to Climate Risk"



#3. Policy Engagement

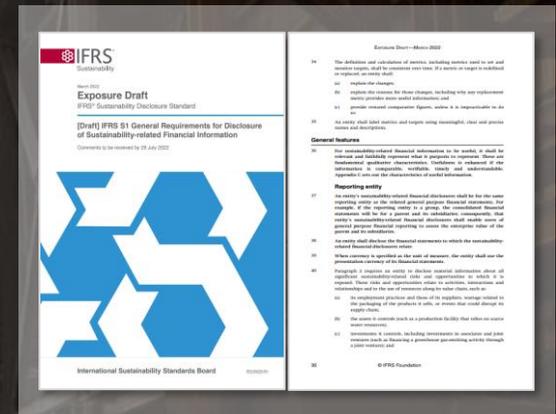
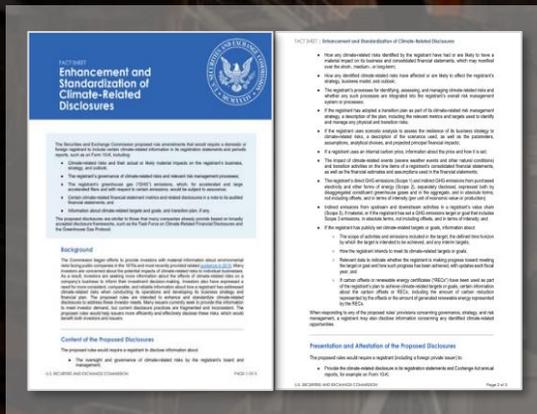
Legal Regulation

Sustainability Standard

Climate-Related Disclosures (美 SEC, '22. 03. 22)

European Sustainability Reporting Standards [Draft] (EFRAG, '22. 04. 29)

IFRS® Sustainability Disclosure Standard [Draft] (ISSB, '22. 03. 31)



- Mandatory disclosure(11EA) & others(1EA)
- Include conditional disclosures for Scope 3

- disclosure elements (14EA) by ESG area
- ESG disclosure method (Narrative, 9EA)

- General (S1) / Climate-related (S2)
- Disclosure items can be added according to laws/regulations by country

Emphasize the **role & responsibilities of the Board**

#4. Green Washing – Firm, Product, Service

ESG Washing (White Washing)

As ESG spreads internationally, companies are actively engaged in ESG activities, such as ESG declarations and initial subscriptions, while internally adhering to existing practices

Green Washing

the behavior of a company that gains economic benefits only by 'green image'

Blue Washing

The act of trying to gain profits by entering the global market only with the 'human rights leadership image'

Brown Washing

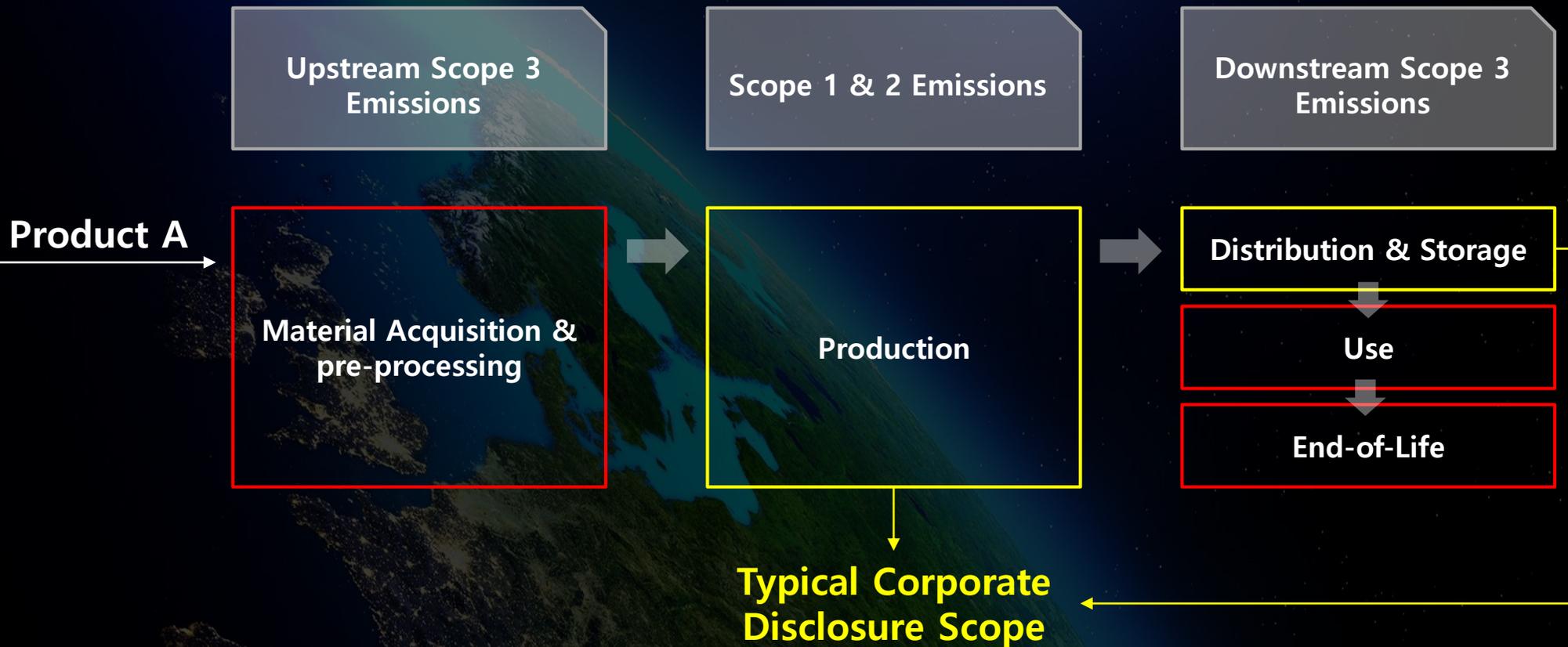
Trying to escape market interest and controversy by deliberately not exposing environmental performance information

Impact Washing

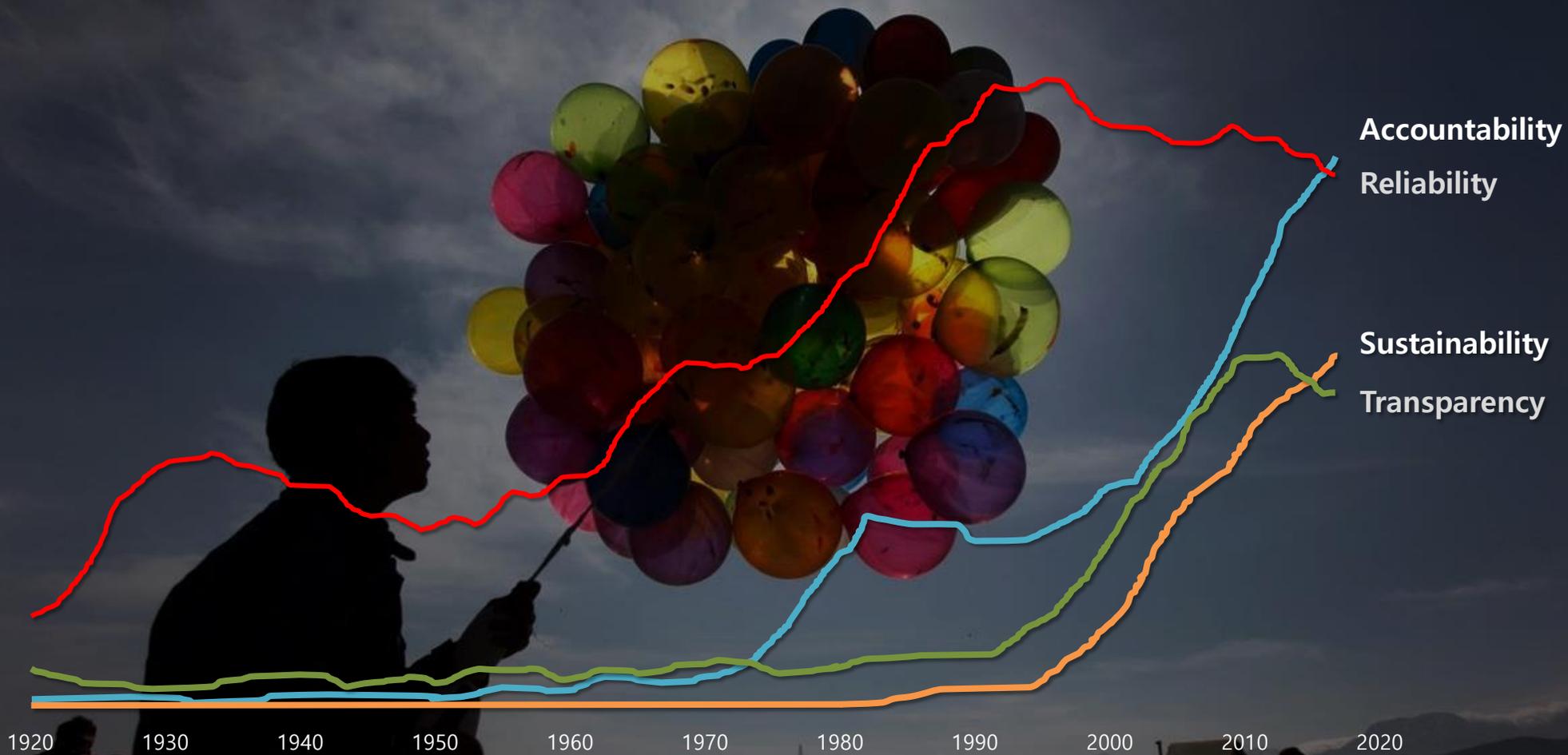
Meaning of establishing a market leadership position by aggregating all relevant assets without specific criteria

#5. Value Chain Data - LCA (included Scope #3)

From an **LCA perspective**, it is necessary to expand the scope of disclosure of corporate greenhouse gas emissions

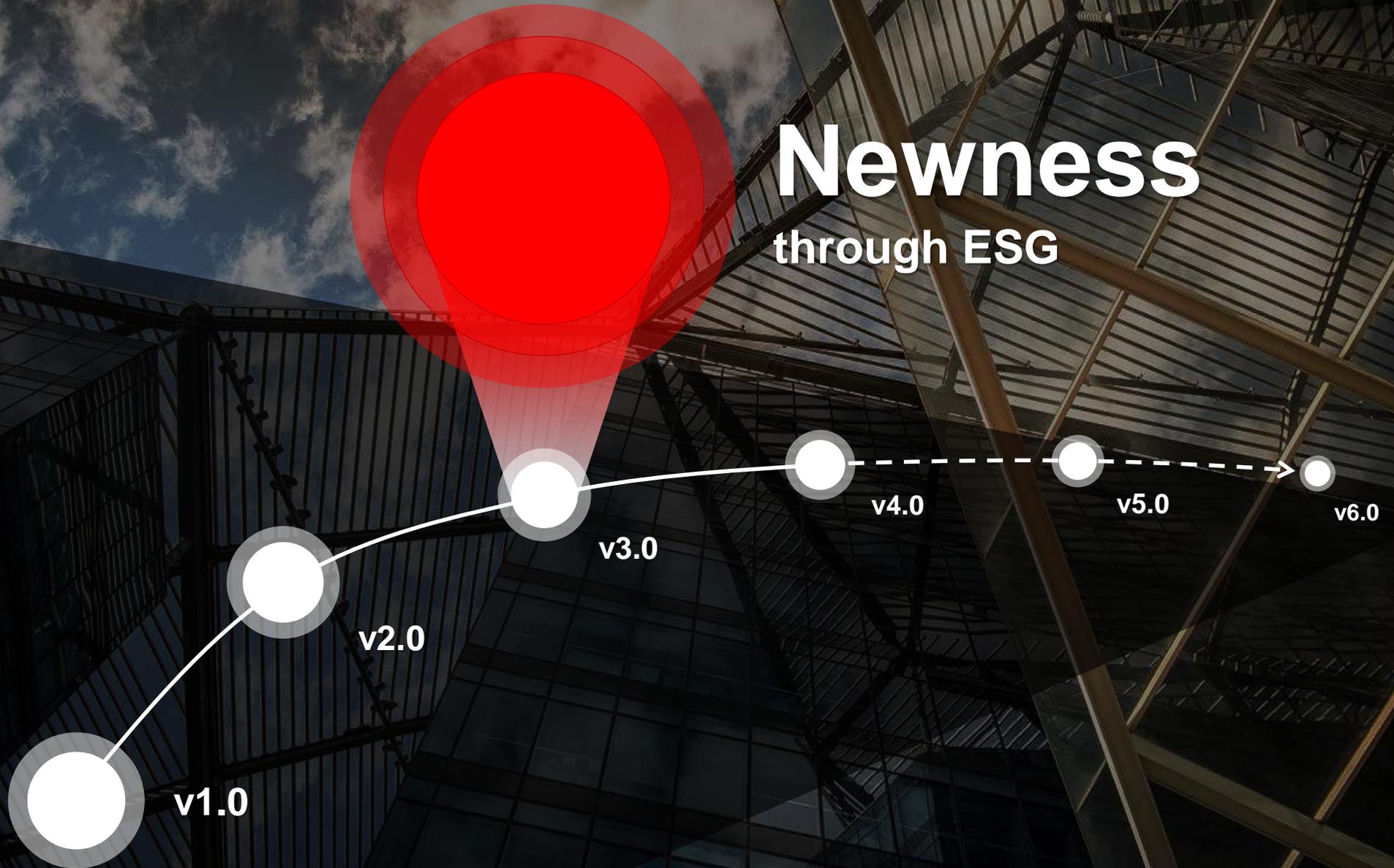


Keywords of Today



Newness

Newness through ESG



From 1.0 to 4.0

Passive ESG

Mitigate ESG Risks

Reactive ESG

Adapt to ESG Ecosystem

Active ESG

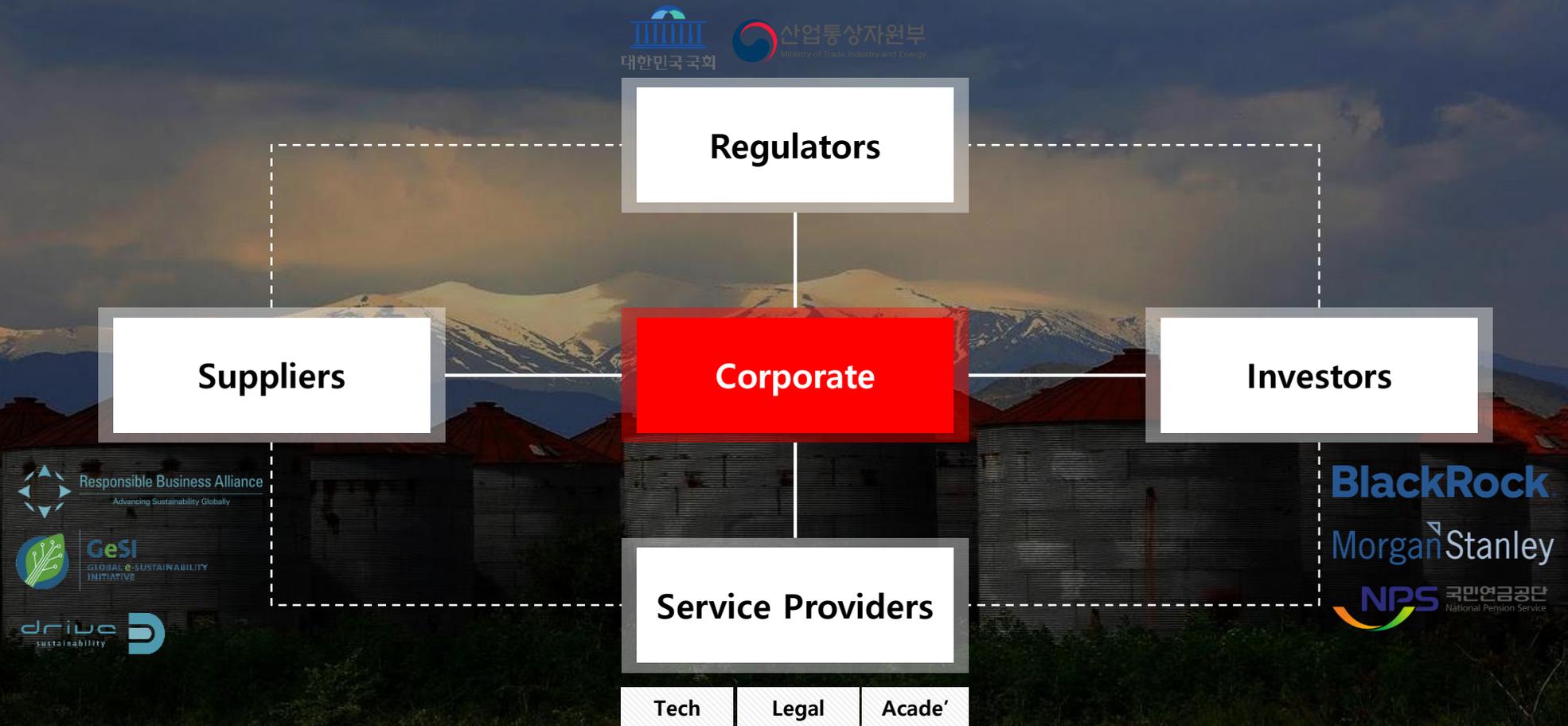
Transit to ESG Business

Pro-active ESG

Fully Integration of ESG & Business



4 Major Players formulate ESG market ecosystem



The Keyword "Authenticity"

Authenticity

Natural – Natural Materials

Influential – Product and Service for the Great Cause

Original – The first Product / Service

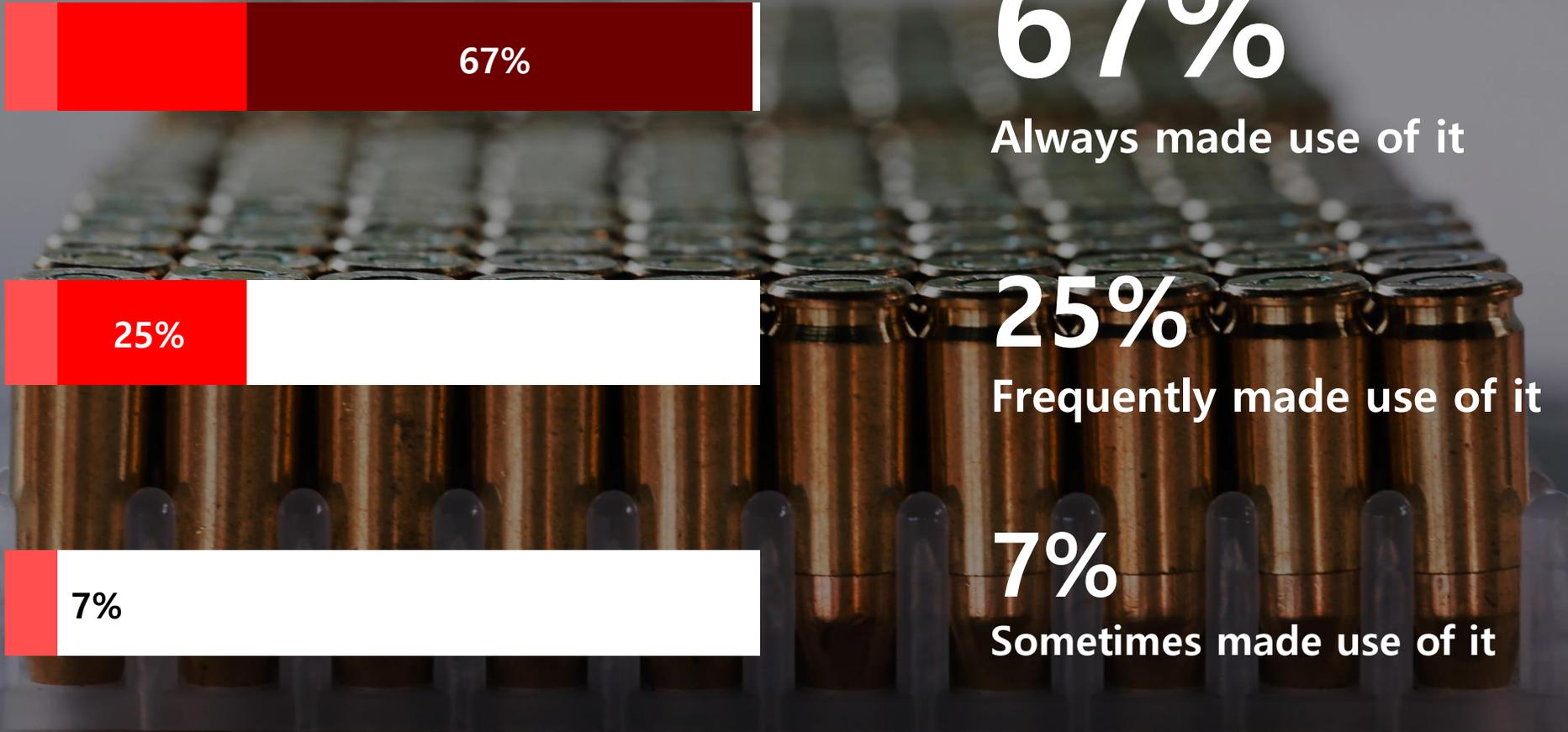
Exceptional – Special Product / Service

Referential – Image of the Corporate



Investors View

How frequently do investors consider ESG info in the investment process?



67%

67%

Always made use of it

25%

25%

Frequently made use of it

7%

7%

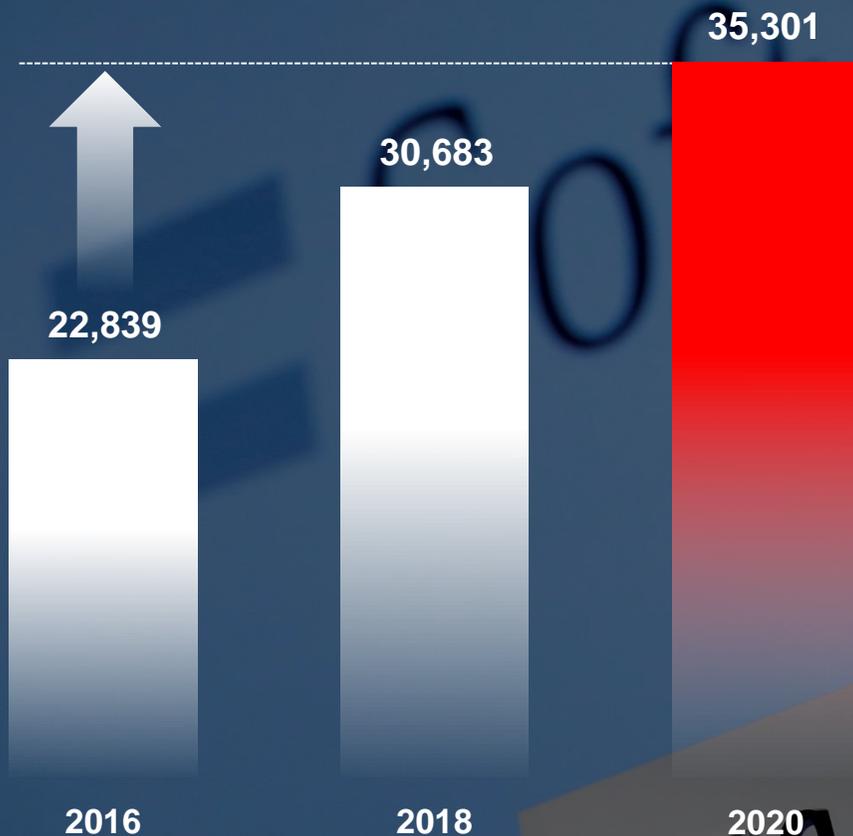
Sometimes made use of it

Sustainable Investment Market

[Global sustainable Asset]

54.6% Growth

(Unit : billion \$)



[Invest in Sustainability Tech Firm]

Bloomberg

Business

SoftBank and BlackRock Invest in Sustainability Tech Firm Clarity AI

SoftBank and BlackRock Invest in Sustainability Tech Firm Clarity AI

SHARE THIS ARTICLE

Share

Tweet

Post

Email

* SoftBank Vision Fund 2 leads funding round totaling \$50 million, indicating a valuation of \$450 million
* Existing investor, BlackRock, also participates in the round; Fifth Wall joins as a new investor

Business Wire

NEW YORK -- December 2, 2021

Clarity AI, an award-winning sustainability tech firm, is now valued at \$450 million after raising \$50 million in its latest funding round, which closed in August 2021. SoftBank Vision Fund 2 led the round and was joined by the Fifth Wall ClimateTech Fund as well as existing investors -- BlackRock among them. Private contributor Sir Jonathan Ive, Chancellor of the Royal College of Art and former Chief Design Officer at Apple also contributed to the round. Existing investors include Deutsche Boerse, Kibo Ventures, Mundi Ventures, Seaya Ventures and Founders Fund.

"The social and environmental challenges the world faces and the corresponding economic opportunities unlocked have put impact assessment at the forefront of the minds of investors and organizations. Having the support of such an influential group of backers and partners who share our vision for a more equitable, sustainable world is one more proof point that Clarity AI is on the right side of a real trend that we believe will continue to grow," said Rebeca Minguela, Founder and CEO of Clarity AI. "Our technology shows our clients how their investments and other organizations are positioned to impact the world. We are a tech-native firm with an innovative platform that can integrate directly into any client's systems, which we already do for large global

ESG & Tech-Companies

[GER]

The logo for planA features the word "plan" in white lowercase letters and "A" in a large, bold, green uppercase letter, all set against a dark green rectangular background.

“There is no Plan B for Our Planet”

Development of platforms related to carbon emission information disclosure.

[USA]

The logo for CLARITY AI consists of a circular icon on the left, composed of concentric rings in green, yellow, and red, followed by the text "CLARITY AI" in a dark blue, uppercase, sans-serif font.

“Bringing Societal Impact to Markets”

A tech platform that delivers insights on the E/S impact of over 30,000 organizations.

[GER]

The logo for INTEGRITY NEXT features a stylized icon on the left made of two dark blue chevron shapes pointing towards each other, with two light blue diagonal lines below them. To the right, the words "INTEGRITY" and "NEXT" are stacked in a dark blue, uppercase, sans-serif font.

“Supplier Sustainability Monitoring”

A cloud-based platform that covers all major aspects of ESG requirements

[USA]

The logo for insightsoftware features a stylized line graph icon on the left with a green upward-pointing line. To the right, the word "insight" is in blue and "software" is in green, both in a lowercase, sans-serif font.

“Solutions for ESG Reporting”

Provide integrated Environmental, Social, and Governance (ESG) reporting solution Service

[End of Document]