

<ESG International Conference in Busan>

ESG Trends, Demands & Tech

September 2nd 2023. / KIM & CHANG

DONGSOO KIM (Director of ESG Research Institute)

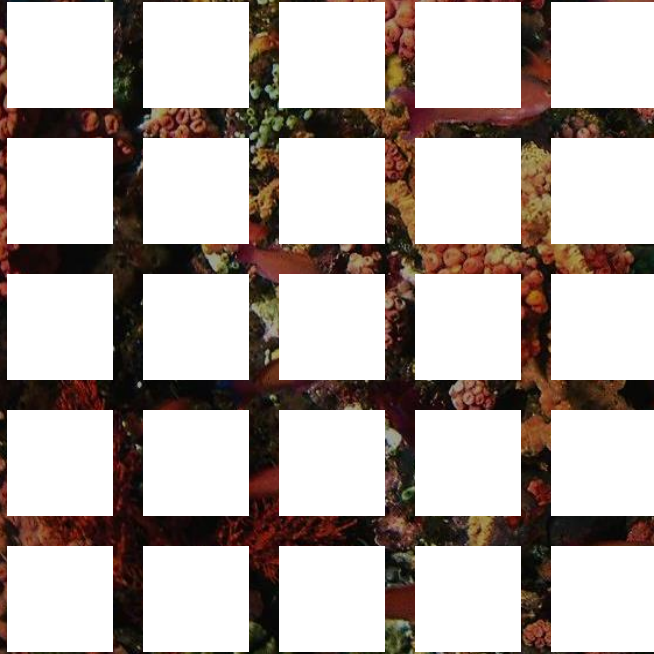
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Marine Species

829

of marine species disappeared in last 300 years

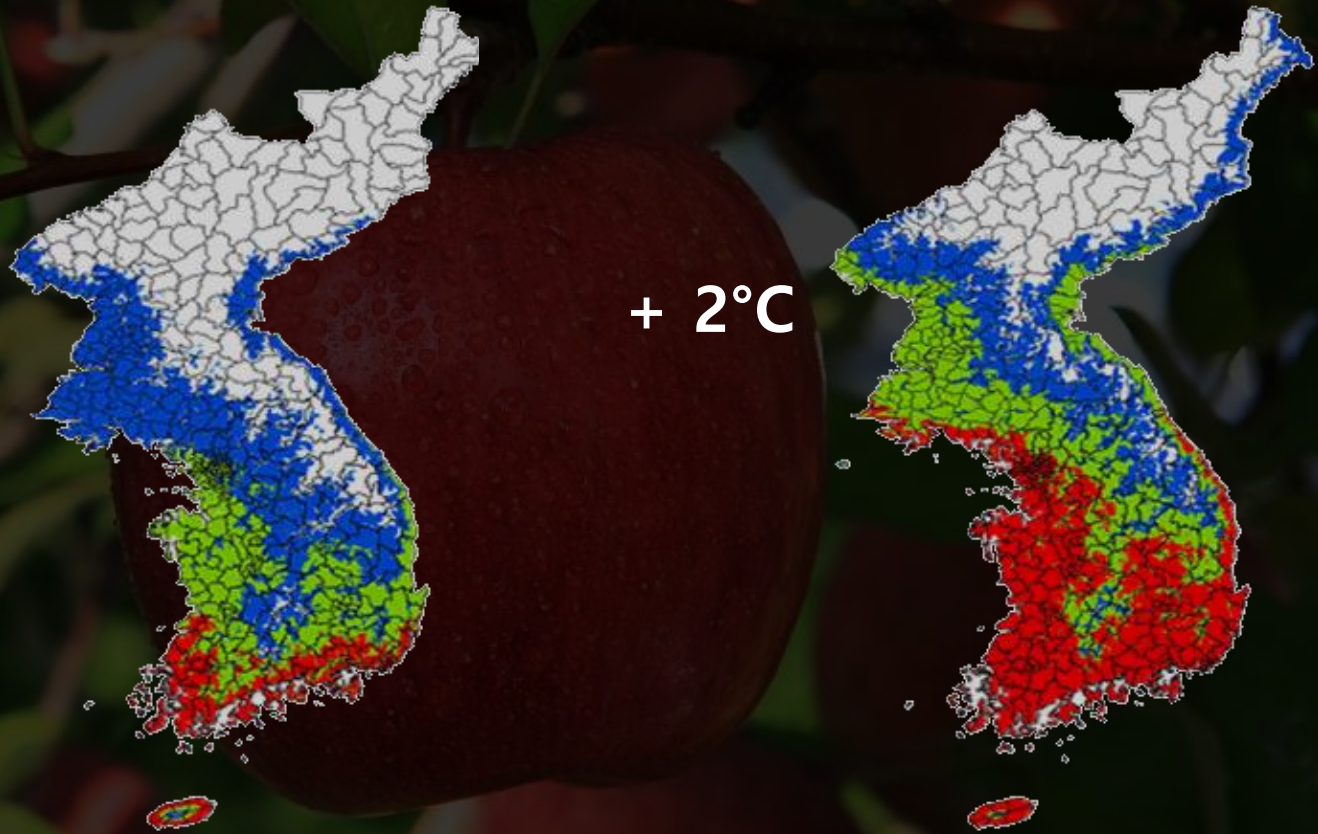


Apple Cultivation Area

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

Average years

+ 2°C

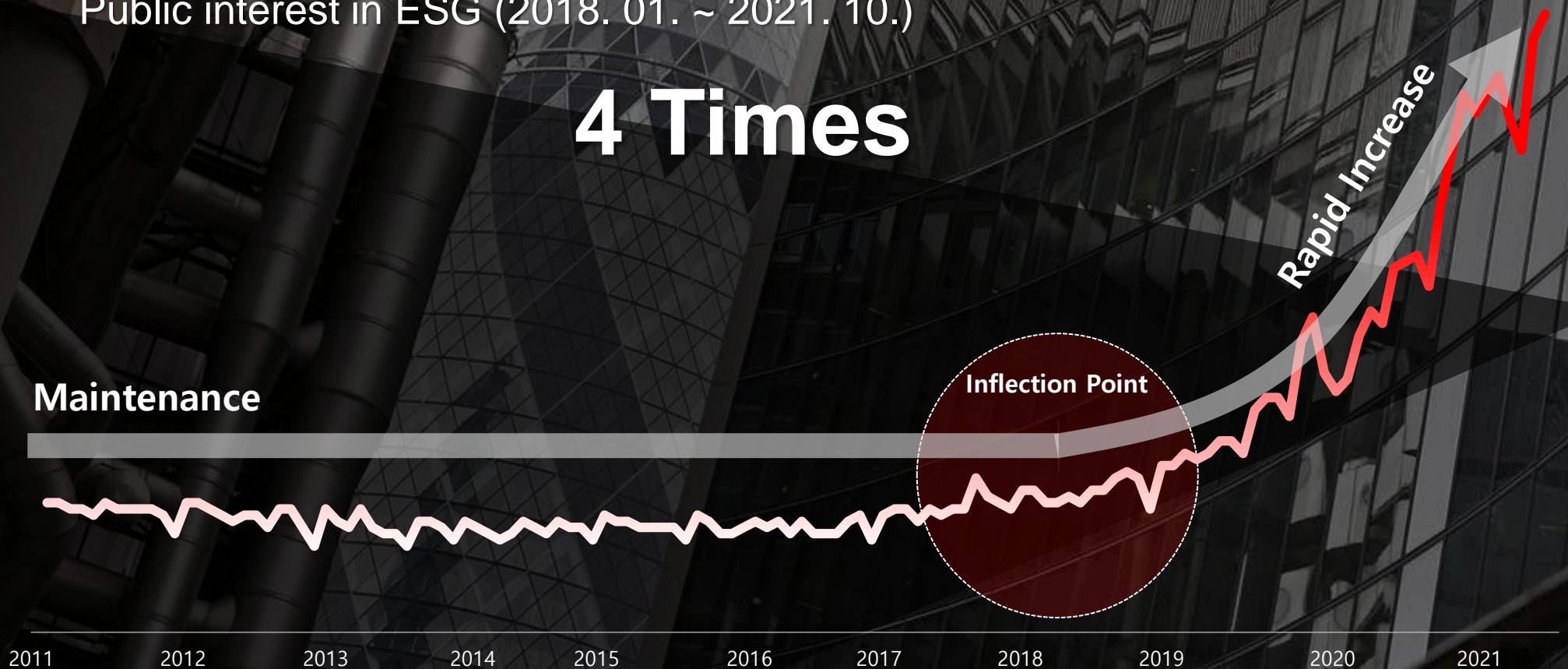


Exponential Growth

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

4 Times

Maintenance



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)



#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%

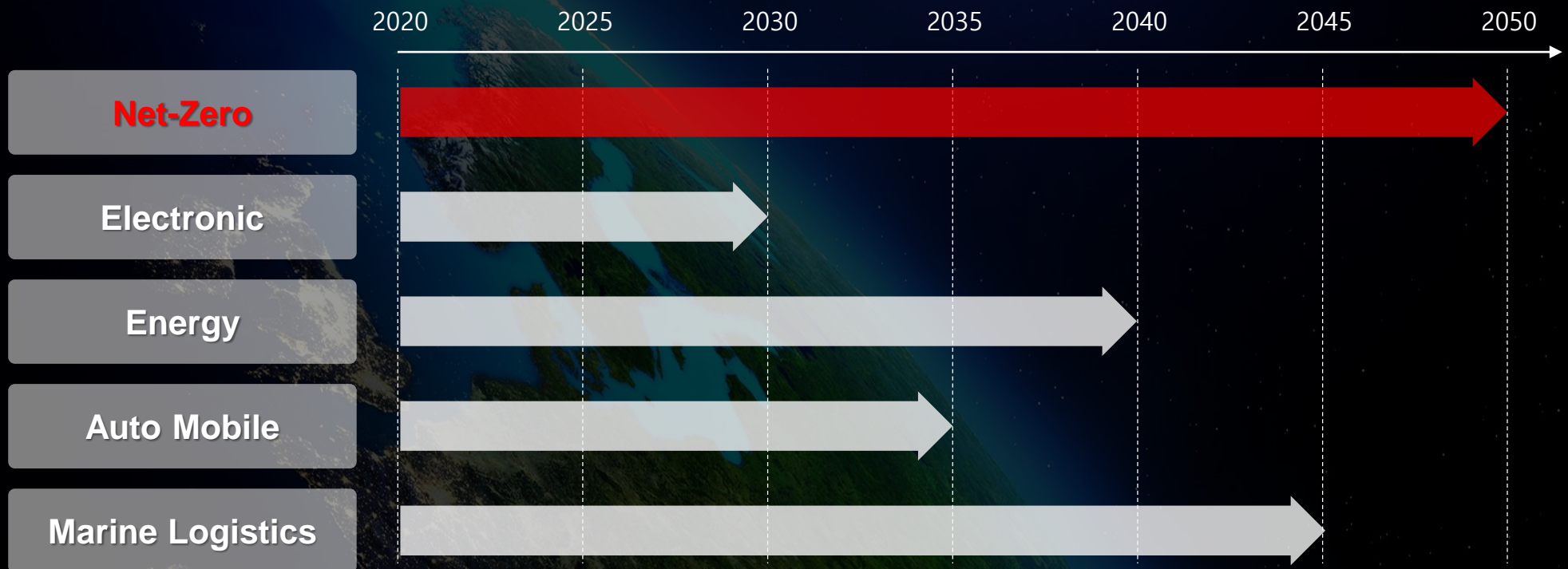
Social Data

30.7%

#2. Industry Specific Information

2050 Carbon Neutral Society Realization

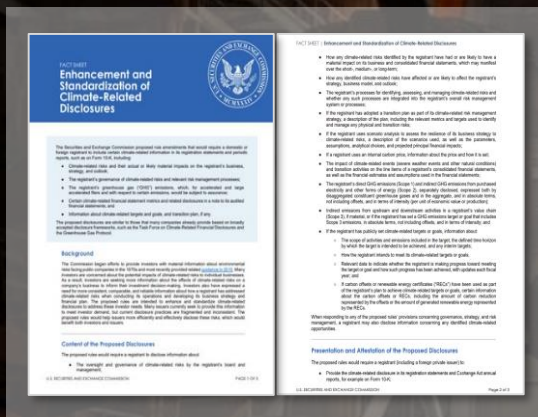
by "Low Carbon Economy", "Renewable Energy Ecosystem", "Resilience to Climate Risk"



#3. Policy Engagement

Legal Regulation

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



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

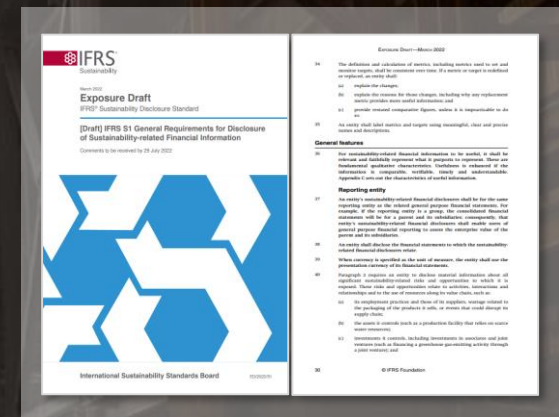
European Sustainability Reporting Standards [Draft] (EFRAG, '22. 04. 29)



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

Sustainability Standard

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



- 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

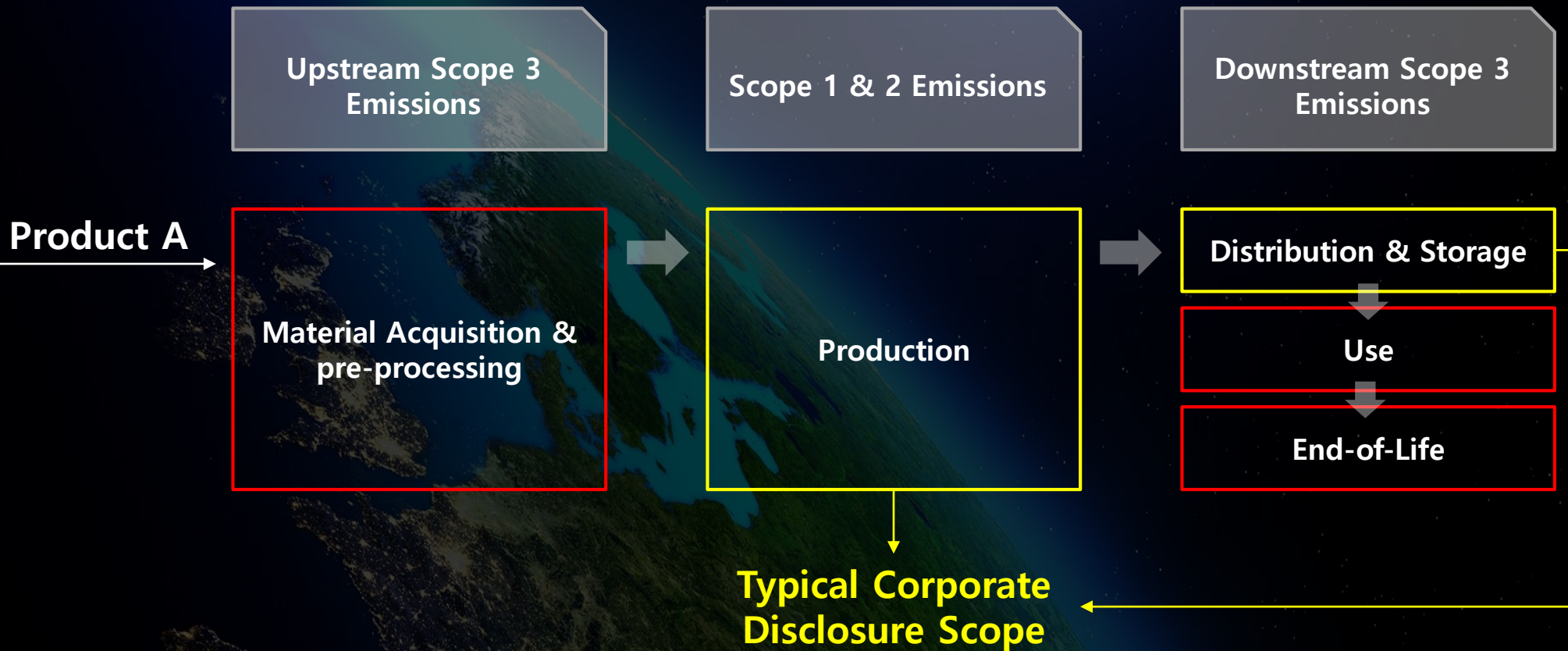
Trying to escape market interest and controversy by deliberately not exposing environmental performance information

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

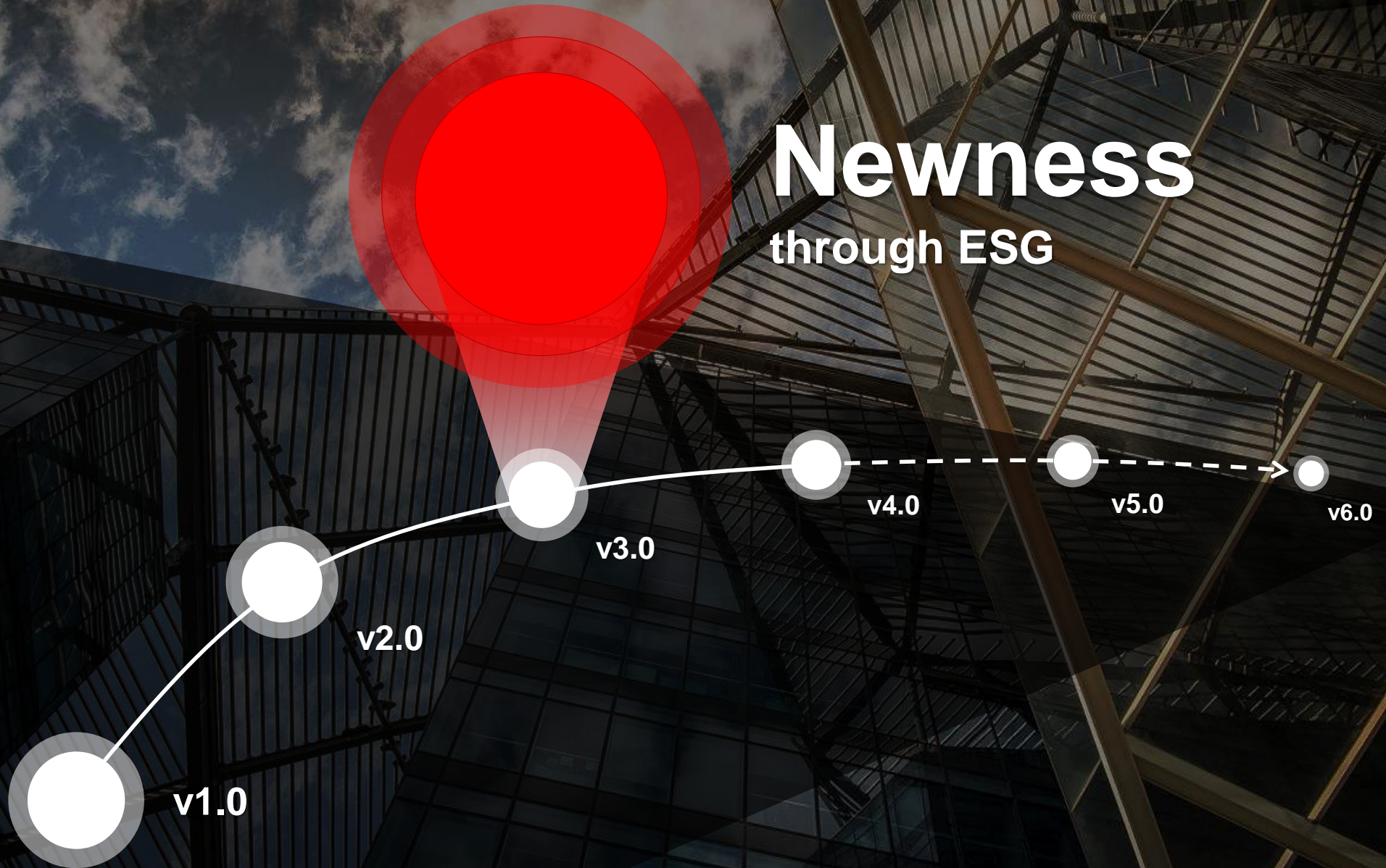


Keywords of Today



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

ESG-based
Growth Path

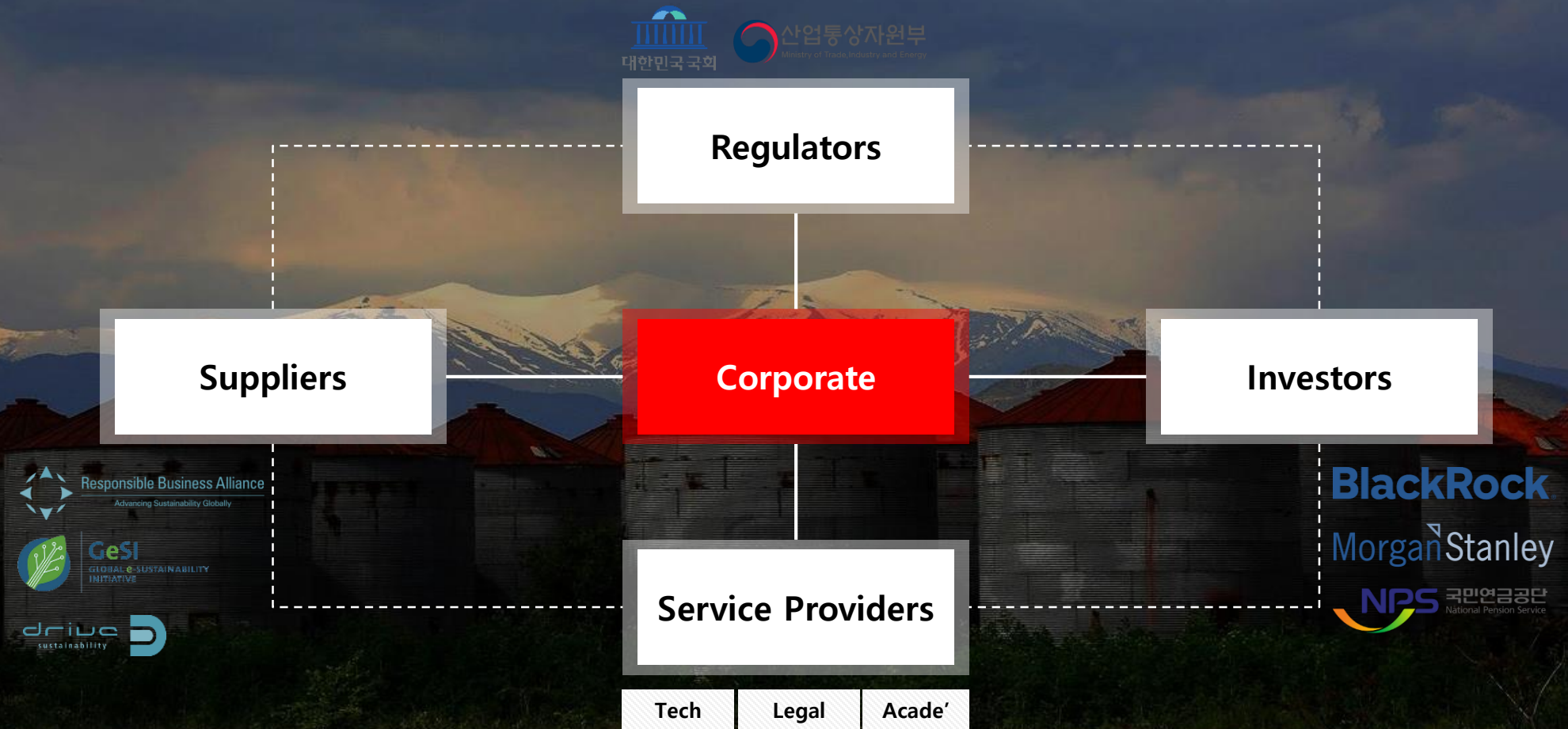
Abnormal
Return

Investment

Profit-based
Growth Path



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?



A horizontal bar chart with three bars. The top bar is dark red and labeled 67%. The middle bar is red and labeled 25%. The bottom bar is white and labeled 7%. The bars are set against a background of a tray of bullets.

Frequency	Percentage
Always made use of it	67%
Frequently made use of it	25%
Sometimes made use of it	7%

67%

67%

Always made use of it

25%

25%

Frequently made use of it

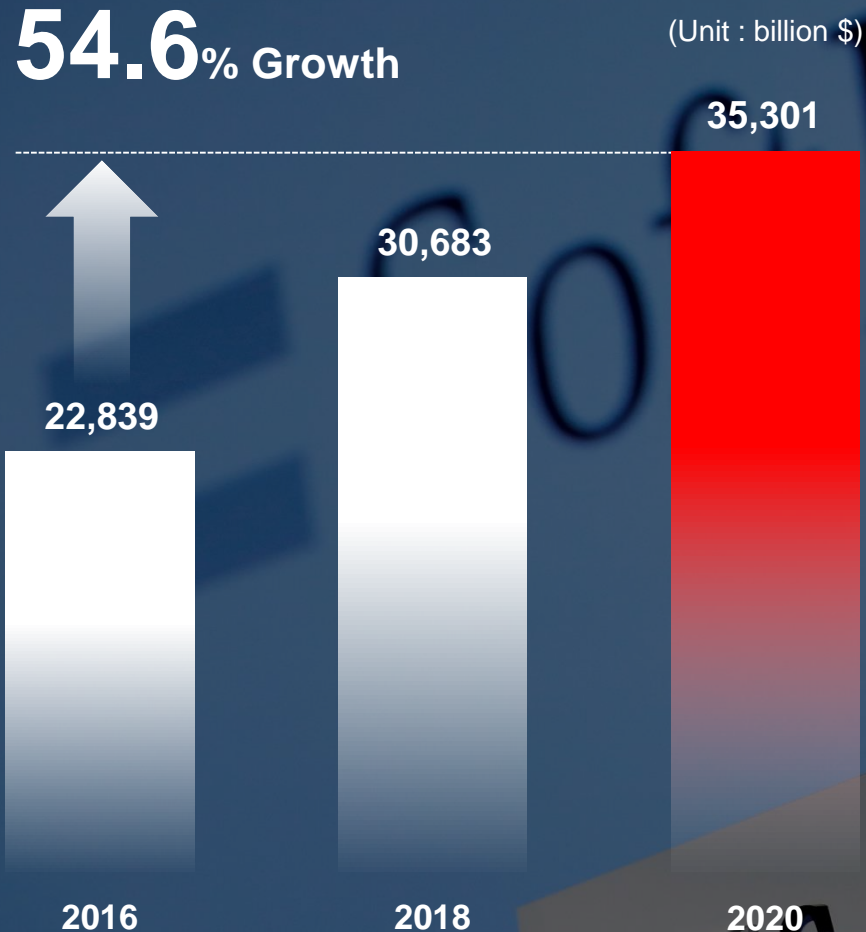
7%

7%

Sometimes made use of it

Sustainable Investment Market

[Global sustainable Asset]



[Invest in Sustainability Tech Firm]

Bloomberg

Business

SoftBank and BlackRock Invest in Sustainability Tech Firm Clarity AI

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SoftBank and BlackRock Invest in Sustainability Tech Firm Clarity AI

- * 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, featuring the word "plan" in white lowercase letters and "A" in a large, bold, green uppercase letter, all set against a solid 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, featuring a stylized 'C' icon composed of concentric arcs in green, yellow, and red, followed by the words "CLARITY AI" in a dark blue, sans-serif, uppercase 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, featuring a stylized 'X' icon made of four colored segments (dark blue, light blue, and two shades of teal) and the words "INTEGRITY NEXT" in a dark blue, sans-serif, uppercase font.

"Supplier Sustainability Monitoring"

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

[USA]

The logo for insightsoftware, featuring a stylized line graph icon with a green line and the word "insight" in blue lowercase letters and "software" in green lowercase letters.

"Solutions for ESG Reporting"

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

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