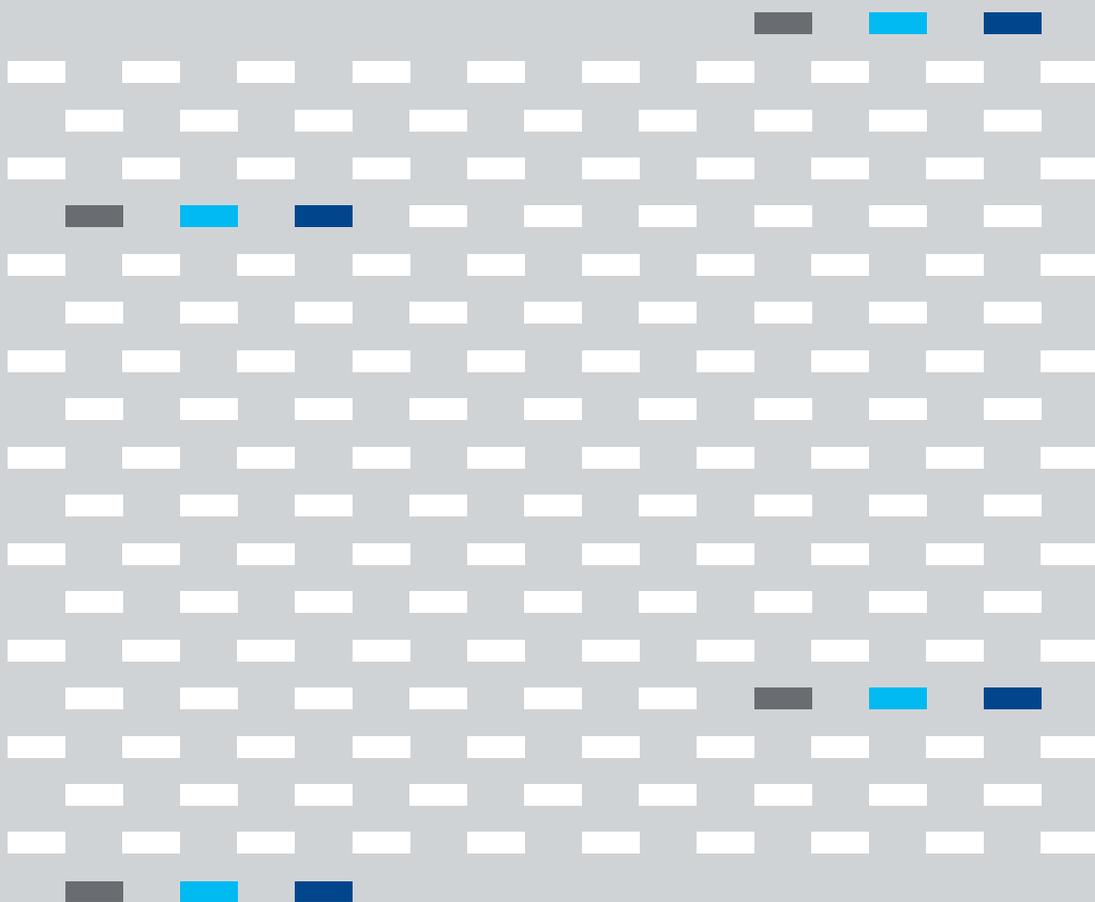


INVESTING IN THE FUTURE



INVESTING IN THE FUTURE



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CEO Message

Environment, Social and Governance issues have emerged as significant risks and opportunities in today's business environment. ESG factors have grown to be as influential as the traditional business management factors such as operations, marketing, finance, and human resource management in mid and long term financial performance of a company. In fact, a variety of empirical studies have continuously indicated close and positive correlations between ESG factors and financial performance.

Sustainvest is a leading research firm that evaluates and analyzes companies' ESG performance to measure the level of corporate sustainability management. We are proud to provide comprehensive ESG research and analysis services with our standards of independence and objectivity.

We will dedicate our best efforts to expand SRI investment and enhance sustainability of domestic companies, which in turn leads to the sustainable economy as a whole. I would appreciate your continued interests and supports.

CEO, Sustainvest **RYU Youngjae**

Client Testimonials

Opportunities and risks emerged from non-financial performance of corporate such as responding to climate change, building strategic relationship between corporate and society and implementing innovative corporate management are now becoming fundamental factors influencing business investment and decision-making. I believe that the ESGValue™ model solely developed by Sustinvest is an effective instrument to systematically analyze ESG data of listed companies.

Korea Investment Management
Head of Equity Investment Team, Portfolio Manager **BAIK Jaeyer**

Sustinvest has played a significant role in spreading the concept of SRI in Korean market while building its own strength, characteristic and competitive edge in the domestic market. I strongly believe that both qualitative and quantitative research conducted by Sustinvest will help to create a society where companies, investors, environment, and human community come together in harmony.

Franklin Templeton Investments
Equity Analyst / Portfolio Manager **OH Hojun**

Introduction of Sustinvest

Company Overview

Sustinvest is the leading research institution with expertise in ESG research & analysis.

Sustinvest thrives on its people- a pool of research-driven and enthusiastic analysts who specialize in ESG research and analysis. We are dedicated to offering high quality service with competitive edge. This underpins how we provide advisory services for the largest amount of domestic SRI funds.

With our experience and expertise, Sustinvest has developed ESGValue™ to evaluate the ESG performance of the listed companies, enabling institutional investors to integrate ESG considerations into their investment decision-making process.

ESGValue™

ESGValue™ is the unique evaluation model solely developed by Sustinvest to evaluate and analyze sustainable management performance of a company. ESGValue™ framework fundamentally analyzes the relationship between value chain and ESG performance of a company and by evaluating risk and opportunity factors related to corporate sustainability, it approaches to the company's non-financial performance and impacts on corporate activities.

ESGValue™ reflects international standards on sustainability and other analysis framework of global institutions. Based on domestic ESG related policy analysis, in-depth interviews with academic and field experts, and surveys conducted with analysts in securities firms, ESGValue™ considers distinctive characteristics of the Korean market and incorporates these factors and issues into the ESG evaluation process. In the coming years, Sustinvest will further develop ESGValue™ to be a more accurate evaluation analysis tool for corporate sustainability assessment through incessant improvements, to ultimately deliver more comprehensive sustainability analysis.

Sustainability Analysis



ESGValue™



Governance

- Shareholder's Right
- Ownership and Transparency
- Board Structure & Operation
- Board Compensation
- Subsidiaries' Risk

Sustainability Management Infrastructure

- Vision and Strategy
- Governance
- Risk Management
- Reporting

Services

SRI Advisory Services

SRI strategy development for institutional investors

- ESG integration into the investment portfolio
- Develop tailored SRI fund products : Climate change / Corporate governance / Engagement etc.
- Corporate ESG analysis and publication of ESG report
- Training and on-site seminars

ESG Report Publication

- Issue Report : Report on analysis of domestic & foreign SRI, ESG related issues, and regulation changes
- Company Report : ESG analysis report for individual companies in Korea
- Controversy Report : Report on companies with ESG controversy issues

SRI Index development

- Develop sustainability, carbon efficiency, corporate governance and other SRI related index
-

Research

Tailored research service related to sustainability issues

- Research and investigate on ESG issues
 - Develop SRI and sustainability investment related policy: Establish RI principles and implement RI practices
 - Analyze foreign RI trends and best practice
-



Proxy Advisory Services

Proxy analysis on listed companies

- Provide proxy advisory based on voting guidelines
- Suggest independent opinion based on abundant data and professionalism

Proxy analysis outsourcing for institutional investors

- Provide analysis reports tailored to institutional investors' guidelines
-



Corporate Sustainability Analysis

Corporate sustainability performance analysis and peer analysis

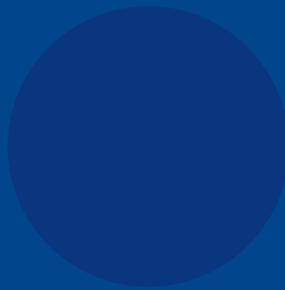
- Diagnose corporate sustainability performance
 - Peer analysis with domestic and foreign competitors
 - Environmental impact assessment of corporate and supply chain
-



Data Providing Services

Customized ESG data services

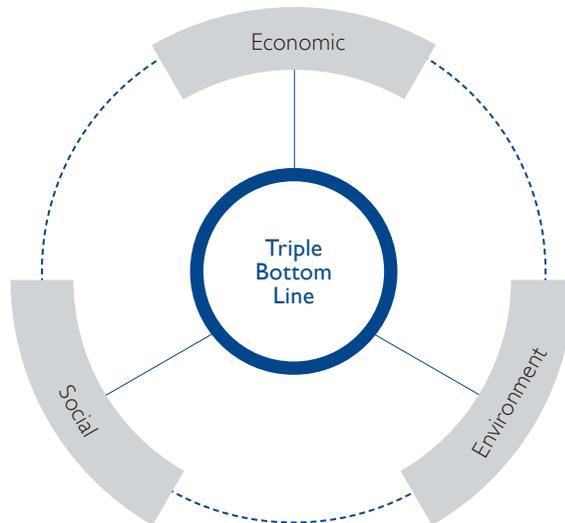
- Provision of raw data/ tailored data
-



Sustainable Management

Sustainable management is a management strategy that embraces three dimensions – economic, environmental and social aspects and seeks to integrate them to maximize the Triple Bottom Line: Economic, Environmental and Social Performance. Environmental, social and governance factors that are newly regulating today's business environment allow balancing the three dimensions ultimately leading to sustainable growth of corporations. Especially as various stakeholders related to a company appear, ranging from stockholders to employees, suppliers, vendors, consumers, community, etc. sustainable management aims to communicate and figure out harmony with all of them.

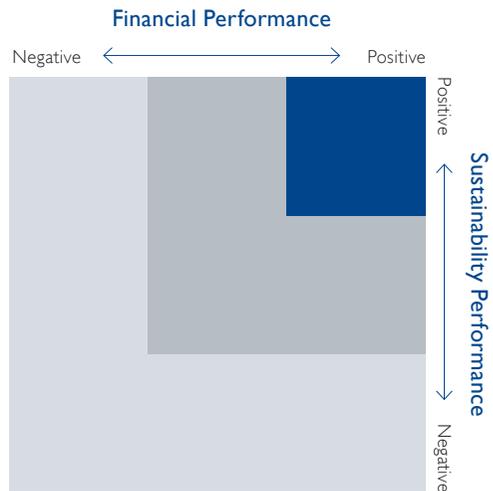
Triple
Bottom
Line



Responsible Investment

Responsible Investment (RI) refers to an investment strategy reflecting both the financial and non-financial returns/performance such as ESG factors- Environment, Social, and Governance- to investment decision-making process. Although RI was derived from Socially Responsible Investment (SRI) that considers social, environmental (or ecological) and financial performances (also referred to as 'Triple Bottom Line') into the traditional investment process, it differs from SRI as it places priority on 'Fiduciary Duties' that emphasize the optimization of the return. Although large pension funds mainly led and developed RI when UN Principles for Responsible Investment (UN PRI) was first launched, RI strategies and practices have widely spread to mainstream investors including asset managements and insurance companies in recent years.

Vision/Pursuit of RI



* **Financial Performance** - Profitability / Stability / Growth / Shareholder value

* **Sustainability Performance** - ESG risk management / Opportunity Factor Analysis

Manpower

RYU Youngjae | CEO

- Research Director, Korea Sustainability Investing Forum
- Senior Advisor, Hermes Equity Ownership Service (UK)
- (Former) Lecturer, KAIST College of Business
- (Former) Appraisal Board Member, Commission on Shared Growth for Large Corporations and Small and Medium Enterprise
- (Former) Panel Committee Member, Public Enterprise Performance Evaluation
- Professional Experience at Hyundai Securities, Dongbang Peregrine Securities, SK securities, Meritz Securities
- MBA, Ashridge Business School
- MA, BA Political Science, Hanyang University

PAEK Seungyeob | Vice President

- (Former) CIO, Tongyang Asset Management
- (Former) Head of Research, Whole Sale, Retail Divisions of Tongyang Securities
- 2013 Korea Fund Grand Prize, Best Fixed Income Fund Asset Management, Maeil Economic Daily
- 2014 Mid-Cap Equity Fund of the year, MoneyToday
- MBA, Yonsei University School of Business
- BA Business Administration, Yonsei University

JEONG Seokoh | Research Director

- Professor of Statistics, Hankuk University of Foreign Studies
- (Former) Research Consultant, University of Georgia
- Member of Korean Statistical Society (KSS) & American Statistical Association (ASA)
- Ph.D. Statistics, Seoul National University
- MA, BA Statistics, Seoul National University

Milestones

2014 ~ 2015

- Provided ESG evaluation of entrusted SRI-type GEPS Fund * Meritz AM, Franklin Templeton Investments
- Provided ESG evaluation of entrusted SRI-type Korea Post Fund * Eastspring Investments, Meritz AM
- Provided ESG evaluation data of past 5 consecutive years * The National Pension Service of Korea
- Provided proxy analysis service * The National Pension Service of Korea
- Appointed to develop domestic equity SRI benchmark index (FnGuide Consortium) * The National Pension Service of Korea
- Consultation on development of ESG evaluation indicator and model * The National Pension Service of Korea
- Provided consulting service on the Introduction of Responsible Investment in Employment · Industrial Accident Compensation Funds * Ministry of Employment and Labor
- "Edaily Angel Company Index" of 500 Korean companies evaluation * Edaily
- Provided ESG evaluation of Sustainable Growth Company Equity Fund * Eastspring Investments

2013

- Provided ESG evaluation of entrusted SRI-type National Pension Fund * Mirae Asset Global Investments
- Provided investment strategy consultation and ESG evaluation of entrusted SRI-type National Pension Fund * LEO Advisory, Friend Advisory
- Provided ESG evaluation of entrusted SRI-type Korea Post and Employment · Industrial Accident Compensation Funds * Korea Investment Management
- Launched proxy analysis service
- "Edaily Angel Company Index" of 200 Korean companies evaluation * Edaily

2012

- Provided Investment strategy consultation and ESG evaluation of entrusted SRI-type National Pension Fund * Hanhwa Asset Management, KB Asset Management, Tongyang Asset Management
- Provided ESG analysis of IBK Good Company Honest Company Equity Fund * IBK Asset Management
- Developed Eco-Innovation Index (~2013) * ASEM ASEIC
- Carries out engagement service with HEOS's major Korean companies on behalf of HEOS (To present) * HEOS

2011

- "Hanhwa SRI Fund of 100 years Corporations" development consultation and evaluation * Hanhwa Asset Management
- Provided ESG analysis of entrusted SRI-type Korea Teacher's Pension Fund * Franklin Templeton Investments
- Launched "2011 JoongAng Green Ranking" of 100 Korean companies * JoongAng Daily
- Launched Carbon Efficiency Index with FnGuide and Trucost * FnGuide, Trucost
- Strategic partnership with Sustainalytics, the global ESG research company * Sustainalytics
- Strategic partnership with Hermes Equity Ownership Service, British company specialized in Responsible Investment * HEOS (~2015)
- Developed ESG evaluation database of Sustainalytics's major Korean companies (To present)

2010

- Development of Homin Index, reasonable fair-trade between large and small/medium company assessment model
 - * The Small & Medium Business Administration
- Environmental impact assessment and diagnosis * KT including its subsidiaries
- Provided environmental impact data and training for KAIST college of Business Graduate School of Finance & Accounting
- Developed environment impact database of Korean listed companies in cooperation with Trucost

2009

- Provided investment strategy consultation and ESG analysis of entrusted SRI-type National Pension Fund
 - * Franklin Templeton Investments
- Strategic partnership with Trucost, British company specialized in environmental assessment * Trucost

2008

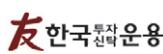
- Provided investment strategy consultation and ESG analysis of entrusted SRI-type National Pension Fund
 - * Korea Investment Trust Management, Midas International Asset Management
- "Better Corporate Governance Equity Fund" development consultation and evaluation * Korea Investment Management
- Participation in "Analysis sustainability of Korea 100 corporations" as a consultative body * Kyunghyang Newspaper
- Enacted as a research think tank for research project entitled "Trends of global SRI & activation in Korea"
 - * The Ministry of Knowledge Economy

2007

- Development of ESGValue™, a corporate sustainability assessment model solely developed by Sustinvest
- Member of UN PRI
- Developed Sustainable Management Training program for employees * Hyundai Engineering & Construction

2006

- Company established



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