

Driving the growth and  
widespread value of  
social enterprises and cooperatives

**Korea  
Social Enterprise  
Promotion Agency**



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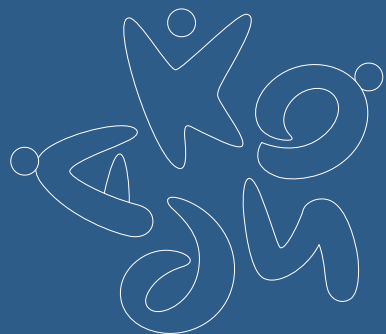
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## Korea Social Enterprise Promotion Agency

# About KoSEA

## 1 Establishment Purpose



The Korea Social Enterprise Promotion Agency (KoSEA) is a dedicated public institution that provides integrated support for social enterprises and cooperatives. Based on Article 20 of the Social Enterprise Promotion Act, KoSEA was established under the Ministry of Employment and Labor to efficiently perform duties to foster and promote social enterprises. Additionally, in accordance with Article 116 of the Framework Act on Cooperatives and Article 32, Paragraph 2 of its enforcement decree, KoSEA provides support for education, promotion, establishment, and operation of cooperatives.

## 2 History

### 2007

- Enactment of Social Enterprise Promotion Act

### 2008

- Establishment of the First Master Plan for Promotion of Social Enterprises

### 2010

- Establishment of Korea Social Enterprise Promotion Agency (KoSEA)

### 2011

- Launch of the Social Entrepreneur Development Program
- 1st Social Enterprise Day Ceremony
- 1st Social Venture Competition

### 2012

- Establishment of the Second Master Plan for Promotion of Social Enterprises
- Enactment of the Framework Act on Cooperatives
- 1st Social Enterprise Fair
- 1st Social Enterprise Leaders Forum (SELF)
- Opening of Store 36.5's First Branch

### 2013

- 1st Cooperatives Day Ceremony
- Opening of the Public Procurement Support Center

### 2014

- Signing of the Agreement for the Cooperative Revitalization Project

### 2017

- Announcement of the Social Value Index (SVI)
- Opening of the 1st Growth Support Center (Seoul 1)
- Announcement of the Social Economy Revitalization Plan

### 2018

- Establishment of the Third Master Plan for Promotion of Social Enterprises
- 1st Korea Social Economy Fair
- Launch of the Integrated Marketing Support Platform for the Social Economy (e-store 36.5)

### 2020

- Declaration Ceremony for the Buy Social Campaign

### 2021

- Announcement of Measures to Support Distribution Channels for the Social Economy

### 2023

- Establishment of the Fourth Master Plan for Promotion of Social Enterprises

### 2024

- Establishment of Divisions in charge of each region and Direct Operation of 19 Growth Support Centers nationwide

## 3 Mission & Vision

Korea Social Enterprise Promotion Agency is committed to realizing social integration and balanced development through the promotion of social enterprises and cooperatives. With four core values—communication and trust, innovative growth, mutually beneficial cooperation, and professional capabilities—KoSEA strives to become a specialized institution that drives the growth and widespread value of social enterprises and cooperatives.

### Mission

Realizing social integration and balanced development through the promotion of social enterprises and cooperatives.



### Vision

A specialized institution that drives the growth and widespread value of social enterprises and cooperatives.



# 4 Main Projects

Vision Slogan

**Korea Social Economy Leading Again by 2028**

## Core Values

Communication and Trust

Innovative Growth

Mutually Beneficial Cooperation

Professional Capabilities

## Management Goals (~2028)



Social enterprise revenue:

**KRW 10 trillion**



Employment of vulnerable groups in social enterprises and cooperatives:

**83,000 people**



Empathy for social enterprises:

**78%**



Customer satisfaction:

**At the highest level**

## Strategic Goals

Strengthening the self-sustainability of social enterprises and cooperatives

Advancement of the local ecosystem of social enterprises and cooperatives

Expansion of economic and social value

Sustainable management innovation

## Strategic Tasks

- Identify outstanding social enterprises and cooperatives
- Establish a solid support system for market access and growth
- Diversify public-private partnerships

- Expand stable local hubs
- Enhance the support system at the regional level
- Promote regional economic growth

- Spread social value that resonate with the public
- Provide high-quality digital services
- Enhance awareness and value of the social economy

- Operate organization with efficiency and integrity
- Promote shared growth through proactive administration
- Strengthen expertise for future growth

## 1. Social Enterprises

### Support for social enterprise certification/designation

#### Support for social enterprise certification

KoSEA supports fair and professional social enterprise certification through the receipt and review of certification applications, on-site inspections, etc. From 2024, the agency has provided support services to social enterprise mainly through its support centers nationwide to enhance access to services and convenience.

#### Support for designation of preliminary social enterprises under different ministries

KoSEA provides consulting on the announcement of designation plans and designation requirements, and support for application review, on-site inspection, deliberation and decision-making through review committees, notification of designation results, and follow-ups.

### Support for evaluation and monitoring Voluntary public disclosure of management performance

KoSEA supports voluntary management disclosure to widely communicate the economic and social achievements of social enterprises and to expand the shared understanding of social enterprises. Companies participating in the disclosure will receive incentives, such as additional points in various support programs or preferential treatment for support.

### Performance analysis and survey of actual state of social enterprise

KoSEA publishes an annual performance analysis report for social enterprises based on data from business reports. "Survey of Actual State of Social Enterprise" is conducted every five years to identify the activities and policy needs of social enterprises.

### Measurement of the Social Value Index (SVI)

The Social Value Index (SVI) is a tool for objectively measuring the social performance and impact created by social enterprises, allowing for a comprehensive assessment of a company's social value level. This enhances the external credibility of the social enterprises and helps them conduct joint projects with other organizations.

### Growth support

#### Social enterprise growth support center (Social Campus ON)

KoSEA provides a stable space for early-stage startups preparing to become social enterprises and supports them in forming a healthy social enterprise ecosystem through their own efforts. KoSEA offers infrastructure such as office space and meeting rooms to help tenant companies reduce initial startup costs, as well as a variety of growth support programs, including consultations, training, networking, collaboration, and resource matching to enhance their capabilities.

### Linking public and private resources

KoSEA supports the sustainable growth of social enterprises and the creation of social value by connecting various resources from the public and private sectors with the social economy. To achieve this, KoSEA identifies diverse collaboration resources from both sectors and facilitates practical cooperation so that the public and private sectors, and the social economy can collectively create value.

### Specialized consulting

KoSEA supports social enterprises in achieving sustainable operations through customized consulting services that reflect the growth stages and industry characteristics of social enterprises. KoSEA provides financial support for consulting fees, allowing social enterprises to receive expert advice on a wide range of topics, including management strategies, private and public market access,

branding and marketing, funding and finance, production and quality management, intellectual property rights, and social value provision, to resolve various management issues.

#### **Pro bono support**

Experts from various fields provide management consulting for social enterprises and support collaboration among diverse stakeholders within the community. Pro bono services from professional organizations, including lawyers, legal consultants, labor consultants, and patent attorneys, offer legal, labor, and intellectual property advice to social enterprises. Additionally, corporate and youth (university student) pro bono volunteers collaborate on projects that support improvements in business operations through the provision of work experience, expertise, creativity, and ideas.

#### **Support for social finance**

KoSEA operates crowdfunding to diversify funding opportunities and strengthen the funding capabilities of social enterprises. KoSEA also disseminates information on financial support from public and private sectors to enhance the financial accessibility of social enterprises.

#### **Marketing support**

##### **Customized marketing support**

KoSEA supports various market access initiatives for the sustainable growth of social enterprises. Through the “Integrated Marketing Support Platform for the Social Economy (E-store 36.5),” information on product sales and public procurement, as well as other market information related to the social economy can be easily accessed. KoSEA operates Store 36.5 where social enterprise products can be purchased offline. To enhance the competitiveness of products and facilitate entry into distribution channels, KoSEA promotes various support projects, including the “Social Vendor Operation Project,” which provides assessment and improvement support, and “Support for Entry Into Large Distribution Channels,” which assists in exploring domestic and international sales channels such as TV home shopping and online retailers. Additionally,

KoSEA offers customized training and procurement consultation sessions to support preferential purchases of social enterprise products and to promote public procurement.

#### **Preferential purchases by public institutions**

The preferential purchasing system for social enterprise products is legally established to encourage public institutions to prioritize the purchase of products (goods and services) made by social enterprises. When public institutions wish to purchase items that include products from social enterprises, the system encourages them to consider social enterprise products first, aiming to enhance the self-sustainability of social enterprises. This priority purchasing system is based on Article 12 of the Social Enterprise Promotion Act.

#### **Ecosystem Development**

##### **Promotion of international exchange**

Through international exchange activities, KoSEA fosters a global ecosystem for social enterprises and strengthens mutual cooperation with major international organizations. KoSEA translates key reports and publications on social economy policy from international organizations such as the OECD and ILO, and uses the KoSEA’s social media channels to share information about global trends on social economy policy. Every November, KoSEA hosts the “Social Enterprise Leaders Forum” to promote information exchange and establish a foundation for global cooperation among stakeholders, both domestically and internationally.

##### **Social enterprise education**

KoSEA operates customized training programs for social entrepreneurs and workers through an online education platform for social enterprises. KoSEA offers training in various fields such as social value, planning and strategy, human resources and labor, market access and marketing, and tax and accounting for social enterprise representatives, employees, and prospective entrepreneurs. Additionally, KoSEA provides experiential education in the social economy to help youth understand social enterprises and explore related career paths.

#### **Operation of a social enterprise portal**

KoSEA operates a social enterprise portal that provides various information, from announcements of support projects to policy updates. Through the portal, (preliminary) social enterprises can

conveniently handle administrative and civil service tasks related to social enterprise policies and major support projects, such as applications for certification, designation, and funding, as well as their review and assessment.

## **2. Support for revitalizing cooperatives**

#### **Support for establishment, operation, and strengthening of cooperatives**

KoSEA provides specialized review support services to help social cooperatives and (social) cooperative federations that are authorized by various ministries be founded. Through consultations and coaching with field experts, KoSEA helps address challenges in establishment and operation of cooperatives, supports them in stabilizing business and strengthening operation.

#### **Support for management and supervision**

KoSEA supports the implementation of management disclosure for cooperatives and enhances their transparency through follow-up actions by ministries and local governments based on disclosure results. KoSEA helps cooperatives strengthen capabilities across overall operations, including general

meetings, boards of directors, and settlement of accounts, and supports the stable operation of cooperatives after their establishment.

#### **Support for market access and promotion**

In order to enhance the growth and competitiveness of cooperatives, KoSEA supports entry into private distribution channels and online and offline promotions, as well as management of purchasing performance and training to promote public transactions for social cooperatives. KoSEA produces and disseminates useful content, such as information necessary for establishment and operation of cooperatives and best practices, and raises public interest in cooperatives through the “commemorative events for Cooperatives Day.”



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# Social Enterprise in Korea

## 1 Legal Definition of Social Enterprise

An entity certified as prescribed in Social Enterprise Promotion Act to be the one that pursues a social objective aimed at enhancing the quality of life of community residents by providing vulnerable social groups with social services or job opportunities or by contributing to the communities while conducting its business activities, such as the manufacture or sale of goods and services

(Source: Social Enterprise Promotion Act, Article 2 (1))



## 2 History of Social Enterprise Policies

1997	Paradigm shift in socio-economic landscape	The 1997 Asian financial crisis brought about significant changes across the national economy. In response to unemployment and poverty issues, the government initiated public works, self-reliance projects. And since 2003, it has conducted programs to create social jobs. However, criticism was continuously raised over the poor quality of employment with short-term, low-wage jobs, and low sustainability of those projects as they too much depended on national financial support. As a result, the need for fundamental improvements has become apparent. (Source: Coalition of National Organizations for Overcoming Unemployment, et al., 2005)
2007	Enactment of the Social Enterprise Promotion Act	In the changing social environment of the 2000s, characterized by the growth without employment and the increasing demand for social services, the government actively considered the need for establishing and legally supporting social enterprises as proposed by researchers, such as civil society and self-reliance policy study groups. As a result, in order to institutionalize and systematically promote social enterprises, the "Social Enterprise Promotion Act" was enacted (January 3, 2007) and implemented (July 1, 2007).
2008	Establishment of the First Master Plan for Promotion of Social Enterprises	The plan included a gradual transition of social job creation projects into (preliminary) social enterprises, the introduction of a preliminary social enterprise designation system, and fostering social entrepreneurs through social entrepreneurship development projects.
2010	Establishment of the Korea Social Enterprise Promotion Agency	Korea Social Enterprise Promotion Agency was established to provide exclusive support of identifying and nurturing social enterprises.
2012	Establishment of the Second Master Plan for Promotion of Social Enterprises	The plan included measures to strengthen the sustainability of social enterprises such as expanding online and offline sales channels and public procurement, and increasing customized consulting.
2017	Announcement of Measures to Revitalize the Social Economy / Expansion of Business Development Cost Support	With the announcement of measures to revitalize the social economy at the government level, various policy supports for social enterprises were expanded. Additionally, the support for business development costs, which had been limited to social enterprises, was provided to various social economy enterprises.
2018	Establishment of the Third Master Plan for Promotion of Social Enterprises	It included the expansion of the base for social enterprises and support focused on social value, the establishment of a support system centered on local and private sectors, and the creation of a growth ecosystem for the social economy.
2021	Announcement of Measures to Support Distribution Channels for the Social Economy	To establish a foundation for the sustainable growth of social economy enterprises, the measures for market support included: ① Support for entry into various distribution channels.; ② Enhancement of capabilities to respond to market changes; ③ Expansion of public market access support; ④ Strengthening the social economy ecosystem.
2023	Establishment of the Fourth Master Plan for Promotion of Social Enterprises	With the paradigm shift in support policies for social enterprises from 'nurturing' to 'self-sustainability,' the plan has key factors for the sustainability of social enterprises such as preferential purchases by public institutions, marketing support, and strengthening tax incentives.

### 3 The Fourth Master Plan for Promotion of Social Enterprises (2023-2027)

The Fourth Master Plan for Promotion of Social Enterprises, announced in September 2023, has the following policy directions:

#### Comprehensive overhaul of the support system and linking social value evaluation with support



- To restore the creativity and innovation of social enterprises and enhance their sustainability, a complete paradigm shift in support policy from “nurturing” to “self-sustainability” is implemented.
- To enable social enterprises to focus on their primary goal of creating social value, the results of social value evaluations will be linked to public procurement and tax benefits.
- By mandating management disclosures and establishing online and offline monitoring systems, transparency and appropriateness of financial support will be strengthened to enhance public trust.

#### Expansion of social services and enhancement of diversity



- Expand social services such as care, nursing, and housekeeping, which the government cannot sufficiently provide, through social enterprises that possess both public and profit-oriented qualities.
- Actively foster creative and innovative social enterprises that can solve various social issues facing our society in creative ways.

#### Supporting sustainable growth of enterprises through quality assistance



- Strengthen support for sound and capable social enterprises to scale up and achieve sustainability by expanding private distribution channels, attracting investments, and enhancing access to policy funds.
- Integrate service provision support organizations and establish a quality support system by directly providing necessary services for social enterprises, such as certification and consulting.

### 4 Social Enterprise Certification

#### 1. Purpose of Certification

The social enterprise certification system refers to a system that certifies organizations as social enterprises under the “Social Enterprise Promotion Act” when they prioritize social objectives while conducting business activities such as producing and selling goods and services. The certification of social enterprises is necessary for the following reasons: ① To gain public and

societal trust in social enterprises by preventing the emergence of inappropriate social enterprises. ② To foster sustainable social enterprises by ensuring that they meet certain management-related requirements. ③ To provide certified social enterprises with support in areas such as taxation, management, and distribution channels, helping them establish a foundation for early growth.

#### 2. Certification Requirements

##### 1) Organizational Structure

The organization must have a form specified by the Presidential Decree, such as a corporation or association established under the Civil Act, a company under the Commercial Act, or a corporation or a nonprofit, non-governmental organization established under any Special Act.

##### 2) Employment of Paid Workers

The organization must employ paid workers and engage in business activities such as the production and sale of goods and services.

##### 3) Realization of Social Objectives

The organization’s main objective must be to realize social goals, such as providing social services or jobs to vulnerable groups or contributing to local communities to improve the quality of life for local residents.

##### 4) Decision-Making Structure Involving Stakeholders

The organization must have a decision-making structure that includes various stakeholders, such as service beneficiaries and employees.

##### 5) Revenue from Business Activities

Revenue generated from business activities shall be over 50% of the labor costs.

##### 6) Required Provisions in Articles of Incorporation

The organization must have articles of incorporation or regulations that include the required provisions outlined in Article 9 of the “Social Enterprise Promotion Act.”

##### 7) Use of Profits for Social Purposes

If there are distributable profits at the end of the fiscal year, at least two-thirds of the profits must be used for social purposes (for companies or limited partnerships under the Commercial Act).

#### 3. Certification Procedure

##### 1) Announcement of certification plan

(Ministry of Employment and Labor)

##### 2) Consultation and guidance

(Social Enterprise Promotion Agency)

##### 3) Application and submission

(Social Enterprise Portal: [www.seis.or.kr](http://www.seis.or.kr))

##### 4) Review of application documents and on-site inspection

(Social Enterprise Promotion Agency)

##### 5) Recommendation by central government ministries

or local governments (if applicable)

##### 6) Review by the certification subcommittee

(Ministry of Employment and Labor, Social Enterprise Promotion Agency)

##### 7) Deliberation by specialized committee for the promotion of social enterprises

(Ministry of Employment and Labor)

##### 8) Certification by the Minister of Employment and Labor

(Ministry of Employment and Labor)

## 5 Preliminary Social Enterprise

A preliminary social enterprise refers to a company designated by local governments or central ministries to identify entrepreneurs pursuing the realization of social value and foster them into full-fledged social enterprises.

### Comparison between Social Enterprise and Preliminary Social Enterprise

Category	
Social Enterprise (Certification)	Preliminary Social Enterprise (Designation)
Legal Basis	
<ul style="list-style-type: none"> <li>Social Enterprise Promotion Act</li> </ul>	<ul style="list-style-type: none"> <li>Local Government Ordinances and Regulations</li> <li>Guidelines for Designating Preliminary Social Enterprises, etc.</li> </ul>
Supervising Body	
<ul style="list-style-type: none"> <li>Certification by the Minister of Employment and Labor</li> </ul>	<ul style="list-style-type: none"> <li>Designation by local government heads or heads of central administrative agencies</li> </ul>
Requirements	
<ol style="list-style-type: none"> <li>Organizational structure(Corporations or associations under the Civil Act, companies under the Commercial Act, or non-profit, non-governmental organizations, etc.)</li> <li>The organization shall employ paid workers and conduct business activities.</li> <li>Realization of social objectives(Employing vulnerable groups, providing social services, etc.)</li> <li>Decision-making structure in which interested parties participate</li> <li>Revenue from business activities(At least 50% of business revenue shall meet or exceed 50% of labor costs)</li> <li>Shall have Articles of Incorporation and rules, etc.</li> <li>At least two-thirds of distributable profits must be reinvested for social purposes (for companies under the Commercial Act, etc.)</li> </ol>	<ol style="list-style-type: none"> <li>Organizational Structure(Corporations or associations under the Civil Act, companies under the Commercial Act, or non-profit, non-governmental organizations, etc.)</li> <li>Conduct business activities(For job creation types, at least one person shall be employed)</li> <li>Realization of social objectives or verification of business plan(Employing vulnerable groups, providing social services, etc.)</li> <li>-</li> <li>-</li> <li>Shall have Articles of Incorporation and rules, etc.</li> <li>At least two-thirds of distributable profits must be reinvested for social purposes (for companies under the Commercial Act, etc.)</li> </ol>
Application	
<ul style="list-style-type: none"> <li>Applications can be accepted all year round</li> </ul>	<ul style="list-style-type: none"> <li>The timeline is announced during a year</li> </ul>

## 6 Best Practices by Social Enterprise Type

### 1. Job Creation Type



#### Gaonipm Co., Ltd.

Gaonipm Co., Ltd. is a job creation type social enterprise dedicated to building a sustainable society through integrated pest management. Gaonipm Co., Ltd. was established with the goal of improving the poor working conditions of pest control workers and fostering their growth into professionals, enabling them to achieve independence with a strong sense of pride as contributing members of society. To achieve this, the company implements continuous training programs that help employees cultivate pride and professionalism. These efforts have turned the pride and professionalism of its employees into a source of strength and a point of pride for Gaonipm Co., Ltd. The employees receive positive evaluations from customers because they provide pest control services with authenticity. Gaonipm Co., Ltd. specializes in pest control and seeks to avoid indiscriminate pesticide use by pursuing integrated pest management (IPM) techniques that are less harmful to humans and the environment. The company has developed environmentally friendly pest control products, such as solar-powered insect traps and natural insecticides, and has obtained patents for these innovations. Additionally, Gaonipm Co., Ltd. practices social value by offering pest control services to vulnerable groups, thereby improving their living environments and safety.



#### Donggubat Co., Ltd.

CEO Roh Soon-ho, who dreamed of becoming an urban farmer, began to consider ways to help individuals with developmental disabilities achieve independence after meeting friends with developmental disabilities in his garden. During this process, he had the opportunity to cultivate a garden with individuals with developmental disabilities, but he realized through experience that what they truly wanted was not jobs but friendships. Afterward, he recruited non-disabled individuals to cultivate the garden alongside those with developmental disabilities, facilitating social interactions between them through urban agriculture. However, operating at the level of small-scale gardens posed limitations in providing stable employment opportunities. After several trials and errors, he developed eco-friendly soaps using agricultural products, establishing a sustainable revenue structure, which has led to an annual sales achievement of KRW 10 billion today. Even today, Donggubat Co., Ltd. continues to grow by developing healthy products that satisfy consumers and expanding its market reach to provide good job opportunities for individuals with developmental disabilities.



## 2. Social Service Provision Type



### Happy Tree Counseling Center

Happy Tree Counseling Center is a social service provision type social enterprise that provides psychological therapy programs for children, adolescents, families, and adults facing psychological and emotional difficulties. It is a professional psychological counseling center dedicated to helping children, adolescents, and adults grow and change healthily through the therapeutic process. In particular, the center is equipped with professional counselors who have a deep understanding of individuals with borderline intellectual functioning, and it takes the lead in addressing welfare gaps for vulnerable groups while promoting cognitive and social improvements for children with developmental disabilities through various programs. At Happy Tree Counseling Center, clients can receive psychological counseling and cognitive assessments for individuals ranging from children to adults and couples, as well as choose from a variety of therapeutic programs. Additionally, the center has developed and disseminated an IT-based play program called “Happy Brain” for individuals with borderline intellectual functioning, and it strives to provide ongoing support services to schools, daycare centers, and adult day care centers through agreements with relevant organizations. Under the simple truth that healthy children are raised from healthy families, the center conducts integrated psychological therapy for children, parents, and families, helping with the healthy growth and changes of children, adolescents, and adults.



### JUMP

Lee Ui-hyun, who worked as a journalist in the United States for eight years, was inspired to think about educational inequality after witnessing the difficult circumstances faced by American immigrants and low-income families. In an effort to address this issue, he founded the nonprofit organization Jump to provide equitable opportunities in education. Certified as a social enterprise in 2021, Jump offers a chain mentoring program composed of youth, university students, and working adults, creating a cycle of sharing and support. The program matches youth who lack opportunities for quality education with university students, thereby providing new learning pathways. Additionally, it connects university students who offer tutoring services with scholarships or working professionals to support their career paths and employment opportunities. Each year, Jump provides counseling programs for over 20,000 participants through these mentoring initiatives and has established a mentor group of more than 3,000 working professionals to support university students who donate their talents, working towards a sustainable support system. In the future, Jump plans to expand its support across the nation, beyond the metropolitan area, to create a society where everyone can learn and grow without discrimination.

## 3. Mixed Type



### Kokkiri Gongjang Co., Ltd.

Kokkiri Gongjang Co., Ltd. (Elephant Factory) collects, repairs, and disinfects toys that can be reused every year, donating them to vulnerable groups. The initiative began with the belief that there is a demand for repairing and circulating toys as a child welfare organization. Through this work, the organization has experienced the issue of income disparity related to toys. While middle-class families and above often have an abundance of toys, low-income families face financial barriers that prevent them from purchasing toys. This observation motivated Kokkiri Gongjang Co., Ltd. to recycle unused toys to balance the distribution of toys between families with excess and those in need. During the process of commercializing this initiative, the company began to recognize its social responsibility regarding the environmental issues caused by plastic toys that are discarded as domestic waste. This realization has led to the successful establishment of Kokkiri Gongjang Co., Ltd. as it exists today. At the beginning of the startup, there were many challenges, as there were few business models to refer to within the country. As the collection of toys began, difficulties arose due to the lack of storage space and management personnel, as well as insufficient vehicles for toy collection. Subsequently, by utilizing a vacant warehouse to establish a toy recycling factory, the company was able to significantly expand employment and sales levels by engaging local residents in active volunteer work for toy repair and disinfection, and by building a network with child welfare organizations to establish a consistent system for recovering waste plastics and surplus toys. Even now, Kokkiri Gongjang Co., Ltd. continuously challenges itself and grows by collaborating with various social economy enterprises to address the environmental issues caused by waste plastic toys, ensuring that more children can enjoy toys.



### Testworks Inc.

Yoon Seok-won, who wanted to provide equal opportunities to vulnerable groups that have been overlooked in the job market despite their considerable potential, founded Testworks Inc. in 2015 to address their unemployment issues. Authorized as a preliminary social enterprise in 2016 and certified as a social enterprise in 2017, Testworks Inc. is involved in a high-value-added industry, specifically AI data and software testing (the software verification process), working alongside vulnerable groups. Recently, by operating the platform aiWorks, which collects and processes high-quality training data for artificial intelligence, Testworks Inc. has introduced a new model for volunteering and social contribution, allowing anyone to open various projects to solve social issues through data. Testworks Inc. trains test engineers by providing ICT professional education and employment-linked courses for vulnerable groups. It started with three employees and has grown to over 60 employees, including women with career disruption, individuals with developmental disabilities, individuals with hearing impairments, long-term unemployed, youth, and professionals. By overcoming various biases that restrict choices based on gender, age, and disability, Testworks Inc. supports the utilization of these individuals' unique strengths in the workplace, generating synergy and continuously challenging itself to grow.

## 4. Community Contribution Type



### Hahyo Salon Cooperative

Famous for its tangerines, Hahyo village in Jeju is known for having the most mild and pleasant climate, which makes its tangerines exceptionally delicious. Twenty-five female members of Hahyo village gathered to address two questions: “Isn’t there a way to enjoy these delicious tangerines year-round?” and “Is there a solution for the tangerines that taste great but are discarded due to their appearance?” This led to the establishment of Hahyo Salon Cooperative in 2017. The cooperative was founded to create “something” from non-standard tangerines, saving the discarded fruit while also aiming to grow the village and increase farmers’ income. They decided to channel their efforts to revitalize the local economy into producing Gwajul, a traditional Jeju snack. Utilizing Jeju barley and Jeju tangerines, they created traditional Korean sweets. They began purchasing Jeju barley, which previously had no market, and produced Gwajul, leading it to become a top-selling product recognized as a convenient meal alternative. The products produced by Hahyo Salon Cooperative are marketed under the “Hahyo Mom” brand, which signifies that the mothers are dedicated to producing products with care for the safety and health of their children. Additionally, the cooperative runs experience programs utilizing tangerines and operates Hahyo Salon, a farmhouse restaurant featuring tangerine dishes, continuously growing as a business that collaborates with the local community.



### Atelier Ewha Co., Ltd.

Established in 2016, Atelier Ewha Co., Ltd. operates with the mission of increasing local farmers’ income by producing safe food that adheres to the principles of 3 Haves (Korean wheat, rice, Naju pear fermentation starter) and 3 Nos (no preservatives, no emulsifiers, no weighing agents). Atelier Ewha Co., Ltd. partners with local farms to create baked goods using healthy agricultural products and significantly contributes to improving the perception of local agricultural products by promoting the excellence of Naju’s local food through the production of bakery items made with their patented natural pear fermentation starter. Not only does Atelier Ewha Co., Ltd. lead the way in creating job opportunities for vulnerable groups in the community through bakery sales, but it also operates bakery experience programs that provide vocational training to vulnerable populations, including individuals with disabilities, and connects them to employment opportunities. Atelier Ewha Co., Ltd. has been recognized for its contributions to local job creation, receiving an award from the mayor of Naju. The bakery has expanded its sales by participating in various locations, including the historical market and a pop-up store at Lotte Department Store, while continuing its efforts to create even more job opportunities.

## 5. Other(Creative and Innovative) Type



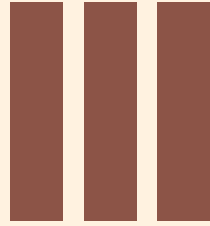
### Midamss Inc.

Midamss Inc. is an innovative social enterprise that is committed to creating a society where young people can fully enjoy their right to education, regardless of their economic circumstances. It serves as an educational community where anyone with the will to learn can come and study, providing support to students who are marginalized in the educational system, with the goal of expanding equitable educational opportunities for all. To foster a society where anyone can receive an education regardless of their financial situation, Midam began as a volunteer organization and became a certified social enterprise in 2013. Starting with KAIST, over 800 university student mentors from 13 universities, including Kyungpook National University and Kumoh National Institute of Technology, share their education and talents with more than 5,000 adolescents each year. In addition to this educational donation initiative, Midam operates after-school care programs for elementary school students, mentoring for adolescents on study methods, career paths, and majors, and various educational projects aimed at nurturing creative and interdisciplinary talents among elementary, middle, and high school students nationwide. Moving forward, Midamss Inc. will continue to develop and actively utilize diverse educational content to promote educational donation activities for future generations. It hopes that the beautiful stories of Midam, which will give wings to the educational environment of our children, will spread widely and raise awareness of social enterprises and value-based services.



### Brothers Keeper Co., Ltd.

Kim Seong-min, CEO of Brothers Keeper, worked at a nonprofit organization helping youth who had aged out of orphanages. He believed that a different approach was needed for these young adults to achieve independence after leaving protective care. In his quest to create job opportunities, he reached out to many company representatives to facilitate employment for these youths, but the longest any of them stayed in a job was just over three months. Kim realized that while employment was essential for the independence of youth transitioning out of care, emotional stability was even more critical. With this understanding, he founded Brothers Keeper to support youth leaving care, although the journey was not easy. Initially, when applying for the Social Enterprise Incubation Program at the Korea Social Enterprise Promotion Agency, he struggled to decide whether to focus on education or landscaping, leading to some internal challenges. He eventually re-applied the following year for the 8th incubation program. Since then, he has made innovative efforts, such as applying wall greening techniques, which allowed Brothers Keeper to grow further. The organization has also taken on the task of providing customized integrated support, including education and housing expenses, through a nonprofit foundation’s support program. Brothers Keeper has implemented wall greening projects at 18 childcare facilities nationwide and provides plant therapy education for children in care, financial education for those about to age out, and mentoring as part of its support programs. Additionally, to improve the social integration of youth transitioning out apolicy advocacy directed at government agencies, continuing its efforts to support the independence of youth aging out of care.



Driving the growth and widespread value of social enterprises and cooperatives

**Korea  
Social Enterprise  
Promotion Agency**

# Social Value Index (SVI)

## What is Social Value?

Social value refers to the benefits that contribute to the public good and community development, which cannot be measured by economic accounting. Its realization signifies the achievement of “public interest” for the advancement of the community.



## Social Value Index (SVI)

Social Value Index (SVI) is a tool for comprehensively and objectively measuring the social outcomes and impacts generated by social enterprises. By measuring the performance of the targeted companies through the SVI, it helps enhance external credibility and supports business connections with external organizations. This index measures efforts and results related to “establishing mechanisms for the organization to prioritize achieving social outcomes, integrating these mechanisms into organizational management and core business activities, and effectively utilizing human and material resources to develop innovative solutions for social issues.”

## Development Progress of Social Value Index (SVI)

2011~2015	2016	2017	2018	2023
Development of the “social performance measurement index” through research projects	Verification of the initial SVI indicators through an internal and external expert task force	Announcement of the Social Value Index (SVI) and pilot application (53 sites)	Full application of government funding support projects (business development costs, job creation)	Opening of the social value measurement center

## Summary table of Social Value Index (SVI)

Type	Category	Section	Indicators	Points
Social performance (60)	Organization mission	Social mission	1. Pursuit of social value	2
			2. Presence of system for managing social performance	5
	Business activities	Social value of main business activities	3. Social orientation of business activities (non-metric)	15
			4. Collaboration with other social economy enterprises	5
			5. Collaboration with local communities	5
	Organizational operation	Worker Orientation	6. Effort to return profits to society (non-metric)	10
			7. Percentage of democratically made decisions	5
			8. Wages for workers	8
			9. Effort to enhance worker capabilities	5
Financial performance (30)	Financial performance	Jobs and financial output	10. Number of jobs created	10
			11. Amount of revenue raised	10
	Labor performance	12. Outcome of sales activities	5	
		13. Labor productivity	5	
Innovative performance (10)	Business innovation	Innovation in business activities	14. Management and product/service innovation (non-metric)	10
<b>Total</b>			<b>14 Indicators</b>	<b>100</b>

## Results of Social Value Index (SVI) measurement

**Overall score grade:** The overall score, calculated by summing the scores for each indicator, is classified into four grade levels.

Excellent	Very Good	Good	Unsatisfactory
90 points or higher	75 points and higher, less than 90 points	60 points and higher, less than 75 points	Less than 60 points
A systematic system is established to realize social value in all business areas, effective activities are being carried out, and a very high level of performance is achieved.	A systematic system is established to realize social value in most business areas, effective activities are being carried out, and a high level of performance is achieved.	A system for realizing social value is established in some business areas, and activities are being carried out, but social performance is somewhat lacking.	A system for realizing social value is not established in some business areas, and activities are inadequate, indicating a need for attempts at change for improvement.

## Characteristics of the Social Value Index (SVI)

### Universality

The index is structured to be flexibly applied according to the characteristics of the business across three perspectives: social performance, economic performance, and innovation performance, depending on the purpose of utilization of the index.

measures to ensure objective evaluation.

Indicator 3 (Social orientation of business activities), Indicator 6 (Effort to return profits to society), Indicator 14 (Management and product/service innovation)

### Reflection of Social Enterprise Characteristics

The introduction of non-quantitative indicators allows for the qualitative and comprehensive measurement of social value that cannot be assessed through quantitative indicators alone. When evaluating non-quantitative indicators, structured judgment criteria are presented, and quantitative elements are introduced within the non-quantitative

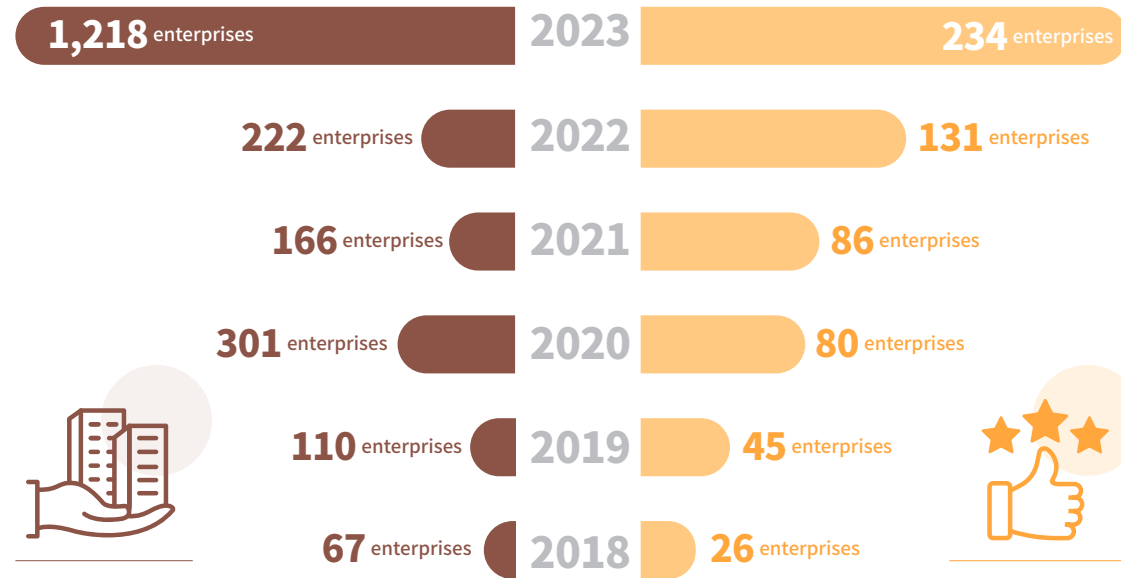
### Reflection of Industry Characteristics

When measuring quantitative indicators, the level of participating companies is objectively assessed by comparing their performance with that of similar social enterprises in the same industry. Indicator 8 (Wages for workers), Indicator 10 (Number of jobs created), Indicator 11 (Amount of revenue raised), Indicator 12 (Outcome of sales activities), Indicator 13 (Labor productivity)

## Social Value Index (SVI) Linked Programs

Various benefits are provided based on the SVI evaluation results, including incentives for public procurement and support for participation in public and private projects. According to the “Guidelines for Priority Purchase of Social Enterprise Products (January 2024),” starting from 2025 (based on 2024 performance evaluation), social enterprises receiving an “Excellent” or “Good” rating in the SVI evaluation will have their names publicly announced to promote preferential

purchases by public institutions. Collaborations with local governments for SVI-linked projects are also expanding. Benefits include showcasing excellent SVI-rated companies in special sections on the e-store 36.5 platform managed by the Korea Social Enterprise Promotion Agency. Additionally, the SVI index is used as a reference when selecting primary investment targets by investment management firms operating a fund of funds for social enterprises.



Current Status of Social Value Index (SVI) Measurement (Number of Enterprises)

Status of “Excellent” and “Good” Ratings

## Contact

### Headquarters of Korea Social Enterprise Promotion Agency

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📞 Phone 031-697-7700



## Social Enterprise Growth Support Centers

Region	Category	Name of Center	Address	Telephone Number
Seoul1	Integrated	Social Campus on Seoul1 (Seongsu)	8th and 9th floors, Ain Building, 286 Gwangnaru-ro, Seongdong-gu, Seoul	02-467-2510~8
Seoul2	General	Social Campus on Seoul 2 (Dangsan)	16th floor, Ire Building, 57 Seonyudong 2-ro, Yeongdeungpo-gu, Seoul	02-3667-8408~9
Incheon	General	Social Campus on Incheon	11th and 12th floors, Aniocean Building, 99 Incheon Tower-daero (Songdo-dong), Yeonsu-gu, Incheon	032-858-7671~4
Gyeonggi1	Integrated	Social Campus on Gyeonggi (Seongnam)	5th and 6th floors, KT Moran Building, 1182 Seongnam-daero, Sujeong-gu, Seongnam, Gyeonggi-do	031-757-2501
Gyeonggi2	General	Social Campus on Northern Gyeonggi (Yangju)	4th and 5th floors, Jinsan Medipraza Building, 140 Deokgye-ro, Yangju, Gyeonggi-do	031-868-8061
Gyangwon	General	Social Campus on Gangon	1st and 2nd floors, Nuri Hall, Sangji University, 83 Sangjidae-gil, Wonju, Gangwon Special Self-Governing Province	033-748-8661
Gwangju	Integrated	Social Campus on Gwangju	4th, 5th, and 6th floors, KH Tower, 198 Sangmu-daero, Gwangsan-gu, Gwangju	062-946-2166
Jeonnam	General	Social Campus on Jeonnam	9th floor, KT Mokpo Building, 118 Yeongsan-ro (Honam-dong), Mokpo, Jeollanam-do	061-247-9904
Jeonbuk	General	Social Campus on Jeonbuk	5th and 6th floors, DNB Building, 174 Hyoja-ro, Wansan-gu, Jeonju, Jeonbuk Special Self-Governing Province	063-223-2501
Jeju	General	Social Campus on Jeju	3rd, 4th, and 6th floors, Education Hall, Jeju Tourism University, 1296-8 Nohyeong-dong, Jeju Special Self-Governing Province	064-749-7540
Sejong	Integrated	Social Campus on Sejong	6th floor, KT&G Sejong Tower A, 411 Hannuri-daero, Sejong Special Self-Governing City	044-903-0782
Daejeon	General	Social Campus on Daejeon	3rd and 4th floors, Daekyo Noonoppi Building, 239 Daedeok-daero, Seo-gu, Daejeon	042-489-5790
Chungnam	General	Social Campus on Chungnam	3rd, 4th, and 5th floors, Yongju Plaza, 45-29 Heemang-ro 46beon-gil, Baebang-eup, Asan, Chungcheongnam-do	041-549-7762
Chungbuk	General	Social Campus on Chungbuk	3rd floor, Woomin Tower, 15-1 Bukmun-ro 3-ga, Sangdang-gu, Cheongju, Chungcheongbuk-do	043-259-8773
Daegu	Integrated	Social Campus on Daegu	10th and 11th floors, Daegu Station Center, 160 Taepyeong-ro, Jung-gu, Daegu	053-431-9826
Gyeongbuk	General	Social Campus on Gyeongbuk	6th and 8th floors, Gyeongbuk Economic Promotion Agency, 7 Igye-buk-ro (Imsu-dong), Gumi, Gyeongsangbuk-do	054-476-6519
Busan	Integrated	Social Campus on Busan	5th and 6th floors, National Pension Service Southern Branch Office, 688 Suyeong-ro, Suyeong-gu, Busan	051-753-2506
Ulsan	General	Social Campus on Ulsan	7th and 8th floors, Far East Broadcasting Company Building, 145 Beonyeong-ro, Nam-gu, Ulsan	052-276-2506
Gangnam	General	Social Campus on Gyeongnam (Gimhae)	7th floor, SME Gimhae Building, 2367 Gimhae-daero, Gimhae, Gyeongsangnam-do	055-338-2760
Gyeongnam	General	Social Campus on Gyeongnam (Jinju)	2nd floor, Regional Innovation Youth Center, 99 Dongjin-ro, Jinju, Gyeongsangnam-do	055-763-2690