netmarble

Netmarble ESG Report 2022

WE ENTERTAIN SUPPORT GROW TOGETHER

netmarble

Netmarble ESG Report 2022

ABOUT THIS REPORT

Overview

This report is the second ESG report published by Netmarble since 2021. Through this report, we intend to transparently disclose our sustainability management goals and activities and expand communication with stakeholders. As a leading global game publishing company, Netmarble has faithfully implemented its vision in 2021, and will continue to lead the game industry by strengthening ESG management.

Reporting Principle

This report was prepared to meet the Core Option of the Global Reporting Initiative (GRI) Standards. We also disclosed information in accordance with the recommendations of the Internet Media & Services sector in the Technology & Communications area to which the company belongs, based on the industry classification of the SASB (Sustainability Accounting Standards Board). Moreover, we referred to the UNGC 10 principles, UN SDGs (Sustainable Development Goals), and TCFD (Task Force on Climate-Related Financial Disclosures) guidelines.

Reporting Scope

Reporting scope covers ESG activities and performances of Netmarble head office and some subsidiaries based on consolidated basis of K-IFRS (Korea International Financial Reporting Standards). Some quantitative data may have different reporting scopes, and please refer to the footnotes of each data for detailed reporting scopes.

Reporting Period

Reporting period of this report is from January 1, 2021 to December 31, 2021 (fiscal year data). For some major activities, it is extended to the first half of 2022 to provide timely information.

Assurance

To ensure the reliability, objectiveness, and transparency of information, third-party assurance was completed by the Korea Management Registrar (KMR), an independent assurance institution. The assurance of this report was performed in accordance with the KMR's assurance standard, SRV1000.

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INTERACTIVE REPORT USER GUIDE

The Netmarble ESG Report 2022 was published as an interactive PDF so that readers can easily find the information they want. Readers can click buttons and headings at the top to quickly jump to related information pages, website, or SNS.

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Management Materials of Netmarble

Additional information related to Netmarble's management can be found on the official website, Channel Netmarble, business report, and corporate governance report. Netmarble seeks to enhance stakeholder trust and create a transparent management environment through regular disclosure.

- 2021 Corporate Governance Report
- 2021 Business Report
- 2021 Audit Report
- 2021 ESG Report

Netmarble Official Channels

Netmarble Company website	Channel Netmarble	Netmarble Game Portal
Netmarble Facebook	Netmarble TV	Netmarble Challenger Blog
Netmarble Instagram	Netmarble TikTok	Netmarble Culture Foundation

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OVERVIEW

Netmarble is taking the lead in creating a healthy game culture
by fulfilling its corporate social responsibility to realize
the vision of "Great Game Culture Company."
By sincerely conducting ESG management,
Netmarble will gain trust from more stakeholders.

ESG COMMITTEE CHAIRMAN'S MESSAGE

Dear stakeholders, I am Kwon Young-sig, Chairman of the Netmarble ESG Committee.

In 2021, Netmarble took the first step in ESG management with the sustainability management vision "We Entertain, Support, and Grow together." All of our employees were able to share and communicate our efforts and achievements toward a sustainable future with stakeholders while preparing for the publication of a sincere ESG report. We sincerely thank you for your expectations and encouragement towards Netmarble.

With a spirit of innovation and challenge, Netmarble will create a healthy world that we all dream of.

Dear stakeholders, including shareholders, users, employees, and partners!

Despite uncertain business circumstances at home and abroad, such as the shock to the real economy and damage to the global supply chain caused by prolonged COVID-19 pandemic as well as tightening regulations on the game and culture businesses, Netmarble has achieved steady sales growth. Particularly, in 2021, sales from the overseas markets accounted for 73% of total sales, raising the status of K-games in the global market.

We have not only been committed to constant change and innovation to secure fundamental competitiveness in the game business and lead the market, but also endeavored to practice our social responsibilities such as transparent and ethical management to become a company trusted by stakeholders. Going forward, Netmarble needs to fulfill its role and responsibility as a company meeting the changing times through the creation of non-financial values, including environmental, social, and governance, beyond just being satisfied with its financial performance.

In that sense, Netmarble took 2021 as the first year to promote ESG management and strengthened ESG management at the company level by establishing the ESG Committee and the ESG Management Office, a supporting organization. All employees of Netmarble will fulfill their corporate responsibilities and roles that our society expects by establishing and implementing independent strategies for the internalization of the ESG management system.

We at Netmarble will fulfill our corporate responsibilities and roles that the society expects by establishing and implementing independent strategies for the internalization of the ESG management system.

Netmarble will take the lead in activities for the next generation, such as responding to the climate crisis and preserving the environment.

With a recognition that the coexistence of future generations and the global environment is a top priority, we are making efforts to minimize environmental risks so that technology and business can develop harmoniously while realizing environmental values. In this respect, our new office building, G-Tower, was constructed with the concept to minimize environmental impacts such as GHG and waste reduction while meeting global standards for active use of renewable energy. Thereby, it pursues Netmarble's unique eco-friendly value where nature, people, and culture harmonize and communicate. Netmarble is promoting action plans such as establishing environmental goals, strengthening management capabilities, and raising employees' awareness of environment, with the newly established ESG Management Office at the center. We will continue to strengthen our response to climate change by improving energy efficiency and replacing power sources, increase recycling rates in business sites, and expand the influence of Netmarble's unique environmental value, which puts people and the earth first.

Netmarble will enhance its roles and responsibilities to advance into a future society of growth and coexistence.

Based on the founder's management philosophy, Netmarble has been carrying out sincere social contribution activities since its founding. We have built cultural facilities including convention center for the development of local communities and Netmarble Cultural Foundation is conducting continuous and professional social contribution activities for the disabled, children, and youth. Moreover, we are making efforts to create a great workplace for all employees. Based on a culture of mutual respect, we are not only operating industry-leading working environments such as ensuring gender equality and maternity protection, but also launched an organization dedicated to healthy working environment and reinforced safety and health management system, contributing to disseminating an exemplary safety culture. On top of that, we are strengthening communication with users through various channels such as Channel Netmarble and Netmarble TV, and doubling the pleasure that games can provide by discovering various new media contents in line with the changing times.

Based on the current sound and independent governance structure, Netmarble will strive to establish an advanced management culture such as transparent information disclosure and decision-making.

Netmarble is practicing responsible management with expertise and independence, and is strengthening communication with investors and stakeholders in all decision-making processes. In addition, to deal with various issues arising from corporate management, we are proactive in promoting ESG management that identifies and addresses strategies and tasks for each stakeholder group. The ESG Committee sets the ESG strategic direction and manages ESG issues from a long-term perspective through systematic reviews of non-financial risks. On the strength of these efforts, Netmarble achieved an A grade, up one notch from the previous year, in the 2022 MSCI ESG evaluation released by MSCI (Morgan Stanley Capital International).

We invite you to the future of "ESG for all" created by Netmarble.

Corporate economic activities create investment and jobs and contribute to improving the quality of life of people. In that sense, companies are required of various roles more than ever. To our stakeholders, we will show our efforts, determination, and sincere practice to create a pleasant and happy society for all. We would like to ask for your continued interest and advice for Netmarble, which is growing into a leading global game and culture company.

Chairman of the ESG Committee & CEO
Kwon Young-sig

COMPANY OVERVIEW

About Netmarble

Netmarble has become the first Korean game company to introduce the "publishing" business model. The company has been able to lead the Korean game market based on innovative attempts since its foundation. Since 2012, as a result of full-fledged mobile game business, a lot of big-hit games have been launched, including "Ni No Kuni: Cross Worlds," "The Seven Deadly Sins: GRAND CROSS," "Lineage 2 Revolution," "MARVEL Contest of Champions," "Seven Knights," and "Modoo Marble."

With the pursuit of challenge and innovation, Netmarble has been growing by communicating with customers through transparent service policies centered on mobile and PC games and various communication channels. Our focus has also been on developing new games and reinforcing contents and service competitiveness to actively target the global market. As a result, we achieved sales of KRW 2.5 trillion in 2021. Now we are actively developing various new business opportunities based on digital innovation technologies using AI and big data to secure fundamental competitiveness and sustainable growth engines in the game industry.

Vision and Core Values

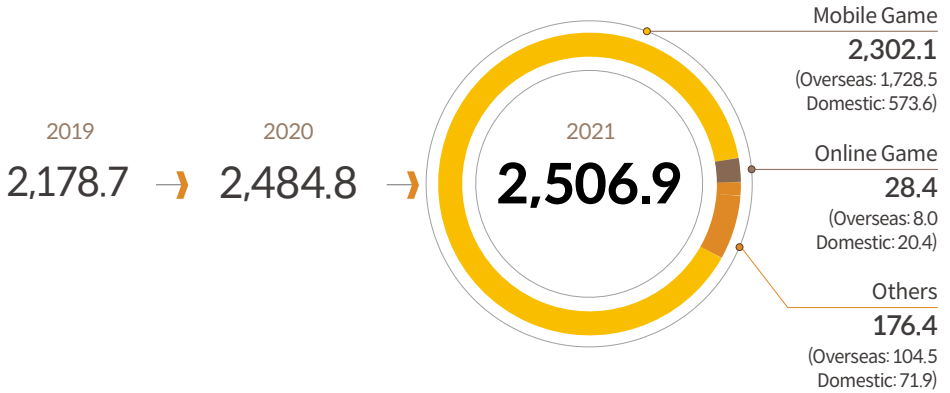
Corporate Profile (As of the end of 2021)

Establishment (Netmarble Corp.)	March 2000	**Head Office**	G-Tower, 38, Digital-ro 26-gil, Guro-gu, Seoul
CEO	Kwon Young-Sig, Lee Seung-Won	**Number of employees (in Korea)***	7,979 persons
Business	Game development and publishing	**Homepage**	https://company.netmarble.com/en

* Total number of employees at Netmarble and affiliates (on a consolidated basis)

Sales

(Unit: KRW in billions)



Company History

2021~2012

2021. 12	Netmarble established the ESG Management Committee
2021. 03	Netmarble relocated into new HQ, "G-Tower"
2019. 03	Netmarble Cultural Foundation launched industry-first "Netmarble Adaptive Rowing Team"
2018. 01	Netmarble Cultural Foundation was established
	Netmarble ranked 3rd in global mobile publisher in 2017 (App Annie)
2017. 05	Netmarble Games was listed on the stock market (KOSPI)
2014. 10	Established Netmarble Games Corp. (merger of CJ Netmarble Corp. and CJ Games Corp.) and Netmarble Corp.

2011~2003

2011. 11	CJ Games was established as a development holding company
2011. 03	Netmarble merged with On Media, CJ Internet, Mnet Media, CJ Media, and CJ Entertainment to form CJ E&M Corporation
2010. 05	Netmarble reached 30 million users
2005. 04	Netmarble entered the mobile game publishing business.
2004. 06	Netmarble joined CJ Group and changed its name to CJ Internet Corp.
2003. 09	Netmarble acquired Plenus Investment Corp. and changes its name to Plenus

2002~2000

2002. 04	<Catch Mind> became the first game to use an in-app purchases model
2002. 01	Netmarble reached 10 million users
2001. 01	Netmarble launched <Lagheim>, the first online game publishing business in the gaming industry
2000. 11	Launched Netmarble, the first game portal service
2000. 03	Established Netmarble

Credit Rating

2021.12	2021.08	2021.08	2021.06	2021.06
Regular Evaluation on Corporate Bonds	Occasional Evaluation on Corporate Bonds	Occasional Evaluation on Commercial Paper	Commercial Paper Credit Rating	Regular Evaluation on Corporate Bonds
A1	AA–	A1	A1	AA–

Major Subsidiaries (Subsidiaries subject to consolidation as of the first half of 2022)

Domestic

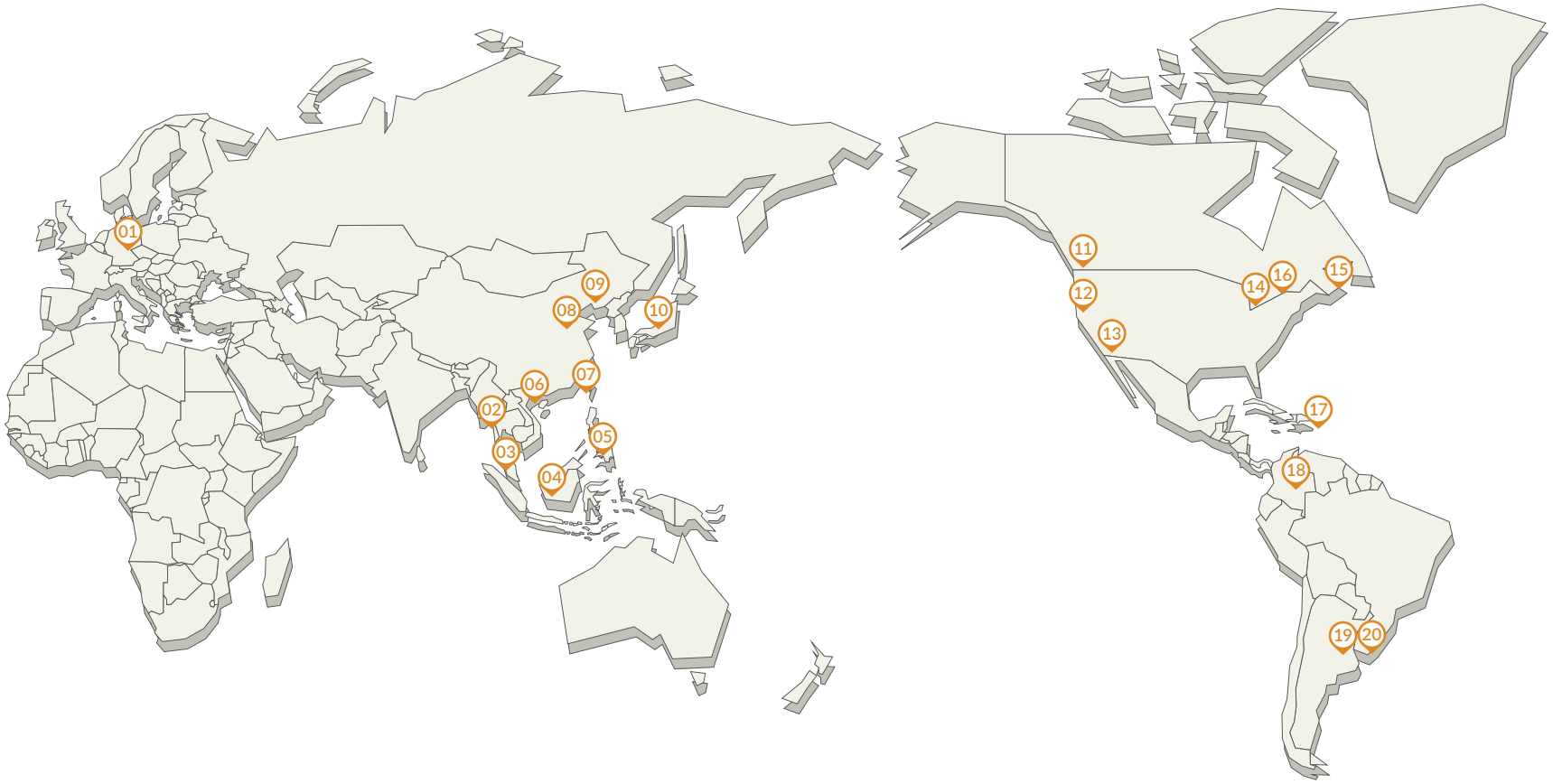
netmarble Neo	netmarble Nexus	netmarble Monster	netmarble Npark	netmarble F&C
netmarble N2	GUROBAL GAMES	ntri	ZEMPOT	IGS
mediaweb	nTop	MNB	MARBLEX	METAVERSE Entertainment
METAVERSE World	EVERYPLAY	Studio Grigo	Join Hands Network	G-Square PFV
G-Town PFV	KEYRING			

Overseas

netmarble Japan	netmarble Joybomb	netmarble Thailand	netmarble China	KABAM
Kabam Games, Inc.	Kabam Montreal, Inc.	Kabam LA, Inc.	Kabam Acadia, Inc.	Kung Fu Factory
SpinX Games	JAMCITY	TinyCo, Inc.	Jam City Germany GmbH	JCMO Studios, ULC
JCTO Studios, ULC	JCBA,S.A.U.	JCMV S.A	JCSA,S.A.S	App Scrolls, Inc.
IGS China	IGS&C Philippines Inc.	ITAM CUBE. LTD	MARBLEX Corp.	ZEMPOT MALAYSIA SDN. BHD.

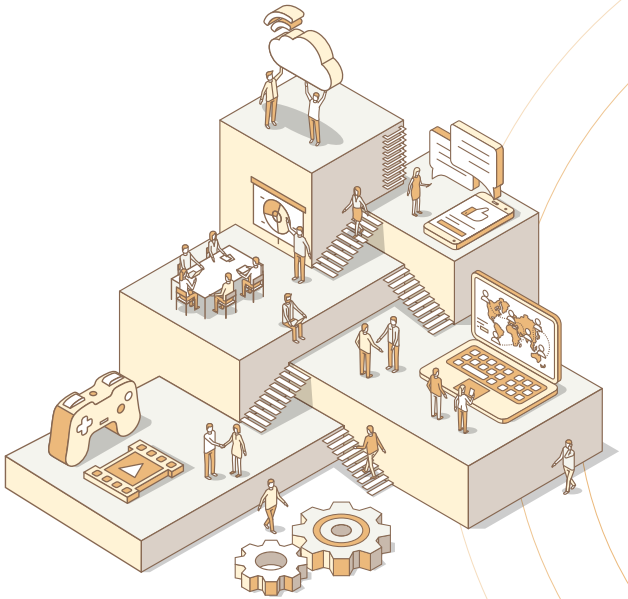
Global Network (as of the first half of 2022)

Netmarble
Global Network



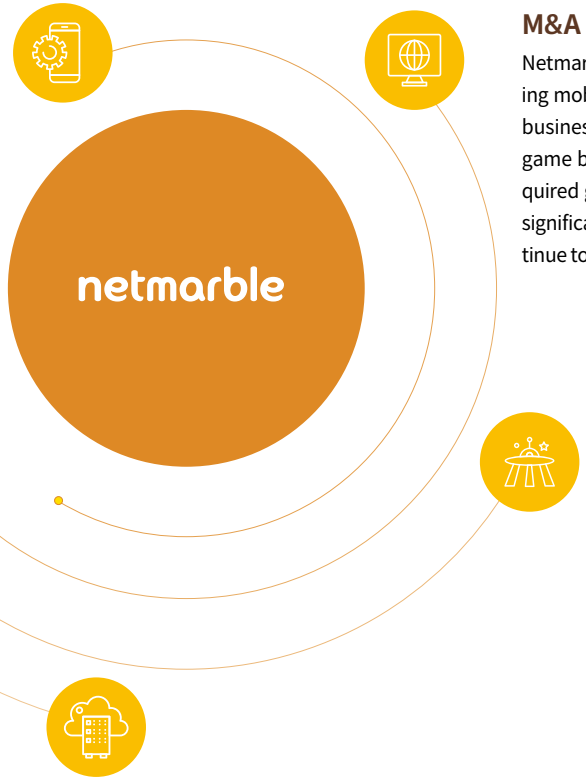
① Jam City Germany GmbH	② Netmarble(Thailand) Co., Ltd.	③ ITAM CUBE. LTD	④ ZEMPOT MALAYSIA SDN. BHD
⑤ IGS&C Philippines Inc.	⑥ SpinX Games Limited	⑦ Netmarble Joybomb Inc.	⑧ Netmarble China
⑨ IGS China	⑩ Netmarble Japan Inc.	⑪ Kabam Games Inc.	⑫ App Scrolls, Inc./Kabam Inc./TinyCo Inc.
⑬ Jamcity Inc./Kabam LA Inc./Kung Fu Factory	⑭ JCTO Studios, ULC	⑮ Kabam Acadia Inc.	⑯ JCMO Studio ULC/Kabam Montreal Inc.
⑰ MARBLEX Corp.	⑱ JCSA, S.A.S	⑲ JCBA, S.A.U.	⑳ JCMV S.A

Business Introduction



Game Publishing

As Korea's first company to introduce the game publishing as a business model, Netmarble has been pioneering and innovating the domestic mobile game industry. The top-notch publishing service provided by Netmarble is leading the network expansion of the game market in Korea and abroad. Based on excellence in market relationships, professional marketing capabilities, and user intimacy, Netmarble has been a game publisher that a lot of game developers select, and is solidifying its position as a global game publisher. We provide games of various genres, including RPG, casual, action, and sports, and secure differentiated competitiveness by adopting IPs owned by Netmarble and third parties in a balanced manner.



M&A and Global Business Capability

Netmarble is proactive in discovering and acquiring various companies including mobile game developers that can create synergies, and plans to expand its business into areas such as new technologies that can be combined with the game business. To successfully expand in new overseas markets, we have acquired game companies that well understand each region, thereby generating significant overseas sales in many countries. Going forward, Netmarble will continue to grow by strengthening M&A and global business capabilities.

Game Development

Netmarble not only demonstrates high-level game development capabilities, but also develops games of various genres through domestic and foreign game developers and secures diversified IP. Moreover, when a game enters the global market, we launch an individual version tailored to the characteristics of each country through a localization strategy. Netmarble's development capabilities are proven in a number of successful games, and we plan to focus our efforts on continuously launching successful games.

New Businesses

Netmarble is preparing various measures to preoccupy the blockchain and metaverse markets. As part of this, we plan to release new games that apply blockchain technology we are currently publishing, and have issued the MBX, a key coin suitable for the game publishing model. Blockchain technology is being applied to various contents as well as the game field, and metahuman development and publication of our own IP-based webtoons and web novels are also being promoted.

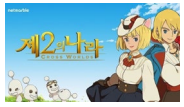
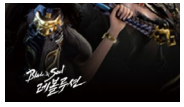
Big Data and AI Technology

Big data and AI technologies are becoming important topics not only for national industries but also for enhancing corporate competitiveness. Netmarble analyzes user tendencies and behavioral patterns based on game data to provide customized services optimized for individuals and promotes related projects through a dedicated organization with the goal of improving the efficiency of game development. Netmarble is committed to enhancing user satisfaction on its games by utilizing the latest AI technology for upgrading the game abnormality detection system and expanding voice recognition content.

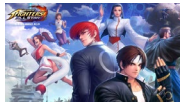
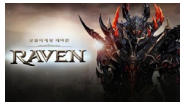
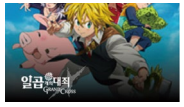
Game Portfolio

Domestic

MMORPG

Lineage 2 Revolution		A3: Atill Alive	
Ni No Kuni: Cross Worlds		Seven Knights 2	
Blade & Soul Revolution		MARVEL Future Revolution	

RPG

King of Fighters All Star		Raven	
The Seven Deadly Sins: GRAND CROSS		MARVEL Future Fight	

Casual

Modoo Marble	

Sports

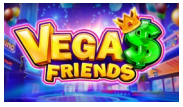
MaguMagu 2022	

Overseas

RPG

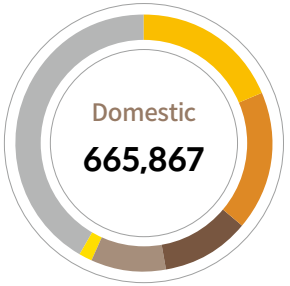
MARVEL Contest of Champions	

Casual

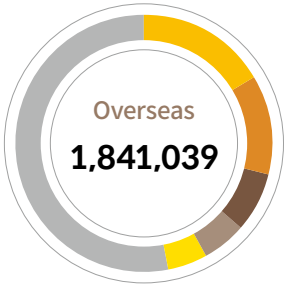
Cookie Jam		Disney Emoji Blitz	
Panda Pop		Cash Frenzy	
Bingo Pop		Jackpot World	
Lotsa Slots		Jackpot Crush	
Vegas Friends		Harry Potter: Hogwarts Mystery	

Domestic and Overseas Sales by Game in 2021

(Based on business report released in March 2022) (Unit: KRW in millions)



Ni No Kuni: Cross Worlds	124,645	Seven Knights 2	116,512
Blade & Soul Revolution	74,506	Lineage 2 Revolution	63,209
The Seven Deadly Sins: GRAND CROSS	9,968	Others	277,027



MARVEL Contest of Champions	306,118	The Seven Deadly Sins: GRAND CROSS	228,316
Ni No Kuni: Cross Worlds	137,753	Harry Potter: Hogwarts Mystery	103,683
Cookie Jam	92,275	Others	972,894

* Based on business report (Mar. 2022)

ESG HIGHLIGHT

01

Top 10 Global Mobile Publishers for 7 Consecutive Years

- Ranked in the **global top 10** mobile publishers for 7 years in a row as of sales in App Store and Google Play (as of 2022)
- **The only** Korean company to achieve such results
- "The Seven Deadly Sins: GRAND CROSS" became Korea's first mobile game to rank 2nd in App Store in North America and **1st in sales** in France and Germany.

02

Enhancing Stakeholder Communication in the New Media Era

- **Won two grand prizes** (Social Media and Korea Digital Content sectors) at the "14th Korea Communication Awards in 2021"
- **Ranked 1st** in the game sector and won the SNS Excellent Company Award in YouTube sector at the "9th Digital Customer Satisfaction Index" evaluation
- Won "2021 Social i-AWARD", Grand Prize in SNS Platform Game sector(Facebook, Instagram, and Channel Netmarble) and YouTube **Content Innovation Grand Prize**
- Strengthened communication with creators by building an **ecosystem for Ni No Kuni partner creators**

03

Eco-friendly New HQ Building G-Tower

- Moved into the new building, G-Tower in 2021
- **1+** grade of energy efficiency rating, **highest grade** of green building certification
- Received the Korea **Ecological Environment Architecture Award**
- Received the **Main Prize** in the **Korea Environment Awards** in 2022 (Climate change response/eco-friendly architecture sector)

04

Social Contribution* for Co-prosperity

- Opened the 35th **Game Play Center** for students with disabilities at St. Peter's School
- Published **"Sharing our 5 years"**, a booklet commemorating the 5th anniversary of Game Communication School
- Donated **2,200 bags** of rice to the local community instead of holding the completion ceremony of the new building
- Launched **Game Academy Boot Camp** to help intensively learn game launch and operation process during vacation

* Achievements of Netmarble Cultural Foundation included

05

Strengthening ESG Management at the Company Level

- Launched the **ESG Committee** and **ESG Management Office** in Dec. 2021
- Promoting strategic and systematic **ESG management** centered on the ESG Committee chaired by the CEO Kwon Young-sig
- Enhancing the **practice of ESG management** with relevant departments centered on ESG Management Office

ESG Performance

ECONOMY

Sales
2.5 trillion KRW

Operating profit
151 billion KRW

R&D investment
562 billion KRW

ENVIRONMENTAL

GHG emissions
1,403 tCO_2eq

Exceeding 38.1%* of landscaped area
3,954.77 ㎡

Exceeding 41%* of public area
2,691.73 ㎡

Exceeding **0.4%*** of ecological area
6,758.82 ㎡

* Compared to legal area

Percentage of renewable energy use
17.27 %**

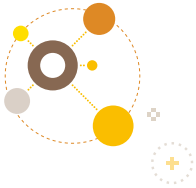
- Solar power **2.63%**
- Fuel cell **13.44%**
- Geothermal **1.20%**

** Design basis

Water saving
718.5 ton

Environmental law violation
0 case

SOCIAL



Average time spent on training employee per capita
11 hours

Number of occupational accidents
0 case

Number of partners' employees provided with medical supplies
107 persons

Donation to local communities
2.22 billion KRW

* Netmarble Corp. and affiliates (donation to the Netmarble Cultural Foundation)

Decrease in VOCs for two consecutive years
32 % in 2022
15 % in 2021

Information security certifications
ISMS-P
ISO/IEC27001

GOVERNANCE

Completion of ethical management trainings
1,024 persons / **99.3** %

Total cash dividends and dividend per share
43.3 billion KRW / **528** KRW

R&D investment to sales ratio
22.4 %

ESG STRATEGY

Netmarble established an ESG strategy that reflects Netmarble's unique identity aimed at pursuing a "Great Game Culture Company." By being committed to ESG management that considers governance innovation and risk control in environmental and social aspects, we will promote co-prosperity with stakeholders.

ESG MANAGEMENT SYSTEM

Netmarble manages pre- and post-risks in terms of environment, society, and governance in consideration of major stakeholders. To create mid- to long-term value, we established an ESG strategy that reflects Netmarble's identity and launched the ESG Committee to secure a foundation to enhance the execution of ESG management. To promote sincere ESG management and effectively respond to stakeholder demands, the company has derived ESG strategies and tasks by collecting various opinions. For co-prosperity with stakeholders, investment in ESG management and innovation of governance structure will continue.

Principles for ESG Management Practice

1. ESG management that faithfully fulfills its roles and responsibilities
2. Implementing sincere ESG management by imbedding ESG
3. Disseminating good influence by creating sustainable value
4. Building trust through transparent communication with various stakeholders
5. Promoting ESG activities that all employees can sympathize with and participate in

VISION

WE ENTERTAIN, SUPPORT, AND GROW TOGETHER

MISSION

WE ENTERTAIN THE WORLD WITH FUN GAMES

STRATEGIC DIRECTIONS

Shareholders & Investors	Environment	Local Communities	Customers (Users)	Employees
Establishing responsible governance and disclosure system	Leading environmental management	Promoting strategic social contribution projects	Enhancing customer satisfaction and trust	Increasing employee satisfaction
• Establishing responsible governance • Publicating a sustainability report meeting global standard	• Building environmental management system • Securing environmental management system certifications • Disclosing environmental performances	• Activating Netmarble's unique social contribution • Reorganizing social contribution system • Disclosing social contribution performances	• Strengthen information security • Utilizing customer satisfaction results • Transparent communication with customers	• Reinforcing the transparency of grievance handling system • Enhancing human rights management and external communication

ESG Management ENABLER

ESG Committee	ESG performance management system	Establishment of ESG disclosure system	Stakeholder engagement

Netmarble established the ESG Committee and a dedicated organization in December 2021 to focus on creating sustainable value based on authentic ESG (Environmental, Social, Governance) management. The ESG Committee is held at least once a quarter to review non-financial risks and strategic directions, and the ESG issue control function will be strengthened in the long term. The company strengthens the execution power of ESG management through the ESG Management Office, a working-level organization, and promotes systematic risk management by operating a consultative body by each ESG issue. In addition, we discover issues and tasks for each area of ESG jointly with experts in each field and promote them according to short- and long-term goals and plans.

ESG Committee

Classification	Two CEOs, Head of ESG Management Office
Role	1. Approval of basic ESG management policies and strategies 2. Approval of mid- to long-term ESG goals 3. Supervision of ESG management plans and execution 4. Supervision of ESG-related material risks
Operation	Convocation on a quarterly basis
Establishment	Q4 2021

Activities of the ESG Committee

Classification	Agenda	Result
1st	Report on ESG-related work plans for 2022	Reported
2nd	Report on the result of identifying and selecting an ESG issue pool in 2021 and 2022	Reported
3rd	Reinforcing human rights management and promoting UNGC membership	Approved

* Activities in 2022

SUSTAINABILITY COMMITMENTS

The UN SDGs (UN Sustainable Development Goals) are common goals that the UN and the international community seek to achieve by 2030.
Netmarble, as a member of the international community, aims to contribute to achieving common sustainable development and growth by promoting various activities for each specific goal to implement the 17 goals.

SDGs. 3

NEW
3.8 **Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all**

- Support for medical expenses and comprehensive health checkup of employees and spouse
- Operation of "Health Care" where medical personnel reside
- Operation of "Psychological Counseling Room" where professional psychological counseling personnel reside
- Supporting essential medicines for employees and partners

SDGs. 4

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

- Sharing knowledge and experience on game industry and jobs for students (Tour Program)
- Training on game development, ethics, and teamwork by selecting talented youth in game (Game Academy)
- Installation of the latest IT devices and delivery of usage manuals at special educational institutions to help students with disabilities experience culture and education (Play Center)
- Korea's unique e-sports and IT competition for students with disabilities hosted by Netmarble Cultural Foundation, NISE, and KOCCA, and sponsored by MOE and MCST (e-Festival for Students with Disabilities)

SDGs. 5

NEW
5.4 **Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate**

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

5.6 Ensure universal access to sexual and reproductive health and reproductive rights

- Appointment of a female other non-standing director
- Selection of leaders based on work performance, regardless of gender
- Operation of work systems to support maternity leave and parental leave
- Certified for a family-friendly company

SDGs. 7

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

7.3 By 2030, double the global rate of improvement in energy efficiency

- Designed to cover 17.27% of the total energy consumption at the new office building by using renewable energy (solar power generation system, fuel cell system, and geothermal system)
- Building energy efficiency 1+ grade certification

SDGs. 8

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

- Prohibition of wage discrimination based on gender
- Establishment of the first disabled sports team in the industry in 2019
- Agreement on establishing "Join Hands Network," a subsidiary-type disability-friendly workplace, in August 2020 and commissioning of the operation of an in-house cafe (about 20 people with severe disabilities are working)

SDGs. 9

9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

- Industry-leading R&D investment in 2021 (22.4% of sales, consolidated basis)
- Sharing accumulated know-how and knowledge of game development and publishing through GDF (Game Developer Forum)

SDGs. 10

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

- Stipulation of no-discrimination on gender, education, nationality, age, religion, race, and disability in the Netmarble Code of Ethics

SDGs. 12

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

NEW
12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

- Offer discount when using a tumbler at the in-house cafe "ㅋㅋ DABANG"
- Publication of Netmarble ESG Report

SDGs. 13

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

- Operation of dedicated parking areas for eco-friendly vehicles and installation of electric vehicle charging facilities
- Reduction of carbon dioxide emissions through efficient energy consumption in the new building by introducing BEMS (Building Energy Management System)
- Establishment of environmental management strategy to minimize environmental impact

SDGs. 15

15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

- Securing landscaping area, open space, and ecological area in the new building that exceeds legal requirements (creating a terrestrial biotope of about 180 square meters and an aquatic biotope of about 99 square meters on the roof)

SDGs. 16

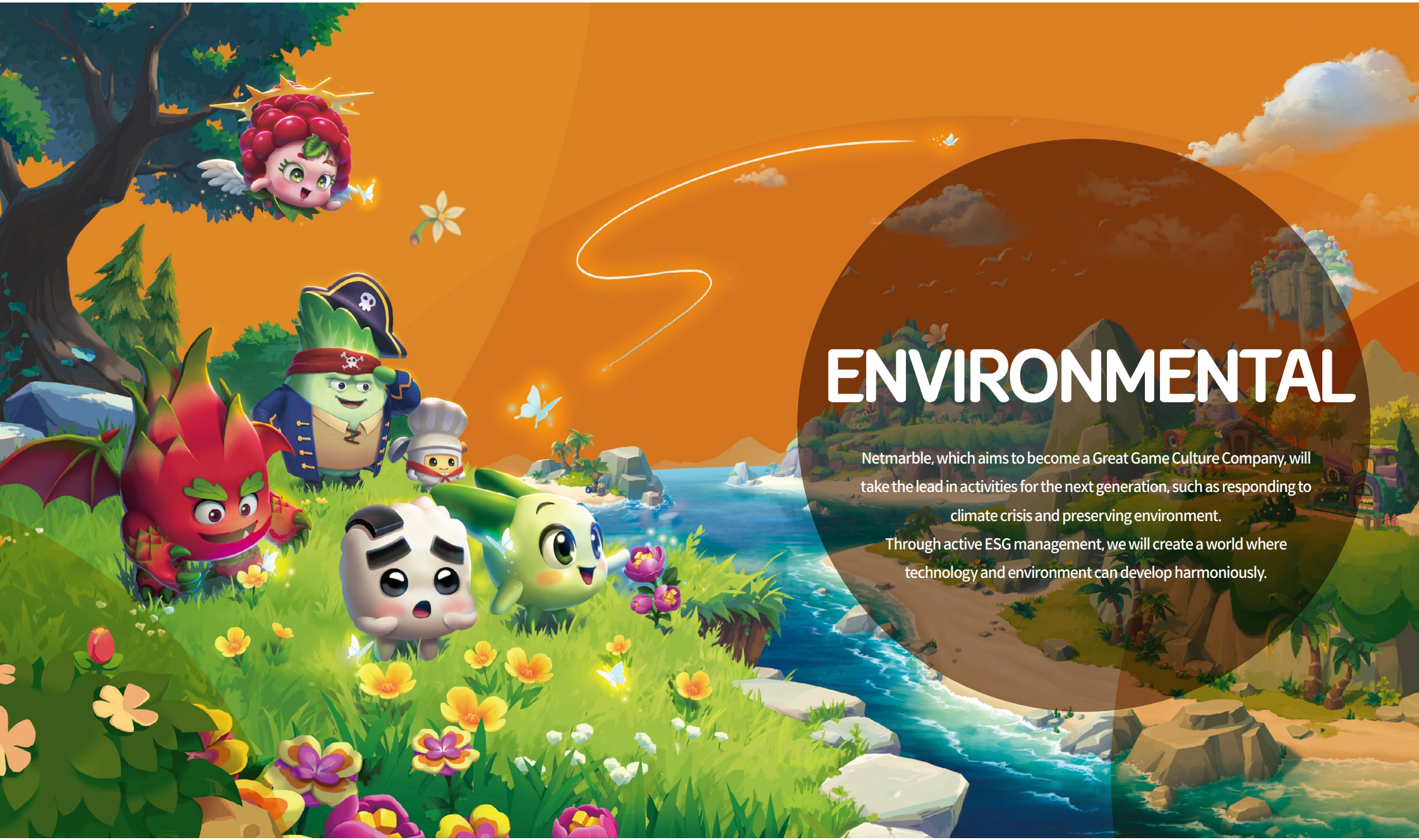
16.5 Substantially reduce corruption and bribery in all their forms

- Prevention of improper solicitation by displaying a warning message and disabling input when entertainment expenses that violate legal standards are entered into the ERP system
- Including "Special Terms and Conditions for Ethical Management Practice" in the standard contract when signing a contract
- Mandatory submission of "Pledge on Ethical Management Practice" to partners when participating in a bid

SDGs. 17

NEW
17.14 Enhance policy coherence for sustainable development

- Reinforcement of ESG issue control function by establishing the ESG Committee
- Establishment of ESG strategy reflecting Netmarble identity to create mid- to long-term sustainable value



ENVIRONMENTAL

Netmarble, which aims to become a Great Game Culture Company, will take the lead in activities for the next generation, such as responding to climate crisis and preserving environment.
Through active ESG management, we will create a world where technology and environment can develop harmoniously.

ENVIRONMENTAL MANAGEMENT SYSTEM

Eco-friendly Management Activities

Expansion of Environmental Management Activities

Environmental Management Strategy

Netmarble has been committed to strengthening its environmental risk management capabilities by establishing an environmental management system. As part of that, in 2021, an environmental management strategy and three strategic tasks were established with the aim of minimizing environmental impact.

Our environmental management strategy aims to reduce energy consumption, increase the use of renewable energy, expand the use of eco-friendly products, and build a circular economy by improving the recycling rate.

To achieve the strategy, we set three detailed strategic directions as follows: strengthen response to climate change by improving energy efficiency and converting power sources; increase the recycling rate within the business site; and expand Netmarble's influence on environmental values through active communication with external stakeholders.

Environmental Management Strategy

Qualitative Goal

Minimizing environmental impact for the next generation

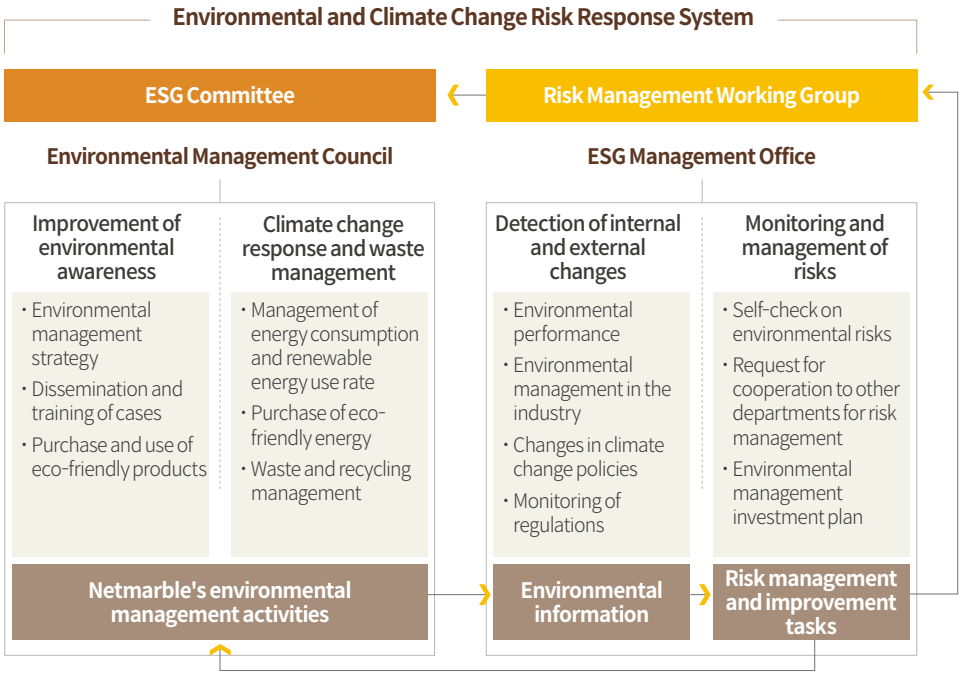
Strategic Tasks

Reinforcing response to climate change	Reducing waste and expanding recycling	Expanding environmental-management communication
・Reorganizing GHG management system ・Expanding eco-friendly energy use	・Improving recycling rate in the building ・Creating an eco-friendly management culture	・Expanding communication on environmental-management performance ・Obtaining environmental management certifications ・Promoting the membership in environmental initiatives

Environmental Management Operation System

The ESG Committee reviews plans for eco-friendly management and manages related performances. Particular, in line with increasing social demand for minimizing environmental impact, we intend to establish a C-level-centered climate change response system by reporting environmental and climate change-related issues to the ESG Committee. Netmarble will promote action tasks such as setting environmental goals, strengthening management capabilities, and raising employees' awareness of environment with related departments centered on the newly established ESG Management Office in 2021.

Environmental Management Operation System



Energy Saving

As electricity accounts for an absolutely high portion of entire energy consumption, Netmarble is carrying out various activities to improve power consumption efficiency. As part of that, we built a centralized lighting and cooling system to adjust lighting and temperature for each zone, and prevent unnecessary power waste by setting a fixed off-timer twice a day (20:00, 24:00) after work hours and night shift patrol.

We plan to derive energy consumption standards after collecting data in consideration of the building stabilization period, and to focus on improving operational efficiency by making the control center monitor and carry out monthly self-inspection on renewable energy-related facilities.

Water Saving

Netmarble is reducing water consumption and sewage generation by installing used water and rainwater treatment facilities in the new office building. The treated water is used in business facilities, sales facilities, landscaping facilities, restrooms, and parking lots within the building. In 2021, we were able to reduce water consumption by about 718.5 tons through water recycling. In addition, water-saving products are applied to toilets, sinks, and showers, contributing to water recycling and reducing water consumption.

Water saving in 2021

About 718.5 ton

RESPONSE TO CLIMATE CHANGE

Minimizing Environmental Impact

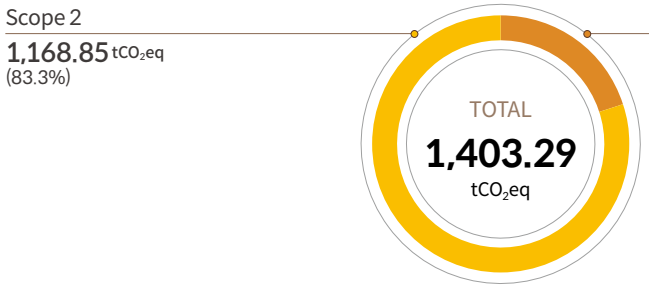
GHG Reduction and Increase of Energy Efficiency

GHG Management

GHG emissions from domestic business sites in 2021 amounted 1,403 tCO_2eq, most of which were from electricity consumption. With the relocation to the new office building in 2021, Netmarble has been promoting various activities and policies to reduce GHG emissions, such as introducing high-efficiency and eco-friendly facilities.

We are also preparing to transparently disclose GHG emissions and energy consumption through third-party verification in accordance with international standards such as ISO 14064-1 (international standard for GHG inventory establishment and quality management).

GHG Emissions



* Direct emissions (Scope 1): GHG emissions from internal energy combustion and processes (diesel, city gas, boilers, etc.)
Indirect emissions (Scope 2): Emissions from the outside (e.g., power plants) by purchasing electricity, steam, etc. necessary for daily activities (electricity, etc.)

Efforts to Reduce GHG Emissions

Reduced GHG emissions and obtained the Best Green Building certification (Green 1st grade) at the environmental impact assessment by focusing on renewable energy use, cooling and heating efficiency improvement, eco-friendly equipment use, and securing ecological environment

Renewable energy use

- **17.27%* of total energy production:** Solar 2.63%, geothermal 1.20%, fuel cell 13.44%
  * Designed to make renewable energy account for 17.27% of total energy consumption
- **GHG reduction: 5,332.47tonCO_2/year** (Based on design)

Cooling and heating efficiency improvement

- **Installation of double-layer low-emissivity glass**
- **Installation of LNG-fueled GHP:** 12.2% reduction
- **Installation of low NOx burners and boilers**
- **Roll blind and louver:** 186.04kWh/m^2 reduction effect by blocking solar radiation

Eco-friendly equipment use

- **No use of ozone layer-depleting substance**
- **Use of halon-free fire extinguishers**
- **Water circulation management**
- **Application of high-efficiency LED lights**

Securing ecological environment

- **Ecological area ratio: 35.41%**
- **Green space, roof greening, wall greening: 8,044m^2**
- **Creation of biotope**
  Terrestrial biotope and aquatic biotope

Design and Construction of Eco-friendly New Office Building

To contribute to the creation of a sustainable eco-friendly ecological city, Netmarble's new building, G-Tower, was promoted with the goal of being an eco-friendly building that can save energy and reduce environmental pollution from the design stage to materials procurement. Solar, fuel cell, and geothermal systems were installed to expand the use of renewable energy sources, and eco-friendly certified products and recyclable resources were also utilized to minimize environmental impacts that may occur in the process of building construction. On the strength of these efforts, Netmarble's new office building received the highest grade in green building certification (Green Grade 1), building energy efficiency grade 1+, and main prize at the Korea Ecological Environment Architecture Awards and Korea Environment Awards. Going forward, we will continue to expand the use of renewable energy within the new building in terms of strengthening climate change response activities.

Renewable Energy Use

Netmarble's eco-friendly new office building, G-Tower, was designed to cover 17.27% of total energy consumption with renewable energy. Although G-Tower is located in the center of a city, it demonstrates high use of renewable energy by utilizing BIPV (Building Integrated Photovoltaic System), fuel cell system, and geothermal system. We expect these systems to reduce about 5,332.47 tCO_2eq of carbon dioxide per year based on the design standard.

Operation of Eco-friendly Facilities

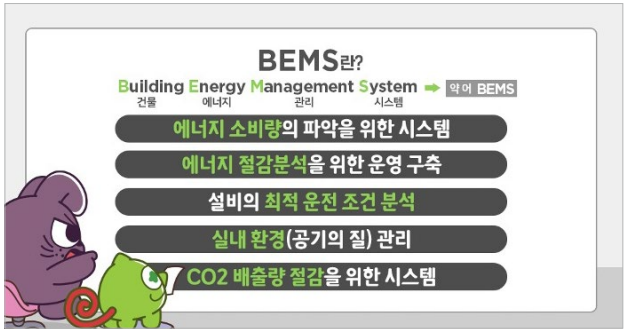
Classification		Status	Additional Reduction Plan
Solar power		· Installation: 681 panels	
		· Operation: 24/7 operation	
		· Production and use of 13,494kWh (last 3 months) on a monthly average	
Fuel cell		· Installation: 6kW-class 30 units	
		· Operation: 8 hours a day, 75% operation efficiency	
		· Production and use of 4,032kWh (last 3 months) on a monthly average	
Geothermal		· Installation: 15 units	
		· Operation: Indoor temperature of 23~25°C	Control of temperature (26°C) and operation time
		· Production and use of 147,511kWh (last 3 months) on a monthly average	
Insulation		· Construction: Wall greening (310m^2), roof garden (3,650m^2), low-emissivity glass	
		· Operation: Insulation effect from wall greening and roof garden, application of insulation film to low-emissivity glass, and installation of roll blinds and louvers	
Air conditioning equipment	GHP (Gas Heater Pump)	· Installation: 1,260 units	
		· Operation: Indoor temperature of 23~25°C	Control of temperature and operation time
		· Changes in temperature and operation time according to the request of each company	Basic temperature: 25°C (individual temperature adjustment at the request of the tenant)
	Air conditioner	· Installation: 7 units	
		· Operation: Indoor temperature of 23~25°C	Basic temperature: 25°C (individual temperature adjustment at the request of the tenant)
Lighting equipment		· Schedule adjustment (for 30 minutes every hour)	Adjustment of operation time
Escalator		· Adjustment of escalator operating hours by day of the week	
Water temperature control		· Hot water temperature: 45°C in winter, 40°C in summer	
Water circulation	Rainwater tank installation	· Used for landscaping water	
	Treated water use	· Used for toilet and cleaning water	
	Tap water saving	· Installation of water-saving faucets, shower heads, toilets, and electronic induction urinals	

· **Other operational improvements:** Turning off lights in hallways and halls, strictly controlling blinds, closing front and stair doors, and conducting campaigns with residing companies

Construction of an Eco-friendly New Office Building

Operation of the BEMS (Building Energy Management System)

Netmarble introduced the BEMS (Building Energy Management System) for efficient energy use in the buildings and is carrying out PDCA (Plan-Do-Check-Action) activities using it. BEMS is an automatic control system that enables the most efficient energy management by capitalizing on sensors on energy-using devices in buildings to monitor energy consumption status by energy source in real time and analyze the collected energy consumption data. We intend to save energy and improve the indoor environment by establishing an automatic control system that can be optimally controlled by analyzing energy usage patterns in the building through BEMS.



Investment for Energy Saving

01. Double-layer Low-emissivity Glass

Thermal energy consumption is reduced through high-performance "double layer low-emissivity glass" that transmits visible light and reflects infrared rays. This product utilizes the properties of low-emissivity glass and double layer glass that reduce the inflow and outflow of heat and condensation, thereby increasing the insulation performance and energy saving effect.

02. Energy Saving through Zone-specific Air Conditioning Control

The air conditioning system that can efficiently control the indoor temperature and humidity for each zone saves energy and provides a pleasant indoor environment. In addition, air conditioning and heating facilities located around the window side contribute to minimizing heat loss caused by outdoor air (cold draft, etc.).

03. TAB (Testing, Adjusting, Balancing)

To create a pleasant indoor environment, we conduct TAB activities that test and adjust air purification facilities in the building, evaluate facility systems, and set appropriate capacity, thereby reducing operation costs and managing facilities efficiently.

04. Use of High-efficiency and Eco-friendly Materials and Equipment

In the construction of the new building, high-efficiency equipment with low environmental load, KS-certified materials, and eco-friendly devices were used in consideration of the amount of energy consumption in the entire process of production, transportation, construction, and disposal. We defined eco-friendly equipment as products that have obtained environmental labeling certification on the emission and content of harmful chemicals. These satisfied the conditions such as no use of ozone-depleting substances, asbestos-free materials, and marking of carbon emissions.

05. Operation of Efficient Air Conditioning System

To reduce overload during power peak hours, EHPs (Electric Heat Pump) and the air conditioning system using geothermal heat were properly installed according to the space characteristics. G-Tower demonstrates air-conditioning facilities of 83.3% other than electricity, which is higher than the standard (60%) stipulated in the Act on the Operation of Public Institutions.

06. BEMS (Building Energy Management System)

We systematically manage energy consumption in the building by introducing the BEMS and installing sensors in major facilities. BEMS enables data collection and display, information monitoring, energy consumption status analysis, facility performance and efficiency analysis, energy consumption prediction, and control system linkage, which contributes to optimal energy consumption management.

07. Installation of LED Lights

By installing LED bulbs in all lighting facilities inside and outside the building, power consumption and lighting waste are reduced. In addition, we are saving unnecessary energy by installing automatic standby power cut-off devices (71.5%).

08. Installation of Louvers and Roll Blinds

Louvers and roll blinds have been installed in the building to block solar radiation, which saves 186.04 kWh/m^2 of energy per hour.

Establishment of EV Charging Zone and Bicycle Racks

In response to climate change, G-Tower has been expanding electric vehicle charging facilities and eco-friendly car parking areas. In 2022, additional EV charging facilities were secured, creating an environment where 56 EVs can be charged simultaneously. Bicycle racks that can accommodate more than 260 bicycles were also prepared to create an eco-friendly commuting culture.

EV charging zone

Charging zone for Tesla

Bicycle rack

Creation of Eco-friendly Landscaping

The central park of G-Tower Central Park, equipped with ecological biotopes, is an eco-friendly space where various fauna and flora can grow and circulate with nature. The terrestrial biotope is equipped with piles of trees, piles of stones, and birdhouses to serve as habitats and shelters for living creatures, while the aquatic biotope is a waterside space linked to green areas and terrestrial biotopes, providing a comfortable resting place for users and animals.

The terrestrial biotope was created so that it can fulfill its role as its own small-scale biotope in connection with the surrounding green area.

- Space: 187.00㎡

The aquatic biotope is connected with surrounding natural green area and terrestrial biotope and created on waterfront landscape in the previously damaged green area, providing resting places to users and animals.

- Space: 91.50㎡

Use of Eco-friendly Construction Materials

Netmarble's new office building, completed in November 2020, was constructed by reflecting Netmarble's unique eco-friendly values. It satisfied various standards required for eco-friendly buildings and minimized environmental impact throughout the entire construction process by using eco-friendly construction materials such as eco-friendly water-based paint, non-asbestos tex, and floor finishing materials containing low harmful substances.

Won the Korea Ecological Environment Architecture Awards

As a result of efforts to realize sustainable architecture that can minimize the burden on the environment throughout the entire life cycle of the building, Netmarble's new office building G-Tower won the Korea Ecological Environment Architecture Award in November 2021.

Eco-friendly Design & Construction Process

Green building certification
Best grade

Building energy efficiency
1+ grade

STEP 1. PASSIVE DESIGN

Local Environmental Analysis

- South-facing arrangement considering the surrounding climate
- Higher building performance for low energy consumption
- Optimization of window-to-wall ratio (less than 40%)

STEP 2. ACTIVE DESIGN

Green Building System

- Acquisition of building **energy efficiency rating of 1+**
- Application of high-efficiency heating facility
- Application of energy-saving control method

STEP 3. RENEWABLE DESIGN

Geothermal System
Sunlight Generation

- GHG reduction by using renewable energy
- Installation of solar power, fuel cell, and geothermal systems

STEP 4. ECO DESIGN

Ecological Environment
Roof Garden

- Acquisition of the **highest grade for green building certification**
- Creation of an ecological environment in harmony with nature (biotope)
- Application of eco-friendly and low-carbon materials

제21-221호

제16회 대한민국
생태환경건축대상

우 수 상

설계사: ㈜희림종합건축사사무소
건축주: 지타워관리단
시공사: 롯데건설㈜, 두산건설㈜

귀 사는 'G-Tower'를 건축하는 데 있어서 친환경 설계 기법과 디자인을 적절하게 적용한 모범적인 사례로 탁월한 공적을 이룩하였으므로 생태환경건축대상 시상규정에 의하여 이 상을 드립니다.

2021년 11월 12일

사단법인 한국생태환경건축학회
회 장 김 태 연

주최: ㈜한국생태환경건축학회
후원: 환경부, 국토교통부

16th Korea Ecological Environment Architecture Awards

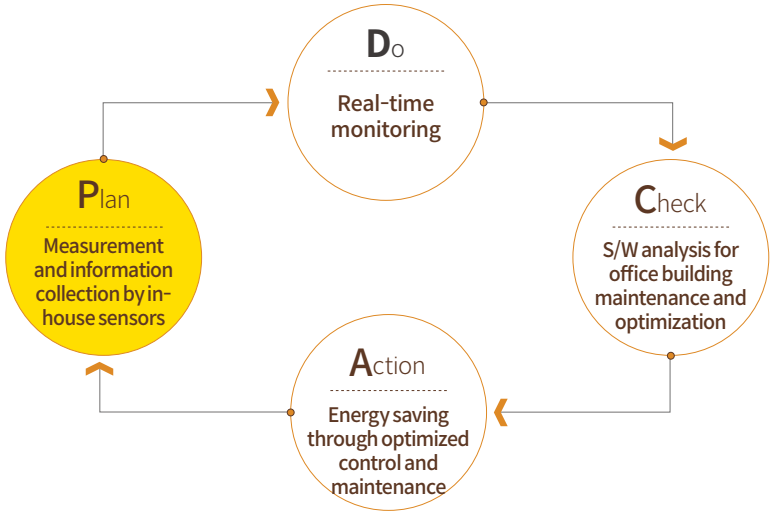
Energy & GHG Management System

G-Tower introduced BEMS (Grade 1) to efficiently manage major facilities that use energy, and applied the optimal operation method through data collection and analysis of the facility.

Data collection and display	Energy consumption, etc.
Information surveillance	Monitoring of electricity, gas, CO_2 concentration, inverter operation, and set of temperature
Data lookup	Correlation analysis of data such as energy consumption against outdoor temperature and operation time against COP
Energy consumption analysis	Analysis of energy consumption including heating and cooling and efficiency per floor area
Facility performance and efficiency analysis	Performance and efficiency analysis through measurement of boiler, geothermal, EHP GHP, fuel cell, etc.
Provision and utilization of environmental information	Air conditioning control through indoor/outdoor temperature and humidity difference, indoor air quality control through CO sensor, performance and efficiency analysis through fine dust measurement
Energy consumption forecast	Setting and managing energy use targets and comparing real energy consumption through regression analysis
Energy cost analysis	Inquiry and analysis of costs by measuring energy sources (electricity, gas) and facilities (EHP, GHP, boiler, etc.)
Interworking with control system	Facility control in conjunction with the integrated SI system (boiler, GHP/EHP, geothermal, air conditioner, fuel cell, etc.)

Application of BEMS

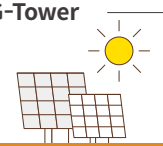
Automatic Control Process Using BEMS (PDCA Activity)



Efforts to Improve Energy Efficiency and Reduce Energy Use

G-Tower was designed to minimize the use of carbon-generating energy, and pursues the production and utilization of renewable energy through the operation of 681 solar panels and 30 sets of fuel cells. By analyzing the total energy demand by use and energy source, and introducing various energy saving systems and facilities, an energy saving effect of 16.5% compared to the total energy demand can be expected. These efforts led the new office building to obtain the building energy efficiency 1+ grade.

Energy Efficiency at G-Tower



Renewable Energy

1. Solar Power

- Producing 194KW electricity through 681 panels with a capacity of 285W
- A system that consumes immediately after production through inverters on each floor
- Energy production capacity may differ due to the amount of sunlight.

2. Fuel Cell

- Producing 180KW electricity through 30 fuel cells with a capacity of 6KW
- Operating 8 hours a day and consuming immediately
- Maximizing energy efficiency by reusing hot water generated in the power generation process

Waste Reduction

Netmarble is making various efforts to minimize the amount of waste generated from business and commercial facilities. While checking waste discharge information and actively managing recyclable waste, we are treating them through rehabilitation, incineration, and landfill. Moreover, to minimize demolition waste at the site of the Guro Water Purification Plant, where our new office building is located, waste concrete and mixed construction waste generated during the construction period were treated separately through environmental specialists, and various domestic wastes were also treated legally. Netmarble seeks to actively realize eco-friendly management by strengthening waste management capabilities, raising resource circulation goals, and acquiring certification as a leading company in circulating resources.

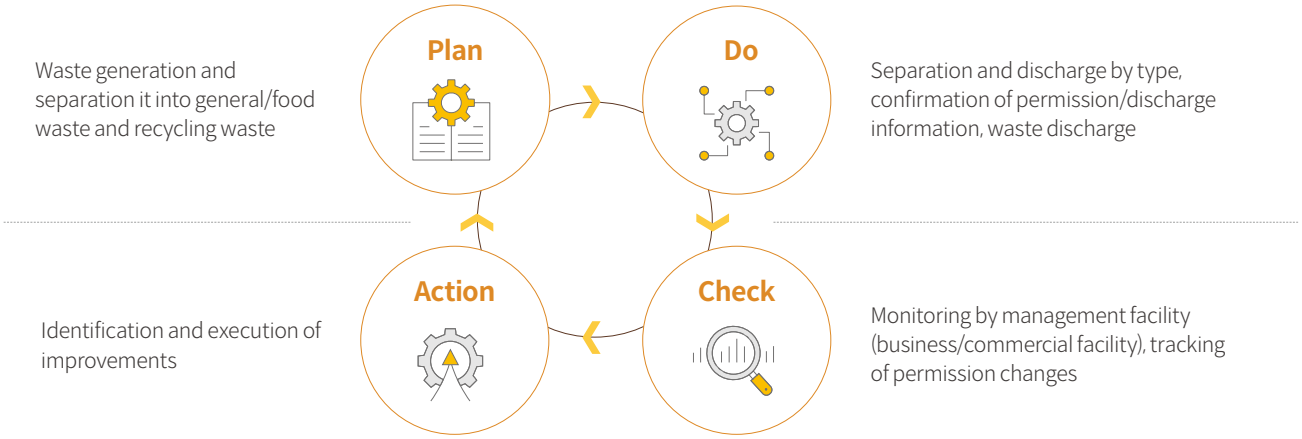
Waste Discharge Process

1st Stage
Primary separation of waste generated in the office building through recycling bin

2nd Stage
Confirmation of primarily separated waste and secondary separation

3rd Stage
3rd separation and collection by specialized companies

Waste Management Process



Waste Discharge Management System

We encourage to separate and discharge recyclable waste, general waste, and food waste. For commercial facilities, we induce waste reduction by preparing a system in which the higher the emission, the higher the cost.

Classification		Status	Remark
General waste	Office facilities	Discharge based on weight (kg) excluding recyclable waste	-
	Commercial facility	Discharge based on bag unit excluding recyclable waste	-
Recyclable waste		Free discharge of recyclable waste • Recyclable: Paper, scrap iron, glass bottles, PET bottles, etc. • Non-recyclable: Coated paper, food containers, plastic, etc. (Discharged in the same way as general waste)	-
Food waste	Office facilities	Charges (collection company/tenant)	Charge to dischargers
	Commercial facility	Bulk: Charges (collection company/tenant) Small quantity: Arrange RFID bins in the refrigerated warehouse to measure waste amount by tenant before discharge	

Employee Engagement

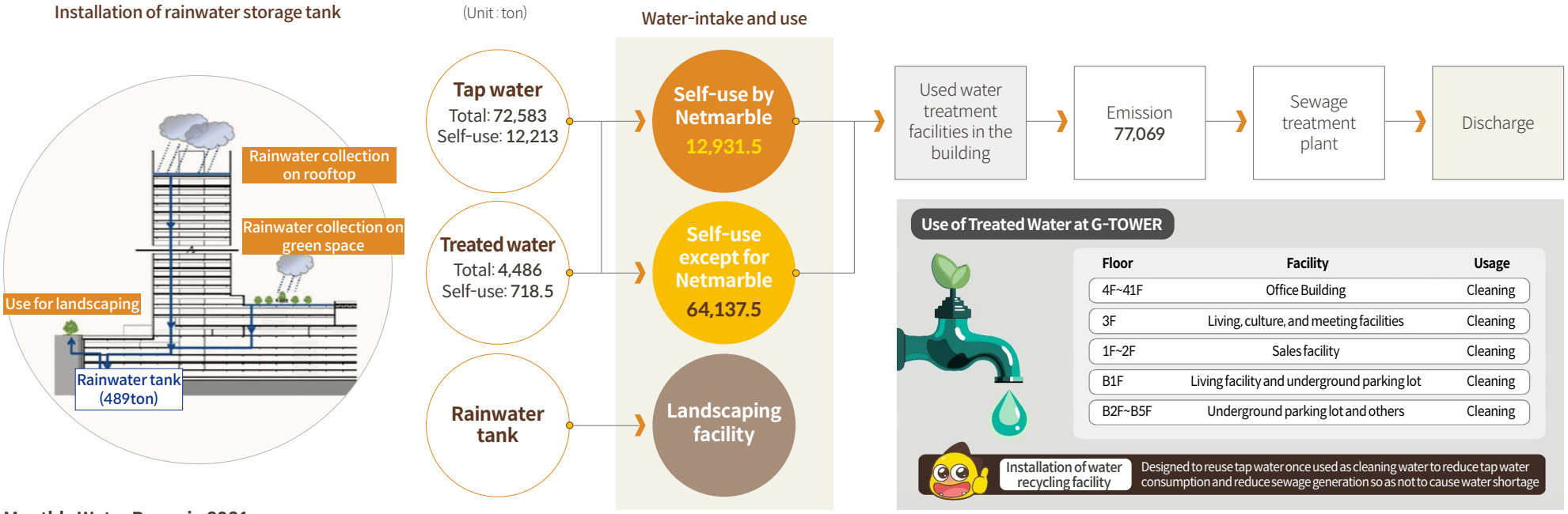
Netmarble is conducting campaigns for employees to reduce the use of single-use plastics. Separate collection boxes are installed within the workplace to separate and discharge recyclable plastic materials. Furthermore, "ㅋㅋ DABANG," an in-house cafeteria, operates a discount system for employees who use their own multi-use cups.

Water Saving

Water Resource Management

G-Tower reduces water consumption by installing a 489 ton rainwater storage tank that exceeds the legal minimum rainwater tank capacity of 410.44 ton to increase the recycling rate of rainwater. This effort has led to the result of obtaining perfect scores in water circulation management, water resource conservation, and rainwater use among green building certification items.

Rainwater Reuse Plan



Monthly Water Reuse in 2021

Classification		Unit	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total	Remark
			G-Valley		G-Tower											
Netmarble (self-use)	Tap water	ton	1,897	1,635	707	476	1,170	1,023	972	879	983	576	1,098	797	12,213	Real consumption on Netmarble's residing space
	Treated water					60.1	67.9	81.8	74.5	72.6	67.2	80.5	104.2	109.8	718.5	Distribution of used area
	Area ratio	%	24.2	24.2	15.8	15.8	15.8	15.8	15.8	15.8	15.8	16.3	16.3	16.3		

* Treated water data has been managed from the time of moving into the new building. There was no treated water remote metering data for March

SOCIAL

Netmarble, pursuing a Great Game Culture Company, has been striving to become a company trusted by stakeholders by practicing corporate social responsibility.

Based on sincere ESG activities, we will shape a better future for shared growth and coexistence.

HUMAN RIGHTS PROTECTION

Protection of Employee Human Rights

Recently, regulations requiring disclosure of information on labor policies are being tightened to eradicate unethical issues such as forced labor, child labor, and discrimination within companies around the world. Netmarble, as Korea's representative game culture company, is making a concerted effort to become a responsible company that values the human rights of employees through the resolution of human rights risks, sustainable management, and ethical management.

Education on Human Rights

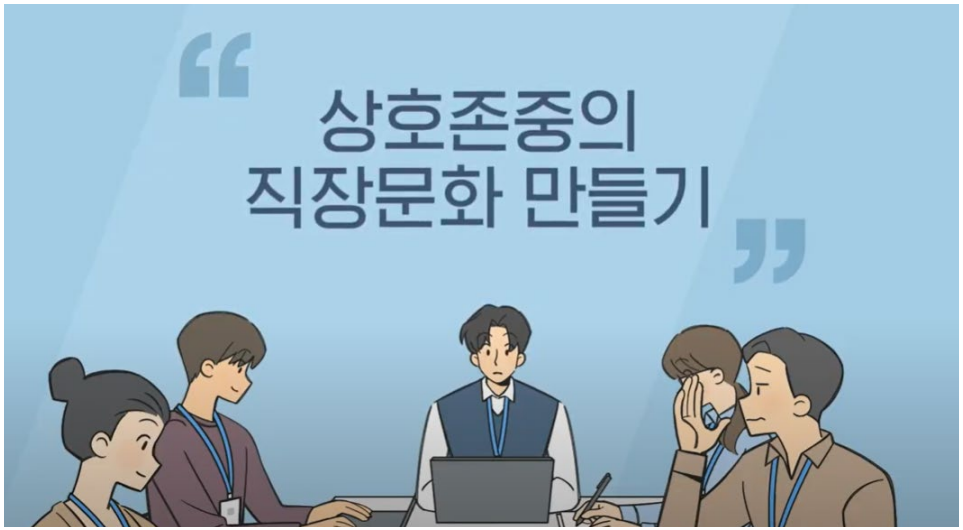
Netmarble conducts mandatory training to strengthen employees' awareness of human rights. It is mandatory for employees to participate in training on Netmarble's mission and goal, corporate value protection, fair trade and coexistence, and ethical management as well as legally mandated trainings on sexual harassment prevention and disability awareness improvement once a year. Human rights education is also included in the entry-level training program for new employees to strengthen awareness of human rights for all employees.

Efforts for Human Rights Protection

Human rights violation cases such as workplace bullying in the IT industry in 2021 brought about social controversy. In response, Netmarble strived to increase employees' understanding of respect for human rights, identify and address possible issues in advance during 2021.

New items related to mutual respect have been added when diagnosing company-wide organizational culture. Through this, we comprehensively diagnosed the level of mutual respect between employees, the level of leadership to establish a culture of mutual respect, and the level of awareness of where to report in case of human rights violations. Based on the results of the diagnosis, we conducted training and campaigns on “Creating a Workplace Culture of Mutual Respect” that includes content related to the prevention of bullying in the workplace for all employees.

In particular, for leaders who have great influence within the organization and need to take the lead, we provided contents such as key case studies and guides on correct behavior and role as a leader on a regular basis to establish a culture of mutual respect in everyday life.



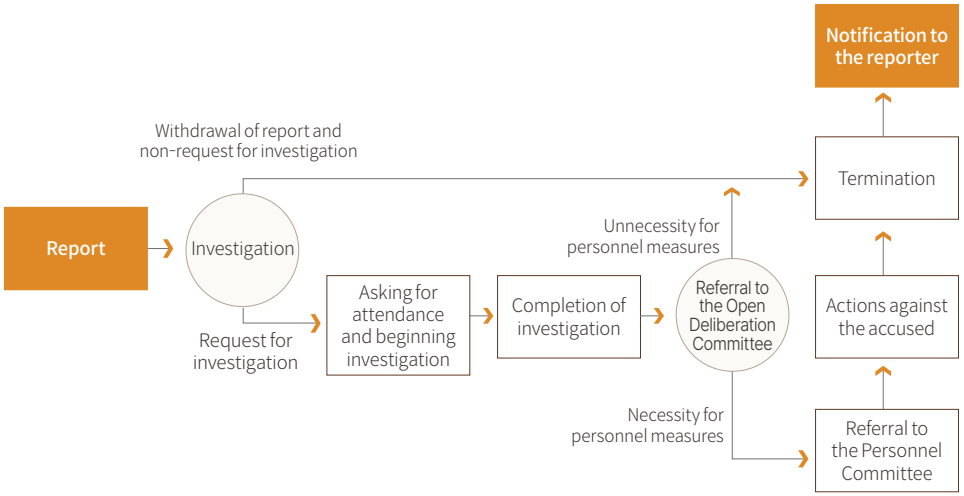
Online training for creating a workplace culture of mutual respect

In addition, we are operating various reporting channels such as workplace bullying and sexual harassment reception desk, ethical management counseling center, Grievance Handling Committee, and open council to enable prompt consultation and reporting related to human rights.

From 2021, when a report on human rights violation is submitted, the "Open Deliberation Committee" composed of two employees and two employer members of the Open Council jointly judges sexual harassment and workplace bullying and decides whether to refer the case to the disciplinary committee, thereby improving the transparency in investigation and handling process and the appropriateness of disciplinary measures. Depending on the specificity of the case, if necessary, we entrust the investigation to independent professional agencies to ensure reliability.

If a human rights violation is confirmed, the assailant will be severely punished according to the principle of zero tolerance, and the result will be announced company-wide through bulletin board to deliver a firm message on the importance of a culture of mutual respect. Moreover, measures are taken to protect the informant from the reporting stage, including paid leave, workplace change, job relocation, psychological counseling, and support for medical expenses in consideration of his/her wishes, alleviating informant's physical and mental hardships.

Reporting and Handling Process



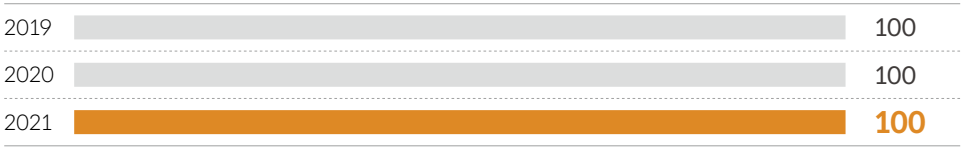
Reports of Human Rights Violation and Measures

In 2021, a total of 5 cases of human rights violations were reported, and 100% were processed in accordance with internal regulations. Netmarble records and manages all reports, including cases where human rights violations were not confirmed and cases that were closed with simple warnings.

Human Rights Violations Reported and Handling Result

Receipt of Reports (cases)

Rate of Handling Reports (%)



ENSURING DIVERSITY AND EQUAL OPPORTUNITY

Respect for Diversity and Non-discrimination

Netmarble believes that true innovation and growth begin with a culture of respect for diversity. As a company that pursues creativity and innovation, we strive to create an organization where each member can demonstrate his/her capabilities by providing equal opportunities for people with diverse backgrounds and ways of thinking to reach their full potential. To this end, our employment rule stipulates the prohibition of discrimination based on personal conditions such as gender, age, religion, social status, nationality, academic background, marriage, and pregnancy.

Equal Opportunity

All employees at Netmarble are given equal opportunities in terms of promotion, compensation, and training without discrimination based on reasons other than individual competence and performance. There are no wage gap based on individual conditions such as gender, age, nationality, etc., other than wage gap in terms of job position as well.

As of the end of 2021, the ratio of male and female members was approximately 66:34, and the female ratio among new recruits was also 34%. Members with competent abilities are selected as leaders who lead the organization regardless of gender or age, and this ability-oriented opportunity is established as a representative organizational culture of Netmarble. As a result, as of the end of 2021, leaders in their 20s and 30s accounted for 36% of all leaders including team leader or higher positions, and the proportion of female leaders reached about 17%.

Netmarble will continue to strive to create an organizational culture in which diversity is respected and all members are guaranteed equal opportunities without discrimination.

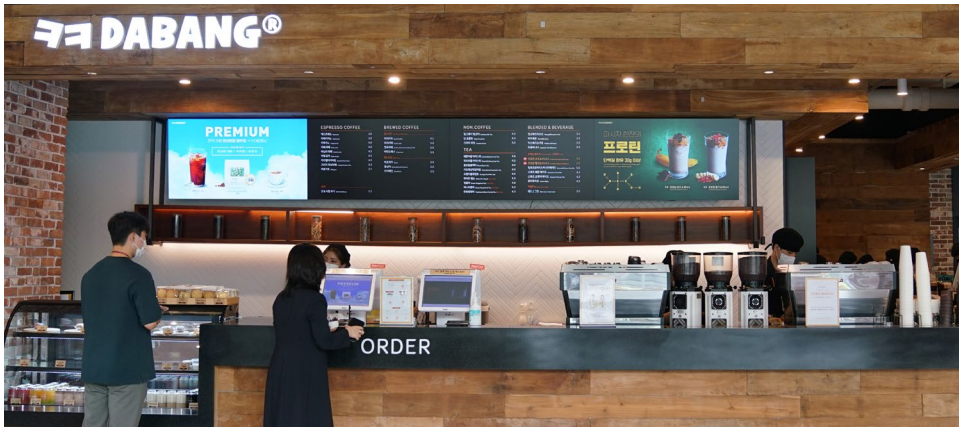
Expansion of Employment for the Disabled

"Join Hands Network," a subsidiary-type disability-friendly workplace invested by 6 affiliates of Netmarble Company, was established in January 2021 to create jobs for the disabled and help them become socially and economically independent.

The corporate name of Join Hands Network contains the meaning of happy growth in harmony between disabled and non-disabled people. Around 20 severely disabled employees of the company are serving as the baristas of ㅋㅋ DABANG and staff for documentation room and conference room in the Netmarble office building.

When hiring people with disabilities, we closely cooperate with relevant institutions such as the Korea Employment Agency for the Disabled and the Seoul Employment Center for the Disabled to preemptively identify the type of disability for each applicant and conduct job counseling, thereby supporting their early adaptation to workplace.

In 2022, we plan to participate in the "Internship for the Severely Disabled" jointly with the Korea Employment Agency for the Disabled and publish the "Guidance Manual" to support competency enhancement of employees with disabilities. Netmarble will continue to actively practice social values of respecting diversity and guaranteeing equal opportunities.



ㅋㅋ DABANG Cafe Barista

Facilities for the Socially Underprivileged

To create a safe and comfortable working environment, Netmarble operates various convenience facilities in accordance with Article 4 (Right to Access) of the Enforcement Decree of the Act on the Guarantee of Convenience Promotion of Persons with Disabilities, Senior Citizens, Pregnant Women and Nursing Mothers.

In particular, G-Tower has adopted the 7 principles of universal design, which pursues Design for People, to realize fair and convenient architecture, environment, and services for more users regardless of age, gender, nationality (language), disability, etc.

For example, various conveniences such as safety handrails, braille paving blocks, and parking areas for the disabled and women are in line with legal standards so that the socially underprivileged, including people using wheelchairs or assistive devices, children, and the elderly, can safely and freely use G-Tower facilities.

Netmarble has been strengthening the user convenience of the facilities in the building so that G-Tower can be a space that provides a high quality of life for all, regardless of the disability. Going forward, we will continue to make improvements so that G-Tower can become an obstacle-free building that can provide the same safety and convenience to all users.

Door open button

Handicapped bathroom

Handicapped parking area

Parking area for women

Braille paving block

The Seven Principles of Universal Design*

01. Equitable Use
The design should be used by all users in the same way and provide equal security and safety.

02. Flexibility in Use
The design should be possible to use accurately and freely in various living environment conditions. (e.g. left- and right-handedness, stride length, speed, precision)

03. Simple and Intuitive Use
The design should be concise so that anyone can intuitively know how to use it, and provide effective feedback.

04. Perceptible Information
The design should have a simple information structure and sufficiently describe the essential information to be easily read.

05. Tolerance for Error
The design should be capable of preventing accidents by removing, isolating, or positioning hazardous factors.

06. Low Physical Effort
The design should be able to be used in a natural posture without meaningless repetitive motions or excessive force.

07. Size and Space for Approach and Use
The design should provide a space that is easy to move or store, and that users and helpers of various physical conditions can use together.

* Presented by Universal Design Center at the University of North Carolina, USA

INVESTMENT FOR EMPLOYEES

Working Environment and Welfare

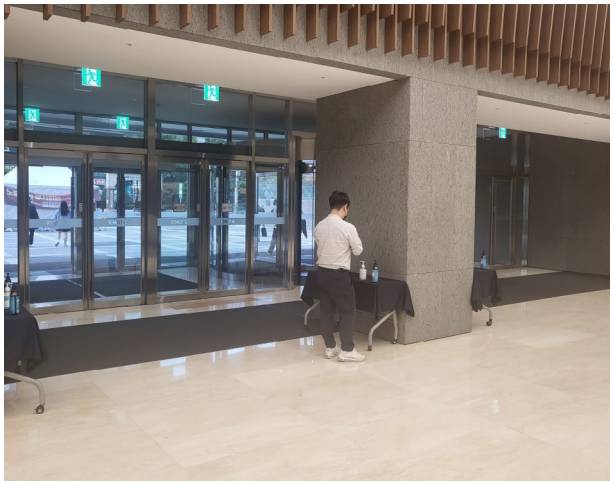
Realization of a Healthy Workplace

Since February 2020, at the beginning of the COVID-19 pandemic in Korea, Netmarble has supported the health and safety of its employees through a flexible work system and special leave. In consideration of the government's social distancing measures and the confirmed status of COVID-19 in the community and members, we implemented full-time telecommuting and two-day week telecommuting to reduce the risk of employees being exposed to infectious diseases. We supported our systems and infrastructure so that employees can work smoothly while working from home. In particular, employees who are vulnerable to COVID-19, such as pregnant women and those with underlying diseases, have made it a principle to work from home throughout the week.

Despite these efforts, if an employee is confirmed with COVID-19, regular health checks and consultations are conducted through the in-house health manager, and "special paid leave" is granted so that the employee can overcome physical and mental anxiety and pain and focus on recovery during the quarantine period. Moreover, in accordance with the government's vaccination encouragement policy, we have been providing two days of "paid vaccination leave" regardless of the number of vaccinations so that employees can comfortably get the COVID-19 vaccine and take sufficient rest.

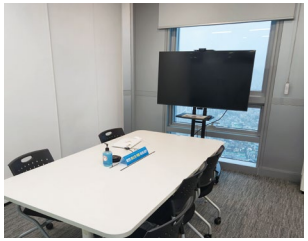
Strengthen infection prevention

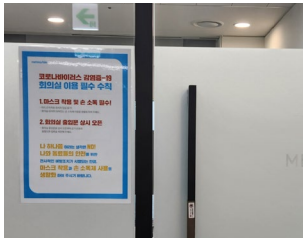
- Access to the building only through the first floor
- Mandatory wearing of masks, hand sanitizer required
- Body temperature check with thermal imaging camera on the 1st floor (Going home in case of fever)



Reinforce workplace quarantine system

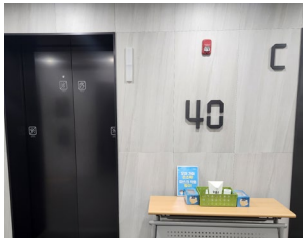
- Opening the door, disinfection of the hand contact areas, such as handles and E/V buttons (High Touch area) twice a day
- Disinfection of common area and office space corridor





Disinfection of multi-use facilities

- Only takeaway at "ㅋㅋ DABANG" Cafe
- Application of antibacterial filters, body temperature check, provision of hand sanitizer and mask, etc.



Optional Working Hour System

Netmarble has been operating the optional working hour system since 2018 to improve employee engagement and support work-life balance. In 2021, the “Core Time Zone” that is compulsory to immerse in working every day for collaboration among colleagues, was abolished. Instead, a fully autonomous commute system was introduced so that individuals can freely set their own work start and end times according to their needs and preferences. In addition, the “optional leave system” that allows employees to adjust work dates within a predetermined range of monthly working hours has been implemented to give maximum autonomy to them.

When holiday work or night work is required, we prevent employees from overworking by institutionalizing the "prior approval of the leader" and "registration of daily work status" in the time and attendance management system. Netmarble will continue to strive to provide employees with a working environment in which work autonomy is ensured and they can demonstrate their best capabilities.

Work Space Improvement through Relocation to the New Office Building

To provide employees with pleasant work spaces, Netmarble completed the construction of its new office building G-Tower after 4 years of preparation, in which around 6,000 employees of Netmarble Company and its affiliates have resided in March 2021. This has led to physically combine employees of affiliates, enabling faster collaboration.

Considering the characteristics of game business, about 180 meeting rooms of various sizes and types - lounge style, theater style, and table-based - were prepared in the new office building to promote collaboration among employees. In addition, various types of common spaces are prepared on each floor so that employees can use according to their purpose and need.

To support employees' adaptation to the new working environment, we opened an in-house bulletin board "All about G-Tower Life" to resolve employee's questions and receive and take action on complaints. Also, through the Open Council and "labor-management joint response system", we were able to quickly improve the inconveniences in the new office building.

Netmarble will continue to listen to the opinions of employees through various communication channels, discover areas for improvement, and provide them with an optimal work environment.

Employee Welfare and Co-prosperity with Communities

We have prepared several plans to coexist with the local community through the new office building. 70% of the building site was constructed as a park so that it can be used as a rest area for local residents as well as employees. Moreover, the building has a sports center, medical intensive facility, convention center, and industrial museum that can further enhance the convenience of community members. We are also preparing to open a game museum.

Instead of creating an in-house restaurant in the building, we introduced the "N-POINT system" that can be used for meals in nearby local commercial districts. In addition to the existing meal subsidy of KRW 100,000 per month, N-POINTs worth KRW 100,000 per month are provided, not only supporting employees to eat meals according to their individual preferences, but also promoting shared growth with the local community. Netmarble plans to continue to make efforts to ensure that the new office building is not only a mecca for the cutting-edge IT industry, but also a facility that can coexist with the local community.

Welfare Benefit Programs

Netmarble supports the work-life balance of employees and improves work satisfaction through various welfare programs. Those are equally provided to fixed-term workers, including contract workers. In particular, by reflecting the characteristics of the Millennials and Gen Z, we are operating the optional welfare system that allows them to select benefits tailored to their individual lifestyle through welfare malls and welfare cards.

Refresh Leave System

Netmarble operates the refresh leave system that provides "5 to 20 days of paid leave" and "subsidy of up to KRW 10 million" for every 5, 10, 15, and 20 years of service. This system contributes to improving work engagement by rewarding long-term employees for their hard work and providing ample opportunities to recharge. Discounts on using leisure facilities affiliated with the company are also provided at all times.

Improvement of Retirement Pension System

To help employees utilize retirement pensions according to individual purposes such as financial situation and investment strategy, we reviewed the introduction of "defined contribution (DC)" and "hybrid-type (DB+DC) programs" in addition to the existing defined benefit (DB) program. To this end, in December 2021, we held online and offline briefing sessions on the overview of the retirement pension system, including the background of system improvement, and the pros and cons of each system for all employees to listen to their voices. As a result, 84% of all employees expressed their opinions and we completed the improvement of retirement pension system with the agreement of 95% of them.

Employee Welfare Benefit Programs

Optional welfare points

Providing welfare benefit points of KRW 2.5 million annually

Family-friendly

Family event support: Money, supplies, and vacation in case of marriage, 60th birthday, condolences, and childbirth
Filial duty expense at holiday: Payment of filial duty expenses for Lunar New Year and Chuseok holidays
Childcare support: Childcare expense at daycare centers

Vacation

Refresh vacation: Provision of refresh vacation and subsidy every 5 years of service
Condominium: Use of company-affiliated resort facilities and discount benefits

Health Management

Medical expense: Support for medical and pharm. expenses for employees and spouses
Comprehensive health checkup: Every year for employees, every other year for spouses
Group accident insurance: Payment of insurance money in case of death and aftereffects
Healthcare (Health Center): Psychological counseling and health management for employees through healthcare operation in G-Tower

HEALTHY ORGANIZATIONAL CULTURE

A Culture of Communication and Encouragement

Launched the In-house Praise System

To overcome the environment in which communication opportunities among employees are reduced due to social distancing caused by prolonged COVID-19 pandemic, we launched the in-house praise system "Thank you ㅋㅋ" in collaboration with the Open Council.

In this system, 10,000 praise points that can be paid to colleagues are charged on the 1st of every month, and then, employees can sent the praise points along with a compliment message to their colleagues. The praise point ranking is opened on an annual and monthly basis to activate this system. As a result, a total of 2,495 messages of praise were delivered for about two months from the opening of the system until the end of the year, which contributed to activiting communication among employees.

Through the introduction of the praise system, a healthy organizational culture of praise, encouragement, and support has been established even in the non-face-to-face era, and communication and collaboration, which can be said to be Netmarble's core competitiveness, have been further strengthened.

Operation of the Open Council

With the aim of promoting the common interests of labor and management through smooth communication and collaboration between employees and management, Netmarble is operating the 'Open Council', a labor-management consultative body consisting of five employee representatives and employer members each. The Open Council conducts in-depth discussions on various topics such as company growth, resolution of employees' grievances, and improvement of working conditions through quarterly meetings, and decisions made are disclosed to all employees transparently. As face-to-face communication has become difficult due to COVID-19, the Open Council opened a website to collect grievances online and hold online meetings.

Netmarble People Award

The Netmarble People Award is given to employees who have contributed to the creation of remarkable business performances during the year or who have served as models for their colleagues by leading the practice of Netmarble's core values. This award has been continuously operating since the foundation of Netmarble until now. From 2014, the awardees were expanded to the entire Netmarble Company, marking the 8th event in 2021. Netmarble seeks to establish a healthy organizational culture by acknowledging and expressing gratitude to employees who have had a positive impact on the company.

In-house compliment system「Thank you ㅋㅋ」

Open Council

Family-friendly System Operation

Netmarble supports a variety of family-friendly systems to ensure the work-life balance of employees.As a result of active efforts to establish a healthy organizational culture, such as introducing a selective working hour system, improving work culture, and strengthening maternity protection, we were certified as an "Best Family Friendly Management Company" by the Ministry of Gender Equality and Family in 2018. We also won the Best Family Friendly Management Company certification again in 2021, proving our leadership in family-friendly management.

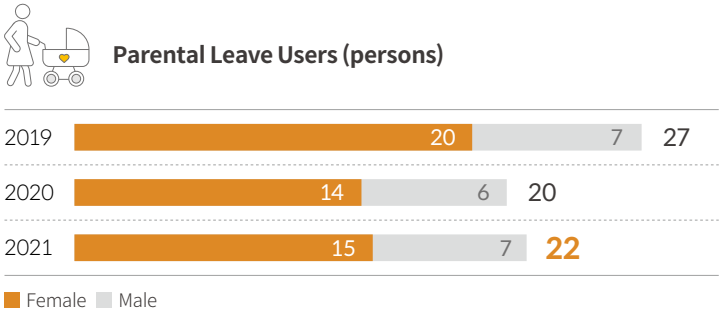
Employee Health Care

The company is proactive in caring the health of body and mind of both its employees and their families. Actual expenses are provided for medical expenses and pharmaceutical expenses for all treatment purposes, including medical expenses incurred during the birth of a child. Moreover, we support comprehensive medical check-up for employees and their spouses so that diseases can be detected in advance, treated early, and prevented.

Maternity Protection

We encourage all employees, both male and female, to use parental leave freely. From 2018 to 2021, about 31% of parental leave users were male employees. The working hour reduction system during the childcare period is available to all employees. When confirming the pregnancy, we provide information about the Netmarble maternity protection system to department leaders as well as the pregnant employee so that she can receive protection and consideration as a pregnant woman.

Parental Leave Users (persons)



netmarble

가족친화 우수기업
Best Family Friendly Management

Maternity Protection System

Before birth

1. Prenatal check-up time guaranteed
2. Miscarriage/stillbirth leave
3. Maternity Leave
4. Restriction on overtime work
5. Reduction of working hours during pregnancy
6. Infertility treatment leave

After birth

1. Leave after giving birth
2. Spouse maternity leave
3. Guaranteed feeding time
4. Parental leave
5. Reduction of working hours during childcare period

Timeline Check List

Pregnancy check, maternity protection plan setup
- Using leave according to prenatal checkup schedule
- Using working hour reduction during pregnancy
- Making plans for maternity leave, parental leave, etc.

Application for maternity leave — D-60
- Asking for leave for more than 45 days after childbirth (60 days for multiple births)

Leave before childbirth — Before D-44

Date of birth (expected) — D-day
- Notifying birth news, application for congratulations and gifts
- Applying for medical expenses such as maternity checkup and hospitalization fee (within 3 months)

Leave after childbirth — After D+45
- Applying for post-maternity leave benefits to the competent employment center after 60 days of maternity leave

Working hour reduction during childcare period — End of leave
- Applying for leave (or working hour reduction) according to parental leave plan

WORKING ENVIRONMENT

Safety and Health

Safety and Health Management Policy and Goal

Netmarble considers health and safety as the top priority in all management activities, and is actively responding to social and legal issues such as the Serious Accidents Punishment Act and the Occupational Safety and Health Act. We are creating a safe and healthy workplace by identifying major risk factors according to business characteristics, prioritizing high-risk groups, and establishing an intensive and close management system.

Safety and Health Management Regulations

To prevent various accidents and diseases, create a pleasant working environment, and promote the safety and health of employees, Netmarble has been establishing and amending safety and health management regulations to be criteria for safety and health.

Our Commitment to Safety and Health

With the declaration that safety and health are the top priority in all management activities, Netmarble is implementing the following practices to create a safe and healthy workplace.

First, The management takes the lead in creating safe Netmarble by making safety and health the core value of management.

Second, We strictly comply with laws and regulations related to safety and health, such as the Occupational Safety and Health Act and the Serious Accidents Punishment Act, and all workplaces must practice the basic principles and guidelines for safety.

Third, We predict possible risks in advance, manage them to an acceptable level, and continuously promote preventive activities for incidents and accidents related to safety and health.

Fourth, To achieve safety and health policies and goals, we share relevant information with all members and stakeholders and conduct periodic education and training.

Operation of the Occupational Safety and Health Committee

The Occupational Safety and Health Committee, composed of equal numbers of employee and employer members, is held at least once a quarter to deliberate and decide on important issues related to the safety and health at workplace. The committee discusses important issues related to safety and health, thereby contributing to improving the working environment of employees and preventing safety accidents.

Netmarble's Safety and Health Activities

To promote the safety and health of employees, the company prepares a safety and health plan every year. The plan is approved by the board of directors and safety and health activities are carried out in accordance with the plan. We also conduct various safety activities to prevent accidents, such as publishing safety and health newsletters for stakeholders including employees and conducting emergency response drills.

Certificate of Registration

안전보건경영시스템 인증서

엔탑자산관리(주)

서울 구로구 디지털로26길 38

적용표준

KS Q ISO 45001:2018/ISO 45001:2018

인증범위

사업 경영 및 관리 자문 서비스 – 주차장 운영, 부동산 전대, 건물, 시설관리

위와 같이 안전보건경영시스템 표준에 적합함이
한국경영인증원에 의해 인증되었음을 증명함.

2022년 3월 30일

인증승인일자 : 2022. 3. 30. 인증유효일자 : 2025. 3. 29.

KMR ISO 45001 IAF KAB 한국경영인증원

Safety and Health Management System Certification
ISO 45001

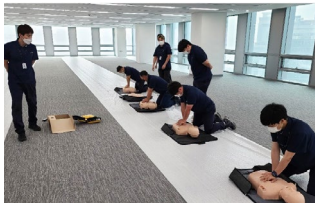
Expansion of the Culture of Safety and Health

Safety and Health Response Activities

To protect human life and assets from various types of disasters, Netmarble identifies major risk types and conducts regular emergency response drills with related organizations such as fire departments as well as in-house training. Moreover, in preparation for disaster situations such as fires and earthquakes, we have prepared scenarios and response manuals for each stage of emergency.

Actions by Emergency Situation - Fire

Stage	Situation	Actions	Remark
Stage 1 (Alert)	Hazy air in the office due to inflow of outside smoke	• Dissemination of situation and announcement • Prevention of external smoke inflow	Take action first and report later (in case of occurrence of risk factors to employees)
Stage 2 (Danger)	Restriction of breathing due to harmful fumes, possible to identify fire and smoke	• Dissemination of situation and announcement • Suppression of fire and securing air circulation • Access control to fire and hazardous areas	
Stage 3 (Emergency)	Difficult to see and breathe, risk to employee safety	• Emergency evacuation broadcast and call 119 • Preventing fire spread and securing evacuation routes • Guidance of evacuation routes, rescue activities	


First aid

Fire drill

Heavy snow response training

Occupational Accident Status

Number of Occupational Accidents (cases)

2019	0
2020	1
2021	0

Number of Fatalities (persons)

2019	0
2020	0
2021	0

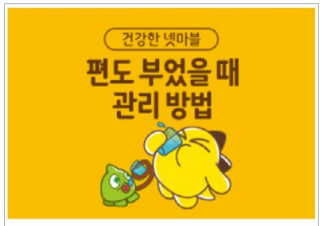
* In 2020, 1 ankle injury occurred while taking the stairs in the office building.

Publication of Safety and Health Newsletter

In the era of the COVID-19 pandemic, Netmarble has been producing and distributing a variety of contents that can help employees prevent infection and recover in stages for a healthy and safe life.

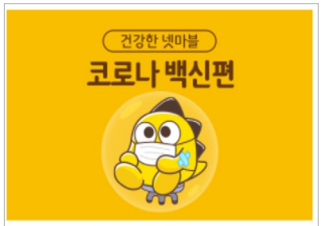
Classification		Training Content
Channel Netmarble	Jan.	How to care for swollen tonsils
	Feb.	When can I get the COVID-19 vaccine?
	Jun.	How should I prepare for the COVID-19 vaccine?
	Jul.	Safe vacation with quarantine rules during COVID-19
	Nov.	Step-by-step daily recovery! What is With Corona?
Healthcare Newsletter	Nov.	Musculoskeletal disorders and management methods
	Dec.	Brain and cardiovascular diseases and management methods

Safety and Health Newsletter – Channel Netmarble



콘텐츠 · 건강 소식지 2021.01.19
[건강한 넷마블] 편도 부었을 때 관리 방법

콘텐츠 · 건강 소식지 2021.02.18
[건강한 넷마블] 코로나19 백신 언제 맞을 수 있을까?



콘텐츠 · 건강 소식지 2021.06.17
[건강한 넷마블] 코로나19 백신 어떻게 준비해야할까?

Operation of the Netmarble Healthcare

Netmarble is operating various health promotion programs to prevent disease and strengthen the health management level of employees.

"Netmarble Healthcare" is staffed by health professionals to provide the right medicines and nursing care according to symptoms. It is equipped with health management measuring equipment such as cholesterol test and InBody meter, and operates a health recovery room where employees can receive treatment for minor injuries and physical therapy, as well as a resting room for pregnant women and a nursing room.

Through annual health checkups, we identify the current status of those with symptoms and operate regular health counseling programs according to the risk of disease. Employees of residing partners can also receive treatment and necessary medicines through Netmarble Healthcare.

In addition, a sports center was launched in October 2022 to improve employee welfare, and we are preparing to provide more facilities and services in the future.

Scope of care

- Emergency response to COVID-19
- Musculoskeletal pain management
- Offering of basic medicines
- Consultation on basic health care and disease treatment
- Minor illness or wound management
- Emergency response (evacuation after first aid)
- Consultation on health checkup results

Facilities

- Health recovery room: Professional nurse's health consultation and 1:1 customized program
- Health management office: Exercise prescription and health management through professional nurses
- Rest (nursing) room for pregnant women: Resting facilities for pregnant women
- Psychological counseling room: Job stress management through professional psychological counselors

Number of Netmarble Healthcare Users (persons)*

2019	3,829
2020	4,584
2021	**3,326**

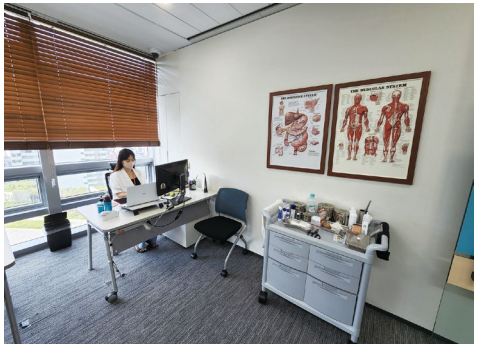
* Based on company-wide users

Pharmaceutical Support for Partners (persons)

2019	68
2020	141
2021	**107**

External view of Netmarble Healthcare

Internal view of Netmarble Healthcare

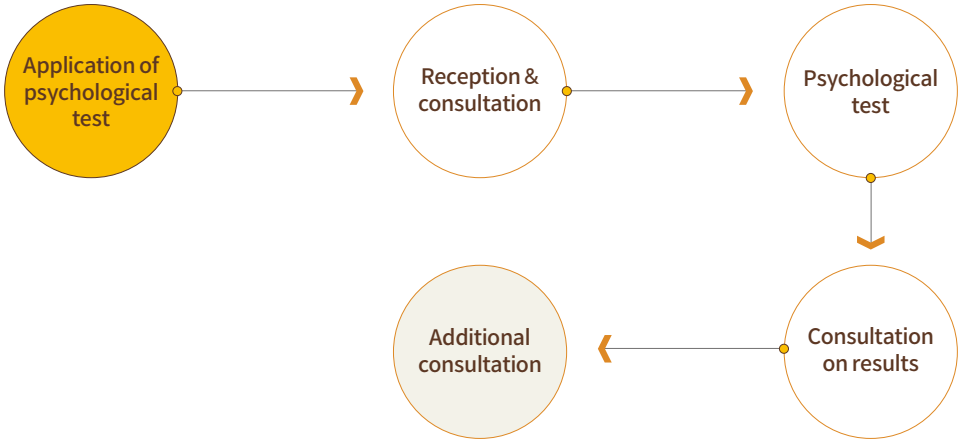

Healthcare room

Resting room for pregnant women

Operation of Psychological Counseling Room

Netmarble operates a psychological counseling center so that employees can enjoy a healthy work life with a sense of psychological stability. In the psychological counseling room, professional counselors provide individual counseling on various concerns and difficulties experienced in personal and corporate life, psychological tests such as personality, emotions, and job stress, and group programs. In 2021, a total of 741 personal consultations and psychological test interpretation consultations were made.

Psychological Test Process



Type of Psychological Test

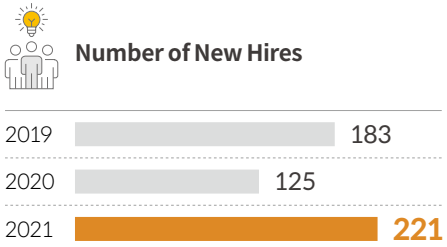
Type		Test Area	Time	Method
Character	MBTI personality type test	A test to help understand and grow oneself and others by examining innate and familiar psychological tendencies and understanding strengths and weaknesses	20~30 minutes	Online
	TCI (Temperament and Character Inventory) test	A test aimed at comprehensively understanding a person's unique personality by identifying his/her innate temperament and personality developed through interaction with the environment	20~30 minutes	Online
	Enneagram Psychological Dynamic Behavioral Patterns Test	A test that presents one's life characteristics, the source of power, the tendency of potential, and the direction of stress and stability according to innate temperament	45 minutes	Online
Emotion	BAI (Beck Anxiety Inventory)	A tool to measure the level of anxiety	5 minutes	Document
	CES-D (Center for Epidemiologic Studies-Depression Scale)	Checking depressed mood, guilt, worthlessness, helplessness, hopelessness, etc.	5 minutes	Document
	MMPI-2 (Minnesota Multiphasic Personality Inventory)	In-depth examination of individual personality, behavioral characteristics, personal relationships, psychological resources, current psychological state, level of stress, and level of adaptation	45~60 minutes	Online
SCT (Sentence Completion Test)		Identifying areas of family, sexuality, interpersonal relationships, and self-concept by completing incomplete sentences with one's own thoughts and exploring latent desires, emotions, ambitions, attitudes, etc.	Around 30 minutes	Document
Job stress		Evaluating stress factors that can occur in organizations, such as emotional and physical conditions, based on psychological factors (irrational beliefs, personality, self-efficacy, stress recovery efforts) and social factors (conflicts within organizations, work overload, role ambiguity, etc.)	Around 30 minutes	Online
Human relationship		A test that evaluates individual characteristic interpersonal problems and severity by comprehensively understanding interpersonal relationships	20 minutes	Online
PAT (Parenting Attitude Test)		Evaluating the characteristics of each level of parenting attitude, such as support expression, rational explanation, achievement pressure, and interference	30 minutes	Online
Marital Satisfaction Inventory		Evaluating the degree of marital dissatisfaction and detailed marital satisfaction in 11 areas	15~20 minutes	Online

SECURING AND NURTURING TALENT

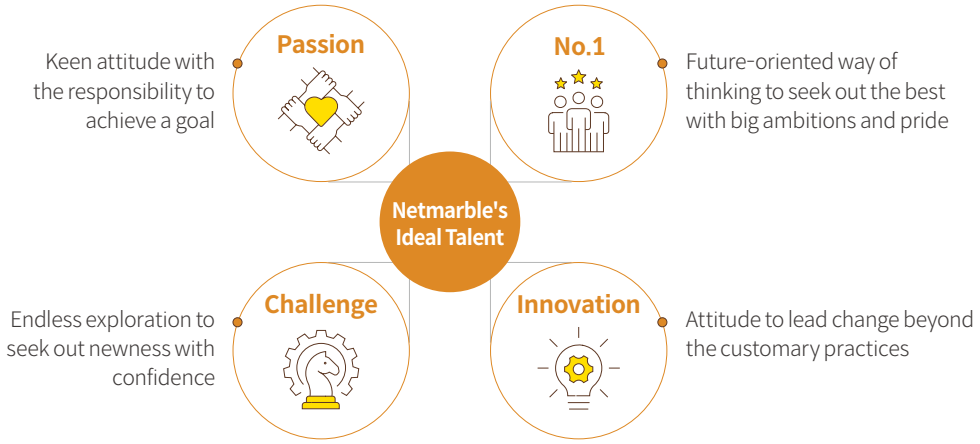
Recruitment of Talented People

Employees are the greatest asset that drives the company's growth and future. In accordance with its business strategy, Netmarble operates an annual open recruitment of new employees and a recruitment-linked internship program to continuously attract talents who will grow together with Netmarble in various fields such as technology, business, marketing, and design. A dedicated organization to recruitment is operated and multiple evaluators participate in the entire recruitment process to ensure fair recruitment. Through interviews and personality tests, we verify that applicants have the necessary competencies to perform the job instead of just screening their specification, and furthermore, evaluate whether or not they fit Netmarble's ideal talent from various angles. Netmarble will do its best to continuously recruit and nurture excellent talent for the growth of the company and the development of the game industry.

Number of New Hires



Ideal Talent at Netmarble



Metaverse Recruitment Fair

We held an online recruitment fair using the metaverse platform in line with the "untact era." Applicants participated in real-time job counseling and events while freely looking around the space in "Netmarble Town," which was decorated as a virtual space of Netmarble's new office building. In addition, we are providing information that can be helpful to applicants even in the COVID-19 situation through various platforms such as our YouTube channel.

Efforts to Secure Junior Talent

Netmarble conducts "Marvel Challenger" activity every year for college students who have dreams of entering the game industry. It provides opportunities to indirectly participate in the business of a game company, which is difficult to experience as a college student, through Netmarble game strategy and review posting on the official blog, communication with gamers, participation in internal and external events, and mentoring activities. Participants can receive preferential treatment in document screening when applying to Netmarble in the future. In addition, Netmarble is operating the "recruitment-linked internship program," which selects interns every year and provides them with opportunities to work in the department. Highly rated interns are given full-time employment opportunities after graduation. Through these activities, we have been continuously recruiting excellent young talents with passion and competence for games. In particular, in 2021, we raised the annual salary of all employees by KRW 8 million, ensuring the highest level of compensation in the industry and investing in future talents.

Support for Employee Growth

Netmarble operates various competency building programs to support employees' self-directed growth. Employees can always learn about fields of interest or areas that require improvement in work capabilities through video content on the learning platform. We also offer training courses tailored to individual situation and need, such as new hires and those who are promoted to higher positions, and actively encourage participation in in-house conferences and forums where employees can share their knowledge and experience.

On-Boarding Program

The company provides online and offline On-Boarding program to help new hires quickly adapt to work. This program helps new hires better understand Netmarble's value philosophy "Netmarble WAY," the company's growth story, business status, personnel system, and working methods and form a consensus on the company's vision.

On-Boarding program for new hires

Wise leaders' life

SQC Program

New employees in the business sector participate in the SQC (Service Quality Control) program which aims to discover and propose various ideas that can increase game satisfaction from the user's point of view for one year after joining the company. This program allows them to identify various improvement tasks for game services published by Netmarble and the improvements are applied to released games in real to help users enjoy the games more pleasantly.

Enhancement of Leader Competence

We operate a leadership program to help leaders strengthen their organizational management capabilities and create performances. Each year, the newly appointed leaders receive training on Netmarble's leadership philosophy and organizational management, and the company provides them with "Job Support Manual for Leaders" to help perform their duties according to their changing roles and give guidance on the company's major systems with regard to HR, finance, and general affairs. In 2021, we published the "Wise Leaders' Life," a content series containing tips for managing organization, performance, and members, providing periodic guidance on principles, systems, and mindset that must be mastered as a leader.

Knowledge Sharing Activities

Netmarble encourages employees to participate in home and abroad game and IT related conferences and external education, and operates programs to share expertise and project cases among employees. Those include GTF (Game Trend Forum), which deals with domestic and international game trends and issues, NGGC (Netmarble Global Game Conference), which shares global game services and know-how, and GDF (Game Developer Forum), where experts within Netmarble Company share know-how related to game development. Any employee who wishes to attend the programs can participate freely. At the 2021 GDF, we prepared a time for developers to share and communicate various knowledge and experiences with the topics of market trends, knowledge, and major development cases.

Considering the social distancing policy, all forums and conferences were conducted online in 2021, and related videos were made available for viewing at all times through replay.

FAIR EVALUATION AND COMPENSATION

Systematic Performance Management

Employee evaluation is carried out in two categories - individual performance evaluation and organizational evaluation, which considers the achievement of organizational goal - and the result is used to provide reasonable compensation. In the case of individual performance evaluation, employees set annual individual goals with their leaders every year and exchange opinions on the progress with both leaders and members through regular feedback. The company provides performance management guides and conducts coaching training so that leaders can motivate their members to achieve performance and check performance objectively and clearly. Organizational evaluation is conducted based on the performance achieved by members compared with organizational goals linked to the company's vision and management goals, and is also used as basic data for determining compensation criteria along with individual performance evaluation.

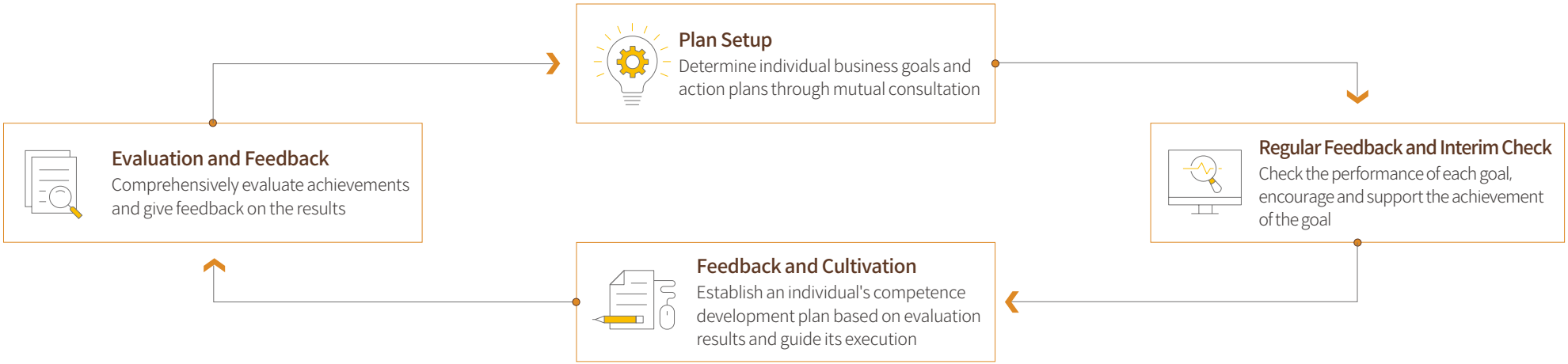
Based on a systematic performance management process, Netmarble comprehensively considers individual and organizational performance to ensure fair compensation.

Individual Competency Diagnosis through 360-degree Feedback

The company conducts diagnosis and feedback on individual competencies separately from performance evaluation linked to compensation. To this end, a competency diagnosis system was constructed by differentiating diagnosis questions for each job so that job expertise could be accurately measured, and it was designed to make colleagues from both belonged and related departments could participate in the process. Participants are treated anonymously in all procedures to enable transparent and practical feedback.

In the case of team leader or higher positions, a separate leader competency diagnosis is conducted so that they can identify their own strengths and weaknesses and supplement the capabilities lacking as a leader. As such, Netmarble allows all employees to grasp the evaluation of themselves from various angles not only from leaders but also from colleagues through annual competency diagnosis, and the results are effectively used in personnel policies.

Basic Cycle of Target Management System



ENHANCING CUSTOMER SATISFACTION

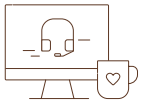
Customer Contact Activities

Customer Service Policy

Netmarble is doing its best to increase customer value by continuously checking game-related issues and classifying items that require management as policy tasks.

To provide customer-friendly games and services, we always listen to the voices of our customers through various communication channels, and offer various information that our customers need by utilizing official forums and cafes, including our official website.

Detailed Tasks for Customer Service



- Maintenance and supplement of the policy
- Management of banned word versions
- Notification and management of probability for paid items
- Registration, review, and response to external risks
- Review of event policies

Customer Consultation Channel

Netmarble operates a separate customer center website for smoother and faster customer consultation, including separate PC game and mobile game customer centers by game type. The PC game customer center provides PC game-related services such as payment, security, counseling, and child love (selective game time), while the mobile game customer center provides help for each mobile game and supports 1:1 inquiries for solving various problems.

Netmarble Mobile Customer Center

Principles for Customer Response

You are in a position to represent the company!

The complaints and objections raised by a customer are directed toward the company, not me. It is important to avoid responding based on personal feelings and giving responsibility-avoiding answers.

Do your best for all customers!

I am handling several customers, but I am the only place where customers can seek help. Even if it is simple and repetitive work, it's a great help to our customers.

Think from the customer's point of view and empathize!

Even if it is an obvious situation from my perspective, it may not be the same for the customer. Small consideration and consensus can drive customer satisfaction.

Telephone counseling
PC customer center (1588-5180)
Mobile customer center (1588-3995)

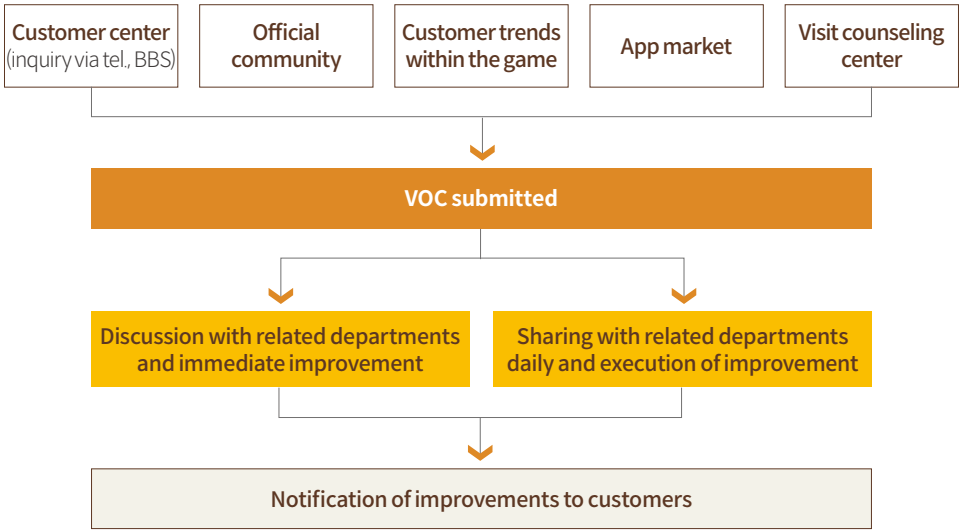
Visit the customer counseling center
1F, 164, Mullae-ro, Yeongdeungpo-gu, Seoul, 07297, Republic of Korea

BBS (Bulletin Board System) Counseling
Customer center inquiry within the game service

On-line customer center
https://helpdesk.netmarble.net

User VOC Handling Process

Netmarble is conducting various activities to improve customer satisfaction. Inquiries and suggestions received through communication channels are promptly improved through close collaboration with relevant departments, and the results are shared in the official community so that customers can easily check them at any time. To quickly reflect collected customer opinions and improve services, daily VOC reports are prepared, and monthly and quarterly VOCs are also monitored to predict potential risks.



User Protection Policy

First, Netmarble complies with the review standards of the Game Management Committee.

Second, when reviewing for game rating classification, we inspect all game scripts and game elements.

Third, we manage operating policies to provide stable game services while protecting users.

Fourth, Netmarble is actively working to protect youth based on youth protection policies.

Youth Protection Policy

01 Guidance on available ages

02 The consent of legal representative is mandatory* when signing up for games and portal.

03 According to Article 5 of the Civil Law, youth acts must obtain the consent of legal representative.

* Depend on the age at which the game is available

Customer Satisfaction Survey

PC (points, out of 100)

2019	48.9
2020	62.2
2021	**61.3**

Mobile (points, out of 5)

2019	3.2
2020	3.4
2021	**3.2**

VOCs Received and Handled

VOCs Received (case)

2019	930,574
2020	769,859
2021	**653,251**

VOCs Handled (case)

2019	922,836
2020	803,047
2021	**683,421**

* Multiple handling may be required for one received case, so the number of handled cases may exceed the number of received cases.

INFORMATION SECURITY AND PRIVACY

Information Security

Information Security Policy and System

As a global game publishing company providing services in more than 150 countries, Netmarble recognizes the importance of security capabilities in preparation for security threats to its contents and services and changes in global business environment and relevant laws and regulations in each country. Accordingly, Netmarble has established company-wide information security regulations and guidelines that meet Global Privacy Compliance and ISO standards to systematically protect information. In addition, the Audit Office periodically audits internal security policy compliance and implementation status.

Information Security Certification

Netmarble has been certified for information security and personal information security management systems by domestic and foreign related organizations, to continuously verify and improve the system. In 2015, we first acquired the ISMS (Information Security Management System) and PIMS (Personal information Management System) certifications. From 2020, we have acquired and maintained an integrated ISMS-P (Personal Information & Information Security Management System) certification. In addition, since 2015, we have acquired and maintained ISO/IEC 27001, an international standard information security certification for the composition and operation of information security management system.

ISMS-P (Personal Information & Information Security Management System)

[Scope] Domestic game service operation
[Period] 2020.12.16 ~ 2023.12.15

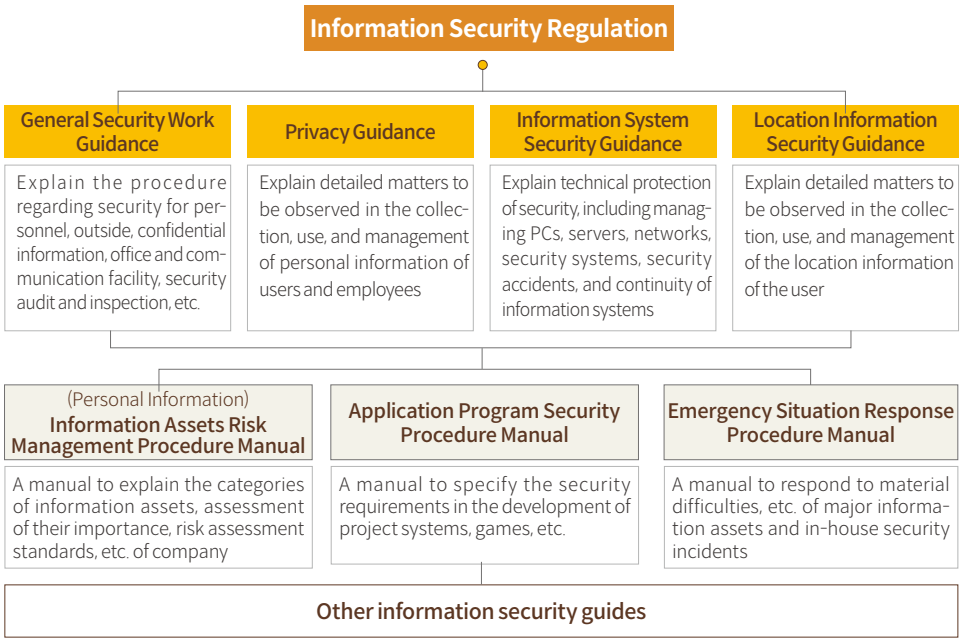
International Information Security Certification (ISO/IEC 27001)

[Scope] Information Security Management System in relation to service & internal operation for online game publishing. This is in accordance with the Statement of Applicability version 2.0.
[Period] 2021.07.30 ~ 2024.07.29

Information Security Policy

We present the goals and directions for information security that must be complied with through the Information Protection Regulation, the highest level of information protection policy of the company. Four guidelines (general security work guidance, privacy security guidance, information system security guidance, and location information security guidance) describe detailed information security standards and principles. Under the guidance, there are three procedure manuals (information asset risk management procedure manuals, application program security procedure manuals, and emergency situation response procedure manuals) that specify a step-by-step approach to achieving the policy. The policies are revised every year to reflect the latest changes in related laws and internal and external environment, and they are posted on the company intranet service so that employees can check them at any time.

Composition and Definition of Information Security Policy



Organization Dedicated to Information Security

Netmarble operates an organization dedicated to information security under the CEO to ensure expertise and independence in information security and appointed an expert with various competencies, such as understanding of the industry and communication skills as the CISO (Chief Information Security Officer).

When decision-making is needed for information security activities, we listen to various opinions from related departments and operate the Information Security Council chaired by the CISO to form a consensus. The Information Security Council not only provides feedback on the enactment and revision of information security policies, but also shares the results of the risk assessment process for information assets with all employees when a company-wide response is required in response to an infringement incident.

Efforts to Create a Culture of Information Security

As there have been cases where minor negligence by insiders has led to large-scale security incidents, the emphasis is being placed on strengthening security awareness among employees. Netmarble conducts company-wide information security training, customized information security training by position and job, and monthly information security campaigns to create a culture in which employees can strictly abide by information security regulations.

Moreover, simulation trainings are regularly conducted to respond to malicious e-mail, which is used as a major route for inflow of malicious code, and separate training is provided to employees who have experienced overlapping infections. Recently, the security report rate, mail open rate, and malicious code attachment execution rate, which are the main result indicators of malicious mail simulation training, are improving overall.

Education on personal information protection

Information Breach Prevention and Response

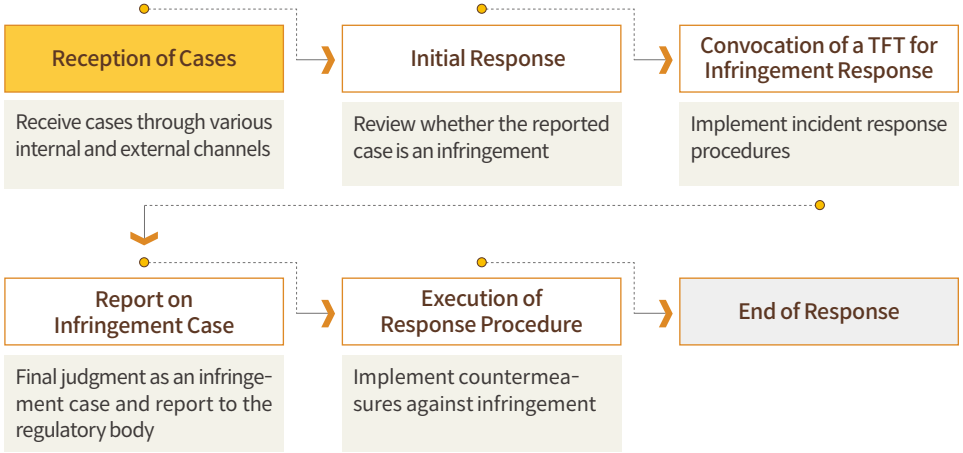
We have a process to respond to cyber attacks that are becoming more intelligent and sophisticated day by day. We collect information on the latest security threats and vulnerabilities to identify potential security risks, and detect and block external attacks in real time through various security systems, including intrusion detection systems and web firewalls. Furthermore, SOC (Security Operation Center) and CERT (Computer Emergency Response Team) activities, which operate 24 hours a day, 365 days a year, enable 24/7 response to breaches.

Meanwhile, as the use of cloud-based global game services increases, Netmarble has established security functions tailored to each platform such as AWS (Amazon Web Services) and GCP (Google Cloud Platform), and is expanding investments in securing technologies for integrated security management meeting the hybrid cloud service environment.

We are also actively responding to game content-related vulnerabilities for safe game services. Security vulnerabilities are identified and removed through prior security inspections and regular mock hacking of games, and a self-developed security module is applied to continuously detect and block game abusing (forgery/modification of apps, hack tools, etc.).

As game-related technologies are rapidly evolving, Netmarble plans to strengthen the expertise of the person in charge and prepare a mid- to long-term roadmap to preemptively respond to and systematize emerging security issues.

Infringement Response Procedure



Privacy Protection

Operation of Personal Information Protection Management System

Netmarble collects, uses, and provides personal information based on user consent, and faithfully complies with OSP (Online Service Provider) related laws and regulations. We apply the information protection standards specified in the personal information processing policy with priority, and if separate standards are required including the US, EU, and Japan , we comply with the country-specific policies.Moreover, by conducting in-depth analysis of the latest regulatory trends by country through cooperation with local legal experts, we operate a personal information protection management system that meets global standards.

Privacy Impact Assessment Process

The privacy impact assessment process is operated when a personal information processing system or homepage is newly developed, or when a development project linked to an already established personal information database is carried out. The privacy impact assessment process aims to enhance the security of personal information processing system by checking compliance with domestic and foreign laws and leakage risks in advance when developing services that require the processing of personal information among the matters specified in the "Netmarble Privacy Guidelines."

Establishment of an Organization Dedicated to Privacy Protection

We designated the executives in charge of policy as the CPO (Chief Privacy Officer) and the DPO (Data Protection Officer), and launched the Personal Information Protection Team dedicated to establishing and operating personal information protection policies, raising employees' awareness of security, and supervising partners. The Personal Information Protection Team, centered on the CPO, takes the lead in operating the Information Security Council and personal information protection management system according to the annual security activity plan.

Efforts to Protect Personal Information

1. We establish and implement internal policies for the safe handling of personal information.
2. We strictly manage access to personal information.
3. We store personal information safely and apply encryption technology when transmitting it.
4. We keep access records and take measures to prevent forgery and falsification to respond to personal information infringement.
5. We install and operate vaccines to protect personal information.
6. We take physical measures such as installing access control devices, locking devices, and CCTVs to safely store personal information,

Training on Privacy Protection (company-wide)

Participants and Participation Rate (persons)

2019	791(98%)
2020	763(96.2%)
2021	875(96.5%)

Time Spent on Training (hours)

2019	395.5
2020	763
2021	844

Training on Privacy Protection (mandatory)

Participants and Participation Rate (persons)

2020	61(100%)
2021	96(100%)

Time Spent on Training (hours)

2020	61
2021	96

* Conducted training by purpose only for personal information handlers from 2020

Security Review Process

To ensure better personal information protection, Netmarble reviews legal risks at each stage, from contract review to system design/ construction, update, and service termination.

Security Review Criteria and Basis

1. Does it reflect legal compliance?
2. Is it based on internal regulations and guidance?
3. Are the certification (ISMS-P, ISO/IEC 27001) items reflected?

SUSTAINABLE PARTNERS

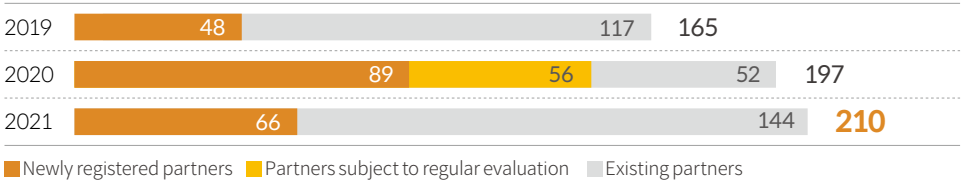
Partners Management

Partners Management Policy

With the recognition that companionship is essential for the company's growth, Netmarble is striving to maintain a developing relationship with its partners. To ensure sustainable growth with partners, we have enacted the "Partners Management Guideline" and are operating a systematic supply chain management process such as selection of partners, contracts and registration, and evaluation.

Moreover, Netmarble is reviewing its supply chain management policy from an ESG perspective to strengthen the control of non-financial risks of partners.

Number of Business Partners



* Evaluation was not conducted in 2021 due to the supplementation of regular evaluation contents.

Partners Management Status

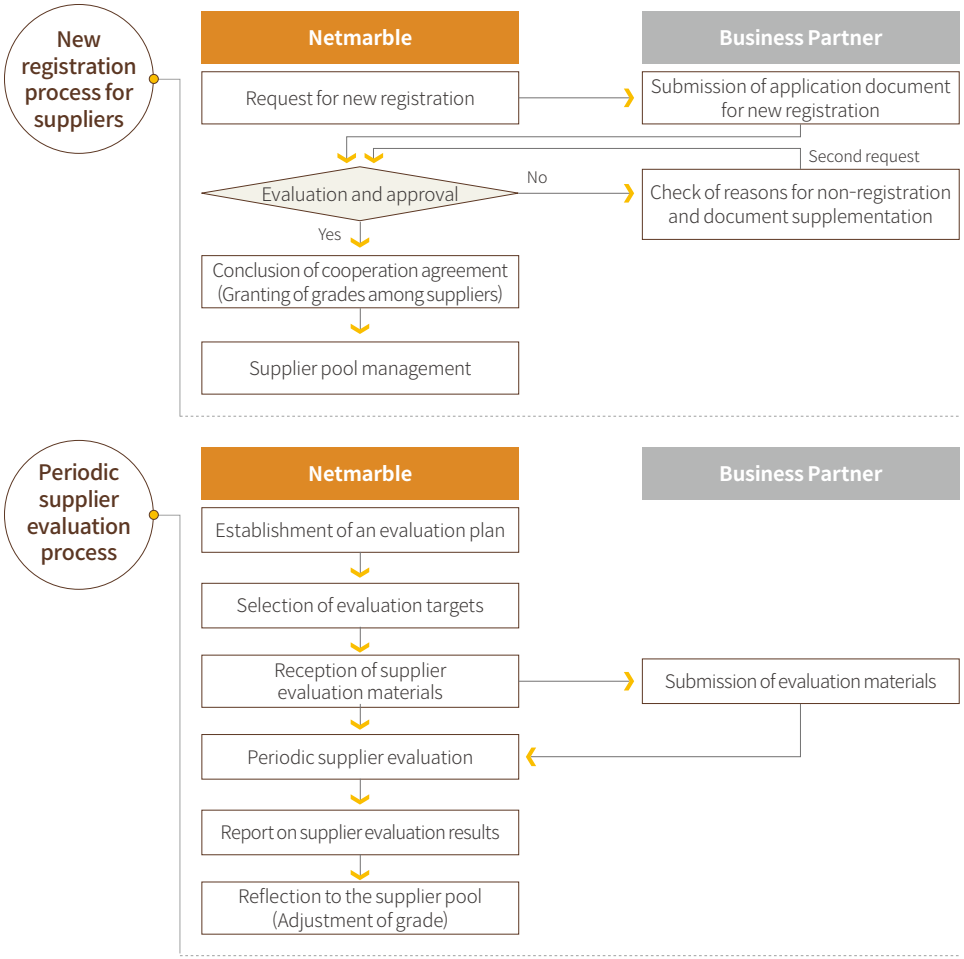
As of the end of 2021, the number of partners of Netmarble Company was 210, mainly responsible for game character image and product production, game marketing, IT infrastructure supplies and production, and contractors who provide services. Netmarble conducts self-inspection on the distribution structure within the supply chain to ensure transparency and fairness in the partner selection process. And we are building a relationship of trust by making direct transactions with partners that provide practical technology based on the results.

Partner Registration and Management Process

To evaluate, register, and manage partner companies in accordance with fair and reasonable procedures, Netmarble has stipulated detailed supplier management guidelines in its purchase management regulation. When registering and evaluating partners, detailed information including application forms and evaluation results are delivered by e-mail, and the results are systematically managed. Registration as a partner is possible only when a score of 70 or more out of 100 is obtained through evaluation of quality, technology, price, service, management status, and etc. We manage risks by obtaining credit evaluation information for each case after obtaining consent from partners.

Since the construction and service sectors need to comply with safety-related laws, we receive safety work plans in advance from partners and permit the participation only when a score of 70 or more (out of 100 points) is obtained through evaluation, thereby ensuring safety and health management. We are also establishing an integrated partner operation system for stable management of the supply chain, and through this, we plan to run a regular partners management system consisting of registration evaluation, performance evaluation, periodic evaluation, and regular evaluation. Going forward, we plan to apply ESG evaluation indicators to the supply chain to encourage partners to participate in ESG management.

New Registration and Regular Evaluation Process for Suppliers



Special Terms and Conditions for Partners to Practice Ethical Management

Illegal and unethical judgments or actions by partners may cause great risks to Netmarble. Accordingly, in order to manage the ethical risks of partners, Netmarble has included the "Special Terms and Conditions for Practice of Ethical Management" in all standard contracts with partners. The purpose of Special Terms and Conditions for Practice of Ethical Management is to comply with a reasonable and fair trade order and to establish an ethical corporate culture in the company. Furthermore, from February 2022, ESG requirements in terms of labor, safety, and environment have been added to standard contracts to manage non-financial risk factors of partners.

Netmarble guides its partners to fill out and submit the "Pledge to Practice Ethical Management" when participating in all biddings. We also take measures such as refusal and cancellation of contracts, and restrictions on future transactions when a partner is found to have violated the pledge.

Enhancing Communication with Partners

To build a relationship of trust with partners, we inform them about the Netmarble Ethical Management Consulting Center in advance when conducting bidding. Partners can report violations or grievances that occurred during transactions with Netmarble through the Ethical Management Consulting Center. In 2021, there was no case of complaints or grievances from partners. In the future, we plan to strengthen communication with our partners by upgrading the purchasing system and using the Ethical Management Consulting Center as a window for partners to offer various opinions as well as grievances.

Fair Trade with Partners

Charter of Purchase Ethics

Employees in charge of purchase at Netmarble comply with the following Charter of Purchase Ethics: We are deeply aware of our role as a purchase expert contributing to Netmarble's profitability increase, and practice "Win-Win" purchase value with partners who are companion in management based on honesty and trust. In addition, we always pursue open purchasing that abides by laws and promises on a fair and clean moral basis.

Code of Ethics

Netmarble is operating the Code of Ethics to create performances based on ethical management and to become a company trusted by customers, employees, shareholders, and partners. In particular, we intend to build transparent business relationships with our partners by practicing fair trade and coexistence based on Netmarble's ethical management.

The followings are the contents of the Code of Ethics that Netmarble and its partners should comply with.

Chapter 4

Practicing Fairness and Mutual Prosperity through Transaction

- Selection of partners based on fair standards
- Transactions with legal and ethical partners
- Efforts for mutually prosperous transactions
- Prohibition of corruption such as money, valuables, and entertainment
- Prohibition of unauthorized and compulsory acquisition of third party information assets

Fair Trade Compliance Regulation

We established a supplier management guidance in accordance with related laws such as the “Fair Transactions in Subcontracting Act" and “Act on the Promotion of Mutually Beneficial Cooperation between Large Enterprises and Small and Medium Enterprises” and introduced a behavior standard for fair transaction in purchasing through the Charter of Purchase Ethics and Behavior Patterns for the practice of fair trade. Furthermore, we have included stipulations in the Netmarble Code of Conduct regarding the prohibition of unauthorized and forcible acquisition of information assets belonging to partners, standards for acceptance and provision of entertainment and gifts, and etc.

Enforcement of Fair Pricing

Netmarble specifies the price determination and adjustment procedure in the Standard Product Supply Agreement to ensure fair prices. The price of the supplied product is determined through discussion between Netmarble and its partner companies through a reasonable calculation method in consideration of quantity, specifications, quality, trend of market price, etc., and we prohibit unilateral determination of prices. Further, when a price adjustment is inevitable due to fluctuation in the price of a supplied product, the price is adjusted through discussion in accordance with the Fair Transactions section in the Subcontracting Act.

Improvement of Payment Process

To support the management stability of our partner companies, we expanded the frequency of price payment to twice a month since 2015, and strictly comply with the payment condition so that the payment is made within an average of 30 days. Furthermore, when the partner company requests early payment to secure liquidity, we will review such request and make an exceptional payment, and all payments are made in cash.

Principles for Fair Trade Conduct

1. With the recognition that fair and transparent purchasing activities are the foundation of our company's competitiveness, we protect our honor and dignity so as not to damage the reputation of Netmarble in the purchasing process.
2. We act ethically in accordance with the common business ethics and do not engage in any wrongful acts.
3. We do our best to create sound business ethics and a clean organizational culture, and take the lead in eradicating improper practice.
4. We actively engage in purchasing activities to improve the company's profitability.
5. When dealing with suppliers, we neither propose nor accept negative transactions or unfair practices, and we never engage in unfair transactions using our superior position.

Purchase Process

We established a purchase process management regulation that complies with six key principles (principle of profit creation, principle of purchase for appropriate price/quality assurance/guarantee of delivery due date, principle of timely supply/appropriate place/supply of appropriate products, principle of fairness, principle of improvement, and principle of process compliance). We use the purchase system to select companies to form individual agreements, and proceed with the issuance and preservation of documents.

Principles in Purchasing Activities

1. Principle of profit creation

We shall seek a source of creating new profits through reducing the cost of goods and services to be purchased.

2. Principle of purchasing at optimum prices, quality assurance, and guarantee of delivery due date

Goods and services shall be purchased at the price with the highest saving effects within the scope of guaranteed quality and delivery due date.

3. Principle of supplying right products at right time and right place

Upon the purchase and procurement of goods and services, the appropriate product shall be supplied to the appropriate place in a timely manner to reduce the purchase costs and inventory costs.

4. Principle of fairness

In the performance of purchase work, the intervention of prejudice and personal gain shall be prevented to preserve internal / external trust.

5. Principle of improvement

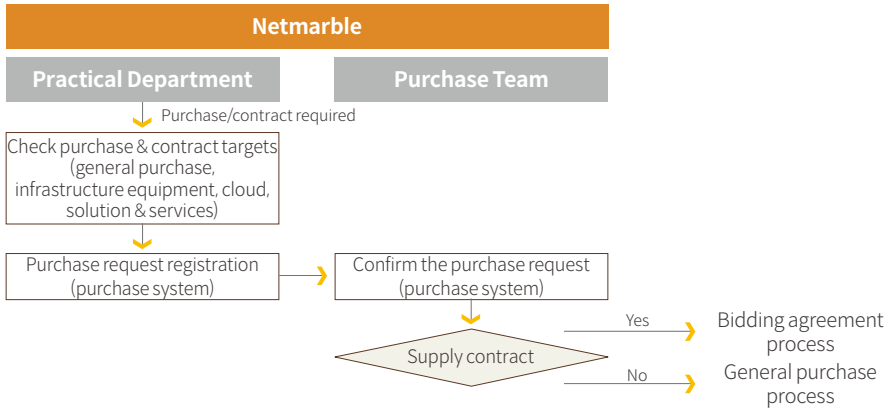
The overall work shall be improved continuously for the efficiency and achievement of work with an attitude of meeting challenges.

6. Principle of process compliance

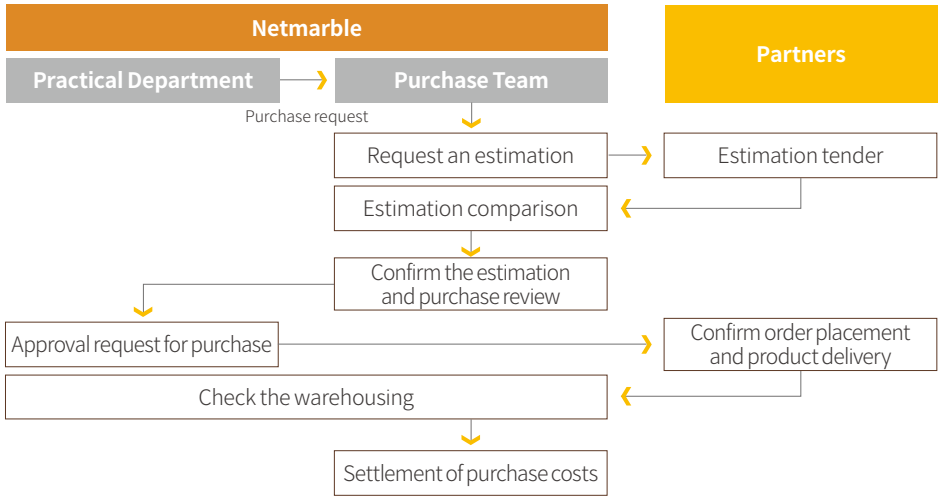
All purchase transactions shall comply with the process defined in the arbitrary decision regulation and purchase regulation of the company.

Purchase Requisition and General Purchase Process

Purchase Requisition Process



General Purchase Process



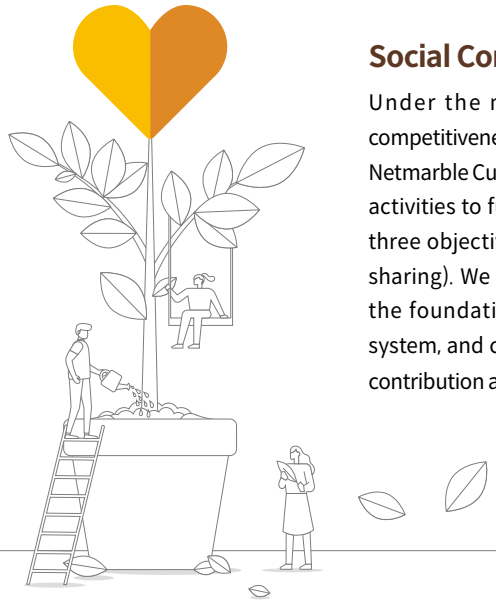
EXPANDING SOCIAL CONTRIBUTION ACTIVITIES

Netmarble Cultural Foundation

Interest in corporate social responsibility and sustainability is growing. Requirements on transparency in management activities and profit-seeking processes as well as engagement in local communities are also on a rise. Netmarble, which has been promoting social contribution activities since its inception, established the Netmarble Cultural Foundation to faithfully fulfill its corporate social responsibility and is increasing the continuity and influence of social contribution.

Social Contribution Vision

Netmarble has been striving to fulfill its social responsibilities, and with a view to deploying more sustainable and professional social contribution activities, we established the Netmarble Cultural Foundation in 2018. Netmarble Cultural Foundation, which has the objective of improving the future competitiveness of our society, pursues various social contribution activities to create diverse cultural values, nurture future talents with potential, and expand a sincere sharing culture.



Social Contribution Objectives

Under the mission statement of "improving the future competitiveness of our society through sharing cultural values," the Netmarble Cultural Foundation pursues sincere social contribution activities to fulfill its responsibility as a member of society with three objectives (culture creation, nurturing talents, and heart sharing). We established the social contribution roadmap and the foundation through forming a foundation and business system, and conducted Netmarble's unique differentiated social contribution activities in 2021.

넷마블문화재단

Netmarble Cultural Foundation website

The FI (Foundation Identity) of the Netmarble Cultural Foundation presents a star of hope made of love, and contains the meaning to suggest the possibility that our society can evolve to be better through the willingness of our corporation and various stakeholders.

Beneficiaries of Social Contribution (persons)

2019	20,391
2020	24,668
2021	**28,190**

Social Contribution Expenses (KRW in millions)

2019	1,886
2020	3,155
2021	**2,222**

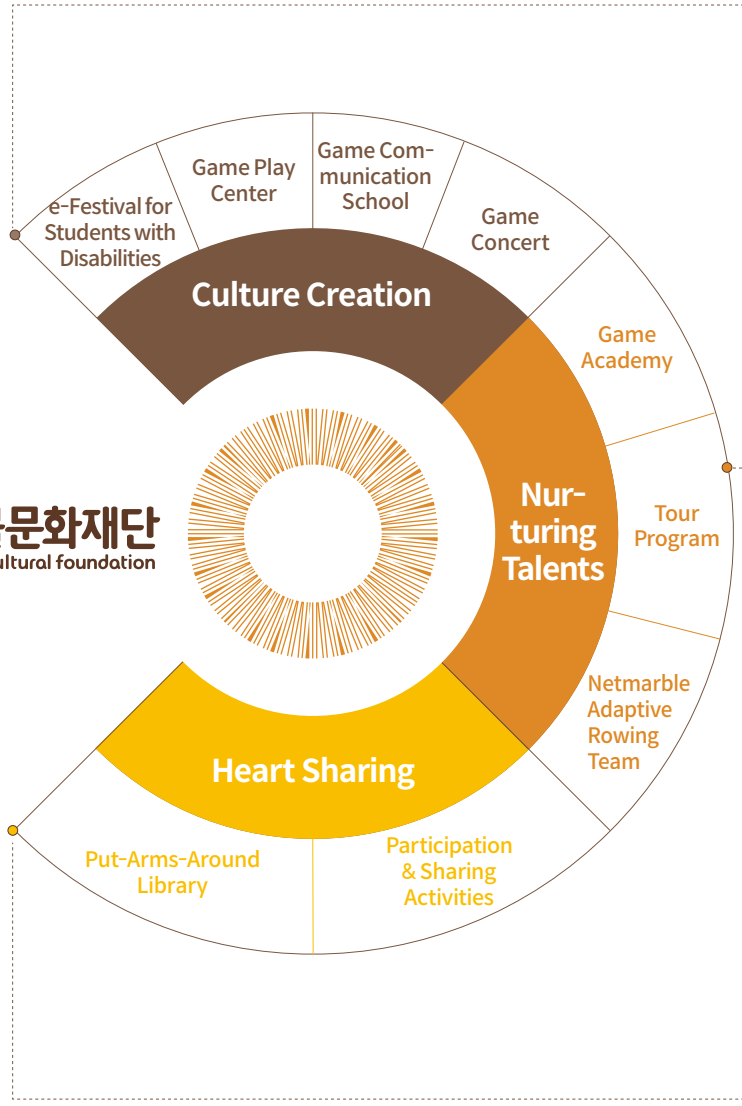
Total Investment in Social Contribution (KRW in millions)

2019	1,772
2020	3,041
2021	**2,060**

* Figure in 2020 includes special funds for COVID-19 response and flood damage recovery.

Netmarble Cultural Foundation's Main Business and Education Models

넷마블문화재단
netmarble cultural foundation



Culture Creation

We conduct various activities to create a game culture that can offer sound leisure for everyone to enjoy freely, regardless of physical and social characteristics.

Nurturing Talents

We find talents with potential to lead the future culture industry and support them with opportunities for fostering knowledge and experiences.

Heart Sharing

We actively utilize company resources to expand opportunities for both employees and local communities to experience and share the value of sharing, thereby spreading a culture of sharing.

Culture Creation

Game Play Center

A Special Game Space, where Play Meets Education

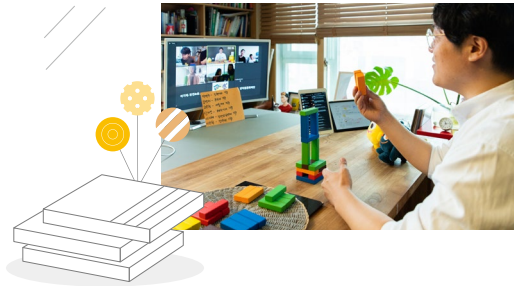
To impart a sound game culture and provide a variety of leisure activity for students with disabilities, we have been establishing Game Play Centers in special schools and related institutions in Korea through private-public cooperation with the National Institute of Special Education since 2008. There are total of 35 Game Play Centers as of December 2021, with various devices such as PC, mobile, and VR equipment, as well as a systematic user manual to create a new education and leisure culture for students with disabilities.

Game Communication School

Communicating through Games to Bring Families Closer

Since 2016, we have been conducting a game communication school to teach students in elementary school and their parents about the characteristics of games and how to use them. We establish positive relationships and suggest the direction of a sound game culture within families to overcome differences of opinion regarding games among family members through the distribution of educational contents, school conferences for parents, case studies and surveys, and etc.

Our Family Camp, which we launched in 2018, is dedicated to game communication school, and is a program pursued to increase communication within families through in-depth consensus and understanding about games among all family members. It provides an opportunity to understand the fundamental principles of games and their characteristics, as well as to enjoy and communicate with each other while playing an off-line game as a family. The game communication school has been pursued as on-line non-contact education due to COVID-19 since 2020.



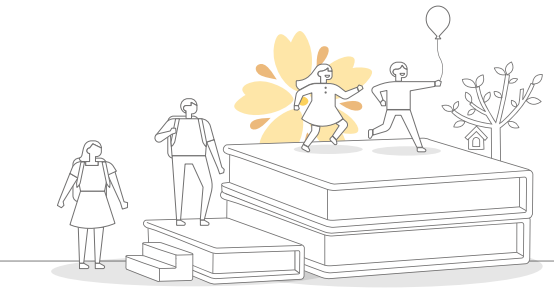
Significance of Game Communication School

In modern society, the influence of games is steadily expanding, and at the center of the change are children who enjoy games and parents who raise them. Therefore, today, the relationship between parents and children who understand and communicate games together has become an important factor in forming positive family relationships.

The Game Communication School, which has been in operation since 2016, has functioned as an educational program that provides knowledge and information about games and supports opportunities to experience games so that both parents and children can properly understand games, enjoy games together, and communicate with each other. For families who have participated in the Game Communication School for the past five years, games are no longer a factor of conflict, but a communication tool that enhances understanding between families, creating new experiences and opportunities.

At the Game Communication School, parents and children who have different thoughts and views on games can participate in various education programs, increase their understanding of games, and learn how to use them properly, thereby narrowing the distance between them. Moreover, the school helps establish a healthy gaming culture within the family by suggesting various ways to use games based on the positive function of games.

Through its activities over the past five years, Game Communication School has contributed to creating a positive change in perception of games. Game Communication School will continue to develop various educational models and activities so that healthy communication and game culture can take root within families.



Fun Together

"I feel closer to my parents through the class where I play games with them."

"I enjoyed playing games with my son. It was so nice to have time to talk to him as a family. I learned how to play games with my kids."

Interest and Understanding

"I came to understand the game better and as a result, my relationship with my parents got better. I also got into the habit of setting the rules and following them myself."

"In the past, my parents only thought games were bad. But after being educated that being good at games helps me a lot, my parents now understand why I play games."

Future and Growth

"I barely knew about games until now, so I thought playing games isn't good for kids. But after taking the game communication education, I came to think that there are so many things children can do, including future jobs. So I thought it would be better to approach the game as a future career and future development aspect for children. I hope to play games that are a little more interesting or helpful in education and I believe those will be helpful for kids."

Rules and Coordination

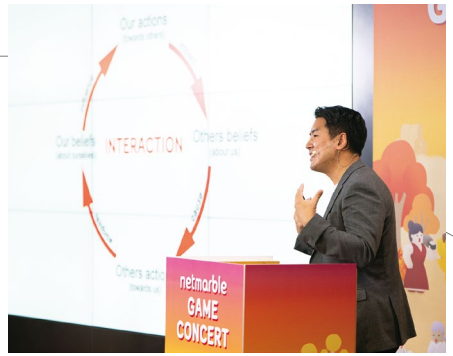
"After receiving the game communication education, my family decided to set the game time through conversation. We made promises such as setting a time to play, not crying even if we lost, playing the game after doing jobs, and not touching each other's items. The Game Communication School helped me a lot more than I expected. I also realized that I have been overly negative about the game until now."

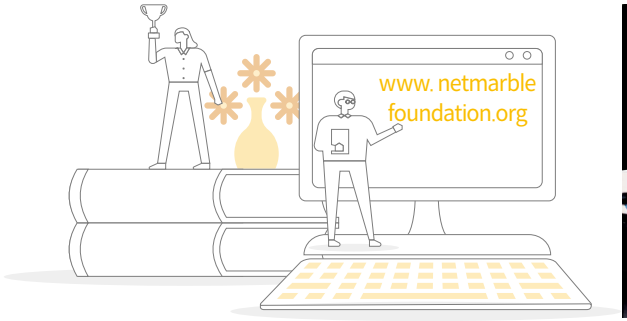
Game Concert

An Open Forum for Game Industry and Culture

Since 2017, Netmarble Cultural Foundation has invited game industry experts to its "Game Concert," a debate-type lecture series on various topics based on the current status and future vision of the game industry and culture. It has been used as a venue for the exchange of diverse opinions based on a strengthened understanding of the game industry and culture, and is held with a different theme and topic each year.

There have been diverse lectures, based on the themes of "game and jobs" in 2019, "game and science" in 2020, and "game and society" in 2021. Considering the special situation of the COVID-19 pandemic, we have introduced online lectures so that participants can concentrate more safely and comfortably.

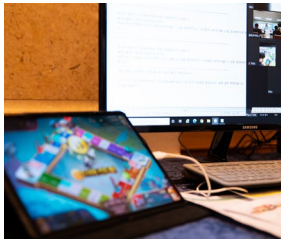




e-Festival for Students with Disabilities

Festival for Everyone to Unite through Games

Netmarble Cultural Foundation has regularly held its "e-Festival for Students with Disabilities" since 2009. The e-Festival for Students with Disabilities is the only e-sports festival for students with disabilities, and is co-hosted by Netmarble Cultural Foundation, National Institute of Special Education, and Korea Creative Content and sponsored by the Ministry of Education and Ministry of Culture, Sports and Tourism. The e-Festival for Students with Disabilities contributes to encouraging the e-sport activities of students with disabilities and resolving the information gap, as an event that is shared among students with and without disabilities, teachers, and parents. The festival was canceled in 2020 for the safety of participants, but the festival was held online in 2021.



Talent Cultivation

Netmarble Adaptive Rowing Team

Overcoming Prejudice and Limitations

Netmarble Cultural Foundation started the Netmarble Adaptive Rowing Team in 2019, a first for a game company, to provide a stable employment environment and an opportunity for systematic training to athletes who have difficulty focusing on their training due to poor surrounding conditions. We support the promotion of adapted physical activity and long-term independence through the Team. The Netmarble Adaptive Rowing Team has participated in various domestic and international competitions, showing good achievements. Owing to the constraints imposed by COVID-19, a safe training system that incorporates telecommuting training has been provided since 2020.

Tour Program

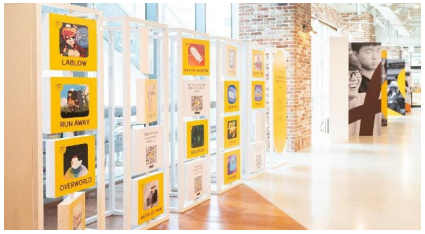
My Visit to the Game Industry

Netmarble Cultural Foundation invites middle/high school and university students to our company to share our knowledge and experiences of working in the game industry. This program provides lectures by current employees, customized fieldwork activities, and self-developed contents to understand the game industry and its work. We plan to provide students more fun experiences with customized board game development.

Game Academy

Dream of the Future, Put it into the Game

Game Academy has been operating since 2016 with the goal of nurturing future game talent. Every year, young people with future dreams and basic capabilities for game development are selected and provided with knowledge and skills on game development as well as ethics and responsibility as game developers for 8 months. Participating students directly experience all stages of game development according to the systematic game development curriculum provided by mentors, and carry out actual game development projects through collaboration among participating students. Some of the students who have completed their education at the game academy go on to college majors related to game development or work for game companies, and the academy helps students successfully grow as game talents. Although non-face-to-face education was conducted due to the spread of COVID-19 after 2019, the results of the Game Academy's effectiveness analysis showed that students' understanding of game development and industry, and career preparation capabilities were strengthened. Since 2021, we have also been operating an online boot camp that provides intensive mentoring during vacations for teenagers with extensive game development experience. Game Academy will continue to help participants accelerate the realization of their dreams by advancing the existing curriculum and follow-up education.



Finding Potential Talents and Supporting the Cultivation of Game Development Skill

1. Recruiting talented people with basic game development skills
2. Supporting long-term trainings to experience the entire process of game development and understand job duties
3. Training game talents centered on teamwork and ethical awareness
4. Operating studios dedicated to game development and providing related resources free of charge
5. Supporting follow-up trainings for excellent graduates and networking among existing graduates

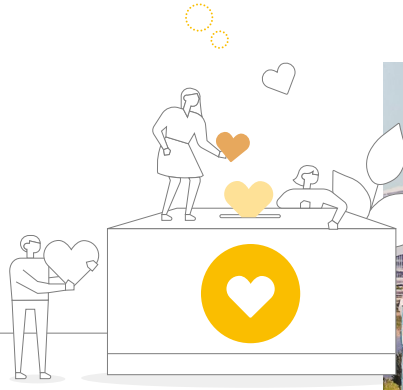
Heart Sharing

Netmarble Sharing

A Warmer World Together

Netmarble Cultural Foundation pursues a number of in-house sharing activities to contribute to improving the welfare of local communities based on the company's capability and know-how. We expand the opportunities to share in addition to the donation and volunteer activities pursued by employees such as Netmarble Sharing Day, holiday season sharing auction, etc. and create and spread a pleasant sharing culture just for Netmarble.

Netmarble Sharing Day evolved out of the "Netmarble Bazaar" that was launched in 2016 to support disadvantaged groups in the local community. The Bazaar involves various articles donated by Netmarble employees such as books, home appliances, albums, miscellaneous goods, and etc., while several goods are sold through an auction, and all profits from the Bazaar are donated to welfare institutions and childcare institutions, etc. in the local community.



Put-Arms-Around Library

A Fairy Tale for Everyone to Understand the Difference

Put-Arms-Around Library is a picture book series published by Netmarble Cultural Foundation that promotes the message of coexistence with all people, from the disabled to the socially vulnerable. Put-Arms-Around Library publishes fairy tale books with a message of respect for diversity and the value of coexistence, and is seeking opportunities to share ideas with more people through conferences, exhibitions, human rights education, and etc. All sales profits are reinvested into the Put-Arms-Around Library and contributions to education and welfare institutions. The Put-Arms-Around Library will continue to publish fairy tale books and create opportunities for meaningful sharing to enable a world of understanding and respect for differences.

GOVERNANCE

A Great Game Culture Company, Netmarble, strives to enhance the transparency and soundness of corporate management and maximize corporate value based on an advanced governance structure centered on the board of directors.
As a leading global game and culture company, Netmarble will actively practice ESG management.

SOUNDNESS OF GOVERNANCE

Improvement of Management Transparency

Netmarble operates the BOD (Board of Directors) and board committees to meet increasing social demands and expectations for transparent and sound governance structure. In addition, by establishing a non-executive director appointment process, core values for the BOD operation such as professionalism, independence, and transparency are secured. Moreover, check and supervision, which are the original functions of the BOD, are faithfully carried out by ensuring strict compliance with the board of directors' operating regulations. Going forward, we will consider various measures to establish an excellent governance structure, and ensure that the efforts are continuously reflected in the improvement of the governance structure.

Based on these policies, we have been striving to establish a sound and transparent governance structure. As a result of these efforts, Netmarble obtained grade A in the governance sector, which evaluates shareholder rights protection, BOD, audit organization, and information disclosure, in the ESG evaluation by the Korea Corporate Governance Service (KCGS) in 2021. Our governance grade has been rising year over year since 2019, demonstrating continuous improvement.

Independence of the BOD – Introduction of the Executive Officer System

To improve business execution efficiency and strengthen the supervisory function of the BOD, Netmarble adopted the executive officer system in 2016 in advance, separating the functions of the BOD and executive officers. Executive officers are entrusted with the decision-making and execution rights regarding business affairs from the BOD, and the BOD appoints and supervises executive officers. Through mutual checks and balances, executive officers focus on prompt and efficient business execution, and the BOD enhances transparency in corporate management through strengthened supervisory functions.

Meanwhile, Netmarble is maximizing the strengths of executive officer system by operating the independent CEO system. Each CEO manages game business and management strategy to solidify the company's management system and further strengthens its business competitiveness.

Non-executive Director Appointment Process

Non-executive directors are appointed at the general shareholders' meeting and candidates are nominated by the Nominating Committee in accordance with the Article 542-8 of the Commercial Act. The Nominating Committee recommends non-executive director candidates who satisfy the qualifications required by related legislations and the Articles of Incorporation and can independently supervise corporate management without interest with the company.

Currently, three out of five members of the BOD are non-executive directors, satisfying the Article 542-8 of the Commercial Act which requires that non-executive directors constitute a majority of the BOD.

BOD Composition

To ensure sound governance, we adhere to the principle of diversity in the composition of the BOD so that the BOD members do not have a common background or represent specific interests. As of May 2022, the BOD consists of one executive director, one other non-standing director, and three non-executive directors.

Board members with expertise in management, law, finance, entertainment, and marketing ensure substantial deliberation of the company's important decisions and effective supervision of business execution. In addition, by appointing a foreign female director, we are enhancing our global business capabilities and at the same time securing gender diversity in the BOD.

The Netmarble BOD, composed of directors with diverse backgrounds and expertise, flexibly responds to changes in the business environment and supervises the management with a sense of responsibility.

Training for Non-executive Directors

Date	Offered by	Participant	Content
2021.04.22	Audit Committee Forum	Park Dong-ho	Reporting on ESG and the role of the Audit Committee (online lecture)
2021.08.11	Deloitte Korea	Hur Tae-won, Park Dong-ho, Lee Jong-hwa	Accounting for business combinations
2021.09.14	Audit Committee Forum	Park Dong-ho	Accounting standard directions in 2021 and ESG trend (online lecture)
2021.11.10	Deloitte Korea	Hur Tae-won, Park Dong-ho, Lee Jong-hwa	Major trends in the internal accounting control system

BOD Operation

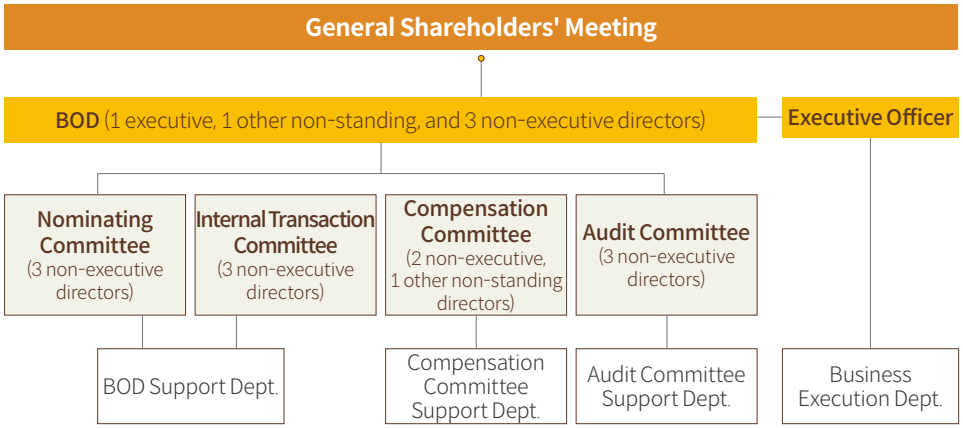
Classification		Unit	2019	2020	2021
BOD meeting	No. of meetings held	Times	9	7	9
Agendas	Concluded	Items	23	18	20
	Reported	Items	9	7	6
Attendance rate	Total	%	95.6	100	100
	Non-executive directors	%	100	100	100

Board Committees

Netmarble operates four board committees: Nominating Committee, Internal Transaction Committee, Compensation Committee, and Audit Committee to ensure systematic operation of the BOD. For the efficient operation of each committee, matters related to organization, operation, and authority are observed as specified in the articles of incorporation, BOD operation regulation, and operation regulations of each committee.

Matters deliberated and resolved by the board committees are reported to the BOD, and if deemed necessary, directors can request the BOD Chairman to convene a meeting for re-resolution made by the committee. However, matters resolved by the Audit Committee are excluded from the subject of resolution, ensuring their independence.

Organizational Chart



Board Committees*

Committee	Members				Role of the Committee
	Duty	Director	Name	Gender	
Nominating Committee (3 members)	Chairman	Non-executive	Lee Chan-hee	Male	Verifying the competency of non-executive director candidates and recommending them to the general shareholders' meeting
	Member	Non-executive	Jeon Sung-ryul	Male	
	Member	Non-executive	Kim Joon-hyun	Male	
Internal Transaction Committee (3 members)	Chairman	Non-executive	Kim Joon-hyun	Male	Reviewing and approving internal transaction transparency between related parties
	Member	Non-executive	Jeon Sung-ryul	Male	
	Member	Non-executive	Lee Chan-hee	Male	
Compensation Committee (3 members)	Chairman	Non-executive	Lee Chan-hee	Male	Improving transparency and ensuring appropriateness of executive compensation
	Member	Non-executive	Jeon Sung-ryul	Male	
	Member	Other non-standing	Piao Yanli	Female	
Audit Committee (3 members)	Chairman	Non-executive	Jeon Sung-ryul	Male	Supervising the works of directors and management, and auditing the company's overall business including financial status
	Member	Non-executive	Lee Chan-hee	Male	
	Member	Non-executive	Kim Joon-hyun	Male	

* As of the end of March 2022

BOD Composition*

Executive Director (BOD Chairman)

Bang Jun-hyuk

- Gender: Male
- Term of office: 2014. 08~ 2023. 03
- Expertise: Corporate management

- Current) Chairman, Netmarble BOD
- Current) Chairman, Coway BOD
- Current) Chairman, Netmarble Cultural Foundation
- Executive Advisor, Game Business Div., CJ E&M
- President, Business Strategy Div., CJ Internet
- President, Business Strategy Div., Planus Ent.
- CEO, Netmarble

Other Non-standing Director

Piao Yanli

- Gender: Female
- Term of office: 2014. 08~ 2023. 03
- Expertise: Management advisory

- Current) Vice President, Tencent Games
- CEO, Tencent Korea/Tencent Japan

Non-executive Director

Jeon Sung-ryul

- Gender: Male
- Term of office: 2022.03 ~ 2025.03
- Expertise: Management advisory

- Current) Chairman, Korea Business School and Graduate School Council
- Current) Business School Professor, Sogang University
- Current) Dean, Sogang University Business School and Graduate School of Business
- Associate Professor, Department of Business Administration, Hankuk University of Foreign Studies

Lee Chan-hee

- Gender: Male
- Term of office: 2022.03 ~ 2025.03
- Expertise: Law (Lawyer)

- Current) Chairman, Samsung Compliance Committee
- Current) Visiting professor, Seoul National University Law School
- Current) Standing Advisor, Yulchon Law Firm
- 50th President, Korean Bar Association

Kim Joon-hyun

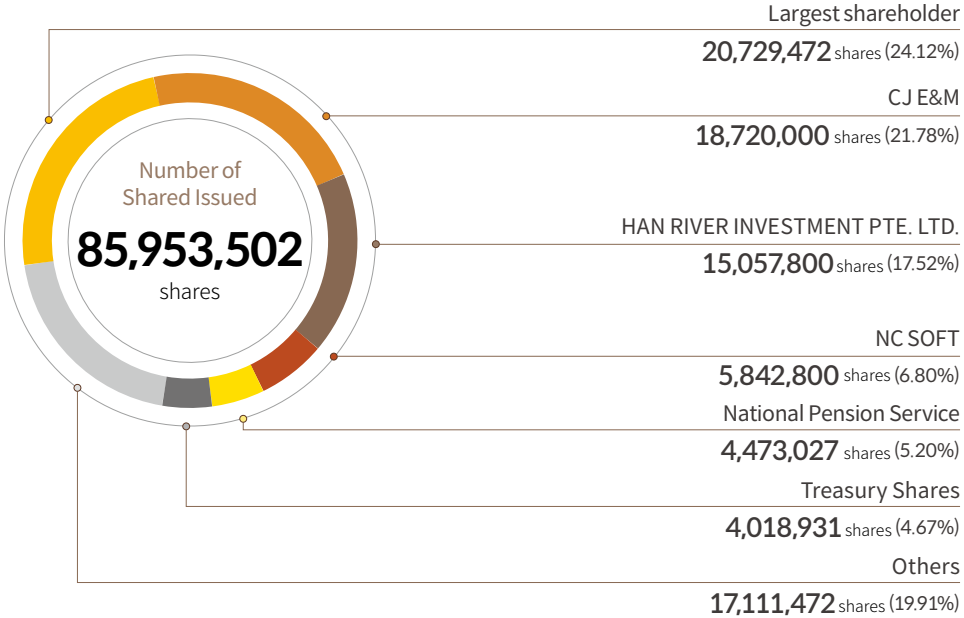
- Gender: Male
- Term of office: 2022.03 ~ 2025.03
- Expertise: Finance

- Current) Head of CJ Business Management Office (Vice President)
- Head of CJ Finance & Economy Office 2 (Managing Director)
- Head of CJ Finance Office (Managing Director)

* As of the end of March 2022

Shareholder Structure

As of December 31, 2021, the total number of common stocks issued was 85,953,502, and there were no other types of stocks issued except for common stocks. As stated in Article 23 of the Articles of Incorporation, Netmarble shares have one voting right per share, and fair voting rights of all shareholders are guaranteed. Netmarble listens to the opinions of major shareholders as well as minority shareholders, and guarantees the exercise of shareholders' rights in accordance with laws and regulations.



Minority Shareholders

Category	Number of Shareholders			Ownership		
	Minority shareholders	Total shareholders	Percentage (%)	Minority shareholders	Total shares issued	Percentage (%)
Minority shareholders	146,496	146,516	9999	18,826,619	81,934,571	2298

• Minority shareholders: Shareholders who own stocks less than 1/100 of the total issued stocks with voting rights
• Total number of issued shares: Total number of issued shares with voting rights (excluding 4,018,931 treasury shares)

Communication with Shareholders and Investors

Based on a shareholder-friendly IR policy, Netmarble is striving to increase shareholder value and gain market trust by communicating with shareholders and investors through various channels. We provide IR information and materials through our website so that shareholders can easily obtain related information, and we actively communicate with investors by participating in various IR events hosted by domestic and foreign securities companies.

Netmarble always listens to the opinions of minority shareholders and enhances the value of minority shareholders by guaranteeing the right of shareholders to propose (Article 542-6 of the Commercial Act - Any person who has continued to hold stocks equivalent to no less than 1% of the total number of issued and outstanding shares of a listed company, except for nonvoting stocks, for more than six months may exercise shareholder's rights.) and the right to convene the general shareholders' meeting.

Shareholder Return Policy

To increase shareholder value and return corporate profits to shareholders, Netmarble established a mid- to long-term dividend policy through a resolution of the board of directors on February 6, 2018. Based on this policy, dividends or acquisition of treasury shares are carried out within maximum 30% of the adjusted controlling shareholder's net profit in consideration of the company's management performance each year. In 2019, we acquired KRW 245.3 billion worth of treasury shares (KRW 49.3 billion deferred from 2018 and KRW 196 billion in 2019). Cash dividends in 2020 and 2021 were KRW 62.8 billion (KRW 767 per share) and KRW 43.3 billion (KRW 528 per share), respectively. Going forward, we will continue to faithfully implement our shareholder-friendly policy by promoting performance improvement and corporate growth through business model innovation.

History of Treasury Share Acquisition and Cash Dividend

2018	Treasury share	Acquired KRW 159.9 billion worth treasury shares
2019	Treasury share	Acquired KRW 245.3 billion worth treasury shares
2020	Cash dividend	KRW 62.8 billion in total, dividend payout ratio: 20.1% of net profit of controlling interest
2021	Cash dividend	KRW 43.3 billion in total, dividend payout ratio: 18.0% of net profit of controlling interest

ETHICAL MANAGEMENT

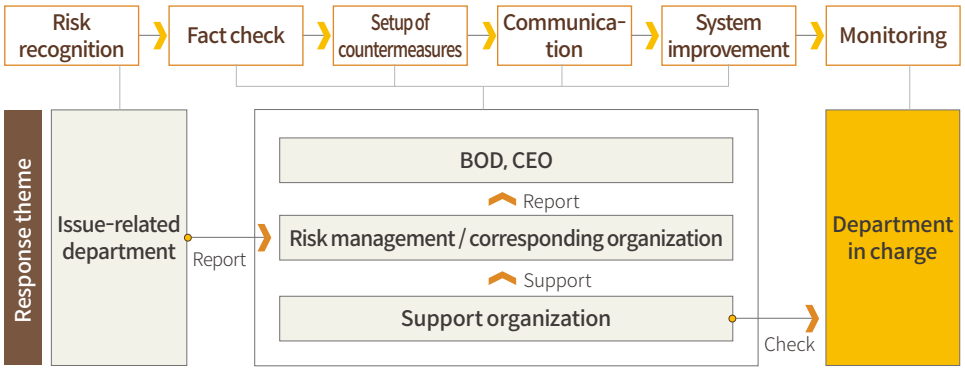
Risk Management

Risk Management

Netmarble analyzes all risks identified over the past five years and internally categorizes the possible risk in each work area based on such analysis to manage various risks that may occur during the management activity. The possible risk in each work area is defined based on whether it "occurs internally" or is "from the outside," and management instructions and control procedure for each type are established to manage the risk systematically. We try to establish fundamental principles corresponding to the risk, and to draw the corresponding strategy for each type to have an opportunity to convert the risk into an opportunity and establish a new relationship based on trust.

The strategy for each type is designed as a systematic response measure by our company, based on the issues that occurred or have been witnessed by Netmarble and the corresponding process and result. The relevant risk is managed by a working group of related departments and executives in charge for each type in accordance with the manual. Currently, we identify potential risks and inspect the risk of each type for every quarter in all areas, including finance, HR, funds, business, regulation, promotion, etc., and the final evaluation is carried out by the internal accounting manager and the CEO.

Risk Management Process



Risk Management Governance

For systematic risk management, Netmarble has established a manual to address both internal issues such as inside accidents, conflicts, work negligence, and wrongful acts, as well as issues external to the organization such as the organizational logic, change of system, etc. of external institutions or organizations. Accordingly, we operate an organization to manage and lead the overall process of responding to issues. The relevant organization takes charge of the overall corresponding strategy upon the occurrence of an issue and chalks out the preliminary management policy for risk management. After an issue is closed, the same organization performs sustainable risk management through follow-up measures for the recovery of the company's reliability, reinforcement of the internal management policy, re-evaluation of the appropriateness of the corresponding risk standard, etc. In the first and second half of a year, the internal control team of Netmarble inspects whether the internal financial reporting system process has been designed and operated effectively, and if any insufficiencies are found, the relevant area is addressed by the end of the year as the preparation work to address financial risks.

In addition, major economic, environmental, and social events are monitored for each outreach organization to share the information within the company, and any issues requiring more detailed review are checked with the related departments to identify and evaluate the risk systematically.

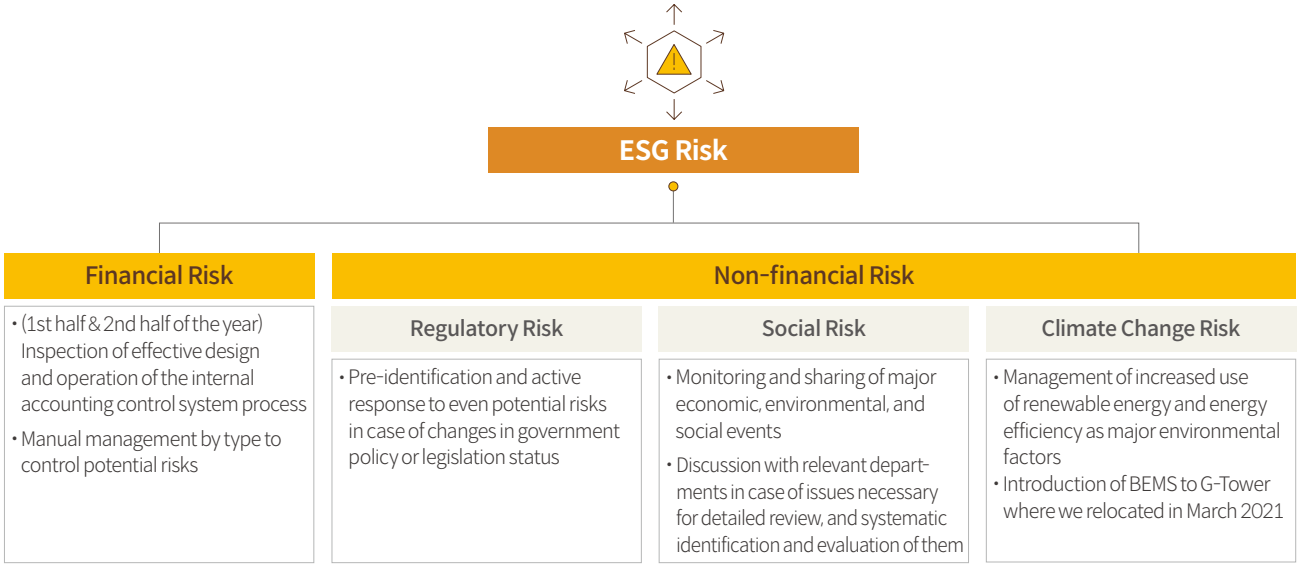
In particular, there is always a risk of the occurrence of issues or controversy caused by the public's perceptions of the game industry in the broader social environment. We respond proactively to such issues by working closely with related external organizations such as Korea Association of Game Industry, Game Culture Foundation, Game Self-Governance Organization of Korea, etc. To hold in-depth discussions regarding the game industry, Netmarble takes a leading role in the operation of forums such as Game & Science, Game & Society, and through these, provides the basis for the amendment of related legislations or promotes a scientific approach to controversies related to the game industry.

Moreover, we support academic research regarding the positive use and value of games by contributing to the establishment of a research institution that studies the social influence of games from a scientific perspective, the "Game-n-Science Institute" under the Game Culture Foundation, and communicates actively with the public to present the findings of such analysis. From the second half of 2021, the ESG Committee and the ESG Management Office are in control of ESG risks and non-financial issues.

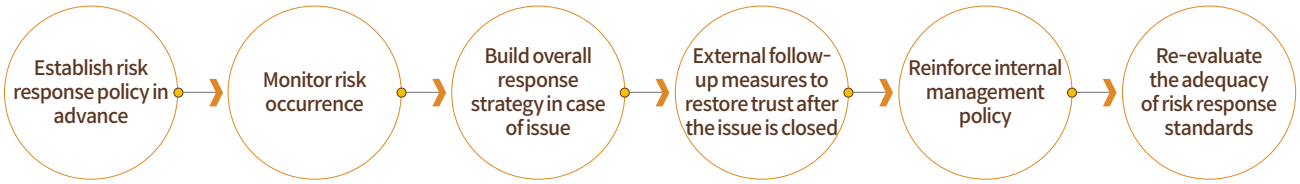
ESG Risk Management

As the business environment rapidly changes globally, not only existing financial risks, but also non-financial risks such as relationships with stakeholders, environment, and regulations have a significant impact on corporate growth and value. In response, Netmarble categorizes financial and non-financial risks in detail and operates response strategies by risk type to ensure systematic risk management and sustainable growth. In addition, to promptly respond to risks at the company level, a separate risk management response organization is operated under the leader of each organization.

ESG Risk



ESG Risk Management Process



Climate-related Risk Identification, Assessment, and Management Processes

With the government's declaration of carbon neutrality by 2050 along with the tightening GHG regulations worldwide, the demand for corporate environmental responsibility is increasing. Although Netmarble is not an energy consuming company, we set and manage energy consumption as a major environmental factor. In particular, we are actively investing in building energy management in preparation for an increase in power consumption due to increased data usage. At Netmarble, the ESG Committee will be proactive in monitoring and reviewing climate risk management activities and the results will be disclosed to stakeholders.

Climate Change Response Goal and Plan

Netmarble's GHG emissions are mainly from energy consumption in the building. We introduced the BEMS with the relocation to a new office building in March 2021 for efficient energy consumption management. We set the year of relocation as the first year of measuring energy consumption, and utilize various indicators managed by BEMS to derive measures to reduce energy consumption in buildings, improve the use of renewable energy, and improve operational efficiency.

Tax Risk Management

Netmarble operates a dedicated department to identify and manage tax risks in advance, while receiving advice from external experts at all times. For material tax issues, we make inquiries for authoritative interpretation to the tax authority before response. On top of that, we strive to prevent tax risks that may arise from various types of transactions, such as goods and service transactions, transactions with affiliates, and investments. In the process of making major business decisions, tax risks are reviewed in advance to minimize their impact.

Ethical Management

Ethical Management Principle

Netmarble enacted the Netmarble Code of Ethics in 2019 to practice transparent and sound management activities. The Code of Ethics consists of six chapters for each stakeholder - Our Mission, Our Promise, Protecting Corporate Value, Practicing Fairness and Co-prosperity, Our Goal, and Our Approach to Ethics. It is provided in Korean, English, Chinese (simplified, traditional), Indonesian, Japanese, Thai language, and Turkish through the Netmarble homepage. Code of Ethics applies to all employees (permanent, contract, dispatched, and internship employees), including Netmarble affiliates. Partner companies are also encouraged to understand the purpose of the Code of Ethics and ensure compliance. If a partner disturbs or damages the values or compliance with the Code of Ethics, it shall be requested to make correction or the business relationship will be terminated. Every year, all employees submit a pledge of practice promising to strictly abide by the Code of Ethics in conducting business.

Ethical Management Promotion System

Netmarble operates the Audit Committee and Audit Office for efficient ethical management. The Audit Office, as an independent organization under the direct control of the Audit Committee, is responsible for establishing and implementing internal audit plans and reporting results. The requirements for audit personnel are stipulated in the Article 21 of the Operational Regulations of the Audit Committee to help perform professional audit work, and the Audit Office currently has experts in management, law, and accounting.

Pledge to Practice Ethical Management

Netmarble established the Code of Ethics to become a company trusted by customers, employees, shareholders and partners by creating results based on ethical management. With the recognition that practicing ethical management can be a way of action to realize our vision, we are committed to conducting business fairly by complying with the followings.

First, We will comply with the Code of Ethics in entire business activities and will not commit any violations, including the followings.

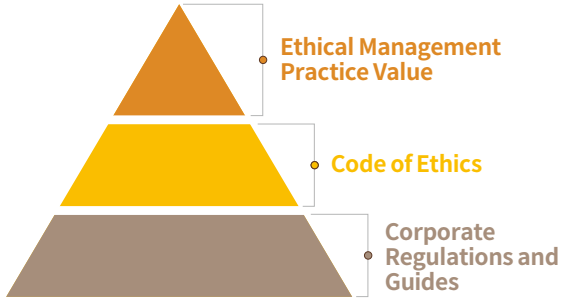
- Manipulation of documents or numbers or false reporting
- Illegal use and leakage of company assets
- Damage to the dignity or reputation of the company
- Receipt of gifts, entertainment, sponsorship, etc. from stakeholders
- Conflict of interest such as side jobs
- Violation of other laws and company rules

Second, If we are aware of a violation of ethical management by other employees or stakeholders, or if a violation is proposed, we will immediately notify the fact to the Netmarble Audit Office.

Third, In the event of an investigation on violations, we will diligently respond to the company's requests (interview, confirmation letter, submission of materials, etc.).

We pledge to faithfully abide by the above and assume full responsibility in case of violation.

Ethical Management System at Netmarble



Ethical Management Practice Value	The highest value in ethical management pursued by Netmarble True to the essence, sincere actions, responsible results
Code of Ethics	Netmarble's roles and responsibilities related to ethical management practice value For customers, employees, investors, partners, and communities
Corporate Regulations and Guides	Criteria for strengthening the effectiveness of ethical management practice value and Code of Ethics

Ethical Management Practice Value

Ethical management practice value, as the highest standard of our ethical management, presents the direction for the realization of ethical management, which is essential for the survival and growth of Netmarble.

True to the essence

Core practical value of ethical management:
Setting goals that fit the essence in work and life and trying to achieve them

Sincere actions

Preliminary practice value of ethical management:
Thinking hard and doing our best with a sincere attitude

Responsible results

Post value of practicing ethical management:
Being sincere and honest about decisions and the consequences of actions

Internal and External Advisory and Reporting System

Employees of Netmarble can inquire and seek consultation on violations of the Code of Ethics and ethical management through the Ethical Management Counseling Center operated by the Audit Office, and can also inquire and consult on legitimacy through the legal affairs management system, mail, messenger, and hotline operated by the Legal Affairs Office. To enable employees avail convenient consultation, related departments such as the Audit Office and Legal Affairs Office have established a mutual collaboration system. If an employee makes an inquiry via any channel and additional discussion between related departments is required, we try to enable a one-stop reply through a wide ranging review based on internal collaboration. Details of investigations on reports received by the Audit Office through the Ethical Management Counseling Center are reported to the management and the Audit Committee on a regular basis. In August 2021, we conducted a survey on the awareness of ethical management including questions regarding the level of ethical management implemented by employees and the company, and the results of the survey were reported to the management and Audit Committee.

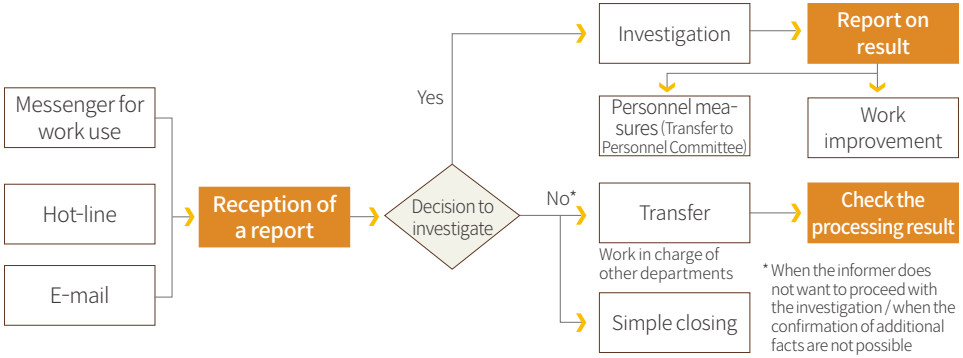
Ethical Management Counseling Center

E-mail: ethics@netmarble.com

Post: Ethical Management Counseling Center
G-Tower, 38, Digital-ro 26-gil, Guro-gu, Seoul, 08393

Netmarble's Ethical Management Counseling Center

Procedure for Ethical Management Reporting and Processing



Actions on Ethics-related Reports

In the past three years, a total of 23 ethical reports (6 in 2019, 9 in 2020, and 8 in 2021) were made through the Ethical Management Counseling Center, and all of them were processed according to internal regulation. The reports received are managed by category including information leakage, negligence of duty, injury to the dignity of the company, harassment at the workplace, discriminatory treatment (gender, place of origin, etc.), sexual harassment, and etc. Since July 2019, information related to harassment at the workplace, discriminatory treatment, and sexual harassment is being processed by the HR department after the reporter is informed.

Anti-corruption Policy

In relation with entertainment expenses, when they are found to violate legitimate standards upon entering the expenses in the internal ERP system, a system that prints out a warning message and disables the entry process has been established to prevent unfair solicitation at the fundamental level. In addition, for ethical supply chain management, the Code of Ethics stipulates the duty to check whether partners practice ethical management.

Dissemination of Ethical Management Culture

Netmarble is carrying out various activities so that employees can raise their ethical awareness and practice ethical management. Those include sending newsletters containing major practices of the Code of Ethics and cultural contents every month, holding events to encourage employees' participation in ethical management, distributing ethical management pamphlets,, and campaigns to prohibit gifts on national holidays. In particular, from 2021, a survey has been conducted for all employees to check their awareness and practice of ethical management and measure the effect of ethical training and promotion activities.

Whistleblower Protection

Various measures are in place to protect ethics whistleblowers and employees who participated in investigations. Article 38 of the Internal Audit Regulations stipulates the protection of whistleblowers and the prohibition of retaliation. The identity of the whistleblower (including the collaborator), the fact of the report, and the contents of the report are kept confidential, and actions that detect or inflict disadvantage on the whistleblower are strictly prohibited.

Ethical Management Training

Netmarble conducts various online and offline training programs to help employees understand and internalize ethical management. Ethical management training is mandatorily included not only in training for new hires, including those with experience, but also in basic common training for all employees once a year. Moreover, to foster leaders' ethical management leadership, in 2021, customized ethical management training was provided to the heads of offices and departments and higher level. In 2022, ethical management training materials will be produced for new leaders (team leaders and above).

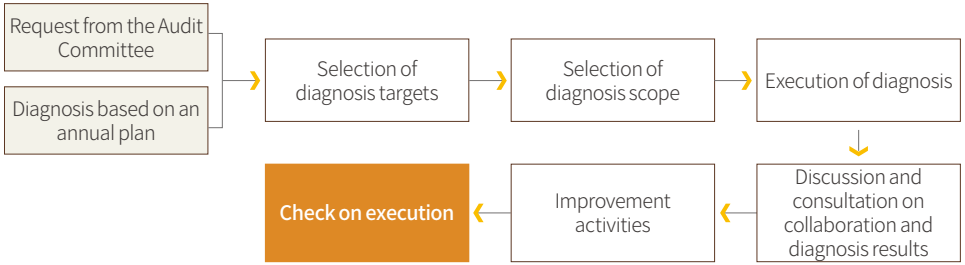
Ethical Training Participants and Completion Rate (persons)

2019	932 (99.3%)
2020	954 (99.8%)
2021	**1,024 (99.3%)**

Management Diagnosis

We detect risks in advance and remove root causes through preemptive diagnosis of major businesses, functions, and corporations. We also conduct management diagnosis based on the request of the Audit Committee and annual audit plans to support the management's decision-making and secure practical business competitiveness. Through this, we check the reliability of management information and verify the adequacy of work processing based on company regulations to improve management soundness.

Diagnosis Process



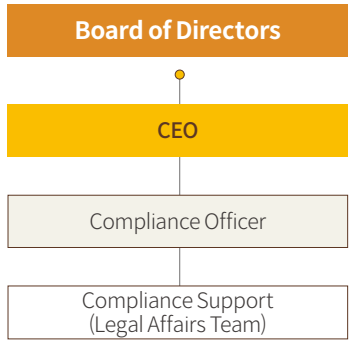
Compliance Management

To strengthen compliance management, we operate compliance control standards that stipulate matters necessary for the Compliance Officer and compliance activities. The compliance control standards include the appointment, rights and obligations, and specific compliance control activities of the compliance officer and matters regarding processing, etc. of complaints in the event of violations. The compliance officer performs compliance control activities based on this regulation, such as checking compliance with the law and compliance control standards, status of major contracts, matters requiring improvement, and status of compliance with the e-Commerce Act.

Compliance Management Organization

To ensure the efficiency and independence in compliance, the company operates an organization. The BOD determines the compliance control criteria and related matters and supervises the CEO's practice and improvement of compliance control system. The Compliance Officer manages overall compliance control works with the Legal Affairs Office. Netmarble has increased the ratio of qualified lawyers in the Legal Affairs Office to secure the expertise as the compliance support organization.

Compliance Management Organization



Compliance Management System

Our compliance support organization has conducted compliance risk check on a regular basis even before the company was incorporated into a business group subject to disclosure under the Monopoly Regulation and Fair Trade Act on May 1, 2018 (newly designated as a business group subject to cross-investment restrictions on May 1, 2021). In addition, by appointing a law firm as an advisory firm and conducting a cross-check, the objectivity, fairness, and professionalism of our company's compliance were strengthened. We improved the purchase review process and service and monetary transaction standards between affiliates by reflecting changes in related laws and practical cases of the Fair Trade Commission.

Moreover, Netmarble strictly complies with the laws of the countries in the service area. If prior screening, registration or report are required or notification to users is required before game services, we strictly comply with them.

Tax

Tax Management Principle

Netmarble recognizes the importance of tax management, and considers the sincere performance of tax payer's duty under tax law as an important element of ethical management. In the performance of all transactions, we strictly comply with the tax law of Korea and countries of concern as well as the tax conventions within each relevant country to prevent the occurrence of any tax-related issues, and actively comply with the tax policies of each relevant country and maintain transparent relationships with the taxation authorities of Korea and other countries.

Disclosure of Detailed Corporate Tax Items and Improvement of Tax Transparency

To prevent errors in the application of tax laws and protect stakeholders, Netmarble receives reviews from internal and external tax experts on major tax items and complies with various reporting obligations under the tax laws. In addition, to ensure tax transparency, transaction-related information, including details of corporate tax items, is disclosed through business reports released on the electronic disclosure system, DART (Data Analysis, Retrieval and Transfer) of Financial Supervisory Service.

Fulfillment of Global Tax Obligations

Netmarble is faithfully fulfilling its obligations of reporting, payment and data submission in accordance with each country's tax laws. Moreover, we cooperate with the tax policy of each country and maintain a transparent relationship with the tax authorities. Our transfer pricing policy is established in compliance with the arm's length principle in accordance with the OECD guidelines, which are the standard for international transactions, and transaction prices are calculated and applied based on the transfer pricing policy when dealing with foreign related parties.

TECHNOLOGY INNOVATION AND NEW BUSINESS EXPANSION

Product and Service Innovation

Investment in Future Technologies and Technology Innovation

Users around the world enjoy our game contents and services in different countries, languages, and cultural environments. Netmarble strives to increase the stability of our game publishing technology so that any user anywhere in the world can enjoy our high-quality game contents and services pleasantly and seamlessly. We seek to secure strategic future technologies by building an infrastructure that considers the network conditions of service countries and optimizing game performance according to the device supply status. In addition, we support global users to stably playing our game contents and services by providing a game publishing-based technology that can efficiently and reliably handle high-capacity traffic that can guarantee simultaneous access and long-term play by many users in a situation where games are launched simultaneously worldwide.

R&D Investment

Classification	Unit	2019	2020	2021
R&D investment	KRW in millions	458,911	519,269	561,797
R&D Investment compared to sales	%	21.1	20.9	22.4

Combination of Netmarble Games and AI Technology

Netmarble has been engaged in research related to the new technologies related to AI since 2014, and established our AI Center, a dedicated research organization in 2018 to expand our scope of research on AI technology and to develop technology in this area. We are pursuing to research various technologies in this area with the objective of "developing intelligent AI playing with the people," and are aiming to develop an AI system that can analyze the characteristics of users and provide appropriate responses in diverse situations. Currently, Netmarble is engaged in research focused on voice, natural language processing, reinforcement learning, vision, graphics, and etc.

Voice Recognition

In our "A3: Still Alive" game, we introduced voice AI for the first time in a mobile game, allowing the user to apply a voice interface through a keyword recognition technology called "MONICA" to enjoy various contents. We presented the Monica keyword and game command recognition technology at world-renowned voice recognition conferences such as INTERSPEECH (2019) and IEEE ICASSP (2020), and in 2020, passed a thesis deliberation with a perfect score from all judges at NeurIPS, a conference of the world's leading AI authorities. We are also researching automatic translation functions and multilingual command support functions using global data.

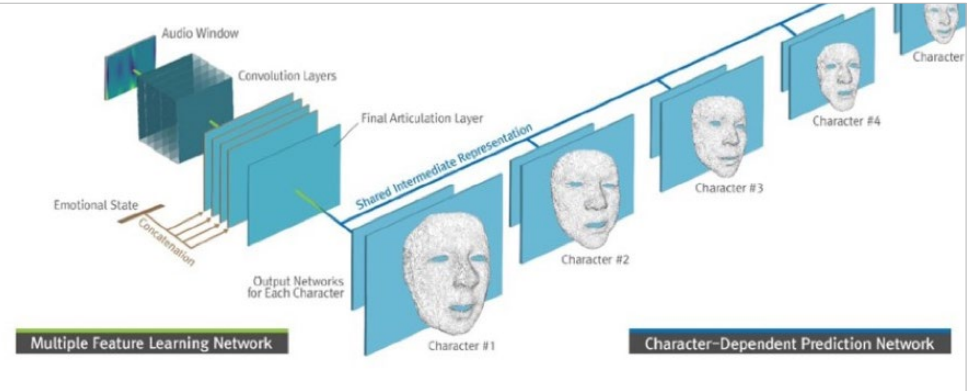
Using the voice interface in "A3: Still Alive"

Advancement of AI-based Translation Performance

As a global game publisher, Netmarble is applying AI translation technology to various games. AI translation technology has the advantage of improving translation quality and reducing translation time. Through these technological advancement efforts, Netmarble became the first Korean game company to win AI translation post-processing technology challenge category of the 2021 EMNLP (Empirical Methods in Natural Language Processing), the world's highest-level academic conference for NLP (Natural Language Processing). Going forward, Netmarble plans to advance its core technology to provide high-quality services without human inspection.

Facial Animation

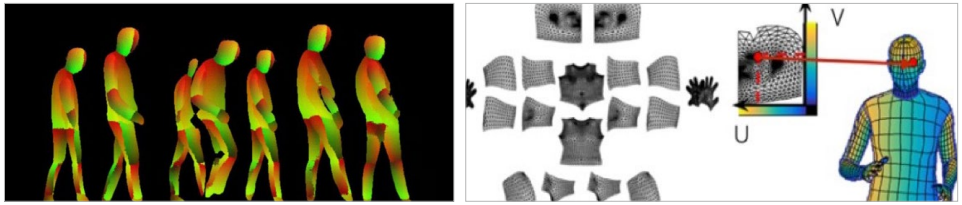
Excellent animation helps make more realistic games. Facial animation technology automatically matches the facial muscles of characters in a game with the dialogue for synchronization with the voice, enabling more natural expressions by the characters. Netmarble is striving to increase game immersion by upgrading facial animation technology. It had released at the ACM SIGGRAPH, the No.1 computer graphics society, in 2019.



Facial animation technology

DensePose

DensePose refers to a technology that detects a person in a 2D image using deep learning and then maps it to the 3D structure of the human body to realize various poses. Netmarble announced a technology to enhance resolution by densely stacking up sampling layers at low resolution at the DensePose Challenge competition, and was recognized for its technology by winning second place in "COCO Challenge (2018)" hosted by ECCV, the world's top 3 computer vision society.



DensePose technology

Creating a Healthy Game Environment through Big Data Analysis

Netmarble is actively investing in AI technology development to provide differentiated game services. By doing so, we will provide customized games and optimized services for each customer through the analysis, utilization, and application of big data.In particular, research and development are being conducted to detect abnormal users or game errors in advance to create a stable and healthy game environment.

Improving Game Access Environment for Global Users of Ni No Kuni:Cross Worlds

One of Netmarble's popular games, "Ni No Kuni: Cross Worlds" is an RPG game that reinterprets the "Ni No Kuni" IP, a joint game series between Japanese studio Ghibli and Level Five, for mobile. Due to a large-scale BOT* in the game play situation, users who wanted to enjoy the game competed with the BOT for server access, resulting in increased user dissatisfaction. To solve this problem, we restricted the access of BOT account by capitalizing on the workplace account detection model, which resulted in significantly decreasing the number of complaints from users.

* BOT: A software program that runs on the Internet and performs repetitive tasks

Strengthening Netmarble IP Competitiveness

Netmarble is continuously expanding its IP development, and is investing in and acquiring promising production studios and IP holders to develop quality content based on its IP. In addition to our own IP, we have been proactive in strategic alliances and joint IP development with top-class game companies and players to develop new IPs.

KEYRING Studio has renewed KUYA, one of Netmarble intellectual properties, into a 3D animation targeting North America, and is distributing it on YouTube.

Netmarble, along with Studio Dragon, participated in the joint IP development of the Arthdal Chronicles season 2 with the aim of growing the Arthdal Chronicles into a global IP through global distribution channels. The Arthdal Chronicle can be interpreted as an extension of this strategy.

Intellectual Properties

Netmarble's intellectual property rights include trademark rights, patent rights, design rights, and copyrights. To expand its global presence, the company is striving to register and manage intellectual property rights domestically and abroad, and is planning various ways to protect intellectual property rights. In general, copyrights for individual games are held by the subsidiary in charge of game development, and Netmarble publishes the subsidiary's games through a license agreement.

Classification		Unit	2019	2020	2021
Patents registered	New	Cases	94	52	55
	Accumulated		121	173	228
Other IPs (trademark, design, copyright)	New		74	12	19
	Accumulated		687	699	718

Responding to Infringement of Intellectual Property Rights

Data analysis and review of illegality: If there is a request from the relevant department to determine whether similar apps have infringed Netmarble's copyright or other intellectual property rights, we will reply after reviewing the law. In principle, requests for review and reply to results are made through the legal advice menu in the legal management system.

Result sharing and additional measures: If an infringement is not resolved even through the first measure (report to the platform) or second measures (request for investigation) by the policy department, the Legal Affairs Office and relevant departments will review and participate in additional measures. In particular, when legal action is required, such as litigation at home and abroad, the Legal Affairs Office is in charge of litigation agent selection, contract and communication with the litigation agent, follow-up of procedures, and expense payment.

Response Process against IP Infringement

- **Monitoring** — Sharing monitoring results with relevant departments (weekly)
- **Data analysis, illegality review** — Sharing with relevant departments to determine risk and illegality
- **[First action] Report** — Report to portals and markets
- **Sharing of processing result** — Proceeding secondary measures in case of unprocessed or habitual (weekly sharing)
- **[Second action] Investigation, etc.** — Closure of illegal sites, request for investigation, etc.
- **Sharing of results, follow-up actions** — Review of final measures when processing is impossible (consultation with related departments)

FACTBOOK

ENVIRONMENTAL

Environmental Investment

Classification	Unit	2019	2020	2021
Energy/GHG management system	KRW	249,194,578	792,891,840	-
New and renewable energy		1,191,398,404	3,790,813,104	-
Energy efficiency system		6,204,123,043	19,740,391,500	-
Eco-friendly materials use		937,493,884	2,982,935,085	-
Ecological environment		1,219,868,799	3,881,400,723	6,300,000
Total		9,802,078,707	31,188,432,251	6,300,000

* Data for 2019 and 2020 represent environmental investment expenses incurred during the construction of the new building. In 2021, as the warranty period, no separate maintenance costs were executed except for ecological environment costs.

Environmental Certification and Award

Classification	Unit	2019	2020	2021
Energy efficiency	grade	-	1+	-
Green building certification		-	Best (Green 1st)	-
Korea Ecological Environment Architecture Award		-	-	Excellent Award

Energy Consumption

Classification			Unit	2021
Energy consumption* (domestic)	Direct energy	Fixed combustion (diesel)	MJ	1,025
		Fixed combustion (LNG (GHP))		4,617,530
		Total		4,618,555
	Indirect energy	Electricity		24,424,655
	Energy consumption	Total		29,043,211
		Energy use intensity**	MJ/KRW 100 million	2102.14
Renewable energy consumption***		Geothermal	GJ	125.13
		Solar		97.18
		Hydrogen fuel cell		167.87

* Jan.~Feb.: G-Valley (former office building) data, Mar.~Dec.: G-Tower (new office building) data
** Based on sales (consolidated basis)
*** Operated from Mar. 2021 after moving into the new building

Violation of Environmental Laws and Regulations

Classification		Unit	2019	2020	2021
Head office	Violations of legal regulations	times	0	0	0
	Non-monetary sanctions	cases	0	0	0
	Total fines	KRW in millions	0	0	0

GHG Emissions

Classification	Unit	2021
Scope 1 emissions	tCO_2eq	234.44
Scope 2 emissions		1,168.85
Total GHG emissions		1,403.29

* Jan.~Feb.: G-Valley (former office building) data, Mar.~Dec.: G-Tower (new office building) data

Water Resource Management

Classification		Unit	2021
Water intake	Waterworks	ton	12,213
Water recycling			718.5

* Jan.~Feb.: G-Valley (former office building) data, Mar.~Dec.: G-Tower (new office building) data

Waste Discharge

Classification		Unit	2021
General waste	Waste generated	ton	27
	Waste recycling		27

* Data has been disclosed since Mar. 2021 due to the relocation of the head office to a new building.

SOCIAL

Mandatory Measures Regarding Communication Security

Classification		Unit	2019	2020	2021
Seizure warrant*	Requested	cases	1,224	836	728
	Processed		1,078	766	675
Communications restriction	Requested	cases	0	0	0
	Processed		0	0	0
Communications fact confirmation material	Requested	cases	3,278	2,559	1,807
	Processed		2,396	1,980	1,531

* Netmarble provide personal information to investigate agencies when they require it with seizure warrants.

Violation of Marketing and Labeling Laws

Classification		Unit	2019	2020	2021
Domestic	Violations	cases	0	1	0
	Fines and penalties	KRW in millions	0	7.2	0
Overseas	Violations	cases	0	0	0
	Fines and penalties	KRW in millions	0	0	0

Investment in Information Security

Classification	Unit	2019	2020	2021
Investment in Information Security	KRW in millions	-	-	7,367

* Management and disclosure of investment in information security has been conducted from 2021 in accordance with the information security disclosure policy

Personal Information Protection Status

Classification			Unit	2019	2020	2021
Number of personal information used for secondary purposes	Total		persons	0	0	0
	By country	Active account		0	0	0
		Dormant account		0	0	0
	Provision to third parties	Dormant account		0	0	0
Litigation costs related to users' personal information*	Total		KRW in millions	0	0	0
	Domestic			0	0	0
	Overseas			0	0	0
Personal information violation status	Number of personal information infringements	Total	cases	0	0	0
		Domestic		0	0	0
		Overseas		0	0	0
	Infringement rate related to personally identifiable information	Total	%	0	0	0
		Domestic		0	0	0
		Overseas		0	0	0
	Number of users affected by privacy infringement	Total	persons	0	0	0
		Domestic		0	0	0
		Overseas		0	0	0
	Financial loss due to legal procedures related to privacy issue	Total	KRW in millions	0	7.2	0
		Domestic		0	7.2*	0
		Overseas		0	0	0

* Financial loss due to violation of laws and regulations related to user information protection
** Same as marketing and labeling law violations

Training on Information Protection

Classification		Unit	2019	2020	2021
In-house training on data security	Participants	persons	965	875	854
	Participation rate	%	99	99	100
	Training hours	hours	483.7	825.5	854
Training on personal information protection	Participants	persons	791	763	875
	Participation rate*	%	98	96	96.5
	Participation rate based on statutory obligations		100	100	100
	Training hours	hours	395.5	763	844

* Some absentees due to leave of absence or retirement

Customer Satisfaction

Classification		Unit	2019	2020	2021
VOCs received and handled	VOCs received	cases	930,574	769,859	653,251
	VOCs handled		922,836	803,047	683,421
Customer satisfaction level* (in-house survey)	PC	points	48.9	62.2	61.3
	Mobile		3.2	3.4	3.2

* PC: out of 100 points, mobile: out of 5 points
** Multiple handling may be required for one received case, so the number of handled cases may exceed the number of received cases.

Employment Status

Classification			Unit	2019	2020	2021
Employment	Total number of employees		persons	802	768	822
	Employment type	Full-time	persons	777	739	792
		Ratio of full-time employees	%	96.9	96.2	96.4
		Part-time	persons	25	29	30
		Ratio of part-time employees	%	3.1	3.8	3.6
	Gender	Male	persons	492	486	540
		Ratio of male employees	%	61.3	63.3	65.7
		Female	persons	310	282	282
		Ratio of female employees	%	38.7	36.7	34.3
	Nationality	Korea	persons	787	758	811
		Ratio of Korean employees	%	98.1	98.7	98.7
		Foreign	persons	15	10	11
		Ratio of foreign employees	%	1.9	1.3	1.3
	Position	Employees	persons	777	743	800
		Ratio of employees	%	96.9	96.7	97.3
		Executives	persons	25	25	22
		Ratio of executives	%	3.1	3.3	2.7

Diversity

Classification			Unit	2019	2020	2021
Diversity	Female	Female executives	persons	2	2	1
		Ratio of female executives	%	8.0	8.0	4.5
		Ratio of female working-level managers	%	19.7	16.7	17.0
		Female employees in IT job	persons	87	68	84
	Disabled	Employees with disabilities	persons	12	11	7
		Ratio of employees with disabilities	%	1.5	1.4	0.9
		Ratio of executives with disabilities	%	0	0	0

Support for Employee Growth

Classification	Unit	2019	2020	2021
Time spent on trainings	hours	9,047	10,213	8,998
Training hours per employee		11.3	13.3	10.9
Ratio of training hours to working hours	%	0.7	0.8	0.7
Training expense per employee	KRW	447,918	210,455	112,086

New Employment

Classification		Unit	2019	2020	2021
Number of new hires (full-time + part-time)		persons	183	125	221
Employment type	Full-time	persons	163	109	193
	Ratio of full-time employees	%	89.1	87.2	87.3
	Part-time	persons	20	16	28
	Ratio of part-time employees	%	10.9	12.8	12.7
Gender	Male	persons	119	85	145
	Ratio of male employees	%	65.0	68.0	65.6
	Female	persons	64	40	76
	Ratio of female employees	%	35.0	32.0	34.4
Nationality	Korea	persons	180	124	218
	Ratio of Korean employees	%	98.4	99.2	98.6
	Foreign	persons	3	1	3
	Ratio of foreign employees	%	1.6	0.8	1.4
Position	Employees	persons	177	123	218
	Ratio of employees	%	96.7	98.4	98.6
	Executives	persons	6	2	3
	Ratio of executives	%	3.3	1.6	1.4
Socially underprivileged	Employees with disabilities	persons	7	1	1
	Ratio of employees with disabilities	%	3.8	0.8	0.5
Transfer from affiliates		persons	9	5	4

Employee Turnover

Classification			Unit	2019	2020	2021
Voluntary turnover	Total		persons	159	129	137
	Gender	Male	persons	111	73	80
		Ratio of male employees	%	69.8	56.6	58.4
		Female	persons	48	56	57
		Ratio of female employees	%	30.2	43.4	41.6
Transfer to affiliates			persons	6	8	9
Turnover rate			%	21.1	17.6	17.4

Labor Costs

Classification	Unit	2019	2020	2021
Overall average labor cost	KRW in millions	97	74	81
Average wage of employees		93	67	75

Performance Evaluation and Compensation

Classification		Unit	2019	2020	2021
Performance evaluation	Ratio of performance evaluation execution	%	100	100	100
Compensation	Ratio of wage between new female and male employees		100	100	100

Open Council Operation

Classification		Unit	2019	2020	2021
Members of the Open Council		persons	6	10	10
Number of meetings held		times	5	6	10
Number of meetings between the management and Open Council			4	4	4
Reception of employee grievances		cases	6	4	24
Proposal and handling	Number of agendas proposed		4	2	12
	Number of agendas handled		3	2	10
	Handling rate	%	75	100	83

Parental Leave

Classification		Unit	2019	2020	2021
Parental leave users	Total	persons	27	20	22
	Male		7	6	7
	Female		20	14	15
Employees who returned to work after parental leave	Total		20	19	21
	Male		5	6	4
	Female		15	13	17
At least 12-month work after return to work	Total		13	12	21
	Male		4	2	4
	Female		9	10	17

Health Support Service

Classification		Unit	2019	2020	2021
Service users	Visitors to Health Care	persons	3,829	4,584	3,326
	Recovery room users		1,767	161	138
	Participation in smoking cessation programs		46	18	5
	Total		5,596	4,763	3,469

* Based on company-wide of Netmarble Company

Workplace Safety

Classification		Unit	2019	2020	2021
Occupational accidents (Netmarble)		cases	0	1	0
Fatalities	Netmarble	persons	0	0	0
	Partners		0	0	0
Serious occupational accidents		cases	0	0	0
Serious occupational accident rate		%	-	-	-
Domestic	Converted accident rate		0	0.13	0
	Fatality rate per 10,000 population		0	0	0
LTIFR (Lost Time Injury Frequency Rate)	Employees	persons/200,000 work hours	0	0.13	0

* In 2020, 1 ankle injury occurred while taking the stairs in the office building

Social Contribution of Netmarble Cultural Foundation

Classification		Unit	2019	2020	2021
Social contribution performances	Beneficiaries	persons	20,391	24,668	28,190
	Donation*	KRW in millions	1,886	3,155	2,222

* Total social contribution expense (implementation cost + administrative cost). Data in 2020 includes donations for response to COVID-19 and flood damage recovery.

Volunteer Activities of Employees

Classification	Unit	2019	2020	2021
Participants	persons	49	Unperformed*	Unperformed*
Total volunteer activity hours	hours	696		
Volunteer activity hours per employee		14.2		

* Volunteer activities were not conducted due to COVID-19 pandemic in 2020 and 2021.

GOVERNANCE

Financial Performance

Classification		Unit	2019	2020	2021
Summarized statement of financial position (consolidated basis)					
Total assets		KRW 100 million	58,061	82,234	106,638
Total liabilities			11,578	25,728	46,561
Total shareholders' equity			46,483	56,506	60,077
Debt-to-equity ratio		%	24.91	45.53	77.50
Summarized income statement (consolidated basis)					
Revenue	Domestic	KRW 100 million	13,278	14,651	13,816
	Overseas		8,508	10,197	11,253
	Total		**21,786**	**24,848**	**25,069**
Operating expense	Domestic		11,351	12,009	12,560
	Overseas		8,408	10,119	10,999
	Total		**19,759**	**22,128**	**23,559**
Operating profit	Domestic		1,927	2,642	1,256
	Overseas		100	78	255
	Total		**2,027**	**2,720**	**1,510**
Operating expense to revenue ratio (domestic and overseas)		%	90.70	89.05	93.98
Net income before income tax expense		KRW 100 million	2,184	4,746	3,512
Income tax expenses			486	1,366	1,020
Net income			1,698	3,380	2,492
Net income attributable to shareholder			1,560	3,130	2,402

Distribution of Economic Value

Classification		Unit	2019	2020	2021
Employees	Wagepay	KRW in millions	390,548	442,298	522,643
	Retirement payment		21,101	23,774	30,478
	Employee benefits		56,811	60,512	76,613
Partners	Purchase expenses		51,730	61,767	112,790
Local communities	Donations		2,879	3,668	958
Investors	Dividends		0	62,761	43,261
	Interest expenses		8,774	23,128	36,223
Government	Income tax	KRW 100 million	486	1,366	1,020

BOD Operation

Classification		Unit	2019	2020	2021
BOD composition	Total members	persons	5	5	5
	Non-executive directors	persons	3	3	3
	Ratio of non-executive directors	%	60	60	60
BOD meeting	Meetings held	times	9	7	9
Number of agenda	Concluded	cases	23	18	20
	Reported	cases	9	7	6
Attendance rate	Total	%	95.6	100	100
	Non-executive directors	%	100	100	100

Shareholders and Dividends

Classification		Unit	2019	2020	2021
Shareholders	Largest shareholder	%	24.2	24.2	24.2
	Foreign investors	%	22.7	22.6	22.8
	Domestic institutions	%	36.9	37.5	37.8
	Treasury shares	%	4.7	4.7	4.7
	Minority shareholders	%	11.5	11.0	10.5
Shares issued	Outstanding shares	shares	85,744,564	85,845,303	85,953,502
	Floating shares	shares	81,725,633	81,826,372	81,934,571
Shares without voting rights	Number of shares	shares	4,018,931	4,018,931	4,018,931
	Ratio	%	4.69	4.68	4.68
Shares with voting rights	Number of shares	shares	81,725,633	81,826,372	81,934,571
	Ratio	%	95.31	95.32	95.32

Independence, Diversity, and Expertise of the BOD

Classification		Unit	2019	2020	2021
Indepen-dence	Average year of service of directors	years	4.1	5.1	6.1
	Ratio of non-executive directors with conflicts of interest	%	0	0	0
Diversity	Female directors	persons	1	1	1
	Ratio of Female directors	%	20	20	20
	Foreign directors	persons	1	1	1
Expertise	Ratio of directors with experience in IT or game Industries	%	60	60	60

Board Committees

Classification			Unit	2019	2020	2021
Board committees	Nominating Committee	Meetings	times	2	0	0
		Agendas	items	2	0	0
	Audit Committee	Meetings	times	5	5	5
		Agendas	items	28	25	22
	Internal Transaction Committee	Meetings	times	3	1	1
		Agendas	items	4	1	1
	Compensation Committee*	Meetings	times	-	-	2
		Agendas	items	-	-	2
사내위원회	ESG Committee*	Meetings	times	-	-	-
		Agendas	items	-	-	-

* Established the Compensation Committee in 2021 and the ESG Committee at the end of 2021

Independent Auditors

Classification		Unit	2019	2020	2021
Contract with Independent Auditors	Audit firm	-	Deloitte Anjin		
	Audit details	-	Review of quarterly and semi-annual financial statements on a separate and consolidated basis, audit on separate and consolidated financial statement, and audit on internal accounting management system		
	Remuneration of auditors	KRW in millions	864	890	930
	Total audit time	hours	9,325	9,025	8,975
Independent auditors' opinion	Auditor opinion	-	Unqualified		
	Significant matter in audit	-	Not applicable		

BOD Remuneration

Classification		Unit	2019	2020	2021
Registered directors (excluding non-executive directors)	Executive directors	persons	2	2	2
	Executive officers	persons	1	2	2
	Total remuneration	KRW in millions	2,573	8,763	3,399
	Average remuneration per person	KRW in millions	858	2,191	850
Non-executive directors*	Members	persons	3	3	3
	Total remuneration	KRW in millions	44	44	45
	Average remuneration per person	KRW in millions	15	15	15

* All non-executive directors are members of the Audit Committee.

Training on Ethical Management

Classification		Unit	2019	2020	2021
Training on ethical management	Participants	persons	932	954	1,024
	Participation rate	%	99.3	99.8	99.3
	Total training hours	hours	313.85	326.81	361.35
	Training hours per person		0.34	0.34	0.35
Ethical training related to game operation*	Participants	persons	547	290	5
	Participation rate	%	100	99	2
	Total training hours	hours	1,071	290	5
	Training hours per person		1.96	1	1

* Subject to subsidiary IGS
** In 2021, ethical training related to game operation was replaced with "Work Ethics Compliance Campaign" due to the full-time telecommuting system in accordance with COVID-19. Training in that year was conducted for some new employees.

R&D Investment

Classification		Unit	2019	2020	2021
R&D investment	R&D workforce	persons	239	230	203
	Number of projects*	items	-	-	34
	Participants in projects*	persons	-	-	144
	Investment amount	KRW in millions	458,911	519,269	561,797
	R&D investment to sales ratio	%	21.1	20.9	22.4
R&D investment related to new game services	Percentage of sales due to new services	%	27	23	14

* The number of projects and workforce is disclosed from 2021 due to difficulties in collecting past data.

R&D Performance

Classification		Unit	2019	2020	2021
Patents registered	New	cases	94	52	55
	Accumulated		121	173	228
Other IPs (trademark, design, copyright)	New		74	12	19
	Accumulated		687	699	718

* Difference from the previous report: There is a difference between 2019 and 2020 data due to a change in the calculation method (based on data from the Korean Intellectual Property Office and the Copyright Commission website)

Ethics-related Reports and Countermeasures

Classification		Unit	2019	2020	2021
Ethics-related reports by type	Human rights-related reports	cases	5	4	5
	Handling of human rights-related reports		5	4	5
	Handling rate of human rights-related reports	%	100	100	100
	Other ethics-related reports*	cases	2	7	8
	Handling of other ethics-related reports		2	7	8
	Handling rate of other ethics-related reports	%	100	100	100
Total number of ethics-related reports		cases	7	11	13
Ethics-related reports handling rate		%	100	100	100

* Other ethics-related reports: Information leakage, damage to company dignity, etc.

Compliance Management

Classification		Unit	2019	2020	2021
Violation of laws and regulations	Number of violations	cases	3	1	0
	Number of lawsuits filed	cases	0	0	0
	Monetary sanctions	KRW in millions	6.04	7.2	0
	Non-monetary sanctions	cases	0	0	0
	Compared to sales	%	0.0003	0.0003	0
Content management of country or government	Number of countries with government censorship, blocking, filtering, etc.	countries	3 (Korea, China, Vietnam)	3 (Korea, China, Vietnam)	3 (Korea, China, Vietnam)
	Number of content removal requests made by governments	cases	0	0	0
	Ratio of compliance with government request for content removal	%	-	-	-

Transactions with Partners

Classification		Unit	2019	2020	2021
Partners	Number of partners	firms	165	197	210
	Number of newly registered partners		48	89	66
	Subject to regular evaluation*		-	56	-
Total amount of purchase		KRW	51,730,409,903	61,766,685,409	112,789,919,161

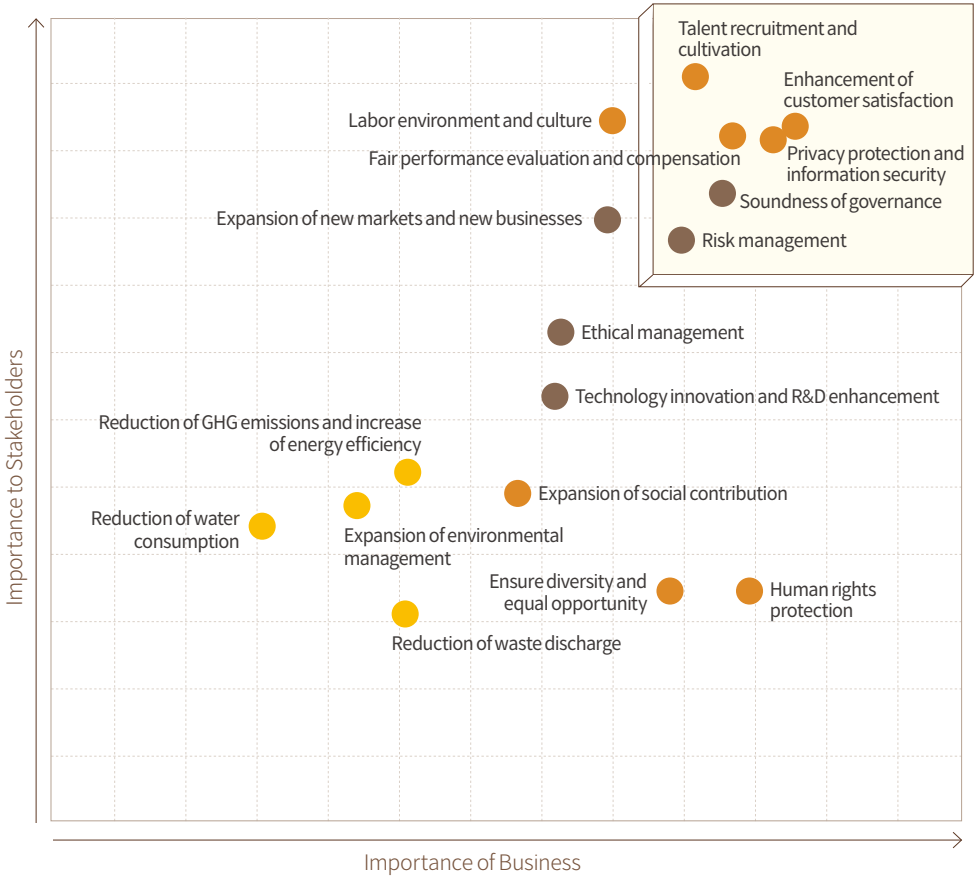
* Evaluation was not conducted in 2021 due to supplementation of regular evaluation contents.

APPENDIX

MATERIALITY ASSESSMENT

We organized a pool consisting of 17 issues, including the reduction of GHG emissions and increase of energy efficiency, enhancement of customer satisfaction, privacy protection and information security, soundness of governance, and risk management by identifying various sustainability issues from internal and external stakeholders. As a result of prioritization through materiality assessment, enhancement of customer satisfaction, privacy protection and information security, talent recruitment and cultivation, and fair performance evaluation and compensation, etc. were selected as key issues.

Materiality Assessment Result



Materiality Assessment Process

STEP 01 Organizing an issue pool

We selected 17 sustainability issues by comprehensively analyzing stakeholder impacts from economic changes, game industry, ESG management, and Netmarble's business in 2021. In the process, we analyzed global standards, ESG guidelines, and importance of each issue guided by ESG evaluation, and referred to the activities, performance, and key issues of global ESG leaders and peers.

STEP 02 Stakeholder survey

A survey was conducted targeting stakeholders and industry experts on which issues should be considered first in order for Netmarble to grow into a sustainable company. The survey was conducted for 7 days (June 20-26, 2022), in which 881 persons participated, including employees, customers, partners, shareholders and investors, industry experts, government & NGOs. The survey was structured in such a way that the importance of 17 issue questions was answered on a 5-point scale.

STEP 03 Prioritizing material issues

In consideration of stakeholder interest and business impact identified through stakeholder survey, 17 sustainability issues were prioritized. In this process, we additionally considered recent global leaders and international trends, as well as the company's ESG direction.

STEP 04 Selecting key issues

Through the above process, enhancement of customer satisfaction, talent recruitment and cultivation, privacy protection and information security, fair performance evaluation and compensation, soundness of governance, and risk management were selected as key issues.

We classified 17 issues included in the issue pool for 2022 by risk type and stakeholder relevance. Risk type is categorized into financial, strategic, operation, and hazard factors. Financial risk may arise from interest rate, foreign exchange, and credit fluctuations that can affect cash liquidation and financial performance, while strategic risk may occur from changes in market environment such as competition, customer demand, supply chain, technological innovation, and brand value. Operational risk can arise from the absence or malfunction of corporate management processes and systems, and includes internal and external regulations, human capital, governance, and security issues. Hazard risks mainly refer natural disaster, terrorism, and environmental impact that have the potential to cause damage to the company and stakeholders. It is difficult to avoid, but the impact can be reduced through management. Stakeholder relevance indicates the relevance between each issue and stakeholder groups, and the degree of impact can be analyzed and reflected in management activities by considering the interaction of each issue.

Classification			Risk Type				Stakeholder Relevance				
Area	No.	Issue	Financial	Strategic	Operational	Hazard	Customers	Employees	Partners	Local communities	Shareholders & investors
Environmental	1	Reduction of waste discharge			●					●	
	2	Reduction of GHG emissions and increase of energy efficiency	●	●	●	●	●	●	●	●	●
	3	Reduction of water consumption			●					●	
	4	Expansion of environmental management	●	●	●					●	●
Social	5	Labor environment and culture			●			●			
	6	Talent recruitment and cultivation		●	●			●		●	
	7	Fair performance evaluation and compensation			●			●			
	8	Ensure diversity and equal opportunity			●			●	●		
	9	Human rights protection			●	●		●	●	●	
	10	Expansion of social contribution		●	●			●		●	
	11	Enhancement of customer satisfaction		●			●				
	12	Privacy protection and information security			●	●	●	●	●		
Governance	13	Ethical management			●			●	●		●
	14	Expansion of new markets and new businesses		●							
	15	Technology innovation and R&D enhancement		●			●			●	
	16	Risk management	●	●	●	●	●	●	●		●
	17	Soundness of governance	●		●						●

STAKEHOLDER COMMUNICATION

Netmarble defines its key stakeholders as customers, employees, shareholders and investors, partners, local communities, and the government. To create stakeholder value, we are proactive in communicating with stakeholders through diverse channels and reflecting their opinions in Netmarble's management activities, thereby forming a consensus on sustainability issues.

	Major Interest	Communication Channels	Main Activities
Customers (users)	• New services • Improvement of service quality and user satisfaction • Privacy protection	• Corporate website • Channel Netmarble & official SNS • Community & customer center by service • Telephone & customer counseling center • Disclosure materials	• Release of new services & live service update • Enhancement of operational safety through risk management • Operation of diverse user communication channels (YouTube, SNS, etc.)
Employees	• Ensuring basic employment stability • Pleasant and safe working environment • Fair performance evaluation and self-development • Work-life balance and welfare benefit system	• In-house portal • Ethical management counseling center • Open Council (labor-management council) • Psychological counseling room	• Convocation of the Open Council • Grievance handling and operation of psychological counseling room • Fair evaluation and compensation system operation • Operation of benefit programs • Creation of pleasant and safe working environment
Investors and Shareholders	• Establishing healthy governance through transparent disclosure of financial and non-financial performances • Preemptive and effective risk management • Shareholder-friendly policy	• General shareholders' meeting • NDR and conference with institutional investors • Disclosure and reports (business report, audit report, etc.) • Earnings release conference call / one-on-one meeting • Corporate website	• Execution of IR meeting on a regular and non-regular basis • Sharing of profits created through new businesses and new markets • Transparent disclosure through business report, governance report, etc.
Partners	• Fair trade and fair treatment • Shared growth	• Purchase system / purchase information session • Business proposal website • Channel Netmarble • Ethical management counseling center • Disclosure materials	• Compliance with fair trade principle • Regular communication and cooperation enhancement
Community	• Corporate social responsibility • Vitalization of local economy	• Corporate website • Channel Netmarble • Netmarble Cultural Foundation website • Disclosure materials	• Supports for cultural activities of the disabled such as e-Festival for Students with Disabilities and Netmarble Adaptive Rowing Team, etc. • Creation and dissemination of game culture through Game Academy, Game Communication School, and Game Concert
Government	• Economic value creation • Compliance with relevant laws and regulations • Participation in industry-related policies	• Corporate website • Disclosure materials	• Enhancement of compliance system • Job creation • Sincere tax payment

GRI STANDARDS INDEX

Universal Standards (GRI 100)

Classification	Index	Description	Page	Location
Organizational Profile	102-1	Name of the organization	P8	Company Overview
	102-2	Activities, brands, products, and services	P13-14	Business Introduction, Game Portfolio
	102-3	Location of headquarters	P8	Company Overview
	102-4	Location of operations	P11	Global Network
	102-5	Ownership and legal form	P88	Shareholders and Dividends
	102-6	Markets served	P8	Company Overview
	102-7	Scale of the organization	P8-11	Company Overview, Major Subsidiaries, Global Network
	102-8	Information on employees and other workers		
	102-9	Supply chain	P54	Partners Management
	102-10	Significant changes to the organization and its supply chain		None
	102-11	Precautionary Principle or approach	P70	Risk Management
	102-12	External initiatives	P19-20	Sustainability Commitments
	102-13	Membership of associations	P102	Association Membership
Strategy	102-14	Statement from senior decision-maker	P6-7	ESG Committee Chairman's Message
	102-15	Key impacts, risks, and opportunities	P92-93	Materiality Assessment
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	P17-18	ESG Strategy
	102-17	Mechanisms for advice and concerns about ethics	P33-34, P73	Protection of Employee Human Rights, Ethical Management
Governance	102-18	Governance structure	P66-69	Improvement of Management Transparency
	102-19	Delegating authority	P66-68	Improvement of Management Transparency
	102-20	Executive-level responsibility for economic, environmental, and social topics	P17-18	ESG Management System
	102-21	Consulting stakeholders on economic, environmental, and social topics	P92-94	Materiality Assessment, Stakeholder Communication
	102-22	Composition of the highest governance body and its committees	P66-69	Improvement of Management Transparency
	102-23	Chair of the highest governance body		
	102-24	Nominating and selecting the highest governance body		
	102-25	Conflicts of interest		
	102-26	Role of highest governance body in setting purpose, values, and strategy		

Universal Standards (GRI 100)

Classification	Index	Description	Page	Location
Governance	102-27	Collective knowledge of the highest governance body	P66-68	Improvement of Management Transparency
	102-28	Evaluating the highest governance body's performance		
	102-29	Identifying and managing economic, environmental, and social impacts	P92-93	Materiality Assessment
	102-30	Effectiveness of risk management processes	P70-71	Risk Management
	102-31	Review of economic, environmental, and social topics	P17-18	ESG Management System
	102-32	Highest governance body's role in sustainability reporting		
	102-33	Communicating critical concerns	P18, P66-67	ESG Management System, Improvement of Management Transparency
	102-34	Nature and total number of critical concerns		
	102-35	Remuneration policies	P48	Fair Evaluation and Compensation
	102-36	Process for determining remuneration		
Stakeholder Engagement	102-40	List of stakeholder groups	P94	Stakeholder Communication
	102-41	Collective bargaining agreements		-
	102-42	Identifying and selecting stakeholders	P94	Stakeholder Communication
	102-43	Approach to stakeholder engagement		
	102-44	Key topics and concerns raised	P92-94	Materiality Assessment, Stakeholder Communication
Reporting Practice	102-45	Entites included in the consolidated financial statements	P10-11	Major Subsidiaries
	102-46	Defining report content and topic boundaries	P92-93	Materiality Assessment
	102-47	List of material topics		
	102-48	Restatements of information	P80-90	Refer to the footnote description at the bottom of the diagram in FACTBOOK for the rewritten information.
	102-49	Changes in reporting		None
	102-50	Reporting period	P3	About this report
	102-51	Date of most recent report		
	102-52	Reporting cycle		
	102-53	Contact point for questions regarding the report		
	102-54	Claims of reporting in accordance with the GRI Standards		
	102-55	GRI content index	P95-100	GRI Standards Index
	102-56	External assurance	P104-105	Independent Assurance Statement
Management Approach	103-1	Explanation of the material topic and its boundary	P92-93	Materiality Assessment
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach	P72-74	Ethical Management

Economic Performance (GRI 200)

Classification	Index	Description	Page	Location
Economic Performance	201-1	Direct economic value generated and distributed	P87	ESG Factbook
	201-2	Financial implications and other risks and opportunities due to climate change		Due to the nature of main business that provides online and mobile game contents and services, our energy intensity (Scope 1 & 2 energy consumption compared to sales) is lower than other industries. Therefore, the physical risk or transition risk arising from climate change does not have a significant impact on our game contents and services. Energy demand and costs are on the rise due to recent changes in international politics and inflation trend, and activities to comply with the policy guides of the international community and the government on climate change response may directly or indirectly lead to an increase in energy costs.
	201-3	Defined benefit plan obligations and other retirement plans	P39	Investment for Employees
	201-4	Financial assistance received from the government		-
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	P85	No difference in wages for new employees by gender
	202-2	Proportion of senior management hired from the local community	P84	ESG Factbook
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	P58-64	Expanding Social Contribution Activities
	203-2	Significant indirect economic impacts		-
Procurement Practices	204-1	Proportion of spending on local suppliers		-
Anti-corruption	205-1	Operations assessed for risks related to corruption		-
	205-2	Communication and training about anti-corruption policies and procedures	P72-74	Ethical Management
	205-3	Confirmed incidents of corruption and actions taken		-
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P56	Fair Trade with Partners
Tax	207-1	Approach to tax	P75	Tax
	207-2	Tax governance, control, and risk management		
	207-3	Stakeholder engagement and management of concerns related to tax		
	207-4	Reporting by country		

Environmental Performance (GRI 300)

Classification	Index	Description	Page	Location
Materials	301-1	Materials used by weight or volume		-
	301-2	Recycled input materials used		-
	301-3	Reclaimed products and their packaging materials		-
Energy	302-1	Energy consumption within the organization	P80	ESG Factbook
	302-2	Energy consumption outside of the organization		-
	302-3	Energy intensity	P80	ESG Factbook
	302-4	Reduction of energy consumption	P23, P24-29	Environmental Management System, Response to Climate Change
	302-5	Reductions in energy requirements of products and services		-
Water and Effluents	303-1	Interactions with water as a shared resource		-
	303-2	Management of water discharge-related impacts	P31, P81	Response to Climate Change, ESG Factbook
	303-3	Water withdrawal		
	303-4	Water discharge		-
	303-5	Water consumption	P31, P81	Environmental Management System, ESG Factbook
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		-
	304-2	Significant impacts of activities, products, and services on biodiversity		-
	304-3	Habitats protected or restored		-
	304-4	IUCN Red List species and national conservation list species		-
Emissions	305-1	Direct (Scope 1) GHG emissions	P24, P81	Response to Climate Change, ESG Factbook
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		-
	305-4	GHG emissions intensity		-
	305-5	Reduction of GHG emissions	P24-29	Response to Climate Change
	305-6	Emissions of ozone-depleting substances (ODS)		-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		-
Effluents and Waste	306-1	Waste generation and significant waste-related impacts	P30, P81	Response to Climate Change, ESG Factbook
	306-2	Waste by type and disposal method		Response to Climate Change
	306-3	Waste generated	P81	ESG Factbook
	306-4	Waste diverted from disposal		

Environmental Performance (GRI 300)

Classification	Index	Description	Page	Location
Waste	306-5	Waste directed to disposal	P30	Response to Climate Change
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	P81	ESG Factbook
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria		-
	308-2	Negative environmental impacts in the supply chain and actions taken		-

Social Performance (GRI 400)

Classification	Index	Description	Page	Location
Employment	401-1	New employee hires and employee turnover	P46, P84-85	Securing and Nurturing Talent, ESG Factbook
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P37-39	Investment for Employees
	401-3	Parental leave	P41	Healthy Organizational Culture
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes		-
Occupational Health and Safety	403-1	Occupational health and safety management system	P42-45	Working Environment
	403-2	Hazard identification, risk assessment, and incident investigation	P42-43	Working Environment
	403-3	Occupational health services	P44-45	Working Environment
	403-4	Worker participation, consultation, and communication on occupational health and safety	P42	Working Environment
	403-5	Worker training on occupational health and safety	P43	Working Environment
	403-6	Promotion of worker health	P44-45	Working Environment
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P42-45	Working Environment
	403-8	Workers covered by an occupational health and safety management system	P42-45, P86	Working Environment, ESG Factbook
	403-9	Work-related injuries	P43, P86	Working Environment, ESG Factbook
	403-10	Work-related illness		-
Training and Education	404-1	Average hours of training per year per employee	P84	ESG Factbook
	404-2	Programs for upgrading employee skills and transition assistance programs	P47	Support for Employee Growth
	404-3	Percentage of employees receiving regular performance and career development reviews	P48, P85	Systematic Performance Management, ESG Factbook
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	P83-84, P88	ESG Factbook
	405-2	Ratio of basic salary and remuneration of women to men	P85	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		-

Social Performance (GRI 400)

Classification	Index	Description	Page	Location
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		-
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor		-
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		-
Security Practices	410-1	Security personnel trained in human rights policies or procedures		-
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments		-
	412-2	Employee training on human rights policies or procedures	P33-34	Protection of Employee Human Rights
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		-
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	P58-64	Expanding Social Contribution Activities
	413-2	Operations with significant actual and potential negative impacts on local communities		-
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria		-
	414-2	Negative social impacts in the supply chain and actions taken		-
Public Policy	415-1	Political contributions		-
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories		-
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		-
Marketing and Labeling	417-1	Requirements for product and service information and labeling		-
	417-2	Incidents of non-compliance concerning product and service information and labeling	P82	ESG Factbook
	417-3	Incidents of non-compliance concerning marketing communications	P82	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P82	
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	P90	

SASB INDEX

Sustainability Disclosure Topics & Accounting Metrics: Technology & Communication - Internet Media & Services

Classification	Code	Accounting Metric	Page	Location
Environmental Footprint of Hardware Infrastructure	TC-IM-130a.1	(1) Total energy consumed	P80	ESG Factbook
		(2) percentage grid electricity		-
		(3) percentage renewable	P24	Response to Climate Change
	TC-IM-130a.2	(1) Total water withdrawn	P31, P81	Response to Climate Change, ESG Factbook
		(2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	P31, P81	Response to Climate Change, ESG Factbook
	TC-IM-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs		-
Data Privacy, Advertising Standards & Freedom of Expression	TC-IM-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	P51-53	Information Security & Privacy Protection
	TC-IM-220a.2	Number of users whose information is used for secondary purposes	P82	ESG Factbook
	TC-IM-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	P82	ESG Factbook
	TC-IM-220a.4	(1) Number of law enforcement requests for user information	P82	ESG Factbook
		(2) number of users whose information was requested		-
		(3) percentage resulting in disclosure		-
Data Security	TC-IM-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	P90	ESG Factbook
	TC-IM-220a.6	Number of government requests to remove content, percentage compliance with requests	P90	
	TC-IM-230a.1	(1) Number of data breaches	P82	
		(2) percentage involving personally identifiable information (PII)		-
		(3) number of users affected	P82	ESG Factbook
	TC-IM-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	P51-53	Information Security & Privacy Protection
Employee Recruitment, Inclusion & Performance	TC-IM-330a.1	Percentage of employees that are foreign nationals	P83	ESG Factbook
	TC-IM-330a.2	Employee engagement as a percentage		-
	TC-IM-330a.3	(1) Gender diversity in the management	P84	ESG Factbook
		(2) Gender diversity in technical staff	P84	ESG Factbook
		(3) Gender diversity in all employees	P83	ESG Factbook
Intellectual Property Protection & Competitive Behavior	TC-IM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti- competitive behavior regulations		-
Net users status	TC-IM-000.A	Measurement of user activity	-	-
	TC-IM-000.B	(1) Data processing capacity	-	-
		(2) Outsourcing ratio	-	-
	TC-IM-000.C	(1) Data storage capacity	-	-
		(2) Outsourcing ratio	-	-

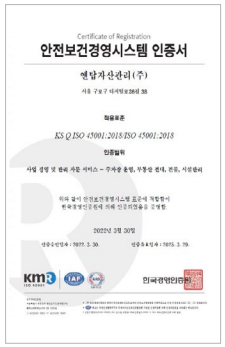
ASSOCIATION MEMBERSHIP AND AWARD

Association Membership

Association	Membership	Remark	Homepage
Korea Association of Game Industry (K-GAMES)	Vice-Chairman	As an incorporated association established through cooperation between game companies to promote the game industry and fulfill its social responsibilities, it engages in the operation of the International Game Exhibition (G-STAR), game industry research, game policy and public relations research.	http://www.kgames.or.kr/
Game Culture Foundation	Fundraising company	As an incorporate association established to create and spread a sound game culture, it focuses on improving game awareness through activities such as game culture family camps, operation of an over-immersion healing center, and game literacy education.	http://www.gameculture.or.kr/
Game Self-governance Organization of Korea (GSOK)	Member	As a self-controlled organization established for protecting game users and promoting game culture, it establishes and implements self-regulatory policies for recent game industry issues such as loot box, game adverts, etc.	http://www.gsok.or.kr/
Korea Internet Corporations Association	Member	As a support group of ICT industry-based business operators, it engages in improving regulations and systems for internet-based companies (policy research, cooperative project with government).	http://www.kinternet.org/
Korea Council of Chief Information Security Officers	Regular member	As an incorporated association aimed at strengthening information security and building a cooperative system, major activities include policy proposal to enhance information security environment through cooperation between CISOs, improvement of awareness of information security, and joint response to cyber infringement accidents.	http://cisokorea.org/

Certification

Certification	Date	Expiration Period	Details
Family-friendly company in 2021	2021.12.16	2021.12.01 ~ 2023.11.30	Certified by the Ministry of Gender Equality and Family as a company that operates an exemplary family-friendly system
ISMS-P (Personal Information & Information Security Management System)	2020.12.16	2020.12.16 ~ 2023.12.15	Measures and activities for corporate information security and privacy protection are being appropriately promoted.
International information protection management system (ISO/IEC 27001)	2018.07.29	2021.07.30 ~ 2024.07.29	The most authoritative international certification in the field of information security
GSOK Self-regulation	2022.08.16	2022. 8.16 ~ 2023. 8.15	Certified for continuous efforts to create a healthy game culture through reasonable consumption
Health and Safety Management System	2022.03.30	2022.03.30 ~ 2025.03.29	Certified by KMR that business and advisory services are in conformity with the safety and health management system standards
Green Building Certification on G-Tower	2020.10.27	2020.10.27 ~ 2025.10.26	Certified as a green building (highest grade) in accordance with the Green Building Construction Support Act
Building Energy Efficiency Rating on G-Tower	2020.10.19	2020.10.19 ~ 2030.10.10	Certified as the Grade 1+ Building in energy efficiency according to the building energy efficiency grade certification and zero-energy building certification rule



Award

SNS Channel

SNS Channel	Subscribers (as of Dec. 2021)	Achievement (as of Dec. 2021)	Flagship Contents	Major Issues in SNS Channels in 2021
Facebook	2.68 million	25,284,371	Performance related card news	Grand Prize in the game category at the Social i-AWARD 2021 and ranked first in the domestic game business within Facebook
Youtube	160 thousand	13,385,376	Promotional video about ESG	Won the Grand Prize for Content Innovation in the YouTube category at the Social i-AWARD 2021 and Excellent Company in SNS in YouTube category at the 2021 Digital Customer Satisfaction Index
Instagram	18 thousand	Around 400 thousand	Casual content	Grand Prize in the game category at the Social i-AWARD 2021
Naver Blog	Not Applicable	1,328,547	Marble Challenger game guide post	Exceeded 28 million cumulative visitors in 2021 and became the only IT industry to win the "Korea Blog Award" for two consecutive years (2015 Grand Prize, 2016 Excellence Award)
TikTok	73 thousand	4,507,560	Casual short-form video content	Demonstrated rapid growth with over 360,000 subscribers since opening in the first half of 2021 and won the Grand Prize in the social media category at the 2022 Social i-AWARD
Channel Netmarble	Not Applicable	1,323,510	Company news related posts	Achieved 1.32 million page visitors in 2021

Eco-friendly Sector

Award	Date	Awarded from	Details
Excellence Award at the 16th Korea Ecological Environment Architecture Awards	2021. 11. 12	Korea Institute of Ecological Architecture And Environment	An exemplary case of appropriately applying eco-friendly design techniques and design to G-Tower construction

New Media

Award	Details
Korea Communication Awards	Grand Prize in the IT and Game category at the Korea Social Media Awards Grand Prize in the Brand Contents category at the Korea Digital Contents Awards
2021 Social i-Awards	Grand Prize for Content Innovation in the YouTube category, Grand Prize in the game industry category on three platforms: Facebook, Instagram, and Channel Netmarble
The 9th Digital Customer Satisfaction Index	1st place in the game category (4 consecutive years) SNS Excellence Company YouTube Award

INDEPENDENT ASSURANCE STATEMENT

To readers of Netmarble ESG Report 2022

Introduction

Korea Management Registrar (KMR) was commissioned by Netmarble to conduct an independent assurance of its ESG Report 2022 (the "Report"). The preparation of the Report is the sole responsibility of the management of Netmarble. KMR's responsibility is to issue an assurance statement over the limited scope of data and information specified below.

Scope and Standards

Netmarble described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the assurance standard SRV100 of KMR's Global Management Committee to provide a limited assurance. We evaluated the adherence to the principles of materiality and understandability and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index specified below.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the disclosures below for the confirmation.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards
  - GRI 205: Anti-corruption
  - GRI 303: Water and Effluents
  - GRI 305: Emissions
  - GRI 306: Waste
  - GRI 404: Training and Education
  - GRI 405: Diversity and Equal Opportunity
  - GRI 412: Human Rights Assessment
  - GRI 413: Local Communities
  - GRI 418: Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of Netmarble' partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the assurance engagement:

- Reviewing the overall Report;
- Reviewing the procedure and methods of materiality assessment;
- Reviewing the strategies and objectives of sustainable management;
- Reviewing the activities engaging stakeholders; and
- Interviewing people in charge of preparing the Report.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Netmarble on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, nothing has come to our attention to suggest that the Report was not prepared in accordance with the principles described below. We did not find any evidence that the data included in the scope defined above is not properly described.

- **Materiality**

The reporting boundaries of the Netmarble' Report include all of its operating sites. The Report provides detailed long-term sustainability strategies and targets. Netmarble relies on its own materiality assessment process to decide the materiality of issues identified by stakeholder communication channels. We could not find any material issue or stakeholder group that was not covered in the process.

- **Understandability**

The Report was prepared in the context of sustainability to provide targets for sustainability issues identified by the materiality assessment and the background of the selection and the management approach. It is our opinion that the metrics are specific and easy to compare.

- **Reliability**

The Assurance Team identified errors in the data and information provided, which Netmarble subsequently corrected before issuing the final version of the Report. We believe the data and information included in the Report are accurate and reliable. Nothing has come to our attention to imply that the Report does not provide a fair representation of Netmarble' responses to material stakeholder issues.

We did not find any evidence to suggest that the Report was not prepared in accordance with the Core Options of the GRI standards.

Recommendations

We expect that the Netmarble' Report can be utilized as a means of communications with stakeholders. The following recommendations are provided for further improvements:

- Netmarble's report was unique as it described activities related to individual targets of the United Nation's Sustainable Development Goals in detail. Recognizing the importance of "climate change response", the company also reported energy consumption reduction, investment in energy demand management and environmentally friendly landscaping to proactively meet the expectations and interests of its stakeholders. We recommend that Netmarble issue the report on an annual basis to share timely information and analyze the impact of new policies, thereby enhancing the sustainable management system.

Independence

KMR has no other contract with Netmarble and did not provide any services to Netmarble that could compromise the independence of our work.

November, 2022

KMR SRV1000 Sustainability Committee Assurance

CEO E. J Hwang

netmarble

Netmarble ESG Report 2022