

netmarble

Sustainability Report

2024



netmarble

CONTENTS

Introduction

- 05 About This Report
- 06 A Message from the ESG Committee Chair
- 07 About Netmarble

01

Sustainability Strategy

- 10 Sustainability Management System
- 12 ESG Highlights
- 13 Materiality Assessment

02

We Entertain the world with fun games.

- 16 User Satisfaction
- 23 The Right Technology for Everyone

03

We Support a sustainable future.

- 26 Talent Management
- 31 Building a Corporate Culture
- 37 Health and Safety Management
- 42 Mutual Prosperity and Cooperation
- 44 Information Security and Data Privacy
- 49 Social Responsibility

04

We Grow Together.

- 56 Environmental Management
- 63 Governance
- 66 Shareholder-Friendly Management
- 67 Ethics and Compliance
- 70 Risk Management

05

Factbook

- 74 Environmental
- 75 Social
- 80 Governance

06

Appendix

- 85 Stakeholder Communication
- 86 GRI STANDARDS INDEX
- 88 SASB INDEX
- 89 TCFD INDEX
- 90 Emploeeships and Certifications
- 92 GHG Verification Statement
- 93 Independent Assurance Opinion Statement

07

Management disclosure

More information about our management can be found through the Netmarble website, Channel Netmarble, business reports, and corporate governance reports. We strive to enhance stakeholder trust and create a transparent management environment through regular information disclosure.

- 2023 Corporate Governance Report
- 2023 Business Report
- 2023 Audit Report
- 2023 Sustainability Report

Official channels



Netmarble Website



Netmarble ESG Website



Netmarble Cultural Foundation



01

Introduction

05

About This Report

06

A Message from
the ESG Committee Chair

07

About Netmarble

MMORPG 'Arthdal Chronicles: Three Factions'
released in April 2024 by Netmarble F&C

About This Report

Report Overview

Netmarble transparently discloses its sustainability management activities and performance. With our first report published in 2021, we have continued to publish ESG reports annually, demonstrating our commitment to communicating with various stakeholders and creating our unique ESG management and sustainable value.

Reporting Standards

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and the disclosure recommendations for the Software & IT Services industry within the Technology & Communications area of the Sustainability Accounting Standards Board (SASB). It also includes the UNGC 10 principles and the implementation status of the UN Sustainable Development Goals (SDGs), and reflects the TCFD (Task Force on Climate-Related Financial Disclosures) guidelines in disclosing our climate-related business activities.

Reporting Scope

This report primarily covers sustainable management activities and performance of Netmarble, as well as some management activities of key affiliates. The reporting scope of some quantitative data may vary. For detailed reporting scopes, please see the footnotes.

Reporting Period

This report includes quantitative data, such as financial results, for the period starting from January 1, 2023 to December 31, 2023. Some data like business results may be related to the period running through the month of report publication (June 2024).

Credibility of Report


To ensure credibility, this report was verified by BSI Group Korea, and the verification process was conducted in accordance with AA1000AS (Type 2, Moderate Level) standards. A separate validation was carried out on the greenhouse gas (GHG) data and is included in the report.


Additional Information


For more information or inquiries about this report, please contact us using the contact details provided on the right.

INTERACTIVE REPORT User Guide

Netmarble Sustainability Report 2024 is made available in an interactive PDF format to provide diverse link connections to help readers conveniently access a wide array of data. This interactive PDF report enables readers to easily move to their desired page.

 Move to cover page

 Move to contents

 Link to web page

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A Message from the ESG Committee Chair

Dear stakeholders,

I am Lee Chan Hee, Chair of the ESG Committee at Netmarble.

I would like to extend my sincere gratitude to you all for your keen interest in and support for our journey towards sustainability management. Even before companies around the globe adopted ESG as a core part in their business management, Netmarble recognized sustainability management as essential to our business survival, and has put into action social responsibility in a variety of fields. By building on experiences we have accumulated thus far, Netmarble created and put the ESG Committee under the auspices of the Board of Directors in 2023. Led by the leadership of the ESG Committee, we have strived to establish a governance framework allowing ESG management to take hold enterprise-wide.

Netmarble is a leading game company in Korea, grown based on the value of mutual growth and being the first in the industry to adopt a publishing business model. As a leader in the Korean gaming industry, we have promoted the positive aspects of gaming, fostered a healthy gaming culture, and engaged in various activities contributing to talent development and community welfare. Furthermore, we have ensured Netmarble game users enjoy stable and uninterrupted games enabled by global best-in-class service. Also, we provide guides to discourage 'difference' in cultural values from being led to 'hatred' and 'discrimination' among users as part of the high-quality game contents services we have sought to offer.

Since our foundation, we always kept in mind what the social responsibilities of a leading game contents company in Korea are in our endeavor to find a way for a business survival and a mutual growth. As an extension of our management vision of being a "Great Game Culture Company," we unveiled our ESG vision: "We Entertain, Support, and Grow Together," setting it as our ultimate sustainability goal. Our ESG management vision is to entertain the world with fun games, to take our responsibilities by supporting a sustainable future, and to grow together with our stakeholders, representing our sincerity and commitment.

Our dream towards a better future continues as we seek ways to create a sustainable future through the spirit of challenge and innovation. These efforts will undoubtedly become the milestones for the past, present, and future of the Korean gaming industry. The Board of Directors and ESG Committee, including myself, will listen carefully to the feedback of stakeholders to do our best. It would be our great pleasure to receive your valuable support and advice as we move forward towards "ESG for all."

Thank you.

June 2024

netmarble

Chair of the ESG Committee **Lee Chan Hee**



We Entertain the world with fun games.

We Support a sustainable future.

We Grow Together.



About Netmarble

Netmarble has led the gaming market through continuous challenge and innovation. Our balanced sales portfolio comprises a large number of games in various genres. Leveraging our advanced game development capabilities, we consistently deliver world-class gaming experiences to users worldwide.

Company Overview

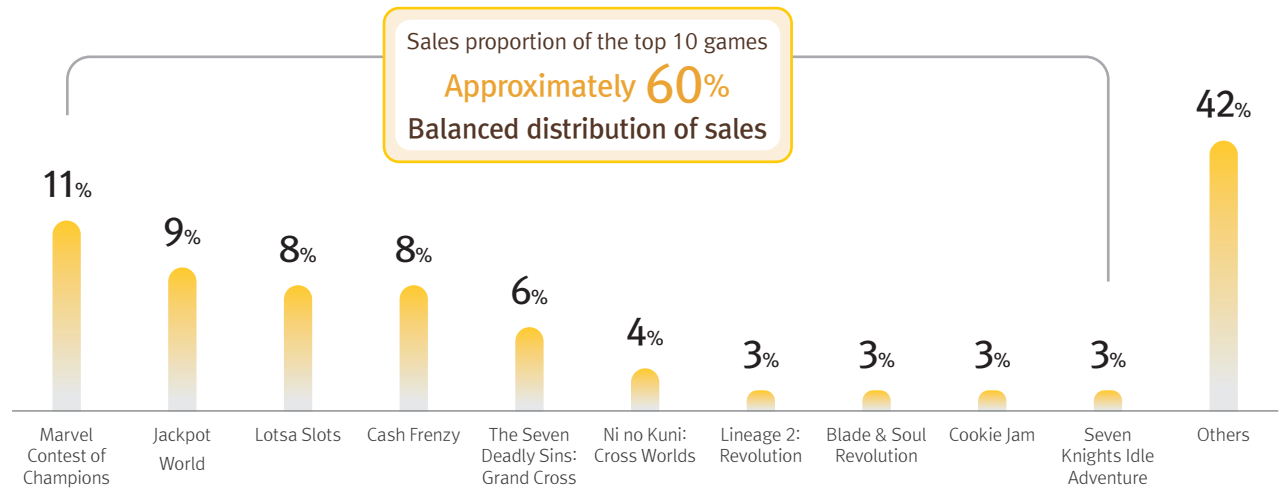
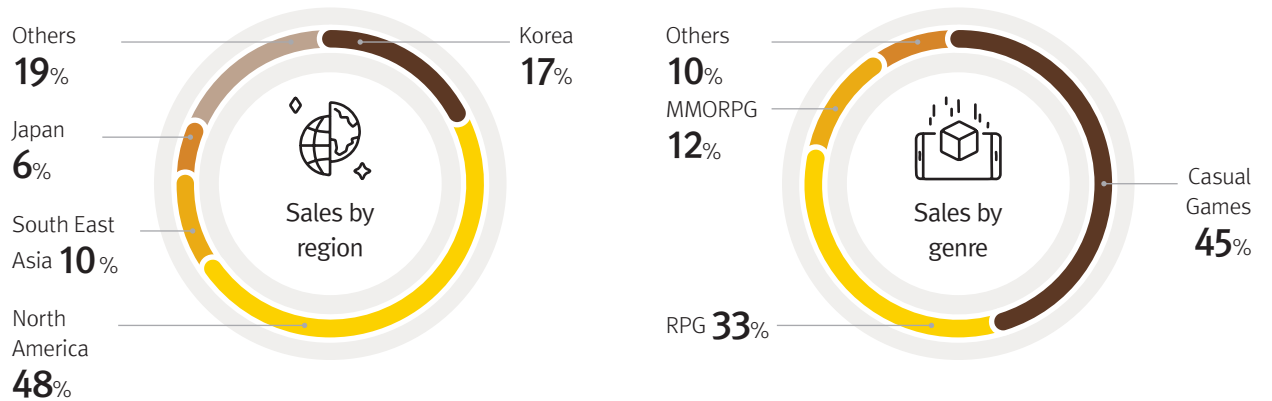
Established	March 2000
CEO	Kwon Young Sig and Kim Byung Gyu
Business area	Game development and publishing
Headquarters	G-Tower, 38, Digital-ro 26-gil, Guro-gu, Seoul, Korea
Website	company.netmarble.com

Domestic and Overseas Subsidiaries

Name	Business area	Location
Netmarble F&C		
Netmarble Neo		
Netmarble N2	Game development and distribution	G-Tower, 38, Digital-ro 26-gil, Guro-gu, Seoul
Netmarble Nexus		
Netmarble Monster		
Zempot		
Jam City, Inc.	Game development and publishing	Culver City, CA 90232, USA
Kabam, Inc.		San Francisco, CA 94105, USA
SpinX Games Limited		Kowloon, Hong Kong

The status of the consolidated subsidiaries is disclosed in the business report.

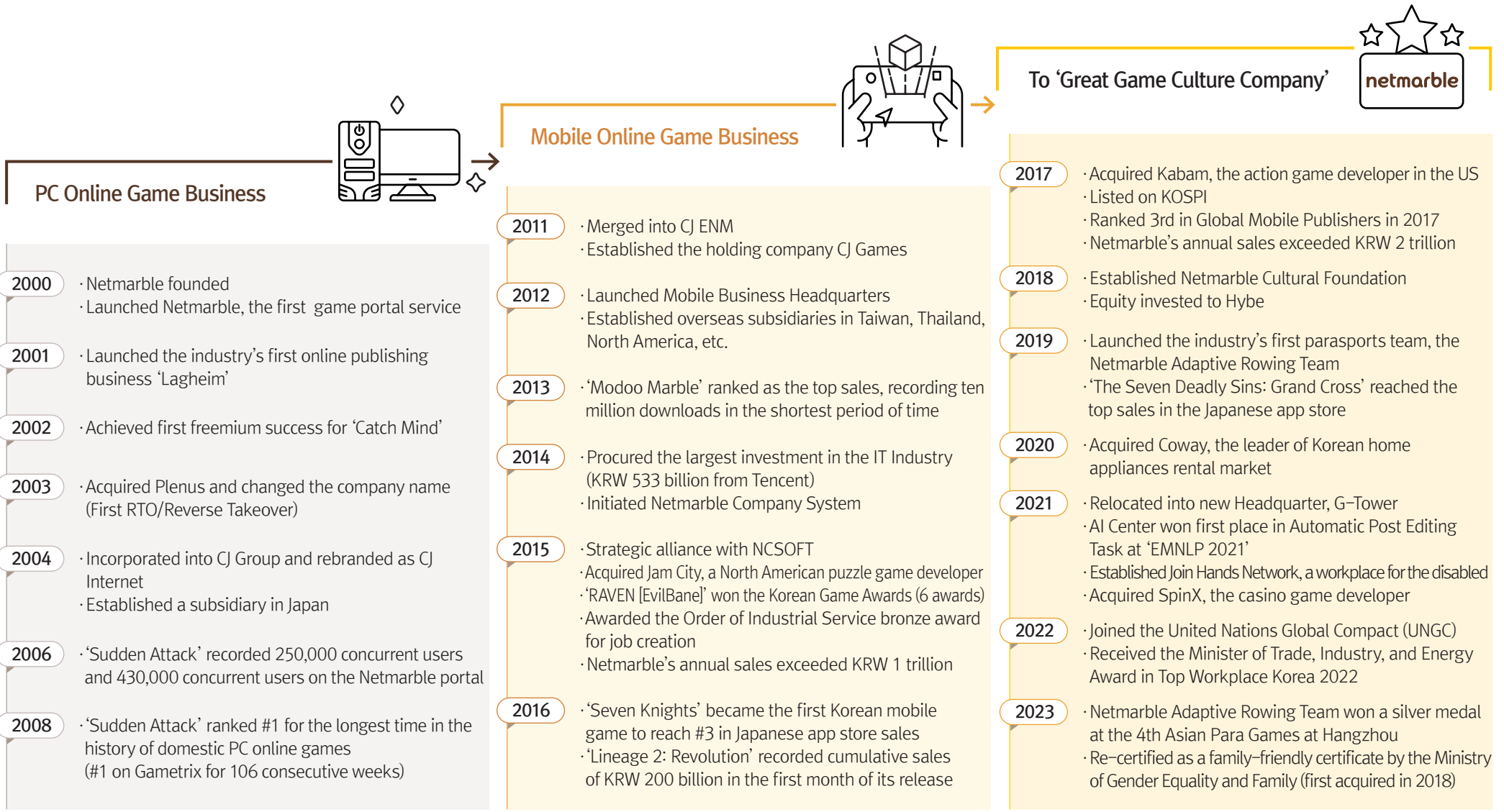
Diverse sales and genre portfolio



Based on Netmarble 2023 consolidated financial statement

Company History

Netmarble is a global game company that has thrived on the values of challenge and innovation for 24 years since its foundation. We are committed to entertaining our global user base with exciting games, prioritizing the growth of our employees, and, as a responsible global corporate citizen, continually striving to become a great game company where everyone grows together.





02

Sustainability Strategy



Casual RPG 'Seven Knights Idle Adventure'
released in September 2023 by Netmarble Nexus

10

Sustainability Management System

12

ESG Highlights

13

Materiality Assessment

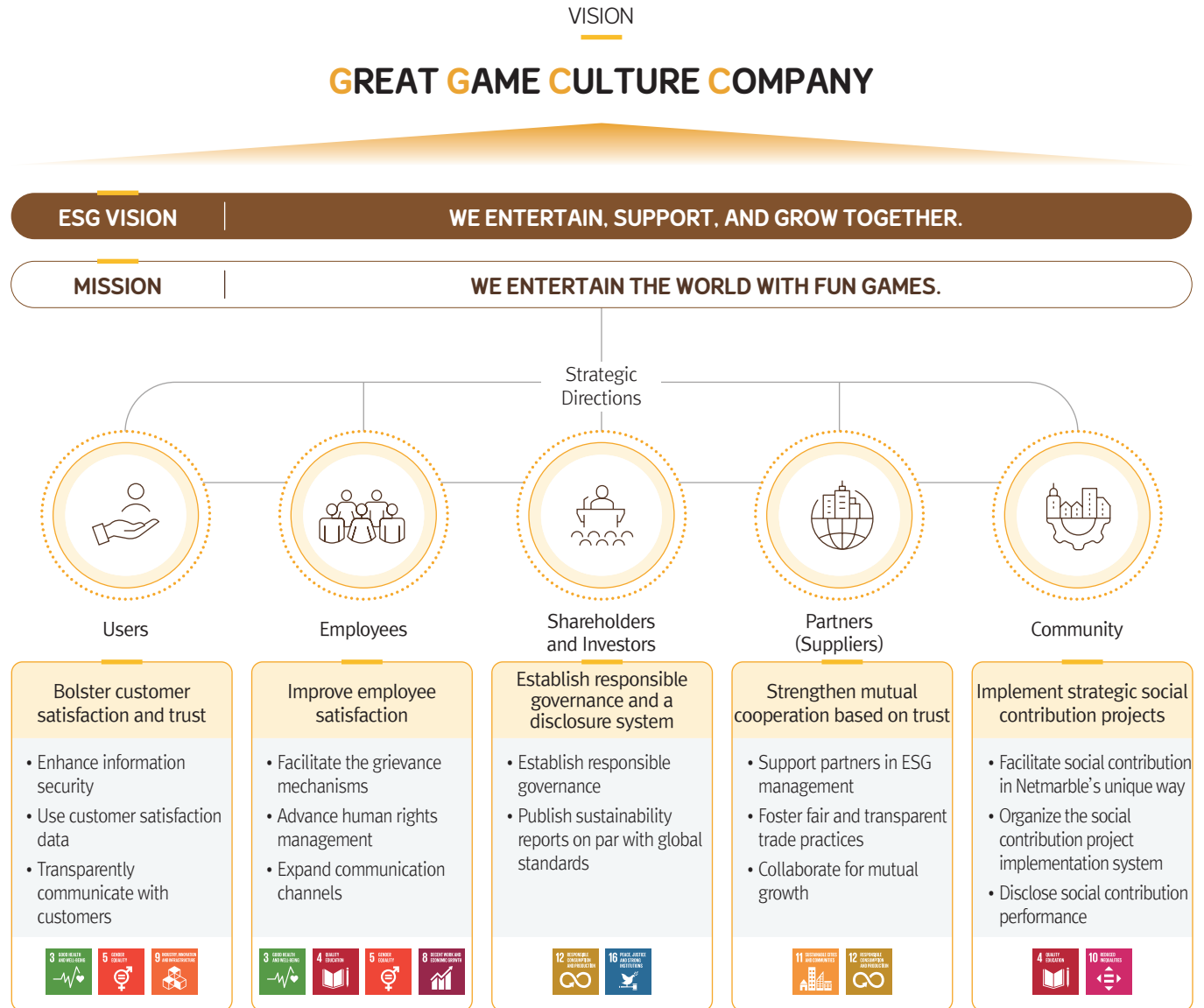
Sustainability Management System

Direction for Sustainability Management

Under the ESG vision of ‘We Entertain, Support, and Grow Together,’ which emphasizes the connection between the management vision ‘Great Game Culture Company’ and the mission ‘We entertain the world with fun games.’ we set our ultimate direction toward a sustainable future by disclosing our 2021 report. Our ESG management vision aligns with this overarching mission. Our ESG management vision is to entertain the world with fun games, to take our responsibilities by supporting a sustainable future, and to grow together with our stakeholders, representing our sincerity and commitment.

ESG Management Principles

- 01 Faithfully fulfill our roles and responsibilities
- 02 Internalize ESG value to advance ESG management with sincerity
- 03 Create sustainable value to disseminate positive impact
- 04 Transparently communicate with stakeholders to build trust
- 05 Build consensus and engage employees

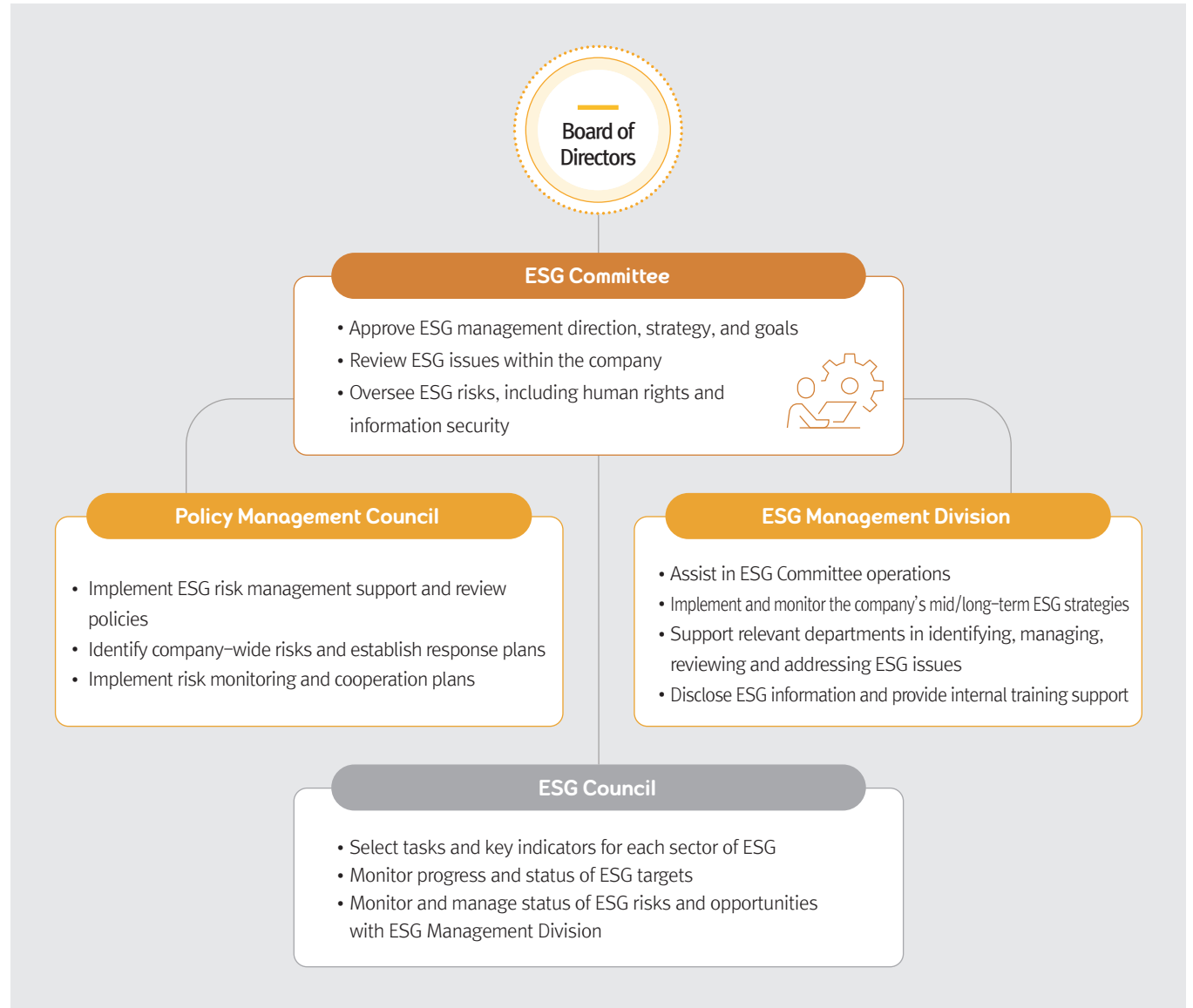


Implementation System

At Netmarble, there are three organs involved in ESG management. They include ESG Committee, the decision-making body, ESG Management Division, the responsible unit and ESG Council. Our Board-led ESG implementation system is regarded as a preemptive response in the gaming industry, carrying out effective decision-making, including ESG management strategies and responding to related risks. The ESG Management Division defines ESG management strategies and spearheads risk management, while the ESG Council, composed of divisions that carry out practical functions, implements ESG management collaboratively and strives to achieve sustainable growth and improve the company's corporate value.

2023 ESG Committee status

Date	Agenda	Type	Attendance Rate
May 2023	1. Election of chair	Approved	100%
	2. Report on ESG work progress status *Additional: Report on ESG issues (materiality assessment)	Reported	100%
Nov 2023	1. Revision of committee operational guidelines	Approved	100%
	2. Report on second-half project progress and key business direction for 2024	Reported	100%
	3. Report on the draft of environmental management guidelines	Reported	100%



ESG Highlights

Business Social Governance Environmental

No. 1 in R&D investment in the domestic gaming industry

Appx. KRW 670.8 billion as of 2023

Promoted **corporate information protection culture** and contributed to **standards improvement**

Selected as 2023 CISO of the Year (Organized by The Federation of Korean Information Industries)

Selected as **Excellent Family-Friendly Company** by the Ministry of Gender Equality and Family for **6 consecutive years**



Recognized in stakeholder **communication**


Received 2 Korea Interactive Communication Awards, 3 SNS of the Year Awards, Grand Prize of the Korea SNS Awards, and 6 Social i-Awards this year

Ranked 1st in the game category of the **Heart to Heart Index for 6 consecutive years**


(Organized by Korea Marketing Association)

KRW 2 trillion in sales for **7 consecutive years**

Based on consolidated sales from 2017 to 2023



G-Tower, a **green building**, received the **Minister of Environment Award**



The Minister of Environment Award at the 14th Artificial Ground Greening Award

Newly established **Environmental management guidelines**



Implemented updated environmental management policies and reported to the Board

Contributed to **spreading cultural values in games**

Received the 2023 Korea Mecenat Convention Cultural Contribution Award and certified as an excellent arts and culture supporting organization for the first time in the gaming industry

Established **37th Game Academy Exhibitions**



Introduced **reusable cups** for in-house cafe 'Ke Ke Dabang' to **reduce waste**

An average **daily usage of 2,000 cups** and a **retrieval rate of 97%**

Reorganized the ESG Committee into a committee under the Board of Directors

ESG Committee established in December 2021
Reorganized under BOD in March 2023

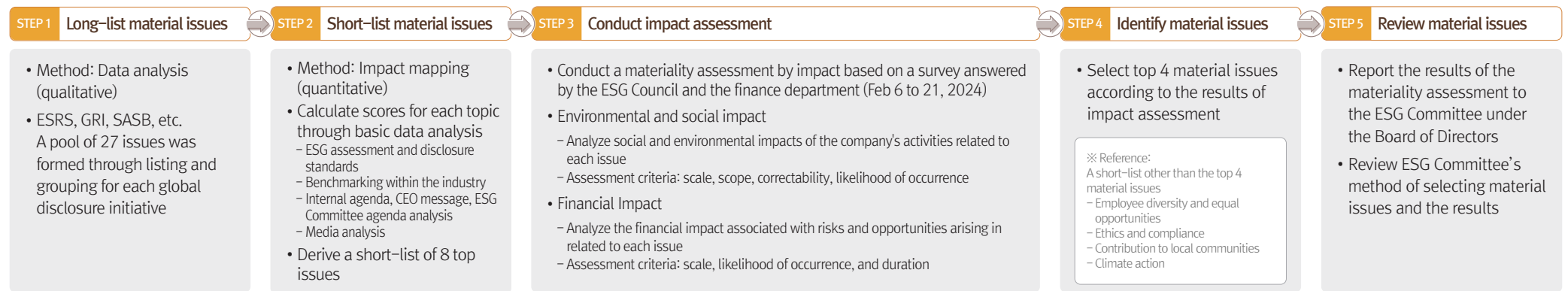
Hosted the **14th National e-Festival for Students with Disabilities**

Materiality Assessment

Overview and Concepts

Netmarble undertakes a materiality assessment every year to prioritize issues that require attention. In 2024, we conducted a double materiality assessment following the recommendations of the EU Corporate Sustainability Reporting Guidelines (CSRD). Among the topics determined in light of environmental, social, and financial impacts, four material issues with high impact levels were selected based on their alignment with the strategic direction of corporate management and their relevance to the business.

Process



Materiality Assessment Results

Ranking	Material Issues	Materiality of Environmental and Social Impact		Materiality of Financial Impact		UN SDGs
		Environmental and Social Impact	Significance	Financial Impact	Significance	
1 (▲ 1)	Social Enhanced user satisfaction	Enhanced user satisfaction through interactive communication, protecting user rights and interests, and creating an enjoyable gaming culture	●●●	Increased sales by building trust with users through active user satisfaction enhancement activities Decreased sales due to damage to brand trust and reputation resulting from harmful service elements	●●● ●●●	
2 (▼ 1)	Social Talent acquisition and development	Nurturing professionals for developing the gaming industry and creating the values of social and human capital	●●●	Increased costs for talent acquisition and retention (including new hires, salaries, training, etc.) Improved service quality and sales by enhancing team capabilities	●●○ ●●●	
3 (▲ 1)	Governance Technological innovation and R&D	Enhanced user satisfaction through service improvement using innovative technology	●●○	Increased R&D costs for investing in new technologies The release of a new game allows secure market leadership and future cash flow through new product launches	●●● ●●○	
4 (▼ 1)	Social Information security and data privacy	Poor protection of information assets and data privacy may lead to information leakage and data privacy infringement.	●●○	Financial losses in the forms of damage compensation, litigation expenses or penalties, and reduced sales in case of personal information issues or incidents Incur ongoing costs for investment and infrastructure building to strengthen information protection system	●●○ ●●○	

Material Issues Management

To systematically and sincerely practice ESG management, we report materiality assessments to the ESG Committee. We analyze the impact of the top four ESG issues in each ESG sector from our business perspective and share mid/long-term goals for each material issue and the progress made. We plan to manage the risks of material issues in advance and actively reflect them in our corporate management activities.

Type	Enhanced user satisfaction	Talent acquisition and development	Technological innovation and R&D	Information security and data privacy
Governance	<ul style="list-style-type: none"> Implement company-wide administration with business executives and relevant personnels Form a dedicated organization responsible for service risk management 	<ul style="list-style-type: none"> Evaluate talent acquisition capabilities through HR and on-site interviewers Plan and manage talent development trainings for employees through HR 	<ul style="list-style-type: none"> Discuss and suggest the company's direction for technology development with/to partner organizations related to technology management, technology publishing, and AI, etc. Set up the AI Center, a dedicated AI research organization and seek to develop related technologies 	<ul style="list-style-type: none"> Manage and monitor information security activities through the Information Security Committee and Netmarble's Information Security Council, with the participation of the Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO)
Strategy and policy	<ul style="list-style-type: none"> Establish a user rights protection policy Set up a user opinion management and response system <ul style="list-style-type: none"> Operate domestic and international user support channels Conduct real-time user feedback monitoring 	<ul style="list-style-type: none"> Establish a pipeline to secure excellent talent <ul style="list-style-type: none"> Internship Program Marble Challenger Advance recruitment channels Operate capacity building programs <ul style="list-style-type: none"> Training by position Job training by role 	<ul style="list-style-type: none"> Develop new technologies in the areas of AI, metaverse, and cloud for the advancement of game technologies Introduce a new technology and solutions to create a healthy game culture 	<ul style="list-style-type: none"> Establish a three-step information security policy <ul style="list-style-type: none"> Regulations: Outline overall goals and directions Guidelines: Set standards and principles to implement Procedure manuals: Specify concrete approaches to implementing the policy
Risk management	<ul style="list-style-type: none"> Establish a service risk management system <ul style="list-style-type: none"> Classify game service risks and operational service risks Detect potential risks using AI Implement three-level mitigation measures Implement follow-up actions to prevent recurrence Promote diversity and inclusion in games 	<ul style="list-style-type: none"> Support employee growth through performance appraisal and competency diagnosis Provide appropriate compensation based on fair performance assessment Prevent talent loss by increasing employee satisfaction, improving the working environment, and expanding employee benefits 	<ul style="list-style-type: none"> Set AI ethical principles for responsible technology development Continuous monitoring and actions in line with infringement response process to protect intellectual property rights 	<ul style="list-style-type: none"> Identify information security risks and implement mitigation measures through the security risk management process Conduct internal audit at least once a year and external audit at least every two years Monitor and block cyber attacks in real-time through various security systems Verify compliance with policies according to the personal information lifecycle
Metrics and targets	<ul style="list-style-type: none"> Set customer satisfaction improvement targets by 2027 and 2030, respectively Customer satisfaction (out of 5): 2.8 points (PC), 3.6 points (mobile) Service risk management: 9.7% decrease compared to the previous year 	<ul style="list-style-type: none"> Marble Challenger performance: 61% of the recipients with working ability were employed in the gaming industry Total hours of training: 8,459 hours (10.2 hours per person) 	<ul style="list-style-type: none"> R&D investment: KRW 670,849 million R&D investment ratio to sales: 26.8% Cumulative patent registration: 263 cases 	<ul style="list-style-type: none"> Define targets for training, certification, and compliance areas by 2024 and 2026 Number of security incidents: 0 case Number of data infringements: 0 case
Page	19, 20	26	23	44
GRI Index	416	404	-	418



03

We Entertain the world with fun games.

MMORPG 'Raven 2'
released in May 2024 by Netmarble Monster

16

User
Satisfaction

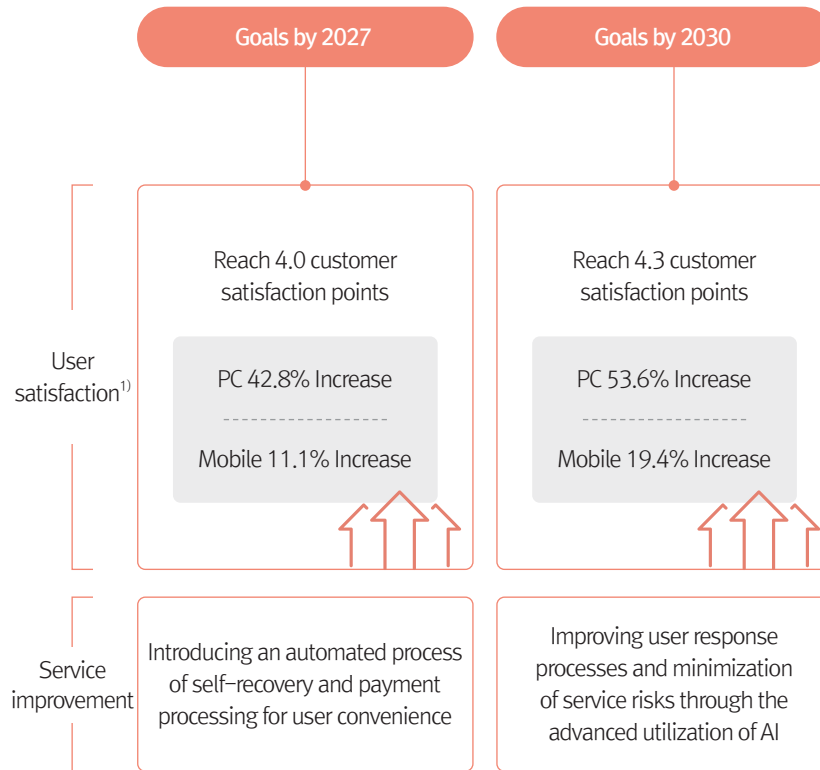
23

The Right Technology
for Everyone

User Satisfaction

Mid/Long-Term Goal

To ensure a highly satisfying gaming experience for users worldwide, Netmarble prioritizes the protection of our users' rights and interests. We have implemented a user feedback management and response system based on our user rights protection policy, effectively managing user opinions and promptly addressing any user concerns to enhance customer satisfaction.



1) Customer satisfaction surveys are conducted year round by the online customer center

Governance

We consider the improvement of user satisfaction and protection of rights as our top priorities to boost corporate profits and solve material ESG issues. From executive officers supervising business operations to responsible employees and service risk managers, we do our utmost to do it right across all fields of our business.

User Rights Protection Policy

Our user rights protection policy is disclosed on Netmarble portal, reflecting our commitment to building a service operation and management environment that users can trust. We continuously manage this environment to ensure users can safely enjoy our services without being exposed to harmful elements.

User rights protection policy

Netmarble strives to protect users' rights and interests and ensure a healthy and safe service environment as follows:

1. To establish trust in our service environment, we actively engage with users through channels like official communities and one-on-one inquiries, ensuring their feedback shapes our services.
2. To maintain fairness and order, we minimize harm to other users by restricting all in-game inappropriate acts, such as hacks and bug abuse, in accordance with our Terms of Use and Operation Policy.
3. We enhance user experience by providing transparent information about our contents and offering probability guidance for loot boxes to establish fair trading practices and minimize inconvenience.
4. When collecting users' personal information, we ensure it is gathered lawfully and rightfully within the minimum scope in accordance with the Privacy Policy, and take the best measures to ensure its safe management.
5. With prohibited words filtering system, we proactively maintain a healthy environment by blocking actions that may cause discomfort or discrimination to other users or groups.

Netmarble CEO *김영석*

Enhancing User Satisfaction

Support channels for users worldwide

We operate various user support channels for increased user accessibility. We offer consultations in 15 languages, allowing users to make inquiries anytime and anywhere. Our one-on-one inquiry service is available 24/7 in five languages, providing support to both domestic and overseas users, enhancing their convenience.

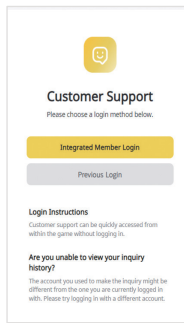
- FAQ (15 languages)**
 - Korean, English, German, Spanish, French, Indonesian, Italian, Japanese, Portuguese, Russian, Thai, Chinese (Simplified), Chinese (Traditional), Turkish, Arabic
- One-on-one user support (5 languages)**
 - Korean, English, Japanese, Chinese (Traditional), Thai



Offline service center



Multilingual FAQ

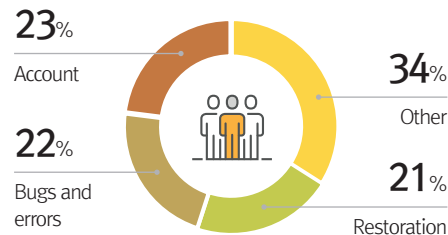


English user support page

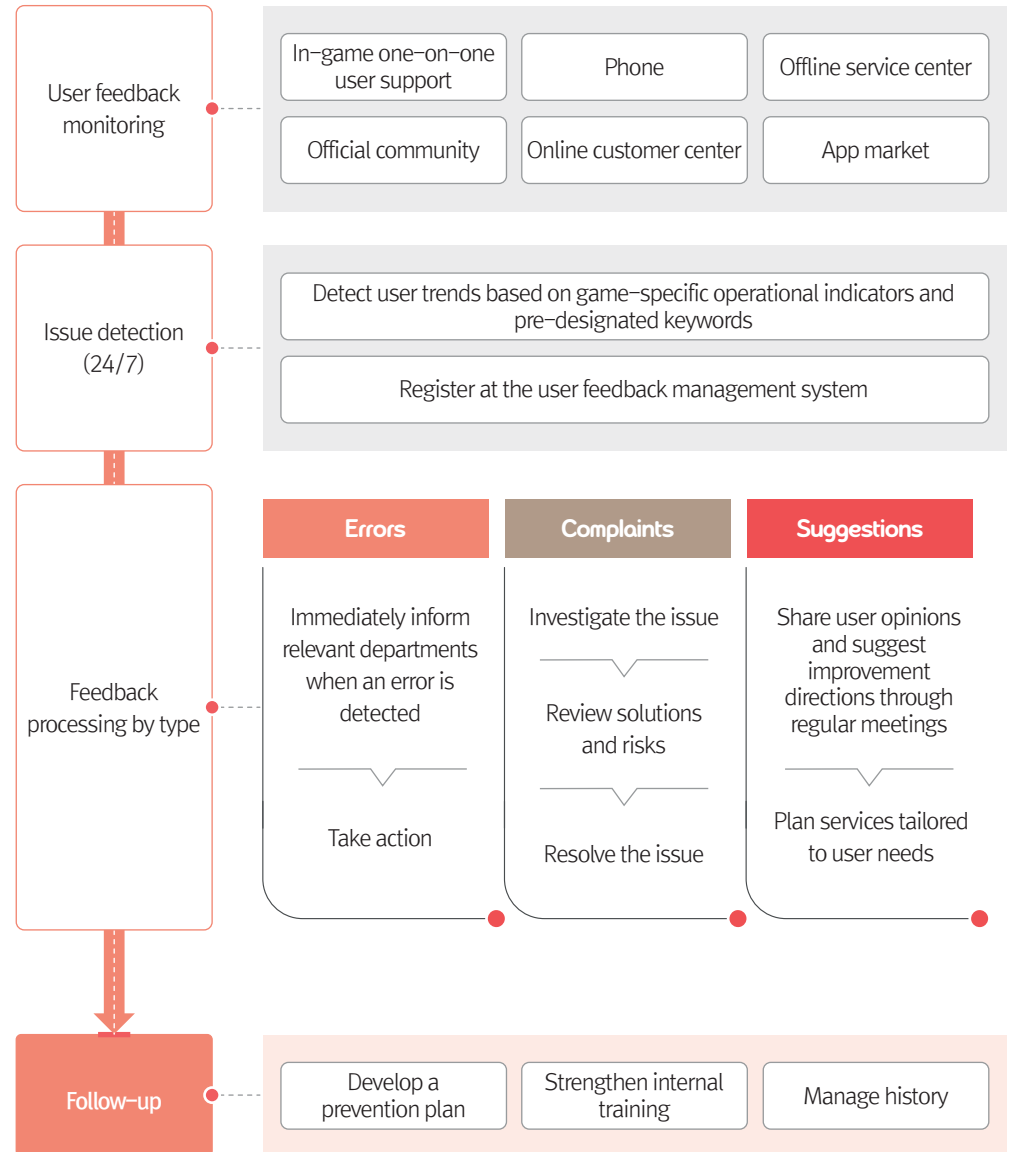
Real-time user feedback management

We monitor various channels 24/7 to quickly respond to user feedback and identify real-time issues through operational indicators for each game and a detection system based on pre-designated keywords. Detected customer opinions are registered in the User Feedback Management System and classified into three types—error, complaint, and suggestion—each processed according to its respective procedure. All processes are designed to minimize user impact and ensure prompt action, with follow-up procedures implemented to prevent a recurrence.

User opinions by type



User feedback handling process



Service risk management

We operate a Service Risk Management System with the Service Risk Organization at its core to effectively manage potential risks that may arise during the service provision process and to provide users with safe and convenient game services.

Service risks are categorized into three levels based on internal criteria considering importance, urgency, and impact, and differently managed by dividing them into game and operational service risks. Each risk is identified through AI-engineered risk detection, monitoring by game operators, and user reporting systems. We assess the extent of damage and promptly take countermeasures to minimize harm to users and prevent further damage.

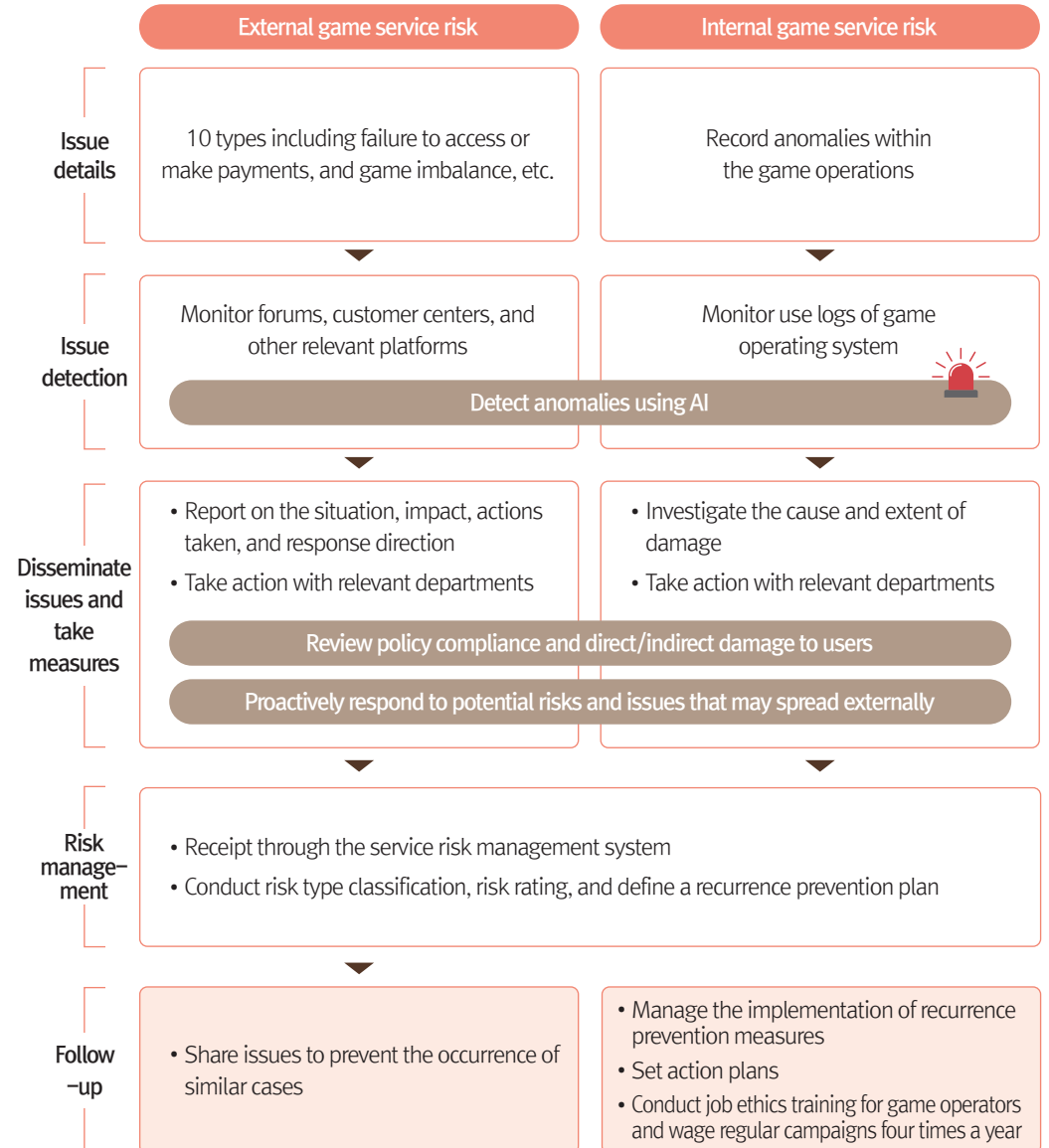
To deter risks from recurring, we conduct follow-up measures such as sharing major service risk issues, establishing action guidelines, and providing job ethics training for game operators. As a result of these initiatives, the service risks decreased by approximately 9.7% in 2023 compared to 2022.

Customer satisfaction survey results

(Unit: point with 5 points as perfect score)

Year	PC (domestic)	Mobile (domestic and overseas)
2021	3.1	3.2
2022	3.3	3.5
2023	2.8	3.6

Service risk management process



Ethical Service Operation

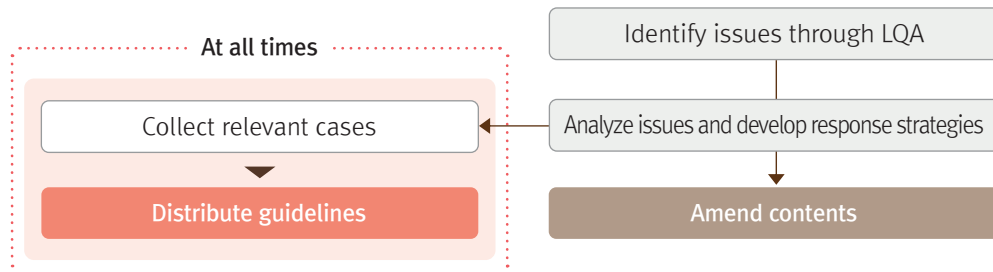
Contents promoting diversity, equity, and inclusion

Contents promoting diversity, equity, and inclusion

The competitive edge of Netmarble is the capacity of global one-build (GOB) which enables simultaneous release of the same version of a game in multiple countries around the globe. At the core of the GOB capability are content diversity and the value of inclusion which are managed by the Culturalization Advisory Council. The council collects sensitive issues related to religion, history, gender, culture and recent social and political issues, and then, defines guidelines and checklists to provide advice to relevant business divisions on an early preparation stage for a game release.

Before every game update, we proactively identify potential content issues from the perspective of local users through Localization Quality Assurance (LQA) in each region, which helps strengthen our processes by reviewing major issues with the advisory council and updating guidelines and checklists accordingly.

Diversity and inclusion management process in games



Contents guide to promote the value of cultural diversity

In the process of developing and servicing game contents, Netmarble provides contents guides in light of diverse cultural backgrounds and cases. This is to encourage game users to respect cultural diversity and not to 'hate' or 'discriminate' against other users due to their 'different values'.

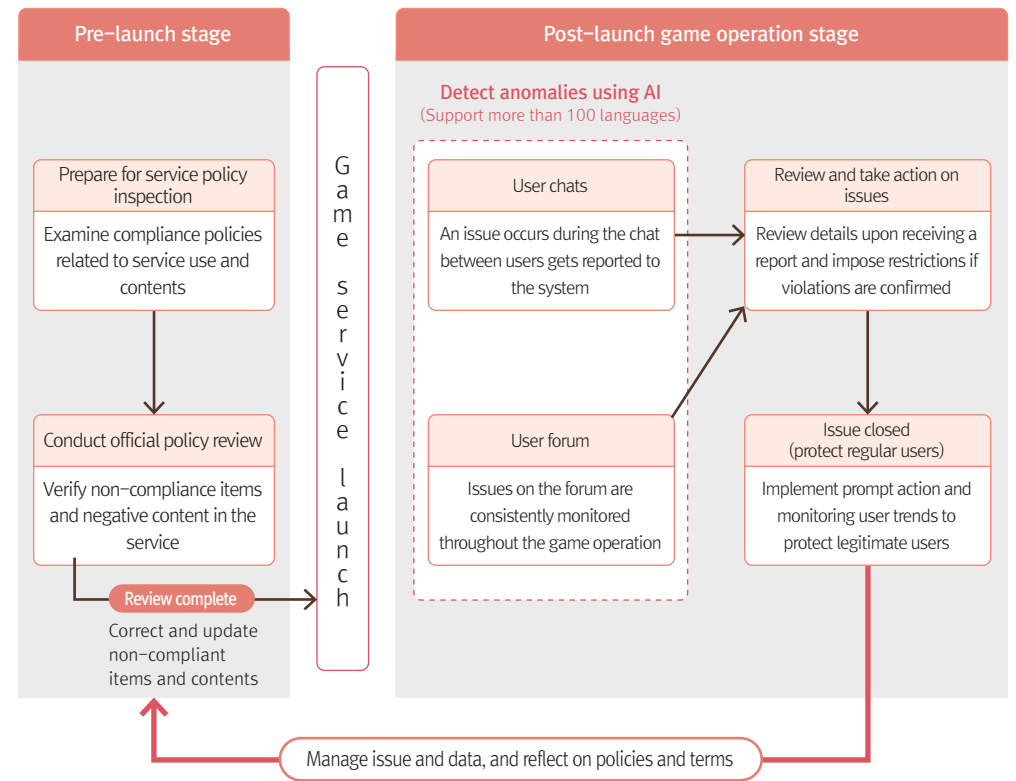


Preventing unethical and hateful expressions

Even from the stage of development, we run an inspection process to closely monitor the inclusion of inappropriate contents in line with internal criteria to amend or improve contents if necessary. During content updates, we continue to manage contents through internal inspection processes.

After launching, we monitor chats among users or community posts and use reporting functions in order to deter the circulations of inappropriate contents like discriminations, curses or slanders against specific classes, users or groups. The relevant users are subject to penalties in accordance with the Terms of Use, Operation Policy, and User Rights Protection Policy, and a notice is released to protect users.

Process to manage unethical and hateful expressions



Child and youth protection

Game time selection system and unauthorized payment prevention process

Under the Game Industry Promotion Act, we offer a game time selection system wherein youth users or their legal guardians designate game use times. We also provide information on elapsed use time and caution against long-term use every hour, conduct monthly analyses of game usage, and support youths in forming proper gaming habits and self-control skills.

Moreover, on the stages of purchasing in-game contents and payment, we inform youths of the withdrawal of a subscription and other key information, and require the consent of a legal representative to prevent unauthorized payment. Further, we provide a Parents-only help desk, allowing legal representatives to appropriately manage their children's game use.

Assigning a game a rating proper for a relevant age group

We strictly adhere to the game rating standards outlined in the Game Industry Act for all services to protect child and adolescent users. Upon initial use of the service, a child/adolescent user needs to go through a process of identity verification and the consent of a legal representative to be assigned a use rating according to his/her age. A use rating classification is conducted through the Game Rating and Administration Committee, the Game Content Rating Board, and independent rating classification business entities depending on the service method. In line with the rating decided, a minor user has an access to contents allowed under the relevant rating.

Loot box information disclosure

In order to foster a fair trading environment and help create a healthy gaming culture, we have thoroughly adhered to the Korea Association Of Game Industry's (K-GAMES) Guideline on the Disclosure of Probability Information for Probabilistic Items since 2017, going beyond standard disclosure requirements.

Since 2018, we have offered services as certified by the Game Self-Governance Organization of Korea (GSOK) for self-governance compliance for loot boxes. We seek to enhance trust in our services and create a fair trade environment by offering users accurate information in advance, including disclosing individual acquisition probabilities of loot boxes within the service, as well as the probabilities related to contents like item reinforcement and combination.

Upon introducing new loot boxes in both new and existing services, we conduct internal reviews of the probability information and use our own technology to prevent information errors during introduction and operation.



Game Self-Governance Organization of Korea (GSOK) certification mark

Two-way Communication with Various Stakeholders

Users

Expansion of online channels

Official broadcast of Netmarble games

- Delivering game news and real-time user communication through YouTube official broadcast of 'Tower of God: New World', 'Ni no Kuni: Cross Worlds', 'Seven Knights 2', etc.

Run new media channels and open additional channels

- Operating multidirectional user communication channels such as Facebook, Instagram, YouTube, TikTok, and Channel Netmarble
- Launching new channels such as Naver Chzzk and Thread, and expanding user communication channels
- Netmarble's TikTok won the first Silver Award from the TikTok Creator Awards in the domestic game brand (excluding individual game channels)

Offline communication and engagement

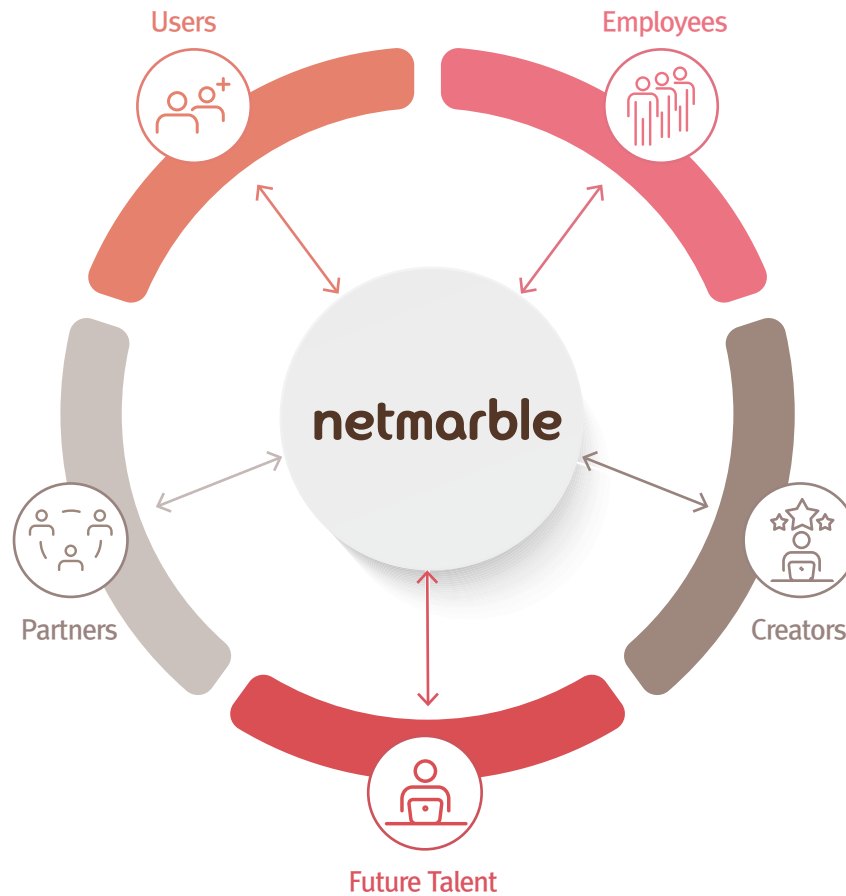
Participate G-STAR 2023 and Anime X Game Festival (AGF) 2023

- Three new titles launched in G-Star 2023, ranked 1st in online indicators and viewership ratings on Twitch Korea
- Hosted a special stage event during the 6th anniversary celebration of 'Fate/Grand Order' at AGF 2023

Partners

Strengthening communication through ethical management training and grievance handling channels

- Conducting Health and Safety Council, consulting, and training
- Operating a Netmarble Ethics Center for grievance handling



Employees

Various competency enhancement programs to support the self-directed growth of employees

- Conducting various trainings including ethical management, mutual respect, information security, privacy, and leadership
- Sharing tips and knowledge within the company and operating the Game Developer Forum (GDF) to strengthen employees' technical competencies

Creators

Partner creator program to build a sustainable gaming ecosystem

- Netmarble Partner Creator
- Netmarble Creator Academy
- Netmarble Partner Creator Plus

Future Talent

Development of future talent in the game industry through the Marble Challenger Program

- 185 graduates from the 1st semester of 2013 to the 20th semester of the first half of 2024

Strengthening interactive communication with users

Continuous expansion of new user communication channels

We became the first Korean game company branded channel to reach more than one million subscribers on TikTok. We won the Silver Award at the TikTok Creator Awards and received the TikTok of the Year prize at the 2023 SNS of the Year.

We are also actively enhancing user communication for each game by opening new channels. We launched an official channel on Naver’s game streaming service Chzzk, actively engaging in activities such as showcasing new releases through livestreams and collaborating with streamers. Furthermore, We became the first Korean game company to open an official channel on Meta’s Threads, gaining approximately 1,000 followers within a week of its launch in 2023.

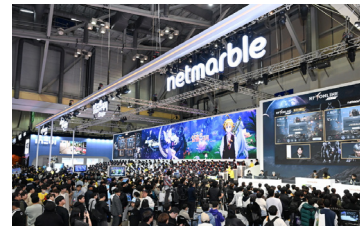


Receiving second 'Fate/Grand Order' coffee truck

On March 8, 2024, the management of 'Fate/Grand Order' received a second coffee truck from users, following the one in 2022. This event, voluntarily organized through user fundraising, serves as a meaningful symbol of continuous communication and harmony between users and the company.

G-STAR 2023 and Anime X Game Festival (AGF) 2023

We release new games every year at a global game event to enhance online and offline communication with users. At G-Star 2023, we released three new games and prepared a demonstration space, where various stage events were held. A livestream was held for the entire event, with 53,000 concurrent viewers and a cumulative audience of about 550,000, ranking first in the online popularity index among participating companies. We also participated in AGF 2023 and held a special stage event to commemorate the 6th anniversary of 'Fate/Grand Order', spending time with about 1,500 users. The livestream of the 'Fate/Grand Order' AGF 2023 Red Stage was very popular, with a total of 12,000 views.



Two-way communication through live streaming by developers for each game

We maintain continuous communication with users through official broadcasts for each game, including 'Ni no Kuni: Cross Worlds' TV Show and 'Lineage 2: Revolution' Ssultion. In 2023, we have continued to actively offer opportunities for two-way communication, with users directly asking questions and providing feedback to the managers of 'Tower of God: New World' and 'Seven Knights 2' through live broadcasts.

Enhancing communication with Netmarble partner creators

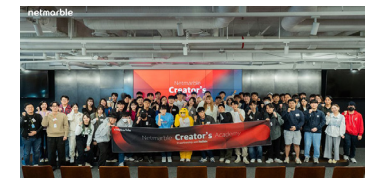
Creator Communication with YouTube

In collaboration with YouTube, we successfully operated the Creator Lounge during G-Star 2023, providing a relaxation and working space for influencers to rest, network, film, and produce content. Furthermore, we hosted the live broadcast of the main event 'Modoo Marble Blue and White Battle' at 'YouTube Creator Town: Game Festa', enhancing communication among creators and users.



Partner Creator Plus and Creator Academy Programs for a sustainable game ecosystem cycle

In 2024, we launched the Netmarble Partner Creator Plus program for the mutual growth of game companies, creators, and users. This program allows a portion of future payments to be added as creator sponsorship points when users select a creator they support and enter a sponsorship code, ultimately aiming to create a sustainable game content ecosystem. In 2023, we held the Netmarble Creator Academy, promoting the growth of game content through cooperation and the exchange of knowledge among employees of the content ecosystem, including game companies, platforms, MCNs, and creators. We intend to continue providing active communication and support to the entities that make up the gaming ecosystem through various programs and events in the future.







The Right Technology for Everyone

Our Artificial Intelligence (AI)

At Netmarble, we prioritize respecting and protecting human dignity, rights, values, welfare, freedom, and responsibility in developing and utilizing AI services.

We define stability, fairness, reliability, and privacy as our four human-centered AI ethical principles, striving to incorporate them throughout the entire process of planning, design, implementation, and operation of AI services.

AI ethical principles

Stability	<ul style="list-style-type: none"> Identify all foreseeable hazards throughout the entire operational stage Develop a plan to minimize risks 	
Fairness	<ul style="list-style-type: none"> Prevent discrimination and bias based on gender, religion, nationality, race, etc. Establish safety measures to ensure diversity and eliminate bias in AI learning data and model development 	
Reliability	<ul style="list-style-type: none"> Implement enhancements in explainability, robustness, and transparency of AI models Ensure transparency and robustness in AI operation and decision-making processes 	
Privacy	<ul style="list-style-type: none"> Comply with relevant laws and establish a secure data management environment Utilize data based on user consent and minimize the use of personal information De-identify personal information and identifiable data according to principle Prevent illegal use of collected data by utilizing only anonymized data Conduct regular training on data management rules for all employees 	

R&D for Intelligent Game Service

We are committed to technological innovation in AI to develop intelligent games that play strategically like humans, maximizing user entertainment. Our journey began in 2014 with research into AI technology using massive game data. In 2018, we established the AI Center to develop a game-balancing system, an anomaly detection system, and a user recommendation system. AI technology is also applied to game development, such as automatically creating natural facial expressions of game characters by integrating modules like voice emotion recognition, facial expression creation, and lip sync.

Key AI projects

- Image-generating AI**
 - A system designed to enhance the expressiveness of games and support the creative process by generating new creative images based on text or image input
- Anomaly detection**
 - A system that swiftly detects abnormal cases both within and outside games, automatically reporting details to the manager
- Balancing AI**
 - A system supporting users to enjoy games with optimal balance through large-scale simulations performed by reinforcement-learned AI agents
- Multilingual machine translation**
 - A feature enabling machine/computer automatic translation into foreign languages without human intervention
- Voice synthesis capable of emotion expression**
 - A function capable of expressing various emotions based on text, applicable for voice acting or game explanations



Virtual humans utilizing AI technology: 'RINA' and 'Mave' appearing in the in-flight safety video

Our Stable Global Service Technology

We are dedicated to providing stable game services to global users and strive to ensure that users from different countries, languages, and cultures around the world can enjoy games. As part of our commitment, we are developing eco-friendly game technology and managing intellectual properties, while upholding the values we consider most important: stability, eco-friendliness, and technology.

Global one-build strategy

For over a decade, most of our games have been offered with a global one-build approach, servicing one game to global regions simultaneously. This approach reduces technical risks and provides stable services with integrated operations rather than separating them by country or language.

QA system for stable service

We conduct thorough quality assurance (QA) before game releases and updates, quickly conducting multiple rounds of detailed QA to prepare users to enjoy more stable gameplay without technical issues. For a more precise QA, we utilize a variety of QA systems and constantly upgrade them.

Technology optimization for stable global service

To ensure faster game downloads, and uninterrupted, stable play without wasting data, we have established our own server structure verification advancement and client optimization processes. We collaborate with development studios to review and optimize server structures from the development stage of MMORPG games. We actively apply a client optimization process to create an environment where the development studio can focus on developing interesting content, leading users to enjoy more interesting games without interruption.

Technology protection and management

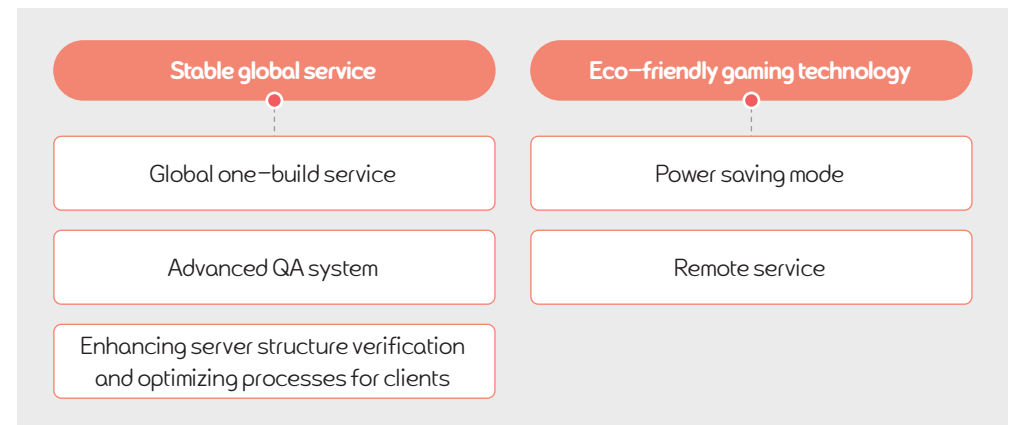
Operating services in the global market, we perform intellectual property (IP) registration and protection worldwide so that intangible intellectual assets such as outstanding technology, various patents, and copyrights can be actively researched and developed. We conduct monitoring at all times, manage through internal systemization, and ensure legal compliance. In case of infringement, we take appropriate measures such as reporting and requesting an investigation.

Power saving mode

To minimize negative environmental impacts during gameplay, we introduced a power saving mode for 'Lineage 2: Revolution' in December 2016 and are expanding its application to games currently in service. This mode is available for a total of ten types of mobile games, including 'Seven Knights Idle Adventure', 'Arthdal Chronicles: Three Factions', and 'Raven 2'. This mode enables games to progress without user interaction, enhancing play convenience and device battery efficiency, while also contributing to society's carbon emission reduction through energy conservation.

Remote service

In April 2024, we launched a new MMORPG 'Arthdal Chronicles: Three Factions' along with the Netmarble Connect app that supports remote services. This app allows users to remotely install, run, update, and play PC builds on their mobile phones through the app, without having to install apps for each game. Using just one device, users can continue playing the game at any location. Considering there is no need to download apps or use data for each game and that mobile devices generally use less power than PCs, remote services are expected to contribute to energy savings.



04

We Support a sustainable future.

26

Talent Management

31

Building a Corporate Culture

37

Health and Safety Management

42

Mutual Prosperity and Cooperation

44

Information Security and Data Privacy

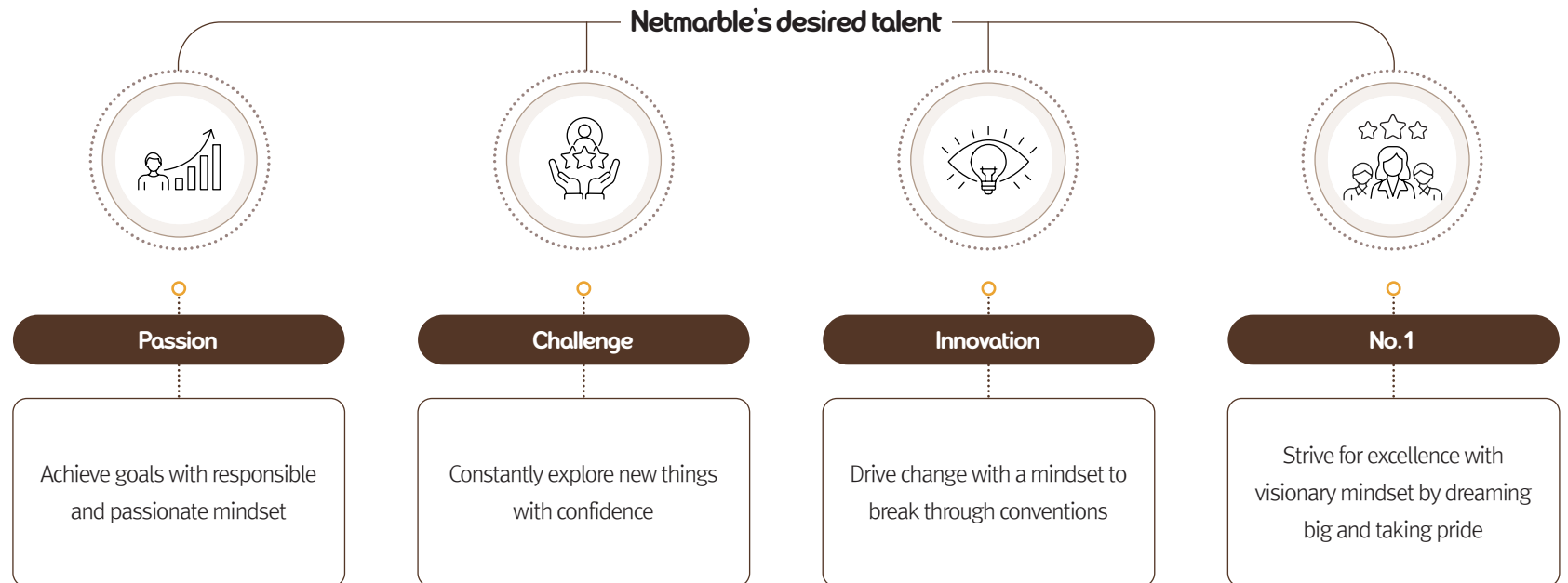
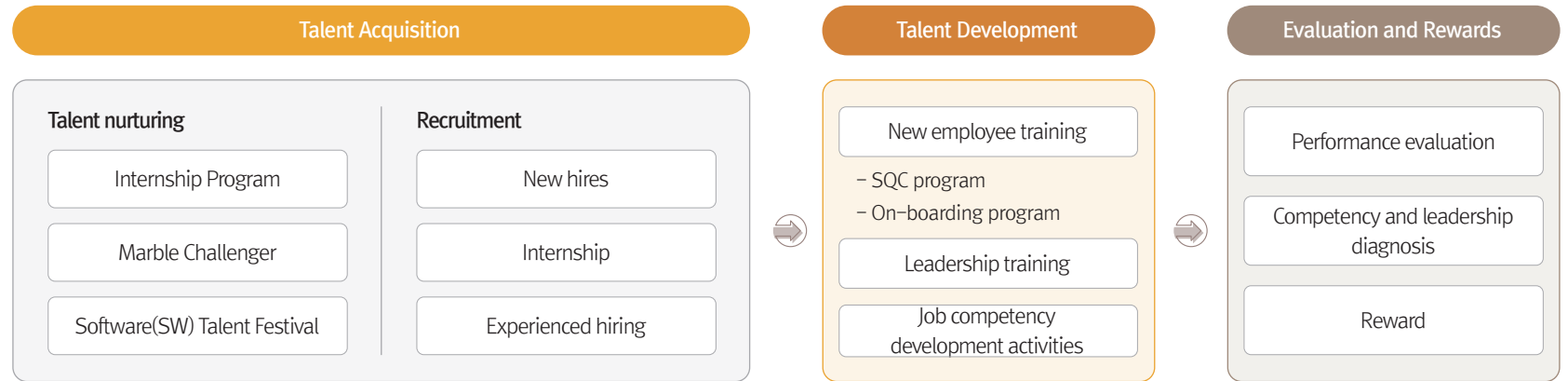
49

Social Responsibility

Action RPG 'Solo Leveling: Arise' released in May 2024 by Netmarble Neo

Talent Management

Talent Management System



Talent Acquisition

Netmarble views its employees as a key driving force for growth and future endeavors. With the aim of entertaining people around the world with fun games, we are committed to nurturing and recruiting future talent across various positions, including business, technology, marketing, and design.

Talent nurturing

Internship program

Each year, we run several programs aimed at attracting promising future talent interested in the gaming industry. Our internship program offers aspiring graduates valuable on-the-job experience, with high-performing participants being considered for full-time positions. We conduct internship programs more than once a year, providing future talent interested in the gaming sector with practical exposure and personalized mentoring to foster their professional growth and work ethics.

Marble Challenger

Marble Challenger is our university student program launched in 2013, aiding students aspiring to careers in the gaming industry to interact with professionals through internal and external company events and mentoring. As of June 2024, out of 185 cumulative graduates, more than 61% are employed in the gaming industry, underscoring our contribution to increasing indirect experience and understanding of the gaming industry.

Marble Challenger Career support results



Software(SW) Talent Festival

We participated as a sponsoring company in the 2023 SW Talent Festival hosted by the Ministry of Science and ICT, encouraging talent and supporting their growth by selecting outstanding works from co-op projects of 51 schools designated as software-centered universities. We are committed to continuing efforts across various fields to nurture digital talent in Korea.

Talent recruitment

Enhancement of talent recruitment channels

In 2023, we opened our recruitment page to attract talent with expertise and capabilities in various fields, from job roles to game genres. We strive for fair recruitment centered on job skills by disclosing detailed job information and our company's information on the page, enabling applicants to easily apply for suitable positions. We also improve applicant convenience through constant talent pool management, efficiently recruiting necessary talent in line with the rapidly evolving IT industry environment.

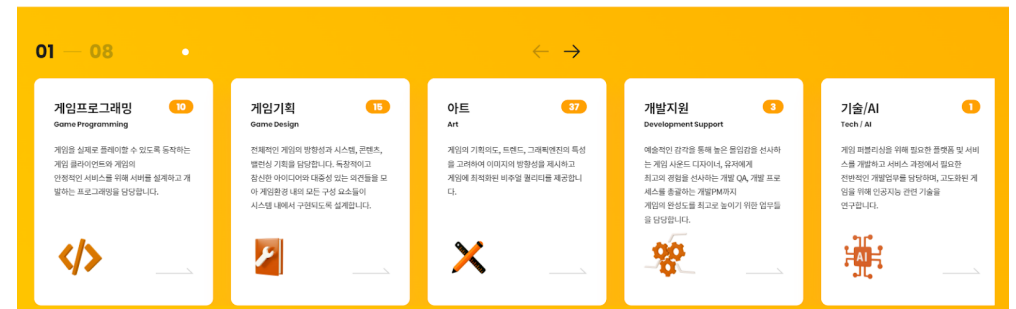
[Netmarble Company Recruitment Page](#)

Recruitment through Internal Recommendation

We have implemented an Internal Recommendation System, offering small rewards to employees who make recommendation of highly qualified individuals to apply for open positions. In 2023, approximately 12.4% of new hires joining the company through this system. We are putting our best efforts to secure talented individuals through various channels.

Various Job Overview

[다양한 직군 전체보기 >](#)



Talent Development

We operate various competency-building programs to support the self-directed growth of our employees, providing tailored training courses for interns, new hires, experienced employees, and position holders. Additionally, we implement online job training for new employees and an external training system for all employees to enhance job performance capabilities.

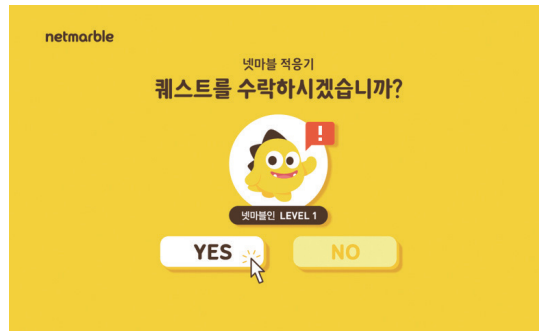
New employee training

Service Quality Control (SQC) program

SQC is a program conducted for interns and new employees in the business field, aiding in discovering and proposing ideas to increase game satisfaction from the user's perspective. Participants engage in the joint SQC program during their internship. After joining the company, they are assigned to SQC team for one year aiming to understand the essence of the game, enhance their user mindset, and develop the basic capabilities to become business project managers. We also offer opportunities for new employees to proactively engage in business activities, such as selecting improvement tasks for our game services and applying them in practice.

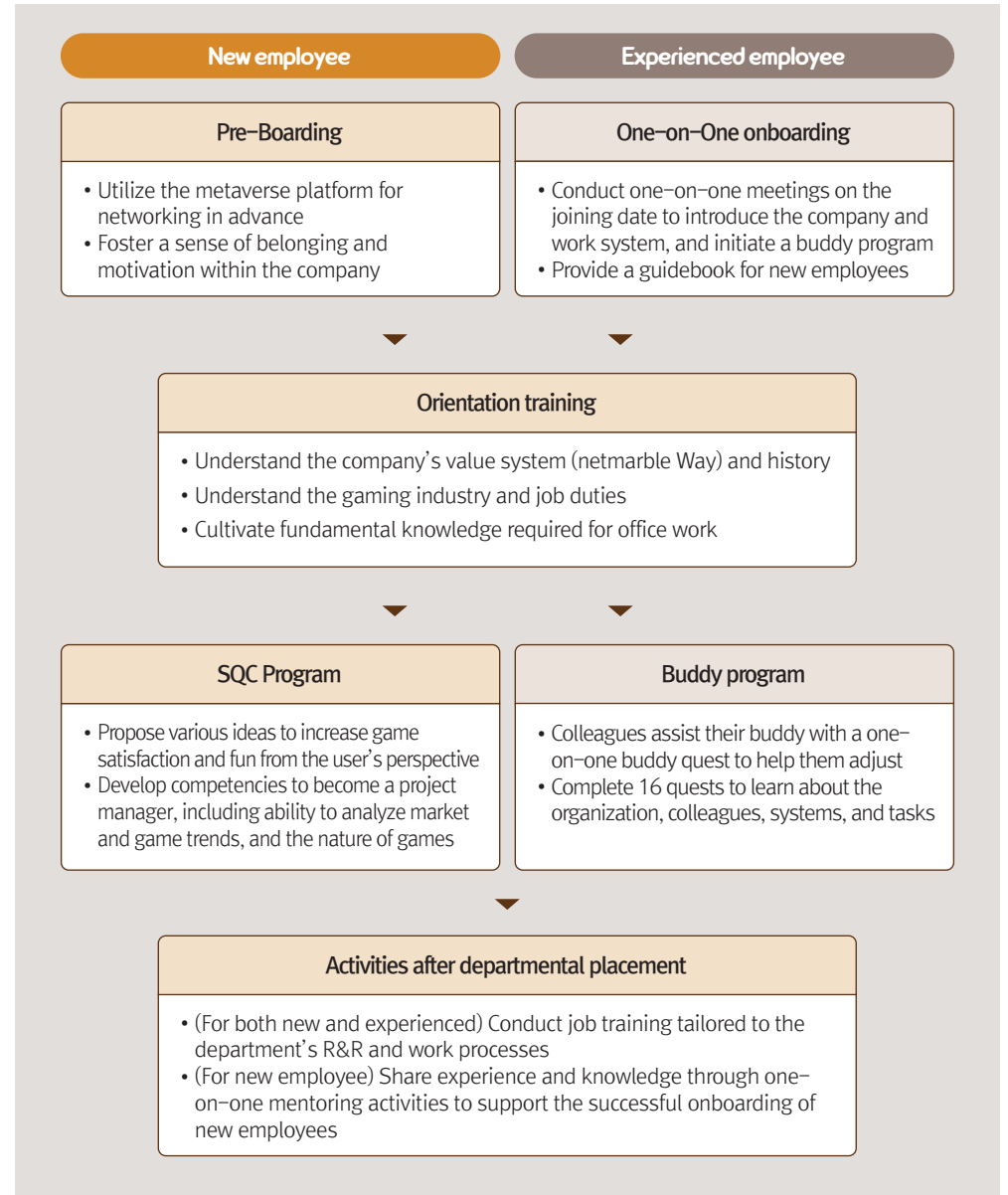
Onboarding program

We provide orientation training for interns and new employees to support their successful onboarding as they take their first steps into society. This training aims to internalize Netmarble's value system and cultivate fundamental knowledge for becoming a productive employee of society. Through basic job lectures, we lay the foundation for various roles within the company and enhance understanding of the gaming industry and specific job duties. After joining the company, new employees receive mentoring to establish role models, along with programs that support their effective growth in company life and work style. Experienced employees also receive an orientation training and buddy program to facilitate quick adaptation.



Orientation training 1:1 buddy quest program for experienced new employees

Onboarding program



Leadership development training

We strengthen leaders’ organizational management capabilities and support performance through leadership development training programs. We select various leadership topics that leaders may encounter during the organizational management process and provide training to enhance their leadership skills, covering areas such as interview feedback skills, goal-setting methods, and employee motivation. Following the training, we distribute written notes and lecture notes containing practical toolkits that can be used in their daily management activities.

Nurturing new leaders

We proactively identify and groom next-generation leader candidates for key positions within the company through the Succession Plan. Final leaders are selected through transparent personnel verification of recommended candidates from each organization, and we provide support to ensure they excel in their future leadership roles.

Every year, we offer a special management lecture on the company’s leadership philosophy to new leaders, aiding them in fulfilling their new roles. To enhance their work performance and organizational management capabilities as leaders, we distribute job practice manuals and conduct new leader sessions where HR leaders pass on organizational management skills, including an understanding of key internal systems and processes.



Leadership development training

Developing job competencies

To improve the job competencies of our employees, we operate a system where employees proactively select and take courses appropriate for their jobs and levels.

We support all employees in participating in external education, such as training, seminars, and conferences, where learning is deemed necessary. At the annual Game Developer Forum (GDF), internal and external lecturers share job and technical skills at the company level. We organize lectures based on surveys of our employees’ opinions and enhance their job capabilities by sharing accumulated reasons for success and failure for each game, market and user trends, and skills to apply new technologies for each job.

Furthermore, we contribute to improving our employees’ capabilities by partnering with various external organizations. Aiming to produce intelligent games with advanced AI, we have partnered with the Department of Brain & Cognitive Engineering at Korea University’s School of Artificial Intelligence since 2019. This partnership supports deep learning-based speech synthesis research and enables our employees to access and utilize leading technologies in their work. By continuing research on the Singing Voice Synthesis (SVS) model at the existing voice synthesis level, we achieved advancements in synthesizing singing voices based on scale and text in 2023.



2023 GDF (Game Developer Forum)

Appraisal and Rewards

Performance appraisal

As a business that creates intangible services and content based on human resources, we strive for fair performance appraisal of employees and operate a systematic goal-setting and feedback system on an annual cycle. The performance management system cycle consists of four stages: goal setting, mid-term checkup and feedback, constant (peer) feedback, final appraisal and feedback.

Performance management system cycle

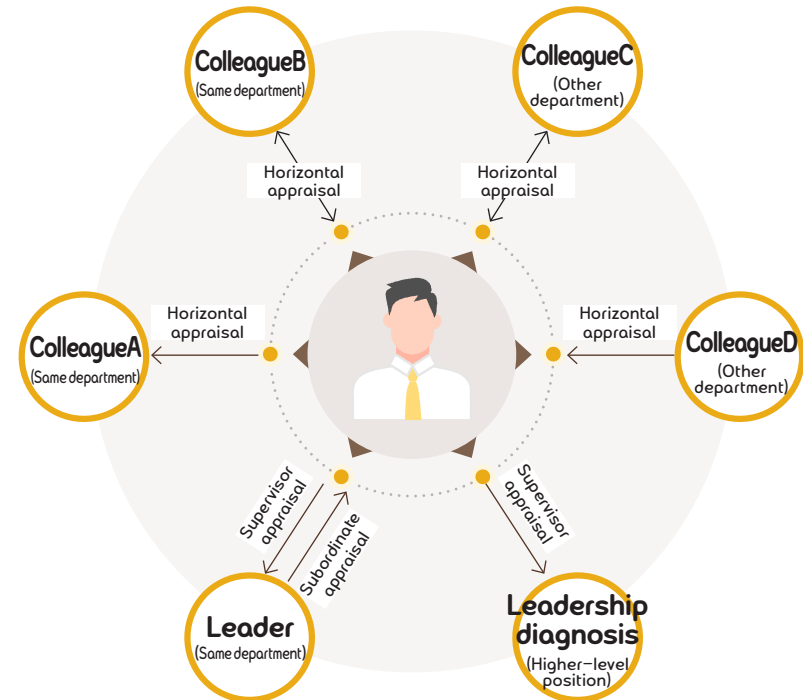


- 1 We value the alignment of goals between the organization and individuals, setting personal goals based on the organization's objectives.
- 2 We review progress toward goals and discuss any improvements with leaders.
- 3 We support goal management through a peer-to-peer feedback system, using this feedback as the basis for fair appraisals.
- 4 Individual and organizational performance is evaluated, with results reviewed by leaders who provide feedback to employees, which is ultimately reflected in the next year's work plan.

Competency diagnosis

We offer competency diagnosis and feedback for each position and role to enhance our employees' capabilities. The competency diagnosis for all employees is a multi-faceted appraisal, which supports individual growth based on the results. Similarly, Leadership Diagnosis is conducted through a multi-faceted appraisal, and the outcomes are used to foster leader development and are reflected in promotions.

Competency and leadership diagnosis



Performance-based compensation

We operate a compensation system under the motto, "Provide top treatment to the best talent and reward outstanding performance." Each year, compensation is determined based on individual and organizational appraisal results. Considering the characteristics of the gaming industry, incentives are paid when a newly launched project achieves outstanding performance compared to the target, providing appropriate compensation based on performance.

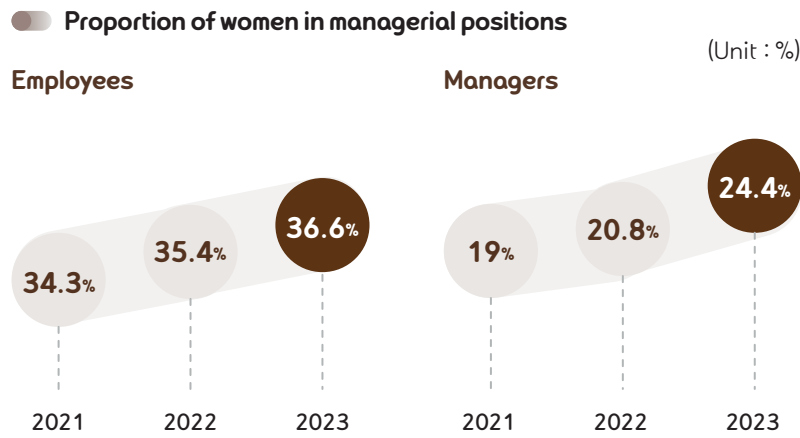
Building a Corporate Culture

Culture of Diversity, Equity, and Inclusion (DEI)

As a company aiming to spread culture through games, Netmarble believes that an innovative and creative culture arises when employees with diverse backgrounds and values coexist harmoniously. To provide equal opportunities to all employees and allow them to demonstrate their maximum capabilities, we strictly prohibit discrimination in employment and working conditions based on gender, age, religion, social status, region of origin, education, marital status, and pregnancy, as outlined in our employment rules and Code of Conduct. Furthermore, we focus on lowering mobility barriers to ensure everyone can use G-Tower conveniently by providing facilities for the socially disadvantaged. We are establishing Diversity, Equity, and Inclusion (DEI) policies and relevant implementation governance centered on the ESG Committee, continuing our efforts to promote employees diversity and inclusion.

Equal opportunity

Netmarble values equal opportunity in hiring, regardless of applicants' educational background, age, or gender. With the competency-based opportunity, which became company's core culture, the percentage of female hires among both female employees and managers increases every year.



Hiring persons with disabilities

We support persons with disabilities in social and economic activities by hiring a para-rowing team and an in-house café barista. Each year, we identify the employment demands of employees with disabilities and find suitable in-house positions, striving to secure diversity. We will continue to respect our employees' diversity and strive to create an inclusive organizational culture.



[Netmarble TV] Netmarble Adaptive Rowing Team a Group of Passionate and Hardworking People



Number of employed persons with disabilities

2023 **24** employees

Percentage of full-time employees at workplace for the disabled

2023 **62.5%**

* Based on Join Hands Network, a workplace for the disabled

Human Rights Protection

Diagnosing organizational culture

Since 2014, we have conducted the Netmarble Culture Survey for all employees to objectively diagnose organizational culture. The survey includes questions on employees’ interests, industry and social issues, organizational needs, core values, way of working, leadership, trust and communication, and commitment levels, providing timely diagnostic results analyzed from various perspectives.

Every year, over 80% of employees actively participate in this diagnosis to build a healthier organizational culture. As 2023 marked the transition from remote work to office work, we conducted long-term surveys on working hours and flexible work systems to prevent overwork and increase work efficiency. We will continue diagnosing the organization through various channels, listening to the diverse opinions of our employees, and fostering positive changes in the organizational culture.

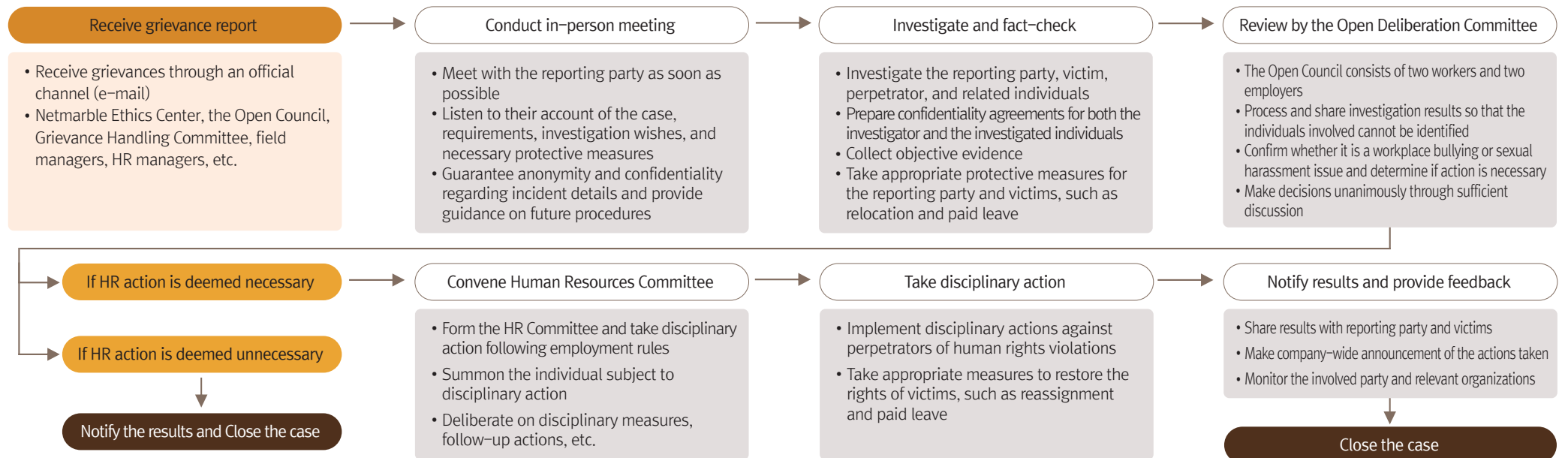
Grievance handling channels and remedial procedures

We operate various grievance channels to report human rights violations within the organization, including workplace bullying and sexual harassment. We continuously inform employees about these channels and processes through new employee training, regular human rights training, and internal notices to ensure accessibility for consultation and reporting.

The received report is processed according to employment rules, guidelines for workplace sexual harassment, and guidelines for workplace bullying. All individuals involved in the investigation must sign a confidentiality agreement to prevent secondary damage throughout the process. Reporting parties and victims can request necessary protective measures and are guaranteed not to face discrimination or disadvantage due to their reporting. Workplace bullying and sexual harassment issues are reviewed by the Open Deliberation Committee, which includes two members each from the worker and employer groups of the Labor Council, to enhance fairness and transparency.

In cases of human rights violations, we follow a zero-tolerance policy and take strict actions, including disciplinary measures against perpetrators. The results are communicated within the company to emphasize the importance of a culture of mutual respect. Following any action taken, we continue to monitor the involved parties and organizations. And we strive to implement necessary remedial measures and prevent similar incidents from recurring.

Grievance handling process



Reports and actions on human rights violations

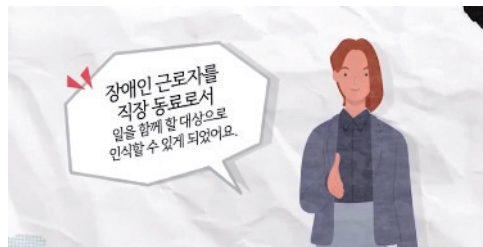
In 2023, we received three reports of human rights violations through the grievance handling channel, all of which were addressed according to our grievance handling process.

Grievance reporting channels		Workplace bullying and sexual harassment reporting channel
 <p>Netmarble Ethics Center ethics@netmarble.com</p>	 <p>Open Council</p>	 <p>Hot Line (Mutual Respect Officer, Grievance Handling Committee) respect@netmarble.com</p>

Human rights education

Every year, we conduct mandatory human rights education to enhance awareness on human rights among our employees. This includes mandatory sexual harassment prevention training for all employees, including contract and dispatched workers, as well as ethical management training covering the Code of Conduct, disability awareness, fair trade, and mutual cooperation, along with cultural training on mutual respect to prevent workplace bullying.

New employee training also covers these topics, and we guide newly appointed leaders monthly to internalize human rights awareness and disseminate it among their teams through ethical management training. We remain committed to strengthening human rights awareness among all employees through continuous training initiatives.



Human rights management training materials

Training for new employees and new leaders

Type	Details	Date
New employees (new and experienced)	Mandatory training session ¹⁾ , ethical management training encompassing Code of Conduct, and culture of mutual respect education aimed at preventing workplace harassment.	Within one month after joining
New leader	<ul style="list-style-type: none"> Organizational management training, including sexual harassment prevention, workplace bullying prevention, and information security. Concepts and practices of Netmarble's ethical management, ethical guidelines including fair and cooperative transactions, focusing on personal adherence and encouraging employee adherence. 	Within one month after leader promotion

Training for all employees

Type	Details	Date
Mandatory training	Sexual harassment prevention training	Once a year
	Disability awareness training	
	Privacy training	
Internal training	Culture of mutual respect training	
	Ethical management training	

1) Sexual harassment, disability awareness, and information security training

Employee Communication

Open Council

We seek to promote the common interests of labor and management through the operation of the Open Council, a consultative body composed of five employees from each group. Worker employees are elected through separate elections to reflect the opinions of each organization and role, enhancing democracy and representativeness. Meetings are convened every three months to discuss various topics, including company growth, resolving employee grievances, and improving working conditions. Matters discussed, such as the construction of an in-house daycare center and revisions to retirement pension regulations, are transparently disclosed to all employees through the Open Council website. Changes in the personnel system that may affect employees are also explained in advance to collect employees' opinions, fostering a corporate culture of mutual growth. Netmarble will continue to communicate with employees and play its role in creating a corporate culture of mutual prosperity.

Meeting with new employees

Every year we are holding the new employee meeting to communicate with young talent who will take the responsibility for the future. In 2023, 92 new employees celebrating their 1st to 3rd anniversary had a meaningful time sharing their vision and communicating through lectures by the management and Q&A sessions.

Employee recognition program

The employee recognition system 'Thank you, Ke Ke' boosts morale and healthy communication among employees. Continuous improvements to the system encourage mutual cooperation at work and build a positive corporate culture. Through various activities and campaigns, we foster a healthy organizational culture where employees praise, encourage, support, and express gratitude to each other.



2023 new employee 1st anniversary meeting



Employee recognition program webpage

Performance Recognition Program

Success Golden Bell Ceremony

When a newly launched game performs well, we celebrate with a Golden Bell Ceremony at our in-house cafe, where all employees gather to enjoy refreshments and share their thoughts. This tradition began with 'Go! Go! Go! Racer' in 2013 and has been held over a decade, honoring representative games like 'Modoo Marble', 'Monster Taming', 'Seven Knights', 'RAVEN [EvilBane]', 'Lineage 2: Revolution', 'The Seven Deadly Sins: Grand Cross', and 'Ni no Kuni: Cross Worlds'. In September 2023, 'Seven Knights Idle Adventure' rang the golden bell, followed by 'Solo Leveling: Arise' in May 2024.



'Seven Knights Idle Adventure' Golden Bell Ceremony

Netmarble awards

Since 2014, the Netmarble Award has been presented to employees who excel throughout the year by practicing the core values of the Netmarble spirit. The Netmarble Award is the highest honor bestowed upon Netmarble personnel, recognizing excellence in the areas of value practice, business, development, and management. Each year, approximately 10 winners are chosen. Winners will receive a trophy and a golden key made of 37.5 grams of pure gold. The award ceremony, attended by the winners' families and colleagues, celebrates their achievements and shares their joy.

In addition to the Netmarble Award, each department holds a 'Challenge Award' at the end of the year. This award honors employees who have demonstrated outstanding results through challenge and innovation. Recipients are given plaques and prize money to acknowledge and encourage their performance.



2023 Netmarble Awards Ceremony

Work–Life Balance

Netmarble incorporated flexible working hours into our culture in 2018 and also eliminated the inclusive wage system in 2019, enhancing employees’ engagement in work as well as work and life balance. We also offer various welfare and benefits to improve employees’ work environment and satisfaction in workplace.

Creating a family–friendly corporate culture

We promote work–life balance for our employees through various family–friendly system to address declining birthrate issue. We are creating a culture where employees can freely utilize legal benefits such as prenatal checkup time–offs, pre and postnatal leave, and parental leave. We are also protecting mothers through our maternity support systems that exceed legal standards, offering reduced working hours during the entire pregnancy and assisting with medical expenses. We educate ourselves and our department leaders about our Maternity Protection System to ensure female employees receive sufficient protection during pregnancy and childbirth.

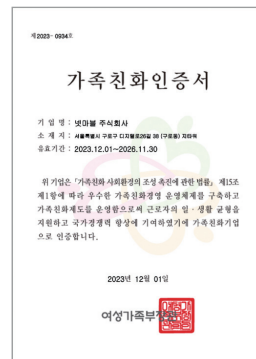
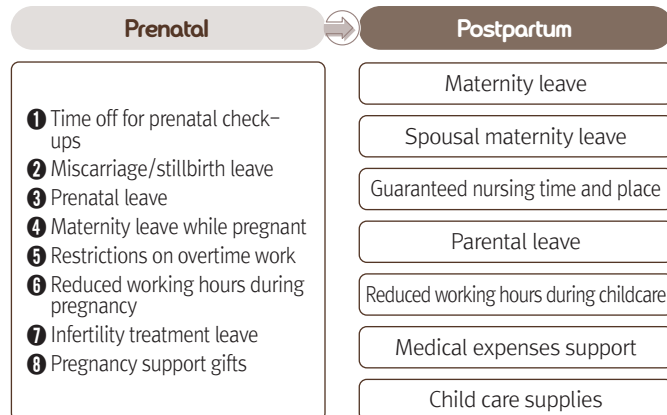
In recognition of these efforts, we obtained the Family–Friendly Company Certificate from the Ministry of Gender Equality and Family for the first time in 2018, and we received re–certification in 2023 due to our continuous operation and expansion of family–friendly initiatives. In March 2024, we launched the in–house daycare facility, Netmarble Purni Daycare Center, to alleviate the childcare burden and support the work–family balance for our employees. We remain committed to fulfilling our social responsibilities as a family–friendly company.

Working environment and benefits

We support flexible and efficient work for our employees through a flexible working hour system and an hourly annual leave system. We also prevent overwork through a working hour management system, which includes prior approval by the supervisor for holidays and night work, as well as advance notifications for those expected to exceed the monthly working hours or reach the legal maximum. As a result, the average monthly overtime and holiday working hours of employees in 2023 decreased compared to 2022.

Furthermore, we operate an optional employee benefit system tailored to each individual’s lifestyle and provide support for family events. We offer refreshment vacations for long–term employees and discounts at affiliated condominiums and resort facilities to ensure our employees can fully rest.

Maternal protection system



Family–Friendly Company Certificate



In–house daycare center

Benefit programs and infrastructure¹⁾

Category		Description	Note	
Working hours	Flexible working hours	Flexible day-to-day working hours within the monthly required working hours		
	Reduced working hours	Reduced working hours for pregnancy, childcare, family care, etc.		
Convenient commuting	Shuttle bus	Shuttle bus operated from nearby subway stations for convenience	Run from 8:00 to 10:30	
	Taxi fare to work	Taxi fares provided for late-night work	Support when working after 23:00 for business purposes	
Vacations	Refresh vacation	Vacation days and bonuses offered to long-term service employees	Offered to employees with five or more service years every five years	
	In-house condominium	Affiliated resort facilities offered at discounted rates for employees		
Health	Medical expenses	Reimbursement of medical and pharmaceutical expenses incurred by employees and their spouses		
	Health checkup	Health checkup costs covered, with paid leave on check-up days	- Employees: Comprehensive medical check-ups annually - Spouse: Comprehensive and general medical check-up biannually	
	Group insurance	Group insurance provided covering unexpected accidents		
	Healthcare	In-house nurses in the health recovery room and health care room to manage musculoskeletal pain, provide basic medicines, respond to emergencies, offer health care and treatment counseling, and operate a relaxation and nursing room for maternity		Health promotion facilities such as in-body, blood pressure, stress measurement devices, and massage chairs offered for local residents
		In-house mental health counseling center to help employees combat stress and anxiety in the workplace		
G-FIT (Sports Center)	A full-scale in-house fitness center is operated to support the physical strength and health of employees.		Open to local residents	
Family-friendly	Family events	Congratulations or condolence money and gifts, leave for significant life events such as marriage, childbirth, 60th birthday, and condolences.		
	Holiday bonus for parents	Holiday cash bonus with message cards for employees' parents on New Year's Day and Chuseok		
	In-house daycare center	Netmarble Puruni Daycare Center		As of March 2024
	Pregnancy gift program	Supplies necessary for pregnant employees during work		
	Welcome baby gift program	Gifts celebrating the childbirth of employees		
	Birthday gift card program	Gift card coupons on employee birthdays		
Other infrastructure	In-house library	In-house library to boosts employees' personal development and wellness through providing books and reference guides upon request		
	In-house cafe	In-house cafe with seasonal menus, operated by employees with disability		Open to local residents
Optional benefits	Monetary welfare points provided			

1) All employee welfare programs are available to both full-time and part-time workers without discrimination.

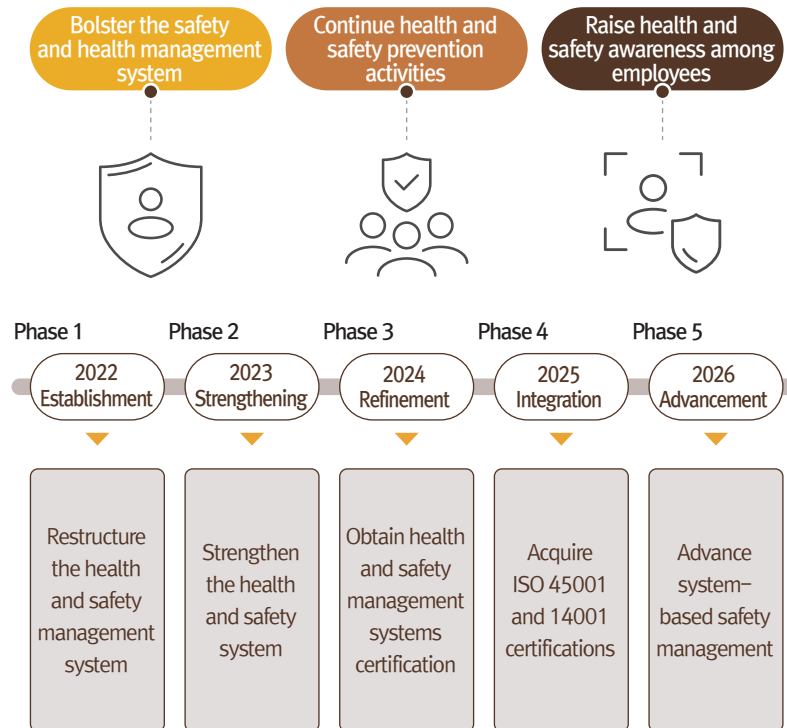
Health and Safety Management

Mid/Long-Term Goal

Netmarble has established mid/long-term health and safety goals, After reporting these goals to the Board of Directors, the Environment, Health, and Safety Team effectively implements related activities under the supervision of the CSO. Health and safety activity plans and results are regularly reported to the CEO, and we aim to create sustainable value by integrating these initiatives with our business strategies, guided by the board decisions.

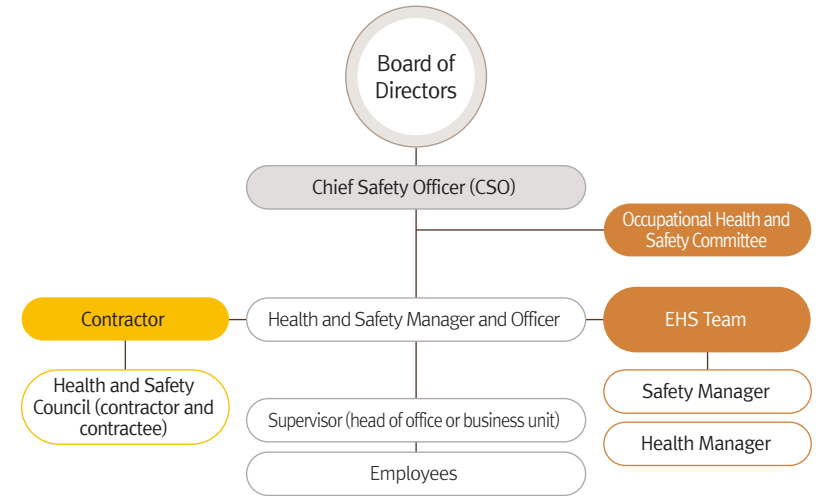
Safety and health goals and three major strategies

- Achieve **ZERO** serious occupational injuries
- Achieve **ZERO** major civil disasters
- 100%** implementation of health and safety management plans



Governance

Safety and health management organization



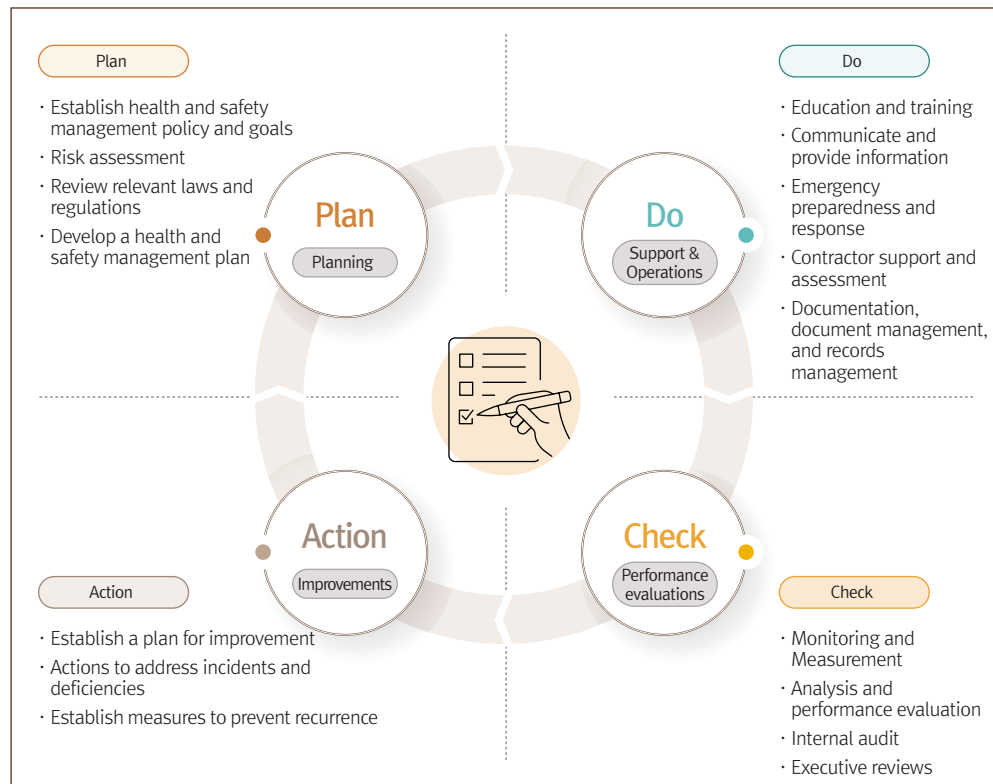
Position	Main Duties
Board of Directors	<ul style="list-style-type: none"> Approve health and safety management plan
CSO	<ul style="list-style-type: none"> Oversee work to prevent occupational accidents and promote health protection Make final decisions regarding fulfilling health and safety obligations
Occupational Health and Safety Committee	<ul style="list-style-type: none"> Deliberate on important health and safety matters within the workplace Discuss employee health and safety grievances
Health and Safety Manager	<ul style="list-style-type: none"> Oversee overall health and safety management to prevent major disasters Supervise the EHS Team Investigate causes of occupational accidents and establish prevention measures
Health and Safety Officer	<ul style="list-style-type: none"> Oversee occupational accident prevention for the contractor's employees
Supervisor	<ul style="list-style-type: none"> Follow health and safety guidance from the EHS Team regarding Participate in risk assessment, prevent risks to the employees involved and handle grievances
EHS Team	<ul style="list-style-type: none"> Implement tasks approved by the Occupational Health and Safety Committee Implement tasks specified in health and safety management regulations and employment rules Set health and safety management plans Offer guidance and advice on other health and safety work Carry out health protection activities through the health care room and counseling center
Employees	<ul style="list-style-type: none"> Participate in risk assessment and make health and safety suggestions Engage in health and safety activities with the EHS Team

Occupational Health and Safety Committee

The Occupational Health and Safety Committee aims to foster mutual understanding and cooperation between labor and management, promoting company development and ensuring worker health and safety.

Comprising five employees each from both management and labor, the committee discusses agenda items and conducts activities focused on preventing worker accidents. In terms of communication, we held a total of 5 Occupational Safety and Health Committee meetings and shared the outcomes in 2023 and organized interactive activities through the internal health and safety website and information management system.

Health and safety activity process



Policy

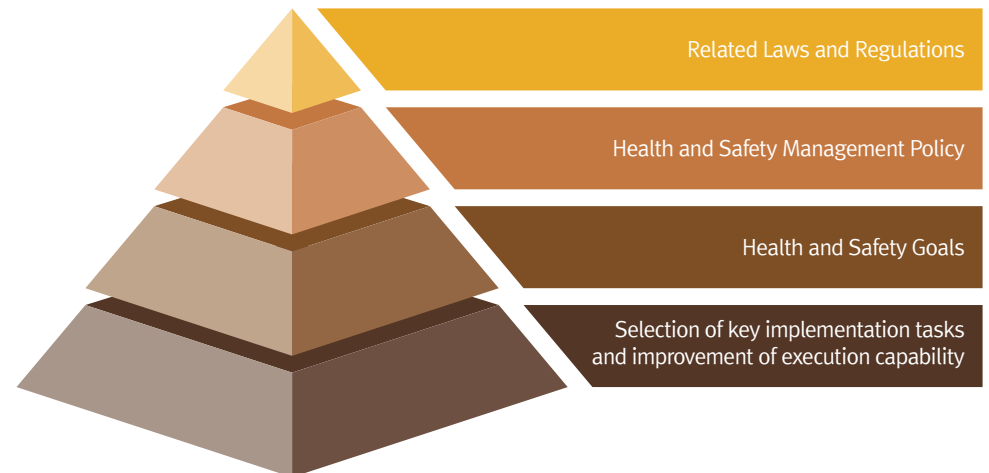
We prioritize the values of health and safety, striving to ensure the safety of all stakeholders including subcontractors, outsourced workers, and contingent workers. To declare our commitment to health and safety management and outline a consistent policy direction, we established the Health and Safety Management Policy, implementing our health and safety strategy with the vision, “Safe Netmarble, Healthy Netmarble.”

Health and safety management policy

Netmarble places health and safety management as the top priority in all management operations and commits to actively implementing the following principles to create a “Safe Netmarble, Healthy Netmarble.”

- 1 We consider health and safety as a key value of our business, and management sets an example to promote safety.
- 2 We strictly abide by all health and safety laws and regulations, including the Occupational Safety and Health Act and the Serious Accidents Punishment Act, and ensure all operations comply with basic principles and guidelines for safety.
- 3 We predict potential risks in advance and manage them within acceptable boundaries, continuously working to prevent health and safety incidents and accidents.
- 4 We share relevant information with all employees (including part-time workers and interns) and stakeholders (including contractors) and provide regular training and exercises to achieve our health and safety policy and goals.

Health and safety management system



Risk Management

We manage risks by distinguishing between internal and external working environments and the characteristics of the IT industry. To prevent accidents caused by facilities, a major work environment risk, we conduct inspections at least once a week and monitor the results of the statutory facility inspection. Once a month, we select themes that reflect seasonal business characteristics and inspect and manage harmful risk factors that may affect the health and safety of our employees.

Risks are managed by subdividing them into ‘health risks’ such as musculoskeletal diseases and cerebrovascular diseases, as well as ‘mental health risks’ such as anxiety and depression, based on the characteristics of the work of IT industry employees. In particular, we are preventing job-related stress by pre-screening high-risk groups through job stress tests and implementing mental health programs.

Material risk prevention activities

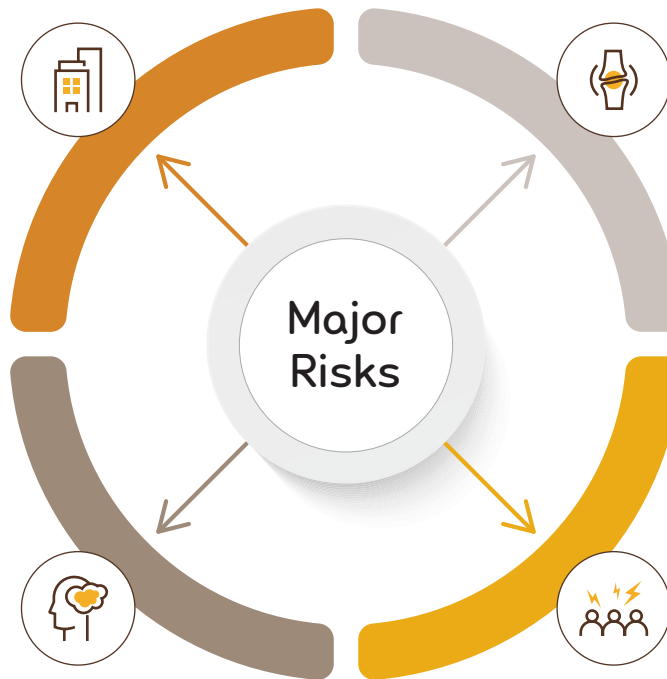
Facility and workplace risk factor management

After analyzing risk factors for accidents caused by building facilities, we classify high-risk groups based on these factors and conduct risk management for the four major facility factors including fire prevention, workplace conditions, and seasonal/themes. Risk management is conducted to discover and improve risk factors in advance.
(Number of risk factors discovered through site inspection: 18 cases, all improvements completed)

All employees participate in risk assessment to discover risk factors and implement improvement measures, including a full investigation of risk factors for unsafe conditions in the workplace and unsafe behaviors within the company.
(Number of risk factors discovered through listening to employees' opinions: 115 cases, all improvements completed)

Cerebral and cardiovascular disease prevention

Annual health checkup results are analyzed to identify risk groups for the cerebrovascular system, and one-on-one health counseling is provided to employees. During the consultation period, health care programs such as blood pressure, blood sugar, and cholesterol tests are operated, along with self-management support. In addition, external experts are invited to provide training on managing diabetes and high blood pressure which can lead to cerebrovascular disease.
(Number of employees who have completed the training: 80 in 2023)



Musculoskeletal disease prevention

External instructors are invited to provide correct posture coaching to prevent musculoskeletal pain or diseases caused by incorrect posture and habits during work.
(Number of employees who have completed the training: 80 in 2023)

Mental health crisis management system

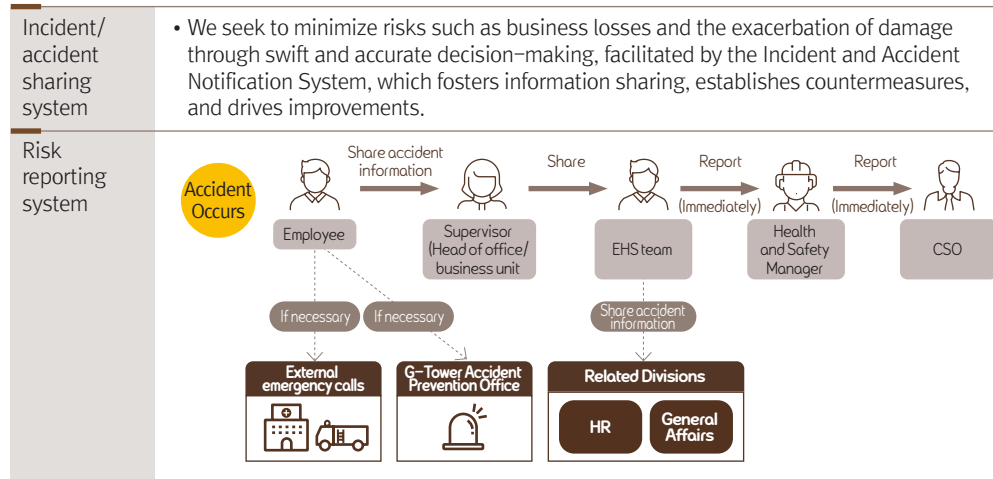
A mental health crisis management system was established, including psychological tests and counseling conducted by in-house counselors. Crisis management is supported according to each level (high-risk, low-risk, and normal) within the mental health system. Mental health lectures are conducted for all employees.
(Number of counseling sessions held: 1,001 in 2023, Number of lectures conducted: 4 times in 2023)
Furthermore, to prevent and manage job stress among employees, a job stress test is conducted annually, and the results are analyzed. Psychological counseling is provided to those with high levels of anxiety and depression.

Cultivating a Healthy and Safe Work Environment

We conduct health and safety education and training that surpasses legal standards to enhance the health and safety awareness of our employees. This includes semiannual supervisor training, quarterly employee training, monthly new hire training, and health and safety personnel job training.

Emergency response system

In 2023, Netmarble expanded the existing definition of emergency case leading to serious occupational accidents from four types to nine types, thus raising awareness of safety in the workplace. These were posted on the health and safety website and internal information management system, allowing all employees to prepare for emergencies and take precautions in advance.



Updating the Emergency Response Manual

We have reorganized the Emergency Response Manual already in place for health and safety in the workplace. We produced the Serious Occupational Accident Response Manual, containing measures to protect the lives and safety of employees, as well as the Crisis Response Guide for Employees, containing action tips for potential workplace crises. These resources have been shared through the internal health and safety website.

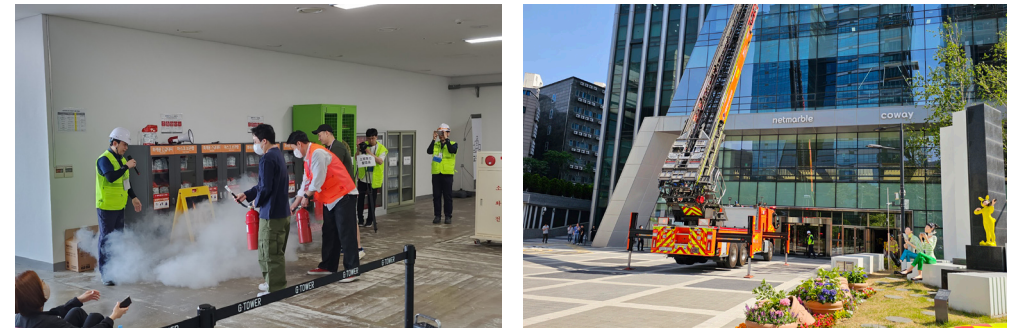


Serious Occupational Accident Response Manual and Crisis Response Guide for Employees

Emergency response training

Prioritizing the safety of our employees, we regularly conduct fire drills semiannually to prevent various disasters and fires, enhancing employees' initial response capabilities. In the latter half of 2023, our training expanded from joint exercises with local fire departments to nationwide disaster response training involving approximately 390 individuals from relevant organizations, including the Guro-gu Office, public health center, aiming to improve disaster response capabilities through organic cooperation.

First half of 2023 Fire Drills



※ Under the scenario where a fire breaks out on the 34th floor of Netmarble's business site (G-Tower), employees gather at the evacuation safety zone on the 21st floor. Subsequently, training on how to use fire extinguishers and hydrants is provided after initial fire extinguishing and evacuation guidance activities

Second half of 2023 Safe Korea Training



※ An evacuation drill was carried out by employees under the assumption of a magnitude 4.9 earthquake in Seoul. Comprehensive response training was conducted to address serial disasters such as fires resulting from earthquakes, gas facility explosions, and electric vehicle fires, as well as providing first aid and life saving measures

Health and safety awareness activities

Health and safety training

We conduct our own health and safety training to ensure all employees can work in a safe and healthy environment. We strive to carry out related activities that fulfill the needs of our employees.

2023 health and safety training performance

Target	Frequency	Details	Number of trainings
New hires	Monthly	Facility Safety Training	12 times
		First Aid/CPR	12 times
Employees	Quarterly or more	CPR and AED Training	4 times
		Posture coaching for the Prevention of musculoskeletal disorders	4 times
		Mental Health Courses to Improve Concentration	2 times
		Gatekeeper Training	2 times
Leaders	Semiannually	CPR and AED Training	1 time
		Significance of Environment and Safety Management	1 time



Gatekeeper Training



Mental Health Courses to Improve Attention



CPR/AED Training (Leaders)



CPR/AED Training (Employees)

Health and safety campaigns

We produce and distribute a variety of health and safety content to provide our employees with new news and information related to safety and health and to raise safety awareness.

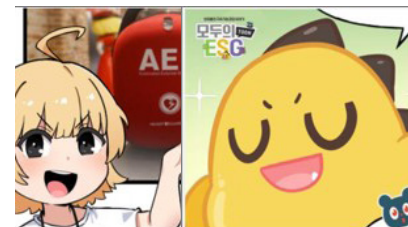
Health and safety monthly newsletter



Safety accident prevention guide



Health and safety-toon



Health and safety column



Mutual Prosperity and Cooperation

Ethical Purchasing Practices

Policy

We seek to conduct fair and transparent transactions with our partners, guided by our Purchasing Ethics Charter, which emphasizes “We practice win-win purchasing practices with our management partners, ensuring compliance with laws and commitments for fair and ethical transactions.” In building transparent relationships with partners, both parties adhere to the Code of Conduct, focusing on achieving results through thorough ethical management in alignment with our shared ethical standards, promoting fairness and mutual growth in transactions.

Code of Conduct

Chapter 4 Practicing Fairness and Mutual Prosperity

- Selection of partners based on fair standards
- Prohibition of unauthorized or forced acquisition of third party information assets
- Transaction with law-abiding and ethical partners
- Prohibition of providing or receiving unjust entertainment or gifts, etc.
- Efforts toward mutually beneficial transactions

Code of Conduct for Purchasing

Article 1 [Purpose]
As a global company, we shall cultivate an ethical corporate culture by strictly adhering to laws and ethical standards in our business activities, upholding our principles.

- Article 11 [Fair Trade]**
1. We shall comply with international standards and fair trade laws in each country, avoiding unfair trade practices such as collusion with competitors on production, pricing, bidding, market division, and shall compete fairly in the markets.
 2. We shall refrain from exploiting our superior position to demand unfair compensation or make unjust demands from customers or business partners.
 3. We shall respect the rights and property of others, including intellectual property rights, refraining from engaging in transactions or profiting by infringing upon them.
 4. Company information, including competitor data, shall be acquired and utilized through legitimate methods exclusively.

Netmarble CEO

Six basic principles for fair and transparent purchasing

Profit creation	Proper purchase price, quality assurance, and guaranteed delivery	Supplying right product at right time and right place	Fairness	Improvement	Process compliance
We shall ensure purchased goods and services serve as a source of new profit creation by reducing the cost.	We shall purchase goods and services at the most cost-effective prices while ensuring their quality and timely delivery.	We shall ensure the supply of the right product at the right time and in the right place in purchasing goods and services to reduce purchasing costs and inventory expenses.	We shall avoid biases and personal interests in purchasing to gain trust internally and externally.	We shall continuously improve overall work with entrepreneurship for better work efficiency and result.	We shall follow the process defined in purchasing regulations and the Company's arbitrary decision regulations in the entire purchasing process.

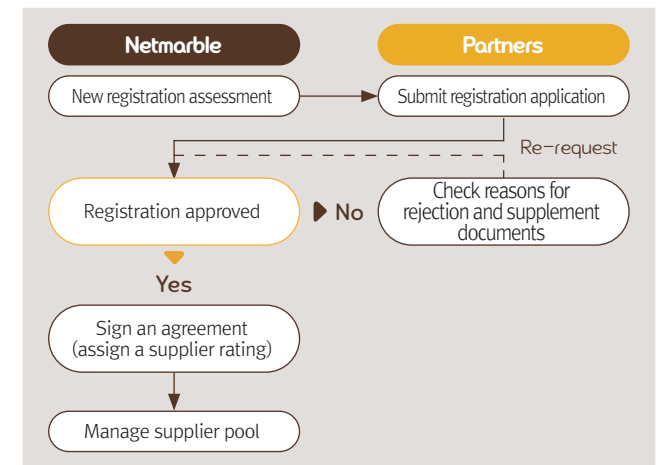
Fair and Transparent Purchasing Process

Following six basic principles for fair and transparent purchasing, we evaluate, select, and manage suppliers based on quality, technology, price, and management environment to prevent risks related to service continuity. To ensure transparency in the transaction process, we utilize a purchasing system and issue and keep written contracts for each agreement.

When selecting a partner, we prioritize ESG factors such as ethics, reliability, and safety and health levels, and upon contract signing, we require partners to agree to terms and conditions that incorporate ethical management practices and ESG requirements, including labor, safety, and environmental considerations. These terms and conditions outline non-financial risk management and the responsibilities of both parties, including provisions specifying the refusal of a contract execution, cancellation of a contract, or restrictions on future transactions if any act is confirmed to be against the terms and conditions.

Going forward, we intend to implement ESG evaluation indicators throughout the supply chain to mitigate ESG risks and encourage partners to participate in ESG management. Furthermore, we plan to internally raise awareness on fair and mutually beneficial transactions with partners by integrating purchasing process guidance into new leader training materials and conducting regular training sessions on fair trade within the company.

Supplier registration process



Shared Growth

Support programs

Fair pricing	<p>We put into action fair pricing by clarifying the price setting and adjustment process in our standard product supply contract. Considering the quantity, specifications, quality, and market price trends of supplied goods, we fairly calculate prices, prohibit unilateral price decisions, and negotiate with our partners.</p> <p>If price adjustments are necessary due to changes in the cost of supplied goods, contracts, or subcontract transactions, it is so adjusted through a mutual agreement in compliance with the Law on Contract and Fair Subcontract Transactions.</p>
Support business partners' management stability	<p>We seek to improve payment terms to ensure the management stability of our business partners. Since 2015, we have increased the frequency of payments to twice a month and strictly adhere to the conditions to make sure payments are made within 30 days in average.</p> <p>When a partner requests early payment to secure liquidity, we review the related necessity and urgency faced by the partner, and then, make early payment fully in cash in most cases. In 2023, the total amount of transactions paid fully in cash was KRW 187,443 million.</p>
Information security training for business partners	<p>We conduct separate education for employees of our business partners who engage in service development or infrastructure activities related to personal information, to highlight the necessity of information security compliance and the related compliance matters. We will continue to offer tailored training to ensure its effectiveness and support our partners in creating a secure information environment.</p>
Partner health and safety training and consulting	<p>We conduct health and safety education, campaigns, and consulting for contract and consignment work, aiming to improve health and safety management capabilities and prevent accidents. To prevent our contractors from having safety incidents, we choose training topics in light of their business characteristics in compliance with the Occupational Safety and Health Law and produce teaching materials every month.</p> <p>We also provide one-on-one health and safety consulting to our in-house partners upon request and offer guidance on compliance with safety laws through quarterly consulting sessions. In addition, we hold monthly Health and Safety Council meetings with business partners, conduct yearly risk factor reviews, thereby helping create a healthy and safe work environment for our partners.</p>

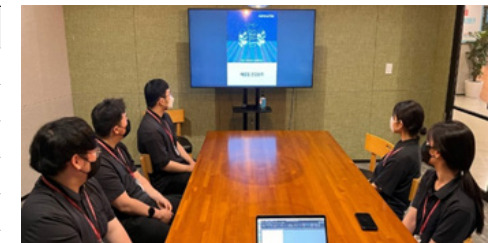
2023 health and safety support activities for partners

Type	Frequency	Number of activities
Health and Safety Council	Monthly	18 times ¹⁾
Health and safety consulting	Monthly	16 times ²⁾
Joint identification of risk factors	Quarterly	6 times ³⁾

- 1) 6 times for in-house IT suppliers (in July), 12 times for other in-house suppliers
- 2) Includes the additional consulting sessions in addition to regular consulting
- 3) 2 times for in-house IT suppliers (in third and fourth quarter), 4 times for other in-house suppliers

2023 health and safety training for business partners

Month	Topics
Jan	Winter disaster prevention
Feb	Tidiness and disaster prevention
Mar	Understanding Material Safety Data Sheets (MSDS)
Apr	Protecting the health of service workers
May	Understanding the Occupational Safety and Health Law
June	Safety management in summer
July	Prevention of job stress
Aug	How to do stretching and its effects
Sep	Safety rules to prevent musculoskeletal disease
Oct	Tips to deal with each type of emergency
Nov	Hazards of a fire and how to evacuate
Dec	Understanding risk assessment



Regular health and safety training for partners

Grievance handling

We provide information regarding the Netmarble Ethics Center for partner companies to let them report any violations they experienced or grievances they have in relation to transactions undertaken. In 2023, there were no complaints reported by partners. In the mid to long term, we have a plan to upgrade our purchasing system so that it can serve as a communication channel which will gather diverse feedback and information related to grievances from partners.

netmarble [넷마블](#) [사업소개](#) [인재개발](#) [임대공간](#) [ESG](#) [IR](#)

정도경영 상담센터 Netmarble Ethics Center ☎ 1522-1111 1522-2899

정도경영 상담센터는 넷마블 및 사업협력회사 직원들을 위한 권리, 의무를 위한 상담 센터, 갈등 해결을 위한 상담 센터 및 내부 윤리 관련 부패 사례 조사, 조사하여 타당 결론을, 부패가 필요로 하는, 기타 부패 및 부패 등에 대해 상담을 제공 할 수 있는 센터입니다.

이러한 센터는 제보자가 안심하고 제보할 수 있도록 제보자의 신원을 보장하고 내용을 철저하게 보호하며, 접수 사항을 전담한 부패 방지 관리 직원을 통해 처리 할 것입니다.

제보 유형	제보 방법
회사 정보 유출 이해충돌(내부자) 사생활 침해 내부자 간 정보 유출 등 윤리 관련 기타 등 직접적인 지출 등 기타 도덕적 위기	이메일 eth@netmarble.com 전화 서울특별시 강남구 테헤란로 35, 36, 37층 3702호 (삼성동) 1522-2899 (주말/휴일 포함)

넷마블이 운영하는 서비스 관련 윤리센터에서 불만사항을 신고하여도 문제가 생기지 않습니다.
 고객센터 1588-1188 / 1588-2899 윤리상담 1588-2899
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Information Security and Data Privacy

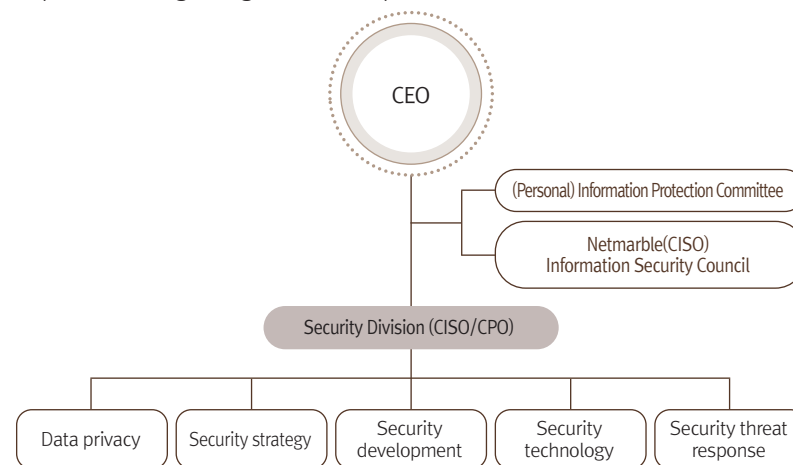
Mid/Long-Term Goal

Our security organization operates information protection and personal data protection processes with detailed goals under the vision of “creating a safe gaming environment where users can enjoy the game without worrying about possible leaks of their personal data or in-game assets.” We protect user data, maintain the service stability of the game infrastructure, and safeguard both our tangible and intangible assets while ensuring privacy compliance.

Type	Results for 2023	Short-term goals by 2024	Mid/long-term goals by 2026
Training	Education planning and operation - Training for all employees (prevention of information leak and action plans) - Tailored training for personal data handlers - Target: four job positions - About: Domestic systems	Education planning and operation - Training for non-Netmarble employees working in the premises of Netmarble - Tailored training for personal data handlers - Target: six job positions - About: North America and EU systems	Education planning and operation - Tailored and level-specific training for personal data handlers - Target: eight job positions (beginner, intermediate, and advanced-level) - About: Domestic and global systems
Certification	Acquire new certifications - International standard cloud services (personal) Information Security Certification (ISO/IEC 27017:2015, ISO/IEC 27018:2019) - Personal information management system certification (ISO/IEC 27701) - Global Privacy Certification (APEC CBPR)	Maintain global security certification qualifications - ISMS-P Post-evaluation - ISO/IEC 27001:2013 - ISO/IEC 27017:2015 - ISO/IEC 27018:2019 - ISO/IEC 27701:2019 - APEC CBPR	Maintain global security certification qualifications - ISMS-P renewal audit - ISO/IEC 27001:2013 - ISO/IEC 27017:2015 - ISO/IEC 27018:2019 - ISO/IEC 27701:2019 - APEC CBPR
Compliance	A. Reinforce personal information management system - Manage vulnerabilities (domestic) B. Guarantee the rights of information principal - Design cookie setting options (North America) - Protection of information principal's rights page (EU, North America) C. Personal data protection for children and youths - Create the consent request for domestic personal data collection - Create domestic data processing policy for children and youths	A. Strengthening personal information management system - Manage vulnerabilities (domestic, major countries) B. Guarantee the rights of information principal - Design cookie setting options (North America) - Protection of information principal's rights page (EU, North America) - Guaranteed rights for choosing customized advertising in apps (EEA) C. Protection of personal information of children and youths - Enhance the consent request for domestic personal data collection (infographic) - Create domestic and global data processing policy for children and youths (infographic)	A. Strengthening personal information management system - Manage vulnerabilities (all countries) B. Guarantee the rights of information principal - Design cookie setting options (all countries) - Protection of information principal's rights page (expand to all countries and improve user accessibility) - Expansion of customized advertising user options (third party provision) - Planning for guaranteeing the rights to download and mobility C. Protection of personal information of children and youths - Enhance the consent request for domestic personal data collection (infographic, video) - Enhance domestic and global data processing policy for children and youths (infographic, video)

Governance

Our Chief Information Security Officer (CISO) is appointed as the director-level executive within the information security organization and also serves as the Chief Privacy Officer (CPO). We ensure these executives meet legal qualification standards, such as holding a doctoral degree in information security and having more than 20 years of professional experience. Specific responsibilities and roles are clearly outlined in Chapter 2 of our Information Protection Regulations and Article 6 of the Privacy Guidelines. Our CISO/CPO have been recognized for their expertise and contributions to the field of information security, winning the Minister of Science and ICT Award at the 1st CISO Awards in 2022 and the CISO of the Year Award from the Korea Information Industry Association in 2023. In addition to committees and councils, we operate several channels to gather opinions from related departments regarding information protection activities.



Type	Information Security Committee	Netmarble's Information Security Council
Composition	CISO/CPO (Chairman) and General manager (Executive)	CISO/CPO and Security personnel
Role	Deliberate on important privacy-related matters	Strengthen the company's joint security response capabilities
Activity and report cycle	Yearly ¹⁾	CISO/CPO (bimonthly) Security personnel (monthly)

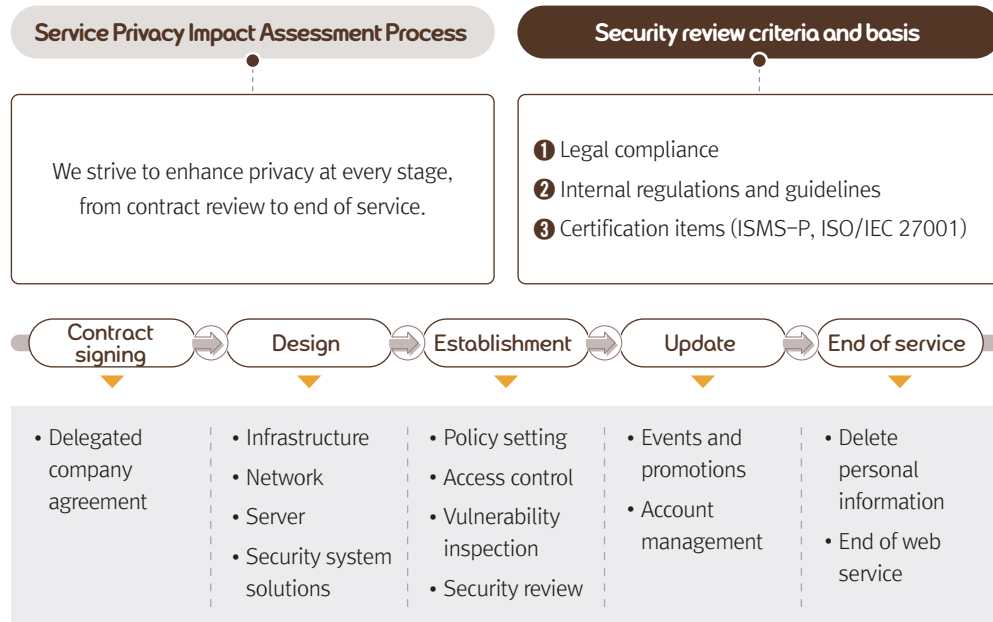
1) 2023 agenda: Revision of security regulations and guidelines, management of security vulnerabilities, discussion of security issues

Policy

To safely protect key information assets, we have established clear and comprehensible policies and regulations from our employees' perspective. Our data protection policy consists of three stages: security regulations, guidelines, and procedures. At the highest level are the information protection regulations, followed by three lower-level guidelines and five procedures. This data protection policy is revised at least once a year through decision-making by the Information Security Committee, and it applies to our employees, contractors, non-Netmarble employees working in our premises, and visitors. To reinforce our information security system, we continuously inquire and review our information protection regulations, requiring subsidiaries and partners in business relationships to establish and operate their own security policies.

To protect personal data, we have established personal information protection guidelines that are regularly revised as needed. We consistently publish guides for each field related to privacy, such as development, releases, events, and customer service, ensuring that all relevant personnel can easily understand and apply them in practice. Following Article 35 of the Privacy Guidelines (Log Recording and Management), we manage the personal information processing system by monitoring abnormal activities in accounts and access logs at least once a month. Key risks are identified, improved, and managed through monthly self-inspections.





[Information security and privacy policy \(External\)](#)



Global Security Certifications

We hold ISO and IEC 27001 certification, with the scope covering our global game services, recognizing our information security management system. In 2023, we expanded our verification targets by newly acquiring ISO/IEC 27017 and ISO/IEC 27018, international standard certifications for personal information protection in cloud services, as well as ISO/IEC 27701, the international standard for privacy information management systems. Our national standards, Information Security Management System (ISMS), and Personal Information Protection Management System (PIMS) certification were initially acquired in 2015. Since 2020, we have maintained an integrated personal information and information security management system (ISMS-P).

In April 2023, we acquired APEC CBPR, a global privacy certification, and expanded the scope of certification to personal information processed through global game services such as game, customer center, Channel Netmarble, forums, and billing service. The APEC CBPR validates that our privacy standards meet global requirements, simplifying the personal information transfer system between major APEC employee countries including the United States and Japan, enhancing work efficiency, and securing global competitiveness.

ISMS-P (Personal information & Information Security Management System)		[Scope] Game service operation in Korea [Valid Period] Dec 16, 2023 to Dec 15, 2026
APEC CBPR		[Scope] Personal information processed through global game services (game, customer center, Channel Netmarble, forum, billing service) [Valid Period] Apr 10, 2023 to Apr 9, 2024
ISO/IEC 27001, 27017, 27018		[Scope] ISMS in relation to service & internal operation for global online game publishing using the applicable controls from ISO/IEC 27017:2015 and ISO/IEC 27018:2019 in accordance with the Statement of Applicability version 3.0 [Valid Period] July 3, 2021 to July 29, 2024
ISO/IEC 27701		[Scope] PIMS in role as a 'PII Controller' in relation to service & internal operation for global online game publishing in accordance with the Statement of Applicability version 3.0 [Valid Period] Aug 14, 2023 to July 29, 2024

Data Privacy Management

To safeguard the personal data of users worldwide, we analyze the personal data protection policies of each country, prepare regulations, and apply them to the service based on the Privacy by Design (PbD) principle. Personal data is protected from the service planning to termination stages. We prepare our own checklist according to the lifecycle to inspect policy compliance, identify risks and exposure, and implement improvement measures.

In the event of developments and changes requiring personal data processing such as collection, use, and provision, a privacy impact assessment is conducted. We also provide various entry channels such as customer centers, in-app functions, and agents (EU, UK) to ensure users' right of access, rectification, and deletion of individuals' data. Starting in November 2023, we will operate a separate online personal data webpage where global users can easily request rights protection.

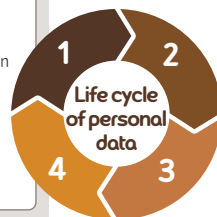
Privacy Policy

As we provide global publishing services, we offer our privacy policy in languages spoken in various regions and countries. We have introduced a Personal Data Labeling System and Privacy Policy for Children and Adolescents, along with a guide to consent to personal information collection. We provide explanations with visual content, dividing the process into five stages—collection, use, provision, delete, and protection—to help users easily understand how their personal data is handled.

- Privacy Guidelines
- Consent to Collection of Personal Information of Children and Youth



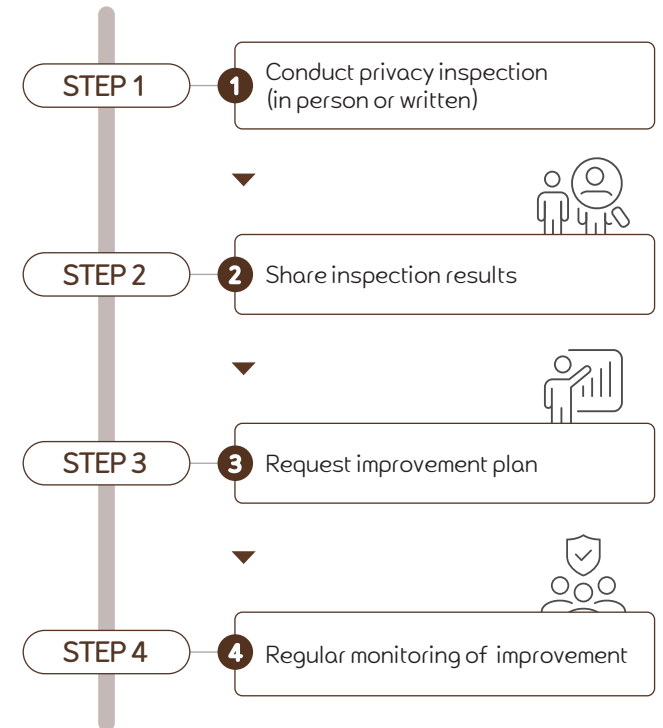
Privacy Guidelines



- 1. Collection and Use (Collection)**
 - Comply with personal data collection procedures, including obtaining consent for collection and use, and consent from legal representatives when necessary.
 - Apply security policies in accordance with the laws and regulations of each country, particularly for new employeeship systems or event launches.
 - Adhere to the privacy policies of different platforms, such as Google and Apple.
 - Provide a Personal Data Labeling System and Privacy Policy for children and adolescents.
- 2. Storage and Management (Use)**
 - Process information strictly within the purposes for which prior consent has been obtained.
 - Prohibit the use of personal information outside the consented scope, and the provision or sale to third parties.
- 3. Provision and Consignment**
 - Conduct inspections and improvements of data processors.
 - Review the adequacy of provision to third parties, ensuring consent and legal compliance.
 - Notify individuals within three months of collecting or using personal information from a third party, providing information about the provider and the right to request processing suspension for specific purposes.
- 4. Delete**
 - Delete personal data upon the expiration of the collection period.
 - Delete personal data when the purpose has been achieved, such as the end of service.

Data Processors Management

We entrust the processing of personal data for customer service, delivery, and safe management of personal data. We ensure compliance with privacy measures consistent with our company standards by concluding a personal data processing contract. We provide privacy training materials to data processors and conduct annual inspections of the personal data processing status, in person or written. For major personal data processors, we conduct mandatory on-site inspections to closely monitor the status of personal data management and continuously ensure improvements are made to any identified deficiencies. We also regularly identify, update, and manage the status of new, changed, and terminated data processors, and disclose any changes through our privacy policy.



Accident prevention and risk mitigation measures

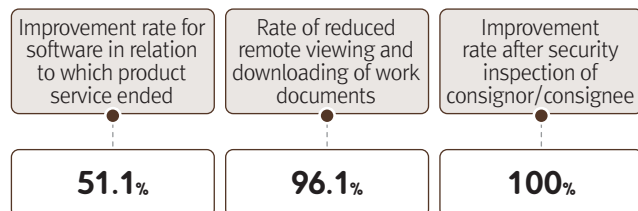
We actively pursue risk removal and mitigation activities by preparing improvement plans aimed at fundamentally resolving risk factors discovered through the security risk management process. Specifically, we identify security risks through a process that involves assessing assets, threats, and vulnerabilities. We then manage the entire privacy process by developing complementary measures and monitoring their implementation following a thorough security risk analysis and evaluation. These processes are clearly outlined in the (Personal) Information Asset Risk Management Procedure, which includes information asset classification, importance assessment, risk assessment performance, and required actions.

Accident response system

As a global company operating games in more than 150 countries, we strictly adhere to global laws and regulations related to information security and privacy. We establish policies based on domestic and international privacy standards and conduct proactive and reactive measures to address cyber hacking and attacks. We conduct external and internal audits at least once a year on information security management systems to ensure compliance with Article 9 of the Personal Information Protection Act. Following the external audit in 2023, after identifying vulnerabilities and implementing improvement measures, we monitored implementation more than three times, actively preventing and responding to security incidents, including security audits of clients.

We have developed a personal data breach incident response procedure and formed a rapid response task force to swiftly address personal data breaches. We prevent data breaches through regular risk assessments, security checks before game launch, mock hacking after launch, and malicious program detection. In the event of a data security incident, we provide prompt response and promote quick recovery in accordance with our 24/7 security control system and incident response procedures.

Effectiveness of risk mitigation measures



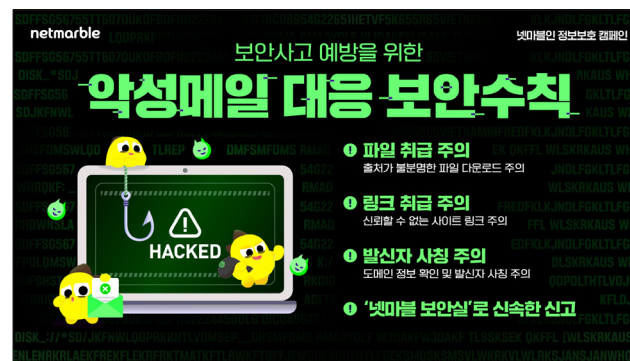
Proactive measures

We collect information on the latest security threats and vulnerabilities to identify potential risks, conducting risk assessments and implementing improvement action plans for identified items at least once a year to enhance privacy. We conduct security checks before game launches, and conduct mock hacking regularly while game services are active to identify and eliminate security vulnerabilities.

To prevent in-game abuse, we prioritize the blocking of malicious programs through our proprietary security module. And we strengthened the security of our assets by regularly conducting vulnerability inspections on key assets, as a crucial role in our business operations.

Reactive measures

In 2023, we recorded zero data security incidents through our risk management activities related to information security and personal information protection. We maintain an environment capable of responding at all times through a 24/7 security control system, promoting rapid recovery to minimize the impact on all games in the event of a data breach. Regarding incidents that may have significant impacts, our CPO immediately reports and takes actions in line with the infringement response manual.



Information security campaign



In-house security training video

Building a Culture of Privacy

Raising security awareness among employees

We conduct information security training, including legally required security training, for new employees. In 2023, we plan to develop a new security training course and provide an information leak prevention video to all employees, including contractors and in-house partners, to enhance security awareness.

To raise employees' privacy awareness, we carry out various trainings and activities. Fundamentally, we provide yearly training for personal data handlers under the Personal Information Protection Act, we are applying the most effective methods to provide training. In 2023, we provided training to all personal information handlers on revisions to the Personal Information Protection Act, major violation cases, and response measures. We also conducted an internal relay seminar on privacy-related topics that employees were most curious about. We also offer tailored privacy training based on the job characteristics of personal information handlers, such as those in development, infrastructure, CS complaint handling, and data processors managing departments.



Moreover, we inform users about privacy regulations and protect their data through monthly security campaigns and regular newsletters. We conduct campaigns for employees on various topics, such as conference room security and mobile device security, and regularly emphasize the importance of privacy activities through electronic signs and screen savers in our office buildings.

2023 information security and data privacy training

Type	Target	Details	Number of Participants (completion rate)	Detailed topic
Mandatory training	All employees	Basic Training	848 people (100%)	<ul style="list-style-type: none"> • What is personal information? • What is personal information and how can I protect it? • What is physical security and how do we protect the work environment?
Privacy Training by role	Personal data handlers	Strengthen responsibility as a personal information handler	290 people (100%)	<ul style="list-style-type: none"> • Concept of personal data • 2023 revisions to the Personal Information Protection Act • Violation cases of law and countermeasures
	Personal data handlers	Personal Data Relay Seminar	60 people (100%)	<ul style="list-style-type: none"> • Company's privacy procedures according to service life-cycle • Technical and managerial protection measures for personal information processing system • Consent system changes in accordance with revisions to the Korea Personal Information Protection Act
	Development and infrastructure	Privacy training for each role (development and infrastructure)	22 people (100%)	<ul style="list-style-type: none"> • Concept of personal data • Matters to be complied when developing services • Example cases of personal information leak and exposure
	Data processors managing department	Data processors management plan	13 people (100%)	<ul style="list-style-type: none"> • Explanation of consignment concepts and law revision details • 2023 inspection process • Discussion on strengthening personal data management and response measures
	CS handling	Procedures and measures when responding to personal data complaints	65 people (100%)	<ul style="list-style-type: none"> • Safe collection, use, and destruction of personal information during events • Learn how to respond when requesting to access, rectify, delete individuals' data

Data privacy day activities

We hosted various events, including a Privacy Quiz for game users in September 2023 and a Personal Data Relay Seminar for our employees.

<p>Privacy quiz event for users</p> 	<p>We promoted the company's privacy protection initiatives through a privacy quiz for our game users, offering insights on practicing privacy in daily life.</p> <p>A total of 6,753 users participated, with game goods provided to those who answered the quiz correctly, encouraging user engagement.</p>
<p>Privacy relay seminar for employees</p> 	<p>The Data Privacy Relay Seminar aimed to enhance employees' understanding and interest in how to protect data safely and prevent data breaches.</p> <p>The seminar covered three pre-selected topics of service lifecycle (spanning from planning, development, operation to termination). The topics include the company's privacy procedures, technical and managerial protection measures of the personal information processing system, and the consent system changed in line with the revisions to the Personal Information Protection Law. In addition, a Q&A session was also included to deal with employees' questions about personal data.</p>

Social Responsibility

Mid/Long-Term Goal

With the establishment of the Netmarble Cultural Foundation in 2018, we have progressed through stages of building a foundation, establishing identity, and advancing our business. Guided by social responsibility strategies and principles, we have expanded our business area and scope to provide a positive impact to various stakeholders. In 2023, we marked a significant transition from the initial roadmap we defined upon the set up of the foundation to a new roadmap. The transition aimed at expanding opportunities for internal stakeholders to empathize with and participate in public interest activities by encouraging employee participation. In 2024, we plan to leverage the positive changes among internal stakeholders to extend our impact to the local community, fostering active participation from external stakeholders rather than mere donations. After 2025, we will operate Korea's first game museum, scheduled to open in December 2024, to contribute to the development of the Korean gaming industry by highlighting the gaming history and culture, and to contribute to promoting cultural values.

Netmarble Cultural Foundation roadmap

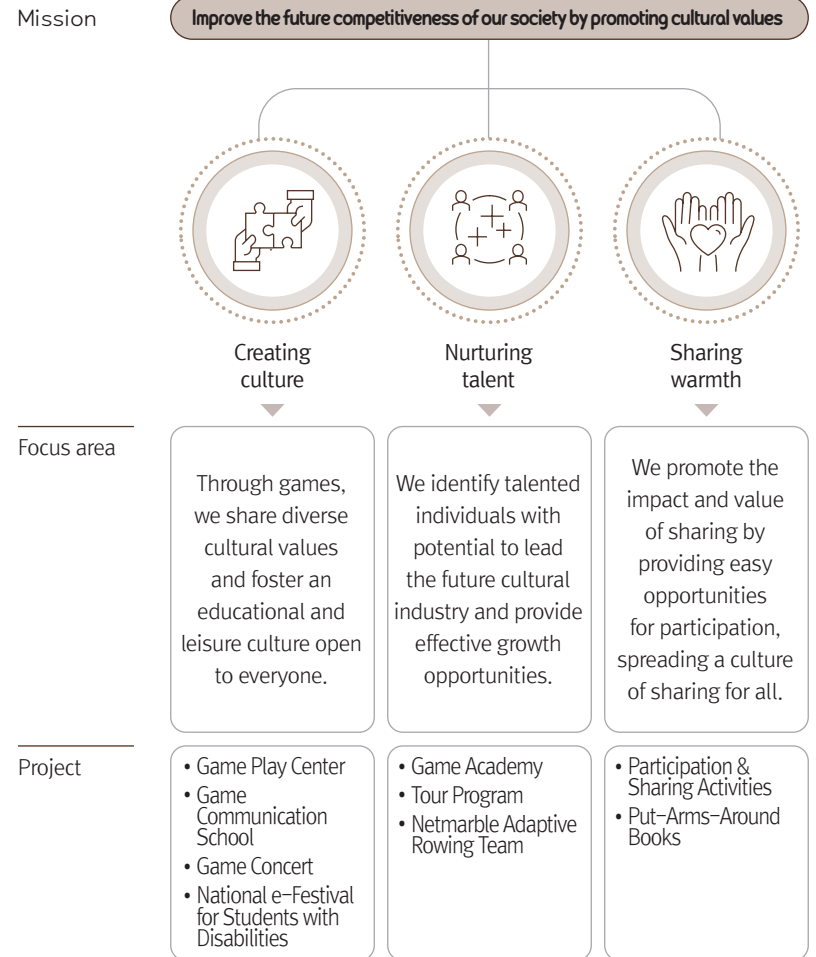
Year	2023	2024	2025	2026
Objectives	Boost employee participation	Increase support for communities	Operate Korea's first game museum	Revitalize game museum and expand social responsibility
Detailed goals	Increase participation in volunteer activities At least four times a year	Provide education programs to communities More than 50 people a year	Establish and display global gaming history	Expand tour program for children youth Over 10% increase compared to previous season
	Expand donation participation Fund raised by more than 3%	Implement community donations At least twice a year	Display Korean gaming culture	Conduct promotional events for visitors Twice a year
	Strengthen social responsibility training At least 10 times a year	Invite local communities to in-house sharing events	Conduct tour program for children At least 10 times a year	Conduct field drips with communities Twice a year

Mid to long-term roadmap

Governance

We promote various activities to enhance social value and fulfill our corporate social responsibility. All activities are carried out under clear established standards and structured procedures, with business performance details transparently disclosed to stakeholders. Going forward, we will continue to grow together with the local community and take social responsibility in addressing various social issues.

Implementation framework of Netmarble Cultural Foundation



Policy

Principles of social contribution activities

Netmarble’s social responsibility direction is to pursue positive and practical changes in the local community from a long-term and sustainable perspective, with a focus on making the best use of the company’s capabilities and resources. All projects are carried out based on four principles: sustainability, sincerity, expertise, and transparency.

Principles of Social Contribution Activities

1. Continuity

We focus on long-term change through continuous, consistent implementation rather than one-off activity.

2. Sincerity

We create meaningful support systems that address the genuine community needs.

3. Expertise

We establish a responsible organization with expertise in social responsibility to amplify positive effects and manage risks effectively.

4. Transparency

We document all social responsibility processes and share them transparently with stakeholders.



Excellent Arts and Culture Supporting Organization Certification

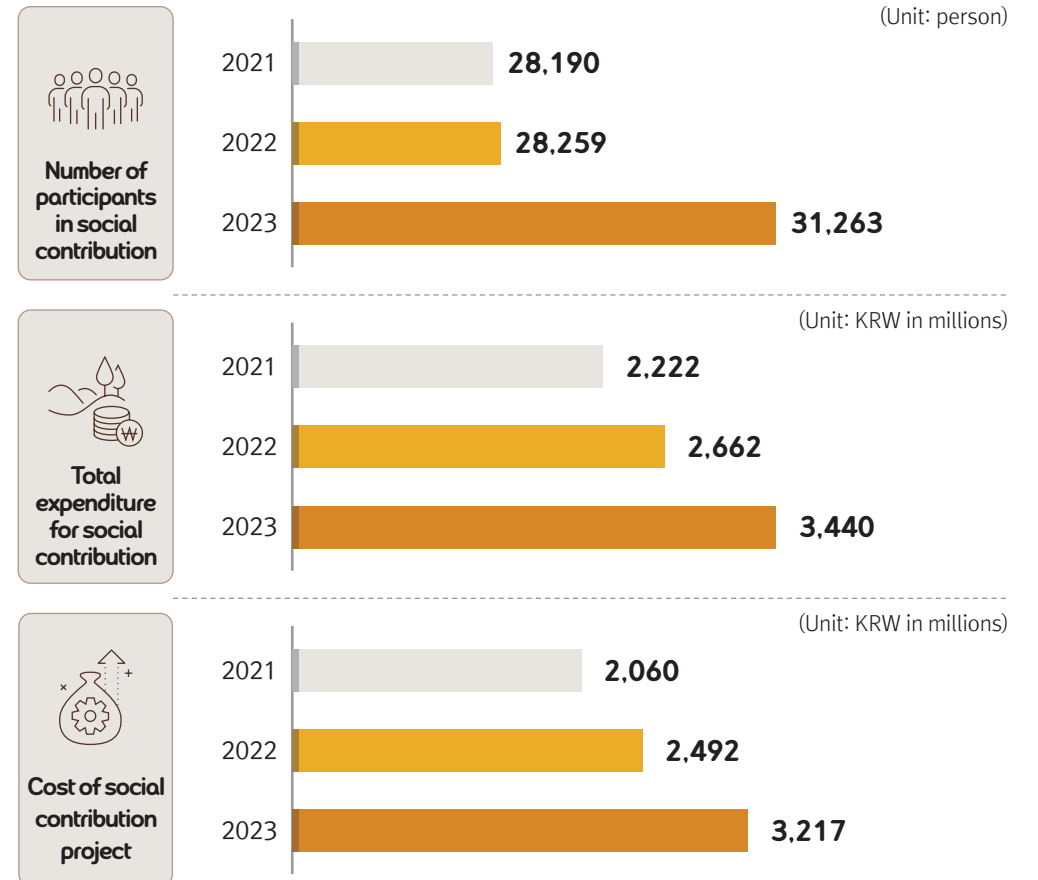


Korea Mecenat Convention Cultural Contribution Award

Social Responsibility Activities

Committed to social contribution since our foundation, we set up the Netmarble Cultural Foundation in 2018 to ensure our consistent activities in that direction. The foundation contributes to increasing social value through various activities focused on three thematic areas: Creating culture, Nurturing talent, and Sharing warmth. In 2023, we were recognized by the Ministry of Culture, Sports, and Tourism for our contributions to the development of arts and culture. We were selected as the first excellent arts and culture supporting organization in the gaming industry, receiving commendation from the Minister of Culture, Sports, and Tourism at the 2023 Korea Mecenat Awards.

[Netmarble Cultural Foundation Website](#)



Creating culture

Game Play Center

'A special space in combination of playing and learning'

Beginning from 2008, in cooperation with the National Institute for Special Education (NISE), the Netmarble Cultural Foundation has opened 37 Game Play Centers in special schools and related organizations across the country, allowing everyone to enjoy games without physical or social restrictions. We are creating a new learning and leisure culture for students with disabilities by distributing effective manuals that help them easily use various cutting-edge devices such as PCs, mobile devices, and VR equipment.

In 2023, to celebrate the 15th anniversary of the Game Play Centers, we gave special lectures and distributed books, and videos. Leveraging the knowledge and capabilities accumulated over 15 years, we expanded our support beyond schools to local communities, opening centers at two welfare centers for disabled people. We will continue to broaden our contributions and create greater social value.

[\[Netmarble TV\] Game Play Center 15th Anniversary Video](#)

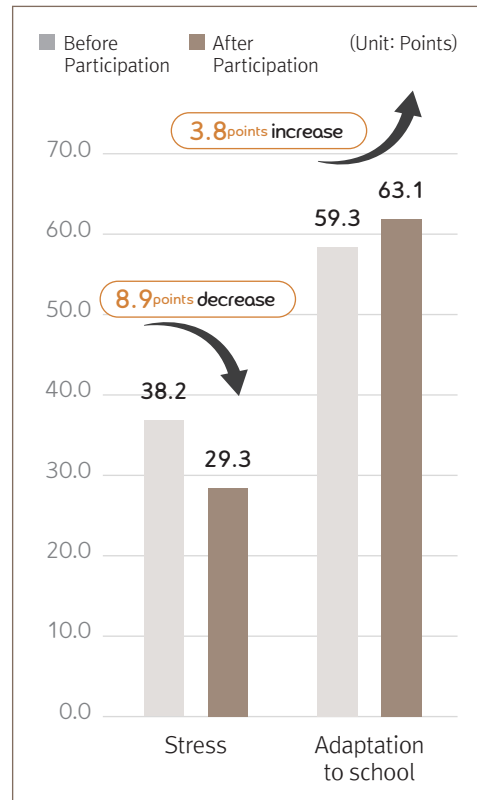


Game culture experience center

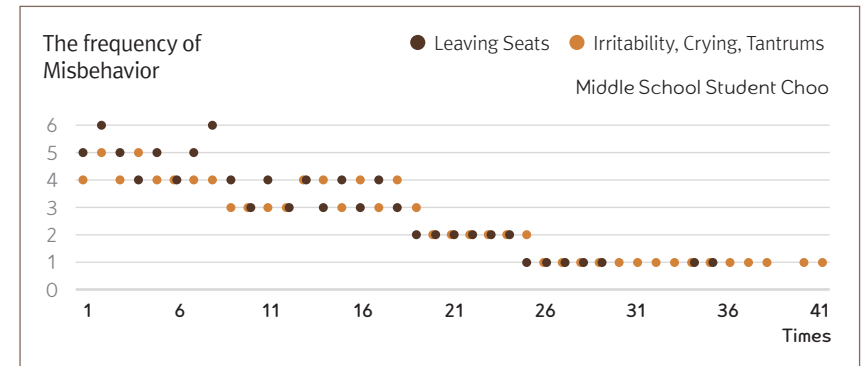
Effectiveness of social contribution activities related to games

Netmarble introduced game activities to students with intellectual disabilities through the Game Play Center and conducted a study on their adaptation to school life and stress levels. We analyzed teachers' observation notes on scale tests and standardized items to compare changes before and after their participation in the program. The study involved 16 elementary, middle, and high school students. Over three months of participation, the students' stress levels decreased and they showed improved adaptation to school life. The stress scale dropped from 38.2 points before participation to 29.3 points after, while the school adaptation scale increased from 59.3 points to 63.1 points, indicating a statistically significant difference ($p < 0.001$). The analysis of teachers' observation notes also revealed a decrease in incidents of leaving their seats and getting irritated as the program progressed.




Study findings on changes in stress levels



Study findings on changes in adaptations to school



Teachers' observation notes

- “ He had difficulties in learning the game, however, once he learned how to play it, he participated at a much higher level. As time goes by, he even asked to go to the Game Play Center using body language outside of the program hours, through gestures like pulling on the homeroom teacher's clothes. After using the center, he became less irritable during afternoon classes, and more actively participated in class. The frequency of problematic behaviors has also decreased significantly. 🌟🌟 
- “ Through gaming, he even talks to friends first, and laughs a lot while looking at the screen, expressing emotions. He stopped pushing and yelling at friends, and even goes to the computer room to play games during breaks. 🌟🌟 
- “ Compared to male students, she wasn't as interested in games but more interested in talking and sharing about games with friends. As she became closer to friends, the frequency of throwing tantrums significantly decreased compared to before. 🌟🌟 

Game Communication School

‘Bringing families closer through games’

Since 2016, Netmarble has been operating a Game Communication School for elementary school students and their parents nationwide, to help them better understand each other and create a proper gaming culture at home. We offer both online and offline training sessions, distribute educational content, conduct parent meetings, case studies, and surveys to assist families in learning how to communicate effectively within the family and foster positive relationships through gaming. In 2024, we plan to organize a forum involving Game Communication School and communication experts to continue advancing our mission.

Game concert

‘Open forum for gaming industry and culture’

The Game Concert, which has been running for six years since 2019, is an open forum where experts, our employees, and the public participate to share diverse views on the gaming industry and cultural trends and suggest a vision for the future, aiming to create and promote a healthy gaming culture. The 2023 Game Concert was held offline again 3 years after the last one. It featured a variety of topics, including the value of the game industry and its harmonization with other industries, fostering a more progressive society while sharing knowledge, information, and insights.

[\[Netmarble TV\] 19th Game Concert Video](#)

National e-festival for students with disabilities

‘A festival where everyone unites through gaming’

The National e-Festival for Students with Disabilities is Korea's only e-sports and information competition for students with disabilities. This event has been consistently hosted by the Netmarble Cultural Foundation since 2009, in cooperation with the National Institute of Special Education and the Korea Creative Content Agency, with support from the Ministry of Education and the Ministry of Culture, Sports, and Tourism. Students, teachers, and parents all participate together to improve the informatization skills of students with disabilities, contributing to the enjoyment of a new leisure culture.

The National Disabled Students e-Festival in 2023 was held offline. The festival was attended by over 3,000 people, including students with disabilities, parents, teachers, and officials from 17 metropolitan and provincial offices of education across the country. We also organized various other events in parallel to provide a venue of communication for the participants, their families and other visitors.



Game Communication School



National e-festival for students with disabilities



Game concert

Nurturing talent

Game Academy

'Future dreams infused into games'

Since 2016, the Netmarble has operated the Game Academy to nurture talent that will lead Korea's game industry in the future. The academy selects young individuals with a strong passion for their dreams and basic capabilities related to game development. It offers an eight-month regular course with specialized areas such as planning, design, and development, teaching game development knowledge and skills, while also instilling the ethics and social responsibility required for game talent.

In addition to regular courses, we run a boot camp during summer vacation to provide game development experience and training related to App Store registration so that more youth can grow into future game developers. In the mobile game category of the G-Star 2023 Indie Showcase, False Paradise, developed by Game Academy students was selected as the final exhibition piece, and in 2024, a special Reunion Day will be held so that participants from the 1st to 8th classes can form a network together.

Tour Program

'Deep dive into the gaming industry'

Netmarble's tour program provides educational content for middle school to college students interested in the gaming industry and related career paths. Through the tour program, students can learn about the various jobs required for game development, engage in experiential activities to understand the development process, and gain knowledge and experience about careers in the game industry through lectures by professionals in the field. We select honorary lecturers with specialized knowledge in planning, development, and design, and we reorganize lectures based on student feedback to provide customized career education.

Furthermore, we offer tour program opportunities for youths who lack access to schools or homes, promoting the development of the Korean game industry and our social responsibility projects. We also organize tour program for students from leading overseas universities, including the University of Twente in the Netherlands, Indiana University School of Business, and the University of Texas at Austin. Even during vacation periods, we run tour program for the family employees of our employees to help them understand their work.

Netmarble Adaptive Rowing Team

'Overcoming prejudice and limitations'

We established the gaming industry's first parasports team in 2019 to expand social participation and rights protection activities for people with disabilities. We provided athletes with a stable employment environment, training opportunities, and necessary supplies. As a result, we won 20 medals at the 2023 National Disabled Rowing Championships, 14 medals at the National Disabled Rowing Championships in Tangeumho, Chungju, and 13 medals at the National Para Games. Notably, we earned a silver medal in the mixed coxed four at the 4th Asian Para Games at Hangzhou, instilling pride as employees of the Korean national team. In recognition of our social contributions, we received the Parasports Team Operating Company Commendation at the Proclamation Ceremony for Promoting the Establishment of Private (Public) Company Parasports Teams, hosted by Seoul City and the Seoul Sports Festival for the Disabled in April 2024.



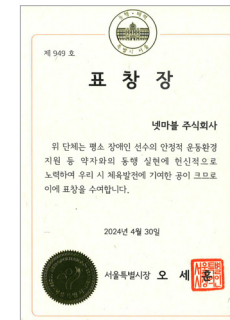
Game Academy



Netmarble Adaptive Rowing Team



Tour Program



Certificate of commendation for the parasports operating company

Sharing warmth

Participation & Sharing Activities

'A better world together'

Netmarble strives to foster a sharing culture within the company by encouraging participation in enjoyable and fulfilling social contribution activities. These include Netmarble Sharing Day, holiday sharing auctions, honorary lecturers, talent sharing, employee donations, and volunteer activities. Netmarble Sharing Day, which began with the Netmarble Bazaar in 2016, raises funds through the sale and auction of items donated by employees. The entire proceeds are then donated to local social welfare centers and children's facilities. In 2023, we provided all employees with the opportunity to experience the joy of sharing through various events, such as making fur wire dolls and dot caricatures, award ceremonies for outstanding donors and volunteers, and cultural performances. A total of 1,329 employees participated and raised approximately KRW 11 million, which was delivered to local childcare facilities. Furthermore, employees' regular annual donations support the Netmarble Window Project, an IT-based educational exhibition, following approval by the Employee Fund Committee.



Netmarble Sharing Day

Put-Arms-Around Books

'Picture books embracing diversity'

Put-Arms-Around Books, children's book series, portray a world where all individuals, including those with disabilities and socially disadvantaged backgrounds, coexist harmoniously. These books are published with the aim of helping readers embrace diversity as they grow. All sales proceeds from Put-Arms-Around Books are donated to publishing, education, and welfare organizations. We are planning various activities in collaboration with local public and small libraries, including holding conferences and exhibitions, conducting human rights training, and seeking ways to progress towards a society that respects diversity.



Put-Arms-Around Books

Revitalizing the local economy

In addition to our social contribution activities, we pursue mutual growth with the local community through our business initiatives. In July 2023, in collaboration with 'Kuya Restaurantz' and McDonald's, we carried out burger marketing activities using green onions from the Jindo region, promoting local agricultural products and revitalizing the local economy. In May 2024, we partnered with The Big Issue Korea, a non-profit social and cultural magazine, to feature 'Kuya Restaurantz' on the cover and donate half of the revenue from the special issue to support the homeless, aiding their economic independence. When G-Tower was built in 2021, 70% of the total site was transformed into a park and opened to the local community. Since then, various facilities in the office building have been continuously expanded and made them available to companies in the industrial complexes and local residents, either for a fee or free of charge. We will continue to improve the quality of life for local residents through healthcare and checkup facilities, sports facilities, and cultural amenities.

[\[Netmarble TV\] G-Tower Mutual Growth Tour Video](#)



G-Tower Convention



Kuya, Donating Sales of Nonprofit magazine 'The Big Issue'

Facilities for mutual growth with local communities

Facility	Opening Date	Operation Details
G-Tower Convention	Oct 2021	Discounts are offered to companies located in Guro and Gasan Digital Complex industrial complexes (36% users are of companies within industrial complexes).
Sports center	Oct 2022	Discounts are provided for companies and local residents situated in industrial complexes (99% of users are either companies within industrial complexes or local residents).
Screen golf course	Feb 2024	Discounts are offered to companies residing in industrial complexes and local residents.
Health promotion facilities	Apr 2024	Health promotion services are provided for companies and local residents within industrial complexes (health care room, mental health clinic, musculoskeletal management office).

05

We Grow Together.



'Kuya Restaurantz' by MNB selected as ambassador for the Ministry of Environment's Carbon Neutrality Campaign



56
Environmental
Management



63
Governance

66
Shareholder-Friendly
Management



67
Ethics and
Compliance

70
Risk
Management

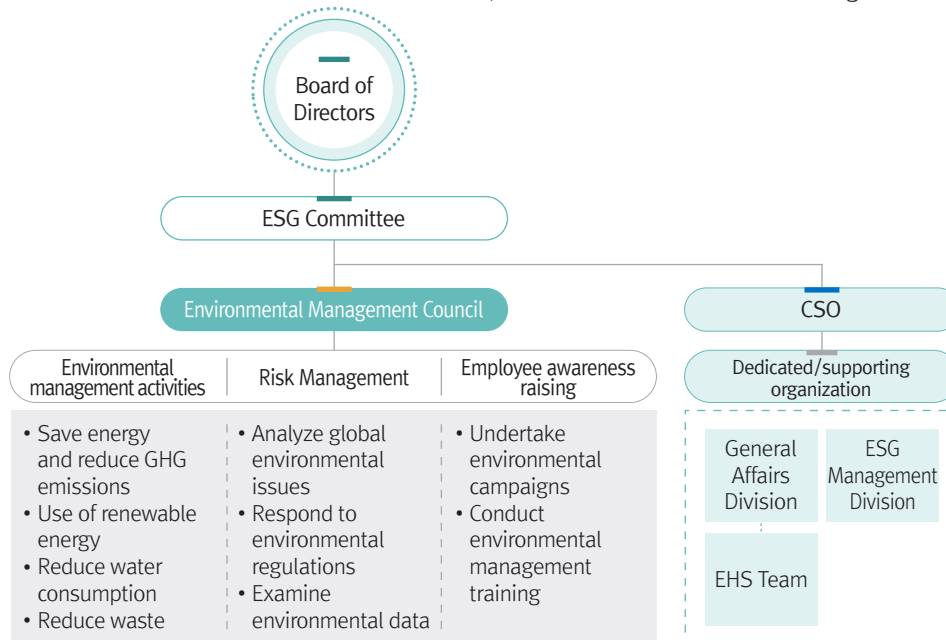
Environmental Management

Governance

To address stakeholder demands for environmental management, Netmarble established the Environment, Health, and Safety (EHS) Team in 2023, facilitating related activities. We regularly convene an Environmental Management Council attended by management to manage environmental risks and track the progress of major tasks. Important decisions discussed in the council are presented to the ESG Committee under the Board of Directors after review by the Chief Officer of Environmental Management (CSO). As a result, we set environmental management guidelines in 2023 and integrated our environmental management performance into leader and management KPIs. We will continue implementing environmental management activities in response to the changing environment based on our governance system and transparently disclose related outcomes to stakeholders.

Management performance evaluation and rewards

To adapt to the evolving market environment and further promote environmental management, we integrated our environmental management performance into managers' and top management's KPIs in 2023. These KPIs primarily focus on goals related to climate action, aligning with stakeholder demands. We established goals to guide the organization toward a common direction by linking performance indicators of managers and organizational leaders. Achievement of these goals was reflected in employees' performance evaluation and compensation. Any lacking parts were reflected in the goals for the following year to ensure continuous management of environmental objectives. In the future, we will expand the scope of environmental management KPIs to reflect the changing market environments and stakeholders' needs, and add further details under the goals set.



Board of Directors	<ul style="list-style-type: none"> Oversee the entire environmental management system process
ESG Committee	<ul style="list-style-type: none"> Set annual environmental management policies Implement detailed ESG strategies and assess sustainability performance Review ESG information disclosure
CSO	<ul style="list-style-type: none"> Develop environmental management policies and plans Evaluate environmental activities and provide recommendations Supervise environmental information disclosure
Environmental Management Council	<ul style="list-style-type: none"> Establish the environmental management system Set annual environmental management plans and goals Define environmental management evaluation standards and indicators
Dedicated/supporting organization	<ul style="list-style-type: none"> Implement the environmental management system Measure and monitor environmental performance Conduct regular environmental training for employees and internal campaigns Ensure compliance with environmental laws and standards

Policy

To minimize our company’s impact on the environment, we have established an environmental management policy that all employees and stakeholders must follow, and we conduct management activities accordingly. In 2023, we presented detailed environmental management guidelines outlining strategies to implement this policy, which were approved by the Board of Directors. These guidelines outline the organizations and roles dedicated to promoting Netmarble’s environmental management, and they specify principles for climate change response, waste reduction management, and a risk management system. We guide both internal and external stakeholders to comply with our environmental management policies and guidelines, and we actively promote environmental management activities based on established policies.

Environmental management policy

We continuously implement the following environmental management policy to minimize the negative environmental impacts of providing various IT-based services and to actively respond to climate change through energy efficiency and GHG reduction.

1. We recognize the environment as essential to our company’s development and create corporate value through eco-friendly management.
2. We respect human values and fulfill our corporate social responsibility to build a sustainable society in harmony with the environment and society.
3. We actively pursue the sustainable use of resources and the reduction of pollutants throughout product development and sales.
4. We comply with global environmental laws and agreements and actively promote environmental management.

Environmental management guidelines

At Netmarble,

- We recognize the natural environment as natural capital that we have borrowed from the future generations.
- We aspire to be a company that spreads joy globally through green management.
- We enhance our efforts to combat climate change by enhancing energy efficiency and diversifying energy sources.
- We boost recycling rates within the business places and extend the reach of our environmental values through proactive communication with stakeholders.

*Refer to Article 1 (Purpose) of the Environmental management guidelines

Climate Action

Risks and response strategies

In line with our environmental management policies and guidelines, we actively promote activities to strengthen our response to climate change, an issue closely related to the nature of our business. In all investment and purchasing decisions, we consider carbon costs. The Environment, Health, and Safety (EHS) Team, dedicated to addressing climate change, holds a quarterly Environmental Management Council with executives from the ESG Management Division to share regulatory trends and report on goal progress. Climate change issues requiring Board-level decisions are submitted to the ESG Committee which then discusses and makes decisions. We will continue to undertake climate actions, such as GHG and energy management and waste reduction, based on our climate change governance system. We will join environmental initiatives and conduct risk analyses to address physical and transitional risks, actively responding to the changing environment and pursuing sustainable management.

Environmental management strategy

Goal

Minimize environmental impact for future generations

Strategic Tasks



Reinforce climate action



Reduce waste and increase recycling



Expand communication for environmental management

Environmental management activities

- Align our GHG management system
- Increase the use of cleaner sources of energy

Risk management

- Increase recycling within the building
- Create a culture of eco-friendly management among employees

Employee awareness raising

- Expand communication on environmental performance
- Achieve environmental management certification
- Join environmental initiatives

Risk Management Activities

Greenhouse gas management

In 2023, our headquarters' GHG emissions totaled 4,280 tCO₂eq, primarily attributed to electricity use. To address this, we are implementing high-efficiency, eco-friendly facilities to improve electricity usage efficiency and seeking to increase renewable energy production through solar and geothermal power production facilities in the building.

Key indicators of environmental management



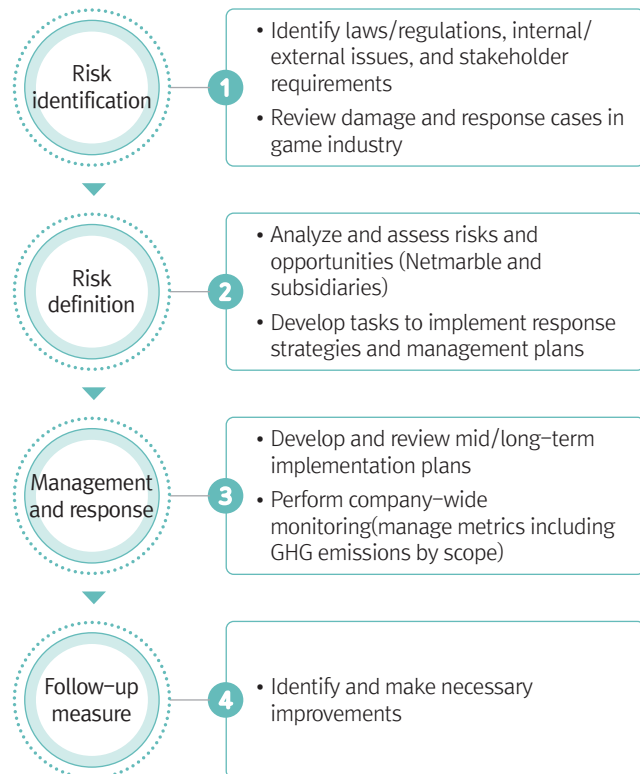
Energy Management

Efforts to save energy

We conduct various campaigns and send pop-up messages to employee PCs every day to decrease energy consumption, encouraging employees to turn off office equipment before leaving the office. We also recommend maintaining office temperatures above 26°C in the summer and below 20°C in the winter. To prevent unnecessary power waste, we have increased the frequency of automatic office light turn-off from twice (20:00, 24:00) to five times (20:00, 22:00, 24:00, 2:00, 4:00). We are also introducing smart plugs to home appliances in office spaces, such as water purifiers and coffee machines, to reduce energy use by turning off standby power during non-working hours.

Climate risk identification and management process

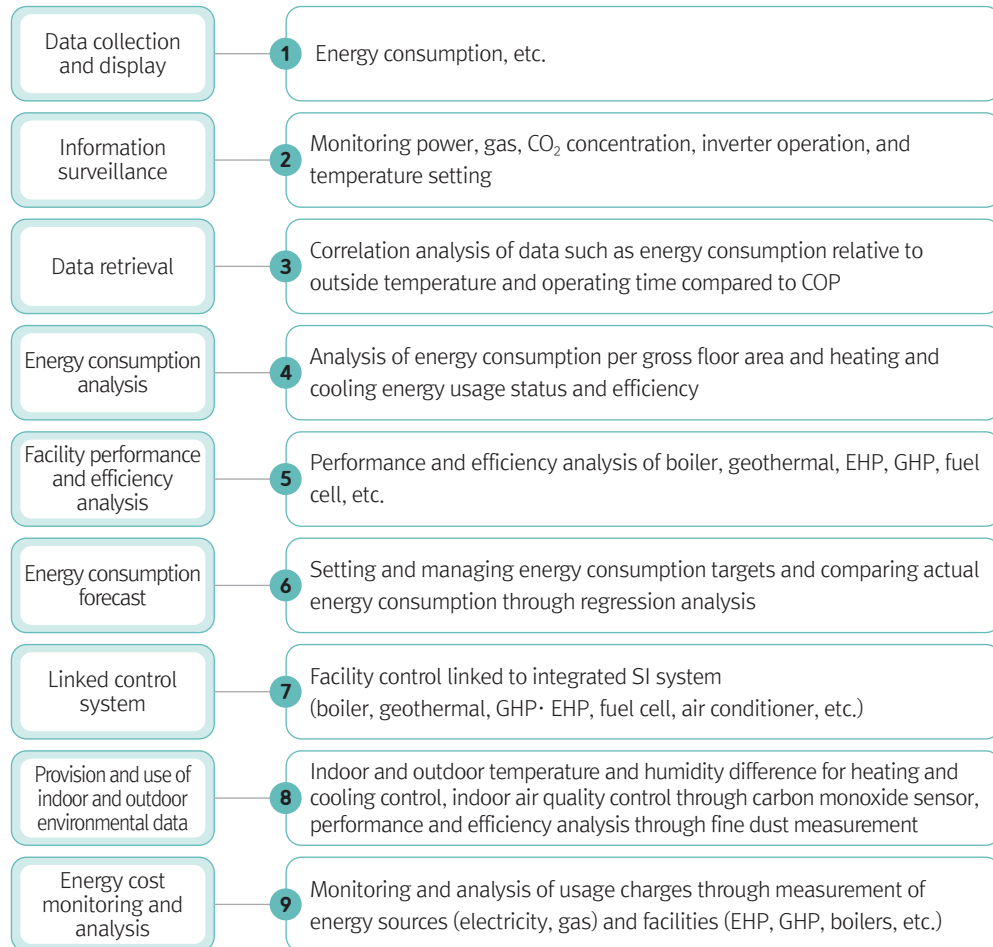
Our EHS Team and ESG Management Division periodically seeks to identify and manage climate-related risks. Concerning regulatory risks, we conduct annual inspections for organizations subject to environmental management policies to identify any environmental issues and impacts. We then provide environmental training and conduct regular inspections to prevent and mitigate identified risks, establishing a response system for continuous monitoring. Regarding environmental risks that may arise at any time, we identify them through a grievance channel operated by the EHS Team, implement improvement measures based on risk level, and disclose the results to the reporting party.



Establishing energy management system

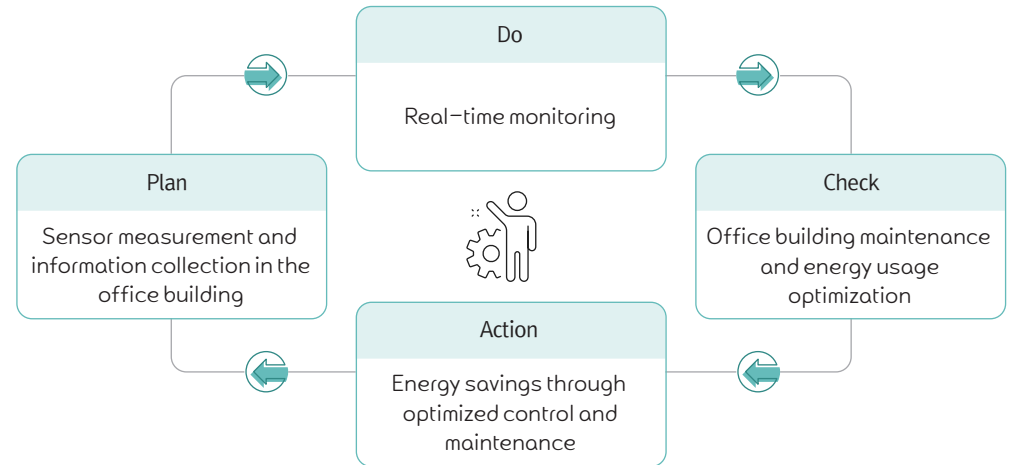
We have operated a first-class Building Energy Management System (BEMS) since 2021. We effectively manage energy use within the building by monitoring power and gas usage, analyzing and controlling the efficiency of geothermal heat, EHP, GHP¹⁾, and fuel cells by installing sensors for major facilities.

BEMS



1) Electric and gas engine heat pumps

Automatic control system management process using BEMS based on PDCA



Using renewable energy

Netmarble's G-Tower continuously monitors and manages 681 solar panels, 30 fuel cells, and 15 geothermal power plants to maximize energy efficiency and reduce GHG emissions. Solar panels operate throughout daylight hours, generating an average of 17,288 kWh of power per month, consumed through inverters installed on each floor. The fuel cell operates for eight hours daily, producing around 1,944 kWh of power per month, with hot water generated during the process circulated to maximize energy efficiency.

Geothermal heat, utilizing the temperature difference in groundwater, serves as a coolant for outdoor units in summer and heating in winter, generating and utilizing an average of 75,000 kWh of heat monthly. In 2023, we covered 2.2 TJ of building energy consumption with renewable energy, resulting in a reduction of approximately 40 tCO₂eq in greenhouse gases.

Key indicators of environmental management

<p>Energy</p> <p>Use of renewable energy</p>	<p>2.2 TJ</p>
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Waste management

To promote sustainable environmental management, we adhere to waste laws and actively strive to reduce waste while improving recycling rates. We are taking measures to ensure that all recyclable waste is recycled by further subdividing recycling bins. We intend to actively practice eco-friendly management by raising circular economy objectives and aiming for certification as a leading circular economy company.

Introducing reusable cups at Ke Ke Dabang

In December 2023, we introduced reusable cups and biodegradable PLA straws to our in-house cafe, Ke Ke Dabang, to reduce disposable plastic usage and increase eco-friendly awareness among employees. Before the introduction, sufficient information was provided to employees to ensure the smooth collection and reuse of the reusable cups. As a result, more than 97% of reusable cups are being reused on average every month, as employees find it convenient to return them to the designated collection station. Considering that the number of disposable cups used in Ke Ke Dabang is approximately 650,000 per year, the introduction of reusable cups is expected to reduce the average monthly use of disposable cups by approximately 55,000.



Key indicators of environmental management

Waste

Recycling rate

98%



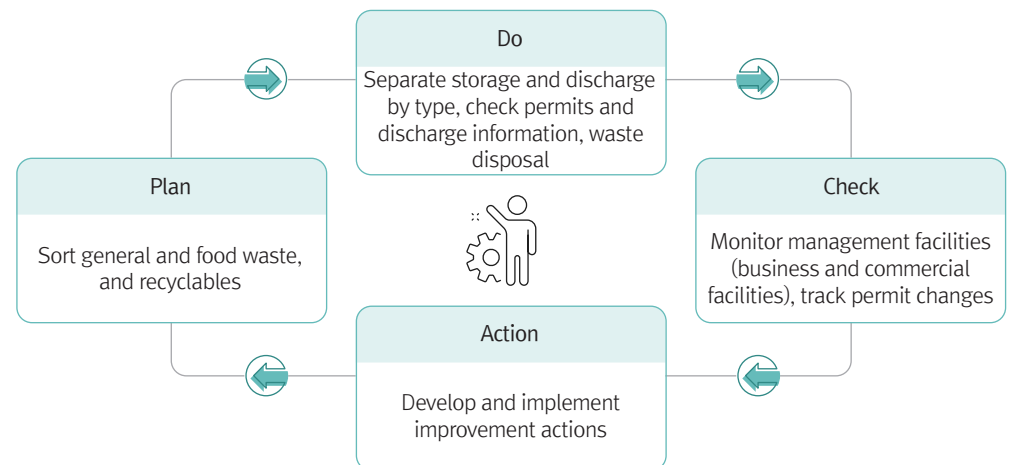
Waste disposal process



Waste discharge management status

Category		Status	Note
General Waste	Business facilities	• Take out non-recyclable waste by weight (kg)	
	Commercial facilities	• Take out non-recyclable waste by bag	
Recyclable waste		• Recyclable: Paper, scrap metal, glass bottles, PET bottle, etc. (free of charge) • Non-recyclable: Coated paper, food containers, plastics, etc. (disposed of in the same manner as general waste)	
Food waste	Business facilities	• Charge cost(collection company·store)	The disposer bears the cost
	Commercial facilities	• Large volume: Charge cost(collection company·store) • Small volume: Operate RFID-attached collection boxes in cold storage warehouses, metering, and carry-out after recognition by store	

Waste management process based on PDCA



Water resources management

Netmarble reuses water by installing wastewater reclamation and reusing system and rainwater treatment facilities to reduce water usage and sewage generation. After the wastewater and rainwater treatment, we reuse it in business facilities, sales facilities, landscaping, restrooms, parking lots, etc., thereby efficiently managing water resources. As a result, we were able to reduce water usage by approximately 1,242 tons through wastewater utilization in 2023. In addition to water recycling, we are also making efforts to reduce overall water usage. We have installed water-saving faucets, shower heads, toilets, and electronic sensor-attached urinals to reduce water usage and have conducted water usage reduction campaigns such as “low water pressure at the sink” and “use a mug when brushing your teeth.” Netmarble plans to continue water resource management activities through continuous campaigns and the expansion of measures to reduce daily water usage.

Key indicators of environmental management

Water resources

Water recycled

1,242 ton

Green building

Netmarble G Tower has incorporated eco-friendly building construction elements from the design stage and is committed to efficient energy use during operation. The tower’s exterior glass features Low-E glass, which minimizes heat inflow and outflow and reduces condensation. Alongside this, high-efficiency equipment with low environmental impact, KS-certified materials, and environmentally labeled products free of hazardous chemicals were utilized. The building was constructed using certified eco-friendly equipment. During operation, we seek to maximize a reduction in energy consumption and carbon emissions by maintaining appropriate indoor temperatures, implementing scheduled lighting shutdowns, and optimizing elevator operations. Furthermore, green plants are installed in office spaces to lower indoor temperatures during summer and provide air purification and humidification effects, contributing to energy savings.

Eco-friendly facility operation status

Type	Description	
Insulation	<ul style="list-style-type: none"> Construction: Wall greening (123m²), Roof garden (2,578m²), Low-E glass Operation: Insulation effect with wall greening and roof garden, inclusion of insulation film inside Low-E glass, installation of roll blinds and louvers 	
HVAC equipment	Gas engine heat pump (GHP) <ul style="list-style-type: none"> Installation quantity: 1,260 units Operation: Maintain room temperature in summer (26°C) and winter (20°C) Individual temperature adjustment upon request 	Planned for further savings
	Air conditioning unit <ul style="list-style-type: none"> Installation quantity: 7 units Operation: Maintain room temperature in summer (26°C) and winter (20°C) 	Planned for further savings
Lighting facilities	<ul style="list-style-type: none"> Increased lights-out schedule: Lights off twice a day (20:00 and 24:00) → 5 times a day (20:00, 22:00, 24:00, 02:00, 04:00) Underground parking: Dimmable high-efficiency LED light fixture installation 	Planned for further savings
Total heat exchanger	<ul style="list-style-type: none"> Operates only upon request of each company 	
Elevator	<ul style="list-style-type: none"> Elevator available 24/7 Escalator operating hours adjusted for each day of the week 	Planned for further savings
Hot and cold water temperature adjustment	<ul style="list-style-type: none"> Hot water supply temperature: 45°C in winter and 40°C in summer 	
Water cycle management	Installation of the stormwater tank <ul style="list-style-type: none"> Use as toilet and landscape water 	
	Use of reclaimed water <ul style="list-style-type: none"> Used for toilets and cleaning 	
	Reduced water supply for domestic use <ul style="list-style-type: none"> Water-saving faucets, showerheads, toilets, and electro-sensitive urinals 	Planned for further savings
Other operational improvements	<ul style="list-style-type: none"> Corridor, hall lights off. Thorough opening and closing of blinds, front doors, and stairwell doors, and implementation of campaigns for employees (minimize standby power by turning off PCs and other devices when leaving the office) Smart Plug Application: Power off always-on appliances (water purifier, coffee machine) at night on weekdays and during weekends 	

Biotope creation and maintenance activities for ecosystem conservation

We created biotopes in the Guro region, including a terrestrial biotope area of 189.22m² and an aquatic biotope area of 91.5 m², providing habitats for storks, goshawks, and narrow-mouthed toads. We continuously manage these areas by allocating an annual budget. G-Tower Central Park, an eco-friendly ecological park spanning 7,884m², is home to various tree species, including 100 nationally protected Korean weigela trees. In 2023, we reorganized the overall landscape, incorporating woodpiles, stone piles, and artificial bird nests to enhance the biotope ecosystem as shelters for various animals. We plan to continue managing G-Tower Central Park to maintain it as a vibrant natural ecosystem and a resting place for everyone.



Terrestrial Biotope



Aquatic Biotope

Eco-friendly Activities

Activities as ambassador for Ministry of Environment

On April 22, 2024, Earth Day, kicking off Climate Change Week hosted by the Ministry of Environment, Netmarble’s ‘Kuya Restaurantz’ was appointed as an ambassador for carbon neutrality by the organization, actively participating in carbon neutrality campaigns. With the popularity of the Kuya character among the younger generation, we aim to enhance awareness about climate change and reduce carbon emissions across all age groups. Netmarble’s ‘Kuya Restaurantz’ intend to conduct both online and offline campaigns to promote carbon neutrality, including the dissemination of carbon neutrality practice videos and promotions through prominent electronic display boards at major stations like Seoul Station and Osong Station.

Environmental impact reduction campaign

We are planning and waging diverse environmental campaigns for our employees to raise awareness of our environmental impact. Every year on April 22, Earth Day, we organize an event where we turn off all lights in the main building and exterior of the G-Tower for 10 minutes, and we regularly conduct environmental campaigns employees can voluntarily participate in. Since 2023, we have been publishing an ESG newsletter for employees to provide ESG information and include events to be participated by employees, thereby encouraging employee engagement and raising awareness of environmental issues.

Training and activities

To improve employees’ awareness of environmental management, we initiated in-person training sessions for leaders and personnel of environment-related departments in October 2023, followed by sessions for office and division heads, and then for the Board of Directors in November. The training covered topics such as environmental management trends, regulatory developments in the industry worldwide, and the significance of environmental management. We also provided Q&A sessions to address employees’ questions so that the training was not a one-sided lecture, but the venue where the thoughts of employees were heard and various perspectives were shared regarding environmental management. Going forward, we plan to expand the scope of environmental management training to include all employees, diversify educational content, and proactively implement environmental management initiatives based on raising employees’ awareness through training.

2023 environmental management training

Date	Details	Training hour	Participants
Oct 17, 2023	Significance of Environmental Management and Domestic and International Trends	0.5 hours	8 Environmental Department employees
Nov 6, 2023	Significance of Environment and Safety Management	0.5 hours	51 Heads of offices and divisions
Nov 8, 2023	ESG Trends Centered on Environmental Management and the Roles of Corporates	1 hour	9 Directors



Environmental management training

Governance

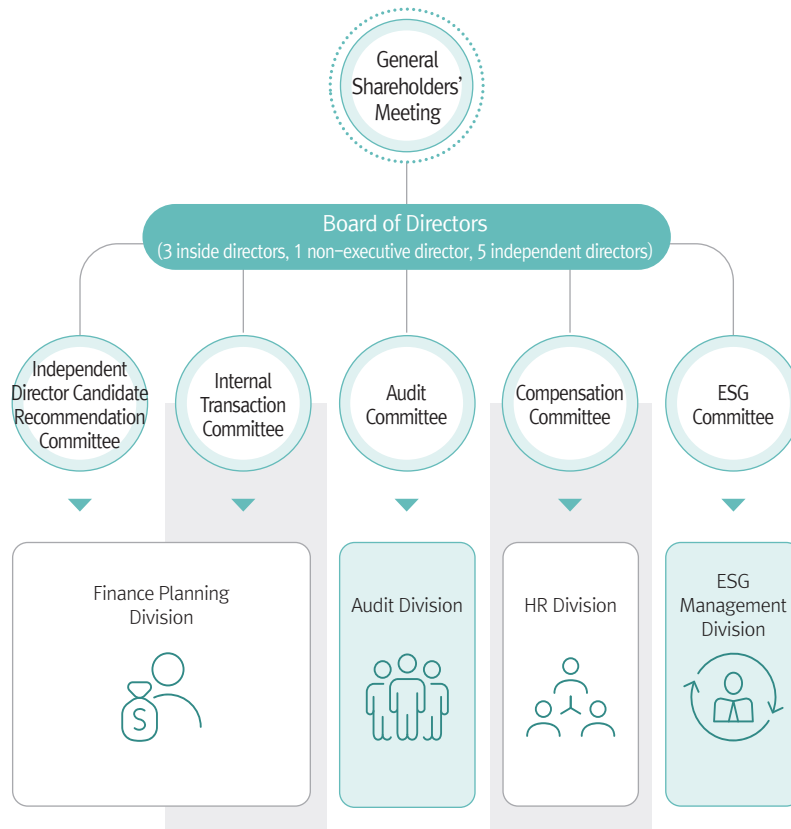
Board of Directors Composition

Composition status

At Netmarble, we adhere to the principles of diversity and expertise in the composition of the Board of Directors to support effective deliberation and supervision on significant matters. As of March 2024, our Board of Directors consist of three inside directors, one non-executive director, and five independent directors, all with expertise and experience in various fields such as IT, entertainment, marketing, management, law, and finance. To strengthen the check and balance within the Board of Directors, all five independent directors belong to the Audit Committee, while independent directors comprise a Board Committee, where they deliberate on the agenda items.

Governance system

(As of March 2024)



Board of Directors composition

Inside Directors			
Bang Jun Hyuk	Gender	Male	<ul style="list-style-type: none"> Chairman, Board of Directors of Netmarble Chairman, Board of Directors of Coway Chairman, Netmarble Cultural Foundation Former Senior Advisor, Game Business Division of CJ ENM Former President, Business Strategy Division, CJ Internet Former President, Business Strategy Division of Plenus Former CEO of Netmarble
	Date Appointed	Aug 1, 2014	
	Termination Date	Mar 2026	
	Expertise	Business administration	
Kwon Young Sig	Gender	Male	<ul style="list-style-type: none"> CEO of Netmarble, Business Management Officer Former Executive Officer, Netmarble Former CEO of Netmarble Games Former Head of Planning Department, Game Business Division, CJ ENM Former Head of Publishing Division, CJ Internet
	Date Appointed	Mar 29, 2023	
	Termination Date	Mar 2026	
	Expertise	Business management	
Kim Byung Gyu	Gender	Male	<ul style="list-style-type: none"> CEO of Netmarble Former Management Planning Officer, Netmarble Former Crisis Management Officer, Netmarble Former Legal Officer, Netmarble
	Date Appointed	Mar 28, 2024	
	Termination Date	Mar 2027	
	Expertise	Management strategy	
Non-Executive Director			
Piao Yanli	Gender	Female	<ul style="list-style-type: none"> Vice President, Tencent Games Former CEO of Tencent Korea
	Date Appointed	Aug 1, 2014	
	Termination Date	Mar 2026	
	Expertise	Business management	
Independent Directors			
Lee Chan Hee	Gender	Male	<ul style="list-style-type: none"> Chairperson, Compliance Committee of Samsung Visiting Professor, Graduate School of Law, Seoul National University Standing Advisor, Yulchon 50th President, Korean Bar Association 94th President, Seoul Bar Association
	Date Appointed	Mar 29, 2022	
	Termination Date	Mar 2025	
	Expertise	Law	
Jeon Sung Ryul	Gender	Male	<ul style="list-style-type: none"> Professor, Sogang University Business School Former Dean of Sogang University Business School, Dean of Graduate School of Business Former Associate Professor, Department of Business Administration, Hankuk University of Foreign Studies Former Assistant Professor, Katz Graduate School of Business, University of Pittsburgh Former Visiting Professor, New York State University's School of Business
	Date Appointed	Mar 29, 2022	
	Termination Date	Mar 2025	
	Expertise	Marketing	
Yoon Dae Gyun	Gender	Male	<ul style="list-style-type: none"> Professor, Department of Software, Ajou University Former Independent Director, Shinsegae I&C Former Director, Seoul Digital Foundation Former Vice President, Samsung Electronics Executive Former CEO of NHN Technology Services
	Date Appointed	Mar 29, 2023	
	Termination Date	Mar 2026	
	Expertise	Technology	
Lee Dong Heon	Gender	Male	<ul style="list-style-type: none"> Associate Professor of Convergence Management, College of Global Business, Korea University Sejong Campus Secretary general, Korea University Sejong Campus Former Director of Planning, Korean Accounting Association
	Date Appointed	Mar 29, 2023	
	Termination Date	Mar 2026	
	Expertise	Accounting	
Hwang Deuk Soo	Gender	Male	<ul style="list-style-type: none"> Management Support Manager, Entertainment Division, CJ ENM Former Head of CJ M&A Former Head of ENM and CGV, CJ Business Management Department Former Head of Planning Team and Strategy Office, CJ M&A
	Date Appointed	Mar 29, 2023	
	Termination Date	Mar 2026	
	Expertise	Accounting	

Strengthening independence and diversity

We ensure that the majority of the Board of Directors comprise independent directors and separate the CEO and Board Chairman positions to enhance structural independence and the reliability of the internal decision-making system. To promote fairness in the selection of independent directors, all employees of the Independent Director Candidate Recommendation Committee are appointed from independent directors. When appointing an independent director, the committee carefully assesses whether the candidate meets legal qualifications and conducts a comprehensive evaluation of their expertise and experience. The final approval of the appointment is given at the general shareholders' meeting.

The Board comprises experts from various fields such as IT, entertainment, marketing, management, law, and finance, ensuring that important decisions can be made from a balanced perspective without representing specific interests or common backgrounds. We have also appointed female directors of overseas nationality to ensure diversity in terms of gender, nationality, cultural background, race, and ethnicity, thereby enhancing our global business capabilities.

Board skills matrix

Type	Definition	Bang Jun Hyuk	Kwon Young Sig	Kim Byung Gyu	Piao Yanil	Lee Chan Hee	Jeon Sung Ryul	Yoon Dae Gyun	Lee Dong Heon	Hwang Deuk Soo
Game & Digital	Expertise in game and IT industry	●	●	●	●			●		
Corporate Management and Investment	Expertise in large-scale organization operation and investment activities such as M&A	●	●	●	●		●			●
Finance and Accounting	Expertise in finance and accounting for company management and supervision								●	●
Laws and Regulations	Expertise in policies and law for analyzing and responding to legal risks			●		●				
International Relations	Expertise in international political dynamics and regional risk response				●					
Marketing and Communication	Expertise in communication with external stakeholders						●			

Board of Directors

Activity Status

	Type	2021	2022	2023
Board of Directors	Number of meetings held	9 times	6 times	8 times
	Number of resolutions	20	20	15
Agenda	Number of reported agenda items	6	7	7
	Total	100%	97%	98%
Attendance rate	Independent directors	100%	94%	97%

Enhancing Expertise

We enhance the efficiency and accuracy of the Board's decision-making by strengthening their expertise. We review the competency status of the Board employees using the Board Skills Matrix, which reflects their majors, experience, and other relevant factors.

To facilitate the smooth performance of the duties of independent directors, the company promises to provide appropriate support, such as providing information through employees and support by external experts if necessary, as stipulated in the internal regulations.

2023 Board of Directors training

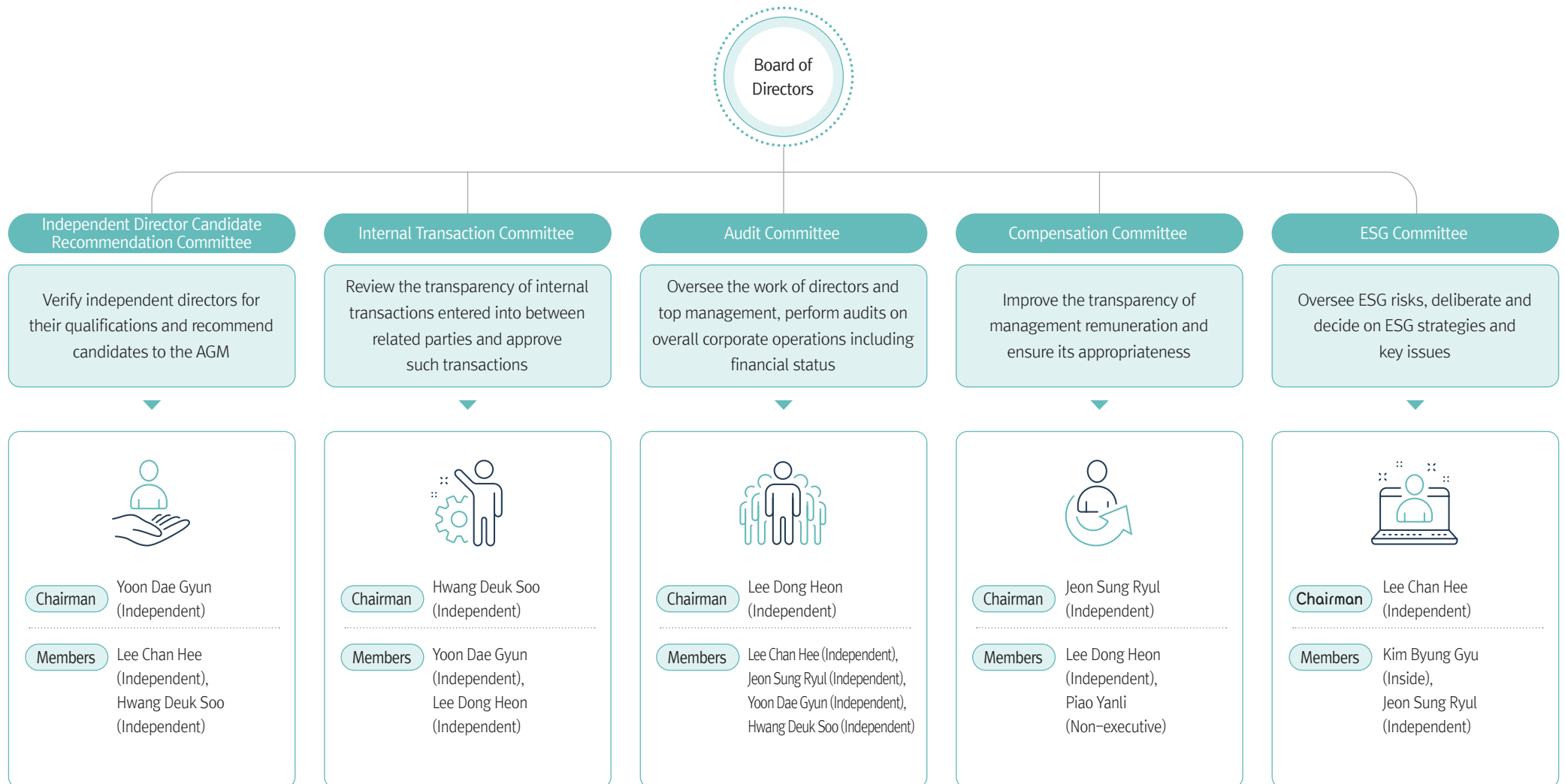
Date	Organization	Target	Details	Training hour
May 18, 2023	Korea Listed Companies Association	Lee Chan Hee	Key management diagnosis and decision-making for executives including independent directors	7 hours
Jun 20, 2023	Korea Listed Companies Association	Lee Chan Hee, Jeon Sung Ryul, Yoon Dae Gyun	Job training for independent directors of listed companies	4 hours
Nov 8, 2023	Samil PwC	All Board employees	Training on ESG trends and the role of corporations	1 hour

Board Committees

For effective operation, we have established five committees under the Board of Directors. The ESG Committee, initially an internal committee, was reorganized as a separate committee under the Board of Directors in March 2023 in addition to the existing Audit Committee, Compensation Committee, Internal Transaction Committee, and Independent Director Candidate Recommendation Committee. All committees adhere to the regulations of the Board of Directors and their respective guidelines. The results of matters delegated to these committees are reported to the Board. If necessary, directors can request the chairman of the Board to convene and reconsider matters resolved by the committee, however, matters resolved by the Audit Committee are excluded to ensure its independence.

Board Committees composition status

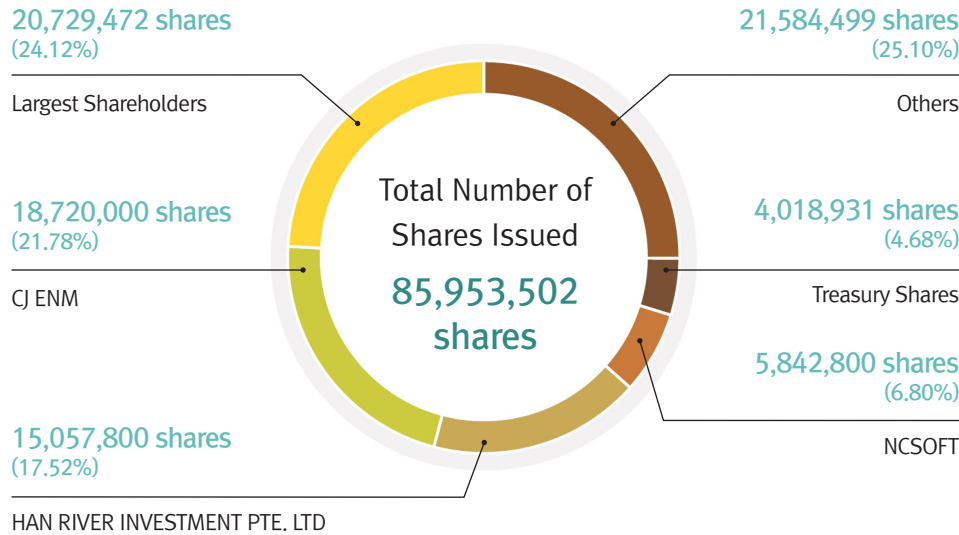
(As of March 2024)



Shareholder-Friendly Management

Shareholder Status

The total number of shares that can be issued under our Articles of Incorporation is 200,000,000 shares with a par value of KRW 100 per share. As of December 31, 2023, the total number of issued shares is 85,953,502. All issued shares are common shares, with one fair voting right per share guaranteed as stipulated in Article 23. We listen to the opinions of both large and minority shareholders, guaranteeing the fair exercise of rights by all shareholders in accordance with laws and regulations.



Minority shareholders

Type	Shareholders			Shares owned		
	Number of minority shareholders	Total number of shareholders	Proportion	Number of minority shares	Number of outstanding shares ²⁾	Proportion
Minority shareholders ¹⁾	119,295	119,317	99.99%	17,871,655	81,934,571	21.81%

1) Shareholders owning less than one-hundredth of the total number of outstanding shares with voting rights
 2) Total number of outstanding shares with voting rights (excluding 4,018,931 treasury shares)

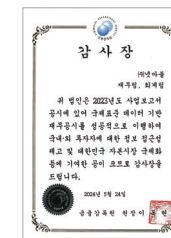
Protecting Shareholders' Rights

Shareholder return policy

To enhance shareholder value, we established a mid to long-term shareholder return policy by resolution of the Board of Directors in 2018. As part of this policy, we implement share repurchases or cash dividends within the range of up to 30% of the controlling shareholder's net profit, considering the company's overall management performance every year.

Shareholder and Investor Communication

Netmarble is actively communicating with shareholders and investors through shareholder-friendly IR (Investor Relations) activities via various channels to enhance understanding and trust. In order to increase shareholders' accessibility to information, the IR page on the website is organized in both Korean and English, and the company regularly participates in various IR events at home and abroad, such as corporate briefings and conferences, to ensure that the management activities are well reflected in the shareholders and investors' thoughts. In particular, starting in 2023, the company is applying 'XBRL', an international standard computer language for financial information disclosure, to both the main contents and footnotes of financial statements to improve the convenience of financial information users in domestic and foreign countries. Based on these achievements, Netmarble was selected as an 'Excellent Financial Disclosure Company' designated by the Financial Supervisory Service in 2024.



Certificate of Appreciation from Financial Supervisory Service

Ethics and Compliance

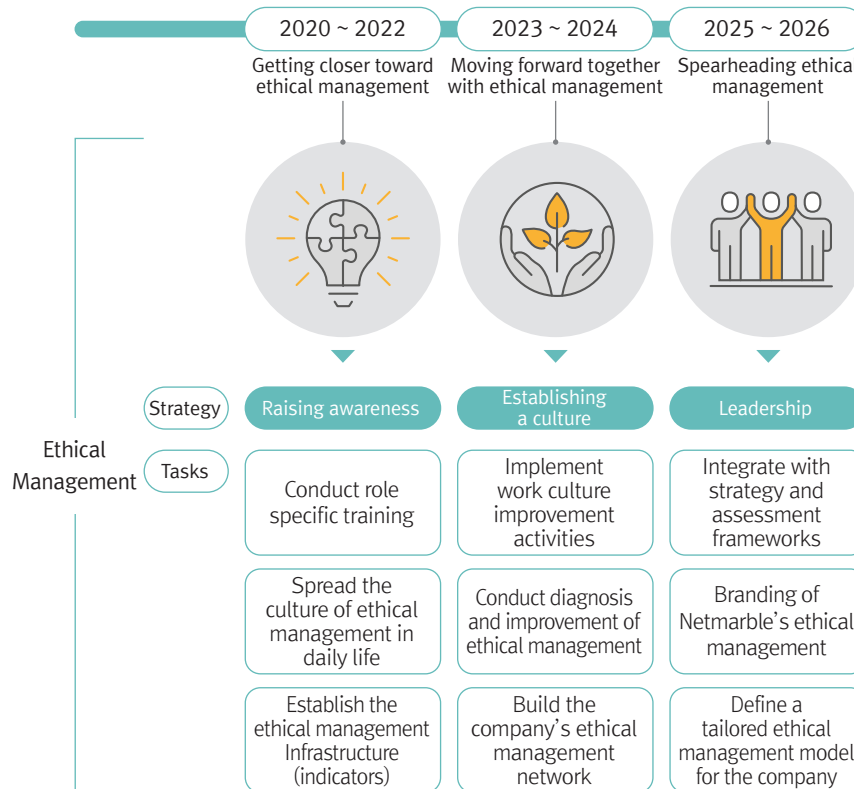
Ethical Management

Based on our Code of Conduct established in 2019, we have continued our efforts to fulfill our corporate social responsibilities by raising employees' awareness of ethical management and fostering a culture of ethical practices. The Audit Division, a support organization for the Audit Committee under the Board of Directors, conducted various activities to help employees easily understand the practices of ethical management and its necessity. We have continued to spread the culture of ethical management in our daily lives through available methods such as training and campaigns for each position level.

Mid/Long-Term Goal

By embedding the culture of ethical management into the way our employees work, we aim to establish Netmarble's unique ethical management culture, create the brand identity thereof, and take the lead in spreading the culture of ethical management for other domestic companies.

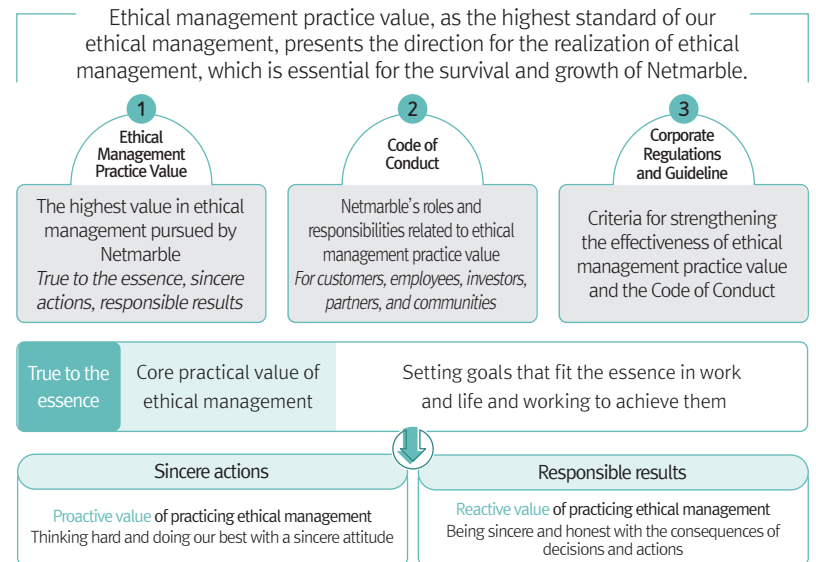
Mid/long-term roadmap for ethical management



Governance

We operate an Audit Committee comprised of five independent directors under the Board of Directors. The committee reviews the company's direction and strategy for ethical management and directly manages progress with the Audit Division. The Audit Committee presents strategies to establish a culture of ethical management, receives reports from the Audit Division on the implementation plan for ethical management and results at the beginning of each year, and discusses important issues. The committee intensively inspects the performance of training and promotional activities based on the targets and incorporates the results of the ethical management awareness survey into the operational strategy. Furthermore, it receives reports from the Audit Division on the reports received by and the related investigation results from the help center, and any necessary improvements for enhancing the ethical management culture are reflected in the operational strategy.

Ethical management system



Policy

Principles of ethical management

We carry out transparent and healthy management activities based on the Code of Conduct established in 2019, which applies to all our employees regardless of their employment type. Our Code of Conduct consists of six chapters, each addressing different stakeholders – our mission, our commitment to our people, protection of our values, practicing fairness and mutual growth through our transactions, our goals, and our approach to ethical management practices. This code is available in seven languages, including Korean, English, and Chinese, on our website.

Code of Conduct

Our mission	<ul style="list-style-type: none"> Netmarble’s mission Game services, health & safety
Our promise	<ul style="list-style-type: none"> Respect for diversity, non-discrimination, privacy, working environment Mutual respect and healthy communication, bully-free, working conditions
Protecting corporate values	<ul style="list-style-type: none"> Asset protection, accurate accounting and business records External communication and political activities Prohibited use of confidential information
Practicing fairness and mutual prosperity	<ul style="list-style-type: none"> Fairness and mutually beneficial business relationships Handling of third-party information and assets Guidelines for regalement, gifts, and accommodations
Our goals	<ul style="list-style-type: none"> Netmarble’s Goals
Our approach to ethics	<ul style="list-style-type: none"> Conflict of interest (outside employment, external lectures, etc.) Compliance with laws and prohibition of misconduct

[Code of Conduct](#)

Activities

Anti-corruption management

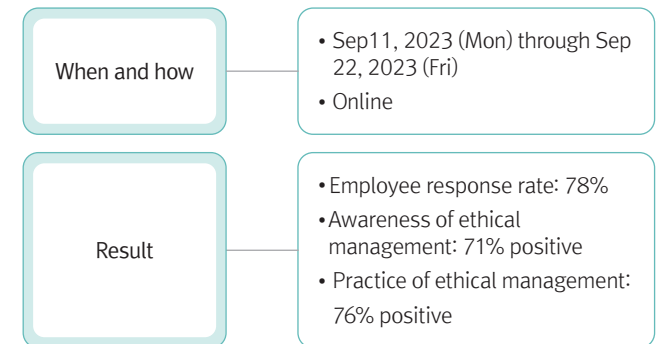
We promote various activities for anti-corruption management and discuss the results of these activities with the Audit Committee. Regardless of employment status, all employees of Netmarble and major affiliates commit to compliance with the Code of Conduct by signing a pledge to ethical management every year. Partners are required to fill out the pledge, and those who fail to comply with our ethical management principles will be required to make corrections or face restrictions for further transactions. To prevent solicitation from the start, we are currently building a system in the internal Enterprise Resource Planning (ERP) system. This system will display a legal warning when entering expenses related to entertainment, ensuring such expenses are not processed. To eradicate solicitation, we continue to conduct the “No Giving or Receiving Gifts from Stakeholders” campaign before the Lunar New Year and Chuseok holidays every year. Gifts that our employees inevitably receive are submitted for an in-house auction, and the proceeds are donated to the local community.



Ethical management awareness survey

We conduct a yearly ethical management awareness survey among our employees to determine the level of our ethical operations and make improvements based on the results. The survey consists of four areas—ethical management awareness, practice, training, and promotion—and collects employees’ opinions on matters that require improvement. In line with the survey results showing that online training is the most preferred and desired ethical management activity channel in 2022, the existing offline training was expanded to online in 2023. Since then, online training activities have ranked the highest among ethical management activities from the awareness survey. We will continue to actively strive to collect employees’ opinions, raise awareness of ethical management, and foster an environment of its practices.

2023 Ethical management awareness survey



Ethical management training

We are committed to effectively practicing ethical management through various online and offline training programs for all employees. These programs are integrated into the yearly basic training provided to employees and are extended to new hires, including interns and experienced staff. In 2023, we introduced an internally developed training program aimed at new leaders every month to cultivate ethical leadership among our leaders.

2023 ethical management training

Type	Number of Participants	Participation Rate	Total Training Hours	Training Hours per Person
Training for all employees (non-mandatory)	856 participants	100%	428 hours	0.5 hours
New leader training (non-mandatory)	32 participants	97%	21 hours	0.7 hours
Training for new employees including interns (non-mandatory)	118 participants	100%	39 hours	0.3 hours

Spreading the culture of ethical management

We carry out various activities to spread our unique ethical management culture among our employees and raise their ethical awareness. We promote ethical management practices daily through elevator screens, with new content updated every other week. We also conduct consistent promotional activities such as posting ethical management posters on the website and implementing a no-gift campaign during holidays. Notably, we promote ethical management and raise awareness both internally and externally through Channel Netmarble, which has high exposure to the public.



Compliance Management

Compliance management system

We comply with laws and implement fair and transparent corporate ethics through a Compliance Officer and compliance support organization. The Compliance Officer, appointed by a resolution of the Board of Directors, has independent authority to inspect the company's compliance activities and report related details to the Board of Directors or CEO. The compliance support organization performs roles such as monitoring legal trends related to business operations, ensuring compliance regularly, and effectively managing various legal risks that may arise during management activities and business operations.

Based on the compliance management system, we continuously manage and check all employees to ensure compliance with the standards and procedures. In addition, we are gradually increasing the proportion of lawyers in the Legal Division, our compliance support organization, to promote our expertise.

Regulations on voluntary fair trade compliance

We put into action fair trade by establishing and adhering to the related policies. Our Standard Procurement Ethics Guidelines prohibit any form of compensation or unreasonable demand, particularly those taking advantage of a superior position in transactions. We have established supplier management guidelines in accordance with relevant laws, such as the Fair Transactions in Subcontracting Act and the Act on Promotion of Coexistence between Large and Small Businesses, ensuring compliance with the Ethical Purchasing Charter and Code of Conduct within the Purchasing Management Regulations.

Risk Management

Risk Identification and Response System

Netmarble sets the way forward and identifies ESG-related risk and opportunity factors based on market analysis, business strategy, and performance analysis. It considers various potential risks that may occur during game development and the service process as the most critical business risks. If there is any chance of risk occurrence, the company reports following the reporting process: 'Risk Management Organization → Risk Manager → Top Management.' The company reports monthly, quarterly, semi-annually, and annually depending on the type of risk. Meanwhile, each organization responsible for game operation, security, and infrastructure is running a real-time monitoring system. Risks are systematically managed by the Board of Directors, Board Committees, Policy Management Council, and relevant functional organizations. Among these, Policy Management Council, a control tower composed of executives and managers responsible for risks, measures the urgency and significance of risks, and monitors them.

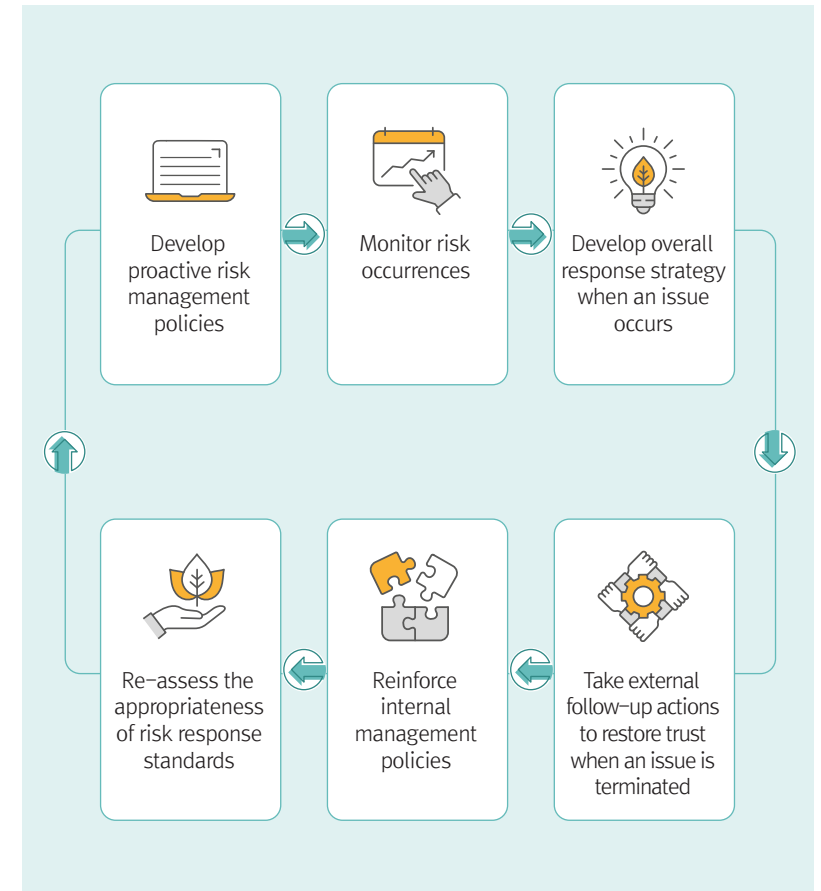
Risk management system

Type	Details
Board of Directors	<ul style="list-style-type: none"> Conduct final review and oversee all risks
Board Committees	<ul style="list-style-type: none"> Identify the type, importance, and impact of risks, and oversee the agenda delegated by the Board to the Committees.
Policy Management Council	<ul style="list-style-type: none"> Support ESG risk management and review policies Identify and respond to enterprise-wide risks Monitor risks and organize internal and external cooperation
Related departments	<ul style="list-style-type: none"> Inspect risks and opportunities and monitor status

Risk Management Strategy

We prevent business stability and corporate sustainability by employing a risk management strategy that proactively addresses economic, social, and environmental risks beforehand. At least twice a year, we conduct management diagnoses and investigations to categorize potential risks for each task, and allow related departments to self-examine risks through checklists and prevent them through internal measures such as evaluations.

Risk management process



Key Risk Management Area

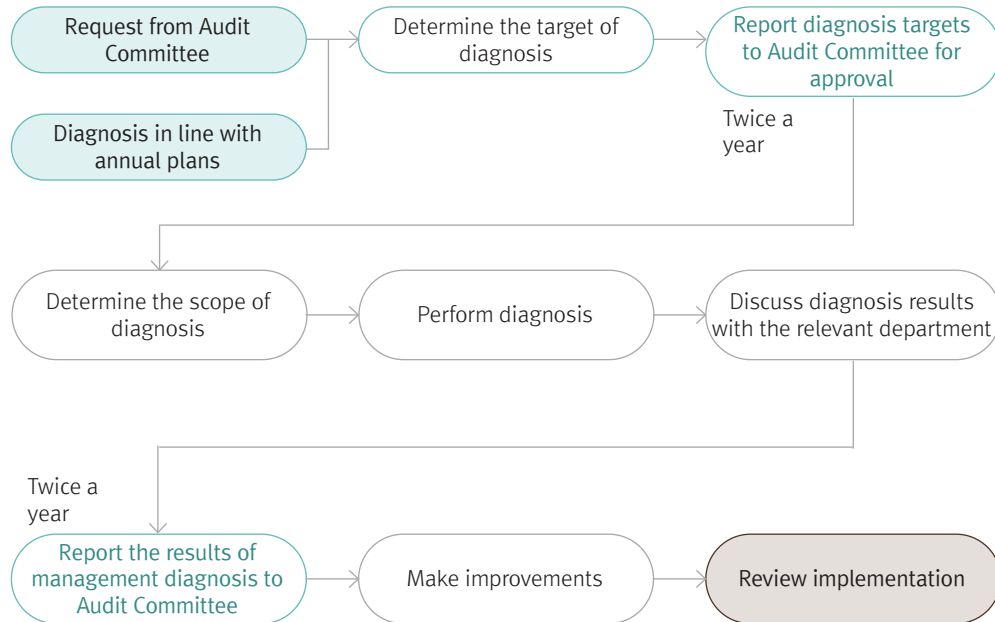
Category	Definition of Risk	Our Response	Organization responsible
Technology ethics risks	<ul style="list-style-type: none"> Trust and technology stability issues arising from new technologies such as AI and blockchain, along with associated ethical risks. 	<ul style="list-style-type: none"> Identify key technology ethics issues through collaboration among technology organizations, including technology management, publishing, and AI Establish AI ethical principles and utilization guides 	<p>Technology Strategy Officer</p> <p>AI Center</p>
Policy and regulatory risks	<ul style="list-style-type: none"> Diminished existing business competitiveness and potential losses due to shifts in foreign policies, laws, and regulations. 	<ul style="list-style-type: none"> Implement continuous monitoring of global policy trends Discuss response measures with the Korea Game Industry Association, academic experts, and game industry forums. Implement strategic direction by analyzing factors affecting global business competitiveness. 	<p>Business Management Officer</p> <p>Policy Division</p>
Compliance and ethical management risks	<ul style="list-style-type: none"> Litigation, disputes, and penalties resulting from business violations of contracts and legal matters. Direct and indirect losses stemming from unfair practices, actions undermining business ethics, and civil and criminal penalties. Damage to corporate image due to unethical behavior by employees and stakeholders. 	<ul style="list-style-type: none"> Conduct pre- and post-inspection activities on contracts, laws, policies, etc. Raise awareness within the company through ethical management education for all employees including senior leaders, new leaders, new employees, etc. Operate internal and external reporting channels 	<p>Legal Division</p> <p>Audit Division</p>
Information security and privacy risks	<ul style="list-style-type: none"> Losses incurred by users and the company due to disruptive activities hindering normal service operations and malicious hacking attacks. Punitive actions and reputational damage for non-compliance with relevant laws and regulations. 	<ul style="list-style-type: none"> Establish a system to maintain a stable security environment and professional talent such as CISO and CPO Implement continuous monitoring and enhance response to external attacks Conduct regular internal training and mock drills 	<p>Security Division</p>
Climate and environmental risks	<ul style="list-style-type: none"> Risks of impeding business activities caused by abnormal climate conditions. Introduction of new restrictive policies and regulations aimed at environmental sustainability. 	<ul style="list-style-type: none"> Establish climate change and environmental risk response strategies Implement activities to reduce environmental impact and strategies to decrease GHG emissions 	<p>General Affairs Division (EHS Team)</p> <p>ESG Management Division</p>
Financial risks	<ul style="list-style-type: none"> Sudden fluctuations in exchange rates, interest rates, liquidity, credit ratings, tax rates, and other macroeconomic factors leading to instability and financial losses. 	<ul style="list-style-type: none"> Implement continuous monitoring of rapidly changing macroeconomic conditions Operate a conservative tax policy and respond based on legal review and authoritative interpretation Strictly comply with country-specific tax laws and tax treaties, and adhere to global guidelines when dealing with foreign related parties Fulfill tax obligations and actively cooperate with domestic and foreign tax authorities 	<p>Accounting Management Division</p> <p>Finance Planning Division</p>

Risk Management Activities

Management diagnosis

To enhance management soundness, our Audit Division regularly conducts diagnoses on the company's major businesses, functions, and corporations to identify and address risks at their root causes. These diagnoses are carried out according to the requests and audit plans of the Audit Committee, supporting their decision-making processes and ensuring practical business competitiveness. We contribute to improving management soundness by confirming the reliability of management information, verifying the adequacy of work processing based on company regulations, and developing improvement plans. In 2023, we conducted diagnoses on the subsidiaries responsible for the core processes of our games, identifying vulnerabilities in four areas and implementing 12 improvement tasks to address these issues.

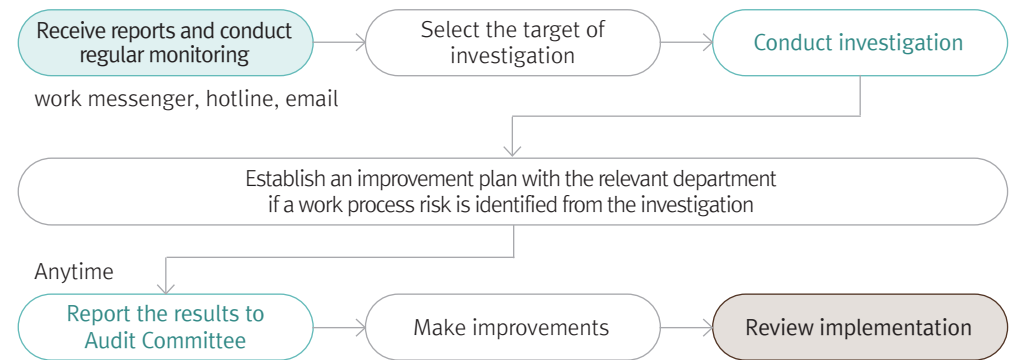
Risk management process through management diagnosis (implementation review)



Investigating reports

Our Audit Division operates various channels, including the Netmarble Ethics Center and internal and external websites, ensuring employees can always inquire about and discuss ethical violations. The team conducts investigations on received reports, categorizes possible risks for each task, and assists relevant departments in self-examining and preventing risks through checklists. Through these investigations, we eliminate risk sources and conduct regular monitoring and training for related departments to prevent risks from recurring, ultimately contributing to the internalization of ethical management. In 2023, the risks identified through the investigation of reports related to control activities were reported to the Audit Committee and improved to reinforce the foundation for ethical management and stable business.

Risk management through report investigation



Reporting party protection system

We strictly protect the reporter when violations of the Code of Conduct are reported. Article 38 of the Internal Audit Regulations specifies that the identity, reporting action, and report details of whistleblowers (including collaborators) are kept confidential and searching for or retaliating against the whistleblower is prohibited, ensuring that the reporting party and employees who participated in the investigation do not suffer any disadvantages.

Netmarble Ethics Center

Email ethics@netmarble.com

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06

Factbook

74
Environmental

75
Social

80
Governance

Environmental

GHG Emissions¹⁾

Classification	Unit	2021		2022		2023	
		Netmarble	Subsidiaries	Netmarble	Subsidiaries	Netmarble	Subsidiaries
Scope 1 emissions ²⁾	tCO ₂ eq	362	481	700	573	844	
Scope 2 emissions	tCO ₂ eq	2,832	3,655	1,878	3,707	1,978	
Total GHG emissions ³⁾	tCO ₂ eq	3,194	4,136	2,578	4,280	2,822	
GHG emissions intensity ⁴⁾	tCO ₂ eq/KRW 100 million	0.242	0.43	-	0.537	-	

1) 2022 Subsidiaries data were restated due to change in calculation criteria

2), 3), 4) 2021 data were restated due to change in calculation criteria

Energy Consumption⁵⁾⁶⁾

Classification	Unit	2021		2022		2023	
		Netmarble	Subsidiaries	Netmarble	Subsidiaries	Netmarble	Subsidiaries
Direct energy ⁷⁾	Diesel	TJ	0.003	0.005	0.001	0.016	0.004
	LNG	TJ	6.688	9.033	13.681	10.876	16.524
	Total	TJ	6.691	9.038	13.682	10.892	16.528
Indirect energy	Electricity	TJ	59.189	76.385	39.251	77.457	41.342
Renewable energy ⁸⁾	Geothermal	TJ	1.405	1.923	0.514	1.785	0.485
	Solar	TJ	0.343	0.437	0.117	0.411	0.112
	Hydrogen fuel cell	TJ	0.095	0.017	0.005	0.046	0.013
Total energy consumption ⁹⁾	TJ	67.724	87.802	53.569	90.591	58.480	
Energy consumption intensity ¹⁰⁾	TJ/KRW 100 billion	5.132	9.121	-	11.363	-	
Electricity consumption rate ¹¹⁾	%	87.4	87	73.3	85.5	70.7	
Renewable energy consumption rate ¹²⁾	%	2.7	2.7	1.2	2.5	1	

5) Jan.-Feb. 2021: G-Valley (former office building) data, Mar.-Dec. 2021: G-Tower (new office building) data

6) 2022 Subsidiaries data were restated due to change in calculation criteria

7) 2021 data were restated due to change in calculation criteria

8) Operated from Mar. 2021 after moving into the new building

9), 10), 11), 12) 2021 data were restated due to change in calculation criteria

Water Resource Management¹³⁾

Classification	Unit	2021		2022		2023	
		Netmarble	Subsidiaries	Netmarble	Subsidiaries	Netmarble	Subsidiaries
Water intake	ton	23,918	23,322	16,548	48,753	21,107	
Water recycling	ton	88	719	195	1,242	337	

13) 2022 Subsidiaries data were restated due to change in calculation criteria

Waste Management¹⁴⁾¹⁵⁾

Classification	Unit	2021		2022		2023	
		Netmarble	Subsidiaries	Netmarble	Subsidiaries	Netmarble	Subsidiaries
General waste	Waste generated	ton	96	166	45	203	55
	Waste recycling	ton	96	166	45	199	54

14) The amount of waste generated surged as we returned to on-site work in 2022.

15) 2022 Subsidiaries data were restated due to change in calculation criteria

Environmental Investment¹⁶⁾

Classification	Unit	2021	2022	2023
Investments for environmental management practice	KRW in millions	6.3	14.5	23.4

16) Calculated as the investments made by Netmarble as most of the investments are made by Netmarble

Environmental Certifications and Awards

Classification	Unit	2021	2022	2023
Energy efficiency rating	rating	1+	1+	1+
Green building certification	rating	Excellent (Green Grade 1)	Excellent (Green Grade 1)	Excellent (Green Grade 1)

Violation of Environmental Laws and Regulations

Classification	Unit	2021	2022	2023
Violations of legal regulations	times	0	0	0
Non-monetary sanctions	cases	0	0	0
Total fines	KRW in millions	0	0	0

Environmental Training

Classification	Unit	2021	2022	2023
Environmental training hours	hours	-	-	38.5

The scope of subsidiaries in the Environmental area includes the following 7 companies:

Netmarble Monster, Netmarble Neo, Netmarble Nexus, Netmarble N2, Netmarble F&C, MNB, MARBLEX

Social

User Satisfaction

Classification		Unit	2021	2022	2023
VOCs submitted and addressed	VOCs submitted	cases	653,251	454,935	298,984
	VOCs addressed ¹⁾	cases	683,421	477,994	310,829
PC user satisfaction level ²⁾		points	3.1	3.3	2.8
Mobile user satisfaction level ³⁾		points	3.2	3.5	3.6

1) The number of cases addressed exceeded the number of cases submitted as additional answers were provided

2), 3) PC, Mobile: out of 5 points

Communication Security

Classification		Unit	2021	2022	2023
Seizure warrant ⁴⁾	Requested	cases	728	429	501
	Processed	cases	675	109	68
Communications fact confirmation material	Requested	cases	1,807	1,131	683
	Processed	cases	1,531	627	346

4) Netmarble provides personal information to investigate agencies when they require it with seizure warrants.

Investment in Information Security

Classification	Unit	2021	2022	2023
Investment in information security ⁵⁾	KRW in millions	7,367	6,597	5,237

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

Personal Information Protection

Classification		Unit	2021	2022	2023	
Number of users whose information is used for secondary purposes	Total	persons	0	0	0	
	By country	Active account	persons	0	0	0
		Dormant account	persons	0	0	0
	Provision to third parties	Dormant account	persons	0	0	0
Monetary losses as a result of legal proceedings associated with user privacy ⁶⁾	Total	KRW in millions	0	0	0	
	Domestic	KRW in millions	0	0	0	
	Overseas	KRW in millions	0	0	0	
Number of data breaches	Total	cases	0	0	0	
	Domestic	cases	0	0	0	
	Overseas	cases	0	0	0	
Percentage of infringement related to personally identifiable information(PII)	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	persons	0	0	0	
	Overseas	persons	0	0	0	
Financial loss due to legal procedures related to privacy issue	Total	KRW in millions	0	0	0	
	Domestic	KRW in millions	0	0	0	
	Overseas	KRW in millions	0	0	0	
Grievances submitted externally in relation to user data breaches ⁷⁾		cases	-	0	0	
Grievances submitted by regulatory institutions in relation to user data breaches ⁸⁾		cases	-	0	0	

6) Financial loss due to violation of laws and regulations related to user information protection

7), 8) Data collection started from Dec 2021 and data for 2020 and 2021 are not available.

Social

Training on Information Protection

Classification		Unit	2021	2022	2023
Basic security training	Participants	persons	854	888	848
	Participation rate	%	100	100	100
	Total training hours	hours	854	888	848
Position-specific data privacy training ¹⁾	Participants	persons	-	-	450
	Participation rate	%	-	-	100
	Total training hours	hours	-	-	450

1) Position-specific data privacy training participation data collection started from 2023.

Service Interruption Risk Management

Classification		Unit	2021	2022	2023
Number of service interruptions due to performance issues ²⁾		cases	0	0	0
Total number of service interruptions ³⁾		cases	0	0	0
Total user downtime		hours	0	0	0

2), 3) Number of incidents causing interruptions of 10 to 30 minutes.

Violation of Marketing and Labeling Laws

Classification		Unit	2021	2022	2023
Domestic	Violations	cases	0	0	0
	Fines and penalties	KRW in millions	0	0	0
Overseas	Violations	cases	0	0	0
	Fines and penalties	KRW in millions	0	0	0

Employees

Classification		Unit	2021	2022	2023
Total number of employees ⁴⁾		persons	822	839	831
Employment type ⁵⁾	Full-time	persons	792	805	801
	Percentage of full-time employees	%	96.4	95.9	96.4
	Part-time	persons	30	34	30
	Percentage of part-time employees	%	3.6	4.1	3.6
Gender	Male	persons	540	542	527
	Percentage of male employees	%	65.7	64.6	63.4
	Female	persons	282	297	304
	Percentage of female employees	%	34.3	35.4	36.6
Age	Employees aged under 30	persons	178	189	187
	Percentage of employees aged under 30	%	21.7	22.5	22.5
	Employees aged 30 to 50	persons	639	644	638
	Percentage of employees aged 30 to 50	%	77.7	76.8	76.8
	Employees aged over 50	persons	5	6	6
	Percentage of employees aged over 50	%	0.6	0.7	0.7
Nationality	Korea	persons	811	834	828
	Percentage of Korean employees	%	98.7	99.4	99.6
	Foreign	persons	11	5	3
	- China	persons	7	3	2
	- Canada	persons	3	2	1
	- Türkiye	persons	1	0	0
Percentage of foreign employees		%	1.3	0.6	0.4
Position	Employees	persons	800	818	808
	Percentage of employees	%	97.3	97.5	97.2
	Executives	persons	22	21	23
	Percentage of executives	%	2.7	2.5	2.8

4) Including full-time and part-time employees and unregistered executives (except for employees of the Board of Directors including inside directors, independent directors, non-executive directors, and auditors)

5) Full-time position: full-time employees, top management, and advisors, Part-time position: direct contract workers

Social

Employees

	Classification	Unit	2021	2022	2023
Female	Female executives	persons	1	3	3
	Percentage of female executives ¹⁾	%	4.5	14.3	13
	Percentage of female managers ²⁾	%	19	20.8	24.4
	Percentage of female team employees	%	38.1	38.8	39.7
	Percentage of female employees in IT positions ³⁾	%	22.5	24.5	25.5
Disability	Employees with disabilities	persons	7	11	11
	Percentage of employees with disabilities	%	0.9	1.3	1.3
	Percentage of executives with disabilities	%	0	0	0
	Percentage of employees who participated in the engagement survey	%	78.4	82.4	78.2
	Employee engagement ⁴⁾	%	22	19.8	18.5
	Total number of workers who are not employees and whose work is managed by the organization ⁵⁾	persons	15	12	13

1) Number of female executives ÷ Number of all executives

2) Number of female team managers and above ÷ Number of all managers

3) Number of women in IT roles ÷ Number of all employees in IT roles

4) Number of highly-engaged employees (scoring 80 or more points on the engagement survey) ÷ Number of all employees who participated in the survey

5) Dispatched workers and interns according to the business report of the reporting year.

Employee Turnover

	Classification	Unit	2021	2022	2023	
Voluntary turnover	Total voluntary turnover	persons	128	153	113	
	Total voluntary turnover rate	%	17.3	19.3	14	
	Gender	Male	persons	75	100	70
		Percentage of male employees	%	58.6	65.4	61.9
		Female	persons	53	53	43
	Percentage of female employees	%	41.4	34.6	38.1	
	Transfer to affiliates	persons	9	32	3	

New Employment

	Classification	Unit	2021	2022	2023
	Number of hires (full-time + part-time)	persons	217	224	129
Employment type ⁶⁾	Full-time	persons	191	201	109
	Percentage of full-time employees	%	88	89.7	84.5
	Part-time	persons	26	23	20
	Percentage of part-time employees	%	12	10.3	15.5
Gender	Male	persons	142	137	68
	Percentage of male employees	%	65.4	61.2	52.7
	Female	persons	75	87	61
	Percentage of female employees	%	34.6	38.8	47.3
Nationality	Korea	persons	214	223	129
	Percentage of Korean employees	%	98.6	99.6	100
	Foreign	persons	3	1	0
	Percentage of foreign employees	%	1.4	0.4	0
Position	Employees	persons	214	220	128
	Percentage of employees	%	98.6	98.2	99.2
	Executives	persons	3	4	1
	Percentage of executives	%	1.4	1.8	0.8
Disability	Employees with disabilities	persons	1	2	1
	Percentage of employees with disabilities	%	0.5	0.9	0.8
	Transfer from affiliates	persons	4	4	0

6) Full-time position: full-time employees, top management, and advisors, Part-time position: direct contract workers

Social

Supporting Employee Growth

Classification		Unit	2021	2022	2023	
Training hours	Total	hours	8,999 ¹⁾	8,876	8,459	
	Gender	Male	hours	6,169	5,591	5,581
		Female	hours	2,830	3,285	2,878
	Employment type	Full-time	hours	8,800	8,652	8,056
		Part-time	hours	199	224	403
Average training hours per employee		hours	10.9	10.6	10.2	
Ratio of training hours to working hours		%	0.7	0.6	0.6	
Training expense per employee		KRW	112,086	218,123	156,340	

1) 2021 data was restated due to the correction of calculation errors.

Labor Costs

Classification	Unit	2021	2022	2023
Overall average labor cost ²⁾	KRW in millions	81	74	75
Average wage of employees ³⁾	KRW in millions	75	73	74

2) Based on payroll statements(for full-time and direct contract employees, except for registered executives, dispatched workers, part timers, and interns)

3) Excluding incentive items out of total average personnel expenses

Performance Appraisal and Compensation

Classification		Unit	2021	2022	2023	
Percentage of employees who received performance appraisal		%	100	100	100	
Compensation	Wage ratio of new female and male employees	%	100	100	100	
	Wage ratio of female and male employees	%	75	78	78	
	Ratio of entry-level employee wages to minimum wage	Development positions	%	197	187	178
		Non-development positions	%	177	168	160
Retirement pension plan ⁴⁾	Defined contribution (DC)	Asset under operation	KRW in millions	0	2,751	3,126
		No. of subscribers	persons	0	146	161
	Defined benefit (DB)	Asset under operation	KRW in millions	27,118	29,270	31,574
		No. of subscribers	persons	618	551	620

4) As to the asset under operation of the hybrid(DB+DC) plan, the amount is split and reflected according to the respective allocation ratio, and duplication is reflected in the number of subscribers.

Parental Leave

Classification		Unit	2021	2022	2023
Parental leave users	Total	persons	22	10	15
	Male	persons	7	2	3
	Female	persons	15	8	12
Employees who returned to work after parental leave	Total	persons	21	14	14
	Male	persons	4	4	2
	Female	persons	17	10	12
Employees who returned to work after parental leave that were employed 12 months after their return ⁵⁾	Total	persons	12	17	7
	Male	persons	2	4	1
	Female	persons	10	13	6
Percentage of employees who returned to work after parental leave	Male	%	100	60 ⁶⁾	100
	Female	%	100	91	100
Percentage of employees who continue to work after parental leave	Male	%	29	100	25
	Female	%	77	76	60

5) 2021 data were restated due to the correction of calculation errors.

6) 2022 data was restated due to change in calculation criteria

Open Council Operation

Classification		Unit	2021	2022	2023
Employees of the Open Council		persons	10	10	10
Number of meetings held		times	10	8	9
Number of meetings between the management and the Open Council		times	4	4	4
Addressing employee grievances	Grievances filed	cases	24	6	6
	Grievances addressed	cases	23	5	6
	Percentage of grievances addressed	%	96	83	100
Addressing employee suggestions	Suggestions filed	cases	12	12	25
	Suggestions addressed	cases	10	10	19
	Percentage of suggestions addressed	%	83	83	76

Social

Workplace Safety

Classification		Unit	2021	2022	2023
Occupational accidents	Netmarble	cases	0	1 ¹⁾	0
	Netmarble	persons	0	0	0
Fatalities	Partners	persons	0	0	0
Serious occupational accidents		cases	0	0	0
Serious occupational accident rate		%	0	0	0
Domestic converted accident rate		%	0	0.12	0
Domestic fatality rate per 10,000 population		%	0	0	0
Employees LTIFR (Lost Time Injury Frequency Rate) ²⁾		persons/million work hours	0	0.57	0

1) An incident involving a finger cut occurred while cleaning the office in 2022.

2) (Number of occupational injuries × 1 million hours worked) ÷ (total annual hours worked per person × number of employees)

Health Support Service³⁾⁴⁾

Classification		Unit	2021	2022	2023
Service users	Total	persons	3,469	10,825	33,917
	Visitors to Health Care	persons	3,326	8,475	31,658
	Recovery room users	persons	138	2,350	2,214
	Participation in smoking cessation programs	persons	5	N/A ⁵⁾	45

3) Including subsidiaries operating at G-Tower

4) The number of users surged due to returning to on-site work in June 2022.

5) Program not conducted in 2022 due to COVID-19 (resumed in April 2023)

Social Responsibility Performance

Classification		Unit	2021	2022	2023
Beneficiaries		persons	28,190	28,259	31,263
Donation ⁶⁾		KRW in millions	2,222	2,662	3,440
Funds raised for the Netmarble Sharing Funds ⁷⁾	Funds raised by employees	KRW in millions	42.8	35.5	42.7
	Matching grants provided	KRW in millions	42.8	35.5	42.7

6) Total social contribution expense(implementation cost + administrative cost)

7) Used to execute social contribution programs

Volunteer Activities of Employees⁸⁾

Classification		Unit	2021	2022	2023
Participants		persons	N/A	N/A	36
Total volunteer activity hours		hours	N/A	N/A	119
Volunteer activity hours per employee		hours	N/A	N/A	3.3

8) Volunteer activities not conducted in 2021 and 2022 due to COVID-19

Governance

Financial Performance

Classification		Unit	2021	2022	2023
Summarized statement of financial position (consolidated basis)	Total assets	KRW 100 million	106,638	89,356	79,159
	Total liabilities	KRW 100 million	46,561	33,138	28,368
	Total shareholders' equity	KRW 100 million	60,077	56,218	50,791
	Debt-to-equity ratio	%	77.5	58.94	55.85
Summarized income statement (consolidated basis)	Total Revenue	KRW 100 million	25,069	26,734	25,021
	Domestic ¹⁾	KRW 100 million	6,659	4,251	4,234
	Overseas ¹⁾	KRW 100 million	18,410	22,483	20,787
	Operating expense	KRW 100 million	23,559	27,821	25,706
	Operating profit	KRW 100 million	1,510	-1,087	-685
Operating expense to revenue ratio		%	93.98	104.07	102.74
Net income before income tax expense		KRW 100 million	3,512	-9,415	-1,586
Income tax expenses		KRW 100 million	1,020	-551	1,453
Net income		KRW 100 million	2,492	-8,864	-3,039
Net income attributable to shareholder		KRW 100 million	2,402	-8,192	-2,557

1) 2021 and 2022 data were restated due to change in calculation criteria

Distribution of Economic Value

Classification		Unit	2021	2022	2023
Employees	Wages	KRW in millions	522,643	618,116	597,757
	Retirement payment	KRW in millions	30,478	41,300	35,390
	Employee benefits	KRW in millions	76,613	109,685	106,017
Partners	Purchase expenses	KRW in millions	1,522,212	1,720,670	1,586,094
Community	Donations	KRW in millions	958	2,844	6,820
Investors	Dividends	KRW in millions	43,261	-	-
	Interest expenses	KRW in millions	36,223	112,780	146,706

Overview of Shares Issued and Shareholders

Classification		Unit	2021	2022	2023
Shareholders	Largest shareholders and related parties	%	24.2	24.2	24.2
	Foreign investors	%	22.8	22.6	23.7
	Domestic institutions	%	37.8	36.9	36.5
	Treasury shares	%	4.7	4.7	4.7
	Minority shareholders	%	10.5	11.6	10.9
Shares issued	Outstanding shares	shares	85,953,502	85,953,502	85,953,502
	Floating shares	shares	81,934,571	81,934,571	81,934,571
Shares without voting rights	Number of shares	shares	4,018,931	4,018,931	4,018,931
	Percentage	%	4.68	4.68	4.68
Shares with voting rights	Number of shares	shares	81,934,571	81,934,571	81,934,571
	Percentage	%	95.32	95.32	95.32

Governance

BOD Operation

Classification		Unit	2021	2022	2023
BOD composition	Total employees	persons	5	5	9
	Independent directors	persons	3	3	5
	Percentage of independent directors	%	60	60	56
BOD meetings held		times	9	6	8
Agenda	Resolution items	items	20	20	15
	Reported items	items	6	7	7
Attendance	Total	%	100	97	98
	Independent directors	%	100	94 ¹⁾	97
Independent Director Candidate Recommendation Committee meetings held		times	0	1	1
Independent Director Candidate Recommendation Committee agenda items		items	0	1	1
Audit Committee meetings held		times	5	5	6
Audit Committee agenda items		items	22	24	32
Internal Transaction Committee meetings held		times	1	3	1
Internal Transaction Committee agenda items		items	1	4	1
Compensation Committee meetings held		times	2	4	3
Compensation Committee agenda items		items	2	6	4
ESG Committee meetings held ²⁾		times	-	8	2
ESG Committee agenda items ³⁾		items	-	13	5

1) 2022 data was restated due to the correction of calculation errors.

2), 3) Established at the end of 2021, Reorganized as a committee under the direct leadership of the Board of Directors in Mar. 2023

BOD Remuneration

Classification		Unit	2021	2022	2023
Registered directors (excluding independent directors)	Inside directors	persons	2	2	4
	Executive officers	persons	2	2	0
	Total remuneration	KRW in millions	3,399	3,013	2,354
	Average remuneration per person	KRW in millions	850	753	589
Independent directors ⁴⁾	Employees	persons	3	3	5
	Total remuneration ⁵⁾	KRW in millions	45	93	190
	Average remuneration per person	KRW in millions	15	31	38

4) All independent directors are employees of the Audit Committee.

5) Including compensation provided to retired directors in their capacity as registered executives

Independence, Diversity, and Expertise of the BOD

Classification		Unit	2021	2022	2023	
Independence	Average year of service of directors	years	6.1	3.8	2.9	
	Percentage of independent directors with conflicts of interest	%	0	0	0	
	Female directors	persons	1	1	1	
Diversity	Percentage of female directors	%	20	20	11	
	Age	Under 30	%	0	0	0
		30 to 50	%	40	40	33
		Over 50	%	60	60	67
	Foreign directors	persons	1	1	1	
Expertise	Percentage of directors with experience in IT or gaming industries	%	60	60	44	
	Training	Training hours	hours	-	-	28
		Participants	persons	-	-	9

Independent Auditors

Classification		Unit	2021	2022	2023
Audit service agreement	Auditor	-	Deloitte Anjin	Deloitte Anjin	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		
	Audit fee	KRW in millions	930	990	1,150
	Total audit time	hours	8,975	9,268	10,662
Independent auditors' opinion	Audit opinion	-	Adequate	Adequate	Adequate
	Significant matter in the audit report	-	N/A	N/A	N/A

Governance

Transactions with Partners

Classification	Unit	2021	2022	2023
Number of partners	companies	210	221	254
Number of newly registered partners	companies	66	9	33
Subject to regular evaluation ¹⁾	companies	0	0	0

1) Evaluation not conducted in 2021 and 2022 due to supplementation of regular evaluation contents

R&D Performance

Classification	Unit	2021	2022	2023
Patent registration	New	56 ²⁾	18	24
	Accumulated	232	251	263
Other IPR (trademark, design, copyright)	New ³⁾	81	114	69
	Accumulated	974	1,019	1,113

2) 2021 data was restated due to the correction of calculation errors.

3) 2021 and 2022 data were restated due to change in calculation criteria

Ethics-related Reports and Actions

Classification	Unit	2021	2022	2023	
Total number of ethics-related reports filed	cases	7	3	5	
Percentage of ethics-related reports addressed	%	100	100	100	
Ethics-related reports by type	Human rights-related reports	cases	5	2	3
	Human rights-related reports addressed	cases	5	2	3
	Percentage of human rights-related reports addressed	%	100	100	100
	Other ethics-related reports ⁴⁾	cases	2	1	2
	Other ethics-related reports filed	cases	2	1	2
	Percentage of other ethics-related reports addressed	%	100	100	100
Total number of incidents of discrimination ⁵⁾	cases	0	0	0	

4) Reports regarding Information leakage, damage to company dignity, etc.

5) Incidents of discrimination based on race, skin color, gender, religion, political view, and country of origin, etc.

Training on Ethical Management

Classification	Unit	2021	2022	2023	
Training on ethical management ⁶⁾	Participants	persons	1,024	1,078	1,006
	Participation rate	%	99	100	99
	Total training hours	hours	361	505	488
	Training hours per person	hours	0.4	0.5	0.5
Ethical training related to game operation ^{7,8)}	Participants	persons	5	338	280
	Participation rate	%	2	100	100
	Total training hours	hours	5	350	650
Training hours per person	hours	1	1	2.3	

6) Internal company-wide training, training for newly-appointed leaders, and new hire training were provided in addition to statutory training.

7) Subject to subsidiary IGS: For the headquarters and Daegu branch in 2020 and 2021, and expanded to include overseas branch in 2022(for the headquarters only as to new hire training)

8) In 2021, ethical training related to game operation was replaced with "Work Ethics Compliance Campaign" due to the full-time remote work in accordance with COVID-19. Training in 2021 was only provided to some new employees.

Governance

Compliance Management

Classification		Unit	2021	2022	2023
Violation of laws and regulations	Number of violations	cases	0	0	0
	Number of lawsuits filed	cases	0	0	0
	Monetary sanctions	KRW in millions	0	0	0
	Non-monetary sanctions	cases	0	0	0
	Compared to sales	%	0	0	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
	Percentage of compliance with government request for content removal	%	-	-	-
Incidents of corruption substantiated and actions taken	Total detected incidents of corruption and their characteristics	cases	0	0	0
	Total cases which resulted in employee dismissal or disciplinary action due to detected incidents of corruption	cases	0	0	0
	Total cases which did not result in the termination or renewal of contract with business partners due to corruption-related non-compliance	cases	0	0	0
	Public legal cases raised due to the incidents of corruption involving the organization or employees during the reporting period and the consequences of such cases	-	-	-	-
Legal action taken against anticompetitive, anti-trust and monopolistic practices	Legal actions on-going or completed in relation to anticompetitive practices and non-compliance with anti-trust laws involving the organization during the reporting period	cases	0	0	0
	Key consequences of the legal actions completed	-	-	-	-
	Total financial losses resulting from regulatory noncompliance related to anti-competitive practices	KRW in millions	0	0	0

07

Appendix

85

Stakeholder
Communication

86

GRI STANDARDS INDEX

88

SASB INDEX

89

TCFD INDEX

90

Employeeships
and
Certifications

92

GHG Verification
Statement

93

Independent
Assurance Opinion
Statement

Stakeholder Communication

Netmarble defines key stakeholders as users, employees, investors and shareholders, partners, local communities, and government. We engage with these stakeholders through diverse channels, actively addressing their primary interests, and incorporating their feedback into our management strategies.

Stakeholders	Major Interest	Communication Channels	Activities
Users	<ul style="list-style-type: none"> · Release of new services · Improvement of service quality and user satisfaction · Data privacy 	<ul style="list-style-type: none"> · Website · Channel Netmarble & official social media channels · Online communities & customer centers by service · Call center and offline counseling center · Disclosure materials 	<ul style="list-style-type: none"> · Release of new services & live service update · Improvement in operational stability through risk management · Closer communication through official live broadcasting, G-STAR, social media, etc.
Employees	<ul style="list-style-type: none"> · Guarantee of basic rights in the workplace and employment stability · Pleasant and safe working environment · Fair performance appraisal and self-development opportunity · Work-life balance and welfare benefit system 	<ul style="list-style-type: none"> · In-house portal · Netmarble Ethics Center · Open Council(labor-management council) · Sports center & psychological counseling room 	<ul style="list-style-type: none"> · Hold the Open Council and operate grievance mechanisms · Construction of the sports center and operation of the psychological counseling center · Operation of a fair compensation system through MBO · Improvement of the working environment through feedback collection · Flexible work arrangements and expansion of benefit programs
Investors and Shareholders	<ul style="list-style-type: none"> · Establishment of sound governance · Transparent disclosure of financial and non-financial performances · Preemptive risk management · Communication with investors and shareholders 	<ul style="list-style-type: none"> · Annual General Meeting · NDR and conference with institutional investors · Disclosure materials and reports · Earnings release conference call · 1:1 meeting with investors · Corporate website 	<ul style="list-style-type: none"> · Share revenue generation performance achieved through new businesses, new markets, etc. · Disclosure of business reports, corporate governance reports, and Sustainability Reports · Management of business risks and ESG risks · Execution of IR meeting on a regular and non-regular basis
Partners (Suppliers)	<ul style="list-style-type: none"> · Fair trade and fair treatment · Shared growth 	<ul style="list-style-type: none"> · Purchase system & purchase information session · Channel Netmarble · Netmarble Ethics Center · Disclosure materials 	<ul style="list-style-type: none"> · Operation of Netmarble Ethics Center for grievance reporting · Stipulation of the Charter of Purchase Ethics and the Code of Conduct for Purchasing · Implementation of fair pricing and compliance with payment conditions · Reinforce regular communication and cooperation
Community	<ul style="list-style-type: none"> · Fulfillment of corporate social responsibility · Vitalization of local economy 	<ul style="list-style-type: none"> · Website · Channel Netmarble · Netmarble Cultural Foundation website · Disclosure materials 	<ul style="list-style-type: none"> · Share cultural values through Play Centers, Family Game School, and the e-Festival for students with disabilities · Support for the growth of future talent through Game Academy, Tour Program, and the Netmarble Adaptive Rowing Team
Government	<ul style="list-style-type: none"> · Economic value creation · Compliance with relevant laws and regulations · Participation in industry-related Policies 	<ul style="list-style-type: none"> · Website · Disclosure materials 	<ul style="list-style-type: none"> · Job creation through increased recruitment, etc. · Establishment of a compliance support organization and compliance risk review · Implementation of countryspecific tax obligations and improvement in tax transparency

GRI STANDARDS INDEX

Index	Description	Page	Note
GRI 2: General Disclosures			
2-1	Organizational details	5, 7	
2-2	Entities included in the organization's sustainability reporting	5	
2-3	Reporting period, frequency and contact point	5	
2-4	Restatements of information	74-83	
2-5	External assurance	92-95	
2-6	Activities, value chain and other business relationships	7-8, 21-22, 42-43	
2-7	Employees	76-77	
2-8	Workers who are not employees	77	
2-9	Governance structure and composition	63-64	
2-10	Nomination and selection of the highest governance body	64	
2-11	Chair of the highest governance body	63	
2-12	Role of the highest governance body in overseeing the management of impacts	11	
2-13	Delegation of responsibility for managing impacts	70-71	
2-14	Role of the highest governance body in sustainability reporting	65	
2-15	Conflicts of interest	64, 81	
2-16	Communication of critical concerns	32, 43	
2-17	Collective knowledge of the highest governance body	64	
2-18	Evaluation of the performance of the highest governance body	-	Not applicable
2-19	Remuneration policies	-	Business Report p.413-415
2-20	Process to determine remuneration	-	Business Report p.412
2-21	Annual total compensation ratio	78, 81	
2-22	Statement on sustainable development strategy	6	
2-23	Policy commitments	16, 32, 42, 45, 50, 68, 90	
2-24	Embedding policy commitments	42, 45, 48, 57	
2-25	Processes to remediate negative impacts	32, 43, 72, 82	
2-26	Mechanisms for seeking advice and raising concerns	72	
2-27	Compliance with laws and regulations	74, 83	
2-28	Employee associations	90	
2-29	Approach to stakeholder engagement	85	
2-30	Collective bargaining agreements	-	Not applicable ¹⁾

1) Union contract in progress

Index	Description	Page	Note
GRI 3: Material Topics			
3-1	Process to determine material topics	13-14	
3-2	List of material topics	13-14	
3-3	Management of material topics	13-14	
Enhanced user satisfaction			
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	19-20	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	No incidents occurred
Technological innovation and R&D			
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	78	
404-2	Programs for upgrading employee skills and transition assistance programs	28-29	
404-3	Percentage of employees receiving regular performance and career development reviews	30, 78	
Information security and data privacy			
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75	

GRI STANDARDS INDEX

Index	Description	Page	Note
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	80	
201-2	Financial implications and other risks and opportunities due to climate change	57-58	
201-3	Defined benefit plan obligations and other retirement plans	78	
GRI 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	78	
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	49-54	
203-2	Significant indirect economic impacts	49-54	
GRI 205: Anti-Corruption			
205-3	Confirmed incidents of corruption and actions taken	83	
GRI 206: Anti-Competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	83	
GRI 207: Tax			
207-2	Tax governance, control, and risk management	71	
GRI 302 : Energy			
302-1	Energy consumption within the organization	74	
302-3	Energy intensity	74	
302-4	Reduction of energy consumption	74	
GRI 303 : Water and Effluents			
303-3	Water withdrawal	74	
GRI 304 : Biodiversity			
304-3	Habitats protected or restored	62	
GRI 305 : Emissions			
305-1	Direct GHG emissions (Scope 1)	74, 92	
305-2	Energy indirect (Scope 2) GHG emissions	74, 92	
305-4	GHG emissions intensity	74, 92	
GRI 306 : Waste			
306-3	Waste generated	74	
306-4	Waste diverted from disposal	74	

Index	Description	Page	Note
GRI 401: Employment			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	36	
401-3	Parental Leave	35, 78	
GRI 403 : Occupational Health and Safety			
403-1	Occupational health and safety management system	38	
403-2	Hazard identification, risk assessment, and incident investigation	39	
403-3	Occupational health services	39	
403-4	Worker participation, consultation, and communication on occupational health and safety	34, 38, 40-41, 78	
403-5	Worker training on occupational health and safety	41	
403-6	Promotion of worker health	36, 79	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43	
403-9	Work-related injuries	79	
GRI 405 : Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	63, 81	
405-2	Ratio of basic salary and remuneration of women to men	78	
GRI 406 : Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	82	
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	53-54	
413-2	Operations with significant actual and potential negative impacts on local communities	53-54	
GRI 417 : Marketing and Labeling			
417-1	Requirements for product and service information and labeling	45	
417-2	Incidents of non-compliance concerning product and service information and labeling	76	
417-3	Incidents of non-compliance concerning marketing communications	76	

SASB INDEX

Sustainability Disclosure Topics & Metrics : Technology & Communication – Software & IT Services

구분	Code	Metric ¹⁾	Netmarble's Performance	Page
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed	(Netmarble) 90,591 GJ (Subsidiaries) 58,480 GJ	74
		(2) Percentage grid electricity	(Netmarble) 85.5% (Subsidiaries) 70.7%	74
		(3) Percentage renewable ²⁾	(Netmarble) 2.5% (Subsidiaries) 1%	74
	TC-SI-130a.2	(1) Total water withdrawn	(Netmarble) 48,753 m ³ (Subsidiaries) 21,107 m ³	74
		(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	0%	-
TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	-	-	
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to targeted advertising and user privacy	The Privacy Policy* covers the collection and processing of personal information, including personally identifiable information, as well as the disclosure of the destruction policy. We apply cookie consent on global sites, operate a personal information protection management system for each country, and conduct service personal information impact assessments. We prepare our own checklist for personal information protection management to identify and improve the risk of personal information leak and exposure, and we take improvement measures. We have acquired ISMS-P, ISO/IEC 27001, 27017, 27018, 27701, and APEC CBPR certification. *See the Privacy Policy Section 1: Collection and Use, and Section 4: the Installation, Operation, and Refusal of Automatic Collection Devices.	45-48, Website
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	0 cases	75
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	KRW 0	75
	TC-SI-220a.4	(1) Number of law enforcement requests for user information	· Seizure warrant request : 501 cases · Communications fact confirmation material request : 683 cases	75
		(2) Number of users whose information was requested	Data collection system under development	-
		(3) Percentage resulting in disclosure	Data collection system under development	-
TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	3 (Korea, China, Vietnam)	83	
Data Security	TC-SI-230a.1	(1) Number of data breaches ³⁾	0 cases	75
		(2) Percentage that are personal data breaches	0%	75
		(3) Number of users affected	0 persons	75
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Acquired and maintaining ISMS-P, ISO/IEC 27001, 27017, 27018, 27701, and APEC CBPR certification. We conduct regular risk assessments.	44-47, 70-72	
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees that require a work visa	0.40%	76
	TC-SI-330a.2	Employee engagement as a percentage	18.50%	77
	TC-SI-330a.3	(1) Percentage of gender and diversity group representation for executive management	Percentage of female executives 13.0%	77
		(2) Percentage of gender and diversity group representation for non-executive management	Percentage of female non-executive managers 24.4%	77
		(3) Percentage of gender and diversity group representation for technical employees	Percentage of female employees in IT job 25.5%	77
	(4) Percentage of gender and diversity group representation for all other employees	Percentage of female employees 36.6%	77	
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	KRW 0	83
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	(1) Number of performance issues ⁴⁾	(2021-2023) 0 cases	76
		(2) Number of service disruptions ⁴⁾	(2021-2023) 0 cases	76
		(3) Number of total customer downtime ⁵⁾	(2021-2023) 0 days	76
TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	-	-	

1) Some business-sensitive indicators are not disclosed 2) Calculated as the sum of solar, geothermal, and hydrogen fuel cell use compared to total energy consumption
 3) Based on the sanctions disclosed in business reports 4) Number of incidents that caused interruptions for 10 to 30 minutes.
 5) Downtime due to performance and service issues × number of service licenses

TCFD INDEX

Classification	Recommended Disclosures	Netmarble's Performance	Page	Content
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	Our ESH Team and the ESG Management Division regularly identify climate risks based on legal trends, evaluation indicators, and disclosure standards, and discuss related matters in the Environmental Management Council. Major issues are submitted as agenda items for the ESG Committee under the Board of Directors, which meets semiannually, and tasks are carried out based on their decisions. In 2023, the Environmental Management Guidelines were established after a review by the ESG Committee, and the annual plan and performance related to environmental management were reported to the ESG Committee.	56	Environmental Management – Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Our Chief Officer of Environmental Management (CSO) oversees overall environmental management, including assessing climate issues and establishing policies and plans. The ESH Team, under the CSO, identifies climate change issues, promotes major improvement tasks, and monitors implementation progress. Issues requiring further discussion are presented as ESG Committee agendas for deliberation at annual meetings and the Board of Directors.		
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Recognizing the financial impact of climate change on companies, we have selected climate change response activities, waste reduction, and environmental management communication as major strategic tasks. Moving forward, we plan to analyze the physical and transition risks and opportunities caused by climate change and carry out effective environmental management activities based on the results.	57-59	Environmental Management – Climate Action, Risk Management Activities
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	We acknowledge the financial risks associated with potential future increases in electricity prices and are monitoring related trends. As part of our response, we operate a renewable energy power generation facility at G-Tower, completed in 2022, and are conducting various energy-saving campaigns.		
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Recognizing the importance of achieving 2050 Net Zero in accordance with global guidelines and Korea's NDCs, we plan to establish a detailed plan to reduce greenhouse gas emissions.		
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	We regularly manage climate change-related risks under the supervision of the Environmental Management Safety and Environmental Health Team and the ESG Management Division. Important issues are presented to the ESG Committee under the Board of Directors.	57-58	Environmental Management – Climate Action
	b) Describe the organization's processes for managing climate-related risks.	We manage major risks and impacts related to climate change through a process of Risk Identification, Definition, Management and Response, and Follow-Up, organized by a dedicated environmental management team. We monitor response plans and tasks for identified risks through the regular Environmental Management Council. Based on these discussions, we have established a risk response system and implemented mitigation measures, such as conducting environmental training, to continuously manage and prevent related risks.		
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	We discuss major sustainability issues and performance, including climate change, through the ESG Committee under the Board of Directors, which meets semiannually. Decisions made by the ESG Committee are reflected in future operational plans to ensure continuous improvement activities and performance monitoring.		
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We disclose our three-year greenhouse gas emissions (Scope 1 and 2), energy and renewable energy use, including some subsidiaries, and our activities to mitigate climate change. We plan to identify and disclose quantitative financial risks and opportunities related to climate change.	57-59, 74	Environmental Management – Climate Action, Risk Management Activities · Factbook – GHG Emissions, Energy Consumption
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas(GHG) emissions, and the related risks.	We disclose our three-year greenhouse gas emissions (Scope 1 and 2) data, verified by a third party, and calculate and disclose the intensity of greenhouse gas emissions to enhance information user convenience.		
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	As the demands of global stakeholders grow, we recognize the importance of responding to climate change risks and opportunities and setting targets. We are developing an action plan for related activities.		

Employeeships and Certifications

Employeeships

Association	Employeeship	Details	Website
UNGC (UN Global Compact)	Employee	The UN Global Compact is the world’s largest voluntary corporate citizenship initiative, and was launched as an international agreement in New York, the US, in 2000 to urge businesses to fulfill their social responsibility. Netmarble participated in the UNGC as the first to do so in Korea’s gaming industry, and remains committed to upholding its 10 principles in 4 areas of human rights, labor, environment, and anti-corruption and makes annual disclosures on our progress towards the UN SDGs(Sustainable Development Goals).	https://unglobalcompact.org/
Korea Online Privacy Association	Employee	A private organization established to promote the self-regulation of businesses and the protection of users for the responsible use of personal data and location data.	https://www.opa.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 operation of Game Culture Family Camp, an Game Over immersion Healing Center, and game literacy education.	http://www.gameculture.or.kr/
Korean Council of Chief Information Security Officers	Regular employee	As an incorporated association aimed at strengthening information security and building a cooperative system, its 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/
Korea Chief Privacy Officers’ Forum	Employee	An organization of executives responsible for data privacy operations to promote discussions on data privacy issues among Chief Privacy Officers as well as interaction and information-sharing for data privacy.	https://www.cpoforum.or.kr/
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 Self-governance Organization of Korea (GSOK)	Employee	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	Employee	As a support group of the industry-based business operators, it engages in improving regulations and systems for internet-based companies(policy research, cooperative project with government, etc.).	http://www.kinternet.org/
Consortium of Computer Emergency Response Team (CONCERT)	Regular employee	As a corporation established to explore joint responses to improve information security among domestic private-sector businesses and institutions and to share information on data security technology and trends, it engages in discussions and other activities on information security issues through the dissemination of emergency situation alerts in the event of security breaches as well as regular meetings.	https://www.concert.or.kr/

Employeeships and Certifications

Certifications

Certification	Date	Validity Period	Details
Family-Friendly Company Certification	2023.12.01	2023.12.01 ~ 2026.11.30	Certified by the Ministry of Gender Equality and Family as a company that operates an exemplary family-friendly system. The certification was extended in 2021 and re-obtained in 2023 with our efforts to expand the operation of family-friendly programs since we were first certified in 2018.
ISMS-P (Personal Information & Information Security Management System)	2020.12.16	2023.12.16 ~ 2026.12.15	Measures and activities for corporate information security and privacy protection are being appropriately promoted
ISO/IEC 27001:2013	2018.07.29	2021.07.30 ~ 2024.07.29	The most authoritative international certification in the field of information security
ISO/IEC 27017:2015	2018.07.29	2021.07.30 ~ 2024.07.29	International framework certification that cloud service providers and customers must additionally reflect in their information security management systems based on the ISO 27001 international standard.
ISO/IEC 27018:2019	2018.07.29	2021.07.30 ~ 2024.07.29	International framework certification to be added to Information Security Management System for the protection of personally identifiable information (PII) in cloud environments based on the ISO27001 international standard.
ISO/IEC 27701	2023.08.14	2023.08.14 ~ 2024.07.29	International certification of a personal information management system as a framework for data privacy management.
APEC CBPR	2023.04.10	2023.04.10 ~ 2024.04.09	Global personal information protection certification based on the Asia-Pacific Economic Cooperation (APEC) privacy protection principles, evaluating and certifying a company's privacy system.
GSOK Self-regulation	2023.01.18	2023.02.09 ~ 2024.02.08	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 (G-SEED) 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
Excellent Arts and Culture Supporting Organization Certification (Netmarble Cultural Foundation)	2023.11.09	2023.11.09 ~ 2026.11.08	Certification according to Article 12, Paragraph 1 of the Act on Promotion of Cultural Arts Sponsorship and Article 9, Paragraph 5 of the Act on Revitalization of Support for Culture and Arts by the Ministry of Culture, Sports, and Tourism and Arts Council Korea.

GHG Verification Statement

Scope

Direct GHG emissions (Scope 1) and indirect emissions (Scope 2) of business sites in 2023

Data Verified

Scope 1 & 2 greenhouse gas emissions for domestic business sites of Netmarble Corporation

Assurance level of verification

Limited Level of Assurance

Data Verified

(Unit: tCO₂eq)

Business sites	Direct emissions (Scope1)	Indirect emissions (Scope2)	Emissions in 2023
Data center	572.881	3,706.728	4,279.609
Total	572.881	3,706.728	4,279.609

GHG Criteria & Protocols used for Verification

The verification was carried out at the request of Netmarble Corporation using:

- ISO 14064-1:2018
- ISO 14064-3:2019
- Guideline for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme (Notification No. 2023-221 of the Ministry of Environment of Korea)
- BSI GHGEV Manual [KM007-2 Voluntary Greenhouse Gas Verification Manual_Revision No. 6 (08/2023)]

Verification Opinion

BSI Group Korea's verification opinions on the result of carrying out verification in accordance with the GHG criteria and protocols mentioned above are as follows.

- Verification of Scope 1 & 2 greenhouse gas emissions for domestic business sites of Netmarble Corporation was performed with a limited assurance level, and the quality of the data conforms to important international principles for greenhouse gas verification.
- No material misstatement during the verification process for emissions was found, it was confirmed that relevant activity data and evidence were properly managed.
- Therefore, the BSI Group Korea Verification Team provides a verification opinion that is "appropriate".

bsi.

Issue: 20/05/2024
 For and on behalf of BSI
 Managing Director Korea, SeongHwan Lim



Independent Assurance Opinion Statement

To: The Stakeholders of Netmarble

Overview

The British Standards Institution (hereinafter referred to as the “Assurer”) was requested to verify the Sustainability Report 2024 (hereinafter referred to as the “Report”). The Assurer is independent to Netmarble and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the Netmarble’s report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the Netmarble. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

Netmarble is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Netmarble only.

The Assurer is responsible for providing Netmarble’s management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Netmarble. The Assurer will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the Independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with Netmarble includes the following:

- Report contents during the period from January 1st to December 31st 2023 included in the Report, some data of 2024 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report’s compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance level and type are as follows:

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by Netmarble.

Universal Standards

- 2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

Topic Standards

- 201-1~3, 202-1, 203-1&2, 205-3, 206-1, 207-2, 302-1, 302-3, 302-4, 303-3, 304-3, 305-1&2, 305-4, 306-3&4, 401-2&3, 403-1~7, 403-9, 404-1~3, 405-1&2, 406-1, 413-1&2, 416-1&2, 417-1~3, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities:

Independent Assurance Opinion Statement

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of Netmarble's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the Mainsite of Netmarble to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by Netmarble. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Netmarble. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain Netmarble's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

Inclusivity: Stakeholder Engagement and Opinion

Netmarble selected internal ESG consultative bodies and financial management departments as key stakeholder groups, and operated communication channels for each stakeholder group for engagement. Netmarble reflected key issues derived from stakeholder channels to sustainability management decisions and disclosed the process in the Report.

Materiality: Identification and reporting of material sustainability topics

Netmarble established a strategy related to sustainable management and established a process to derive reporting issues. 8 major issues were derived by conducting a social and environmental impact analysis based on the company's activities and a financial impact analysis based on the risks and opportunities related to each issue. The four top issues are disclosed in detail throughout the report.

Responsiveness: Responding to material sustainability topics and related impacts

Netmarble has established a management process for critical issues determined by the materiality evaluation. To respond appropriately in the direction of reflecting the expectations of stakeholders, disclose the background, response, and management plan for critical issues through the report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Netmarble has established a process to identify and evaluate the impact on organizations and stakeholders related to critical issues. It discloses governance strategies and policies, risk management, and indicators on critical issues.

Independent Assurance Opinion Statement

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, an assurance Type 2 were conducted against the following disclosurers based on the information and data provided by Netmarble. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the Report were not found through assurance processes. The Netmarble manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected and the Assurer confirmed the final version of the Report prior to its final publication.

- GRI Topic Standards: 203-1&2, 302-1, 302-3, 303-3, 305-1&2, 305-4, 306-3&4, 401-2&3, 403-1~7, 403-9, 404-1, 405-2

Recommendations and Opportunity for improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- Expanding the scope of stakeholders in the materiality derivation process and conducting an evaluation may help manage Netmarble's sustainability issues.

GRI-reporting

Netmarble has self-declared compliance with GRI Standards. Based on the data and information provided by Netmarble, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 17/06/2024

For and on behalf of BSI (British Standards Institution):

BSI representative



Lead Assurer, Doowon Kim



Managing Director Korea, SeongHwan Lim

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Hold Statement Number: SRA 809661



netmarble