NCSOFT ESG PLAYBOOK 2024

NCSOFT SUSTAINABILITY REPORT

About this Report

Reporting Overview

NCSOFT has been publishing the report annually since 2021 to transparently disclose our financial and non-financial performance and gather feedback from various stakeholders.
The 'NCSOFT ESG PLAYBOOK 2024' covers our ESG management strategies, achievements, and activities for the year 2024.

Reporting Standards

This report was prepared in accordance with the GRI (Global Reporting Initiative) Standards, and its financial performance was presented in conformity with the K-IFRS (Korean International Financial Reporting Standards). This report also reflected the disclosure standards of the SASB (Sustainability Accounting Standards Board) to consider industry-specific issues, as well as the disclosure recommendations of the TCFD (Task Force on Climate related Financial Disclosures).

Reporting Period and Scope

This report spans the period between January 1, 2024 and December 31, 2024, and which extends to the first half of 2025 for some activities. Quantitative performance data cover the recent three to four years to help identify yearly trends. This report covers the NCSOFT headquarters and some of its subsidiaries to report their activities and achievements in each of the ESG areas. When caution is required as to the reporting scope and boundary, this is separately noted to better communicate with stakeholders.

Assurance

This report has ensured the reliability and fairness of the disclosed data and content, and the Independent Assurance Opinion Statement is included on pages 83 to 86.

Reporting Frequency

Annually (Last report publication: June 2025)

Interactive User Guide

'NCSOFT ESG PLAYBOOK 2024' was published as an interactive PDF to enable users to move to a specific page and/or an associated website
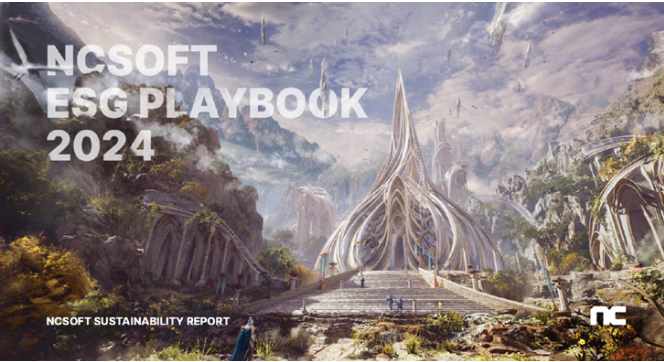
⌂ Go to first page   ↺ Go to previous page

☰ Go to Table of 'Contents'   > Shortcuts to related web pages

Cover Story

The cover of this report is composed of images from NC's new MMORPG, AION 2. AION 2 is a next-generation MMORPG that officially inherits NC's flagship IP, the AION series, embodying NC's aspiration to become a global comprehensive game company.

Contact

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Introduction

Where Joy Begins

ESG Performance

Environment

Social

Governance

Appendix

Lineage | MMORPG, Launched in 1998

INTRODUCTION
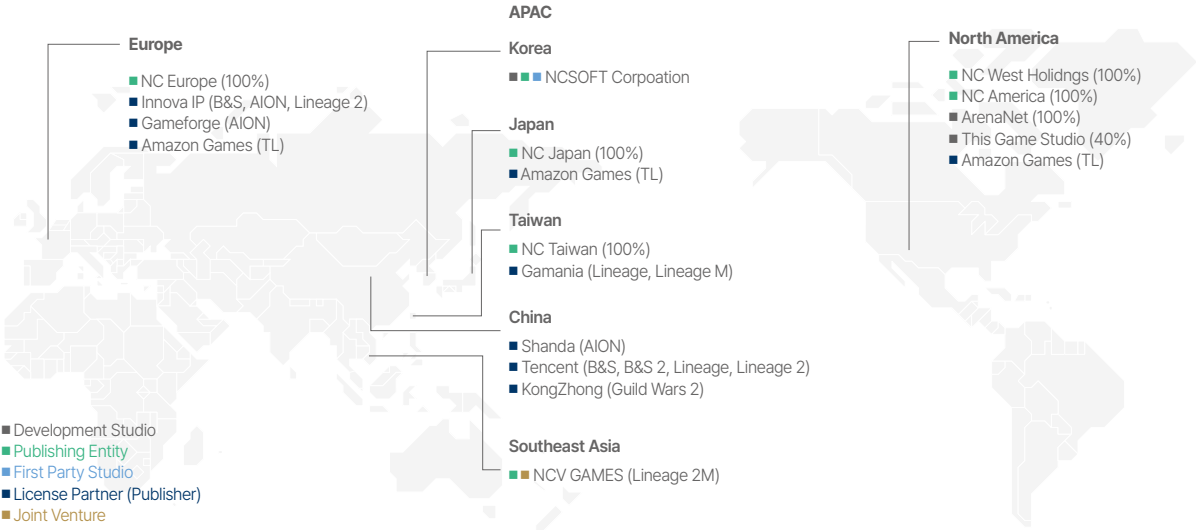
Lineage M | MMORPG, Launched in 2017

Who We Are

NC is committed to continuously create a new future where everyone is connected through joy.
With overseas branches in five key countries and partnerships with over 20 companies, we have established a global network bringing the value of enjoyment to more than 200 countries including China, North America, and Europe.

Company Overview

Company Name	CEO	Business Type	Headquarters Location
NCSOFT Corporation	Taek-Jin Kim, Byung-moo Park	Development and publishing online and mobile game software	12, Daewangpangyo-ro 644beon-gil, Bundang-gu, Seongnam-si, Gyeonggi-do, South Korea

Establishment Date		Number of Employees	
	March 11, 1997		**3,839** persons (On a non-consolidated as of the end of 2024)

Global Network

Europe
- NC Europe (100%)
- Innova IP (B&S, AION, Lineage 2)
- Gameforge (AION)
- Amazon Games (TL)

APAC

Korea
- NCSOFT Corpoation

Japan
- NC Japan (100%)
- Amazon Games (TL)

Taiwan
- NC Taiwan (100%)
- Gamania (Lineage, Lineage M)

China
- Shanda (AION)
- Tencent (B&S, B&S 2, Lineage, Lineage 2)
- KongZhong (Guild Wars 2)

Southeast Asia
- NCV GAMES (Lineage 2M)

North America
- NC West Holidngs (100%)
- NC America (100%)
- ArenaNet (100%)
- This Game Studio (40%)
- Amazon Games (TL)

- Development Studio
- Publishing Entity
- First Party Studio
- License Partner (Publisher)
- Joint Venture

Values and Goals

MISSION

PUSH, PLAY

'PUSH, PLAY' is NC's commitment to ceaselessly pushing the boundary of what technology has to offer and create the innovative experiences of connecting people through joy.

PUSH Leap over	PLAY Imagine
Spirit of challenge to enable technology innovation	Imagination that drives innovation in user experience

CORE VALUE

INTEGRITY	PASSION	NEVER-ENDING CHALLENGE
True commitment to quality	Passion to never stop trying	Never ending challenge to create a joy-filled world

Who We Are

Development Studios

FirstSpark Games

BigFire Games

Ludius Games

ArenaNet

Key Overseas Subsidiaries

NC Japan

NC Taiwan

NC West Holdings

NC America

NCV GAMES

Service & R&D Subsidiaries, and Others

NC AI

NC QA

NC IDS

NC ITS

NCSOFT Service

NC Dinos

What We Create

NC continuously develops new and innovative games based on a global top-tier IP portfolio,
while actively investing in games of various genres to build a robust game pipeline that will drive future growth.

AAA MMORPGs

New IPs Based on Various Genres · Platform
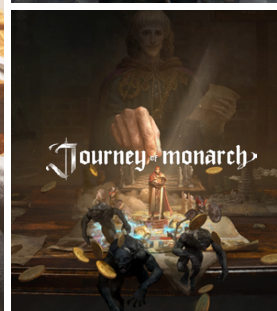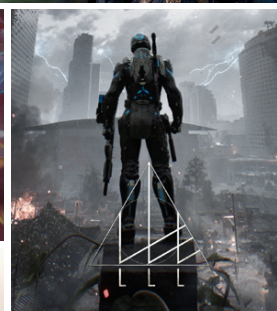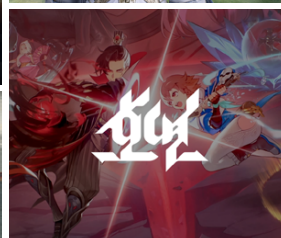
Tech Services

Chairperson's Message – ESG Steering Committee
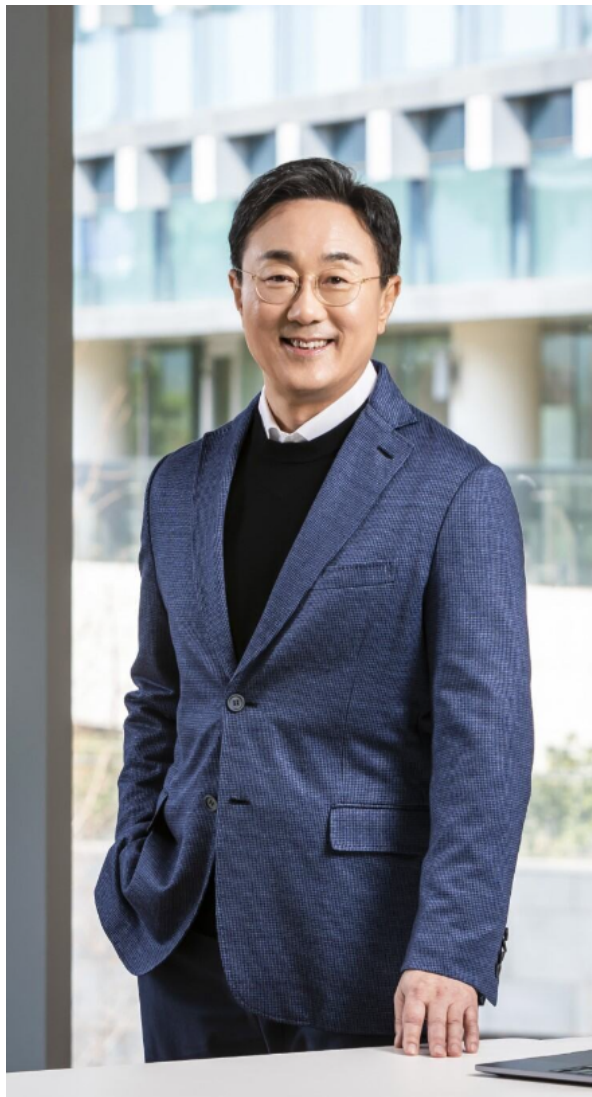
Dear Valued Stakeholders,

This is Byung-moo Park, Chairperson of NCSOFT ESG Steering Committee.

On the occasion of publishing NCSOFT's fifth Sustainability Report, I would like to extend my sincere greetings and appreciation.

I would also like to express our deepest gratitude to our shareholders, customers, partners, and employees for your continued interest and unwavering support.

The year 2024 has been a challenging one for us, marked by outcomes such as the underperformance of new releases that did not meet expectations. We recognize the concerns this has raised among our stakeholders. In response, we took time for deep reflection on the direction we must pursue to ensure a sustainable future for NCSOFT.

Through this process, we reaffirmed that the path to sustainability lies in returning to what we do best; staying true to our basics.

At NCSOFT, being "true to the basics" means two key things:

First, continuously enhancing the quality of our games and our technological capabilities to deliver unique customer experience that only NCSOFT can offer.

Second, committing to sincere, comprehensive efforts across all aspects of ESG area to build and maintain the trust of our stakeholders.

As we have done in the past, we will reestablish our competitive edge in gameplay and technology, returning to our core identity as a company that creates joyful games. We will strengthen communication with our users and actively reflect their feedback to develop content and games that bring genuine satisfaction. In doing so, we aim to further reinforce the competitiveness of our IP. We will also enhance our technical capabilities by providing a seamless and

stable server environment and by establishing a global-level information security system, enabling our users to focus on the core enjoyment of game. Moreover, we will comprehensively review and advance our processes related to gameplay and technology to ensure these fundamentals are being properly upheld.

To minimize the environmental impact of our operations, we will continue our earnest efforts toward greater energy efficiency in our offices and data centers. We also remain steadfast in fulfilling our responsibilities to all stakeholders, while enhancing shareholder value through transparent governance and accountability. Also, we will concentrate our efforts on ensuring management efficiency enhancement initiatives, such as the launch of independent studios, for sustainable growth across the company.

NCSOFT is now entering a new era of significant challenges and opportunities.

Guided by the unifying ethos of "One Team" spirit, all NCSOFT employees - myself included - are undertaking a thorough re-evaluation of every aspect of our business, with the steadfast commitment to the principle: staying true to the basics.

With this as our foundation, we will do our utmost to ensure that NCSOFT continues to grow and to earn your trust as a sustainable and forward-looking company.

We kindly ask for your continued support, and sincerely wish you and your loved ones good health and happiness.

Thank you.

CEO, Chairperson of the NCSOFT ESG Steering Committee

Byung-moo Park

NC Sustainability Management System

NC is committed to authentic ESG management, while creating a new world connected through joy with users around the world, achieved by continuously enhancing gameplay and technical quality.

ESG Steering Committee

Members	Mandate (Regulations)	Roles & Responsibilities
CEO (Chair), COO, CFO, CLO	Operation Plan of ESG Management Committee	Deliberation and approval of key decision-making matters in sustainability and ESG areas

Management & Oversight	· Deliberation and approval of major ESG execution results for the current year and plans for the following year · Establishment and implementation of policies related to Environmental Management · Listening to and responding to ESG-related requests from internal and external stakeholders
Reporting Frequency	· Quarterly (extraordinary meetings upon major issues)
Reporting Agenda	· Apr. 2024 Newly appointed ESG Chair, NC ESG management status · Apr. 2024 NC ESG management implementation system, 2024 materiality assessment results, 2023 Sustainability Report publication plan · Jun. 2024 Report on the publication of 2023 Sustainability Report, Sharing of draft and response plans for Korean Sustainability Disclosure Standards · Jan. 2025 2024 ESG evaluation results, 2025 materiality assessment implementation plan,2024 Sustainability Report publication plan

Board of Directors

ESG Steering Committee

Chairperson CEO (Chief Executive Officer)

COO (Chief Operating Officer)   **CFO** (Chief Financial Officer)   **CLO** (Chief Legal Officer)

ESG Dedicated Organization

ESG Management Division
· Setting and driving company-wide ESG goals and managing performance
· Reporting to the ESG Steering Committee on progress (quarterly)

Sustainability Management Framework

Vision

A Sustainable Game Company Committed to Bringing Joy to Stakeholders Around the World.

Key Initiatives for 2025
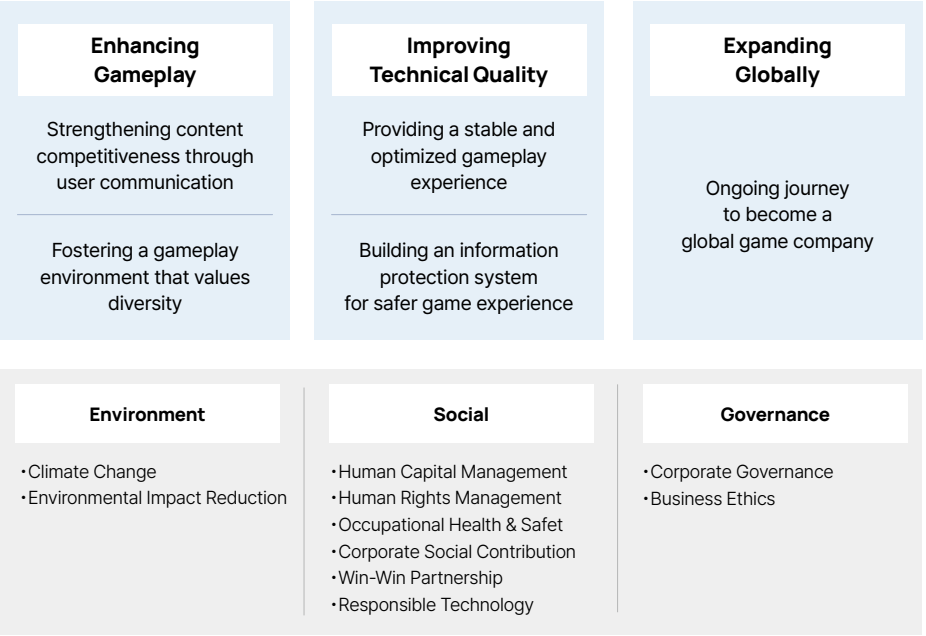
Enhancing Gameplay	Improving Technical Quality	Expanding Globally
Strengthening content competitiveness through user communication	Providing a stable and optimized gameplay experience	Ongoing journey to become a global game company
Fostering a gameplay environment that values diversity	Building an information protection system for safer game experience	

Environment	Social	Governance
· Climate Change · Environmental Impact Reduction	· Human Capital Management · Human Rights Management · Occupational Health & Safet · Corporate Social Contribution · Win-Win Partnership · Responsible Technology	· Corporate Governance · Business Ethics

Materiality Assessment

Process

NC conducts an annual materiality assessment to identify key issues that affect our sustainability performance. The process for deriving material topics and the identified material topics are transparently communicated with stakeholders through the Sustainability Report.

Last year, in accordance with global sustainability standards, we introduced the concept of double materiality, evaluating both the impact materiality of corporate management activities on the external environment and society, and the financial materiality of sustainability factors on the company's financial value. Previous materiality assessments can be found in ESG PLAYBOOK 2023 (p.9).

This year, we enhanced the assessment process by expanding stakeholder engagement and refining assessment stages to increase the reliability of the results. NC plans to conduct regular annual materiality assessments to identify and continuously manage factors related to sustainability of our business.

ESG PLAYBOOK 2023 >

Double Materiality

- ❶ Impact Materiality
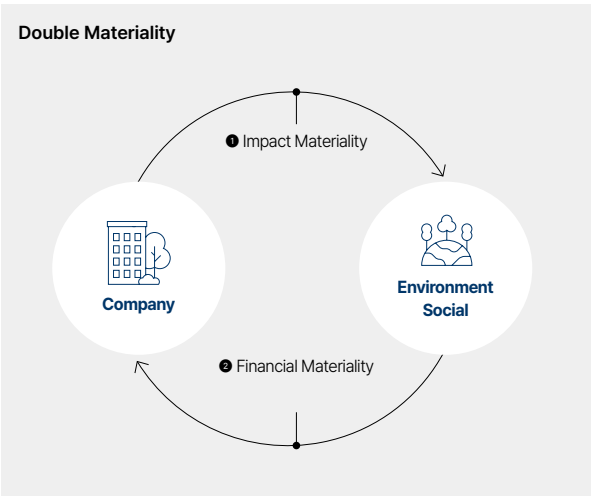- Company
- Environment Social
- ❷ Financial Materiality

Step 1. Derive Topic Pool

NC updated the its sustainability topics which were identified last year through understanding the business context (NC's management activities, business relationships, key sustainability issues, and stakeholder analysis), reflecting global trends and changes in the internal and external business environment.
As a result, a total of 15 topics were identified. (2 Environment / 10 Social / 3 Governance).

Step 2. Identify the Impact of Each Topic and Its Characteristics

For each topic, NC defined the impact of its business activities on the external environment and society, as well as how external factors affect NC's corporate value and financial performance, identifying detailed characteristics for each impact.

Characteristics of the Impact

- **Impact Materiality:** Positive/Negative, Potential/Actual, Stakeholders (Employees/Customers/Business Partners/Shareholders/Government/Local Community)
- **Financial Materiality**: Risk/Opportunity, Term (Short/Mid/Long), Business Model (Operations/Products & Services/Supply chain)

Step 3. Gather Stakeholder Feedback

NC conducted survey on impact materiality and financial materiality with internal and external stakeholders based on the each topic's identified characteristics. This year, to gather in-depth opinions from diverse stakeholders, participation was expanded to include executive management and major domestic and overseas investment institutions.

Stakeholder Survey

- Period: February 10, 2025 – February 19, 2025
- Participants: (Internal) Company-wide Chiefs and senior executives, subsidiary representatives / (External) Major domestic and overseas investors in NC and ESG experts
- Content: ① Impact Materiality (Assessment of severity and likelihood) ② Financial Materiality (Assessment of the importance of risk and opportunity factors)

Step 4. Verify Preliminary Results

NC quantitatively analyzed stakeholder feedback to prioritize material topics and derived preliminary results. Subsequently, additional reviews were conducted considering factors such as alignment with global standards and management strategy to verify and finalize the material topics. Differential weighting was applied to detailed evaluation variables during quantitative analysis.

Additional Review Factors

Impact Materiality
- Global standards (disclosure standards/ESG assessments, initiatives, etc.)
- Industry-specific indicators and key topics of peer companies in the IT/game sectors
- Media factors (articles published in 2024)

Financial Materiality
- Corporate vision and strategy (2024 management reports, internal intranet posts, etc.)

Step 5. Prioritization and Selection of Material Topics

NC determined the top five topics each in Impact Materiality and Financial Materiality based on the materiality assessment results for each topic. In this process, a total of seven material topics were selected, including three topics that were material in terms of both impact and financial relevance. The assessment process and results were reported to and reviewed by the ESG Steering Committee, composed of top executives.

Activities and performance related to the finally selected material topics are transparently disclosed to internal and external stakeholders through the Sustainability Report.

Materiality Assessment

Material Topics

As a result of the materiality assessment, a total of seven material issues were identified.

NC manages sustainability issues along with the selected material topics and reports on related activities and performance through the Sustainability Report.

In this assessment, topics that stakeholders perceived as highly relevant to NC's business activities were rated as highly important. 'User (Customer) Communication' and 'Business Competitiveness,' which were single material topics last year, have become double material topics this year, and 'Service Quality & Safety' was newly selected as a financial material topic. Additionally, 'Information Security & Data Privacy' was again selected as a double material topic this year, following the previous year.

On the other hand, 'Business Ethics' and 'Human Capital Management,' which were double material topics last year, were selected as single impact material topics, while 'Human Rights Management' and 'Climate Change' were excluded from this year's material topics.

2024 Material Topic Matrix*

Impact Material Topics	Double Material Topics
• Climate Change	• Human Capital Management
• Human Rights Management	• Information Security & Data Privacy
• Corporate Governance	• Business Ethics
	• User (Customer) Communication
	• Business Competitiveness
	• Employee Well-Being
	Financial Material Topics

※ The matrix presents a classification of topics into Impact Materiality, Financial Materiality, and Double Materiality areas. The order in which topics appear within each area does not indicate their relative priority.

2025 Material Topic Matrix*

- 🟩 Environment
- 🟦 Social
- ⬛ Governance
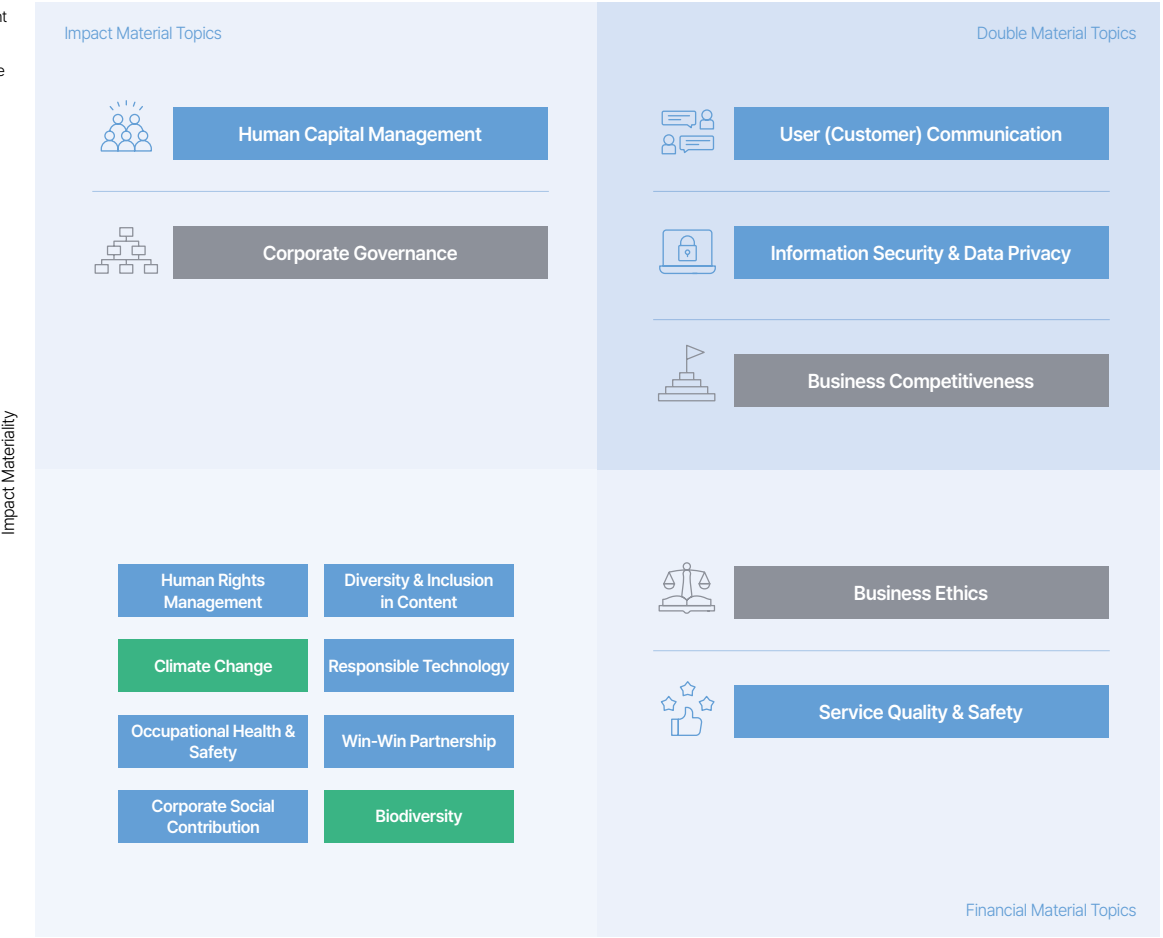
Impact Material Topics | Double Material Topics

Impact Materiality (vertical axis)

Financial Materiality (horizontal axis)

Human Capital Management

Corporate Governance

User (Customer) Communication

Information Security & Data Privacy

Business Competitiveness

Human Rights Management | Diversity & Inclusion in Content

Climate Change | Responsible Technology

Occupational Health & Safety | Win-Win Partnership

Corporate Social Contribution | Biodiversity

Business Ethics

Service Quality & Safety

Financial Material Topics

Materiality Assessment

Material Topics

* Double Material Topics

Topic	Impact Materiality				Financial Materiality			
	Characteristic[1]	Stakeholders[2]	Definition of Impacts	Degree of Impact[5]	Characteristic[3]	Business Model[4]	Definition of Impacts	Degree of Impact[5]
User (Customer) Communication*	Positive / Actual	Customers	• Contributes to enhancing positive corporate experience for customers through transparent communication and diverse communication channels	●●●	Multifaceted / Short-term	Products & Services	• Decline in customer satisfaction and product competitiveness due to a corporate image lacking communication • Creates new business opportunities through communication with various stakeholders	●●●
Business Competitiveness*	Positive / Multifaceted	Employees Customers Shareholders Government	• Contributes to improving customer convenience and satisfaction through technology and service innovation • Contributes to developing technology and game industry by securing global market competitiveness	●●●	Opportunity / Multifaceted	Operations Products & Services	• Develops and applies new technologies, fostering new business opportunities • Reduces operating costs through innovative technologies, external collaboration, and process improvement	●●●
Information Security and Data Privacy*	Negative / Potential	Employees Customers Business Partners	• Causes social issues through personal information leakage incidents • Causes decline in domestic game industry competitiveness caused due to overseas leakage of key industrial technologies	●●●	Risk / Short-term	Products & Services Supply Chain	• Incurs costs from personal information leakage and security incidents • Weakens corporate competitiveness and decreases market share due to company information leakage	●●●
Business Ethics	Negative / Potential	Employees Customers Business Partners Government	• Causes disruption of social perception regarding business ethics and transaction order through non-compliance with domestic and overseas regulations • Causes negative experiences for stakeholders due to internal control risks	●●	Risk / Short-term	Operations/ Supply Chain	• Increases costs for responding to legal violations and corporate actions exceeding social norms	●●●
Corporate Governance	Multifaceted / Multifaceted	Shareholders	• Contributes to protecting the rights of shareholders/investors and fostering sound public disclosure practices through transparent and independent Board of Directors operations and sound corporate governance • Contributes to enhancing shareholder rights through reasonable dividend policy and transparent communication • Causes risks to shareholders/investors due to non-disclosure/errors of information affecting investment decisions	●●●	Opportunity / Long-term	Operations	• Enhances corporate value and financial performance through efficient operations and rational decision-making via sound corporate governance • Reduces operating costs through proactive risk prevention • Attracts investors through transparent information disclosure and communication activities	●●
Human Capital Management	Positive / Actual	Employees	• Contributes to solving social employment issues through active talent acquisition based on diversity and inclusion • Contributes to fostering a culture of social fairness in evaluation/compensation through transparent and fair systems • Contributes to improving working conditions across the industry	●●●	Multifaceted / Multifaceted	Operations	• Enhances corporate value and financial performance through efficient operations and rational decision-making via sound corporate governance • Reduces operating costs through proactive risk prevention • Attracts investors through transparent information disclosure and communication activities	●●
Service Quality & Safety	Negative / Potential	Customers	• Causes negative experiences for customers (users) due to deterioration in management of service quality and stability • Causes mental and physical safety risks for customers (users) due to inadequate user protection systems	●●	Risk / Short-term	Products & Services	• Causes customer loss and revenue decrease due to declining consumer satisfaction from negligent product and service quality management • Increases costs due to customer compensation and other measures following service quality issues	●●●

1) Positive–Negative | Actual–Potential
2) Employees/Customers/Business Partners/Shareholders/Local Community/Government
3) Risk–Opportunity | Short-term (within 3 years)/Mid-term (within 5 years)/Long-term (over 10 years)
4) Operations | Products & Services | Supply Chain
5) High ●●● / Medium ●● / Low ●

WHERE JOY BEGINS

THRONE AND LIBERTY | MMORPG, Launched in 2023

Strengthening Content Competitiveness through User Communication

Introduction

Where Joy Begins

> Strengthening Content Competitiveness
   through User Communication

Fostering a Gameplay Environment
that Values Diversity

Providing a Stable and Optimized
Gameplay Experience

Building an Information Protection
System for Safer Game Experience

Ongoing Journey to Become a
Global Game Company

ESG Performance

Appendix

Communication Approach

NC actively promotes 'user-friendly communication' and 'feedback-based continuous updates' to ensure our IPs remain beloved by users over times. Moving beyond the traditional one-way information delivery methods, we engage in two-way communication with users to discuss the games' direction and future together, incorporating these discussions into game content. NC communicates with game users through various channels to collect feedback, share it with the responsible teams, and drive tangible changes. Furthermore, even before game launches, we actively communicate with users to lead a game development culture of co-creation.

Expansion of User Touchpoints

Interactive live Streaming

NC operates dedicated livestreaming programs for each IP, enabling developers to communicate directly with users on a regular basis. Through these programs, developers share key update information and decision-making processes, while also listening to user feedback through Q&A sessions.

2024 Live Streaming Programs and Content by IP

IP	Program	Content
Lineage	Pineage Spoiler TALK	Live streams sharing updates and developing backgrounds such as REVERSE, Class Rebalancing, Ep. UNLIMIT (January, July, August 2024)
Lineage 2	Finding User's Voice	Live streams providing information on major content under development and communicating with users through phone Q&A sessions (January, July 2024)
Lineage 2M	UPDATE LOUNGE	Live streams sharing updates and planning backgrounds for features such as new servers and new battlegrounds (January, July, August 2024)
Lineage W	Studio W	Live streams sharing major updates and planning backgrounds such as new battlegrounds and balance patches for existing raids (February, May, August, November 2024)
Lineage W	Lia UP! Live	Live streams where official reporters play with users immediately after updates and distribute event rewards (July, August, November 2024)
AION	Update Live	Live streams sharing updates and planning backgrounds for features such as new battlegrounds, upcoming gear releases, and free access plans (February, July 2024)
HOYEON	HOYEON TALK	Pre-launch game introduction and preview live streams (August 2024)
Journey of Monarch	Channel Journey	First live stream introducing future update roadmap, including new territory and new hero (February 2025)

Case. Live Streaming of Lineage M

Lineage M operates two live streaming programs, 'Inside M' and 'Stanby M,' to better communicate with users.

Through 'Inside M,' developers directly explain content updates and the intent behind their updates, listen to user feedback in real-time, and discuss improvement directions. 'Standby M' is a communication channel where game planning directions and development challenges are candidly shared, helping to reduce the psychological distance between developers and users.

In 2024, a total of eight live streams were held to communicate with users in real time. During streams, user opinions raised via chat were acknowledged and commitments to improvements were made. Notably, user feedback derived from gameplay experiences led to content improvements, including UI/UX enhancements, growth system upgrades, and class balance adjustments.

Developers also affectionately referred to users as 'Hyung-nims' (a respectful Korean term for 'older brothers'), maintaining friendly communication. This consistent communication and user-centered improvement efforts helped rebuild strong user affection for the game, as reflected in the success of the reboot servers 'Talking Island' and 'Windawood.'
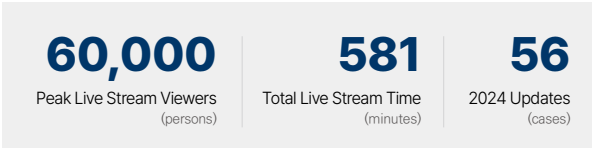
60,000	581	56
Peak Live Stream Viewers (persons)	Total Live Stream Time (minutes)	2024 Updates (cases)

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Strengthening Content Competitiveness through User Communication

Expansion of User Touchpoints

Offline User Meetings

NC facilitates direct communication with users through offline user meetings, where key developers share update content and change directions, and respond to user suggestions and on-site questions.

Lineage W held an offline user meeting, 'Studio W in Taiwan' in May 2024, hosted locally in Taiwan. As part of Lineage W's global user communication efforts by Lineage W's main developers, the event brought together three Lineage W directors, 100 Taiwanese users, and two user panel representatives. During the session, the developers shared major upcoming updates such as the new class 'Mana Striker,' class change support features, and new dungeons, responded to user feedback in real-time, and discussed ways to improve. Additionally, this event was live streamed on YouTube with simultaneous interpretation in Korean, Traditional Chinese, and Japanese, broadening communication with Asian users.

THRONE AND LIBERTY (TL) held its first offline meeting, 'TL MEET UP,' in June 2024, sharing large-scale update directions with 50 on-site attendees and online live stream viewers. An 'Unlimited Q&A' session was conducted without time constraints, answering all user questions and engaging in dialogue for over four hours, demonstrating the first step towards development based on user communication.

In-Game Communication

NC conducts various activities-such as meetings with game operators and community events-to ensure communication with users is not limited to specific groups.

In-game GM (Game Master) and CM (Community Master) appear directly at unspecified times/periods/locations to listen to user suggestions. These appearances allow players to share their live gameplay experiences and provide feedback on areas needing improvement. To improve the play environment, GMs take part in in-game raids alongside users, granting gameplay-enhancing effects. These activities aim to ease perceived difficulty for new users and help players overcome challenges when progressing through newly released content.

Notably, in Lineage, the longest-running service, the 'GM's Pledge' event reflected the pledge with the highest votes among three GMs into the game. This provided users with the experience of directly selecting event benefits, rather than receiving developer-driven updates.

Diversification of Communication Channels

NC is actively expanding its communication channels to broadly gather user feedback across various platforms. In addition to its official website, community forums, and fan cafés, NC leverages YouTube, Instagram, and Discord.

YouTube serves as a video-based channel that intuitively delivers update information, developer interviews, and event news, enabling users to easily understand content while viewing.

Discord enables real-time voice communication during gameplay and operates as a space where core users can freely share in-depth information such as strategies, guides, and tips.

In this way, NC diversifies user touchpoints by leveraging the characteristics of each communication channel and collects user feedback more effectively.

Strengthening Content Competitiveness through User Communication

Introduction

Where Joy Begins

> Strengthening Content Competitiveness
  through User Communication

Fostering a Gameplay Environment
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Providing a Stable and Optimized
Gameplay Experience

Building an Information Protection
System for Safer Game Experience

Ongoing Journey to Become a
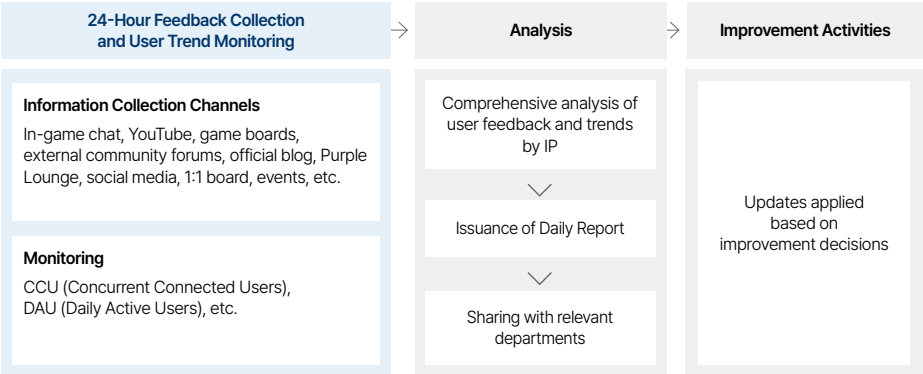Global Game Company

ESG Performance

Appendix

User Feedback Collection and Implementation Process

Feedback Integration Process

NC monitors user trends, gameplay metrics, data, and feedback 24 hours a day. It collects opinions related to user satisfaction, dissatisfaction, and pain points. The analyzed data and related indicators are shared with relevant departments so that it can lead to improvements in the actual gameplay environment or content. Additionally, weekly headquarters meetings involving development, business, and operations departments discuss the implementation of user suggestions identified through GM (Game Master) activities and communities.

24-Hour Feedback Collection and User Trend Monitoring →	Analysis →	Improvement Activities
Information Collection Channels In-game chat, YouTube, game boards, external community forums, official blog, Purple Lounge, social media, 1:1 board, events, etc.	Comprehensive analysis of user feedback and trends by IP ∨	Updates applied based on improvement decisions
Monitoring CCU (Concurrent Connected Users), DAU (Daily Active Users), etc.	Issuance of Daily Report ∨ Sharing with relevant departments	

Case. Lineage M

Number of Daily Reports Issued and Content Proposals	**230**	Number of Cases Leading to Update Implementation	**33**

Feedback-Based Improvement Cases

IP	Improvement Items	Details
Lineage	Difficulty adjustment for the underground temple 'Kahelle Jahi' in Tower of Insolence	• Opinions that boss monsters have excessively high HP and debuff item acquisition is too difficult → Increased drop rate of debuff items and adjusted boss monster difficulty
Lineage	Addition of Integrated World Exchange on Main Server and Reduction of Waiting Time	• Issues with item trading being smooth or difficult depending on the server → Launched Integrated World Exchange to mitigate risks related to purchasing/selling via server transfers and cash transactions fraud • Opinions that waiting time after item purchase was too long → Reduced waiting time from 120 minutes to 5 minutes
Lineage M	Addition of two New Demon Weapons	• Opinions on the need to add additional uses for outdated 'demon weapons' → Added 24 new demon weapon collections that allow players to obtain additional stats by using 'demon weapons'
Lineage M	Expansion of Dragon's Diamond Supply	• Opinions received regarding inconvenience caused by repeated use of the 'Dragon's Diamond' item to recharge Einhasard's Blessing → Improved auto-charge settings for Einhasard's Blessing (adjustable min. 200 – max. 10,000) → Added a permanent crafting option for the 'Dragon's High-grade Diamond' that provides 5× the charge of 'Dragon's Diamond'
AION	Removal of Day-Specific Entry Restrictions for Instance Dungeon	• Suggestion to improve instance dungeons restricted to specific days → Removed day restrictions for four dungeons and changed to a system with weekly entry limits
Blade & Soul	Mitigated login queue issues by restricting unauthorized users	• Opinions on difficulty accessing the new server 'NEO' due to login queues even during late-night hours after launchck → Mitigated queue congestion by enforcing restrictions on unauthorized users
HOYEON	Publication of guide content for user progression bottlenecks	• Monitoring of 'Hurdle Section' where a large number of users failed to clear, based on account retention analysis per epic quest → Guidance on how to defeat bosses in hurdle sections through the 'Follow CM Harin to the Rooftop!'
THRONE AND LIBERTY	Changed PVE Content ranking to be based on 'weapon combinations'	• Significant differences in PVE content clear times by class (Tanker, Dealer, Healer) caused unfairness in ranking reward acquisition → Changed ranking aggregation criteria to weapon combinations

Strengthening Content Competitiveness through User Communication

Global Testing and Communication with Users Prior to Launch

NC collaborates with publishing experts to incorporate user feedback prior to launch and regional rollout by conducting a variety of pre-launch tests, including technical tests, Focus Group Tests (FGT), Closed Beta Tests (CBT), and Open Beta Tests (OBT). Additionally, even before launch, we listen to users' voices in real time through livestreaming. NC's multi-faceted efforts for validation and communication reflect the company's ongoing commitment to establishing a development culture that is co-created with users.

TL, Global Launch Optimization Based on User Testing

NC launched THRONE AND LIBERTY (TL) with improvements based on user feedback gathered through three rounds of testing, aiming to deliver a more enjoyable experience for global players.

Beginning a year before launch, TL focused on the preferences of global users who are more accustomed to console gameplay than PC or mobile, and developed console-optimized UI/UX and gameplay systems to support PS5 and Xbox Series X|S users. Following this, technical testing for cross-play between PC and console users was conducted to refine combat balance and control responsiveness.

Through the CBT, NC identified challenges faced by solo players in cooperative-play-oriented content, as well as areas for improvement such as targeting-based auto-combat, animation motion, and combat impact. In response, improvements were made to hit feedback, character progression speed, guild content convenience, and new content was added for solo players.

Up until launch, we continuously conducted open beta tests and incorporated diverse feedback and improvements to deliver a better experience for global users.

September 2023
Beta Test
- **Region:** North America
- **Platform**
  : PC Steam, PlayStation, Xbox

April 2024
Global Closed Beta Test
- **Region:** North America, Europe
- **Platform**
  : PC Steam, PlayStation, Xbox

July 2024
Global Open Beta Test
- **Region**
  : North America, South America, Europe, Australia, New Zealand, Japan
- **Platform**
  : PC Steam, PlayStation, Xbox

User Experience Testing for New Markets

NC conducts pre-launch testing even for IPs with a long-standing and stable track record in Korea, to ensure that users in new service regions can fully enjoy the content.

Before the launch of Blade & Soul 2 in China, NC conducted two rounds of CBT to refine the gameplay based on extensive feedback and deliver localization tailored to Chinese users. We enhanced Blade & Soul's signature martial arts combat by strengthening its impact and action visuals. To diversify content in line with local preferences, new features were added, including exploration mechanics, puzzle dungeons, and customization elements such as costumes and decorative items. Furthermore, NC optimized mobile play performance through streamlining the client and the system for acquiring top-tier equipment was redesigned to be achievable solely through in-game play-enhancing both user convenience and gameplay satisfaction.

Ahead of its May 2025 launch in six Southeast Asian countries, Lineage 2M updated content based on prior service experience and user feedback from Korea, Taiwan, and Japan, tailoring it for new users in the region. In-game item drop rates were increased to mitigate growth fatigue for users less familiar with MMORPGs, and support programs for cooperative play were added.

AION 2, Unveiled Core Content and Gathering Users' Feedback

To enhance communication with users, 'AION 2' is gathering feedback through livestreams and public Focus Group Tests (FGT) even prior to launch. In May 2025, the first livestream, AION2NIGHT, featured direct presentations by the lead developers, who introduced key content and shared AION 2's core development direction: inheriting and evolving the core features of the original AION. The stream included gameplay footage and content details such as the lore surrounding the Elyos and Asmodian factions, eight classes, and over 200 dungeons. Additionally, they announced the schedule for the public FGT, highlighted their user-centered development approach.
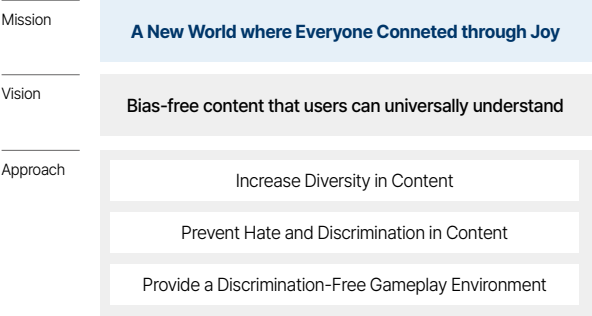
Fostering a Gameplay Environment that Values Diversity

NC Diversity & Inclusion Framework

NC is committed to ensuring its content and services embrace cultural diversity and prevent hate and discrimination. We also aim to provide an environment where all users can enjoy games equally without discrimination.

Mission	**A New World where Everyone Conneted through Joy**
Vision	Bias-free content that users can universally understand
Approach	Increase Diversity in Content
	Prevent Hate and Discrimination in Content
	Provide a Discrimination-Free Gameplay Environment

Diversity & Inclusion Guidelines

In 2022, NC established Diversity and Inclusion Guidelines to develop and service games that respect universal diversity values such as race and gender within content.

Based on these guidelines, diversity and inclusion tests are conducted on all IPs on an ongoing basis. For newly launched projects, ESG review activities are included during ethical and compliance checks at the live stability inspection stage, while live games are continuously managed. Improvement results from inspections are shared internally annually, and based on this, the content QA process from the perspective of diversity and inclusion is continuously enhanced.

Enhancing Content Diversity

Developing and servicing games is about connecting users around the world to create new virtual worlds. NC leverages over two decades of global service experience and high-quality gameplay data accumulated from users in more than 200 countries to create worlds that reflect racial, regional, and cultural diversity. This approach enhances immersion for players around the world.

Characters Reflecting Culture and Individuality

NC collaborates with actors from a wide range of national, cultural, physical, age, and gender backgrounds to capture motion and scan data that bring the distinct personalities and stories of in-game characters, NPCs, and monsters to life. These characters, developed from rich and diverse human data, enhance immersion and contribute to a more engaging user experience.

Character Design Capturing Diverse Movements

NC collaborates with a diverse group of professional actors to perform motion capture for complex in-game actions—from weapon use such as guns, swords, and bows to flying, parrying, and spellcasting gestures. This process involves specialists such as dancers, wire action experts, and former military personnel skilled in high-difficulty physical movements, enabling the collection of realistic motion data. Additionally, to authentically depict the characters' physical attributes, a diverse group of actors—including those with dwarfism, larger physiques, and child actors—have been cast to closely match the character design specifications established during the planning stage.

Realistic Appearance Based on Diverse Character Data

To enhance character realism and improve detail in expression, NC collects and manages a wide range of facial and physical attributes—including expressions, skin texture, wrinkles, and lighting effects. To support this process, NC utilizes 'LightCage,' an advanced 3D scanning system equipped with 225 cameras, and 'Photogrammetry' technology, which constructs 3D modeling data from a large number of photographs.

The diverse character appearance data collected through this process is categorized and managed accordingly. This structured foundation enables the creation of hyper-realistic characters—those indistinguishable from real-life images—and significantly contributes to conveying a vivid and lifelike presence of in-game characters.
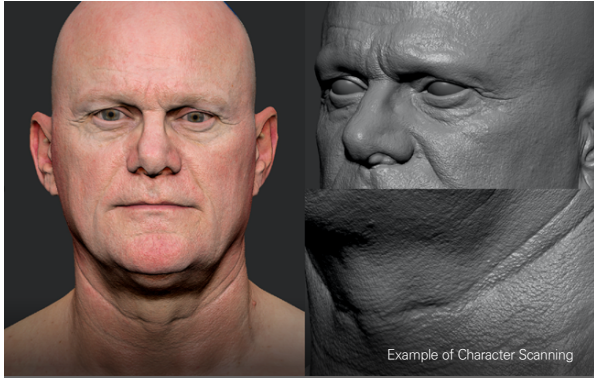
Motion Capture Set

Example of Character Scanning

18

Fostering a Gameplay Environment that Values Diversity

Enhancing Content Diversity

Regions and Terrains Reflecting Unique Characteristics

NC selects locations optimized for the game concept and collects data reflecting the cultural elements of regions and terrains by visiting actual sites and directly capturing the environment.

Most data elements composing game maps available on the market are based on the climate, vegetation, and cultural-historical architectural styles of Western regions. While such data may be highly useful initially, it has limitations in reflecting the unique lore or aesthetic identity of a game. NC, similar to film production processes, discovers and selects terrains, buildings, and objects that fit the game concept, scanning them on-site to create the necessary data.
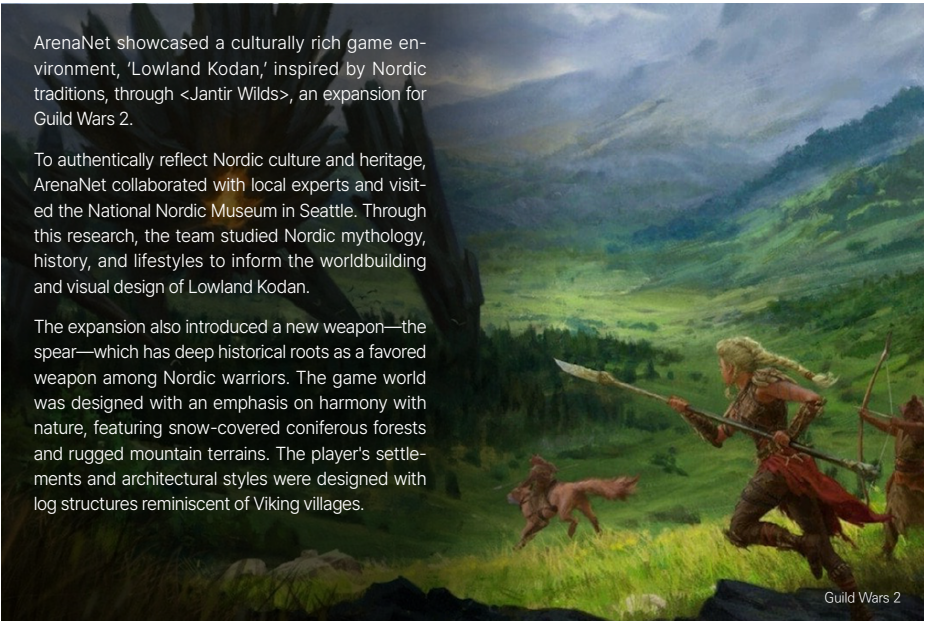
The upcoming title, 'LLL,' is primarily set in Seoul. By intensively scanning background elements that embody Korea's unique cultural details and regional characteristics, the game's immersion and distinctiveness have been maximized.

Case. <Jantir Wilds> Recreating Nordic Culture

ArenaNet showcased a culturally rich game environment, 'Lowland Kodan,' inspired by Nordic traditions, through <Jantir Wilds>, an expansion for Guild Wars 2.

To authentically reflect Nordic culture and heritage, ArenaNet collaborated with local experts and visited the National Nordic Museum in Seattle. Through this research, the team studied Nordic mythology, history, and lifestyles to inform the worldbuilding and visual design of Lowland Kodan.

The expansion also introduced a new weapon—the spear—which has deep historical roots as a favored weapon among Nordic warriors. The game world was designed with an emphasis on harmony with nature, featuring snow-covered coniferous forests and rugged mountain terrains. The player's settlements and architectural styles were designed with log structures reminiscent of Viking villages.

Guild Wars 2

Culturalization

NC conducts culturalization to prevent risks of hate and discrimination within content that may arise during global release and service processes, and to embrace greater cultural diversity.

Culturalization is a review process that aims to create content everyone can relate to and immerse themselves in. This is achieved by understanding and applying both surface-level diversity (gender, age, race, physical disabilities, etc.) and cultural diversity (language, clothing, traditions, moral values, etc.) from around the world.

Case. 1 [TL] Event Operations Enjoyable for Global Users

NC avoids using terms specific to certain cultures to operate global seasonal events unrestricted by country for THRONE AND LIBERTY (TL) users, and releases items suited to each country's culture during event periods.

From December 2024 to January 2025, NC hosted the 'Giant Star Tree Festival' as a substitute for the term 'Christmas Festival.' We also released buff items inspired by Korean Christmas cake, German Stollen, and American gingerbread.

Additionally, in November, instead of a 'Halloween Party,' they held a 'Haunted Harvest,' releasing buff items representing American candy corn and European pumpkin pie.

Case. 2 [NC Japan] Activities to Enhance Users' Cultural Familiarity

NC Japan conducts various programs tailored to the cultural preferences of Japanese users who are generally less familiar with MMORPG gameplay and designs.

Lineage M	To improve the user experience and lower entry barriers for Japanese users unfamiliar with MMORPG gameplay, a dedicated, limited-time growth server was opened, offering tailored benefits such as 500% increased EXP, exclusive BM, and unique rewards
Blade & Soul	To incorporate culturally familiar design elements for Japanese users into actual games, 'Fan Creation' activities based on user ideas are conducted.
HOYEON	Developed gamepad support—an unusual feature for this title—to align with Japan's gaming culture, where users are more accustomed to controllers than keyboard and mouse setups.

Blade & Soul

Fostering a Gameplay Environment that Values Diversity

Enhancing Content Diversity

QA (Quality Assurance)

NC QA considers all content for country-specific linguistic and cultural taboos, legal compliance, and adherence to moral and ethical values through our QA process from a Diversity & Inclusion perspective. To improve the quality of our review, NC has strengthened our current affairs and humanities education and information gathering s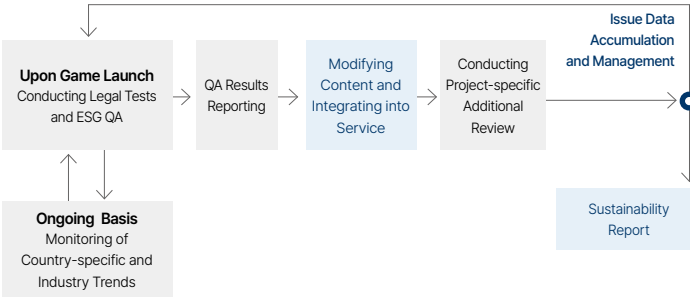ystem to determine domestic and international situation, and is constantly updating its QA checklist based on emerging Diversity & Inclusion issues.

Process

Dedicated Organization

Upon Game Launch
Conducting Legal Tests and ESG QA → QA Results Reporting → Modifying Content and Integrating into Service → Conducting Project-specific Additional Review → Issue Data Accumulation and Management

Ongoing Basis
Monitoring of Country-specific and Industry Trends

NC QA
ESG QA Management Organization ⇄ Dedicated QA Teams for Each Game
Sustainability Report

Key Cases in 2024

IP	Details
Lineage W	Improved store and dungeon names to express the unique traditions and identity of Korean holidays · New Year's Store → Lunar New Year Shop · Prosperous New Year's Wish Dungeon → Lucky Lunar New Year Wish Dungeon
AION	Modified NPC name due to associations with gambling elements and existence of an online streamer with the same name · Gambling → Gambaring
Blade & Soul	During the 12th anniversary event, the title awarded to the user who defeated NPC 'Nayul' the most was revised due to concerns over appearance- and personal-attack implications · Baldness Hater → Nayul's Archenemy
THRONE AND LIBERTY	Updated prohibited words in operation tools due to an issue allowing guild creation with profanity from a specific country · QNMLGB (an abbreviation of a Chinese curse phrase '去年买了个表(qù nián mǎi le gè biǎo)')
Journey of Monarch	Modified character animation on the magic doll summoning screen due to potential unsuitability for 12+ age rating from an age rating appropriateness perspective

Creating a Diverse Gameplay Environment

Enhancing User Accessibility

NC builds and applies an inclusive gameplay environment where all users around the world can enjoy gameplay equally and without discrimination. To support this, NC incorporates accessibility considerations into game design from the early stages, taking into account elements such as visuals, audio, controls, interface, and user interaction.

THRONE AND LIBERTY (TL) provides customizable accessibility options for users. It includes a color adjustment feature for those with red-green-blue color vision deficiency and lets users adjust light effect intensity for individuals with photosensitive epilepsy.

Lineage M enables players to freely resize buttons and icons displayed on the game screen, allowing for a more personalized interface. For example, users who focus on hunting and questing can enlarge the quest or inventory screens, while those engaged in large-scale party battles can minimize icon sizes for more precise control. To reduce visual fatigue and improve gameplay clarity in large-scale combat situations, Lineage M also allows users to disable the visual skill effects of other players, showing only their own.

Lineage M, Other users' skill effects ON   Lineage M, Other users' skill effects OFF

Diversification of Play Devices

NC expands accessibility by broadening the range of playable devices so users can freely enjoy games in their preferred environments.

NC's cross-play platform, PURPLE, enables seamless and uninterrupted gameplay between PC and mobile users. Through this platform, players can enjoy mobile games comfortably using a keyboard and mouse on PC, and experience the freedom to switch between mobile while on the move and PC while at rest.

THRONE AND LIBERTY (TL), launched globally in 2024, was developed for play on both PC and consoles, considering the convenience of North American and European users familiar with console gaming. It features console-optimized UI and control systems for intuitive and convenient play by console users, full gamepad support, customizable UI options, and various accessibility features.

Providing a Stable and Optimized Gameplay Experience

Seamless Play Without Interruption

The MMORPGs provided by NC represent another world where global users simultaneously experience growth, combat, economic activities, and other interactions. NC builds and operates a robust game service infrastructure with over 19,000 servers to ensure that global users can play safely without interruption or delay.
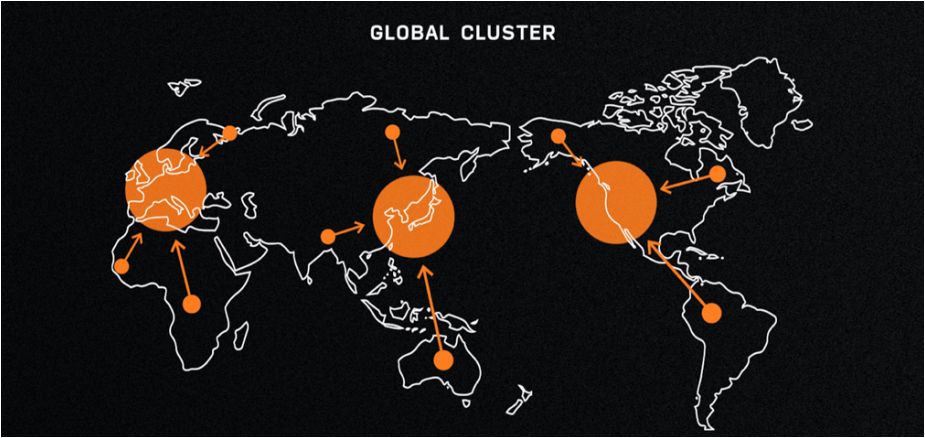
Multi-Infrastructure

NC has established a stable infrastructure management and operation system to prevent service delays or interruptions even in situations such as service disruptions or disasters.

NC enhances stability by adopting a dualization strategy that distributes data centers and infrastructure across multiple locations. It applies redundant systems to key equipment such as servers, networks, and power supplies to maintain service continuity even if specific equipment fails. In particular, data centers are configured with redundant servers, networks, and databases to respond with backups in case of system failures.

Furthermore, NC operates 'NC Cloud Platform (NCP),' an infrastructure integrating multiple overseas public cloud services with NC's multi data centers and private cloud, not depending on a single domestic cloud. This hybrid cloud environment provides a stable, delay-free play environment for overseas users with poor network infrastructure.

Device Experience Optimization

GPA (Game Performance Analytics)

As NC's flagship genre, MMORPGs involve large numbers of users interacting in real time, which can lead to performance issues such as overheating or graphical degradation due to high system load. To prevent these performance issues during play, NC detects abnormal device performance signs in the global game service environment and monitors users' gameplay experience in real time to optimize gameplay.

Accordingly, NC monitors abnormal issues in real time at the client level based on performance tracking indicators of major devices with high usage rates by country. It collects performance information such as FPS, CPU, GPU, network, and memory while also analyzing regional NC server node information and client communication status.

Through this, NC promptly detects abnormal issues occurring in game within 24 hours, manages and responds based on device-specific performance profiling and patch-based performance analysis results.

Applied Game Services		
· Lineage W	· Blade & Soul 2	· THRONE AND LIBERTY
· Journey of Monarch	· HOYEON	

Incident Response Process

NC has established and operates an internal process to timely detect and respond to failures when they occur.

DDoS Defense

NC implements a DDoS defense solution and continuously strengthens its response system to provide stable service. NC internally shares processes for each situation according to its characteristics, such as response when launching a new service, emergency response to DDoS attacks, and constant response. We also provides real-time notifications to enable continuous response during attacks.

Since 2024, to minimize damage from DDoS attacks, NC has established Scrubbing Centers on internet segments to effectively block malicious traffic.

Incident Status Monitoring

Through the 'NC Status Page,' NC monitors the real-time operational status (normal, maintenance, failure) of all services including games, infrastructure, and platforms. Additionally, NC reviews the failure status of all company games once a month and shares reports with relevant internal departments. Based on this, NC establishes recurrence prevention measures through consultations among responsible departments and conducts post-incident management to prevent the same failures from recurring.

In 2024, NC completed applying the 'NC Status Page' to its game services, platforms, and web services, with plans to extend it to publishing games in 2025.

Providing a Stable and Optimized Gameplay Experience

Sanctions Against Fraudulent Users

NC continuously develops and operates related technology and systems to monitor and block improper behavior that disrupts the gameplay environment. Each game service monitors economic distortions, abuse, account theft, and other improper behaviors on an ad-hoc basis, introducing new AI-based models to monitor in-game BOTs (such as auto hunting programs). Appropriate measures and sanctions are implemented for users detected engaging in fraudulent activities.

Case. 1 [Lineage M] Operation of AI-Based BOT Monitoring Program

NC introduced three new AI-based illegal program detection models through cooperation among internal related departments such as the Fraud Detection Technology Team and Game Security Operations Team, conducting in-game BOT monitoring for about 10 months. Based on monitoring results, appropriate measures were taken according to the severity of improper behavior through internal consultation. Through investigation and response to abuse occurring during the 'Temple of the Void' Season 1-2 Hall of Fame event, NC prevented damage to core users. NC will continuously monitor account theft, fraud, and other improper behaviors occurring in games and respond to them respectively to prevent user damage, enhance fairness, and maintain a pleasant play environment.

Number of accounts detected for improper behavior	**139,649** cases
Security authentication sanctions enforced	**5,693,335** times

Case. 2 [TL] AI-Based Fairness Management System 'Knight of the Mind's Eye'

NC operates the AI 'Knight of the Mind's Eye' to detect players who use hacks or gain unfair advantages, ensuring a comfortable play environment for TL users. The Knight of the Mind's Eye appears during field hunting targeting players showing abnormal behavior, inflicting significant damage; upon receiving a certain number of hits, the player dies. It is impossible to counterattack or defeat the Knight of the Mind's Eye during this process.

Through this, NC sanctions fraudulent users who undermine other users' growth enjoyment through auto hunting, and plans to continue monitoring and sanctioning improper behavior going forward.

THRONE AND LIBERTY (TL)

Case. 3 Self-Developed Anti-Cheat Solution: VIOLET

To respond to cheating activities in games serviced on NC's PURPLE platform, NC operates its self-developed anti-cheat solution 'VIOLET'. This solution monitors and responds in real-time to various illicit activities such as illegal macros and game hacks. In 2024, VIOLET was also applied to Blade & Soul (B&S), Janryumon M, AION, Love Beat, among others, and through this implementation, NC has blocked 1,963,971 instances of cheating.

User Protection Policies

NC has established and operates policies and systems to ensure all users can enjoy games and services in a safe and healthy environment.

User Community Protection Activities

NC establishes 'Community Operation Policy' for each game service to foster a healthy user community environment, which are disclosed on the website. Restrictions on activities are applied based on the severity of negative impacts caused by hateful and discriminatory speech, online violence, sexually explicit, anti-social, misleading, personal data, copyright infringement posts, etc.

Lineage W Community Operation Policy >

Child and Youth Protection Activities

NC establishes and discloses youth protection policies in accordance with relevant laws[1] to protect youth from harmful information and support their healthy game use.

Support for healthy game use	• Verification of age and identity • Strengthening online parental controls (consent process for legal representatives, game usage history tracking service, and time limit service for children; Game Time Selection System[2]) • Implementing a filtering system for unwholesome language and monitoring for harmful information
Victim counseling and grievance handling	• Staffing and operations for counseling and grievance handling for youth victims of harmful information
Youth Code of Ethics compliance	• Compliance with the Korea Internet Corporations Association voluntary standard 'Code of Ethics and Practices for Internet Companies to Protect Youth'

Game Time Selection System

To prevent excessive gaming among youth, NC operates a game time selection system under relevant laws2). In 2024, through a business agreement with the Game Culture Foundation for voluntary operation of the game time selection system, NC aims to foster a healthy gameplay environment for youth.

Youth Protection Policy >   PLAYNC Game Time Selection System >

1) Legal Basis: Article 2(1) of the JUVENILE PROTECTION ACT (Definition of Juvenile
2) Game Time Selection System: In accordance with Article 12(3) of the GAME INDUSTRY PROMOTION ACT (Preventative Measures against Game Overindulgence), a system that allows parents to selectively limit the amount of time juveniles under 18 can play to prevent excessive immersion in games

Building an Information Protection System for Safer Game Experience

Oversight and Management

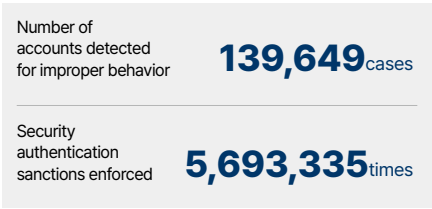NC recognizes the importance of information security and Data Privacy and has established and operates an integrated management system including technical and administrative protective measures. Based on governance encompassing information security and data privacy, it manages a global-level security and protection system stably and effectively.

Decision-making Body and Dedicated Organizations

Information Security Committee
Data Privacy Committee
CISO[1]
CPO
Information Security Policy Division
Privacy Protection Division
Information Security Inspection Division
Information Security Operation Division
Security Technology Development Division
Information Security Center

1) Appointment of executives with doctoral degrees in information security and information technology fields domestically and internationally, and over 30 years of experience, based on the Act on Promotion of Information and Communications Network Utilization and Information Protection.

Decision-making Body

Category	Information Security Committee	Data Privacy Committee
Composition	Head of the Information Security Center (Chair), Head of the Privacy Protection Division, and Executives at major departments	Head of the Privacy Protection Division (Chair), Head of the Information Security Center, Head of the Legal Division, Head of the Global Communication Center, and Head of the Ethics & Compliance Division, Head of the Policy Cooperation Center
Operating Rules	Information Security Regulations	Data Privacy Regulations / Data Privacy Committee Procedures
Roles & Responsibilities	Deliberation and resolution of important security-related issues	Deliberation and resolution of important data privacy-related issues
Operating Cycle	Annually	Annually
Oversight	· Comprehensive security measures and activity plans, organizational operation · Information security regulations and guidelines, major policy establishment and revision · Audits related to information security and performance checks	· Establishment and operation of data privacy management system · Data privacy regulations and guidelines, major policy establishment and revision · Management of data privacy risk assessments and breach response

2024 Activities	· Revision of key items in information security regulations and guidelines
	  → Reflecting amendments to the Personal Information Protection Act and establishing an internal classification system for information levels
		· Revision of key items in data privacy policy and guidelines
		  → Reflecting amendments to the Personal Information Protection Act and integrating data privacy protection standards

Dedicated Organization

Category	Information Security Committee	Data Privacy Committee
General Manager	· Chief Information Security Officer (CISO)	· Chief Privacy Officer (CPO)
Role	· Establishment and operation of global information security management system · Continuous operation of stepwise security reviews and technical security assessment process · Development/application of information security technology and raising employee awareness	· Establishment and operation of data privacy policies · Proactive prevention of privacy risks and raising employee awareness · Establishment and operation of breach response system for personal data incidents

Efforts for Professionalization

NC has signed a strategic workforce development agreement with the Korea Internet & Security Agency (KISA) to enhance the competencies of security personnel at the Information Security Center. Members of the dedicated organization set learning goals and participate in specialized training programs, both internal and external, as well as seminars, to deepen their expertise. NC supports individual competency development.

Building an Information Protection System for Safer Game Experience

Information Security Activities

NC's vision for information security is to safely protect IT information assets and services and to secure the trust of internal and external customers. Aiming to advance the NC Information Security Management System (NC-ISMS), we continuously strengthen the safety and security framework of our games and services.

Information Security Regulations and Policies

NC has established and enforced information security regulations to ensure the safety of information assets. These regulations apply to all employees including contract and dispatched employees, visitors, business partners (companies and individuals contracted with NC), as well as all domestic and overseas subsidiaries. In particular, for subsidiaries, including newly established ones, the information security regulations are customized according to each entity's local legal and business environment.

The information security regulations comprehensively cover all matters and tasks related to information security, including security targets and organization, classification of information assets, and breach incident management. We are reviewed and revised at least annually in response to amendments in relevant domestic and international laws and significant internal or external changes. Additionally, to enhance security levels and maintain the information security management system, quarterly global councils are held, and the 'Security Care Service' security inspection activity is conducted once a year.

Information Security Technology and System

Self-Developed Server Security Monitoring Solution

To protect services and assets from external threats, NC operates SAMS (Security Analysis Management System), a self-developed server security monitoring solution. This system enables real-time inspection of security vulnerabilities in global game and platform servers, establishing a framework for immediate threat response.

SAMS Operational Structure for Server Vulnerability Detection

- SAMS
  - Collect abnormal events within a server (file, network)
  - Analyze and detect anomaly behaviors
  - Automatically install security solutions/ Automatically check server security
  - Server / Server / Server

Furthermore, by enhancing functions to detect and manage vulnerable servers in advance, NC addresses the so-called 'Shadow IT' issue (unauthorized IT assets) and continuously maintains a secure service environment.
In 2024, an automated security inspection function through SAMS was implemented to ensure comprehensive security coverage for new information assets without omission.

Bug Bounty Program

NC operates a public Bug Bounty Program annually in collaboration with external ethical hackers to identify and address security vulnerabilities early. This establishes an objective vulnerability analysis/response system for NC services and continuously enhances information security levels.

Information Security Breach Response System

NC has established a 24/7 monitoring and management system for information security threats to proactively prevent internal and external security incidents and respond swiftly when they occur.

Operation of a Dedicated Team for Security Incidents

The Information Security Center has designated a dedicated response team for security breach infringement and established roles such as identifying and managing information security risks, operating and enhancing security services, and responding to personal information leakage incidents, thereby building a proactive response system to manage infringement incidents. Additionally, an independent Red Team is formed to conduct ongoing vulnerability checks on internal services. In particular, when launching new services, a separate dedicated organization is established to eliminate security threats in advance and ensure the safe release of services.

Response Guidelines for Security Incident

NC has established and operated 'Data Breaches/Incidents Response Guidelines' to prepare for potential information leakage incidents. These guidelines provide a framework for responding to electronic breaches (such as hacking, worms/viruses) affecting servers and network facilities used for NC's services and operations. They guide all employees on the response process in case of security incidents. Through internal notices and security newsletters, methods for reporting security incidents, telephone contact networks, and official reporting channels are communicated. Preventive measures against ransomware, malware, and phishing emails are regularly shared. In 2024, an internal reporting function was introduced allowing employees to directly report suspicious emails; reported emails are analyzed and necessary actions are taken.

Breach Response Process

Monitoring and Detection	Analysis and Response	Establishment and Application of Recurrence Prevention Measures
· Operation of submission/reporting channels and escalation procedures for employees and domestic/international subsidiaries · Real-time anomaly monitoring	· Analysis of received/detected events and initial response [Upon anomaly confirmation] · Situation dissemination to related departments and code-level assessment · Convening TFT and executing breach response measures	· Establishment and Application of Improvement Measures · Conclusion of breach response and reporting results · Management of improvement measure implementation

Security Guidelines by Game Development Stage/Situation

NC produces customized security guidelines based on the development Life-Cycle to proactively recognize and respond to potential security threats arising at each stage or situation of game development. As game release/service countries and platforms diversify, NC preemptively addresses the increased complexity and requirements of game security.
Additionally, to respond to various external collaborations during work, collaboration levels are classified according to content and degree, with tailored security standards established. Related procedures are operated to provide timely security guidelines.

Building an Information Protection System for Safer Game Experience

Data Privacy Activities

Under the vision of 'Privacy Best Practices in the Game Industry,' NC pursues strategic tasks including compliance with global data privacy laws, establishment of a personal data risk prevention system, development of a secure customer data utilization system, and strengthening privacy-by-design principles. In particular, NC has established and operated a global data privacy management system focusing on countries where NC's game services have launched and major jurisdictions with data privacy laws. Additionally, NC has established protection systems for users' online behavioral information to enhance the level of personal data protection.

Data Privacy Regulations and Policies

NC establishes and implements data privacy regulations annually to protect personal data. These regulations apply to customers, employees(including contract employees), visitors, suppliers, and domestic and overseas subsidiaries. For subsidiaries, NC customizes our privacy policies and guidelines according to each entity's local legal and business environment. The regulations are reviewed and revised at least once a year in response to enactments or amendments of applicable laws and regulations or significant internal/external changes. When policies are changed, users are notified at least 7 days prior to the effective date.

NC and all subsidiaries manage customers' personal data based one the Privacy Policy. With global business expansion, a Global Privacy Policy has been established to allow global users to continuously review the personal data protection policy. In accordance with the Privacy Policy, data collection is minimized, sensitive information as defined by the Personal Information Protection Act is not retained, and personal data deemed high-risk in case of breach is securely stored through encryption and de-identification. Furthermore, collected and stored personal data is not used for purposes other than service completion, nor is it provided to third parties for rent or sales purposes. After achieving the purpose of use, information is promptly destroyed. Suppliers processing personal data on behalf of NC are subject to NC's data privacy policies.

Global Privacy Policy >

Guarantee of Personal Data Self-Determination Rights

When registering as a PLAYNC member, users are provided with information regarding 'Personal Data Collection and Use' and consent is obtained through an opt-in method. The collected personal data is used solely for the specified purposes such as payment processing, customer consultation, and identity verification, and is not used beyond the agreed purposes. Furthermore, personal data is neither leased nor sold to any third parties for purposes other than service provision and completion, nor do we receive personal data from third parties for the purpose of renting or selling. Once the consented period or purpose is fulfilled, stored personal data is destroyed immediately. Users can easily view, correct, process, and delete (unsubscribe) their information via the PLAYNC My Page. Additionally, customers can inquire about personal data at any time through contact information related to data privacy within the Personal Information Handling Policy and Privacy Policy.

Moreover, NC has established a Cookie Policy that informs users about the types of cookies collected and their purposes, obtaining consent accordingly. Through this policy, users can directly check and select cookie categories classified as Necessary, Functional, Performance or Analytical, and Targeting/Advertising, with clear explanations of each collection purpose, collected information, and retention periods.

Cookie Policy >

Personal Data Infringement Incident Prevention and Response System

Personal Data Breach Prevention Technologies and Activities

1 Development of technology to prevent external intrusion
  · Operation of security systems such as firewalls, intrusion detection/prevention systems, and web firewalls between networks
  · Personal data storage databases (DB) are separated and stored on isolated networks to block all external access

2 Access control to personal data DB and monitoring of access history
  · Access to DB is controlled to allow only authorized user IPs
  · Continuous monitoring of DB data queries and access history

3 Prevention of illegal access and infringement incidents in personal information processing systems
  · Automatic disconnection of system access if a personal information handler is inactive for more than 4 hours
  · Mandatory connection through secure authentication methods (VPN login and OTP authentication) for external access

4 Utilizing antivirus programs
  · Real-time detection and blocking of malware (full scans conducted at least once a week)
  · Antivirus programs automatically update policies (patterns) at least once daily

5 Establishment and application of password creation rules

Personal Data Breach Response Procedures

NC has established and operates a system to prevent internal and external personal data leakage incidents in advance and to respond promptly when such incidents occur. We have established the 'Personal Information Leakage Incident Response Procedure,' which formalizes the step-by-step process of incident recognition, analysis, response, and follow-up measures. This guideline is regularly reviewed and updated. In the event of an incident, the 'Personal Information Leakage Incident Response TFT,' composed of relevant departments company-wide and led by the Privacy Protection Division, acts as the dedicated organization to carry out response measures.

Child and Youth Privacy Protection Activities

In accordance with the guidelines of the domestic Personal Information Protection Commission (PIPC) on child and adolescent data privacy, NC has developed and operates Privacy Policy and Personal Information Collection & Consent Form for Children and Youth to protect the personal data of youth. The existing privacy policy has been rephrased into language easily understood by children and produced in a card news format, which is provided through the NC Privacy Center website.

Youth Privacy Policy >

Building an Information Protection System for Safer Game Experience

Risk Management

Information Security External Audit and Certification

NC conducts third-party audits three times a year on the information security and data privacy management systems related to game service operations such as PLAYNC. As the first in the domestic game industry, NC obtained the global certification CBPR (Cross Border Privacy Rule) evaluating the data privacy protection system. It maintains and renews international certifications for information security management systems including ISO/IEC 27001, ISO 27701, and the national standard ISMS-P, continuously strengthening security management levels to comply with international certification standards.

Certification	ISMS-P	ISO/IEC 27001	ISO 27701	GLOBAL-CBPR
Period	Jan. 17, 2024 ~Jan.16, 2027	Jan. 30, 2022 ~Jan. 23, 2025[1]	Jan. 30, 2022 ~Jan. 23, 2025[1]	Aug. 5, 2024 ~Aug. 4, 2025
Scope	Operating PLAYNC Game Services	NCSOFT Services for Information Security Management Systems	NCSOFT Services Related to Data Privacy Management Systems	Operating PLAYNC Game Services

1) Updated certification validity period for first half of 2025: Feb. 5, 2025~Jan. 23, 2028

Information Security Internal Audit (Risk Assessment)

Through the security operations audit organization within the Information Security Center, NC conducts internal audits company-wide every two years. These internal audits are risk assessments based on a baseline approach, establishing improvement action plans according to quantitative risk levels to eliminate risks and measure the effectiveness of mitigation measures. The evaluations investigate and observe records and behaviors related to information security and data privacy, check the integrity, availability, and confidentiality of key information assets, and conduct preemptive and post-incident management activities to respond to potential security threats. In 2024, out of 227 improvement items identified from audits over the past two years, 189 were completed, resulting in an 84% reduction in adverse impacts. Remaining items are planned for continuous improvement as medium- to long-term tasks.

In addition, NC disciplines employees who violate information security obligations, in accordance with internal disciplinary policies and the severity of each case. NC also conducts annual audits to assess compliance with the data privacy policy.

1	Recognize and identify risk factors	· Interview working-level employees and conduct on-site due diligence
2	Conduct a risk assessments	· Identify areas for improvement
3	Determine risk based on Assessment Results	· Conduct risk analysis and assessment, develop protection measures and remediation plans
4	Mitigate risk through remedial actions	· Manage remediation plans and status of actions taken, and report quarterly to the Chief Information Security Officer
5	Measure effectiveness	· Manage risk levels derived using the baseline approach by categorizing them as high (3 points), medium (2 points), or low (1 point); measure the effectiveness of risk score reduction after improvement actions to confirm risk elimination

Data Privacy Inspection and Risk Assessment

Service's Privacy Impact Assessment

NC conducts preliminary personal data impact assessments when establishing new or modified game services to enhance data privacy protection. The impact assessments are based on checklists derived from data privacy laws, regulations, internal data privacy policies, risk assessments, and personal data impact assessment guidelines. Actions are taken according to the evaluation results before service launch. In 2024, NC conducted preliminary inspections and provided guidance for a total of 26 personal data impact assessments and completed reviews of 390 personal data risks.

Data Privacy Reviews Before Service Launch

Before launching services, NC conducts integrated technical inspections, concurrently performing QA, Information Security & Data Privacy checks. Additionally, the Legal Center's Ethics & Compliance Division carries out a legal requirement review process to conduct pre-launch reviews based on applicable laws and regulations. The Personal Information Privacy Act manual enables planners to directly review Data Privacy considerations during development.

2024 Performance

Conducted pre-review of new services **6**

1	Process review	· Understand overall service structure and review the service's personal data collection process
2	Conduct impact assessment	· Conduct impact assessment in advance to analyze whether personal data is collected and used
3	Provide protection measure guidelines	· Provide protection measure guidelines according to the impact assessment results for each applicable item
4	Risk management and monitoring	· Establish action plans and perform risk management and monitoring based on impact assessment results
5	Derive comprehensive results	· Derive comprehensive results based on application outcomes and record/ manage personal data processing activities

Supply Chain Data Privacy Inspection

NC monitors and supervises the data privacy management status of suppliers and business partners. It conducts data privacy management level inspections at least once a year, categorizes inspection grades based on results, and provides management and training tailored to each grade level. Furthermore, contracts are terminated with companies that do not have improvement plans for ongoing personal data risks.
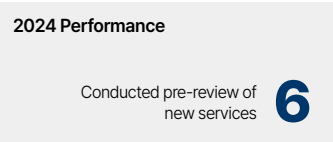
2024 Activity

Suppliers and business partners inspected **84**

Building an Information Protection System for Safer Game Experience

Response Activities and Performances

Information Security Breach Response Drill

NC conducts breach response drills at least once a year to ensure actual response capability in case of security incidents.
In accordance with the 'Breach Incident Response Guidelines' and 'Privacy Breach Response Procedures,' detailed documented instructions are reviewed and tested through drills to enable swift and efficient response when a breach occurs.
Additionally, to guarantee service continuity even during disasters, always-on dualization and disaster recovery drills are conducted annually. Through these drills, we continuously review the incident response process and strive to minimize the level of damage in the event of an incident.

Category	(Personal) Data Breach Drill	Disaster Recovery Drill
Frequency	At least once a year	At least once a year
Applicable Regulations	• Data Breaches/Incidents Response Guidelines • Privacy Breach Response Procedures	• Disaster Recovery Policy within Service Operation Policy • Service Continuity/Availability Management Guidelines
2024 Performance	• Incident Dedicated Task Force Repeated Response Training Conducted → Training conducted based on a scenario where internal employees maliciously posted personal data for sale on the dark web, causing a personal data leakage incident (Oct. 2024)	• Game Service Disaster Recovery Drill → Drill conducted to recover game service on Public Cloud due to IDC disaster occurrence (Oct. 2024) • Platform Service Disaster Recovery Drill → Drill conducted assuming a disaster at one of the dual IDC sites (Nov. 2024)

Simulated Training and Internal/External Audit Performance

NC regularly conducts simulated drills to strengthen response and prevention of breaches, as well as internal and external audits and supply chain inspections of its personal information and information security management systems.

2024 Drill Activity

total **3** cases

1 case
Data Leakage Incident Drill (Personal)

2 cases
Disaster Recovery Drill (1 Game Service, 1 Platform Service)

2024 Audit/Inspection Activity

3 cases
Third-Party Audit Related to Information Security

84 cases
Supply Chain Data Privacy Protection Inspection

Employee Training and Awareness Enhancement Activities

Information Security Training and Campaign

NC conducts annual information security training for all employees company-wide. Information related to information security is shared internally through campaigns such as newsletters and company-wide announcements.
Additionally, support for awareness enhancement at domestic and international subsidiaries is being expanded. In 2024, security awareness training and campaigns were conducted to strengthen security at NC America, NC Taiwan, NC Japan.

Category	Company-wide Regular Information Security Training	Global Subsidiary Information Security Training
Content	Information security and personal data protection security rules	Security training tailored to each global subsidiary's environment
Target	All employees company-wide (including full-time and contract employees)	Employees of global subsidiaries
Frequency	Once a year	Once a year

Data Privacy Training and Campaign

NC conducts personal data privacy training for all employees company-wide including contractors to ensure the safe privacy-related risk and procedure. For new employees, separate training is provided for those registered as personal data handlers.

Category	Company-wide Data Privacy Training	Personal Data Handler Training
Content	Personal data protection security rules and procedures	Personal data management and handling procedures
Target	All employees company-wide (including full-time and contract employees)	New employees (registered personal data handlers)
Frequency	Once a year	On-going

Metrics and Targets

Training Activities

In accordance with Article 28 of the Personal Information Protection Act, NC implements education and campaigns to cultivate awareness among employees regarding compliance with information security and personal data protection.

Number of employees who completed company-wide information security/ personal data protection training in 2024
(Persons, as of August 2024)

Executives	64
Full-time employees	4,430
Contract employees	114

total **4,608**

Number of personnel who completed personal information handler training in 2024

321 persons

Major Campaigns Conducted in 2024

• Clean Desk Campaign (employee participation)
• Internal Information Breach Prevention Campaign
• Information Classification Campaign

Ongoing Journey to Become a Global Game Company

Strategic Direction

The global game market is rapidly changing, and competition is fiercer than ever. NC continues its efforts to become a global game company by securing global growth drivers, diversifying game portfolio, and improving development efficiency. We will also continuously strive to provide new enjoyment to users worldwide and enhance competitiveness on a broader stage.

Securing Global Growth Drivers

Strengthening Strategic Global Partnerships

NC has expanded strategic partnerships with global companies to strengthen game development capabilities targeting global markets.

NC established a global publishing partnership with Amazon Games covering localization, operation, marketing, and more for the MMORPG 'THRONE AND LIBERTY (TL).' To actively gather feedback from global users, we conducted global CBT (Confidential Closed Beta Test) and OBT (Open Beta Test) in March and July 2024, respectively.

Based on this multifaceted collaboration, TL was launched in October 2024 in major global markets including North America, Latin America, Europe, Australia, New Zealand, and Japan. Within the first week of release, it recorded 3 million global users and a cumulative playtime of 24 million hours, achieving stable service and positive responses worldwide.

Furthermore, NC cooperated with Chinese publisher Tencent Games to launch the multiplatform MMORPG Blade & Soul 2 in China in April 2025. Prior to official launch, NC and Tencent Games conducted multiple pre-tests to collect user feedback and incorporate content preferred by Chinese users. Localization efforts included improvements in control convenience, user interface (UI) enhancements, and mobile optimization to better serve the preferences of Chinese users.

NCSOFT– Amazon Games, Global Launch of THRONE AND LIBERTY (October 2024)

NCSOFT – Tencent Games, Launch of Blade & Soul 2 in China (April 2025)

Enhancing Competitiveness of Flagship Games

NC is offering specialized servers for existing IPs in service, providing new enjoyment to global users.

Notably, the MMORPG Lineage W opened 'Reboot Worlds' such as 'Skeleton' and 'Orc' in November 2024 and February 2025, respectively. Reboot worlds are independent of the original live servers and offer players a fresh gameplay environment with distinct content. In particular, the 'Skeleton' server was launched with some growth content restrictions compared to existing servers to mitigate growth-related stress.

Lineage M also celebrated its 7th anniversary by launching new reboot world servers 'Talking Island' and 'Windawood' in June 2024. Additionally, Blade & Soul began service of the new server 'BNS NEO' in October 2024, offering unrestricted windwalking and a changing martial arts system to experience freer action gameplay.

Securing a Foothold for Global Expansion

In August 2024, NC established a joint venture (JV) 'NCV GAMES' with Vietnam's leading comprehensive IT company VNG to pioneer the Southeast Asian market. The newly established NCV GAMES is responsible for service and operation of NC IPs in Southeast Asia. Starting with the release of Lineage 2M in May 2025, NC plans to introduce its games in six major Southeast Asian countries: Vietnam, Thailand, Malaysia, Indonesia, Singapore, and the Philippines.

In the mid-to-long term, NC will continue to expand new services by integrating VNG's accumulated capabilities and expertise in the Southeast Asian market.

Additionally, to strengthen global capabilities and secure new growth drivers, NC significantly reorganized the leadership of its overseas subsidiaries.

Notably, in August 2024, NC America appointed Jeong-Hee Jin as its new CEO. Jin brings extensive core experience in Western game publishing and global business expansion from senior roles at North American and Korean game companies.

NCSOFT and Vietnam's comprehensive IT company VNG establish joint venture (August 2024)

Ongoing Journey to Become a Global Game Company

Diversification of Game Pipeline

NC is accelerating the development of new titles across various genres, including shooters, strategy simulations, subculture games, and RPGs (Role Playing Games), building on its strength in MMORPGs. To this end, NC aims to deliver new enjoyment and differentiated experiences to global users through both in-house development and collaboration with leading domestic and international game companies.

Securing Global Franchise IPs Through In-House Development

Based on its in-house development capabilities, NC intends to continuously introduce new IPs with a competitive edge in the global market. 'AION 2' is a next-generation MMORPG, serving as a successor and evolution of NC's flagship IP, 'AION.' This game is a 200 years after the original, built on Unreal Engine 5, and characterized by a vast amount of Player versus Environment (PvE) contents.
'LLL' is a seamless open-world cinematic tactical shooter game in development by BigFire Games, NC's development studio. It represents NC's initial foray into this genre. Developed using Unreal Engine 5, this new IP is designed to utilize complex environments, such as megacity Seoul's mixed structures and underground facilities, as new tactical spaces.
'TACTAN' is a 4X strategy simulation game in development by another NC development studio, Ludius Games. NC plans to gradually expand its presence in the global market through the successful development and launch of its proprietary IPs across various genres, including next-generation MMORPGs, shooters, and strategy simulations.

Expanding IP Portfolio through Investment in Domestic and Overseas Development Studios

To secure new growth engines, NC continues to invest in and expand cooperation with domestic and overseas development studios possessing development capabilities and genre expertise. Through this, NC is building genre-specific development clusters and focusing on securing a global game portfolio.

AION 2 MMORPG, Slated for Q4 2025
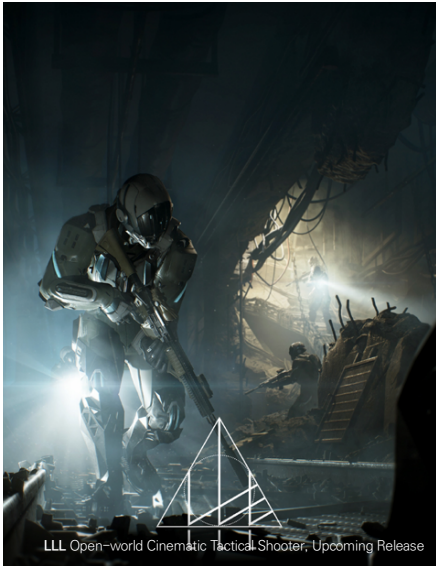
LLL Open-world Cinematic Tactical Shooter, Upcoming Release

MOON ROVER	**July 2024** • Initial investment of USD 3.5 million in Sweden-based Moon Rover Games, founded in 2022 by developers formerly from EA DICE with experience in producing globally renowned FPS (First-Person Shooter) games. • Currently developing the cooperative FPS game 'Project Aldous.'
VIC GAME STUDIOS	**August 2024** • Investment in shares of South Korean game developer VIG GAME STUDIOS and global publishing rights for the new subculture genre title 'BREAKERS : UNLOCK THE WORLD' (KRW 37 billion).
MISTIL GAMES	**December 2024** • Investment in shares of South Korean game developer Mistil Games and global publishing rights for 'TIME TAKERS,' a new PC and console-based time survival hero shooter
VIRTUAL ALCHEMY	**December 2024** • Investment in global publishing rights for 'Band of Crusaders,' a PC strategy RPG developed by Polish game developer Virtual Alchemy.
emptyvessel	**May 2025** • NC's North American subsidiary NCW has made a strategic equity investment in the U.S. game developer emptyvessel, which is currently developing a PC platform shooting game

Ongoing Journey to Become a Global Game Company

Introduction

Where Joy Begins

Strengthening Content Competitiveness through User Communication

Fostering a Gameplay Environment that Values Diversity

Providing a Stable and Optimized Gameplay Experience

Building an Information Protection System for Safer Game Experience

> Ongoing Journey to Become a Global Game Company

ESG Performance

Appendix

Strengthening Development Competitiveness

In the game industry, development competitiveness is the core competency of a company. NC continuously enhances its game development competitiveness in the global market through improving development productivity by introducing proprietary platforms, applying AI technology throughout game production, and securing top-tier motion and scanning technologies.

Enhancing Productivity with In-house Development Platforms

NC independently designs and builds an efficiency-enhancing platform optimized for its game development environment and workflows, implementing it company-wide. This systematically enhances overall productivity by automating repetitive tasks, improving collaboration structures, and standardizing development processes.

In particular, to secure global development competitiveness, NC has been sequentially launching and adopting the 'BRIDGE Series' development platform internally since 2019. 'BRIDGE' signifies a bridge for development tasks and performs localization automation, integrated multilingual voice recording management, global game terminology management, and machine translation of documents.

Platform	Description	Details
BRIDGE text (Released in 2020)	Localization Efficiency	· Automation of text transmission, inspection, and comparative analysis; systematic version and history management · Localization work time reduced by 96% since implementation
BRIDGE voice (Released in 2022)	Integrated Voice Recording Management	· Centralized management of voice resources, script-voice comparative analysis, systematic version control, etc. · Supports AI-based script translation, mass automatic voice generation, and facial animation production
BRIDGE finder (Released in 2024)	Integrated Game Terminology Management	· Supports real-time game and chatbot service terminology sharing and consistent localization · Supports 16 global languages and manages 930,000 specialized terms based on Korean
BRIDGE docs (Released in 2024)	Automated Document Translation	· Translation efficiency tool that enhances global communication productivity · Supports 133 languages and over 90 document formats

Establishment of Independent Studios

In February 2025, NC established three development studios to cultivate an innovative development culture based on expertise, creativity, and autonomy, and actively develop new global IPs through this.

Independent Studio	FirstSpark Games	BigFire Games	Ludius Games
Representative Game	THRONE AND LIBERTY (TL) (MMORPG, launched in December 2023)	LLL (Open-world Tactical Shooter, in development)	TACTAN (Strategy Simulation, in development)

Application of AI Technology Throughout Game Development

NC integrates AI technology into art, audio, and customer support (CS) within its game development and operations to improve efficiency and quality. In particular, NC is strengthening its AI-based automation systems with its proprietary Large Language Model 'VARCO' (Via AI, Realize your Creativity and Originality), as well as AI translation services and chatbot services.

Service	Details
VARCO Audio	As an AI-based voice generation and conversion technological tool, NC enhances development productivity for global game launches by offering over 400 voice synthesis options in Korean and other key languages used in NC games. It notably generates expressions that reflect NPCs' personalities—such as exclamations, interjections, laughter, crying, screams, and battle cries—in a manner that is human-like and natural.
VARCO Art	As an AI-based image generation tool, VARCO Art has significantly improved the efficiency of art resource creation. It has reduced production time by over 80% on average compared to previous methods, and has led to substantial cost savings in production.
Character Animation Auto-Generation and Search Technology	This technology involves AI-driven automatic generation of character facial animations that match conversational settings, including speech and emotions. It reduces production costs and time while providing users with a more immersive content experience.
Customer Support AI Chatbot Service (CS Chatbot NCER)	As a 24-hour automated customer support system, it analyzes user inquiries to maximize efficiency, reducing operator burden and quickly resolving customer issues. This approach continually enhances customer-focused AI services and broadens their application, thereby increasing customer satisfaction.

Securing Industry-Leading Motion/Scanning Technology and Expertise

Based on industry-leading motion/scanning technology, infrastructure, and expertise, NC realizes lifelike movements of game characters, provides immersive gameplay experiences, and significantly improves development productivity.

NC has established an automated post-processing system for motion capture to drastically shorten data delivery schedules and maximize efficiency across the development process. Utilizing Unreal Engine's real-time preview technology, NC has built a process to immediately verify capture quality and incorporate feedback while enhancing data supply speed through its proprietary motion capture library.

NC's scanning technology establishes a proprietary scanning pipeline covering all stages from planning to casting, shooting, production, and post-processing. It continuously improves productivity and efficiency throughout the production process by optimizing character and real-location-based scanning tailored to game concepts and automating post-processing using AI.

ESG PERFORMANCE

BREAKERS : UNLOCK THE WORLD | Anime RPG, in Development

Climate Change

Introduction

Where Joy Begins

ESG Performance

Environment

> Climate Change

Environmental Impact Reduction

Social

Governance

Appendix

Oversight and Management

NC recognizes Climate Change as a critical environmental issue that directly and indirectly impacts overall company operations and business execution. To proactively address this, the ESG Steering Committee manages, supervises, and makes decisions on key environmental management plans and performance including climate change in accordance with the environmental management policy, reporting significant matters to the Board of Directors. Additionally, under the implementation principles for environmental management, the dedicated ESG Management Division and environmental management working group are responsible for monitoring related issues, promoting response strategies, and executing tasks.

Execution Framework

```
                    Board of Directors
                          │
                  ESG Steering Committee
                          │
                  ESG Management Division
          ┌───────────────┼───────────────┐
    HQ Working Group   Domestic Working    Global Working Group
                           Group
```

Environmental Policy

NC has established environmental management policies and implementation principles to comply with relevant laws and minimize environmental impact. These apply to all business operations and are equally enforced for suppliers, service providers, contractors, and other business partners.

NC Environmental Management Policy >

Efforts for Professionalization

To strengthen the competency and capacity within the Board of Directors to oversee strategies addressing environmental management risks and opportunities including climate change, NC appointed Jae-Chun Choe, an expert in environment and biodiversity, as an outside director in March 2023.

ESG Steering Committee

Composition	CEO (Chair), COO, CFO, CLO
Roles & Responsibilities	Decision-making on management and supervision of environmental management strategies and implementation plans, including climate change
Operating Cycle	Quarterly
Oversight	· Management and supervision of environmental management risk and opportunity including climate change; review of strategies and implementation plans · Review of response strategies to environmental management including climate change and performance of key tasks
2024 Activities	· **April 2024** Report on sustainable management status and promotion plans (key tasks and improvement directions in climate change and environmental areas) · **June 2024** Publication report of 2023 ESG Report (environmental management performance based on ISSB and KSSB) Report on the draft disclosure standards for sustainability in Korea (mandatory disclosures and trends related to climate-related risks and opportunities)

Dedicated Organization

ESG Management Division	**Responsible for overall NC environmental management** · Establishment and implementation of climate change response plans · Management and response to environmental management impacts · Reporting to top management and internal/external communication
People Happiness Center	**Responsible for office management and welfare** · Environmental data management and monitoring · Implementation and improvement of energy consumption reduction activities
Service Infrastructure Center	**Responsible for infrastructure such as data centers** · Environmental data management and monitoring · Implementation and improvement of energy consumption reduction activities

Climate Change

Identification of Risks and Opportunities

NC identified 25 climate change-related risks and opportunities based on the TCFD (Task Force on Climate-Related Financial Disclosure) framework, categorizing them into physical risks, transition risks, and opportunities. Physical risks focused on four highly probable disasters (typhoons, floods, wildfires, heatwaves), quantitatively analyzing their impact on business sites and revenue. Transition risks and opportunities were evaluated through surveys of internal and external experts assessing the level of impact on the company's financial positions or business model and stakeholder interest, selecting the top 10 as material factors. These results are based on the 2023 climate change materiality assessment, with application up to the short-term horizon of 2025, after which the assessment cycle and methodology will be reviewed.

Factor			Impact	Impact on Company			Stakeholder Interest	Response Strategies
				Short-term (~2025)	Mid-term (~2030)	Long-term (~2050)		
Transition Risk	Policy & Legal	T1	Strengthening climate-related policies and laws such as mandatory climate disclosure and environmental information disclosure systems	Medium	High	High	High	Enhancement of Climate Change Risk Management system, responding to climate disclosure through CDP Initiatives and Environmental Information Disclosure System
	Technology	T2	Increased energy transition costs due to introduction of high-efficiency equipment, new technology development, and renewable energy procurement	Medium	High	High	Medium	Enhancement of energy efficiency, and expanding renewable energy
	Market	T3	Increased demand for eco-friendly services through users' (customers') environmentally friendly services and optimization of operations	Medium	High	High	High	Introduction of power-saving mode within game and platform services
	Reputation	T4	Brand reputation decline due to inadequate response to climate change-related demands from users, business partners, and other stakeholders	Low	Medium	Medium	Medium	Establishment and implementation of greenhouse gas reduction strategy
Physical Risk	Acute	P1	Loss of major assets and recovery costs due to natural disasters such as typhoons and floods	0.75%	0.75%	0.77%	Medium	Strengthening environmental data monitoring system, infrastructure establishment to ensure service stability
	Acute	P2	Business operation disruption such as game service interruption due to natural disasters like typhoons and floods	1.34 ~1.57%	1.33 ~1.57%	1.38 ~1.60%	Medium	
	Chronic	P3	Reduced employee productivity and increased operating costs such as cooling expenses due to long-term weather changes like heatwaves	0.61 ~1.82%	0.65 ~1.91%	0.73 ~2.16%	Medium	
Opportunity	Resource Efficiency	O1	Increase in asset value of energy-efficient buildings, cost savings through expanded waste recycling, and contribution to reduced GHG emissions during processing				High	Enhancement of energy efficiency, expansion of resource circulation activities
	Energy Source	O2	Reduced exposure to future fossil fuel price increases through expanded use of low-carbon fuels and renewable energy				High	Expansion of renewable energy
	Market	O3	Strengthened competitiveness through launching environmentally friendly products and energy-efficient services reflecting changes in user (customer) preferences				High	Introduction of power-saving mode within game and platform services
	Resilience	O4	Design of resilient buildings and infrastructure to prepare for fossil fuel supply instability and physical damage from climate change				High	Design incorporating renewable energy for new head office, research on technologies to enhance infrastructure safety

Methodology for Identifying Risks and Opportunities

Physical Risk

Using Jupiter Intelligence, a global climate model and database, we comprehensively analyzed the impact of four physical disasters (typhoons, floods, wildfires, heatwaves) on major business sites. The IPCC SSP1-2.6 and SSP5-8.5 scenarios were applied; the table on the left shows results based on the most conservative SSP5-8.5 scenario.

The short-term results are calculated up to 2025, mid-term results are based on 2030, and long-term results apply average values every five years from 2035 to 2050.

Additionally, the impact of physical risk factors was assessed as annual predicted loss rates on tangible asset value and revenue. P1 'Damage' refers to asset value loss reflecting direct asset damage from acute disasters such as typhoons and wildfires; P2 and P3 'Disruption' represent revenue loss calculated by business inter-ruption days due to acute/chronic disasters. For heatwaves, results were produced for two cases with high or low labor productivity loss among employees.

Transition Risk

The impact of transition risk factors was applied based on survey results conducted with the ESG Management Division and external expert consultants.

Opportunity

Opportunity factors were qualitatively evaluated through surveys targeting the ESG Management Division and external expert con-sultants. Since the impact of opportunity factors on the company's financial status, operations, and business model is determined by strategic decision-making, assessment was based solely on stake-holder interest.

Climate Change

Response Activities

Energy Consumption Optimization

Office Building Energy Efficiency

NC annually replaces outdated equipment with high-efficiency facilities to improve energy efficiency within its office buildings.

In 2024, the Pangyo R&D Center's food court lighting was replaced with LED fixtures. Additionally, lighting, elevators, and escalators within the buildings operate on a schedule to minimize unnecessary power use. In 2025, NC plans to continue investing in introducing high-efficiency facilities and operational optimization to further enhance energy efficiency in its offices.

Furthermore, the new office building, the Global RDI (Research Development Innovation) Center, scheduled for completion in 2027, is being constructed as an eco-friendly building considering the surrounding environment from the design stage. Plans include applying high-efficiency elements such as LED lighting and high-performance exterior insulation glass.

Data Center Energy Efficiency

To maximize energy efficiency in data center operations, NC has introduced various eco-friendly facilities. These include outside air cooling, hot-aisle containment systems, exterior double insulation materials, low-emissivity double glazing, geothermal and solar power systems, and waste heat recycling systems to minimize energy consumption.

Furthermore, NC manages overall data center operations systematically through its self-developed DCIM (Data Center Infrastructure Management) system, which monitors the operational status of server equipment in real time and includes key environmental data such as power usage, temperature, and intake air.

In particular, NC distinguishes between 'Used' and 'Unused' statuses for server racks where equipment is installed and controls power supply to unused equipment to prevent unnecessary energy consumption, thereby enhancing energy use efficiency. Through these efforts, NC realizes sustainable operations of data center.

Cloud Energy Efficiency

NC monitors server power consumption through its cloud platform NC CLOUD PLATFORM (NCP) and is expanding power usage data collection and management to include network equipment beyond servers.

Additionally, to increase workload capacity within the same power usage, NC has adopted high-performance CPUs and highly efficient server processing systems, thereby improving cloud energy efficiency.

Expanding Use of Renewable Energy

Renewable Energy Adoption in New Office Building

NC actively considers renewable energy adoption from the design stage of its new office building.
Specifically, photovoltaic power facilities and a hydrothermal heating/cooling system utilizing regional water resources are included in the design. As part of this effort, NC signed a business agreement (MOU) for the 'Hydrothermal Energy Supply and Support Pilot Project,' involving ten organizations including the Ministry of Environment, Korea Water Resources Corporation, and other companies.

Renewable Energy Usage Plan for New Office Building

Category	Photovoltaic (PV)	Building-integrated Photovoltaic (BIPV)	Hydrothermal
Installed Capacity	47 kW	41 kW	500 RT
Expected Power Generation	61 MWh/yr (14 toe/yr)	52 MWh/yr (12 toe/yr)	558 MWh/yr (128 toe/yr)
Total	671 MWh/yr (154 toe/yr)		

NC Dinos Renewable Energy Usage

Since 2021, NC Dinos has been operating solar and geothermal power facilities within Changwon NC Park, supplying a portion of their annual electricity consumption with renewable energy. All renewable energy produced is utilized entirely for facility operations.

Renewable Energy Consumption

(Unit: kWh)

Category	2021	2022	2023	2024
Solar Photovoltaic (PV)	342,656	325,094	279,582	285,740
Geothermal Power	319,147	378,539	335,969	412,551

Enhancing User Device Energy Efficiency

The MMORPGs serviced by NC demand more computation from devices compared to other genres due to high-spec graphics and large-scale simultaneous global access, resulting in significant system load. This causes high levels of heat generation in users' device CPUs and GPUs, with some power lost as heat rather than game operation. Especially on mobile devices, optimization technologies that reduce unnecessary power consumption while maintaining performance play a crucial role.

In 2024, Lineage W became the first Unreal engine-based game to adopt Android ADPF (Android Dynamic Performance Framework), successfully reducing device heat while maintaining service quality. NC will continue researching and applying technologies that consider energy consumption and environmental impact during users' service usage.

Service Continuity Assurance

NC establishes and operates business continuity enhancement and disaster response/recovery systems to prepare for disasters and emergencies such as climate change, fires, and power outages. Data centers are geographically distributed to minimize the possibility of service interruptions caused by physical risks. By operating based on NC CLOUD, our proprietary cloud, we reduce the impact of physical risks and aim to provide stable services across various regions. Additionally, we conduct regular disaster recovery drills simulating actual disaster situations like fires to assess and improve our response systems.

Climate Change

Risk Management

NC has established a 'Climate Change Risk Management Process' based on the TCFD Recommendations. Following this process, climate change-related risks and opportunities are identified, and their impacts on business and financial positions are analyzed by short-term, mid-term, and long-term timeframes. According to the characteristics of each type, physical risks are quantitatively analyzed based on IPCC scenarios, while transition risks and opportunities are qualitatively assessed reflecting stakeholder opinions. Based on the analysis results, response strategies for each factor are developed and implemented. Going forward, NC plans to strengthen the reporting system to incorporate it into decision-making processes, expand the scope and level of the risk management process by integrating it with the enterprise risk management system.

Risk Management Process

Step 1. Risk Identification	**Composition of climate change-related issue pool and classification of risks and opportunities** · Collect climate change-related issues based on global policies and regulations, investor and shareholder proposals, media, and industry trends · Organize issue pool through external environment analysis and internal review · Classify identified issues into physical risks (acute/chronic), transition risks (policy/technology/market/reputation), and opportunities according to TCFD Recommendations
Step 2. Risk Assessment	**Analysis of impacts and evaluation of significance by risk and opportunity factors** · Select climate change scenarios for analysis and determine evaluation methods by type · Conduct evaluations of business impact and interest based on surveys of internal and external stakeholders · Select key factors based on quantitative analysis of financial and non-financial impacts of physical risk
Step 3. Risk Response	**Implementation and review of response strategies and action plans** · Develop response strategies according to major risks and opportunities · Derive detailed tasks per strategy and establish execution plans by working groups · Monitoring implementation status led by the dedicated Environmental Management organization
Step 4. Risk Monitoring	**Operation of implementation review and performance management system** · Monitoring performance of domestic and international Environmental Management working group tasks · Report to and oversight by the ESG Steering Committee

Performance

Greenhouse Gas Emissions

NC calculates and monitors greenhouse gas emissions annually, continuously refining its calculation methodologies. In 2024, it enhanced the consistency of emission calculation standards by applying the latest emission factors and subdividing organizational boundaries. For Scope 3, the calculation scope was expanded from 5 categories to 7 categories.

GHG Emissions of NCSOFT and Domestic and Overseas Subsidiaries in 2024

(Unit: tCO$_2$eq, tCO2eq/KRW 10 billion)

Category		NCSOFT Separate	Domestic Subsidiaries[1]	Overseas Subsidiraries[2]
Scope 1		669.8	178.1	6.9
Scope 2		26,172.1	2,036.4	2,827.2
Scope 1+2 Subtotal[3]		26,838	2,203	2,831
Intensity (based on sales)[4]		189.0	256.1	142.5
Scope 3[5]	Cat. 1	38,253.2	342.3	2,659.3
	Cat. 2	12,506.5[6]	51.6	453.8
	Cat. 3	4,187.0	326.3	314.0
	Cat. 4	6.4	0.3	15.4
	Cat. 5	221.5	257.0	3.0
	Cat. 6	421.3	120.7	188.5
	Cat. 13	2,089.1	147.1	-
Scope 3 Subtotal[3]		57,684	1,242	3,632
Scope 1+2+3 Total[3]		84,522	3,445	6,463

1) Domestic Subsidiaries: NC ITS, NCSOFT Service, NC Dinos, NC IDS and NC QA aggregated on a non-consolidated basis
2) Overseas Subsidiaries: NC West Holdings, NC Interactive Inc., ArenaNet Inc., NCW NCP LLC, NC Taiwan Co., Ltd and NC Japan K.K. aggregated on a non-consolidated basis
3) The 'Subtotal' and 'Total' values may differ from the combined direct and indirect GHG emissions values due to applying the standard of summing after rounding by business unit.
4) NCSOFT separate Intensity is calculated by dividing GHG emissions and sales, both on a non-consolidated basis. Subsidiaries Intensities are calculated by dividing the sum of GHG emissions of the entities referenced in notes 1) and 2) by the sum of their sales, all on a non-consolidated basis.
5) Scope 3 emissions are calculated by selecting 7 categories that are highly relevant to NC's business from among the 15 categories stipulated by the GHG Protocol Corporate Value Chain (Scope 3) Standard.
6) Activities related to the acquisition of tangible assets(assests under construction) for the construction of a new office building are included.

LEED Certification Acquisition

NC was recognized for its efforts to improve energy efficiency and reduce environmental impact in operation and maintenance within its owned offices, acquiring LEED (Leadership in Energy and Environmental Design) GOLD certification for the Pangyo R&D Center and NC Tower I in 2023.

Environmental Impact Reduction

Waste Management

NC continuously promotes activities to minimize the environmental impact of its company operations and business execution by facilitating resource circulation and reducing waste generation. To this end, we manage company-wide waste data, and through waste reduction and resource circulation activities, the Pangyo R&D Center recycled approximately 51% of its annual waste output as of 2024.

NC Recycling Rate Trends Over Four Years

(Unit: %)

2021	2022	2023	2024
37	41	47	51
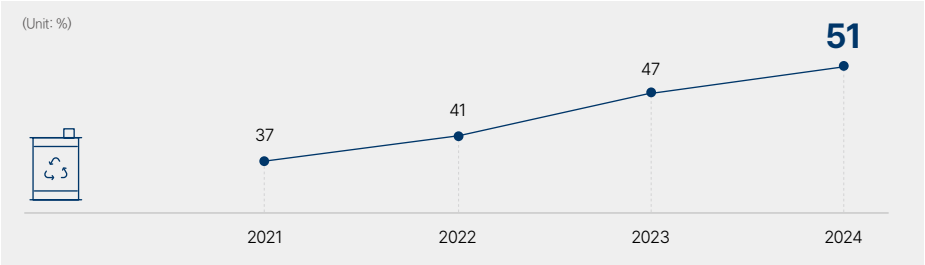
Waste Reduction and Resource Circulation Activities

Disposable Hand Towel Collection and Recycling System

NC replaced all hand towels provided at the Pangyo R&D Center with recyclable materials and separately collects them to ensure that discarded hand towels are utilized as recycled raw materials and consumed again as finished products. In August 2024, NC signed a business agreement (MOU) with Yuhan-Kimberly to establish a resource circulation system and participates in the resource circulation promotion campaign BI:CYCLE. Over four months since August 2024, 3.2 tons of hand towels were collected in total, reducing waste discharge and greenhouse gas (GHG) emissions from waste incineration.

Reusable Cup Circulation System

Since 2024, NC has introduced and operated a reusable cup circulation system within its office building. Since the system's establishment, the average monthly usage of reusable cups is 25,000 units, with a total of 150,000 disposable cups replaced by reusable cups for six months.

Resource Circulation Robot

Since 2022, NC has introduced an AI-powered circulation robot within its office building to separately collect transparent PET bottles and cans. As of 2024, an average of 4,800 items (approximately 87 kg) are collected monthly.

Water Resource Management

NC strives to minimize the environmental impact on areas surrounding its business sites through water resource management. To this end, it evaluates water resource-related risks in regions where its headquarters and domestic and international subsidiaries are located, continuously monitoring management status. Furthermore, various water resource management activities, including water usage reduction, are being implemented.

Water Resource Risk Analysis

Based on the Aqueduct Water Risk Atlas published by the World Resources Institute (WRI), NC conducted a water stress analysis for business sites located in three regions where its headquarters and domestic subsidiaries[1] operate. Water stress refers to the ratio of water demand to available supply; areas with a ratio of 40% or higher classified as 'High' or 'Extremely High' are considered water-stressed regions.

The analysis results indicate that business sites in Seongnam-si and Busan fall within 'Medium – High' regions, while Changwon-si is classified as 'Low,' meaning none are considered water-stressed areas.

Based on these results, NC will regularly monitor the dependency and impact on water resources in the regions where its business sites are located and continue efforts to improve water use efficiency and reduce risks.

1) NC ITS, NCSOFT Service, NC Dinos, NC IDS, NC QA

Seongnam-si, Gyeonggi-do	Busan Metropolitan City	Changwon-si, Gyeongsangnam-do
Medium-High	Medium-High	Low

Water Usage Reduction

NC has installed a greywater recycling system at the Pangyo R&D Center to treat and reuse domestic wastewater generated within the building. Additionally, water-saving toilets, urinals, and shower faucets are used. Through these measures, approximately 4,600m³ of water was saved in 2024.

Environmental Impact Reduction

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Appendix

Pollution and Noise Management

Efforts to Reduce Pollutants

Replacement of Outdated Boilers

NC is classified as a Type 5 air pollutant emission facility, the lowest emission category under the Clean Air Conservation Act. Nevertheless, NC continuously monitors and manages air pollutants emitted from business activities. To reduce air pollutant emissions, the outdated boiler at the 2024 Pangyo R&D Center was replaced with new equipment, expected to reduce emissions by approximately 7% compared to before. Improvement efforts to reduce air pollutant emissions will continue going forward.

Use of Eco-friendly Deicing Agent

During winter snow removal operations, NC purchases and uses calcium chloride-based deicing agents recycled from starfish, an eco-friendly material. This effort aims to reduce soil pollution caused by conventional deicing agents and minimize negative impacts on river ecosystems near the Pangyo office, including the Tancheon stream.

Noise and Vibration Management

NC recognizes that noise and ground vibrations generated during construction of new headquarters building may cause physical and ecological disturbances. Accordingly, in compliance with the Noise and Vibration Control Act, air soundproof walls have been installed to prevent noise, and construction methods have been modified to reduce vibrations. Noise and vibrations are managed through regular measurements and ad-hoc monitoring, with ongoing efforts to minimize impacts on surrounding environments including nearby aquatic ecosystems.

Enhancing Eco-friendly Awareness

Environmental Campaign

NC conducts activities to share eco-friendly values internally and externally and to raise environmental awareness. In particular, efforts are focused on employee participation campaigns to establish and spread an eco-friendly culture company-wide.

Earth Hour Campaign

Participated in the global lights-out campaign '2025 Earth Hour' organized by WWF (World Wide Fund for Nature). To raise awareness of climate change and nature preservation, all office building lights were turned off for one hour, reducing a total of 157 kWh of electricity.
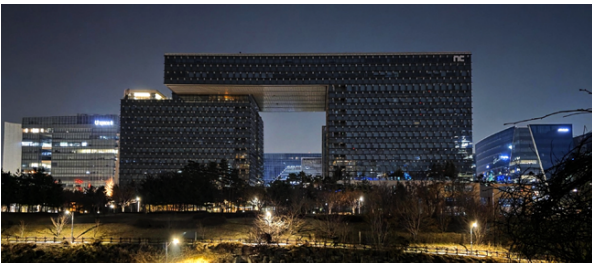
Laughing Peanut Environmental Protection Campaign

The in-house daycare Laughing Peanut conducts activities for climate change and ecosystem preservation.

- Plogging and upcycling activities, participatory environmental protection campaign (May 2024)
- Energy saving campaign, endangered species protection (July 2024)

Participation in Environmental Education and Training Programs

NC continuously participates in external education and training programs to strengthen expertise in environmental management roles, centered on the dedicated Environmental Management organization.

2024 Training Activities

Target		Contents
ESG Management Division	2024 CDP Training	• Climate change (July 2~4, 2024) • Water security (July 16~17, 2024)
	K-Taxonomy Course	• Third Basic Training Course on K-Taxonomy (October 14, 2024) • Advanced Training Course on K-Taxonomy (October 15, 2024)
	ESG Disclosure and Verification Course	• Climate disclosure and supply chain environmental due diligence response strategies (October 28–31, 2024)
	Natural Capital Information Disclosure Training	• Workshop for Enhancing Capabilities to Respond to TNFD (December 2–4, 2024)

Total No. of Sessions

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Appendix

Oversight and Management

Based on the management philosophy that all NC employees realize the company's vision of 'A New World Connected through Joy' and that this vision is the core driving force and foundation for sustainable management, NC operates company-wide HR governance and dedicated organizations.

Decision-making Body and Dedicated Organization

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Company-wide Human Resources Committee
                    │
                   COO
         ┌──────────┴──────────┐
    HR Center          People Happiness Center
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Company-wide HR Committee

Composition	• All C-Level Executives • Chair: Chief Operating Officer (COO)
Operating Regulations	HR Policy / Reward and Punishment Regulations
Roles & Responsibilities	Deliberate and decide on employee HR matters to ensure fair personnel management
Operating Cycle	Ongoing (upon confirmation of reasons for rewards or punishments)
Oversight	• Setting standards and guide employee behavior through reward/disciplinary deliberations and decision • Maintaining internal order through fair operation
2024 Activities	Held a total of 7 sessions

Dedicated Organization

Category		Roles & Responsibilities
HR Center	Policy Planning/ Operation	• Plan, design, and operate HR/ER policies • Support domestic affiliates' operations and monitor risk management
	Recruitment/ Education	• Discover and recruit outstanding talent • Plan and operate programs for individual expertise, organizational, and leadership growth
	Evaluation/ Compensation	• Plan and operate performance management systems • Design and operate compensation systems
	Diversity and Inclusion	• Plan and operate work-family balance systems • Operate Labor-management council
	Work-Life Balance	• Plan and operate family care programs
People Happiness Center	Welfare and Benefits	• Plan and operate welfare benefits systems

Policy

NC establishes and applies policies such as HR Policy and Rules of Employment for effective Human Capital Management, and continuously revises them. These regulations apply to all workers contracted with the company and govern all aspects of Human Capital Management including recruitment, service, salary, and education. Additionally, through Chapter 10 of the Employee Handbook, 'Gender Equality in Employment, Maternity Protection, and Work-Family Balance,' a foundation is established to secure member diversity and prohibit discrimination.
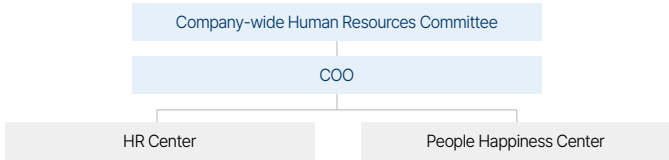
Diversity and Inclusion Policy >

Management Approach

NC systematically advances its entire HR system—from talent acquisition, competency development, evaluation to compensation—to enable all employees to collaborate organically as 'One Team' and continuously grow.

First, we have established and operate a talent acquisition and development pipeline based on diversity and inclusion. We continuously expand programs to develop a broad talent pool and implement recruitment strategies to attract outstanding talent with diverse backgrounds and experiences.

Second, based on competency development processes tailored to roles and positions, we support both individual employee growth and organizational development. We also strive to create a work environment that fosters creativity grounded in technical expertise.

Third, we establish and operate a fair and rational evaluation and compensation system. We strengthen procedural fairness to enable both employees and the company to grow and develop together, and continuously review and manage related systems to flexibly respond to changes in the internal and external business environment.

Organizational Efficiency Enhancement

In 2024, NCSOFT undertook company-wide organizational efficiency improvements to establish a foundation for structural reform and sustainable growth. As part of restructuring in 2024, approximately 800 headquarters employees were inevitably separated through voluntary resignation and early retirement programs. In October 2024, we established specialized companies for QA (Quality Assurance) services and application software development and supply businesses, and in February 2025, three development studios and an AI-specialized company were newly established. By transitioning to an independent development studio system, we aim to foster an innovative development culture characterized by speed, flexibility, and creativity, while actively discovering new global IPs.

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Human Capital Management

Talent Acquisition and Development

Talent Acquisition

NC operates a pipeline for securing outstanding talent based on the belief that securing employees with diverse experiences and competencies is the source of corporate competitiveness.

Future Talent Development
Over the past six years, NC has partnered with leading domestic and international universities to operate industry-academia cooperation internship programs for university students interested in the game and AI industries. Students are assigned to departments based on their majors and interests, conducting research and practical work in real work environments. In 2024, a total of 13 students from three universities completed the internship. Going forward, NC aims to continuously expand opportunities for future talents by broadening industry-academia cooperation.

Talent Pool Acquisition
NC operates 'Playground,' a platform that manages and communicates with an excellent talent pool across four main job categories (Development/Art/Design/Business). Regular newsletters detailing recruitment roles are sent to subscribers, and 1:1 Q&A sessions are held for candidate care. In 2024, approximately 250 platform subscribers were secured, with six candidates successfully hired.

Internal Career Development
NC operates the Internal Job Posting (INCAREER) system to enable employees to find diverse growth opportunities and challenges within the organization. In 2024, in line with company-wide workforce efficiency policies, we introduced a focused internal job posting period to activate internal career development and circulation.
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Competency Development

NC supports growth and competency development throughout the career lifecycle for all employees, including full-time and contract employees. In particular, we operate educational programs to support the stable adaptation of new employees and to strengthen job expertise and leadership for employees.

New Employees
NC operates a systematic onboarding process to ensure new employees adapt stably to the organization and perform their duties smoothly. For new hires through open recruitment, a two-week introductory education program is provided to enhance understanding of the company and industry and acquire basic job knowledge. For experienced hires joining at various times, stepwise programs are offered starting with orientation on the first day, followed by 'Jump-on' to understand the company and 'Melt-in' to adapt to the organization.

Support for Professional Certification
NC supports full-time employees in acquiring professional certifications with high job fit to enhance expertise regarding correct standards and procedures in actual projects.

In 2024, a total of 11 employees obtained professional certifications, and in 2025, NC plans to continuously foster experts by reviewing and adding effective certifications highly relevant to job functions.

Category	No. of certified employees
Wwise Certification (Wave Works Interactive Sound Engine)	4
PMP (Project Management Professional)	2
LEED Green Associate	2
CKAD (Certified Kubernetes Application Developer)	1
CKA (Certified Kubernetes Administrator)	1
CISSP (Certified Information Systems Security Professional)	1

Enhancement of Job Performance Competency
NC operates various educational programs to enhance employees' job expertise and work productivity.

Learn+ Self-Study	·**Overview** Monthly self-directed learning by selecting desired competency development courses; linked with 'external education platforms' for knowledge and skills needed in actual work. ·**Topics** Programming/AI/Game Planning/Data Science/Marketing, etc. ·**Performance** Total of 2,344 learners in 2024.
Insight Class	·**Overview** Special lectures by internal and external industry experts providing IT industry trends and insights ·**Topics** IT/Game/Technology, etc. ·**Performance** Total of 2,943 learners in 2024.
Game Data Utilization Course	·**Overview** Education to strengthen game data utilization capabilities based on NC IP and platforms. ·**Method** Theoretical and practical learning tailored to data utilization difficulty levels per job (beginner/intermediate/advanced). ·**Performance** Total of 502 learners in 2024.

Leadership Competency Strengthening
NC recognizes the importance of leaders' roles for sustainable growth and a healthy corporate culture and operates systematic education programs to strengthen their competencies.

Category		Effectiveness (point)
Newly Appointed Team Leaders	**Onboarding for New Team Leaders** ·A phased onboarding program that supports new team leaders in quickly adapting to their roles over the course of their first year after appointment	4.3/5
Team Leader-Level Managers	**Team Leader Playlist** ·Tailored leadership programs to strengthen skills in work, organization, people, and self-care	4.3/5
Executives and Senior Managers	**NC Hakdang** ·Strengthening leadership and resilience required of leadership groups during times of change and crisis ·Providing insights to support sound judgment and decision-making amid uncertainty	4.3/5

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Performance Appraisal and Compensation

Performance Management

NC implements performance management annually based on the Plan-Do-See Cycle, which includes target setting (Plan), mid-year performance check (Do), and year-end evaluation (See) to ensure fair evaluation. Additionally, detailed guides are provided for each stage of the performance management process to enhance operational effectiveness. As a result, leaders strengthen their coaching and feedback competencies to actively motivate members and support the growth of both members and the company.

In 2024, NC systematically segmented and provided guides for participants and evaluators at each stage of the Anchor Meeting and Individual Evaluation System operations, understanding and execution of the system were enhanced. Moving forward, we aim to continuously improve performance by linking organizational and individual performance and increasing acceptance of evaluations.

Performance Appraisal

Anchor Meeting	Anchor Meeting is a goal-setting process for employees' growth, where goals are established and reviewed, and work direction is discussed. It has been operated with a pre-preparation period to strengthen the linkage between company strategy, organizational goals, and individual goals.
Individual Performance Appraisal	NC conducts ongoing mid-year reviews based on goals set through Anchor Meetings and performs annual individual performance appraisals. Feedback is provided on mid-year reviews and evaluations to help employees self-improve and grow. The individual performance appraisal system has strengthened procedural fairness through an appeal process, and to enhance objectivity and acceptance, various reference materials were provided to final evaluators for objective performance verification and judgment.
Executive Performance Appraisal	NC conducts year-end leader evaluations annually, comprehensively considering leadership competencies alongside organizational performance. In 2024, organizational performance goals were set for all executives at the beginning of the year, followed by rigorous year-end evaluations based on these goals.
Leadership Multidimensional Performance Appraisal	NC conducts Leadership 360-degree Evaluations to promote the growth and development of executives' leadership. From 2025, the evaluations will resume to foster leadership growth and development among executives, as well as to monitor appropriate leadership performance, and be linked and utilized during appointment and dismissal of positions.
Organizational Performance Appraisal	In 2024, to strengthen the linkage between company business objectives and organizational goals, guidelines were provided to reflect company objectives in each organization's goals. Through goal-sharing meetings and mid-year performance checks, achievement levels of business objectives and implementation results of organizational goals were confirmed. The system linking business objectives, organizational goals, mid-year checks, and organizational evaluations has operated smoothly, with plans to improve and advance this process in 2025.

Compensation

Compensation Principles

NC implements various systems to provide employees with industry-leading compensation.

1. Based on a performance-driven compensation philosophy, NC operates a fair and rational compensation system through resolutions and approvals by the Compensation Committee.
2. NC aims for industry-leading levels in total compensation.
3. NC operates a compensation system for new IP launch and development performance considering the characteristics of the business
4. NC operates a Starting Salary System[1] that eliminates the concept of seniority when determining compensation.
5. NC provides exceptional treatment for key talents.
6. NC implements a non-inclusive wage system that compensates based on actual working hours
7. NC operates customized retirement pension systems for employees.

1) Starting Salary System: No-capped salaries for talent based on competency and expertise

In line with our compensation principles, we annually review regular salary increases to ensure no unfair pay disparities exist due to non-performance factors (such as gender).
In 2025, we are considering revising the compensation system within reasonable limits to strengthen development competitiveness and motivate employees.

Variable Compensation System

PI (Performance Incentive)		• Incentive payment system linked to organizational and individual performance (annually)
D-PI (Development PI)	Launching Bonus	• Incentive system paid to employees of organizations contributing to the development and launch of new games and IPs. • Eligible recipients: responsible organization employees and collaborating contributors.
	PS (Profit Sharing)	• Incentive system rewarding employees of organizations contributing to the business and service processes of new games and IPs with a portion of the performance. • Eligible recipients: responsible organization employees and collaborating contributors.

Human Capital Management

Employee Diversity and Inclusion

Diversity Enhancement Activities

NC is composed of employees from diverse backgrounds and values, respecting each other's unique strengths and characteristics to foster a 'One Team' organizational culture.

Internal Diversity Enhancement

NC prioritizes job- and role-based competencies over gender in its hiring and leadership appointments. Over the past four years since 2021, women have accounted for an average of 39% of new hires and 20% of leadership positions.

NC also employs professionals from diverse national backgrounds—including Asia, the Americas, Europe, and Oceania—who contribute their expertise across various functions such as game design, programming, art, sound, QA, live operations, public relations, and legal. These employees play a vital role in strengthening the company's diversity, inclusion, and global competitiveness.

Recruitment Rate (4-Year Average) — Female **39**%

Leader Rate (4-Year Average) — Female **20**%
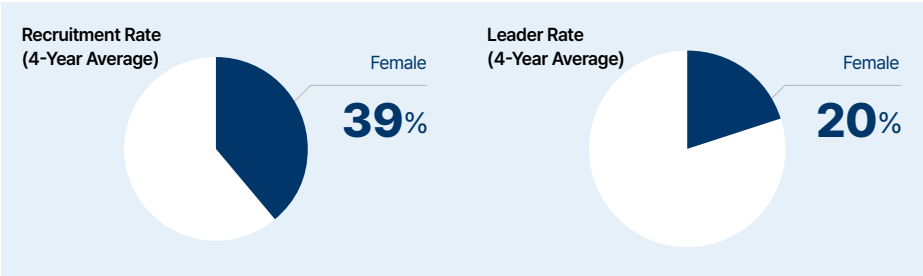
Employment of Employees with Disabilities

NC hires employees with disabilities, providing tailored support to ensure challenges do not become discrimination and conducting practical training programs.

The welfare space 'Nail Care Room,' opened in April 2023, has expanded work opportunities for hearing-impaired employees who previously faced communication barriers in service and design roles. Since July 2024, the entire process of the reusable cup system has been carried out by employees with severe disabilities. They manage collection, washing, and placement of reusable cups across two company buildings, significantly contributing to spreading eco-friendly values within the company.

Additionally, NCSOFT Service (NCSS), responsible for customer support of NCSOFT's games, was converted and certified as a Subsidiary-Type Standard Workplace for the Disabled in 2018.

Work-Life Balance

NC promotes a sustainable work environment by supporting work-life balance considering employees' life cycles. Through reforming work and welfare systems and expanding welfare facilities, employees are supported to achieve a balance between engagement and recovery to perform at their best, leading to improved job satisfaction and company-wide focus on competencies.

Work-Family Balance and Maternity Protection Support System

NC operates work-family balance support systems exceeding legal standards through collective agreements and rule revisions. Parental leave is supported for up to two years, and spousal maternity leave can be used flexibly within one year from the birth date. In 2025, system expansion reflecting amendments to relevant laws on maternity protection is planned.

Category		Details
Leave	Parental Leave	• Extended leave of up to 2 years and 6 months for pregnant employees or those raising children under 8 (includes 1 year statutory leave + 6 months additional + 1 year company-sponsored)
	Family Care Leave	• Annual unpaid leave of 30-90 days for employees needing to care for family members due to illness, accident, or old age
Time-off	Maternity Leave	• Paid/unpaid leave for childbirth (Single birth: 90 days, Premature birth: 100 days, Multiple births: 120 days)
	Paternity Leave	• 20 days of paid leave for employees whose spouse has given birth (can be taken flexibly within one year of birth)
	Family Care Day-off	• Up to 10 days of unpaid leave for family care or child-rearing needs
	Fertility Treatment Leave	• 6 days annual leave for fertility treatments or accompanying a spouse (2 days paid, 4 days unpaid)
	Pregnancy Loss Leave	• Paid leave provided according to pregnancy week regulations in case of miscarriage or stillbirth during pregnancy period
System	Reduced Work Hours During Pregnancy	• 6-hour workday (30 hours/week) throughout pregnancy
	Reduced Work Hours for Childcare	• 3-7 hour workday (15-35 hours/week) for up to one year for employees with children under 12
	Reduced Work Hours for Family Care	• 15-30 hour work week for up to one year for family care, child-rearing, personal illness/injury, or academic pursuits
	Prenatal Check-up Time	• Time off for prenatal check-ups and fetal health screenings, as per regulations
	Nursing Time	• Up to one hour of paid nursing time daily for mothers within one year postpartum
Facilities	In-House Daycare Center	• In-house daycare facility for children aged 1-5, offering custom childcare, education, health, and safety programs
	Women's Lounge	• Dedicated space in women's lounge for breastfeeding and pumping
	Parking Support	• Reserved parking for pregnant employees and those with children in the in-house daycare center (until delivery or child's withdrawal from daycare)

Human Capital Management

Employee Diversity and Inclusion

Work-Life Balance

Labor-Management Council

NC operates a Labor-Management Council based on <the Act on the Promotion of Employees Participation and Cooperation>, aiming to enhance mutual benefits and communication between labor and management. The council consists of three employer members and three employee members elected by employees, holding regular meetings quarterly. Through the council, various agendas related to improving working conditions and grievance handling are discussed, and operational and consultation matters are shared with employees via the company bulletin board.

In 2024, agendas included discussions on processes for operating welfare facilities and systems, systems for work convenience, and employee health management measures.

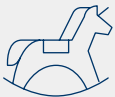| Date	Key Agendas
April	· System discussions for improving welfare facility operation and asset repair processes · Discussions on methods for conducting job expertise enhancement training
July	· Expansion of the scope of support systems for employee work convenience · Sharing effectiveness of employee health management measures
October	· Sharing plans for improving personnel transfer processes
January (2025)	· Sharing detailed policies for welfare system operation

Additionally, NC recognizes freedom of association in accordance with the International Labor Organization (ILO) Declaration. In 2023, the labor union was newly established and has been engaged in signing collective agreements and collective bargaining.

Laughing Peanut (In-House Daycare Center)	'Laughing Peanut' is an in-house daycare center caring for the children of NC employees. At the end of 2024, approximately 300 infants and toddlers are being cared for across two centers located in the R&D Center and Alpharium Tower. Laughing Peanut supports young children to grow as global citizens and continuously strives to be a daycare where teachers, children, and parents share happiness together. During the 11th graduation ceremony held in February 2025, a special moment was shared as the youngest child of an employee who has sent all four children to Laughing Peanut since 2014 graduated.

Psychological Counseling Center

NC operates a Psychological Counseling Center to alleviate employee grievances and promote mental health. Two professionally qualified counselors are stationed full-time, providing comprehensive counseling on company-related topics such as work and work environment stress, organizational adaptation, career/retirement, as well as personal issues including family relationships, interpersonal relations, and personality. All counseling content strictly adheres to confidentiality principles. Support extends beyond NC employees to include subsidiary employees, as well as employees' spouses and children.

In 2024, a total of 1,566 psychological counseling sessions were conducted, with 27% related to company topics and 73% to personal topics. In 2025, NC plans to continue supporting employee grievance mitigation and mental care, implementing associated programs to manage risks for specific topics/groups experiencing ongoing psychological difficulties.

Group Counseling Program

NC operates group counseling programs for vulnerable groups targeting common difficulties expressed by employees. Through these programs, the company manages factors that hinder employee work engagement. Participants form mutual support groups within homogeneous groups to comfort and encourage themselves and colleagues, seeking psychological solace and positive change.

In 2024, the program was conducted for 44 employees struggling with stress management. Participants showed an average 31% reduction in stress index and a 16% improvement in burnout index compared to before participation. Additionally, participants reported developing 'trust/belief' in receiving company support and gaining 'psychological comfort' through empathy with colleagues.

In 2025, NC will continue identifying major topics and groups with significant psychological difficulties among employees, expanding and enhancing program operations to alleviate employee distress and enhance psychological well-being.

Welfare and Benefits

To support employees' work-life balance, NC operates a Flexible Working Hours System (Completely Autonomous Flexible Attendance) without core time or minimum working hours, and implements the GateOff system to prevent unnecessary overtime. Additionally, welfare systems are operated and restructured to improve all employees' working environment and quality of life. In 2024, the usage period for paid annual leave granted to employees was extended until March of the following year, and welfare card support amounts were increased.

Welfare Facilities	
Fitness	· Personal Training, GX (Group Exercise) room, screen golf course, indoor gym, spa (sauna and Korean dry sauna)
Library	· Over 40,000 domestic and international books, periodicals, multimedia including e-book available to all employees
Nail Care Room	· Operated by NCSOFT Service (NCSS), a subsidiary-type standard workplace for people with disabilities · Managed by nail technicians with hearing disabilties, providing basic nail care and gel care services

Welfare System	
Welfare Card	· Welfare points of KRW 3 million per year provided to all employees
Resort	· Support for discount coupons on resort room reservations and accommodation booking platforms nationwide for corporate members
Loan Support	· Support for housing loan interest (2.2% up to KRW 100 million) and provision of living stabilization loans at interest rates lower than market rates (up to KRW 30 million)
Holiday Gifts	· Gift certificates worth KRW 300,000 each for Lunar New Year and Chuseok provided to all employees
Birthday Gift	· Gift certificates worth KRW 100,000 provided to all employees on their birthdays
Long-term Service Award	· Upon 5, 15, 25 years of service, welfare card worth KRW 1 million and additional 10 days of leave are granted · At 10 years, a KRW 10 million Refresh Card and 10 days of leave are provided · At 20/30 years, choice of a KRW 10 million Refresh Card, paid sabbatical month, or special commemorative gift and additional 10 days of leave are granted
Post-Scholarship	· Support for university and graduate school tuition loans up to KRW 15 million for new full-time employees with less than 2 years of experience
Others	· Discounted tickets for Changwon NC Park games, support for NC Dinos holiday games and group outing · Commuting support including shuttle bus expenses and parking support

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Human Rights Management

NC strives to respect and protect the rights of all stakeholders throughout its business operations. In 2021, NC established the Human Rights Management Declaration to lay the foundation for mid- to long-term human rights management. The ESG Steering Committee oversees comprehensive management and supervision of human rights management, while the ESG Management Division collaborates with related departments such as the Ethics & Compliance Division to establish and implement the human rights management system.

Policy

Human Rights Management Declaration

NC respects the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organization (ILO) declarations, which are universally recognized standards in the international community. Based on these, NC established the Human Rights Management Declaration in 2021 to protect the human rights of employees, business partners, users, and local communities. NC's Human Rights Management Declaration outlines the direction, objectives, scope of application, and fundamental principles of human rights management.

Human Rights Management Declaration >

Scope and Principles

NC's Human Rights Management Declaration covers employees of the headquarters and subsidiaries. Furthermore, to promote the value of respecting human rights, NC recommends that business partners who transact with NC also practice the principles of the declaration.

Employees	· Prohibition of discrimination against employees · Prohibition of forced labor and child labor · Fair and reasonable compensation, ensuring a safe working environment
Users	· Creation of a safe and enjoyable game environment · Prohibition of discrimination against users (customers) · Data privacy protection and compliance with laws and regulations
Business Partners	· Prohibition of undue influence and establishment of fair trade relationships · Practice of human rights management by business partners and support for implementation
Community	· Protection of human rights of community members in business operations · Support for marginalized groups and future generations · Environmental protection

Strategy

NC has developed a mid- to long-term roadmap to respect and protect the rights of employees, users, business partners, and community members, and is implementing related activities. Through materiality assessments and other evaluations, NC recognizes the importance and necessity of the human rights management system and continuously reviews related policies.

Establishment (Until 2025)	· Revision of policies including the Human Rights Management Declaration · Establishment of human rights management implementation framework · Employee education and training to raise awareness of human rights (Including anti-discrimination content in ethics training)
Advancement (2026–2027)	· Introduction of human rights risk identification and assessment process · Expansion of human rights education and training programs · Promotion of campaigns to foster a culture of respecting human rights
Expansion (After 2027)	· Expansion of human rights management system to subsidiaries · Expansion to supply chains including business partners and suppliers

Human Rights Management

Grievance Reporting Channel

NC operates an internal grievance handling channel, 'NC Tong,' which listens to and effectively addresses employees' grievances and opinions. Additionally, the company runs a 'Clean Reporting Center' for external stakeholders, including business partners, to anonymously report or whistleblow on employees' violations of laws, unfair practices, corruption, and other misconduct. Upon receipt of reports, NC conducts investigations and takes necessary actions, such as disciplinary measures and process improvements.

Grievance Handling Channels

Category	Target	Reception Topics
NC Tong	Employees	• Reception Topics: Reports on human rights issues such as workplace sexual harassment and bullying, suggestions for improvement of internal policies/systems and working environment, etc.
Clean Reporting Center	External stakeholders including business partners	• Reception Topics: Reports on violations of laws and human rights by NCSOFT and its subsidiaries' employees, various forms of misconduct and corruption, etc.

Clean Reporting Center >

2024 Grievance Reporting/Handling Status[1]

Category		Unit	Misconduct			Simple Grievance	Policy Proposal	Total
			Discrimination[3]	Anti-corruption	Information Security			
Reports/Investigation	NC Tong	Case	19	3	1	13	2	38
	Clean Reporting Center	Case	-	3	-	36	-	39
Actions Taken[2]		Case	19	6	1	49	2	77
Action Rate		%	100	100	100	100	100	-

1) Scope : Includes some separate and consolidated data (Due to the difficulty in separating data for NC's technology subsidiaries NC QA and NC IDS, established through a physical division in October 2024, this data is included on a limited basis)
2) Includes all necessary actions for grievances received in 2024, such as conducting investigations, referrals to the Grievance Handling Committee, and referrals to policy-related departments
3) Includes sexual harassment, bullying, and other forms of discrimination

NC Tong Grievance Reporting and Escalation Procedures

To ensure the security of reported cases and protection of whistleblowers*, we apply principles such as anonymous reporting, whistleblower protection measures, non-retaliation, and confidentiality. All cases are managed according to the NC Tong grievance reporting and escalation procedures. The action results are reported to the Chief Audit Officer of the Legal Center and the Audit Committee. Even after case resolution, we prevent recurrence of similar incidents through regular monitoring to establish follow-up measures and company-wide training.

Report and Intake → **Investigation** → **Action**

Report and Intake

Dedicated Dept.
Ethics & Compliance Division

Process
• Reports/receives misconduct (such as workplace bullying, sexual harassment), simple grievances, policy proposals via nano NC Tong (PC·mobile)
• If formal investigation is not preferred, simple consultation is available
• (With reporter's consent) Investigation is conducted promptly after report submission

↓

Consultation

Dedicated Dept.
Ethics & Compliance Division

Process
• Identify case overview and reporter's requests
• For consultations involving gender-based incidents such as sexual harassment, at least one female investigator must participate
• Consultants are obligated to maintain confidentiality

Investigation

Simple Grievances, Policy Proposals

Dedicated Dept.
Grievance Handling Committee, Relevant policy departments

Process
• Verify facts related to received reports
• Review feasibility and necessity for improvement of proposals
• Investigators are obligated to maintain confidentiality

Misconduct

Dedicated Dept.
Ethics & Compliance Division

Process
• Investigate victims, subjects of investigation, and related parties
• Conduct prompt investigation if objective evidence (recordings, emails, messenger logs, etc.) is available
• Implement appropriate measures such as workplace relocation or paid leave if victim protection is required under relevant laws
• Investigators are obligated to maintain confidentiality; retaliation against whistleblowers is prohibited

Action

Notification of Processing Results

Dedicated Dept.
Ethics & Compliance Division

Process
• Promptly notify the reporter of the results after grievance handling is completed
• Report results to the Chief Audit Officer (Head of Legal Center) within two weeks after individual audit completion
• Report audit results to the Board's Audit Committee on a quarterly basis

If misconduct is confirmed

Dedicated Dept.
Ethics & Compliance Division

Process
• Implement disciplinary actions against perpetrators and workplace relocations in accordance with relevant laws
• Implement appropriate measures such as workplace relocation, job reassignment, or paid leave upon victim's request, in accordance with relevant laws

* NC does not put whistleblowers at a disadvantage for their act of whistleblowing by keeping cases strictly confidential in accordance with relevant laws (Labor Standards Act, Equal Employment Opportunity and Work-Family Balance Assistance Act, Public Interest Whistleblower Protection Act, etc.) and bylaws (Article 8 of NC Tong Managing Regulations – Prohibition of whistleblower retaliation and Protection of Whistleblowers)

Occupational Health & Safety

Oversight and Management

Decision-making Body and Dedicated Organization

Occupational Health and Safety Committee

Composition	3 employer members including CSMO (Chief Safety Management Officer), 3 employee members
Operating Regulations	NC Occupational Health and Safety Management Regulation
Roles & Responsibilities	As the highest decision-making body for Occupational Health & Safety, deliberation and resolution of safety and health activities
Operating Cycle	Quarterly
Management and Oversight	· Matters related to the establishment and revision of occupational health and safety regulations, procedures, guidelines, standards, and rules · Matters related to the establishment of prevention and action plans for occupational health and safety · Matters related to inspection and improvement of the work environment · Matters related to safety and health measures for equipment and facilities · Matters related to employee health examinations and management · Matters related to the implementation of occupational health and safety training
2024 Activities	· 2024 Risk Assessment · Investigation of musculoskeletal work-related risk factors · 2024 Employee health check-ups · Joint safety and health inspections with in-house contractors · Progress and plans for company-wide emergency response management system
Report to Board of Directors	· Report on 2024 Occupational Health and Safety Plan (Regular Board Meeting, February 2024) : 5 agenda including occupational health and safety management policies, 2024 goals, 2023 occupational health and safety activity results, etc.

Dedicated Organization

Health and Safety Management Division	· Management of company-wide occupational safety and health system and emergency response · Compliance with Occupational Safety and Health Act and Serious Accidents Punishment Act
Health and Safety Policy Support Division	· Operation and support of company-wide occupational safety and health management system

Policy

NC establishes and implements an occupational safety and health management system that reflects industry characteristics to proactively prevent and respond to safety and health risks across its entire supply chain, including employees and business partners. These measures are formalized through regulations and policies, and are managed and supervised by higher governance bodies such as the Occupational Health and Safety Committee.

Occupational Health & Safety Related Regulations/Policies >

Risk Assessment

NC conducts annual risk assessments to identify and manage risk factors across all business sites. The Safety and Health Management Division leads this process, reporting the risk assessment plans and results to the Occupational Safety and Health Committee.

Following the 2023 revision of the Ministry of Employment and Labor's risk assessment guidelines, a checklist method was added to the existing risk assessment system. Risk factors are evaluated and identified using both quantitative and qualitative criteria. Quantitative risk assessment measures include the number of items exceeding the unacceptable risk level (score of 6) and the average quantitative risk score of major risks. Qualitative evaluation is conducted through checklist inspections for each risk factor.

In 2024, NC conducted risk assessments at two business sites (R&D Center and NC Tower I), identifying a total of 690 risk factors (462 at R&D Center, 228 at NC Tower I). Among these, seven were identified as unacceptable risks (six at R&D Center, one at NC Tower I). Improvement measures have been established and will be implemented for these unacceptable risks to reduce their average risk levels. Progress and effectiveness will be reviewed during the 2025 regular risk assessment.

The 2024 effectiveness assessment of mitigation measures for 26 risk factors newly identified in 2023 (15 at the R&D Center, 11 at NC Tower I) confirmed that 21 have been fully addressed, and the average risk level of each factor has decreased.

Risk Assessment Process

❶ Identification of Risk Factors	Identify occupational health and safety related risk factors through analysis of past incidents, relevant regulations and bylaws, and interviews with workers.
❷ Conducting Risk Assessments	Conduct risk estimation based on quantitative indicators (such as probability and severity) derived from workers' behaviors, after providing prior education to relevant departments.
❸ Risk Determination	Based on Assessment Results, identify factors exceeding unacceptable levels and those requiring improvement, and select items that need priority attention.
❹ Mitigation and Risk Improvement	Develop and implement improvement plans for each identified risk factor.
❺ Effectiveness Evaluation	Evaluate the effectiveness of improvement activities and determine completion status through quarterly joint occupational safety and health inspections and annual risk assessments.
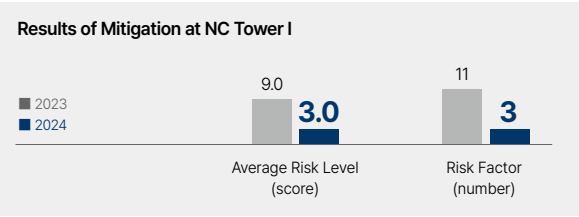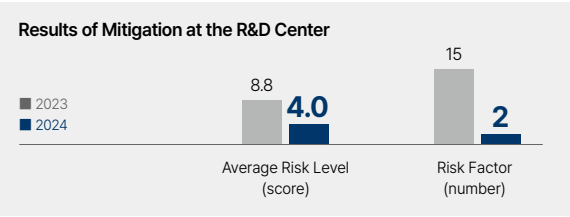
Results of Mitigation at the R&D Center

- 2023
- 2024

	Average Risk Level (score)	Risk Factor (number)
2023	8.8	15
2024	4.0	2

Results of Mitigation at NC Tower I

- 2023
- 2024

	Average Risk Level (score)	Risk Factor (number)
2023	9.0	11
2024	3.0	3

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Occupational Health & Safety

Safe and Healthy Work Environment

NC regularly conducts joint safety inspections with business partners and provides safety and health awareness education and training for employees to ensure that all workers, including partner companies' workers, can work in a safe and healthy environment. Additionally, health promotion programs and facilities are operated to manage employees' health and well-being.

Regular Safety Inspections

In accordance with the Occupational Safety and Health Act, NC periodically inspects safety and health conditions for employees and partner companies' workers. Joint workplace inspections (weekly) and safety and health checks (quarterly) are conducted with 17 in-house contractors to ensure compliance with safety and health obligations and prevent occupational accidents. The results of these inspections are reported quarterly to the Occupational Safety and Health Committee and integrated into the organization's overall occupational safety and health management feedback system.
In 2024, NC expanded the inspection scope to include safety and health measures for subcontracting activities of two new affiliates: NCSOFT Service and Laughing Peanut Children's Foundation.

Safety Education and Training

NC conducts training to raise employees' awareness of occupational safety and health to establish a culture of safe working environments. The company issues a safety handbook semi-annually to guide employees on safety rules to be observed in offices and response methods in emergencies. Furthermore, to enhance employees' response capabilities during disasters and emergencies, NC provides both education and practical training. In 2024, training on earthquake and tsunami response procedures was conducted. Guides on managerial roles and response protocols during emergencies were distributed to occupational safety and health supervisors (director-level positions). Fire evacuation drills were also conducted for all employees across three offices to improve emergency response skills, including the use of descent escape devices.

Category	Content
Education	• **Safety Handbook** Actions during fire alarms, use of fire extinguishers, proper use of power strips
	• **Online Training** Earthquake and tsunami response procedures, in-house heating appliance usage guide
	• **Supervisor Training** In-house accident prevention guidance, reporting and response procedures during emergencies, etc.
Emergency Evacuation Drill	• Fire evacuation drills including CPR, use of descent escape devices, and fire escape maze practice

Health Promotion Activities

NC operates programs to promote employees' health and pursues preventive measures for diseases that are more likely to occur due to industry-specific characteristics. To enable employees to manage their health regularly, NC provides health examination, both examination costs and leave. Since 2023, additional support for brain MRA scans has been provided for employees aged 40 and above who have a higher risk of cerebrovascular diseases.

System	Description
Medical Plan	• Provides medical expense support for hospitalization and outpatient treatment for employees, their spouses, children, and parents • Offers choice between indemnity-type and fixed-amount coverage options
Health Check-up	• Annual health check-up for employees, Option to transfer check-up benefits to family members (biennial) • Brain MRA screening for employees aged 40 and above (every 5 years) • One day of paid leave for comprehensive health examination

Additionally, NC conducts an annual pre-diagnostic survey targeting Occupational Health and Safety Supervisors (Director-level positions) to verify whether they are engaged in tasks that may cause musculoskeletal strain. In 2024, 100% of supervisors participated in the survey, confirming no tasks classified as burden work.

Medical Center

Since 2013, NC has operated an in-house medical facility called the Medical Center within the R&D Center to support employees' physical and mental health. It provides specialized diagnosis and treatment for musculoskeletal disorders, autonomic nervous system (stress) tests, internal medicine consultations and prescriptions, dermatological treatments, and vaccinations. Additionally, NC runs programs encouraging disease prevention through lifestyle improvements. In September 2023, in cooperation with Bundang District Public Health Center, NC implemented a comprehensive smoking cessation program, including systematic counseling by specialists.

Metrics and Targets

NC operates an occupational health and safety management system with the mid- to long-term goal of zero serious accidents and a Lost Time Injury Frequency Rate (LTIFR) below 0.5%, to create a safe and healthy working environment for employees.

Category	Unit	Year				Mid- to Long-term Goal
		2021	2022	2023	2024	
Number of Serious Accidents	case	0	0	0	0	0
Lost Time Injury Frequency Rate[1]	%	0.11	0.1	0.19	0.25	Below 0.5

1) Lost Time Injury Frequency Rate (LTIFR) =
(Total number of lost time injuries) / (Total hours worked) × 1,000,000

Corporate Social Contribution

NC [WITH] PLAY

NC [WITH] PLAY represents NC's unique corporate social contribution project launched in 2022. It is driven by voluntary participation from employees to go beyond simply doing good, aiming to create a better world together and share joy. The project name changes within [ ] depending on the theme of the activity, and NC will continue to expand activities under wide-ranging themes including future generations, communities, and environmental protection in line with the value of "Qualitative Leap of Society". In 2024, a total of four NC [WITH] PLAY events were held, and efforts will continue to establish employee-participatory social contribution activities as a sustainable culture of sharing at NC.

Strategy

Approach

Move beyond merely doing good
to sharing joy together
and making the world a better place

Core Values

Qualitative Leap of Society

Core Areas

Environmental Protection	Future Generations	Community

Roadmap and Implementation Goals

Introduction (2022)	Initiated a pilot program
Expansion (2023–2025)	**Expanding and Strengthening of Activities** · Expanding activity target areas · Increase in number of participants · Diversifying activity topics
Stabilization (2026 and beyond)	**Cultivating a Culture of Voluntary Participation** · Launching an official volunteer groups · Establishing of a support system for self-initiated volunteering

Implementation Activities

NC [DONATION] PLAY

Shared Item Donation October 21–25, 2024	· Collaborated with 'Goodwill Store,' an organization supporting the independence of people with disabilities, where employees donated unused personal items · Realizing the value of resource circulation and sharing
	167 employees participated **1,957** items donated

Blood Donation and Donation of Certificates December 4–5, 2024	· Collaborated with Hanmaeum Blood Center to conduct blood donation and blood donation certificate donation campaigns · Contributed to stabilizing local blood supply and promoted blood donation culture within the company
	48 employees participated in blood donation **33** certificates donated

NC [PROJECTORY] PLAY

NC employees participated as one-day adult peers 'crew' with horizontal relationship, engaging in activities that support youth members in expressing creativity and autonomy in their daily lives.

In 2024, the activity theme was expanded to 'Interest Workshop,' conducting workshops focused on information security and coding, topics of high interest to Projectory members.

Performance

NC was recognized as a newly accredited institution in the '2024 Corporate Social Responsibility in the Community' for its consistent and sincere corporate social contribution activities based on the core value of 'Qualitative Leap of Society.'

Game Culture Development

Sponsorship Projects

NC annually collaborates with domestic and international associations, organizations, and schools to conduct various sponsorship projects targeting future generations who will lead the game and content industries.

Details of Sponsorship Expenditures in 2024
(Unit: KRW million)

- Game Art/Development/Planning Contest: 4
- Content Industry Activation: 10
- Activation of Game Industry and Game Culture Exchange between Korea and Vietnam: 20
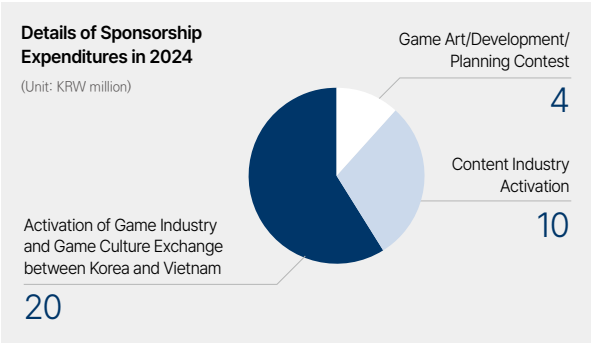
Education Projects

Since 2022, NC has independently conducted 'Game Literacy and Game Industry Career Special Lectures' annually for youth and university students, holding a total of nine sessions in 2024.

Through sponsorship of the Korea Game Industry Association's publication 'Game Literacy Education Guide for Improved Game Awareness,' we supported systematic game literacy education for all age groups from infants to seniors.

Additionally, we have continuously participated in the 'Game Career Special Lectures for Out-of-School Youth' organized by the Game Rating and Administration Committee. In 2024, NC participated twice, introducing various careers needed from game planning to launch to about 60 youth.

Corporate Social Contribution

🏠 ↺ ☰

Introduction

Where Joy Begins

ESG Performance

Environment

Social

Human Capital Management

Human Rights Management

Occupational Health & Safety

> Corporate Social Contribution

Win-Win Partnership

Responsible Technology

Governance

Appendix

Future Generation Development

Projectory

Since 2020, the NC Cultural Foundation has been operating the 'Projectory' program to enhance the creativity of future generations. 'Projectory' signifies a laboratory where individuals freely develop their own projects. Since its opening, approximately 900 youth members have conceived and executed projects here, discovering their unique creativity.

Number of Members	**1,170** persons
Number of Projects	**16,485** projects

* on a cumulative basis between 2020 and 2024

The Children's Choice Awards

The NC Cultural Foundation, in collaboration with the International Association of Theatre for Children and Young People (ASSITEJ) and Canada's Mammalian Diving Reflex, hosted the 'Projectory Open Workshop: The Children's Choice Awards'. Projectory members who participated in the workshop served as the awards ceremony operation team for ASSITEJ Korea Winter Festival in Seoul, establishing their own creative judging criteria and conducting the ceremony with trophies they made themselves.
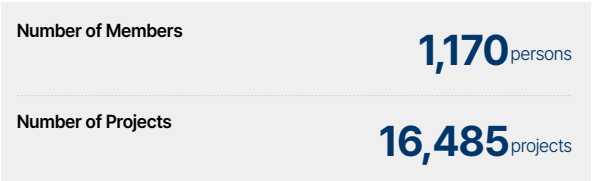
AAC (Augmentative and Alternative Communication)

Since 2015, the NC Culture Foundation has provided the 'My AAC' mobile app free of charge to support individuals with communication disabilities and has undertaken various initiatives to promote awareness of AAC.

In 2024, app accessibility was enhanced by integrating AI voice capabilities and optimizing vocabulary and layout with the help of special education experts. A community feature for users was launched to improve service convenience and accessibility, resulting in better user experiences for individuals with disabilities and the elderly, along with web/mobile accessibility certification. Additionally, 'On-site AAC Education' was conducted in collaboration with nationwide disability welfare centers to enhance AAC awareness. Training sessions in five regions, Seoul, Busan, Daejeon, Mokpo, Chuncheon, and Taean, engaged over 220 participants, including special educators and speech therapists, thereby improving AAC understanding and enhancing the intention to use 'My AAC'.

My AAC >

MIT STEM Outreach Program

Since 2016, the NC Cultural Foundation has collaborated with MIT (Massachusetts Institute of Technology) to conduct 'Exchange Activities with MIT Mentors' and education in science, technology, engineering, and mathematics (STEM) fields to enhance creativity and expand educational opportunities for future generations.

In January 2025, the program was conducted for 60 middle school students in Gyeongnam along with eight mentors.

Publication of Picture Books and Donation

The NC Cultural Foundation publishes picture books themed on 'Respect for Diversity.' In August 2024, it published the picture book 'Tomato' by author Jiyeon Lee, conveying messages of respect for diversity and inclusion through the process of a tomato seed sprouting and growing into fruit. To ensure reader accessibility, donations were expanded beyond public libraries, small libraries, and local children's centers to include family centers nationwide, delivering picture books to a total of 2,000 institutions.
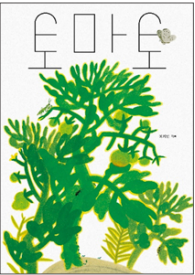
Tomato (Jiyeon Lee)
Selected as 'Best Book Design
in Korea' at the 2025 Seoul
International Book Fair

Global & Sports Corporate Social contribution

Raising Awareness of Diversity, Inclusion, and Belonging in the Community

NCW undertakes the 'Cultural Moments Initiative' to broaden awareness of diversity, equity, inclusion, and belonging (DEIB) among management and employees for children worldwide and minorities. As part of this initiative in 2024, events such as Black History Month, Women's History Month, Mental Health Awareness Month, and Pride Month were held, donating $38,200 to related organizations.

Narrative Mentorship (Game Career Mentoring)

ArenaNet has been conducting a mentoring program for individuals aspiring to careers in the game industry. In September, through the Game Devs of Color Expo, we engaged with a diverse group of participants including students, developers, and Guild Wars2 fans, conducting Q&A sessions on career development within the game industry. In November, the in-house Women in Gaming ERG (Employee Resources Groups) provided portfolio reviews and mentoring to junior talents aspiring to enter the game industry through GeekGirlCon.

D-NATION

NC Dinos operates the 'companio', 'sharing', and 'future' programs under its CSR brand D-NATION to practice sustainable contributions to communities.

D-NATION Website >

2024 Performance

Companion	**24,227** persons invited to attend games
	Masanhoewon-gu Office Hope Sharing Bridge Project, Gyeongsangnam-do Office of Education Welfare Priority Support Project, Nonghyup Bank & Education Vulnerable Groups under Gyeongsangnam-do Office

Sharing	KRW **23.4** million in contributions
	Linked to team records
	13,000 Dream Balls donated
	To 16 regional middle and high school baseball teams

Future	**17** players served as daily coaches
	operating one-day baseball classes

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Win-Win Partnership

Support for Business Partners

Procurement Process and Communication Channels

Since 2020, NC has operated an online NC E-Procurement Portal to enhance convenience for business partners and transparency in the procurement process.

The NC E-Procurement Portal supports smooth communication with business partners through inquiry channels, and issues such as inconveniences or complaints are received via a separate channel called the 'Clean Reporting Center.'

NC E-Procurement Portal ›   Clean Reporting Center ›

Financial Support Activities

NC provides full payment in cash twice a month to support the management stability and win-win partnership with business partners and additionally pays at the end of the month upon partners' request. Payment schedules comply within 30 days, with most payments made within 23 days to support partners' cash flow.

In 2024, NC paid a total of KRW 454.5 billion in cash to approximately 1,560 business partners.

Support for the Game Industry

NC has been continuously supporting game startups and indie game companies to revitalize and foster the development of the game industry ecosystem.

Key Activities in 2024

Name of Event	Recipients	Sponsorship
G-STAR 2024	As an annual global game exhibition, NC operates a booth to support startups in participating in G-STAR to revitalize the game industry. *2024 sponsorship recipients: SUPERJOY, OG, Allaf Games, 36Litters	KRW 35 million
2024 Indie Craft	An annual indie game contest initiated to foster indie games and promote a healthy game ecosystem.	KRW 10 million
Busan Indie Connect Festival	An annual global indie game festival that showcases a diverse range of indie games from around the world, featuring unique ideas and genres that are usually hard to access.	KRW 15 million

Case. Digital Restoration Project of the Silla Royal Capital

Since 2023, NC has been conducting the Digital Restoration Project of the Silla Royal Capital in collaboration with the Gyeongbuk Development Institute. Based on Scan Studio's latest scanning technology, the project aims to restore Korea's valuable national heritage as digital assets in the form of precise 3D restoration data. These assets have high scalability beyond mere preservation, applicable in games, metaverse, VR/AR, exhibitions, and educational content across various industries.

Furthermore, NC shares production technology through workshops and seminars to SMEs. We are sharing best practices in creating and optimizing 3D assets, from scanning and capturing data to post-processing, as well as implementing content based on the latest 3D engines.

Through this, we have supported SMEs in acquiring the scanning technology capabilities necessary for a real-time content creation environment. This win-win collaboration model contributes not only to the public value of cultural heritage preservation but also to strengthening industrial competitiveness.

G–STAR 2024, Startup with NC Booth

Digital Restoration Project of the Silla Royal Capital

Responsible Technology

NC aims to provide content and services that fulfill social responsibility in terms of diversity, safety, and accessibility to offer users a better experience. To this end, NC actively researches and applies AI technology used in game development and operation processes, to realize social responsibility from technology development to service application stages.

In its AI development efforts, NC emphasizes protecting user data, avoiding social bias, and creating AI technology that is easy to understand.

To achieve this, it respects user privacy and safeguards personal information during data collection and utilization. Additionally, NC takes care to avoid embedding prejudices or biases in AI technology development and application, working to ensure fairness.
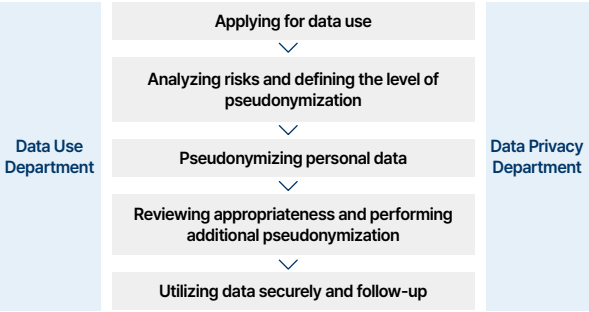
AI Safety Team

In 2025, NC established the 'AI Safety Team' to conduct systematic research and development and create solutions aimed at measuring vulnerabilities and enhancing the safety of generative models.

Key Roles

- Sustained efforts are essential to identify vulnerabilities and enhance the safety of generative AI models and services, ensuring they are not misused for illegal activities or to spread hate and bias. The AI Safety team continuously gathers test cases by risk category and develops safety evaluation tools to assess system vulnerabilities against various malicious inputs. These initiatives support the effective addressing of ethical considerations and adherence to safety standards in research and development.
- Ethical and safety policies for AI services continuously evolve with social changes and domain-specific characteristics. The AI Safety Team develops adaptable Safeguard technologies to meet diverse requirements across target domains. Furthermore, we are refining technology to generate attack prompts, enabling precise vulnerability assessments based on domain-specific scenarios and contexts, and applying these in automated Red Team test to strengthen service safety and reliability.

NC Data Use Process

Data Use Department	Applying for data use
	∨
	Analyzing risks and defining the level of pseudonymization
	∨
	Pseudonymizing personal data
	∨
	Reviewing appropriateness and performing additional pseudonymization
	∨
	Utilizing data securely and follow-up

(Data Privacy Department)

Data Use Policy and Process

NC complies with domestic and international data security regulations and has established and operates the <NC Data Use Policy and Process> to ensure safe data use.

This policy applies not only to NC employees (including contract and dispatched employees) but also to all personnel entering company premises. It also applies when personal data of service customers, employees, or partners managed by NC are additionally used for business purposes, externally provided, or combined with other data. To ensure information security, data is managed under storage principles including access rights control, log management, encryption, and destruction. When using publicly available external data, NC adheres to the licensing and usage policies of the respective institutions to maintain data security.

We operate a management process to analyze risks according to the purpose and scope of use of data, and to use it after anonymization and appropriateness review. We also apply this to the AI research and development process to safely use data.

Case. 1 Application of Data Protection Policy for Partners

In 2024, during the development of the VARCO Art service for a fashion company, NC established a separate contract to ethically and legally handle data used for AI model training and applied a data protection policy. This included security training, access restrictions, customer ownership of deliverables, prohibition of third-party provision and commercial use, and processing of image and text data provided by the customer within a closed cloud environment. Through this, NC aimed to proactively implement partner rights protection and data ethics standards in AI technology utilization.

Case. 2 Application of Data Protection Policy for Voice Actor Recordings

To protect voice actors' rights and ensure ethical use of AI technology, NC adheres to data protection policies and procedures during voice data collection. When recording voice actors, it clearly informs them in advance that their voices may be used for AI training and AI-based services and obtains consent accordingly. Collected voice data is managed separately according to its intended use, utilizing only voice recordings for which explicit consent has been obtained.

Personal Data De-identification Processing Technology

NC applies de-identification techniques to enhance personal data protection in AI-based game technologies and customer support services.

Policy	• Provision of processes for detecting and de-identifying personal information and unethical data within customer logs • Identification and removal of personal information in data used for model training • Advancement of personal information identification mechanisms for global compliance
Description	• Establishing infrastructure to record data use logs and track leakage routes in case of emergency • Developing personal data recognition technology (numeric pattern, names·character, ID) • Developing encryption, de- identification technology

To this end, NC protects personal information by de-identifying service logs accumulated during operations. Furthermore, it maintains separate systems for service logs and training data management to prevent users' personal information from being incorporated into AI model training datasets.

Case. 1 Real-time Chat Translation Service LivechatMT

LivechatMT, which translates chats between users in NC's game service in real time, automatically recognizes and masks data when game users enter personal phone numbers, emails, IP addresses, etc., in the chat window. In particular, to protect personal data in multilingual user chats across 19 languages, including Korean, English, Traditional Chinese, and Spanish, multilingual de-identification technology is applied.

Case. 2 Customer Consultation Automation Service NCER

NC's customer service automation system NCER applies de-identification technology to securely handle personal information for customer data protection. Specifically, personal information that may arise during consultations, such as customer names, birthdates, and payment details, is masked to prevent personal identification and minimize the risk of re-identification. Furthermore, bidirectional unethical content processing technology is applied to user inputs and system responses, ensuring that no unethical behavior occurs during interactions between users and models. We are continuously developing ethics-related technologies to prevent any potential harm that may occur during consultations.

Responsible Technology

AI Model Evaluation Technology and Verification Framework

Believing in the importance of verifying model performance alongside AI technological advancement, NC has internally developed and operates a sophisticated evaluation system. To contribute to the development of domestic AI technology, NC has released this system as open source.

OffsetBias

NC developed OffsetBias, a model to automatically evaluate outputs from LLMs (Large Language Models).

Evaluation models often display bias, overvaluing detailed and lengthy responses or familiar content despite irrelevance to the query during automatic evaluation. Additional training is needed for the model to favor accurate and unbiased responses.

To address this, we analyzed and presented bias types and developed and published a benchmark for comparative evaluations. Furthermore, we established a method to build training data that reduces bias and made this dataset publicly accessible. It has been used as core training data for top models on the RewardBench leaderboard, with the related paper cited 54 times.

VARCO Arena

In 2024, NC has developed and released VARCO Arena, a benchmarking framework that objectively and efficiently evaluates the performance of large language models (LLMs).

Unlike traditional evaluation methods relying on static datasets and predefined correct answers, VARCO Arena directly compares sentences generated by LLMs for more accurate evaluation. It requires minimal input for evaluation and does not need predefined answers, facilitating customized assessments. Additionally, by applying sampling techniques based on a tournament structure, it reduces the computational load required for result derivation, implementing a more environmentally friendly evaluation system. To ensure precise and transparent evaluation of AI technology, NC has publicly released VARCO Arena's demo and code to support universal utilization.

VARCO Arena >

AI Ethics Awareness Raising Activities

The NC Cultural Foundation is conducting various activities to promote the importance of AI ethics and raise public awareness in the rapidly developing AI era.

FAIR AI Conference

The NC Cultural Foundation hosted the AI ethics conference <FAIR AI 2024> on June 27-28, 2024, aimed at promoting balanced coexistence between humans and AI.

Co-organized with School of Digital Humanities and Computational Social Sciences at KAIST, the conference featured 18 speakers, including domestic and international AI experts discussing topics on AI ethics and 'Embedded EthiCS[1]'. The speakers engaged in in-depth discussions on ethical issues and challenges arising from AI development and AI ethics education. Over the two days, a total of 174 participants attended in person, and YouTube lecture views exceeded 100,000, raising social awareness in AI ethics.

The NC Cultural Foundation will continue to emphasize the importance of 'human creativity' and 'proper AI ethics education' necessary for balanced coexistence between humans and AI through various activities, aiming to guide the proper development direction of AI.

1) Embedded EthiCS: An interdisciplinary education combining humanities and social sciences with engineering to consider ethical and social implications during engineering processes.

FAIR AI 2024 >

FAIR AI Conference

FAIR AI Website

In May 2024, the NC Cultural Foundation launched 'FAIR AI,' an AI ethics information library website containing the latest information and resources related to AI ethics.

'FAIR AI' provides a variety of materials including news, academic papers, reports, educational curriculum, event information, and reference sites to enable anyone to easily and quickly access the latest information on AI ethics.

Furthermore, in 2025, the Foundation plans to expand the scope of information provision by enhancing FAIR AI's original content, such as educational materials related to Embedded EthiCS[2] and expert contributions.

FAIR AI Website >

Sponsoring AI Ethics Research

The NC Cultural Foundation has been continuously collaborating with leading global research institutions to establish ethical standards for the proper functioning of cutting-edge technologies, including AI, in society, and to develop educational curriculum.

Up to now, the Foundation has selected and supported MIT (NC Ethics of Technology Fund), Stanford University (NC Fellows Fund), and Harvard University (Embedded EthiCS Philosophy Postdoctoral Support Fund) to promote AI ethics research and educational advancement.

In 2024, the Foundation shared the achievements of its sponsorship for the development of the Embedded EthiCS education curriculum at the AI ethics conference <FAIR AI 2024>. Building on these results, in 2025, the Foundation plans to conduct joint research projects with Gwangju Institute of Science and Technology and Ewha Womans University to introduce Embedded EthiCS education in Korea.

Raising Awareness of Technology Ethics

Since 2023, the NC Cultural Foundation has been continuously supporting policy development research by the Carnegie Endowment for International Peace (CEIP), a leading global think tank.

In 2024, aligning with the Foundation's key direction of inclusive technology dissemination, it supported policy research aimed at bridging the technology gap experienced by socially disadvantaged groups in Korea.

Based on the research report to be published in 2026, we plan to create and distribute various content on the future directions of the technology.

Corporate Governance

Corporate Governance Policy

As a leading game company in Korea, NC is committed to transparent and responsible management. NC strives to contribute to people's happiness by bringing joyful ideas to life through the creation of high-quality, stable digital cultural content. NC upholds a management philosophy that emphasizes enhancing shareholder value through sustainable growth while protecting the interests of stakeholders and fulfilling social responsibilities.

Shareholders

Stock and Capital Structure

NC's Articles of Incorporation stipulate that the number of authorized shares be 100,000,000 shares. As of December 31, 2024, the number of outstanding shares amounted to 21,954,022 common shares.

In line with the 'One Share, One Vote' principle, NC grants equal voting rights to all issued shares. To ensure shareholders' rights and enhance accessibility, NC has implemented an electronic voting system. In addition, NC operates a proxy solicitation system for all shareholders.

When convening the shareholders' meeting, NC adheres to the 'Code of Best Practices for Corporate Governance' by disclosing the meeting details (including date, venue, and agenda) at least four weeks in advance to allow shareholders sufficient time to review them.

Shareholder Composition

(As of December 31, 2024)

Shareholder	Number of Shares Owned	Ownership
Taek-jin Kim, CEO	2,628,000	12%
Treasury Shares	2,556,537	12%
Public Investment Fund	2,032,411	9%
Netmarble Corporation	1,950,000	9%
National Pension Service (NPS)	1,803,733	8%
Others	10,983,341	50%
- Foreign Investors	6,015,046	27%
- Domestic Investors	4,968,295	23%
Total	21,954,022	100%

* As of the report publication date, following the retirement of 410,000 treasury shares at the end of March 2025, the total number of outstanding shares is 21,544,022.

Mid-to-Long Term Shareholder Return Policy

NC establishes and discloses a regular three-year dividend policy to enhance transparency and consistency in shareholder returns and to improve visibility of dividend scale.

The scale of dividends is determined through a comprehensive assessment of multiple factors, including the need to secure investment resources for sustainable growth, financial stability, and the enhancement of long-term shareholder value.

Respecting shareholders' rights to dividends and aiming to return an appropriate level of the company's profits to shareholders, NC has consistently maintained a steady dividend policy (payout ratio: at least 30%) since 2014.

Beginning with the dividend for the fiscal year 2024, the record date has been set after the dividend resolution to enhance predictability for investors.

Dividend for the Last Three Years

Category	2022	2023	2024
(Consolidated) Cash dividend payout ratio	31%	30%	30%
Total dividends paid (KRW million)	135,654	63,562	28,314
Dividend per Share (KRW)	6,680	3,130	1,460
Dividend Record Date	March 24, 2025	December 31, 2023	December 31, 2022

Mid-to-Long Term Shareholder Return Policy in 2025

In February 2025, NC's Board of Directors approved and disclosed a mid-to-long term shareholder return policy for the 2025–2027 fiscal year.

In accordance with the policy, NC retired 410,000 treasury shares in March 2025. (representing approximately 1.9% of total issued shares, valued at KRW 127 billion)

Under the policy, NC will distribute 30% of its consolidated net income (attributable to the owners of the parent company, excluding one-time non-recurring profit and loss) as cash dividends each year for three consecutive years, beginning in 2025.

Corporate Governance

Board of Directors

Roles & Responsibilities of the Board

In accordance with the Articles of Incorporation and Board Regulations, NC has established a Board of Directors and subcommittees within the Board. In line with the general principles of corporate governance, NC strives to build a sound, forward-looking growth system that safeguards the rights and interests of diverse stakeholders while fulfilling social responsibilities.

NC's Board of Directors, as the company's highest decision-making body delegated by shareholders, strategically and independently reviews and approves key management matters to create corporate value and protect the interests of shareholders and stakeholders.

Matters subject to the Board's review and approval include key business issues, such as corporate governance, major investment decisions, finance and accounting, and human resources. These matters are clearly defined and categorized as approval or reporting issues under the Board Regulation.

The Board discusses the company's sustainable development direction and independently fulfills its role of supervising the execution of management duties.

Attributes and Composition of the Board

Board Independence

NC sets the size of the Board at seven members to ensure prudent discussion and effective decision-making. Currently the majority of the directors (5 out of 7 or 71%) are outside directors and have no significant interest in the company, which ensures sufficient independence from management.

From the review process of outside director candidates, NC prioritizes individuals who are capable of exercising independent judgment and objective oversight over controlling shareholders and management. Upon accepting their appointment, outside directors submit a confirmation that they have no material relationship with NC.

> **Criteria for reviewing independence of outside directors (Excerpt from Article 382 of the Commercial Act)**
>
> · Individuals who have not been full-time employees of NC within the last five years
> · Individuals who have not been full-time employees within the last five years at companies with significant shareholding/trading/competitive relationships
> · Individuals who have not served as outside directors at NC for more than six years
> · Others who have no concerns regarding independence as outside directors due to relationships with NC

Furthermore, regular meetings composed solely of outside directors are held to encourage in-depth discussions among them in an independent environment.

Board Diversity

From the initial stages of director candidate review, NC ensures a non-discriminatory approach regardless of gender, race, nationality, region, or cultural background. Candidates are considered based on a comprehensive assessment of their expertise and experience.

The Board is structured to fulfill its roles and responsibilities through objective and rational decision-making, supported by effective discussions from diverse perspectives. To this end, it is composed with a balanced mix of knowledge, experience, competencies, and gender, thereby promoting diversity.

As of this report's publication date, three out of five outside directors are female, two of whom serve as chairs of their respective committees.

Board Expertise

NC's Board of Directors is comprised of experts from a wide range of fields, including management, investment, finance/accounting, law, risk management, industrial technology, and ESG.

Each member of the board contributes extensive expertise and experience, fulfilling their responsibilities with professionalism and diligence. The Board engages in thorough deliberation on agenda items, leading to well-informed and substantive decision-making.

Through this approach, the Board ensures that the perspectives of all stakeholders, including shareholders, are considered in a balanced manner, thereby making meaningful contributions to the company's management.

Board Skills Matrix (BSM) >

Corporate Governance

Board of Directors

Composition of the Board and Board Skills Matrix

(As of May 2025)

Category	Name	Gender	Career	Committee Activities (●: Chair / ○: Member)			Tenure	Board Skills Matrix						
				Audit Committee	Compensation Committee	Outside Director Nomination Committee		Management	Investment	Finance/ Accounting	Legal/ Policy/Risk Management	Industry Technology/ Experience	International Relations	ESG
Executive Directors	Taek-Jin Kim (Chair)	Male	• Current CEO of NCSOFT				March 2024 to March 2027	●				●	●	
	Byung-Moo Park	Male	• Current CEO of NCSOFT • Former President of VIG Partners • Former CEO & President of Hanaro Telecom, etc.				March 2024 to March 2027	●	●	●	●	●	●	
Outside Directors	Young-Ju Choie	Female	• Current Professor of Mathematics at POSTECH		○	●	March 2023 to March 2026					●	●	
	Kyo-Hwa Chung	Female	• Current Head of Policy & Legal Affairs at Netflix Korea • Former Director, CELA Lead in Korea of Microsoft	●	○		March 2025 to March 2028				●	●	●	
	Jae-Chun Choe	Male	• Current Chair Professor of Eco Creative, Ewha Womans University • Current President of The Biodiversity Foundation			○	March 2023 to March 2026	●			●		●	●
	Jae-Ho Lee	Male	• Current CFO of Osstem Implant * Korean Certified Public Accountant • Former CEO of NC West Holdings	○	●	○	March 2024 to March 2027	●	●	●		●	●	
	Eun-Hwa Lee	Female	• Current Head of Reinsurance Group of America Korea Branch • Former CFO of GE Capital Korea • Former CMO of GE Korea	○			March 2025 to March 2028	●		●	●		●	●

Outside Director Ratio on the Board

71% Outside Directors

Female Director Ratio on the Board

43% Female Directors Overall

Outside Directors 71%

60% Female Directors within Outside Director

Corporate Governance
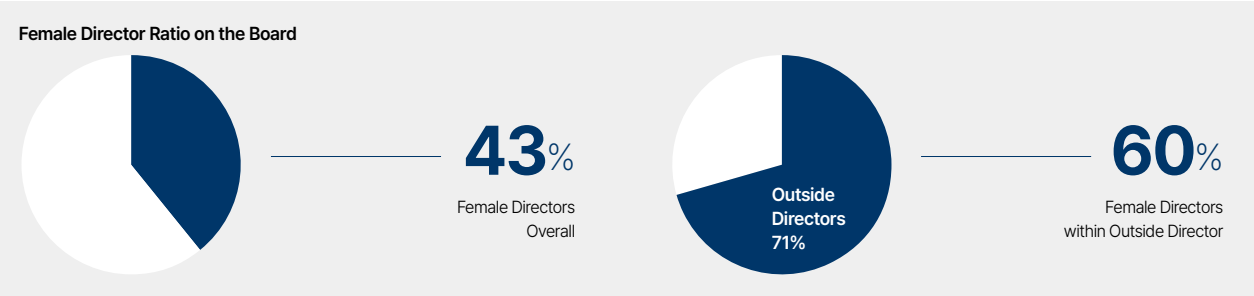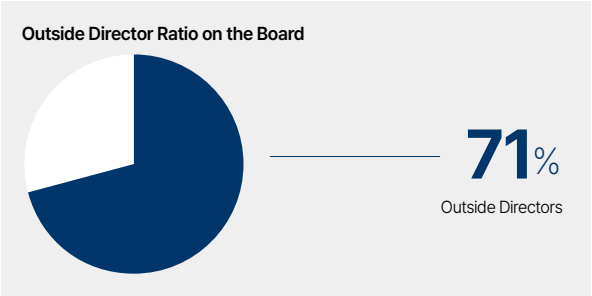
Board of Directors

Board Operations

Board Meetings

NC's Board of Directors holds regular meetings on a quarterly basis and convenes extraordinary board meetings as needed when Board approval or reporting matters arise.

NC provides sufficient support, both in terms of company related information and human and material support, to enable outside directors to perform their duties effectively. Additionally, a dedicated department has been designated to support and respond to outside directors' requests for information.

To ensure director participation, meeting schedules are communicated to all directors three to four weeks in advance (at least one week prior to the meeting). In addition, the agenda and supporting documents are distributed in advance, allowing directors ample time for review and deliberation to facilitate sound and well-informed decision-making.

In the case of key agenda items, 'one-on-one preliminary reports' are conducted with each director to collect diverse views and perspectives.

Outside Director Training

To enhance the expertise of the Board, NC provides training for outside directors at least once a year and conducts an orientation session to support the smooth onboarding of newly appointed outside directors.

In addition, for the Audit Committee members, NC provides annual training related to their audit responsibilities. External experts, the Internal Accounting team, and the Audit team conduct training sessions on updates to internal controls changes and internal accounting control system in accordance with relevant guidelines and regulations.

Outside Director Training in 2024

Date	Content	Attendees	Attendance Rate
November 25, 2024	• Internal Control over Financial Reporting, Consolidated Internal Control over Financial Reporting	All Audit Committee Members	100%
November 25, 2024	• Outside directors' Due Care & Guidelines • M&A related guidelines/regulations and Understanding corporate valuation • Corporate Value-Up Program and Enhancing Corporate Value	All Outside Directors	100%
April 30, 2025	• Orientation for New Outside Directors	Outside Director Eun-Hwa Lee	100%

Committees within the Board

In accordance with Article 39.2 of the Articles of Incorporation and Article 11 of the Board Regulations, the NC Board of Directors has organized specialized subcommittees to optimize the Board's expertise and efficiency.

The committees within the Board currently include (1) the Audit Committee for independent supervision of financial activities, (2) the Outside Director Nomination Committee for fair appointment of outside directors, and (3) the Compensation Committee for transparent design and operation of employee performance compensation systems.

All committees are composed solely of outside directors with expertise and experience in their respective fields, structured to ensure strong independence and transparency in committee decision-making.

Committee Name	Roles and Key Activities
Audit Committee	• Supervision of the proper operation of the company's internal control system • Oversight of the soundness, transparency, and accuracy of corporate activities
Compensation Committee	• Review and approval of compensation policies and systems for all employees including directors
Outside Director Nomination Committee	• Establishment of principles for verifying and appointing outside director candidates • Identification of candidates considering professional competency, diversity, independence, and synergy among Board members • Management of the outside director candidate pool and nomination to the General Shareholders' Meeting

Expertise of the Audit Committee

The Audit Committee is composed of three outside directors equipped with risk management and supervisory competencies, each possessing expertise in related fields such as finance, accounting, legal affairs, and risk management.

Among the three members, two are recognized as meeting the statutory requirements for 'financial and accounting expertise' under applicable laws and regulations.

Category	Name	Expertise
Chair	Kyo-Hwa Chung	Licensed Korean attorney with experience in legal affairs and risk management at a global tech company.
Member	Jae-Ho Lee	Korean Certified Public Accountant, Experienced in accounting and financial positions at listed companies. (Type under Article 37 Paragraph 2 Item 3 of the Enforcement Decree of the Commercial Act)
Member	Eun-Hwa Lee	Experienced in financial institutions, government, and securities-related organizations. (Type under Article 37 Paragraph 2 Item 4 of the Enforcement Decree of the Commercial Act)

Corporate Governance

Board of Directors

Board Assessment

NC requires all directors to diligently fulfill their roles as members of the Board and conducts annual assessment of the entire Board and individual directors' activities at year-end.

The assessment covers the Board's roles and responsibilities, composition and operation, committee activities, and directors' self-assessments. It is conducted through a five-point scale for each category, supplemented by open-ended feedback & suggestions.

This process facilitates constructive feedback from the Board members and enhances the efficiency of Board operations.

Board Assessment in 2024

Category	Key Assessment Items	Results (out of 5.0)
Board of Directors	• Board and committees' roles and responsibilities • Board composition and operations	4.8
Committees within the Board	• Role and responsibility allocation between the Board of Directors and Committees • Committee activities	4.7
Director's Individual Activities	• Directors' expertise • Directors' management supervision/support • Directors' ethical awareness • Directors' integrity	4.7

Board Remuneration

Directors' remuneration is determined within the limits approved by the General Shareholders' Meeting, based on deliberation and resolution by the Compensation Committee, which is composed solely of outside directors.

The remuneration system aims for a performance-linked compensation framework that comprehensively considers past contributions to key business achievements, expected future roles, and projected performance.

Executive directors' remuneration consists of base salary, short-term incentives, long-term incentives, special long-term contribution incentives, and employee welfare and benefits.

To ensure independence and transparency, outside directors receive fixed remuneration at levels comparable to major listed companies, with no performance-based bonuses granted.

Board Remuneration in 2024

(Unit: person, KRW million)

Category	No. of people	Total Remuneration	Average Remuneration per Person
Registered Directors (excluding outside directors and Audit Committee members)	2	5,589	2,795
Outside Directors (excluding Audit Committee members)	2	175	87
Audit Committee Members	3	259	86

Outside Director Nomination Process

NC's Board of Directors is composed of experts who meet the qualifications required by the Commercial Act and related laws.

For director candidates, executive directors are nominated by the Board, while outside directors are selected by the Outside Director Nomination Committee, which consists entirely of outside directors, and then proposed to the General Shareholders' Meeting. In identifying qualified candidates, NC considers recommendations from external professional agencies as well as an internally developed Board Skills Matrix (BSM). The BSM is used to assess the optimal mix of expertise on the Board and ensure synergy among the members.

Each year, NC reviews the current composition of the Board and strategic direction to secure a pool of outside director candidates, applying a checklist based on director qualification requirements stipulated in laws related to director appointments.

NC has established a system in which the Chair of the Outside Director Nomination Committee receives a separate report on the pool of outside director candidates each year, with final candidates selected at the Outside Director Nomination Committee meeting held in February.

Accordingly, at the meeting of the Outside Director Nomination Committee on February 11, 2025, Lee Eun-hwa was identified as the optimal candidate for outside director. She possesses expertise in financial and accounting fields as well as a deep understanding of global market strategies. She was nominated at the 28th Annual General Meeting of Shareholders held on March 26, 2025.

Creating outside director candidate pool (On an ongoing basis)	• Securing candidate pool and reviewing direction for the relevant year • Building a database through various means such as external professional institutions/research

Reviewing outside director candidate pool (October to January)			Reviewing by Outside Director Nomination Committee (January to February)	
October Initial review of candidate pool • Selection of priority candidates by field • Internal opinion gathering on appointment requirements	**December** Second review of candidate pool • First reference check • Confirmation of candidate's intention	**January** Final review of candidate pool • Verification of qualifications by legal and proxy advisory institutions • Second reference check	**January** Preliminary report to the Chair of the committee • Preliminary report on outside director candidates • Regular (annual) report on key outside director candidate pool	**February** Agenda submission • Review/approval by Outside Director Nomination Committee

Outside director candidate recommendation criteria

- **Legality:** Satisfy qualification set by applicable regulations
- **Independence:** Make decisions independent of the Company and related parties
- **Expertise:** Possess expertise to contribute to the Company and add to the competency of other BOD members
- **Sincerity:** Invest sufficient time and effort in performing one's work
- **Objectivity:** Represent the rights and interests of all stakeholders in an impartial manner
- **Ethical Responsibility:** Demonstrate an exemplary and responsible work ethic
- **Diversity:** Consider the diversity of all BOD members in terms of gender, age and/or nationality

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ESG Performance

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Corporate Governance

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Business Ethics

Appendix

Company-wide Risk Management Framework

NC has established a clear system to proactively identify and manage financial and non-financial risks that could significantly impact its operations.

Financial risks are overseen by the CFO, and non-financial risks by the CLO, with dedicated teams monitoring each area. Key risks are identified early and promptly reported to the Board of Directors for timely decision-making.

A Risk Management Task Force operates continuously to coordinate company-wide risk efforts and regularly reports to the Board. Non-financial risks, including legal and regulatory compliance, information security, operations, workplace safety, and employee misconduct, are handled by specialized departments. Financial risks are monitored through a dedicated framework led by the Internal Accounting Team.

All risk responses are carried out strictly in line with internal regulations, including the Insider Trading Compliance Policy and the Code of Ethics.

Risk Types

Category	Details
Financial Risks	**Management of financial risks related to operations** · Market risks (sensitivity analysis on foreign exchange risk, stock price volatility, etc.) · Management of credit risk and liquidity risk, etc.
Non-Financial Risks	**Management of non-financial risks related to business operations** · Internal audits on overall management, security, game services, IT operations, etc. · Establishment of legal amendment/review processes (responding to amendments in the Game Industry Promotion Act, establishing legal requirement review processes before game service launches, etc.) · Analysis of risk and opportunity factors through materiality assessment

Tax Risk

Tax Management Process

NC complies with domestic and international tax laws and related regulations to enhance the reliability and transparency of tax burdens for stakeholders, diligently fulfilling tax reporting and payment obligations. Tax-related matters are disclosed through business reports, and to ensure proper application of tax laws and protect stakeholders, major tax items undergo final review by internal and external tax experts before compliance with reporting obligations. Additionally, NC fully cooperates with tax audits and responds proactively to any requests from tax authorities.

Following the 2023 OECD/IF announcement on digital taxation (Pillar 1 and 2), NC monitors transactions between headquarters and overseas subsidiaries to comply with the global minimum tax implementation plan and revised country-specific tax principles. To preemptively manage tax risks, NC collaborates with external tax expert groups.

From 2024, NC plans to fulfill audit report disclosure obligations related to the global minimum tax by continuously monitoring tax trends by country and obtaining advice on lawful tax treatment methods from tax professionals.

Tax Management Policies

· Compliance with country-specific tax laws and related regulations
· Ensuring appropriateness of transactions between related parties
· Proactive response to tax law enactments and amendments to prevent tax-related risks
· Tax-related controls and inspections within the internal accounting management system
· Transparent disclosure of tax information
· Submission of BEPS (Base Erosion and Profit Shifting) reports and management of Global Tax Risk through review of the global minimum tax

Business Ethics

Ethical Management System

NC has established an ethical management system that fulfills social responsibility and earns trust from customers and stakeholders. Through compliance management, we proactively prevent illegal activities and systematically respond to legal risks. Additionally, the Legal Center, a dedicated organization directly under the CEO, manages and supervises ethical and corruption-related matters.

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                          ┌─────────────────────────────┐
                          │             CEO             │
                          └─────────────────────────────┘
              ┌────────────────────────────────────────────────────────┐
              │  Dedicated Organization: Legal Center  │  General Manager: Head of Legal Center
              └────────────────────────────────────────┘
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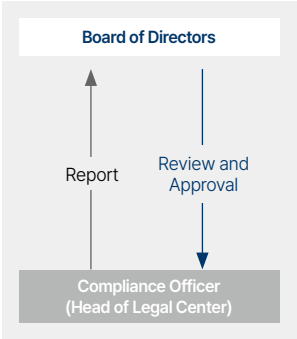| Planning/Operations	Internal Audits	Compliance	Legal Support	Intellectual Property Management
• Planning/Promotion for Ethical Management and Compliance Management	• Assessment of work process adequacy and support for improvements • Investigation of misconduct and violations	• Establishment and operation of Compliance Standards • Compliance Training • Compliance Support • Inspection of IT Legal and Regulatory Compliance	• Domestic and overseas contract execution • Legal advice and dispute resolution	• Patent/trademark applications • Copyright management • Operation of employee invention system

Compliance Officer

NC appoints the head of the Legal Center as a compliance officer through the approval of the Board of Directors in accordance with the Commercial Act. The Compliance Officer conducts compliance control activities such as checking employees' adherence to laws, preventing illegal activities, establishing policies for legal risk response, and providing compliance training. Furthermore, the Compliance Officer reports annually on compliance support activities to the Board of Directors, which is the highest compliance management body. The Board reviews and approves the company's compliance management activities.

Reports Submitted to the Board of Directors in 2024

- Response to Amendment to the Game Industry Promotion Act regarding mandated labeling of probabilistic items
- Inspection records of compliance with IT-related applicable laws and regulations including the Personal Information Protection Act, the Act on Promotion of Information and Communications Network Utilization and Data Protection, the Game Industry Promotion Act, and the Act on the Consumer Protection in Electronic Commerce for all services launched by the company
- Establishment and operation records of legal review process for game launch
- Activities of the Risk Management Task Force which regularly sharing risk occurrences
- Inspection records of legal compliance by subsidiaries
- Ethics training records for all employees
- Compliance training including briefings and manual distribution related to the Game Industry Promotion Act, the Act on Promotion of Information and Communications Network Utilization and Data Protection, etc.

Compliance Management Activity Reporting System

```
            ┌──────────────────────────┐
            │    Board of Directors     │
            └──────────────────────────┘
                ▲              │
            Report      Review and
                        Approval
                │              ▼
            ┌──────────────────────────┐
            │   Compliance Officer      │
            │  (Head of Legal Center)   │
            └──────────────────────────┘
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Audit Committee Reporting

The Legal Center reports major audit plans, audit results, and ethics violations to the Audit Committee within the Board of Directors quarterly in accordance with the Audit Regulations. The audit reports include identified ethics and corruption issues along with improvement and action plans.

Efforts to Enhance Competence

NC regularly participates in various training programs and seminars to enhance the expertise of its dedicated organization members.

Member training participation performance in 2024

Internal Audits	• (May 2024) Special lecture on overseas subsidiary audits • (February 2024) Digital transformation of internal audits • (September 2024) Practical training on digital forensic analysis techniques • (November 2024) Auditor training course for ISO 22301 Business Continuity Management System • (December 2024) Professional internal audit training
Compliance	• (February 2024) Briefing on the data submission manual for Large Business Group subject to disclosure

Business Ethics

Ethics Policies and Regulations

NC establishes and revises ethics-related regulations that employees must comply with, posts them on company intranet, and conducts regular company-wide training to promote ethical conduct at work and raise employees' ethical awareness.

NC's Code of Ethics

NC has established NC's Code of Ethics as the standard for employees' value judgments and behavior, which applies to all employees including contract employees.

The Code of Ethics stipulates the protection of customer data privacy, restraint from hateful and demeaning expressions, prevention of workplace harassment, anti-bribery and anti-corruption, and prohibition of unfair trade practices.

NC's Code of Ethics

Article 1 (Purpose)
Article 2 (Protection of Customers and Others)
Article 3 (Compliance with Laws and Company Bylaws)
Article 4 (Sharing Corporate Values and Maintaining Dignity)
Article 5 (Work Ethics)
Article 6 (Mutual Trust and Cooperation among Employees)
Article 7 (Confidentiality and Information Security)
Article 8 (Protection of Company Assets)
Article 9 (Transparent Management of Finances and Expenses)
Article 10 (Duty of Fair Trade and Integrity)
Article 11 (Prevention of Conflicts of Interest)
Article 12 (Outreach to the Media and Others)

Enacted February 4, 2009
Revised December 31, 2014
Revised June 14, 2021

Fair Trade Related Regulations

NC has established Procurement Regulations and Standards for the Operation of Competitive Contracts to ensure fair and transparent purchasing procedures, which apply to all company purchasing activities.

Procurement Regulations	Regulations stipulating the obligation to comply with relevant laws such as the Fair Transactions in Subcontracting Act and the Monopoly Regulation and Fair Trade Act based on principles of fairness and transparency in purchasing procedures.
Standards for the Operation of Competitive Contracts	Specific procedural regulations for fair selection and management of business partners.

Selection and Management of Business Partners

To foster a culture of fair trade, NC obtains an integrity pledge from business partners prohibiting unfair practices such as collusion and bribery during the partner selection process. The standard service contract includes a clause on 'Adherence to the Integrity Pact' prohibiting improper benefit provision and solicitation, as well as specifying payment determination and adjustment procedures.

Furthermore, NC has established Standards for the Operation of Competitive Contracts and operates an integrated purchasing system to ensure fair selection and management of business partners, enhancing transparency throughout the entire process.

Anti-Corruption Related Regulations

NC prohibits all improper acts that undermine fairness and integrity, including acceptance, solicitation, or provision of money, gifts, entertainment, or any other improper benefits through Article 10 of the Code of Ethics regarding prevention of bribery and corruption.

Additionally, the Procurement Regulations and Standards for the Operation of Competitive Contracts outline internal approval procedures to prevent conflicts of interest and unethical conduct.

NC's Code of Ethics Article 10 >

Business Ethics

Game Industry Ethics Policies and Regulations

Employee Game Usage Guide

NC has developed and distributed the 'Employee Game Usage Guide,' which contains game ethics rules that employees must follow as both providers and users of game services. The guide specifies and prohibits actions that could undermine game operation order and economy, such as internal information breaches and misuse. It also provides instructions on response protocol and penalties for violations. By implementing these guidelines, we educate employees on their social responsibility and roles related to game usage, enhancing ethical awareness and ultimately providing customers with a trustworthy service environment. In 2024, to promote internal dissemination of the guideline, we conducted training on the Employee Game Usage Guide for all employees, covering case studies and information security rules related to game usage.

2024 Game Usage Guide Training Completion Rate[1]	2024 Game Usage Pledge Signature Rate[2]
93.9%	**93.3**%
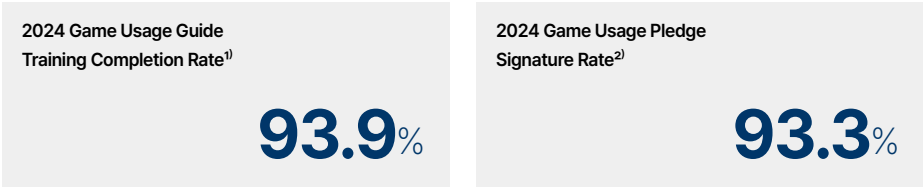
1), 2) Training and signature period: May 20 to June 7, 2024: Target: 4,909 persons / Completed: 4,635 persons; Signed: 4,279 persons

Notice of training on the Employee Game Usage Guide
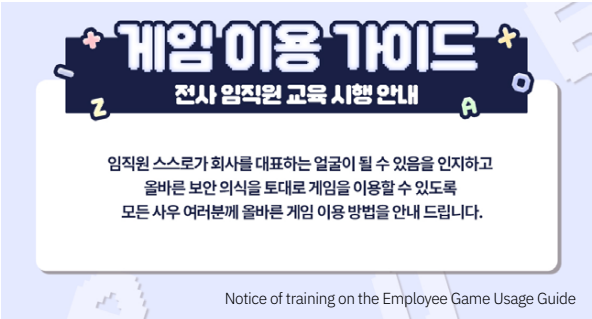
Pre-Launch Legal Review for Game Service

Review of Legal Compliance and Compliance Training

NC conducts compliance checks to prevent and minimize legal violation risks related to game services.

For upcoming game service launches, we provide checklists of key applicable laws such as the Personal Information Protection Act, the Game Industry Promotion Act, and the Act on the Consumer Protection in Electronic Commerce, along with manuals to ensure adherence to these laws. Through joint compliance inspections with relevant departments, we proactively prevent legal violation risks. Additionally, we conduct compliance training for game service launch teams to raise awareness of relevant laws.

Response to Amendments to the Game Industry Promotion Act

The Disclosure of Probability Information for Probabilistic Item

NC is proactively responding to the amendments to the Game Industry Promotion Act that strengthen responsibilities related to the mandated labeling of loot boxes and shift the burden of proof.

Based on the 'Guideline on the Disclosure of Probability Information for Probabilistic Item,' we have established internal guidelines for labeling probabilistic items. Beyond our existing self-regulatory practices, we have expanded the scope of information disclosure and now display the probabilities of loot boxes not only in-game, but also on our websites and in all advertising materials. Starting in the second half of 2024, we will launch the 'NC Probability Information' integrated site where users can conveniently access loot boxes information for all NC services.

Probability Information of Loot Box (web) >
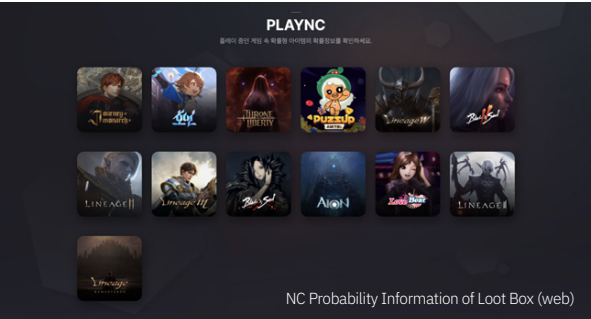
NC Probability Information of Loot Box (web)

Business Ethics

Audit and Reporting System

Internal Audits

General Audit

Purpose	Ensuring compliance with bylaws and assessing process adequacy
Frequency	• Regular audit: Twice a year • Ad-hoc audit: Year-round • Special audit: As needed
Scope	NCSOFT and its domestic and overseas subsidiaries
Content	Review all internal business processes of the company
Details	• Assess the adequacy of company-wide business process designs • Verify compliance with established processes and bylaws, etc.

2024 Activities

June 2024
• Audit of NC Dinos expense execution and request for improvement of findings

November 2024
• Audit of budget management process and request for improvement of finding

IT Audit

Purpose	Assessing IT systems and implementing improvements to reinforce internal controls
Frequency	At least once a year
Scope	NCSOFT and its subsidiaries
Content	Assessment of operational adequacy, control effectiveness, and risk factors for all IT systems within the company
Details	• Select evaluation systems based on internal system risk assessment and risk priority • Assess the design and operation for general IT controls, automated IT controls, information security, fraud risk factors, etc. (program logic checks, tests, etc.)

2024 Activities

July 2024
• Time and attendance system evaluation audit and request for improvement of findings

December 2024
• ITSM (IT Service Management) system evaluation audit and request for improvement of findings

Whistleblowing System

Clean Reporting Center

NC's business partners, subsidiaries, and customers can anonymously report and notify violations of laws, bylaws, as well as employees and the company misconduct or malpractice through the public channel 'Clean Reporting Center' on the website.

NC specifies in the standard contract form with business partners that 'unethical and unfair practices such as providing, promising, or soliciting improper benefits during the negotiating, concluding, and implementing of the contract with employees are prohibited, and if discovered, must be reported to the Clean Reporting Center.' Additionally, when receiving reports, the type of whistleblower is categorized to clearly distinguish and handle reports and complaints from business partners.

All reported cases and whistleblower submissions received by the Clean Reporting Center are investigated, and if violations of laws or regulations are found, follow-up actions such as discipline or process improvement are carried out.

The identity of the whistleblower and the content of the report are kept confidential in accordance with relevant laws and bylaws, and whistleblowers is entitled to protective measures under the Public Interest Whistleblower Protection Act and applicable laws and regulations. Furthermore, whistleblowers are protected from any disadvantages arising from the content or fact of their report. These principles of non-discrimination and provision of protection are clearly stated on the Clean Reporting Center's webpage.

2024 Activities

total **39** cases

A total of 39 cases received (including 1 anti-corruption case, 1 attendance issues, 1 unauthorized concurrent employment case, 36 simple customer complaints, etc.); all reports have been addressed with necessary actions.

NC Tong

NC receives reports on employee misconduct, including violations of regulations and laws, through the internal reporting channel 'NC Tong.' After confirming the validity through consultation with the whistleblower regarding the report content and investigation procedures, action is taken. All consultations are confidential, and whistleblowers are protected under the Public Interest Whistleblower Protection Act. Any disadvantageous treatment due to reporting is prohibited. If violations are confirmed through investigation, warnings and disciplinary actions are conducted through the Human Resources Committee.

2024 Activities

total **38** cases

A total of 38 cases received (13 grievances, 2 policy suggestions, and 23 whistleblower submissions); all reports have been addressed with necessary actions.

Business Ethics

Training

Ethics Training

NC conducts ethics training to foster ethical awareness among employees, enhance understanding of relevant laws, and ensure compliance with company bylaws. Case-based ethics training is provided at least once a year to all employees, including part-time and contractors. New team leaders receive ethics training quarterly, covering their roles, responsibilities, and key considerations. New employees receive ongoing training on the overall Code of Ethics and related laws throughout the year.

In particular, in July 2024, ethics training was conducted for all employees (including contractors, dispatched employees, and interns) on workplace harassment, proper use of business expenses, fair business practices (anti-corruption), and prior concurrent employment application.

Furthermore, we integrate an ethics pledge into our ethics training to strengthen ethical practices. This empowers employees to demonstrate their commitment to following and actively promoting the Code of Ethics.

Training Status by Target

Target	Content	Frequency
All employees[1]	Case-based Code of Ethics video training	Annually
New Managers (Team Leaders)	Managerial Ethics	Quarterly
New Employees	NC's Code of Ethics and applicable laws and regulations	Ad-hoc basis

Number of Ethics Training completers in 2024[2]			Number of Ethics Pledge Signatories in 2024[2]
Executives		56 persons	
Full-time employees		4,266 persons	
Contract employees		233 persons	
	total **4,555** persons		**4,010** persons

1) Includes executives, full-time employees, contract employees, and dispatched employees
2) Training and signing period: As of July 22 – 26, 2024

Compliance Training

NC conducts statutory trainings and other required trainings for all employees annually on a regular basis.

Training Implementation Status

Statutory Trainings

Category	Target	Frequency
Sexual Harassment Prevention Training	All employees	Annually
Training for Disability Awareness in the Workplace		
Data Privacy Training[1]	New personal information controllers	On-going
Retirement Pension Training	Workers enrolled in retirement pension	Annually

1) Additional separate data privacy training is conducted within one month from the registration date for new personal information handlers.

Other Mandatory Trainings

Category	Target	Frequency
Information Security Training[1]	All employees	Annually
Game Usage Guide Training		
Data Privacy Training for New Managers (Team Leaders)	Managers	Quarterly

1) Integrated company-wide information security training including data privacy training has been implemented since 2022

APPENDIX

LLL | Open-world Tactical Shooter, in Development

ESG-Related Policies

Environmental Management Policy

Chapter 1 Business Overview

NCSOFT (hereinafter 'NC') as a global IT company developing and delivering online and mobile game software, provides customers with digital entertainment services, including game content, software, and sports content. NC is committed to meeting the demands of customers, employees and the global community in resolving environmental challenges by lever-aging its information technology.

Chapter 2 Overview of Environmental Management Policy

NC recognizes the importance of the environment and the ethical responsibilities of corporations, establishing a proper and sincere environmental management policy as part of its long-term efforts.

Chapter 3 Implementation Principles for Environmental Management

1. NC recognizes its environmental impact, develops response measures, and engages in on-going management and monitoring.
2. NC considers the environment in developing technology and delivering services.
3. NC complies with the environmental laws and regulations in the countries where its offices and data centers are located.
4. NC provides employees with environmental training and information, and encourages them to participate in environmental protection.
5. NC transparently discloses its environmental performance through sustainability reports and other corporate media.

Chapter 4 Environmental Management System

The ESG Steering Committee, attended by NC's top management, is mandated to manage, oversee and make decisions on the environmental management policy. The ESG Management Division is exclusively responsible for the working-level implementation and operation of environmental management.

Chapter 5 Purpose and Scope of Environmental Management Policy

NC's environmental management policy aims to present action principles for its environment-friendly management and to transparently disclose its management system for policy implementation to the general public.

This environmental management policy applies to NC's entire business operations, from product R&D and launching to customer support, and may apply to NC's supply chains and business partners in general within the same scope.

Monitoring Environmental Impact

Category	Environmental Impact Factors	Our Response
Adapting to climate change	Greenhouse gas emissions from energy use,including electricity	• Increasing the use of clean energy and switching to energy efficient facilities in operating buildings and offices • Encouraging employees to reduce energy consumption and arrange conducive daily facilities
Preserving clean water resources	Water discharged from employee consumption, including in the office	• Complying with laws/regulations regarding water treatment • Installing a gray water system to reuse such water after the self-treatment of domestic sewage • Switching to water-saving facilities
Recycling natural resources	Waste disposal, including end-of-life IT assets, office trash, etc.	• Managing waste discharge through registered recycling companies

ESG-Related Policies

Human Rights Management Declaration

Overview

NCSOFT dreams of a new future where everyone is connected through joy. We ceaselessly push the boundary and continue with technology innovation to create a brighter future. We believe that technology should be used in a way that benefits everyone and enhances community values, while respecting the rights of all individuals in the process. As technology forms an inseparable part of our life today, NCSOFT endeavors to minimize factors that may arise in its business conduct to cause human rights infringements.

Goal

NCSOFT respects the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO (International Labor Organization) Declaration that are universally applied across the global community, and will comply with them in protecting the human rights of our employees, partners, users and communities.

Boundary

NCSOFT's human rights management declaration covers employees at the headquarter and its subsidiaries. We further recommend that our partners (suppliers) also abide by the principles set within this declaration to disseminate the value of respecting human rights.

Human Rights Management Processes

NCSOFT will assist the swift resolution of grievances through relevant departments, should any such grievances be raised in relation to human rights, and protect the identity of whistleblowers. We will revise this declaration whenever deemed necessary in line with shifting conditions in the internal and external environment.

Principles

NCSOFT fully prevents any incident of human rights infringements for its employees, users, partners and members of communities, and takes prompt action in the event of any issue.

1 Respect for the human rights of employees
- We do not tolerate discrimination in any way, shape or form. We provide a work environment that does not discriminate on the grounds of gender, age, birthplace, academic background, religion, marital status, sexual identity, faith or disability, etc.
- We ban forced labor performed against one's own free will, and prohibit child labor.
- We provide reasonable compensation in accordance with fair procedures, and endeavor to create a safe and pleasant work environment.

2 Respect for the human rights of users
- We work to create a safe and joyful service environment for our users.
- We ban discriminate against any user on the grounds of gender, age, birthplace, academic background, religion, marital status, sexual identity, faith or disability.
- We fully comply with personal data regulations, and archive and store such data as required by applicable laws. We also thoroughly manage personal data we collect to prevent any leaks.

3 Respect for the human rights of partners
- We do not exercise unjustified influence by leveraging our position of dominance in our relationship with our partners, and strive to establish relationships.
- We actively support our partners in implementing and participating in human rights management practices.
- We promptly identify human rights infringements, should such issues occur in our relationship with partners, and work together to find solutions.

4 Respect for the human rights of communities
- We ensure that the human rights of community members are protected in the course of our business conduct.
- We will engage in diverse CSR activities to support the underprivileged and future generations to pursue wholesome growth with communities.

ESG-Related Policies

Diversity & Inclusion Policy

NC's Code of Ethics (Amended on June 14, 2021)

Article 4 (Sharing of Corporate Values and Safeguarding the Value Dignity)

NC employees share NC's values and goals, and maintain their honor and dignity as members of NC. Employees take an impartial approach to handling their work and do so without prejudice towards specific interest groups, social issues or promote conflict on the grounds of nationality, gender, race, religion or birthplace. NC employees ensure that their personal views or activities in both online and offline domains are not considered as representing NC's official position.

Article 6 (Mutual Trust and Cooperation among Employees)

NC employees maintain faithful, trust-based partnerships in all their business relationships with individuals, departments, affiliates, and partners. NC employees do not discriminate or take any action that would disadvantage their colleagues without reason on the grounds of gender, marital status, pregnancy or giving birth. NC employees should not take advantage of their dominant position or relationships in the workplace to inflict physical or psychological pain on other employees beyond the appropriate boundary of work or to deteriorate the working environment. NC employees should not abuse their position in the workplace nor engage in sexual behaviors in relation to business conduct to cause other employees feel sexual humiliation or aversion, nor impose any disadvantages in terms of employment conditions or recruitment for reasons of refusing to accede to sexual behaviors or other demands.

Health & Safety Policy

Occupational Health and Safety Management Policy (Amended August 11, 2022)

NC places safety and health management as its top priority, and will do its best to provide a healthy and safe working environment for all employees, recipients, and labor providers, and aim to establish a health and safety management system.

1 We place health and safety management above all else in business operations to pursue continuous improvement and enhancement with a goal of establishing a health and safety management system.	**3** We proactively identify hazards and risk factors, and take action to reduce risks to sincerely place prevention at the center of our occupational health and safety management.
2 We faithfully comply with occupational health and safety laws and regulations as well as other safety-related regulations to strengthen our health and safety capabilities.	**4** We assign necessary roles and responsibilities to respective actors for systemic and efficient health and safety management, and practice self-directed safety on the basis of proactive engagement and cooperation of all employee.

Occupational Health and Safety Management Regulations (Enacted on May 20, 2021)

Article 3 (Scope of Application)

These regulations apply to all employees working at the company's workplaces and in-house contract workers.

Article 51 (Conducting and Implementing Risk Assessments)

The company shall select a risk assessment method suitable for the processes and work requirements of each site to identify hazardous and risk factors, evaluate whether the magnitude of risks that may lead to injury or illness is within an acceptable range, take measures in accordance with laws and orders based on those laws, and, if necessary, implement additional measures to prevent risks or health hazards to employees.

Anti-Bribery/Corruption and Fair Trade Principles Policy

NC's Code of Ethics (Amended June 14, 2021)

Article 3 (Compliance with Laws and Company Bylaws)

NC employees comply with general laws and regulations in the countries and regions where the Company conducts business and respect the market principle of fair and free competition. NC employees fully understand and comply with NC's bylaws including the Code of Ethics, in-house notifications, and any and all guidelines provided by the Company ("Company's bylaws" hereinafter).

NC employees, when encountering any noncompliance with laws and regulations and Company's bylaws, should immediately report to the head of their department or the audit department, and sincerely cooperate with the investigations conducted by the audit department. NC's manager groups (heads of teams/divisions/groups or any other equivalent organizations) should take appropriate preventive action to ensure their members do not violate the Company's bylaws, etc.

Article 10 (Duty of Fair Business Conduct and Integrity)

NC employees ensure that the Company engages in fair competition under sound market economy principles, and do not exercise undue influence by exploiting the advantage of the Company's dominant position. NC employees do not accept, request, or provide bribes, gifts, entertainment and/or any other unjustified gains or make any promises to do so for themselves or third-parties in the course of performing their work, and do not engage in any other corruptive practices that impair fairness and integrity. If employees unavoidably receive or give unjustified gains without prior knowledge, they must immediately report the circumstances and details of such incidents to the head of their department or the audit department. NC employees shall not engage in any act that impairs fairness in connection with their work, including the acts listed below.

1 Any introduction or arrangement for the improper benefit of the Company, oneself or others.
2 Favoritism or discriminatory treatment of certain individuals, organizations, or companies in the performance of their duties due to regional ties, School affiliation, or family relations, etc.
3 Soliciting directly or bypassing an employee in charge of personnel affairs for the purpose of exerting undue influence on personnel matters such as appointment, promotion, or transfer of oneself or others.
4 Unfairly intervene in the HR management of other employees by using the power granted by the company to perform duties such as one's position/rank.

ESG DATA

Economic and Governance Performance

Financial Performance[1]

Category	Unit	2021	2022	2023	2024
Sales	KRW million	2,308,817	2,571,792	1,779,833	1,578,123
Net Income	KRW million	395,735	435,990	213,914	94,116
Asset Total	KRW million	4,581,889	4,437,632	4,393,800	3,953,941
Liabilities	KRW million	1,430,663	1,239,084	1,140,772	890,353
Equity	KRW million	3,151,226	3,198,549	3,253,029	3,063,589

1) Based on consolidated financial statements

Value Distribution by Stakeholders[1]

Category		Unit	2021	2022	2023	2024
Distribution						
Partners	Payments to business partners such as commissions and advertising expenses included in operating costs	KRW million	889,269	965,732	654,781	629,099
Employees	Employee pay, education and training expenses	KRW million	880,509	876,750	843,509	927,164
Shareholders and Investors	Total Dividends, Interest Expense	KRW million	132,174	145,128[2]	78,204[2]	38,585
Government and Local Authorities	Corporate tax liability, Taxes and utilities, Water and utilities	KRW million	120,665	171,917	50,659	38,771
Local Community	Donations	KRW million	7,160	6,878	6,747	4,508

1) Based on consolidated financial statements
2) Restatement of previous reporting (2022–2023) due to correction of aggregation criteria

Corporate Tax Payment Status[1]

Category			Unit	2021	2022	2023	2024
Total			KRW million	491,328	609,051	206,228	120,908
Profit Before Tax (Loss)	By Country	South Korea (HQ)	KRW million	446,547	626,691	191,592	120,175
		United States	KRW million	28,352	-24,815	-162	18,047
		Japan	KRW million	14,467	6,004	4,955	305
		Taiwan	KRW million	190	10,261	6,929	11,026
		Other	KRW million	1,772	-9,090	2,914	-28,645
Corporate Income Tax	Income Tax Accrued	Total	KRW million	63,520	85,537	1,537	721
		South Korea (HQ)	KRW million	61,258	83,657	-	0
		United States	KRW million	-	-	38	0
	By Country	Japan	KRW million	2,196	753	-45	149
		Taiwan	KRW million	176	1,063	1,451	405
		Other	KRW million	-110	64	93	167
	Income Tax Paid	Total	KRW million	95,593	173,061	-7,686	26,792
		South Korea (HQ)	KRW million	94,165	168,416	- 10,981	23,746
		United States	KRW million	428	830	2,129	899
	By Country	Japan	KRW million	325	2,000	-304	147
		Taiwan	KRW million	377	2,205	1,546	1,986
		Other	KRW million	298	-390	-76	14
Reported Taxes			KRW million	95,593	173,061	-7,686	26,792
Effective Tax Rate			%	19.5	28.4	-3.7	22.16
Cash Taxes Paid			KRW million	187,306	139,196	119,604	22,798
Cash Tax Rate			%	38	23	58	19

1) Based on consolidated financial statements

ESG DATA

Economic and Governance Performance

Association Membership Status

Category		Unit	2021	2022	2023	2024
Association Membership Participation Cost	Korea Association of Game Industry	KRW million	120	120	120	120
	Korea Internet Corporations Association	KRW million	50	50	50	50
	Game Self-governance Organization of Korea	KRW million	200	200	200	151

Operations of Overseas Subsidiaries (Number of Employees)

Category	Unit	2021	2022	2023	2024
NC West Holdings	Person	390	406	331	342
NC America, LLC[1]	Person	-	-	27	32
NC Taiwan Co., Ltd	Person	101	107	117	121
NC Japan K.K.	Person	175	180	184	196

1) As a subsidiary established in March 2023, the number of employees has been disclosed since 2023

Employee Non-Compliance and Disciplinary Action Status[1]

Category			Unit	2021	2022	2023	2024
Anti-corruption compliance violation	Reports/Investigations[2]	Total	Case	27	31	77	29
		Expense-Related Violations (Fraud, Embezzlement, etc.)	Case	5	4	3	3
		Dual Employment and Attendance Violations	Case	2	7	46	25
		Other Ethics Violations[4]	Case	20	20	28	1
	Actions Taken	Discipline[3, 4]	Case	7	10	5	3

1) Scope of aggregation: Including some data on both consolidated and non-consolidated bases (Includes data from NC's technology subsidiaries, NC QA and NC IDS, established through a physical division in October 2024, only for this metric due to difficulties in separating their individual data)
2) Refers to the total number of cases reported and investigated, including reports such as whistleblower channel submissions and awareness investigations
3) Includes all disciplinary actions taken within the reporting year, including cases received in previous years, covering only both severe and minor disciplines
4) Restatement of previous reporting (2023) due to changes in aggregation criteria

Environmental Performance

GHG Emissions

Category		Unit	NCSOFT Separate[1]				Domestic Subsidiaries[2]			Overseas Subsidiaries[3]	
			2021	2022	2023	2024	2022	2023	2024	2023[9]	2024
Scope 1, 2 emissions	Direct Emission (Scope 1)	tCO_2eq	598.0	711.1	680.5	669.8	173.2	154.7	178.1	8.4	6.9
	Indirect Emission (Scope 2)	tCO_2eq	20,466.3	24,205.0	29,792.4	26,172.1	1,819.7	1,935.0	2,036.4	2,915.7	2,827.2
	Subtotal[4]	tCO_2eq	21,064.3	24,916.1	30,469	26,838	1,992.9	2,086	2,203	2,921	2,831
	Intensity (based on sales)[5]	tCO_2eq/KRW 10 billion	98.9	103.8	188.7	189.0	228.0	269.3	256.1	115.7	142.5
Scope 3 emissions[6]	1. Purchased goods and services	tCO_2eq	-	101,125.3	74,304.0	38,253.2	2,728.1	1,981.5	342.3	2,613.4	2,659.3
	2. Capital goods	tCO_2eq	-	26,359.3	15,123.7	12,506.5[7]	466.5	411.5	51.6	538.1	453.8
	3. Fuel- and energy- related activities (not included in Scope 1 or Scope 2)	tCO_2eq	-	-	-	4,187.0	-	-	326.3	-	314.0
	4. Upstream transportation and distribution	tCO_2eq	-	-	-	6.4	-	-	0.3	-	15.4
	5. Waste generated in operations	tCO_2eq	-	338.3	313.3	221.5	13.7	8.7	257.0	3.7	3.0
	6. Business travel	tCO_2eq	-	1,123.9	39,134.1	421.3	2.6	2,559.6	120.7	16,486.5	188.5
	13. Downstream leased assets	tCO_2eq	1,990.2	2,028.3	2,102.09	2,089.1	173.8	120.3	147.1	-	-
	Subtoal[4]	tCO_2eq	1,990.2	130,975.0	130,977	57,684	3,384.8	5,081	1,242	19,640	3,632
Scope 1+2+3 Total[4],[8]		tCO_2eq	23,054.50	155,888	161,446	84,522	5,375	7,167	3,445	22,561	6,463

1) Pangyo R&D Center, Alpharium Tower 1, Alpharium Tower 2, and NC Data Center (leased) (Aligned with the non-consolidated financial statements criteria)

2) Domestic Subsidiaries: NC ITS, NCSOFT Service, NC Dinos, NC IDS and NC QA aggregated on a non-consolidated basis (2024 reporting boundary changes: Ntreev Soft excluded; NC QA and NC IDS included)

3) Overseas Subsidiaries: NC West Holdings, NC Interactive Inc., ArenaNet Inc., NCW NCP LLC, NC Taiwan Co., Ltd and NC Japan K.K. aggregated on a non-consolidated basis (2024 reporting boundary changes: NC Vietnam Visual Studio Co., Ltd excluded)

4) The 'Subtotal' and 'Total' value may differ from the sum of GHG emissions due to the application of a standard that sums values after rounding at the business unit level

5) NCSOFT separate Intensity is calculated by dividing GHG emissions and sales, both on a non-consolidated basis. Subsidiaries Intensities are calculated by dividing the sum of GHG emissions of the entities referenced in notes 2) and 3) by the sum of their sales, all on a non-consolidated basis.

6) Scope 3 emissions are calculated by selecting 7 categories that are highly relevant to NC's business from among the 15 categories stipulated by the GHG Protocol Corporate Value Chain (Scope 3) Standard. The other categories have been excluded from the scope of calculation as they are not closely associated with the business activities of NC. The categories prioritized for significance are Cat.1, Cat.2, Cat.3, Cat.4, Cat.5, Cat.6, and Cat.13. Activity data sourced include current period expenditures and acquisition costs (Cat.1, Cat.2, Cat.4), waste treatment documentation (Cat.5), travel distance (Cat.6), and invoices for fuel and electricity consumption (Cat.3, Cat.13). Changes in 2024 include the addition of Cat.3 and Cat.4, expanding the scope of calculated categories.
  – Emission factors used in 2022–2023: WIOD (World Input–Output Database), Environmental Product Declaration LCI DB Emission Factors, IPCC Tier 1 Emission Factors and Tier 2 National Emission Factors
  – Emission factors used in 2024: US EPA Supply Chain Greenhouse Gas Emissions Factors (v1.3 by NAICS–6), Environmental Product Declaration LCI DB Emission Factors (Domestic), Country–specific Waste Treatment Emission Factors (Overseas), IEA Emission Factors 2024 etc.

7) Activities related to the acquisition of tangible assets (assests under construction) for the construction of a new office building are included

8) The decrease in GHG emissions in 2024 resulted from refining calculation methodologies and enhancing the consistency of organizational boundaries compared to the previous year

9) Restatement of previous reporting (2023) due to correction of aggregation criteria

ESG DATA

Environmental Performance

Energy Consumption

Energy Classification		Detail	Unit	NCSOFT Separate[1]				Domestic Subsidiaries[2]			Overseas Subsidiaries[3]	
				2021	2022	2023	2024[7]	2022	2023	2024	2023	2024
Non-Renewable Energy	Direct Energy Consumption	LNG	TJ	8.4	10.1	10.7	10.1	1.8	1.6	1.9	-	-
		LPG (propane)	TJ	-	0.0	0.0	0.0	-	-	0.0	0.0	0.0
		Gasoline	TJ	1.9	2.4	1.7	1.5	0.8	0.4	0.4	-	-
		Disel	TJ	0.6	0.5	0.4	0.8	0.4	0.7	0.7	0.1	0.1
		Subtotal	TJ	10.9	13.0	12.7	12.4	3.0	2.7	3.1	0.1	0.1
	Indirect Energy Consumption	Purchased Electricity	TJ	399.1	469.9	585.3	512.0	37.7	40.2	42.2	17.9	13.5
		Purchased Heat	TJ	38.1	46.2	48.3	49.1	0.4	0.3	0.4	-	0.0
		Subtotal	TJ	437.1	516.1	633.6	561.2	38.1	40.5	42.7	17.9	13.5
	Total[4]		TJ	489.4	525	643	571	39	40	42	15	12
	Intensity (based on sales)[5]		TJ/KRW 10 billion	2.1	2.2	4.0	4.0	4.7	5.6	5.3	0.7	0.7
Renewable Energy[6]		Solar PV	TJ	-	-	-	-	1.2	1.0	1.0	-	-
		Geothermal power	TJ	-	-	-	-	1.4	1.2	1.5	-	-
		Total	TJ	-	-	-	-	2.5	2.2	2.5	-	-

1) Pangyo R&D Center, Alpharium Tower 1, Alpharium Tower 2, and NC Data Center (leased) (Aligned with the non-consolidated financial statements criteria)

2) Domestic Subsidiaries: NC ITS, NCSOFT Service, NC Dinos, NC IDS and NC QA aggregated on a non-consolidated basis (2024 reporting boundary changes: Ntreev Soft excluded; NC QA and NC IDS included)

3) Overseas Subsidiaries: NC West Holdings, NC Interactive Inc., ArenaNet Inc., NCW NCP LLC, NC Taiwan Co., Ltd and NC Japan K.K. aggregated on a non-consolidated basis (2024 reporting boundary changes: NC Vietnam Visual Studio Co., Ltd excluded)

4) The 'Total' value may differ from the sum of energy consumption due to the application of a standard that sums values after rounding at the business unit level

5) NCSOFT separate Intensity is calculated by dividing energy consumption and sales, both on a non-consolidated basis. Subsidiaries Intensities are calculated by dividing the sum of energy consumption of the entities referenced in notes 2) and 3) by the sum of their sales, all on a non-consolidated basis.

6) Renewable energy usage is the amount of electricity supplied from solar panels and geothermal power facilities installed at Changwon NC Park. Due to the application of rounding to the second decimal place, discrepancies may occur in the aggregated value

7) The decrease in energy consumption in 2024 resulted from refining calculation methodologies and enhancing the consistency of organizational boundaries compared to the previous year

ESG DATA

Environmental Performance

Water Usage[1]

Category	Unit	2021	2022	2023	2024
Water Withdrawal	ton	169,833	194,884	244,082	196,517
Water Reuse[2]	ton	6,732	9,845	5,874	4,455
Water Consumption[3, 4]	ton	0	0	0	0
Water Discharge[5]	ton	169,833	194,884	244,082	196,517
Water Withdrawal Intensity (Based on Sales)	ton/KRW 10 billion	797	812	1,516	1,384

1) On a non-consolidated basis (Pangyo R&D Center, Alpharium 1 and 2)
2) Reused domestic wastewater through the graywater reuse system in the Pangyo R&D Center only
3) Restatement of previous reporting (2021~2023) due to changes in aggregation criteria
4) Water consumption is calculated as the difference between water withdrawal and discharge. NC does not consume (use, store, evaporate, etc.) water in its business operations
5) Water withdrawal and water discharge volumes are identical

Air Pollutants[1]

Category		Unit	2021		2022		2023		2024	
Boiler			NO. 1	NO. 2	NO. 1	NO. 2	NO. 1	NO. 2	NO. 1	NO. 2
NOx	Legal Limt	ppm	60	40	60	40	60	40	60	40
	First Half	ppm	31.6	24.5	34.7	35.9	37.2	26.3	32.2	30.8
	Second Half	ppm	44.5	30.8	32.1	33.2	30.7	34	34.9	29.5
SOx	Legal Limt	ppm	70	35	70	35	70	35	70	35
	Second Half	ppm	Not detected	Not detected	0.3	0.7	Not detected	Not detected	2.2	3.4
Dust	Legal Limt	mg/Sm³	30	30	30	30	30	30	30	30
	Second Half	mg/Sm³	0.5	0.3	0.8	0.5	6.2	1.1	1.6	1.5

1) Air pollutants emitted from the Pangyo R&D Center; emission volumes may vary depending on the time of measurement

Waste[1]

Category		Unit	2021	2022	2023	2024
General Waste Generated		ton	385	454	528	508
Disposal method	Incineration/Landfill	ton	242	269	277	251
	Recycling	ton	143	185	251	257
Recycling rate		%	37	41	47	51

1) General waste generated at the Pangyo R&D Center

* Due to the nature of the industry, NC has minimal actual or potential environmental impact related to water use, ODS (ozone-depleting substances), and waste generation during the operational phase of its products and services. Accordingly, NC does not engage in management activities such as water quality control, ODS emissions monitoring, or waste impact assessment.

ESG DATA

Social Performance

Number of Employees[1]

Category			Unit	2021	2022	2023	2024
Total			Person	4,627	4,796	5,030	3,839
By Gender	Male		Person	3,084	3,140	3,246	2,582
	Female		Person	1,543	1,656	1,784	1,257
By Contract Type	Regular	Total	Person	4,462	4,596	4,823	3,739
		Male	Person	3,002	3,059	3,181	2,538
		Female	Person	1,460	1,537	1,642	1,201
	Contract	Total	Person	165	200	207	100
		Male	Person	82	81	65	44
		Female	Person	83	119	142	56
By Age Group	Total		Person	4,627	4,796	5,030	3,839
	Under 30		Person	693	671	665	393
	30-50		Person	3,873	4,017	4,211	3,267
	Over 50		Person	61	108	154	179

1) Headcount at headquarters (Including Registered Directors)

Employee Diversity

Category			Unit	2021	2022	2023	2024
By Gender	Percentage of All Female Employees		%	33.3	34.5	35.5	32.7
	Percentage of Female Leaders[1]		%	20.7	20.8	21.3	19.5
	Percentage of Female Executives		%	14.9	15.3	12.9	12.5
	Percentage of Female Employees in Leadership Roles[2]		%	21.2	21.3	22.0	20.1
By Nationality[3],[4]	Total		Person	32	34	27	24
	Asia	Taiwan	Person	2	4	3	3
		China	Person	3	3	3	2
	North America	United States	Person	13	11	10	9
		Canada	Person	6	7	6	3
	Europe	Germany	Person	1	1	-	-
		Russia	Person	-	-	-	1
		Belarus	Person	-	1	1	1
		United Kingdom	Person	-	-	-	1
		Ukraine	Person	-	1	1	1
	Other	New Zealand	Person	6	4	3	-
		Australia	Person	1	1	-	-
		Egypt	Person	-	1	-	3
Number of Employees with Disabilities			Person	23	21	25	16

1) At headquarters, refers to executives and non-executive officers
2) Non-executive officers include team leaders, lead specialist, directors, deputy C.C, and C.C (chief, captain)
3) Foreign employees at headquarters
4) Restatement of previous reporting information (2021-2023) due to a correction to the aggregation criteria

ESG DATA

Social Performance

Recruitment

Category		Unit	2021	2022	2023	2024
Total[1]		Person	695	646	551	311
By Gender	Male	Person	433	378	311	201
	Female	Person	262	268	240	110
By Age Group	Under 30	Person	229	247	205	98
	30-50	Person	463	394	345	206
	Over 50	Person	3	5	1	7
Internal Hiring	Announcements	Case	1,445	1,102	897	964
	Applicants	Person	623	404	472	566
	Successful Candidates	Person	301	115	157	155
Ratio of Entry-level Wage to Local Minimum Wage[2]	Development Positions	%	251	239	228	222
	Non-Development Positions	%	215	205	195	190
Ratio of senior management hired from the local[3,4]		%	-	17.8	20.08	22.22

1) Aggregated for full-time employees and contract employees at headquarters
2) Calculated based on the local minimum wage for the year; wage, with no pay differential for new hires based on gender
3) The metric was not reported in 2021 as it was not aggregated
4) Reporting scope: Based on positions (team leader or above) at NC Headquarters (HQ) as of December 31 of the reporting year

Turnover

Category		Unit	2021	2022	2023	2024
Total[1]		Person	354	505	347	1,465
By Type	Voluntary Turnover[2]	Person	323	483	314	384
	Non-voluntary Turnover[3]	Person	31	22	33	702
	Transfers to Affiliate Companies	Person	0	0	0	379
Voluntary Turnover Rate[4]		%	7.63	10.44	6.55	7.63

1) Aggregated for full-time employees and executives at headquarters
2) Departure from the organization initiated by the individual, independent of the organization's intent — such as resignation
3) Termination of an employment initiated by the organization, such as dismissal, downsizing, or retirement upon reaching the statutory age
4) Voluntary Turnover Rate = (Number of full-time employees and executives voluntary turnover in the year) / (Total number of employees at the end of the previous year)

Employee Training

Category			Unit	2021	2022	2023	2024
Percentage of Employees Trained Annually			%	100	100	100	100
Total Training Hours			Hour	101,850	147,648	143,884	56,581
Average Training Hours per Employee	Overall		Hour/Person	22.9	31.3	27.9	14.7
	By Gender	Male	Hour/Person	21.7	29.0	27.4	13.3
		Female	Hour/Person	25.4	36.1	28.7	17.6
	By Contract Type	Regular	Hour/Person	22.6	30.9	28.4	14.3
		Non-regular[1]	Hour/Person	31.4	41.6	20.2	32.0
Total Training Costs			KRW thousand	1,058,419	1,250,877	1,084,101	465,301
Average Training Cost per Employee			KRW thousand /Person	229	261	216	124

1) Including contract employees, short-term contract employees, interns, and dispatched employees

Employee Training - Details[1]

Category		Unit	2021	2022	2023	2024
Mandatory Training	Sexual Harassment Prevention Training	Person	4,849	4,948	5,085	3,864
	Disability Awareness in the Workplace Training	Person	4,882	5,023	5,124	4,527
	Data Privacy Training[2]	Person	984	4,622	4,936	4,608
	Information Security Training	Person	4,488			
In-house Training	Open Source Licensing Training	Person	251	207	187	77
	Game Usage Guide Training	Person	-	-	-	4,611

1) This figure represents the cumulative number of training completions at the time each course was conducted, and may not correspond to the number of employees on record as of December 31 of the reporting year.
2) Integrated company-wide information security training including data privacy training has been implemented since 2022

ESG DATA

Social Performance

Performance Appraisal

Category		Unit	2021	2022	2023	2024
Percentage of Total Employees Received Regular Performance Appraisals[1]		%	91	91	92	93
By Gender	Male	%	94	94	96	94
	Female	%	85	85	86	90
By Contract Type	Executives[2]	%	85	86	89	89
	Regular	%	92	92	94	94
	Contract	%	56	51	54	59

1) Regular and contract employees hired before July 1 of the current year are eligible for assessment
2) Including registered executives who are subject to separate assessment by the Board of Directors

Compensation

Category		Unit	2021	2022	2023	2024
Average Salary per Person[1]	Male	KRW million	118	129	122	119
	Female	KRW million	82	84	81	85
Retirement Pension Plans[2]	Defined Benefit (DB)	Person	3,445	3,562	3,808	2,916
	Defined Contribution (DC)	Person	142	202	258	311
	Hybrid (DB+DC)	Person	311	349	378	295
	Fair Value of Externally Funded Plan Assets	KRW million	204,345	251,279	285,705	259,099

1) Based on headquarters, average salary per employee, excluding registered executives. There is no difference in base salary between male and female employees with the same seniority and the same position
2) Based on non-consolidated financial statements

Parental Leave[1]

Category		Unit	2021	2022	2023	2024
Employees Who Are Eligible For Parental Leave[2]	Male	Person	99	123	100	69
	Female	Person	22	32	40	24
Employees Who Used Parental Leave[3]	Male	Person	2	7	7	10
	Female	Person	15	26	34	19
Ratio of Employees Who Used Parental Leave[4]	Male	%	2.0	5.7	7.0	14.5
	Female	%	68.2	81.3	85.0	79.2
Employees Who Have Worked for At Least A Year after Returning[5]	Male	Person	8	11	14	10
	Female	Person	33	42	42	34

1) Restatement of previous reporting (2021–2023) due to correction of aggregation criteria
2) Number of employees who are parents of children born in the relevant year and meet the parental leave conditions under Article 19, Paragraph 1 of the Equal Employment Opportunity And Work–Family Balance Assistance Act
3) Number of employees who are parents of children born in the relevant year and applied for parental leave under Article 19, Paragraph 1 of the Equal Employment Opportunity And Work–Family Balance Assistance Act
4) Number of employees who started parental leave within one year of childbirth / Number of employees eligible for parental leave with children under one year old from the date of birth in the relevant year
5) Number of employees who returned from parental leave under Article 19, Paragraph 1 of the the Equal Employment Opportunity And Work–Family Balance Assistance Act in the previous year and have worked continuously for more than 12 months since their returning

Collective Bargaining Agreement

Category	Unit	2021	2022	2023	2024
Unionization Rate[1]	%	-	-	20.4	26.7
Collective Bargaining Agreement Coverage Rate[2]	%	-	-	100	100

1) The NCSOFT Labor Union was newly established in April 2023. The union membership rate for 2023 is based on data collected in January 2024, while the 2024 membership rate is based on data collected in 2025
2) With the exception of clauses concerning labor union activities, the working conditions stipulated in the collective bargaining agreement apply equally to all employees

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Social Performance

Occupational Health & Safety

Category			Unit	2021	2022	2023	2024
Occupational Health and Safety Management System Coverage	Number of Workers Covered[1]		Person	5,047	5,258	5,275	4,151
	Ratio of Workers Covered		%	100	100	100	100
Work-Related Injury	Total	Number of Injury Cases	Case	1	1	2	2
		Number of Injured Persons	Person	1	1	2	2
		Average Annual Number of Workers	Person	5,047	5,258	5,275	4,151
		Injury Rate[2]	%	0.02	0.02	0.04	0.05
	Serious Accidents	Number of Cases	Case	0	0	0	0
		Target Number of Cases	Case	0	0	0	0
	Lost Time Injuries	Number of Cases	Case	1	1	2	2
		Total Hours Worked	Hour	9,240,000	10,516,000	10,381,200	8,074,110
		Lost Time Injury Frequency Rate (LTIFR)	%	0.11	0.1	0.19	0.25
Work-related Illness	Number of Affected worksites		Site	0	0	0	0
	Ratio of Affected worksites		%	0	0	0	0
	By Affected Groups	Employees	Case	0	0	0	0
		Partners	Case	0	0	0	0
Absenteeism[3]	Absentee Rate[4, 5]		%	0	0.0003	0.0127	0.0307

1) Calculated based on NCSOFT employees and contracted workers under the company's control (working within company premises) in accordance with Article 10, Paragraph 2 of the Occupational Safety and Health Act
2) Injury Rate = (Annual Number of Affected Workers) / (Average Annual Number of Workers) x 100
3) Calculated exclusively for NCSOFT employees
4) Absentee Rate = (Number of days absent due to occupational accidents) / (Number of scheduled working days per year) x 100
5) Restatement of previous reporting (2022–2023) due to correction of aggregation criteria

Information Security

Category		Unit	2021	2022	2023	2024
Violation Incidents of Information Security & Data Privacy	Number of Breaches	Case	2[1]	0	0	0
	Financial Loss Amount	KRW million	3	0	0	0
	Number of users affected	Person	6[1]	0	0	0
Performance of Security Incident Response/Prevention Activity	Third-party Audit	Count	3	3	3	3
	Information Security Breach Response Drill	Count	2	2	2	1
	Supply Chain Privacy Protection Inspection	Case	74	77	76	84
	Internal Campaign	Count	10	18	23	8

1) Non-compliance concerning B2 advertising information (spam) – advertising texts were sent to users who refused to receive such texts: 1 person, a customer center employee photographed customer data with the mobile phone and sent the data to acquaintances, leading to personal data breaches: 5 persons

GRI Standards 2021

GRI Context Index

Statement of use	As the reporting organization, NCSOFT is reporting its sustainability information in accordance with the GRI Standards 2021, covering activities from January 1, 2024 to December 31, 2024, and, for some activities, the first half of 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	GRI Sector Standards corresponding to the reporting organization NCSOFT's GICS, Industry Classification Standard, etc. have not been published as of the publication date and are not applicable.

GRI 2: General Disclosure 2021

Indicator	Disclosures	Reporting Page	Remarks
2-1	Organizational details	5~6, 52	
2-2	Entities included in the organization's sustainability reporting	-	Non-financial performance is primarily reported for NCSOFT's domestic business sites. For certain environmental quantitative indicators and some performance metrics, data from domestic subsidiaries (NC ITS, NCSOFT Service, NC Dinos, NC IDS, NC QA) and overseas subsidiaries (NC West Holdings, NC Interactive Inc., ArenaNet Inc., NCW NCP LLC, NC Taiwan Co., Ltd., NC Japan K.K.) are included with separate annotations.
2-3	Reporting period, frequency, and contact point	2	
2-4	Restatement of information	67~69, 71~72, 74, 75	[Subject] Value Distribution by Stakeholders (Shareholders and Investors), Employee Regulation Violations and Measures Taken, GHG Emissions (2023 Emissions from Overseas Subsidiaries), Water Usage, Employee Diversity (Headcount by Nationality), Parental Leave, Occupational Health & Safety (Absentee Rate) [Reason] Restatement of past year's reported information due to correction of aggregation criteria
2-5	External assurance	83~86	
2-6	Activities, value chain, and other business relationships	5~7	(Reference) 28th Annual Business Report [Correction] 23p II. Business Overview
2-7	Employees	72	
2-8	Workers who are not employees	-	(Reference) 28th Annual Business Report [Correction] 246p 'Status of Employees, etc.'
2-9	Governance structure and composition	53~54	
2-10	Nomination and selection of the highest governance body	56	
2-11	Chair of the highest governance body	54	The Chairperson of the Board is appointed from among the Co-CEOs by resolution of the Board, in accordance with the Articles of Incorporation and Board regulations. CEO Taek-jin Kim, the founder of NCSOFT, possesses deep expertise and a comprehensive understanding of both the game industry and corporate management. To enhance the efficiency of Board operations and decision-making, and to ensure accountable management, he concurrently serves as Chairperson of the Board following the Board's formal appointment procedures.
2-12	Role of the highest governance body in overseeing the management of impacts	9	
2-13	Delegation of responsibility for managing impacts	9	
2-14	Role of the highest governance body in sustainability reporting	9	
2-15	Conflict of interest	53	

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Appendix

ESG-Related Policies

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Greenhouse Gas Verification Statement

Independent Assurance Opinion Statement

GRI Standards 2021

GRI 2: General Disclosure 2021

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ESG-Related Policies

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> GRI Standards 2021

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TCFD Index

Greenhouse Gas Verification Statement

Independent Assurance Opinion Statement

Indicator	Disclosures	Reporting Page	Remarks
2-16	Communication of critical concerns	9	(Reference) 28th Annual Business Report [Correction] 230-231p 'd. Important Resolutions, etc.'
2-17	Collective knowledge of the highest governance body	9	
2-18	Evaluation of the performance of the highest governance body	56	
2-19	Remuneration policies	56	(Reference) 28th Annual Business Report [Correction] 246-252p '2. Executive Remuneration, etc.'
2-20	Process to determine remuneration	56	(Reference) 28th Annual Business Report [Correction] 246-252p '2. Executive Remuneration, etc.'
2-21	Annual total compensation ratio	Confidentiality Constraints	Not disclosed due to management confidentiality
2-22	Statement on sustainable development strategy	8	
2-23	Policy commitments	64~66	
2-24	Embedding policy commitments	43~44	
2-25	Processes to remediate negative impacts	44	
2-26	Mechanism for seeking advice and raising concerns	44, 61	
2-27	Compliance with laws and regulations	-	No incidents of non-compliance with laws and regulations occurred during the reporting period.
2-28	Membership associations	68	
2-29	Approach to stakeholder engagement	-	(see table below)
2-30	Collective bargaining agreements	74	

For 2-29 Approach to stakeholder engagement:

Stakeholders	Communication Channels	Stakeholders	Communication Channels
Shareholders· Investors	• Official website • Annual General Meeting of Shareholders • Quarterly earnings releases • Conference calls • NDR (Non-Deal Roadshow) • One-on-one meetings • Disclosures	Employees	• Intranet • Null • Nanowiki • NC Tong (whistleblower channel)
Users	• Official website • One-on-one inquiries through the customer center • Official blog and social media (Facebook, YouTube, Instagram) • Customer support email and phone	Partners	• Integrated Procurement System • Clean Reporting Center • Disclosures
		Central and local governments	• Official website • Disclosures • Public service support activities

GRI Standards 2021

GRI 3: Material Topics 2021

Topic	Indicator	Disclosures	Reporting Page
GRI 3: Material Topics 2021	3-1	Process to determine material topics	10~12
	3-2	List of material topics	12

Topic	Indicator	Disclosures	Reporting Page
User (Customer) Communication[1]			
GRI 3: Material Topics 2021	3-3	Management of material topics	14~17
Business Competitiveness[1]			
GRI 3: Material Topics 2021	3-3	Management of material topics	28~30
Information Security & Data Privacy			
GRI 3: Material Topics 2021	3-3	Management of material topics	23~27
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75
Human Capital Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	38~42
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	73
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	73
	404-2	Programs for upgrading employee skills and transition assistance programs	39, 73
	404-3	Percentage of employees receiving regular performance evaluations and career development reviews	74
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	72
	405-2	Ratio of basic salary and remuneration of women to men	74
Corporate Governance[1]			
GRI 3: Material Topics 2021	3-3	Management of material topics	52~57

Topic	Indicator	Disclosures	Reporting Page
Service Quality & Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	21~22
GRI 416: Customer Health & Safety 2016	416-1	Assessment of Health and Safety Impacts of Products and Services Categories	22
Business Ethics			
GRI 3: Material Topics 2021	3-3	Management of material topics	58~62
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	61
	205-2	Communication and training about anti-corruption policies and procedures	62
	205-3	Confirmed incidents of corruption and actions taken	68
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	79

1) There are no GRI Topic Standards corresponding to the relevant material topics

GRI Standards 2021

Topic Standards

Topic	Indicator	Disclosures	Reporting Page	Remarks
GRI 101: Biodiversity 2024	101-2	Management of biodiversity impacts	36	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	67	
	201-2	Financial implications and other risks and opportunities due to climate change	33	
	201-3	Defined benefit plan obligations and other retirement plans	74	
	201-4	Financial assistance received from government	-	(Reference) 28th Annual Business Report [Correction] 62p, 75p, 138p, 154p
GRI 202: Market Presence 2016	202-1	Ratio of standard entry level wage by gender compared to local minimum wage	73	
	202-2	Proportion of senior management hired from the local community	73	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	18~20, 47~51	
	203-2	Significant indirect economic impacts	49	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	61	
	205-2	Communication and training about anti-corruption policies and procedures	62	
	205-3	Confirmed incidents of corruption and actions taken	68	
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	As of 2024, responding to an ongoing investigation by the Korea Fair Trade Commission
GRI 207: Tax 2019	207-1	Approach to tax	57	
	207-2	Tax governance, control, and risk management	57	
	207-3	Stakeholder engagement and management of concerns related to tax	57	
	207-4	Country-by-country reporting	67	

Topic	Indicator	Disclosures	Reporting Page	Remarks
GRI 302: Energy 2016	302-1	Energy consumption within organization	70	
	302-2	Energy consumption outside of the organization	70	
	302-3	Energy intensity	70	
	302-4	Reduction of energy consumption	34, 37	
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	36	
	303-3	Water Withdrawal	71	
	303-4	Water Discharge	71	
	303-5	Water consumption	71	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	69	
	305-2	Indirect (Scope 2) GHG emissions	69	
	305-3	Other indirect (Scope 3) GHG emissions	69	
	305-4	GHG emissions intensity	69	
	305-5	Reduction of GHG emissions	34	Emission reduction not measured in the reporting year
	305-6	Emissions of ozone-depleting substances (ODS)	71	
	305-7	Nitrogen oxides, sulfur oxides, and other significant air emissions	71	
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	36, 71	
	306-3	Waste generated	71	
	306-4	Waste diverted from disposal	71	
	306-5	Waste directed to disposal	71	

GRI Standards 2021

Topic Standards

Topic	Indicator	Disclosures	Reporting Page	Remarks
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	73	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	41~42	
	401-3	Parental leave	74	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health & safety management system	45	
	403-2	Hazard identification, risk assessment, and incident investigation	45~46	
	403-3	Occupational health services	45~46	
	403-4	Worker participation, consultation, and communication on occupational health and safety	45	
	403-5	Worker training on occupational health and safety	46	
	403-6	Promotion of worker health	46	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45~46	
	403-8	Workers covered by the occupational health and safety management system	66, 75	
	403-9	Work-related injuries	75	
	403-10	Work-related ill health	75	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	73	
	404-2	Programs for upgrading employee skills and transition assistance programs	39, 73	
	404-3	Percentage of employees receiving regular performance and career development reviews	74	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	72	
	405-2	Ratio of basic salary and remuneration of women to men	74	

Topic	Indicator	Disclosures	Reporting Page	Remarks
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	44	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	-	NC strictly prohibits child labor and forced labor through the Human Rights Management Declaration
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	
GRI 411: Rights of Indigenous People 2016	411-1	Incidents of violations involving rights of indigenous peoples	-	As of the reporting year, NC has no business site that affect the rights of indigenous peoples
GRI 415: Public Policy 2016	415-1	Political contributions	-	NC strictly prohibits all political donations and sponsorships
GRI 416: Customer Health and Safety 2016	416-1	Assessment of health and safety impacts of products and service categories	22	Applied to all game services within PLAYNC (However, the game time selection system is selectively applied according to game rating)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	As of the reporting year, there have been no violations of safety regulations regarding NC's products and services
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	-	As of the reporting year, there have been no violations of domestic regulations related to marketing communications (including Article 34 of the Game Industry Promotion Act, etc.)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75	

SASB Index

Technology & Communication Sector – Software & IT Services Industry

Topic	Code	Accounting Metric	Reporting Page	Details
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed	70	571TJ (on a non-consolidated basis)
		(2) Percentage grid electricity	70	89.7%
		(3) Percentage renewable	-	Not Applicable
	TC-SI-130a.2	(1) Total water withdrawn	71	196,517 tons
		(2) Total water consumed	71	0 ton
		(3) Percentage of each in regions with High or Extremely High Baseline Water Stress	36	Not Applicable
	TC-SI-130a.3	Discussion on integration of environmental considerations into strategic planning for data centre needs	34	Optimizing energy consumption of leased data centers and minimizing Environmental Impact through high-efficiency equipment and DCIM-based energy control.
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to targeted advertising and user privacy	-	NC gives notice to users through our Privacy Policy regarding the collection items, methods, purposes, and retention periods of behavioral data, as well as advertising companies which provide personalized advertising by using such behavioral data. Furthermore, when processing user cookies on web pages, NC obtains prior consent (on an opt-in basis)
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	-	Not Applicable
	TC-SI-220a.3	Total amount of monetary loss as a result of legal proceedings associated with user privacy	-	Not Applicable
	TC-SI-220a.4	(1) Number of law enforcement requests for user information	-	Search and seizure warrant requests: 3,089 cases Communication data requests: 0 cases Communication fact verification requests: 929 cases.
		(2) Number of users whose information was requested	-	Not Applicable[1]
		(3) Percentage resulting in disclosure	-	54.8%
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	-	Not Applicable

Topic	Code	Accounting Metric	Reporting Page	Details
Data Security	TC-SI-230a.1	(1) Number of data breaches	-	0 Cases (based on reporting under the Article 34 of the Personal Information Protection Act and the Article 28(3) of the Act on the Promotion of Information and Communications Network Utilization and Information Protection)
		(2) Percentage that are personal data breaches	-	Not Applicable
		(3) Number of users affected	-	Not Applicable
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	26	Based on ISMS-P, ISO/IEC 27001, and Global-CBPR certifications, NC operates a global-level information protection system through regular identification, evaluation, and action on security vulnerabilities and risks.
Recruiting & Managing a Global, Diverse Skilled Workforce	TC-SI-330a.1	Percentage of employees that require a work visa	72	0.006%
	TC-SI-330a.2	Employee engagement as a percentage	-	Not Conducted
	TC-SI-330a.3	(1) Percentage of gender and diversity group representation for executive management	72	Female Executives 12.5%
		(2) Percentage of gender and diversity group representation for technical employees	-	Male 70% (1,968 persons), Female 30% (840 persons) (Reference: 28th Annual Business Report [Correction] p.246 'Status of Employees, etc.')
		(3) Percentage of gender and diversity group representation for all other employees	72	Male 67% (2,582 persons), Female 33% (1,257 persons)
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	-	Not Applicable
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	(1) Number of performance issues	-	14 cases
		(2) Number of service disruptions	-	14 cases
		(3) Number of total customer downtime	-	28.5 hours
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	-	To prepare for global network infrastructure disruptions such as submarine cables caused by natural disasters due to climate change and geopolitical risks, NC has established an infrastructure management system to strengthen service continuity through service redundancy and securing alternative routes.

1) Unable to verify due to insufficient aggregation of applicable criteria

TCFD Index

TCFD Recommendations		Reporting Page
Pillars	Recommended Disclosures	
Governance	a) Describe the board's oversight of climate-related risks and opportunities	32
	b) Describe management's role in assessing and managing climate-related risks and opportunities	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	33~34
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	35
	b) Describe the organization's processes for managing climate-related risks	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
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	35, 69~70
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

Greenhouse Gas Verification Statement

Verification Scope

· 2024 Scope 1&2 greenhouse gas emissions and energy consumption, and Scope 3 greenhouse gas emissions for NC-SOFT Corporation and eight domestic and overseas subsidiaries

· NCSOFT Corporation and eight domestic and overseas subsidiaries: NC ITS, NCSOFT Service, NC Dinos, and NC IDS, NC QA, NC West Holdings, NC Taiwan Co., Ltd, NC Japan K.K.

Limits of verification

· Verification was carried out through document review, risk analysis, and interviews with the head of the headquarters for emission information and data on the greenhouse gas inventory from NCSOFT Corporation no visit to the site to be verified or verification of the authenticity of the data provided by NCSOFT Corporation has been carried out.

· This validation may be affected by limited factors such as limited data provided, non-business site visits, and sampling, which pose an inevitable risk that critical errors may not be found and may exist.

Verification of Scope 3 Categories

· NCSOFT Corporation and overseas subsidiaries (NC West Holdings, NC Taiwan Co., Ltd., NC Japan K.K.) 7 categories: Purchased products and services, Capital goods, Fuel and energy related activity, Upstream transportation and distribution, Waste generated operations, Business travel, Downstream leased assets

· NC ITS 4 categories: Purchased products and services, Capital goods, Fuel and energy related activity, Upstream transportation and distribution

· NCSOFT Service 6 categories: Purchased products and services, Capital goods, Fuel and energy related activity, Upstream transportation and distribution, Waste generated operations, Business travel

· NC Dinos 7 categories: Purchased products and services, Capital goods, Fuel and energy related activity, Upstream transportation and distribution, Waste generated operations, Business travel, Downstream leased assets

· NC IDS 4 categories:Purchased products and services, Capital goods, Fuel and energy related activity, Business travel

· NC QA 4 categories:Purchased products and services, Capital goods, Fuel and energy related activity, Business travel

GHG Criteria & Protocols used for Verification

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

· Guideline for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme

· WBCSD/WRI Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard and Scope 3 Calculation Guidance

· ISO 14064-1:2018 & ISO 14064-3:2019

· BSI GHGEV Manual

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.

· This scope 1&2 and scope 3 greenhouse gas emissions for NCSOFT Corporation and eight subsidiaries in domestic and overseas was verified under the limited assurance level.

· Data quality was considered acceptable in meeting the key international principles for greenhouse gas emissions 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".

Greenhouse Gas Verification Statement

Introduction

Where Joy Begins

ESG Performance

Appendix

ESG-Related Policies

ESG DATA

GRI Standards 2021

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Verification Data: Scope 1&2 emissions and energy consumption for NCSOFT and eight domestic and overseas subsidiaries in 2024

(Unit: tCO$_2$eq, TJ)

Corporate Name	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Total Greenhouse Gas Emissions	Total Energy Consumption
NCSOFT	669.816	26,172.107	26,841.923	573.56
NC West Holdings	0.444	1,934.562	1,935.006	10.439
NC Taiwan Co., Ltd.	0.424	655.391	655.815	2.180
NC Japan K.K.	6.041	237.269	243.310	0.996
NC ITS	4.406	107.948	112.354	2.378
NCSOFT Service	18.407	232.737	251.144	5.234
NC Dinos	153.702	1,593.455	1,747.157	35.940
NC IDS	0.792	51.516	52.308	1.112
NC QA	0.785	50.788	51.573	1.097
Total	**854.817**	**31,035.773**	**31,890.590**	**632.906**

Verification Data: Scope 3 other indirect emissions for NCSOFT and eight domestic and overseas subsidiaries in 2024

(Unit: tCO$_2$eq)

Corporate Name	Purchased goods and services	Capital goods	Fuel- and energy- related activities (not included in Scope 1 or Scope 2)	Upstream Transportation and Distribution	Waste generated in operations	Business travel	Downstream leased assets	Total Greenhouse Gas Emissions
NCSOFT	38,253.221	12,506.468	4,187.468	6.394	221.538	421.298	2,089.099	57,685.031
NC West Holdings	1,433.495	416.516	213.915	-	1.748	148.157	-	2,213.831
NC Taiwan Co., Ltd.	846.352	9.824	74.164	15.038	-	16.569	-	961.947
NC Japan K.K.	379.488	27.504	25.904	0.334	1.296	23.769	-	458.295
NC ITS	29.673	6.091	17.336	0.016	-	-	-	53.116
NCSOFT Service	162.506	9.014	37.846	0.150	2.096	4.979	-	216.591
NC Dinos	37.834	27.404	254.881	0.126	254.3	114.728	147.083	836.403
NC IDS	87.484	1.079	8.168	-	-	1.013	-	97.144
NC QA	24.827	8.041	8.052	-	-	0.024	-	40.944
Total	**41,254.880**	**13,011.941**	**4,827.279**	**22.058**	**481.025**	**730.537**	**2,236.182**	**62,563.902**

National Institute of Environmental Research

MEMBER OF MULTILATERAL RECOGNITION ARRANGEMENT — IAF

Issue: 03/07/2025

For and on behalf of BSI: Managing Director Korea, Seong-hwan Lim

Independent Assurance Opinion Statement

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the NCSOFT ESG PLAYBOOK 2024 (hereinafter referred to as the "Report"). The Assurer is independent of NCSOFT CORPORATION and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the NCSOFT CORPORATION report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the NCSOFT CORPORATION and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

NCSOFT CORPORATION 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 NCSOFT CORPORATION only.

The Assurer is responsible for providing NCSOFT CORPORATION management 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 NCSOFT CORPORATION. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than NCSOFT CORPORATION in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with NCSOFT CORPORATION includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the first half of 2025.
- 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.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

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 levels and types 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 NCSOFT CORPORATION.

[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]

- 101-2, 201-1~4, 202-1~2, 203-1~2, 205-1~3, 206-1, 207-1~4, 302-1~4, 303-2~5, 305-1~7, 306-2~5, 401-1~3, 403-1~10, 404-1~3, 405-1~2, 406-1, 408-1, 409-1, 411-1, 415-1, 416-1~2, 417-3, 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;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to 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 materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available.
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).

Visit of the NCSOFT CORPORATION HQ 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 the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Opinion Statement

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that NCSOFT CORPORATION's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

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.

Independent Assurance Opinion Statement

Conclusions

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

Inclusivity:
Stakeholder Engagement and Opinion

NCSOFT CORPORATION defined shareholders/investors, users, employees, partners, and central/local government as a Key Stakeholder Groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. NCSOFT CORPORATION conducted a review of the stakeholder engagement process in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. NCSOFT CORPORATION disclosed the results related to the process in the Report.

Materiality:
Identification and reporting of material sustainability topics

NCSOFT CORPORATION implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, NCSOFT CORPORATION conducted the analysis of global sustainability reporting or assessment standards, analysis of benchmarking the same industry to derive the impact and financial materiality. NCSOFT CORPORATION derived 7 material topics through the relevant process, and disclosed GRI topic standard disclosures related to material topics in the Report.

Responsiveness:
Responding to material sustainability topics and related impacts

NCSOFT CORPORATION operated a management process for material topics in the context of sustainability derived from the materiality assessment. NCSOFT CORPORATION established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. NCSOFT CORPORATION reviewed through major management organizations, disclosed the process including policy, indicator, activity and response performance on material topics in the Report.

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

NCSOFT CORPORATION identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material topics reported. NCSOFT CORPORATION established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material topics at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

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

Among the GRI Topic Standards, the following disclosure were carried out in the assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, 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 reporting organization 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 during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

· GRI Topic standards: 205-1~3, 206-1, 302-1~4, 303-2~5, 305-1~7, 306-2~5, 401-1~3, 404-1~3, 405-1~2, 406-1, 416-1, 418-1

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

Considering the key business characteristics,

· It may be helpful to advance the sustainability management system by identifying key stakeholders within the value chain and shaping sustainability strategies and objectives based on their needs.

· It may be helpful to advance the sustainability management system by specifying an Engagement Plan in the Sustainability Context for key stakeholders, such as shareholders, investors, and users.

Competency and Independence

BSI (British Standards Institution) 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 almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with NCSOFT CORPORATION. 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.

GRI-reporting

NCSOFT CORPORATION provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by NCSOFT CORPORATION. The sector standard was not applied.

BSI Group Korea   23/06/2025

Jungwoo Lee,   Seonghwan Lim,
Lead Assurer, LCSAP   Managing Director of BSI Korea

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