

ESG Disclosure

We disclose following ESG related initiatives / matters based on Sustainability Accounting Standards Board (SASB) Standards, Etc.

| ESG | Dimension | General Issue Category | Disclosure Topics | SASB Code | Accounting Metrics | Disclosure |
|-------------|----------------|------------------------------------|--|--------------|--|--|
| Environment | Environment | GHG Emissions | - | - | - | <p>Since Nexon Group's main businesses are in the production, development and operation of software related to PC online and mobile games, our environmental impact is much less than that of most manufacturers.</p> <p>While our operations generate very little waste, we are studying ways to reduce the amount of energy required for our data centers and other areas of production.</p> |
| | | Energy Management | Environmental Footprint of Hardware Infrastructure | TC-SI-130a.1 | (1) Total energy consumed (2) percentage grid electricity (3) percentage renewable | |
| | | | | TC-SI-130a.2 | (1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | |
| | | | | TC-SI-130a.3 | Discussion of the integration of environmental considerations into strategic planning for data center needs | |
| Social | Social Capital | Human Rights & Community Relations | - | - | - | <ul style="list-style-type: none"> Refer to p.2 "3. Respect for Human Rights" and p. 4 "8. Whistle-blowing" in the NEXON Group Code of Conduct and Business Ethics https://ir.nexon.co.jp/en/stock/governance/conduct_ethics.pdf As an entertainment company with millions of consumers worldwide, Nexon is deeply committed to project a positive set of values to the communities we serve. For more information, visit our website https://csr.nexon.co.jp/en/ |
| | | Customer Privacy | Data Privacy & Freedom of Expression | TC-SI-220a.1 | Description of policies and practices relating to behavioral advertising and user privacy | <ul style="list-style-type: none"> We do not provide any private information to third parties except when there is customer consent or it is required by law, etc. Refer to p. 3 "6. Management of Confidential Information" in NEXON Group Code of Conduct and Business Ethics. https://ir.nexon.co.jp/en/stock/governance/conduct_ethics.pdf Refer to our Privacy Policy. https://company.nexon.co.jp/en/support/privacypolicy.html |
| | | | | TC-SI-220a.2 | Number of users whose information is used for secondary purposes | <ul style="list-style-type: none"> This information is not presently collected. In the event that action is needed, we will determine an appropriate response based on our Privacy Policy (see above) and other internal guidelines. |
| | | | | TC-SI-220a.3 | Total amount of monetary losses as a result of legal proceedings associated with user privacy | |
| | | | | TC-SI-220a.4 | (1) Number of law enforcement requests for user information (2) number of users whose information was requested (3) percentage resulting in disclosure | |
| | | | | TC-SI-220a.5 | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | |
| | | Data Security | Data Security | TC-SI-230a.1 | (1) Number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of users affected | <ul style="list-style-type: none"> Not disclosed in order to avoid inducement of a data breach or other similar events. If an applicable event arises, we will take measures based on internal rules including our Privacy Policy (see above). |
| | | | | TC-SI-230a.2 | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | <ul style="list-style-type: none"> Refer to p. 3 "6. Management of Confidential Information" in NEXON Group Code of Conduct and Business Ethics. https://ir.nexon.co.jp/en/stock/governance/conduct_ethics.pdf Refer to our Privacy Policy (see above). |
| | | Product Quality & Safety | - | - | - | <ul style="list-style-type: none"> Nexon games and services operate in compliance with the laws in each country where we operate. In many cases, our self-imposed rules and those recommended by industry groups are stricter than local regulations |

ESG Disclosure

We disclose following ESG related initiatives / matters based on Sustainability Accounting Standards Board (SASB) Standards, Etc.

| ESG | Dimension | General Issue Category | Disclosure Topics | SASB Code | Accounting Metrics | Disclosure |
|------------|-------------------------|--|---|--------------|---|--|
| Social | Human Capital | Employee Engagement, Diversity & Inclusion | Recruiting & Managing a Global, Diverse & Skilled Workforce | TC-SI-330a.1 | Percentage of employees that are (1) foreign nationals and (2) located offshore | <ul style="list-style-type: none"> We provide online game services through our overseas entities and partner companies in over 190 countries and regions including Asia, North and South America and Europe. Diverse human resources, regardless of nationality, are utilized at each entity. We are also working to raise the level of development globally by allocating and utilizing talented human resources across national borders, as well as through the horizontal sharing of technology and know-how. For example, Nexon Korea employees with unique expertise in game technology are sharing that information with colleagues at Nexon Japan. https://company.nexon.co.jp/en/introduction/foreign.html Number of employees by reporting segment is disclosed in our quarterly investor presentations. Please refer to "Number of Employees by Reporting Segment" in the Investor Presentation for each quarter, which are available on the following website. https://ir.nexon.co.jp/en/library/result.html |
| | | | | TC-SI-330a.2 | Employee engagement as a percentage | <ul style="list-style-type: none"> While we do not have a globally unified practice to measure employee engagement, Nexon managers in each market/country conduct multiple town hall meetings each year to keep employees informed and to encourage engagement. We are also working on other initiatives to increase employee engagement in each region. In Japan, we regularly conduct employee surveys and give feedback to managers. In January 2021, Nexon Korea adopted a new compensation policy that included salary increases, and incentive programs that further rewarded team and individual achievements. Our policy was quickly copied by peer companies in Korea. Additionally, we are providing great employment opportunities for young people by recruiting more new graduates. In the US, Nexon was identified as a "Great Place To Work" based on an employee survey conducted by third-party experts. |
| | | | | TC-SI-330a.3 | Percentage of gender and racial/ethnic group representation for (1) management (2) technical staff (3) all other employees | <ul style="list-style-type: none"> Male/Female ratio *As of the end of June 2023 - (Full-time employees) Male: 65% Female: 35% - (Managers) Male: 77% Female: 33% |
| Governance | Leadership & Governance | Business Ethics | - | - | - | <ul style="list-style-type: none"> Refer to NEXON Group Code of Conduct and Business Ethics. https://ir.nexon.co.jp/en/stock/governance/conduct_ethics.pdf |
| | | Competitive Behavior | 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 | <ul style="list-style-type: none"> Intellectual property rights (e.g. patent rights, copyrights, trademark rights) of game titles owned by Nexon Group are essential to our business development and we take measures for their protection and management. For further details, refer to p. 30 "Risks concerning intellectual property rights" in the Annual Securities Report for the full year ended December 31, 2022. https://ir.nexon.co.jp/en/library/quarter.html |
| | | Systemic Risk Management | Managing Systemic Risks from Technology Disruptions | TC-SI-550a.1 | Number of (1) performance issues (2) service disruptions (3) total customer downtime | <ul style="list-style-type: none"> Nexon takes extensive measures to prevent service disruptions and to quickly mitigate the situation when this occurs. For further details, refer to p. 30 "Risks concerning systems, etc." in the Annual Securities Report for the full year ended December 31, 2022. https://ir.nexon.co.jp/en/library/quarter.html |
| | | | | TC-SI-550a.2 | Description of business continuity risks related to disruptions of operations | <ul style="list-style-type: none"> Refer to p. 25 "Technological innovation" in the Annual Securities Report for the full year ended December 31, 2022. https://ir.nexon.co.jp/en/library/quarter.html |