



# NAVER CORPORATION ANNUAL SUSTAINABILITY BOND REPORT PERIODIC REVIEW

## NAVER

**Document title:** Periodic Review on NAVER Corporation Annual Sustainability Bond Report (May 2023)

**Prepared by:** DNV Business Assurance Korea Ltd.

**Location:** Seoul, Republic of Korea

**Date:** 9 May 2023

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This statement is valid until NAVER Corporation Annual Sustainability Bond Report provided in May 2023 remains unchanged.

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### Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct<sup>1</sup> during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

<sup>1</sup> DNV Code of Conduct is available from DNV website ([www.dnv.com](http://www.dnv.com))

## DNV PERIODIC REVIEW OPINION

### Scope and Objectives

In 2021, NAVER Corporation (“NAVER” or the “Company”) issued two sustainability bonds (the “BONDS”), original notes on 29 March and a tap issue on 12 May, under the NAVER Sustainable Finance Framework (the “Framework”). The Framework was published in January 2021 and verified by an external reviewer, Sustainalytics, with a Second Party Opinion.<sup>2</sup> In support of NAVER’s ESG strategy and sustainability vision, the BONDS intended to finance or refinance green projects, including green buildings, renewable energy, clean transportation and eco-friendly packaging, and social projects including digital capacity building programs for SMEs and start-ups and financial aids to local communities impacted by COVID-19.

DNV Business Assurance Korea Ltd. (“DNV”) has been commissioned by NAVER to provide a periodic review of the Company’s 2023 Annual Sustainability Bond Report (“Report”), by assessing whether the projects funded by the net proceeds of the BONDS and the associated reporting are in alignment with the criteria set forth in the Framework. Our methodology to achieve this is described under ‘Work Undertaken’ below.

In this report, no assurance is provided regarding the financial performance of the BONDS, the value of any investments in the BONDS, or the long-term environmental benefits of the transaction. Our main objective has been to provide an assessment that the BONDS have met the criteria established on the basis set out below.

### Responsibilities of the Management of NAVER and DNV

The management of NAVER has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform NAVER management and other interested stakeholders in the BONDS as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by NAVER. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by NAVER used as a basis for this assessment were not correct or complete.

### Basis of DNV’s opinion

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of the BONDS must use the funds raised to finance (or refinance) eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of the BONDS should outline the process it follows when determining eligibility of an investment using the BONDS proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the BONDS should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

<sup>2</sup> The Framework and its SPO are available on the NAVER website: <https://www.navercorp.com/en/investment/sustainableFinanceFramework>

- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of the BONDS proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

## Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by NAVER in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion include:

- Creation of a Protocol, adapted to the purpose of the BONDS, as described above and in Schedule 3 to this assessment;
- Assessment of documentary evidence provided by NAVER on the BONDS and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Assessment of the NAVER's Report with a review on the nature, appropriateness, and where required, accuracy of the data used for Allocation and Impact Reporting;
- Review of relevant information disclosed on the NAVER website, and other documentations and evidences related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

## Findings and DNV's Opinion

DNV's findings are listed below:

1. **Principle One: Use of Proceeds.** NAVER has reported use of the proceeds of the BONDS to finance and refinance projects and assets including:

### ***Green project categories***

- *Green Building*
- *Renewable Energy*
- *Clean Transportation*
- *Circular Economy and Design*

### ***Social project categories***

- *Digital Literary*
- *COVID-19 Crisis Response*
- *Support for SMEs and Start-ups*

DNV reviewed the criteria for the project categories above to determine the eligibility of the nominated projects and assets.

2. **Principle Two: Process for Project Evaluation and Selection.** The proceeds of the BONDS have been allocated to finance and refinance the assets as defined in Schedule 1. DNV has reviewed evidence that demonstrates that NAVER follows the project evaluation and selection described in the framework, regularly

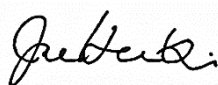
assesses opportunities for improvement, and devises action plans and initiatives to mitigate negative environmental impacts from its operations.

3. **Principle Three: Management of Proceeds.** DNV has reviewed evidence showing how NAVER traced the proceeds from the BONDS, from the time of issuance to the time of disbursement. The full amount of the proceeds is managed by its finance team using its existing accounting system, and thereafter disbursed in accordance with the eligible projects while the outstanding balance of the BONDS is reviewed at the end of each financial period.
4. **Principle Four: Reporting.** NAVER has prepared the Report which includes the amount of sustainability bond proceeds allocated, categories of projects financed or refinanced, and the environmental and social impacts for the term of the bond. Based on the evidence reviewed, DNV concludes that the Report is supported by the data provided and that the basis for calculation of the data is appropriate and accurate within the scope of our assessment. NAVER has confirmed that the Report will be shared on its website.

On the basis of the information provided by NAVER and the work undertaken, it is DNV's opinion that the BONDS meets the criteria established in the Protocol and that it is aligned with the stated definition of sustainability bonds within the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, which is to "enable capital-raising and investment for new and existing projects with environmental and social benefits"

for DNV Business Assurance Korea Ltd.

Seoul, Republic of Korea / 9 May 2023



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## SCHEDULE 1: NOMINATED ASSETS FINANCED OR REFINANCED THROUGH SUSTAINABILITY BOND

Total net proceeds allocated as of 31 March 2023: Approx. 792.8 million USD<sup>3</sup> (100% allocated out of total gross 800 million USD issued)<sup>4</sup>

Eligible Project Categories	Refinancing		New Financing		Total (%)
	1,000 USD (%)	Period <sup>5</sup>	1,000 USD (%)	Period	
Green	258,940.2 (32.66)	3.29.2018~3.28.2021	512,137.2 (64.60)	3.29.2021~3.31.2023	771,077.4 (97.25)
Social	14,420.2 (1.82)	3.29.2018~12.31.2020	7,330.4 (0.92)	1.1.2021~3.31.2023	21,750.6 (2.75)
Total (%)	273,360.3 (34.48)		519,467.7 (65.52)		792,828.0 (100.0)

### 1. Green Project Category

(Unit: 1,000 USD)

Category	Projects	2018~2020	2021	2022	2023 (Up to Mar '23)	Total (%)
Green Building	1784 – NAVER's 2 <sup>nd</sup> headquarter	248,768.9	139,944.4	13,261.4	687.9	402,662.5 (50.79)
	Data Center Gak Sejong	10,162.3	108,807.2	174,360.9	74,646.8	367,977.1 (46.41)
Renewable Energy	3rd party or direct Power Purchase Agreement	-	-	16.4	65.1	81.5 (0.01)
Clean Transportation	EVs purchased and infrastructure for EVs	-	6.6	59.5	183.6	249.7 (0.03)
Circular Economy and Design	Production of eco-friendly packaging	9.0	48.1	49.5	-	106.6 (0.01)
Green Subtotal		258,940.2	248,806.3	187,747.6	75,583.4	771,077.4 (97.25)

<sup>3</sup> The net proceeds amount in USD in 2018-2021 were based on FX spot rate as of December 31 2021; as of December 31 2022, for the amount in 2022; and as of March 31 2023, for the amount in 2023.

<sup>4</sup> From the total gross proceeds of 800 million USD, the net proceeds equate to approx. 792.8 million USD after accounting for all costs and expenses which incurred when carrying out the transaction.

<sup>5</sup> According to the Framework, NAVER limits the look-back period to 36 months prior to the issuance date of the relevant sustainable financing transactions (SFTs). As for the social projects, due to the intricate nature of the numerous projects that were initiated before the issuance of the BONDS, a fixed period from 29 March 2018 to 31 December 2020 has been applied to account for all refinanced social projects.

## 2. Social Project Category

(Unit: 1,000 USD)

Category	Projects	2018~2020	2021	2022 <sup>6</sup>	Total (%)
Digital Literacy	D-Commerce, E-commerce educational program and consulting for SMEs and start-ups	1,769.3	223.7	-	<b>1,993.0 (0.25%)</b>
	Online education and offline space support for SMEs and start-ups (NAVER Business School)	-	-	1,537.5	<b>1,537.5 (0.19%)</b>
Covid-19 Crisis Response	Business operation support for COVID-19 stricken SMEs and start-ups	1,483.3	1,226.6	96.8	<b>2,806.8 (0.35%)</b>
	IT support for schools and SMEs	633.7	84.0	-	<b>717.7 (0.09%)</b>
	Cleaning/disinfection and supply of air-cleaning devices for schools	61.4	55.5	-	<b>116.8 (0.02%)</b>
	Support for local communities affected by COVID-19	2,801.0	200.9	8.9	<b>3,010.8 (0.38%)</b>
Support for SMEs and Start-ups	D-commerce: Marketing fee subsidy	3,934.1	1,584.0	1,059.3	<b>6,577.4 (0.83%)</b>
	Revitalization of local restaurants	840.4	-	-	<b>840.4 (0.11%)</b>
	NAVER Shopping platform commission subsidy	2,056.5	861.5	-	<b>2,918.0 (0.37%)</b>
	IT support for SMEs	840.4	279.9	111.9	<b>1,232.2 (0.16%)</b>
<b>Social Subtotal</b>		<b>14,420.2</b>	<b>4,515.9</b>	<b>2,814.4</b>	<b>21,750.6 (2.75%)</b>

<sup>6</sup> There were no additional BONDS' proceeds allocated under the social project category in 2023.

## SCHEDULE 2: IMPACT REPORTING (2018 to 31 March 2023)

### 1. Green Project Category

Project Categories	Impact Indicators	Unit	2021	2022 (Up to Mar '23)	Remarks
Green Buildings	Number and type of certification of green buildings	#	LEED Platinum (The 1784)	LEED Platinum (Sejong, expected)	<ul style="list-style-type: none"> <li>The 1784 (NAVER's 2nd headquarter) project achieved LEED Platinum certification in Feb 2022.</li> <li>Based on the LEED progress report (2022.08.23), GAK Sejong Data Center is expected to achieve LEED Platinum certification, upon its completion in the second half of 2023.</li> </ul>
	Estimated annual energy savings	MWh/yr	8,271.0 (The 1784)	806,945.4 (The 1784 and Sejong)	<ul style="list-style-type: none"> <li>The 1784: 31,352 MWh/yr (baseline energy consumption) - 23,081.6 MWh/yr (estimated energy consumption of The 1974) = 8,271.0 MWh/yr</li> <li>GAK Sejong: 1,630,712.9 MWh/yr (baseline energy consumption) - 832,038.5 MWh/yr (estimated energy consumption of Sejong) = 798,674.4 MWh/yr</li> </ul>
Renewable Energy	Estimated annual GHG emissions reduced/ avoided (tCO <sub>2</sub> eq p.a)	#	-	856.7 tCO <sub>2</sub> eq	<ul style="list-style-type: none"> <li>CO<sub>2</sub> avoided = Expected RE production in MWh/Yr (Project size x 365 days x 24 hrs x Capacity utilization rate 15%) x Expected annual decrease in RE production (0.5%) x CO<sub>2</sub> emission factor set by the Korean Gov (0.459 tCO<sub>2</sub>e)</li> </ul>
	Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (others)		-	1.9GWh (Plant capacity 1.5MW)	<ul style="list-style-type: none"> <li>Plant capacity of approx. 0.5MW in plant no. 1 and approx. 1MW in plant no. 2, under the third-party PPA.</li> </ul>
Clean Transportation	EV charging ports installed	#	-	61	<ul style="list-style-type: none"> <li>As of 31 Dec 2022, NAVER has installed 93 EV charging stations at its own facilities of which 61 units are subject to the BONDS' proceeds.</li> </ul>
	EV purchased/ contracted	#	2	6	<ul style="list-style-type: none"> <li>In 2021, NAVER contracted two EVs and added six more in 2022, and plan to replace all of the Company's owned/contract fleets with 100% EV by 2030.</li> </ul>
Circular Economy and Design	Green-certified products purchased or used (eco-friendly packing materials of the NAVER Shopping platform)	#	281,480 (60,000 in '20)	319,000	<ul style="list-style-type: none"> <li>60,480 and 60,000 eco-friendly paper ice packs in '21 and '22, respectively.</li> <li>60,000, 221,000, 259,000 biodegradable plastic bags in '20, '21 and '22, respectively.</li> </ul>



## 2. Social Project Category

Project Categories	Impact Indicators	Unit	2018	2019	2020	2021	2022 (Up to Mar '23)	Total
Digital Literacy	No. of SMEs, start-ups, and creators that took the digital education program (transitioned to NAVER Business School in Sept 2021)	#	77,096	92,833	92,698	109,740	-	838,519
	No. of views for the online education programs to learn digital skills	#	20,667	52,034	882,547	373,938	-	1,329,186
	Satisfaction level of educational programs to learn how to start ecommerce business (based on the survey results among attendees; scores out of 100)	%	90.6	92.9	93.0	90.6	-	367
	No. of SMEs, start-ups, and creators that took the digital education program (NAVER Business School) <sup>7</sup>	#	-	-	-	-	466,152	466,152
	No. of SMEs, start-ups and creators that gained access to digital technologies	#	-	-	-	-	15,424	15,424
COVID-19 Crisis Response	No. of organizations supporting Happy Bean Funding to overcome the COVID-19 crisis	#	-	-	413	41	39	546
	No. of SMEs benefited from cloud service fee reduction	#	-	-	-	5,379	-	5,379
	No. of partners that received financial support for the loss caused by COVID-19	#	-	-	-	-	6	6
Support for SMEs / Start-ups	No. of SMEs and start-ups that received support for marketing expenses	#	3,948	4,955	7,651	7,038	5,569	29,430
	No. of new merchants for the year supported by the "win-win" bazaars <sup>8</sup>	#	261	154	125	158	-	698
	No. of local creators that participated in Gangwon entrepreneur development program	#	-	-	-	-	250	250

<sup>7</sup> Launched in Sept 2021, NAVER Business School provides online digital education services designed to help SME and creators achieve digital transformation and growth both online and offline.

<sup>8</sup> In support of rural SMEs and local businesses, NAVER partnered with several public institutions, including the Daegu Digital Industry Promotion Agency, Gangwon Creative Economy Innovation Center, Ulsan Economic Promotion Agency, and Gyeongbuk Economic Promotion Agency to organize "win-win" bazaars to feature local agricultural goods and delicacies, and SME products.

## SCHEDULE 3: SUSTAINABILITY BOND ELIGIBILITY ASSESSMENT PROTOCOL

### 1. Use of Proceeds

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings																										
1a	Type of bond / loan	<p>The Bond and Loan must fall in one of the following categories, as defined by the Green/Social Bond Principles:</p> <ul style="list-style-type: none"><li>Green/Social Use of Proceeds Bond</li><li>Green/Social Use of Proceeds Revenue Bond</li><li>Green/Social Project Bond</li><li>Green/Social Securitized Bond</li><li>Loan instrument made available for Green and Social project (Green and Social use of loan proceeds)</li></ul>	<p>Review of:</p> <ul style="list-style-type: none"><li>2021 NAVER Sustainable Finance Framework</li><li>2023 Naver Annual Sustainability Bond Report</li></ul> <p>Discussions with delegated staff at NAVER.</p>	<p>In 2021, NAVER issued two sustainability bonds (the BONDS) amounting to total gross proceeds of 800 million USD.</p> <ul style="list-style-type: none"><li>Original notes (500 million USD) issued on March 29, 2021</li><li>Tap issue (300 million USD) priced on May 21, 2021</li></ul> <p>The reviewed evidence confirms that the BONDS fall in the category of Green Use of Proceeds Bond and Social Use of Proceeds Bond.</p>																										
1b	Sustainable Project Categories	<p>The cornerstones of Sustainability Bond and Loan are the utilization of the proceeds of the bond and the loan which should be appropriately described in the legal documentation for the security.</p>	<p>Review of:</p> <ul style="list-style-type: none"><li>2021 NAVER Sustainable Finance Framework</li><li>2023 NAVER Annual Sustainability Bond Report</li><li>Documentation of project details including location, size, allocated amount and impacts.</li></ul> <p>Discussions with delegated staff at NAVER.</p>	<p>The reviewed evidence shows that the proceeds were used to finance and refinance projects in alignment with the criteria set forth in NAVER's Framework as follows:</p> <p style="text-align: center;"><b>&lt;Allocation of Proceeds from Mar 2018 to Mar 2023&gt;</b> (Unit: 1000 USD)</p> <table><tr><th colspan="2">Project Categories</th><th>Amount of Proceeds (%)</th></tr><tr><td rowspan="5">Green</td><td>Green Building</td><td>777,639.6 (97.20)</td></tr><tr><td>Renewable Energy</td><td>81.5 (0.01)</td></tr><tr><td>Clean Transportation</td><td>249.7 (0.03)</td></tr><tr><td>Circular Economy and Design</td><td>106.6 (0.01)</td></tr><tr><td>Subtotal</td><td>771,077.4 (97.25)</td></tr><tr><td rowspan="4">Social</td><td>Digital Literacy</td><td>3,530.5 (0.45)</td></tr><tr><td>COVID-19 Crisis Response</td><td>6,652.1 (0.84)</td></tr><tr><td>Support for SMEs and Start-ups</td><td>11,568.0 (1.46)</td></tr><tr><td>Subtotal</td><td>21,750.6 (2.75)</td></tr><tr><td colspan="2">Total</td><td>792,828.00 (100.00)</td></tr></table> <p>Based on DNV's review of the Framework and 2023 NAVER Annual Sustainability Bond Report (the Report), DNV concludes that the projects</p>	Project Categories		Amount of Proceeds (%)	Green	Green Building	777,639.6 (97.20)	Renewable Energy	81.5 (0.01)	Clean Transportation	249.7 (0.03)	Circular Economy and Design	106.6 (0.01)	Subtotal	771,077.4 (97.25)	Social	Digital Literacy	3,530.5 (0.45)	COVID-19 Crisis Response	6,652.1 (0.84)	Support for SMEs and Start-ups	11,568.0 (1.46)	Subtotal	21,750.6 (2.75)	Total		792,828.00 (100.00)
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Ref.	Criteria	Requirements	Works Undertaken	DNV Findings													
				listed above are in alignment with the Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2021, and Sustainability Bond Guidelines (SBG) 2021, which lead to positive environmental and social outcomes.													
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.	<p>Review of:</p> <ul style="list-style-type: none"><li>2021 NAVER Sustainable Finance Framework</li><li>2023 NAVER Annual Sustainability Bond Report</li><li>Documentation of project details including location, size, allocated amount and impacts.</li></ul> <p>Discussions with delegated staff at NAVER.</p>	<p>The key environmental impacts of the eligible green projects reported by NAVER are as follows and their quantification can be found in Schedule 2 above.</p> <table><tr><th>Project Categories</th><th>Impact Indicators</th></tr><tr><td rowspan="2">Green Buildings</td><td>Number and type of certification of green buildings</td></tr><tr><td>Estimated annual energy savings</td></tr><tr><td rowspan="2">Renewable Energy</td><td>Estimated annual GHG emissions reduced/ avoided (tCO2eq p.a)</td></tr><tr><td>Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (others)</td></tr><tr><td rowspan="2">Clean Transportation</td><td>EV charging ports installed</td></tr><tr><td>EV purchased/ contracted</td></tr><tr><td>Circular Economy and Design</td><td>Green-certified products purchased or used</td></tr></table> <p>In 2022, NAVER joined the global RE 100 Initiative and signed a 20-year, third-party power purchase agreement (PPA) with KECPO and ENlighten in Dec '22. Therefore, in addition to the KPIs reported in last year's impact report, estimated annual GHG emissions reduced/avoided and estimated annual renewable energy generation have been added this year. Also, under the global RE 100 Initiative, NAVER aims to replace all of its owned and contracted fleets with 100% EVs by 2030, and their efforts in 2022 have been added to this year's impact report.</p> <p>Based on the review of the Report, DNV confirms that the eligible green projects lead to positive environmental impacts which are in alignment with the GBP 2021, SBG 2021 and SBG 2021. Also, DNV reviewed the data provided by NAVER to verify the impacts, including the accuracy of the calculation, and concludes that they are appropriate and accurate within the scope of our assessment.</p>	Project Categories	Impact Indicators	Green Buildings	Number and type of certification of green buildings	Estimated annual energy savings	Renewable Energy	Estimated annual GHG emissions reduced/ avoided (tCO2eq p.a)	Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (others)	Clean Transportation	EV charging ports installed	EV purchased/ contracted	Circular Economy and Design	Green-certified products purchased or used
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	EV purchased/ contracted																
Circular Economy and Design	Green-certified products purchased or used																
	Social benefits	All designated Social Project categories should provide clear social benefits,	<p>Review of:</p>	The key social impacts of the eligible social projects reported by NAVER are as follows and their quantification can be found in Schedule 2 above.													

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings	
		which, where feasible, will be quantified or assessed by the Issuer.	<ul style="list-style-type: none"><li>2021 NAVER Sustainable Finance Framework</li><li>2023 NAVER Annual Sustainability Bond Report</li><li>Documentation of project details including location, size, allocated amount and impacts.</li></ul> <p>Discussions with delegated staff at NAVER.</p>	<b>Project Categories</b>	<b>Impact Indicators</b>
				<b>Digital Literacy</b>	No. of SMEs, start-ups, and creators that took the digital education program (NAVER Business School from '21)
					No. of views for the online education programs to learn digital skills
					Satisfaction level of educational programs to learn how to start ecommerce business
					No. of SMEs, start-ups and creators that gained access to digital technologies
				<b>COVID-19 Crisis Response</b>	No. of organizations supporting Happy Bean Funding to overcome the COVID-19 crisis
					No. of SMEs benefited from cloud service fee reduction
					No. of partners that received financial support for the loss caused by COVID-19
				<b>Support for SMEs / Start-ups</b>	No. of SMEs and start-ups that received support for marketing expenses
					No. of new merchants for the year supported by the “Win-win” Bazaars <sup>9</sup>
No. of local creators that participated in Gangwon entrepreneur development program					
Based on NAVER's Impact Report, DNV confirms that the eligible social projects lead to positive social impacts which are in alignment with the GBP 2021, SBP 2021 and the SBG 2021. Also, DNV reviewed the data provided by NAVER to verify the impacts, including the accuracy of the calculation, and concludes that they are appropriate and accurate within the scope of our assessment.					
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Review of: <ul style="list-style-type: none"><li>2021 NAVER Sustainable Finance Framework</li><li>2023 NAVER Annual Sustainability Bond Report</li><li>Documentation of use of proceeds allocation.</li></ul>	According to the Framework, NAVER limits the look-back period to 36 months prior to the issuance date of the relevant SFTs. As of 31 March 2023, 100% of the total net proceeds of approx. USD 792.8 million has been allocated to eligible projects. Out of the total allocated proceeds, approx. USD 273.4 million (34.48%) have been used to refinance projects from the look-back period from 29 March 2018 to 28 March 2021.	

<sup>9</sup> In support of rural SMEs and local businesses, NAVER partnered with several public institutions, including the Daegu Digital Industry Promotion Agency, Gangwon Creative Economy Innovation Center, Ulsan Economic Promotion Agency, and Gyeongbuk Economic Promotion Agency to organize "Win-win" Bazaars to feature local agricultural goods and delicacies, and SME products.

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
			Discussions with delegated staff at NAVER.	

## 2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
<b>2a</b>	Investment-decision process	<p>The Issuer of a Sustainability Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Sustainability Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>A process to determine how the projects fit within the eligible Green/Social Projects categories identified in the Green/Social Bond Principles and Green/Social Loan Principles;</li> <li>The criteria making the projects eligible for using the Sustainability Bond proceeds;</li> <li>The environmental sustainability objectives, and</li> <li>Complementary information on process by which the issuer identifies and manages perceived environmental risks associated with the relevant project</li> </ul>	<p>Review of:</p> <ul style="list-style-type: none"> <li>2021 NAVER Sustainable Finance Framework</li> <li>2021 NAVER Integrated Report</li> <li>2023 NAVER Annual Sustainability Bond Report</li> </ul> <p>Discussions with delegated staff at NAVER.</p>	<p>NAVER has confirmed to DNV that the project evaluation and selection process has been carried out in accordance with the Framework.</p> <ul style="list-style-type: none"> <li>An initial review and selection of eligible projects is conducted by the Green Impact Group (GIG) which comprises of NAVER's departments including the following: Cash Equivalent Management, Board of Director (BOD) Secretariat, Space Management, Internal Audit, Marketing, Risk Management Support, Win-Win Growth and Legal. GIG convenes at least every 12 months.</li> <li>Final review and approval of eligible projects are conducted by the BOD and the ESG Committee.</li> <li>Moreover, NAVER's ESG Committee, created in Oct 2020 within the BOD, consists of three independent outside directors and one inside director.</li> </ul>
<b>2b</b>	Issuer/borrower's environmental and social and governance framework	In addition to information disclosed by an issuer on its Sustainability Bond process, criteria and assurances, Sustainability Bond and Loan investors may also take into consideration the quality of the issuer's overall framework and	<p>Review of:</p> <ul style="list-style-type: none"> <li>2021 NAVER Sustainable Finance Framework</li> <li>2021 NAVER Integrated Report</li> <li>2023 NAVER Annual</li> </ul>	<p>In addition to the information disclosed in the Report, NAVER explains its sustainability management approach in detail on its website and the Company's annual Integrated Report.</p> <p>According to the disclosed information, NAVER pursues responsible management with the goal of proactively identifying potential economic, environmental, social and governance risks and opportunities to,</p>

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
		performance regarding environmental sustainability.	Sustainability Bond Report Discussions with delegated staff at NAVER.	ultimately, enhance corporate value and deliver greater benefits to all its stakeholders.  In this regard, in the second half of 2022, NAVER has identified 7 key areas that carry significant impacts on the Company and its stakeholders. These areas include four areas that will serve as the core competitiveness of their business in the future, such as the establishment of an eco-friendly e-commerce ecosystem and expanded support and engagement for employee growth, and three areas where actions are needed to prevent negative impacts on corporate value, such as decarbonization (NAVER's 2040 Carbon Negative Strategy), minimization of risks related to data protection and cybersecurity and strengthened fair trade and business ethics management.

### 3. Management of Proceeds

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
<b>3a</b>	Tracking procedure	The net proceeds of Sustainability Bonds should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green/Social Projects.	Review of: <ul style="list-style-type: none"> <li>2021 NAVER Sustainable Finance Framework</li> <li>2023 NAVER Annual Sustainability Bond Report</li> </ul> Discussions with delegated staff at NAVER.	NAVER has confirmed with DNV that the full amount of the proceeds is managed by its internal finance team using its existing accounting system, and thereafter disbursed in accordance with the eligible projects. <ul style="list-style-type: none"> <li>The details of the disbursement and the outstanding value are tracked using by NAVER's internal financial team</li> <li>At the end of each financial period, NAVER reviews the outstanding balance of the BONDS.</li> </ul>
<b>3b</b>	Tracking procedure	So long as the Sustainability Bonds and Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green/social investments or loan disbursements made during that period.	Review of: <ul style="list-style-type: none"> <li>2021 NAVER Sustainable Finance Framework</li> <li>2023 NAVER Annual Sustainability Bond Report</li> </ul>	Based on the documents provided, DNV has confirmed that NAVER has traced the proceeds of the BONDS, from the time of issuance to the time of disbursement. At the end of each financial year, the outstanding balance of the BONDS is reviewed to ensure that the net balance has been reduced in line with its financing schedule.

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
			Discussions with delegated staff at NAVER.	
3c	Temporary holdings	Pending such investments or disbursements to eligible Green and Social Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Review of: <ul style="list-style-type: none"> <li>2021 NAVER Sustainable Finance Framework</li> <li>2023 NAVER Annual Sustainability Bond Report</li> </ul> Discussions with delegated staff at NAVER.	<p>According to the Framework and the Report, “Any balance of issuance proceeds which are not yet allocated to Eligible Projects will be held in accordance with NAVER’ liquidity guidelines for short term time deposits or other short-term liquid instruments. NAVER commits not to invest unallocated proceeds to any high pollution activities or any projects that conflict with the eligibility criteria under the Sustainable Finance Framework (SFF).”</p> <p>In 2022, based on the data provided by NAVER, DNV has confirmed that NAVER’s short-term fund management is operated in accordance with the Company’s liquidity guidelines for short-term time deposits or other short-term liquid instruments. Meanwhile, based on the data provided by NAVER, DNV confirms that there are no outstanding balance of proceeds pending investment as of 31 March 2023.</p>

#### 4. Reporting

Ref.	Criteria	Requirements	Works Undertaken	DNV Findings
4a	Periodical reporting	<p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Sustainability Bond proceeds have been allocated including</p> <ul style="list-style-type: none"> <li>when possible with regards to confidentiality and/or competitive considerations</li> <li>a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.</li> </ul>	Review of: <ul style="list-style-type: none"> <li>2021 NAVER Sustainable Finance Framework</li> <li>2023 NAVER Annual Sustainability Bond Report</li> </ul> Discussions with delegated staff at NAVER.s	NAVER has prepared the 2023 Annual Sustainability Bond Report, which will be uploaded on its website ( <a href="http://www.navercorp.com">www.navercorp.com</a> ). DNV has reviewed the Report and confirms that it includes the project types, amount of proceeds allocated, as well as the associated quantitative environmental and social impacts, which have been summarized in Schedule 1 and 2 above.



WHEN TRUST MATTERS

### About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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