

NAVER  
Green Commerce Report

2022



## About This Report

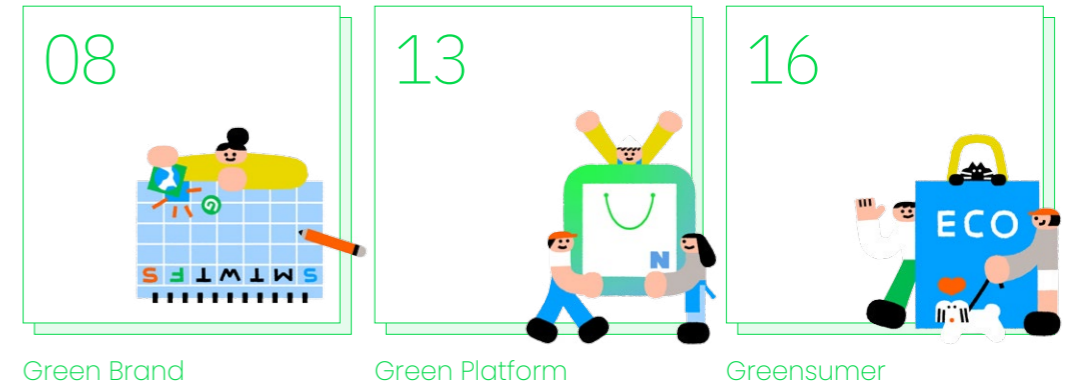
Today, the global community is facing major global problems such as infectious diseases, natural disasters, and extreme weather conditions caused by climate change. As a result, there is a growing awareness of the need to actively reduce the negative impact on the environment around the world, and this increased interest in eco-friendliness is leading to higher demand for eco-friendly products, including those made from recycled raw materials and organic goods, as well as the use of packaging that is easy to recycle.

In line with the growing consumer trend of green consumption, NAVER actively identifies the direct and indirect impacts that the commerce industry can have on the natural ecosystem as a whole, and proposes effective solutions. In 2022, NAVER began to establish the "NAVER Green Commerce Platform" ecosystem, which encompasses the discovery of green products and the establishment of an eco-friendly distribution network, and set the direction of its unique green commerce strategy to maximize green impact. We have established customized strategies that reflect the characteristics and potential environmental impacts of each major stakeholder in the commerce industry, such as consumers, sellers and platform development partners, and actively support various stakeholders' efforts to contribute to the creation of positive environmental values. In addition, based on the core characteristic of platform, "connectivity," we are seeking opportunities to implement innovative solution by diversifying the eco-friendly connections among our stakeholders.

In early 2023, NAVER improved its green commerce strategy with the aim of further expanding its ESG-based business potential, including the environment surrounding its commerce business. Based on the new strategic direction, we plan to expand the ESG base in the commerce ecosystem by 2025 and promote the internalization of ESG in commerce in the long term, so that the sustainable values within the commerce ecosystem will create a virtuous cycle from 2026. Celebrating the Environment Day on June 5, 2023, we would like to share our contemplations, efforts and plans for eco-friendliness and sustainability through this Green Commerce Report, and will continue to communicate our achievements as a green commerce platform through various channels.

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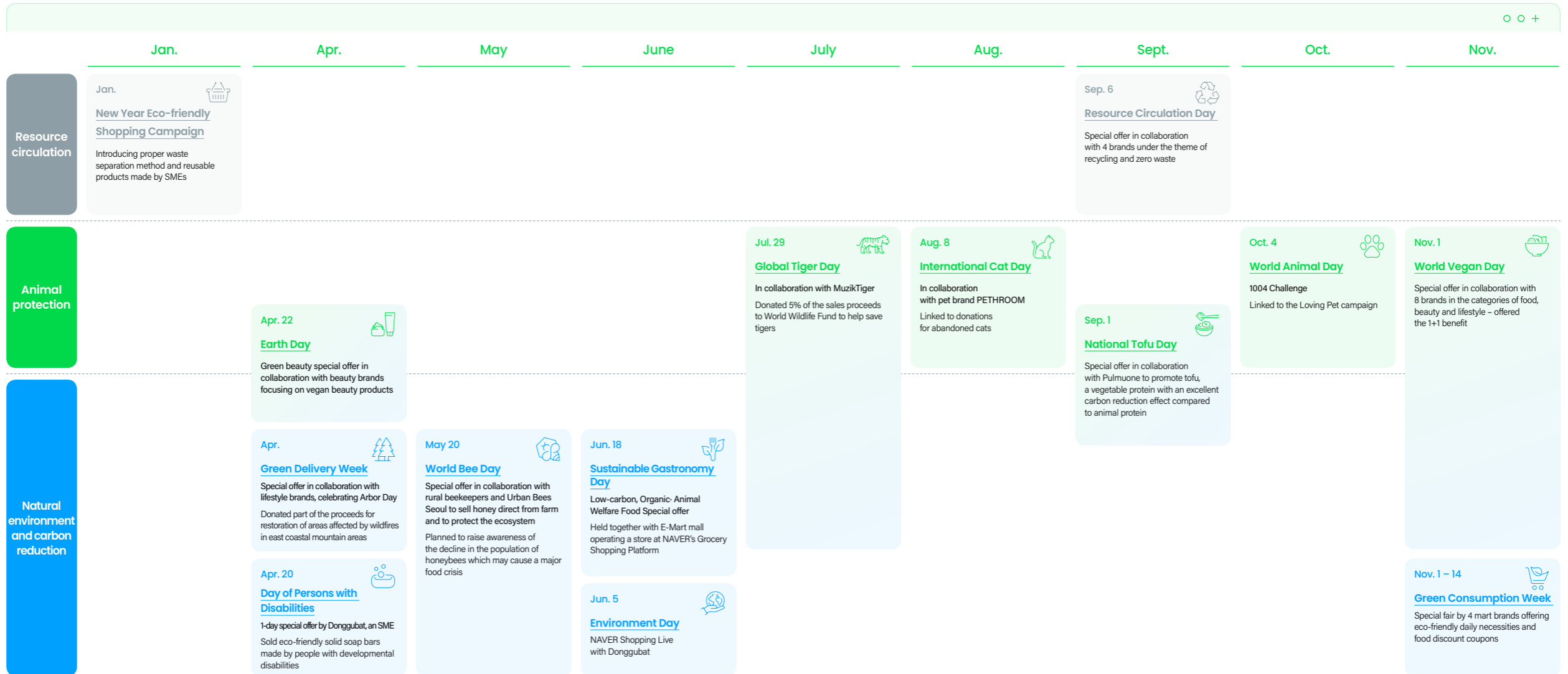


### INTERACTIVE PDF

This report has been published as an interactive PDF, allowing readers to move to pages in the report, and including shortcuts to related web pages and video clips.



# Highlights of NAVER Green Commerce in 2022



\* Click each item to find more information on the related campaign or event

# Highlights of NAVER Green Commerce in 2022


● ○ —

## January

Jan.

### New Year's Eco-friendly Shopping Campaign

- With a 2022 New Year's resolutions theme, introduced eco-friendly shopping habits and new waste sorting methods for one month
- Showcased 26 related products, including zero-waste products and waste sorting boxes, sold at 25 SME Smart Stores in NAVER Shopping

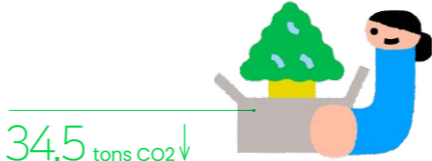


## April

April

### Green Delivery Week


- Held the event for one week from April 1st in celebration of the April 5th Arbor Day to restore forests in east coastal mountain areas affected by wildfires in March 2022
- Special offer which combined shopping and donations with the participation of 8 green brands under the theme of "Your Shopping Becomes a Tree" to donate 1% of the purchase amount to a forest restoration project in Gangwon Province
- 8 brands participated in the event, including Yuhan-Kimberly, P&G, Johnson & Johnson, Kundal, Frosch, Living Crafts, Daesang Welllife and Osulloc, which provided fast delivery by applying 100% paper packaging, with NAVER Shopping providing additional NAVER Pay Points to offer benefits to green brands and greensumers
- Ran the Happybean Good Action event to support the 8 green brands through likes and comments, thus allowing those who did not purchase products during the event to make donations, with some 13,394 people participating
- A total of KRW 33.2 million was donated to the forest restoration project, in which more than 48,000 shoppers participated. (Equivalent to planting 3,320 trees = 34.5 tons of carbon absorption per year from a forest equivalent to 4.43 soccer fields)



Apr. 20

### Day of Persons with Disabilities

- Held a special offer to shed light on the positive social and environmental impact that the SME "Donggubat" creates by hiring more than 50% of its employees among persons with developmental disabilities to produce vegan shampoo bars and beauty bars
- Reduced the use of 7,981 plastic bins that would otherwise have required a total of 129kg of plastics thanks to the participation of 3,362 green shoppers



Apr. 22

### Earth Day


- Held a "Green Beauty" special offer showcasing 200 products, most of which were vegan-certified, from 21 green beauty brands that use green packaging materials and eco-friendly delivery packages
- Provided generous benefits, such as discounts and gift-giving
- Also held an "Earth Day Lights-off" event to induce consumers' interest and participation in the cause

## May

May 20

### World Bee Day

- Held a special offer to publicize the seriousness of global warming, which is the main cause of the decline in bee populations, and to publicize the importance of bees, which play an important role in human survival and environmental preservation
- Promoted and supported the sale of honey products delivered directly from beekeepers and the products of "Urban Bees Seoul," a social enterprise that cultivates forests in the city and regenerates the ecosystem through urban beekeeping




## June

Jun. 5

### Environment Day


- Sold a limited edition, "Black Forest: Memory of the Trees," produced by Donggubat using charcoal from burnt trees in east coastal mountain areas through NAVER Shopping Live
- Donated 10% of the proceeds to the areas hit by the wildfire along with the message "Let's not forget wildfires!"










Jun. 18

### Sustainable Gastronomy Day

- Held a special offer of low-carbon certified foods whose cultivation process reduces carbon emissions, organic foods beneficial to the land, and animal welfare livestock products produced by minimizing stress during the breeding process, with the goal of promoting sustainable foods
- Participated by E-Mart Mall, an affiliate of NAVER Shopping



# Highlights of NAVER Green Commerce in 2022

<h2>July</h2>	<p><b>July 29</b>  <u>Global Tiger Day</u></p> <ul style="list-style-type: none"> <li>• Collaborated with "MuzikTiger" featuring a very famous tiger character, "Ttungrangi"</li> <li>• Donated 5% of proceeds to the World Wildlife Fund to protect tigers, an endangered species</li> </ul> 	<h2>August</h2>	<p><b>Aug. 8</b>  <u>International Cat Day</u></p> <ul style="list-style-type: none"> <li>• Ran a campaign with the pet brand "PETHROOM," in which the brand and NAVER Shopping donated KRW 100 per purchase to a shelter for abandoned cats</li> <li>• Linked to the "Loving Pet Campaign" held in August</li> </ul> 	<div style="background-color: #00c853; color: white; padding: 20px; text-align: center;"> <h3>Total transaction amount</h3> <h1>KRW 4.81 billion</h1>  <p><small>* Sum of transactions generated through special offers celebrating annual and other events, Green Friday and Loving Pets</small></p> </div>
<h2>September</h2>	<p><b>Sep. 1</b>  <u>National Tofu Day</u></p> <ul style="list-style-type: none"> <li>• Held a special offer featuring tofu, a plant-based protein with excellent carbon reduction effects and nutritional value, under the theme of "One Meal to Save the Earth"</li> <li>• Participated by Pulmuone, which produces a number of low-carbon vegetable protein foods under the brand name "Earth Diet"</li> </ul> 	<h2>September</h2>	<p><b>Sep. 6</b>  <u>Resource Circulation Day</u></p> <ul style="list-style-type: none"> <li>• Held a special offer in collaboration with lifestyle brands that make green products under the theme of "Let's think about the global environment and remember the importance of recycling resources"</li> <li>• Participated by 4 brands - Unilever, 3M, EcoFresh, Johnson &amp; Johnson</li> </ul> 	
<h2>October</h2>	<p><b>Oct. 4</b>  <u>World Animals Day</u></p> <ul style="list-style-type: none"> <li>• Held a special offer showcasing animal welfare-certified, antibiotic-free livestock products, dairy products, and vegan foods to increase interest in the farm animal breeding environment and animal welfare and to promote buyer selections</li> <li>• Participated by E-Mart, HomePlus, GS and Orga, each offering 10-20% discount coupons</li> </ul> 	<h2>November</h2>	<p><b>Nov. 1</b>  <u>World Vegan Day</u></p> <ul style="list-style-type: none"> <li>• Held a beauty, food, and lifestyle special offer centering around products certified domestically and internationally as vegan</li> <li>• Participated by 18 brands to reach greensumers with great interest in vegan lifestyle</li> <li>• Offered 1+1 benefits and discounts</li> </ul> 	

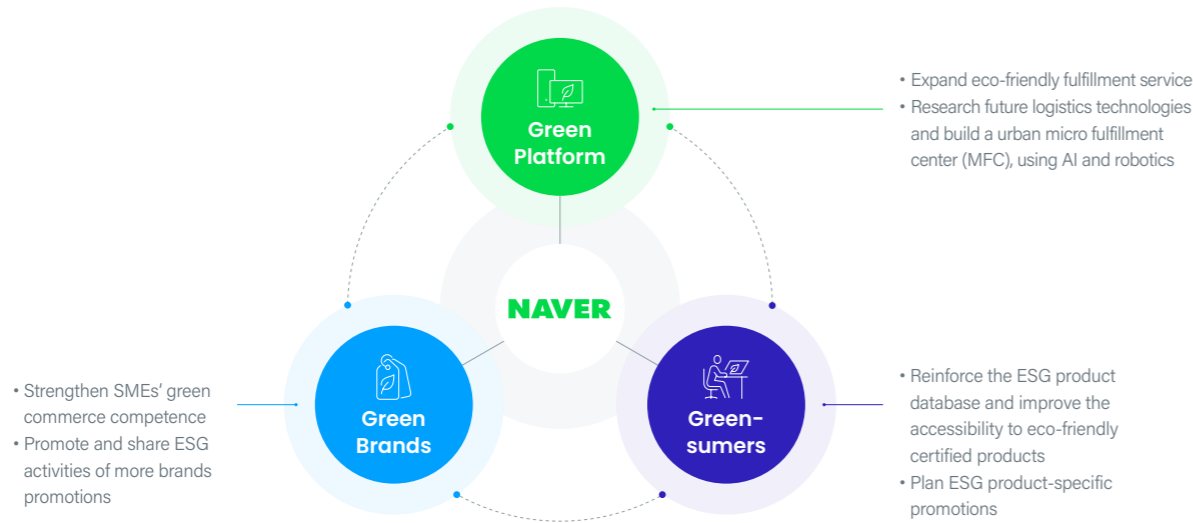
# Green Commerce Platform that Connects Brands and Users

## Creating an Eco-Friendly E-Commerce Ecosystem

Based on the direction set in 2022, NAVER will establish eco-friendly fulfillment and upgrade future logistics technology by adding partnerships with CJ Logistics and SK Energy to NAVER's technology, while gradually increasing the scale by connecting Green brands, Green sellers and Greensumers – stakeholders who form the ecosystem – for the next 3 years, starting 2023. In this way it is expected that by 2026, the virtuous cycle structure of the ESG commercial ecosystem will be completed, and the scale of the related ecosystems - such as green brands, green sellers, greensumers, and green shopping transactions - will be measurable, while we secure visibility into the actual impact that the NAVER Green Commerce ecosystem contributes to the environment, such as reducing carbon emissions and minimizing the consumption of resources.

### Strategic Direction of Green Commerce

Building an ecosystem with a virtuous cycle in which green brands carry eco-friendly products and greensumers who choose eco-friendly products are connected with one another through NAVER Shopping.



### NAVER's Green Commerce Strategic Directions and Major Achievements in 2022

#### Building a green platform

##### Building and expanding an eco-friendly future-oriented logistics platform in partnership with CJ Logistics and SK Energy

- Introduced eco-friendly fulfillment with CJ Logistics in 2021 (CJ Logistics has been operating it since 2022)
- Hosted the "Eco-friendly Delivery Week," a promotional event for eco-friendly fulfillment
- Signed an MOU with SK Energy for cooperation in building an urban fulfillment logistics center using future-oriented logistics technologies

##### Support for SMEs' eco-friendly packaging materials

- Supplied eco-friendly packaging materials to local marketplaces and provided green packaging support to Smart Store SMEs (accumulative total of 1.02 million)

#### Fostering and supporting green brands

##### Enhancing SMEs' green commerce competence

- Offered ESG training to SMEs through the NAVER Business School
- Offered ESG guide training to small businesses
- Helped SMEs develop products using eco-friendly materials and conduct promotions in partnership with SK Chemicals

##### Expanding the sharing of green brand's ESG activities

- Held the Green Friday to deliver green brand stories to users once a month

#### Accelerating the spread of greensumers

##### Strengthening the ESG product database and expanding access to eco-friendly certified products

- Provided ESG certification information in NAVER Smart Store: Added low-carbon and vegan certification as well as an "eco-friendly certification" section in NAVER Shopping

##### Planning ESG product-specific promotions

- Ran the Loving Pet and Green Friday Campaigns
- Hosted 15 ESG exhibitions linked to major anniversaries

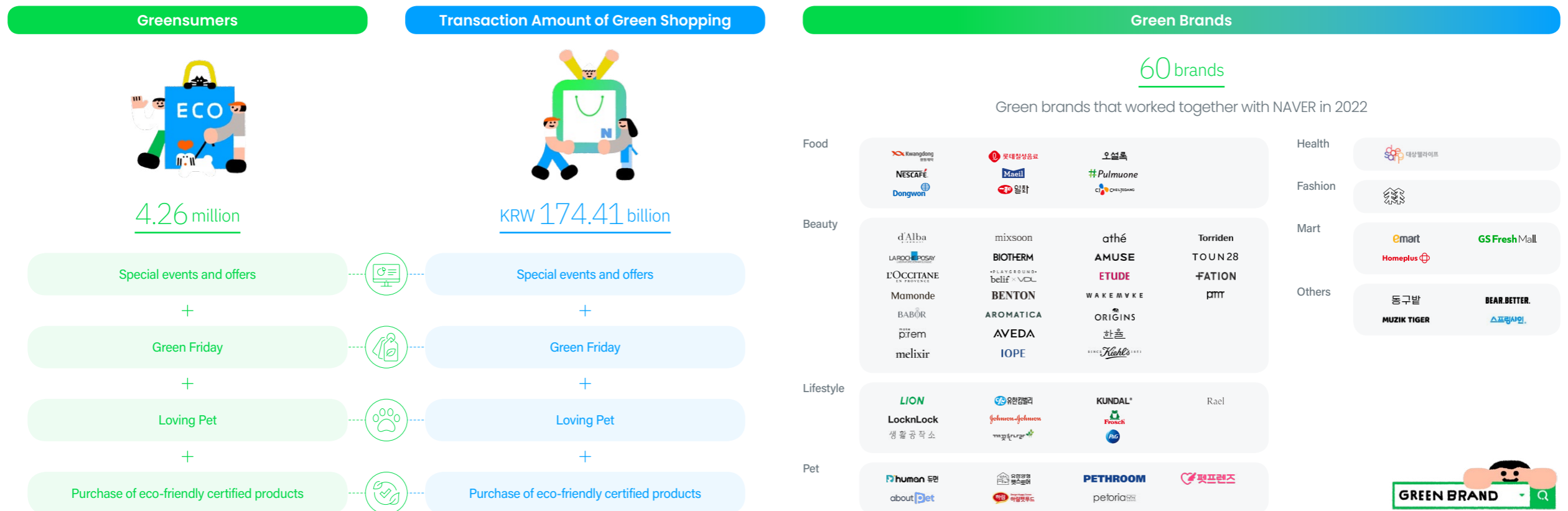


# Green Commerce Platform that Connects Brands and Users

NAVER is creating a green commerce ecosystem by connecting green brands and greensumers.

In 2022, 60 green brands from diverse fields, such as food, beauty, lifestyle, health, fashion, pets and marts, met with more than 4.26 million greensumers through NAVER Smart Store, Naver Shopping Live and Green Friday. The total transaction volume of green shopping, including ESG promotions and sales of ESG-certified products, amounted to KRW 174.41 billion and is expected to show a steady increase in the future as the importance and awareness of sustainable consumption increase.

Going forward, NAVER will continue to expand the number of green brands on the NAVER platform and help them enhance their ESG capabilities, while expanding connections with greensumers so that green brands can promote more eco-friendly consumption and create a virtuous cycle in the ESG commerce ecosystem that is equally beneficial to NAVER, brands, and consumers.





NAVER GREEN COMMERCE 1

GREEN BRAND



# Green Brand


## ESG Training for Small Business Owners

### 2022 KEY PERFORMANCE ➔

There are approximately 400,000 small business owners within the NAVER e-commerce ecosystem, running their businesses through Smart Store. Their participation is therefore essential for us to build and further expand our green commerce ecosystem. Climate change is a global challenge that requires response of all stakeholders, and at the same time, climate actions may create new opportunities, NAVER therefore shares ESG issues with Smart Store SMEs and helps them identify opportunities through eco-friendly efforts.

In September 2022, NAVER opened an ESG course at NAVER Business School on the theme of "The Importance and Implementation Strategy of ESG for Small Business Owners." The course consists of lectures by Tae-Hoon Ha, CEO of WE Ventures, a startup venture investor, and Sa-In Hong, a packaging expert at the packaging platform AllPackaging; and it includes six videos (total duration of 42 minutes) about the definition and importance of ESG and its trends and applications by industry, how to obtain information on ESG-related benefits for small businesses, and eco-friendly methods of packaging that can be employed immediately in the Smart Store business. In addition, for a period of one month after launching the course, we ran a green packaging program to allow and assist those who completed the training to apply it to eco-friendly packaging on NAVER Shopping.

We also provided 100% eco-friendly paper tape trial packs worth KRW 40,000 to 1,000 small business owners who scored 80 points or above in the quiz and participated in the raffle held upon their completion of the ESG education courses at the NAVER Business School. Thanks to these efforts, 5,463 people completed the training during the first month of the course, of whom 2,041 scored 80 points or more in the quiz, proving that the ESG course was well received.

**6 Videos** 


Offered 6 videos, free of charge for small business owners, with total duration of 42 minutes about the importance of ESG and how to put it into practice

**1,000 Persons** 

Provided eco-friendly paper tape trial packs to 1,000 small business owners who participated in the raffle held upon their completion of the ESG course

**5,463 Persons** 

5,463 people completed the training during the first month of the ESG course for small business owners






### NAVER Business School ESG Course – Why small businesses need ESG and how to put it into practice

**COURSES**

- What is ESG and why do you need it?
- Understanding ESG trends in the era of ethical consumption
- How can I apply ESG to my business?
- Taking advantage of small business benefits in implementing ESG
- How to create genuinely eco-friendly packaging for the environment
- Using various eco-friendly packaging materials other than paper

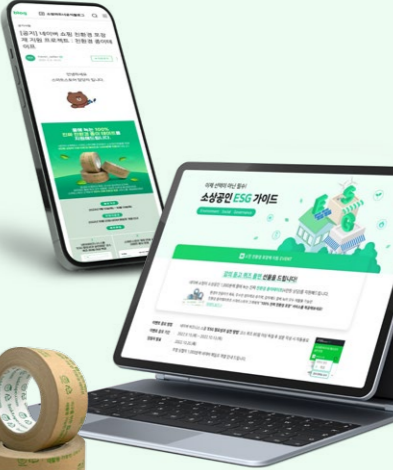

**☑ Why small businesses need ESG and how to put it into practice**



### Offering eco-friendly paper tape, free of charge, to 1,000 small business owners

**☞ NAVER Shopping's green packaging project: Eco-friendly paper tape**

# Green Brand

## ESG Training for Small Business Owners

### Feedback on the ESG Course for Small Business Owners



VOICE OF GREEN BRANDS

"It was nice to learn more about ESG. I need to think about how I can apply it to my business. Thank you for the useful lecture!"



"It was good that such an informative lecture was offered at a time when interest in eco-friendliness has been increasing. It is still a bit difficult to apply eco-friendliness entirely to delivery or business systems, but we are grateful to be given an opportunity to become an eco-friendly company by changing our practices one by one."



"It was great to be informed of the need for ESG, which previously I had only thought about rather casually, and to know how to put it into practice."



"I was thinking about the need for ESG, but as a small business owner, I thought it was very remote from my needs. Thanks to the education, I will try to put ESG into practice."



"As a small business owner, ESG seemed like a distant concept to me but it was very helpful to be given guidance and advice on the parts that small business owners can put into practice right away. I am planning to change our packaging materials to be eco-friendly while considering veganism and donations in developing new products."



"I liked the course very much in that it presented me with an opportunity to learn that ESG is not difficult, that it is necessary even for single-person business owners, and that I can implement it with small, simple actions."



"It was a very accessible class on how to differentiate one's business from other stores."



"It was a good opportunity to firmly establish the concept of ESG, which I had only heard about."



PLAN FOR 2023 →

## Helping Small Business Owners to Grow into Green Sellers

NAVER will continue to provide ESG-related information for small business owners in order to nurture green sellers who will form the backbone of NAVER's green commerce, while helping them to introduce eco-friendly packaging materials into their businesses.



# Green Brand

## Launch of the ESG Brand Campaign – Green Friday

### 2022 KEY PERFORMANCE

Having designated the fourth Friday of every month as "Green Friday," NAVER Shopping provides brands that strive for eco-friendliness and ESG with an opportunity to introduce related products and stories, while offering various purchase benefits to buyers who practice sustainable consumption, in a bid to expand the connection points between green brands and greensumers. Launched in June 2022, Green Friday has since become a representative ESG campaign of NAVER commerce in which many brands want to participate, as it has been identified as an opportunity to tell a brand's story sincerely, rather than a conventional shopping promotion centered on special prices and discounts.

7,630

Total number of 2022 Green Friday online buyers

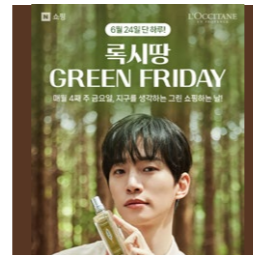


KRW 260 million

Total amount of 2022 Green Friday transactions

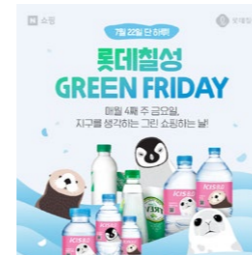


### ESG Stories of Brands Participating in Green Friday in 2022



Jun. L'Occitane

L'Occitane is making efforts to respect the earth and preserve biodiversity for the healthy coexistence of nature and human beings.



Jul. LOTTE Chilsung Beverage

We have been making relentless effort in leading ESG management ever since the adoption of lightweight plastic packaging in 1997. Leading examples include eco wrap and eco perforated line applied to all products, aimed at separating PET from plastic labels with ease, and label-free mineral water, first of its kind in Korea.



Aug. P&G Downey

We are striving to make each moment of human life a small but meaningful action that gives new strength to the Earth by creating innovative products using eco-friendly raw materials and manufacturing processes without compromising product performance.



Sept. Kolon Sport

To practice eco-friendliness and contribute to the health of the Earth, Kolon Sport is carrying out the Noah Project to create eco-friendly materials through healthy production processes while developing and applying methods of production that are better for the environment.



Oct. Pulmuone

Pulmuone is leading the domestic sustainable food market through proposing a new sustainable food culture, and strives to provide healthy products to value-oriented customers. In August 2022, we launched the sustainable food brand "Earth Diet" to foster sustainable food as our future growth driver.



Nov. Lock & Lock

Lock & Lock has been conducting a "Love for the Planet" resource circulation campaign for the past three years through which we collect and recycle old plastic containers. In 2022, we produced an upcycling camping box using old airtight containers and leftover plastic from factories. We will continue with our efforts to preserve the environment in the hope that our one and only earth will be protected.



Dec. Amuse

Amuse is a lifestyle vegan beauty brand that aims to deliver a pleasant vibe to our everyday life with "Click & Vegan" in Amuse's unique color, while carrying out a beauty project in the belief that "I am your lifesaver – products that are produced in a happy way can make our lives joyful" for the environment and sustainability into our daily lives.

# Green Brand

## Launch of the ESG Brand Campaign – Green Friday

### Feedback from Brands Participating in Green Friday

“It was good in that it presented an opportunity for the brand to stand out with an eco-friendly message.”

**L’OCCITANE**  
EN PROVENCE

“While many other events were focused on promotions centered around special price, Green Friday seems to adopt a very fresh theme and a new approach. We would like to participate in the next opportunity again.”

 **롯데칠성음료**

“It was a great opportunity to introduce our company’s eco-friendly campaign and introduce our green products.”

**LocknLock**

“The direction our brand is pursuing matched the purpose of the event very well. We are also satisfied that NAVER supported various accounts for brand exposure.”

**AMUSE**

“The excellent project organized by NAVER provided us with a great opportunity to attract many customers and to improve our brand awareness. Given that the need for ESG management for businesses will continue, I think the promotion was in line with the business direction our brand is aiming for.”

*Johnson & Johnson*

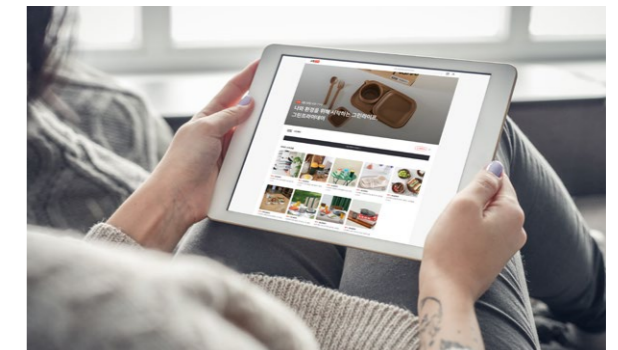


VOICE OF GREEN BRANDS

### PLAN FOR 2023

## Discovering New Green Brands and Expanding Collaboration

In 2022, seven brands in the categories of food, lifestyle, beauty and leisure joined NAVER Green Friday. In 2023, we will strive to discover new green brands and extend the range of sustainable shopping experiences to more users through Green Friday.





NAVER GREEN COMMERCE 2

# GREEN PLATFORM

# Green Platform

## Establishment of an Eco-friendly Delivery Environment

### 2022 KEY PERFORMANCE

NAVER helps its 4PL (4th Party Logistics) partners, including CJ Logistics, local marketplaces and Smart Store small businesses, to practice green logistics through its technology and various supportive measures. We are paving the way for building a green platform with our partners within the NAVER Shopping ecosystem.

Our leading examples include the introduction of a fulfillment service using paper packaging<sup>1)</sup>, based on the partnership that we formed with CJ Logistics in June 2021, thereby paving the way for the spread of eco-friendly fulfillment services, which in turn has enabled us to save about 182 tons of plastic packaging for 6.3 million shipments during the year. Other affiliates of the NFA (NAVER Fulfillment Alliance), including FASSTO and Poomgo, are also using eco-friendly packaging materials upon seller's request.

Applying paper packaging for delivery items can be a costly burden for sellers, but it is also one of the fastest ways to help protect the earth and the environment. In addition, with rising interest in environmental protection, more and more buyers feel uncomfortable with vinyl and plastic packaging. Given that buyers tend to have a positive image of a brand that uses eco-friendly packaging, an increasing number of brands are adopting eco-friendly packaging materials despite the slightly higher logistics costs.

In April 2022, NAVER held the "Eco-friendly Delivery Week" to encourage more brands to use eco-friendly fulfillment services while informing buyers of their efforts to adopt green packaging and delivery. What made the Eco-Friendly Delivery Week, which was held with the participation of eight green brands that use CJ Logistics' green fulfillment service, even more special was that a portion of the transaction amount was donated to the campaign to restore areas affected by wildfires in Gangwon Province. About 48,000 users participated in the donations through shopping during the eco-friendly delivery week event, which recorded total transactions amounting to KRW 1.17 billion, while enjoying the benefits of accumulating additional NAVER Pay Points provided by NAVER Shopping. In addition, through the Happy Bean Good Action initiative, we offered donation beans to those who left comments in support of the eight green brands, so that they can be donated to areas affected by forest fires. 13,394 people participated in the campaign.

<sup>1)</sup> Excluding frozen, refrigerated and bottled products that cannot be replaced with paper packaging due to their particular characteristics

### PLAN FOR 2023

## Extending the Influence of the NAVER Green Platform through the Future-oriented Eco-friendly Urban Logistics Service

In December 2022, NAVER signed a MOU with SK Energy for the joint development of urban logistics services and cooperation on future technologies. From the mid- to long-term perspective, we aim to discover new fulfillment businesses by building urban fulfillment logistics centers (MFC) on the sites of SK's gas stations, with the expectation of significantly reducing carbon emissions by shortening the transportation distances compared to existing logistics services. In the short term, we plan to use 3,083 SK gas stations in city centers as logistics bases. As a part of these efforts, in March 2023 we launched the "Good Courier" service, which allows NAVER Smart Store sellers to use fast delivery services at low cost. The two companies plan to work together to advance their future logistics technologies, such as demand forecasting and delivery innovation, by utilizing NAVER's AI, cloud and robotics technologies.



Urban fulfillment logistics centers (MFC) on the sites of SK's gas stations

# Green Platform

## Support for Eco-friendly Packaging

### 2022 KEY PERFORMANCE

Since 2020, NAVER has been providing eco-friendly shopping bags made of 100% biodegradable material to stores in 111 markets that use "NAVER Local Marketplace Grocery Delivery" service as a way to spread the use of green packaging materials in local commercial districts as well. Also, in cooperation with various organizations such as the Small Enterprise and Marketing Service, we provided 1.02 million (860,000 bags + 160,000 ice packs) eco-friendly packaging materials from 2020 to 2022, through which we are playing a role in promoting neighborhood market shopping as a form of green shopping.

Moreover, in 2022 we provided 10,000 rolls of eco-friendly paper tape that could be recycled without having to separate it from the paper box to NAVER Smart Store sellers who had completed the ESG training provided by NAVER Business School, thereby enabling some 1,000 small business owners to apply and experience eco-friendly packaging. As a result, the total length of plastic tape saved amounts to approximately 500 km, which is further than the distance from Seoul to Busan. Meanwhile, BNK Tape Solution, a paper tape manufacturer, has opened a smart store within NAVER Shopping in collaboration with NAVER in order to sell its packaging materials, allowing small business owners to directly purchase and use its eco-friendly tape products.



\* Cumulative performance from 2020 to 2022.



RE;TAPE, an eco-friendly paper tape

### PLAN FOR 2023

## Green Empowering Program to Support Small Businesses' Adoption of Eco-friendly Materials

Given that it takes 0.25 liters of petroleum to produce one plastic container with a capacity of one liter, the production of plastics accounts for somewhere between 8-10% of global oil production. Even more problematic is the fact that the vast majority of plastics are consumed in the form of disposable materials and plastics have been singled out as one of the main culprits of global warming due to the carbon emissions generated from their production process. It is therefore necessary to transform the existing plastic ecosystem, which ends with consumption, into a circular ecosystem where consumption leads back to reuse as a way to reduce plastic production and waste. To this end, it is essential to promote the use of post-consumer recycled (PCR) materials.

In October 2022, NAVER signed a MOU with SK Chemicals to establish an eco-friendly, virtuous plastic cycle ecosystem. The two companies plan to introduce four eco-friendly products within 2023 by promoting the "Green Empowering Program" to discover small business owners who want to apply eco-friendly materials to their products and packaging and to support the application and promotion of their products. For selected small business owners, NAVER and SK Chemicals will support up to KRW 10 million each for molding costs, while SK Chemicals will provide material application consulting through its SPS (Sustainable Package Solution), and NAVER will help promote the developed products. The first product of the Green Empowering Program is the "6°C Eco Toothbrush" of KNK, which manufactures and supplies toothbrushes as an OEM to domestic and foreign household goods conglomerates. The eco-friendly toothbrush produced by applying recycled materials to both bristles and toothbrush head for the first time in Korea has a carbon reduction effect as it uses 32% less plastics than conventional toothbrushes, and it is available at the NAVER Smart Store.



6°C Eco Toothbrush



NAVER GREEN COMMERCE 3

GREENSUMER

CATDAY



# Greensumer

## Enhancing Greensumer's Access to Eco-friendly Products by Providing More ESG-related Product Information

### 2022 KEY PERFORMANCE

There is a growing number of greensumers who pursue sustainable consumption in choosing a brand and purchasing a product. In order to enable greensumers to access ESG-related products within its e-commerce ecosystem more easily and conveniently, NAVER is increasing its provision of relevant information, while improving its service so that ordinary buyers can naturally become greensumers with greater interest in ESG-related products.

As an example, we have been introducing eco-friendly, high-quality seasonal agricultural and livestock products, such as organic, pesticide-free, and antibiotic-free goods under strict certification inspections, to the NAVER Food Window Direct Delivery service since 2012. We have also introduced an "add certification information" function to the Smart Store Center to enable sellers to accurately display their ESG certification information on product information. After adding environmental mark certification in 2021, we also added a low carbon certification and a vegan certification in 2022. In addition, we created new category of "green/certification" to enable users to search for ESG-related with ease.

166,670



No. of registered eco-friendly products in NAVER Smart Store as of the end of 2022

### ESG certification information of Smart Store products

#### Environmental sector certification

Antibiotic-free seafood	Organic seafood certification	Organic processed seafood certification
Environmental label certification	Low carbon certification	Vegan certification
Organic processed food certification	Antibiotic-free livestock product certification	Organic products
Organic livestock products	Pesticide-free agricultural products	

#### Social sector certification

Animal welfare	Social enterprise	Community enterprise
Food grand master	Traditional food quality	Traditional seafood quality

17 + 10



Plan to increase the number of ESG-related certifications from 17 (as of 2022) to 27 by 2023

### PLAN FOR 2023

## Providing Additional Overseas ESG Certification Information

In 2023, we plan to display ten types of overseas ESG certification information on product information which can be applied to various fields including food and beauty ingredients. To this end, we plan to provide additional types of certifications on NAVER Smart Store. We will work with brands and sellers who accurately display their certification information and actively reflect it in our service so that more buyers can discover and select more ESG-related products at NAVER Shopping.

### New overseas ESG certifications to be introduced in 2023

#### Ingredients

Vegan certification	
Sustainable fisheries certification	Organic product certification

#### Packaging

Sustainable forest certification	Fair trade certification	Carbon emissions reduction certification

# Greensumer

## Promotion of ESG Products and Green Consumption

### 2022 KEY PERFORMANCE

Many international/national days, such as Earth Day, Environment Day and Animal Day, aim to emphasize the importance and raise awareness on beings and things that need to be protected as well as the importance of the natural environment. NAVER delivers messages that are appropriate for these anniversaries through our platforms, and we also hold promotions and provide special offers throughout the year to introduce related ESG products and brands.

Recognizing that interest in animal rights, as beings closely related to humans, has been increasing especially among Millennials and Generation Z, and that there is a growing importance of animal welfare in consideration of sustainability, NAVER launched the "Loving Pet Campaign" with a focus on the protection of animal rights in June 2022.

Each month, while having a special offer with one pet brand, the brand company and NAVER Shopping each donate 1% of the product purchase amount to Happy Bean's abandoned animal protection donation box, thereby giving back to society aimed at protecting animal rights. The event has established itself as a popular campaign that receives support from many people as their purchases of goods for their precious pets are used to care for abandoned animals that end up in the protection blind spot. In particular, linking the Happy Bean donation box with the Loving Pet Campaign has had a greater success rate in terms of both the number of donors and the amount of donations compared to other campaigns, and the participating pet brands have reported a high level of satisfaction as well.

In addition to its own efforts to improve greensumer's access to ESG products, NAVER strives to promote ESG-conscious shopping through various public-private cooperation. For instance, NAVER is participating as a distributor in the "ESG-Green Consumption Alliance" launched by the Ministry of Environment in December 2021, while for two weeks from November 1, 2022, we held a "Green Shopping Week" event in connection with "Green Consumption Week" to publicize domestic eco-friendly certifications and promote green products with E-Mart, HomePlus and GS Fresh. This has enabled us to expand the promotion of green products to our online platform, which was previously centered around offline stores of the mart brands.

### Feedback from Companies and Organizations Participating in the Loving Pet Campaign

"We are always interested in animal rights and constantly making donations, so that it was especially nice to run a Loving Pet campaign with NAVER. We were particularly surprised and grateful to receive the highest number of orders we've ever recorded."

Harim Pet Food



"Working with NAVER to have various promotions was a great help, and it will become a great asset. We look forward to new online activities that can be carried out offline at the same time, for it can create even greater synergies."

Yuhan Pet



"In running Loving Pet Campaign through the Happy Bean's animal category, we are grateful that it has not only achieved fundraising results but also encouraged customers, who were not very interested in donations, to experience the culture of donations and raise awareness of animal rights."

KARA (Korea Animal Rights Advocates)

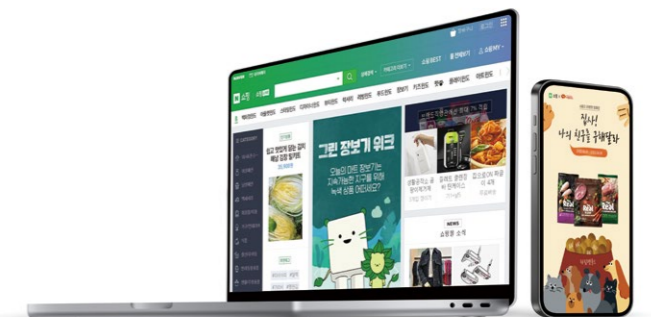


VOICE OF GREEN BRANDS

### PLAN FOR 2023

## Enhancing Greensumer Benefits

In 2022, NAVER focused on providing green shopping benefits to greensumers, including discounts and gifts provided by brands through ESG exhibitions. In 2023, we will look into various ways of providing greensumers with more practical, tangible benefits.



As a result of a total of seven Loving Pet Campaigns ran in 2022, the cumulative transaction amount of approximately KRW 2.8 billion and the cumulative shopping donation amount of KRW 16 million were achieved.

In addition, a total of 80,000 people participated in the donation box linked to Happy Bean, raising a total of KRW 200 million in donations.



Total transaction amount of Loving Pet Campaign in 2022

KRW 2.8 billion



No. of participants in the donation box linked to Happy Bean

80,000

Participating Brands and Achievements of the 2022 Loving Pet Campaign



Jun. Harim Pet Food

**Butler, save my friend!**  
Providing sponsorship for stray/abandoned dogs and cats



Jul. Dhuman

**Health and protection for dogs!**  
Sponsoring neglected dogs kept outdoors



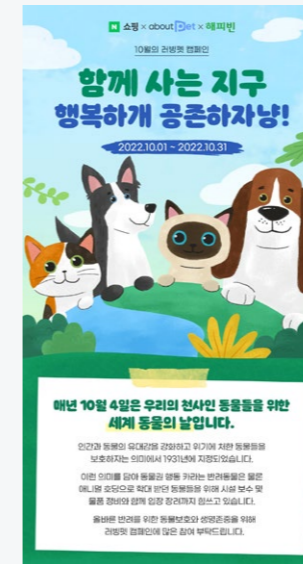
Aug. Pethroom

**All the cats in the world, may your life be a bed of roses**  
Sponsoring supplies for abandoned cats in celebration of the Cat Day (August 8)



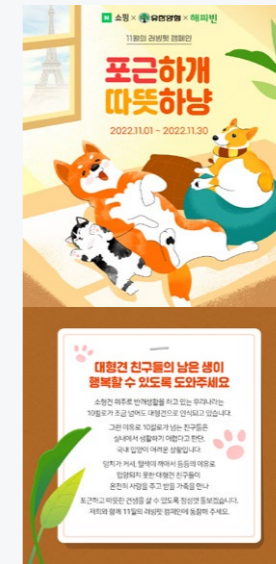
Sep. Petoria

**Butler, here's how to captivate cats' hearts!**  
Sponsoring supplies for abandoned cats and dogs



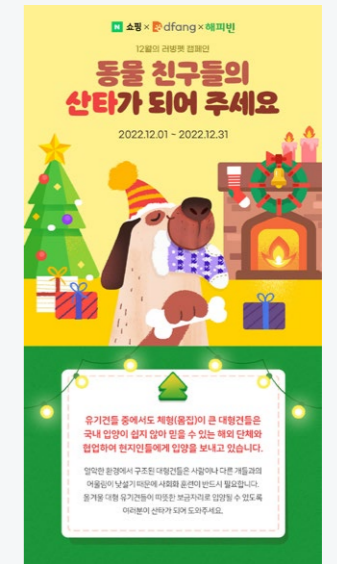
Oct. aboutPet

**The Earth: where cats, dogs and everyone happily coexist**  
Taking care of abused animals on the World Animal Day (October 4)



Nov. Yuhan Pet

**Keep dogs comfortable and cats warm!**  
Sponsoring large dog shelters



Dec. dfang

**Be a Santa to your animal friends!**  
Supporting the adoption of large dogs on the International Animal Rights Day (December 10)

**NAVER**