

INNOCEAN

Sustainability Report 2023



INNOCEAN

INNOCEAN goes beyond the realm of advertising agencies to provide creative and innovative brand experiences based on new technologies and data.

ABOUT THIS REPORT

Report Overview

INNOCEAN is set to release its inaugural Sustainability Report in 2023 to communicate its sustainability efforts and achievements with stakeholders. This report provides an integrated overview of both financial and non-financial performance metrics that significantly impact our business operations. By publishing this report biennially, INNOCEAN aims to maintain transparency in its sustainability practices and enhance stakeholder engagement.

Reporting Period

This report encompasses sustainability activities and performance for the fiscal year 2023 (January 1, 2023 - December 31, 2023). To enhance the relevance and timeliness of the information, data from the first half of 2024 has been included for certain activities. Additionally, data from the past three years (2021 - 2023) is presented for areas where trend analysis is essential.

Reporting Scope and Boundary

The financial information in this report has been prepared on a consolidated basis in accordance with the Korean International Financial Reporting Standards (K-IFRS). The scope of environmental and social information reporting is limited to domestic business sites (excluding subsidiaries), with plans to gradually expand this scope in future reports.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. It also references global guidelines such as the 10 principles of the UN Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs).

Report Verification

To ensure the reliability and fairness of the report preparation process and content, this report has been independently verified by the Korea Foundation for Quality (KFQ). The certification standard applied was AA1000AS v3. Verification results can be found in the third-party verification statement on page 94.

Interactive PDF Guide

This report has been designed as an interactive PDF to enhance stakeholder convenience. It includes features such as navigation to related pages within the report and direct links to associated web pages.

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CONTENTS

INTRODUCTION



- 005 Company Overview
- 006 CEO Message
- 007 Global Network
- 008 Key Milestones
- 009 2023 Business Highlights
- 010 Business Introduction
- 012 Business Areas

FOCUS ESG

- 018 2023 ESG Highlights
- 020 ESG Promotion System
- 022 Double Materiality Assessment

ENVIRONMENTAL



- 029 Environmental Management
- 032 Response to Climate Change
- 036 Biodiversity

SOCIAL



- 038 Safety and Health Management
- 045 Human Rights Management
- 048 Talent Management
- 054 Information Protection and Personal Data Protection
- 061 Partnership Chain Management
- 066 Public Community Contribution

GOVERNANCE



- 069 Governance
- 073 Shareholder Value Enhancement
- 076 Risk Management
- 078 Compliance and Ethical Management

APPENDIX



- 084 Financial Performance
- 086 Environmental Performance
- 087 Social Performance
- 090 Governance Performance
- 091 GRI Contents Index
- 094 Third Party Verification Statement
- 096 Greenhouse Gas Verification Statement
- 096 Member Associations and Organizations

Part 1.

INTRODUCTION



Company Overview	005
CEO Message	006
Global Network	007
Key Milestones	008
2023 Business Highlights	009
Business Introduction	010
Business Areas	012

INNOCEAN

The name INNOCEAN is inspired by the terms Ocean and Innovation, symbolizing our drive to lead the global communication domain through strategic initiatives and forward-thinking. As a Brand Experience Solution Company, we are committed to curating exceptional brand experiences that harness remarkable creativity and state-of-the-art technology.

01 Company Overview

Company Overview

Founded in 2005, INNOCEAN is a comprehensive marketing communications firm boasting a network of 27 corporations across 23 countries, including Korea. We strategize and produce tailored solutions that target potential customers according to our clients' diverse needs. Additionally, we enhance our differentiated approaches by developing new business areas in content creation, digital, and media sectors.

General Information

Company Name	INNOCEAN Co., Ltd.
CEO	Yongwoo Lee
Establishment Date	May 17, 2005
Head Office Location	308 Gangnam-daero, Gangnam-gu, Seoul (Yeoksam-dong)
Homepage	http://www.innocean.com/
Number of Employees	910 people (as of the end of 2023)
Credit Rating	AAA (Nice D&B, 2023)
Main Business	Advertising planning and production, content/digital/media/mobility related new business, etc.

Financial Performance for 2023 (based on consolidated financial statements as of the end of 2023)

Total Assets



2 Trillion 560.2 Billion Won

Sales



2 Trillion 929 Billion Won

Profit



150 Billion Won

02 CEO Message



“

As a BX Solution Company leveraging the latest technology and data, our mission is to develop sustainable management practices by curating innovative and distinctive experiences.

”

Greetings, esteemed stakeholders. I am Yongwoo Lee, Global CEO of INNOCEAN.

Since our establishment in 2005, INNOCEAN has consistently grown and evolved, even amidst challenging business environments. Particularly, in 2023, we not only achieved our highest financial performance to date but also solidified our business foundation and accomplishments in our growth areas: C (Creative & Contents), D (Digital & Data), and M (Meta & Mobility).

Some notable achievements include the joint-venture establishment of the commercial content production company <Studio Abit>, the expansion of the Asian creative/business hub network, the founding of the specialized social agency <INNOCEAN S>, the acquisition of the digital media lab <DPlan 360>, the launch of a dedicated organization for New Tech, including generative AI, and the development of mobility content/advertising solutions.

Alongside these business successes, INNOCEAN has also steadfastly pursued its commitments to "social responsibility" and "sustainable management" as a member of society.

We have been quantifying and managing the carbon emissions from our operations, continuing eco-friendly campaigns, and implementing institutional measures to protect our employees' human rights and safety. Furthermore, we have actively participated in various support initiatives and educational programs aimed at fostering coexistence, collaboration, and fair trade with our partners. Additionally, we have enhanced shareholders communication by establishing a Sustainability Management Committee within our Board of Directors to ensure transparent governance.

In 2024, we intend to further strengthen our commitment to socially responsible management through the implementation of the following ESG policies:

First, we will internalize eco-friendly management with the goal of achieving carbon neutrality (Net Zero) by 2050.

In response to climate change, INNOCEAN has established mid- to long-term environmental management objectives and action plans, which include a target to reduce carbon emissions by 40% by 2030 (relative to 2020), ultimately aiming for 'carbon neutrality by 2050'.

In 2024, we will persist in our endeavors to mitigate environmental impact by conducting a double materiality assessment of ESG factors, encompassing the environmental sector, as well as enhancing our environmental protection framework through thorough ESG due diligence and the management of our partners.

Second, we will enhance management to protect the safety and human rights of all INNOCEAN members, including subsidiaries and partners.

In March 2024, INNOCEAN became the first in the industry to concurrently achieve ISO 45001 (International Standard for Occupational Safety and Health Management) and KOSHA MS (Occupational Safety and Health Management System) certifications for our safety management system. Regarding human rights, we have instituted the INNOCEAN Human Rights Charter and are actively operating both online and offline channels for grievances to consistently mitigate human rights risks for various stakeholders, including employees and executives.

By extending these safety and human rights risk management measures beyond our headquarters to encompass subsidiaries and partner companies, we aim to create an environment in which all members can work with confidence and foster a mature culture of safety and respect for human rights.

Third, we will build a transparent and healthy advertising ecosystem that prioritizes fair trade and mutual benefit.

To implement a fair trade compliance program, INNOCEAN has adopted the slogan "Fair Work for a Better Future" to promote voluntary engagement and awareness among our employees. Additionally, we facilitate various partner support initiatives, including contributions to a mutual cooperation fund.

As we progress, we will strengthen our cooperative framework by introducing various mutually cooperative programs for our partners, which include management and technology support as well as assistance for ESG activities. This will cultivate a corporate culture in which all employees are committed to "voluntary compliance with fair trade" and "mutual growth with our partners."

In 2024, INNOCEAN is positioning itself for a transformative leap by identifying new growth engines and moving beyond traditional advertising and marketing paradigms, with the goal of reaching a new milestone of KRW 1 trillion in gross profit. Simultaneously, we are implementing various systems and structures to reinforce our sustainable management framework and effectively respond to both domestic and international initiatives.

The release of our inaugural Sustainability Report at this significant moment holds great importance. We aspire for INNOCEAN's dedication and initiatives towards sustainable management to be effectively conveyed to our stakeholders through this report, and we solicit your continued support and encouragement.

Thank you.
Yongwoo Lee, Global CEO of INNOCEAN

03 GLOBAL NETWORK

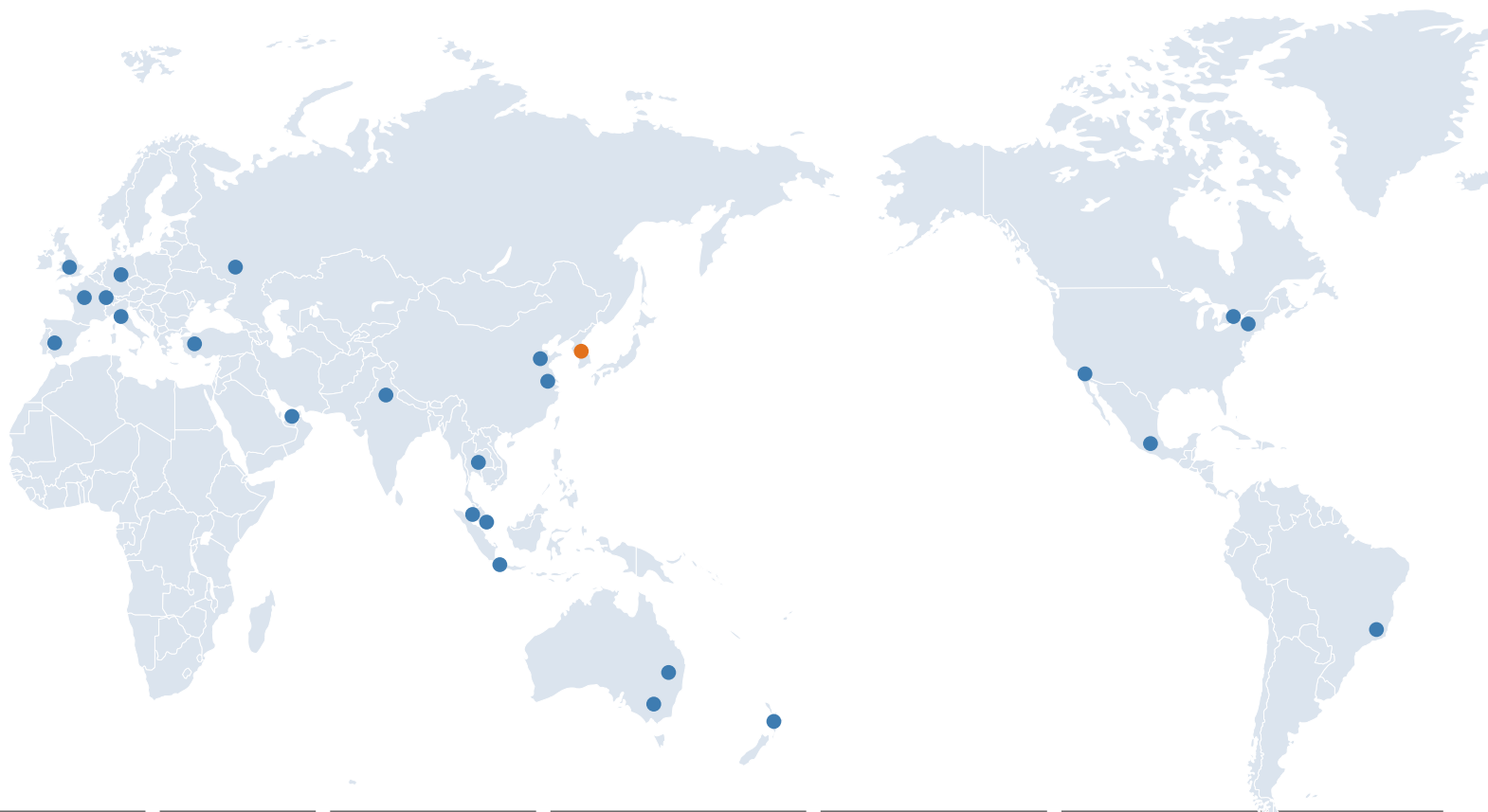
INNOCEAN is a global brand experience solution company comprising 27 corporations and a network of over 3,600 marketing professionals across 23 major countries, including Korea, the Americas, Europe, China, the Asia Pacific region, and the India-Middle East. Through this network of creativity and expertise, We are continually strengthening our global competitiveness.

Innocean Global Network

Countries **23**

Corporations **27**

Employees **3,553**



HQ	European Regional Headquarters			China RHQ	Americas Regional Headquarters		APAC RHQ	India+MEA RHQ	Subsidiary (Domestic/Overseas)	
<ul style="list-style-type: none"> • South Korea (Seoul) 	<ul style="list-style-type: none"> • Europe (Frankfurt/Berlin) • INNOCEAN X • UK • France 	<ul style="list-style-type: none"> • Spain • Italy • Russia • Turkiye 	<ul style="list-style-type: none"> • Beijing • Shanghai • CBAC 	<ul style="list-style-type: none"> • USA • Swing Set • Canada 	<ul style="list-style-type: none"> • Mexico • Brazil 	<ul style="list-style-type: none"> • Indonesia • Singapore • Thailand 	<ul style="list-style-type: none"> • Malaysia • Australia 	<ul style="list-style-type: none"> • India • Asia/Middle East 	<ul style="list-style-type: none"> • Studio Lennon • D.Purple • D.Plan360 • Studio Abit • INNOCEAN S 	<ul style="list-style-type: none"> • D&G • CANVAS • WELLCOM (Australia / New York / England / Kuala Lumpur)

04 Key Milestones

Founded in 2005, INNOCEAN has steadily grown and positioned itself as a truly global marketing communications firm.

2005.05

- Establishment of INNOCEAN Worldwide
- Establishment of Indian Corporation

2006~2009

- Establishment of Europe and America Regional Headquarters
- Establishment of China Joint Venture

2010~2012

- Winner of 5 Cannes Lions awards
- Winner of the Most Categories at the Korea Advertising Awards
- Integrated Operation of the Yeosu World Expo
- Ranked in Global Top 10 Advertisement in US Super Bowl (first in Korea)

2013-2014

- Marketing Execution for the Pyeongchang Winter Special Olympics Games
- Establishment of Mexico Corporation (16th)
- Winner of "2014 Automotive Advertisement of the Year" at The One Show Awards

2015~2017

- Winner of 5 Clio Awards Grand Prizes
- Winner of the Grand Prize at the Korea Advertising Awards for 7 Consecutive Years
- Establishment of a Joint Venture, Canvas Worldwide
- Listed on the Stock Exchange (KOSPI/INNOCEAN)
- Establishment of Middle East Corporation
- Launching of INNOCEAN Worldwide Berlin
- Acquisition of US Creative Agency "D&G"
- First Non-US Brand to Rank 1st in Customer Preference Survey at Super Bowl Ads

2020

- Winner of 13 awards at the New York Festival (record)
- Named "Advertiser of the Year" in Europe RHQ (Germany), Top 3 in Europe
- Establishment of Singapore & Indonesia Corporations

2019

- Winner of Cannes Lions Silver Lion Award
- Winner of 12 awards at the Korea Advertising Awards (record)
- Named "Korean Advertising Agency of the Year" for 2 Consecutive Years (Spikes Asia)
- Winner of AdFest Grand Prix Award
- Acquisition of Global Digital Company <Wellcom Group>
- Signed Business Cooperation and Partnership Agreement With Lotte CultureWorks

2018

- 2-times Winner at Korea Advertising Awards
- World's Top 3 Design Awards (Kia's "BEST360")
- Winner of the 2018 Red Dot Design Award Best of Best (Hyundai Motor Company's "Genesis Gangnam")
- Winner of the Cannes Lions awards (Hyundai Motor Group's "Chatty School Bus")
- Opening of INO KIDS Kindergarten

2021

- Winner of Cannes Lions Gold and Silver Lion Awards
- Rank 1st in Korea's Best Advertising Agency for 2 Consecutive Years (Campaign Brief Asia)
- Acquisition of Digital Performance Marketing Company <D Purple>
- Digital Advertising Agency of the Year and Winner of 10 awards (first in Korea) (AdFest Korea's)

2022

- Promotion of Asia Creative Hub project
- 100% stake acquisition of a media agency in America, <Canvas Worldwide>
- Winner of 9 Spikes Asia awards (record)
- Winner of Grand Prix of the Year at Busan International Advertising Festival
- Winner of 11 Red Dot Design Awards (record)
- Acquisition of a VFX company, <Studio Lennon>
- Ranked 1st in preferred car brands, 4th overall in US Super Bowl (Kia EV6 advertisement)
- Company name change from <INNOCEAN Worldwide> to <INNOCEAN>

2023

- Winner of the Best of Best Award at the Red Dot Design Award
- Record making awards at Clio Awards
- Acquisition of a digital marketing company, <DPlan 360>
- Establishment of Joint Venture content production company, <Studio Abit>
- Launching of IP (intellectual property) character "Bosstoki"
- Selected as No. 1 "Client Lead Agency" Spanish corporation
- Signed MOU with INNOCEAN-LG Electronics
- Signed MOU with major Japanese advertising agency, ADK
- Establishment of Generative AI TF Team

05 2023 Business Highlights



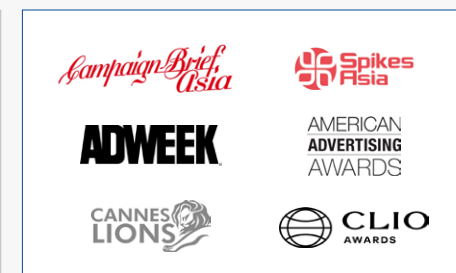
By establishing <Studio Abit>, a content production company together with <Imaginix>, INNOCEAN is positioning itself as a leader in discovering new content markets by integrating its expertise in both long-form and short-form content.



INNOCEAN has acquired the digital media lab <DPLAN 360>, thereby securing integrated digital capabilities that encompass traditional media, while maximizing digital marketing synergy through effective data collection and management.



INNOCEAN has signed a Memorandum of Understanding (MOU) with Siam Piwat, Thailand's largest retail group, to directly introduce domestic and international brands to local consumers and create new business opportunities by connecting cultural content between Korea and Thailand.



Amidst increasing global competition, INNOCEAN has been acknowledged for its creative prowess and our standing in the global market through numerous regional agency awards, the prestigious Cannes Lions Grand Prix, and more than 120 other advertising awards globally.

Financial Highlights

INNOCEAN recorded a gross profit of KRW 849.7 billion, reflecting an 11.1% increase from its consolidated performance in 2022, alongside an operating profit of KRW 150 billion, which represents a 9.6% rise. This success was fueled by a proactive acquisition of new clients and excellence in customer experience (CX), brand experience (BX), and digital marketing.

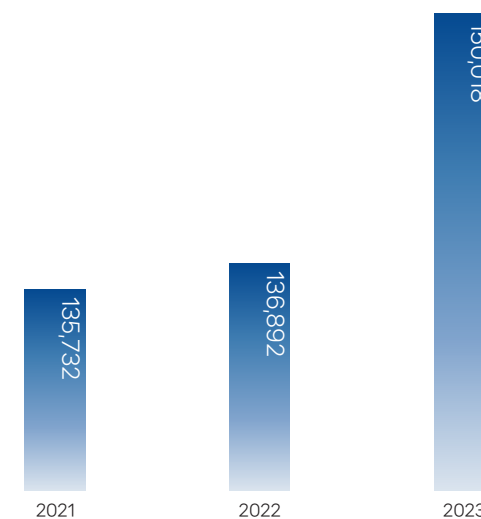
Sales Performance for the past 3 years

(Unit: Million KRW)

Category	Sales Performance (Gross Profit)		
	2021	2022	2023
HQ	1. Media Agency	77,398	80,365
	Domestic Media Agency	69,805	69,544
	Overseas Media Agency	7,593	10,821
	2. Advertisement Production	30,478	36,840
	3. Promotion, Etc.	40,507	45,024
	Subtotal	148,383	162,229
Subsidiaries and Adjustments		520,216	602,891
Total		668,599	765,120

Operating Profit for the past 3 years (Consolidated Basis)

(Unit: Million KRW)



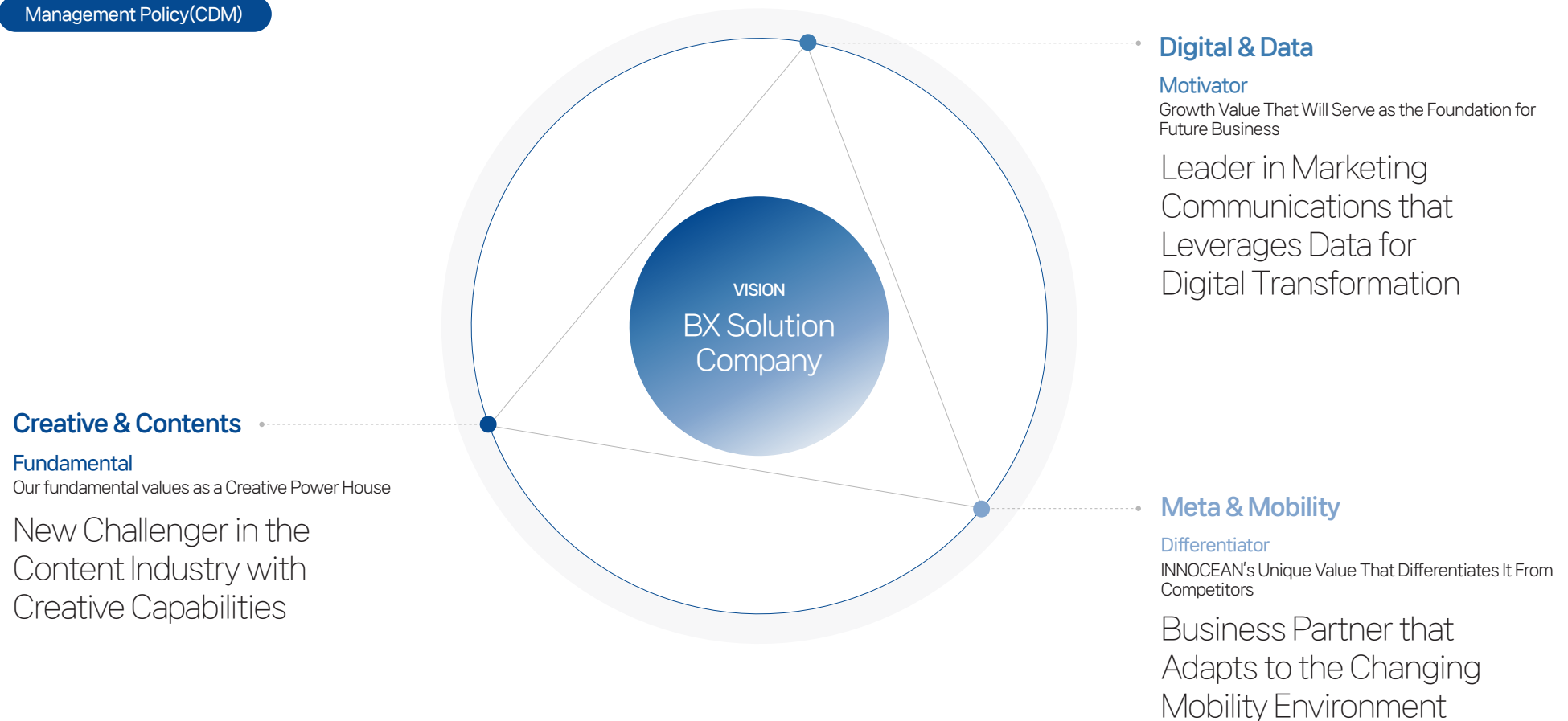
06 Business Introduction

Vision

INNOCEAN




In the future, INNOCEAN aims to grow beyond a comprehensive advertising agency to become a top 10 global BX (Brand Experience) Solution Company, providing creative and innovative brand experiences.

Management Policy(CDM)



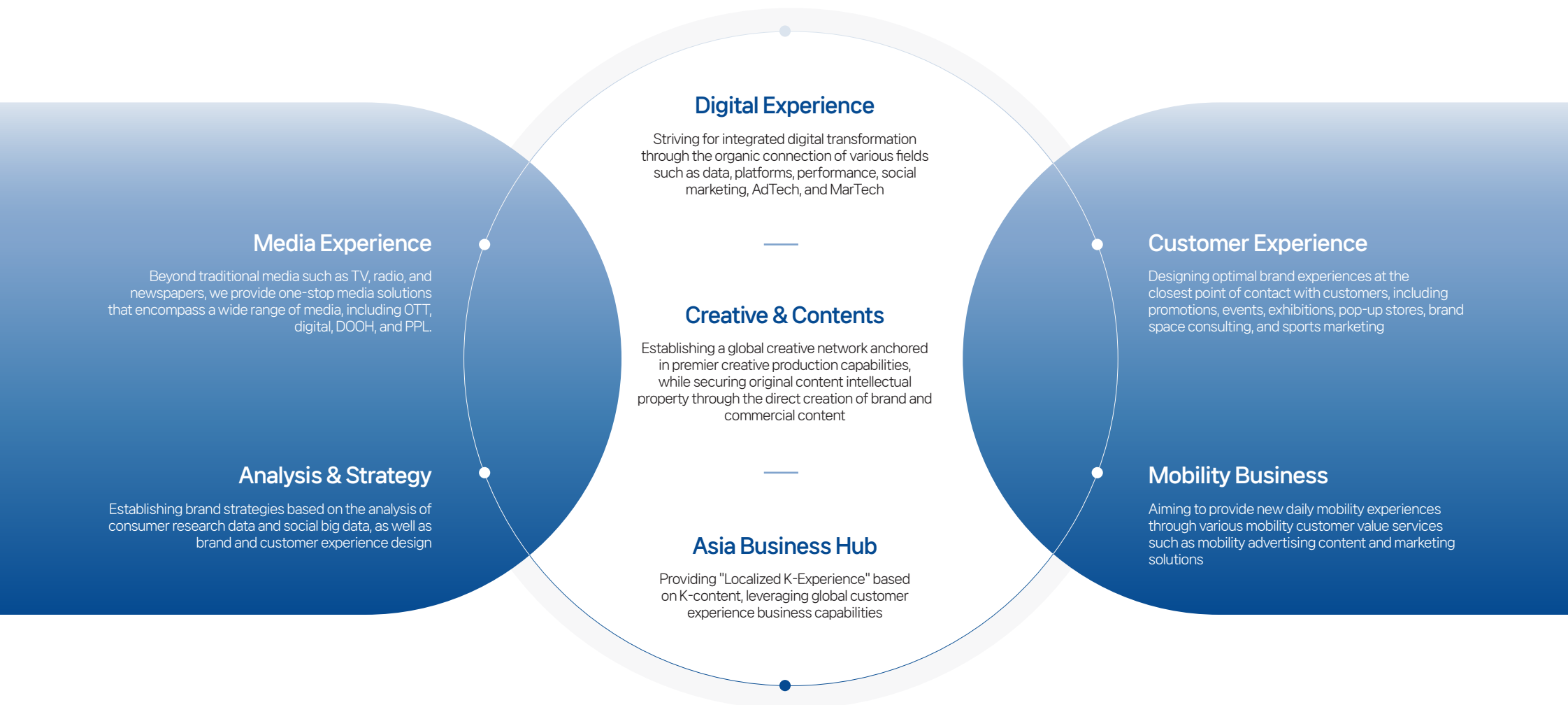
Management Policy

Mid- to Long-Term Implementation Strategy Aligned with CDM Business Vision (Management Policy).

	Creative & Contents	Digital & Data	Meta & Mobility
Strengthening Existing Capabilities	Strengthening Creative Capabilities <ul style="list-style-type: none"> Expanding into New Regions/Bases and Establishing a Global Creative Network 	Building a Full Line-up of Digital Marketing <ul style="list-style-type: none"> Domestic: Internalizing Social Marketing and UX/UI Operations (Self-Establishment and Acquisitions) Global: Operating Regional Digital Centers of Excellence and Developing Integrated Business Solutions 	Expansion of In-Car Mobility Advertising Business Based on MoCA Platform <ul style="list-style-type: none"> Advancing Mobility-Specific Advertising Media Business through Advertising/Content Delivery and Data Analysis.
	Expansion of Advertising/Marketing Business <ul style="list-style-type: none"> Full-Scale Expansion of Space Business (Space Branding, Entry into Large-Scale Customer Experience Base Operation Business, etc.) 	Advancement of Ad Tech & MarTech Based on Data Expertise <ul style="list-style-type: none"> Domestic: Expanding the Data Management Consulting Business Global: Advancing AdTech Initiatives and Developing Independent Ventures, while Strengthening MarTech Expertise 	Electric (Cargo) Vehicle Digital Signage Business Promotion <ul style="list-style-type: none"> Advocating for the Standardization of Mobility-Specific Displays and Sensors
Mid to Long Term Goals	Futuristic Content Development Based on Creative Capabilities <ol style="list-style-type: none"> Unlocking the Potential of the Existing Advertising/Marketing Business Ensuring Global Creative Excellence (e.g., Expanding the Asia Creative Hub) Laying the Foundation for Future Content Businesses (e.g., Enhancing Customer Experience through New Technologies) 	Leading Brand Experience by Accelerating Digital Transformation and Enhancing Data Business <ol style="list-style-type: none"> Internalizing Digital Communication Platform Operations (App/Web/CRM, etc.) Providing Differentiated Digital Customer Experience Services Leveraging Customer Data Improving Work Efficiency and Competitiveness Through the Development of Self-Generative AI Solutions 	Creating Specialized Service Models Within the Future Mobility Ecosystem <ol style="list-style-type: none"> Mobility Outdoor Advertising/Content Development Building a Unique Mobility Business Model (EV Charging App Service Planning/Operation Business Model Building, Etc.)
			

07 Business Areas


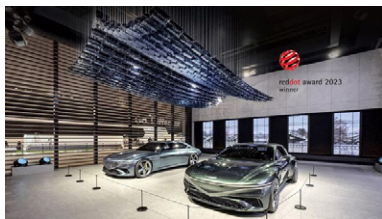








A Brand Experience Solution Company that offers creative and innovative brand experiences rooted in the latest technology and data, surpassing traditional advertising boundaries



07 Business Areas

Awards Winners for the past 3 years




















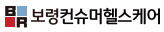













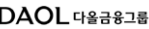












































Numerous awards at leading domestic and international advertising festivals, including Cannes Lions, Clio Awards, New York Festivals, and Korea Advertising Awards

Hyundai Motor Company- Hydrogen Cleaning Truck  2023 AdFest PR Gold 2023 Spikes Asia Innovation Grand Prix/Brand Experience & Activation Silver 2022 Korea Advertising Awards Creative Strategy Gold	2023 Seoul Mobility Show Genesis Hall  2023 Red Dot Design Award Brand & Communication Red dot	Kia CI/SI  2023 iF Design Award Interior Architecture, Communication Winner 2022 Red Dot Design Award Brand & Communication Design, Retail Design Winner	Hanwha-Solar Beehive  2023 Clio Awards Design-Sustainability, Product Design Silver/OOH Bronze 2023 New York Festivals Environmental Effort Silver/Technology Bronze 2023 Red Dot Design Award Advertising-OOH & Ambient Red dot	Musinsa-Travel T-Ket  2023 Red Dot Design Award Advertising Best of Best/Digital Solutions Red dot 2023 MAD Stars Strategy Stars Crystal
Daol Digital Bank Fi-Money Perfume  2023 Red Dot Design Award Corporate Design & Identity, Advertising, Apps Red dot 2022 Korea Advertising Awards Promotion Gold	Hyundai Motor Company Little Big Emotion  2022 Spikes Asia Healthcare Bronze 2022 AdFest PR Bronze 2021 Korea Advertising Awards Innovation GrandPrix 2021 Red Dot Design Award Brands & Communication Design Best of Best	Dalkomm Coffee Mask ID  2022 Clio Awards Public Relations, Public Affairs Bronze 2022 AdFest PR Gold/Mobile, Digital Silver/Design Bronze 2022 Spikes Asia Outdoor, Mobile Silver 2022 Red Dot Design Award Brand & Communication Design, Mobile User Interfaces Winner	Printed by Parkinson's  2021 Cannes Lions Health & Wellness Gold Design Silver 2021 London International Awards Health & Wellness, Creative Use of Data, Design Bronze	Kcc Construction Switzen – A House That Protects the House, the Lighthouse Project  2021 Korea Advertising Awards TV Video / Grand Prize 2022 Clio Awards Integrated Campaign / Bronze 2022 Red Dot Design Award Brand & Communication Design/ Winner

07 Business Areas

Clients

Clients who have been with INNOCEAN throughout the brand's inception and growth, fostering long-term partnerships (as of June 2024)

Automobile/Parts/Maintenance		Steel/Construction/Heavy Industry		Finance/Insurance/Securities		Services / Retails / Public		Education/Pharmaceuticals/Healthcare	
									
									
									
									
									
Fashion/Sports		IT/Game/Telecommunication		Commerce/Platform		Food/Alcohol/Beverage		Furniture/Household Goods/Beauty	
									
									
									
									
									

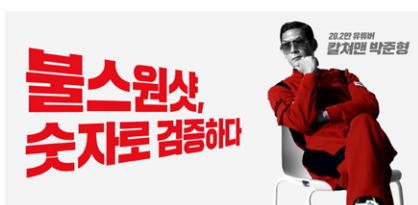
07 Business Areas

Portfolio (2023)

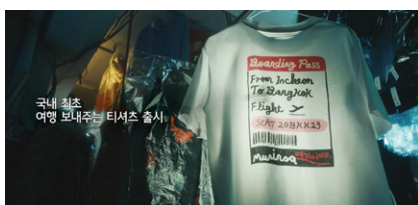
Video Production (Television Commercials / Digital Videos)



Hyundai Motor Company - Kona: Rule Breaker



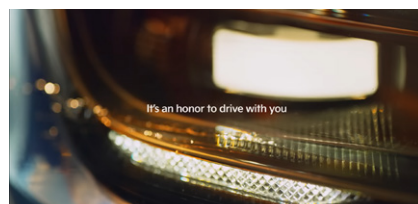
Bulls One Shot - Bulls One Shot Chosen by Pros



Musinsa - How About Here(YeoqiUTae) with Musinsa?



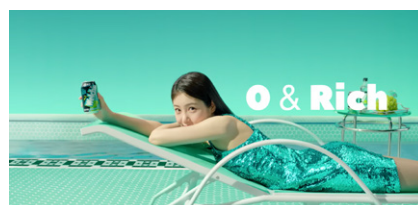
Hyundai Department Store Duty Free Shop -
NewJeans, Duty Freeing the Hyundai Department Store



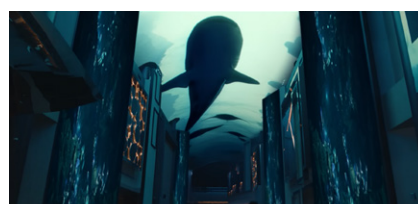
Kia - Stinger : A Tribute to Stinger



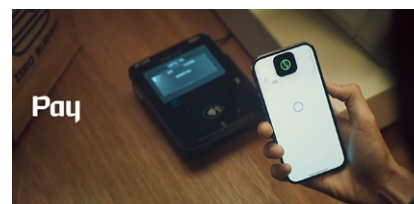
KCC Construction - Switzen: The Emergence of a New



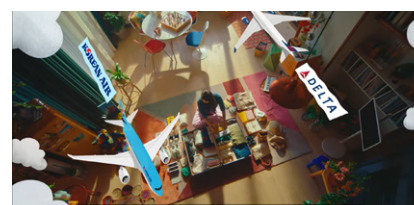
Nongshim - 0 & Rich Welch's Zero



Inspire Resort -
An Invitation to Unfamiliar Inspiration



Hyundai Card - Apple Pay Pay&Go



Korean Air X Delta Air Lines - 5th Anniversary of Joint Venture



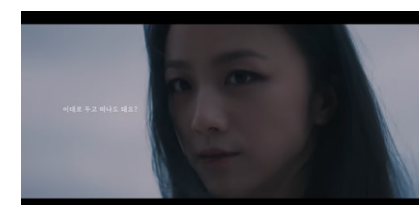
Samsung Securities - Pension, Empowerment for Office Workers



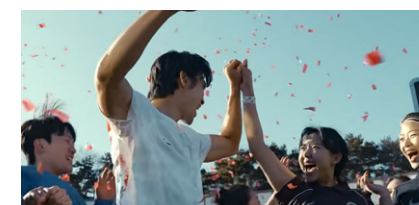
Domino's Pizza - Cheese Crepe Sandwich Pizza



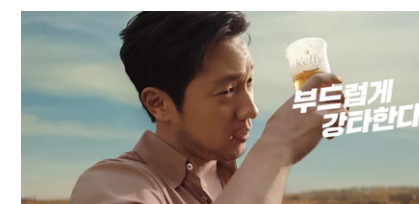
Hanwha - The Best Energy Solution



Socar - A World That Wasn't in My Car



Nike - A Special Nike Just For You



Hite Jinro - Kelly: The Twist of Lager

07 Business Areas

Portfolio (2023)

Customer Experience Design (Exhibitions, Promotions, Mobility, and More)



HMG Driving Experience
Venue for the Hyundai and
Kia Driving Experience



Genesis Championship
Planning and Management of Premier Golf
Tournaments Organized by Genesis



HMGICS
Hyundai Motor Singapore Global Innovation
Center and Content Creation



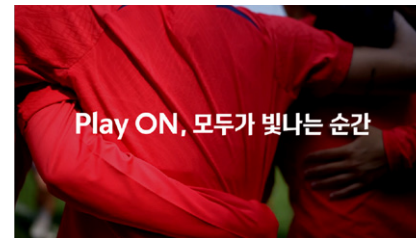
Seoul Mobility Show 2023
Conveying Genesis Brand Communications and
Offering Customer Experiences (Test Drives)



CES 2023 (Hyundai Mobis Pavilion)
Unveiling a New Vision for Hyundai Mobis and
Securing the CES 2023 Innovation Award



Lotte Department Store Pop-up Store
"Lotte-baek" Brewing
Delivering Comprehensive Marketing Solutions, Including Spatial
Design and Construction, Store Operations, and On-Site Events



Renewal of KFA (Korea Football Association)
Slogan and Design
Creation of a Brand Slogan/Identity to Communicate the
New Mission of the Korea Football Association



Boggle Boggle K-Ramen Pop-up Store (Thailand)
Korean Ramen Brand Pop-Up Store Launches at
Bangkok Landmark Siam Discovery



Daol Savings Bank Salon de Money Perfume
As part of the promotional campaign for the launch of Digital Bank
Fi, we developed "Money Perfume," which elegantly captures the
aroma of fresh banknotes, and established an experiential space.



Yanolja Live Commerce
Development of Branded Content and Integration
with Live Commerce through Collaboration with
Creator Channels



Shinsegae Central City DS
Overall Management of the Premium DS Media
Business within the Connection Space of
Shinsegae Department Store Gangnam



Electric Truck Digital Signage Advertisement
Creation of Digital Signage Advertising Media
Utilizing Hyundai Motor Company's Electric Cargo
Vehicle ST1 (2024)

Part 2.

FOCUS ESG

3985 LRP 2023 ESG Highlights

Promotion System

Double Materiality Assessment

018

020

022

01 2023 ESG Highlights

INNOCEAN actively engages in practical ESG initiatives through collaboration among relevant departments, structured as Task Force Teams (TFTs) and spearheaded by the Corporate Strategy Division, which is dedicated to ESG efforts. The company also addresses external evaluations and discloses key ESG metrics on its website. Looking ahead, we will continue to communicate transparently with stakeholders through the publication of the <Sustainability Report>, striving to create economic value through eco-friendly management, socially responsible practices, and the establishment of transparent corporate governance.

INNOCEAN Classification	Key Achievements in 2023
ESG Strategy Development and Field-Specific Activities:	① Formation of an ESG Task Force Team (TFT) across the organization <ul style="list-style-type: none"> • Collaboration with various operational departments, including environment, human rights, win-win cooperation (partnership chain management), governance (Investor Relations), and health and safety ② Development of an ESG strategy and execution of initiatives in each area ③ Monitoring of domestic and international media, along with risk management
ESG Information Disclosure	④ Disclosure of key performance metrics and publication on the website • Including sections on the website, voluntary compliance with fair trade, compliance programs (CP), etc ⑤ Release of the 2023 (June 2024)
Response to External Evaluation	⑥ Response to the <Korea ESG Standards (KCGS)> evaluation <ul style="list-style-type: none"> • Achieving and maintaining an integrated grade of <B+>, with a substantial increase of 25.4% in the percentile score in the environmental (E) category
Global Response and External Networking	⑦ Developing response measures to global ESG laws and regulations, including those in Europe, in collaboration with the INNOCEAN Global Business Unit ⑧ Participation in ESG working committees of Hyundai Motor Group affiliates and engagement in external networking opportunities

Korea ESG Standards Institute's 2023 ESG Ratings



Integrated Rating



Environmental



Social



Governance

Environmental (E)	
Disclosure and Systematization of Environmental Performance Data	Activating Employee Participation Campaigns for Environmental Management
<ul style="list-style-type: none"> • Establishing a system for the disclosure and quantification of carbon emissions data • Conducting third-party verification of greenhouse gas emissions • Setting a target for carbon neutrality by 2050 	<ul style="list-style-type: none"> • Utilization of eco-friendly products such as mugs, paper zero, and cool attire • Initiatives for creating green forests • Collaboration between INNOCEAN and the Ministry of Oceans and Fisheries for the "S.O.S (Social Problem Solver) Contest" focused on marine protection • INNOCEAN-SaengGong Carbon Reduction ESG Campaign titled "Wash at 30: COOL Laundry for the Earth"
Social (S)	
Realization of Shared Growth and Mutual Benefit	Advancement of Safety and Health Management System
<ul style="list-style-type: none"> • Achieved the highest grade in the Mutual Growth Index for three consecutive years • Facilitated participation in the "Cannes Lions" as a program to enhance the overseas expansion capabilities of partner companies • Hosted the "2023 Partners Day" to strengthen mutual cooperation • Contributed KRW 530 million to the Mutual Cooperation Fund 	<ul style="list-style-type: none"> • First in the advertising industry to simultaneously obtain both domestic and international safety and health certifications • Implementation of mandatory risk assessments in accordance with the revised safety management manual for production work • Providing CPR training for all employees • Creation of card news and operation of a safety news archive to promote a culture of safety
Information Protection and Personal Data Protection	Social Contribution Activities
<ul style="list-style-type: none"> • Revised information protection regulations and implemented security monitoring policies • Conducted regular security patching activities 	<ul style="list-style-type: none"> • INNOCEAN-KOREA POST (Office of Postal Service) "Safety Envelope for Expired Medicines" social contribution campaign • INNOCEAN, sponsor treatment costs for children with
Governance (G)	
Strengthening Ethical Management and Compliance Management	Enhancing Shareholder Value and Strengthening ESG Decision-Making Within the Board of Directors
<ul style="list-style-type: none"> • Establishing and disclosing ethical regulations for employees, along with conducting training sessions • Developing and implementing a comprehensive plan to prevent corruption • Formation of a new Compliance Management Group 	<ul style="list-style-type: none"> • Reporting ESG-related issues to the Board of Directors • Establishing a Sustainability Management Committee within the Board of Directors • Implementing a 100% free share capital increase • Establishing mid- to long-term financial objectives

Winners of the Major ESG Advertising Awards for the past 3 years

2023

- Main Award Winners Solar Beehive
- The Advertiser Hanwha Group
- Advertisement Festival Spikes Asia



- Main Content
 - The world's smallest home for climate activists
 - Introducing Korea's first solar-powered carbon-reduction beehive, [Solar Beehive]
 - Spreading the importance of preserving biodiversity and responding to climate change

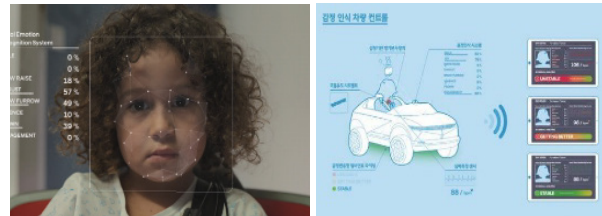
2022

- Main Award Winners Dear My Hero
- The Advertiser Hyundai Motor Group
- Advertisement Festival Busan International Advertising Festival, Red Dot Design Award



- Main Content
 - Hyundai Motor Group's message on the social use of hydrogen mobility is conveyed through a campaign demonstrating how hydrogen cleaning trucks can improve the lives of local communities.

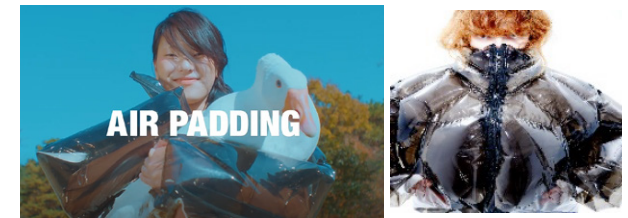
- Main Award Winners Little Big e-Motion
- The Advertiser Hyundai Motor Group
- Advertisement Festival NYF, Spikes Asia, Busan International Advertising Festival, Red Dot Design Award



- Main Content
 - Hyundai Motor Group Future Mobility Campaign: "Kids Mobility" utilizes emotion recognition vehicle control technology to identify child patients' emotions, reduce their stress, and aid in treatment.

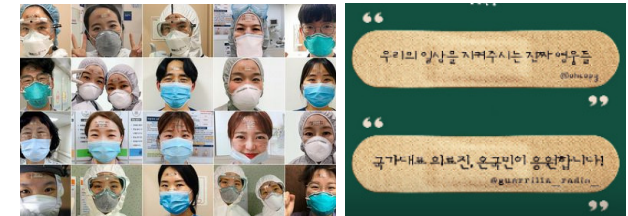
2021

- Main Award Winners PARACOSM STUDIO Air Padding
- The Advertiser Musinsa Paracosc
- Advertisement Festival Clio Awards, The One Show, NYF, Busan International Advertising Festival



- Main Content
 - To address the issue of "Live Plucking"—the practice of removing feathers from live geese for down jackets—vegan fashion emerged as an alternative.
 - INNOCEAN collaborated with the fashion platform "Musinsa" and the clothing brand "Paracosc" to promote this initiative.

- Main Award Winners The Cheering Bandage
- The Advertiser Facebook
- Advertisement Festival AdFest



- Main Content
 - A campaign to produce bandages featuring messages of support from the public and deliver them to COVID-19 medical staff and volunteers. It represents a unique collaboration between an advertising company, social media, and a medical bandage manufacturer.

02 ESG Promotion System

ESG Strategy Framework

Management
Philosophy

INNOCEAN realizes the aspirations of human society by shaping a new future through innovative thinking and unwavering challenges

Vision & Strategy

Creating social value through the establishment of a sustainable ESG management system / Attaining sustainable shared growth by fostering trust among stakeholders

Core Objectives

CORE VALUE

Enhancement of Eco-Friendly Management

Reinforcing Social Responsibility Management

Internalization of Sustainable Management Practices

Strategic Tasks

Establishment of Eco-Friendly Management Goals

Appreciation and Respect for Talent

Enhancement of Board Operations

Activation of Eco-Friendly Campaigns

Commitment to Safety and Health

Establishment of a Risk Management System

Promotion of Environmental Awareness Among Employees

Fostering Mutual Benefit

Compliance and Ethics Management

Protection of Personal Data

Prevention of Greenwashing Risks

Expansion of Social Contribution Impact

Establishment of ESG Governance

INNOCEAN

CEO

Corporate Strategy Division

Corporate Strategy Team 2



Environment
Work Smart Support Team



Safety and health
Safety & Health Management Team



Win-Win Cooperation
Cooperative Partnership Team



Human Rights
HR Support Team, HR Management Team



Ethics
Corporate Innovation & Policy Team



Personal Data
ICT Team



Corporate Governance
Investor Relations Team

ESG Promotion System

"What activities does each department of INNOCEAN do to achieve sustainable management?"

HR Management Team,
HR Support Team

The HR Management and HR Support Teams place a strong emphasis on diversity and human rights within our workforce. By prioritizing youth employment, we have been acknowledged as a leading job creator. We consistently monitor our hiring processes to ensure fairness and are dedicated to improving workforce diversity through thorough management of diversity metrics.

Cooperative Partnership Team



Our Cooperative Partnership Team is dedicated to nurturing mutual growth with small and medium-sized enterprises (SMEs) by promoting transparent business practices and fostering trust-based relationships. We enhance partner competitiveness through initiatives such as participation in international events like Cannes Lions, providing management support, and offering educational programs. This commitment has resulted in us receiving the highest rating in the Mutual Growth Index for three consecutive years, solidifying our reputation as an exemplary company in mutual growth.

Investor Relations Team



The Investor Relations Team is committed to maximizing shareholder value and instigating meaningful market changes. We assist the board of directors, deliver comprehensive information to shareholders and investors, and oversee dividend-related matters for all stakeholders, including union members.

Corporate Innovation &
Policy Team

The Corporate Innovation & Policy Team is dedicated to solidifying INNOCEAN's compliance framework. We have implemented the Zero Tolerance Policy (Z.T.P) and Anti-Corruption Guidelines in alignment with the INNOCEAN Ethics Charter. New employees undergo ethics management training and pledge their commitment to compliance and ethical standards upon joining the organization.

Safety &
Health Management Team

The Safety & Health Management Team is committed to integrating safety and health practices into our operations. We focus on accident prevention at our headquarters and during advertising shoots, actively involving employees, partners, and clients. Each project entails comprehensive risk assessments and emergency scenario planning to address potential hazards, thereby ensuring the safety of all INNOCEAN stakeholders.

ICT Team



The ICT Team places a high priority on safeguarding client, internal, and customer information. We meticulously manage data through monitoring systems designed to prevent leaks. Regular security training, the implementation of advanced security technologies, and ongoing system updates are essential measures that ensure comprehensive protection of information.

Work Smart Support Team



The Work Smart Support Team motivates INNOCEAN members to participate in initiatives aimed at reducing greenhouse gas emissions and conserving energy, such as the lights-off during lunch campaign and the cool attire initiative. We are actively investigating eco-friendly activities to formulate a carbon neutrality strategy and achieve our goal of Net Zero by 2050.



Corporate Strategy Team 2






The Corporate Strategy Team 2 is focused on strengthening and embedding INNOCEAN's ESG capabilities. We are actively involved in various ESG initiatives, including strategic framework development, responding to external evaluations and regulations, and publishing sustainability reports. Additionally, we continuously monitor and manage potential risks.

03 Double Materiality Assessment

Stakeholder Communication

Cat.	Communication Channel	Response Activities
 Shareholders, Investors, Analysts	<ul style="list-style-type: none"> • Shareholders' Meeting • INNOCEAN Analyst Day • IR Website page • Financial Information Disclosure 	<ul style="list-style-type: none"> • Hosting Shareholders' Meetings • Strengthening communication with domestic and international institutional investors, analysts, and individual investors through IR meetings • Conducting quarterly performance announcements • Disclosing financial performance in accordance with disclosure obligations
 Customer/ Consumer	<ul style="list-style-type: none"> • INNOCEAN Website • INNOCEAN Social Media (Facebook, YouTube, Instagram, etc.) • Press Coverage • Customer Satisfaction Surveys 	<ul style="list-style-type: none"> • Distribution of Press Releases • Managing Inquiries and Data Requests
 Partners	<ul style="list-style-type: none"> • Fair Trade Partner Portal (WITH-I) • INNOCEAN Website • INNOCEAN Partners Day • Partner Training Portal • Complaint Handling Channel 	<ul style="list-style-type: none"> • Assistance for Joint Growth Programs • Support for Partner Companies' ESG Initiatives

Cat.	Communication Channel	Response Activities
 Government/ NGO	<ul style="list-style-type: none"> • INNOCEAN Website • INNOCEAN Social Media • Business Reports • Sustainability Reports 	<ul style="list-style-type: none"> • Monitoring Government Policies • Disclosure of Key Information
 Community	<ul style="list-style-type: none"> • INNOCEAN Website • INNOCEAN Social Media • Social Contribution Partnerships • Volunteer Activities 	<ul style="list-style-type: none"> • Operating Social Contribution Programs • Community Meetings
 Executives and Employees	<ul style="list-style-type: none"> • Labor-Management Council • Intranet Bulletin Board • Legal Ethics Management Reporting Channel 	<ul style="list-style-type: none"> • Announcements of Major Internal Policies and Guidelines • Conducting In-House Training • Complaint Handling System

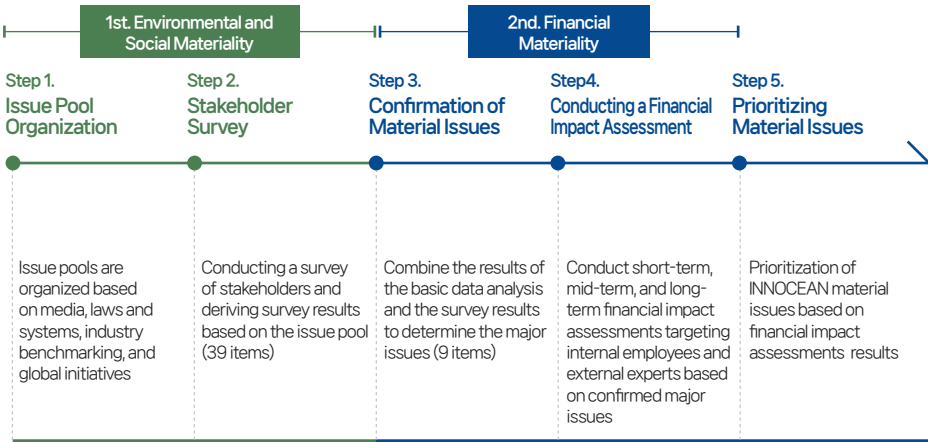
Double Materiality Assessment

INNOCEAN has adopted a double materiality assessment approach, which places equal importance on evaluating the impacts of corporate activities on the environment and society, as well as the effects of environmental and social factors on corporate financial performance. This thorough assessment has allowed INNOCEAN to identify risk and opportunity factors across short-term, medium-term, and long-term perspectives.

2023 Materiality Assessment Methodology: Double Materiality Assessment



Evaluation Process



Issue Pool Composition

To develop a comprehensive set of relevant issues across INNOCEAN's business operations, we analyzed external environmental standards and trends. We examined international disclosure standards, global initiatives, and ESG assessment and regulatory requirements related to the advertising industry. Additionally, through a comparative analysis of INNOCEAN's media issues over the past three years and the critical issues faced by competitors in the industry, we identified a total of 39 key issues.

E (14)	Response to Climate Change	S (18)	Support for Growth and Guarantee of Equal Opportunity	G (7)	Sustainable Growth Engine
	Waste Management and Emissions Reduction		Work-Life Balance		Strengthening Global Competitiveness
	Reduce Energy Usage and Improve Efficiency		Protection of Human Rights		Leading the Industry
	Environmentally Friendly Product Design		Cooperation With Partners		Transparent Management
	Greenhouse Gas Reduction		Talent Recruitment and Management		Sound Governance Structure
	Reduce Manufacturing Resources		Labor-Management Relations		Compliance Management
	Partnership chain Environmental Management		Worker Safety/Health		Creating Economic Value
	Green Purchasing		ESG Management of Partners		
	Circulation Economy		Sustainable Materials/Sourcing		
	Building an Environmental Management System and Managing Performance		Fair Employee Evaluation/Compensation and Growth		
	Securing Eco-Friendly Investments and Technologies		Obligations to Consumers		
	Reduction and Management of Water Pollutants		Obligations to Suppliers		
	Reduction and Management of Air Pollutants		Risk Management		
	Biodiversity Conservation		Information Security		

S (18)	Shareholder Responsibility (Information Disclosure, Return)	G (7)	Dei (Diversity, Equity, Inclusion)	Creating Economic Value
	Ethical Management			
	Contribution to Local Communities			

Stakeholder Participation and Selection of Material Issues

We quantified the impact of each element within the identified issue pool on INNOCEAN, in conjunction with the results from surveys conducted with employees and external stakeholders, to pinpoint the following material ESG issues.

Survey Period	'24.02.28~'24.03.06	Cat.	INNOCEAN Material Issues (9)
Survey Subjects	INNOCEAN's Employees and External Stakeholders	Environmental (E)	Response to Climate Change Reduce Energy Use and Increase Efficiency
Survey Method	Online Survey	Social (S)	DEI (Diversity, Equity, Inclusion) Supporting Growth and Ensuring Equal Opportunity
Survey Contents	Survey of opinions on INNOCEAN's ESG material issues among internal executives and employees and external stakeholders to implement INNOCEAN's ESG management	Governance (G)	Soundness of Governance Structure

Environmental, Social and Financial Impact Analysis

The analysis results for each risk and opportunity factor stemming from the identified material issues are as follows.

Cat.	Risk Opportunity	Response Activities
DEI*	R	<ul style="list-style-type: none"> Failure to consider DEI in advertising content leading to a decline in corporate image and loss of customer base. Low employee engagement and limitations in talent recruitment due to lack of diversity in organizational culture.
	O	<ul style="list-style-type: none"> Prevent employee departure and loss by providing diversity promotion programs (pregnancy/childbirth/childcare/family care support programs, etc.) Deriving creative ideas and seeking new business opportunities through diverse employee composition
Information Security	R	<ul style="list-style-type: none"> Losses (decrease in trust, fines, etc.) due to customer information leaks and cyber security incidents (computer security, document security, system security, etc.)
	O	<ul style="list-style-type: none"> Enhancing customer and employee trust by establishing an information security/personal data protection management system and a security incident response process
Supporting Growth and Ensuring Equal Opportunities	R	<ul style="list-style-type: none"> Increased financial expenditure due to employee support
	O	<ul style="list-style-type: none"> Strengthening corporate competitiveness through continuous talent recruitment and management
Worker Safety and Health	R	<ul style="list-style-type: none"> Tangible and intangible costs arise when a major (industrial) accident occurs at an advertising shoot, exhibition site, or office.
	O	<ul style="list-style-type: none"> Improvement of corporate image through safety accident management such as accident-free workplace Prevention of employee turnover and loss by providing management programs (medical expense support, psychological counseling center, etc.) for the health and safety of employees and their families
Response to Climate Change	R	<ul style="list-style-type: none"> Losses due to greenwashing issues in climate crisis-related advertising (decrease in trust, decrease in sales, fines from the Fair Trade Commission, etc.) Additional costs such as energy conversion and energy efficiency for responding to climate change
	O	<ul style="list-style-type: none"> Discover and promote new business areas to respond to climate change Increase corporate reputation and brand value through climate crisis advertising
Work-life Balance	R	<ul style="list-style-type: none"> Possibility of staff turnover and loss of promising talent.
	O	<ul style="list-style-type: none"> Create work performance by improving job engagement and job satisfaction through providing employee welfare
Protection of Human Rights	R	<ul style="list-style-type: none"> Direct impact on corporate image and reputation due to disputes related to human rights management, resulting in investment attraction Downgrade in corporate image and loss of customer base due to noncompliance with guidelines for protection of children and youth rights
	O	<ul style="list-style-type: none"> Preventing employee turnover and loss due to management of human rights risks (grievances, conflicts, etc.)
Reduce Energy Use and Improve Efficiency	R	<ul style="list-style-type: none"> Increased costs of procuring renewable energy (e.g. converting office buildings to renewable energy)
	O	<ul style="list-style-type: none"> Establishing a renewable energy transition plan in line with international renewable energy trends Reduce energy usage costs through activities to reduce energy consumption in workplaces such as offices (turning off lights during lunch hours, Cool Attire campaign, changing business vehicles to eco-friendly vehicles, etc.)
Soundness of Governance Structure	R	<ul style="list-style-type: none"> Undervaluation of the company due to governance and shareholder return issues
	O	<ul style="list-style-type: none"> Enhancing mid- to long-term corporate value based on transparent and sound governance structure

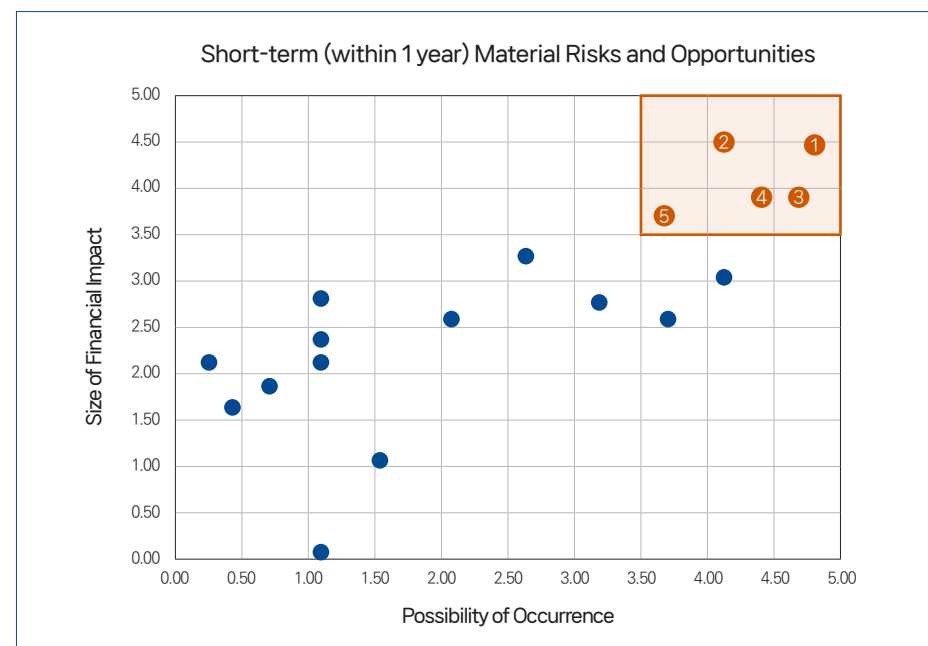
*DEI: Diversity, Equity, Inclusion

We evaluated the likelihood of occurrence and the financial impact of the aforementioned risks and opportunities from short-term, medium-term, and long-term perspectives. This assessment involved collaboration with INNOCEAN's Corporate Strategy Division, Finance & Accounting Management Division, as well as input from shareholders, investors, and analysts who possess the necessary expertise and capability to conduct these evaluations.

Evaluation Results

Short-term (within 1 year) Material Risks and Opportunities

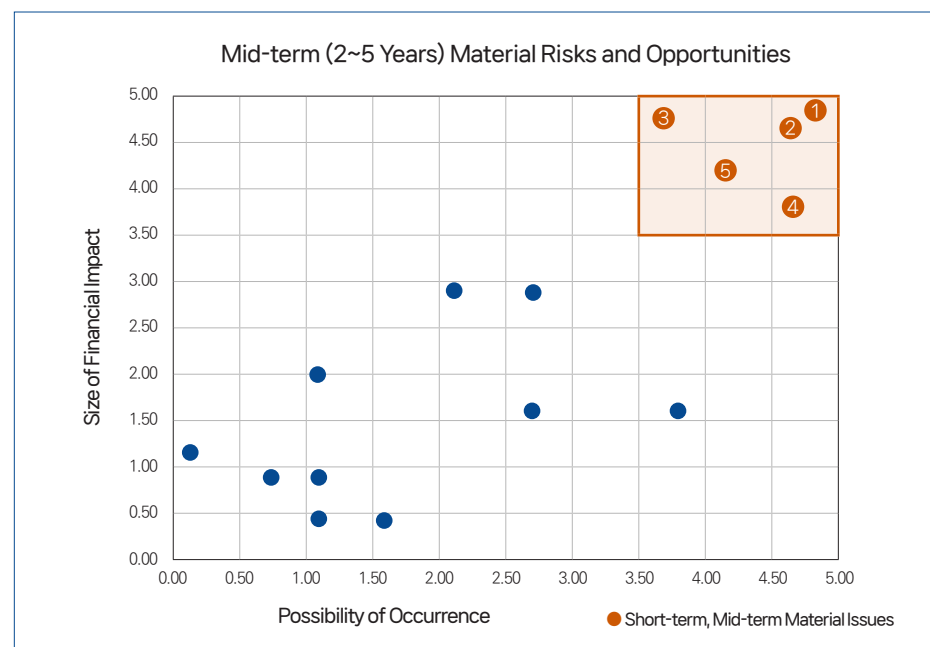
In the short term (within one year), the issues identified as having the most significant financial impact on INNOCEAN were information security, worker safety and health, and diversity, equity, and inclusion (DEI). Among these, worker safety and health issues were determined to have a higher likelihood of occurrence and a greater financial impact as risks compared to potential opportunities. Information security and DEI issues emerged as significant in terms of both risk and opportunity factors



- Incurrence of tangible and intangible costs resulting from major (industrial) accidents at advertising shoots, exhibition sites, or offices
- Enhancement of customer and employee trust through the establishment of an information protection and personal data management system, as well as a security incident response process
- Prevention of employee turnover and retention of diverse talent through the implementation of diversity promotion programs (such as support for pregnancy, childbirth, childcare, and family care), promoting creative ideas, and exploring new business opportunities via a diverse workforce
- Financial losses (including erosion of trust, fines, etc.) attributable to customer information breaches and cybersecurity incidents (affecting computer security, document security, system security, etc.)
- Deterioration of corporate image and loss of customer base due to insufficient DEI considerations in advertising content, compounded by low employee engagement and recruitment challenges stemming from a lack of diversity in organizational culture

Mid-term (2~5 Years) Material Risks and Opportunities

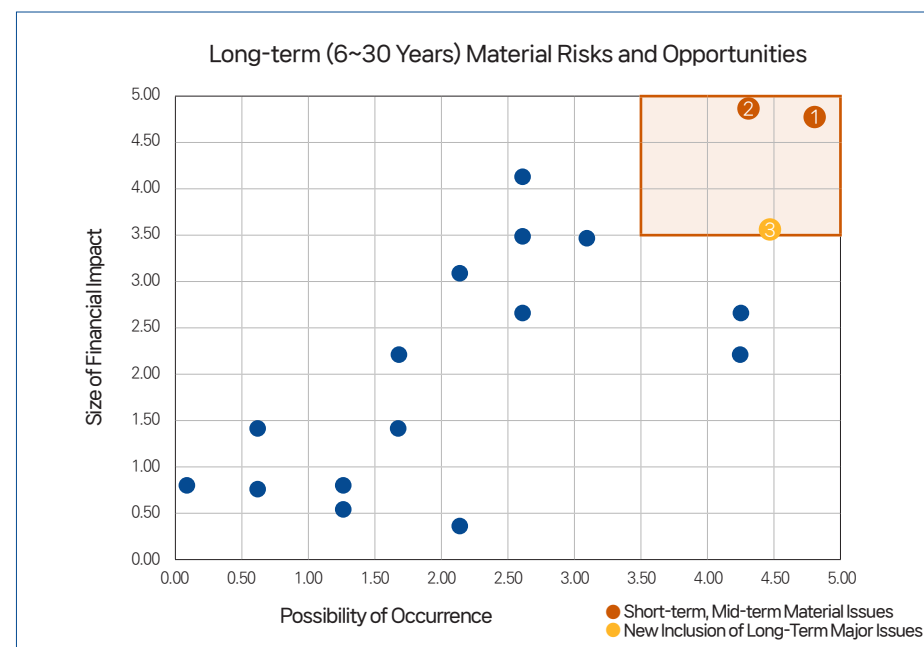
The risk factors related to information security, worker safety and health, and diversity, equity, and inclusion (DEI), which had the most considerable financial impact in the short term, are also projected to exert significant financial impacts in the medium term. Among the short-term material issues, the opportunity factors associated with information security and DEI are expected to deliver substantial financial benefits in the medium term. As a result, both the risk and opportunity factors pertaining to information security and DEI will likely gain increasing importance over time.



- ① Enhancement of customer and employee trust by establishing an information protection and personal data management system, as well as a security incident response process
- ② Incurrence of tangible and intangible costs resulting from major (industrial) accidents at advertising shoots, exhibition sites, or offices
- ③ Prevention of employee turnover and retention of diverse talent by implementing diversity promotion programs (such as support for pregnancy, childbirth, childcare, and family care), fostering creative ideas, and exploring new business opportunities through a diverse workforce
- ④ Defaming of corporate image and loss of customer base due to insufficient DEI considerations in advertising content, accompanied by low employee engagement and challenges in talent recruitment resulting from a lack of diversity in organizational culture
- ⑤ Financial losses (including trust loss, fines, etc.) arising from customer information breaches and cybersecurity incidents (affecting computer security, document security, system security, etc.)

Long-term (6~30 Years) Material Risks and Opportunities

Information security and worker safety and health issues have been identified as top-tier concerns in the long term. Although the risk factors associated with diversity, equity, and inclusion (DEI) were considered relatively less significant, the opportunity factors linked to fostering growth and ensuring equal opportunities are anticipated to become critical management priorities in the long term.



- ① Enhancement of customer and employee trust through the establishment of an information protection and personal data management system, along with a security incident response process
- ② Incurrence of tangible and intangible costs resulting from major (industrial) accidents at advertising shoots, exhibition sites, or offices
- ③ Expansion of technology and research and development personnel through ongoing talent recruitment and effective management

Results of Material Issue Selection for 2023

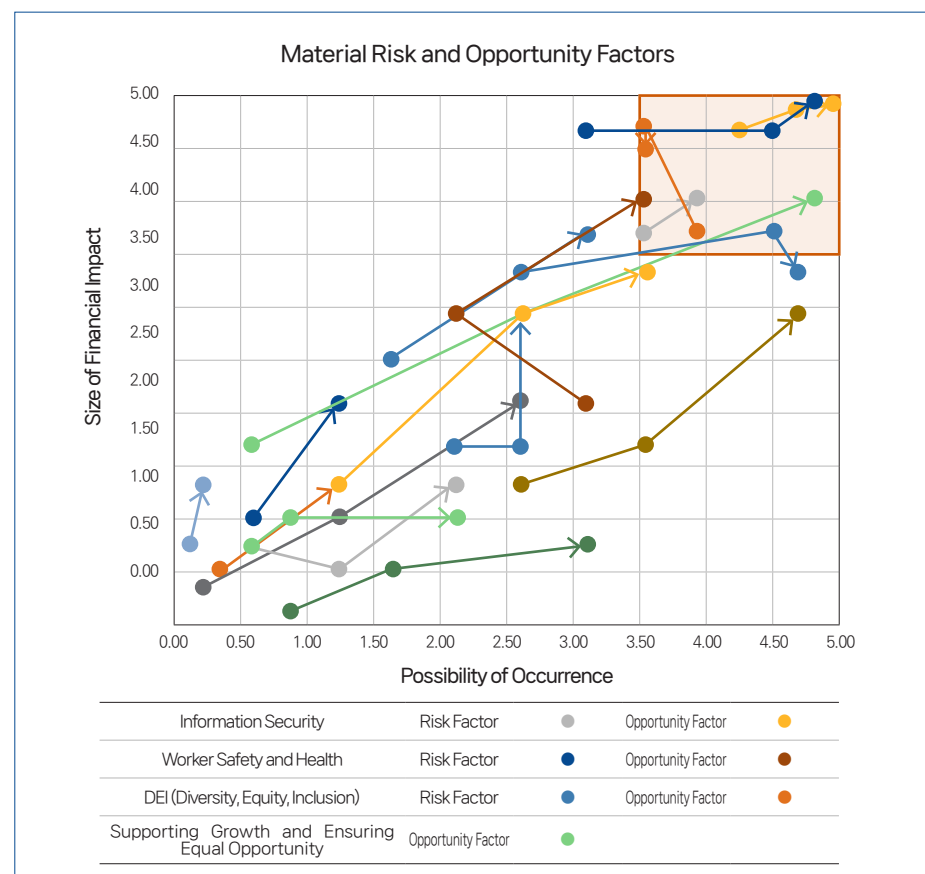
The comprehensive ranking of material issues, considering the short-term, medium-term, and long-term probability of occurrence of risks and opportunity factors for each material issue, as well as the magnitude of their financial impact, is as follows.

Issue	Risk and Opportunity Fact (R/O)	Rank			Total
		Short-term (Within 1 year)	Mid-term (2~5 years)	Long-term (6~30 years)	
DEI (Diversity, Equity, Inclusion)	R	5	4	4	2
	O	3	3	5	
Information Security	R	4	5	6	1
	O	1	1	1	
Supporting Growth and Ensuring Equal Opportunities	R	9	9	10	4
	O	11	6	3	
Worker Safety and Health	R	2	2	2	3
	O	6	9	8	
Response to Climate Change	R	17	14	12	5
	O	7	8	7	
Work & Life Balance	R	12	12	14	8
	O	14	13	13	
Human Rights Protection	R	8	11	11	7
	O	15	15	17	
Reduce Energy Use and Improve Efficiency	R	18	17	15	6
	O	10	6	9	
Soundness of Governance Structure	R	16	18	18	9
	O	13	15	16	

Information security, diversity, equity, and inclusion (DEI), and worker safety and health have been recognized as INNOCEAN's key material issues. We are dedicated to systematically managing these concerns through the formulation of advanced strategies and ongoing monitoring.

Rank	Issue	Pages in the Report	Rank	Issue	Pages in the Report
1	Information Security	054-060	6	Reduce Energy Use and Improve Efficiency	032-033
2	DEI(Diversity, Equity, Inclusion)	047	7	Human Rights Protection	045-047
3	Worker Safety and Health	038-044	8	Work & Life Balance	052-053
4	Supporting Growth and Ensuring Equal Opportunities	048-051	9	Soundness of Governance Structure	069-075
5	Response to Climate Change	032-035			















The following visual representation illustrates the fluctuations in the financial impact of risk and opportunity factors associated with each material issue over the short, medium, and long term.



INNOCEAN's information security issues were assessed as material factors across all timeframes—short, medium, and long term—regarding their financial impact and likelihood of occurrence for both risks and opportunities. The opportunity factors tied to growth support and the assurance of equal opportunity demonstrated a gradual increase in both financial impact and likelihood of occurrence over time. Conversely, the risk factors associated with diversity, equity, and inclusion (DEI) exhibited a decline in both financial impact and likelihood of occurrence in the long term, while the opportunity factors related to worker safety and health experienced a rapid increase, rendering them significant considerations from a long-term perspective.

Double Materiality Assessment Results

INNOCEAN reported nine material issues to the board of directors, derived from a double materiality assessment. The company outlined the context of each issue and formulated response strategies, summarizing the significant achievements of 2023 resulting from the diligent execution of these strategies. Looking ahead, INNOCEAN will continue to closely monitor and proactively address non-financial factors that may impact corporate activities, striving for the sustainable growth of the company.

Rank	Issue	Background & Definition	Response Strategy	Main Achievements in 2023	GRI Index	Pages in the Report	UN SDGs
1	Information Security	Increased business risk impact due to leakage of personal and business information	<ul style="list-style-type: none"> Establishing and implementing of information security policy Regular security education and training Introducing latest security technology and system updates 	<ul style="list-style-type: none"> Conducting personal information protection consulting for establishing a personal information protection system Establishing an information protection and personal information protection organization system Establishing and revising information protection and personal information protection policy guidelines 	418-1	054-060	
2	DEI (Diversity, Equity, Inclusion)	Enhancing brand value through support for socially vulnerable talents	<ul style="list-style-type: none"> Supporting maintaining diversity and inclusion Providing DEI-related training programs Establishing and implementing of quantitative goals 	<ul style="list-style-type: none"> Establishment of D&I policy Ratio of female managers and female workers increased for 3 consecutive years 	405-1,2 406-1	047	
3	Worker Safety and Health	Increased impact of worker safety and health on business risk due to strengthening of domestic serious disaster punishment law	<ul style="list-style-type: none"> Strengthening the safety and health management system Conducting regular safety inspections and education Operating worker health management programs 	<ul style="list-style-type: none"> First to simultaneously obtain domestic and international safety and health certifications in the advertising industry 	403-1,2,3,4,5, 6,8,9,10	038-044	 
4	Supporting Growth and Ensuring Equal Opportunities	Prevention of employee turn over and increase work efficiency through various support to strengthen employee capabilities	<ul style="list-style-type: none"> Expanding employee job training and education programs Supporting mentoring and career development Fair performance evaluation and compensation system 	<ul style="list-style-type: none"> Operating various educational participation programs such as Cannes Lions, MWC (Mobile World Congress), SXSW (South by Southwest), AdAsia, and Busan International Marketing Advertising Festival 	404-1,2,3	048-051	
5	Response to Climate Change	Increased demand for domestic and international information disclosure related to climate change	<ul style="list-style-type: none"> Setting and implementing carbon emission reduction targets Disclosing of information related to climate change Joining and responding to initiatives 	<ul style="list-style-type: none"> Establishing the 2050 Carbon Neutrality Goal Disclosing the Environmental Information Disclosure System 	201-2, 305-1,2,3,4,5	032-035	 
6	Reduce Energy Use and Improve Efficiency	Improving energy efficiency to reduce greenhouse gases	<ul style="list-style-type: none"> Investing in technology and infrastructure to improve energy efficiency Introducing energy usage monitoring and management systems Launching energy conservation campaigns 	<ul style="list-style-type: none"> Improving energy efficiency by replacing LED fluorescent lamps, etc. Conducting voluntary greenhouse gas third-party verification 	301-1,3,4	032-033	
7	Human Rights Protection	Increasing importance of preventing human rights violations and mitigating human rights risks at workplaces and partner companies	<ul style="list-style-type: none"> Establishing and training of human rights protection policy Human rights inspection of workplaces and partners Establishing human rights violation reporting and response system 	<ul style="list-style-type: none"> Number of cases of consultation and reporting related to human rights complaints: 0 Implementing in-house human rights education 	406-1	045-047	  
8	Work & Life Balance	Strengthening demands for employee welfare and quality job security due to the Social Taxonomy announced by the EU	<ul style="list-style-type: none"> Introducing and expanding flexible working hours Strengthening employee welfare programs Establishing policies to provide quality jobs 	<ul style="list-style-type: none"> Selected as the best company for jobs Implementing hybrid work system 	401-3	052-053	 
9	Healthy Governance Structure	Establishing a corporate governance structure with independence and expertise to build trust with various stakeholders	<ul style="list-style-type: none"> Forming an independent and professional board of directors Maintaining a transparent decision-making process Continuous communication and building trust with stakeholders 	<ul style="list-style-type: none"> Establishing Sustainability Management Committee under the Board of Directors Implementing 100% free capital increase Establishing mid- to long-term financial goals 	2-9,11,12,13,14, 16,17,18,19,20,21	069-075	

Part 3.

ENVIRONMENTAL

Background

In 2023, the global average temperature reached a record high of 14.98°C, which is 1.45°C above the pre-industrial average. This rise in abnormal climate patterns has made addressing climate change an urgent priority. The international community is intensifying demands and regulations for eco-friendly management. In response, INNOCEAN is dedicated to proactively tackling environmental issues by promoting initiatives across various domains, including response to climate change campaigns, biodiversity efforts, and the provision of eco-friendly services to stakeholders.

2023 Highlights

Environmental Management System	Carbon Neutrality	Internal Environmental Participation
Third-Party Verification of Greenhouse Gas Emissions	Carbon Neutrality by 2050	Social Contribution Initiatives and Campaigns

Environmental Management	029
Response to Climate Change	032
Biodiversity	036

UN SDGs



Environmental Management

Our Approach

INNOCEAN has set carbon neutrality as a key objective in its business operations, establishing environmental management policies and systems to minimize environmental impact. We have implemented policies for executing environmental management and are achieving detailed environmental goals through an eco-friendly management framework. INNOCEAN is committed to reducing greenhouse gas emissions to achieve 2050 Net Zero and is actively participating in efforts to reduce carbon emissions to combat climate change and environmental pollution. Moving forward, INNOCEAN will continue to vigorously promote environmental management and accelerate the implementation of eco-friendly values.

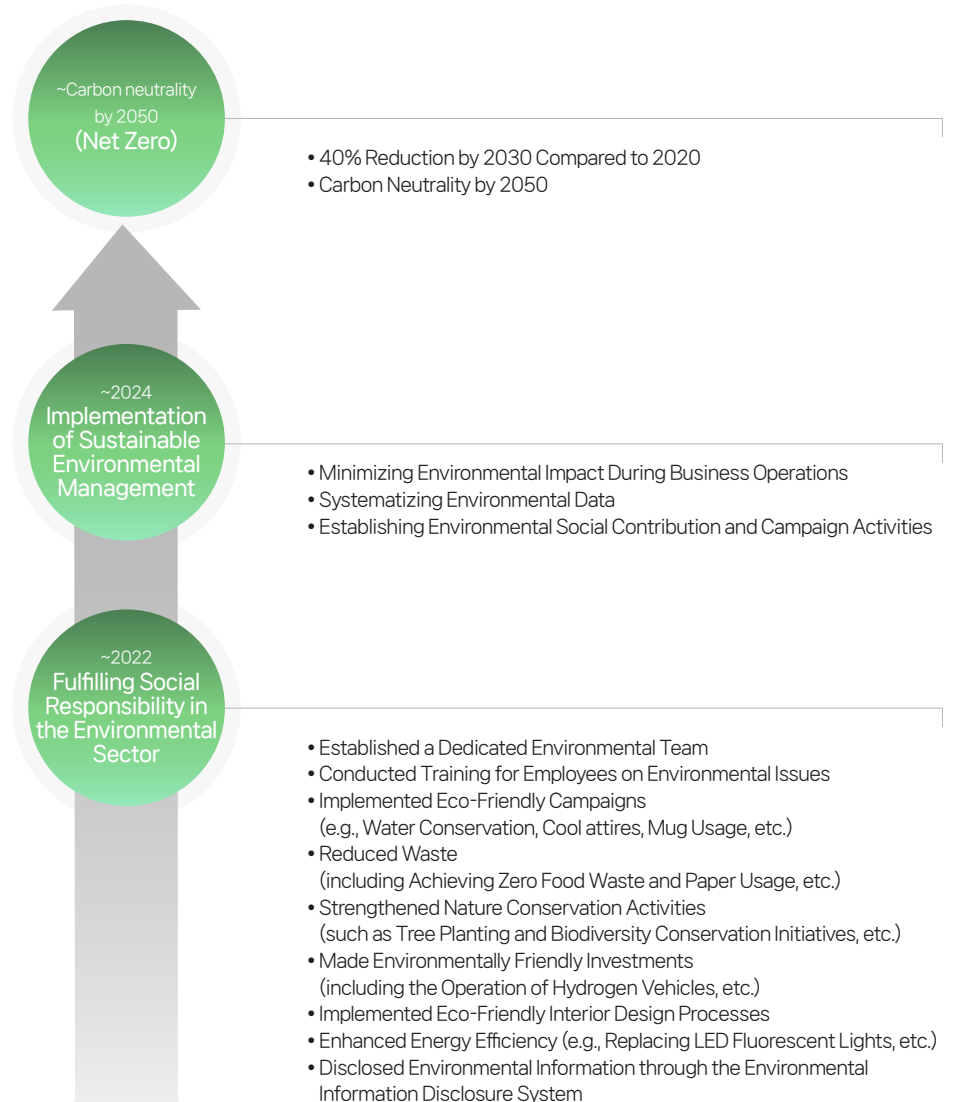
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01 Environmental Management Policy

Environmental Management Policy and Objectives

INNOCEAN's Mid- to Long-Term Environmental Management Roadmap



Environmental Management Policy and Guidelines

 INNOCEAN's Environmental Management

INNOCEAN is committed to continually improving its environmental performance through eco-friendly management practices. To minimize the negative environmental impacts of its business activities and the entire value chain, INNOCEAN has established and disclosed environmental management policies and guidelines to various stakeholders. These policies define fundamental principles across multiple areas, including strategies to reduce environmental pollution. Specifically, INNOCEAN has established fundamental principles regarding energy use and greenhouse gas emissions, which are vital to the company, and has developed performance management measures to implement these principles effectively. Guided by this environmental policy, we are executing environmental guidelines and conducting various campaigns to raise awareness about environmental issues among our employees. Moving forward, INNOCEAN will continue to strive for the realization of social value and responsibility through eco-friendly management in alignment with its environmental management policy.

INNOCEAN Environmental Policy

INNOCEAN acknowledges the current and future significance of the environment in relation to economic development and environmental conservation, and actively fulfills its responsibilities as a social and economic stakeholder.



- ① Recognize the environment as a critical success factor for the company, creating corporate value and fulfilling social responsibility through proactive environmental management.
- ② Establish achievable objectives to combat climate change and assess performance in achieving these targets.
- ③ Actively support partner companies' environmental management initiatives and develop and implement necessary standards for eco-friendly partnership chain policies.
- ④ Comply with domestic and international environmental laws and agreements, and create and execute policies essential for advancing environmental management.
- ⑤ Formulate policies aimed at protecting biodiversity and preserving the natural environment.
- ⑥ Disclose environmental management performance to company members and stakeholders based on reasonable and objective criteria.

Environmental Management Goals

INNOCEAN is dedicated to minimizing the environmental impact of its business activities. We are actively addressing climate change by establishing mid- to long-term environmental management goals and implementation plans. In 2023, we have focused on "Establishing an Eco-Friendly Management System" as our strategic direction, which encompasses enhancing the timeliness of environmental information disclosure, systematizing environmental performance data, and promoting employee participation in campaigns in phases. Additionally, we aim to organize environmental data for sustainable environmental management. As a global BX Solution company, INNOCEAN will continue to engage in environmental social contribution and campaign activities while maintaining ongoing communication with various stakeholders. We are committed to reducing carbon emissions by 40% by 2030 compared to 2020 levels and achieving Net Zero by 2050, making every effort to decrease greenhouse gas emissions.

INNOCEAN Environmental Management Plan 2023



Environmental Management Implementation Plan

INNOCEAN strives to minimize environmental risks and achieve strong environmental performance by developing implementation plans that align with its environmental management policies and objectives. These plans include compliance with relevant laws and regulations, as well as the monitoring and enhancement of environmental performance. They are regularly updated to incorporate periodic legislative changes and adapt to the evolving social and corporate landscape. To improve environmental communication with both internal and external stakeholders, INNOCEAN voluntarily discloses its environmental information through the Environmental Information Disclosure System (www.env-info.kr).



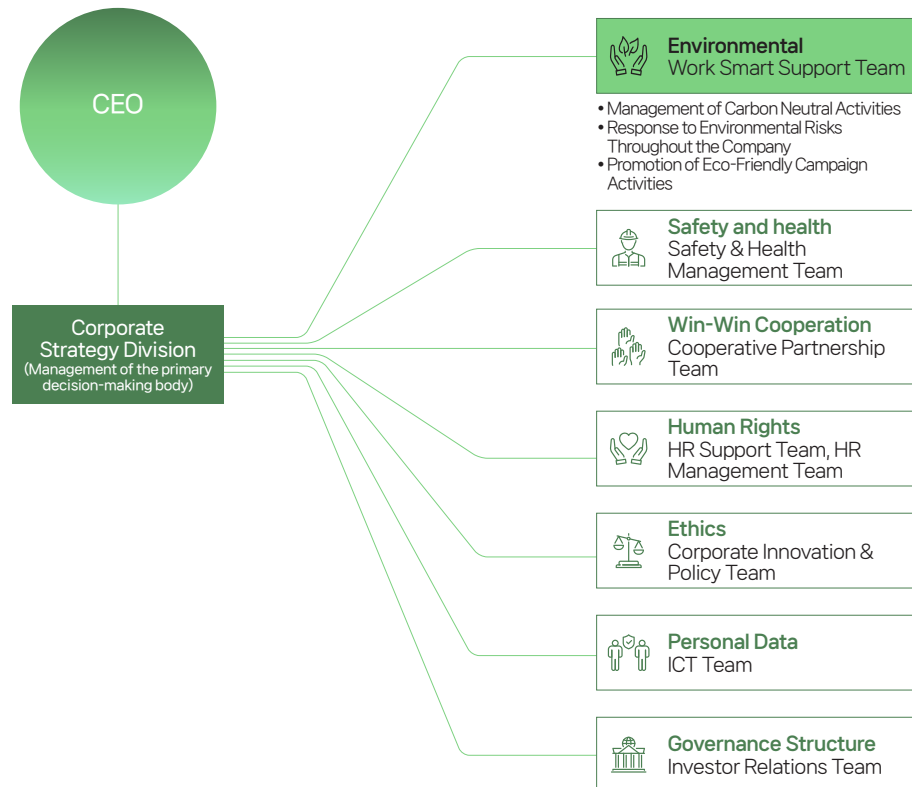
02 Environmental Management System

Environmental Management System

Environmental Management Organization

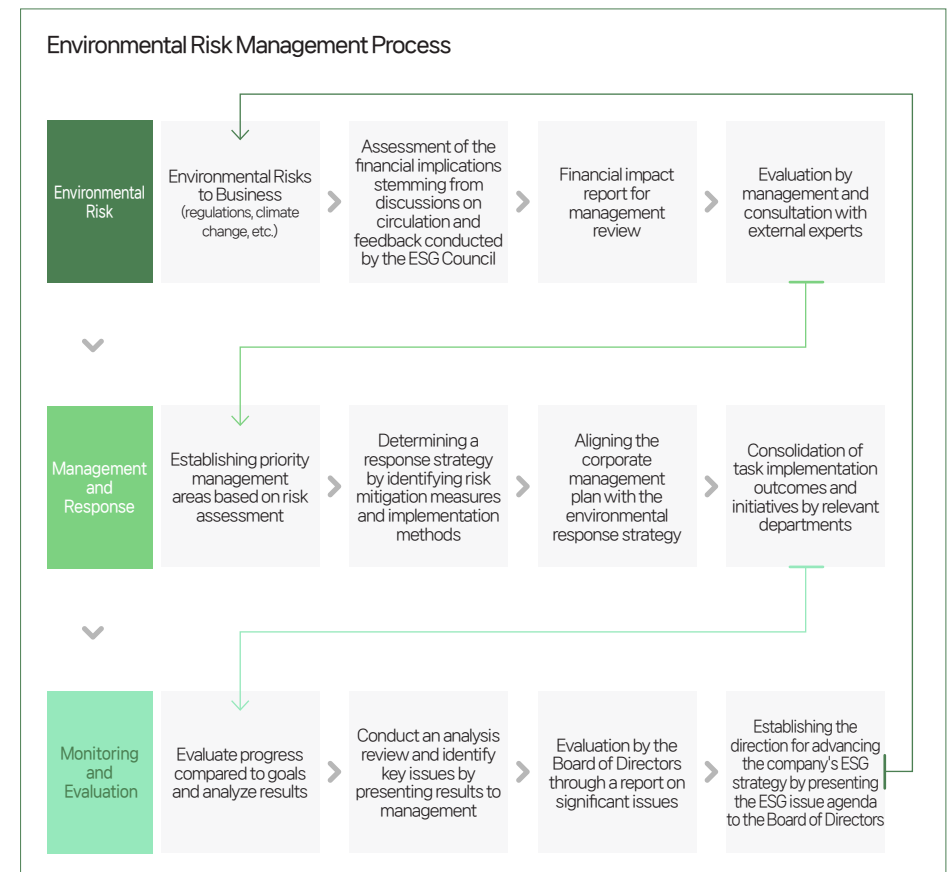
The ESG Council is responsible for promoting the adoption of environmental management practices, which includes the establishment, revision, and deliberation of environmental management policies, as well as reviewing environmental management risks, assessing performance, and discussing risk response measures. Through these efforts, INNOCEAN ensures efficient decision-making processes. To effectively address environmental management risks, a dedicated organization is tasked with implementing related initiatives and practicing systematic environmental management. This dedicated team oversees comprehensive environmental management, encompassing the establishment and operation of the environmental management system, the protection and restoration of the natural environment, as well as the development and implementation of strategies for managing pollutant emissions generated during business operations.

INNOCEAN



Environmental Risk Management Process

INNOCEAN acknowledges that environmental risks can affect multiple aspects of its business, including content and services, partnership chain operations, and sales activities. As a result, we have institutionalized risk management processes pertaining to environmental issues, such as laws, regulations, and climate change, to effectively monitor and address these risks. Moving forward, INNOCEAN will continue to refine its decision-making structure to manage environmental risks effectively and enhance its environmental risk management practices.



Response to Climate Change

Our Approach

INNOCEAN recognizes that environmental risks can impact various aspects of its operations, including content and services, partnership chain management, and sales activities. Consequently, we have established risk management processes focused on environmental issues, including compliance with laws, regulations, and climate change, to effectively monitor and mitigate these risks. In the future, INNOCEAN will continue to enhance its decision-making framework to manage environmental risks effectively and strengthen its environmental risk management practices.

01 Carbon Neutrality Activities

Management of Carbon Neutrality Indicators

Greenhouse Gas Emissions Verification

Although INNOCEAN is not obligated to participate in greenhouse gas emission allowance allocation or the greenhouse gas target management system, it voluntarily engaged in third-party verification for its greenhouse gas emission management. Consequently, INNOCEAN obtained limited assurance level verification for its business's greenhouse gas emissions (Scope 1, 2, and 3) from the Korea Standards Association.



Greenhouse Gas Emissions Over the past 3 years

(Aggregation Scope: Headquarters)

Cat.	Unit	2021 ¹⁾	2022	2023
Direct Emissions(Scope 1)	tCO ₂ eq	328	298	302
Indirect Emissions(Scope 2)		296	304	338
Other Indirect Emissions (Scope 3) ²⁾		549	567	1,076
Subtotal		1,173	1,169	1,715
YOY Increase/Decrease Rate	%	(+)8	(-)1	(+)46

※ Scope 1: Greenhouse gas emissions directly generated by emission sources owned or controlled by the business.

Scope 2: Greenhouse gas emissions resulting from the purchase of electricity, steam, heat, and cooling at the business location.

Scope 3: Greenhouse gas emissions that occur from sources owned or controlled by the entity outside of the business premises and that arise indirectly due to business activities.

¹⁾ No third-party verification of greenhouse gases was conducted in 2021.

²⁾ Starting in 2023, emissions from not only Category 6 (business trips: domestic and international air travel) but also Category 7 (commuting emissions) will be calculated.

Goals and Progresses Regarding Energy and Greenhouse Gas for 2023

Cat.	Unit	Goals for 2023	Achieved in 2023	Achievement Rate
Energy Usage	TJ	15	12.3	118%
Greenhouse Gas Emissions	tCO ₂ eq	1,800	1,715	105%

Energy and Greenhouse Gas Intensity in 2023

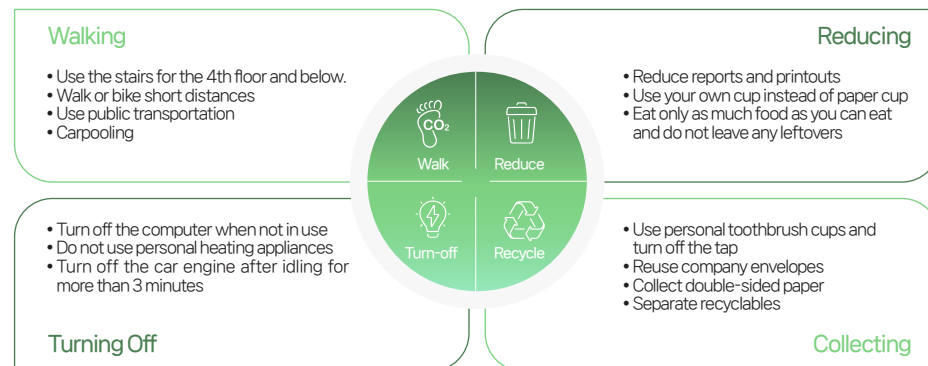
Cat.	Unit	Intensity
Energy Usage	TJ / Sales(Million KRW)	0.0185
Greenhouse Gas Emissions	tCO ₂ eq / Sales(Million KRW)	2.5792

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Green Life Practices

INNOCEAN is promoting green living practices to foster environmental awareness among its employees by introducing green activities that can be practiced in daily life, such as walking, reducing, turn off, and collecting. Through these activities, INNOCEAN is continuing its efforts to reduce energy usage, waste discharge, and water usage.



Energy Usage for the past 3 years

Cat.	Unit	2021	2022	2023
Direct Energy Usage	TJ	5.72	5.32	5.3
Indirect Energy Usage	TJ	6.2	6.36	7.05
Subtotal	TJ	11.92	11.68	12.35
YOY Increase/Decrease Rate	%	(+)5.45	(-)2.01	(+)5.74

Waste Discharge and Water Usage for the past 3 years

Cat.	Unit	2021	2022	2023
Waste Discharge	톤	31.9	28.34	17.3
YOY Increase/Decrease Rate	%	-	(-)11.16	(-)38.96

Cat.	Unit	2021	2022	2023
Water Usage*	m ³	5,341	5,206	5,532
YOY Increase/Decrease Rate	%	(-)62.74	(-)2.53	(+)6.26

*Only service water usage is counted

02 Eco-Friendly Activities

Eco-Friendly Activities / Environmental Education and Investment

Environmental Educations

INNOCEAN provided environmental education for its employees through the monthly "Happy INNO Time" sessions hosted by the CEO. These educational sessions included an introduction to the ESG Vision and the establishment of an eco-friendly management system. During initiatives such as the creation of green forests and healthy river ecosystems, environmental experts instructed employees on the significance of climate change and biodiversity, thereby enhancing environmental awareness and fostering consensus among the workforce.



Participation Rate in Green Education for the past 3 years

Cat.	Unit	2021	2022	2023
Participation Rate in Green Education	%	43	44	41

Environmental Investments

INNOCEAN has made environmental investments to enhance its eco-friendly infrastructure. To reduce waste generated by paper documents and foster a smart work environment, INNOCEAN has provided tablets to all employees, establishing a paperless office setting. Additionally, eco-friendly paper has been utilized for the New Year's diaries and calendars distributed to employees. INNOCEAN has also transitioned its business vehicles to eco-friendly models, contributing to the decarbonization efforts of Hyundai Motor Group and its operational infrastructure. Furthermore, the company is working to reduce its environmental impact by introducing electric vehicle chargers and other eco-friendly infrastructure. Moving forward, INNOCEAN will actively pursue eco-friendly investments to mitigate the adverse environmental effects of its business activities.



Environmental Investments in 2023

Cat.	Investment details	Unit	Investment Amount
Waste Management	Providing Tablets (Paperless)		47.1
	Production of Eco-Friendly Diaries Notebooks	Mil. KRW	51.5
Greenhouse Gas and Energy Management	Purchase of Eco-Friendly Vehicles for Business Use, Etc.		59.4*

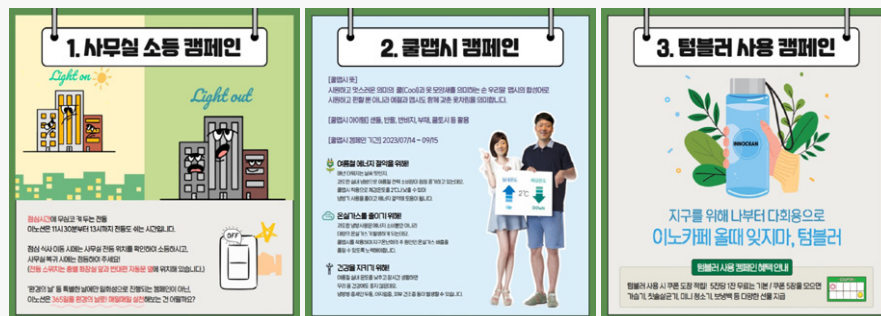
*The total amount of donations for planting trees in the Green Forest and the cost of purchasing an eco-friendly vehicle

3 Smart Ways to Practice Carbon Neutral Lifestyle

INNOCEAN is leading energy-saving and greenhouse gas reduction campaigns aimed at achieving carbon neutrality, which include the office lights-off campaign, tumbler use campaign, and Cool Attire campaign. The office lights-off campaign encourages employees to turn off office lights from 11:30 AM to 1:00 PM during lunch to conserve electricity. The tumbler use campaign promotes the adoption of reusable tumblers in place of disposable products at the in-house café, "INNO CAFÉ," offering employees coupons for using their tumblers and rewarding them with gifts upon completing the coupon requirements. The Cool Attire campaign seeks to reduce air conditioning usage by encouraging the wearing of cool and comfortable clothing, such as sandals, short sleeves, fans, and cool arm sleeves. Additionally, INNOCEAN is working to minimize food waste through the use of microbial food waste disposers. Moving forward, INNOCEAN will continue to develop eco-friendly campaigns to enhance environmental awareness among employees and cultivate a company-wide culture of sustainability.



Smart Carbon Neutral Lifestyle Practice Campaign



"Wash at 30: COOL Laundry for the Earth"

INNOCEAN, in collaboration with its client SaengGong (Living Workshop) and the Ministry of Environment, launched the "Wash at 30: COOL Laundry for the Earth" campaign as a practical initiative aimed at achieving carbon neutrality. This campaign focuses on reducing carbon emissions and conserving energy by demonstrating that lowering the washing machine's default temperature from 40 degrees to 30 degrees can reduce carbon emissions and electricity usage by over 30%. During the Boryeong Mud Festival, SaengGong distributed free samples of laundry detergent to encourage participation. Festival attendees were invited to experience the benefits of washing at 30 degrees firsthand by laundering mud-stained clothes at the event.



"Wash at 30: COOL Laundry for the Earth" Campaign



Creating Green Forest Activities

Since 2014, INNOCEAN has been organizing the "INNOCEAN Green Forest" event to promote the creation of green forests, emphasizing the importance of the natural environment and allowing employees to experience the value of ecological restoration. This eco-friendly campaign is hosted by the non-profit organization Noeul Park Citizens Association. As the 29th support group in the Noeul Park Citizens' Association's 100 Forest Creation Campaign, INNOCEAN has been visiting "INNOREST," a name that combines the company name with "forest," for a decade to contribute to the establishment of green forests. In April 2023, in celebration of Earth Day, INNOCEAN employees and their families planted 400 trees, including oak, hellebore, wild plum, and ash trees, at Noeul Park in Sangam-dong, contributing to carbon neutrality efforts. In addition to ongoing tree planting initiatives, they are also planting acorns to develop a diverse and healthy forest ecosystem.

INNOCEAN Creating Green Forest Activities



Effectiveness of INNOCEAN Creating Green Forest Activities

Started activities in
2014



Interim Check in
2019



Current Status in
2023



Biodiversity

Our Approach

Climate change poses an unavoidable challenge to biodiversity conservation, resulting in the extinction of numerous species due to extreme weather events and leading to significant changes, including the collapse of ecosystems. To embody the value of protecting natural ecosystems and preserving biodiversity, INNOCEAN has undertaken various activities and campaigns, such as planting aquatic plants and safeguarding natural habitats to support endangered species. Moving forward, INNOCEAN will continue to advocate for the protection and restoration of natural habitats to support threatened plant and animal species. Furthermore, we will conduct biodiversity conservation initiatives that offer employees opportunities to understand the importance of environmental stewardship and the significance of practical action, striving to take a leading role in the protection of the natural ecosystem.

01 Preservation of Biodiversity

Creating a Healthy River Ecosystem

Since 2022, INNOCEAN has been participating in social contribution activities aimed at enhancing the ecological environment of Yeoui Saetgang Ecological Park through a partnership with the "Hangang Social Cooperative." INNOCEAN employees and their families actively participate in the creation of an urban ecological park where nature and people can coexist, thereby promoting biodiversity. In 2022, activities included the installation of birdhouses and feeding winter birds to protect their habitats. In 2023, maintenance and planting of aquatic plants were carried out at the water purification center in Saetgang, which is essential for enhancing the aquatic ecosystem. INNOCEAN planted 351 aquatic plants to increase the diversity of insect and amphibian species in the area, while also improving the aesthetic landscape for citizens to enjoy and augmenting its value as a wetland ecological education space.

The aquatic plants introduced by INNOCEAN are vital for the conservation and management of wetlands, as they provide habitats for various organisms, including microorganisms, aquatic insects, fish, amphibians, reptiles, and birds. Moreover, these plants purify harmful nutrients, such as nitrogen and phosphorus, from healthy aquatic ecosystems through their leaves, roots, and stems before releasing them into the Saetgang area. These efforts are contributing to the increased species diversity in the Saetgang area, as confirmed through ongoing monitoring. According to the June 2023 amphibian and reptile monitoring report, a significant number of *Kaloula borealis* (an endangered second-class amphibian) and frog larvae were observed, indicating multiple spawning events due to the presence of larvae at various developmental stages. Additionally, aquatic insects such as water striders and dragonfly larvae were also discovered.

Moving forward, INNOCEAN will continue to enhance the aquatic ecosystem of Saetgang, promote biodiversity, and sustain its biodiversity activities through ongoing support.

Effectiveness of Biodiversity Activities



351 Aquatic Plants Planted



Sighting of the endangered wild animal Class II amphibian, the *Kaloula borealis*

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Part 4.

SOCIAL

Background

In the advertising industry, safety and health regulations such as the Industrial Safety and Health Act, the Performance Act, and the Serious Disaster Punishment Act have become highly essential. Ensuring workplace safety is a fundamental value in our management practices. Additionally, there is growing global pressure on companies to manage partnership chains effectively, protect information security and personal data, ensure quality employment, provide employee welfare, and engage in sustainable community activities. INNOCEAN is dedicated to continuously improving policies and initiatives in these areas to create social value.

2023 Highlights

Safety and Health
Management System

**First in industry
to obtain both
domestic and
international
Safety and Health
Certifications (2024)**

Talent Management

**Recognized as a
leading company
for job creation**

Mutual Growth

**Highest rating in the
Mutual Growth Index
for 3 consecutive years**

Safety and Health Management	038
Human Rights Management	045
Talent Management	048
Information Protection and Personal Data Protection	054
Partnership Chain Management	061
Public Community Contribution	066

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Safety and Health Management

Our Approach

INNOCEAN places a high priority on safety and health in all its business activities. By cultivating a work environment that prioritizes the safety and well-being of our employees, we aim to protect and preserve their physical and mental health. In advertising production and field operations, we are committed to minimizing safety incidents, such as fires and falls, not only for INNOCEAN employees but also for those of our partner companies.

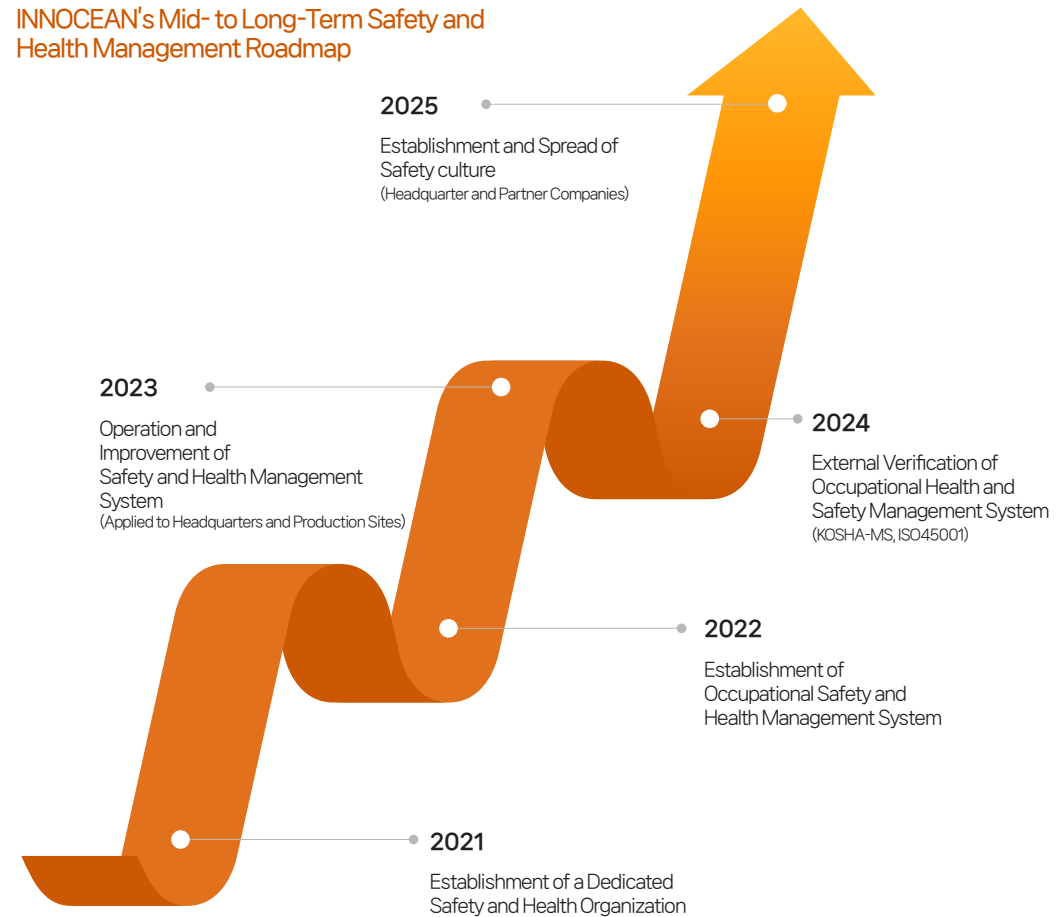
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01 Occupational Safety and Health Management Policy and System

Safety and Health Management Policy and Objectives

INNOCEAN's Mid- to Long-Term Safety and Health Management Roadmap



Prevention of Major Accidents Through Establishment of Self-Regulation System

Occupational Safety and Health Management Policy



INNOCEAN has made safety its highest priority by establishing and actively implementing comprehensive safety and health management policies. These policies are designed to create a secure workplace through a combination of "Safety" (safety awareness) and "Security" (safety infrastructure). Our commitment to safety and health is evident in all management activities, and we have developed a robust safety and health system that complies with relevant laws, including the Industrial Safety and Health Act and the Serious Disaster Punishment Act. In February 2024, we achieved certification for the "Safety and Health Management System (ISO 45001)." Furthermore, in March 2024, we received the "KOSHA-MS" certification from the Korea Occupational Safety and Health Agency, making us the first in the domestic advertising industry to attain dual certifications in safety and health. We regard these certifications as a significant milestone and will continue to enhance our safety and health management practices.

INNOCEAN Safety and Health-Centered Management Policy

- ① We establish and maintain a safety and health management system that emphasizes risk assessment, prioritizing the safety and well-being of all members, including partners and vulnerable stakeholders (customers, citizens, etc.).
- ② We implement proactive on-site safety management in all our activities that surpasses legal and social requirements, actively preventing safety accidents through the collaborative efforts of our company's and partners' executives and employees.
- ③ We operate various communication systems, such as "Safety Shimmungo(p.41)," which engages all members (including partners) to address field risk factors and encourage active participation in safety initiatives.
- ④ We foster a practical safety culture that adheres to foundational principles through ongoing safety education and training for all members, including partners.



KOSHA-MS Certificate and ISO45001

Safety and Health Management Goals

INNOCEAN aims to maintain "Zero Major Accidents" through on-site safety management centered on risk assessment. To attain this goal, we are proactively tackling safety risks by emphasizing the prevention of major accidents through the verification and practical implementation of our safety and health management system. We are establishing an on-site safety management process that focuses on risk assessment and fostering a safety culture in collaboration with partners and workers.

Maintaining Zero Major Accidents with On-Site Safety Management Focused on Risk Assessment



Verification and Practical Application of the Safety and Health Management System

- Conducting "Safety Management System Inspection and Improvement" through certification by an objective external evaluation agency
- Enhancing the professionalism of the Safety & Health Management Team and establishing an internal audit system for the Occupational Safety and Health Management System.



Establishing a Safety Culture With INNOCEAN, Its Partners, and Its Workers

- Conducting practical risk assessments for our company and partners
- Establishing a system that integrates risk assessment as a routine practice.



Establishing a Field Safety Management Process Centered on Risk Assessment

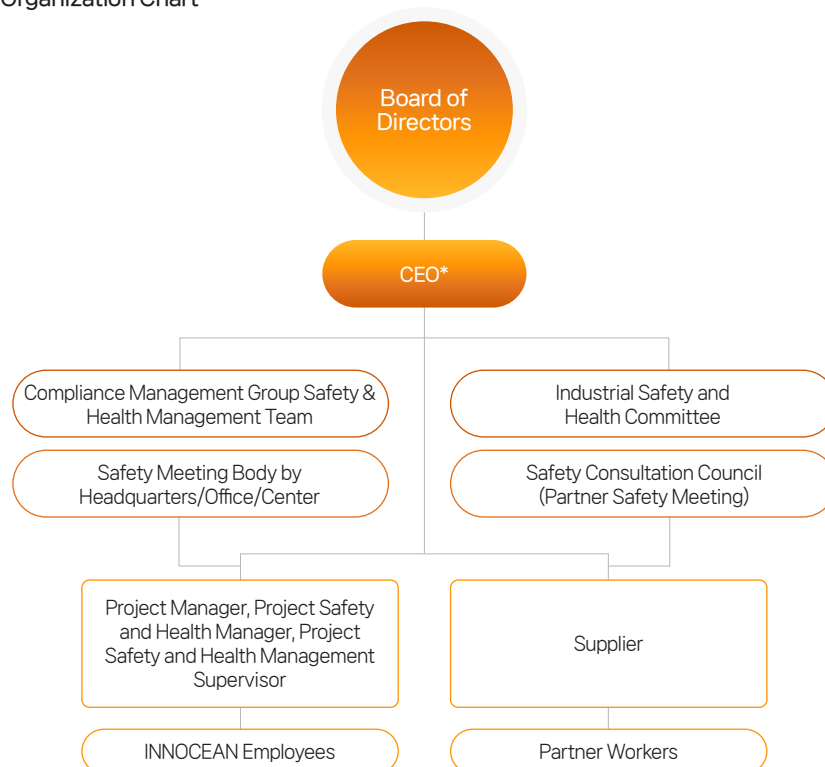
- Developing programs to raise awareness of safety accidents among employees and partners
- Strengthening practical safety education and training for employees
- Encouraging increased worker participation in safety and health activities.

Safety and Health Management System

Safety and Health Promotion Organization

INNOCEAN's CEO serves as the safety and health management officer as well as the general manager of safety and health, reviewing and making decisions on related matters. Additionally, the Safety & Health Management Team, which reports directly to the CEO, oversees the management of safety incidents at both the headquarters and external business sites, including advertising shoots and exhibition events. For production projects, a safety consultation committee is established alongside partners to conduct safety meetings.

Safety and Health Organization Chart



*CEO, Safety and Health Manager, Safety and Health General Manager

Industrial Safety and Health Committee

INNOCEAN operates the "Industrial Safety and Health Committee" to promote the health of its members and to foster a safe and pleasant working environment. The committee is composed of five representatives from both the employer and employee sides, ensuring equal representation. They engage in discussions and reviews of major safety and health issues. The committee deliberates and makes decisions on agenda items, such as the establishment of industrial accident prevention plans and the development of safety and health management regulations and procedures. These matters are addressed through regular quarterly meetings.

Key Agendas for the 2023 Industrial Safety and Health Committee

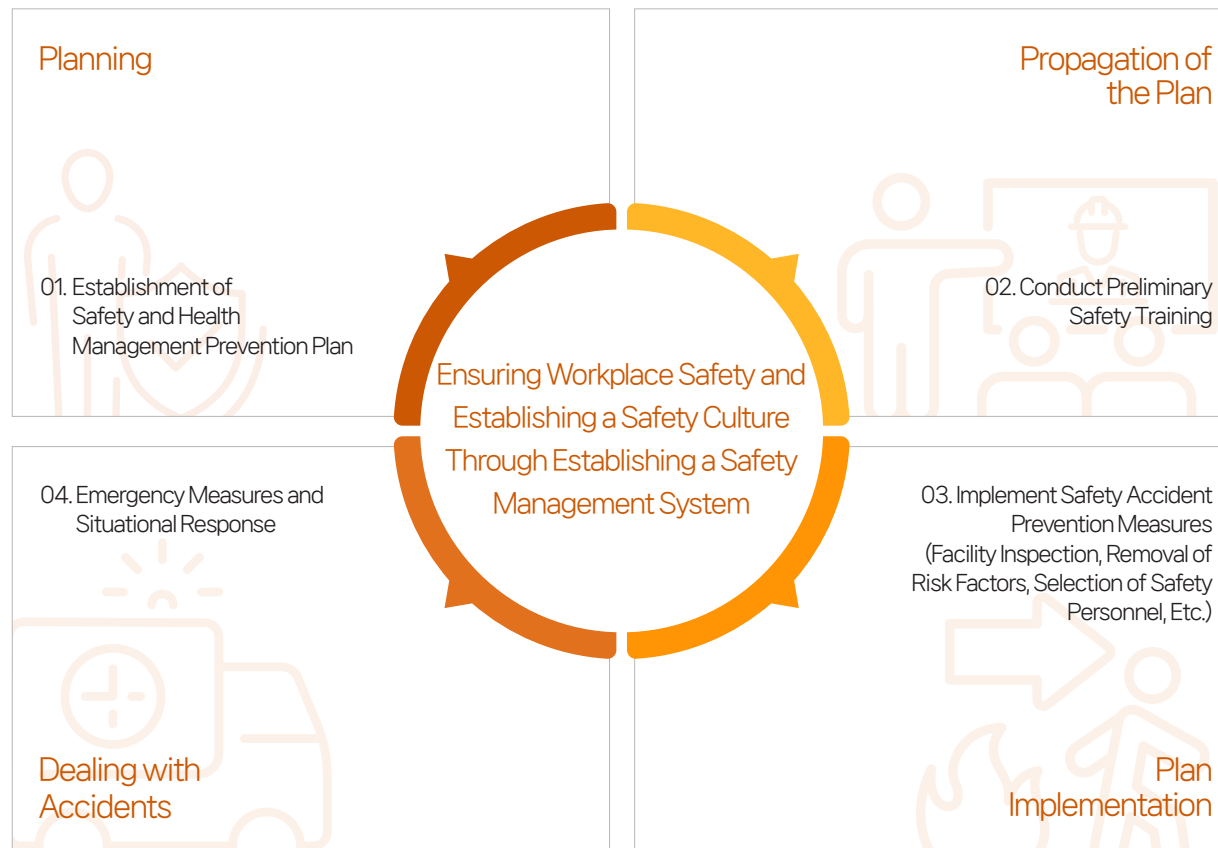
2023 1Q	<ul style="list-style-type: none"> • 2023 Safety and Health Operation Plan • Sharing the Results of the Risk Assessment for the Second Half of 2022
2023 2Q	<ul style="list-style-type: none"> • Report on Major Disaster Training in the First Half of 2023 • Revision of Production Work Safety Management Manual • Safety and Health Education Implementation Plan for the Third Quarter of 2023
2023 3Q	<ul style="list-style-type: none"> • 2nd Revision of Occupational Safety and Health Management Regulations • Establishment of Occupational Safety and Health Management System Manual • Simulated Training/Education on Response to Major Disasters (Head Office and External Business Sites) • Implementation of Occupational Safety and Health Education Upon Recruitment
2023 4Q	<ul style="list-style-type: none"> • Partial Revision of Occupational Safety and Health Management System Manual

02 Safety Management Initiatives

Safety and Health Risk Management

Safety Management Process

INNOCEAN has instituted a comprehensive safety management protocol to swiftly identify and address potential safety hazards in workplaces and advertisement production locations. We devise strategic preventive safety plans, offer proactive safety training to our personnel, and enforce preventive measures to alleviate safety risks. These initiatives are designed to secure worker safety and cultivate a strong safety-oriented culture.



Administration of the Safety Archive

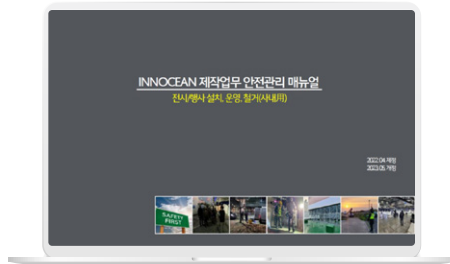
[Safety Shinmungo Channel](#)

INNOCEAN manages the "Safety Shinmungo," an archival system designed to report and record risks concerning the safety of individuals at advertising production sites. Through "Safety Shinmungo", all stakeholders can contribute suggestions for safety and health enhancements and report any observed or experienced unsafe conditions or unjust safety-related incidents. Furthermore, we follow strict guidelines to protect the anonymity of informants, ensuring they face no discrimination or repercussions. This initiative reinforces our company's commitment to high safety and health standards.



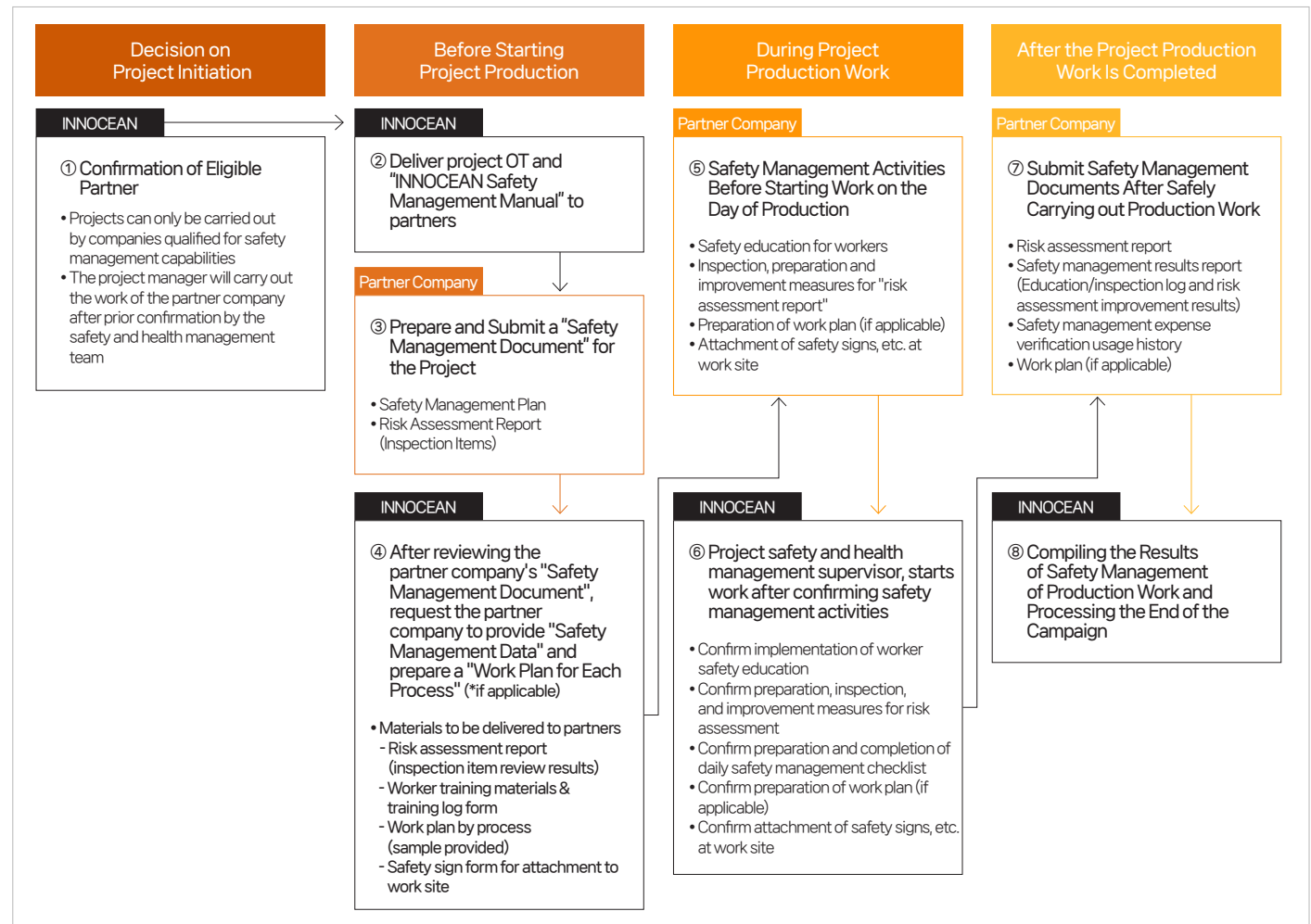
Safety Management Manual

In response to the enforcement of the Serious Disaster Punishment Act in January 2022, INNOCEAN developed the "Production Work Safety Management Manual" that same year. This manual was further refined in 2023 and is now actively utilized in our production operations. Collaborating with our partners, we identify potential hazards at production sites and propose measures to eliminate, substitute, or control these risks, thereby ensuring a safe work environment for all personnel involved. We diligently prepare and implement safety plans and advocate for the continuous use of the Production Work Safety Management Manual to drive ongoing improvements. Furthermore, we strongly recommend the manual's active use for proper accident management and swift relief measures in the event of unavoidable incidents.



Safety Management Process at Exhibitions/Events

INNOCEAN ensures that both our organization and our partners clearly recognize and execute the necessary safety management tasks at each stage of production, in accordance with our safety management manual. We strictly adhere to safety management procedures throughout the entire process. Notably, we assess the safety management capabilities of our partners, proceeding only with those who meet our stringent safety standards, thereby enhancing the overall safety of our production work. This evaluation of safety management capabilities is conducted annually for all registered partners. For non-registered partners engaged based on specific project requirements, we rigorously verify their qualifications through a comprehensive safety management capability evaluation before proceeding. Only partners who achieve a minimum evaluation score of 5 (average) or higher out of 7 stages in the seven major evaluation categories are permitted to participate in production work, fostering effective safety and health collaboration. INNOCEAN is committed to continuously strengthening its management system and responsibilities to ensure the safe execution of all production activities.



Safety Management at Production Sites

Safety Management Plan

INNOCEAN's "Project Safety and Health Management Supervisor" mandates that partner companies submit a "Safety Management Plan" at least five days prior to commencing on-site work. This plan is meticulously reviewed for any discrepancies or irregularities. The safety management plan is categorized into two types based on the project's nature and scale and includes extensive details such as the project overview, the safety and health management supervisors from both INNOCEAN and the partner company, on-site management supervisors, safety education plans, work-related risk factors, and corresponding preventive measures.

On-Site and Equipment Safety Inspection

INNOCEAN's "Project Safety and Health Supervisor," in collaboration with the partner company's on-site management supervisors, routinely conducts thorough safety inspections of the work site and the equipment used in production projects. They continuously oversee site conditions, including movement and lighting, to uphold a safe working environment. Safety facilities are installed in areas susceptible to worker falls or equipment drops, and proactive measures are implemented to address conditions impacting workers' health. These efforts ensure that all stakeholders can maintain a healthy state while working on site.

Safety Training for Workers

To prevent accidents or safety incidents during production work, INNOCEAN ensures that the partner company's on-site management supervisor or manager administers safety training to workers prior to the commencement of their tasks. This training covers instructions on the specific characteristics of the on-site work, emergency procedures, and guidelines on wearing appropriate protective gear tailored to the nature of the work.

Completion of Training for Production Site Supervisor

In compliance with the Industrial Safety and Health Act, INNOCEAN mandates that safety and health management supervisors, along with partner company on-site managers, complete "management supervisor training" for projects that extend for 30 days or longer. Training completion certificates and manager designation letters are maintained at the production site to ensure adherence to these requirements.



Partner Company's Safety and Health Activities

INNOCEAN revised the 2023 safety management manual to incorporate external policies and roadmaps aimed at reducing major accidents. To enhance the manual's effectiveness and execution, we conducted on-site briefing sessions (educational programs) for executives and practitioners from each partner company, and monitored the manual's application across various projects.

Safety Management Manual Briefing Session Notice

- Sessions for 2023 INNOCEAN Registered Partners

Visiting Briefing Session

- Visiting Safety Management Manual Briefing Session, 24 Companies
 - 6 Production Companies, 6 Exhibition Companies, 6 Event Companies, 3 Sports Companies, 3 Outdoor Companies

Monitoring

- Confirmation of compliance with the manual through the safety management results report
 - Confirmation of implementation of safety and health education such as TBM
 - Placement of signalers for dangerous work
 - Status of wearing protective gear
- Performance of risk assessment
- Details of safety and health management expenses



INNOCEAN's On-site briefing sessions

Improving Safety and Health Expertise

To enhance its expertise in safety and health, INNOCEAN provided specialized risk assessment training to the safety and health department and acquired internal auditor qualifications for the safety and health management system "KOSHA-MS:ISO45001" from the Korea Standards Association. Three members of our Safety & Health Management Team completed various training programs, which included an overview of risk assessment, risk assessment techniques and case studies, practical training in drafting risk assessment implementation regulations, industry-specific risk assessment practices, standard requirements for the safety and health management system, internal audit methods, as well as theory and practice in writing nonconformity reports. They earned their qualifications by successfully passing the internal auditor certification exam.



Employee Health Management Activities

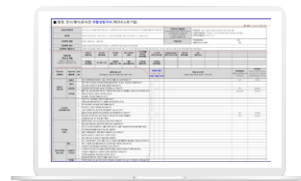
INNOCEAN is dedicated to safeguarding the physical and psychological well-being of its employees, not only in production work but also within the general work environment. To prevent work-related illnesses, we conduct annual health checkups and manage mental health through the Happy Counseling system. This system provides up to eight sessions per year per individual, offering psychological counseling and coaching on interpersonal relationships, work, organizational issues, family matters, and legal advice, accessible to both employees and their families. The confidentiality of the counseling sessions is strictly upheld in accordance with Article 83 of the Basic Labor Welfare Act. Remarkably, over the past three years, the accident rate due to illness among our industrial accident victims has averaged 0.00%.

03 Safety and Health Risk Management

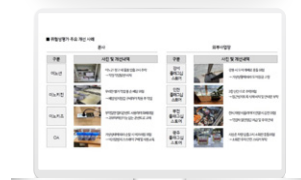
Safety and Health Risk Assessment Activities

As part of INNOCEAN's strategic roadmap to mitigate significant accidents, instituting a self-regulatory prevention system via comprehensive risk assessment reform is pivotal. To this end, INNOCEAN performs risk assessments for potential safety hazards across its headquarters, permanent business locations, and sites of filming, exhibitions, and events to effectively manage safety and health risks. In 2023, aligning efforts to identify risk factors and enhance mitigation measures with the roadmap for reducing major accidents, the inspection format traditionally used in risk assessment manuals was revamped into a checklist format and implemented across all projects. Consequently, partner companies scrutinize risk factors using the risk assessment report provided by INNOCEAN's Safety & Health Management Team before commencing work, ensuring that any identified risk factors are addressed prior to project initiation. Throughout 2023, 194 hazardous and dangerous factors were identified at 12 business sites, with improvements completed for 93 risk factors requiring further measures. INNOCEAN remains steadfast in its commitment to the continuous identification, management, and enhancement of risk factors, fostering a robust safety culture in the workplace.

Safety and Health Risk Assessment Process



Example of INNOCEAN Risk Assessment

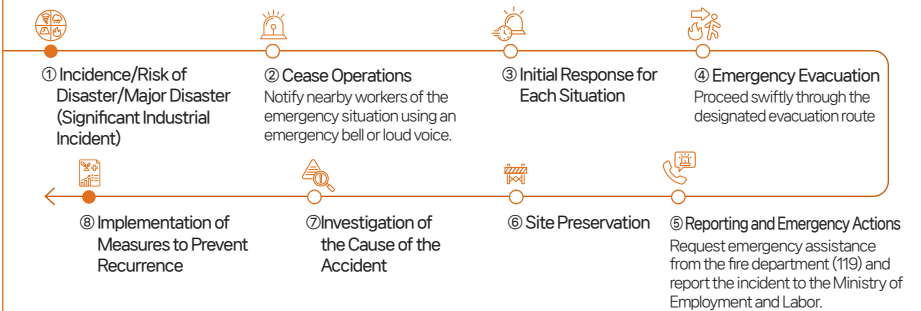


Example of Key Improvements in Risk Assessment

Procedures for Safety Accident and Emergency

INNOCEAN has instituted robust procedures to address potential emergency situations that may arise at production sites. Our project safety and health management supervisors, in collaboration with the on-site management supervisors and managers from partner companies, work diligently to prevent safety incidents or minimize damage. They strictly adhere to these response procedures in the event of emergencies such as fires or accidents, or when there is a likelihood of such incidents occurring among on-site workers.

Production Site Disaster/Major Disaster Response Procedures



Emergency Training for Safety Accidents

INNOCEAN has developed comprehensive safety response procedures and training scenarios to ensure quick and systematic handling of emergency situations at production sites. Our primary goal is to minimize human casualties arising from safety accidents. In the event of incidents such as fires, collisions, falls, or crashes at filming or production sites, the production site emergency response team promptly and effectively manages initial fire suppression, rescues, recovery, and restoration activities. This approach helps to minimize human casualties and fosters an enhanced safety awareness among employees.



Human Rights Management

Our Approach

At INNOCEAN, we are steadfast in our commitment to upholding the human rights of all our stakeholders, including employees, clients, partners, and local communities. We rigorously adhere to our Human Rights Charter, which is aligned with international standards and guidelines on human rights, labor, and diversity. We are dedicated to continuously improving our human rights management processes, guided by INNOCEAN's distinct principles in this domain.

UN SDGs



01 Human Rights Management Policy and System

Human Rights Management Policy and Systems

INNOCEAN's Mid- to Long-Term Strategy for Human Rights Management



Charter of Human Rights

[Full text of the Human Rights Charter](#)

INNOCEAN has established and formally declared a Charter of Human Rights with the objective of actively promoting human rights management, preventing violations within business operations, and mitigating associated risks. We respect and support international human rights and labor standards, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labor Organization (ILO) Charter, the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidelines. This Charter of Human Rights is applicable to a wide range of stakeholders, including our employees and both domestic and international production and sales entities. Moreover, we encourage all stakeholders within our business relationships to respect and adhere to this Charter.

INNOCEAN Charter of Human Rights: Basic Principles

- | | |
|--|---|
| Article 1 Prohibition of Child Labor and Forced Labor | Article 6 Industrial Safety Guarantee |
| Article 2 Prohibition of Discrimination and Workplace Harassment | Article 7 Protection of Human Rights of Local Residents and Vulnerable Groups |
| Article 3 Compliance with Working Conditions | Article 8 Protection of Customer Human Rights |
| Article 4 Humane Treatment | Article 9 Responsible partnership chain Management |
| Article 5 Guarantee of Freedom of Association and Right to Collective Bargaining | Article 10 Protection of Environmental Rights |



Human Rights Management System

INNOCEAN's human rights management is overseen by committees and management meetings, encompassing senior executives and key department heads. Dedicated working-level meetings, led by human rights management personnel, provide a platform for operational implementation. A dedicated department supports and executes human rights management by establishing and revising a human rights charter, developing an implementation plan, conducting risk assessments and due diligence, operating Complaint procedures, delivering internal training, and engaging in external communication. INNOCEAN has established internal systems to uphold the human rights of all executives and employees, mitigating risks through ongoing evaluation and sharing improvement outcomes with stakeholders. Through human rights due diligence, INNOCEAN proactively manages potential risks, aiming to prevent their occurrence and address any issues promptly.

INNOCEAN CHARTER OF HUMAN RIGHTS Basic Principles

- Review of the Establishment and Revision of the Human Rights Management Charter
- Provide opinions on revising internal regulations related to the personnel system, employment rules, audit standards, etc.
- Implement human rights risk assessments and recommend measures based on the results
- Instruct investigations of human rights violation cases and review remedies
- Address other matters deemed necessary for the protection of human rights

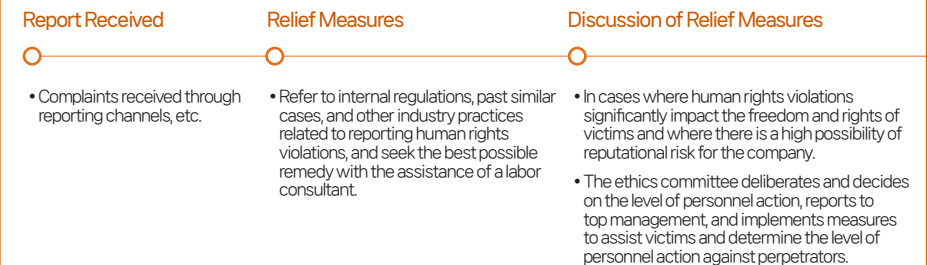
02 Human Rights Management Prevention and Handling

Complaint Management (Reporting System)

[Human Rights Complaint Handling Channel](#)

INNOCEAN employs a multi-faceted approach to complaint handling, encompassing both digital and traditional channels, to ensure the proactive mitigation of human rights risks for all stakeholders. Complaints are diligently addressed in accordance with established procedures and rigorous standards. Upon the receipt of any alleged human rights violations, the relevant department undertakes a meticulous evaluation to determine appropriate remedies, taking into account the specific nuances of each case. In 2023, the human rights complaint handling channel witnessed no consultations or reported violations. INNOCEAN remains steadfast in its commitment to effective human rights management, including comprehensive and ongoing monitoring of potential violations.

Human Rights Complaint Resolution Process



Human Rights Violations Reporting Channel

- ① Enter "INNOCEAN Ethical Management" or <https://ethics.INNOCEAN.com> in the Google search bar.



- ② "Ethical Management" on the company intranet
- ③ "Complaint Counseling Center" on the company EHR

Consultation and Reporting Case History for the past 2 years

Cat.	2022	2023
Number of Consultations and Reports	0 cases	0 cases
Number of Cases Solved	0 cases	0 cases

Personal Source(Informant) Protection Policy

All INNOCEAN officers and employees are strictly prohibited from sharing, disclosing, or reporting any personal information of an informant or circumstances that could lead to their identification. The confidentiality of all information related to the source, including receipts, notifications, victim identity, details of damages, relief procedures, and processing results, must be maintained. The company has implemented measures to ensure that informants who report human rights violations or risks do not experience any adverse consequences as a result of their disclosures.

Human Rights Management Education

INNOCEAN prioritizes human rights education to foster understanding and enhance awareness among its workforce. These educational initiatives encompass internal communication regarding human rights management policies, directions, and implementation plans. Since 2022, INNOCEAN has implemented annual human rights training programs for all employees. Through this training, the company actively prohibits discriminatory practices and encourages the reporting of any discovered human rights violations or risks.



10 Codes for Creating a Great Workplace and Preventing Sexual Harassment

INNOCEAN is actively putting efforts to prevent sexual harassment by announcing "Creating a Great Workplace to Work Together" for a culture of mutual respect, consideration, and communication. Additionally, we have distributed the "10 Codes of Preventing Sexual Harassment" to raise awareness among all stakeholders. This material offers balanced methods for addressing sexual harassment by examining cases from four perspectives: victim, perpetrator, observer, and manager.

10 Codes of Preventing Sexual Harassment

- ❶ Verbal sexual harassment is more serious
- ❷ Actively resolve the problem once you recognize it
- ❸ Your negligence as colleagues is more harmful
- ❹ Managers in charge can become secondary perpetrators
- ❺ Appearance is not to be judged in the workplace
- ❻ Same-sex harassment is also sexual harassment
- ❼ Empathy is the first step to the remedying the situation
- ❽ Sexual harassment is a human rights issue
- ❾ If you hold back, it will become a bigger issue
- ❿ Intoxication is not an excuse for any harassment



Process for Reporting and Actions on Workplace Bullying and Sexual Harassment

INNOCEAN actively encourages the reporting of workplace bullying and sexual harassment through its dedicated human rights complaint handling channel, prioritizing the prevention of such risks. All reports are addressed with transparency and in accordance with established procedures. To ensure the safety and protection of informants, all reporting channels are covered by a comprehensive whistleblower protection policy, guaranteeing confidentiality, identity protection, and reduced liability. In 2023, no reports of workplace bullying or sexual harassment were received through these channels.

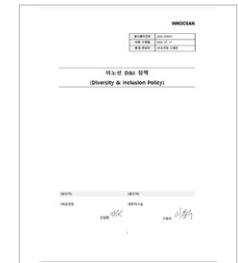
Consultation and Reporting History for the past 3 years

Cat.	2021	2022	2023
Number of Consultations and Reports	0 Cases	0 Cases	0 Cases
Number of Cases Resolved	0 Cases	0 Cases	0 Cases

03 D&I (Diversity and Inclusion)

D&I (Diversity and Inclusion) Policy

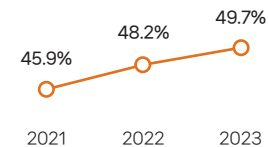
INNOCEAN has established a comprehensive Diversity and Inclusion (D&I) Policy to cultivate a work environment that values and fosters the contributions of diverse talents, encouraging creativity and innovation while promoting a more inclusive society. We are committed to ensuring equal treatment for all employees, regardless of gender, race, ethnicity, nationality, cultural background, disability, age, sexual identity, political or religious beliefs, or social status. Our objective is to create a workplace where diversity and inclusion are embraced by all. This commitment extends to our clients, partners, local communities, and all stakeholders.



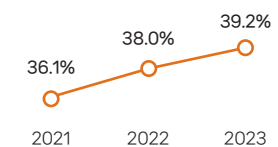
D&I (Diversity and Inclusion) Promotion Activities

INNOCEAN is committed to fostering a diverse and inclusive workforce, with a particular focus on promoting the advancement of women in the workplace. The company has witnessed a consistent increase in the representation of women in management and employee roles for three consecutive years. In 2023, the number of female employees reached 452, reflecting a significant 12.2% growth from 2022. Additionally, INNOCEAN is actively pursuing an increase in its international workforce to further enhance organizational inclusivity. Moving forward, the company will continue to prioritize and invest in opportunities that support diversity and inclusivity for all employees.

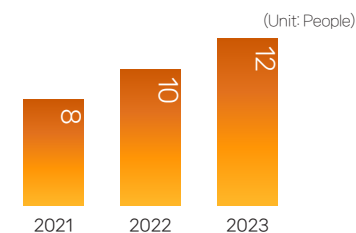
Percentage of female workers among all employees for the past 3 years



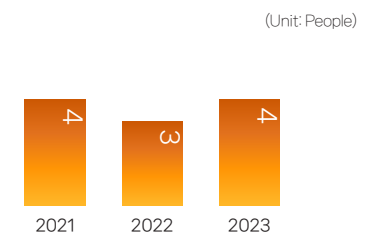
Percentage of female managers among all managers for the past 3 years



Number of Foreign Employees* in the past 3 years



Number of Disabled Employees in the past 3 years



* Foreign Employees: A person holding a nationality other than that of the Republic of Korea

Talent Management

Our Approach

At INNOCEAN, we aim to cultivating a people-centric organizational culture that prioritizes the well-being and fulfillment of each team member, known as an "INNOCIAN." We strive to foster a strong sense of pride and belonging among our workforce by providing a comprehensive array of employee benefits, including family-friendly policies and flexible work arrangements, in alignment with our philosophy of promoting a harmonious and productive work environment. Our overarching goal is to create a workplace where employees can derive satisfaction from their work, achieve a healthy work-life balance, and flourish both personally and professionally. We are committed to continuously exploring innovative approaches to enhance the employee experience and make our workplace even more conducive to success.

UN SDGs



01 Talent Recruitment and Management

INNOCEAN Talent Management Goal



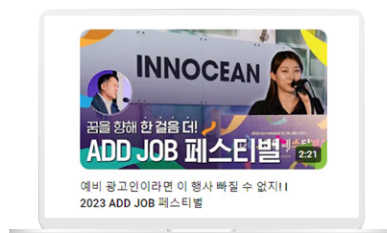
Talent Management System (Employment Rules)

INNOCEAN is committed to fair hiring practices by refraining from soliciting information irrelevant to job performance, such as physical attributes, personal background details, or the circumstances of immediate family members. The company strives to foster a culture of inspiration and growth, providing ample opportunities for professional development. INNOCEAN's simplified rank structure and merit-based promotion system are integral components of cultivating employee pride and motivation. Furthermore, INNOCEAN champions the growth of both the company and its workforce by seeking individuals who embody our core values, known as the "3C" principles: Challenger, Creator, and Communicator.



Recruiting Top Talent

INNOCEAN strategically utilizes a diverse array of promotional platforms, including its dedicated recruitment website and official YouTube channel, to attract top talent from across the industry. In 2023, the company participated in the prestigious "2023 ADD JOB Festival," an advertising industry job fair organized by the Korea Advertising Industry Association and the Korea Advertising Society. At this event, INNOCEAN provided prospective talent with valuable insights and consultation opportunities regarding internship and employment possibilities, and presented compelling lectures showcasing its successful campaigns. The company has earned a distinguished reputation as a top employer and remains committed to creating high-quality job opportunities that attract and nurture key talent.



"2023 ADD JOB Festival" Participation Video



2023 Top Job Company Certificate

02 Support for Growth and Guarantee of Equal Opportunities

Employee Training Program

Employee Training Program

INNOCEAN is dedicated to the holistic development of both the organization and its employees by providing a robust framework of four educational tracks designed to cultivate marketing innovators who can thrive in a rapidly evolving landscape. These programs encompass the "Competency Track" for enhancing job skills, the "Leadership Track" for fostering leadership abilities and facilitating seamless onboarding for new hires, the "Digital Track" for staying abreast of emerging digital trends and cultivating digital proficiency, and the "Skill Track," which encompasses compliance training and participation in prestigious advertising festivals. To further enhance employee growth, INNOCEAN provides specialized training to strengthen job and language skills for expatriates, as well as readily accessible online learning content and telephone language courses for self-directed learning.



Status of training hours and training costs per worker

Training Hours per Person

29.31 Hrs

Education and Training Expenses per Person

approximately
780 Thousand KRW

Soft-Landing for New Employees

INNOCEAN has implemented a comprehensive onboarding program designed to facilitate a seamless transition and rapid skill development for both new and experienced employees. New hires embark on a two-week introductory training program, providing them with a thorough understanding of the company's culture and foundational skills. This is followed by a structured on-the-job training program (S-OJT) within their designated departments. Mentorship and a dedicated "Junior Training Week" provide further support for early skill development. Around their second year, employees participate in events with senior management and prestigious advertising festivals, strengthening their connection to the organization. For experienced hires, INNOCEAN provides a tailored onboarding process, including orientation, introductory training, mentorship, and, after one year, retention training to refresh skills and enhance commitment to the company.

Support for Domestic and Overseas Educational Programs

INNOCEAN is committed to fostering a culture of continuous learning and innovation by providing employees with diverse educational opportunities both domestically and internationally, ensuring they stay at the forefront of creative trends. In 2023 alone, the company participated in renowned events such as Cannes Lions, Mobile World Congress (MWC), South by Southwest (SXSW), AdAsia, and the Busan International Marketing and Advertising Festival. To ensure knowledge and organizational growth, INNOCEAN meticulously shares insights gained from these experiences through comprehensive reports and engaging online sessions.

Advanced Degree Support Program

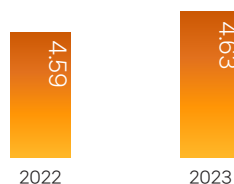
INNOCEAN is committed to fostering employee growth and motivation by supporting the pursuit of Master of Business Administration (MBA) degrees. Through an open application process, the company selects outstanding employees and sponsors their studies at top universities, including prestigious international institutions. This initiative aims to cultivate future leaders with a keen understanding of business principles, empowering them to drive innovation within the creative market. By providing this exceptional opportunity, INNOCEAN seeks to enhance employee retention and foster a culture of continuous learning and professional development.

Managing the Effectiveness of Educational Programs

INNOCEAN employs a rigorous system for evaluating the effectiveness of its training programs, utilizing data-driven metrics to ensure continuous improvement. Completion rates are meticulously tracked for all mandatory training programs, based on attendance records. Other training programs are assessed against specific course criteria. Participant satisfaction is measured on a five-point scale following each session, with detailed feedback collected through open-ended questions. This comprehensive data analysis serves as the foundation for ongoing program optimization. In 2023, the average satisfaction score reached an impressive 4.63, demonstrating a notable increase from 4.59 in the preceding year.

Results of the Education Program Satisfaction Survey

(Unit: points)



Leadership Program

INNOCEAN offers a robust suite of leadership development programs designed to elevate the skills of current and future leaders, fostering a culture of excellence in organizational communication and leadership. The programs encompass comprehensive training for new team leaders, specialized courses for newly promoted managers, and coaching sessions ranging from foundational to advanced levels, including one-on-one intensive coaching. Specialized leadership lectures delve into critical topics such as goal setting, effective communication, and performance evaluation. Through these programs, INNOCEAN seeks to not only enhance the leadership capabilities of current managers but also to cultivate a pipeline of future leaders who embody the company's values and drive organizational success.

Employee Competency Enhancement Program

INNOCEAN is committed to fostering a culture of continuous learning and professional development by providing employees with access to a comprehensive range of in-house training programs, led by industry experts. These programs aim to enhance skills in both job-specific and digital domains. Job training, encompassing planning, production, and media, is offered at three distinct levels to cater to diverse skill sets. Digital training is further segmented into six specialized courses, covering a wide range of digital competencies. While currently delivered offline, INNOCEAN is actively developing video content for online access to facilitate continuous learning and ensure accessibility. To complement internal training initiatives, the company invites external speakers on a quarterly basis to deliver specialized lectures on job-related and digital topics, providing valuable insights into industry trends. Furthermore, INNOCEAN offers employees access to external educational platforms for job-specific and language courses, demonstrating its commitment to fostering professional growth by covering the costs of external training programs.

Compliance Training

INNOCEAN is committed to cultivating a workplace environment that prioritizes ethical conduct and legal compliance, safeguarding the well-being of both employees and clients. To proactively mitigate legal risks and enhance employee awareness, the company conducts mandatory annual legal training programs. Additionally, INNOCEAN implements quarterly safety and health training initiatives to prevent industrial accidents and foster a culture of continuous improvement in workplace safety and employee well-being.

Key Social Indicators	Subcategories	Unit	2021	2022	2023
Status of Employee Training	Total number of people	Person	656	764	801
	Training hours per person	Time	4.7	25.7	41.7
	Training cost per person	Ten Thousand Won	46	65	81
Human Rights Education	Disability Awareness Improvement Training	Training hours	Time	1 hour once a year	1 hour once a year
		Number of individuals who completed the training	Person	732	859
	Industrial Safety and Health Training	Training hours	Time	Not carried out	6 hours once per quarter (3 sessions in total)
		Number of individuals who completed the training	Person	0	0/737/771/774
	Workplace Sexual Harassment Prevention Training	Training hours	Time	1 hour once a year	1 hour once a year
		Number of individuals who completed the training	Person	732	870
	Personal Information Protection Training	Training hours	Time	1 hour once a year	1 hour once a year
		Number of individuals who completed the training	Person	732	784
	Workplace Bullying Prevention Training	Training hours	Time	1 hour once a year	1 hour once a year
		Number of individuals who completed the training	Person	732	776

* The total number of employees is only for regular employees as of the end of December 2023, and the number of people who completed training includes non-regular employees and those who left the company midway.

Performance Evaluation Process

INNOCEAN has established a structured evaluation system designed to foster employee growth and incentivize high performance. Promotions are conducted through a fair and transparent process, based on individual performance evaluations. To cultivate a culture of leadership excellence, the company conducts annual 360-degree leadership assessments for executives, providing comprehensive feedback and opportunities for improvement.

Achievement/Competency Evaluation

INNOCEAN employs a comprehensive performance evaluation system that combines a robust Management by Objectives (MBO) approach with competency evaluations tailored to individual roles and ranks. This system empowers employees to track their progress toward established goals through a dedicated performance management platform, fostering ongoing dialogue and collaboration with supervisors to enhance goal achievement and competency development. To ensure fairness and effectiveness, INNOCEAN provides ongoing training for evaluators, ensuring a consistent and well-received evaluation process.

Fair Promotion Review

Employees who meet the tenure requirements for their respective ranks are eligible for promotion, with advancements based on a comprehensive and impartial review of individual performance evaluations. To further motivate, employees who demonstrate extraordinary performance and capabilities may be considered for special promotions through a distinct review process.

Leadership Multi-Faceted Diagnosis

INNOCEAN utilizes a comprehensive 360-degree leadership assessment process to objectively evaluate the leadership capabilities of its executives. This rigorous evaluation incorporates feedback from the leader themselves, their superiors, and team members, providing a holistic perspective on their strengths and areas for development. The insights gleaned from this assessment inform the design and implementation of tailored leadership development and coaching programs, ensuring a continuous improvement in leadership capabilities across the entire organization.

Performance-based Employee Compensation System

Fair Compensation

INNOCEAN has implemented an individual annual salary system to ensure fair compensation within limited resources, utilizing both fixed and variable salaries based on performance. Fixed salaries are determined by considering management performance, economic conditions, and market trends, and are adjusted based on individual performance ratings. Variable salaries are designed to increase with higher profits, allowing us to share a portion of operating profits with employees as a performance-based reward. Additionally, we have various reward systems in place to recognize and motivate employees, fostering a culture of acknowledgment and encouragement.

End of the Year Awards

To recognize and celebrate exceptional contributions to INNOCEAN's success, the company annually bestows the prestigious "Best INNOCIAN" award upon outstanding employees in each department who demonstrate exemplary performance, collaborative spirit, and leadership. This esteemed recognition acknowledges and commends the dedication and achievements of individuals who have significantly impacted the company's growth and development. Recipients of the Best INNOCIAN award receive a monetary prize, a distinguished gold business card, and a special employee name tag, signifying their outstanding contributions. This initiative serves to inspire employees to strive for excellence and drive the company's continued progress.

Rewards Based on External Awards

INNOCEAN recognizes and rewards employees who elevate the company's reputation through the achievement of external accolades, such as prestigious advertising awards. To incentivize and acknowledge these contributions, the company offers a structured internal rewards program. Prize amounts are determined based on the significance and level of the award received, with individual rewards distributed in accordance with employee participation and contributions. This program serves to foster a culture of creativity and excellence, motivating employees to strive for exceptional achievements that enhance the company's standing within the industry.

Rewards for New Developments

INNOCEAN fosters a culture of innovation and client acquisition by recognizing and rewarding employees for their contributions to new business development. A comprehensive rewards system, aligned with the scale of achievements, directly links employee performance to compensation, boosting morale and satisfaction. This initiative serves to fuel the company's continued growth and encourages employees to actively participate in its success, demonstrating a commitment to shared prosperity.



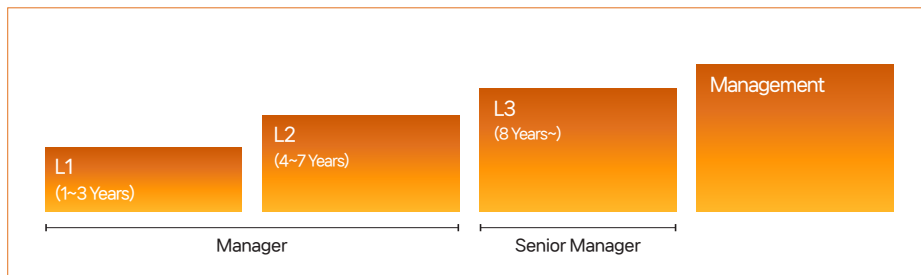
03 Work-Life Balance

Organizational Culture Activities

Building a Horizontal Relationship

INNOCEAN is dedicated to fostering a positive and inclusive work environment through a comprehensive approach. To create a culture of innovation and collaboration, the company has adopted a streamlined rank structure, referring to employees as managers (L1-L2) or senior managers (L3). This egalitarian approach promotes a sense of empowerment and encourages the free flow of ideas among all team members, fostering a dynamic and creative workplace.

Rank Hierarchy



Employee Engagement Communication Program

INNOCEAN cultivates a vibrant and interconnected corporate culture by facilitating regular communication and engagement across its global network, encompassing both headquarters and international offices. Annual anniversary celebrations feature a diverse array of online and offline activities, infused with innovative themes designed to inspire and energize the global team. Through global town hall meetings, which connect over 3,300 employees across 33 international offices, the company shares CEO messages, business updates, cultural initiatives, and employee insights, fostering a strong sense of community and shared purpose.



Organizational Culture Diagnosis-Based Communication Activities

Since 2017, INNOCEAN has conducted an annual "Culture Survey" with Hyundai Motor Group to gauge our organizational culture, diligently assessing the organization's cultural landscape. In 2023, the company witnessed a notable 4.26% increase in its "Culture Index" compared to the previous year, reflecting a positive shift in organizational health. Survey results are transparently shared with top management, leaders, and employees, and further insights are gathered through interviews with key leaders and Change Agents (CAs). By proactively identifying and addressing cultural challenges at a company-wide level, INNOCEAN cultivates an environment that fosters employee well-being, engagement, and a sense of belonging.



Culture of Mutual Respect and Communication Between Labor and Management

INNOCEAN regularly convenes the "Labor-Management Council (BRAVO Committee)" to foster positive relations between employees and management, which is essential for corporate competitiveness. This council, composed of representatives from both labor and management, meets quarterly to discuss productivity, personnel policies, grievance handling, and welfare improvements. Decisions made by the council are reviewed and implemented company-wide, ensuring that labor and management work together to create a workplace where everyone wants to work.



Work-Family Balance Support System

Maternal Protection Program

INNOCEAN is dedicated to fostering a work environment that promotes a healthy balance between professional responsibilities and family life. To achieve this goal, the company has established a maternal protection program at every stage of their journey, from pregnancy and childbirth to childcare. Employees can readily access maternal support resources through the company intranet, where they can submit applications for program assistance. A dedicated maternal protection conducts personalized interviews, address any concerns, provide program details, and extend well wishes for a safe delivery. INNOCEAN also prioritizes transparency and communication by informing team leaders and members about pregnancy-related support programs, ensuring a culture of mutual understanding and support. The specifics of the program are as follows.



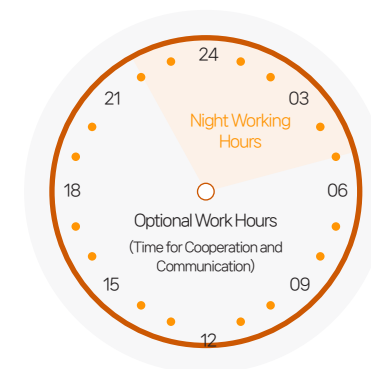
	Cat.	Details
Pregnancy and Childbirth	Restrictions on Night and Holiday Work	Pregnant women and female workers less than one year postpartum must obtain consent for night and holiday work.
	Limitations on Overtime Work	Women less than one year postpartum are restricted to a maximum of 2 hours of work per day, 6 hours per week, and 150 hours per year.
	Maternity Leave	For all employees requiring infertility treatment.
Pregnancy	Gifts for Safe Childbirth	Electromagnetic shielding blankets to all pregnant female employees and male employees with pregnant partners.
	Reduction of Working Hours During Pregnancy	Female employees within 12 weeks of pregnancy or beyond 36 weeks may request a 2-hour daily reduction in working hours.
	Allowance for Time Off for Prenatal Checkups	Time off for necessary prenatal appointments and fetal examinations is permitted.
	Pregnancy Stabilization Leave	Leave of absence to ensure the health of the mother and fetus during the early and mid-stages of pregnancy.
	Exemption From Evaluation Criteria	Employees in the 6-month stage of pregnancy or longer will be excluded from evaluation during this period.
Childbirth	Congratulatory Gifts for Childbirth	Baby supplies are provided to all female employees who have given birth and male employees with pregnant partners.
	Prenatal and Postnatal Leave	Entitled to 90 days of prenatal and postnatal leave, with paid leave during this period.
	Leave for Miscarriage and Stillbirth	Leave duration may vary from 5 to 90 days depending on the stage of pregnancy.
Child Care	Childcare Leave	Employees with a child aged 8 years or younger or in the second grade of elementary school or below can apply for up to 1 year of leave (if they have more than 1 year of service), which may be taken in two installments.
	Provision of Breastfeeding Breaks	Female employees with a child under 1 year old are entitled to two nursing breaks of at least 30 minutes each per day.
	Puruni Direct Daycare Center	Support is also available for children of employees aged 1 to 12 years before they start school.

Family-Friendly Initiatives

Complementing its comprehensive maternal protection program, INNOCEAN offers a robust suite of family-friendly to improve the quality of life for employees and their families and reduce childcare burdens. The company provides support for early childhood education for employees with preschool-aged children, as well as scholarship opportunities for those with children pursuing secondary or post-secondary education. Furthermore, INNOCEAN extends its commitment to employee well-being through condolence and mutual aid services for employees and their immediate family members, including spouses, children, siblings, and parents. To further foster employee health and family harmony, the company offers access to vacation homes and other family-friendly initiatives.

Flexible Working System

INNOCEAN promotes a flexible organizational culture and a self-directed work environment through various working arrangements. Since adopting the optional work hours system in 2019, following the implementation of the 52-hour workweek, we have allowed employees to flexibly work between 40 to 52 hours per week. In response to the COVID-19 pandemic, we officially established a telework system to support a self-directed work environment and provide positive value to our employees. In 2023, we introduced a "hybrid work system," further embedding flexible working arrangements. We have expanded work locations beyond the home, allowing employees to work from any suitable location, thereby supporting work-life balance and maximizing productivity.



INNOCEAN With a Break

Since 2015, INNOCEAN has been running the "INNOCEAN WITH A BREAK" program to ensure all employees can work healthily and happily. Through "Happy INNO Day" and "Happy INNO Week," we promote a culture of flexible vacation use by allowing employees to link vacations to holidays and public holidays, facilitated by shared calendars. We also offer programs that strengthen community spirit and solidarity within the organization, increase vacation opportunities for executives, and combine personal vacations with overseas business trips. Our goal is to create a work environment where employees can effectively maintain a work-life balance and improve work efficiency.

Information Protection and Personal Data Protection

Our Approach

Amidst the rapid acceleration of digital transformation on a global scale, the necessity of establishing a prevention system for cyberattacks and information leaks has become more crucial. INNOCEAN prioritizes information protection as a key task, striving to enhance its security systems and develop effective response measures. To address security issues, INNOCEAN has implemented a robust monitoring system to manage information security risks and is dedicated to raising security awareness among all stakeholders.

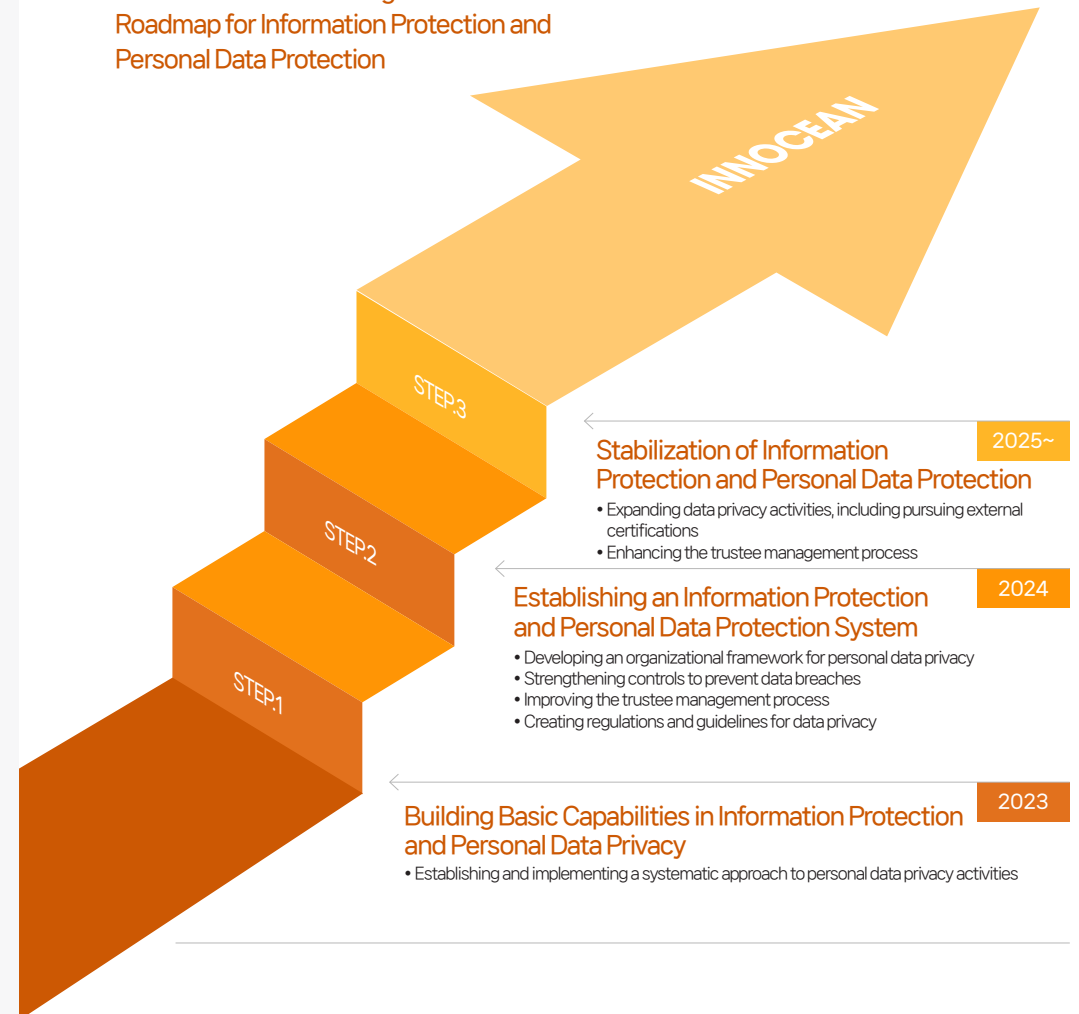
UN SDGs



01 Information Protection Policy and System

Information Security Policy and Objectives

INNOCEAN's Mid- to Long-Term Roadmap for Information Protection and Personal Data Protection



Information Protection Policy

INNOCEAN is steadfast in its commitment to safeguarding sensitive information, implementing a comprehensive set of security regulations and guidelines aligned with relevant legal frameworks, including the Information and Communications Network Act and the Personal Data Protection Act, as well as the company's operational environment, information protection needs, and the "Personal Data Privacy Management System Certification (SMS-P)" standards. These regulations meticulously outline the information protection responsibilities and protocols that employees and business associates must adhere to, ensuring the effective safeguarding of INNOCEAN's information assets. The guidelines encompass 14 detailed areas, including human security, risk management, and Computer security management. As part of our commitment to transparency, INNOCEAN annually discloses information about our investments in information protection, personnel, and activities through the comprehensive information protection disclosure portal. Additionally, we plan to review and update our regulations and guidelines every year to reflect changes in external laws and trends related to information protection and data privacy. These updates will be transparently shared with stakeholders via our website and internal bulletin boards.

Information Security Management System

INNOCEAN has established a foundational organization to plan and execute the necessary information security activities required for our business operations. The company has developed a comprehensive set of regulations to ensure seamless security operations and maintain a robust company-wide information security management system. To lead these efforts, INNOCEAN has appointed a Chief Information Security Officer (CISO) responsible for developing, implementing, and improving our information security strategies, regularly managing information security, identifying and evaluating risks, and establishing effective security measures. Furthermore, INNOCEAN has established a dedicated Information Security Department, which oversees the planning, execution, evaluation, and improvement of our security activities, and an Information Security Committee, which deliberates and coordinates overall security-related matters. The Information Security Department is tasked with providing security education to internal and external personnel, addressing security issues that arise during service operations, and ensuring compliance with security policies and guidelines. The Information Security Committee convenes annually to review and update information protection and internal management plans related to data privacy. The committee also conducts thorough reviews of security incidents, discussing measures to prevent recurrence, and deliberating on the ongoing improvement and development of information protection strategies and systems, ensuring a proactive and comprehensive approach to safeguarding sensitive data.

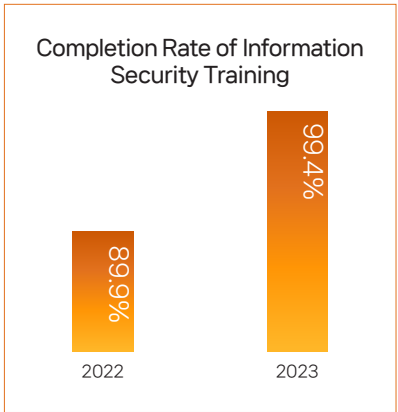


02 Information Protection Activities

Information Security Education and Investment

Information Security Training

INNOCEAN conducts annual training for all employees to raise awareness of information security. The programs delve into essential topics such as information security policies and guidelines, relevant legal frameworks and compliance requirements, real-world case studies of security incidents and measures to prevent recurrence, and other crucial security-related matters. This training provides employees with the fundamental knowledge necessary to ensure the secure operation of INNOCEAN's information systems. To foster a proactive security mindset and minimize incidents resulting from negligence or malicious intent, INNOCEAN conducts simulated phishing email exercises. New employees receive specialized training on information security and data privacy. To boost participation in these training sessions, we offer incentives such as prize raffles upon completion. As a result, the completion rate for information security training increased by 9.5% in 2023 compared to 2022.



Information Security Investment

INNOCEAN has evaluated the implementation level of its business security systems to prevent cyberattacks and information leaks, and has made significant investments to enhance our security response capabilities. We have successfully implemented 20 security systems, covering areas such as data breach prevention, personnel and asset security, network security, system security, and endpoint security. In 2023, we invested 292 million won in these security measures. Looking ahead to 2024, we plan to further strengthen our network security by introducing additional systems. We remain committed to investing in the development of a robust and stable information security infrastructure.

Information Security Investment Plan for 2024

Security Solutions	Details
Multi-factor Authentication (MFA)	Implementation of a Two-Factor Authentication System for Enhanced Security
Security Monitoring	Evaluation of Database/Server Monitoring Solution Introduction
Personal Data Detection Solutions	Assessment of Personal Data Detection Solution for Computers

Information Security Risk Management

Information Security Management and Implementation

INNOCEAN is dedicated to minimizing business risks by proactively preventing, responding to, and managing all unauthorized intrusion attempts, regardless of origin. The company adheres to a robust information security framework that ensures compliance with the Information Protection Disclosure Notice and Guidelines. Through a proactive approach to risk management, INNOCEAN implements a comprehensive suite of security measures. These include regular operating system (OS) updates to address server security vulnerabilities, monitoring and reporting of database (DB) and OS access permissions, the implementation of robust account management solutions to enhance security, the acquisition of data leak prevention solutions, and the configuration of backup systems to ensure data integrity and resilience.

Response to Information Security Breach Incidents

INNOCEAN takes swift action to prevent unauthorized users from illegally accessing our systems. Our information security officer regularly monitors security systems to detect signs of intrusion. In the event of a breach, the officer assesses the damage, collects evidence, and undertakes system recovery efforts. The officer promptly reports the incident and its details to the Chief Information Security Officer (CISO) and the information security manager. Additionally, the security officer conducts annual vulnerability assessments on major information systems, and the system manager applies necessary security updates. Immediate action is taken when an intruder is identified, followed by a thorough analysis and recovery process. A detailed incident report, including the causes and specifics of the breach, is then prepared and submitted to the information security manager and the CISO.

Information Security Breach Response Process



INNOCEAN is committed to securing the confidentiality, integrity, and availability of our data and systems against both internal and external threats. To safeguard our information systems and prevent data breaches, we have implemented a comprehensive security framework that includes human security, asset management, computer security, document and media security, physical security, user account management, encryption, development security, and cloud computing service security. We are dedicated to maintaining and operating this security system with the utmost diligence.

Computer Security



INNOCEAN implements its computer security protocols across all company-used computers, including those of partners and contractors. We maintain data confidentiality through robust security measures such as managing terminal data, controlling wireless LAN and internet usage, monitoring internet access, preventing viruses, managing software legality, applying security patches and service packs, ensuring physical security, managing removable storage devices, securing emails, controlling import/export access, and aligning strictly to computer repair procedures.

Development Security



INNOCEAN safeguards the integrity and security of applications developed both internally and through external contractors. We enforce strict information security during the development and maintenance phases, involving developers, configuration managers, distribution managers, operations and transfer managers, and business managers. Developers evaluate change requests for their validity, implement necessary program modifications, and carry out security measures to identify and mitigate vulnerabilities. Our comprehensive security management system addresses potential risks and weaknesses throughout the stages of environment creation, analysis, design, implementation, testing, transfer, and application operation.

Human Security



To prevent security incidents involving employees and external personnel, INNOCEAN applies a comprehensive human security system to all staff, including full-time employees, contractors, and external partners. New hires sign a trade secret protection pledge and a personal data privacy pledge annually, agreeing to maintain confidentiality and comply with information protection regulations. We share hiring and status change information with the information security department and require employees and external personnel to acknowledge and sign security compliance documents upon their first access to the company intranet. We also provide online ethics and information protection training. The access manager oversees employee access applications and manages access rights.

Physical Security



INNOCEAN enhances physical security to protect vital information assets in our workplace from threats such as damage, theft, and unauthorized access. The physical security manager devises and enforces security plans for our offices and data centers, including regular inspections and reporting. Our premises are meticulously safeguarded through measures such as controlled access zones, restricted areas, equipment monitoring, physical protection of hardware, and comprehensive office security protocols.

Document and Media Security



INNOCEAN takes stringent measures to prevent the leakage of documents and media recorded on printed materials and auxiliary storage devices (USBs, external HDD/SSD, tapes, CDs, etc.). We appoint security managers and document management officers in each department to oversee document security. Department heads, acting as security managers classify documents and media based on their sensitivity and importance, and assign access rights accordingly. Department heads manage the storage, modification, access, and disposal of confidential information within their teams.

Cloud Computing Service Security



INNOCEAN is dedicated to implementing all necessary security measures for cloud computing services provided to employees, partners, and other external parties. The department responsible for reviewing and managing the introduction of cloud services establishes security requirements that include relevant laws and regulations, clearly stated in official documents such as contracts. Additionally, we manage and supervise compliance with breach incident response procedures, processing, recovery, and post-management; prohibit the leakage of confidential information during operations; ensure adherence to legal and policy requirements; support security management activities; and safeguard information following the termination of service use.

03 Personal Data Privacy Policy and System

Personal Data Privacy Policy

[Personal Data Protection Policy](#)
[Personal Data Handling Policy](#)

INNOCEAN has established comprehensive personal data privacy and handling policies that all internal and external stakeholders can understand and adhere to. In response to the strengthened Personal Data Protection Act, we have conducted consulting sessions led by the Chief Privacy Officer to develop advanced personal information management practices. We have implemented a management system to securely store the personal information of our customers and employees and have published guidelines on our intranet that address the major risks associated with information protection and personal data security.

INNOCEAN Personal Data Privacy Policy

INNOCEAN Inc. employees adhere to the following principles to protect personal data:

Compliance with Laws and International Standards

INNOCEAN Inc. strictly complies with all relevant domestic and international personal data privacy laws, including the Personal Data Protection Act, the Act on Promotion of Information and Communications Network Utilization and Information Protection, and the Act on the Protection and Use of Location Information. We also adhere to international standards, such as the OECD Privacy Guidelines, from the planning to the termination of our services

Respect for Users' Right to Self-Determination

INNOCEAN Inc. respects users' rights to control their personal data, as guaranteed by the Constitution and the Personal Data Protection Act. We respond promptly and accurately to requests for access, correction, deletion, or suspension of processing of personal data.

Minimal and Responsible Collection of Personal Data

INNOCEAN Inc. collects only the minimal amount of personal data necessary to provide our services, recognizing the trust users place in us. We are committed to managing this information responsibly and securely, ensuring its protection around the clock.

Personal Data Protection Management System

The Chief Personal Data Privacy Officer at INNOCEAN, who is also the head of the Management & Administration Division (executive director), is committed to protecting the personal information of our customers and employees. We have designated the head of the Personal Data Privacy Department as the Personal Data Privacy Manager to establish and maintain our personal information management system. The Chief Personal Data Privacy Officer is responsible for formulating and approving the personal data privacy management plan, overseeing the organization and operation of the data privacy framework, and ensuring the implementation of technical and administrative safeguards for personal information. The Personal Data Privacy Manager, under the delegation of the Chief Personal Data Privacy Officer, handles the practical execution of the privacy management plan, documents guidelines, and manages records of any changes.

04 Personal Data Privacy Activities

Activities Related to Personal Data Privacy

Personal Data Privacy Training

The cornerstone of personal data protection is employee awareness. INNOCEAN continuously conducts personal data privacy training to enhance this awareness. We hold annual training sessions for all employees and produce various educational materials, such as card news, to support regular training initiatives. These sessions help ensure that employees are well-versed in the measures necessary to protect personal information. Additionally, we solidify our company-wide commitment to personal data privacy through an information protection pledge.

Personal Data Protection Activities

Recognizing the critical importance of personal data privacy, INNOCEAN operates an intranet community where employees can always access educational materials and stay updated on privacy trends, thereby enhancing their awareness and understanding of data protection.

- | | |
|---|--|
| ✓ Guide to Personal Data Processing and Consignment | ✓ Recent Personal Data Leakage Investigation Results: G-PRIVACY 2023 |
| ✓ Who is responsible for providing and entrusting personal data? | ✓ Website Personal Data Leakage Cases and Security Measures: G-PRIVACY 2023 |
| ✓ Safety obligations to check for personal data protection measures | ✓ Personal Data Protection Education
①: Understanding the Personal Data Protection Act |
| ✓ What are the methods that must be taken for personal data protection measures? | ✓ Personal Data Protection Education
②: Safe Management of Personal Data |
| ✓ 2023 Personal data Protection Act Amendment, If you don't know, you're doomed!! | ✓ Personal Data Protection Education
③: Prevention of Leakage/Exposure of Personal Data and Accident Response |
| ✓ Guide to preventing personal data exposure on the website | |

Personal Data Privacy Trustee Inspection Response

When INNOCEAN is entrusted with personal information processing or handling tasks, we rigorously inspect our compliance with privacy laws and regulations as per the entrustor's procedures and provide the findings. To ensure the thorough protection of customer data, we also manage and supervise the legal compliance of our subcontractors in all aspects of personal information handling. The Partner Portal contains the necessary inspection checklists and documentation that INNOCEAN requires from subcontractors.

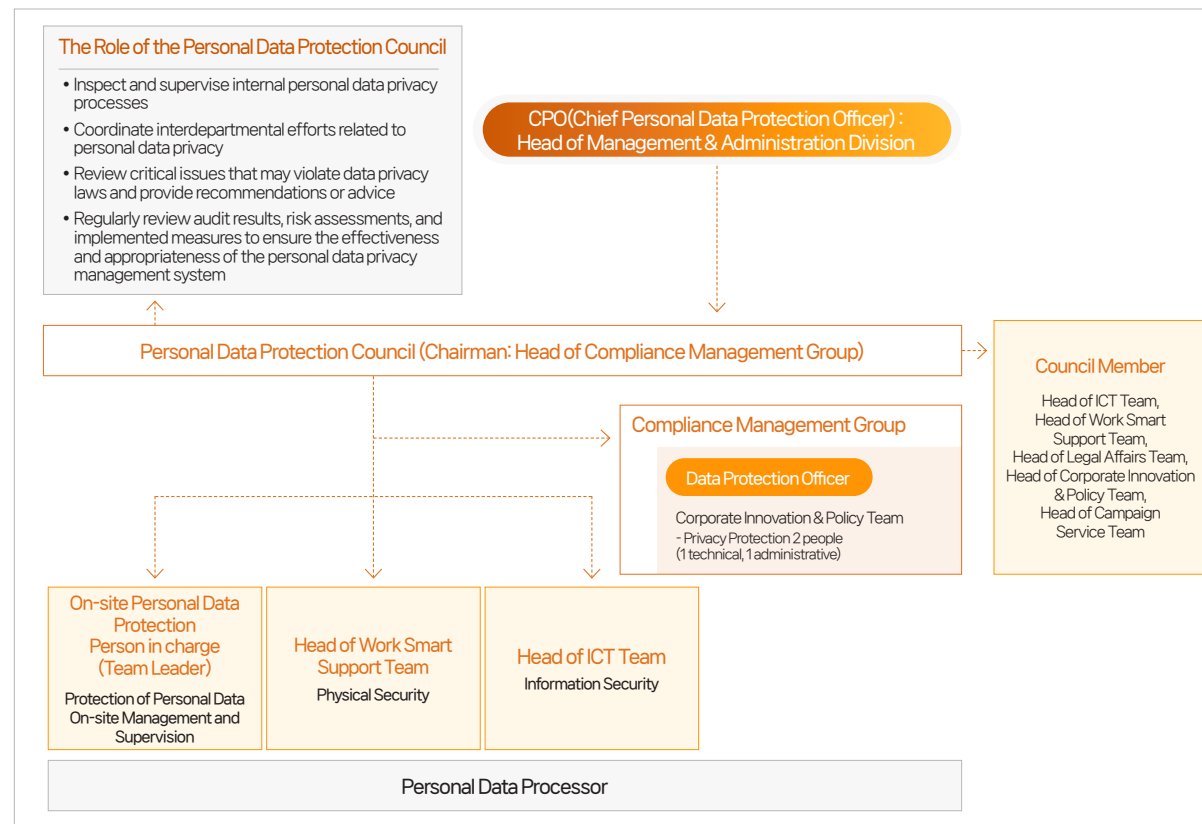
05 Personal Data Privacy Activities

Activities and Achievements for 2023-2024

Even after the enactment of the Personal Data Protection Act in 2011, incidents of personal information leaks have persisted, leading to increasing demands for stronger protection and accountability. The comprehensive revision of the Personal Data Protection Act in September 2023 has heightened these concerns, particularly for INNOCEAN, which operates in the advertising industry. In response, we conducted personal data privacy consulting from 2023 through the first quarter of 2024 to establish a robust personal data privacy system. This process identified seven key improvement tasks, which we have incorporated into our strategic plan and implementation efforts.

Achievement 1. Establishment of a Personal Data Protection Organization System

To enhance personal data protection, INNOCEAN has hired a specialist to oversee these efforts. Initially, to stabilize the new system, the personal data privacy management will be temporarily managed within the Compliance Management Group Corporate Innovation & Policy Team. Once the system is stable, the organizational structure will be reviewed for further optimization.



Achievement 2. Establishment/Revision of Personal Data Privacy Policy Guidelines

INNOCEAN has established and revised its information protection and personal data protection regulations, guidelines, internal management plans, and legally required procedures and work guides to align with our business operations. This includes one personal data privacy regulation, one guideline (internal management plan), five procedures, and several sub-guides.



Regulations	• Personal Data Protection Regulations
Guidelines	• Personal Data Guidelines (Internal Management Plan)
Procedures	<ul style="list-style-type: none"> • Personal Data Entrustment Business Procedures • Personal Data Leak Accident Response Procedures • Personal Data Processing System Access Authority Management Procedures • Personal Data Use for Purposes Other Than the Intended Purpose and Provision to Third Parties Procedures • Disaster/Catastrophe Crisis Response and Recovery Procedures
Guide	• Personal Data Processing Business Guide

Activity 1. Introduction of Personal Data Protection Solution

INNOCEAN plans to introduce an IT solution to monitor and prevent the detection and external leakage of personal Data. Prior to implementing this solution, we will conduct educational and campaign activities to prevent personal information leaks, promote self-management among all employees, and provide close support and monitoring by personal data privacy officers.

Activity 2. Registration Screen for Campaign Related to Personal Data Privacy

When registering a project, INNOCEAN checks whether the work involves processing personal data and whether it will be outsourced. For outsourced projects, we are developing a system to automatically send emails notifying about personal data handling requirements.

Activity 3. Strengthening the Management and Supervision of Personal Data Processing (Re)Consignment

INNOCEAN provides training to ensure that personal data handled by outsourced entities is not lost, stolen, leaked, forged, altered, or damaged. We supervise the safe processing of personal data, including regular checks on the status of personal data handling.

Personal Data Protection Training

Conducting Training on Personal Data Protection for Trustees



Completion of Professional Institution Training



[01. Consignment Work Form 3]
Submission of Personal Data Protection Education Results

※ Attachment of training site photos or training completion certificate is required

Check the Status of Personal Data Processing

The trustee conducts self-security inspections and establishes protective measures.



[01. Consignment Business Form 4]
Submission of Consignee Personal Data Protection Inspection Results

※ It is mandatory to write an action plan in the inspection results.

Partnership Chain Management

Our Approach

INNOCEAN is committed to fostering mutual growth with our partners by creating a transparent trading culture and building trust-based relationships. We support various activities to enhance our partners' competitiveness, leading the way in establishing a truly collaborative growth environment. We aim to support the sustainable development of our partners and realize Hyundai Motor Group's vision of "Together for a Better Future."

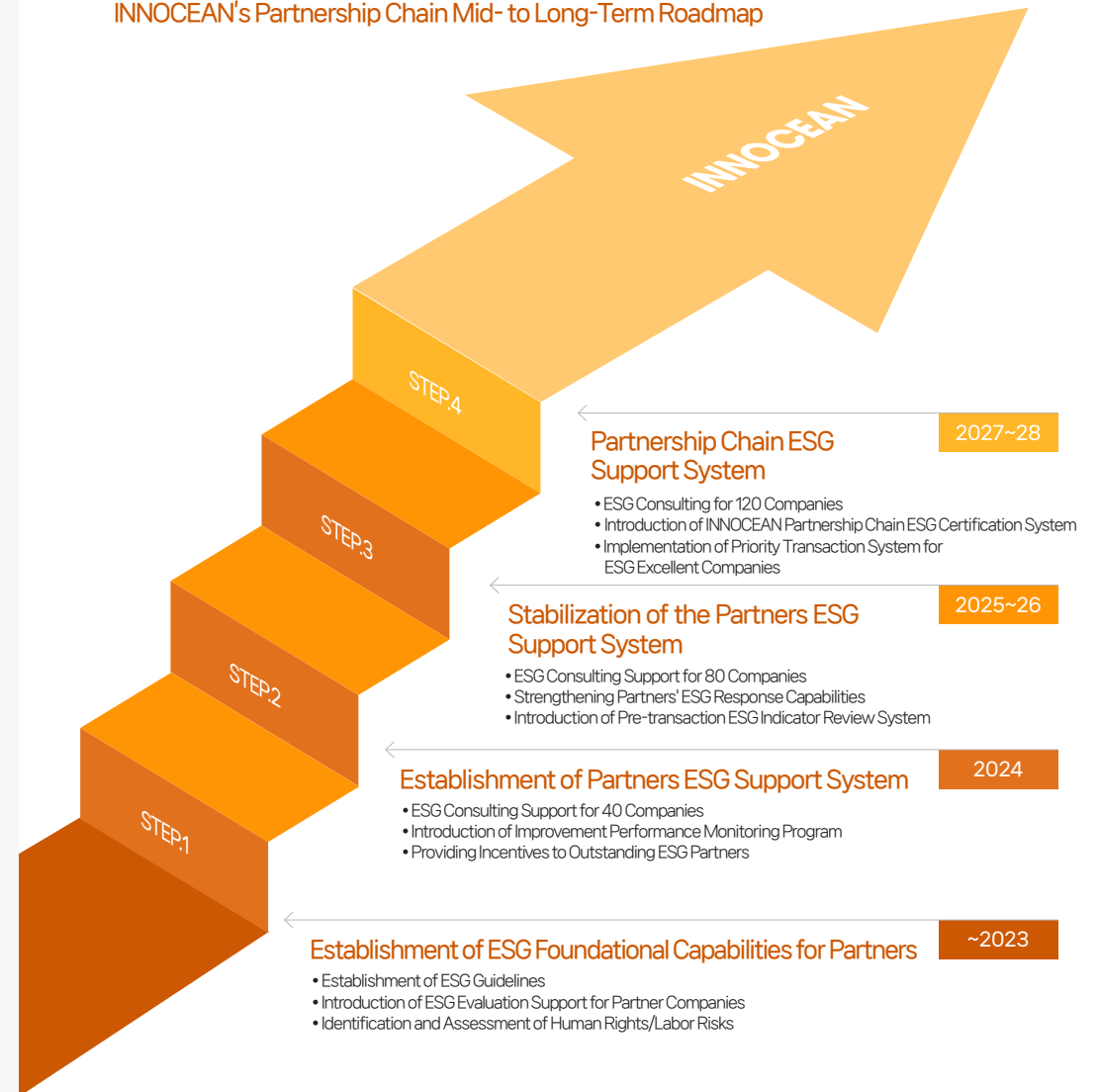
UN SDGs



01 Partnership Management

Partnership Chain Policy and Systems

INNOCEAN's Partnership Chain Mid- to Long-Term Roadmap



Partner Code of Conduct

 Partner Code of Conduct

INNOCEAN sets forth a code of conduct that partners must follow to ensure sustainable mutual growth, regularly reviewing and updating it. Our Partner Code of Conduct outlines the purpose of its establishment, the scope of application, and the responsibilities and roles of our partners.

Ethics	Environments	Labor/Human Rights
<ul style="list-style-type: none"> • Transparent Management and Anti-corruption • Prevention of Conflicts of Interest • Prevention of Unfair Trade • Prevention of Counterfeit Parts • Compliance with Export Restrictions and Economic Sanctions • Information Protection • Protection of Intellectual Property • Responsible Material Procurement 	<ul style="list-style-type: none"> • Establishment of Environmental Management Systems • Energy Use and Greenhouse Gas Emissions Management • Water Resources Management • Air Pollutant Management • Circular Resources and Waste Management • Chemical Management • Animal Welfare • Protection of Biodiversity and Prohibition of Deforestation 	<ul style="list-style-type: none"> • Prohibition of Child Labor • Prohibition of Forced Labor • Prohibition of Discrimination and Harassment • Provision of Wages and Benefits • Management of Working Hours • Humane Treatment • Guarantee of Freedom of Association • Ethical Recruitment
Safety/Health	Management System	
<ul style="list-style-type: none"> • Establishment of Safety and Health Management Systems • Safety Management of Machines, Equipment, and Facilities • Emergency Response • Accident Management • Safety Diagnostics • Health Management • Safety and Health of Contractors 	<ul style="list-style-type: none"> • Publication of Corporate Statement • Appointment of Person in Charge • Risk Review • Education and Communication • Information Management • Operation of Complaint Handling System • Establishment of Remedies • Management of Business Partners (Sub-Partners) • Compliance With Regulations 	

02 Partners Cooperation

Creating a Fair Business Environment

4 Key Actions for Mutual Benefit Between Large and Small Businesses

 4 Major Actions

INNOCEAN has adopted and implemented the "4 Major Action Plans for Mutual Cooperation between Large and Small Enterprises" established by the Fair Trade Commission to foster a fair business environment and ensure compliance with subcontracting laws. We strive to maintain fair and transparent trading relationships with our partners by introducing the standard subcontracting contract for the advertising industry, as recommended by the Fair Trade Commission, and leading efforts to establish a fair trading culture between large and small enterprises.



4 Major Action Plans

Introduction and Operation of Standard Subcontracting Agreement

Regulations for Mutual Benefit with Partners

In 2022, INNOCEAN introduced and implemented Mutual Growth Cooperation Regulations to foster collaborative growth with our partners. These regulations outline standards for selecting and managing partners, promoting synergy with small and medium-sized enterprises and rural communities, and operating a subcontracting review committee. The objective is to create a fair and efficient production environment, achieve mutual growth, and eliminate any violations of subcontracting laws.

Partner Selection and Evaluation Management

Fairness of Standards

INNOCEAN ensures fair selection of partners through clear and specific utilization of such criteria. Our partner pool is managed through a process that involves gathering and reviewing input from internal executives and employees, followed by the CEO's final decision. We review and confirm the appropriateness of the partner pool annually.

Methodology

Companies interested in becoming INNOCEAN partners are evaluated through a comprehensive process. This includes quantitative criteria (such as production performance, workforce status, facility ownership, financial health, credit rating, and safety management capabilities) and qualitative criteria (such as portfolio and proposal assessments, and overall quality and work capability). The final selection is based on the combined score of these evaluations. Specific evaluation criteria and their weightings are announced 30 days before the start of the registration review, taking into account the annual recruitment needs of each sector. For new partners, we ensure that safety and health evaluations meet or exceed the "average" rating; those falling below this threshold are excluded from consideration.

Evaluation Management

INNOCEAN's partner evaluation comprises 50% project evaluation and 50% regular evaluation, with additional points added for management status, safety and health, and ESG evaluations. Additional points may also be awarded through deliberation when necessary.

Project Evaluation	After completion of each project, evaluation of the partner company that carried out the project
Regular Evaluation	Partners are evaluated after the end of the fourth quarter, and the evaluation period is adjusted according to the business environment.
Management Status Evaluation	Reflecting deductions in regular evaluation scores through financial evaluation of partner companies
	(1) Failure to submit financial evaluation data: ▲ 5 points (2) Net loss or capital impairment for 2 consecutive years during financial evaluation: ▲ 2 points
Safety and Health Evaluation	Reflecting deductions through status of industrial accidents at partner companies
	(1) Absence rate and accident rate of 3% or more compared to 3-year average: ▲ 5 points (2) Absence rate and accident rate of 5% or more compared to 3-year average: ▲ 10 points (3) In case of occurrence of major accident: ▲ 50 points
Partner ESG Evaluation	Reflecting additional points based on ESG evaluation results at partner companies
	(1) Partner company ESG evaluation result A+: + 3 points (2) Partner company ESG evaluation result A~B-: +2 points

Partner Company Mutual Benefit Policy

INNOCEAN has established policies to support mutual growth with our partners, including financial support, education support, welfare support, and regular meetings. As a result, we were recognized as an exemplary company in the "Mutual Growth Index Evaluation" conducted by the Mutual Growth Committee in 2023, receiving the highest grade for three consecutive years.



Financial Support

Includes joint growth funds, low-interest direct funding, and family business loans to support partners financially.



Educational Support

Provides a dedicated training site for partners to enhance their members' capabilities.



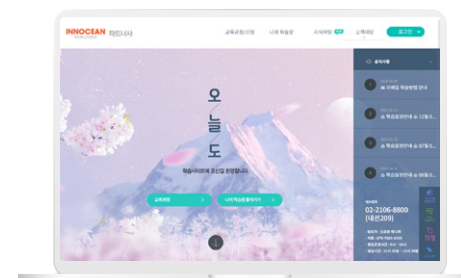
Welfare Support

Includes the introduction of a joint growth mall with dedicated points, distribution of restaurant gift certificates, provision of masks and quarantine supplies, and rewards for excellent partner employees.



Conducting a Meeting

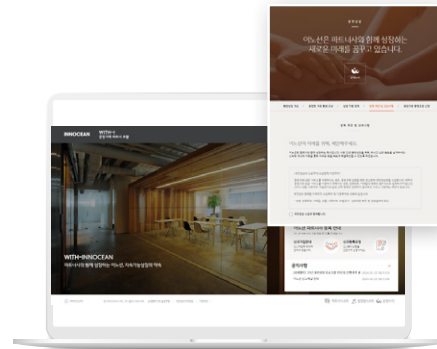
Holds regular meetings to promote networking with partners and encourage outstanding partners.



Partner Training Site

Partner Communication Channels

INNOCEAN maintains various channels to facilitate effective communication with our partners. Through our website's mutual growth and safety management pages, partners can submit proposals for addressing grievances related to mutual growth, and all stakeholders can share their insights on safety, health improvements, and workplace risks. We also operate a Win-Win Cooperation Help Desk that promptly addresses any concerns, providing partners with immediate reassurance and continuously gathering feedback. Additionally, we actively solicit input through partner VOC sessions and by hosting Partners Days, ensuring we are responsive to our partners' needs and fostering a collaborative environment.



Platform for Engaging Partner Feedback

Partners' Day



INNOCEAN hosts the "Partners' Day" event for key partners to share our vision for mutual growth and the direction of our collaborative programs, fostering an environment of active communication and exchange. At the 2023 Partners' Day, 120 participants from 75 partner companies attended. We introduced various collaborative programs, including management and financial support, technology and human resources support, welfare support, and support for expanding domestic and international sales. Additionally, we shared INNOCEAN's future direction and vision in detail. We also recognized six outstanding partner companies for their active participation in our ESG management, online employee training, and recruitment support programs, awarding each of them 5 million won. Moving forward, INNOCEAN will continue developing diverse programs to enhance our partners' capabilities, driven by the belief that their competitiveness is intrinsically linked to our own.

03 ESG Support for Partners

ESG Support Activities for Partners

INNOCEAN is committed to helping partners establish robust ESG management systems for sustainable growth. In 2023, we identified indicators that are not only aligned with the 'K-ESG Advertising Standard Guidelines' for SMEs but also reflect our dedication to credible and responsible business practices. We are committed to enhancing our partnership chain ESG management system, thereby building solid trust with our partners.

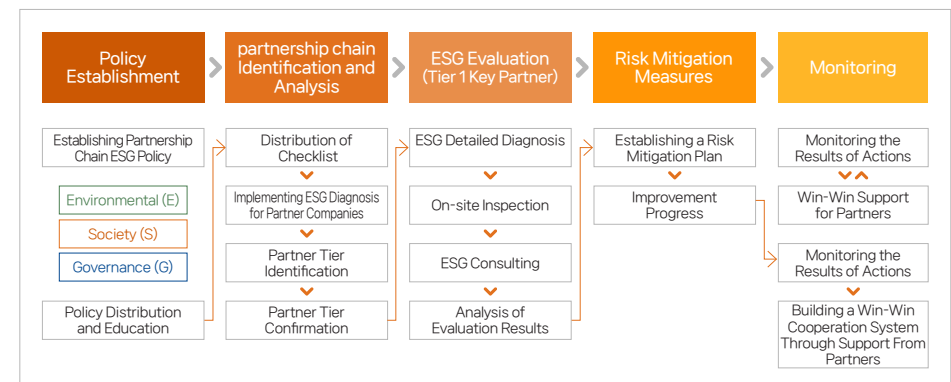


Partner ESG Standards Guidelines

Environmental	Establishing environmental goals : Reducing greenhouse gas emissions and saving energy, Managing waste disposal
Social	Addressing common issues in global ESG indicators such as labor, human rights, safety/health, and fair trade, tailored to industry characteristics
Governance	Ensuring transparency in decision-making structures, ethical management, and non-financial performance disclosure

ESG Support Process for Partnership Chains

INNOCEAN has developed an ESG policy for partners to enhance our partners' ESG capabilities. We provide professional ESG consulting and training to review and prevent ESG-related risks through self-assessment checklists. Based on these assessments, we categorize our partners into tiers, conduct on-site inspections, and provide detailed ESG consulting. Following this, we establish mitigation plans for identified risks and continuously monitor the implementation of these measures. We are dedicated to ongoing ESG consulting to strengthen our cooperative framework with more partners.



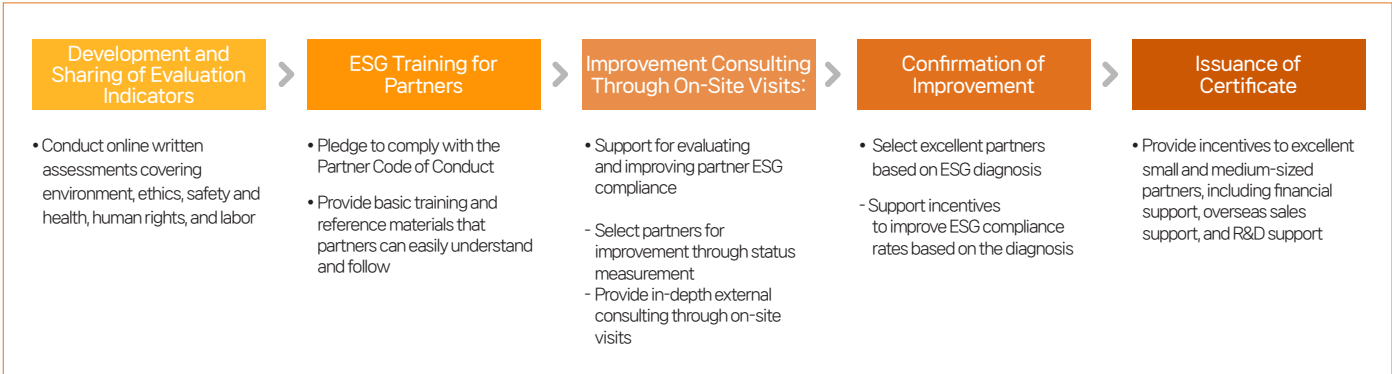
ESG Consulting for Partners in 2023

In September 2023, INNOCEAN became the first in the advertising industry to sign the '2023 Partner ESG Support Business Agreement' with the Joint Growth Committee, a key partner in our ESG support initiatives. This pioneering initiative includes developing and educating partners on ESG guidelines that meet global ESG management requirements, providing on-site improvement guidance from external consultants, and issuing Joint Growth Committee certificates. We offer preferential incentives to partners with high ESG compliance rates when selecting them for collaborative programs, such as overseas expansion support. We aim to achieve sustainable mutual growth through our partner ESG support initiatives.

Overview of Partner ESG Support Projects

Project Name	Objective	Project Period	Host	Scope
2023 INNOCEAN ESG Support Project	Enhance understanding of ESG management among INNOCEAN partners and improve vulnerable areas through targeted assessments	November 2023 - April 2024	Mutual Growth Committee (host), Strategy and Innovation (implementation)	ESG online and on-site education, diagnosis, and improvement consulting for a total of 20 companies

ESG Support Project Progress Procedure for Partners



Partner Diagnosis

In 2023, we enhanced the ESG standards of 20 partner firms through an integration of educational initiatives and on-site consulting for improvement. Prior to the consulting engagement, the ESG compliance rate among our partners stood at 33.8%. Following the consultation, this figure experienced a remarkable increase of 52.1 percentage points, reaching 85.9%. This led to a substantial overall improvement impact valued at KRW 7.251 billion, which encompasses increased productivity and cost efficiencies. Noteworthy partners, supported by our ESG project, successfully established environmental management systems, instituted policies for human rights management and worker protection, adhered to safety and health protocols, and strengthened their practices regarding information and personal data protection.

Public Community Contribution

Our Approach

INNOCEAN is dedicated to fulfilling its social responsibilities by actively participating in initiatives aimed at community coexistence and mutual growth to support the United Nations Sustainable Development Goals (UN SDGs). Our endeavors prioritize the preservation of the global environment and the promotion of well-being for future generations. Through a diverse range of social contribution activities, we aspire to foster a positive impact and encourage sustainable living practices within the local community.

UN SDGs



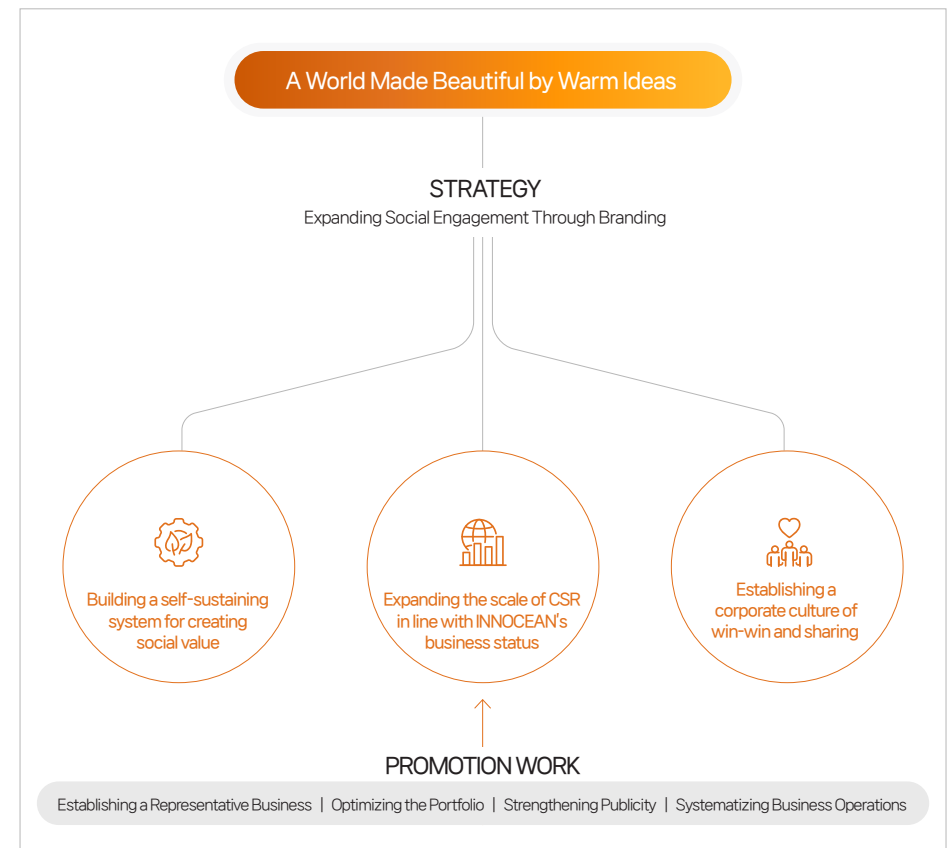
01 Social Contribution

Social Contribution Promotion

[INNOCEAN CSR Website](#)

Embodying the vision of "A World Made Beautiful with Warm Ideas," INNOCEAN promotes Corporate Social Responsibility (CSR) activities as a global communications firm. We have developed a social contribution framework that focuses on establishing a self-sustaining system for social value creation, broadening our CSR initiatives in alignment with our business objectives, and nurturing a corporate culture rooted in coexistence and generosity. Guided by our mid- to long-term social contribution strategy, we are committed to delivering the utmost value to the local community by supporting the healthy development of socially vulnerable populations, including children and youth, while promoting innovative communication with society.

Social Contribution Initiatives



Social Contribution Initiatives

Social Contribution Initiatives "S.O.S"

Since 2011, INNOCEAN has been actively implementing the "S.O.S (Social Problem Solver)" program, which identifies social challenges encountered in everyday life and proposes innovative solutions. The S.O.S program provides college students who pursue advertising-career with valuable opportunities for practical experience and scholarships. Additionally, it supports non-profit organizations and public institutions by tackling social issues through volunteerism and talent donation.

In 2021, the program centered on preventing stalking; in 2022, it focused on achieving carbon neutrality; and in 2023, in collaboration with the Ministry of Oceans and Fisheries, it addressed "marine environmental conservation and various social challenges." The program also encompasses initiatives such as promoting social enterprises, reducing greenhouse gas emissions, and preventing child abuse.



S.O.S Contest Grand Prize Winner Team and Prize-winning Works



In 2023, the S.O.S program focused on developing solutions for the preservation of sustainable marine ecosystems, the reduction of marine waste, and the recycling of marine plastic waste. Seventeen finalist projects were selected, showcasing the participation of many aspiring advertisers. This initiative fosters the development of future talent by providing scholarships and experiential internship opportunities. We remain committed to our social contribution efforts aimed at addressing a variety of social issues, including talent identification, support for vulnerable populations, and engagement in environmental activities.

Sharing Bazaar & Sponsorship of Treatment Costs for Children with Pediatric Cancer

INNOCEAN organized the "2023 Sharing Bazaar" to provide support for children facing pediatric cancer. This event has been held annually since 2009, marking 16 years of dedication. It features donations of props, clothing, accessories, and various items from employees. Since 2011, all proceeds from the bazaar have been directed towards covering medical costs for children with pediatric cancer. In 2023, a total of 311 employees participated, raising KRW 14 million. We recognize the top contributors of both goods and funds each year with a ceremony to transfer the funds for pediatric cancer treatment. Looking ahead, we are committed to continuing to donate all proceeds from the 2024 bazaar in support of these children.

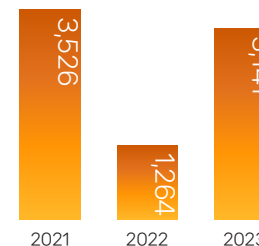


Social Contribution Performance

INNOCEAN experienced a remarkable increase in employee engagement in volunteer activities, with volunteer hours rising from 1,264 in 2022 to 3,141 in 2023. Our social contribution fund, which is composed of corporate donations and voluntary contributions from employees, also saw growth, increasing from KRW 690 million in 2022 to KRW 760 million in 2023. We are dedicated to ensuring transparency in the utilization of these funds and will persist in our efforts to inspire and motivate employees to participate in social contribution initiatives.

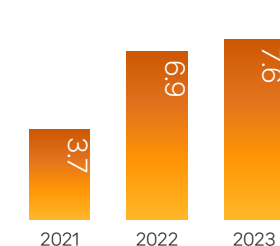
Volunteer Work Hours of Employees for the past 3 years

(Unit: Hours)



Performance of the Social Contribution Fund for the past 3 years*

(Unit: 100 Million Won)



*Performance of Social Contribution Fund: INNOCEAN Contribution + Voluntary Donations from Employees

Part 5.

GOVERNANCE

Background

The fundamental components for enhancing long-term corporate value include active communication with diverse stakeholders, establishing a board-centered advanced governance structure, and increasing shareholder value through shareholder-friendly policies. In today's environment, where corporate social responsibility is as crucial as maximizing profits, compliance and ethical management are essential elements for businesses. Therefore, we must aim to enhance corporate value by fostering social trust in corporate ethics.

2023 Highlights

Establishing ESG-Based Governance	Enhancing Shareholder Value	Advancing Compliance Management
Establishment of a Sustainability Management Committee under the Board of Directors	Implementation of 100% free capital increase and establishment of mid- to long-term financial goals	Establishment of a Compliance Management Group

Governance	069
Shareholder Value Enhancement	073
Risk Management	076
Compliance and Ethical Management	078

UN SDGs



Governance

Our Approach

INNOCEAN has established a governance structure that ensures transparent and independent decision-making by appointing a board of directors comprised of diverse experts. This structure facilitates efficient management activities by incorporating checks and balances. We are dedicated to fostering robust governance through decision-making that is grounded in Environmental, Social, and Governance (ESG) principles, alongside the effective functioning of the board.

01 Governance System

Board Policies and Guidelines

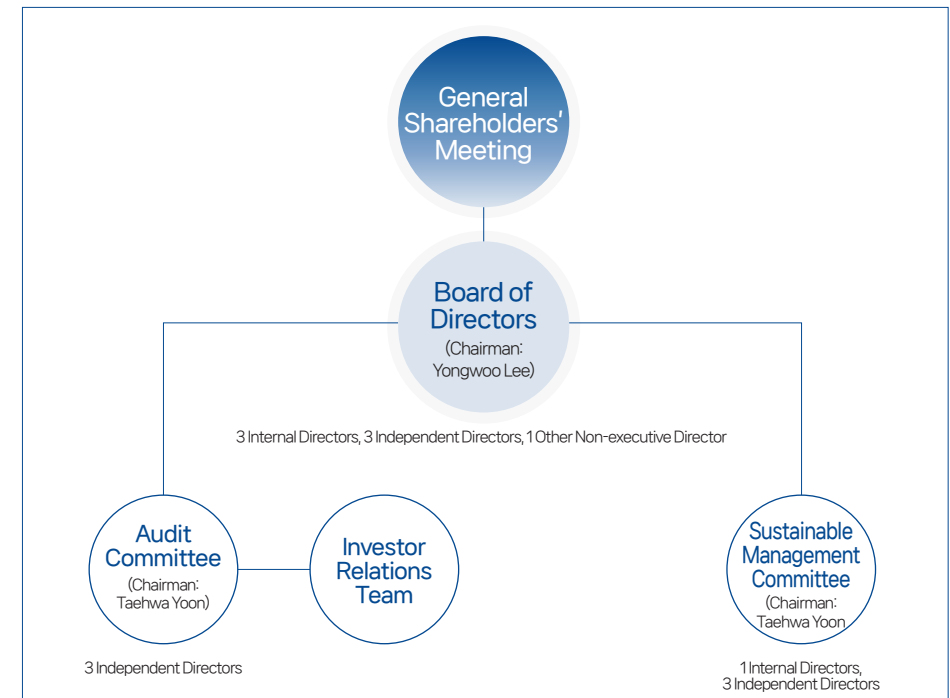
- [Board of Directors Regulations](#)
- [Corporate Governance Charter](#)
- [Corporate Governance Report](#)

Board of Directors Regulations and Corporate Governance Charter

In March 2015, INNOCEAN enacted and put into practice the Board of Directors Regulations to strengthen corporate governance and ensure the efficient functioning of the Board. Under these regulations, INNOCEAN's Board of Directors, as the highest decision-making authority, oversees and approves significant management matters while considering the interests of various stakeholders, including shareholders, investors, customers, employees, and partners. Moreover, to further establish an advanced corporate governance framework, INNOCEAN introduced the Corporate Governance Charter through the Board of Directors in May 2024. Through this charter, we aim to promote management transparency, health, and stability, facilitate checks and balances, and create a governance framework that reflects our organizational culture to enhance shareholder value and safeguard stakeholder rights.

Board and Committee Organization Chart

* As of December 31, 2023



UN SDGs



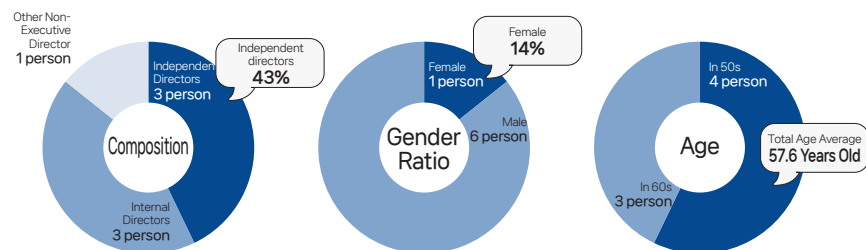
02 Board Operations

Structure and Activities of the Board

The Board of Directors

As of December 2023, INNOCEAN's board of directors comprises seven members: three internal directors, three independent directors, and one non-executive director. The independent directors represent 43% of the board, exceeding the legal requirement of one-fourth under the Commercial Act. This structure enhances operational efficiency by incorporating individuals with diverse expertise and backgrounds, while also reinforcing the oversight function of management due to the significant presence of independent directors. To ensure effective board operations and accountable management, the chairman of the board is designated as the representative director in accordance with Article 34-2 of the Articles of Incorporation.

Cat.	Name	Gender (Age)	Position	Date of Initial Appointment -Term Expiration (Scheduled) Date	Area of Expertise	Career Highlights
Internal Director	Yongwoo Lee	Male (64 years old)	Chairman of the Board of Directors Representative Director Member of the Sustainability Management Committee	2020.09.17-2026.03 Regular Shareholders' Meeting	General Management	Current) INNOCEAN President Former) Hyundai Motor Company Genesis Division Head
	Sungil Chung	Female (61 years old)	Internal Director	2008.03.31-2026.03 Regular Shareholders' Meeting	General Management	Current) INNOCEAN Inside Director
	Seungho Shin	Male (55 years old)	Head of the Finance & Accounting Management Division	2022.03.31-2025.03 Regular Shareholders' Meeting	Financial Support	Current) INNOCEAN Managing Director
Independent Director	Taehwa Yoon	Male (63 years old)	Chairman of the Audit Committee Chairman of the Sustainability Management Committee	2020.03.25-2026.03 Regular Shareholders' Meeting	Finance/Accounting	Current) Gachon University Business School Professor and Business School Dean
	Jaewook Yoo	Male (54 years old)	Member of the Audit Committee Member of the Sustainability Management Committee	2020.03.25-2024.03 Regular Shareholders' Meeting	Financial Consulting	Current) INNOCEAN Outside Director
	Seungjoo Kim	Male (52 years old)	Member of the Audit Committee Member of the Sustainability Management Committee	2021.03.29-2024.03 Regular Shareholders' Meeting	Information Security	Current) Korea University Cyber Defense Department/ Information Security Graduate School Professor
Other Non-Executive Director	Jaechul Kim	Male (54 years old)	Board of Directors	2023.03.30-2026.03 Regular Shareholders' Meeting	Management Strategy	Current) Lotte Cultureworks New Growth Strategy Division Head Former) Lotte Cultureworks Sales Division Head



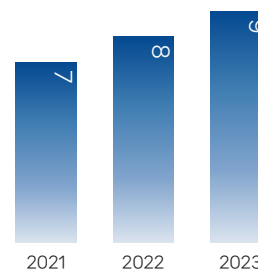
Board Performance and Key Resolutions

In 2023, INNOCEAN's board of directors convened nine meetings to address a variety of agendas during both regular and special meetings. Regular meetings are conducted quarterly, while special meetings are held as necessary. To ensure comprehensive evaluation, agenda materials are distributed to board members five days prior to each meeting. By coordinating schedules to maximize attendance, the board achieved an impressive average attendance rate of 93% in 2023, broken down as follows: 91% for internal directors, 95% for independent directors, and 92% for the non-executive director. Key resolutions made in 2023 included the establishment of a joint venture (JV), the formation of a sustainability management committee, and the approval of quarterly dividends.

Cat.	2023	Key Agenda Items for 2023
Number of Board Meetings Held	9 Regular Sessions	
Number of Reports/Number of Resolutions	August 18th	<ul style="list-style-type: none"> •Regular 1st: Approval of 2023 Business Plan •Regular 2nd: Convening the 18th Regular Shareholders' Meeting •Regular 3rd: Appointment of CEO
Average Attendance Rate of All Board Meetings	93%	<ul style="list-style-type: none"> •Regular 4th: Establishment of Joint Venture (JV) •Regular 5th: Establishment of Sustainability Management Committee
Attendance Rate of Inside Directors	91%	<ul style="list-style-type: none"> •Regular 6th: Approval of Quarterly Dividends
Attendance Rate of Outside Directors	95%	<ul style="list-style-type: none"> •Regular 7th: Approval of 2026 Growth Strategy and Financial Goals •Regular 8th: Report on 3rd Quarter 2023 Business Performance •Regular 9th: Decision on Acquisition of Tangible Assets
Attendance Rate of Other Non-executive Directors	92%	

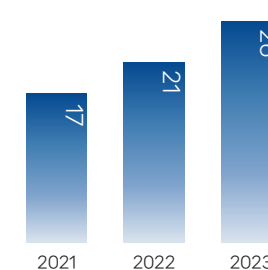
Number of Board Meetings Held for the past 3 years

(Unit: Times)



Number of Agenda Items Listed for the past 3 years (Reports + Resolutions)

(Unit: Items)



03 Board Responsibilities

Independence, Expertise, and Diversity

Independence of the Board

INNOCEAN has reinforced the independence of its board of directors to ensure transparent governance. To enhance this independence, the company's regulations mandate that directors or executives who violate laws, or the articles of incorporation must submit relevant materials to the board or undergo an investigation and report the findings. Nominations for directors are entrusted to the board, with final approval granted by the general shareholders' meeting. Our independent directors do not have significant conflicts of interest with the company, and the board diligently verifies this during the appointment process, including direct confirmation with the candidates. When recommending independent director candidates, a "Certificate of Eligibility for independent directors," signed by the candidate, is submitted to the Korea Exchange, affirming their independence and legal qualifications. All our independent directors fulfill the required criteria for independence.

INNOCEAN's Independent Director Independence Guidelines

- ✓ Directors, executive officers, and employees currently engaged in company affairs, or those who have engaged in company affairs within the past two years
- ✓ If the largest shareholder is an individual, the individual, their spouse, and their direct ascendants and descendants
- ✓ If the largest shareholder is a corporation, the directors, auditors, executive officers, and employees of that corporation
- ✓ Spouses and direct ascendants and descendants of the company's directors, auditors, and executive officers
- ✓ Directors, auditors, executive officers, and employees of the company's parent or subsidiary
- ✓ Directors, auditors, executive officers, and employees of a corporation with significant business relations or interests with the company
- ✓ Directors, auditors, executive officers, and employees of another company where the company's directors, executive officers, and employees hold positions

Expertise of the Board

INNOCEAN facilitates the effective operation of the Board of Directors through the Board of Directors Support Department, which is dedicated to ensuring that the Board can efficiently carry out its management decision-making and oversight responsibilities. This department is comprised of four employees who provide essential support, including reporting, delivering, and disseminating management information to independent directors. They also assist with any requests required for independent directors to fulfill their responsibilities. Furthermore, we have established in-house departments and support teams for each committee to create a more efficient and practical support system for independent directors.

Details of Independent director Training in 2023

Training Date	Training Provider	Attending Outside Director	Reason for Absence	Key training contents
2023.05.04	Domestic M&A Strategy Team	Taehwa Yoon / Jaewook Yoo / Seungjoo Kim	-	Preliminary explanation of corporate overview and equity acquisition plan related to acquisition of stocks of other corporations
2023.12.15	Samil PwC Governance Center	Taehwa Yoon / Jaewook Yoo / Seungjoo Kim	-	<ul style="list-style-type: none"> • Guide to understanding ESG and board of directors supervision • Guide to understanding shareholder activism and board of directors • Strategies for effective board operation

Support Organization for Independent directors

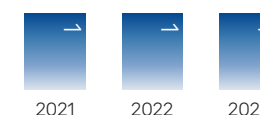
Department (Team) Name	Number of employees	Position and Years of Employment	Main Activities
Investor Relations Team	4	1 Team Leader, 2 Senior Managers, and 1 Manager (Average 4.3 Years)	Support for outside directors to perform their duties, provide board of directors operation and agenda review materials

Diversity of the Board

INNOCEAN takes multiple factors into consideration when establishing the board to ensure diversity among its members. In the selection of candidates, we evaluate academic qualifications, industry experience, and tenure within the industry to identify directors from various fields, focusing on their professional capabilities and industry expertise. Additionally, we consider gender, race, and cultural background to ensure a competitive and diverse composition of the board.

Number of Female Directors in the Last 3 Years

(Unit: Persons)



Compensation of the Board of Directors

Internal Director Compensation

INNOCEAN's Internal directors receive compensation that adheres to the limits established by the 2023 general shareholders' meeting. This compensation is determined in accordance with the Executive Personnel and Treatment Regulations, as resolved by the Board of Directors, and takes into account various factors, including rank, length of service, job responsibilities, performance outcomes, and individual contributions. Additional incentives may be awarded based on overall business performance metrics, such as sales and operating profit, as well as the directors' performance, contributions to management, and the prevailing internal and external business conditions.

Independent director Compensation

The compensation for INNOCEAN's Independent directors is administered as a fixed amount within the limits established by the resolution of the general shareholders' meeting, ensuring independence and transparency. Independent directors do not receive additional bonuses tied to management performance. Should there be a need to reassess the compensation structure based on the evaluation results of independent directors, we intend to engage in comprehensive discussions and reviews of all pertinent matters at the board of directors prior to making any decisions.

Amount Approved by the Shareholders' Meeting and Amount of Compensation Paid

(Unit : Mil.KRW, %)

Year	Cat.	Number of people	Shareholders' Meeting Approval Amount	Total Compensation	Average Compensation per Person
2023	Directors and Outside Directors (Including the Audit Committee)	7	6,000	4,761	680

CEO-Employee Compensation Ratio

(Unit : Mil.KRW, Multiple)

CEO's Total Compensation	Median Value of Total Employee Compensation	Ratio of CEO Total Compensation to Median Total Compensation of Employees
1,775	94	18.91

* Employees: Regular employees excluding contract workers, those on leave, and overseas employees
 * Based on total compensation for employees with 1 year of service

04 Committees within the Board of Directors

Structure and Operation of Board Committees

[Audit Committee Regulations](#)
[Sustainability Management Committee Regulations](#)

INNOCEAN has established both an Audit Committee and a Sustainability Management Committee under the Board of Directors, with each committee operating in accordance with its own regulations. These regulations are fully disclosed in the "Corporate Governance Report" to promote transparency in the operations of the Board and its committees. Each committee is comprised of members with significant expertise in their respective fields, with a majority being independent directors to maintain checks and balances within the governance structure.

Audit Committee

Although INNOCEAN is not legally obligated to have an audit committee, it has voluntarily formed one comprised entirely of three independent directors to uphold objectivity and independence from both the board and management. In accordance with Article 542-11, Paragraph 2 of the Commercial Act, at least one member possesses expertise in accounting or finance. The Investor Relations Team provides essential materials and support to the committee. In 2023, the committee convened six times to discuss various matters, including the appointment of external auditors and the evaluation of the internal accounting management system.

Position	Classi.	Name	Main Role
Chairman	Outside Director	Taehwa Yoon	<ul style="list-style-type: none"> Evaluation of the operation status of the internal accounting management system Evaluation of external auditor audits Communication with external auditors Review of corporate financial soundness and validity
Member	Outside Director	Jaewook Yoo	
Member	Outside Director	Seungjoo Kim	

Audit Committee Activities

Cat.	2023	2023 Key Agenda (Report)
Number of Committee Meetings	6 Times	[Resolution Agenda] <ul style="list-style-type: none"> 1st: Compliance Matters Related to Appointment of External Auditor 2nd: Results of Evaluation of the Status of Operation of the Internal Accounting Management System 3rd: Appointment of the Audit Committee Chairperson
Number of Reports/Resolutions	2024-06-03	
Attendance Rate of Outside Directors	93%	[Report Agenda] <ul style="list-style-type: none"> 1st: Status of Operation of the Internal Accounting Management System 2nd: Report on the Audit Procedure and Results of the External Auditor for the 18th Financial Statements 4th: 2023 Internal Accounting Management System Evaluation Plan, External Auditor's Audit Plan for the 19th Financial Statements 5th: Communication with External Auditor (Report on the Status of Audit Progress) 6th: Communication with External Auditor (Report on the Status of Audit Progress)

Sustainability Management Committee

INNOCEAN established the Sustainability Management Committee in 2023 through amendments to the Articles of Incorporation, with the goal of enhancing sustainable corporate value. The committee is comprised of one internal director and three independent directors, with the CEO participating to underscore the significance of Environmental, Social, and Governance (ESG) issues, notably transparency in internal transactions, the protection of shareholder rights, and social responsibility. The committee offers guidance on mid- to long-term strategies and evaluates the appropriateness of acquiring shares in other corporations. In 2023, the committee convened for six meetings, during which it addressed various matters, including the appointment of the committee chairperson, the approval of financial transactions, and reports on fair trade compliance activities. The average attendance rate was an impressive 97%, with 100% attendance from internal directors and 96% from independent directors.

Position	Classification	Name	Senior Background	Main Role
Committee	Inside Director	Yongwoo Lee	CEO	Ensuring transparency in internal transactions, protecting shareholder rights, Operates by assigning decision-making tasks on social responsibility and safety and health management
Chairman	Outside Director	Taehwa Yoon	Finance/Accounting Expert	
Committee	Outside Director	Jaewook Yoo	Financial Advisory Expert	
Committee	Outside Director	Seungjoo Kim	Information Security Expert	

Sustainability Management Committee Activities

Cat.	2023년	2023 Key Agenda (Report)
Number of Committee Meetings	6 Times	[Resolution Agenda] <ul style="list-style-type: none"> 1st: Appointment of the Chairperson of the Sustainability Management Committee 2nd: Approval of Financial Transactions with Affiliated Financial Companies in accordance with the Terms and Conditions for the 4th Quarter of 2023 4th: Approval of Financial Transactions with Affiliated Financial Companies in accordance with the Terms and Conditions
Number of Reports/Resolutions	2024-06-03	
Average Attendance Rate of All Committees	97%	[Report Agenda] <ul style="list-style-type: none"> 2nd: Report on Fair Trade Voluntary Compliance Activities in 2023 3rd: Holding of the INNOCEAN Analyst Day in 2023 4th: Report on Fair Trade Voluntary Compliance and Anti-Corruption Ethical Management Activities in 2023 5th: Decision on Acquisition of Tangible Assets, Establishment of Social Marketing Corporation 6th: Decision on Acquisition of Shares in Other Corporations
Attendance Rate of Inside Directors	100%	
Attendance Rate of Outside Directors	96%	

Shareholder Value Enhancement

Our Approach

INNOCEAN is dedicated to maximizing shareholder value by pursuing various measures to safeguard shareholder rights, including the enhancement of dividend payouts. Our objective is to improve management performance through expansion, increased operational efficiency, mergers and acquisitions, and the initiation of new business ventures, all while ensuring that our fair corporate value is acknowledged in the market.

UN SDGs

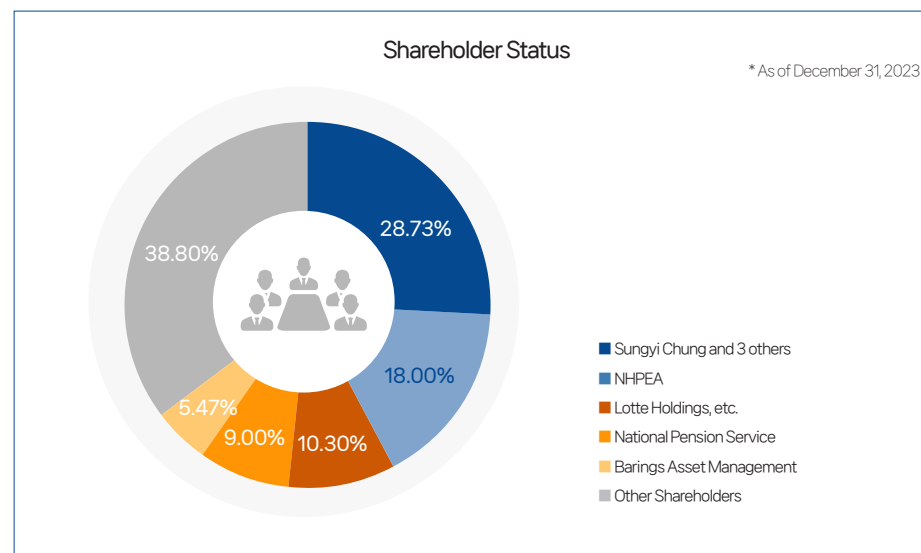


01 Shareholders' Rights Policy

Shareholder Status and Policy

Shareholder Composition

As of December 31, 2023, INNOCEAN's total issued common stock amounts to 40,000,000 shares, with minority shareholders owning 31.95% of the total. The largest shareholders, Sungyi Chung and three related individuals, collectively hold 11,593,778 shares, which represents 28.73% of the shares outstanding. Significant institutional investors include NHPEA IV Highlight Holdings AB, holding 18.00%, and Baring Asset Management, with a 5.47% stake. Additionally, Lotte Holdings Co., Ltd. and Lotte Shopping Co., Ltd. each possess 5.15%, contributing to a combined total of 10.30%. The National Pension Service holds 9%, along with other pension funds that also maintain substantial investments, thereby supporting stock price stability.



Protection of Shareholder Rights (Policy)

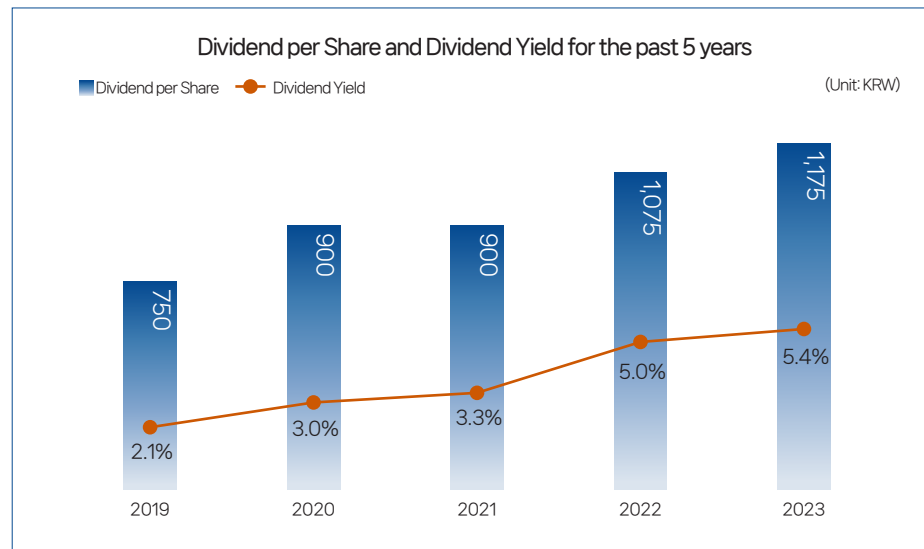
To facilitate the convenience of shareholders in exercising their voting rights, INNOCEAN implemented an electronic voting system in 2020, which has been utilized annually since its introduction. To provide shareholders with sufficient time to review the agenda items for the general shareholders' meeting, a notice is issued at least four weeks in advance. Furthermore, the 2024 annual general meeting was strategically scheduled to avoid peak days for shareholders' meetings, thereby enhancing convenience and accessibility for shareholders.

02 Shareholder-Friendly Practices

Maximizing Shareholder Value

Return to Shareholders

INNOCEAN is dedicated to shareholder-friendly practices through the consistent provision of dividends. The dividends amount distributed is determined by evaluating the company's long-term growth investments, overall management performance, and net income attributable to controlling interests as reflected in the consolidated financial statements. Since our initial public listing in 2015, we have progressively increased dividend amounts to maximize shareholder value. The dividend payout ratios for the last three years were 54.6% in 2021, 60.9% in 2022, and 46.2% in 2023, resulting in a three-year average of 53.9%. While we continue to invest in long-term growth, we uphold a dividend policy that aligns with our current operations and global industry standards, ensuring that shareholder value is maximized.



Cat.	Unit	In the last 3 years					In the last 5 years			
Average Dividend Yield	%	4.6					3.8			
Cat.	Unit	2016	2017	2018	2019	2020	2021	2022	2023	
Dividend Yield	%	1.7	1.3	2.3	2.1	3	3.3	5	5.4	

Dividend Policy

To maximize shareholder value, INNOCEAN has consistently paid quarterly dividends for three consecutive years since 2021. Furthermore, in November 2023, we issued a 100% stock dividend, effectively doubling our total common shares from 20,000,000 to 40,000,000. Since our listing, we have maintained an earnings per share (EPS) of 1,500 KRW, and we aim to achieve an EPS of 3,350 KRW by 2026, representing a 90% increase from 2022, to enhance long-term shareholder value. Prioritizing the expansion of shareholder value continues to be our foremost strategic objective.

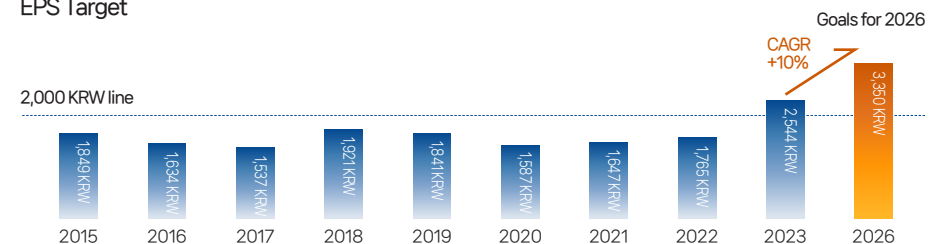
Article 48-2 of the Articles of Incorporation (Quarterly Dividend)

- Quarterly dividends may be distributed to shareholders at the end of March, June, and September of each fiscal year, in accordance with Article 165-12 of the Capital Market and Financial Investment Business Act. Such quarterly dividends will be paid in cash.
- The determination of the quarterly dividends mentioned in Paragraph 1 shall be resolved by the Board of Directors, with the resolution to be executed within 45 days following each reference date.
- The total amount of the quarterly dividend shall be limited to the amount calculated by deducting the following items from the net asset value on the balance sheet of the immediately preceding fiscal year:
 - The amount of capital carried over from the previous fiscal year.
 - The total amount of capital reserves and profit reserves accumulated through the previous fiscal year.
 - Unrealized profits as defined by the Enforcement Decree of the Commercial Act.
 - The amount designated for dividends at the regular shareholders' meeting of the previous fiscal year.
 - Optional reserves accumulated for specific purposes, as dictated by the Articles of Incorporation or the resolution of the shareholders' meeting through the previous fiscal year.
 - Profit reserves earmarked for accumulation in the current fiscal year due to quarterly dividends.
 - The total amount of quarterly dividends, if any, distributed during the current fiscal year.

Quarterly Dividend Payment Details for the past 3 years

Cat.	Unit	17th term, 2nd quarter	18th term, 2nd quarter	19th term, 2nd quarter
Dividend per Share	KRW	225	225	225
Total Dividend Amount	Mil. KRW	9,000	9,000	9,000

EPS Target



Transparent Information Disclosure

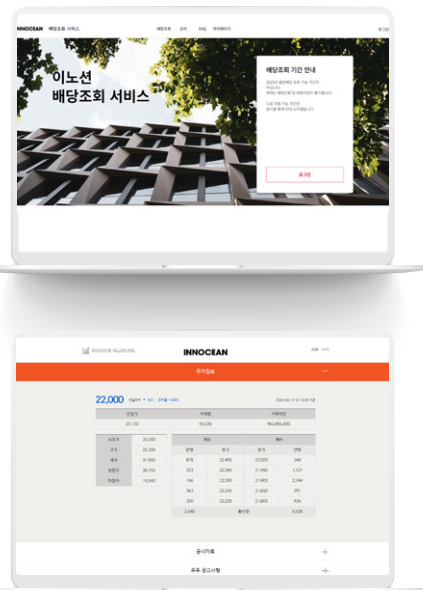
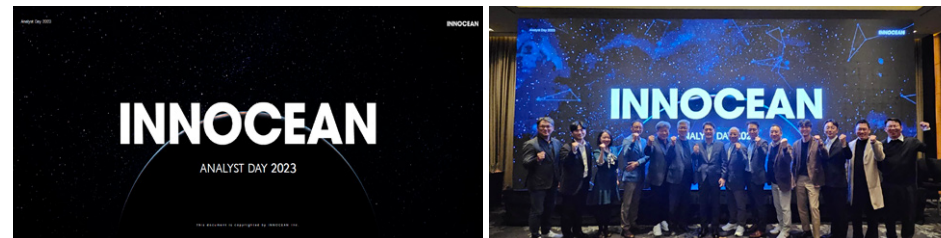
[Dividend Inquiry Service](#)[IR Website](#)

Engaging with Shareholders

INNOCEAN engages actively with shareholders and investors through various events, such as INNOCEAN Analyst Day and corporate performance announcements, where we communicate our management status, strategic directions, financial objectives, and shareholder return policies. To promote transparency, we disclose voting results from shareholder meetings, dividend information, and other relevant details via our Investor Relations (IR) website and the electronic disclosure system (DART). In 2023, we conducted over 91 conferences and investor meetings, openly sharing management information through these proactive disclosure efforts. Furthermore, instead of mailing the traditional year-end dividend notices for 2023, we introduced an online dividend inquiry service that enables shareholders to access dividend information directly through our website. This initiative is anticipated to reduce paper usage, thereby minimizing our environmental impact.

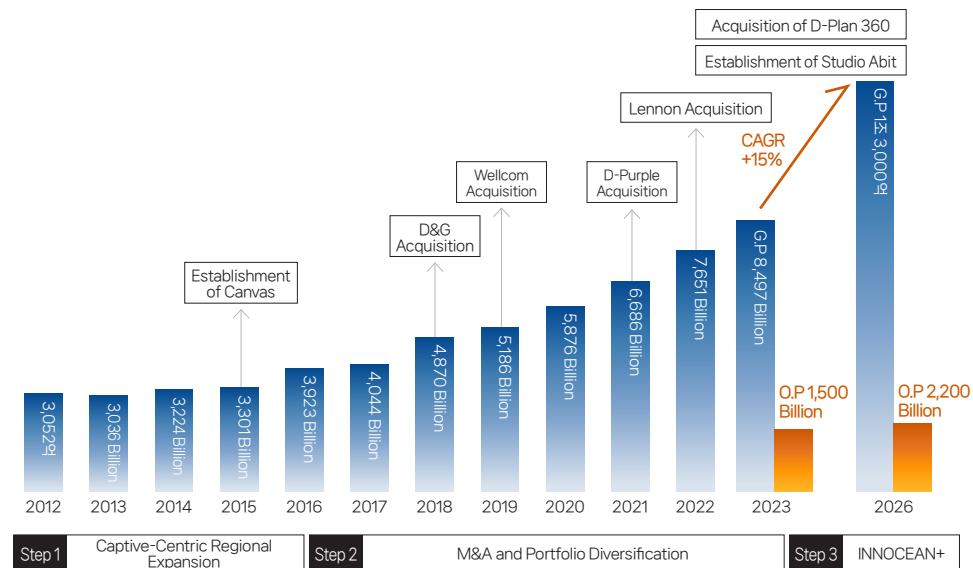
2023 INNOCEAN Analyst Day

At the 2023 Analyst Day, INNOCEAN presented its mid- to long-term business strategy with ambitious objectives: to achieve KRW 1.3 trillion in gross profit, KRW 220 billion in operating profit, and KRW 3,350 in earnings per share by 2026. To attain these targets, INNOCEAN intends to expand and enhance the three core pillars outlined in 2022 under the "C.D.M" framework. "C" represents the creation of a Creative value chain and the development of future-oriented content; "D" signifies the acceleration of Digital transformation and the enhancement of the data business; and "M" indicates a foray into Mobility-focused services, including advancements in electric vehicle (EV) charging services. Furthermore, the company described financial strategies encompassing both domestic and international mergers and acquisitions (M&A), equity investments, strengthening existing business competitiveness, and broadening the global network. INNOCEAN plans to invest approximately KRW 500 billion in these initiatives by 2026 to enhance corporate value.



Dividend Inquiry Service Website

IR Website



* INNOCEAN's Mid- To Long-Term Goals Announced at the 2023 Analyst Day
 * Gross Profit, Operating Profit

* Photos from the 2023 Analyst Day event

Risk Management

Our Approach

INNOCEAN is in the process of developing an integrated risk management system in partnership with relevant departments to ensure sustainable operations. We take a proactive approach to identify, analyze, evaluate, monitor, and manage both financial and non-financial risks that may arise during our business activities.

UN SDGs



01 Risk Management System

Risk Management Policy and Governance

Risk Management Governance

To facilitate systematic and proactive risk management, INNOCEAN has established a continuous monitoring system. The Board of Directors, Audit Committee, and Sustainability Management Committee oversee both financial and non-financial risks. The Audit Committee is tasked with addressing financial risks, which includes conducting internal audits, appointing external auditors, and evaluating internal accounting management systems. Meanwhile, the Sustainability Management Committee focuses on non-financial risks, such as environmental and safety risks that may affect INNOCEAN's overall management. The Board of Directors is responsible for reviewing and approving risk management strategies across the organization for both financial and non-financial risks. The Finance & Accounting Management Division collaborates with relevant departments to identify financial risks, assess their levels, and develop appropriate responses. This continuous risk monitoring enables us to recognize potential market and credit risks and implement proactive measures. For non-financial risks, the Compliance Management Group addresses issues related to safety, legal compliance, and personal data protection. They monitor safety impact factors, analyze legal trends and litigation risks, strengthen the personal data protection system, and enhance risk response capabilities through employee education. Both the Corporate Strategy Division and the Compliance Management Group conduct ongoing reviews of adherence to company policies and procedures, as well as risk exposure limits to ensure effective management of non-financial risks. Looking ahead, INNOCEAN is committed to further strengthening its risk management system and establishing an integrated risk management framework that aligns with international standards

Risk Management Policy

INNOCEAN classifies risks into two main categories: financial and non-financial. The non-financial risks specifically encompass environment/safety, legal affairs, personal data protection, and greenwashing. To manage these risks comprehensively, we promote communication and collaboration among relevant departments. We take a proactive approach to risk management by monitoring each category closely and establishing policies and plans to adhere to applicable regulations and laws. Risk scenarios are developed for each category to mitigate potential impacts and damages. We rigorously maintain compliance with laws and regulations governing both financial and non-financial risks, and our monitoring efforts have revealed no violations.

Category	Category	Key Contents
Financial	Finance & Business	Review of financial stability including credit, interest rates, taxes, etc.
	Environment & Safety	Review of risks related to greenhouse gases and waste, etc.
		Review of risks due to fire/safety accidents, etc.
Non-financial	Legal	Review of risks related to compliance with laws and regulations
	Personal Information	Review of customer personal information leaks and data security accidents
	Greenwashing	Pre-inspection and monitoring of greenwashing risks for productions

02 Risk Management Activities

Establishing a Greenwashing Risk Management System

With the increasing focus on marketing, advertising, and promoting eco-friendly products and ESG management activities, concerns about "Greenwashing" risks have risen significantly.



*Greenwashing: The practice of misleading consumers by falsely advertising products or services as environmentally friendly or by exaggerating their environmental benefits through misleading advertisements or labels.

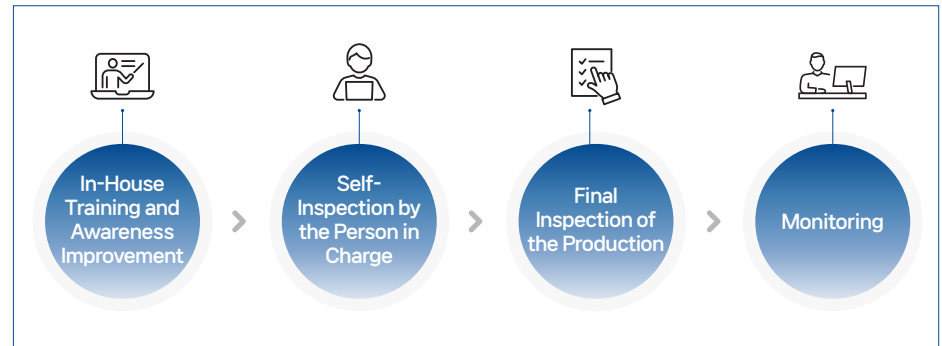
INNOCEAN has established a pre-inspection and monitoring system to mitigate greenwashing risks in our eco-friendly product advertisements and branding campaigns. This system ensures the accuracy and integrity of our environmental claims.

Principles to Greenwashing Prevention

INNOCEAN addresses greenwashing risks in advertising by adhering to the "8 Principles for Preventing Greenwashing" established by the Ministry of Environment and the Fair Trade Commission. These principles provide a framework for ensuring that our environmental claims are transparent, accurate, and credible, thereby fostering consumer trust and promoting genuine sustainability in our marketing practices.

Sincerity	Is it 100% true and not misleading? <ul style="list-style-type: none"> All eco-friendly advertising content displayed must be based on facts Must be accurate and not misleading/deceptive to consumers 	Spontaneity	Don't express the obvious as if it were a big deal. <ul style="list-style-type: none"> You must not display or advertise that you have voluntarily improved upon any of the matters that are required by law to be complied with.
Clarity of Expression	Is it displayed in a place where it can be easily confirmed? <ul style="list-style-type: none"> The position and size of the text and design must be accurate and clear There must be no possibility of consumer deception/misunderstanding due to omission/reduction of content 	Completeness of Information	Is it accessible to consumers too? <ul style="list-style-type: none"> Do not omit/withhold/reduce important information that is a purchasing factor. Information needs to be provided so that consumers can easily check it.
Specificity of the Target	Be specific about the target! (Entirety or Partial) <ul style="list-style-type: none"> It is necessary to clearly convey what the target of the display or advertisement is, such as the entire company, the entire product, or part of the product. 	Relevance	Does it really have anything to do with improving the environment? <ul style="list-style-type: none"> Improvements to environmental burden factors that are unlikely to occur are misleading.
Reciprocity	No exaggeration! Just the facts. <ul style="list-style-type: none"> Avoid exaggerating the fact that some improvements seem like improvements for the entire company Statistically specific evidence is required 	Verifiability	Is it possible to provide proof? <ul style="list-style-type: none"> Need to secure up-to-date, objective, and scientific evidence that can be reproduced

INNOCEAN's Pre-production Inspection Process



Self-Inspection Using a Checklist

When an eco-friendly labeled project is initiated, a greenwashing guidance email is automatically sent to the designated personnel. During the design phase, a self-checklist is completed to voluntarily evaluate potential risks. If no risks are identified after conducting self-checks and cross-checking with the client, production can commence. Additionally, legal reviews may be requested for professional advice if deemed necessary.

Enhancing Monitoring Efforts

We mitigate post-publication greenwashing risks by actively monitoring eco-friendly campaigns through our project management system. If any greenwashing issues arise after publication, we take immediate action in consultation with the client, and follow-up measures are swiftly enacted with the relevant departments. In 2023, we recorded no violations, actions, or lawsuits related to greenwashing.

Ongoing Employee Training and Guidance

INNOCEAN routinely distributes educational materials to enhance employee awareness and promote proactive participation in mitigating greenwashing risks. Additionally, we offer guidance to our subsidiaries to ensure company-wide compliance with greenwashing prevention initiatives.

Compliance and Ethical Management

Our Approach

INNOCEAN is committed to compliance and ethical management, aiming to establish transparent and ethical practices that embody our aspiration to be a leading global company. We have implemented and publicly declared the "Zero Tolerance Policy (Z.T.P.)," which establishes minimum standards for compliance and ethical behavior for all employees. This policy ensures that all business interactions with stakeholders are conducted transparently and fairly, thereby minimizing the risk of ethical issues. We consistently reinforce these principles to deeply embed them within our corporate culture.

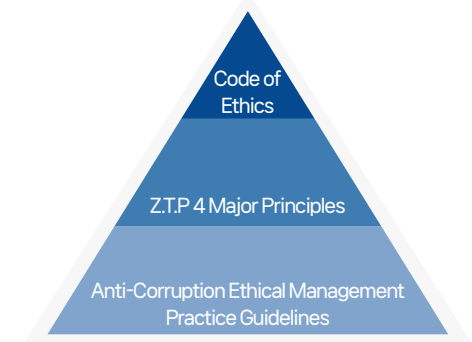
01 Ethical Management System

Ethical Management Policy and Guidelines

Ethical Management Guide

To promote compliance and ethical behavior among employees, INNOCEAN implements global anti-corruption and ethical management guidelines that are applicable both domestically and internationally. We actively engage in ethical management practices to rectify and reinforce corporate governance from an ethical standpoint, which enhances our competitiveness and fulfills our social responsibilities as a trusted entity among all stakeholders.

INNOCEAN's Compliance and Ethics Management Regulation System



Code of Ethics and Code of Practice

INNOCEAN has revised its Ethics Charter and Code of Practice to position itself as a trustworthy partner for a diverse range of stakeholders and to enhance customer value. These guidelines encompass compliance, ethical conduct, fair competition and transactions, the realization of customer value, respect for employees, and sustainability. They serve as a framework for INNOCEAN's executives and employees, guiding them in the practice of ethical management across all business relationships.

INNOCEAN 5 Ethics Charter

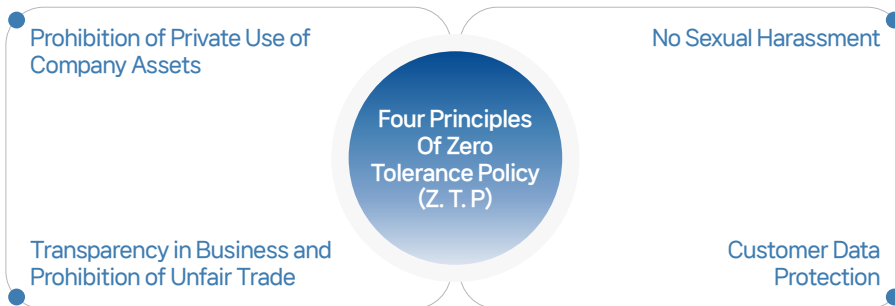
- ① Clear and Transparent Standards: We execute our duties with clear and transparent standards, fulfilling our responsibilities with sincerity and excellence.
- ② Fair Competition and Transactions: We engage in fair competition in the market and treat all contractual partners equitably.
- ③ Customer Value Realization: We provide safe products, outstanding services, and accurate information, while diligently safeguarding personal data.
- ④ Respect for Employees: We recognize each member as an independent individual, ensuring fair working conditions and a safe work environment.
- ⑤ Sustainable Development: As a global corporate citizen, we actively contribute to sustainable development, enabling various stakeholders to prosper together by fulfilling our social responsibilities.

UN SDGs



Four Core Principles of Zero Tolerance Policy (Z.T.P)

The Zero Tolerance Policy (Z.T.P) is an ethical management initiative that delineates four fundamental principles that all INNOCEAN employees must adhere to without exception. Any violations are met with strict accountability measures. This policy has been in effect since March 2010.



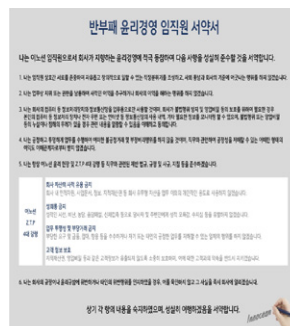
Anti-Corruption Regulations

INNOCEAN's Anti-Corruption Regulations, implemented in 2022, are designed to prevent corruption and unfair trade practices. These regulations encompass compliance measures, prohibited actions, anti-corruption activities, procedures for reporting violations, whistleblower protection, and sanctions. They offer comprehensive guidelines for establishing a robust anti-corruption management system within the company.

Fostering a Culture of Compliance and Ethics

To strengthen compliance and ethical awareness, INNOCEAN conducts ethics education programs for all employees. In 2023, 597 employees signed the anti-corruption ethics management pledge, underscoring our commitment to fostering a company-wide culture of compliance and ethics. As part of this commitment, we compile annual statements of interest from employees to ensure that no undue influence is exerted on stakeholders when engaging with external companies, particularly in relation to the "Business Transparency and Prohibition of Unfair Transactions" outlined in the Z.T.P principles.

*Scope of Interest: Relatives, Alumni, Region, Coworkers, Investment Relationships.



Ethics Management Training in 2023

- ✓ Conduct video training and provide educational card news for domestic/overseas employees
- ✓ Operate training courses for new employees

Category	Course Name	Target	Time of Training	Training Format		
Domestic	Newcomer Course	New Recruits	Upon joining the company	Face-to-face (+video)		
	Newcomer Course	New L2/L3/Team Leaders	Regular (at the relevant time)	Non-face-to-face (video)		
	Overseas Station Staff	New Overseas Dispatched Staff	Upon appointment	Face-to-face (+video)		
	Card News	Former Employees	Regular (quarterly)	Innopod bulletin board		
Overseas	Card News	Local Recruits	Regular (quarterly)	Employee email		
Category			Unit	2021	2022	2023
Ethics Training	Number of people who completed ethics training		People	691	674	711
	Participation rate in ethics training		%	91%	88%	94%



Video Training for Domestic Staff



Training for Overseas Assignment Candidates



Card News Education

Strengthening Ethical Commitment: Regularly and periodically collection of anti-corruption ethics management and stakeholder statements to reinforce the voluntary practice of ethics management.

Category	Contents of the request	Method	Timing of Request	Subject
Routine	• Ethics Practice Pledge • Description of Interests	Education Linkage	Upon joining the company	New hires
			At that point	New L2/L3/Team Leader/ Executive
		Pledge Collection At Once	1Q	All employees
Occasional	• Statement of Interest	Voluntary Reporting	When a reason arises	The relevant employees
Item			Number of People	Rate of Pledge Collection
Target Employees			876	-
Anti-Corruption Ethics Management Practice Pledge			597	68%

Compliance and Ethics Management Risk Management

To prevent and manage compliance and anti-corruption risks in business activities, INNOCEAN has incorporated key performance indicators (KPIs) for compliance and ethics into the existing KPIs for organizational leaders. This integration includes adherence to the Fair Trade Act, prevention of sexual harassment and bullying, and enhancement of awareness regarding disabilities. The company regularly evaluates these performance metrics, incorporating the results into personnel assessments to underscore the importance of proactive compliance and ethics management.

Details of the Organization Leader Evaluation Criteria

Performance Goal	Management Goal	Negative Factors
70 points	30 points	ESG and Compliance/Anti-corruption Policy Implementation

Operation of Reporting Channels

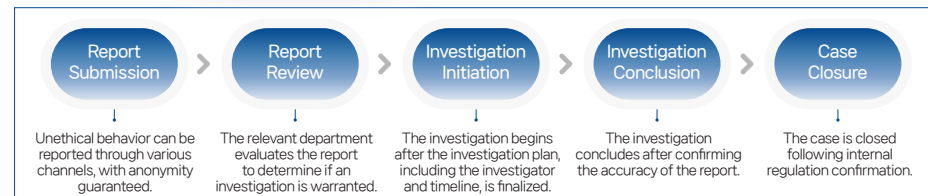
Compliance and Ethics Reporting Channel

To uphold compliance and ethical management, INNOCEAN operates an internal reporting system designed to facilitate efficient reporting and ensure the protection of whistleblowers by clearly outlining the reporting procedures and safeguards. Reports of unethical behavior, including misuse of company assets, sexual harassment, issues related to business transparency, unfair transactions, and violations of customer information protection, can be submitted through intranet and website channels. Each report is verified, and an investigation is initiated as necessary. Once a report is confirmed to be valid, appropriate sanctions and corrective actions are implemented immediately.

Website Reporting Channel and Monthly Guidance Internal Postings



Process of Reporting System for Compliance and Ethics Management



Cat.	2021	2022	2023
Report Status (Cases)	1	2	4
Consultation and Resolution Status (Cases)	1	2	4

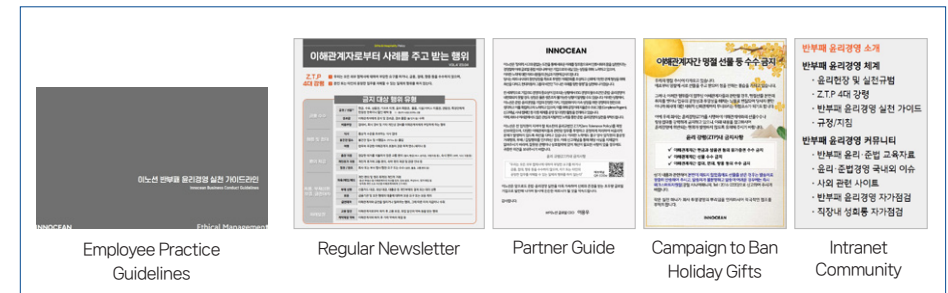
Department in Charge Corporate Innovation & Policy Team | e-mail clean@innoclean.com | Contact +82-2-2016-2221,2322

Reporter Protection Policy

Confidentiality The identity of reporters is kept confidential and is not disclosed or implied without their explicit consent.	Protection from Retaliation Reporters are safeguarded against any form of disadvantage or discrimination from business relationships or their department due to their reporting activities, statements, or submission of evidence.	Mitigation of Responsibility If a reporter discloses their involvement in irregularities or corruption, the matter will be handled with due consideration, potentially mitigating their responsibility.
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Compliance and Ethical Management Campaigns

INNOCEAN has established a robust internal system for compliance and ethical management through initiatives like the Fair Trade Voluntary Compliance Code. In May 2023, the Compliance Management Group was formed to address conflicts of interest and enhance the efficiency of compliance operations. This group actively promotes compliance and ethical management through ongoing campaigns, including the distribution of anti-corruption guidelines and the regular issuance of newsletters. We also engage with our partners by providing guidance letters to encourage their cooperation in adhering to INNOCEAN's standards. Additionally, an intranet community is available for employees, allowing them to access regulations, guides, educational materials, and trend information at any time, thereby fostering a culture of compliance and ethics throughout the organization.



Legal Compliance Officer

INNOCEAN appoints a Legal Compliance Officer via a board resolution. This officer, who is an expert in legal matters, is tasked with promoting compliance and mitigating risks by educating employees on key laws and regulations and providing guidance on legal compliance issues. The officer also monitors and analyzes quarterly changes in relevant laws, ensuring that business departments comply with these regulations.

Key Activities and Results of the Legal Compliance Officer

Timeline	Initiatives	Outcomes
On-going	Conduct compliance inspections on legal issues	Regular legal advice provided,
As-needed	Provide legal compliance education for employees	Education on four major legal risks for new employees
Quarterly	Analyze legislative trends	Analysis of 13 laws including the Personal Data Protection Act, and guidance provided to relevant departments

공정거래 자율준수 실천

INNOCEAN promotes a culture of voluntary compliance with fair trade by regularly collecting compliance pledges from employees and providing educational opportunities. In 2023, 95% of employees (830 out of 876) committed to adhering to fair trade principles. We engage in activities to mitigate legal violation risks through voluntary inspections, risk assessments, and the establishment of reporting channels for fair trade issues. By maintaining a system of sanctions and rewards for compliance, we ensure fairness and transparency, preventing future violations and recognizing employees who actively contribute to compliance efforts.

INNOCEAN's Fair Trade Voluntary Compliance Pledge

Commitment to Fair Trade Compliance: We acknowledge that voluntary compliance with fair trade practices enhances INNOCEAN's competitiveness, and we pledge to actively participate in the Fair Trade Voluntary Compliance Program (CP) to foster a fair competitive environment.

Prohibition of Unfair Support and Trade: We will not engage in, endorse, approve, or assist any illegal activities, including unfair support for affiliates or unfair trade practices against our partners.

Compliance with Subcontracting Laws: We commit to leading the establishment of order in subcontracting transactions by adhering to proper procedures for technical data requests, prohibiting misuse, and preventing unfair price reductions while striving to comply with all relevant laws.

Avoidance of Collusion: We will refrain from unnecessary contact, as well as direct, approve, or assist in meetings or information exchanges with competitors that could be perceived as collusion.

Reporting Violations: We will not direct, endorse, or assist in any violations of fair trade-related laws or company regulations, and we will promptly report any suspected violations.



Report in

876people

Submitted

830people
(95%)

Not Submitted

46people
(5%)

Fair Trade Voluntary Compliance Campaign

In 2023, INNOCEAN acknowledged and rewarded employees who made significant contributions to enhancing and promoting the Fair Trade Voluntary Compliance Program (CP) system, as well as those who demonstrated excellence in participating in CP campaign activities.



2023 CP Key Innocian (2 people), 2023 CP Campaign Activity Outstanding Participants (5 people) Awarded

Status of Fair Trade Voluntary Compliance Activities in 2023



Status of Fair Trade Education Operation in 2023

	Date	Category	Subject	Curriculum
1	Anytime	Introductory Training	New Hires	Fair Trade, Subcontracting Law Basics
2	Monthly	Common Training	Departmental	CEO Compliance Training
3	05/01~05/25	Professional Training	Cp Department in Charge	Ccp Compliance Expert
4	06/19~07/07	Common Training	All Employees	Corporate Management and Fair Trade
5	08/28~08/29	Professional Training	Cp Department in Charge	Esgp Management Expert
6	09/13~09/27	Common Training	All Employees	Basic Contents of Subcontracting Law
7	2024-10-18	Executive Training	Executive	Fair Trade Issue Training
8	12/07~12/16	Advanced Training	Customer Experience	Linkage System for Subcontracting Fees
9	12/13~12/24	Advanced Training	Middle Management	Advanced Contents of Subcontracting Law

Part 6.

APPENDIX

Financial Performance	084
Environmental Performance	086
Social Performance	087
Governance Performance	090
GRI Contents Index	091
Third Party Verification Statement	094
Greenhouse Gas Verification Statement	096
Member Associations and Organizations	096

01 Financial Performance

Consolidated Financial Statements

Financial Statements

Category	2021	2022	2023
Current Assets	1,738,451	1,800,347	2,006,089
Cash and Cash Equivalents	480,991	553,681	529,267
Trade Receivables and Other Current Receivables	936,741	953,370	1,168,573
Short-Term Financial Instruments	188,870	117,390	99,648
Other Current Financial Assets	14,717	32,687	24,672
Current Corporate Tax Assets	5,264	4,389	6,406
Other Current Assets	111,869	138,829	177,524
Non-current Assets	463,132	489,795	554,120
Long-Term Financial Instruments	290	8,326	4,304
Investments in Associates and Joint Ventures	5,654	6,623	7,432
Other Non-current Financial Assets	8,074	9,766	18,470
Tangible Assets	31,583	35,227	53,709
Right-Of-Use Assets	95,071	96,143	152,814
Intangible Assets	310,213	318,252	303,608
Net Defined Benefit Assets	2,236	7,865	3,277
Deferred Corporate Tax Assets	10,012	7,592	10,506
Total Assets	2,201,583	2,290,143	2,560,209
Current Liabilities	1,181,917	1,219,794	1,407,005
Trade Payables and Other Current Liabilities	1,015,836	1,036,020	1,193,342
Current Provisions	278	199	162
Short-Term Borrowings	2,338	2,792	3,703
Current Corporate Tax Liabilities	11,660	13,153	11,011
Other Current Liabilities	93,040	124,598	136,070
Other Financial Liabilities	58,765	43,033	62,717

(Unit : Mil. KRW)

Category	2021	2022	2023
Non-current Liabilities	184,904	196,382	215,736
Non-current Provisions	7,230	7,295	8,134
Long-Term Borrowings	-	225	439
Other Non-current Financial Liabilities	126,604	134,026	151,121
Long-Term Trade Payables and Other Non-current Liabilities	20	29	1,180
Net Defined Benefit Liabilities	-	-	3,429
Deferred Tax Liabilities	51,049	54,808	51,433
Total Liabilities	1,366,821	1,416,176	1,622,740
Capital Attributable to Owners of the Parent Company	820,053	849,645	910,830
Capital Stock	10,000	10,000	20,000
Other Paid-in Capital	132,426	132,426	122,315
Components of Equity	-33,713	-41,418	-36,438
Retained Earnings (Deficit)	711,339	748,636	804,954
Non-controlling Interests	14,710	24,322	26,638
Total Capital	834,763	873,967	937,469

01 Financial Performance

Consolidated Income Statement

Income Statement

(Unit : Mil. KRW)

Category	2021	2022	2023
Sales	1,502,034	1,750,408	2,092,893
Cost of Sales	833,435	985,288	1,243,198
Gross Profit	668,599	765,120	849,695
Selling and Administrative Expenses	532,867	628,228	699,677
Operating Profit (Loss)	135,732	136,892	150,018
Equity Method Investment Income and Loss	987	1,282	804
Financial Income	11,300	36,775	42,887
Financial Expenses	7,330	15,034	13,325
Other Income	2,100	3,583	2,784
Other Expenses	18,826	20,576	21,927
Net Income (Loss) Before Corporate Tax Expense	123,964	142,922	161,241
Income Tax Expense	36,820	53,185	44,524
Net Income (Loss) for the Current Period	87,144	89,737	116,717

Credit Rating

Credit Rating

(Unit : Mil. KRW)

Category	2021	2022	2023
Nice D&B	AAA	AAA	AAA

Distribution of Economic Value

Distribution of Economic Value

(Unit : Mil. KRW)

Category	2021	2022	2023
Employees	Salary*, Benefits, Training Expenses	90,179	98,600
Government	Corporation Tax Expenses	36,820	53,185
Community and NGOs	Total Social Contribution Investment	315	637
Shareholders	Dividend Payout Ratio	54.60%	60.90%

*New hires are paid at least 100% of the legal minimum wage.

Tax Information

Corporate Tax Expense Status (As of 2023)

(Unit : Mil. KRW)

Region	Sales	Profit	Corporate Tax Expense
Korea	664,943	27,895	13,994
Overseas	0	0	0

*Based on Head Office, Excluding Overseas Subsidiaries

02 Environmental Performance

Key Environmental Indicators

Category	Subcategories		Unit	2021	2022	2023	Remarks
Sales	Sales ¹⁾		MilKRW	444,963	487,631	664,943	
Raw Material	Disposable Cups		EA	160,000	69,000	105,000	None applicable. We manage and report the amount of consumables used in the workplace.
	Copy Paper		Pieces	1,006,583	616,861	607,048	
Energy	Direct Energy (Scope 1)	Gasoil	TJ	2.001	1.423	1.752	
		Diesel	TJ	0.256	0.297	0.219	
		Gas(LNG)	TJ	3.468	3.597	3.326	
	Indirect Energy (Scope 2)	Electricity	TJ	6.195	6.36	7.009	
		Eco-Friendly Vehicles	TJ	0	0	0.045	
	Total Energy Usage		TJ	11.920	11.678	12.349	
Greenhouse Gas	Direct Emissions (Scope 1)	Total Emissions	tCO ₂ e	328	298	302	
		Emissions in Won	tCO ₂ e/MilKRW	0.00073714	0.000611118	0.000454174	
	Indirect Emissions (Scope 2)	Total Emissions	tCO ₂ e	296	304	338	
		Emissions in Won	tCO ₂ e/MilKRW	0.000665224	0.000623422	0.000508314	
	Other Indirect Emissions (Scope 3)	Total Emissions	tCO ₂ e	549	567	1,076	
		Emissions in Won	tCO ₂ e/MilKRW	0.001233811	0.001162765	0.001618184	
Total Greenhouse Gas Emissions		tCO ₂ e	1,173.00	1,169.00	1,715.00		
Water	Water Usage ²⁾		m³	5,341	5,206	5,532	
	Usage per KRW		m³/MilKRW	0.012003	0.0106761	0.008320	
Waste	Total Emissions ³⁾		Ton	31.9	28.34	17.3	

(Accounting Scope: Business Place: Head Office) (Unit : Mil. KRW)

Category	Details	Unit	2021	2022	2023	Remarks
Environmental Spending	Environment Investment	Million Won	694	88	47	
	Environmental Cost	Million Won	7	45	10	
	Environmentally Friendly Vehicle	Million Won	10	10	51	
	Eco-Friendly Product	Million Won	43	43	51	
Environmental Education	Participants	People	301	350	344	
	Participation Rate	%	43	44	41	

¹⁾ Separate Sales Revenue²⁾ Only portable water usage is counted³⁾ The method of disposal after collection cannot be confirmed.

03 Social Performance

Key Social Indicators

Category	Subcategory	Unit	2021	2022	2023	Remarks
Status of domestic employees	Total Employee	Person	724	836	910	
	Gender					
	Male	Person	392	433	458	
	Female	Person	332	403	452	
Detailed status of executives and employees (Domestic)	Total Employee	Person	724	836	910	
	Gender					
	Male	Person	378	410	431	
	Contractual	Person	14	23	27	
	Female	Person	297	373	388	
	Contractual	Person	35	30	64	
	Employment type					
	Full-time	Person	675	783	819	
	Contract and dispatched workers	Person	49	53	91	
	By Age					
	Under 30	Person	38	60	75	
	Over 30 and under 50	Person	621	697	746	
	Over 50	Person	65	79	89	
	Disabled	Person	4	3	4	
	Interns	Person	3	0	0	
	High school graduates	Person	12	9	7	
	Foreigners	Person	8	10	12	
	Diversity ³⁾					
	Total Female Personnel	Person	332	403	452	
	Female workforce status ⁴⁾					
	Female Managers	Person	163	189	217	
	Total Managers	Person	451	497	553	
	Female Manager Ratio	%	36	38	39	
Status of overseas employees	Total number of people					
	Full-time	Person	2,370	2,401	2,546	
	Contractual	Person	211	211	157	
	Detailed status					
	Overseas dispatch	Person	38	45	48	
	Local recruitment	Person	2,581	2,612	2,703	
Employment	New hires					
	Head office	Person	295	307	227	
	Overseas corporation	Person	854	781	699	
	Gender					
	Male	Person	111	114	79	
	Overseas corporation	Person	406	333	333	
	Female	Person	185	192	146	
	Overseas corporation	Person	448	448	366	

Category	Subcategory	Unit	2021	2022	2023	Remarks
Turnover	Voluntary turnover of employees (Transfer to another company)					
	Head office	Person	99	89	63	
	Overseas corporation	Person	2	1	0	
	Gender					
	Male	Person	50	38	27	
	Female	Person	51	52	36	
	Average length of service	Year	4.9	4.7	4.3	Approximately 4 years and 11 months in 2021 Approximately 4 years and 9 months in 2022 Approximately 4 years and 4 months in 2023
Labor Union	Number of times labor-management councils are held	%	4	4	4	Matters decided through the labor-management council are applied equally to all employees.
Fair Compensation	Ratio of female to male salaries (base pay) ⁵⁾	%	100	100	100	
Communication between Executives and Employees	Employee grievance reception	Case	0	0	0	
	Employee grievance handling	Case	0	0	0	
Employee Education Status ⁶⁾	Total number of people subject to training	Person	656	764	801	
	Training hours per person	Hours	4.7	25.7	41.7	
	Training cost per person	10,000KRW	46	65	81	

³⁾ Number of employees as of the end of the year

⁴⁾ Senior manager level or higher

⁵⁾ Comparison of female salaries to male salaries as of the end of the year (Salary: Basic salary for new recruits)

⁶⁾ Human rights education reflects the actual number of people who completed it (including retirees and indirect personnel)

Category	Subcategory	Unit	2021	2022	2023	Remarks
Human rights education	Disability Awareness Improvement Training	Training hours	732	859	885	1 hour once a year
		Number of individuals who completed training	732	859	885	
	Industrial Safety and Health Training	Number of individuals who completed training	Not carried out	6 hours once per quarter ⁽³⁾ sessions in total)	6 hours once per quarter ⁽⁴⁾ sessions in total)	
		Number of individuals who completed training	0	2282	3131	
	Workplace Sexual Harassment Prevention Training	Number of individuals who completed training	732	870	885	1 hour once a year
		Number of individuals who completed training	732	870	885	
	Personal Information Protection Training	Number of individuals who completed training	732	784	885	1 hour once a year
		Number of individuals who completed training	732	784	885	
	Workplace Bullying Prevention Training	Number of individuals who completed training	732	776	885	1 hour once a year
		Number of individuals who completed training	732	776	885	
Percentage of employees who received regular performance evaluations (including organization leaders)	Total Number of Employees Subject to Performance Evaluation ⁽⁸⁾ (Total number of employees)	Female	292	373	387	Full-time employees as of the evaluation start date (11/1)
		Male	420	457	470	
	Number of employees who received performance evaluation ⁽⁸⁾ (Actual number of people who received evaluation)	Female	234	313	339	
		Male	380	432	437	
	Percentage of employees who received performance evaluation	Female	80%	84%	88%	Number of people evaluated/ Total number of employees
		Male	90%	95%	93%	Number of people evaluated/ Total number of employees

Category	Subcategory	Unit	2021	2022	2023	Remarks		
	Total annual benefits cost	Million Won	6,694	8,520	10,792	With reference to the K-ESG guidelines distributed by the Ministry of Trade, Industry and Energy, this was written based on the amount of welfare expenses of the entire headquarters excluding statutory welfare expenses.		
Average benefits cost per person		Won	9,245,768	10,190,945	11,859,099			
Welfare	Number of people using childcare leave	Number of employees on childcare leave	People	3	4	6	Number of employees who took childcare leave during the reporting period	
		Male	Number of employees who returned to work after childcare leave	People	1	2	5	
		Female	Number of employees who worked for more than 1 year after returning from childcare leave	People	1	1	1	
	Number of people using childcare leave	Number of employees on childcare leave	People	22	24	27		
		Male	Number of employees who returned to work after childcare leave	People	6	10	7	
		Female	Number of employees who worked for more than 1 year after returning from childcare leave	People	12	5	8	

⁽⁷⁾ Human Rights Education (Legally Required) - Number of Individuals Who Completed Training (Including Retirees and Indirect Personnel)

⁽⁸⁾ Number of Employees (Excluding Non-employees) Over a Specified Period

Category	Subcategory	Unit	2021	2022	2023	Remarks
Occupational safety and health management	Occupational Safety and Health Management Certification System Certification Scope Compliance	%	0	0	0	Acquired certification in the first half of 2024
	Number of workplace risk factors identified	cases	0	115	193	
	Risk factor improvement rate	%	0	100	100	
	Number of safety and health education implementations	cases	0	6	11	
	Number of safety and health education participants	name	0	2,653	3,247	
Industrial accident status	Total number of fatal accidents	Employees	cases	0	0	0
		In-house subcontractors and partners	cases	0	0	0
		Employees	cases	0	1	0
	Number of industrial accidents	In-house subcontractors and partners	%	0	0.13	0.24
		In-house subcontractors and partners	cases	0	0	2
Partner companies	Total number of partners	Companies	104	86	85	The number of companies managed by the partner pool. It is not related to actual transactions.
	Number of key partners	Companies	0	0	20	
	Amount of contribution to the mutual cooperation fund	million won	231	514	534	
Social contribution	Amount of social contribution investment	million won	376	696	767	
	Ratio of donations to sales	%	0.025%	0.040%	0.037%	
	Number of employees participating in volunteer activities	people	413	129	159	
	Total volunteer activity hours	hours	3,526	1,264	3,141	

Category	Subcategory	Unit	2021	2022	2023	Remarks
Information Security	Number of employees who completed information security training (employees)	people	732	784	885	
	Number of violations related to information security	people	0	0	0	
	Number of violations related to customer personal information	cases	0	0	0	
	Total fines/penalties/legal fines incurred due to violations related to information protection	won	0	0	0	
Political and Association Donations	Association donations	million won	84	68	136	
	Foundation donations	million won	231	514	534	
	Fundraising donations	million won	0	55	0	

04 Governance Performance

Key Governance Indicators

Category	Subcategory	Unit	2021	2022	2023	Remarks
Board Key Indicators	Board Diversity	Number of female directors (percentage)	People(%)	14.3	14.3	14.3
	Board Expertise	Number of directors with industry experience (percentage)	People(%)	3(42.9)	3(42.9)	3(42.9)
		Number of financial experts (percentage)	People(%)	1(14.3)	1(14.3)	1(14.3)
	Board Independence	Percentage of outside directors on the board	%	42.9	42.9	42.9
Board of Directors Operation Status	Number of meetings held		Cases	7	8	9
	Number of agenda items reported and voted on		Cases	17	21	26
	Number of opinions (ratio) per agenda item	Agree	Cases(%)	17(100)	21(100)	26(100)
		Disagree	Cases(%)	0(0)	0(0)	0(0)
		Amend	Cases(%)	0(0)	0(0)	0(0)
		Abstain	Cases(%)	0(0)	0(0)	0(0)
	ESG related agenda		Cases	0	1	4
	Board attendance rate		%	100	83.9	92.1
Compensation of the Board of Directors	Registered Director	Total compensation	Million Won	4,682	3,998	4,571
		Average compensation per person	Million Won	1,160	1,000	1,143
	Independent Directors (Excluding Audit Committee Members)	Total compensation	Million Won	177	178	191
		Average compensation per person	Million Won	58	59	64
	Audit Committee Member	Total compensation	Million Won	177	178	191
		Average compensation per person	Million Won	58	59	64

Category	Subcategory	Unit	2021	2022	2023	Remarks
Ethical Management	Ethics Report	Number of ethics reports	Cases	1	2	4
	Ethics Education	Number of individuals who completed the training.	Peoples	691	674	711
		Participation rate in ethics training	%	91	88	94
	Violation of Social Laws	Number of cases of violation of anti-monopoly and anti-competitive acts	Cases	0	0	0
		Fines and settlements for anti-monopoly and anti-competitive acts	Won	0	0	0

Based on reports received by the Management Innovation Team (0 HR-related reports) / Excluding direct reports to the group

05 GRI¹⁾ Contents Index

GRI Reporting Standards

Statement of Use	INNOCEAN reports its sustainable management content in accordance with the GRI Standard 2021 based on the period from January 1, 2023 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of December 2023, there is no applicable Sector Standard published through GRI for the Commercial services industry group to which INNOCEAN belongs.

	GRI 2 : General Disclosures	Pages in the Report	Remark
Organizational Profile and Reporting Practices	2-1 Organizational details	05,07	
	2-2 Entities included in the organizational sustainability report	002	
	2-3 Reporting basis, frequency, and contact information	002	
	2-4 Restatement of information	002	
	2-5 External assurance; third-party verification	095	
Activities and Employees	2-6 Business activities, value chain of the organization, and other business-related relationships	012-016	
	2-7 Employees with direct employment contracts	005,087	
	2-8 Workers who are not employees	087	
	2-9 Governance structure and composition	069	
Governance	2-10 Nomination and selection of members of the highest decision-making body	070-071	
	2-11 Chair of the highest decision-making body	070-071	
	2-12 Role of the highest decision-making body in impact management	069,072	
	2-13 Delegation of responsibility for impact management	069	
	2-14 Role of the highest decision-making body in sustainability reporting	069	
	2-15 Conflict of interest	070	
	2-16 Communication on significant issues	072	
	2-17 Comprehensive knowledge of the highest decision-making body	071	
	2-18 Performance evaluation of the highest decision-making body	071	
	2-19 Compensation policy	071	
	2-20 Compensation decision-making process	071	
	Ratio of annual total compensation (including salary and other bonuses)	071	

	GRI 2 : General Disclosures	Pages in the Report	Remark
Strategy, Policy, and Practices	2-22 Statement on Sustainable Growth Strategy	006	
	2-23 Policy Commitment	006	
	2-24 Integration of Policy Commitment	029,038,045,048,054,061,066,076	
	2-25 Mitigation Process in Case of Negative Impact	076-077	
	2-26 Advisory Mechanism for Responsible Business Conduct	072	
	2-27 Compliance with Laws and Regulations	076	
	2-28 Affiliated Associations	096	
	2-29 Approach to Stakeholder Engagement	022	
Stakeholder Engagement	2-30 Collective Bargaining and Collective Agreements	052	

	GRI 3 : General Disclosures	Pages in the Report	Remark
Material Topics	3-1 Process for Selecting Material Topics <Issues related to the most significant impacts the organization has on the economy, environment, society, particularly human rights.>	023-027	
	3-2 List of Material Topics	026	
	3-3 Management of Material Topics	027	

¹⁾ GRI : Global Reporting Initiative

Topic Standard(GRI 200, 300, 400)

Topic	Index	Contents	Page in Report	Remarks
GRI 201 : Economic performance				
Economic performance	201-1	Economic Value Generation and Distribution (EVG&D)	085	
GRI 202 : Market position				
Market position	202-1	The ratio of starting wages to the minimum wage in the area where the business is located	085	
GRI 203 : Indirect economic impacts				
Indirect financial impacts	203-1	Support for social infrastructure investment and services	066-067	
GRI 205 : Anti-corruption				
Anti-corruption	205-1	Assessing the risk of corruption in your workplace	079	
	205-2	Communicating and training on anti-corruption policies and procedures	079	
	205-3	Identified cases of corruption and actions taken	090	
GRI 206 : Anti-competitive practices				
Anti-competitive practices	206-1	Litigation related to violation of anti-competitive and anti-monopoly laws	090	
GRI 207 : Tax				
Tax	207-1	Approach to Tax	076	
	207-2	Tax Governance, Control and Risk Management	076	
GRI 301 : Raw materials				
Raw materials	301-1	Weight or volume of raw materials used	086	
GRI 302 : Energy				
Energy	302-1	Energy consumption within the organization	032,086	
	302-3	Energy intensity	032	
	302-4	Reducing energy consumption	033-035	
GRI 303 : Water and wastewater				
Water and wastewater	303-5	Water consumption	033,086	
GRI 304 : Biodiversity				
Biodiversity	304-3	Protected or restored habitats	036	
	304-4	IUCN Red List and list of nationally protected species living within areas affected by the organization's work	036	

Topic	Index	Contents	Page in Report	Remarks
GRI 305 : Emission				
Emission	305-1	Direct greenhouse gas emissions (Scope 1)	032,086	
	305-2	Indirect greenhouse gas emissions (Scope 2)	032,086	
	305-3	Other indirect greenhouse gas emissions (Scope 3)	032,086	
	305-4	Greenhouse gas emissions intensity	032,086	
GRI 306 : Waste				
Waste	306-3	Waste generation	033,086	
GRI 308 : Supplier Environmental Assessment				
Supplier Environmental Assessment	308-2	Negative environmental impacts of the supply chain and actions to address them	063	
GRI 401 : Employment				
Employment	401-1	New Recruitment and Job Change	087	
	401-3	Parental leave	053,088	
GRI 403 : Occupational Health and Safety				
Occupational Health and Safety	403-1	Workplace health and safety management system	039-043	
	403-2	Identification of hazards, risk assessment, accident investigation	044	
	403-4	Communication, advice and worker involvement related to workplace health and safety	039	
	403-5	Worker training related to occupational health and safety	043, 089-090	
	403-6	Promoting worker health	043	
	403-7	Preventing and mitigating workplace health and safety impacts directly related to business relationships	043	
	403-8	Workers subject to the workplace health and safety management system	040-043	
	403-9	Work-related injuries	043,089	
	403-10	Work-related illnesses	043	

Topic Standard(GRI 200, 300, 400)

Topic	Index	Contents	Page in Report	Remarks
GRI 404 : Training and Education				
Training and Education	404-1	Average training hours per employee	050	
	404-2	Employee capacity building and career transition support programs	050	
	404-3	Percentage of employees who receive regular performance and career development reviews	051, 087-088	
GRI 405 : Diversity and Equal Opportunity				
Diversity and Equal Opportunity	405-1	Diversity of governance structures and staff	070-071, 087-088	
	405-2	Base salary and compensation ratio of women to men	087	
GRI 406 : Anti-discrimination				
Anti-discrimination	406-1	Discrimination cases and corrective actions	046-047	
GRI 413 : Community				
Community	413-1	Businesses operating community engagement, impact assessment and development programs	067	
GRI 414 : Supplier Social Impact Assessment				
Supplier Social Impact Assessment	414-1	New suppliers who have undergone screening based on social criteria	063	
	414-2	Negative social impacts in the supply chain and countermeasures	063	
GRI 417 : Marketing and Labeling				
Marketing and Labeling	417-3	Violations related to marketing communications	077	
GRI 418 : Customer Personal Information				
Customer Personal Information	418-1	Substantiated complaints regarding breaches of customer privacy and loss of customer information	089	

06 Third Party Verification Statement

Dear stakeholders of INNOCEAN Co., Ltd.

The Korea Foundation for Quality has performed an independent verification of the "2023 INNOCEAN Sustainability Report" (hereinafter referred to as the "Report") at the request of INNOCEAN Co., Ltd. (hereinafter referred to as "INNOCEAN"). The Foundation is tasked with offering an independent third-party verification opinion on the Report based on the criteria and scope outlined below, while the responsibility for preparing the Report rests with INNOCEAN's management.

Verification Criteria and Scope

- Verification Criteria: Aa1000as (V3), aa1000ap (2018)
- Verification Type: Type 1 [Verification of the Reliability of the Four Principles of Accountability and Data Collection Methods]
- Verification Level: Moderate [Verification Based on Limited Data]
- Verification Boundary: INNOCEAN Headquarters
- Verification Scope: Compliance With the Four Principles of aa1000ap (Inclusivity, Materiality, Responsiveness, Impact) and Compliance With the Reporting Requirements of GRI Standards 2021

※ GRI Standards 2021 Reporting Requirements

- Universal Standards: Reports prepared in accordance with GRI Standards 2021 and comply with the following requirements

Requirements	Compliance	Requirements	Compliance
1. Reporting Principles	○	6. Description of reasons for non-reporting	○
2. General Disclosure	○	7. Disclosure of GRI Index	○
3. Selection of Major Issue Topics	○	8. Application of GRI Standards	○
4. Reporting of Major Issues	○	9. GRI notification	○
5. Reporting by Major Topic	○	-	-

- Topic Standards

Requirements	Compliance
Reporting by material topic according to GRI Topic Standards	<ul style="list-style-type: none"> • GRI 201: Creation and Distribution of Direct Economic Value • GRI 301: Raw Materials • GRI 305: Emissions • GRI 401: Employment • GRI 403: Occupational Health and Safety • GRI 404: Training and Education • GRI 405: Diversity and Equal Opportunity • GRI 406: Non-Discrimination • GRI 418: Customer Information Protection

Verification Method

The audit team examined the relevant procedures, systems, and controls, along with available performance data, to verify the accuracy of the report's content using the criteria mentioned above. The documents reviewed during the verification process are as follows.

- Non-financial Information: Data provided by INNOCEAN, consolidated periodic disclosure reports, and information gathered from media and internet research.
- Financial Information: INNOCEAN's financial statements and data disclosed in the Financial Supervisory Service's electronic disclosure system (dart.fss.or.kr), as well as information available on the website, are not included within the scope of verification.

The verification was carried out through written assessments, including on-site visits and interviews with the responsible individuals. The evaluation focused on the validity of the materiality assessment process, issue selection considering stakeholders, data collection and management, and report writing procedures. This evaluation was conducted through interviews with responsible personnel, although no interviews with external stakeholders were performed. It was subsequently confirmed that some errors, inappropriate information, and unclear expressions identified during these steps were properly addressed before the report's publication.

Competence and Independence

The audit team for this verification was properly organized in accordance with the internal regulations of the Korea Foundation for Quality. Aside from providing third-party verification services, the Korea Foundation for Quality has no conflicts of interest that could impede the independence and fairness of verification across the INNOCEAN business.

Findings and Verification Conclusions

As a result of the above verification activities, the audit team determined that the contents of this report were written in accordance with GRI Standards 2021 and that a reasonable basis was secured to prove the four principles of AA1000AP (2018) and the Type 1 assurance level of AA1000AS (v3). In addition, no significant errors or inappropriate matters related to compliance with the principles were found in the contents of this report.

Inclusivity

INNOCEAN defines six major stakeholder groups (shareholders and investors/analysts, customers/consumers, partners, government/NGOs, local communities, and employees) and operates communication channels that consider the characteristics of each group to identify key ESG issues of interest to stakeholders. The audit team was unable to find any major stakeholders who were left out during this process and was able to confirm that efforts are being made to ensure that the opinions of the identified stakeholders are appropriately reflected in management activities.

Materiality

INNOCEAN established a pool of 39 issues by analyzing media coverage, relevant laws and regulations, industry benchmarking, and global initiatives. Each issue's social and environmental significance was evaluated to select 9 key issues. During this process, a survey was conducted targeting executives, employees, and external stakeholders, with the priority of these key issues determined based on their financial significance. The review team confirmed that the identified key issues received appropriate emphasis in this report and that all major issues identified during the evaluation process were fully presented in the report without omission.

Responsiveness

INNOCEAN strives to respond in a timely manner to the needs and key concerns received from stakeholders. The review team found no evidence that the organization's response activities and performance on key issues were inadequately reported.

Impact

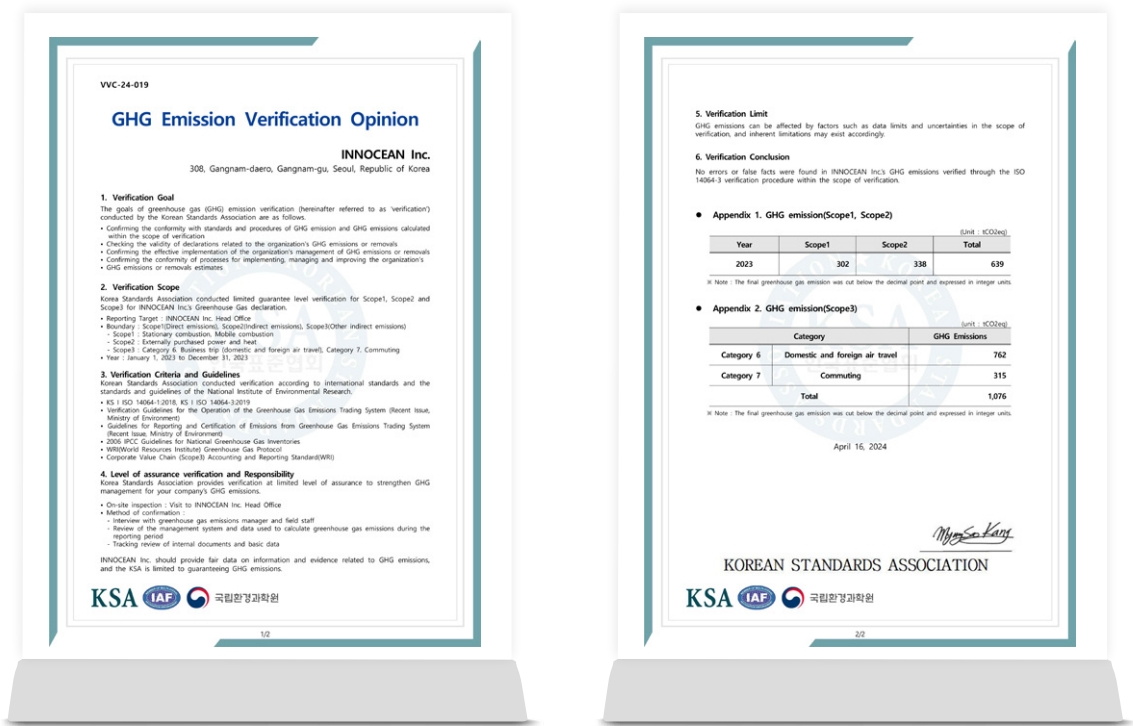
INNOCEAN identifies and monitors the impact of key issues related to stakeholders throughout its business activities and reports the content to the extent possible.

The audit team found no evidence that the impact related to key issues was inadequately measured or reported.

Recommendations for Improvement

- ▶ We anticipate INNOCEAN to broaden the reporting scope by generating, collecting, and managing ESG-related data from diverse perspectives, thereby effectively communicating INNOCEAN's ESG management performance to stakeholders.
- ▶ As the use of qualitative and quantitative ESG performance data in the Sustainability Report expands, we anticipate improvements in management standards for essential data and information through regular monitoring of the internal data management system.

07 Greenhouse Gas Verification Statement



08 Membership Associations and Organizations

Membership Association

Association name
Korea Advertising Industry Association
Korea Digital Advertising Association
Korea OOH Association

Those Who Helped Create the Report

Management & Administration Division

HR Management Team

HR Support Team

Work Smart Support Team

ICT Team

Finance & Accounting Management Division

Finance Team

Accounting Team

PM Team

Compliance Management Group

Corporate Innovation & Policy Team

Legal Affairs Team

Cooperative Partnership Team

Safety & Health Management Team

Corporate Strategy Division

Corporate Strategy Team 1

Corporate Strategy Team 2

Investor Relations Team

Domestic Brand Experience Unit

Customer Experience Department

Global Business Unit

Creative BU

New Business Development Division

INNO 21

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