

2024 National Pension Service **Sustainability Report**

Support the People with Sustainable Pension



About This Report

Interactive Guide

The 2024 National Pension Service Sustainability Report has been released as an interactive PDF, enabling users to navigate to relevant pages within the report quickly.

• Move to each section

[Overview](#)

[Our Approach to Sustainability](#)

[The Story of Our Sustainable Future](#)

[ESG Report](#)

[Appendix](#)

• Return to the previous page

• Move to the Contents page

Summary

The National Pension Service (NPS) is Korea's central institution for retirement income security. We publish a sustainability report annually to actively disclose and communicate our ESG (Environmental, Social, and Governance) management activities and performance to various stakeholders. This thirteenth Sustainability Report outlines the organization's ESG management strategies, core values, vision, and material topics through a double materiality assessment that measures financial, social, and environmental impacts.

Period and Scope

The report covers January 1, 2023, to December 31, 2023. It includes qualitative achievements from activities carried out in 2024. Three-year quantitative data is provided to show performance trends. The report focuses on the NPS's headquarters and regional headquarters.

Guidelines and Verification

This report has been prepared in compliance with international ESG management guidelines, including the Global Reporting Initiative (GRI) Standards (2021), UN SDGs, UNGC, and ISO26000 principles. The reporting standards and definitions for financial information follow the Korean International Financial Reporting Standards (K-IFRS). Additionally, to enhance the reliability and quality of the report's content, the Korean Foundation for Quality (KFQ), an expert verification service, has verified it. Detailed information on the verification results is included in the Appendix.

Contact Information

This report can be downloaded as a PDF file from the NPS website. Feel free to contact the following address for feedback or inquiries regarding the report and the NPS's ESG activities. We look forward to hearing diverse opinions from our stakeholders.

2024 NPS Sustainability Report

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Contents

Overview

CEO Message	8
Introduction to the NPS	10

Our Approach to Sustainability

NPS ESG at a Glance	13
Mid-to-Long-Term Management Strategy	14
ESG Management Strategy	15
NPS RI Milestones	16
Double Materiality Assessment	17
Stakeholder Engagement	19
Stakeholder Interviews	20
The NPS Business	22
Pension	22
A Compassionate Pension System For Everyone	23
Fund	24
Fostering People's Happiness by Improving Expertise in Fund Management	25

The Story of Our Sustainable Future

Story 1. The NPS, Safeguarding the People	27
Supporting Mutually Beneficial Pension Reform through Building Public Consensus	28
Leading a Sustainable Future through ESG Management Innovation	30
Leading the Way in Creating an ESG Ecosystem through Eco-friendly Management	32
Story 2. The NPS, Connecting Happiness Through Companionship	35
Protecting Public Safety and Enhancing Customer Convenience	36
Growing Together through Shared Values	38
The NPS Creating a Happy Workplace	43
Story 3. The NPS, Achieving Growth Through Fair and Transparent Operations	50
Practicing Transparent and Fair Ethical Management	51
Efforts to Enhance Compliance Management	52

ESG Report

Environmental	55
Social	58
Governance	68
Economic	72

Appendix

Risk Management	75
K-ESG Index	76
UNGC ADVANCED LEVEL	78
GRI Index	79
Third Party Assurance Statement	82
Awards and Memberships	84
Publication History	85

Happiness for Generations

Over the past 36 years, the National Pension has become one of the world's top three pension funds. Based on our accumulated expertise in running the system, we will take another step forward to make people's lives happier.

Ensuring a stable retirement for the people, trust built over time

22.04 million participants, 6.71 million beneficiaries (as of March 31, 2024), and 1,103.5 trillion KRW in funds (As of April 30, 2024). The NPS enhances the stability and welfare of the people by reinforcing the internalization of pension system operations, ensuring steady fund management revenue, and offering various welfare services.

Expanding investment opportunities for stable fund management

The diversification of global market economies presents challenges to stable fund management. We actively manage risks to maintain profitability, stability, and public trust in the face of global financial market volatility.

Diverse welfare initiatives, heartfelt innovation

Under our vision of a "leading global pension institution that adds happiness to generations through pension and welfare," we strive to ensure that no one is left behind and everyone can fully benefit from the social security system. To fulfill our social responsibilities, we will expand retirement preparation and welfare services for people with disabilities.

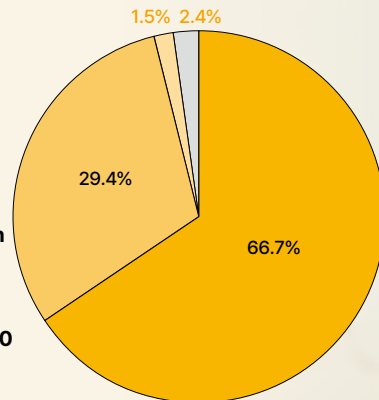
We Will Create a Strong Future Founded on the Trust of the People

Getting ready for retirement on your own can be more challenging than it seems. That’s why the state has set up a pension system for all citizens to plan for their future together. This National Pension system is a commitment between the state and the people, guaranteeing benefits for as long as the state exists. The NPS is designed to ease financial concerns in old age by promoting a positive view of pensions so that people can concentrate on their well-being.

Number of the National Pension participants (As of March 31, 2024)

22.04 million

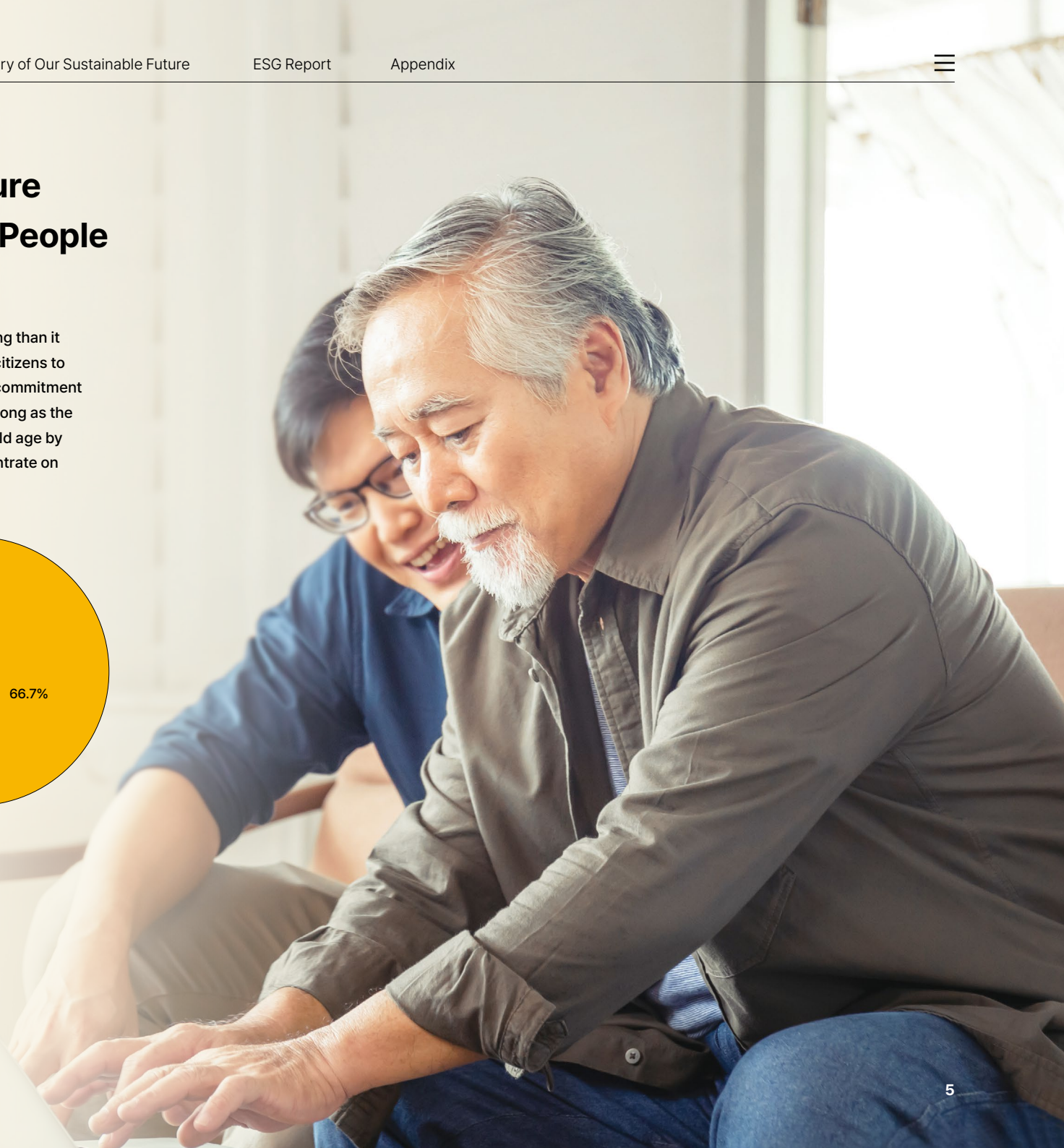
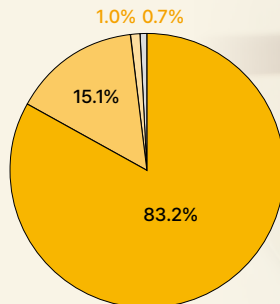
- Workplace based insured **14.71 million**
- Individually insured **6.48 million**
- Voluntarily insured **330,000**
- Voluntarily continued insured **520,000**



Number of beneficiaries (As of March 31, 2024)

6.71 million

- Old-age pension **5.58 million**
- Survivors pension **1.01 million**
- Disability pension **70,000**
- Lump-sum payment **50,000**



Professional Fund Management to Ensure People Can Rely on Us

The National Pension Fund is managed to maximize investment income, ensuring long-term financial stability to sustain pension benefit payments. The NPS prioritizes responsible investing by considering environmental, social, and governance factors to ensure long-term and stable returns. We will continue contributing to developing individuals, society, and the economy through efficient and professional fund management.

Fund reserves (as of the end of April 2024)

1,103.5 trillion KRW

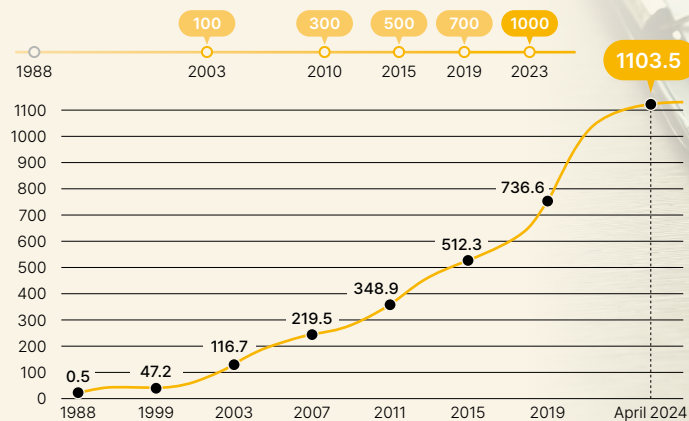
Investment income (1988 to end of April 2024)

639.7 trillion KRW

Average annual cumulative return (1988 to end of April 2024)

5.92%

Changes in reserves (As of end-April 2024, unit: 1 trillion KRW)



Overview



CEO Message ————— **8**

Introduction to the NPS ————— **10**

CEO Message

Dear Valued Stakeholders,

We appreciate your unwavering trust and support for the NPS.

Climate change, declining birth rates, an aging population, and growing uncertainty in the global economy pose severe challenges to our society's sustainability.

The NPS aims to improve the sustainability of the National Pension Fund by expanding pension rights and ensuring stable fund management to "create a mutually beneficial pension that brings happiness to all." Since 2021, we have been working towards creating a "society where both nature and people are happy together" by implementing an ESG management system and engaging in eco-friendly, responsible, and transparent management activities.

Highest Rating

In the shared growth evaluation

Qualified

As a foreign pension fund in the US

Highest Rating

In the safety management rating system for public institutions

1,000 Trillion KRW

In fund management reserves for the first time



CEO Message

The NPS will implement the following strategies to further our leadership and enhance the sustainability of our society.

We will become a reliable pillar for people's retirement through stable fund management.

By diversifying the asset portfolio domestically and internationally and diversifying investment targets and methods, we have achieved the highest return since establishing the National Pension Service Investment Management (NPSIM) in 2023. As a result, the National Pension Fund has surpassed 1,000 trillion KRW. We are committed to ensuring stable fund returns by further diversifying investment strategies, improving management infrastructure, securing talented professionals, and strengthening cooperation with domestic and overseas asset management institutions.

We will contribute to climate crisis response by practicing eco-friendly management.

In response to the climate crisis, we have set a goal of reducing greenhouse gas emissions by 50% by 2033 to achieve sustainable growth. We are actively working towards our carbon emission reduction targets. Additionally, we will maintain a paperless administration by expanding mobile notifications in our business processes and lead in eco-friendly management through daily practices such as the ecological transportation challenge and reducing the use of disposable products.

We will practice social responsibility and service innovation.

We have positioned ourselves as the foremost institution for shared growth by consistently promoting shared growth and regional win-win cooperation activities with medium and small businesses and contributing to solving local issues. Moreover, we are continuously innovating National Pension services to meet the needs of the people. This includes introducing digitally based next-generation information systems and expanding consultation services using AI (Chatbots, AI agents, Chat GPT). We are committed to fulfilling our role as a public institution that practices social responsibility and service innovation.

We will enhance integrity and transparent management.

We have created a specialized department to advance ethical management to the public's increased expectations. We are transparently sharing our management performance by actively disclosing key information and providing accurate reports, leading to an outstanding integrity rating for seven consecutive years. We are committed to enhancing public trust through integrity and transparent management practices.

We will enhance the sustainability of the pension system.

We aim to enhance retirement income security by addressing gaps in the National Pension System. This includes expanding contribution support for low-income participants and increasing enrollment of specially employed workers. We will also maintain open communication with the public, government, and the National Assembly to support pension reform that improves the sustainability of the National Pension System.

To our Respected Stakeholders,

The NPS employees will continue to lead in establishing a sustainable and trustworthy National Pension and striving to create a better environment and society through continuous innovation, internal and external communication, and cooperation. We ask for your unwavering faith and support.

Thank you.

김태권

Chairman & CEO of National Pension Service

Introduction to the NPS

The NPS was established in 1987 to provide pension benefits for aging, disability, and death, to stabilize people’s lives, and to promote their welfare. We contribute to people’s stability and welfare by efficiently operating the pension system, generating revenue through stable fund management, and offering various welfare services. We are committed to responding to environmental changes and ensuring stable fund management.

The NPS Overview

Name of Institution	National Pension Service
Head of Institution	Tae-Hyun Kim
Competent Authority	Ministry of Health and Welfare
Founded On	September 18, 1987
Basis of Establishment	Article 24, National Pension Act
Employees	7,430 (based on the T/O)
Headquarters	180, Giji-ro, Deokjin-gu, Jeonju-si, Jeollabuk-do
Organization	<ul style="list-style-type: none"> Headquarters (14 divisions and 5 centers) Specialized organizations (National Pension Service Investment Management, Compliance Officer, Digital Innovation Headquarters) Subordinate organizations (Regional offices (112), Center for International Pension Support, Disability Assessment Center, National Pension Research Institute)

Organizational structure

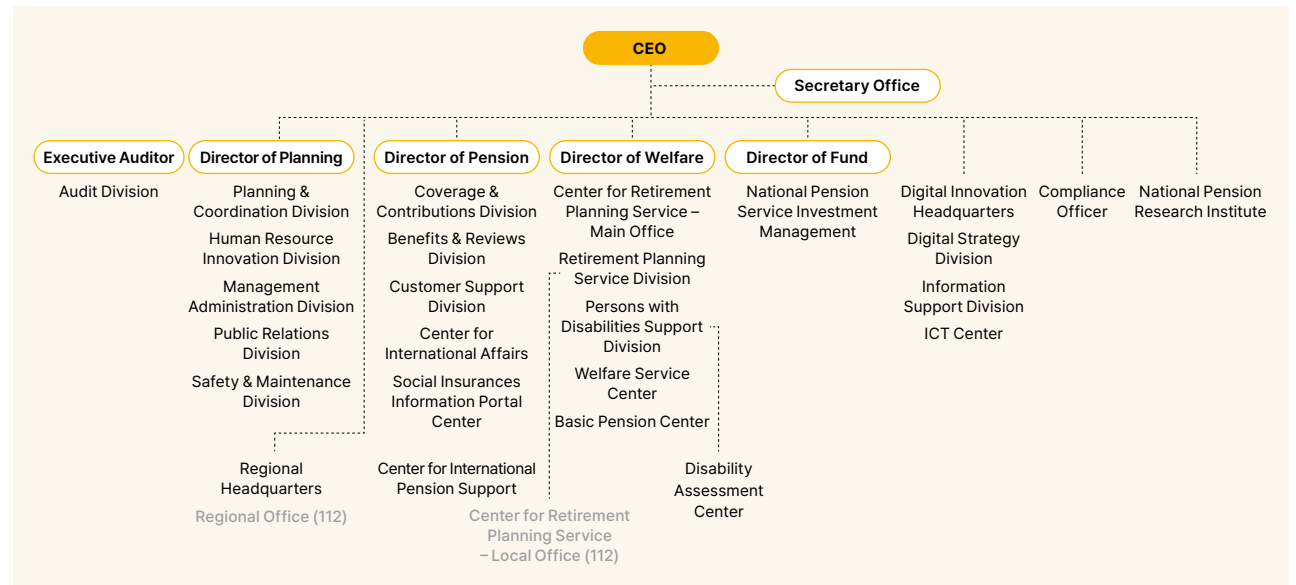
The NPS has organized its structure to align with government public institution policies and has maintained an ESG Management Committee since 2021. We are actively implementing company-wide sustainable management practices to internalize ESG principles.

Operations Overview

<p>Number of participants</p> <p>22.04 million persons <small>(As of March 31, 2024)</small></p>	<p>Number of beneficiaries</p> <p>6.71 million persons <small>(As of March 31, 2024)</small></p>	<p>Fund reserves</p> <p>1,103.5 trillion KRW <small>(As of April 30, 2024)</small></p>	<p>Investment income</p> <p>639.7 trillion KRW <small>(1988 to April 2024, cumulative)</small></p>	<p>Average cumulative return</p> <p>5.92% <small>(As of April 2024, since 1988)</small></p>	<p>Number of users of retirement preparation services</p> <p>6.18 million persons <small>(As of June 30, 2024)</small></p>
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Organizational Chart

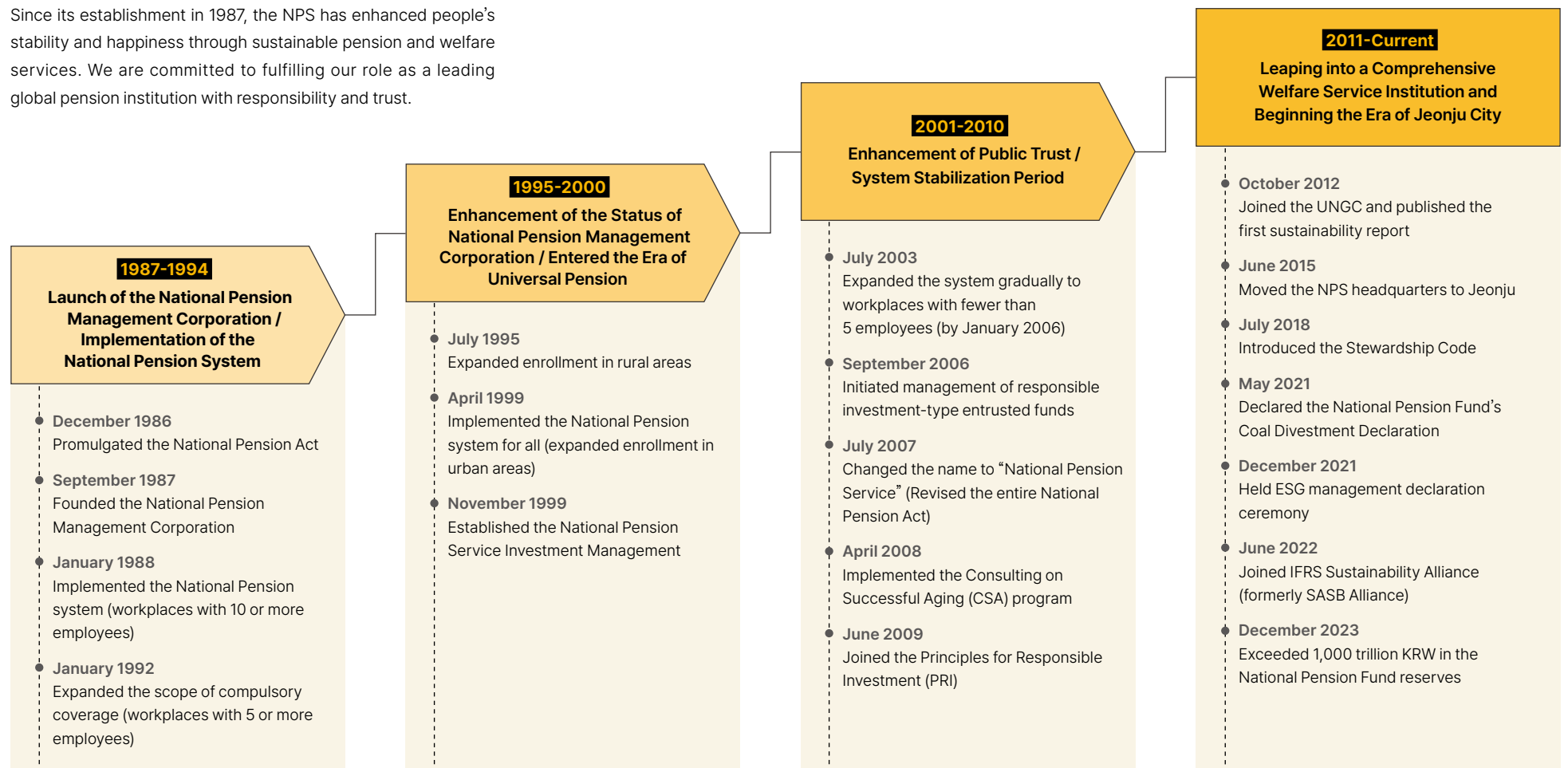
As of July 1, 2024



Introduction to the NPS

Our History

Since its establishment in 1987, the NPS has enhanced people's stability and happiness through sustainable pension and welfare services. We are committed to fulfilling our role as a leading global pension institution with responsibility and trust.



Our Approach to Sustainability




NPS ESG at a Glance	13
Mid-to-Long-Term Management Strategy	14
ESG Management Strategy	15
NPS RI Milestones	16
Double Materiality Assessment	17
Stakeholder Engagement	19
Stakeholder Interviews	20
The NPS Business	22
Pension	22
A Compassionate Pension System For Everyone	23
Fund	24
Fostering People's Happiness by Improving Expertise in Fund Management	25


NPS ESG at a Glance

The NPS actively engages in ESG management, aligning with the increasing global focus on ESG issues. To enhance expertise and diversity, we expanded the civilian membership of the ESG Management Committee and established the ESG MZ Committee for better communication with younger generations. We are dedicated to promoting our values and nurturing a sustainable environment and society through ESG management tailored to our unique characteristics.


Environment

+3.3%p
Achieved the greenhouse gas (GHG) reduction target (Exceeded the target by 3.3 pp) (41.1% in 2022 → 39.3% in 2023)



+6.5%
Achieved voluntary carbon reduction (Achieved 6.5% above target) (1,213 t in 2022 → 1,598 t in 2023)



+116%
Achieved particulate matter reduction (Exceeded the target by 116%) (383,724 µg/m³ in 2022 → 490,783 µg/m³ in 2023)



Grade 1
Acquired Building Energy Efficiency Certification by Human Resource Development Institute (Korea Research Institute of Eco-Environmental Architecture)

Social




Best Rating
Achieved the best rating in the shared growth evaluation for three consecutive years



Presidential Award
Awarded the Presidential Award for Excellence in Disaster Management of National Critical Infrastructure



Ministry of Employment and Labor
Recognized as a Work-Life Balance Campaign Enterprise by the Ministry of Employment and Labor




Minister's Award
Received the Minister of Health and Welfare Award for the Community Contribution Recognition System


Governance





Ranked 1st Overall
In the overall ESG management evaluation of public institutions (In collaboration with Electronic Times and Do ESG, an ESG evaluation agency)



Excellence Award
Won the Excellence Award at the Active Administration Best Practice Contest



Excellent
Selected as an excellent disclosure institution in the integrated public institution disclosure (2023)



MZ Committee
Established and operated the ESG MZ Committee

Mid-to-Long-Term Management Strategy

Vision and Management Goal

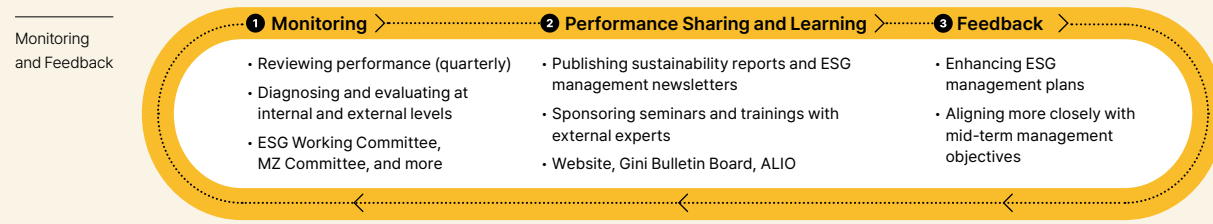
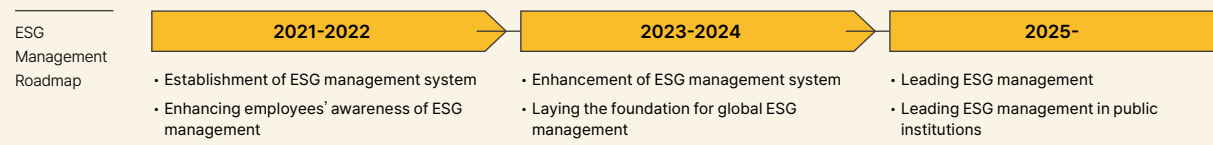
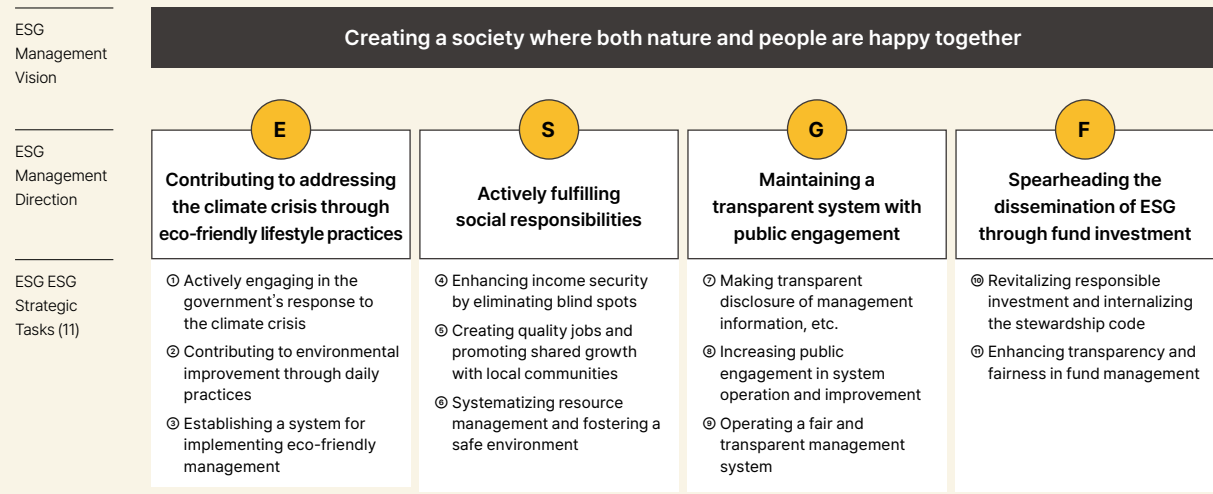
The NPS has developed a mid to long-term management strategy focused on sustainable growth. The core strategies include: “Realizing a mutually beneficial pension for all,” “Increasing income through improved fund management,” “Enhancing welfare services to elevate quality of life,” and “Boosting productivity and social responsibility through management innovation.”

We will enhance people’s lives by providing sustainable pension and welfare services, promoting stability and happiness, and ensuring sustainable growth.



ESG Management Strategy

The NPS has developed a management vision and strategic framework for ESG to guide sustainable management activities addressing climate change and social responsibilities. We have earnestly begun implementing ESG management and will continue to focus on promoting sustainable management.



* ESGF : E(Environment), S(Social), G(Governance), F(pension Fund)

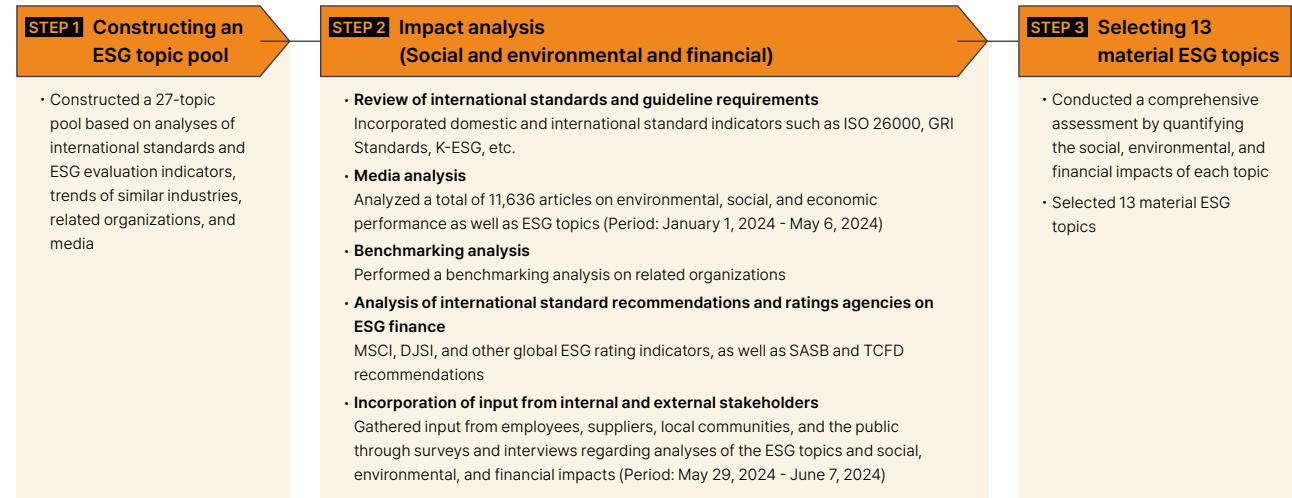
NPS RI Milestones

<p>2006</p> <ul style="list-style-type: none"> September 2006 – Operated externally managed responsible investment funds <p>2009</p> <ul style="list-style-type: none"> June 2009 – Joined Principles for Responsible Investment (PRI) <p>2015</p> <ul style="list-style-type: none"> June 2015 – Established measures for communicating with domestic companies on dividends December 2015 – Established an ESG evaluation system for domestic stocks <p>2016</p> <ul style="list-style-type: none"> April 2016 – Included provisions on responsible investment in the Fund Management Guidelines (Investment Policy Statement) December 2016 – Developed an ESG system for domestic stocks <p>2017</p> <ul style="list-style-type: none"> July 2017 – Developed an evaluation system for assessing ESG controversial issues related to domestic stocks September 2017 – Applied ESG considerations directly to domestic stocks 	<p>2018</p> <ul style="list-style-type: none"> July 2018 – Introduced the “Principles on the Trustee Responsibilities for the National Pension Fund (Stewardship Code)” – Established the “Guidelines on Trustee Responsibilities for the National Pension Fund” <p>2019</p> <ul style="list-style-type: none"> January 2019 – Established the “Guidelines for Trustee Responsibilities of Domestic Stocks” February 2019 – Determined the scope of disclosure before the general meeting of shareholders regarding the exercise of voting rights November 2019 – Developed the “Plan to Revitalize Responsible Investment of the National Pension Fund” and introduced responsible investment principles – Included sustainability principles in the Fund Management Guidelines December 2019 – Established the “Guidelines for Active Shareholder Activities in Domestic Stocks” <p>2020</p> <ul style="list-style-type: none"> July 2020 – Revised the “Guidelines for Trustee Responsibilities of Domestic Stocks for the National Pension Fund” September 2020 – Enhanced procedures and criteria for assessing materiality concerning unforeseen issues November 2020 – Established the “Guidelines for ESG-integrated Strategies for Domestic Stocks for the National Pension Fund” 	<p>2021</p> <ul style="list-style-type: none"> May 2021 – Adopted an Investment Restriction Strategy for the National Pension Fund June 2021 – Established guidelines for ESG-integrated strategies for direct management of domestic bonds December 2021 – Disclosed the “Guidelines for Responsible Investment of the National Pension Fund on the Composition and Operation of the Board of Directors and More” – Developed a plan to consider responsible investment factors when selecting and monitoring external managers for domestic and overseas stocks and bonds <p>2022</p> <ul style="list-style-type: none"> February 2022 – Revised the “Guidelines on Trustee Responsibilities” – Expanded the scope of voting rights for overseas stocks March 2022 – Implemented electronic voting to exercise the voting rights for domestic stocks June 2022 – Joined the IFRS Sustainability Alliance (formerly SASB Alliance) – Included the publication of responsible investment reports in the criteria for selecting brokerage firms <p>2023</p> <ul style="list-style-type: none"> March 2023 – Revised “Guidelines on Trustee Responsibilities for the National Pension Fund”: Introduced key management issues related to environmental and social concerns – Expanded scoring for responsible investment criteria in the evaluation of domestic stock trading securities firms April 2023 – Established guidelines for ESG-integrated strategies for overseas stocks and bonds
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Double Materiality Assessment

The NPS performed a thorough and transparent analysis using international indicators such as ISO26000 and GRI to identify critical ESG topics. We selected these material topics to understand the internal and external factors affecting ESG management, as well as the interests and influences of key stakeholders. Our analysis included international standards, media analyses, benchmarking analyses, and internal and external survey results. We conducted a materiality assessment for all 27 topics and identified 13 material ESG topics by considering financial and non-financial impacts. We collected input from various internal and external stakeholders. We then continued to manage these material topics and disclosed related plans, activities, and performance in our report.

Process of Double Materiality Assessment



Assessment Frame

Assessment Step	Step 1 Relevance Assessment Assessing whether various topics are relevant to the NPS	Step 2 Significance Assessment Assessing how important the relevant topics are to the NPS and its stakeholders
Assessment Criteria	<ul style="list-style-type: none"> Assessing relevance based on 5 analytics in the process Selecting relevant topics that meet specific criteria based on analysis results 	<ul style="list-style-type: none"> Quantitatively assessing the relevant topics by constructing a questionnaire with a 5-point scale Determining the averages of the respondents' answers to rank the topics Materiality Significance to stakeholders Materiality Significance to the NPS
ISO26000 Relevance Assessment Criteria	<p>ISO26000</p> <ul style="list-style-type: none"> Trend Impacts on the organization Impact Impacts on stakeholders and sustainable development 	<p>ISO26000</p> <ul style="list-style-type: none"> Stakeholders' interest, social expectations Degree of impacts, potential effects
		<p>GRI reviews</p> <ul style="list-style-type: none"> Likelihood, severity, opportunities and risks, and long-term performance Financial implications and impacts on strategies and competitive advantages

Double Materiality Assessment

13 Sustainable Management Material Topics

● High ◐ Mid ○ Low

Dimension	Material Topic	Stakeholder						Impact		Page in the report	Impact
		Employee	Customer	Community	Academia · Expert	Government	Partner	Social · Environmental	Financial		
E	Addressing climate change and achieving carbon neutrality	●	◐	◐	○	◐	◐	◐	●	32-34, 55-57	Aligned with Strategic Task E-①
	Strengthening the foundation of eco-friendly management	●	◐	◐	○	○	○	○	●	32-34	Aligned with Strategic Task E-②
	Installing and increasing the use of renewable energy technologies	◐	◐	◐	○	○	○	○	◐	33	Aligned with Strategic Task E-③
S	Enhancing pension security to improve people's quality of life	●	●	◐	○	●	●	●	●	28-29	Aligned with Strategic Task S-①
	Fair recruitment and fair compensation	●	◐	◐	○	◐	◐	◐	●	44, 61	Aligned with Strategic Task S-②
	Reinforcing privacy protection and management	●	●	◐	○	◐	◐	◐	●	36, 67	Aligned with Strategic Task S-③
	Professionalizing fund management	●	◐	◐	◐	●	●	◐	●	24-25	Aligned with Strategic Task S-④
G	Establishing a plan for a sustainable pension system	●	●	◐	○	◐	◐	◐	●	22-23	Aligned with Strategic Task G-①
	Preventing unfair behavior and corruption through enhanced internal control systems	●	●	●	○	◐	◐	●	●	52	Aligned with Strategic Task G-②
	Enhancing public trust through the cultivation of an integrity-based organizational culture	●	◐	●	◐	◐	◐	◐	●	52	Aligned with Strategic Task G-③
	Adhering to ethical management and compliance	●	◐	◐	○	◐	◐	◐	●	51-52, 71	Aligned with Strategic Task G-④
F	Sustainable fund management	●	◐	◐	○	●	●	●	●	24-25, 30-31	Aligned with Strategic Task F-①
	Expanding global investments	●	◐	◐	○	◐	◐	◐	●	38	Aligned with Strategic Task F-②

Stakeholder Engagement

Communication Goal

**Enhancing communication and engagement with diverse public and stakeholders and
Expanding communication tailored to young people's perspectives**

Stakeholder Communication

The NPS engages with different stakeholders to integrate sustainable management. These efforts helped us identify the key requirements of stakeholders for important tasks and enhance service and satisfaction. We aim to achieve sustainable development by fulfilling a responsible role that considers environmental changes.

Stakeholder	Key Issue	Key Communication Channel	Achievements in Communication
 Employee	<ul style="list-style-type: none"> Members 	<ul style="list-style-type: none"> The NPS Youth Forum On-site management by executives, Insight Academy Labor-Management Council 	<ul style="list-style-type: none"> Enhanced communication with Gen Z and Millennial members Internalized value systems and disseminated management policies Established directions for improving HR systems through labor-management agreements
 Citizen	<ul style="list-style-type: none"> Delivering accurate pension information and promoting discussions on pension reform Increasing participation among young people Protecting rights and improving services 	<ul style="list-style-type: none"> Mass media, the NPS website, offline briefings, Youth FGI "National Pension On Air," online channels like Instagram and YouTube Public suggestions, National Pension Advisory Group, VOC 	<ul style="list-style-type: none"> Improved positive perceptions of the National Pension system and pension reform Increased subscribers to online channels (720,000 in 2022 → 810,000 in 2023) Improved the National Pension system by incorporating public feedback
 Community	<ul style="list-style-type: none"> Addressing local issues through direct communication with residents Sharing local issues and identifying new agendas 	<ul style="list-style-type: none"> Resident meetings, local issue resolution platform Jeonbuk ESG Network Council 	<ul style="list-style-type: none"> Launched youth entrepreneurship support programs Supported the elimination of healthcare service gaps in areas like home medical care
 Academia · Expert	<ul style="list-style-type: none"> Sharing and discussing system and fund issues 	<ul style="list-style-type: none"> Seminars, expert forums, conferences, public hearings on financial calculations Establishment of "Governance Improvement Advisory Committee" (since September 2023) 	<ul style="list-style-type: none"> Promoted academic and expert discussions on financial calculations and pension reform Revitalized discussions and consultations to enhance the value of investment companies
 Government	<ul style="list-style-type: none"> Expanding policy consultation and cooperation 	<ul style="list-style-type: none"> Pension Reform Support TF, Pension Reform Communication Council, etc. System Improvement Task Force 	<ul style="list-style-type: none"> Sought public communication strategies for cooperative pension reform Improved the pension system by incorporating public feedback
 Partner	<ul style="list-style-type: none"> Shared growth with partner companies 	<ul style="list-style-type: none"> Human rights education for employees of partner companies Operation of the Corporate Growth Response Center and meetings with partner companies 	<ul style="list-style-type: none"> Supported ESG management activities of partner companies Addressed grievances by considering partner companies' feedback

Stakeholder Interviews



Employee

Ji-Young Kim, Deputy Director Safety & Health Dept.

It is essential to implement policies that address the social responsibility of public institutions

As a sustainable pension and welfare service provider, the NPS also leads in eco-friendly management. In 2023, we spearheaded the “Global 6K” campaign with World Vision to raise awareness about environmental changes and the climate crisis in local communities. This campaign successfully shed light on the seriousness of these issues. In the future, we should continue to participate in environmental conservation campaigns within local communities and improve eco-friendly practices within the organization. As interest in sustainable management grows, we hope that our eco-friendly initiatives will receive more support as policy and lead to positive outcomes.



Employee

Hak-Geon Kim, Deputy Director Labor Relations Dept.

I wish the NPS would strive for labor-management relations based on trust and respect

Public institutions have a social responsibility to establish fair and reasonable labor-management relations that comply with laws and principles. However, it can be challenging to promote agreements that reflect each institution’s unique characteristics. To address this, the NPS actively resolves issues between labor and management through one-on-one meetings, CEO site visits, labor-management councils, and joint workshops. We aim to enhance the quality of labor-management relations and contribute to the public interest and community development.



UN Environment Programme Finance Initiative

Dae-Woong Im, CEO ESG Management Expert

ESG practices must align with global trends

As climate change accelerates, economic uncertainty grows, and various risks emerge, public expectations and social demands on public institutions are increasing. The NPS must address these changes by engaging with diverse stakeholders. As one of the world’s top three pension funds, the NPS should lead the global advancement of ESG by strengthening investments that prioritize ESG factors and participating in global initiatives to stay in step with international trends. Sustainable development is a shared mission for humanity, and the NPS will view this mission as an opportunity to establish an ESG management culture that leads global trends.

Stakeholder Interviews

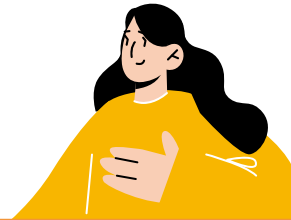


WHO'S GOOD

Deok-Chan Yoon, CEO ESG Management Expert

I hope the NPS continues to strengthen its ESG management policies

The NPS is proactively setting and managing key ESG indicators in response to the growing societal demand for sustainable management. These efforts positively impact data management and utilization in the medium to long term and are crucial for meeting the newly mandated ESG disclosure requirements. As a responsible pension fund investor, the NPS aligns with global ESG management trends. I look forward to seeing the NPS maintain its leadership as a transition investor by implementing its carbon neutrality goals through government policy. I hope that the NPS will continue to refine its policies to advance ESG management activities and sustain its status as one of the world's top three pension funds.



Kinder Schule Education Foundation

Yeo-Reum Lee, President Partner Company

We wish the NPS to be an organization that earns the public's trust

We manage daycare centers to support the NPS employees' work-life balance and welfare. The NPS is committed to enhancing income security, creating quality jobs, fostering mutually beneficial community partnerships, and implementing systematic resource management and safety measures. Through these efforts, the NPS will become a more trusted institution, fostering an environment of shared growth with partners and actively implementing related projects while maintaining a transparent system that meets public expectations.



JeonBuk State Council Sustainable Development

Seong-Ryul Hong, General Manager Community


We anticipate enhanced community engagement and educational programs for future generations from the NPS.

The institution has received positive feedback for enhancing ESG management, especially in environmental protection, social inclusion, and transparent governance. Additionally, the NPS is actively involved in social contribution activities that support local community development through communication and collaboration with local stakeholders. To maintain these positive evaluations, the NPS should effectively communicate its ESG projects and their benefits to raise awareness among residents. It is also essential for the NPS to establish mid- to long-term plans to ensure the sustainability of its social contribution activities beyond short-term initiatives. By supporting education and human resource development, the NPS can empower future generations. We look forward to the NPS continuing to be an institution that achieves sustainable development with the trust and support of the local community.


The NPS Business | Pension

The National Pension is a public pension system that starts when citizens turn 18. It requires contributions throughout their lives, and when earned income decreases, the state provides monthly pension payments, contributing to the stability and welfare of the citizens.

The NPS provides various consumer-oriented public services through the National Pension System.




Number of participants
22.04 million
(As of March 31, 2024)




Number of beneficiaries
6.71 million
(As of March 31, 2024)


Welfare services



Counseling services

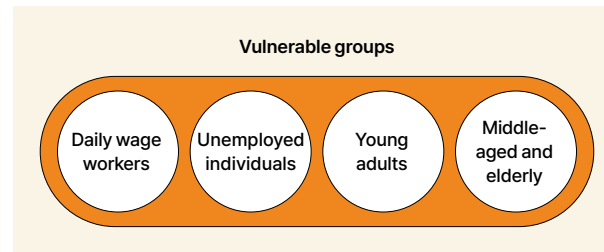


Education services

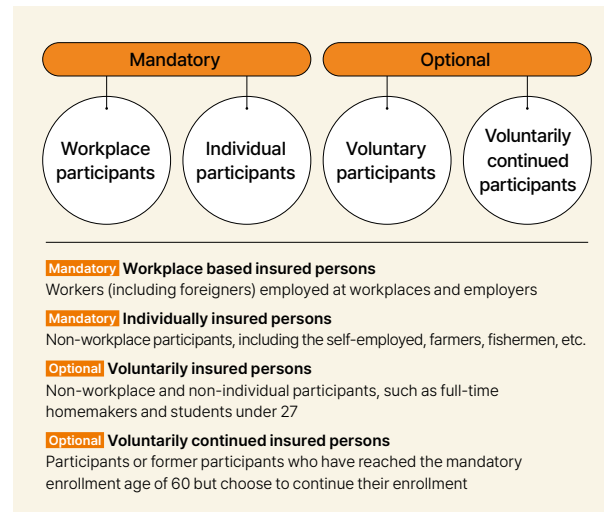


Welfare services for people with disabilities

The NPS is committed to helping vulnerable groups access the pension system to close enrollment gaps.




The National Pension scheme broadens coverage by categorizing participants into workplace, individual, voluntary, and voluntarily continued segments.



The National Pension is a government-administered social security system representing a contract between the state and the people, guaranteeing benefits as long as the state exists. To ease the burden on future generations, strengthen old-age income security, and improve sustainability, we develop comprehensive plans and establish specialized committees for financial accuracy. We are committed to reaching out to all generations with hope and compassion.

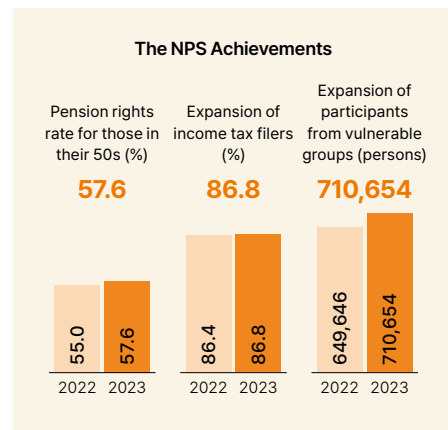
“I Will Share More Love and Hope”



The NPS Business | A Compassionate Pension System for Everyone

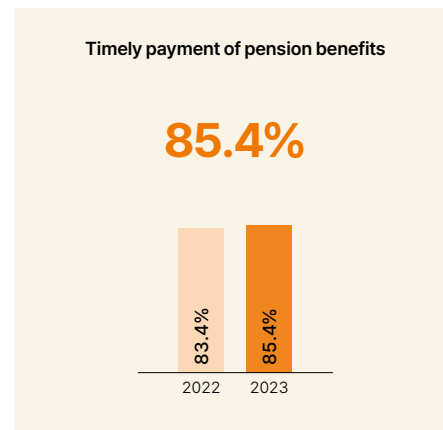
National Pension coverage for everyone: Increasing enrollment among vulnerable groups

We aim to increase pension rights holders by actively encouraging enrollment among vulnerable groups, ensuring no one is left behind. Enrolling vulnerable groups, such as daily wage workers, enhances financial security. Tailored guidance for young, middle-aged, and elderly individuals helps them enroll at the appropriate times. We are committed to improving survey accuracy by linking them to public data to ensure a stable retirement for all.



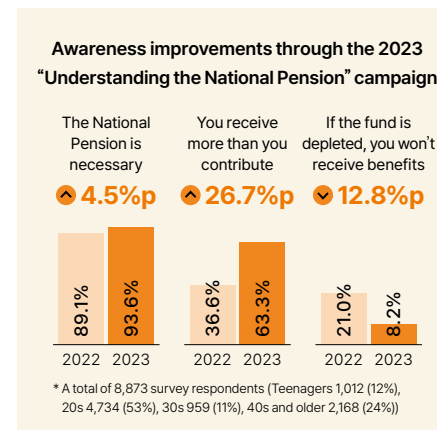
Enhanced public trust through timely and accurate pension benefit payments

Timely benefit payment is one of our top priorities as it ensures a stable financial flow for retirement preparation and positively impacts the national economy. We have improved the pension payment system to ensure accurate payments and enhanced public trust through better pension information services. We will continue to improve public convenience by expanding widely used channels.



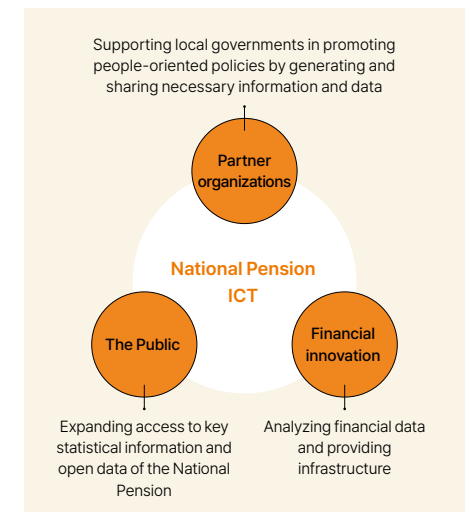
Pension reform for future generations

Given Korea's rapidly aging population and declining birthrate, the social cost of supporting the older generation is rising. To reduce the burden on future generations, the NPS has implemented measures to stabilize its finances and advocates for pension system reform to ensure secure retirement. Recognizing the importance of public discourse, we will use various platforms to explain the National Pension system and its reforms. We are dedicated to soliciting public opinions and establishing a social consensus on pension reform.



World-class service through an ICT-based National Pension system

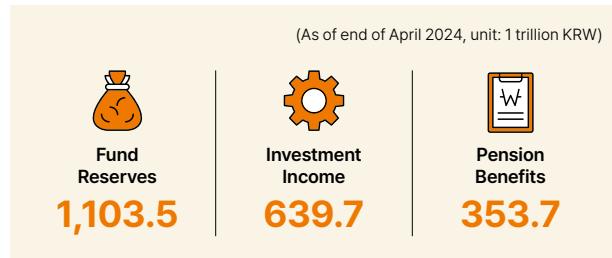
The National Pension Information System operates 24/7. Since 1988, we have built the first online computer network in the public sector, making significant changes to the pension system and managing new welfare tasks. Through continuous development and innovation, the system has become a pillar of the National Pension System. We plan to create an intelligent pension welfare integration platform and transform ourselves into a "digital National Pension Service" by integrating big data and AI.



The NPS Business | Fund

The National Pension Act established the National Pension Fund as a “reserve fund” to secure financial resources for the National Pension program and cover benefit payments. Created in November 1999, the NPSIM addresses the changing investment environment and manages the fund efficiently. The fund is financed by contributions and investment income. We generate revenue by investing in various financial instruments.

The National Pension Fund comprises the remaining amount after subtracting pension benefit payments and administrative expenses from the contributions and investment income of the fund reserves.



We strictly adhere to fund management principles.

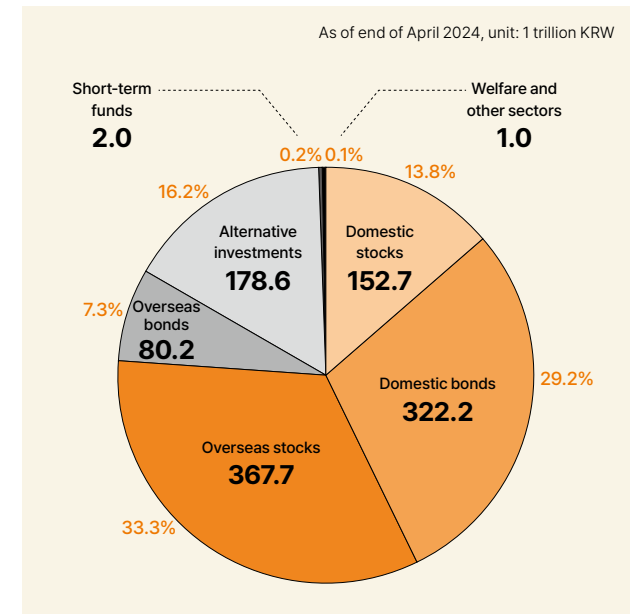
The National Pension Fund Management Committee oversees the management and investment of the National Pension Fund, deliberating and making significant decisions regarding fund management as required by the National Pension Act. The committee communicates fund management principles and significant policies through fund management guidelines to internal and external stakeholders.

National Pension Fund Management Principles

- Profitability** We must pursue maximum profit to ease the burden on members, especially future generations.
- Stability** We must manage invested assets to keep overall return volatility and risk of loss within an acceptable range.
- Public Interest** Since the National Pension system covers the entire population, the accumulated fund constitutes a significant portion of the national economy. Therefore, we must manage it with consideration of its ripple effects on the national economy and domestic financial markets.
- Liquidity** We must ensure smooth payment of pension benefits and minimizing the impact on the domestic financial market especially when disposing of investment assets.
- Sustainability** We must manage assets in good faith by considering environmental, social, and governance factors to enhance sustainability.
- Management Independence** We must ensure fund management follows the above principles and not compromise them for other purposes.

First 1,000 trillion KRW in fund management reserves!

The NPSIM seeks professionals with diverse experience in financial investment, including market analysis, product investment, and risk management, to navigate domestic and international investment environments effectively. We aim to enhance long-term investment returns.



In 2023, we faced challenges due to global economic uncertainty. However, the NPS managed to lessen the downturn’s impact by implementing a comprehensive overseas investment plan to expand investments abroad, revitalize alternative investments, introduce a reference portfolio, and set long-term goals. These efforts resulted in a 13.59% return. We will continue to aim for higher returns by segmenting investment strategies by asset class and enhancing proactive and systematic risk management.

“We Invest Today for People’s Better Tomorrow”

The NPS Business | Fostering People’s Happiness by Improving Expertise in Fund Management

Generating returns through stable fund management

The NPS aims to diversify investments beyond domestic markets to maintain stable returns. We strive to remain one of the world’s top three pension funds by investing in overseas landmark real estate and blue-chip infrastructure. We will enhance profitability and safety by networking with overseas pension funds, monitoring international markets, and discovering new investment opportunities.

Leading ESG-centered responsible investments

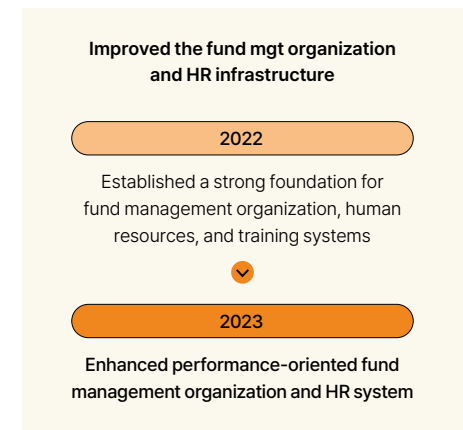
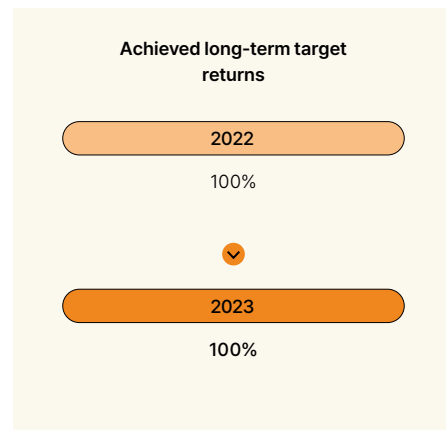
The NPS, as a responsible institutional investor entrusted with the public’s retirement security, is committed to strengthening responsible investment practices by considering non-financial factors in its fund management and operations. We continuously expand the scope of these responsible investment practices. Through trustee responsibility policies, activities, and investment status and plans, we aim to foster an environment where responsible investments and shareholder rights can flourish. We will continue to improve our ESG strategy and capabilities.

Proactively enhancing systematic risk management

Due to increased overseas and alternative investments, we have upgraded our credit risk management system and improved the risk management of alternative investments. We focus on risk management related to asset management policies and overseas investments. Additionally, we aim to enhance transparency and fairness by establishing an internal control system for fund management and conducting compliance checks.

Enhancing the fund management infrastructure

We are committed to improving our fund management infrastructure to enhance global competitiveness. We strengthen our overseas investment capabilities by actively recruiting top management talent and reorganizing and expanding global training. We will continue supporting complex and diverse fund operations through a robust fund management system.



The Story of Our Sustainable Future

Story 1. The NPS, Safeguarding the People ————— **27**

- Supporting Mutually Beneficial Pension Reform through Building Public Consensus ————— 28
- Leading a Sustainable Future through ESG Management Innovation ————— 30
- Leading the Way in Creating an ESG Ecosystem through Eco-friendly Management ————— 32

Story 2. The NPS, Connecting Happiness Through Companionship ————— **35**

- Protecting Public Safety and Enhancing Customer Convenience ————— 36
- Growing Together through Shared Values ————— 38
- The NPS Creating a Happy Workplace ————— 43

Story 3. The NPS, Achieving Growth Through Fair and Transparent Operations ————— **50**

- Practicing Transparent and Fair Ethical Management ————— 51
- Efforts to Enhance Compliance Management ————— 52

Story 1

The NPS, Safeguarding the People

Sustainable investment is a crucial NPS strategy dedicated to people's well-being. Expanding green infrastructure is particularly vital for building a more eco-friendly future. We are leading the initiative to secure a stable retirement for the public while actively working to develop a robust ESG ecosystem.

- [Supporting Mutually Beneficial Pension Reform through Building Public Consensus](#)
- [Leading a Sustainable Future through ESG Management Innovation](#)
- [Leading the Way in Creating an ESG Ecosystem through Eco-friendly Management](#)

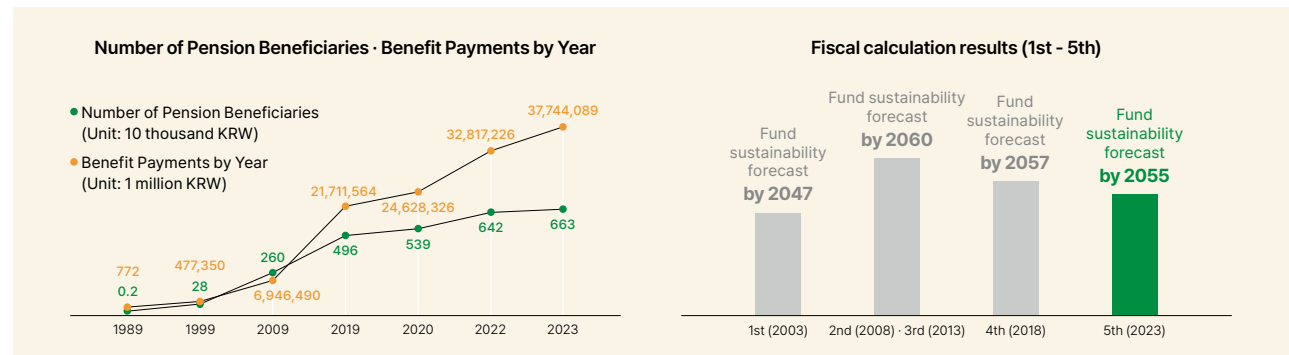
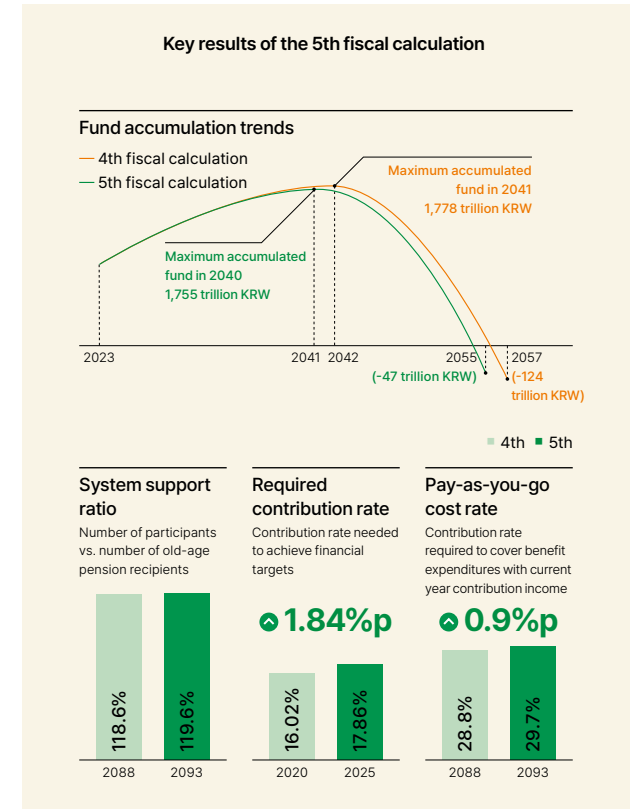
Supporting Mutually Beneficial Pension Reform through Building Public Consensus

Enhancing the National Pension system for sustainability

The National Pension, introduced in 1988, has been a cornerstone of retirement income security for 36 years. However, as lifespans increase and fewer children are available to support aging parents, many people must prepare for retirement. The National Pension system is crucial for preventing old-age poverty and ensuring stable income amid the social risks of aging. With changing demographics, economic conditions, job markets, and attitudes toward parental support, pension system reform has become urgent. Pension reform seeks to ensure the long-term sustainability of public pensions in an era of low birth rates and an aging population. It is crucial to enhance the financial stability of the National Pension, fill coverage gaps, and increase public understanding of the reform. We aim to foster intergenerational consensus, ensuring adequate pension benefits for a social insurance system and broadening the contribution base accordingly.

Regularly reviewing the long-term financial outlook

We periodically review the National Pension system's long-term financial situation to proactively develop policies for the system and fund management in response to changing conditions. Every five years, a comprehensive "periodic checkup" assesses the fiscal balance and health of the system to ensure sustainability and make necessary adjustments. Maintaining the current system is insufficient with an aging population, declining birth rates, and slower economic growth. Without reform, the pension fund is projected to enter a deficit by 2041 and be depleted by 2055, according to the fifth National Pension Fund financial calculation on January 27, 2023. Therefore, pension reform is essential to prevent fund depletion, lessen the financial burden on younger generations, and strengthen old-age income security for future generations.



Direction of pension reform

The National Assembly and the government are collaborating on pension reform. In July 2022, the National Assembly established the Special Committee on Pension Reform, which included a private advisory committee of experts to discuss reform proposals. The government has also set up three committees* for the fifth fiscal calculation and prepared system improvements and fund management based on the forecast results. To ensure broad public consensus, the National Assembly and government gather input from stakeholder representatives and a representative body of 500 citizens, conducting public discussions. They shared progress and transparently explained key issues through various channels.

* Special Committee on Actuarial Projection (August 2022), National Pension Financial Review Committee and Special Committee on the Advancement of Fund Management (November 2022)

Supporting for mutually beneficial pension reform

The NPS supports pension reform by actively managing the National Pension system and fund through a company-wide support system. The task force supports the fifth fiscal calculation, the formulation of the Comprehensive National Pension Management Plan, and the National Assembly’s Special Committee on Pension Reform in drafting proposals and passing laws. It also focuses on public communication and media response by explaining and promoting the reform proposals and gathering public opinions. We are dedicated to sharing information about pension reform and creating various content. As discussions intensify, we will work comprehensively to facilitate intergenerational consensus for pension reform.

Key Details of Pension Reform and Fiscal Calculations

The first pension reform in 1998

Lowered income replacement rate (70% → 60%), raised the pension eligibility age* (60 → 65), shortened the minimum contribution period required for receiving the old-age pension (15 years → 10 years), and introduced the fiscal calculation system.

* Gradually increasing by one year every five years, reaching 65 by 2033.



2003 - 1st fiscal calculation

Projection with current contribution rate (9%) and salary level (60%)

Deficit begins in 2036 / fund depletion expected in 2047



The second pension reform in 2007

Amended the National Pension Act (July 2007) to lower the income replacement rate* (60% → 40%) and introduced the Basic Old-age Pension system (the Basic Old-age Pension Act was enacted in April 2007 and implemented in January 2008).

* Reduced from 60% to 50% in 2008, with a subsequent annual decrease of 0.5 percentage points, reaching 40% by 2028.



2008 - 2nd fiscal calculation

Deficit begins in 2044 / fund depletion expected in 2060



2013 - 3rd fiscal calculation

Deficit begins in 2044 / fund depletion expected in 2060



2018 - 4th fiscal calculation

Deficit begins in 2042 / fund depletion expected in 2057

Organizing a conference for pension reform

To actively engage in pension reform, the National Pension Research Institute organized seminars and academic conferences on the topic. At the November 2023 conference, participants discussed the future direction of the National Pension system and shared expert insights to promote “mutually beneficial pension reform.” The event also featured discussions with the younger generation on the importance of social security systems and fostering positive public opinion about the pension system. We will continue to provide accurate information on sustainable pension systems, recognizing the need for social consensus for “mutually beneficial pension reform.”



1 2023 National Pension Reform Conference Poster



2 2023 National Pension Reform Conference

Leading a Sustainable Future through ESG Management Innovation

Responsible investing of the National Pension Fund

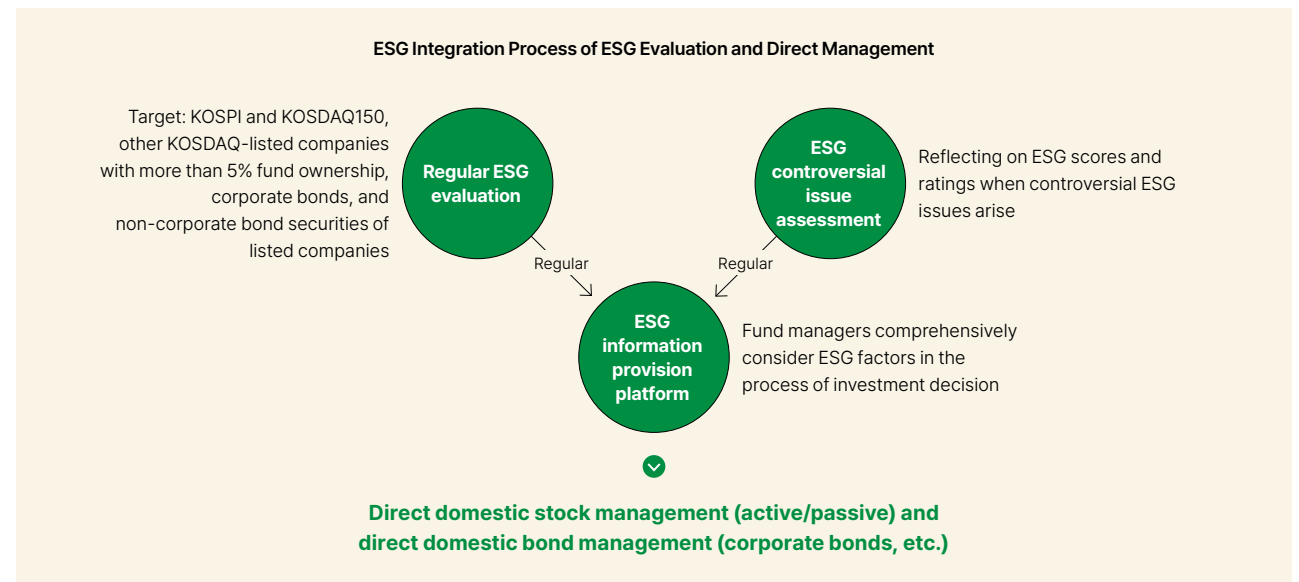
The National Pension Fund continually develops responsible investment activities to maintain portfolio stability and increase long-term profitability. We began managing responsible investment-type entrusted funds in September 2006 and introduced the Principles on the Trustee Responsibilities for the National Pension Fund (Stewardship Code) in July 2018. In November 2019, we established a plan to promote responsible investment and introduced the principles of responsible investment. We are diligently carrying out trustee-responsible activities.

The NPS has developed the “Guidelines for ESG-integrated Strategies for the National Pension Fund,” mandating that the fund management take into account both financial and non-financial factors, including environment (E), society (S), and governance (G). The NPS aims to effectively manage portfolio risk and improve fund management returns by prioritizing responsible investments considering ESG factors. We aim to gain a competitive advantage in global markets and secure the fund’s long-term financial stability.

Expanding ESG management: advancing our ESG evaluation system

A unique ESG evaluation framework has been established to thoroughly assess non-financial aspects such as the environment, society, and governance of investment targets. This framework reflects the characteristics of the National Pension Fund. ESG assessments are conducted twice a year for domestic listed stocks and KOSDAQ-listed companies where the fund holds a 5% or more stake, corporate bonds, and bonds of listed companies that are not corporate bonds. The fund’s ESG framework comprises 61 indicators in 14 categories that impact

company value in the environment, society, and governance. To accommodate industry-specific characteristics, each indicator is weighted differently by industry to generate ESG scores and ratings. In 2023, we enhanced the framework by adjusting evaluation indicators and standardizing the scoring method to align with revised guidelines. The NPS will continue to develop and implement an integrated ESG strategy tailored to each asset class and operational type.



Expanding and revitalizing the ESG Management Committee

The NPS has improved its ESG capabilities by upgrading its implementation system, including enhancing the ESG management system and refining the self-diagnostic model. To boost the expertise and diversity of the ESG Management Committee, the number of private sector members increased from 3 to 10. The committee's operations now include face-to-face meetings, subcommittees, consultations, and training to leverage private sector members' expertise.

Establishing an ESG MZ Committee with new members

Gen Z and Millennials make up over 50% of the NPS employees. To bridge the generation gap and improve communication with our younger employees, we have established the ESG MZ Committee. This committee arranges special lectures on ESG management to generate interest and participation by generating ideas and sharing opinions.

Internalizing ESG management

The NPS is committed to fostering an ESG culture within the organization through company-wide ESG management, raising employee awareness, and building consensus. We organize ESG campaigns and initiatives to increase and internalize employee participation. We hold regular meetings with the ESG Management Committee to discuss global ESG progress and response strategies. We actively respond to international initiatives such as disclosure standards and will continue to enhance our capabilities for effective ESG management.

Empowering ESG leadership

Empowering ESG leadership is a crucial strategy for creating sustainable value. We define ESG values as our core values and strive to express them clearly. We appoint non-executive directors to the ESG Management Committee to reinforce alignment with the Board of Directors (BOD) and promote ESG management activities. We will cooperate with various stakeholders to enhance long-term competitiveness and create sustainable value.



① ESG Management lecture
 ② MZ Committee meeting
 ③ Executive meeting



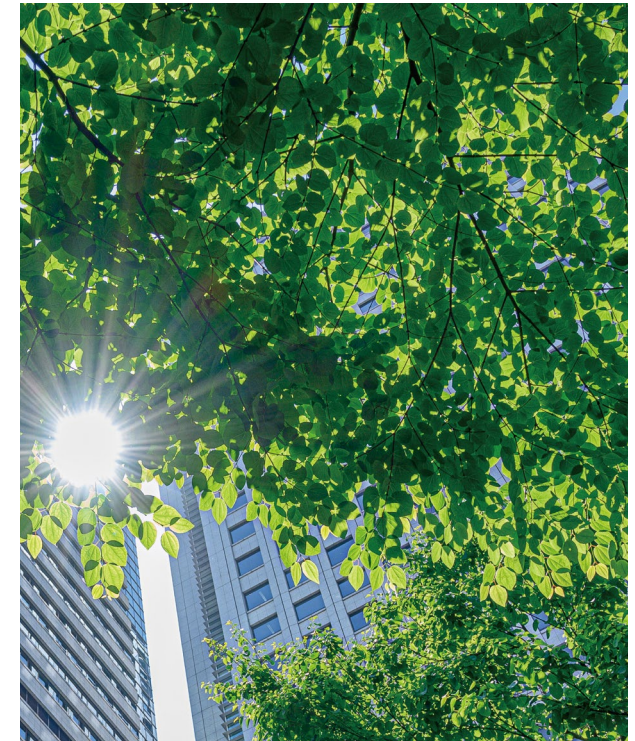
Leading the Way in Creating an ESG Ecosystem through Eco-friendly Management

Enhancing responsible investment through trading institution selection

We have strengthened the criteria for selecting trading institutions to revitalize responsible investment. The fund assesses external managers' expertise and ethical standards, responsible investment strategies and processes, and compliance with the fund's responsible investment guidelines. Selected firms can implement various responsible investment strategies. We have established measures to incorporate responsible investment factors in selecting and monitoring external managers for domestic and foreign equities and bonds. In December 2023, we expanded the points for responsible investment when choosing external managers for domestic bonds, overseas stocks, and bonds. Additionally, to enhance responsible investment by trading institutions, we increased the weighting of responsible investment evaluation criteria for selecting domestic stock trading securities firms and introduced criteria for evaluating these firms' ESG management activities.

Strengthening trustee responsibilities for E (climate change)

In March 2023, the "Guidelines on Trustee Responsibilities for the National Pension Fund" were updated to prioritize "issues requiring risk management related to climate change." The National Pension Fund plans to enhance its shareholder engagement strategy by integrating environmental factors into its corporate governance focus. We plan to create guidelines with detailed procedures and criteria for selecting target companies and determining improvements, and we will engage in dialogue with the selected companies.



2040 Target

- Achieving carbon neutrality

Emissions ≤ Reductions
- Achieving ISO14001 environmental management system certification and reinforcing performance evaluation

ISO14001
- Transforming to and promoting digital work

Revitalizing eco-friendly management

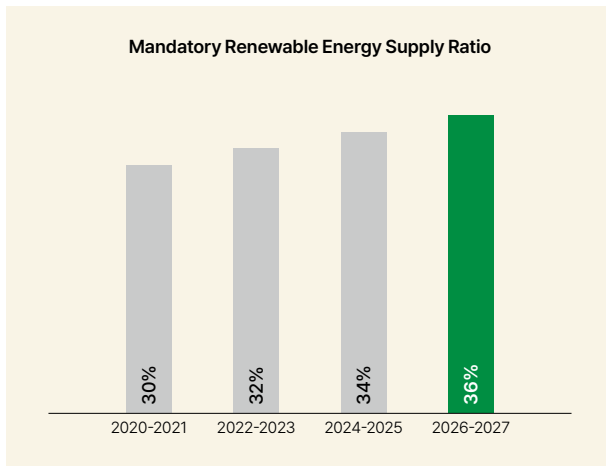
Achieved A+ in ESG Management Comprehensive Assessment (the only public institution)

A+

(Source: Electronic Times)



32% supply of renewable energy facilities for Yesan Hongseong Office Building (Parking Lot PV)



Operating eco-friendly office buildings

The NPS uses energy-efficient office buildings to reduce GHG emissions. We aim to lower energy consumption by providing a certain rate of new and renewable energy to newly constructed, expanded, or renovated buildings with a gross floor area of 1,000 m² or more. We intend to achieve sustainable building operations by integrating solar power generation facilities into design services and commencing construction.

Initiatives to protect the environment in everyday life

To achieve carbon neutrality, active participation in environmental conservation activities is essential. The NPS is committed to reducing carbon emissions by implementing and expanding programs for employees and the public.

Installation of Clean Boxes We have implemented Clean Boxes to minimize waste and GHG emissions. This helps organize the collection of recyclables, decrease waste management expenses, and actively contribute to lowering carbon emissions in our day-to-day activities. We collected 31,550 kg of waste paper and generated revenue of 3.6 million KRW.

EM earthball throwing The EM earthballs contain over 80 microorganisms, such as yeast, lactic acid bacteria, and koji, that help revitalize rivers polluted by harmful substances and restore the ecological environment. We have already thrown 1,500 EM earthballs into waterways to improve water quality. We will continue the EM Earthball Throwing Campaign to enhance water quality and lead environmental cleanup activities.


Fostering a paperless environment We support a paperless office by increasing electronic applications and reports, mobile notification services, and the ability to issue certificates via mobile channels. We aim to digitize civil services and become carbon-neutral by implementing a system for receiving electronic certificates or data instead of paper. We strive to enhance public convenience and minimize carbon emissions by leveraging smart systems and new digital technologies.



EM Earthball Throwing Campaign

Resource circulation efforts in response to the environmental crisis

The NPS is dedicated to sustainable resource management, including conservation, resource optimization, and recycling promotion. We participate in eco-friendly initiatives by extending resource lifespan and recycling various materials.

- 

Waste battery collection

Created jobs for seniors and practiced environmental conservation by collecting 381 kg of waste batteries
 ➤ **Equivalent to a reduction of 44 kg of GHG emissions**
- 

PC Sharing with Love

Provided 1,313 recycled PCs to vulnerable groups by converting unusable PCs
 ➤ **Reduced waste through recycling**
- 

Affection Sharing Package

Proposed a National Pension Sharing Class for Elementary Students
 Supported the "No One is Lonely Holiday" program with supplies
 ➤ **Recirculated resources through sharing**
- 

Yeongeun Market Bazaar

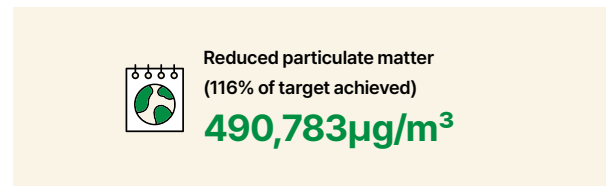
Supported vulnerable groups with proceeds from the sale of donated goods
 ➤ **Donated 1.3 million KRW in proceeds**
- 

Cool Roof

Improved the environment for vulnerable residents by preventing heat damage and blocking solar heat
 ➤ **Saved electricity for 22 households**

Reducing particulate matter: aiming to achieve 30% or below the legal standard

We are committed to lowering particulate matter through eco-friendly awareness education, developing indoor and outdoor gardens, and implementing a step-by-step response system. Additionally, we promote public awareness of environmental conservation. Through these efforts, the NPS leads in eco-friendly and responsible management.



- 1 Collection box for waste batteries and ice packs
- 2 Donation ceremony for PC Sharing with Love
- 3 Delivery of Affection Sharing Package
- 4 Yeongeun Market Bazaar
- 5 Cool Roof Installation

Story 2

The NPS, Connecting Happiness Through Companionship



The NPS contributes to a robust local economy by promoting job creation and fostering economic stability through shared growth with small and medium-sized enterprises (SMEs) and small businesses. We also prioritize strengthening human rights management by developing talent and fostering a culture of respect. We remain committed to meeting our social responsibilities and pursuing sustainable development based on our institutional values and vision.

- ▶ **Protecting Public Safety and Enhancing Customer Convenience**
- ▶ **Growing Together through Shared Values**
- ▶ **The NPS Creating a Happy Workplace**


Protecting Public Safety and Enhancing Customer Convenience

Safe-NPS: ensuring safety for people and employees

The NPS is dedicated to fulfilling social responsibilities by ensuring the safety and health of the public and workers at all stages of management activities and by enhancing customer convenience. Furthermore, we aim for sustainable development beyond mere economic profit by fostering a safe environment and innovating customer-centered services.


Enhancing the disaster management system

Safety is our top priority. To safeguard the public and employees, we have enhanced our disaster management system to prevent major disasters and extended safety management support across the organization to implement social safety responsibilities. These measures include assigning seven dedicated safety management employees and deploying staff with professional certifications and field experience, such as ISO international auditor training. We are committed to improving our safety capabilities by increasing our budget and updating our manuals.



Serious disasters

Zero



Disaster Management of National Critical Infrastructure evaluation by the Ministry of the Interior and Safety

Grade A

Disseminating employee safety awareness

To raise awareness about employee safety, the NPS arranged safety events and communications about current issues and introduced measures to acquaint staff with the NPS Safety and Health Policy. Around 69.8% of employees participated in Four-Line Poems, slogan suggestions, and the Safety Golden Bell to promote a safety culture. The NPS Safety and Health Policy was included in the work notebook to help employees understand the office building's safety management policies. This initiative aimed to enhance the self-discipline prevention system through voluntary participation. We will continue to work towards preventing safety accidents by promoting and internalizing a safety-first culture.

도전! 안전골든벨

10월 11일 (수) 부터 10월 17일 (화) 까지!

안전골든벨에 도전하세요!

5문제 모두 맞춘 분들 중

15명을 랜덤추첨하여 기념품을 드립니다

「안전문화」 4행시

공모주제	제시어 '안전문화'로 4행시 만들기!
공모기간	2023. 8. 7.(월) ~ 8. 14.(월), 18:00
참여대상	공단 임직원 및 소속업체 근로자 (직원) 지나게서만 댓글로 제출 (수급업체) 자택 개별 '국민연금공단 안전신문고'를 통해 접수
공모방법	우수작을 선정하여 기념품 제공(10명)

Safety event

Enhancing Cyber Breach Response

Enhancing the safety of our data centers

Safe data management is crucial for protecting vital information assets and preventing data leaks and damage. The NPS is committed to accident prevention to reduce the risk of data loss from disasters such as fires. We have replaced all the old batteries in our public institution with new lithium batteries that utilize advanced technology*. Additionally, we have installed a backup system to detect any abnormality in the batteries. This upgrade improves our fire prevention capabilities in the data center and allows us to address any internal or external battery safety concerns quickly.

* Certified to prevent fire spread between battery modules and equipped with a built-in fire extinguishing agent for early suppression

Zero cyber breaches

The number of cyber breaches, such as system hacking, DDoS attacks, and ransomware infections, is increasing annually, but the workforce, budget, and response capabilities are insufficient. The NPS has established the "Integrated Security Control System" and a "24×365" information security hotline for round-the-clock inquiries and responses. This has streamlined information protection work through integrated security policy management and rapid response. We have broadened the scope of information security recipients for mandatory education, including control specialists. We conduct proactive preventive education and security vulnerability assessments with relevant organizations to prevent cyber intrusion incidents.



①, ② Cyber Threat Response Contest
③ NPS AI employees

Diverse Services for Customers

Hiring AI employees who speak 10 languages

The NPS aims to improve public services and enhance public convenience using artificial intelligence (AI). There has been a long-standing staff shortage to assist visitors at the regional offices, and the limitations of helping foreign nationals have been challenging. The NPS is the first in Korea to adopt AI employees to offer real-time interpretation services and kiosks for foreign customers in 10 languages, including English and Chinese. Moving forward, we will leverage AI to integrate our operations and provide high-quality pension services to our members.

AI disability assessment support system


The NPS assists people with disabilities in obtaining essential welfare services through disability registration assessment and support for disability-related activities. Conventional assessment involves staff reviewing manual data, leading to judgment errors and lengthy wait times. To address this, we identified four commonly assessed disabilities and developed a repository of assessment knowledge for AI to learn. Based on the AI's analysis, we now suggest disability judgment outcomes, enhancing accuracy and decreasing wait times.

Introducing the new "Mobile MY Reminder" service


We have introduced the "Mobile MY Reminder" service, which provides personalized and automatic reminders for young and deferred pension applicants. Users can easily apply and pay through the mobile app by clicking on the notification. This eliminates the need to visit a regional office, making it more convenient for customers and increasing satisfaction. We are dedicated to expanding our personalized benefit notification services to ensure everyone receives their benefits without issues.

Expanding the mobile e-document service

The NPS is the first government and public organization to implement a mobile e-document service through the KB app, a financial institution's application. The mobile e-document service enables users to conveniently access paper notices and notifications on their mobile phones through an authorized e-document intermediary. Our e-documents are accessible via KB, Naver, mobile carrier text, and KakaoTalk apps. As of 2023, we have sent 48 types of e-documents and 26 million notifications. We will enhance customer convenience and accessibility by offering personalized, non-face-to-face services.




Empowering people's right to choose
by introducing the first financial channel for public institutions



Young adults (18-23 years old)
Deferral applicants

"Enroll in a pension for the first time in your life" notification
"Pension payment timing and account change" notification



Launching the app and linking directly to the application screen when clicking on the notification

Growing Together through Shared Values

The NPS becomes the center of a virtuous local economic ecosystem

The NPS is dedicated to maintaining public safety and health throughout its business activities, promoting diversity and inclusion, and fulfilling social responsibilities to enable sustainable development. We are committed to fulfilling our social responsibilities by engaging in sustainable economic activities, fostering a safe environment, promoting positive social interaction, and addressing social issues through customer-centered innovation.

Attracting a global financial company to Jeonju

Blackstone, an external manager for the NPS, opened a liaison office in Jeonju. This office will facilitate cooperation and communication with Blackstone and support its business activities in the domestic market, including sharing advanced financial expertise. We will work closely with global financial companies to solidify partnerships, enhance financial services in the Jeonju region, and lay the foundation for designating Jeonbuk as a financial province.



Hosting the 2023 Jeonbuk International Finance Conference

The NPS co-hosted the “2023 Jeonbuk International Finance Conference (JIFIC)” with Jeollabuk-do under the theme “The Great Transformation Era, the Future of Finance, and the Challenges of Jeollabuk-do.” The event was held offline and live-streamed on YouTube, bringing together financial experts and academics from domestic and international backgrounds to discuss AI and digital-based investment innovation and solutions for developing Jeollabuk-do’s financial industry. We are committed to leading the financial sector by deepening our understanding of the evolving global investment landscape and AI investment and exploring comprehensive responses.



Revitalizing local financial and economic education

In response to increasing demands for public institutions to help boost local economies, we invited global financial experts to give special lectures and provide financial and pension education for future generations. 135 local university students attended the financial lectures, and online education and quiz contests helped raise awareness of the National Pension among local children. We will continue implementing programs to ensure that financial education is practical and impactful.



① An NPS external manager “Blackstone” opens liaison office in Jeonju
 ② Hosted the “2023 Jeonbuk International Finance Conference”
 ③ Pension Golden Bell

Supporting young adults for bakery cafe start-ups

The NPS leads efforts to create jobs for young people and boost the local economy by supporting young adults for café start-ups. The Young Adult Café Start-up Support Project, part of the “ESG Network,” is an initiative by 10 public institutions in Jeollabuk-do aimed at regional economic revitalization. This project offers employment and start-up spaces for young individuals to counteract the decline of local communities caused by rural aging and population outflow. We also actively promote farmers’ sales by highlighting local agricultural products. We plan to continue attracting young entrepreneurs to the local economy through youth entrepreneurship support projects, ultimately revitalizing the region.

Work Experience Program: most extensive in the country by a single institution

The “2023 Work Experience Program” operated by the NPS ran from February to December 2023. This employment promotion initiative helps citizens gain experience in various jobs and has become the most extensive program of its kind in the country, with 1,567 participants from 2022 to 2023. The NPS placed young adults nationwide at its headquarters and regional offices to gain work experience, improving their adaptability and employability skills. We will continue to operate work experience programs that enable young people to participate directly in the National Pension System and enhance their employment skills.

Operating the National Pension Beneficiary Academy

We offer middle-aged and older adults guidance on preparing for a fulfilling retirement and support welfare services to improve their well-aging. Our academy operates on a yearly semester system in partnership with the National Pension Foundation and social welfare organizations. The curriculum covers finance, health, leisure, digital skills, start-up support, and hobbies. We are committed to social contribution activities to ensure the happiness of pension beneficiaries by offering content that meets their needs.

NPS Work Experience Program

75%
My employment capabilities improved after participation

2022 Prime Minister’s Commendation
For contributions to job creation

2023 Prime Minister’s Commendation
For promoting young adults employment

National Pension Beneficiary Academy

- Finance, health, and leisure
- Interpersonal relationships

- Communication with digital devices
- Hobbies
- Volunteering

Planning for retirement

Digital competencies

Start-up support

- Providing information such as star-up cases and more

Field trips

- Hobbies
- Volunteering

Nationwide completers
1000 individuals

Job creation for seniors
27 people
started one-person cafes, etc.

Participants’ confidence in later life

71 points → 76 points

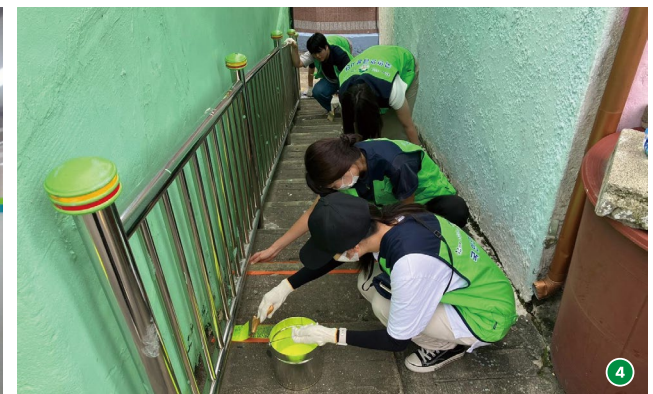
Pre-participation
Post-participation

Social contribution activities with local communities

We promote social contribution activities by collaborating with local communities. By identifying regional issues, we strive to contribute to local development and improve people’s quality of life. We support low-income youth, enhance children’s traffic safety, prevent lonely deaths, improve housing during extreme heat, and enhance community environments.

- Gyeongin**
 - Operated “Senior Beauty Experience Center, Sharing a Bright World”**
 - 120 individuals experienced Senior Beauty, 30 experienced the Sharing a Brighter World
 - Sponsored 2 million KRW in scholarships
- Daejeon**
 - Children’s traffic safety campaign “Child Safety Plus+”**
 - Distributed 2,273 bag-connected light-reflecting “Yellow Pension Cards” to 30 kindergartens
- Daegu**
 - “Goodbye Lonely Deaths, Hi Plug” care for the elderly living alone**
 - Supported 10 smart care plugs to prevent solitary deaths among middle-aged and elderly individuals
- Busan**
 - “Corporate Cooperation Cool Roof, Goodbye Heat~!”**
 - Implemented Cool Roof volunteer activities for 22 elderly households in Hakri Village, Gijang-gun
 - Improved the village environment**
 - Supported 3 million KRW in facility repairs and sponsorships, such as painting stairs to improve the village environmen

- 1 Sharing a Bright World at Gyeongin Regional Headquarters
- 2 Children’s Traffic Safety Campaign at Daejeon Sejong Regional Headquarters
- 3 Support for smart care plugs at Daegu Regional Headquarters
- 4 Village environment improvement at Busan Regional Headquarters



Advancing together through shared growth with SMEs and small businesses

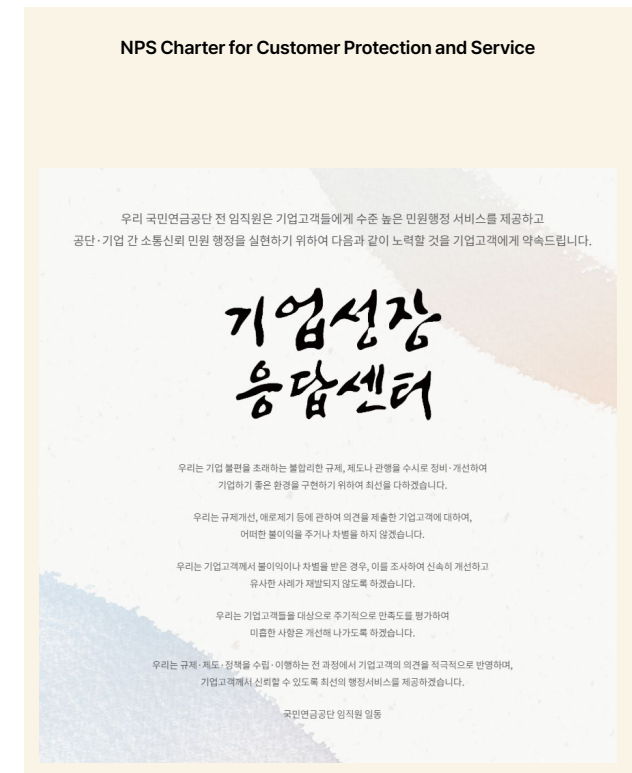
The NPS is committed to promoting transparent management and building social trust by establishing fair contracting systems, protecting SME technologies, and supporting market development. We encourage our suppliers to implement ESG practices to ensure a fair and healthy economic ecosystem for all stakeholders. We aim for sustainable growth and development in partnership with our suppliers.

Establishing a transparent contracting system through system updates

Creating a transparent contract system is crucial for promoting transparency and reliability in business transactions. The NPS is dedicated to enhancing transparency in financial transactions and contracts to build stakeholder trust. We are updating supplier selection criteria to protect transactions and suppliers with updated standards and follow-up management. Additionally, we aim to expand socially responsible purchasing and prevent unfair transactions by limiting negotiated contracts. We also regularly self-evaluate our internal processes through self-inspections to enhance fairness and reliability.

Fostering a culture of fair trade and enhancing the corporate environment

The NPS has joined the “Companion Enterprise” initiative to implement a stable delivery price indexing system. We are establishing the necessary framework to ensure our suppliers receive fair compensation by monitoring cost increases, adjusting delivery prices accordingly, and offering consultation on price adjustments. Additionally, we operate the “Corporate Growth Response Center” to actively address the challenges and grievances of our suppliers. We will continue to bolster our fair trade system, promoting a culture of fairness and integrity in contracting.





Supporting SMEs in sales development and technology protection

The NPS conducts annual domestic and international sales development support projects for SMEs that require assistance enhancing their marketing and sales competitiveness despite possessing excellent technology and quality. We strive to boost the competitiveness of SMEs by facilitating the promotion of their products through government-sponsored purchase counseling sessions and platforms like the Shared Growth Mall and Nara Marketplace. In addition, we provide services to help SMEs protect their technology, such as escrowing technical data on core technologies and offering consultation support from technology protection experts to address the growing issue of technology leaks. We aim to expand collaboration with SMEs by identifying projects promoting shared growth.

Supporting ESG management of suppliers

The NPS offers education, information, and guidelines on ESG management to assist suppliers in improving their business environment and strengthening their competitiveness. ESG practices are not just for large companies anymore; we aim to share ESG values with our suppliers and promote strong partnerships. We will lead ESG management by identifying and encouraging joint growth initiatives to help our suppliers play a positive ESG role.



- 1 Buyer consultation meeting
- 2 Technology protection seminar
- 3 Partner company meeting

The NPS Creating a Happy Workplace

Commitment to job creation

The NPS is dedicated to creating jobs to enhance economic stability for the country and individuals. We promote technological innovation and provide opportunities to discover new markets by supporting in-house venture start-ups. Our goal is to enhance the competitiveness of Korean companies and achieve sustainable growth in the global market through these ventures. We will continue to provide an environment supporting business growth and development, striving to achieve economic growth and fulfill social responsibilities.

Creating 13,100 jobs by 2027

The labor market is divided between high-paying, high-quality jobs and low-skilled jobs. Women, young people, and older adults are especially at risk of irregular and precarious work. There is an increasing need to continuously create jobs by expanding new recruitment and improving job quality. We have restructured our job creation strategy to rejuvenate the shrinking job market.

We aim to create 13,100 jobs by 2027 by promoting a sustainable job creation ecosystem. We will expand job opportunities, foster a stable working environment, and support start-up growth to achieve this. We will strengthen job creation by activating in-house ventures (2nd term) and creating quality jobs through private collaboration and entrustment. Our strategy involves diversifying positions, managing employees on leave, and minimizing the gap between the table of organization (T/O) and the present organization (P/O) to maximize additional hires. In 2023, our youth intern program received the Prime Minister's Commendation for Promoting Youth Employment, demonstrating our commitment to nurturing talent. We will continue to explore opportunities while fulfilling our social responsibilities as a public institution.

Start of innovative job creation: launching the 2nd term with successful in-house venture start-ups

In 2020, the NPS launched in-house ventures to promote a culture of cooperation and a start-up ecosystem. Throughout 2021 and 2022, these ventures collaborated to develop an employment platform, training 120 new instructors and creating 156 jobs, including for caregivers. So, in 2023, we expanded the in-house venture system and selected and operated two teams for the second term of the NPS in-house ventures. We are committed to creating high-quality jobs by establishing and nurturing systems to support in-house ventures.



Leading future values through talent management

The NPS attracts talent through fair and transparent recruitment and fosters an efficient work environment based on cooperation and communication. The digital transformation of work supports work-life balance and enables employees to work more efficiently. We strive to foster employee growth and promote happiness through a culture of mutual respect and cooperation.

Fair and transparent recruitment

Transparency and fairness in recruitment are essential for providing equal opportunities to all applicants, establishing organizational credibility, and fostering trust between applicants and the company. We ensure applicants have access to relevant job information and continually improve our recruitment process to attract top talent. This includes organizing job fairs, offering demand-driven recruitment guidance, and adopting more flexible hiring requirements. We aim to cultivate a culture that values talent, ensuring that individual and company growth are interconnected.

Cultivating experts for pension benefits

Under the vision of a “leading global pension institution that adds happiness to generations through pension and welfare,” we pursue individual and organizational growth through education that addresses internal and external needs and environmental changes. We are committed to fostering innovative talents by nurturing future leaders, enhancing global capabilities, and providing training in new digital technologies.



- 1 Public Institution Recruitment Fair
- 2 Love + Leadership training
- 3 Digital new technology training

Putting the NPS Teamwork Practice Guide into action

Teamwork across the organization is crucial for workplace efficiency. The NPS promotes work communication through the “NPS Teamwork Practice Guide.” The guide, based on a survey involving all employees, reinforced the organizational culture that “leaders and followers hold equal value, differing only in roles and not in positions.” To further encourage teamwork, we have placed banners on the e-approval and Gini home screens to help all employees understand and practice teamwork.

- 1 E-approval Home Screen
- 2 Gini^{plus} Home Screen



Supporting work-life balance through digital work innovation

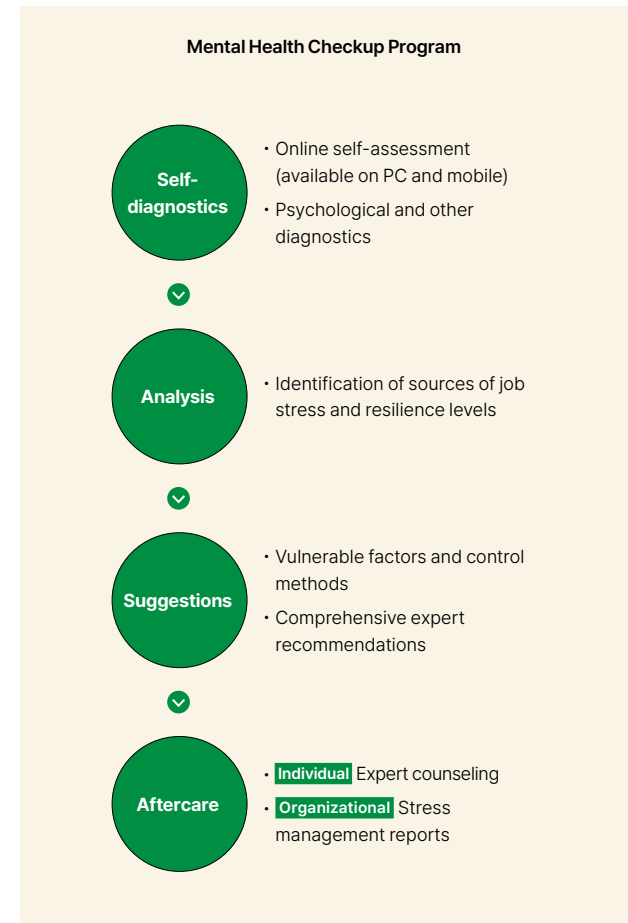
The NPS has established the “NPS Smart Center” to allow employees to work in an office-like environment from any location. Employees now have the flexibility to carry out their tasks using wireless connections. We have enhanced security by implementing a local security platform, ensuring safe remote work. Employees can address complaints and submit reports on business trips without returning to the office. We are committed to refining our work processes to improve convenience and efficiency.

Employee well-being programs

Mental health checkup program The NPS offers the “Mental Health Checkup” program to assist employees in managing stress by self-assessing the causes of stress, depression, and more. After completing a structured online self-diagnosis test, the program generates a report on vulnerable psychological factors and suggests control methods. We are committed to listening to our employees and establishing a healthy organizational culture.

Operating the NPS Heart Sharing Center Due to the nature of their work, the NPS provides systematic mental health support for employees who may encounter psychological crises while interacting with customers. Based on the consultation findings, employees engaged in emotional labor are categorized into five risk levels*. Employees at a high-risk level receive counseling from professional psychologists. We also offer mental wellness and recovery programs, including professional counseling and specialized stress and personality assessments.

* Safety - Care - Caution - Risk (high-risk group) - Protection (high-risk group)

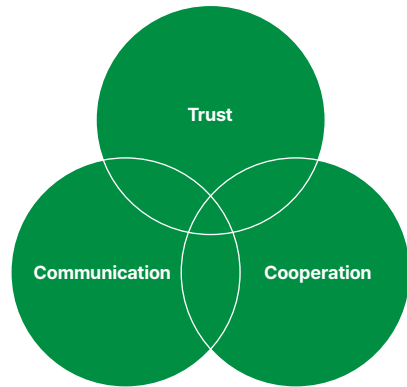


Work-life balance

The NPS actively operates family-friendly programs to ensure employees’ work-life balance. We are committed to supporting our employees and their families in their journey through pregnancy and childbirth. We offer maternity care hours, prenatal checkup leave, spousal maternity leave, and leave for miscarriage or infertility. Our family-friendly programs include shortened working hours, childcare hours, and family care leave to help employees balance work and family responsibilities. In addition, we have implemented an intensive work program that allows employees to work more than 8 hours per day while still adhering to the 40-hour workweek, aiming to enhance work efficiency and promote a healthy work-life balance. We will continue to lead in establishing a healthy organizational culture with programs that meet employees’ work-life balance needs.



Creating a shared future through communication and engagement



Close cooperation and consensus-building between labor and management are essential for sustainable growth. The NPS focuses on establishing fair labor-management relations by operating the worker observation system, enhancing employee understanding and participation to reinforce organizational growth and stability. We strive to foster an environment where employees are respected and can demonstrate their abilities through open communication.

Establishing labor-management relations for sustainable growth

The relationship between labor and management has changed over time due to shifts in the social landscape. While conflicts were common in the past, today's labor-management relations benefit from a legal framework defining workers' rights and employers' responsibilities, leading to a more equitable, sustainable partnership. We have updated our 2023 labor-management strategy to include a negotiation system and ensure actual implementation. We aim to enhance worker involvement in decision-making and promote a trustworthy, collaborative environment.

Building labor-management consensus through the operation of the worker observation system

Since 2022, the NPS has implemented a worker observation system. This system opens the decision-making process to workers, fostering cooperation and enhancing organizational soundness through better internal monitoring. To operate the Labor-Management Council effectively, we improve communication by adjusting meeting times and incorporating suggestions from workers' perspectives.

Running communication programs that engage employees

The NPS prioritizes communication with employees to build mutually beneficial relationships through tangible improvements in working conditions and collaboration. We aim to cultivate transparent leadership and solid employee-management relations. To achieve this, we have implemented programs to foster a sense of belonging among employees, including the System Improvement Support Participation Group, Public Service Committee, and Youth Committee. We also focus on preventing conflicts with Gen Z and Millennials while continuously striving to enhance our working environment.

1 Labor-Management Council
2 Youth Committee



Fostering a culture of respect for all Empowering human rights management

Human rights management is based on respecting and treating employees and all stakeholders fairly. The NPS creates and enforces policies and systems to uphold and safeguard stakeholders' human rights. We offer education to highlight human rights' significance and promote a culture of respect.

Enhancing human rights violation prevention processes

Through human rights management, the NPS protects and respects the dignity and value of its employees while pursuing sustainable organizational development. Our goal is to strengthen our prevention system and foster a culture of mutual respect by establishing an annual human rights risk prevention plan. We conduct self-examinations to address human rights risks and proactively develop preventive measures. Additionally, we have enhanced the fairness of case handling by revising remediation procedures for human rights violations and improved victim protection by updating our guidelines.

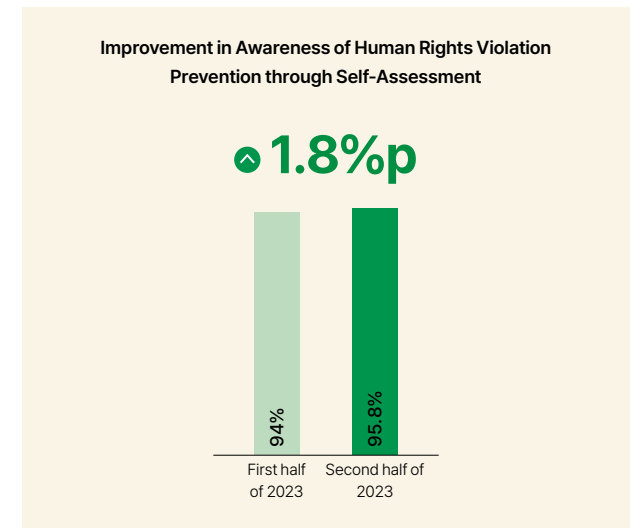
Conducting self-checks to prevent human rights violations

The NPS conducts regular self-examinations for all employees to identify any cases of human rights violations within the organization. These examinations help us develop preventive measures based on our findings. We use NAVI^{Plus}* to conduct anonymous surveys on issues such as "sexual harassment and sexual violence" and "workplace bullying and abuse of power." The survey responses are then analyzed in detail, considering factors such as region, line of work, and position to assess the organizational culture. This analysis helps us provide tailored training accordingly.

*Internal management information system

Establishing the Labor-Management Human Rights Center

On July 1, 2023, we established the Labor-Management Human Rights Center to prevent human rights risks and address organizational violations proactively. The dedicated department fosters a culture of respect for human rights while enhancing grievance counseling and case management. We actively promote the message of "Respect and Protection for All" through employee training, Human Rights Week events, and Human Rights Culture Festivals involving stakeholders and local communities. Additionally, we've strengthened on-site response capabilities by supporting internal experts in handling human rights cases. We will continue to enhance our human rights management by incorporating government recommendations on emerging issues into our guidelines.



Card news to prevent human rights violations

The NPS actively works to prevent human rights risks by regularly sharing information about human rights risks, grievance channels, and reporting avenues. We have created four informational card news items detailing our prevention activities and posted them on the internal bulletin board. We conduct educational campaigns to promote a culture of respect for human rights, as preventing human rights violations starts with embedding mutual respect among employees. We are committed to spreading human rights values and fulfilling our social responsibilities as a public institution.

<p>첫번째 꼭꼭 알아보는 중요정보 그것이 알고싶다! 인간관계나 친구 같은 인연에서 어떤 것의 위험이? 인권침해 유형 및 사례</p>	<p>두번째 꼭꼭 알아보는 중요정보 그것이 알고싶다! 만나 나 인연에 갈등이나 문제가 생기면 어떻게 할까? 인권침해예방 자가점검</p>
<p>세번째 꼭꼭 알아보는 중요정보 그것이 알고싶다! 성희롱예방에 어떤 실천이 가장 효과적인 걸까? 성희롱방지 조직문화진단</p>	<p>네번째 꼭꼭 알아보는 중요정보 그것이 알고싶다! 인권을 예방할 때 어떤 활동을 하고 있을까? 인권침해 예방활동</p>

Events for human rights culture organized by Jeonbuk Human Rights Council

The NPS hosted human rights culture events attended by five organizations from the Jeonbuk Human Rights Council and residents. The events included a performance by the Safety Arts Group, composed of people with developmental disabilities. Additionally, there was a lecture by a human rights book author and a campaign to eradicate digital sexual crimes. We are committed to managing human rights by gathering stakeholder input and consulting with specialized organizations.

- ① Musical performance by the Safety Arts Group, composed of people with developmental disabilities
- ② A time for communication with my colleagues
- ③ Campaign to eradicate digital sexual crimes
Distribution of hidden camera detection cards
- ④ Voluntary visit to human rights book exhibition



Story 3

The NPS, Achieving Growth Through Fair and Transparent Operations

Public trust and operational transparency are core values of the NPS. We are committed to integrity and ethical management, aiming to meet public expectations. Our commitment to ethical management is demonstrated by our seven consecutive years of receiving a grade of 2 in the Comprehensive Integrity Index, zero conflict of interest violations, and establishing a joint labor-management human rights center. Considering the significant impact of our services on people's lives, we are committed to making collaboration on fund management more accessible and encouraging contributions to our business for shared growth. Additionally, we strive to cultivate an organizational culture that promotes change and innovation through open communication between departments and across generations.

- ▶ Practicing Transparent and Fair Ethical Management
- ▶ Efforts to Enhance Compliance Management

Practicing Transparent and Fair Ethical Management

Realizing the value of integrity through ethical management

The NPS respects ethical values and develops concrete strategies to put them into practice. Trust will be established with the public and employees through transparent decision-making and fair personnel policies.

Achieving the highest score of board operation performance

The BOD determines the organization's strategy and direction and makes critical decisions. Revitalizing the BOD and strengthening its practical role is crucial for enhancing sustainability and competitiveness. We ensure the organization's sound operation through a transparent and efficient decision-making process and a BOD with diverse expertise. In 2023, we improved key performance metrics, like the BOD attendance rate, resulting in a 2.0-point improvement in the "overall BOD operations score." We will continue progressing and innovating while fulfilling our sustainability and social responsibilities.



Enhancing the expertise and accountability of non-executive directors

The expertise and accountability of non-executive directors are crucial for the effective operation of the Board. Their diverse skills help formulate management recommendations and strategies, improve decision-making quality, manage risks, and fulfill social responsibilities. The participation of internal members and non-executive directors on the BOD supports the continued growth and development of the NPS.

Fostering a culture of gender equality

Our HR system has improved to create a fair and non-discriminatory organizational culture. We have expanded the "Ewha Leadership" training course to include more female leaders and have increased the number of women participating in overseas training programs. Additionally, we are working towards promoting fair selection and appointments by increasing the number of female executives who were previously underrepresented. We aim to create an environment where all employees can reach their full potential by embracing diversity and fostering an inclusive culture.

Efforts to Enhance Compliance Management

A more robust NPS through the internalization of compliance and ethical awareness

The NPS complies with laws and upholds moral values and principles. We aim to promote social stability and trust through fair and honest management, thus ensuring long-term growth and stability.

Strengthening internal control activities

Ethical management involves anti-corruption activities and transparent operations. Following the Ministry of Economy and Finance's "Standard Model for Ethical Management," we reinforce our system across six key elements: ethical awareness, management system establishment, ethical risk identification, risk control activities, internal and external communication, and monitoring. We identified 11 ethical risks and implemented departmental plans to mitigate them. We developed the "National Pension Ethical Management Performance Index (NPS-BEX)." External experts participate in the Ethics Management Committee to enhance expertise and diversity. A non-executive director for ethical management ensures professional and independent oversight.

Strengthening the confidential reporting system

Our confidential reporting system promotes an environment where employees identify and report ethical violations. We promote a culture where employees can report corruption and irregularities, including seven major potential misconducts*, without fear. We have enhanced anonymous reporting channels, such as the helpline and safe lawyer reporting system, and conducted intensive reporting periods. We are committed to fostering a transparent and ethical culture by safeguarding whistleblowers and expanding reporting channels.

* Human rights violations, abuse of power, hiring irregularities, bribery, duty-related misconduct, Information-related misconduct, Work-related misconduct

Establishing a conflict of interest system and strengthening risk management

The Act on the Prevention of Conflict of Interest deals with irregularities in family recruitment and revolving door privileges for retirees. To ensure fairness and public trust, the NPS consistently works to prevent and manage conflicts of interest. We have developed and posted case-based content on the company's intranet, which is accessible to all employees at regional office customer service centers to raise awareness of conflict of interest prevention both internally and externally. We conduct 24 training sessions annually on the conflict of interest prevention system. These efforts led us to achieve a second grade in the Comprehensive Integrity Index for seven consecutive years and zero conflict of interest violations in 2023. We are committed to promoting policies that prevent corruption and improve overall integrity.



Conflict of interest violations

Zero

The NPS connecting with the public through field-centered management

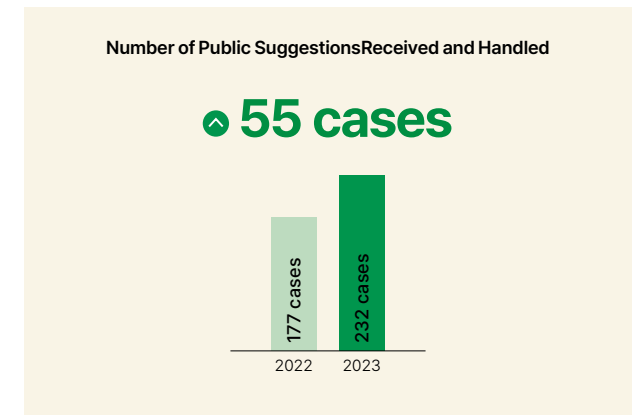
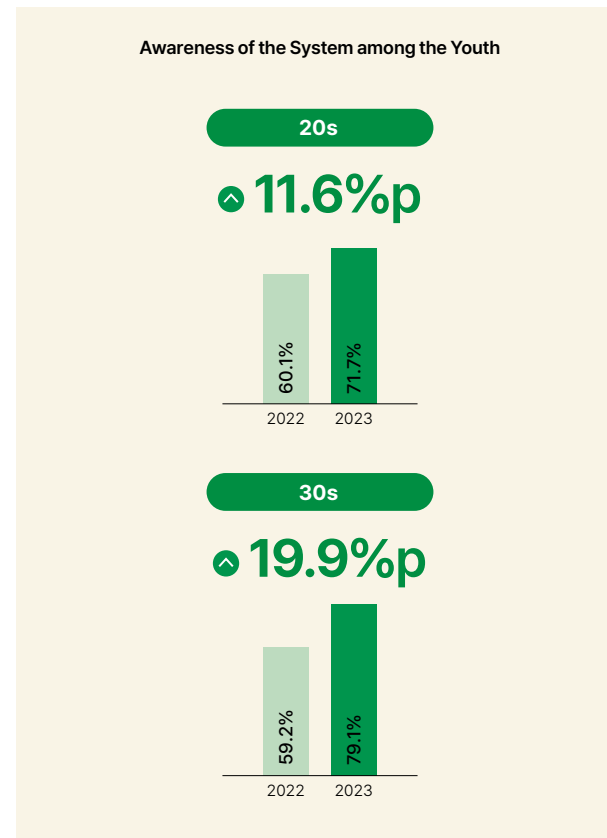
The NPS improves communication with the public by implementing field-centered management, actively listening to diverse voices, and integrating their feedback. We enhance communication channels and offer transparent information to create an environment where people can directly experience and participate in our initiatives.

Revitalizing platforms for public communication

To gather public input on pension reform and increase the interest of younger generations, the NPS has launched the “Know Your Pension” channel. This communication campaign segments young adults into more than three categories, including college students, military personnel, and office workers. It holds training and briefing sessions to enhance their understanding of the pension system. Additionally, awareness is raised through media ads and on youth-friendly online platforms such as Instagram and YouTube.

Enhancing VOC Channels

The NPS uses channels to collect feedback from the public. The deliberation committee systematically reviews and manages the collected input through the “NPS Innovation Task System.” Annually, we gather over 7,700 public opinions to develop organizational strategies and improvements, enhancing our market competitiveness. We plan to strengthen our Voice of the Customer (VOC) channels and foster a culture of public input to ensure the long-term, sustainable growth of the pension system.



ESG Report



Environmental	55
Social	58
Governance	68
Economic	72



Environmental

Responding to Climate Change

1 Our approach

The 2030 Nationally Determined Contribution (NDC) has been raised, and as a result, the NPS has developed an environmental management roadmap aimed at achieving carbon neutrality and implementing green growth policies. Our strategies and tasks are designed to reduce carbon emissions and achieve carbon neutrality. We plan environmental projects through dedicated departments and the ESG Management Committee, evaluating the projects' implementation and monitoring their performance. Our efforts include establishing a mid-to-long-term strategy for carbon neutrality by 2050, encouraging stakeholders to reduce carbon emissions by 2040, and creating a joint response guide for public institutions on managing particulate matter and internal and external carbon emissions. The Safety & Maintenance Division oversees these initiatives, and related issues will be reported to the ESG Management Committee and the Board of Directors.

2 Target

The NPS conducts voluntary carbon and resource usage reduction activities that align with its environmental management strategy. We aim to achieve carbon neutrality by 2040, 10 years ahead of the government's 2050 vision, and monitor our progress annually to meet this goal.

50% Aiming to reduce carbon emissions by 50% in 2029
(42.14% reduction achieved by the end of 2023)

3 Our progress

Eco-friendly management

The NPS encourages environmentally friendly offices that match our business ethos. We achieve carbon neutrality through ongoing digital work transformation and employee collaboration and engagement. By establishing a paperless office, we have saved 74.06 million sheets of paper, resulting in a carbon reduction of 390 tCO₂eq.

Expanding the green infrastructure

We need to strengthen carbon neutrality practices to prepare for a sustainable future. By managing low-energy office buildings and expanding eco-friendly facilities, we reduced energy consumption by 10.67% compared to the average. In response to the government's mandatory eco-friendly vehicle purchase system for public institutions, we introduced 67 eco-friendly vehicles, meeting 100% of the annual target standards, and built an electric vehicle charging infrastructure to support eco-friendly mobility.

4 Our performance

Classification		Unit	2021	2022	2023	
Greenhouse gas emissions (All regional offices)	Direct emissions (Scope 1)	tCO ₂ eq	1,424	1,463	1,464	
	Indirect emissions (Scope 2)	tCO ₂ eq	8,309	9,369	9,959	
	Total emissions	tCO ₂ eq	9,732	10,832	11,423	
	Direct emissions intensity	tCO ₂ eq/100 million KRW	0.00476210	0.00419859	0.00367145	
	Indirect emissions intensity	tCO ₂ eq/100 million KRW	0.02778670	0.02688765	0.02497538	
	Total emissions reduction*	tCO ₂ -eq	-	-	7,397,000	
	Total emissions reduction rate*	%	-	-	39.304	
Energy consumption (all regional offices)	Electricity	TJ	191.15676	193.83543	205.87091	
	City gas	TJ	20.63596	19.79379	20.10967	
	Heat (steam)	TJ	2.01460	1.80727	1.93659	
	Gasoline	TJ	5.07829	5.80761	5.57374	
	Gas/Diesel Oil (diesel)	TJ	0.04064	0.89099	0.92986	
	LPG vehicles	TJ	0.06532	0.08804	0.0499	
	Total	TJ	219.75096	222.22313	234.47066	
Eco-friendly vehicle ratio	Business vehicles	Business vehicles (excluding compact and eco-friendly vehicles)	Unit	154	134	121
		Compact cars	Unit	169	141	118
		Eco-friendly vehicles Hybrid	Unit	53	47	46
		Eco-friendly vehicles Hydrogen electric	Unit	59	84	151
		Eco-friendly vehicles Total	Unit	112	131	197
		Total	Unit	435	406	436
		Eco-friendly Total vehicle ratio	%	25.75	32.27	45.18

*2023 new indicator

Resource Circulation and Pollution Reduction

1 Our approach

We promote eco-friendly values through environmental conservation and social responsibility. We comply with laws related to water, hazardous chemicals, and waste, striving to maintain levels below government targets through intense monitoring. We organize environmental campaigns involving employees and customers in our resource recirculation efforts. We also support employees' carbon neutrality activities to internalize environmental management.

2 Target

The NPS actively responds to the climate crisis and practices eco-friendly management. We provide information to stakeholders by complying with environmental laws and regulations and transparently disclosing data.

0 cases	Of environmental law and regulation violations	0 KRW	Sanctions for environmental law violations
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3 Our progress

Particulate matter

The NPS has recognized its responsibility as a public institution to reduce particulate matter. To tackle this issue, the NPS has developed a mid-to-long-term plan involving establishing indoor and outdoor gardens and ways to address particulate matter. By utilizing the idle area of our office building, we have created 2,438 m² greenery, reducing 490,783 µg/m³* of particulate matter.

* Equivalent to an average reduction of 198µg/m³ per 1m² of indoor/outdoor gardens

Waste

By going paperless, we save 74.06 million sheets of paper annually. Our resource conservation initiatives include collecting used batteries and organizing the "PC Sharing with Love" event. This battery collection effort resulted in a reduction equivalent to 44 kg of GHG emissions and decreased waste. We are considering carbon-neutral activities for voluntary participation and sustainable operations to promote environmental preservation.

4 Our performance

Classification		Unit	2021	2022	2023
Water consumption*	City water consumption	Ton	33,095	30,112	35,598
	Green product purchases	Green product purchase amount (eco-label certified products)	1 million KRW	2,130	2,468
	Green product purchase ratio	%	38.7	50.9	58.9
Waste discharge by type	General waste	Ton	28.75	22.5	19.25
	Total	Ton	28.75	22.5	19.25
Environmental law violations	Environmental law and regulation violations	Case	0	0	0
	Sanction amount for environmental law violations	1 million KRW	0	0	0
Waste generation by disposal method (general waste)	Recycling	Ton	28.75	22.5	19.25
Hazardous chemicals use	Hazardous chemical spill incidents	Number of cases	0	0	0

* Calculated based on the Happiness Pension Hall

Social



Diversity and Equal Opportunities

1 Our approach

The NPS has implemented a competitive talent development strategy and systematic HR and recruitment management to attract and nurture top talent that is aligned with policy changes. Our personnel regulations ensure non-discrimination, fairness, and transparency through blind screening and open competitive examinations. We have introduced a recruitment target system to promote gender equality and socially equitable hiring. By offering various working forms, managing the number of personnel, and improving working methods, we uphold workers' rights and foster cooperative labor-management relations, including facilitating collective agreements through consultation.

2 Target

The NPS aimed to surpass its target, exceeding the government's benchmark due to the initially low percentage of female executives. The rate of female managers increased for the third consecutive year.

Surpassed Surpassed challenging self-target
for the percentage of female executives

3 Our progress

Cultivating job-oriented professionals

To improve job training, the NPS enlisted professors with expertise in job-related fields and enhanced training methods. Furthermore, we introduced a new “Coaching Leadership Course” for job-specific skill training. These initiatives led to a 12.3 percentage point increase (81.2%) in employees who reported that job training helped them perform better and a 0.6-point increase in the employee human resource development index, bringing it to 90.4 points.

Creating quality jobs

As a public institution, we are dedicated to creating jobs and fulfilling our social responsibility. We create an environment conducive to job creation by partnering with private specialized organizations for fund management and management system construction. We strengthen the foundation for job creation by activating in-house ventures. Additionally, we contribute to retaining and creating private employment by hiring competent seniors and others.

Reasonable performance evaluations

The NPS has introduced a structured performance management system to help achieve company-wide goals. We have established performance indicators and enhanced the evaluation system to ensure fair and comprehensive performance assessments. This system involves consultation and adjustment at all stages: planning, execution and operation, inspection and evaluation, and feedback.

Cooperative labor-management relations

We created mutually beneficial labor-management relations based on trust and communication. To revitalize this, we implemented an employee observation system to enhance worker participation in management, paving the way for a board-level employee representation system. We adjusted the “Labor-Management Council” meeting times to accommodate remote attendees.* Additionally, we strive to improve on-site communication by surveying participating employees to identify and address their ongoing improvement needs.

* Meeting attendees: 20 in the first, 18 in the second, 8 in the third, and 46 in the fourth

4 Our performance

Classification		Unit	2021	2022	2023	
Number of employees by employment type	Number of T/O (including executives)	Person	7521.00	7596.00	7424.00	
	Current number of employees (excluding those on separate counts, such as parental leave)	Person	7425.50	7466.75	7356.25	
	Permanent employees	Male	Person	2882.00	2785.25	2636.00
		Female	Person	3246.00	3401.75	3443.50
		Total	Person	6128.00	6187.00	6079.50
	Temporary employees	Male	Person	43.00	30.00	27.00
		Female	Person	45.25	28.00	37.75
		Total	Person	88.25	58.00	64.75
	Permanent contract employees	Male	Person	262.50	265.25	280.00
		Female	Person	1035.00	1014.50	996.75
		Total	Person	1297.50	1279.75	1276.75
	Outsourced workers	Male	Person	8.00	8.00	7.00
		Female	Person	0.00	0.00	0.00
Total		Person	8.00	8.00	7.00	
Total	Male	Person	3144.50	3050.50	2916.00	
	Female	Person	4281.00	4416.25	4440.25	
	Total	Person	7425.50	7466.75	7356.25	
Number of employees by age	Under 30	Person	1120.00	1140.25	955.75	
	30-50	Person	4309.00	4306.00	4312.25	
	Over 50	Person	1996.50	2020.50	2088.25	
	Total	Person	7425.50	7466.75	7356.25	

4 Our performance

Classification		Unit	2021	2022	2023	
Number of new hires	Total number of employees (permanent)	Person	6128	6187	6079.5	
	Number of new hires (by gender)	Male	Person	124	129	88
		Female	Person	178	200	92
	Number of new hires (by age)	Under 30	Person	217	247	96
		30-50	Person	80	81	81
		Over 50	Person	5	1	3
	Number of new hires (permanent)	Male	Person	124	129	88
		Female	Person	178	200	92
		Persons with disabilities	Person	6	13	29
		Local talents from non-capital regions	Person	145	168	82
	Veterans	Person	16	7	24	
	High school graduates	Person	22	31	12	
	New hires	Person	302	329	180	
	Number of new hires (temporary)	Part-time (full-time equivalent)	Person	0	12(6.5)	3(2.25)
		Youth interns	Person	282.5	296	246
Total number of new hires	Person	302	329	180		
Ratio of new hires to total employees	%	4.93	5.32	2.96		
Number of turnovers and retirements	Turnovers (retirements)	Person	400	426	408	
	Turnover (retirement) employee ratio	%	5.32	5.61	5.50	
	Total number of retirees	Total	Person	400	426	408
		Male	Person	269	312	264
		Female	Person	131	114	144

Classification		Unit	2021	2022	2023	
Number of turnovers and retirements	Voluntary resignations	Total	Person	114	108	138
		Male	Person	48	62	76
		Female	Person	66	46	62
	Youth retirements	Total	Person	64	51	79
		Male	Person	26	29	43
		Female	Person	38	22	36
	Honorable retirements	Total	Person	10	16	14
		Male	Person	6	10	6
		Female	Person	4	6	8
	Other retirements	Total	Person	46	55	52
Male		Person	27	42	34	
Female		Person	19	13	18	
Union membership	Number of employees eligible for union membership	Person	7,767	7,694	7,700	
	Number of employees in the union	Person	6,195	6,262	6,272	
	Ratio of employees in the union	%	79.76	81.39	81	
Employee training	Total number of employees (T/O)	Person	7,521	7,596	7,424	
	Total training hours	Hour	368,339	449,516	403,913	
	Training hours per person	Hour/person	49	59.1	54.4	
	Total number of employees trained	Person	129,523	151,105	137,448	
	Training budget per person	1 thousand KRW	523	506	517.5	
	Training satisfaction (out of 5 points)	Point	4.67	4.68	4.73	

4 Our performance

Classification		Unit	2021	2022	2023	
Entry-level employee wage to minimum wage (hourly)	Legal minimum wage	KRW	8,720	9,160	9,620	
	Entry-level employee wage (male)	KRW	14,436	14,685	15,051	
	Entry-level employee wage (female)	KRW	14,436	14,685	15,051	
	Ratio (male)	%	165.6	160.3	156.5	
	Ratio (female)	%	165.6	160.3	156.5	
Base salary and compensation ratio of women to men (by employee category)*	Executives	Ratio of women's base salary to men's	%	70.75	70.61	70.53
		Ratio of women's total compensation to men's	%	56.01	61.60	67.30
	Employees	Ratio of women's base salary to men's	%	80.23	81.30	81.78
		Ratio of women's total compensation to men's	%	81.45	82.58	84.02
Welfare expenses	Welfare expenses per person (based on permanent full-time employees)	1 thousand KRW	1,701	1,675	1,696	
Employee satisfaction	Welfare satisfaction	Point	85.6	83.4	83.7	
Ratio of highest salary to average employee salary	Annual total salary of highest-paid employee (A)	1 million KRW	646	581	525	
	Average annual salary of all employees (B)	1 million KRW	69	70	71	
	Ratio (A/B)	%	936.23	830.00	739.44	
Ratio of highest salary increase to average employee salary increase	Salary increase rate of the highest-paid employee (A)	%	10.06	-10.07	-9.64	
	Average salary increase rate of employees (B)	%	1.48	1.45	1.43	
	Ratio (A/B)	%	679.73	-694.48	-674.13	

*Amount paid to all full-time employees each year divided by the number of full-time employees

Work-Life Balance

1 Our approach

The NPS offers a variety of vacation and leave programs and flexible work arrangements to help employees maintain a healthy work-life balance. Our flexible work system includes customized, intensive, and short-term work programs tailored to each employee's situation and environment. In 2022, we formed the "Work-Life Balance System Improvement Team" to enhance the system and integrate employees' feedback. In 2023, the number of employees utilizing customized work types E and F increased by 946% year-on-year to 460 cases. We support long-term, compensatory, and family-related leaves to promote a work-life balance culture.

2 Target

We promote work-life balance by actively supporting pregnancy and childbirth programs. More male employees are taking spousal maternity leave.

Reviewing the introduction of an automatic childcare leave system upon childbirth

3 Our progress

Maternity and childcare support

The NPS supports work-life balance by offering a comprehensive pregnancy, childbirth, and childcare system. The age limit for children eligible for childcare hours has been extended from 5 to 8 to prevent career interruptions due to childbirth and childcare responsibilities. Furthermore, the capacity of the headquarters' nursery school has been expanded.

Work-life balance culture

We participated in the "Work-Life Balance Campaign" organized by the Ministry of Employment and Labor. This initiative aims to cultivate an organizational culture where taking breaks and enhancing productivity go hand in hand by encouraging employees to rest well and work smarter.

4 Our performance

Classification			Unit	2021	2022	2023
Use of flexible work programs	Part-time work	Recruitment	Person	1	4	7
		Conversion	Person	306	365	416
	Flexible work	Staggered work	Person	1,296	1,591	1,717
		Flexible work	Person	598	1,298	1,955
		Intensive work	Person	28	29	33
	Remote work	Work from home	Person	7,222	2,136	508
		Smart work	Person	65	112	154
Use of parental leave	Support before and after childbirth	Reduced hours during pregnancy (2 hours less per day throughout the pregnancy)	Person	159	136	150
		Support for childcare	Person	145	181	210
	Maternity leave	Maternity leave (90 days for single pregnancy, 120 days for multiple pregnancies)	Person	149	150	143
		Spousal maternity leave (10 days)	Person	67	63	63
	Number of employees using parental leave	Overall	Person	484	551	512
		Male	Person	58	85	81
		Female	Person	426	466	431

Classification		Unit	2021	2022	2023
Retirement pension system	Amount managed in retirement pension (DB)	1 million KRW	47,675	54,986	55,775
	Amount managed in retirement pension (DC)	1 million KRW	14,781	17,753	24,900
	Total amount managed in retirement pension	1 million KRW	62,456	72,739	80,675
	Number of participants (DB)	Person	644	629	599
	Number of participants (DC)	Person	161	203	242
	Total number of participants	Person	805	832	841

Human Rights

1 Our approach

The NPS is dedicated to promoting a culture of respect for human rights and has implemented a management system prioritizing people-centered management. To reduce human rights risks, we aim to raise awareness among all employees, not just those handling grievances, and to enhance sensitivity to human rights across the organization.

2 Target

To prevent human rights violations, we conduct self-inspections to identify and mitigate human rights risks. We strive to enhance educational efforts by seeking advice from external experts and organizing inclusive events to foster a culture of respect for human rights within the community.

Consultation with external experts

Consulting with external experts to disseminate a culture of respect for human rights

3 Our progress

Human rights impact assessment

The NPS identified significant human rights issues relevant to our business and worked to improve them. We analyzed cases of human rights violations and addressed blind spots in human rights risks. This has led to the creation and dissemination of the “Human Rights Violation Prevention and Response Manual,” campaigns to prevent and eradicate digital sexual crimes, and the establishment of a grievance counseling system.

Spreading a culture of respect for human rights

Through collaboration with external experts, we have enhanced the impact of our human rights education. The “Know Hateful Expressions” campaign increased the human rights respect score to 84.7%, a 4.6 percentage point rise from the previous year. We aim to strengthen our human rights management by conducting regular human rights impact assessments with external experts.

4 Our performance

Classification			Unit	2021	2022	2023
Human rights management	Human rights management education	Total number of participants	Person	7,397	7,084	7,103
		Participant completion rate	%	100	99.9	99.9
Employee human rights education	Employee human rights education		Person	7,397	7,084	7,103
	Sexual harassment (4 major areas) education		Person	7,233	7,232	7,607
	Abuse of power education		Person	7,397	7,084	7,103
Cases of discrimination			Case	0	0	0

Health and Safety

1 Our approach

The NPS has developed a safety and disaster management system to comply with the Serious Accident Punishment Act and other environmental changes. We have appointed specialized personnel to dedicated departments and assigned safety staff to regional headquarters. To protect all workers, including contractors and outsourcers, from occupational accidents, we distributed improved disaster response manuals. As Chief Safety and Health Officer, the CEO has integrated safety and disaster management tasks into the performance plan and facilitates labor-management communication to ensure employee safety.

2 Target

We aim to prevent safety accidents through proactive safety inspections and improvements, ensuring the safety of workers and the public by increasing the number of dedicated safety and health personnel to bolster site-centered safety management.

<p>Zero serious occupational and civilian accidents</p>	<p>Evaluating and expanding the operational performance of the open position recruitment system</p>	<p>Monitoring special inspections of old buildings and implementing mid-to long-term measures in stages</p>
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3 Our progress

Enhancing the disaster management system

The NPS has improved its safety capabilities by strengthening its disaster management system to prevent accidents. Recognizing the need to secure a budget for preventing serious disasters due to aging buildings, we overhauled departmental manuals to standardize the serious disaster manual. We integrated it with the existing operational disaster manual.

Building safety culture partnerships

We have improved the triple safety inspection system at construction sites to foster safety partnerships with contractors. We established a “119 Hotline” for immediate work stoppage requests, mandated pre-work safety meetings, and enhanced safety work permit procedures for contracted work to ensure practical safety measures.

Supporting health care

The NPS prioritizes workers’ physical and mental health through active health management. We conduct annual health check-ups for those prone to illnesses and provide psychological recovery programs for employees needing support during mental health check-ups.

4 Our performance

Classification	Unit	2021	2022	2023		
Occupational safety and health	Number of fatalities	Person	0	0	0	
	Number of injuries	Person	3	6	6	
	Safety training	Participant completion rate	%	142.19	139.7	250.3
		Training hours per person	Hour	3	3	3
	Total number of participants	Person	10,865	10,615	18,582	
Safety and health-related councils	Number of participants / number of meetings held for the Safety Labor Council	Person/case	21 / 4	20 / 4	20 / 4	
	Number of participants / number of meetings held for the Occupational Safety and Health Committee	Person/case	13 / 4	12 / 4	12 / 4	
	Number of participants / number of meetings held for the Safety Management Committee	Person/case	15 / 2	13 / 3	11 / 4	
Employee safety and health	Occupational accident rate for contracted projects	%	0	0	0	
	Number of serious occupational accidents	Case	0	0	0	
	Evaluation results of public institution safety activity level	Evaluation supervised by the Ministry of Employment and Labor	Absolute evaluation	B	B	B
	Number of dedicated safety personnel (T/O/P/O)	Person	251 / 250	251 / 243	251 / 247	
	Secured safety managers	Permanent employee ratio	%	3.33	3.33	3.37
	Disaster management evaluation	Evaluation supervised by the Ministry of the Interior and Safety		B	A	A
	Health check-up utilization	General check-up	Person	3,587	3,835	3,710
Person			0	72	37	
Person			2,776	2,751	2,895	
Health promotion activities (use of health consultations)	Case	No data	490	594		

Community

1 Our approach

The NPS has set specific goals and activities for key audiences, including the public, socially disadvantaged individuals, local communities, and employees. We conduct social contribution activities to meet the diverse needs of our stakeholders, such as supporting the creation of a financial city in Jeonbuk, addressing local issues through tailored social initiatives, and revitalizing community networks.

2 Target

We leverage our capabilities and experience to develop and implement strategies for mutual development with local communities. We aim to create social value through community engagement and revitalizing the local economy.

Enhancing participation in local problem-solving platforms
and attending local self-governing councils

3 Our progress

Social contribution initiatives

The NPS promotes residents' welfare through sharing and communication and manages performance via detailed programs.

2023 Local Community Welfare Initiatives	Initiatives	Achievements
Shared holiday warmth	"Creating a Holiday Where No One Feels Lonely" campaign	Sponsored 15 million KRW
Companionship Support Service	Provided one-on-one psychological counseling for disability and survivor pension beneficiaries in times of loss	Reduced feelings of depression among 202 residents (20%)
Yeongeun Market Bazaar	Supported vulnerable groups with bazaar proceeds	Donated 987 items and 1.3 million KRW
Held a concert with residents	Concert participated by residents	310 residents attended

4 Our performance

Classification		Unit	2021	2022	2023	
Social contribution	Job creation	Person	11,882	12,159	12,910	
	Social contribution mileage	Point	57,675	57,554	58,571	
	Volunteer hours per employee	Hour	4.4	3.96	3.19	
	Employee volunteer participation hours	Hour	5,277	6,875	8,017	
	Number of volunteers	Person	1,203	1,734	2,509	
	Social contribution investment costs	1 million KRW	554	482	467	
Social contribution expenses	Expenditure method	Operating expenses for social contribution (indirect)	1 million KRW	-	-	-
		Donations (direct)	1 million KRW	554	482	467
	Expenditure format	Cash	1 million KRW	178	179	169
		Cash equivalent	1 million KRW	376	303	298
	Total	1 million KRW	554	482	467	
Community	Community donations	Amount	1 million KRW	88	69	78

Shared Growth

1 Our approach

We aim to create a shared growth ecosystem by enhancing the competitiveness of SMEs and small businesses while promoting shared regional development. As a leader in government policy promotion, we have joined the payment linkage system initiative, “Companion Enterprise.” To support SMEs, we are increasing our purchases of their products, including those for domestic and international sales, technology advancement, and win-win partnerships. Furthermore, we have extended the village self-governance pension program from agricultural to fishing communities to encourage regional cooperation.

2 Target

The NPS aims to be a leader in promoting shared growth among public institutions. For the third consecutive year, we received the highest rating in the 2023 Public Institutions Shared Growth Evaluation by the Ministry of SMEs and Startups. We intend to conduct the “NPS Shared Growth Committee” annually to address and enhance company-wide shared growth issues through performance reviews and contribution evaluations.

Participated in the SME technology market to support new technology introduction and market development

Best

Achieved “Best” in shared growth evaluation results

Supported ESG management of partner companies

3 Our progress

Efforts to improve the payment environment for partner companies

The NPS ensures that cash payments are made to partner companies on the due date to help maintain their financial stability. We continuously expand the win-win payment system, the Subcontractor Guardian program, and advance payment rates. Additionally, we have established the “Social Economy Fund” to provide low-interest support grants to local social enterprises, helping them secure financial liquidity.

Increasing investment in SMEs and protecting their technologies

We have increased our direct investments in promising and innovative SMEs. By doing so, we have raised the proportion of investments in unlisted companies with high growth potential and SMEs with low credit ratings that struggle to issue corporate bonds. To protect SMEs’ technologies, we support technology escrow contracts and actively sign confidentiality agreements. We will boost contributions to the Win-Win Cooperation Fund and the Rural Win-Win Fund to promote the shared growth of SMEs and small businesses.

4 Our performance

Classification		Unit	2021	2022	2023	
Partners	Number of partners	Company	759	861	2,544	
	Transaction amount	1 million KRW	91,544	119,288	126,833	
Performance in supporting SMEs’ shared growth	Rating in shared growth evaluation for public institutions	Rating	Best	Best	Best	
	Win-win fund for SMEs and large enterprises	1 million KRW	280	0	270	
	Rural win-win fund	1 million KRW	824	910	1,010	
	Collaboration profit & performance-sharing system	Case	37	46	30	
	Venture investment	100 million KRW	12,080	13,582	14,867	
Preferred purchase performance	Preferred purchase amount and ratio from a social responsibility perspective	SMEs	100 million KRW / %	690 / 88.9	555 / 69.4	769 / 75.8
		Technological development products	100 million KRW / %	45 / 48	83 / 53.2	77 / 21.1
	Social enterprises	100 million KRW / %	38 / 5.5	28 / 3.7	33 / 4.2	
	Women-owned enterprises	100 million KRW / %	84 / 10.8	93 / 11.6	85 / 6.7	
	Disabled-owned enterprises	100 million KRW / %	28 / 3.6	27 / 3.4	14 / 1.4	
	Green products	100 million KRW / %	21 / 38.7	25 / 50.9	24 / 58.9	
	Products produced by severely disabled individuals	100 million KRW / %	12 / 1.7	12 / 1.7	20 / 1.6	
	Veteran-owned self-sufficient enterprises	100 million KRW / %	0.1 / 9	0.2 / 9	2 / 7.4	

Data Protection

1 Our approach

Due to digitization, the number of information systems and subjects requiring protection has increased, and cyberattacks have become more sophisticated. We have a dedicated department that ensures thorough cyber security control 24/7, 365 days a year to better respond to threats against our data. This is achieved through continuous accident prevention and realistic cyberattack response drills. Additionally, we conduct Cybersecurity Diagnosis Day and mail hacking drills for employees to raise awareness and prevent cyber breaches.

2 Target

We've advanced our information security management system to strengthen our information security capabilities and proactively addressing vulnerabilities through an improved rapid response system for cyber threats. We've developed the "NPS Comprehensive Plan for Ransomware Response" to systematically safeguard data from ransomware attacks as cyber threats have become organized and sophisticated, enhancing the reliability of national data management.

Zero Achieved 0 cyber breaches and privacy-related leaks

3 Our progress

Establishing an AI-based integrated information security response system

We have established the "NPS Cybersecurity Control Center," the first unit under the Ministry of Health and Welfare to address cyber threats in the evolving IT environment. This center focuses on preventing "cyber breaches" through NPS-specific responses. Additionally, we are developing an AI-based integrated information security system to counter more sophisticated cyberattacks.

Conducting cyberattack response drills

We develop training scenarios to prepare for latest cyber threats like ransomware and DDoS attacks. We conduct realistic mock drills with the National Intelligence Service and the Ministry of Health and Welfare to test our crisis collaboration system and response readiness for quick and effective action.

4 Our performance

Classification		Unit	2021	2022	2023
Information security and cybersecurity	Number of information security and cybersecurity incidents	Case	0	0	0
	Fines or penalties paid due to incidents	KRW	0	0	0
	Number of information security violations/incidents related to customer information	Case	0	0	0
	Number of customers affected by data breaches	Person	0	0	0



Governance

1 Our approach

The NPS operates with a BOD built on expertise and transparency to promote sustainability. As the highest decision-making body, the BOD supports management's decisions and serves as a mechanism for oversight and checks to protect the interests of shareholders and stakeholders. To strengthen our ESG capabilities, we have established the ESG Management Committee, ESG Working Committee, ESG Task Force, and ESG Implementation Organization. In 2023, we also formed the MZ Committee to generate innovative ESG management ideas. We aim to guarantee sound governance by ensuring BOD independence, transparency, expertise, and diversity.

1 Our approach

Board composition

* As of June 2024

Name	Gender	Career	Position and Expertise	Term
Tae-Hyun Kim	Male	<ul style="list-style-type: none"> President, Korea Deposit Insurance Corporation Secretary General, Financial Services Commission Head, Financial Policy Division, Financial Services Commission 	Chairperson	Sep. 1, 2022 - Aug. 31, 2025
Jae-Hyuk Jang	Male	<ul style="list-style-type: none"> Planning and Coordination Officer, Secretariat, Presidential Committee on Ageing Society and Population Policy Head, Pension Policy Division, Ministry of Health and Welfare Head, Health Insurance Policy Division, Ministry of Health and Welfare 	Director of Planning	Jan. 10, 2023 - Jan. 09, 2025
Tae-Gyu Jung	Male	<ul style="list-style-type: none"> Head, Busan Regional Headquarters, the NPS Head, Wonju Regional Office, the NPS Head, Customer Support Division, the NPS 	Director of Pension	Apr. 29, 2024 - Apr. 28, 2026
Yeo-Gyu Lee	Female	<ul style="list-style-type: none"> Head, Daejeon Sejong Regional Headquarters, the NPS Head, Audit Division, the NPS Head, Seocho Regional Office, the NPS 	Director of Welfare	May 30, 2023 - May 29, 2025
Won-Joo Seo	Male	<ul style="list-style-type: none"> CIO (Head of Fund Management Division), Government Employees Pension Service Head, Asset Management Division, PCA Life Insurance (now Mirae Asset Life Insurance) Divisional Head, Asset Management Division, Samsung Life Insurance 	Director of Fund	Dec. 27, 2022 - Dec. 26, 2024
Dong-Geun Lee	Male	<ul style="list-style-type: none"> President, Hyundai Research Institute Executive Vice Chairperson, Korea Chamber of Commerce and Industry Head, Trade Investment Division, Ministry of Knowledge Economy 	Vice Chairperson, Korea Enterprises Federation	Jul. 3, 2023 - Jul. 2, 2025
Yun-Mo Jung	Male	<ul style="list-style-type: none"> Chairperson, Korea Technology Finance Corporation Head, Planning and Coordination Division, Ministry of SMEs and Startups SME Secretary, Office of the Presidential Secretary 	Executive Vice President, Korea Federation of SMEs	Mar. 14, 2024 - Mar. 13, 2025

Name	Gender	Career	Position and Expertise	Term
Ki-Seop Ryu	Male	<ul style="list-style-type: none"> General Secretary, Federation of Korean Trade Unions Chairperson, Federation of Korean Public Trade Unions Member, National Pension Fund Management Committee 	Secretary General, Federation of Korean Trade Unions	May 24, 2024 - May 23, 2026
Yeon-Joo Cho	Female	<ul style="list-style-type: none"> Executive Director, The Korean Institute of Certified Public Accountants Member, Financial Services Commission Partner, Dasan Accounting Corporation 	Head, Research and Education Division, The Korean Institute of Certified Public Accountants	Jul. 3, 2023 - Jul. 2, 2025
Hyang-Ran Kim	Female	<ul style="list-style-type: none"> Director, Voice For Consumers Consumer Dispute Mediator, Fair Trade Commission Adjunct Professor, Business Administration, Kyungsoong University 	Chairperson, Busan · Gyeongnam Chapter, The Voice For Consumers	Jul. 3, 2023 - Jul. 2, 2025
Ji-Yu Lee	Female	<ul style="list-style-type: none"> Vice Chairperson, CIA Committee, The Institute of Internal Auditors Korea Head, Accounting Management Team, LG Chem Instructor, Department of Accounting, The Catholic University of Korea 	Member, Audit Quality Evaluation Committee, The Institute of Internal Auditors Korea	Jul. 3, 2023 - Jul. 2, 2025
Won-Seok Seo	Male	<ul style="list-style-type: none"> Research Fellow, IBS Consulting Vice President, The Korea Institute of Public Administration Member, Public Institution Evaluation Committee, Ministry of Economy and Finance 	Research Professor, Institute for National Policy Management, Sejong University	Mar. 14, 2022 - Mar. 13, 2024
Young-Joo Jin	Female	<ul style="list-style-type: none"> Head, Bureau of Health Policy, Ministry of Health and Welfare Head, Division of Health Insurance Policy, Ministry of Health and Welfare Head, Human Resource Development Division, Ministry of Health and Welfare 	Head, Bureau of Pension Policy, Ministry of Health and Welfare	Jul. 10, 2024 - Term of office

2 Our progress

Board composition

The board of directors of the NPS consists of a chairperson, four executive directors, and eight non-executive directors. The composition of the NPS board is governed by the Act on the Management of Public Institutions, Article 30 of the National Pension Act, Article 11 of the Articles of Incorporation, and the Regulations on the Operation of the Executive Nomination Committee. The board selects candidates with a deep understanding of relevant industries, experience, and expertise in finance, accounting, and global markets. The president appoints the chairperson based on the recommendation of the Minister of Health and Welfare from among candidates nominated by the Executive Nomination Committee. The chairperson's term is three years, while the term for non-executive directors (excluding ex officio directors) is two years, with the possibility of yearly reappointment.

Revitalizing board operations

The NPS guides BOD operations based on the "Act on the Management of Public Institutions," the "National Pension Act," and the "Regulations on BOD Operations." The BOD has achieved top operational performance by proposing comprehensive agenda items, promoting issue reporting, and ensuring a balanced composition. The BOD has reinvigorated the employee representative observation system and expanded information disclosure to enhance the expertise and accountability of non-executive directors and improve transparency.

Board performance evaluation

Under Article 31 of the Act on the Management of Public Institutions, the chairperson is responsible for entering into performance contracts with the executive directors and evaluating their performance. Additionally, by relevant regulations such as the "Rules on the Operation of Open and Professional Positions," the chairperson must sign performance contracts with the heads of the National Pension Research Institute and the Digital Innovation Headquarters and assess their performance. Non-executive directors and auditors are also subject to performance evaluations of their duties as stipulated in Article 36 of the Act on the Management of Public Institutions.

Board compensation

The remuneration of the NPS executive directors is based on the annual upper limit set by the Ministry of Economy and Finance, per the "Act on the Management of Public Institutions" and the "Guidelines on the Remuneration for Executives of Public Enterprises and Quasi-Governmental Institutions." Non-executive directors' remuneration follows the "Guidelines on the Remuneration of Executives of Public Institutions" by the Ministry of Economy and Finance. Matters regarding the process for determining board remuneration and compensation are transparently disclosed on the NPS website and ALIO in accordance with board regulations and relevant laws.

4 Our performance

Classification		Unit	2021	2022	2023
Board operations	Number of board meetings	Case	13	14	13
	Number of resolutions	Case	46	40	32
	Number of amended resolutions	Case	1	1	1
	Number of reported agendas	Case	5	9	14
	Board attendance rate	%	96.7	85.6	90.9
Executive remuneration	Executive head of the organization (base salary + performance bonus)	1 thousand KRW	174,731	192,101	209,935
	Executive auditor (base salary + performance bonus)	1 thousand KRW	148,253	163,257	171,461
	Executive directors (base salary + performance bonus)	1 thousand KRW	266,158	261,427	258,562
	Average remuneration for full-time executives (annual salary)	1 thousand KRW	231,270	233,512	235,941
	Male	1 thousand KRW	249,567	249,478	249,540
	Female	1 thousand KRW	139,785	153,681	167,947
	Non-executive directors	1 thousand KRW	9,000	9,000	9,000

Ethics and Compliance

1 Our approach

After establishing an ethical management strategy and roadmap, the NPS identified corruption-prone departmental areas and developed improvement strategies. We appointed a non-executive director to oversee ethical management, ensuring enhanced expertise and independence, and formed the Ethical Management Committee with external members to boost knowledge and diversity. The Anti-Corruption and Integrity Committee serves as the highest ethical management decision-making body. We revised the Code of Ethics to reflect internal and external changes, publicly affirming our commitment to integrity. The Code of Ethics outlines standards for ethical management, conflict of interest prevention, human rights respect, ESG considerations in sustainable management, and transparent management, guiding all employees in making the right decisions.

2 Target

We have developed an anti-corruption and integrity enhancement strategy that incorporates improvement strategies for vulnerable areas specific to each department, considering the nature of their work. This plan is part of our comprehensive integrity policy, which is being implemented across the organization.

<p>Enhancing the ethical management performance index</p>	<p>0 cases Of conflict of interest violations</p>
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3 Our progress

Reinforcing ethical management monitoring

The NPS created the “National Pension Ethical Management Performance Index (NPS-BEX)” to enhance ethical risk monitoring and adapt to changes in domestic and international environments where there is no integrated index to measure ethical management performance and manage risks. The “NPS-BEX” monitors internal control activities by analyzing results from ethical management awareness surveys, comprehensive integrity (internal and external perception) surveys, misconduct frequency, and performance of ethical risk mitigation measures. The Ethics Management Committee, including the non-executive director in charge of ethical management and external members, evaluates departmental risk mitigation activities for the 11 identified ethical risks and works to strengthen internal control.

Conflict of interest prevention

With the diversification of investments, the potential for conflicts of interest in fund management is increasing. To prevent conflicts of interest related to recruitment, the NPS is actively educating employees on risk re-identification, strengthening high-risk job codes, enhancing prevention systems, and communicating case studies. We have implemented self-examination and education for high-risk jobs to prevent conflicts of interest.

4 Our performance

Classification		Unit	2021	2022	2023	
Ethical management	Comprehensive Integrity Index (Anti-Corruption and Civil Rights Commission)	Grade	2	2	2	
	Employee ethics awareness index (out of 100 points)	Point	88.2	87.9	87.8	
	Ethical management participants in training	Person	7,224	7,084	7,103	
Anti-corruption and ethical management	Participation rate of employees in anti-corruption and ethics training	%	100	100	100	
	Number of employees who participated in human rights management training	Person	7,397	7,084	7,103	
	Participation rate of employees in human rights management training	%	100	99.9	99.9	
	Disciplinary actions against individuals involved in corruption	Case	19	22	13	
	Number of legal actions for unfair trade practices	Case	0	0	0	
	Monitoring	Comprehensive Integrity Index evaluation	Grade	2	2	2
		Public Perception Survey (previously Social Value Contribution)	Point	74.000	60.300	63.700

Economic



Financial Performance

Classification		Unit	2021	2022	2023	
Summary Consolidated Financial Statements (K-IFRS)	Assets	Current Assets	1 million KRW	135,704	389,492	392,751
		Non-current Assets	1 million KRW	73,925	77,634	71,668
		Total Assets	1 million KRW	209,629	467,126	464,419
	Liabilities	Current Liabilities	1 million KRW	169,988	411,023	429,626
		Non-current Liabilities	1 million KRW	350,398	321,522	355,559
		Total Liabilities	1 million KRW	520,386	732,545	785,185
	Equity	Others	1 million KRW	-310,757	-265,419	-320,766
		Total Equity	1 million KRW	-310,757	-265,419	-320,766
	Summary Consolidated Statement of Comprehensive Income (K-IFRS)	Revenue	1 million KRW	29,902,789	34,844,997	39,875,270
Cost of Sales		1 million KRW	29,169,215	34,076,970	39,073,280	
Selling and Administrative Expenses		1 million KRW	759,153	760,679	823,225	
Operating Profit		1 million KRW	-25,579	7,347	-21,235	
Other Income		1 million KRW	0	83	68	
Other Expenses		1 million KRW	0	0	0	
Other Gains (Losses)		1 million KRW	-22,677	-25,572	-30,029	
Finance Income		1 million KRW	3,419	6,720	10,393	
Finance Costs		1 million KRW	607	742	1,853	
Profit Before Income Tax		1 million KRW	-45,444	-12,165	-42,656	
Income Tax Expense (Benefit)		1 million KRW	-17	68	68	
Net Profit		1 million KRW	-45,427	-12,233	-42,724	
Other Comprehensive Income		1 million KRW	20,132	55,425	-13,569	
Total Comprehensive Income		1 million KRW	-25,295	43,192	-56,293	

Economic Performance Distribution

Classification			Unit	2021	2022	2023
Financial Status	Stability	Current Ratio	%	79.83	94.76	91.42
		Liabilities Ratio	%	-167.46	-276.00	-244.78
		Interest Coverage Ratio	%	-8,789.92	2,754.89	-2,108.28
	Profitability	Operating Profit Margin	%	-0.09	0.02	-0.05
		Net Profit Margin	%	-0.15	-0.04	-0.11
		Return on Assets (ROA)	%	-19.58	-3.62	-9.17
		Operating Cash Flow to Total Assets Ratio	%	-8.52	3.59	-2.33
	Growth and Activity	Sales Growth Rate	%	13.39	16.53	14.44
		Operating Profit Growth Rate	%	-41.54	128.72	-389.02
		Net Profit Growth Rate	%	-18.63	73.07	-249.25
		Total Asset Growth Rate	%	-17.60	122.83	-0.58
		Total Asset Turnover Ratio	%	14,264.59	7,459.45	8,586.07
	Productivity	Total Capital Investment Efficiency	%	265.38	189.68	141.98
		Facility Investment Efficiency	%	145.40	143.39	145.49
Labor Cost Per Capita Growth Rate		%	10.19	-2.23	7.56	
Added Value Per Capita Growth Rate		%	8.75	4.26	2.50	
Government Subsidy Support Performance	Subsidy Support Amount	1 million KRW	30,106,736	35,010,503	39,976,338	

Classification		Unit	2021	2022	2023
Economic Value Distribution	Customers (Pension Benefits)	1 million KRW	29,136,791	34,020,076	39,040,227
	Employees (Salaries, Retirement Benefits, Welfare Expenses)	1 million KRW	581,814	568,745	614,973
	Government (Taxes and Dues)	1 million KRW	36,674	37,851	37,612
	Community (Social Contribution Fund)	1 million KRW	473	435	413
	Partners (Purchases of SME Products)	1 million KRW	68,992	55,481	76,902
Economic Performance Distribution	Total Tax Payment to Government (Corporate Tax)	1 thousand KRW	-119,427	-102,129	-299,009
Research and Development	R&D Expenses	1 million KRW	2,554	2,340	2,931

Appendix



Risk Management	75
K-ESG Index	76
UNGC ADVANCED LEVEL	78
GRI Index	79
Third Party Assurance Statement	82
Awards and Memberships	84
Publication History	85

Risk Management

Managing risks related to fund management

The National Pension Fund identifies, manages, and controls five types of risks that may impact its stability and profitability: market risk, credit risk, liquidity risk, operational risk, and legal risk. Annually, total and specific risk limits by asset class are established based on strategic asset allocation and are regularly monitored. Returns are generated by appropriately managing these risks to ensure that the fund is not exposed to excessive or unnecessary risks about the returns. To enhance risk control, a risk management committee is in place, chaired by the NPS chairperson and including external experts.

Types and definitions of risks

Market risk	The risk of a decline in asset values due to market factors such as stock prices, interest rates, and exchange rates is measured by Value at Risk (VaR), a statistically calculated value.
Credit risk	The risk of investment non-recovery or value loss due to issuer or counterparty default. Exposure amounts, expected losses, and unexpected losses measure this risk.
Liquidity risk	A potential for losses from an inability to trade at normal prices due to a lack of market liquidity or slow trading.
Operational risk	The risk of financial loss or damage to the fund's reputation due to inadequate internal controls, system errors, employee mistakes, fraudulent activities, and other procedural issues.
Legal risk	A possibility of losses from legal interpretation errors or issues with contractual arrangements.

Risk management committee

The Risk Management Committee is presided over by the NPS Chairperson. It comprises the head of the NPSIM and at least five, but no more than seven external experts. The committee discusses and resolves significant risk management issues before making investments. It also examines post-investment reports and may request revisions if needed.

Classification	Major deliberations and resolutions	Frequency of meetings	Members
Risk Mgt Committee	<ul style="list-style-type: none"> • Matters concerning fundamental policies for risk management • Matters concerning the setting and management of risk or loss limits • Establishing and operating the risk management system • Risk management for new fund management targets or methods • Other matters deemed necessary by the chairperson 	<ul style="list-style-type: none"> • Regular (at least 4 times a year) • As needed 	<ul style="list-style-type: none"> • Total members: 7-9 persons • Chairperson: the NPS Chairperson • Members: Head of the NPSIM and 5-7 external experts

Risk management process



K-ESG Index

Classification	Category	Disclosure	Content	Page in the report
Information Disclosure (P)	Information Disclosure Type	P-1-1	ESG information disclosure method	2
	Information Disclosure Content	P-1-2	ESG information disclosure period	2
	Information Disclosure Verification	P-1-3	ESG information disclosure scope	2
Environment (E)	Environmental Management Objective	E-1-1	Establishment of environmental management objectives	55
		E-1-2	Environmental management system	55-56
	Raw and Subsidiary Materials	E-2-1	Raw and subsidiary consumption	N/A
		E-2-2	Ratio of recycled materials	N/A
	Greenhouse Gas	E-3-1	Greenhouse gas emissions (Scope 1 & Scope 2)	56
		E-3-2	Greenhouse gas emissions (Scope 3)	-
		E-3-3	Greenhouse gas emissions verification	-
	Energy	E-4-1	Energy consumption	56
		E-4-2	Ratio of renewable energy use	-
	Water	E-5-1	Amount of water used	57
		E-5-2	Ratio of re-used water	-
	Waste	E-6-1	Waste generated	57
		E-6-2	Waste recycling rate	-
	Pollutants	E-7-1	Air pollutant emissions	-
		E-7-2	Water pollutant emissions	-
Violation of Environmental Laws/Regulations	E-8-1	Violation of environmental laws/regulations	57	
Environmental Labeling	E-9-1	Ratio of environment-friendly eco-certified products and services	57	

Classification	Category	Disclosure	Content	Page in the report
Social (S)	Targets	S-1-1	Target setting and disclosure	58-59, 61-62
	Labor	S-2-1	New employee hiring and employment retention	60
		S-2-2	Ratio of permanent employees	59
		S-2-3	Voluntary turnover rate	60
		S-2-4	Training expense	60
		S-2-5	Fringe benefits	61
		S-2-6	Guarantee of freedom of association	47
	Diversity and Gender Equality	S-3-1	Ratio of female employees	59-60
		S-3-2	Ratio of female employees' wages (Compared to average wage)	61
		S-3-3	Employment rate for persons with disabilities	60
	Industrial Safety	S-4-1	Safety and health management system	64
		S-4-2	Rate of occupational accidents	36, 64
	Human Rights	S-5-1	Establishment of human rights policy	63
		S-5-2	Human rights risk assessment	48
	Win-Win Growth	S-6-1	ESG management of suppliers	41-42, 66
		S-6-2	ESG support for suppliers	42, 66
		S-6-3	ESG agreements with suppliers	-
	Local Communities	S-7-1	Strategic social contribution	38-40, 65
		S-7-2	Employees' participation in volunteer work	40
	Information Protection	S-8-1	Establishment of an information protection system	67
S-8-2		Infringement and recovery of personal information	67	
Violation of Social Laws/Regulations	S-9-1	Violation of social laws/regulations	67	



K-ESG Index

Classification	Category	Disclosure	Content	Page in the report
Governance (G)	Composition of the BOD	G-1-1	Presenting ESG issues within the BOD	70
		G-1-2	Ratio of independent directors	69
		G-1-3	Separation of the CEO and the chairman of the BOD	-
		G-1-4	Gender diversity in the BOD	69
		G-1-5	The expertise of independent directors	69
	BOD Activities	G-2-1	Attendance rate of all directors	70
		G-2-2	Attendance rate of executive directors	70
		G-2-3	BOD Committees	68
		G-2-4	Handling of issues within the BOD	70
	Shareholder Rights	G-3-1	Announcement of general shareholder meetings	-
		G-3-2	Date of general shareholder meeting	-
		G-3-3	Concentrated/Electronic/Written voting system	-
		G-3-4	Dividend policy and implementation	-
	Ethical Management	G-4-1	Disclosure of violations of the Code of Ethics	52, 71
	Audit Organization	G-5-1	Internal audit department	52
		G-5-2	Expertise in audit organization (Accounting/Finance experts within audit organization)	-
	Violation of Governance Laws/Regulations	G-6-1	Violation of governance-related laws/regulations	52, 71

UNGC ADVANCED LEVEL

UN Global Compact

UN launched the UN Global Compact (UNGC) to encourage companies to pursue socially responsible management actively. The UNGC proposed 10 principles in four areas: human rights, labor, environment, and anti-corruption. The NPS joined the UNGC to fulfill its social responsibilities as a public institution and to contribute to achieving a sustainable economy. We have integrated the 10 principles into our management system and are working with our employees to implement them. We are dedicated to upholding the principles of the UNGC and taking a leading role in fighting the climate crisis. We actively carry out our social responsibilities and maintain sustainable management through transparent operations to create a “society where both nature and people are happy together.”

Classification	Principles
Human Rights	① We support and respect the protection of internationally proclaimed human rights.
	② We ensure we are not complicit in human rights abuses.
Labor	③ We uphold the freedom of association and the right to collective bargaining.
	④ We uphold eliminating all forms of forced and compulsory labor.
	⑤ We uphold the effective abolition of child labor.
	⑥ We uphold the elimination of discrimination regarding employment and occupation.
Environment	⑦ We support a precautionary approach to environmental challenges.
	⑧ We undertake initiatives to promote greater environmental responsibility.
	⑨ We encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	⑩ We work against corruption, including extortion and bribery.

UN Sustainable Development Goals (UN-SDGs)

The UN Sustainable Development Goals are 17 shared objectives adopted by the UN General Assembly to be achieved by 2030. They aim to realize the ideals of sustainable development. These goals, encompassing 169 specific targets, outline humanity’s direction in five areas: people, planet, prosperity, peace, and partnership. The NPS actively supports the UN SDGs and strives to ensure sustainability in its operations, aligning with the global effort to achieve these goals.

The infographic displays the 17 Sustainable Development Goals (SDGs) in a grid format. Each goal is represented by a colored square with a white icon and a number. The goals are: 1. No Poverty (red), 2. Zero Hunger (yellow), 3. Good Health and Well-being (green), 4. Quality Education (blue), 5. Gender Equality (orange), 6. Clean Water and Sanitation (light blue), 7. Affordable and Clean Energy (yellow-green), 8. Decent Work and Economic Growth (purple), 9. Industry, Innovation and Infrastructure (orange), 10. Reduced Inequalities (pink), 11. Sustainable Cities and Communities (yellow), 12. Responsible Consumption and Production (yellow-green), 13. Climate Action (green), 14. Life Below Water (blue), 15. Life on Land (green), 16. Peace, Justice and Strong Institutions (blue), 17. Partnerships for the Goals (white with multi-colored border). Below the grid is a legend listing the goals by number and name.

1. End poverty 2. Zero Hunger 3. Good health and well-being 4. Quality education
 5. Gender equality 6. Clean water and sanitation 7. Accessibility to sustainable energy
 8. Sustainable economic growth, complete employment, decent jobs
 9. Fostering innovation and building social infrastructure 10. Reduced inequalities
 11. Sustainable cities and communities 12. Responsible consumption and production
 13. Climate action 14. Conserve life below water 15. Conserve life on land
 16. Peace, justice and strong institutions 17. Global partnerships for the goals

GRI Index

Statement of use	The NPS has published the report in accordance with the GRI Standards. (Report Period : January 1, 2023 - December 31, 2023)
GRI 1 used	GRI1 : Foundation 2021
Applicable GRI Sector Standard(s)	N/A

Universal Standard 2

Category	Disclosure No.	Disclosure Name	Page in the report
GRI 2: General Disclosures 2021			
The organization and its reporting practices	2-1	Organizational details	10
	2-2	Reporting scope	About This Report
	2-3	Reporting period, frequency and contact point	About This Report
	2-4	Restatements of information	Annotation
	2-5	External assurance	82-83
Activities and workers	2-6	Activities, value chain and other business relationships	22-25
	2-7	Employees	59-60
	2-8	Workers who are not employees	59
Governance	2-9	Governance structure and composition	69
	2-10	Nomination and selection of the highest governance body	69-70
	2-11	Chair of the highest governance body	69
	2-12	Role of the highest governance body in overseeing the management of impacts	68, 70
	2-13	Delegation of responsibility for managing impacts	13, 31, 68
	2-14	Role of the highest governance body in sustainability reporting	31, 68

Category	Disclosure No.	Disclosure Name	Page in the report
GRI 2: General Disclosures 2021			
Governance	2-15	Conflicts of interest	Board Operation Regulations
	2-16	Communication of critical concerns	51
	2-17	Collective knowledge of the highest governance body	69
	2-18	Evaluation of the performance of the highest governance body	70
	2-19	Remuneration policies	70
	2-20	Process to determine remuneration	70
	2-21	Annual total compensation ratio	61
	Strategy, policies and practices	2-22	Statement on sustainable development strategy
2-23		Policy commitments	14-15
2-24		Embedding policy commitments	15, 22, 24, 28-30, 41, 52-53
2-25		Processes to remediate negative impacts	34, 36, 41, 45, 47-48, 52
2-26		Mechanisms for seeking advice and raising concerns	75
2-27		Compliance with laws and regulations	No violations found
2-28		Membership associations	84

GRI Index

Universal Standard 2

Category	Disclosure No.	Disclosure Name	Page in the report
GRI 2: General Disclosures 2021			
Stakeholder engagement	2-29	Approach to stakeholder engagement	19-21
	2-30	Collective bargaining agreements	60

Universal Standard 3

Category	Disclosure No.	Disclosure Name	Page in the report
GRI 3: Material Topics 2021			
Material topics	3-1	Process to determine material topics	17-18
	3-2	List of material topics	18
	3-3	Management of material topics	18

GRI 200 (Economic Performance)

Category	Disclosure No.	Disclosure Name	Page in the report
GRI 201: Economic Performance 2016			
Economic performance	201-1	Direct economic value generated and distributed	72-73
GRI 203: Indirect Economic Impacts 2016			
Indirect economic impacts	203-1	Infrastructure investments and services supported	38-40
	203-2	Significant indirect economic impacts	41-42

GRI 300 (Environment Performance)

Category	Disclosure No.	Disclosure Name	Page in the report
GRI 302: Energy 2016			
Energy	302-1	Energy consumption within the organization	56
GRI 303: Water and Effluents 2018			
Water and effluents	303-5	Water consumption	57
GRI 305: Emissions 2016			
Emissions	305-1	Direct (Scope 1) GHG emissions	56
	305-2	Energy indirect (Scope 2) GHG emissions	56
	305-4	GHG emissions intensity	56
	305-5	Reduction of GHG emissions	56
GRI 306: Waste 2020			
Waste	306-3	Waste generated	57

GRI Index

GRI 400 (Social Performance)

Category	Disclosure No.	Disclosure Name	Page in the report
GRI 401: Employment 2016			
Employment	401-1	New employee hires and employee turnover	60
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A
	401-3	Parental leave	62
GRI 403: Occupational Health and Safety 2018			
Occupational health and safety	403-1	Occupational health and safety management system	64
	403-3	Occupational health services	64
	403-5	Worker training on occupational health and safety	64
	403-6	Promotion of worker health	64
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64
	403-8	Workers covered by an occupational health and safety management system	64
	403-9	Work-related injuries	64
GRI 404: Training and Education 2016			
Training and education	404-1	Average hours of training per year per employee	60
	404-2	Programs for upgrading employee skills and transition assistance programs	44-45
GRI 405: Diversity and Equal Opportunity 2016			
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	69
	405-2	Ratio of basic salary and remuneration of women to men	61

Category	Disclosure No.	Disclosure Name	Page in the report
GRI 406: Non-discrimination 2016			
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	N/A
GRI 407: Freedom of Association and Collective Bargaining 2016			
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 418: Customer Privacy 2016			
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	67

Third Party Assurance Statement

Assurance Statement on The 2024 Sustainability Report for National Pension Service

Dear stakeholders of National Pension Service,

Korean Foundation for Quality (further 'KFQ') has been requested by National Pension Service to conduct an independent verification on the 'The 2024 Sustainability Report for National Pension Service' (hereafter 'the Report'). KFQ has responsibility to provide an independent verification opinion against the criteria and scope of verification as specified below. National Pension Service has sole responsibility for the preparation of the Report.

Verification criteria and scope

- Verification Criteria : AA1000AS(v3) and AA1000AP (2018)
- Verification Type : Type 1 [Verification of compliance of 4 reporting principles]
- Verification Level : Moderate [Verification based on limited evidence collected]
- Verification boundary : Reporting boundary as stated in the report (NPS's headquarters and regional headquarters)
- Verification Scope : Compliance with the 4 reporting principles (Inclusivity, Materiality, Responsiveness, Impact) according to AA1000AP and the GRI Standards 2021 reporting requirements

* GRI Standards (2021) Reporting Principles : Universal Standards

- Reporting in accordance with GRI Standards (2021), compliance with the following requirement.

Requirements	Compliance	Requirements	Compliance
1. Reporting Principles	○	6. Provide reasons for omission for disclosures and requirements that the organization cannot comply with	○
2. Report the disclosures in GRI 2	○	7. Publish a GRI content Index	○
3. Determine material topics	○	8. Provide a statement of use	○
4. Report material topics	○	9. Notify GRI	○
5. Report the disclosures from the GRI Topic Standards for each material topic	○		

- Topic Standards:

Requirements	GRI Standards 2021
GRI Topic Standards	<ul style="list-style-type: none"> • GRI 201 Economic Performance • GRI 203 Indirect Economic Impacts • GRI 302 Energy • GRI 305 Emissions • GRI 401 Employment • GRI 405 Diversity and Equal Opportunity • GRI 418 Customer Privacy

Methodology

To assess the reliability of sustainability performance in the Report against the aforementioned criteria, audit team reviewed sustainability-related processes, systems, internal control procedures, and available data. The documentation reviewed by the audit team during the verification includes:

- Non-financial information e.g., data provided by National Pension Service, disclosed Business Reports, and information obtained from media and/or the internet; and
- Financial information i.e., Data disclosed in the Public Institutions Management Information disclosure system (<https://www.alio.go.kr>), but these contents are not included in the scope of verification.

The assessment was performed through document review and interviews with the responsible personnel. The validity of the materiality assessment process in the Report and the material issues selection considering stakeholders, data collecting & management, and validity of the report preparation procedures as well as the description in the Report were assessed, but external stakeholder interviews were not conducted. Afterwards, it was confirmed that any errors, inappropriate information, and misstatement identified during the assessment were appropriately revised before publishing the Report.

Competency and independence

The audit team was consisted in accordance with KFQ's internal regulations. KFQ has no conflict of interest to the National Pension Service business that could threaten the impartiality of verification, aside from providing third-party verification services.

Limitations

The completeness and responsiveness of sustainability performance represented in the Report have inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. In accordance with the terms of the contract, we only assessed the information and evidence provided by the National Pension Service. Also, raw data of the greenhouse gas emissions data reported in this report were not included in the scope of this verification.

Third Party Assurance Statement

Assurance Statement on The 2024 Sustainability Report for National Pension Service

Findings and conclusions

As a result of the verification, the Report was found to be prepared in accordance with the requirements for 'report in accordance with GRI standard 2021' and the audit team found reasonable objectives to guarantee the AA1000AP (2018) and AA1000AS (V3) Type 1 assurance level. We also found no significant errors or inadequacies in the Report regarding compliance with reporting principles.

• Inclusivity

National Pension Service defined the 6 stakeholder groups (Employee, Customer, Community, Academic and Expert, Government, and Partner) and heard their opinions through the communication channels considering the characteristics of each group for effective communication. The audit team could not find any major stakeholders that were omitted during this process.

• Materiality

National Pension Service has identified a pool of 27 issues based on the analysis of international standards, ESG evaluation indicators, industry trends, related organizations, and media. By quantifying the importance of each issue, they have selected 13 material ESG issues. During this process, they reviewed the potential social and environmental impacts of companies to enhance the justification for selecting these material issues. The audit team confirmed that the identified material issues resulting from the materiality assessment were fully described in the Report without any omission.

• Responsiveness

National Pension Service is committed to responding promptly to the needs and key interests of stakeholders. Nothing came to our attention to suggest that its responses and performance are inappropriately described in the Report.

• Impact

National Pension Service identifies and monitors the impact of material issues related to stakeholders throughout its management activities and reports them in the Report as much as possible. Nothing came to our attention to suggest that it does not properly assess and report impacts relating to material issues.

Recommendation for improvement

- ▶ We hope that by gaining a deeper understanding of the reporting requirements of the GRI Topic Standards, defining the necessary data for management, and continuously managing this data, the ESG management activities and performance of the National Pension Service can be more fully communicated to stakeholders.
- ▶ Additionally, we hope to enhance the completeness and reliability of ESG data reporting by establishing internal data collection standards and making efforts to interpret and analyze the data in various ways, thereby ensuring that the ESG management performance of the National Pension Service is communicated more transparently to stakeholders.



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Ji Young Song

August, 2024

Seoul, Korea

Ji Young Song, CEO

Korean Foundation for Quality (KFQ)

Awards and Memberships

2023 Awards and Certifications

Awarding Organization	Awards and Certifications
Ministry of Employment and Labor	Recognized as a "Work-Life Balance Campaign Company " by the Ministry of Employment and Labor
Presidential Committee for Decentralization and Balanced Development	Awarded the Decentralization and Balanced Development Chairperson's Award for Balanced Development (Chairperson's Commendation)
Ministry of Oceans and Fisheries	Recognized for contributions to the development of fishing communities
Ministry of Health and Welfare	Received the 2023 Government Innovation Best Practice Contest Encouragement Award from the Ministry of Health and Welfare
Korea Management Association Consultants (KMAC)	Named Best Call Center in Korea in the KSQI Call Center category, 2023
Office for Government Policy Coordination	Awarded for Meritorious International Development Cooperation from the head of the Office for Government Policy Coordination
Ministry of Health and Welfare	Commendation for Meritorious Support for Old Age Preparation in 2023 from the Minister of Health and Welfare
Korea Central Public Agency for Social Service	Honorable mention in the 2023 Business and Technology Development Case Contest in the Social Service sector (Encouragement Award)
Ministry of Health and Welfare (Comprehensive Support Center for the Elderly Living Alone)	Ministerial citation for meritorious organizations and individuals protecting vulnerable elderly populations (Ministry-the NPS)
Ministry of Health and Welfare	Received the Minister's Award on Community Contribution Day
Ministry of Health and Welfare	Minister's Award for the 2023 Government Innovation Best Practice Contest

Awarding Organization	Awards and Certifications
Ministry of the Interior and Safety	Received the Ministerial Award at the 12th Korea Knowledge Awards
Ministry of Education	Ministerial Award in the 2023 Industry-Academia Cooperation Best Practice Contest
Ministry of the Interior and Safety	Prime Minister's Award in the 2023 Government Innovation Best Practice Contest
Ministry of the Interior and Safety	Ministerial Award for Meritorious Digital Government Innovation in 2023
Ministry of Health and Welfare	Ministerial Award for Excellence in Health and Welfare Digital Transformation in 2023
Ministry of the Interior and Safety	Presidential Award for Outstanding Contribution to National Core Infrastructure Disaster Management
The Board of Audit and Inspection of Korea	Awarded for Excellence in the 2023 Self-Audit Matters Contest by the President of the Board of Audit and Inspection of Korea
The Asset Magazine	Pension Fund of the Year
The Board of Audit and Inspection of Korea	Merit Award by the President of the Board of Audit and Inspection of Korea
Ministry of Health and Welfare	Awarded for Excellence in Active Administrative Practice in 2023
The Institute of Actuaries of Korea	Merit Award
Korea Occupational Safety & Health Agency	KOSHA-MS (Safety and Health Management System) certification (Headquarters and Cheongpung Resort)
Korea Research Institute of Eco-Environmental Architecture	Preliminary Green Building Certification, Grade 4
Korea Research Institute of Eco-Environmental Architecture	Building Energy Efficiency Rating Certification (Grade 1)

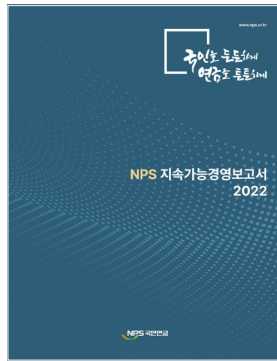
Memberships

Memberships
The Korean Social Security Association
The Korean Association of Public Finance
Korean Association of Social Welfare Policy
Korean Pension Association
Korea Development Institute (KDI)
Korea National Council on Social Welfare
Korea Insurance Research Institute
Korea Labor Institute
Korean Academy of Social Welfare
Korea Institute for National Unification
Seoul Association for Public Administration
Korea Institute for Health and Social Affairs
International Social Security Association (ISSA)
AIGCC
PRI
ICGN
ACGA
20-20 Investment Association
Association of Public Institution Auditors of Korea
Korea Special Library Association (KSLA)
The Institute of Internal Auditors Korea
Korea Sustainable Management Association
UN Global Compact Network Korea

Publication History



2023



2022



2021



2020



2019



2018



2017



2016



2015



2014



2013



2012



This report is made of FSC®-certified paper and printed with soy-based ink.