

# **Greenpeace Foundation**

FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021

ATTACHMENT: INDEPENDENT AUDITORS' REPORT

**Greenpeace Foundation**

## Independent Auditors' Report

English Translation of a Report Originally Issued in Korean

The Board of Directors of  
Greenpeace Foundation:

### Report on the Audited Financial Statements

#### Our Opinion

We have audited the accompanying financial statements of Greenpeace Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2022 and 2021, respectively, and the related statements of operations, all expressed in Korean won, for the years ended December 31, 2022 and 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022 and 2021, respectively, and the results of its operations for the years ended December 31, 2022 and 2021, in accordance with Accounting Standards for a Public-service Entity ("ASPE").

#### Basis for Audit Opinion

We conducted our audit in accordance with the Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the Our Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in the Republic of Korea as required by prevailing audit regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and the Governing Body for the Financial Statements

Management is responsible for the preparation of the accompanying financial statements in accordance with ASPE, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Foundation is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The governing body is responsible for overseeing the Foundation's financial reporting process.

## **Our Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in the Republic of Korea will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in the Republic of Korea, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the governing body of the Foundation regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*E-chon Co.*

March 8, 2023

### Notice to Readers

This report is effective as of March 8, 2023, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the auditors' report.

# **GREENPEACE FOUNDATION**

## **FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

The accompanying financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the management of Greenpeace Foundation.

**Sze Pang Cheung**  
**The President of the Korean Committee for Greenpeace Foundation**

**GREENPEACE FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022 AND 2021**

	Non-Profit Segment	
	December 31, 2022	December 31, 2021
(In Korean won)		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	₩ 2,967,442,929	₩ 2,122,915,848
Short-term financial instruments	500,000,000	500,000,000
Account receivable other	294,353,190	-
Accrued income	38,258,547	46,572,916
Prepaid expenses	1,174,798	1,710,564
Total Current Assets	3,801,229,464	2,671,199,328
Non-current assets:		
Property and equipment		
Structures	551,603,800	551,603,800
Accumulated depreciation	(439,973,267)	(392,519,268)
Furniture and fixtures	237,667,709	198,821,521
Accumulated depreciation	(194,142,546)	(146,972,779)
	155,155,697	210,933,274
Other non-current assets		
Leasehold deposits	281,840,000	276,840,000
Total Non-Current Assets	436,995,697	487,773,274
Total Assets	₩ 4,238,225,161	₩ 3,158,972,602
<b>LIABILITIES</b>		
Current liabilities:		
Borrowings (Notes 3 and 4)	₩ -	₩ -
Accounts payable	553,278,342	410,507,575
Accrued expense s(Note 4)	1,205,542,665	88,421,268
Withholdings	71,004,178	68,766,637
Total Current Liabilities	1,829,825,185	567,695,480
Non-current liabilities:		
Borrowings (Notes 3 and 4)	7,607,542,713	5,706,212,207
Accrued expenses (Note 4)	51,532,255	2,504,726,044
Accrued severance benefit liability	1,503,925,465	1,219,933,449
Total Non-Current Liabilities	9,163,000,433	9,430,871,700
Total Liabilities	10,992,825,618	9,998,567,180
<b>NET ASSETS</b>		
Basic net assets (Note 7)	500,000,000	500,000,000
Common net assets (Note 7)		
Deficit	(7,254,600,459)	(7,339,594,578)
Total Net Assets	(6,754,600,459)	(6,839,594,578)
Total Liabilities and Net Assets	₩ 4,238,225,161	₩ 3,158,972,602

See accompanying notes to financial statements.

**GREENPEACE FOUNDATION**

**STATEMENTS OF OPERATIONS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Non-Profit Segment	
	2022	2021
	(In Korean won)	
<b>OPERATING REVENUES:</b>		
Donation revenues	₩ 15,135,120,678	₩ 14,129,522,125
Total Revenues	15,135,120,678	14,129,522,125
<b>OPERATING EXPENSES (Note8 ):</b>		
Operating expenses	9,341,075,922	9,798,425,778
General administrative expenses	1,420,592,311	1,389,980,816
Fund-raising expenses	3,456,590,251	3,051,146,557
Total Expenses	14,218,258,484	14,239,553,151
<b>OPERATING INCOME(LOSS) FOR THE YEAR</b>	916,862,194	(110,031,026)
<b>NON-OPERATING INCOME:</b>		
Interest income	10,118,789	5,977,357
Gain on foreign exchange transaction	-	28,583,547
Gain on foreign exchange translation	56,936,057	21,142,472
Total non-operating income	67,054,846	55,703,376
<b>NON-OPERATING EXPENSES:</b>		
Interest expenses	246,505,593	367,471,783
Loss on foreign exchange translation	422,606,885	554,761,470
Loss on foreign exchange transaction	229,810,443	712,289
Other loss	-	3,587,669
Total non-operating expenses	898,922,921	926,533,211
<b>TOTAL NET INCOME(LOSS) FOR THE YEAR</b>	₩ 84,994,119	₩ (980,860,861)

See accompanying notes to financial statements.

## GREENPEACE FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

#### 1. General:

Greenpeace Foundation (the “Foundation”) is a not-for-profit organization incorporated in Korea. The address of its headquarters is 6F ChengYong Bldg 257 Gil, HanGangDae-Ro, YongSan-Gu, Seoul, Korea.

The Foundation is principally engaged in promoting, encouraging, further establishing, procuring and achieving the protection of wildlife, with the elimination of threats and damage to the environment. The Foundation was established based on contribution amounting to ₩500,000,000 by Greenpeace East Asia (Hong Kong).

#### **Objectives**

Our goal is to create a green and peaceful world where all life on Earth can flourish. That means we work to:

- Stop the planet from warming beyond 1.5°C to prevent the most catastrophic impacts of the climate breakdown.
- Protect biodiversity in all its forms.
- Slow the volume of hyper-consumption and learn to live within our planetary means.
- Promote renewable energy as a solution that can power the world.
- Nurture peace, global disarmament and non-violence.

Greenpeace is an independent campaigning organisation, which uses peaceful, creative confrontation to expose global environmental problems, and develop solutions for a green and peaceful future.

Greenpeace is present in over 55 countries across Europe, the Americas, Asia, Africa and the Pacific. Greenpeace East Asia opened its Hong Kong office in 1997, Beijing in 2002, Taipei in 2010 and Seoul in 2011.

#### **Our Work**

Greenpeace is to fight climate change, stop toxic pollution, ensure food security, end illegal deforestation, and defend the oceans.

Surging economic development in East Asia has brought widespread prosperity but has also taken a severe environmental toll, both regionally and worldwide. Greenpeace is committed to ensuring a green development pathway together with the people of Mainland China, Hong Kong, Taiwan and South Korea.

#### **Issue areas**

- **Stop Climate Change.** From extreme weather events to glacial melting, climate change is already happening all around us. By replacing fossil fuels with clean, renewable energy, we can still save our planet before it's too late.
- **Reduce Air Pollution.** China's economy has skyrocketed but at a price. Power plants, factories and heavy industries are all belching out black, dirty air, at the cost of our health and our environment.

- **Eliminate Toxic Chemicals.** China's role as the factory of the world has taken a severe toll on its water resources, soil quality, and especially on the people that rely on them.
- **Food & Agriculture.** We are working to protect agriculture and food safety from genetically engineered crops as well as chemical fertilisers and hazardous pesticides.
- **Protect Forests.** Our last ancient forests are being turned into tissue paper, packaging, chocolates and more, threatening biodiversity and worsening climate change.
- **Defending Our Oceans.** Our oceans are under threat on all fronts: overfishing, species extinction, waste dumping, acidification and climate change.
- **Our Actions.** Greenpeace believes in using creative, non-violent confrontation to communicate its messages and bring about solutions for a green and peaceful future.

### **Accountability measures**

Greenpeace works actively to ensure transparency and public accountability in its campaigning, fundraising and financial management practices.

Greenpeace is a Member of Accountable Now, a platform of international civil society organisations. Together, we strive to be transparent, responsive to stakeholders and focused on delivering impact. We have signed ten globally-agreed-upon Accountability Commitments and seek to respect human rights, be independent and work ethically and professionally.

Annually Greenpeace reports publicly on our economic, environmental and social performance according to the Accountable Now Reporting Framework to an Independent Review Panel. Learn more about our work and responsibility towards our stakeholders in our Accountability Reports.

### **Internal controls**

On top of the policies and standards mentioned above, Greenpeace has an internal audit function that verifies the existence and efficiency of the management controls implemented. Additionally, from 2015, an Internal Compliance function was created in Greenpeace Foundation. This position has been in charge of ensuring compliance with local and regional policies, as well with other governance and monitoring instances in the jurisdictions we operate in.

### **Green policy**

#### **Global Environmental Management**

On a global level, Greenpeace International has set up a multitude of environmental management initiatives which are adopted by all national and regional offices, including Greenpeace East Asia. These entail:

- An elaborate environmental policy for each region;
- Appointing an environmental program and policy manager;
- Setting greenhouse gas reduction targets;
- Emissions monitoring and reporting;
- Sustainable procurement policy;
- Sustainable office plan to reduce energy use;
- Waste Management in order to reduce waste production;
- Sustainable Travel;
- Sustainable Food.



Greenpeace Foundation has its own green initiatives but is also constantly developing and implementing new environmentally friendly initiatives to meet the global standard of environmental management. Some examples of these environmental management initiatives are:

#### **100% Renewable Electricity Purchasing Policy**

Under this policy, Greenpeace Foundation commits to source all its electricity needs from renewable energy sources, where it is available in the market. This applies to direct electricity purchases for offices and in house IT services and wherever possible all ICT outsourced hosting services provided by companies.

#### **Global textile procurement policy**

The objective of this policy is to ensure that all cotton based textile products made for use by Greenpeace have minimal environmental impact and are procured in line with the organisation's core values. The textiles include those made for campaign and mobilisation purposes; those made for activists taking part in activities; and work clothes made for the crew and volunteers on-board the Greenpeace ships.

#### **Emissions Reporting**

Greenpeace Foundation is monitoring of CO2 emissions and compiles the annual CO2 emissions report. This report is used to compare the levels of emissions with previous years for monitoring and evaluation purposes. Based on the outcome, suggestions are made on how to minimize our emissions as much as we practically can in order to reduce our global environmental footprint.

#### **Travel policy**

The Greenpeace Foundation travel policy states that every journey should be essential and arranged as environmentally friendly as possible. Staff should use public transport where possible and practical. Taxis and private cars should in general only be used where there would be significant savings in time and money, or when carrying excessive amounts of luggage that would be cumbersome to take on public transport. For travel within Europe, transport by train is the preferred option.

## **2 Summary of significant accounting policies and basis of presenting financial statements:**

### **(1) Basis of preparation**

The Foundation has prepared accompanying financial statements in accordance with the Accounting Standards for a Public-service Entity ("ASPE") for the annual period beginning on January 1, 2019.

### **(2) Cash and cash equivalents**

Cash and cash equivalents include cash; cash equivalent securities, including checks issued by others; checking accounts; ordinary deposits; and financial instruments, with an original maturity of three months or less from the date of acquisition, which can be easily converted into cash and whose value changes are not material due to changes in interest rates.

### **(3) Financial instruments**

All financial instruments are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss that are initially measured at fair value.

Financial assets or financial liabilities, except for equity instruments, derivatives and financial instruments at fair

value through profit or loss are measured at amortized cost.

At each reporting date, the “Foundation reviews whether events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognized when the reliably estimated recoverable amounts are less than the carrying amount and it is not obviously evidenced that impairment is unnecessary.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss is recorded and the reversal of an impairment loss does not exceed the carrying amount that would have been determined without having recognized an impairment loss in prior years. The reversal is recognized in profit or loss.

#### (4) Property and equipment

Property and equipment are initially measured at cost. The cost of property and equipment includes the expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and in the condition necessary for it to be capable of operating in the manner intended by management, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets acquired through investment in kind or donations are recorded at their fair value upon acquisition. For assets acquired in exchange for a non-monetary asset, the fair value of the asset given up is used to measure the cost of the asset received, unless the fair value of the asset received is more clearly evident.

Significant expenditures or improvements extending the useful life of assets are capitalized. Normal maintenance and repairs are charged to expense as incurred.

Subsequent to initial recognition, an item of property and equipment is carried at its cost, less any accumulated depreciation and any accumulated impairment losses. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Classification	Useful life (in years)
Structures	5
Furniture and fixtures	3

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in profit or loss.

#### (5) Impairment of tangible and intangible assets

At the end of each reporting period, the Foundation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value, less costs to sell, or value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the reduced amount is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### (6) Retirement and severance benefits

Employees who have been with the Foundation for more than one year are entitled to lump-sum payments based on current salary rates and length of service when they leave the Foundation.

The Foundation's estimated liability under the plan, which would be payable if all employees left at the end of the reporting period, is accrued in the accompanying statements of financial position.

(7) Foreign currency transactions

- Functional and presentation currency

These financial statements are presented in Korean won, the Foundation's functional currency and the currency of the primary economic environment in which the Foundation operates.

- Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Foundation at exchange rates at the dates of the transactions. Non-monetary items that are measured in terms of historical cost in foreign currencies are retranslated to the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currencies are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Also, foreign currency monetary assets and liabilities are translated into the exchange rate (at the end of the reporting period), and transaction gain or loss is recognized in current profit or loss.

(8) Taxation

The Foundation does not pay income tax for its essential business as a non-profit organization. However, if the Foundation has income from profit making business, except for the amount, which has to be set as reserve fund for essential business by the Corporation Tax Act and related Enforcement Decree of Corporation Tax Act, it recognizes income tax of current business year and other tax added to the income tax as income tax expense. The Foundation did not engage in profit making business in current and previous business years.

(9) Critical accounting estimates and assumptions

In the application of the Foundation's accounting policies, which are described in Note 2, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 3 Borrowings:

- (1) Borrowings as of December 31, 2022 and 2021, consist of the following (Unit: Korean won in thousands):

Borrowings	December 31, 2022			
	Borrower	Annual interest rate (%)	Current	Non-current
	GPEA office	2.74	₩ -	₩ 7,607,542

  

Borrowings	December 31, 2021			
	Borrower	Annual interest rate (%)	Current	Non-current
	GPEA office	2.74	₩ -	₩ 5,706,212

- (2) Aging analysis of the Foundation's long-term borrowings as of December 31, 2022, is as follows (Unit: Korean won in thousands):

	Amount
Within one year	₩ -
More than one year	₩ 7,607,542
Total	₩ 7,607,542

### 4 Related-party transactions:

- (1) Transactions with the related parties for the years ended December 31, 2022 and 2021, are as follows (Unit: Korean won in thousands):

Other related parties	Name of the company	Donation		Other expenses	
		2022	2021	2022	2021
		Greenpeace East Asia	₩ -	₩ -	₩ 245,498

- (2) Receivables from and payables to the related parties as of December 31, 2022 and 2021, are as follows (Unit: Korean won in thousands):

Other related parties	Name of the company	December 31, 2022	
		Receivable	Payable
		Greenpeace East Asia	₩ 168,900
Greenpeace East Asia- Greenpeace International	₩ 125,453	₩ 36,788	

  

Other related parties	Name of the company	December 31, 2021	
		Receivable	Payable
		Greenpeace East Asia	₩ -

- (3) Changes in borrowings of other related parties for the years ended December 31, 2022 and 2021, are as follows (Unit: Korean won in thousands):

Borrowings- GPEA	January 1, 2022	Increase	Decrease	December 31, 2022
	₩ 5,706,212	₩ 1,901,331	₩ -	₩ 7,607,543

  

Borrowings- GPEA	January 1, 2021	Increase	Decrease	December 31, 2021
	₩ 5,706,212	₩ 1,901,331	₩ -	₩ 7,607,543

Borrowings- GPEA	₩	5,320,679	₩	385,533	₩	-	₩	5,706,212
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## 5 Counter parties, transaction amounts and accounts over 10% of total assets of operating revenues:

Counter parties, transaction amounts and accounts over 10% of total assets of operating revenues are explained in the notes 3 and 4 as of December 31, 2022 and for the year ended December 31, 2022.

Counter parties, transaction amounts and accounts over 10% of total assets of operating revenues are explained in the notes 3 and 4 as of December 31, 2021 and for the year ended December 31, 2021.

## 6 Acquisition costs and fair value of basic net assets:

Fair value of basic net assets is the same as its acquisition costs as of December 31, 2022 and 2021.

## 7 Changes in net assets:

Changes in net assets for the year ended December 31, 2022 and 2021, are as follows (Unit: Korean won):

	Basic net assets	Common net assets	Total
		Deficit	
Balance at January 1, 2021	₩ 500,000,000	₩ (6,358,733,717)	₩ (5,858,733,717)
Current-year surplus (deficit)	-	(980,860,861)	(980,860,861)
Balance at December 31, 2021	₩ 500,000,000	₩ (7,339,594,578)	₩ (6,839,594,578)
Balance at January 1, 2022	₩ 500,000,000	₩ (7,339,594,578)	₩ (6,839,594,578)
Current-year surplus (deficit)	-	84,994,119	84,994,119
Balance at December 31, 2022	₩ 500,000,000	₩ (7,254,600,459)	₩ (6,754,600,459)

## 8 Classification based on the nature of operating expenses:

Details of classification based on the nature of operating expense for the years ended December 31, 2022 and 2021, are as follows (Unit: Korean won):

(For the year ended December 31, 2022)

Classification	Distribution	Personnel	Facility	Other	Total
Expense for non-Prof Segment					
Operating expenses	-	2,711,014,623	473,501,230	6,156,560,069	9,341,075,922
General administrative expenses	-	843,495,713	102,769,250	474,327,348	1,420,592,311
Fund-raising expenses	-	754,374,102	111,909,919	2,590,306,230	3,456,590,251
Total	-	4,308,884,438	688,180,399	9,221,193,647	14,218,258,484

(For the year ended December 31, 2021)

Classification	Distribution	Personnel	Facility	Other	Total
Expense for non-Prof Segment					

Operating expenses	-	2,659,817,890	480,315,470	6,658,292,418	9,798,425,778
General administrative expenses	-	816,671,706	101,894,121	471,414,989	1,389,980,816
Fund-raising expenses	-	832,689,291	118,221,743	2,100,235,523	3,051,146,557
Total	-	4,309,178,887	700,431,334	9,229,942,930	14,239,553,151