



# About This Report

## Report Overview

Kakao Games annually publishes an ESG report that contains various ESG management achievements for sustainable play. We seek to actively communicate with various stakeholders by transparently disclosing the company's environmental, social, and governance achievements through this report.

## Reporting Standards

This report was reported in accordance with the Global Reporting Initiative(GRI) Standards 2021 and the Sustainability Accounting Standards Board(SASB) Disclosure Standards, the US sustainability accounting standard. In addition, financial information data has complied with Korean International Financial Reporting Standards(K-IFRS).

## Reporting Period and Scope

The reporting period is from January 1, 2023, to December 31, 2023, and partially includes activities promoted in the first half of 2024. For quantitative performance, data over the recent four years(2020~2023) is provided. ESG activities and achievements are disclosed mainly around the headquarter of Kakao Games and some achievements are separately marked within the report to further explain its scope.

## Assurance

To establish the credibility of the reporting process and the information disclosed, this report was assured by British Standards Institution(BSI) as an independent third-party assurance provider. The applied standard is AA1000AS v3 Moderate Level, Type 2.

## Inquiries

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**Navigating the Report** This report was published as an interactive PDF that allows you to move to related pages and link to web pages.

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# A Message from the CEO

Hello, my name is Sangwoo Han, CEO of Kakao Games.

Dear all stakeholders who generously support and encourage the sustainable growth of Kakao Games, I am pleased to greet you through the second ESG report of Kakao Games.

As the global game industry continues rapid growth and change, the industry is facing a new era of challenges including the active adoption of innovative technologies driven by AI, the expansion of genre diversity, and the competition to find differentiated revenue models. Accordingly, leading domestic and overseas game companies are discovering original and innovative games to secure well-made IPs, and at the same time, the companies are striving to secure more users on various global platforms.

“

**Kakao Games has adopted 'Beyond Korea' as its core business strategy and has been consistently preparing for proactive understanding and growth in the global market. We also recognize that these efforts must start with having a positive impact on the economy, environment, and people, and sustainability must become an integral part of our management strategy and business model.**

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Accordingly, starting in 2022, we have established governance, including the establishment of an ESG Committee, strengthened the company-wide integrated risk management system, enacted and disclosed policies for each field, and launched ESG management in earnest. In 2023, we plan to communicate with various stakeholders by transparently disclosing the performance of our activities based on company-wide efforts to realize ESG values and our long-term plans to advance ESG management.



**A Message from the CEO**

Kakao Games Overview

In the environmental sector, we have declared our participation in Kakao's 'Active Green Initiative' and set the goal of achieving carbon neutrality and RE100 by 2040. As part of this effort, we have actively implemented activities to achieve our goals, such as procuring renewable energy through the purchase of Renewable Energy Certificates(RECs).

In the social area, we have obtained the APEC CBPR certification, a global personal information protection system, to enhance information protection and security, striving to provide highly reliable services to our users. In addition, we established an AI governance system centered around the Tech for Good Committee and continued activities to strengthen technology ethics, such as identifying potential risk factors for AI and algorithms in the game services provided by Kakao Games.

Lastly, from a governance perspective, we have established the 'Compliance and Trust Committee' to strengthen compliance monitoring and control, thereby enhancing our governance system to effectively review compliance risks.



**Kakao Games' efforts in ESG management aim to provide sustainable value to stakeholders and serve high-quality content that worldwide users can enjoy together.**



Kakao Games acknowledges the importance of responding to climate change and will continue to make active efforts to achieve carbon neutrality. Additionally, to fulfill our social responsibilities, we will promote mutual growth with the local community, support the growth of our employees, and invest in human capital such as creating an inclusive and equal working environment. Moreover, we will adhere to high ethical standards in all our management activities and build a trustworthy corporate culture through.

Furthermore, Kakao Games will strive to establish itself as a leading game company in the global market by pursuing business growth and advancement of ESG management at the same time. We will continue to discover promising developers in Korea and internalize our development capabilities through strategic investments. In addition, we will create successful models of global shared growth with our unique operational know-how and publishing capabilities.

In particular, please keep your eyes on implementing our global growth strategy in earnest through sales portion increase by the expansion of service regions for existing games and the sequential release of highly anticipated titles targeting overseas markets starting this year.

We ask for the support and encouragement of stakeholders towards Kakao Games' new challenges and efforts for sustainable play.

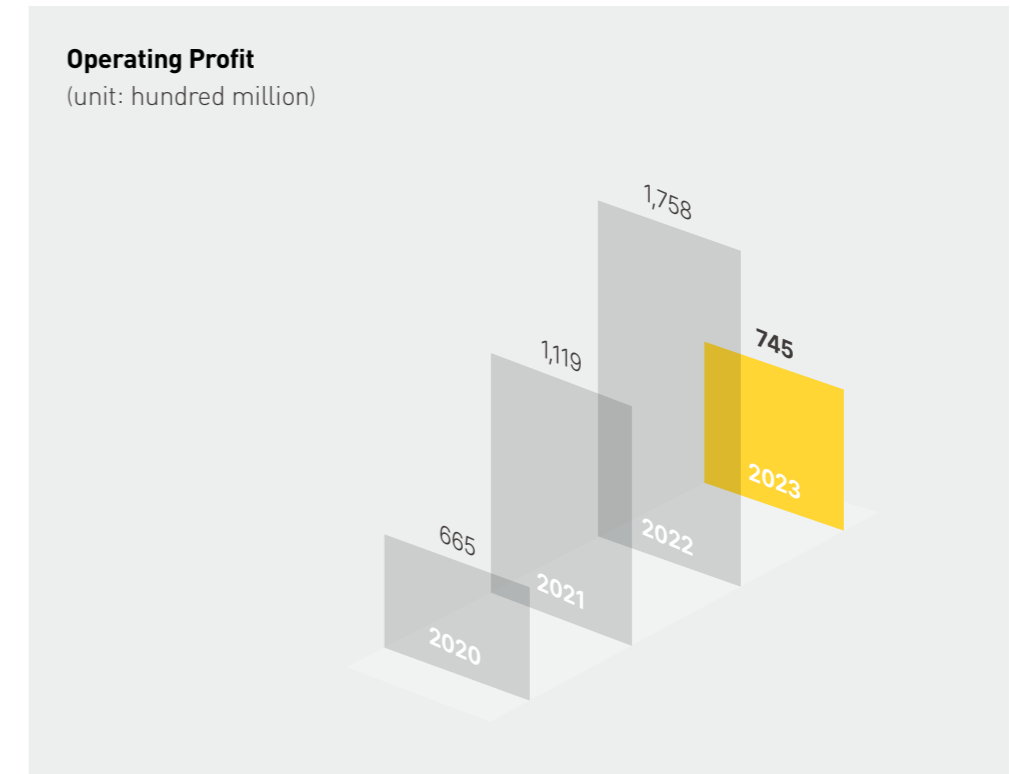
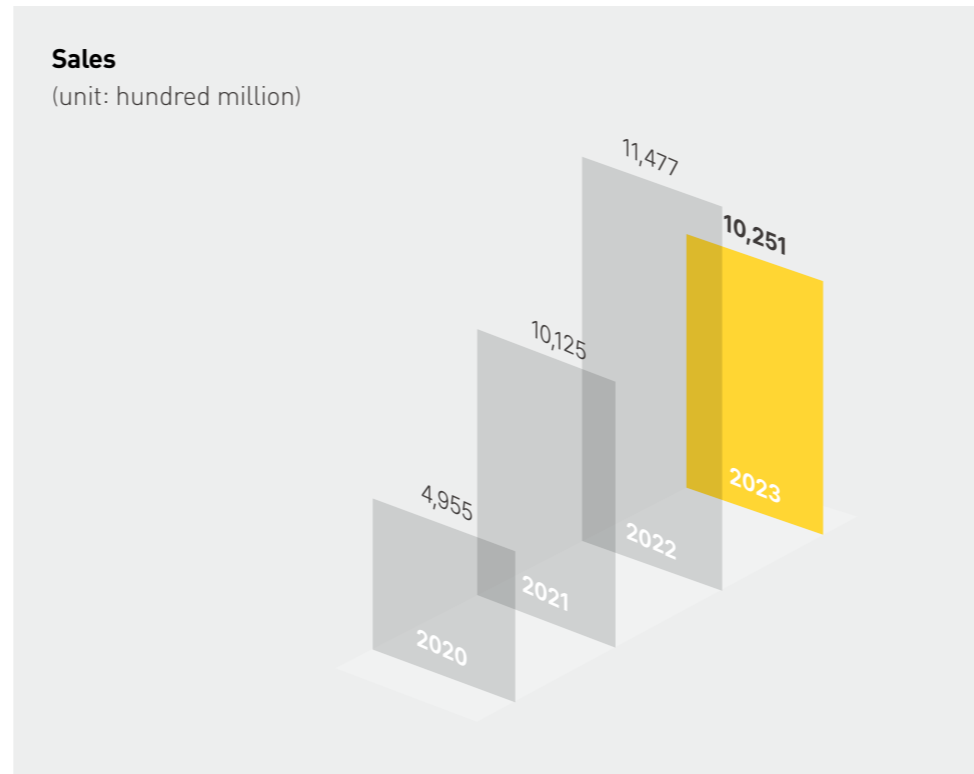
Thank you.

# Kakao Games Overview

Kakao Games provides the best game playing experience to users around the world through game content under the vision of 'A Global game company that makes everyday life as fun as game'.

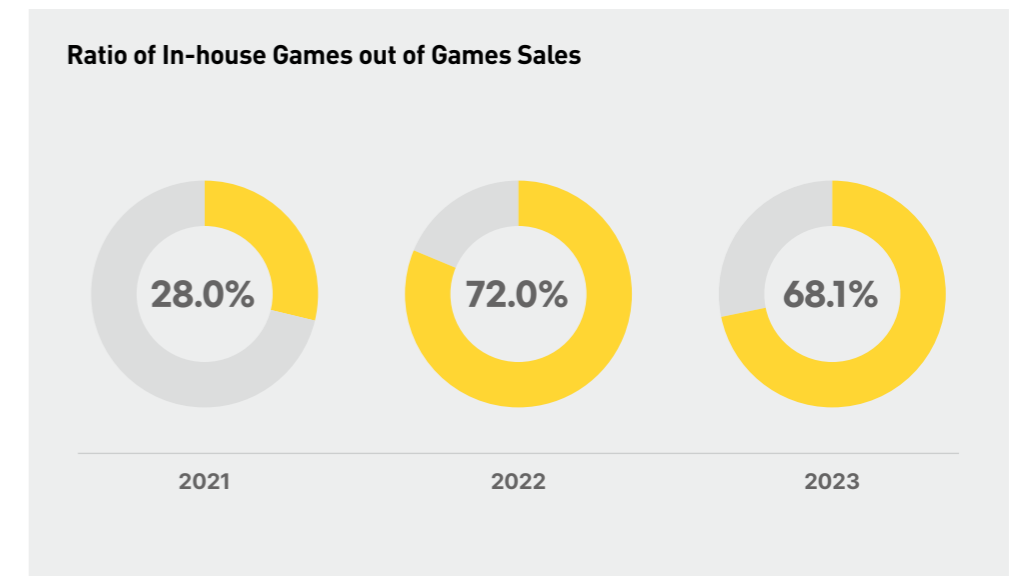
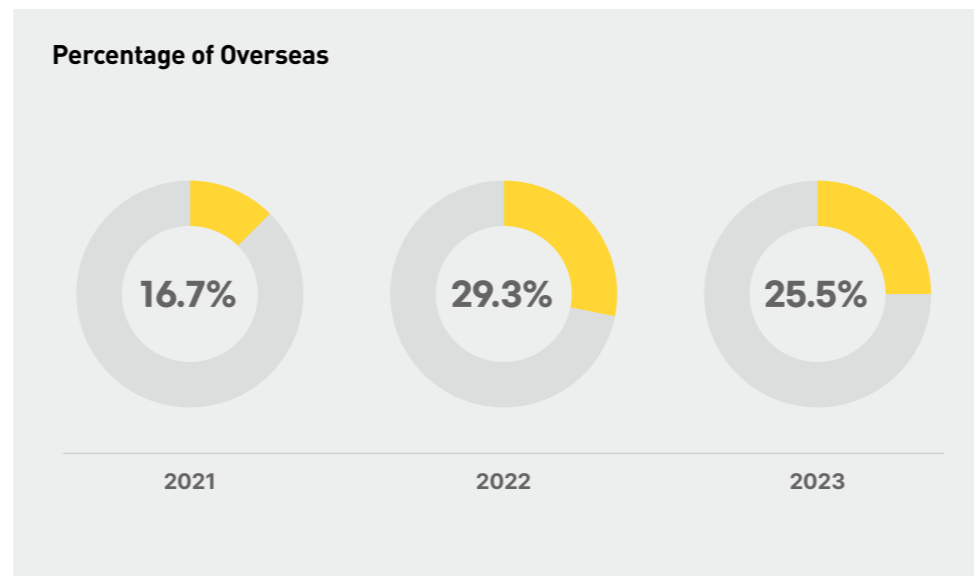
For this, we provide various game genres across platforms such as PC and mobile in the domestic and global game markets.

As a game publisher and developer, we secure various game IPs and content and pursue sustainable growth by combining our own game development capabilities and partnerships with promising domestic and overseas game studios.



## Company Overview

<b>Name of Company</b>	Kakao Games Corp.
<b>CEO</b>	Sangwoo Han
<b>Headquarters</b>	14th, Alphadom tower, 152, Pangyoyeok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
<b>Date of Establishment</b>	Aug, 2013
<b>Website</b>	<a href="https://www.kakaogamescorp.com/">https://www.kakaogamescorp.com/</a>



# ESG Highlights

## Participation in Active Green Initiative

To respond to climate change and practice carbon neutrality, Kakao Games sets medium to long-term environmental management goals to achieve RE100 40% by 2030 and Net Zero and RE100 by 2040 by actively participating in Kakao Group's 'Active Green Initiative'



## Support Biodiversity Conservation Projects

To commemorate environment month, June, we held a participatory donation event via 'Friends Popcorn', the company's mobile puzzle game. The donation was delivered to the WWF which was used for Artic biodiversity conservation activities.

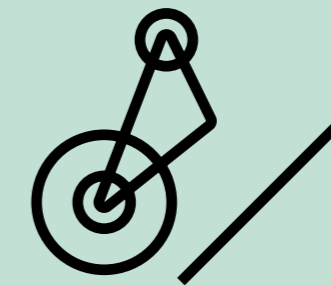
## Acquisition of ISO 14001 Certification

Obtained the environmental management system (ISO 14001) certification through the establishment of a system to efficiently manage environmental risk factors and improvement of environmental management performance



## Promoting the Right of Disabled people to Enjoy the Game Culture

Kakao Games contributed to the enhancement of the game culture enjoyment rights for people with disabilities by initiating Korea's first support project for assistive devices for disabled gamers and by launching the 'Visiting Friends Game Land' campaign, which provided the game culture experiences to rehabilitation hospitals and schools for the disabled.



## Enhancing Independence, Expertise and Diversity of Board of Directors

The BOD of Kakao Games is composed of independent directors exceeding the legal minimum requirements, thereby ensuring the board's independence and expertise by including experts in financial accounting. Additionally, we are striving to enhance diversity by appointing additional female executives.

## Strengthening Compliance Control Functions

By entering into an agreement to practice compliance management and enhance social trust within the Kakao Group, we are strengthening the review of compliance risks and implementing activities for transparent and responsible corporate operations.

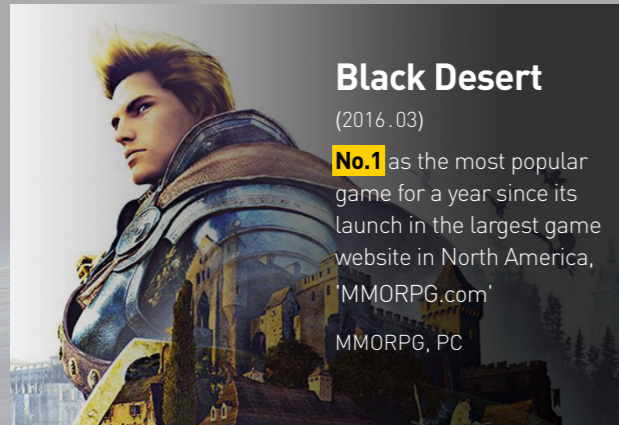


## Acquisition of global personal information protection system (APEC CBPR) Certification

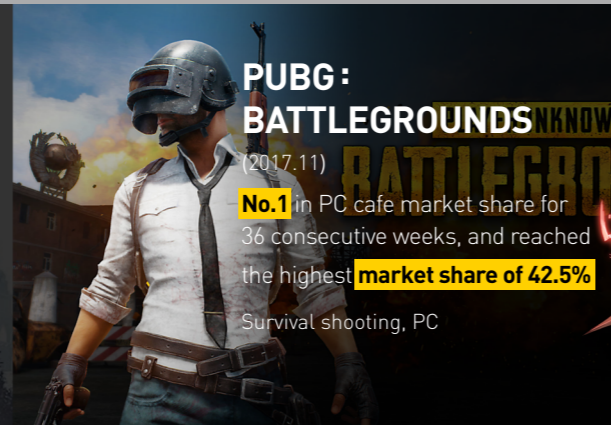
For 29 services, we have obtained the 'Asia-Pacific Economic Cooperation Cross-Border Privacy Rules (APEC CBPR)', a global personal information protection system, creating advanced user data protection and information security environment

# Key Business Performance

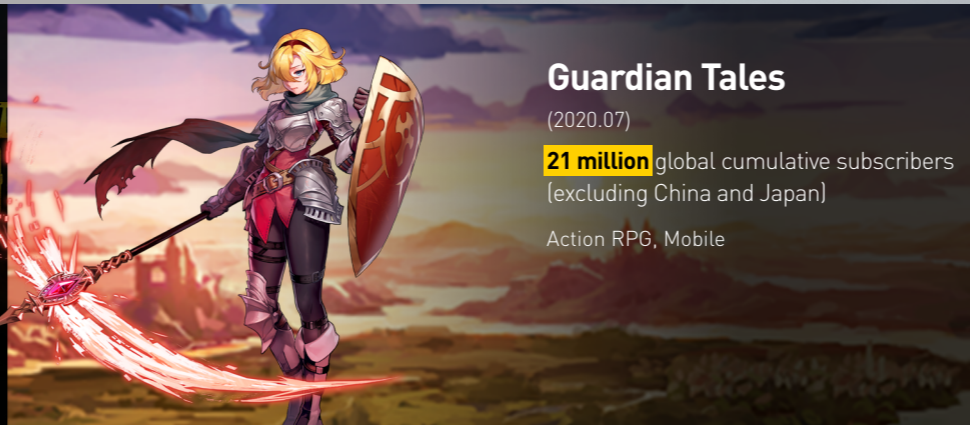
Kakao Games is growing from Korea's leading game company to a global game company by introducing games of various genres every year to help people create enjoyable daily lives through games.



**Black Desert**  
(2016.03)  
**No.1** as the most popular game for a year since its launch in the largest game website in North America, 'MMORPG.com'  
MMORPG, PC



**PUBG: BATTLEGROUNDS**  
(2017.11)  
**No.1** in PC cafe market share for 36 consecutive weeks, and reached the highest **market share of 42.5%**  
Survival shooting, PC



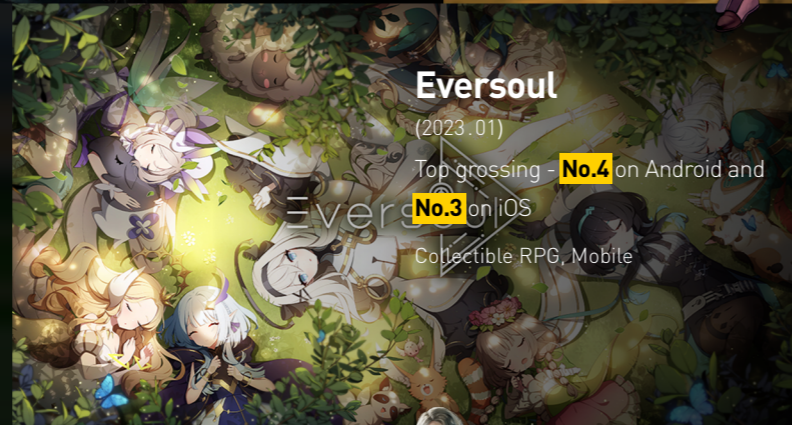
**Guardian Tales**  
(2020.07)  
**21 million** global cumulative subscribers (excluding China and Japan)  
Action RPG, Mobile



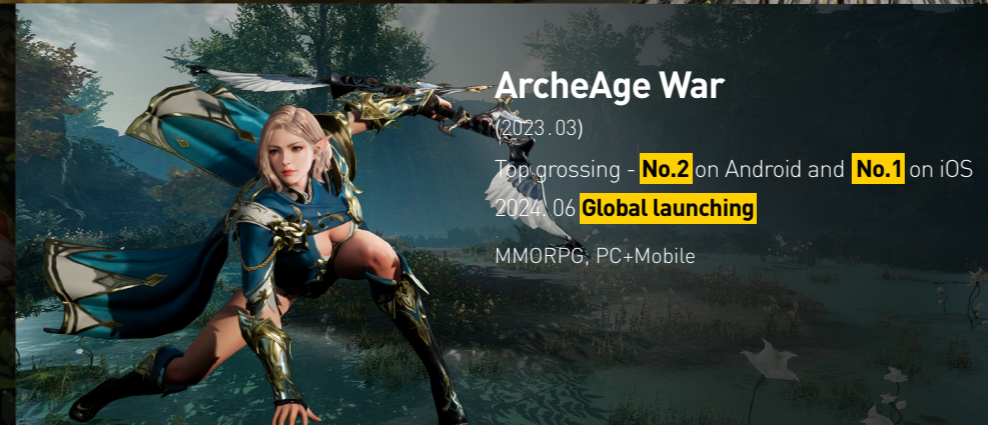
**Odin: Valhalla Rising**  
(2021.06)  
Top grossing - **No.1** on both Android and iOS  
**Won four awards** including The Game Awards 2021  
MMORPG, PC+Mobile



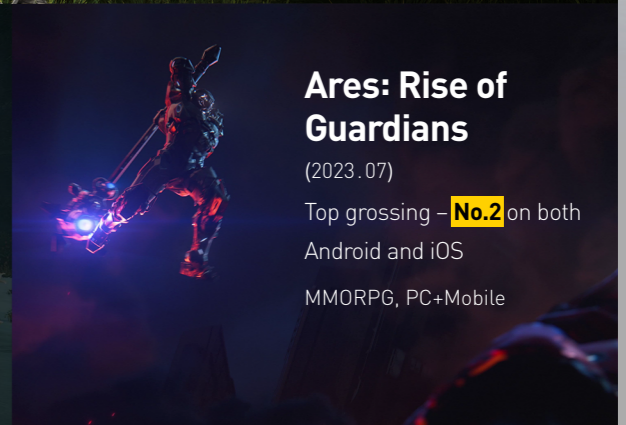
**Uma Musume Pretty Derby**  
(2022.06)  
Top grossing - **No.1** on both Android and iOS  
Set **a new daily sales record**  
Collectible RPG, Mobile



**Eversoul**  
(2023.01)  
Top grossing - **No.4** on Android and **No.3** on iOS  
Collectible RPG, Mobile



**ArcheAge War**  
(2023.03)  
Top grossing - **No.2** on Android and **No.1** on iOS  
2024.06 **Global launching**  
MMORPG, PC+Mobile



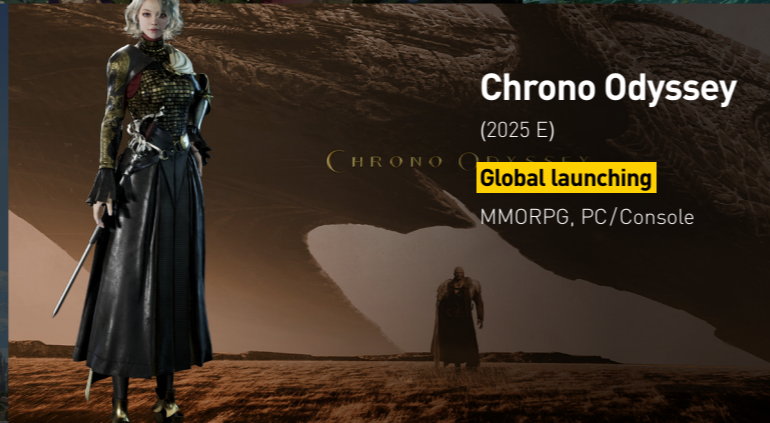
**Ares: Rise of Guardians**  
(2023.07)  
Top grossing - **No.2** on both Android and iOS  
MMORPG, PC+Mobile



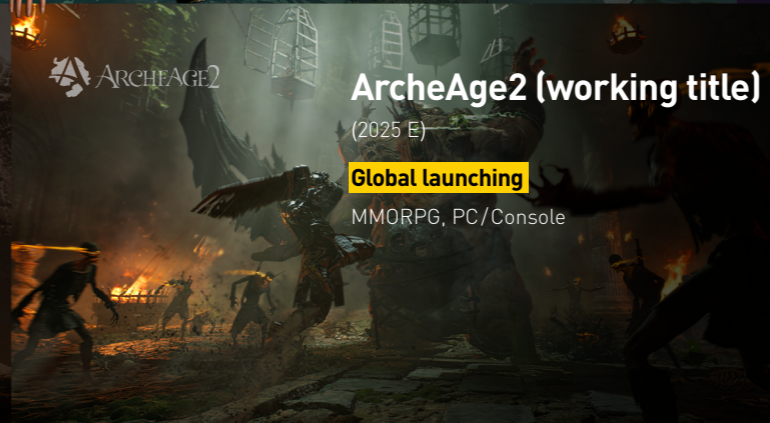
**ROM: Remember of Majesty**  
(2024.02)  
Top grossing - **No.2** on Android and **No.3** on iOS  
MMORPG, PC+Mobile



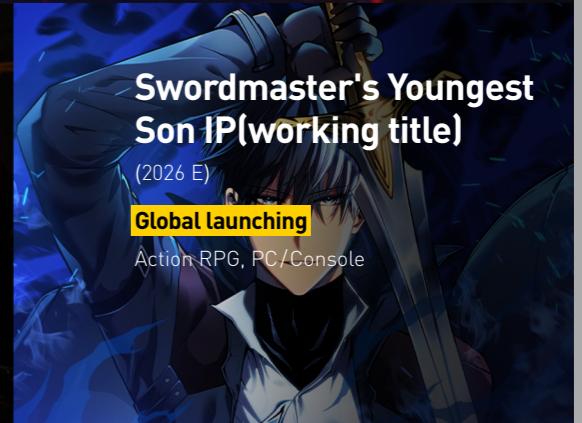
**Goddess Order**  
(2024 E)  
**Global launching**  
Action RPG, Mobile



**Chrono Odyssey**  
(2025 E)  
**Global launching**  
MMORPG, PC/Console



**ArcheAge2 (working title)**  
(2025 E)  
**Global launching**  
MMORPG, PC/Console



**Swordmaster's Youngest Son IP(working title)**  
(2026 E)  
**Global launching**  
Action RPG, PC/Console

## Investment Roadmap for Sustainable Growth

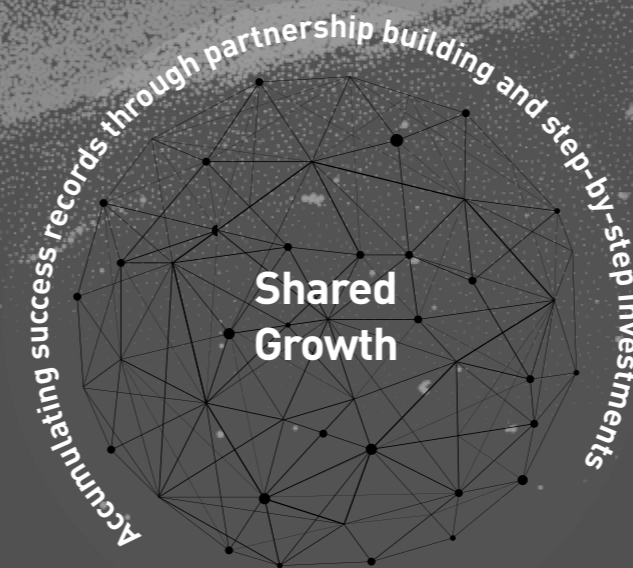
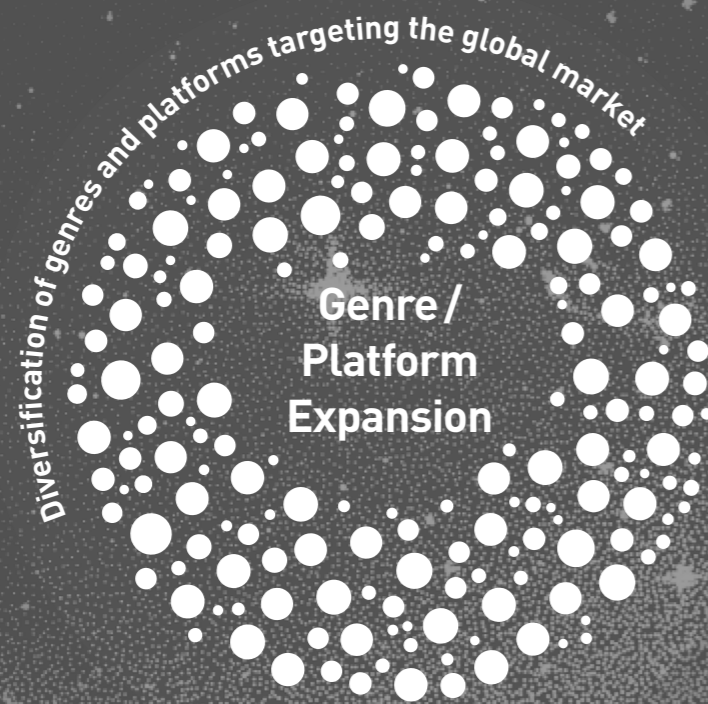
Kakao Games is achieving meaningful results by discovering creative and high-potential game IPs that will target the global market. We internalize our development capabilities through strategic investments in promising developers in the game and non-game sectors, and pursue shared growth with our partners through expansion into the global market.

“ Realization of sustainable growth ”



## Global Strategy of Kakao Games

We discover promising developers who can become global game changers, source IPs, and execute phased investments in these developers, pursuing shared growth towards global expansion.



# Part 1 Governance

Kakao Games is establishing transparent and sound ESG governance to create an environment that enables 'Sustainable Play for All'.

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Via ESG Committee, ESG/Value Enhancement Department,  
ESG Working Group,

## Responding to Issues by Sector

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By establishing a management system comprised of committees and  
working group for each sector,

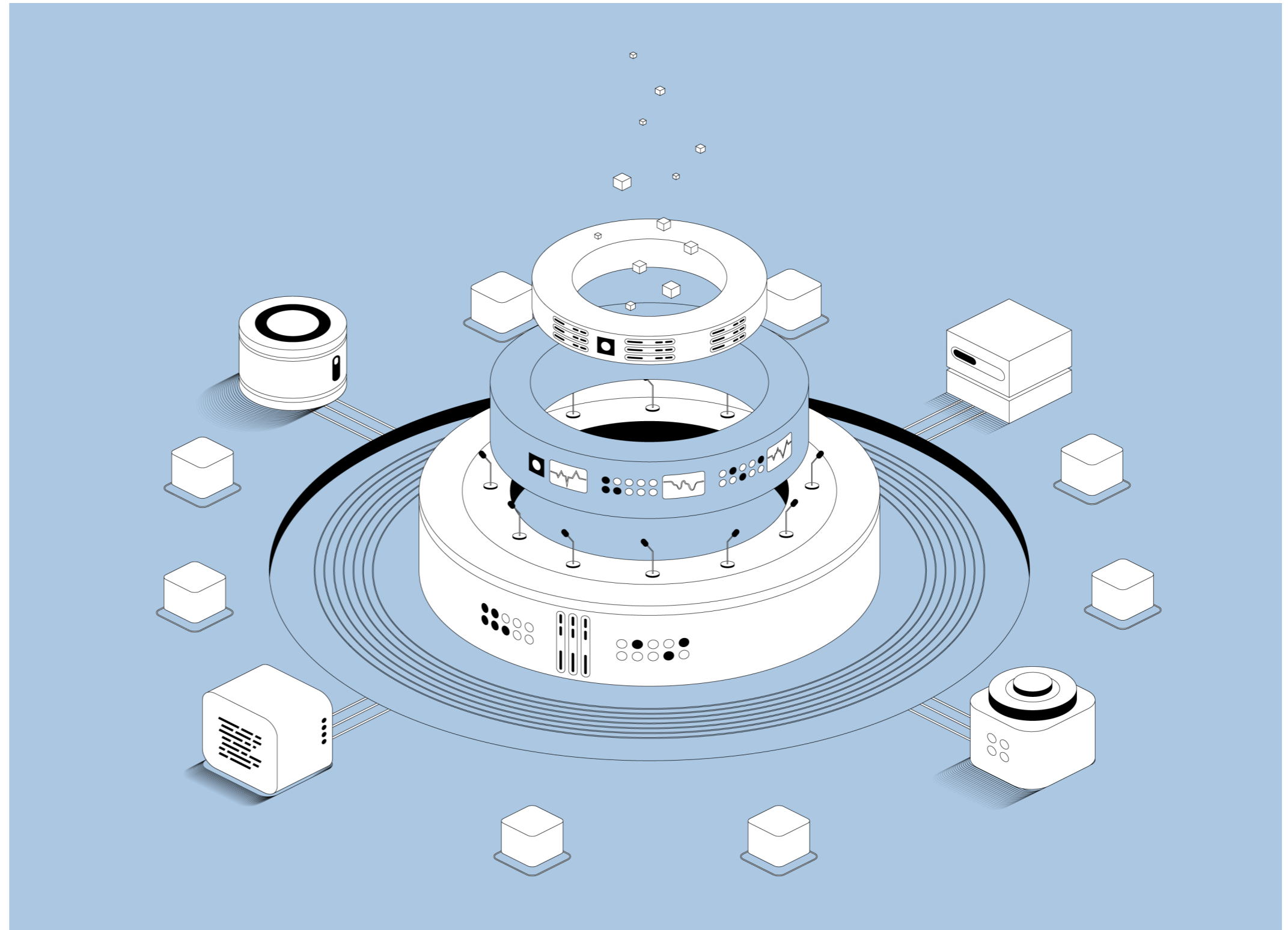
## Practice Responsible Management

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By operating company-wide governance,

## Promoting ESG-based Growth

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# Shareholders and Board of Directors

## Shareholders

### Shareholder-Friendly Management

Kakao Games strives to protect shareholder value and interests while promoting shareholder understanding and participation. When holding a regular shareholders' meeting, we provide sufficient time and information to shareholders by announcing the location, agenda, and other details through the notice of convocation four weeks prior to the meeting. This allows shareholders to prepare adequately for the meeting and participate in a transparent decision-making process. In addition, by participating in the general shareholder meeting distributed voluntary compliance program, adopting an electronic voting system and encouraging proxy voting for all shareholders, we aim to lower the barriers to participation and provide various ways for shareholders to exercise their voting rights.

### Total Number of Shares

(As of March 2024)

Classification	Number of Ordinary Shares	Ratio(%)
Number of ordinary shares with voting rights	81,771,808	98.97
Number of ordinary shares(treasury shares) without voting rights	854,009	1.03

### Shareholder Status

(As of December 2023)

Classification	Number of Ordinary Shares	Ratio(%)
Largest shareholders and related parties	41,030,533	49.72
Overseas Institutions	6,430,692	7.79
Domestic Institutions	1,317,207	1.60
Individuals and other corporations	32,887,203	39.86
Treasury shares	854,009	1.03

### Shareholder Communication

#### Channels

- General meeting of shareholders
- Quarterly earnings conference calls
- Participation in conferences and NDR hosted by domestic and overseas agencies
- Regulatory reports and various disclosures
- Company website      • Analyst meeting      • Phone/E-mail consultation

#### Key Concerns

- Global market expansion strategy and sustainable growth direction
- Corporate value implementation plan through diversity, inclusiveness and flexibility of company members
- Comprehensive and systematic management plan for various risks
- Innovation plan and R&D investment to secure future growth engines

### Major Activities in 2023

- ▶ Publish a sustainability report to expand communication with various stakeholders, including shareholders and investors
- ▶ Strengthen the diversity and independence of the BOD by increasing the proportion of independent directors and appointing directors with diverse backgrounds and expertise
- ▶ Evaluated the performance of ESG activities and identified and managed environmental/social risks faced by Kakao Games through the operation of ESG Committee
- ▶ Efforts to enhance governance through the operation of Committees within the BOD
- ▶ Revitalize general shareholders' meetings and participate in the general shareholder meeting distributed voluntary compliance program to encourage participation of shareholders and provide various ways for shareholders to exercise voting rights
- ▶ Transparent disclosure of management information through quarterly earnings conference calls, regulatory report and various disclosures and company website
- ▶ Active sharing of performance and communication with markets through NDRs, analyst meetings and 1:1 meetings etc.

## Board of Directors

### Composition of the Board of Directors

The BOD decides on major matters related to the company's management policies and business execution, and supervises the execution of duties by directors and executives. As of March 2024, the BOD consists of a total of 8 directors, including 1 inside director, 2 other non-standing directors, and 5 independent directors to maintain the number of independent directors that exceeds the minimum legal standards. We maintain the number of independent directors exceeding the legal minimum standards so that the BOD can make effective management decisions by being comprised of directors with diverse perspectives and expertise.

In addition, by additionally appointing a female independent director, Seungyeon Lim, who has expertise in finance field through the regular general shareholders' meeting in March 2023, we not only secured diversity in the BOD but also strengthened expertise by operating the BOD composed of finance and accounting experts that exceed the legal minimum standards.

To reinforce directors' responsibilities, Kakao Games has subscribed to liability insurance through Kakao at the group level. As of 2023, Kakao Games was included among companies that are insured under Kakao's executive liability insurance contract.

[→ Board of Directors Regulations](#)

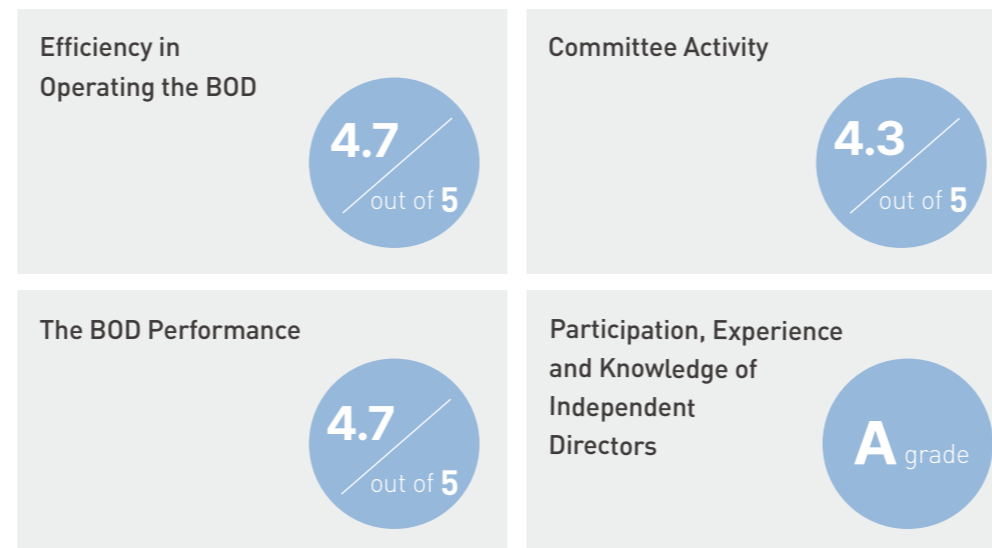
### Chairman of the Board of Directors

The Chairman of the BOD serves as an advisor to the BOD through his extensive knowledge gained over a long period of experience in the game industry and a thorough understanding of the business environment as the CEO of Kakao Games. In addition, most of the committees within the BOD are made up of independent directors and each performs an independent role, therefore the CEO serves as Chairman of the BOD to make rational decision-making for the company's development.

### The Board of Directors Performance Evaluation

To understand and enhance the effectiveness of the composition and operation of the BOD, evaluations of the BOD, Committees within the BOD, and individual independent directors are conducted once a year. The evaluation items, such as the operation efficiency of the BOD, Committee activities, performance of the BOD, participation of independent directors, and contribution, were conducted in a self-evaluation or mutual evaluation manner.

As a result of the 2023 evaluation, the Board's operational efficiency was rated 4.7 points (out of 5), the Committee's activities were rated 4.3 points (out of 5), the Board performance was rated 4.7 points (out of 5), and both 'participation' and 'experience and knowledge' of all independent directors received average A grade (highest grade). The detailed evaluation results of the BOD and Committees were shared with each the BOD and Committees and to improve operational efficiency, we will analyze qualitative opinions and prepare improvement plans for each area.



### Diversity of the Board of Directors

Kakao Games respects diversity in the composition of its BOD to ensure objective decision-making by considering the perspectives of various stakeholders. This is established and documented as a guideline. When selecting director candidates, factors such as nationality, age, gender, experience and background, race, and religion are considered. As of March 2024, a total of 2 female independent directors have been appointed.

[→ Guidelines on the Diversity of the Board of Directors](#)

### Independence of the Board of Directors

As of March 2024, out of the total 8 members of the BOD of Kakao Games, 5 are independent directors (62.5% of the total members), exceeding the legal minimum requirement for independence. Kakao Games has established and documented guidelines to enhance independence of the BOD and complies with relevant laws and global guidelines to verify independence.

Especially, strict independence requirements, such as restricting the appointment of individuals who have served as executives of the company within the last 2 years or whose immediate family members have served as executives of the company or its subsidiaries within the last 2 years, are applied to independent directors. Kakao Games plans to continuously ensure independence of the BOD by comprehensively considering significant relationships that independent directors have with the company, including domestic and overseas environments and the company's overall situation.

[→ Guidelines on the Independence of Independent Directors](#)

Shareholders and Board of Directors ESG Governance

Board of Directors Composition Status

(As of March 2024)

Classification	Name	Gender	Professional & Educational Background			Tenure	Board Skill Matrix				
							Law · Policy/ Risk management	Business management/ Investment	Industry/ Economy	ESG	Communication/ Stakeholder response
Inside director	Sangwoo Han (Chairman of the BOD)	Male	<ul style="list-style-type: none"> <li>Bachelor of Business Administration, Chungnam National University</li> <li>CSO, Kakao Games Corp.</li> </ul>	<ul style="list-style-type: none"> <li>Vice President of Global Business at NEOWIZ</li> <li>(Present) CEO, Kakao Games Corp.</li> </ul>	<ul style="list-style-type: none"> <li>CEO, Tencent Korea</li> </ul>	2024.03~2026.03		●	●	●	●
Non-standing director	Myeongjin Jeong	Male	<ul style="list-style-type: none"> <li>Bachelor of Science in Computer Science, Korea University</li> <li>CFO, Krust Universe Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Head of Related-Party Management Team, Kakao Corp.</li> <li>(Present) Secretary General of the Strategy Committee, CA Council, Kakao Corp.</li> </ul>	<ul style="list-style-type: none"> <li>CFO, GroundX</li> </ul>	2024.03~2026.03	●	●			●
	Taewook You	Male	<ul style="list-style-type: none"> <li>Bachelor of Science in Material Engineering, Seoul National University</li> <li>Vice President/Head of Management Support Group, Krust Universe Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Future Business Division, Kakao Corp.</li> <li>(Present) Head of Growth Support Division, Kakao Corp.</li> </ul>		2024.03~2026.03		●			●
Independent director	Myeongjeon Oh	Male	<ul style="list-style-type: none"> <li>Audit Division, Deloitte Anjin LLC</li> <li>(Present) Professor of Business Administration, Sookmyung Women's University</li> </ul>	<ul style="list-style-type: none"> <li>PhD of Accounting, Yonsei University</li> </ul>	<ul style="list-style-type: none"> <li>Assistant Professor of Business Administration, Myongji University</li> </ul>	2024.03~2025.03	●	●	●		
	Sunghun Robbins	Male	<ul style="list-style-type: none"> <li>Ph.D of Law, University of Michigan</li> </ul>	<ul style="list-style-type: none"> <li>Head of Korea, WPP Group</li> </ul>	<ul style="list-style-type: none"> <li>CEO, CMT</li> </ul>	2023.03~2025.03	●	●		●	
	Sunyeol Jung	Female	<ul style="list-style-type: none"> <li>Bachelor of Industrial Design, KAIST</li> <li>Member of Criminal Mediation Committee at Busan District Prosecutors' Office</li> </ul>	<ul style="list-style-type: none"> <li>IT Consultant, Samsung SDS Corp.</li> <li>(Present) Lawyer, JIPYONG LLC</li> </ul>	<ul style="list-style-type: none"> <li>Passed the 53rd Judicial Examination</li> </ul>	2024.03~2025.03	●			●	
	Younggeun Choi	Male	<ul style="list-style-type: none"> <li>Venture Investment Senior Examiner, Neoflux</li> <li>Researcher, Business Research Center, POSCO Research Institute</li> </ul>	<ul style="list-style-type: none"> <li>PhD of Business Administration, Yonsei University</li> <li>(Present) Professor of Business Administration, Sangmyung University</li> </ul>		2024.03~2025.03		●	●		
	Seungyeon Lim	Female	<ul style="list-style-type: none"> <li>Ph.D of Business Administration, Seoul National University</li> </ul>	<ul style="list-style-type: none"> <li>(Present) Professor, School of Accounting, Kookmin University</li> </ul>		2024.03~2025.03	●		●		

Shareholders and Board of Directors ESG Governance

Board Committees

[Committee Regulation](#)

We operate a total of four committees for efficient and professional decision-making and to strengthen independence, the chairman of each committee is appointed as an independent director.

(As of March 2024)

Name of the Committee	Composition	Establishment purpose and authority
Audit Committee	<ul style="list-style-type: none"> <li>Chairman: Myeongjeon Oh (Independent director)</li> <li>Commissioner: Sunyeol Jung(Independent director), Seungyeon Lim (Independent director)</li> </ul>	<ul style="list-style-type: none"> <li>Audit of financial statements and inspection/approval of audit activities</li> <li>Appointment of external auditor</li> </ul>
Independent Director Candidate Nomination Committee	<ul style="list-style-type: none"> <li>Chairman: Younggeun Choi (Independent director)</li> <li>Commissioner: Sunghun Robbins (Independent director)</li> </ul>	<ul style="list-style-type: none"> <li>Efficient operation within the BOD and exercise of necessary authority</li> <li>Recommendation of candidates for the position of independent directors and management of candidates</li> </ul>
ESG Committee	<ul style="list-style-type: none"> <li>Chairman: Sunghun Robbins (Independent director)</li> <li>Commissioner: Sangwoo Han, Sunyeol Jung (Independent director)</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation and review of ESG operational issues</li> <li>Management of environmental, social and governance sectors for sustainable growth</li> </ul>
Compensation Committee	<ul style="list-style-type: none"> <li>Chairman: Yongguen Choi (Independent director)</li> <li>Commissioner: Myeongjeon Oh (Independent director), Sunyeol Jung(Independent director)</li> </ul>	<ul style="list-style-type: none"> <li>Decision-making of Executive Compensation Policy</li> <li>Checking the adequacy and efficiency of executive compensation system operation</li> </ul>

**Audit Committee** The Audit Committee, which audits financial statements, checks and approves audit activities and appoints external auditors, is composed entirely of independent directors to ensure objectivity which strengthens independency. It also enhances expertise by selecting directors with financial or accounting expertise on a priority basis. As of March 2024, two out of three Audit Committee members, including the chairman of the Audit Committee, are financial and accounting experts.

**Independent Director Candidate Nomination Committee** The Independent Director Candidate Nomination Committee regularly manages candidates for the position of independent directors through the Kakao group's personnel management organization to find independent directors with expertise. The committee regularly reviews the required capabilities of independent director candidates so that the committee can appoint the independent director with independence and expertise.

**ESG Committee** The ESG Committee is the highest decision-making body related to ESG management that reviews the direction and implementation plan for ESG strategies, approves the setting of medium to long-term goals, and checks the implementation performance accordingly. Based on the materiality assessment conducted every year, we review major non-financial risk issues and countermeasures related to the environment and society, while strengthening the company's ethical management practices and pursuing transparent management through communication with stakeholders.

In addition, the committee, as the highest decision-making body that identifies and continuously evaluates/reviews various topics and issues related to the company's ESG operations, reviews issues such as human rights, infringement of user rights and interests, information security and data privacy, and environmental issues raised through the grievance mechanism and external organizations.

**Compensation Committee** The Compensation Committee is comprised entirely of independent directors to make efficient decisions regarding executive compensation policies and systems, and to check whether the executive compensation system is operated based on objectivity and independence. In 2023, we reviewed the executive remuneration system and deliberated on the granting of stock options.

Annual Total Compensation Ratio of the Highest-paid Person

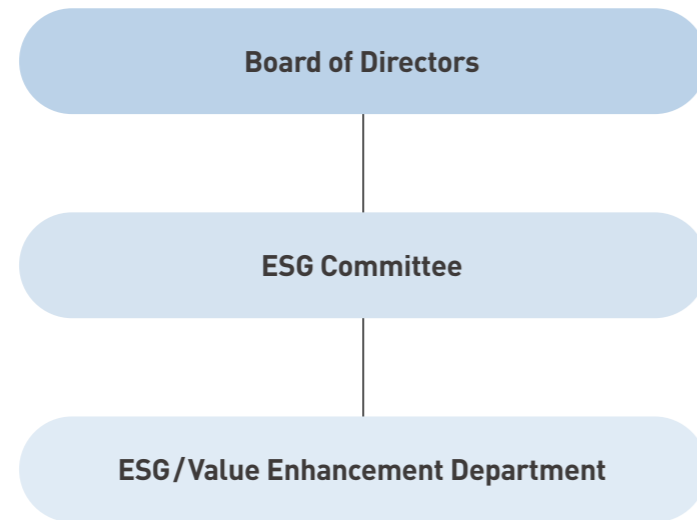
2023	Total compensation of the highest paid person compared to all employees <sup>1)</sup>	20.4 times
	The rate of increase in the total compensation of the highest-paid person compared to the increase in the total compensation of all employees	153.2%

<sup>1)</sup> Calculated based on the total compensation of the CEO and the average salary of executives and employees according to the 2023 Annual Report.

# ESG Governance

Kakao Games strives to build a systematic ESG management system and advance ESG establish management by establishing ESG governance. The ESG Committee under the BOD which is a decision-making body that manages and oversees ESG strategies and performance, reviews major ESG-related issues and establishes response measures. Additionally, Kakao Games has formed a dedicated working group to address social and environmental issues such as human rights, infringement of user rights, data protection and information security, and climate change, thereby promoting efficient ESG management. The ESG/Value Enhancement Department, as a working group for ESG management, facilitates smooth communication and close cooperation with related departments. Kakao Games intends to contribute to the enhancement of ESG performance and the improvement of ESG expertise within the organization through systematic ESG governance operations.

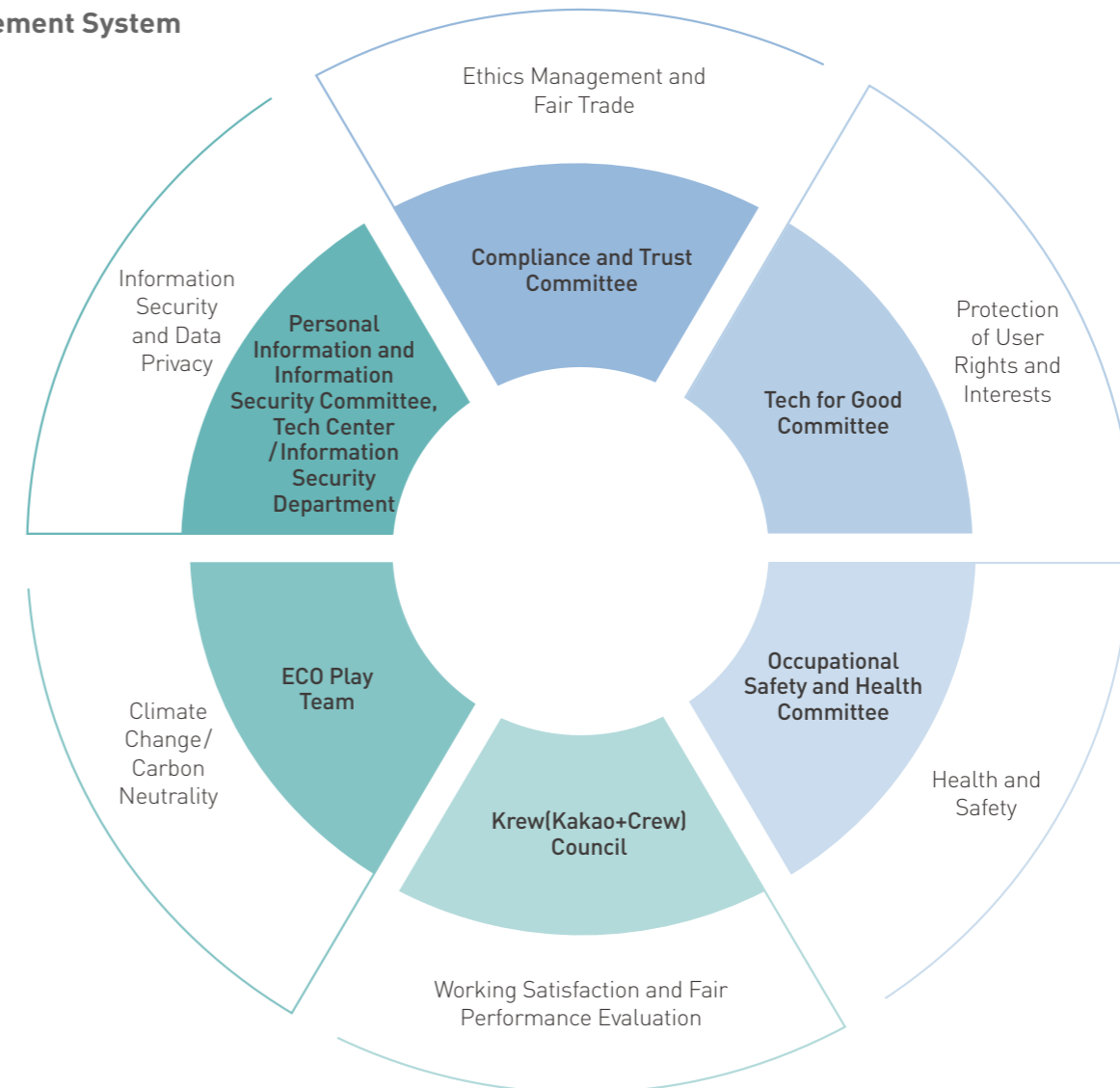
## ESG Management Promotion System



## ESG Working Group

Secretariat of the BOD	Internal Audit	Legal· Compliance	HR· Labor	Information Security	Environment	Shared Growth· Investment	CR/PR
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## ESG Management System



## ESG Committee

The ESG Committee which is the highest decision-making body that excavates various topics related to ESG operations and assesses and reviews issues on a continuous basis, examines the direction and implementation plans of ESG strategies, and monitors the progress of these initiatives. In addition, it discusses major non-financial risk issues and countermeasures related to environmental and social aspects based on the annual materiality assessment. For the implementation of ESG management at the company-wide level, the CEO serves as a member of the ESG Committees. The committee reviews issues related to human rights, user rights violations, information security and data privacy, and the environment from the grievance handling system and external organizations, thereby enhancing ESG management performance in each area.

### ESG Committee Reporting and Resolution Agenda

<b>Management of ESG management promotion and performance</b>	<ul style="list-style-type: none"> <li>• Setting ESG strategy direction</li> <li>• Establishment of ESG management plan and inspection of implementation</li> <li>• Review of support measures for developing and internalizing ESG capabilities</li> </ul>
<b>Management of non-financial issues</b>	<ul style="list-style-type: none"> <li>• Review major non-financial issues related to the company's environment, such as climate change and water, and prepare response measures</li> <li>• Review major social-related non-financial issues such as human rights, infringement of user rights, information security and data privacy and prepare countermeasures</li> </ul>
<b>Stakeholder Communication</b>	<ul style="list-style-type: none"> <li>• Review double materiality assessment results</li> <li>• Analysis of ESG external evaluation rating status and improvement direction</li> <li>• ESG assessment response and information disclosure plan</li> <li>• Review of stakeholder communication-related matters</li> </ul>

### Activity Status of 2023 and the first half of 2024

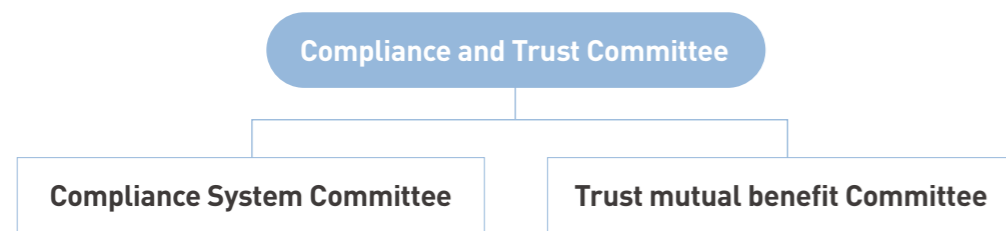
Date of holding	Agenda	Reported to	Classification
2023.02.24	Results of diagnosis for ESG status and materiality assessment results	ESG Committee	Reported
2023.06.22	Environmental management promotion status and performance results in the first half of 2023	ESG Committee	Reported
	Publication of 2022 ESG Report	ESG Committee	Reported
2023.11.28	2023 domestic major ESG evaluation results	ESG Committee	Reported
	Environmental management performance results in the second half of 2023 and plans for 2024	ESG Committee	Reported
2023.12.28	Purchase of renewable energy certificates(RECs) to achieve RE100	BOD	Passed
2024.02.27	2023 diagnostic evaluation results and improvement task roadmap	ESG Committee	Reported
	2023 ESG materiality assessment result	ESG Committee	Reported
	Risk factor review results of important topic related to 2023 materiality assessment results	ESG Committee	Reported

ESG Management System


**Compliance and Trust Committee**

Kakao is making efforts to establish a compliance and trust management system and practice corporate social responsibility by establishing the 'Compliance and Trust Committee', an external organization that supports compliance and ethical management of affiliates within the group. Kakao Games is contributing to making the company's operations more transparent and responsible by participating as a contracting company and fulfilling key obligations, and is striving to create an environment in which stakeholders can trust.

**Composition of Compliance and Trust Committee**



**Role of Compliance and Trust Committee**

<p><b>Establishment</b></p> <p>Establishment of compliance control framework, including establishment of compliance program</p> 	<p><b>Advice</b></p> <p>Present opinions on stock market block deal, mergers and acquisitions, initial public offerings, internal transactions etc.</p> 
<p><b>Investigation</b></p> <p>Investigation and request for correction of violations of compliance obligations</p> 	<p><b>Supervision</b></p> <p>Supervision and recommendations for effective operation of the compliance monitoring system</p> 

**Tech for Good Committee**

As a company that makes daily life more enjoyable through games, we at Kakao Games strive to fulfill our social responsibilities and to deliver positive impacts on stakeholders through various content and services. In 2022, we established the 'Tech for Good Committee', reviewing service safety from a technical ethics perspective, improving compliance systematically with the algorithm ethics charter, checking risk, strengthening the transparency of algorithms.

In 2023, the committee is laying the foundations for review from a technical perspective in upgrading the human rights management system by establishing a plan to review our representative services and an AI governance system. Additionally, through monthly regular meetings, we define and continuously manage anticipated potential risks related to AI and algorithms of game services across various departments, including public affairs, information security, and data analysis. The Tech for Good Committee is chaired by the Chief Technology Officer(CTO) while Head of Data Analysis Lab, Head of Information Security Department(CISO), Head of Service Planning Department, Head of External Cooperation Department, Head of Development Center attend as the committee members.

**Major Achievements in 2023**

- ▶ **Establishment of plan to inspect representative services**
  - Establishing plans to inspect and improve issues of representative services of Kakao Games and proactively addressing issues in AI and algorithm services
- ▶ **Establishment of AI governance**
  - Building an AI governance system based on the management process of the Tech for Good Committee
  - Operating a game service checklist policy based on risk definition/evaluation

**Occupational Safety and Health Committee**

The Occupational Safety and Health Committee is composed of four commissioned members and four elected members. The CEO is included as a member representing the management to serve as the highest decision-making body and the employee representative acts as an ex officio member to secure worker representation. The results of the regular meeting of the Committee are publicly announced to all executives and employees through in-house channels to be shared frequently.

Through a regular meeting once a quarter, Kakao Games shares current issues related to occupational safety and health management and listens to employees' concerns. Major issues in 2023 include decisions related to risk assessment and participation in overall risk assessment, sharing and dissemination of accident cases, and decisions on safety and health activities for 2024, engaging in various activities related to health and safety.

**2023 Main Contents of Discussion**

Period	Contents of Discussion
Q1	<ul style="list-style-type: none"> <li>• Improving office facilities</li> <li>• Establishment and disclosing safety and health management policy</li> <li>• Guidance on conducting risk assessment etc.</li> </ul>
Q2	<ul style="list-style-type: none"> <li>• Conducting risk assessment and sharing the results</li> </ul>
Q3	<ul style="list-style-type: none"> <li>• Sharing of follow-up work status on risk assessment improvement</li> </ul>
Q4	<ul style="list-style-type: none"> <li>• Sharing the 2024 safety and health plan (risk assessment, investigation of musculoskeletal hazards)</li> <li>• Discussion of health programs (VDT syndrome, Metabolic syndrome)</li> </ul>

**Krew(Kakao+Crew) Council**

Kakao Games' Krew Council consists of 4 elected members (employee representatives), 4 commissioned members (employer representatives), and 3 secretaries. Each of the elected and commissioned members includes one Grievance Handling Committee member, actively gathering the opinions of employees. To ensure the stable operation of the Krew Council, the tenure of committee members is 3 years. The Krew Council holds once every quarter, encouraging active participation and opinion gathering from employees. In 2023, the council discussed focusing overall topics such as employee welfare improvement, mutual cooperation, and health and safety.

**2023 Main Contents of Discussion**

Period	Contents of Discussion
Q1	<ul style="list-style-type: none"> <li>• Writing guide for working hours</li> <li>• Simplify the annual leave procedures</li> </ul>
Q2	<ul style="list-style-type: none"> <li>• Distribute the working hours guide and conduct campaigns</li> <li>• Increase the collection of Krew opinions when reorganizing the welfare system</li> </ul>
Q3	<ul style="list-style-type: none"> <li>• Sharing working hours status</li> <li>• Reviewing measures to form a healthy organizational culture</li> </ul>
Q4	<ul style="list-style-type: none"> <li>• Measures to improve working hours system</li> <li>• Welfare system improvement</li> </ul>

**ECO Play Team**

The ECO Play Team is dedicated to environmental management, responsible for collecting and managing environmental data, setting and promoting environmental improvement goals and plans, monitoring implementation status, and reporting to the ESG Committee.

To continuously manage environmental performance, we include climate change-related items in the KPIs of managerial-level employees. The Director of the Krew Support Department, who also serves as the head of the ECO Play Team and oversees office infrastructure and working environment management, has an annual KPI to reduce greenhouse gas emissions by 3%.

This reduction KPI is linked to the manager's financial incentives. To achieve these performance indicators, we have been implementing energy-savings such as time scheduling office lighting and air conditioning since 2022. Starting in 2023, we installed temperature and air quality sensors throughout the office to reduce unnecessary individual air conditioning and heating operations. We frequently monitor these conditions with the building control center to balance optimal working conditions and energy savings.

The ECO Play Team is also committed to addressing climate change and achieving carbon neutrality by setting and implementing medium to long-term goals and plans. We participate in establishing environmental management objectives at the Kakao Group level, monitor industry trends, and lay the foundation for becoming a leading eco-friendly company.

In particular, we actively pursue carbon neutrality and RE100 goals by 2040. In 2023, we began implementing our eco-friendly management strategy by purchasing Renewable Energy Certificates(RECs).

**Information Security Committee, Tech Center / Information Security Department**

The Information Security Committee at Kakao Games, comprising heads of various related departments such as infrastructure, development, legal affairs, human resources, general affairs, and operations, reviews, approves, and makes decisions on important issues related to personal information and information protection across the company. The committee is chaired by the Chief Privacy Officer (CPO) and the Chief Information Security Officer (CISO). In 2023, the committee handled the revision of the Privacy and Information Security Directives and Guidelines, and on the preparation and progress of the APEC CBPR Certification.

The CISO and CPO are appointed in compliance with the selection criteria set by the Act on Promotion of Information and Communications Network Utilization and Information Protection and the Personal Information Protection Act. The CISO, who is the head of the Information Security Department within the Tech Center, is responsible for establishing information protection strategies and overseeing information protection tasks. With over 20 years of experience in information security and IT, the CISO is a first-generation member of the country's top information security company.

The CPO concurrently holds the position of Chief Technology Officer (CTO) and is responsible for planning and implementing personal information protection measures, conducting regular investigations and improvements on personal information processing practices, handling complaints and remedies related to personal information processing, and overseeing all personal information protection tasks. The Information Security Department is divided into the Information Security Cell and the Anti-Cheat Cell, performing functions such as protecting company data, complying with relevant regulations, and managing the information security level through continuous improvement.

# Part 2 Strategy

Kakao Games actively develops core strategies for each ESG topic. We will pursue consistent results in all areas of environment, social and governance and fulfill our social responsibilities.

Based on responsibility in regards of climate change,

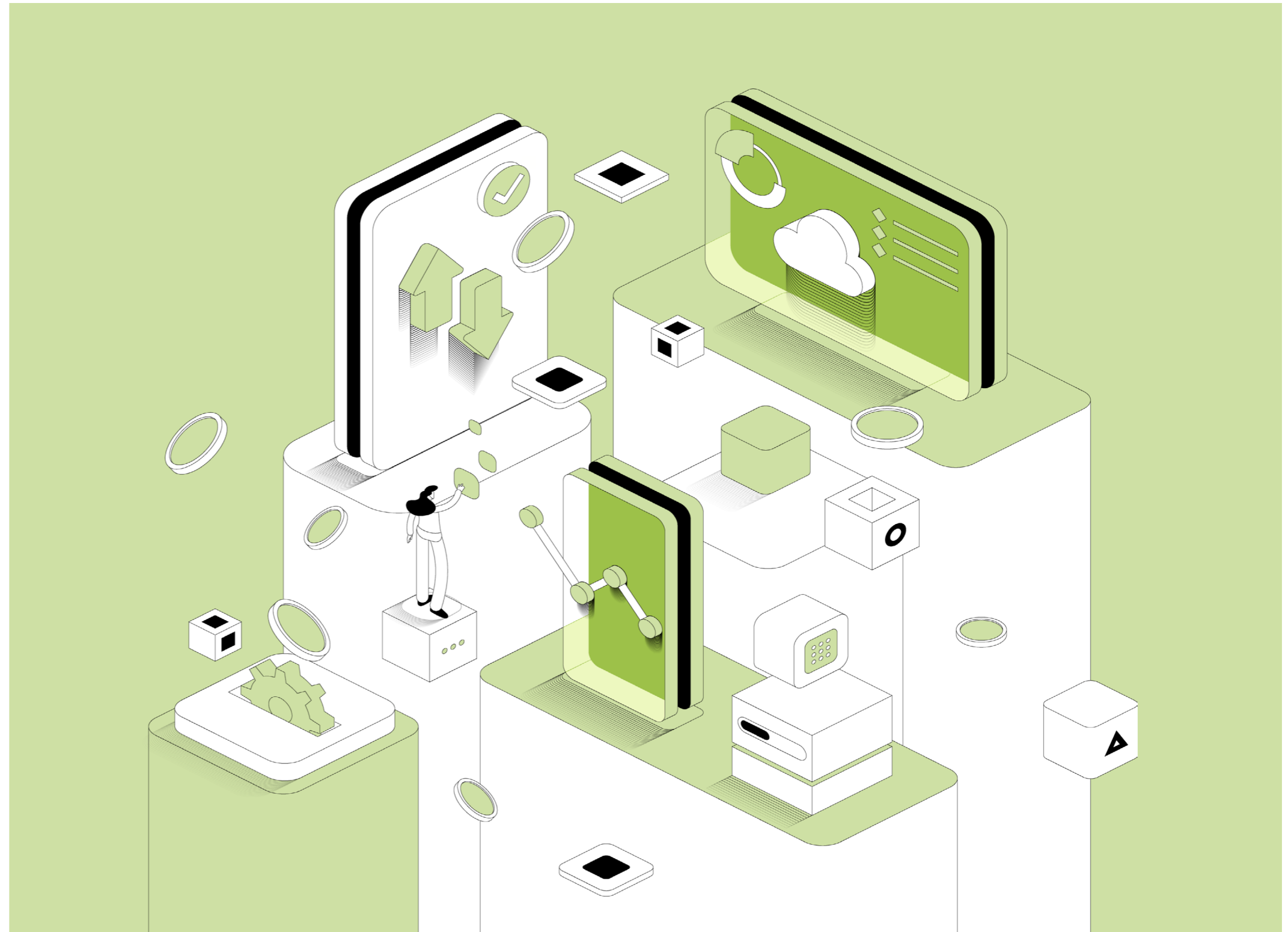
## Participating 'Active Green Initiative'

For protection of stakeholder rights and development of human capital,

## Advancing Information Security, Support Growth/Improve Working Environment

To establish transparent governance,

## Strengthening Compliance/Control, Enhancing Independency of the BOD



# Responding to Climate Change

## Carbon Neutrality Promotion Strategy

### Carbon Neutrality Goal

Kakao Games has established and implemented strategies to promote sustainable environmental management. We are managing greenhouse gas emissions by business site by establishing a greenhouse gas inventory, and we have secured objectivity through third-party verification. In particular, the 2023 emissions were calculated to include Scope 3, and we plan to upgrade the calculation standards while working to minimize Scope 3 emissions.

Kakao, the parent company, has established its own 'Active Green Initiative' principles to respond to the climate crisis, and Kakao Games has also participated in the initiative and established medium to long-term goal for carbon neutrality. First, we aim to cover 40% of electricity usage with renewable energy by 2030 as of 2023, and achieve Net Zero, which reduces Scope 1 and 2 emissions to zero, and RE100, which covers 100% of electricity usage with renewable energy, with a goal of 2040.

We plan to continuously make efforts to respond to the climate crisis and achieve carbon neutrality by planning medium to long-term goals and establishing and implementing a step-by-step roadmap to achieve them, and we plan to join the Korean government in implementing carbon neutrality in 2050.

In 2023, we purchased 101MWh of Renewable Energy Certificates(RECs) for the first time. Ultimately, we plan to gradually increase the replacement rate of renewable energy and establish and implement medium to long-term plans to reduce energy consumption to achieve RE100 by 2040. In this way, Kakao Games is taking responsibility for climate change, actively and systematically implementing environmental management, and striving to create a low-carbon future.

### Integrating Environmental Factors into the New Investment Review Process

While proceeding with investments and reviewing new investment opportunities, Kakao Games consider not only general factors such as industry status, product and service evaluation, key personnel and financial matters, and investment conditions, but also risk factors in each area of ESG. Specifically, in the environmental area, we review the use of efficient hardware or systems that consider energy savings, the application of eco-friendly server operations for large-scale data centers required for service (game) server operations, company participation in environmental protection campaigns and volunteer activities, and any sanctions due to environmental law violations (e.g., business suspension, fines) in the past three years. Through the review of environmental risk factors within the investment decision process, we strive to fulfill our environmental responsibilities across our entire business.

### Acquisition of ISO 14001 Environmental Management System Certification

Kakao Games has established an environmental management system in accordance with standard specifications to continuously improve environmental performance across all corporate activities, and obtained ISO 14001 environmental management system certification in May 2024. We plan to continue our management activities based on the environmental management system and will undergo annual objective post-implementation audits and renewal audits by third-party verification institutions, and disclose the results.



#### 2023 Achievements

- ▶ Establishment of a greenhouse gas inventory and acquisition of third-party verification
- ▶ Medium to long-term goal setting: Participation in Kakao's 'Active Green Initiative' (2040 Net Zero, RE100)

## Climate Change-related Risk and Opportunity Factor

Through the ECO Play team, Kakao Games identifies and evaluates climate change-related risk and opportunity factors that may arise throughout the company's business activities. Identified risk and opportunity factors are reported to the ESG Committee for systematic management, supervision, and response at the company level.

### Climate Change-related Risk and Opportunity factors in 2023

Category	Risk		Impact level	Time horizon	
Risk Factor	Sales	Possibility of a decrease in sales and occurrence of game users churn due to instability in network when power consumption increases due to temperature rise and infrastructure is damaged due to natural disasters	●●○○○○	Mid-term (within 3~10 years)	
	Physical risks	Sales	Possible interruption of game services and access due to server failure caused by extreme weather such as fire, heavy rain and flooding	●●●○○○	Short-term (Within a year)
	Cost	Negative effects such as complaints from customers (users) and partners (developers, etc.) due to obstruction of business activities on account of weather changes, and the possibility of financial losses due to compensation with paid goods to minimize obstruction	●●○○○○	Short-term (Within a year)	
	Transition risk	Cost	Increased operating costs due to expanded domestic and overseas regulations on climate change such as mandatory disclosure (e.g. Mandatory compliance with sustainability disclosure standards, Incorporation into a company subject to greenhouse gas emission management)	●●○○○○	Mid-term (within 3~10 years)
	Cost	Increased R&D costs related to the development of new and alternative technologies to reduce energy use when users require services such as low-power game modes	●●○○○○	Mid-term (within 3~10 years)	
Opportunity Factor	Cost	Reduce exposure to future fossil fuel price increases by arranging measures of procuring renewable energy	●●●●○○	Mid-term (within 3~10 years)	
	Sales	Increase in new customers (users) and brand value through enhanced awareness of sustainable management policies by engaging in-game storytelling, marketing strategies and campaigns that reflect environmental and sustainability messages	●●●○○○	Long-term (Over 10 years)	

## Performance of Environmental Management

### Establishment of a Renewable Energy Procurement Plan

In December 2023, Kakao Games discussed the agenda of 'Purchase of Renewable Energy Certificates(RECs) for RE100 Initiative' in a temporary board meeting. In 2023, due to factors such as the end of the work-from-home policy, energy consumption and carbon emissions increased compared to the previous year. To mitigate this, we purchased an amount of REC 101MWh equivalent to approximately 6.5% of the 2023 carbon emissions. Kakao Games plans to gradually increase the purchase and replacement rate of renewable energy every year and is actively striving to achieve RE100 by 2040.

### Green Building Certification

Pangyo Alphadom tower, where Kakao Games moved in, received a Silver rating in the LEED (Leadership in Energy and Environmental Design) evaluation, an eco-friendly building certification system certified by the US Green Building Council (USGBC), in the phase of building/construction in 2018. As a result of the continuous efforts and participation of the building and its tenants towards eco-friendliness, we additionally obtained a Platinum rating in the LEED evaluation in January 2024.

### Reduction of Energy Consumption

As Kakao Games operates the game industry, more than 80% of Kakao Games' total carbon emissions come from electricity used in offices and data centers. With the full implementation of the office-centric working policy due to the end of the pandemic in 2023, the energy consumption and carbon emissions from electricity and water usage in offices have significantly increased compared to the previous year. As a result, we are reviewing and applying various measures to reduce energy consumption such as we converted one company vehicle to an electric vehicle and are planning to replace other vehicles with eco-friendly vehicles.

Additionally, since most of the building is leased and used by Kakao Group, we have shared and discussed the environmental management policies at Kakao Group level with the landlord to find and apply feasible solutions together. To improve the inefficient system, we started a pilot operation in October 2023 by separating system into high-rise and low-rise elevators, and official implementation is operated since December through an agreement among tenants. Furthermore, we installed water-saving devices in all restrooms to reduce water usage, aligning with the landlord's aim for an eco-friendly building and cooperating on energy-saving issues.



### Environmental Investment (Creating an Eco-friendly Office)

Recognizing that electricity usage varies seasonally due to heating and cooling demands, we sought ways to improve efficiency. In July 2023, we installed sensors to monitor temperature, humidity, and air quality in real-time by office zone and analyzed seasonal and time-specific data. After the analysis, we provided feedback to the building control center, aiming to enhance the efficiency of air conditioning operations through the systematic operation of the central building air conditioning system and individually installed heating and cooling units (DVM). In April, to avoid using disposable paper cups and to encourage the use of individual cups we provided mug cups to all employees on the occasion of the foundation day, and from August, we installed 5 cup washers and operated for each canteen. The previously piloted multi-use cups, thanks to high usage and participation by employees, have been permanently provided and are currently in operation. In this way, Kakao Games is gradually conveying the message of environmental management, including the reduction of disposable items, to employees. We plan to continuously discover and introduce additional applicable items to practice environmental management.

#### 2023 Main Achievements

- ▶ Introduction of eco-friendly vehicles (electric vehicles) as corporate vehicles in November 2023
- ▶ Establishment of a plan to add eco-friendly vehicles to company vehicles  
\* Using 1 electric vehicle and 3 hybrid vehicles as of the end of 2023
- ▶ Permanent placement of multi-use cups after pilot operation
- ▶ Real-time monitoring of temperature and humidity by office area (using sensors and dashboard software)
- ▶ Installation of cup washers and distribution of mug cups to promote the use of personal cups

## Employee Participation in Environmental Protection

### Environmental Lecture for Employee

To enhance enterprise-wide understanding of ESG and raise awareness of environmental management, we conduct annual environmental lecture. On Earth Day in April 2024, as part of the employee-participatory eco-friendly campaign 'Together Green Day,' we invited environmental influencer Tyler Rasch as a special speaker to conduct offline lecture on the theme 'Climate Crisis: Crisis of My Life, My People.' This lecture, attended by 71 employees, provided an opportunity to understand the impact of the climate crisis on society and individuals and to consider practical solutions together, fostering internal consensus on environmental protection. After the lecture, we evaluated its effectiveness through surveys on satisfaction of the lecture, the need for climate change response, and applicability to daily life.

### In-house Item Donation Campaign

Kakao Games donates in-house generated, but not used items annually to support a virtuous cycle of resources. In March 2023, we donated marketing event inventories with approximately KRW 4 million worth to a non-profit store 'Beautiful Store' and the profits were used for various welfare project, including economic support for underprivileged neighbors.

### Together Sharing Party 'Support for Forest Ecosystem Restoration in Chungnam'

In July 2023, a total donation of KRW 10,435,000, collected by Krew and Kakao Games, was delivered to the 'Korean Red Cross Chungnam Branch' to support the restoration of the forest ecosystem in Chungnam and the donated funds were used for reforestation projects in the forests of Chungnam that were destroyed by wildfires, leading to the creation of the 'Kakao Games Forest' in Hongseong, Chungnam.

### Digital Carbon Footprint Reduction Campaign

Considering the nature of Kakao Games' business, which involves extensive use of IT equipment such as PCs and mobile devices, and frequent data exchanges between individuals and companies, the Digital Carbon Footprint Reduction Campaign which the employees can easily practice in the office to protect the environment was conducted. In September 2023, employees were made aware of how everyday energy waste and the production of unnecessary items impact the environment, and practical measures to reduce such environmental impacts were shared. Specifically, to reduce the power consumption of data centers caused by storing unnecessary emails, a company-wide email deletion campaign was conducted, resulting in the deletion of a total of approximately 1.04 million emails by all employees, thereby indirectly contributing to the reduction of carbon emissions.

#### 2023 Main Achievements

- ▶ Preparation and distribution of educational materials related to digital carbon footprint (concepts and practice plan, etc.)
- ▶ Email deletion campaign and event (total of approximately 1.04 million emails deleted)

Inviting Tyler Rasch for 'Climate Crisis' Lecture



Tree planting event to help restore forests in Hongseong, Chungnam



In-house Item donation



# Human Rights Management

## Human Rights Statement



Kakao Games has established a Human Rights Management Declaration, supporting international human rights standards such as the UN Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) Declaration, outlining our commitment to protecting the human rights of stakeholders, including employees, business partners, local communities, and users, against actual and potential human rights risks throughout all business activities. We strive to prevent and eliminate any human rights violation that may arise in our operations. Furthermore, any human rights violations or related consultations and reports are handled by the Head of the HR Support Group and relevant departments according to internal procedures, with personnel actions taken based on the severity of the issue. If a violation is deemed to have a significant negative impact, it may be reported to the ESG Committee.

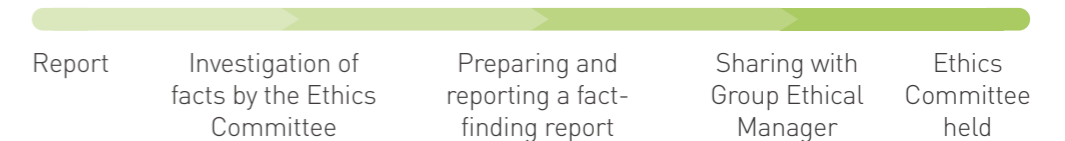
### Human Rights Management Roadmap



## Operation of Grievance Handling System

Kakao Games strives to protect the rights of various stakeholders through the Cyber Ethics Reporting Center and the Grievance Handling Committee. On the website of the Kakao Group Cyber Ethics Office, we disclose the core values of ethical management pursued by Kakao Group, work procedures, hotline information, and guidelines for handling violations of ethical regulations. The Cyber Ethics Reporting Center is available to all internal and external stakeholders at any time. Additionally, the hotline is operated anonymously to ensure the confidentiality of complaints, thoroughly protecting the report's contents and the informant's identity. The Code of Ethics specifies protective measures to prevent any disadvantages to stakeholders resulting from reporting.

### Cyber Ethics Reporting Center Process



### Grievance Handling Committee Process



### Status of Reporting and Handling Human Rights Complaints

Category	2023
Number of Grievances Cyber Ethics Reporting Center, Krew Council, Grievance handling committee email, Online channel for collecting opinions from partners sum of etc.	18 cases
Number of grievances handled	18 cases
Grievance handling rate	100%

# Working Environment and Performance Evaluation

## Employee-friendly Work Environment

### Creating a Pleasant Working Environment

**Bi-weekly 'Play Friday' Policy** As we operate the industry's first 'Play Friday' system of working 4 days a week on a bi-weekly basis, employees can receive an additional 26 days of holiday per year in addition to the basic annual leave. Kakao Games will continue to ensure sufficient rest for executives and employees and further strive to improve organizational productivity.

**35.5 Working Hours a Week** We implement a work hour reduction program to improve work concentration. Employees can arrive 30 minutes later on Mondays and leave an hour and a half earlier on Fridays during the week without 'Play Friday,' allowing them to have sufficient rest and efficient leisure time. Additionally, we manage attendance registration, overtime work applications, and annual leave through the Attendance Management system. We monitor employees who work close to legal working hours a week and alert them and their department heads, continuing our support to help employees achieve a balance between work and life.

**Leaving Work Early Program** We operate an early leave system allowing employees to leave at 3pm on the day before holidays (New Year's Day, Thanksgiving Day, December 24, and December 31 only). This system is implemented to encourage employees to take personal time off and recharge over the holidays.

**Campaign to Create a Healthy Work Culture and Improve Long Working Hours** We conduct a campaign to create a healthy work culture and improve long working hours, featuring content such as 'Avoiding Habitual Busyness,' 'Sharing Vacation Schedules in Advance,' 'Reevaluating Whether the Meeting is Necessary,' and 'Respecting Personal Time Outside of Work.' This aligns with our in-house culture of 'Immersion and Leisure,' striving to enhance the work environment for our employees. Through this, we are striving to improve the long working hours of our employees and create a healthy work environment.

Bi-weekly 'Play Friday' Policy



### Support for Comfortable Relaxation and Leisure Activities

We provide welfare points worth KRW 3.6 million per year to all employees, which can be freely used in various fields such as health activities, cultural life, and self-improvement. Additionally, employees have complimentary access to numerous recreational facilities nationwide, including exclusive venues on Jeju Island. Employees can receive a one-night special vacation when using some recreational facilities. In addition, we support a variety of leisure activities so that employees can freely enjoy their rest, such as Krew-only camping cars and membership-based resort reservation support. Moreover, we actively encourage club activities among the Krew and subsidize some expenses for activities of in-house club offline meetings.

Busan Recreation Facility 'Pale De CZ'



## Promote Employee Diversity

### Promote Gender Diversity

As of the end of 2023, approximately 37.7%<sup>1)</sup> of all employees are women, and approximately 30.4%<sup>2)</sup> of managers are women. Kakao Games operates various systems to enhance employee diversity.

We provide paid leave to pregnant Krew for regular checkups, implement reduced working hours during pregnancy and childcare periods, and encourage the use of maternity and parental leave tailored to the time of childbirth. For Krew with infants, we have equipped our offices with breastfeeding facilities and operate three in-house daycare centers. We also provide priority to pregnant Krew and users of the daycare center in a lottery for in-house parking tickets, continuing our support for women and pregnant employees.

1) Full-time and non-regular workers  
2) Eminence/middle/sub-managers

### Creating an In-House Welfare Environment to Revitalize Employment for People with Disabilities

Kakao Games has invested in 'Linkage Lab', a subsidiary-type standard workplace for the disabled of the Kakao Group, which was established with the purpose of enabling disabled and non-disabled people to do various things together in a linked place. Through Linkage Lab, we are creating an environment that reflects accessibility factors for the disabled directly in-game services and indirectly in group company portal searches and content production.

In addition, we are making efforts to promote employment for the disabled, such as hiring employees with developmental disabilities as baristas at the in-house cafe and hiring masseuses for the disabled for the health keeper service. We are also conducting linked employment such as in-house plant care through the Standard Workplace for people with disabilities.

### Operating Family-Friendly Welfare System

Kakao Games provides age-specific gifts each year for the children of Krew members entering elementary, middle, high school, and university. We offer a 'birth gift' for Krew or their spouse upon childbirth and a 'pregnancy gift' for pregnant Krew. Additionally, we operate a nursing facility called the 'Maternity Room' in the office to support employees who return to work after childbirth and wish to continue breastfeeding.

### Acquisition of Family-Friendly and Leisure-Friendly Certification

Kakao Games received the Family-friendly Corporation Certificate from the Ministry of Gender Equality and Family in 2017 and has been regularly re-certified every three years. The most recent re-certification was in 2022, and the certificate will be maintained until November 2025. In addition, Kakao Games was selected as a 'Leisure-friendly Certified' company by the Ministry of Culture, Sports and Tourism in 2022. This certification will be maintained until December 2025.

In-house daycare centers, 'Ajitteul'



Linkage Lab barista's one day class, 'Together Krew Café'



Gift for your child's elementary school entrance

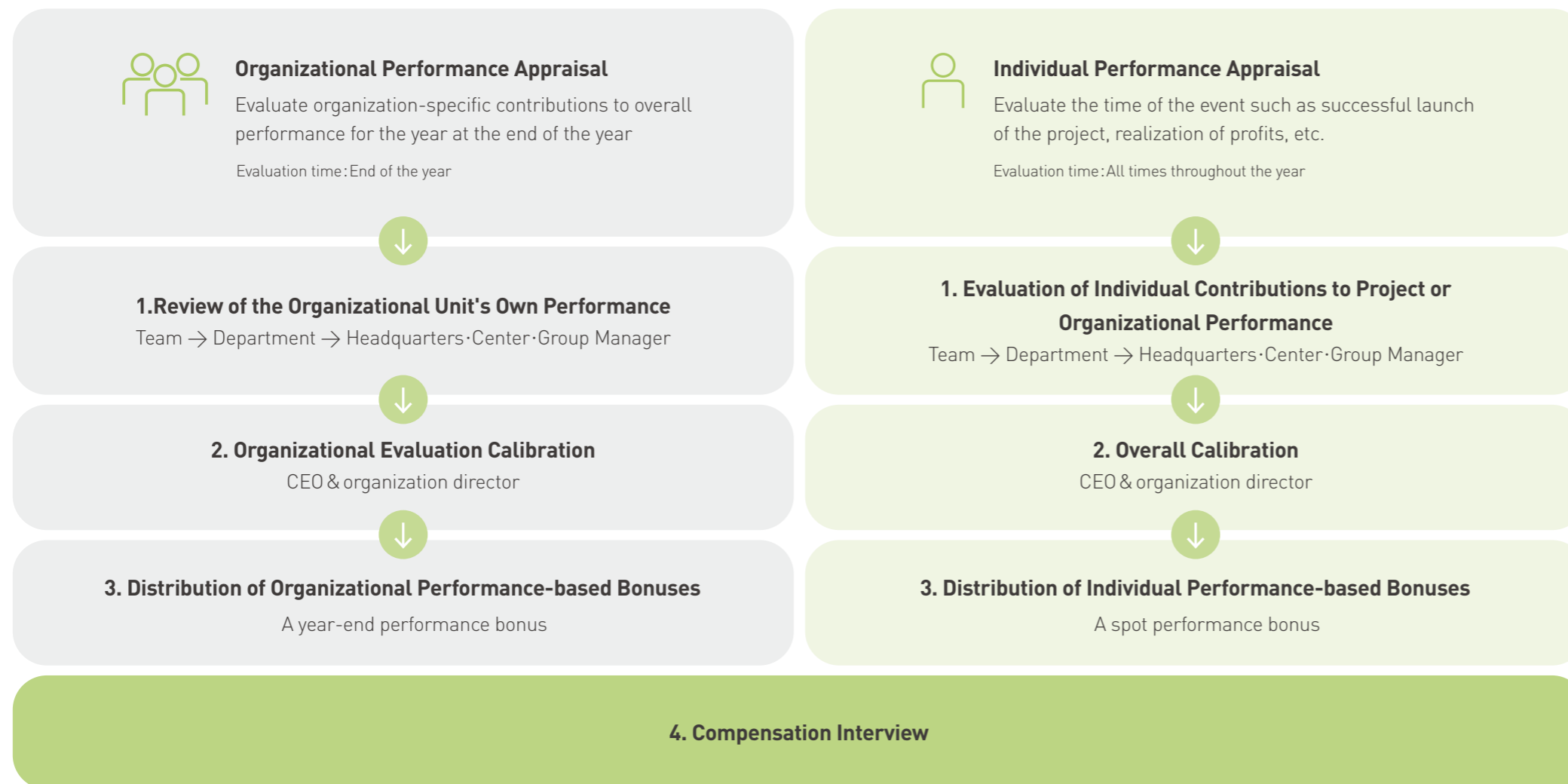


## Evaluation and Compensation

### Performance Appraisal

As of the time of evaluation, Kakao Games conducts performance appraisal for full-time and contract employees working at the company. Organizational performance appraisal is conducted once a year at the end of each year, and individual contribution evaluation to the project is conducted at all times throughout the year. We actively share feedback for individual development, and evaluate the capabilities of Krew members who have contributed to improving the organization's performance through effective reviews. Kakao Games' performance is the result of all employees working together as a team, and we strive to create sustainable synergy by evaluating this fairly.

### Performance Appraisal Process



### Compensation System

Kakao Games' performance-based bonuses are paid to all employees, including non-management and non-sales, by dividing them into 'Year-end Performance Bonus' and 'Spot Performance Bonus.' The 'Year-end Performance Bonus' is determined by operating profit for the year and is distributed according to the performance evaluation of the organization (project). The organizational performance created by the team distributes performance bonuses to the organizations that performed the project at the same payout rate. However, exceptionally, high-performance employees who have made a unique contribution to the performance of the organization (project) may be awarded additional rewards, while those with obvious underperformance may be excluded from year-end performance bonuses.

The 'Spot Performance Bonus' is automatically paid to individuals based on their contribution to the project at the time of the event (all times of the year), such as the successful launch of the project and the realization of profits. The management decides whether spot performance bonuses are paid and individual contributions are made through consultation with the organizational leaders.

Kakao Games is striving to reorganize its performance evaluation and provide reasonable and fair compensation so that energy, which was focused on improving individual performance, can be focused on improving the performance of the organization.

# Education Training

## Development of the Talent Pipeline

Kakao Games is striving to attract excellent talent by diversifying the pipelines to secure talent, such as job promotion through various channels, and operation of an in-house talent recommendation system. Compared to the end of 2022, the total number of executives and employees increased by 23 (+5.3%) and the number of female increased by 8 (+4.8%) at the end of 2023. In addition, we have established a target for the number of female employees, managers, and executives in 2030 and are striving to enhance the diversity of our employees.

### Efforts to Secure Talent

So that applicants interested in working with Kakao Games can apply at any time, and we are establishing and operating a pool of talent that can be connected in the event of a recruitment campaign or vacant position. The recruitment method is expanding from the inbound method of waiting for job seekers to submit applications through our recruitment platform to the out-bound recruitment method of direct sourcing, which allows us to secure personnel with various capabilities and experience.

We also actively share recruitment news through social media platforms and the Kakao Games Website, continuing proactive recruitment branding. Internally, we also operate employee referral programs so that the employees can participate in recruiting excellent human resources. To ensure a positive experience for applicants and compliance with the Recruitment Procedure Act, we frequently share recruitment progress with applicants even before the results are confirmed.

### Onboarding Program for Smooth Integration of New Recruits

Kakao Games conducts an onboarding program for three months after joining the company to ensure a soft landing for recruits. We operate a meeting with the head of the organization and a buddy system based on close communication between the HR team and the related department. We help new employees quickly adapt by performing missions to enhance their understanding of the company's systems and culture, networking with fellow recruits, and providing introductory training. Also, during the three-month onboarding period, new employees can align their own expected roles with the company's expectations and establish specific and long-term plans at Kakao Games.

### Recruitment Program

Kakao Games has operated an internship program since 2016, providing opportunities for prospective graduates or previous graduates to experience corporate culture and understand our work. During the internship period, new recruits will perform necessary training, department work, and individual assignments. Outstanding interns who have completed internships are given the opportunity to switch to full-time positions after graduation.

## Evaluate Effectiveness of the Growth Program

In order to measure and manage the effectiveness of the employee training program, we conduct pre- and post-diagnosis on trainees for some training. We conduct a preliminary diagnosis right before training so that we are able to comprehend the prior understanding of the trainees and the trainees can preview the training contents. Immediately after the training program ends, whether the understanding of the training contents has been improved is measured through a diagnosis on the same questions. Trainees can enhance their learning effectiveness by summarizing and reviewing the training content through the post-diagnosis.

In addition, we analyze the results of pre- and post-diagnosis to confirm the effectiveness and productivity of the training program in quantitative numbers and use this data to improve future curriculum.

### Effectiveness Evaluation Result

Training content	Smart Thinking Skill - Data Literacy
Expected effect	Perform logical work through improved data-based thinking, judgment, and persuasiveness
Participants	30 Participants
Performance	Improve 15.4% (Pre-test 79 points, Post-test 91 points out of 100)

## Employee Training Programs

Kakao Games actively supports employee growth by providing a variety of educational programs. In addition to common training, we offer a wide range of customized programs, including specialized training for each job and leadership training, to help develop employees' skills. We will continue to discover and effectively manage educational programs necessary for job performance to create an environment where both the organization and individuals can grow.



### 1. Job competency training

Training content	Outside training by job (security specialized training, developer conferences, etc)
Expected effect	Developing knowledge and skills for strengthening professional competencies for each job
Target	All employees
Performance	28 participants completed

### 2. Job Competency Training

Training content	<ul style="list-style-type: none"> <li>• Smart Thinking Skill (problem-solving, strategic thinking, data literacy)</li> <li>• Communication Skill (collaboration, Reporting/Instruction Methods)</li> <li>• Understanding Industry (Understanding of the Game Industry)</li> </ul>
Expected effect	<ul style="list-style-type: none"> <li>• Improved problem-solving skills</li> <li>• Enhancing respect-based communication capabilities</li> <li>• Strengthening expertise by improving industry understanding</li> </ul>
Target	All employees
Performance	Overall satisfaction with education 4.39/243 participants completed (Total 6 courses)

### 3. Global competency training

Training content	1:1 language coaching and grammar·vocabulary lectures
Expected effect	Improving language skills and cultivating a global mindset
Target	Executives and those who need to improve their language skills for their job
Performance	7 participants completed

### 4-1. Leadership Basic Training

Training content	Organizational management methods and coaching mindset
Expected effect	Understand the role and influence as a team leader
Target	Newly appointed team leader
Performance	Overall satisfaction with education: 4.42 points/19 participants completed (content·instructor satisfaction: 4.52, operational satisfaction: 4.31, field application: 4.44)
Etc. (subjective opinion)	<ul style="list-style-type: none"> <li>• I developed a standard for how I manage my team members.</li> <li>• As team leader, I was able to gain systematic knowledge about my role</li> <li>• It was beneficial as it provided specific methods and tools</li> </ul>

### 4-2. Leadership Skill Up Training

Training content	Motivation skills and effective feedback processes
Expected effect	Voluntary engagement and growth leadership of the Krew within the team
Target	Team leaders and department heads
Performance	Overall satisfaction with education 4.23/94 participants completed (content satisfaction 4.55, instructor satisfaction 4.59, operational satisfaction 4.52, field application 4.28)
Etc. (subjective opinion)	<ul style="list-style-type: none"> <li>• It was beneficial to systematically learn methods for motivating and providing feedback to employees</li> <li>• The training was helpful as it provided key points and practical methods that can be applied</li> <li>• I realized the importance of regular 1-on-1 sessions and understood that a lot of preparation is needed as a leader to provide feedback</li> </ul>

# Safety and Health

## Safety and Health Management System

### Occupational safety and health management system

Due to the nature of the IT industry, Kakao Games has no significant impact on safety and health is identified. Nevertheless, we are conducting safety and health management activities preemptively to reduce the risk of safety accidents or health management. The Safety and Health Management Policy is disclosed on our website, and the safety and health management regulations are always disclosed on the in-house bulletin board.

In addition, the head of the department responsible for safety and health management and overseeing improvement activities was appointed as the safety and health management manager to provide training, and a supervisor was appointed to carry out practical improvement work. The Occupational Safety and Health Committee is pushing to strengthen safety and health management by measures such as health checkups, office risk assessment, and job stress tests.

### Occupational safety and health training

When a new safety and health manager is appointed, it is mandatory to complete basic training on roles and responsibilities, related laws and importance of risk reduction.

There is no obligation to conduct safety and health training for employees, but Kakao Games reviews and announces the results of risk assessments and near miss cases through the Occupational Safety and Health Committee. In addition, in order to prevent safety accidents and minimize risks to contractors when contracting through external companies, we are conducting safety education, making it mandatory to wear protective gear and confirm the completion of safety education in the disaster prevention room.

### Expansion of the emergency response TF role

We have expanded the existing role of the Emergency response TF to not only address emergencies related to coronavirus quarantine but also to swiftly respond to nearby crime incidents, natural disasters, and weather advisories.

To this end, we established a hotline to strengthen communication between key executives and working-level staff, and prepared an emergency response manual. We acknowledged dangerous incidents around the office and simultaneously announced company-wide and we implemented short work and work from home in accordance with the established manual and hotline through quick decision-making when heavy rains and snowstorms occur.

### Partner safety and health council

Kakao Games has formed a safety and health council with four partner companies responsible for security, cleaning, café, and massage services to enhance the safety and health of their employees. This council holds regular meetings once every month. In the 2023 regular meeting, they reviewed evacuation plans for Linkage Lab workers in case of accidents. They also checked measures related to emotional labor and discussed work schedule changes with partner companies.

Since late 2023, with the participation of the building management team, the council discusses legally mandated work start times, matters related to conducting risk assessments, communication methods, adjustments to work processes, and evacuation methods in case of accidents. Additionally, they share and discuss overall safety and health activities, including support for the safety and health of all partner companies, including building management.



## Promote Employee Health

### Employee health checkup

As all employees of Kakao Games is composed of office workers, though the health checkup period is once in two years, however, we provide support with the costs so that employees can be examined every year.

In addition, we support comprehensive checkup items so that employees can receive a more comprehensive checkup than the public health checkup programs. Employees who are not required to undergo mandatory checkups can transfer their health checkup to one family member if the Krew wants. In 2023, all 273 employees who were required to undergo mandatory checkups received their health checkups, and overall, 335 employees and 77 of their family members received health checkups.

### Survey of risk factors for work-related musculoskeletal disorders and linked health program

Kakao Games conducted a survey of risk factors for musculoskeletal diseases through external experts in accordance with the Occupational Safety and Health Act to understand the prevalence of musculoskeletal diseases related to office work.

Although there were no tasks exceeding the legally defined standards, individuals identified as management targets or those complaining of pain were identified due to the personal characteristics of employees. In response, we continued to implement health programs linked to this issue, including 3D body shape measurements to assess the condition of individual body parts, and provided simple exercises and lifestyle solutions tailored to the identified problems. Additionally, we invited external ergonomics experts to visit individual seats to correct the working posture of those complaining of pain, offering advice on adjusting desk and chair heights as well as monitor heights to improve working posture.

### Pre-detection and action on health abnormalities due to work characteristics

As a game developer and publisher, Kakao Games launches new games every year and monitors services 24 hours a day due to the nature of its business. In 2023, with the release of expected works such as Ares: Rise of Guardians and ArcheAge War, 24-hour monitoring and response tasks have been increased, and health care for occupations has also become more important. In order to create a healthy work environment, under the Occupational Safety and Health Act, QA and operational occupations are subjected to special examinations to detect health abnormalities caused by job characteristics. In addition, for employees that received medical diagnosis after the special health checkups, we take measures to alleviate their situation through monitoring and management, and the company puts in the effort to prevent further health problems in the future.

### Programs for mitigation of office-related diseases

Due to the nature of its business, Kakao Games operates various programs to prevent and alleviate several diseases that may arise from employees working long time in the wrong position. To this end, we are installing motion desks at all seats so that the height can be adjusted to suit each individual's body shapes and preferences, and providing high-resolution (QHD or higher) monitors to all seats to help prevent eye diseases and VDT syndrome in our employees.

Additionally, we operate a massage room where two state-certified massagers reside. By improving the operation method and enhancing internal promotion at the end of 2022, the utilization rate in 2023 increased by more than 100% compared to the previous year. We plan to continuously improve the operation method and introduce new programs to prevent and support office-related diseases.

### Expanding mental health management services for employees

To ensure the mental health of employees experiencing psychological difficulties, we have introduced a psychological counseling system and are expanding services by continuously collecting opinions. Now, the service is extended not only to individuals but also to their immediate family members, we provide a variety of counseling with family members in case of family issues such as conversations with adolescent children or marital problems.

Additionally, the scope has been expanded to include financial, debt, and legal counseling, providing advice and assistance beyond psychological counseling. Employees can receive counseling to resolve personal concerns and focus more on the company and their work.

Also, after psychological counseling, employees can access psychological treatment and psychological testing. Employees, their spouses, and children can undergo psychological/behavioral tests and receive psychological treatment services for issues such as trauma, insomnia, and addiction symptoms. In addition, we provide coaching services to help them utilize counseling effectively in organizational life and improvement.



# Protection of User Rights and Interests

## User Rights and Interests Protection Policy

Kakao Games has established policies to protect user rights and interests and discloses them continually through our website. In addition to youth protection policies, guidance on game time selection system, and system management of the Daum game, we are making various efforts, including game-specific service operation policies, management of unauthorized users, and disclosure of paid probability content.

In addition, we are striving to ensure that all users can access and use all services provided by Kakao Games equally regardless of specific environment or physical disabilities. This service accessibility is for the disabled and the elderly as well as the non-disabled. The goal is to establish 'Key Principles for Ensuring Accessibility' through access experience in various environments by 2026 and to 'Establish Work Manuals and Processes' that can be reflected in all technologies and service operations by 2028.

### User Protection Goals

- We take all measures to create a healthy service environment and protect teenagers from harmful environments.
- We make efforts to provide a stable service environment by checking preemptively the damage to users that may occur from internal/external environments.
- We will strive to create a fair trading order by providing transparent information.
- We strive to deal actively with opinions and complaints raised by users to improve service quality.
- We work relentlessly to create a communication environment where users can receive information and communicate their opinions quickly and conveniently.

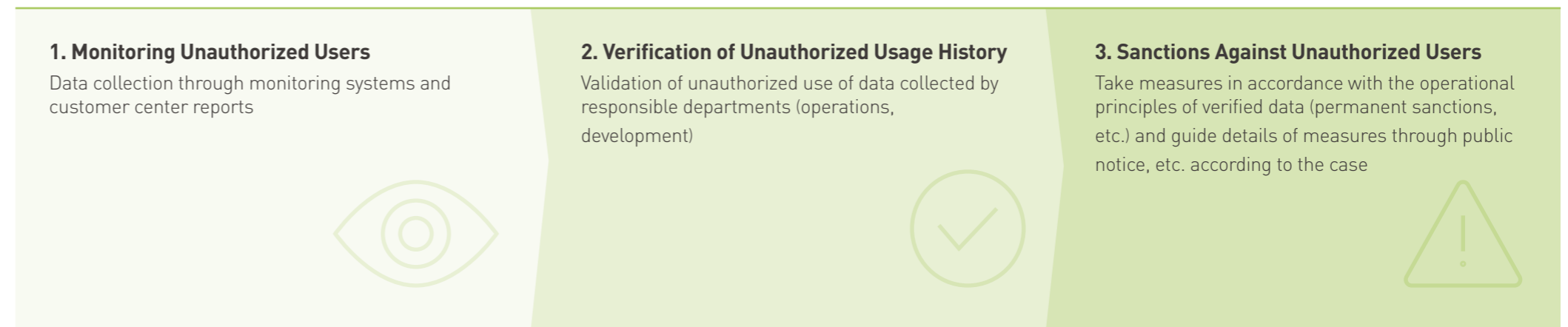
## Activities to Protect User Rights and Interests

### Strengthening Response to Cheating

Kakao Games has established a comprehensive response process to address cheating and create a fair game service environment. Within the service, we have re-evaluated technical security and strengthened monitoring and sanctions against abnormal users. In addition, we continuously monitor cheating-related activities outside the service and request relevant authorities to block identified sites. In particular, we are taking legal action and requesting police investigations against the production and distribution of illegal programs that severely impact the fair game environment.

A total of two investigation requests related to misconduct were received in 2023, and action was taken and all were completed. In addition, a total of 452 blocking requests were received, and as a result of the response, approximately 400 cases have been resolved. Kakao Games will actively work to respond to fraud to provide a sustainable game service environment.

### Unauthorized User Monitoring and Sanctions Process



### Providing a Unified Game Time Selection System

To foster a proper game culture among adolescents, we are establishing a unified game time selection system. The system was established based on an agreement between the Ministry of Culture, Sports and Tourism and the Game Culture Foundation, with participation from five domestic game companies. This system allows adolescents and their legal guardians to choose game times, encouraging healthy game playing habits among adolescents and helping legal guardians manage game playing time appropriately. Kakao Games aims to contribute to the creation of a healthy game culture for adolescents.

## Communication with users

### User VOC Processing Process

Kakao Games actively responds to complaints from service users through various communication channels. We are striving to improve user satisfaction through a systematic customer complaint handling process operation and monitoring system.

### Users communication channels

Kakao Games places communication with users at its core, gathering user feedback through various communication channels, and maintaining close interaction with users through regular updates and transparent disclosure of future plans.

- 1:1 inquiry channels within the Customer Center in each game
- Official community, SNS (Kakao Talk channel, YouTube, Instagram, Facebook, etc.)
- App markets such as Google Play Store and Apple Store
- Inquiries about game apps through the Kakao Customer Center
- Call consultation, face-to-face consultation, various online and offline events

### Major Communication Activities

#### 1) Communicate in advance before the official release of the game

- We participate in user communication from the development stage by releasing teaser videos through individual websites for each game, enabling the pre-booking and preoccupying of characters, and holding online showcases through official YouTube channels before the release.

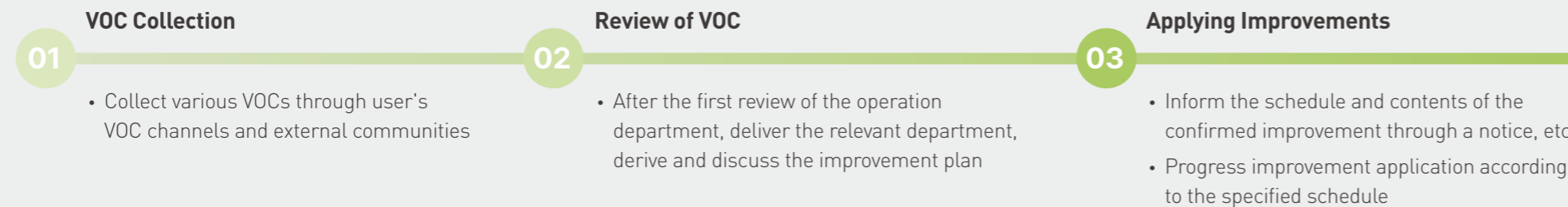
#### 2) Real-time communication and active feedback through various communication channels after launch

- We share roadmaps for medium to long-term and regular updates through official communities and social media.
- We respond to and resolve user complaints received through 1:1 inquiries at the Customer Center, app markets, official email, etc.
- We open and operate bulletin boards in the official community to report bugs/errors and share suggestions to monitor user inconveniences at all times.
- We reflect user opinions collected from various channels for improvement through updates or inspections.
- We share the progress of improvements regarding UI, convenience, community, items, etc. on the official community in real time.
- We listen to various opinions on content and improvements through online and offline events such as meetings and developer talks with users, and provide a place for direct communication and information sharing with developers as well as operations and business personnel.

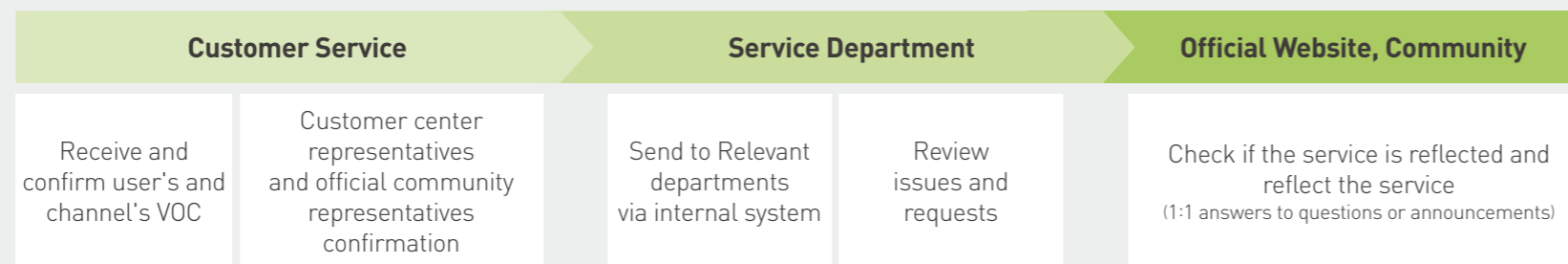
#### User VOC Channel

- 1:1 customer center inquiry in the application
- Common CS E-MAIL 1:1 inquiry
- Identify customer trends through official forums and official websites


#### User VOC Processing Process





#### VOC Processing Procedure



### 2023 Achievements

 **Inquiry of PC Games**  
**inquiries** 64,653  
**resolved cases** 64,653  
**Response rate** Within 24 hours 99.7%,  
 Within 72 hours 100%

 **Inquiry of Mobile Games**  
**inquiries** 225,271  
**resolved cases** 225,271  
**Response rate** Within 24 hours 99.2%,  
 Within 24 hours 99.8%

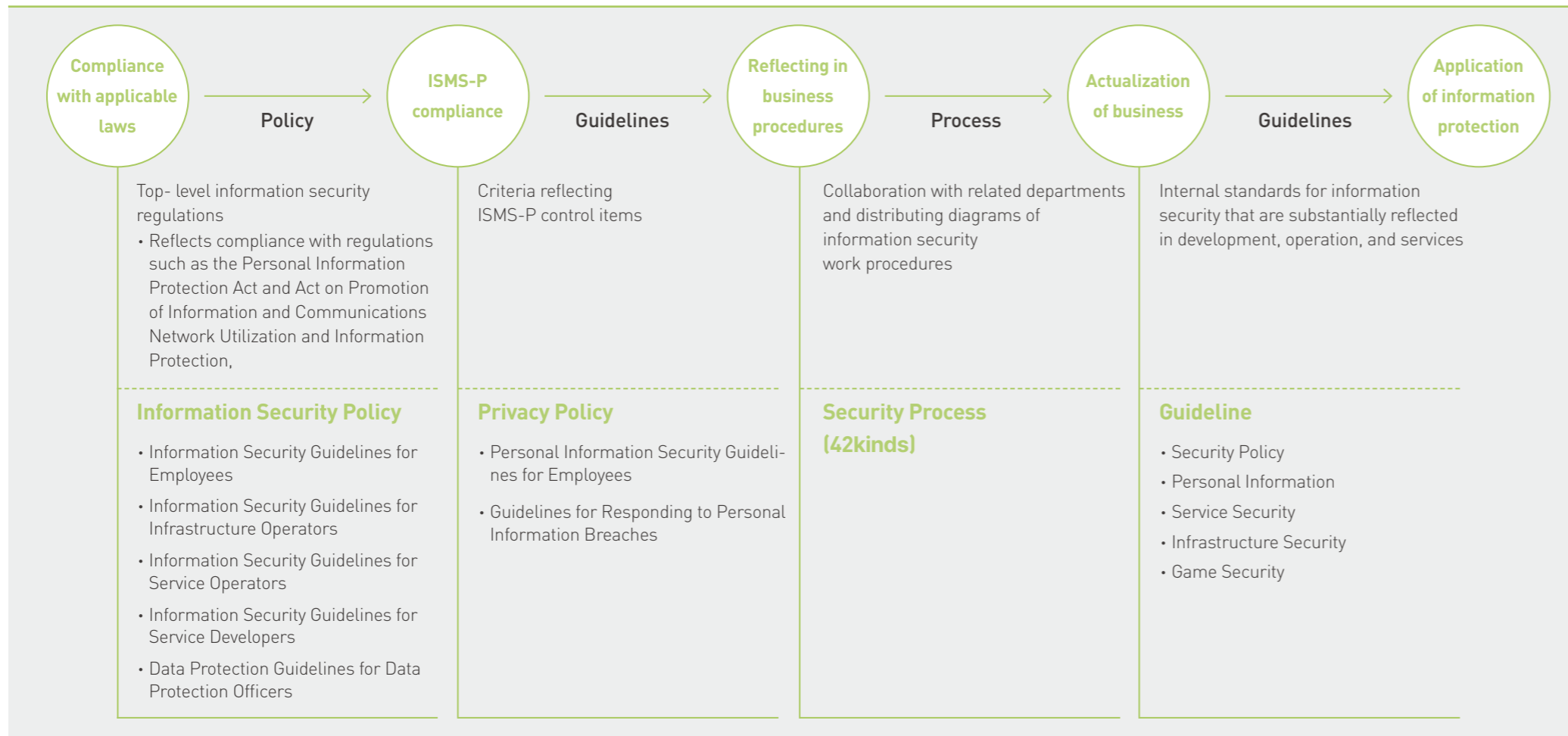
 **Call Consultation**  
**inquiries** 17,091  
**resolved cases** 14,875  
**Response rate** 87%

# Information Security and Data Privacy

## Information Security and Data Privacy Policy

Kakao Games is preparing and revising related policies and guidelines continuously to protect user data and maintain information security. Based on CEO-approved information security policies and privacy policies, we have established guidelines in areas including compliance in consultation with executives, service operators, infrastructure operators, service developers, and information security personnel according to actual business characteristics. In addition, in order to ensure safe and enjoyable use of game services, personal information processing policies, operation policies, and service terms have been established and disclosed on the website.

### Structure of Information Security and Privacy Policy/Guidelines



### Privacy Policy

Kakao Games retains the personal information agreed upon by the user at the time of registration and service use, and processes the personal information within the usage period agreed upon by the user. If a user requests withdrawal of membership or withdraws consent to collect and use personal information, the user's personal information will be destroyed without delay once the purpose of collection and use is achieved or the defined amount of storage period is over. The storage period for personal information according to the relevant laws and regulations varies from 3 months to 5 years depending on the type of information, and users can check the applicable storage period through the personal information processing policy.

### User-friendly Privacy Policy

In order to provide global services to help users understand personal information processing, Kakao Games continuously reviewed trends in major national regulations and produced an 'User-friendly Privacy Policy.' In addition, we plan to develop labeling that displays key points with symbols so that the key points of the personal information processing policy can be checked more intuitively, and will be released in the second half of 2024.

[→ Kakao Games User-friendly Privacy Policy](#)

## Information Security and Data Privacy Management System

### Information Security Certification and Audit

Kakao Games has acquired and continues to maintain the 'ISMS-P' certification related to information security and privacy, and has obtained certification for all online game services. In 2023, we also acquired global personal information protection certification, 'Asia-Pacific Economic Cooperation Cross-Border Privacy Rules (APEC CBPR)'. In addition, we conduct an external independent audit at least once a year, make improvements based on the audit results, and report to the Chief Privacy Officer and Chief Information Security Officer. We will continue to make efforts to strengthen information security and personal information protection to provide stable services by establishing the highest level of security system.

### Information Security Certification

	<p><b>[Personal information &amp; Information Security Management System (ISMS-P)]</b>  <b>Scope</b> Online game service operation (Kakao Games)  <b>Validity Period</b> 2021.12.01 ~ 2024.11.30</p>
	<p><b>[ISO27001/27018]</b>  <b>Scope</b> European branch of Kakao Games</p>
	<p><b>[Information Security Management System Certification (ISMS)]</b>  <b>Scope</b> Development and operation of Kakao VX Service (Friends Screen, smart home training, Kakao Golf Reservation, Kakao Friends Golf)  <b>Period</b> 2021.08.04 ~ 2024.08.03</p>
	<p><b>[Asia-Pacific Economic Cooperation Cross-Border Privacy Rules (APEC CBPR)]</b>  <b>Scope</b> Genie, Daum game, and 29 other services  <b>Period</b> 2024.03.21~2025.03.20</p>

### Prevention and Response to Data Breach Incidents

Dedicated organizations and related departments, including the Information Security department, are carrying out proactive preventive measures and follow-up measures to prevent and respond to data breach accidents. To provide sound and safe game services, we are reviewing vulnerabilities such as modulation and analysis of resources and supplementary measures. Furthermore, we are also constantly monitoring and preventing malicious programs (bots, macros, hacks, etc.) that negatively impact game integrity and player rights.

#### Precautionary Measures

##### 24-hour monitoring

Detect and prevent abnormal activities and unauthorized access through 24-hour monitoring



##### Diagnose vulnerabilities and implement corrective measures

Diagnose all system and infrastructure vulnerabilities and implement corrective measures



##### Prevent Unauthorized Access

Encrypting key data and preventing unauthorized access



##### Rigorous authentication process

Only authorized employees are allowed to access data and infrastructure through an authentication process



##### Employees security training

Enhance employee awareness through security training



#### Follow-up Measures

##### Prevent system spread

Rapid identification and isolation of affected systems to prevent further data loss



##### Operation of a company-wide response system

In the event of a data breach, operate a company-wide response system according to the guide and report to management to ensure rapid recovery and prevent additional damage.



##### Data backup and recovery

When system and data are lost or modified due to a breach, restore backup data for the affected system and data and investigate the incident.



##### Post review

Evaluate the efficiency and effectiveness of the response through conducting a post review, identify areas for improvement, and update documents such as related plans, policies, and procedures



##### Measures to prevent recurrence

Implement measures to prevent recurrence, including legal measures, if necessary



## Information Security and Data Privacy Activity

### Guarantee of the User's Right to Informational Self-Determination

Kakao Games protects the rights of all users, including children under the age of 14, and guarantees the right to self-determination regarding personal information. Users and legal representatives may request access to personal information, correction, withdrawal of consent and deletion of data, and request the suspension of processing at any time. In the case of PC games, users can access and modify the information collected and used after the identity verification process directly through "My Information Management" or "Customer Center" on the Daum Game website, and for mobile games, users can exercise the same rights through "Settings" or "Customer Center." A separate website within the 'Customer Center' has been established to clearly recognize and facilitate the exercise of the rights of information subjects, and been preparing procedures and taking measures accordingly.

→ [Inquiries about exercising the rights of information subjects at Kakao Games](#)

In addition, Kakao Games processes user information only within the range specified for the purpose of processing personal information. Personal information is provided to third parties only if it falls under related laws such as user consent and special regulations within the law, and other than that, third parties are not allowed to access personal information. Limited to the minimum amount of personal information required to use the service, we request prior consent from users (opt-in) and inform them of the items of use, purpose, retention, and period of use. Users can learn about the details of providing personal information, user rights, and how to exercise the rights through Kakao Games' "Privacy Policy."

→ [Kakao Games Privacy Policy](#)

→ [Details regarding the provision of personal information to third parties](#)

### Management and Supervision of Trustee's Personal Information Protection Status

Kakao Games has signed a personal information protection agreement with a third party (hereinafter referred to as the 'trustee') to entrust personal information processing, and documents guidelines on the prohibition of personal information processing, technical and management protection measures, and consent from Kakao Games in case of re-entrustment.

In addition, the current status of the trustee is identified, updated, and managed safely, and the details of the entrusted work and the period of use of personal information for each trustee are disclosed through the personal information processing policy so that users can check the information at any time.

Kakao Games conduct inspections to check personal information protection measures taken by trustees at least once a year to ensure that personal information is processed safely in accordance with contracts and related laws and regulations, and continues to manage and supervise problems found during the inspection. In the event of contract termination with a trustee, Kakao Games carries out the procedures in the data privacy agreement and obtains a destruction confirmation to verify the destruction of important information and personal information.

### Information Security Training

Kakao Games conducts Information security training to enhance employees' awareness and capabilities regarding personal information protection and information security.

#### Personal Information Protection training for all employees

- The concept and issues of personal information in the digital society
- Strengthening awareness of the importance of information protection, Compliance with principles for personal information processing, Methods for prevention of leakage and Response procedures through cases of violation of the Personal Information Protection Act
- Hacking types and countermeasures, and security guidelines when working remotely



#### Information Security training for new recruits

- What the information security team does, the importance of company privacy, security inspection (personal information, vulnerability diagnosis, game anti-cheat), defense activities against hacking, information security work, how to receive inquiries, Kakao Games security rules



#### In-depth Education on Information Security and Personal Information Protection for Developers and Overseas Branch Managers

- Vulnerabilities and Countermeasures of Games and Unreal Engine
- Security guidelines when operating games



### Application of Encryption and De-identification Technology to Personal Information

In order to protect users' valuable personal information, we take necessary measures to ensure safety, including encryption and de-identification such as pseudonymization. Personal information is transmitted using an encrypted communication channels, and important information such as passwords is stored in encrypted form.

#### Technical Measures for Personal Information Protection

##### Against external intrusion

- Firewall between each network, intrusion detection(Splunk), operation of security systems such as web firewalls
- Personal information is separated in the security zone, and blocked from external access as it is stored separately



##### DB access control

- Only the IP of personnel is allowed to access the security network after approval for each network through the approved VDI according to the separate approval procedure
- VDI application > Approval by head of organization > Personnel approval
- Network access authority application > Personnel approval



##### Access control to the personal information processing system

- Manage access only via VPN by authorized personnel in accordance with separate approval procedures
- Allowed personnel's accounts will be kept dormant if they are not in use for a certain period of time to block access
- Monitor the system usage log (personal information inquiry, usage history, etc.) at all times and prevent accidents through regular monthly checks



##### Installation of antivirus program and detection of malicious code

- Detect and block malicious codes by installing an antivirus program, and monitor malware and program installations through the BOT system at all times



#### Strengthening Services for the Protection of Personal Information

##### Ensure user's rights

- Establish and announce a clear policy on personal information collection, processing, storage, destruction, etc., and clearly notify the purpose of personal information collection and processing, retention period, etc.



##### Security tier overview

- Through security level information according to password change period, security settings, etc. on the Daum Game homepage, awareness of the need for security settings and encouraging users to voluntarily strengthen their account security settings are provided.



##### Log-in notification Kakaotalk message

- Provide account protection (locking) by sending a notification Kakaotalk message to users when abnormal log in is attempted so that users can avail the service safely



##### Provision of various account security measures

- Provides various security measures to strengthen account security settings to help users be safely protected from account theft or theft.
  - ▶ Daum Game: KakaoTalk login authentication, MOTP authentication, designated PC, ARS phone authentication, access record check, overseas login blocking
  - ▶ Mobile game: Set secondary password, register device

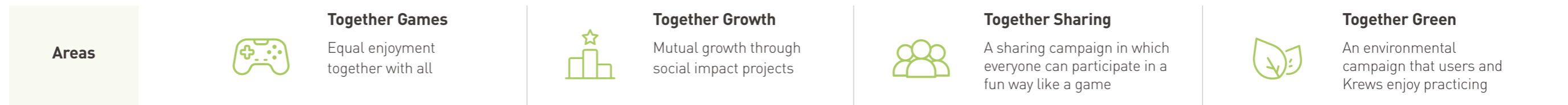
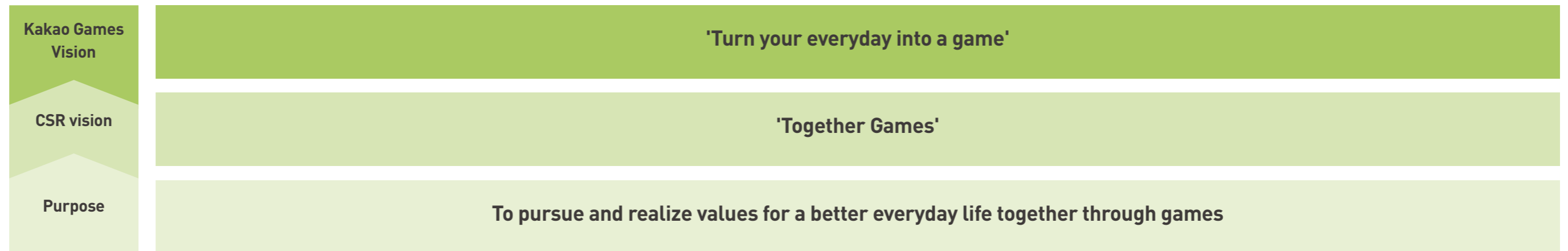


# CSR

## System for Implementation of CSR

Kakao Games depicts a world where everyone can enjoy the value of games together. We carry out various CSR activities to make everyone's daily lives happier through the power of play that games provide.

### CSR Strategy



### Roadmap for the Implementation of CSR



## Together Games

### Support Project to Improve Game Accessibility for People with Disabilities Through Auxiliary Devices

In March 2023, Kakao Games launched the nation's first support project for auxiliary devices to improve game accessibility for people with disabilities, aiming to enhance their cultural enjoyment rights. Through partnerships with The Beautiful Foundation, National Rehabilitation Center, and Assistive technology Research & Development Center, we promoted systematic business based on the expertise of each institution, including recruiting applicants, providing and installing customized game auxiliary devices, educating on device usage, and post-management.

In April 2023, to commemorate the day of the disabled, we began recruiting applicants and provided game auxiliary devices to 35 selected individuals through on-site visits and expert evaluations. In December 2023, we held 'Multi-value Game Talk', a presentation of best business cases, and presented testimonials and cases from actual applicants.

'Together Game Talk', a presentation of best practices



### Friends Game Land That Comes to You

'Friends Game Land That Comes to You' is a CSR project designed to allow those in blind spots in the game culture, who have relatively fewer opportunities to experience game culture, to enjoy the fun of games without physical or environmental constraints. We operate a variety of programs, including the '4D VR Game Bus' equipped with game content using Kakao Friends characters, the 'Braille Block Game' that helps improve awareness of disabilities, and the barrier-free 'Ball Pool Game' that even wheelchair users can enter. We provide opportunities to experience the game culture by visiting locations across the country.

In 2023, not only we visited Seongnam, Yongin, Gwangju, Jangheung, Seosan, and Hongseong, but also visited in the 2023 Game Culture Festival and the 2023 National ESports Para Games, providing game culture experiences to approximately 4,042 persons.

Severance Rehabilitation Hospital Campaign



## Together Growth

### Co-prosperity of the Game Industry

Kakao Games strives to create a healthy game industry ecosystem as well as fulfill our social responsibility by coexisting with small game companies in the industry. In August 2022, we participated in a 26 billion won worth 'Let's Go Together Kakao Games Win-Win Fund' for the purpose of investing and supporting domestic indie game developers. 'Let's Go Together Kakao Games Win-Win Fund' supports the development of the domestic indie game ecosystem by supporting start-ups within 3 years of establishment and annual sales of KRW 2 billion or less, small game developers in the early stages of production before the testing stage, and game festival award winners. In 2023, 'Let's Go Together Kakao Games Win-Win Fund' invested 3 billion won in 7 companies and continues to support more indie developers and content-related companies. In addition, we participated in the coexistence of the game industry by sponsoring the '2023 INDIE CRAFT' event, a festival for indie game developers. The sponsorship were used as part of CSR to develop the game industry in various aspects, including strengthening capabilities in the indie game field and expanding the possibility of entering the global market.

### Win-Win Small Business Owners of PC Cafe

In April 2023, Kakao Games entered into a business agreement with the Korea Internet PC Cafe Cooperative, participating in cooperative movement to support for small business owners of PC cafes. We provided a sponsorship of KRW 20 million and supported the game IP goods in an event to promote the use of PC cafes.

### IT Talent Training

Kakao Games is sponsoring various programs to promote the game industry and train IT talent. In August 2023, we participated as a sponsor in the '1st Venture Startup Academy Hackathon Competition' hosted by the Ministry of SMEs and Startups and hosted by the Korea Startup Forum, where we judged and awarded college students dreaming of becoming software developers.

In addition, for about a year from December 2022, we have contributed to nurturing talent in related fields by providing a game-type coding education program using Kakao Friends IP at the 'Digital Education Sprout Camps', which is part of the Ministry of Education's talent training project. In 2023, Seoul Foundation of Women & Family supported the IT freelance training program by providing the 'Coding Sports Day with Kakao Friends' training program for unemployed women.

### External Awards

Date	Name
August 2023	ESG Sharing Company Award of Gyeonggi Community Chest of Korea
November 2023	Excellence in Social Contribution Award Winner in 2023 Korea Game Awards
November 2023	Best Practice Award Winner in the Disability First 2023 Awards

## Together Sharing

### Together Nanum Party

To strengthen the culture of sharing within the company, Kakao Games launched the employee-participatory sharing project 'Together Sharing Party' in March 2023. This project aims to expand social impact through donations and volunteer activities, with employees forming parties to participate in donation quests and volunteer quests. The donations are collected through voluntary participation of employees, and upon reaching the target donation amount, the company matches the amount to create a fund.

### Kakao Games Donation Event

Kakao Games is contributing to the creation of a positive game culture and a fun sharing culture within games through user-participatory game-linked donation campaigns.

#### Friends Popcorn 'Environment Month Donation Event'

In June 2023, to commemorate Environment Month, the mobile puzzle game 'Friends Popcorn' held a participatory donation event where users could contribute to biodiversity conservation. The number of participants in the event reached about 150,000, a total donation of KRW 30 million was delivered to the WWF. This donation was used for WWF Arctic Programme has been conducting since 1992.

#### PUBG: BATTLEGROUNDS 'Kakao Games Donation Ground'

In October 2023, to commemorate Armed Forces Day, the PC online game 'PUBG: BATTLEGROUNDS' held a user-participatory donation campaigns with users. As the accumulated donation amount reached the target of KRW 15 million, the company matched the amount, raising a total of KRW 30 million. The donation was delivered to Gyeonggi Community Chest of Korea and used for psychological treatment and emotional support for soldiers experiencing psychological difficulties during their military service.



### Community Sharing

Kakao Games supports various activities by visiting underprivileged areas in the local community. Starting in 2022, we have participated as a sponsor in the '815 Run' donation marathon event, which is being held for the purpose of improving the residential environment and providing shelter for descendants of independence fighters for two consecutive years.

In addition, to mark the new semester, we donated about 850 in-house manufactured items(mouse pad, eco bag, posture correction chair, file holder, etc.) with Kakao Friends IP applied to children and teenagers in community care facilities.

We are doing our best to improve blind spots in cultural welfare in the community by supporting an orchestra composed of vulnerable groups, youth, and children in the community, and sponsoring a children's ballet troupe composed of children with disabilities.

2023 815 Run



## Together Green

### Introduction of In-house Multi-use Cups

In order to reduce the use of disposable products in daily life and create a sustainable reuse culture, in-house cafes and the canteen are equipped with multi-use cups. We encourage to participate in environmental protection by using multi-use cups.

### Together Green Day

Kakao Games is conducting various eco-friendly campaign involving executives and employees, such as 'Together Green Day,' to practice ESG management and spread an eco-friendly culture within the company. In December 2023, we conducted the 'Krew Item Donation Campaign' where employees donated their cherished items to promote a virtuous cycle of resources and help underprivileged neighbors. A total of 431 items were donated, reducing approximately 74kgCO2eq of carbon emissions. The donated goods were delivered to the Beautiful Store, sold, and the proceeds were used to support underprivileged neighbors at home and abroad.

Together Green Day 'Krew Item Donation Campaign'



### Business Progress Results

Date	Details
April 2023	Donation for supporting shelters for abused children with disabilities
April 2023	Conducted one-day classes for developmentally disabled baristas at the in-house cafe and volunteer activities to make Braille tactile dolls for visually impaired children
July 2023	Donation for forest recovery from wildfire damage in Chungnam
September 2023	Delivery of 'Hangawi Heart Box' to 100 households of elderly living alone for Chuseok
December 2023	Christmas gift delivery for Group Home children
December 2023	'Merry-Friends Christmas Party' with Group Home children

# Ethical Management and Fair Trade

## Ethics and Anti-Corruption Management System

### Kakao Games Code of Ethics

Kakao Games strives to practice responsible ethical management based on sound decision-making and ethical judgment standards. The code of ethics prohibits unreasonable discrimination against all stakeholders and stipulates the protection of basic human rights.

Executives and employees should comply with and pledge to this code and may receive advice from the responsible department regarding interpretation and application. We strive to improve ethics by regularly asking all employees to sign an ethics pledge to practice the code of ethics upon joining the company and at the beginning of each year.

In addition, related violations, consultations and reports are handled by the head of the Human Resources Support Group and related departments in accordance with internal procedures, and personnel action may be taken considering the severity of the matter. If the violation is determined to have a significant negative impact, it may be reported to the ESG Committee.

→ Code of Ethics

### Partners' Code of Conduct

Kakao Games requires partners in accordance with the "Partner's Sustainable Management Guide" applied to the Kakao Group. Partners must comply with their responsibilities in five areas: 'Human Rights Management', 'Safety and Health', 'Environmental Management', 'Protection of Personal Information and Intellectual Property', and 'Ethical Management'. If a major violation occurs in relation to each area or is not improved within the deadline after such violation occurs, the transaction may be suspended or the contract may be terminated in accordance with internal procedures. Based on this code of conduct, Kakao Games is working to establish a supply chain sustainability management system to lay the foundations for sustainable shared growth with our partners.

### Communication process with partners

Kakao Games operates a Kakao chat channel for real-time responses with managers, regular video meetings, and an e-mail to receive partners' feedback. Business complaints received are immediately processed based on internal policies and processed up to 1 day after receiving the complaint.

→ Partners grievance handling channel

### Processing Method

#### Receive complaints and review

- Step 1** Convey to practitioners and managers of partner Companies
- Step 2** Convey to managers of partner companies and managers of Kakao Games



#### Review and consultation measures

- Executive group of Kakao Games identifies situations related to the received complaint
- Review directions for policy or service
- Process improvement, negotiation on whether to change or maintain service policy

### Bribery and Anti-Corruption Key Policies

Employees and their families cannot receive money, valuables or entertainment from job-related stakeholders or other parties, and if they inevitably receive it, they must immediately return it and report it to the company. Executives and employees must not provide money, valuables or entertainment to stakeholders, or request gifts for the benefit of family and friends, congratulations or condolences, or preferential business treatment. Additionally, prior reporting is required when meeting fees received after attending a government-sponsored meeting or contacting work-related business partners outside of the company outside of working hours. Executives and employees must not provide illegal bribes, kickbacks, or incentives.

### Kakao Games Tax Policy

Kakao Games is trying to make the world good and create new values by connecting our daily lives with games. We contribute to social and economic development through the growth of the company, and fulfill our tax reporting and payment obligations sincerely in accordance with the laws and regulations. We comply with the tax laws of each country where we are conducting business activities, and transactions with foreign related parties are based on evaluation reports prepared in accordance with the previous price guide, and we abide by the following principles:

- We do not exploit differences in tax laws between countries for tax avoidance.
- We prohibit the transfer of value of intangible assets, financial assets, etc. to areas with low effective tax rates.
- We do not use a tax structure without a commercial entity.
- We do not utilize tax havens that reduce our tax burden in an unfair manner.

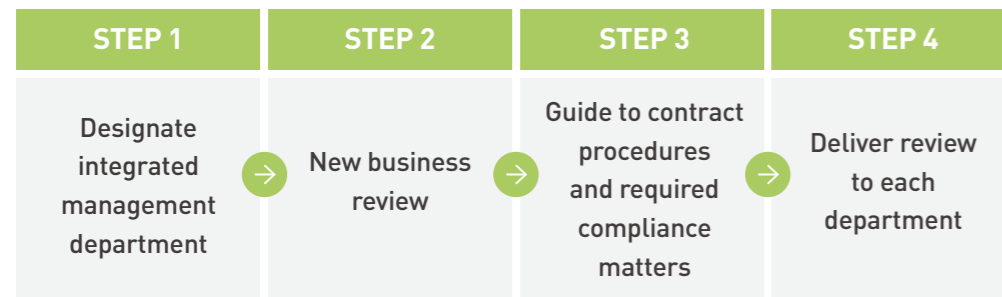
## Strengthening Fair Trade Activities

### Risk Management regarding Unfair Trade and Unfair Competition

Kakao Games has designated a dedicated department to practice and manage fair trade, reviewing the risks of unfair trade in new transactions and new businesses. Additionally, we identify the risks of unfair trade and unfair competition through regularly conducting surveys of relevant business personnel. As we've become more active in our business lately, and the company is under special monitoring to prevent violations of subcontracting laws. In order to prevent the occurrence of the risk in advance, Kakao Games has strengthened its compliance activities in the process of signing contracts through a dedicated department.

### Measures to Mitigate Risks of Unfair Trade and Unfair Competition

**Reinforcing the Contract Review and Conclusion Process** Kakao Games reviews the legality and fairness of the contract process and contents by deploying professional personnel for fair trade practice and management. In addition, we designate a department that integrates and manages fair trade across the enterprise, reviews new transactions and new businesses, and guides the person in charge to consult with them at any time during the contract process. Furthermore, the risk of unfair practices is reduced by providing separate guidance on matters to be observed in the process of signing a contract according to relevant laws and regulations, and by delivering individual review items necessary for fair trade management by department.



**Awareness Raising Activities** Kakao Games operates a window through which our employees, including those in charge of business, can conduct regular training and seek consultation on fair trade-related issues so that they can identify the types of unfair trade and ensure fair transactions. In particular, we conduct online lectures throughout the company to prevent social problems such as collusion and power abuse contracts, and we are always trying to raise awareness by communicating the precautions to be taken regarding subcontracting and fair trade laws to those in charge of frequent transactions with outside companies.

### Evaluation of Unfair Trade and Unfair Competition Effectiveness

Kakao Games conducts an effectiveness evaluation to assess the degree of improvement after measures to mitigate risks of unfair trade and unfair competition and to derive additional improvements. We conducted a survey of executives and employees to determine whether measures such as unfair trade and anti-corruption training, employee awareness-raising activities, and strengthening the contract conclusion process helped alleviate related risk factors. Kakao Games plans to continuously review and improve the effectiveness of mitigation activities to monitor risks related to unfair trade and unfair competition.

## Ethics - Anti-corruption Training for Employees

Kakao Games conducts 'Anti-corruption (ethics) Training' for all employees to enhance ethical awareness and eradicate unfair trade. Additionally, we also provided differentiated 'Training for Eradication of collusion and unfair trade Training' to employees in charge of contracts.

### Main Content of Training for All Employees

#### 1. Necessity for Ethical Management

- The concept of ethical management and international standards, attitude, and practice plan for introducing ethical management

#### 2. Eradication of collusion and unfair trade

- Problems of cartels that ruin the market economy and undermine a fair society
- Types and examples of unfair cartel activities prohibited by law
- Acts related to unfair business practices and types of unfair contracts in the public sector

#### 3. Ethical Management in the Kakao Group

- Group ethical management: Ethical Core Values and Business Philosophy
- Regulations by affiliates (Code of Ethics&Employment Rules) and reporting center in case of violation (Cyber Ethics Reporting Center, Ethics Department), ethical standards, Ethics Reporting Center, hotline
- Ethics of Game Use

### Main Content of Differentiated Training by Job Function

#### 1. Explanation of the Contract Conclusion Process

- Detailed tasks and examples for each process to explain the fair contract signing process

#### 2. Eradication of Collusion

- Case Studies on Collusion and Misconduct

#### 3. Eradication of Unfair Trade

- Checklist and Examples of Unfair Trade

#### 4. Subcontracting and Consignment Transaction

- Checklist for Fair Subcontracting and Consignment Transaction

# Part 3 Risk Management

In order to minimize risks that may have a negative impact on corporate management, Kakao Games pursues sustainable management by identifying various risk factors in advance, strengthening response activities to mitigate risks.

For integrated risk management, under the audit committee

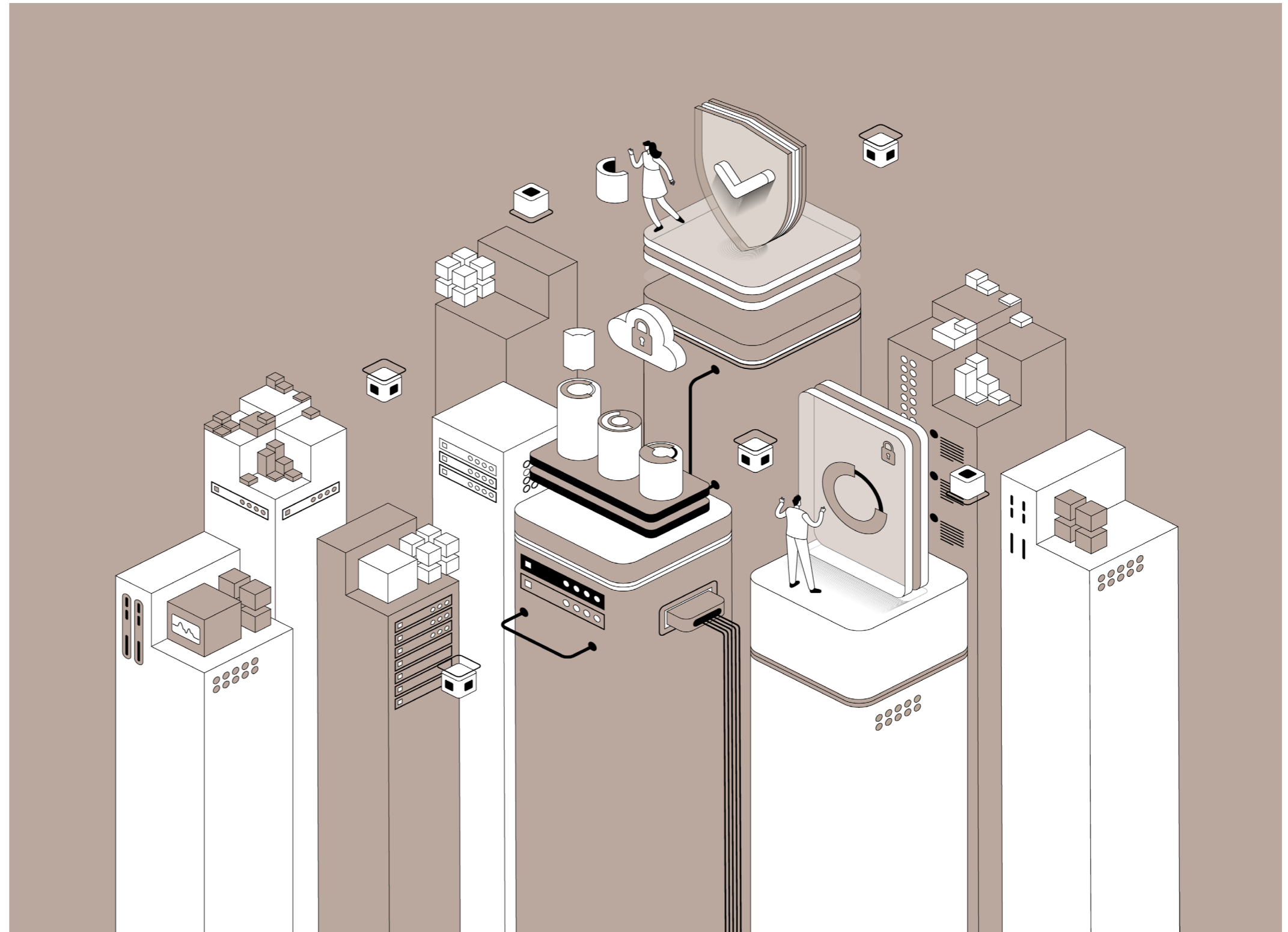
## Establishment of a Risk Management System

Through definition and impact analysis of business and stakeholder risks

## Response Activities for Important ESG Topic

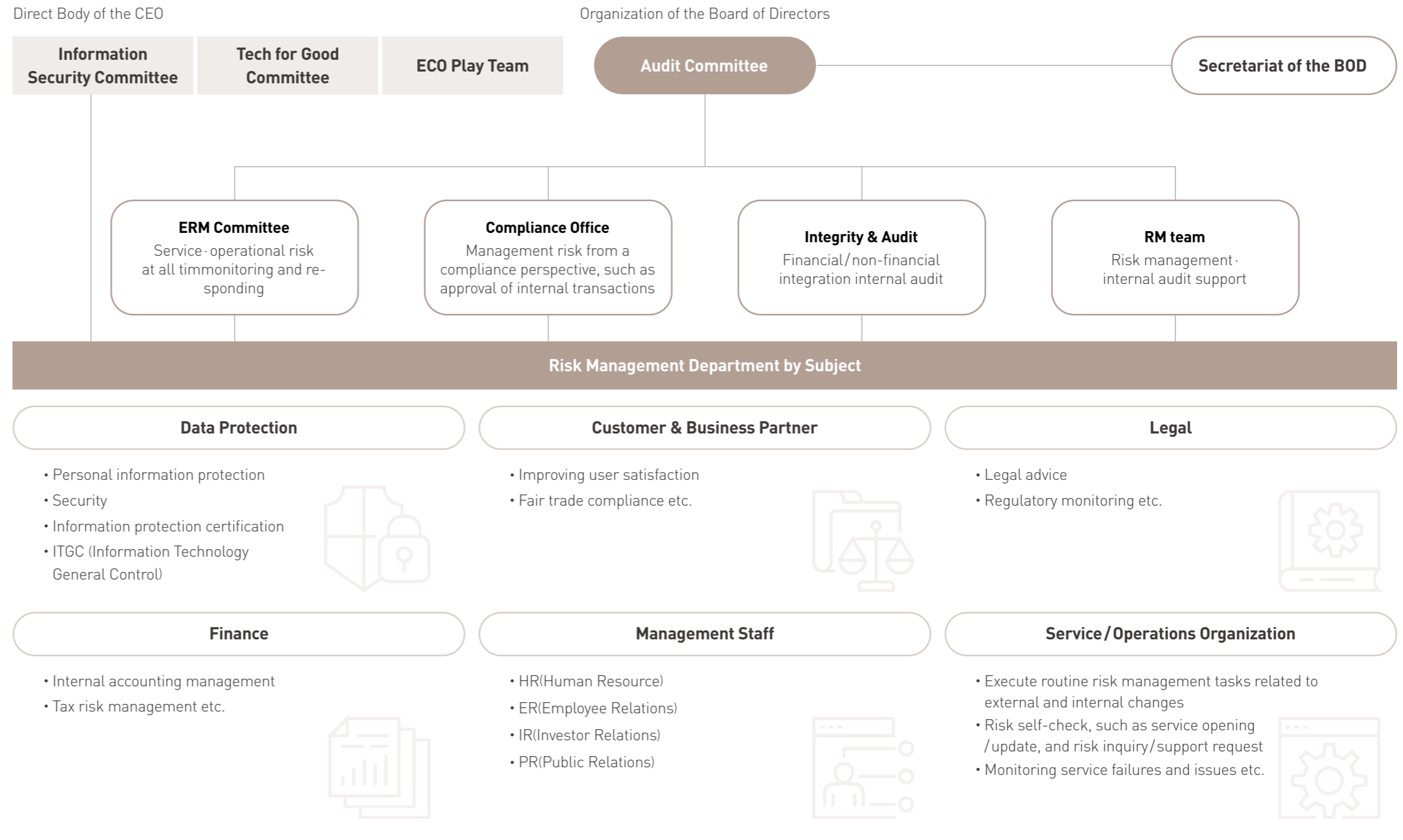
Through potential risk identification and impact analysis from a long-term perspective on corporate operations

## Exploring Strategic Response Measures



# Company-wide Risk Management System

Kakao Games is establishing a risk management system to identify and manage risks that may arise throughout business activities. We operate a service/operations and internal transaction risk management organization centered on the Audit Committee within the BOD, and designate a risk management department for each topic to prevent, detect, and respond to risks.



# Major Risk Identification Results and Response Status

## Business Risk

Kakao Games has established a company-wide risk management system to proactively respond to risks that may have a negative impact on corporate management. Under the Audit Committee within the BOD, we establish risk management departments for each topic such as service, operation, and internal transactions to prevent risks and respond to detected risks.

Topic	Risk factors	Impact	Relevant departments	Response Status
Ethical management and fair trade	Unethical deviance	<ul style="list-style-type: none"> <li>Adverse impact on the company's reputation and sales due to public criticism on executives, Krew and other company members</li> </ul>	HR Group	<ul style="list-style-type: none"> <li>Sanctions for violations in accordance with employment rules and ethics regulations</li> <li>Operating a hotline system for reporting misconduct</li> <li>Sharing cases through ethics education and raising awareness through signing the ethical pledge</li> </ul>
	Subcontract violation	<ul style="list-style-type: none"> <li>Legal problems arise in case of subcontracting violations in the course of work</li> <li>Negative impact on corporate image and productivity</li> </ul>	Legal Affairs/ Compliance Dept.	<ul style="list-style-type: none"> <li>Conducting risk assessment to identify risks of unfair trade practices and anti-corruption</li> <li>Experts review procedural flaws and the fairness of transactions before signing contracts</li> <li>Providing training on major violation cases to relevant departments</li> </ul>
Work satisfaction and fair performance evaluation	Difficulties in securing excellent talent and preventing outflow	<ul style="list-style-type: none"> <li>A company's performance is highly dependent on the capabilities of its members; and frequent game launches and shorter game life span are likely to lead to talent turnover</li> </ul>	HR Group	<ul style="list-style-type: none"> <li>Identifying core human resources by headquarters and establishing a compensation system for core human resources</li> <li>Identifying and reporting internal risks through interviews with retirees</li> </ul>
Information security and data privacy	Violation of privacy regulation	<ul style="list-style-type: none"> <li>Imposition of fines and penalties due to non-compliance with regulations</li> <li>Damage in game reliability and brand image</li> </ul>	Information Security Dept.	<ul style="list-style-type: none"> <li>Requiring to apply privacy regulations for each country in accordance with global service expansion</li> <li>Obtaining global privacy certifications and reviewing regulatory impact</li> </ul>
	Occurrence of data breach incidents	<ul style="list-style-type: none"> <li>Data breaches due to internal employees and external intrusions</li> <li>Game service interruption caused by data modulation following data breach incidents</li> </ul>		<ul style="list-style-type: none"> <li>Conducting activities to enhance security awareness among employees and contractors</li> <li>Establishing a 24-hour security monitoring system and organizing a backup system</li> <li>Infringement response, failure response training</li> </ul>
Protection of user rights and interests	Harmful game play environment	<ul style="list-style-type: none"> <li>Damage in game reliability and brand image if the disclosed game grade and probability information are provided differently</li> <li>User turnover due to the failure to provide an appropriate security service environment to users</li> </ul>	Game Operation/ QA Center	<ul style="list-style-type: none"> <li>Strengthening secondary inspection of grade-related contents in the course of publishing, and performing double-checking for disclosed probabilities and internal data</li> <li>Implementing account safety protection measures and providing various security services according to different platform environments such as PC/mobile when playing in harmful environments is detected</li> </ul>

## Stakeholder Risk

Kakao Games defines the company's stakeholders including users, executives and employees, partners, shareholders, and investors, and identifies risk factors that have the potential to affect each stakeholder for each important topic. We enhance stakeholders' trust in Kakao Games business by disclosing the status of relevant departments' preemptive risk reviews and risk mitigation measures.

Topic	Stakeholder type	Risk factors	Impact	Relevant departments	Response Status
Protection of user rights and interests	Users	Infringement of game users' rights	<ul style="list-style-type: none"> <li>• Risk of unfair game use or rights infringement by users from harmful environments (illegal programs, etc.) within the game service</li> <li>• Violation of good users' human rights through hateful expressions such as abusive language, slander</li> </ul>	External Cooperation Dept., Legal Affairs/ Compliance Dept., Game Operations/QA Center	<ul style="list-style-type: none"> <li>• Regular inspection and supplementation of user protection-related terms of use and operating policies</li> <li>• Compliance inspection and reflection of relevant laws such as the Terms and Conditions Act and the Game Act</li> <li>• Constant monitoring of users who engage in acts that hinder fair competition and implement measures to restrict their use</li> <li>• Continuous monitoring of illegal sites and communities related to services, and requesting cooperation from relevant agencies for blocking when discovered</li> <li>• Protection of juveniles by complying with the Game Industry Act and the deliberation standards of the Game Rating and Administration Committee</li> <li>• Communication with customers and provision of information through various channels</li> <li>• Pre-blocking expressions that cause discomfort or disgust to other users through the "profanity filtering system"</li> <li>• Operating a separate customer center for each game service and providing support for 1:1 inquiries</li> </ul>
	Users	Social issues caused within the service	<ul style="list-style-type: none"> <li>• Financial and psychological damage to users due to discrepancies between disclosed probability information and actual in-game probabilities</li> <li>• Social issues arising from the distribution of content or images that violate game ratings</li> <li>• Game abandonment caused by interference with the assets or growth of game characters through account theft, etc.</li> </ul>	Game Operation/ QA Center	<ul style="list-style-type: none"> <li>• Transparent disclosure of various in-game probabilities</li> <li>• Compliance with review schedules and standards for new and modified content</li> <li>• Establishment of a secure play environment by users through the introduction of security services such as device registration and secondary passwords</li> </ul>
Work satisfaction and fair performance evaluation	Executives and employees	Decrease in work efficiency	<ul style="list-style-type: none"> <li>• Decrease in work efficiency and increase in turnover rate due to communication breakdown</li> </ul>	HR Group	<ul style="list-style-type: none"> <li>• Listening to and taking action on opinion of Krew for improving the work environment and efficiency through the Krew Council</li> </ul>

Company-wide Risk Management System **Major Risk Identification Results and Response Status** Major Stakeholder Risk Management Activities

Topic	Stakeholder type	Risk factors	Impact	Relevant departments	Response Status
Human rights management	Executives and employees and partners	Human rights infringement, discrimination and harassment	<ul style="list-style-type: none"> <li>• Violations of dignity, value, freedom, and rights guaranteed by the constitution and laws or internationally recognized</li> <li>• Negative impact on sales and company reputation in the event of human rights risks</li> </ul>	HR Group	<ul style="list-style-type: none"> <li>• Conducting labor practices and human rights impact assessment</li> <li>• Dissemination of the Code of Ethics and the Declaration of Human Rights</li> <li>• Raising awareness through signing an ethics pledge</li> <li>• Conduct ethics training, workplace sexual harassment/workplace bullying/disability awareness training</li> <li>• Operating a hotline system for reporting misconduct</li> <li>• Implementing protective measures for customer-facing workers in major subsidiaries and affiliates</li> </ul>
Worker safety and health	Executives and employees	Increase in workers' stress	<ul style="list-style-type: none"> <li>• Increase in employees' work stress and burden due to launch of new games throughout the year, leading to a decrease in work motivation</li> </ul>	HR Group	<ul style="list-style-type: none"> <li>• Conducting office risk assessment</li> <li>• Expansion of the operations and provision of in-house professional massage therapist resident massage rooms for providing relief from musculoskeletal diseases and muscle pain</li> <li>• Providing psychological counseling services in connection with external specialized organizations for management of mental health</li> <li>• As subject to special health checkups under the Occupational Safety and Health Act, health abnormalities among QA and operation staff are detected in advance through follow-up management after the checkup</li> <li>• Conducting a survey on harmful musculoskeletal factors and providing solutions through a linked posture measurement program for those under management</li> </ul>
	Executives and employees and partners	Deterioration in employees' health	<ul style="list-style-type: none"> <li>• Deterioration in health of employees in QA and operation job position working in rotating night shifts due to the continuance of existing games and launch of new games</li> </ul>	HR Group	
	Executives and employees	Increase in occurrence frequency of musculoskeletal risk	<ul style="list-style-type: none"> <li>• Due to the nature of long working hours in office jobs, employees are easily exposed to musculoskeletal disorders or muscle pain, leading to decreased job satisfaction and work performance</li> </ul>	Krew Support Dept.	
Ethical management and fair trade	Executives and employees and shareholders · investors	Loss of the company and shareholders · Investors	<ul style="list-style-type: none"> <li>• In the event of illegal activities such as unfair self-dealing or internal transactions, there is a negative impact on the protection of corporate image and shareholder/investor value</li> </ul>	Legal Affairs/ Compliance Dept.	<ul style="list-style-type: none"> <li>• Reviewing whether transactions are self-dealing or internal transactions and whether they require reporting and approval by the BOD or the general meeting of shareholders</li> <li>• Ensuring transaction transparency through reporting and approval by the BOD or the general meeting of shareholders</li> </ul>
Information security and data privacy	Users	Leakage of personal information	<ul style="list-style-type: none"> <li>• Negative impact on user rights due to smishing and other damages caused by the breach or misuse of user personal information</li> </ul>	Information Security Dept.	<ul style="list-style-type: none"> <li>• Implementing weakness diagnosis and corrective measures</li> <li>• Preventing account theft and hijacking through activities such as login alert messages and secondary authentication</li> </ul>

## Potential Risks

Kakao Games identifies potential risks from a long-term perspective and analyzes their potential impact on the business, seeking strategic response measures. To advance risk management governance, the ERM Committee was established to manage and supervise each risk, establish policies, and make overall decisions, and share related information with the Kakao ESG Committee through regular monthly meetings. In this way, Kakao Games is minimizing potential risks through systematic risk management and continuous monitoring.

Risk Definition	Impact	Response Status
<p>Increased regulatory risk related to probability-type items including Enforcement Decree of the Game Industry Promotion Act, etc.</p>	<ul style="list-style-type: none"> <li>• With the passage of the Enforcement Decree of the Game Industry Promotion Act in the first half of 2024, regulations on the disclosure of probability-type item information was implemented. Failure to comply with the amendments may result in severe sanctions such as fines and business suspension. This could negatively affect the company's reputation and credibility, and in the long term, lead to a decrease in users and sales.</li> <li>• Regardless of the Enforcement Decree of the Game Industry Act, incorrectly disclosing the probability of a random item may be judged as an act of consumer deception under the Electronic Commerce Act. As a result, fines can be imposed by the Fair Trade Commission and users can apply for dispute mediation and file class action lawsuits.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a manual to address policies and regulations, including probability-type items. This manual clearly defines the process from the stage of understanding the current situation to taking action and post-verification.                         <ul style="list-style-type: none"> <li>- <b>Identifying the current status</b> : Understand the current status of risk factors, including probability-type items, through regular monitoring of changes in laws and policies</li> <li>- <b>Action</b> : Establish necessary measures to comply with laws and regulations, and strengthen internal policies to ensure transparency and fairness</li> <li>- <b>Post-verification</b> : Continuously check compliance with policies or laws even after actions are taken, identify areas for improvement, and address deficiencies.</li> </ul> </li> </ul>
<p>Response needed due to violation of game usage ethics</p>	<ul style="list-style-type: none"> <li>• After an in-house executive or employee acquires game items through an abnormal route based on the company's internal information, he or she may cause harm to service users through ridicule or words and actions that lack a sense of ethics.</li> <li>• Content planning that lacks client sensitivity can provoke social controversy, potentially leading to customer attrition and decrease in sales due to boycotts.</li> <li>• If an internal employee accesses the game database and manipulates items, the trust in the game's fairness will decline, potentially leading to legal sanctions and civil or criminal lawsuits, which could incur costs. Additionally, the loss of trust in the game may result in a high likelihood of user attrition.</li> </ul>	<ul style="list-style-type: none"> <li>• Make a casebook on ethical violations in game usage to raise awareness and prevent ethical breaches among employees regarding game usage.                         <ul style="list-style-type: none"> <li>- Specify the prohibited actions including the abuse of employee rights, expressing personal political/social views throughout the entire process from game service development to marketing, leakage of internal information acquired in advance, and pursuing personal gain using work-related authority.</li> </ul> </li> <li>• Make a casebook on internal employee risks within game services.                         <ul style="list-style-type: none"> <li>- Establish the measures to prevent the leakage of internal information to enhance the credibility of game services, and present the criteria for value judgments necessary for those working in the game industry.</li> </ul> </li> </ul>
<p>Increased inconvenience in game service usage due to cyber attacks</p>	<ul style="list-style-type: none"> <li>• A DDoS (Distributed Denial of Service) attack may affect to increase in the number of user grievances due to the inability to use game services and decrease in service satisfaction and trust. This may lead to a long-term decrease in users and sales.</li> <li>• Operating expenses of the company may increase to resolve network usage issues caused by external cyber attacks.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a disruption management process to prevent elements that could affect the service, for prevention of abnormal phenomena or situations such as interruptions, slowdowns, and functional errors in service provided to users. The roles and responsibilities within the process are specifically defined.                         <ul style="list-style-type: none"> <li>- <b>Disruption Manager</b> : Continuously disseminates the assessment of disruption grades and recovery details, and prepares disruption reports.</li> <li>- <b>Recovery Manager</b> : Manages and organizes recovery operations.</li> <li>- <b>Person in charge of recovery</b> : Responsible for the recovery operations of the service or system failures.</li> <li>- <b>QA</b> : Verifies normal operation after recovery is completed.</li> <li>- <b>Service Operator</b> : Determination of the impact of disruption and guidance on service use to users</li> <li>- <b>Disruption Notifier</b> : Notifies the disruption manager after recognizing the disruption.</li> <li>- <b>Dissemination Channel</b> : Includes personnel related to the service or system failure other than the aforementioned roles.</li> </ul> </li> </ul>

# Major Stakeholder Risk Management Activities

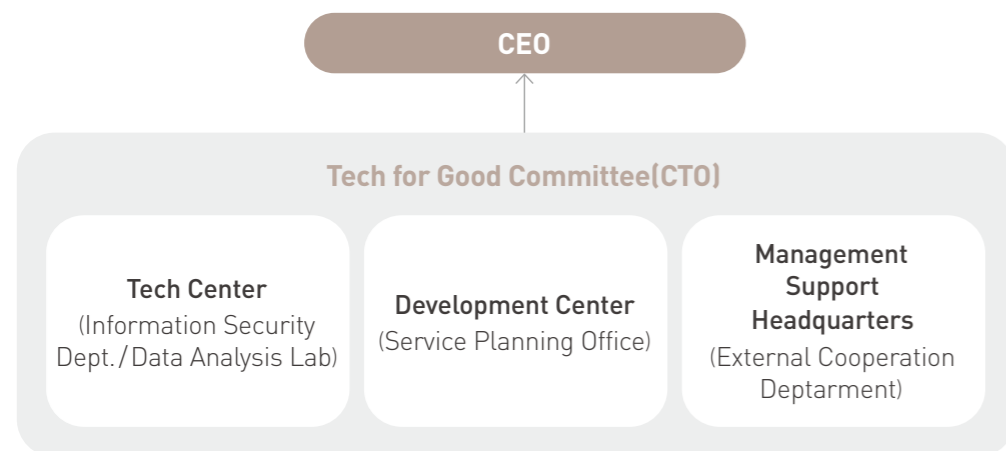
## Users

### Establishment of AI governance system

Kakao Games recognizes that the rapid advancement of AI technology brings innovation to the game industry while also posing potential risks. To effectively manage possible ethical issues and risk factors, we have established an AI governance system based on the management process of the Tech for Good Committee. We are establishing a framework for AI ethics work and managing it by stipulating responsible AI guidelines at the Kakao Group level. In addition, we design services and operational rules to ensure that AI technologies and algorithms do not pose risks to various stakeholders, while simultaneously practical measures for technological ethics.

Using an ethical issue checklist composed of 'potential risks related to AI and algorithms in game services,' defined by the Tech for Good Committee, relevant departments review and analyze the risk levels of the company's representative game services, derive improvement measures, and implement mitigation actions. We will implement activities for continuous risk management and the advancement of AI ethics, striving to ensure that AI technology can develop in harmony with society.

### Kakao Games technical ethics governance structure



### Identify and improve risk factors within game services

In 2023, through discussions on technical ethics issues, expected potential risks related to AI and algorithms in game services were defined, and a plan was established to inspect and improve representative services.

Additionally, in order to recognize and actively respond to social issues related to AI and algorithms, the Tech for Good Committee established risk definitions, implemented evaluation standards and established a checklist to establish a game service inspection process. We plan to continue to discuss important issues through regular meetings of the Tech for Good Committee every month.

### Expected potential risks related to AI and algorithms in game services

#### Fairness · Transparency

- Issues related to requests for information on game usage, such as probability disclosure of probability-type items and game usage records
- Order of product exposure in stores



#### Bias

- Priority placement of payment methods (fees)
- Cultural differences arising from automatic translation



#### Reliability

- Unexpected issues (game modifications and balance adjustments)
- Criteria for determining usage restrictions in case of bug exploitation (company/member's fault and severity of the issue)



#### Safety

- Game age, over-immersion, payment limits
- Appropriateness of ratings, possibility of excluding existing users when ratings are raised due to new updates



#### Privacy · Security

- Compliance with the Personal Information Protection Act and various regulations
- Information leakage by partners (developers, channeling companies)



#### Inclusivity

- Enhancement of accessibility for people with disabilities, enjoyment rights in the game culture by age and gender
- Whether to support for services based on game OS environment, specifications, and versions



#### Discrimination

- Caution against bias/prejudice in character design and world-building within the game
- Service restrictions due to non-consent for elements that are not essential for service



#### Human rights and labor rights

- Protection of children and adolescents according to game usage ratings
- Human rights violations among users during game service usage, such as in chat



## Employees and Partners

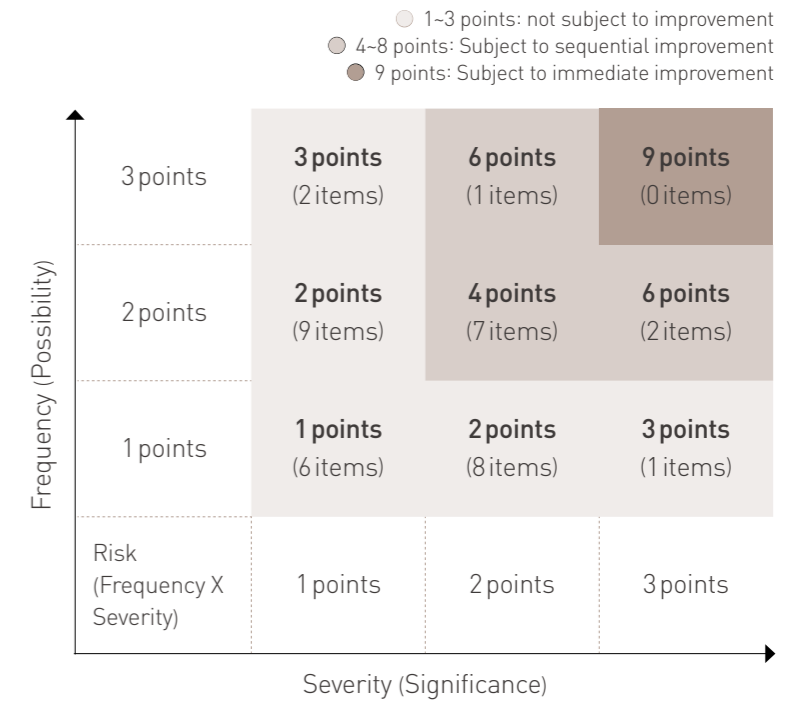
### Assessment of Risks at Safety and Health

Kakao Games is striving to detect and resolve risk factors in all spaces where employees and partners work in advance. To this end, we conduct weekly walk-around inspection of the space led by the safety and health manager and monthly walk-around inspection of office spaces and fire facilities led by safety officers. Additionally, through an annual risk assessment, the dedicated health and safety department and employee representatives identify and evaluate risk factors within the office space, assigning scores on a nine-point scale. The nine-point items are immediately improved and the four-point or higher items are improved sequentially.

### Improvement of Risk Factors

According to the risk assessment results in 2023, there were no items requiring immediate improvement, and 10 items required sequential improvement. All 10 items requiring sequential improvement were addressed within 2023, and 9 out of 36 items assessed as not requiring improvement were additionally improved. Furthermore, by the first half of 2024, we aim to eliminate 2 more risks to ensure a safe office environment for not only employees and resident partners but also everyone entering the Kakao Games office.

### Risk Assessment Results



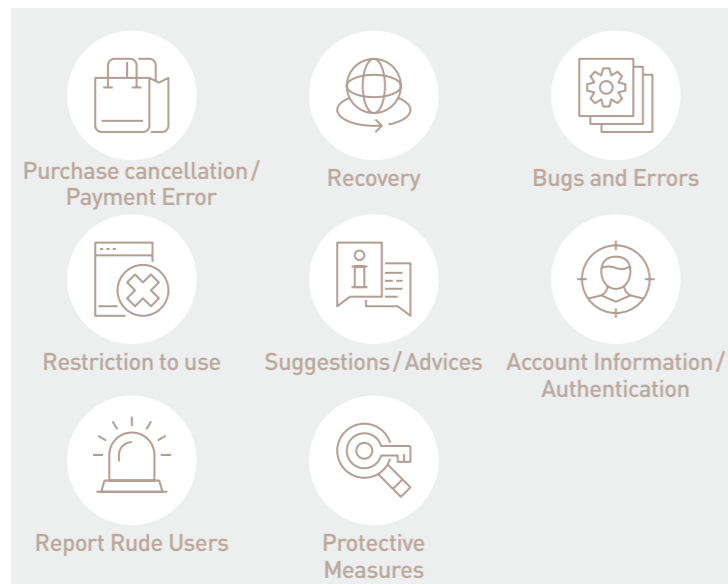
### Evaluation of the Activities for the Protection of User Rights

Kakao Games is managing risk factors by type and analyzing performance data on action to prevent and mitigate risks related to the protection of user rights. We have categorized eight elements that are highly likely to infringe on consumer rights, such as the use of unfair terms and conditions or restrictions on user choices. We establish and implement countermeasures and manage the number of CS cases by element by identifying major issues for each element. As a result, the number of CS related to protection of user rights in 2023 decreased to about 86% of the previous year. In particular, we confirmed that the number of CS significantly decreased in the case of elements related to suggestion/advice and account information/authentication.

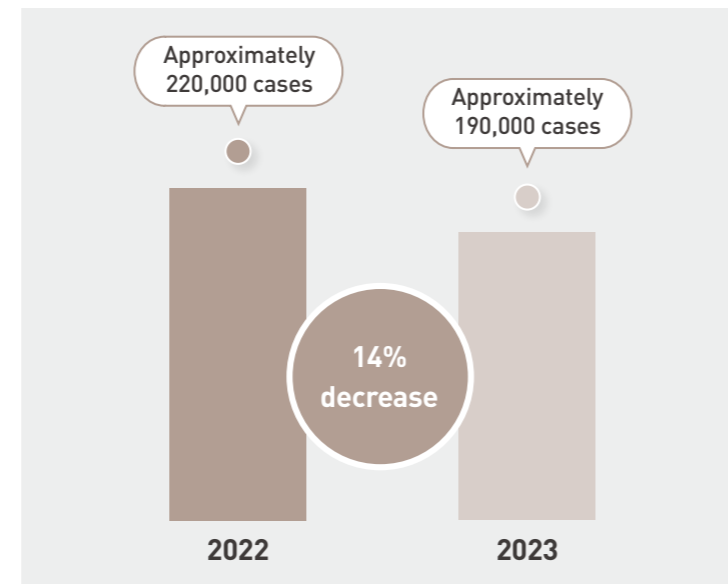
Additionally, we operate a Rights Infringement Reporting Center within the Daum Game service. If users determine that they have suffered damage such as copyright, portrait rights, defamation, etc. due to posts posted on the service, they may request temporary/permanent suspension of the posts. Kakao Games clearly specifies the processing procedures and reporting methods within the center and continuously manages the reported cases to protect user rights. Kakao Games promises to continue listening to user's opinion and responding promptly feedback to provide better services.

→ [Daum game Rights Infringement Reporting Center](#)

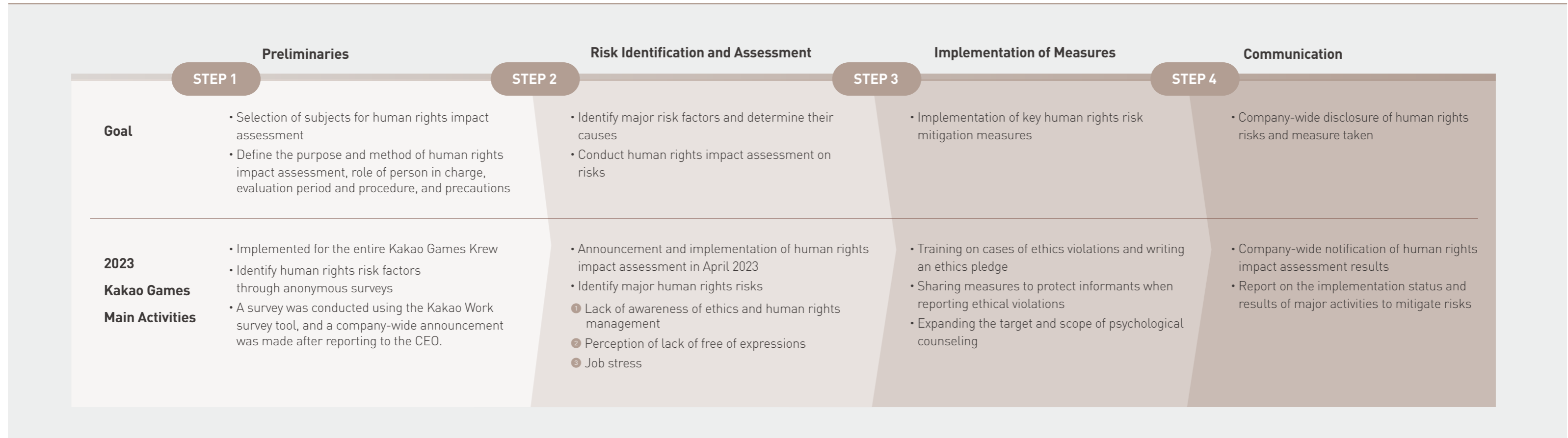
### Elements subject to Management Related to the Protection of User Rights



### Number of CS related to protection of user rights



**Human Rights Risk Assessment Process**



**Human Rights Impact Assessment**

Kakao Games is conducting a human rights impact assessment on executives and employees under the supervision of the Human Resources Support Group and implementing reduction measures to identify the impact of the company's management activities on the human rights of stakeholders. We conducted surveys covering topics such as ethics, freedom of expression and association, health and safety, unfair dismissal, long working hours, and discrimination. Based on the results of a survey in which a total of 158 employees participated in 2023, the identified human rights risks and action results were disclosed throughout the company.

**Evaluation of Human Rights Effectiveness**

Kakao Games implements mitigation measures for human rights risks identified through human rights impact assessments, and then conducts performance management and effectiveness checks on mitigation activities through effectiveness assessments. The effectiveness assessment showed that approximately 68% of the company's mitigation measures were positive. In particular, the majority of respondents responded that the risk factors were alleviated by responding to the stakeholder human rights risks identified in the previous year's evaluation, 'human rights violations, discrimination and harassment,' by writing an ethics pledge, confirming the effectiveness of mitigation activities. In addition, as a result of the Krew Council activities, it was confirmed that the 'reduced work efficiency of executives and employees' factor was improved, and the risk related to 'increased worker stress' was alleviated through psychological counseling services for executives and employees. Kakao Games plans to continue active and effective risk prevention activities through performance management and effectiveness evaluation of human rights-related mitigation measures.

# Part 4 Metrics and Targets

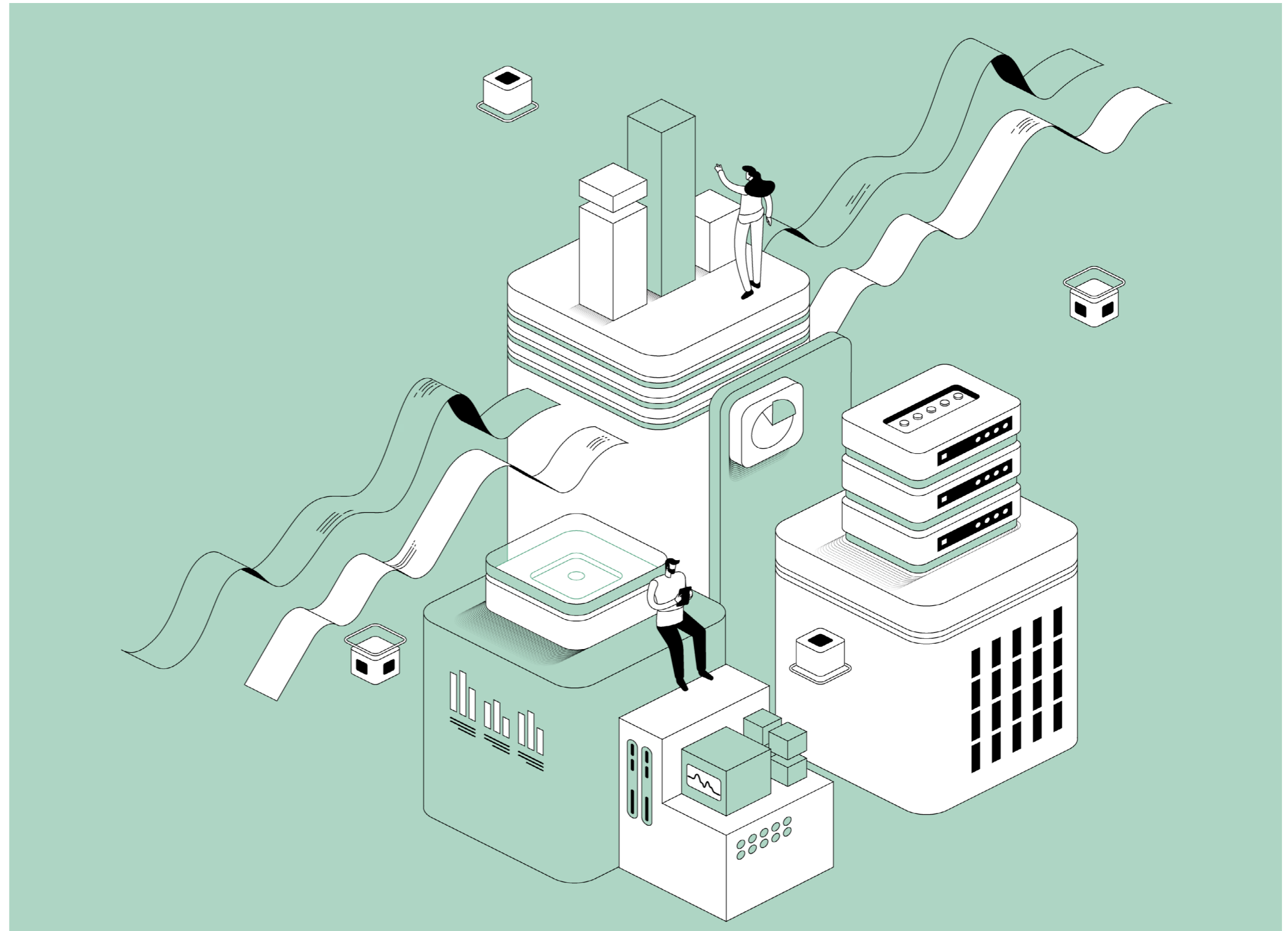
Kakao Games is striving to become a company that communicates transparently with stakeholders and earns everyone's trust by disclosing quantitative performance and goals related to ESG activities.

Through advancement of data calculation method

**Systematic Management of Goal Achievement and Implementation Activity Inspection**

Through the addition of public data compared to the previous year

**Expanding Information Disclosure**



# Environment

## Greenhouse Gas Emissions

	Unit	2020	2021	2022	2023 (Target)	2023 <sup>1)</sup>
Scope 1 (direct greenhouse gas emissions)	tCO <sub>2</sub> eq	114.02	115.26	96.62	93.72	91.13
Scope 2 (indirect greenhouse gas emissions) – Location-based	tCO <sub>2</sub> eq	522.22	519.52	523.55	507.84	636.54 <sup>2)</sup>
Direct and indirect greenhouse gas emission intensity <sup>3)</sup>	tCO <sub>2</sub> eq/KRW 10 billion	16.83	8.00	8.23	-	10.61
Subtotal	tCO <sub>2</sub> eq	-	-	-	-	5,013.60
Scope 3 (other indirect greenhouse gas emissions) <sup>4)</sup>						
Category 1 <sup>5)</sup> (purchased products and services)	tCO <sub>2</sub> eq	-	-	-	-	4,741.24
Category 2 (capital goods)	tCO <sub>2</sub> eq	-	-	-	-	37.02
Category 3 (fuel and energy-related activities)	tCO <sub>2</sub> eq	-	-	-	-	76.69
Category 5 (waste generated in workplaces)	tCO <sub>2</sub> eq	-	-	-	-	6.03
Category 6 (employee business travel)	tCO <sub>2</sub> eq	-	-	-	-	152.62
Total greenhouse gas emissions	tCO <sub>2</sub> eq	636.24	634.78	620.17	-	5,741.27

1) With the end of the telecommuting system due to the COVID-19 and the full implementation of the office-centric attendance system in February 2023, energy consumption including electricity and water supply and carbon emissions from office activities have significantly increased compared to the previous year

2) Market-based emissions reflecting renewable energy certificates(RECs) purchase performance in 2023 are 588.91tCO<sub>2</sub>eq.

3) Application of separate basis sales (from June 2021 due to a surge in sales on account of the launch of 'Odin: Valhalla Rising', a significant decrease in the unit of won from 2021)

4) Categories 1,2,6 are calculated based on cost-based methodology, category 3 is calculated based on average data-based methodology, and category 5 is calculated based on waste detailed type methodology.

5) Payment fee accounted related to intangible services are excluded from the scope of calculation. However, in the case of accounts linked to actual developer activities, the actual greenhouse gas emissions of the relevant developer are calculated by applying them as a proxy.

**Energy Consumption**

	Unit	2020	2021	2022	2023 (Target)	2023	
Direct energy usage	Subtotal	TJ	1.90	1.90	1.56	1.51	1.52
	Gasoline	TJ	0.95	0.84	0.89	-	0.75
	Diesel	TJ	0.12	0.27	0.15	-	0.09
	LNG	TJ	0.84	0.79	0.52	-	0.68
Indirect energy usage	Subtotal	TJ	11.17	11.09	11.06	10.72	13.37
	Electricity	TJ	10.23	10.16	10.55	-	13.06
	Steam	TJ	0.93	0.93	0.51	-	0.31
Direct and indirect energy usage intensity <sup>1)</sup>	TJ/KRW 10 billion	0.35	0.16	0.17	-	0.22	
Total energy consumption	TJ	13.06	12.98	12.62	12.24	14.89	
Renewable energy consumption	Renewable energy certificates(RECs)	MWh	-	-	-	-	101

1) Application of separate basis sales (from June 2021 due to a surge in sales on account of the launch of 'Odin: Valhalla Rising', a significant decrease in the unit of won from 2021)

**Water Withdrawal**

	Unit	2020	2021	2022	2023
Water withdrawal	ton	586	473	1,172	2,981
Water withdrawal intensity <sup>1)</sup>	ton/KRW 10 billion	15.50	5.96	15.55	43.46

1) Separately based sales applied (Strongly reduced unit from 2021 due to surge in sales on account of 'Odin: Valhalla Rising' launch from June 2021, increased usage due to the use of the 10th floor office of Alphadom Tower from April 2022 and the completion of public walkways from May)

**Waste Generated**

	Unit	2022	2023
Amount of general waste generated <sup>1)</sup>	ton	6.43	20.37

1) Alphadom Tower to start aggregating waste emissions in 2022, Including Choonsik Dorak waste

※ Scope of disclosure of environmental information business sites : Alphadom Tower 14th floor and 10th floor, Choonsik Dorak (Cafeteria). However, in the case of energy consumption and greenhouse gas emissions, data centers are included.

# Social

## Employee Status

Category	Unit	2020	2021	2022	2023		
Total Employees	No. of persons	379	434	443	467		
Registered Executives	By gender	Male	No. of persons	7	7	6	6
		Female	No. of persons	0	0	1	2
	By age	Under 30	No. of persons	0	0	0	0
		Over 30 and under 50	No. of persons	3	4	4	4
		Over 50	No. of persons	4	3	3	4
Employees (Including unregistered executives)	By gender	Male	No. of persons	231	251	264	269
		Female	No. of persons	126	162	163	168
	By age	Under 30	No. of persons	65	97	93	77
		Over 30 and under 50	No. of persons	290	312	327	346
		Over 50	No. of persons	2	4	7	14

Category	Unit	2020	2021	2022	2023		
Employees (Including unregistered executives)	By gender	Male	No. of persons	9	9	7	17
		Female	No. of persons	6	5	2	5
	By age	Under 30	No. of persons	11	13	8	21
		Over 30 and under 50	No. of persons	3	0	0	1
		Over 50	No. of persons	1	1	1	0
	By contract type	Contract worker	No. of persons	13	12	9	21
		Intern	No. of persons	1	0	0	0
		Part time job etc.	No. of persons	1	2	0	1
		Total number of non-affiliated workers (dispatched)	No. of persons	14	30	40	22

**Employee Diversity**

Category	Unit	2020	2021	2022	2023		
Status by management level	Executives, senior managers <sup>1)</sup>	No. of persons	18	18	18	18	
	By gender	Male	No. of persons	15	15	15	14
		Female	No. of persons	3	3	3	4
	By age	Under 30	No. of persons	0	0	0	0
		Over 30 and under 50	No. of persons	12	12	12	9
		Over 50	No. of persons	6	6	6	9
	Middle-level managers <sup>2)</sup>	No. of persons	26	28	28	34	
	By gender	Male	No. of persons	17	20	22	26
		Female	No. of persons	9	8	6	8
	By age	Under 30	No. of persons	0	0	0	0
		Over 30 and under 50	No. of persons	26	28	26	29
		Over 50	No. of persons	0	0	2	5

1) Registered executives and heads of headquarters

2) Head of department

3) Team leader position

4) Managers of departments that directly contribute to the output of the service (except for management support positions)

Category	Unit	2020	2021	2022	2023		
Status by management level	Low-level managers <sup>3)</sup>	No. of persons	61	66	65	73	
	By gender	Male	No. of persons	40	43	43	47
		Female	No. of persons	21	23	22	26
	By age	Under 30	No. of persons	0	0	0	0
		Over 30 and under 50	No. of persons	61	66	64	72
		Over 50	No. of persons	0	0	1	1
	Managers of Sales Generation Department <sup>4)</sup>	No. of persons	83	88	88	98	
	By gender	Male	No. of persons	58	63	65	70
		Female	No. of persons	25	25	23	28
	By age	Under 30	No. of persons	0	0	0	0
		Over 30 and under 50	No. of persons	81	85	83	90
		Over 50	No. of persons	2	3	5	8
Status by job	STEM job group	No. of persons	112	120	117	122	
	By gender	Male	No. of persons	93	98	96	98
		Female	No. of persons	19	22	21	24
Number of foreign employees	No. of persons	5	3	3	5		
Number of employees with disabilities	No. of persons	3	3	3	2		

**New Recruitment Status<sup>1)</sup>**

Category	Unit	2020	2021	2022	2023
Total number of recruits	No. of persons	38	92	79	33
By gender	Male	24	47	43	20
	Female	14	45	36	13
By age	Under 30	19	46	19	10
	Over 30 and under 50	19	46	60	23
	Over 50	-	-	-	-

1) Based on regular employees

**Voluntary Turnover / Retirement Status<sup>1)</sup>**

Category	Unit	2020	2021	2022	2023
Voluntary turnover <sup>2)</sup> Total	No. of persons	27	40	29	24
Voluntary turnover rate <sup>3)</sup>	%	7.4	11.0	6.9	5.1
By gender	Male	18	27	16	16
	Female	9	13	13	8
By age	Under 30	6	8	4	4
	Over 30 and under 50	21	32	24	19
	Over 50	0	0	1	1

1) Based on original regular employees

2) It means that the retiree leaves the company at his or her own will, such as moving to another company, starting a business, taking a break, quitting due to the need to take care of family, or quitting to pursue studies

3) Turnover rate=The number of full-time employees that retired per year compared to the total number of employees at the end of the base year

**Parental Leave**

Category	Unit	2020	2021	2022	2023	
Employees eligible for parental leave	By gender					
	Male	No. of persons	0	1	2	0
	Woman	No. of persons	4	4	5	10
Employees who returned to work	By gender					
	Male	No. of persons	0	1	1	1
	Female	No. of persons	1	4	3	5
Proportion of employees who returned to work <sup>1)</sup>	By gender					
	Male	%	-	100	100	100
	Female	%	100	100	100	100
Proportion of returned employees retention rate <sup>2)</sup>	By gender					
	Male	%	-	-	-	100
	Female	%	100	-	75	66.7

1) Return rate = (Number of persons who returned from parental leave in the current year)/(Number of people expected to return from parental leave in the current year)\*100

2) 12-month return maintenance rate = (Number of people who have maintained work for 12 months after returning from parental leave)/(Number of people who have returned from parental leave during the previous reporting period)\*100

**Labor / Management Relations**

Category	Unit	2020	2021	2022	2023
Period employees are to be notified in advance of major changes in the workplace	Day	50	50	50	50

**Collective Bargaining Agreements**

To gather the Krew's opinions and listen to their concerns, we hold a labor-management consultative body called the 'Krew Council' every quarter. In these meetings, we discuss various topics such as improving the working environment and employee welfare, and we ensure that all agreed-upon matters are 100% fully implemented for all employees.

Krew Union is a word that combines Krew, meaning Kakao workers, and Union, meaning labor union, and symbolized the connection, union, and unity among the krews of all group companies, including Kakao. As of the end of 2023, Kakao Games' union membership(Krew Union) rate is 10.76%.

### Scope of Application for Occupational Health and Safety Management System

Category	Unit	2020	2021	2022	2023
No. of workers applying for the occupational safety and health management system <sup>1)</sup>	No. of persons	405	476	495	502

1) Including dispatched, contracted workers who are not employees of Kakao Games but are under the control of the company

### Work-related Accidents

Category	Unit	2020	2021	2022	2023
Total number of workplaces	No. of places	1	1	1	1
Total working hours per year <sup>1)</sup>	No. of hours	800,448	916,608	935,616	986,304
Disaster(injury) cases	No. of cases	0	0	0	0
Labor Loss Incident Rate <sup>2)</sup>	%	0	0	0	0
Absence rate <sup>3)</sup>	%	0.215	0.026	0.098	0.061
Loss Time Injury Frequency Rate (LTIR) <sup>4)</sup>	No. of persons/ 1 million hours	0	0	0	0
Number of deaths	No. of cases	0	0	0	0
Number of injuries	No. of cases	0	0	0	0

1) (Total number of employees) \* 8 hours \* 22 days \* 12 months  
 2) (No. of workers that suffered occupational accidents)/(Total number of workers) \* 100  
 3) Absence rate = (Total number of sick leave days used)/(Total number of working days) \* 100  
 4) (No. of workers who lost work)/(Total working hours) \* 1,000,000

### Occupational Safety and Health

Category	Unit	2020	2021	2022	2023
Target number of industrial accidents <sup>1)</sup>	No. of persons	0	0	0	0

1) Number of employees and domestic suppliers (partner companies, subcontractors) who are injured due to work (closed for more than 3 days)

### Employee Training

Target	Category	Unit	2022	2023	
Total training hours	By gender	Male	No. of hours	1,803	2,750
		Female	No. of hours	1,089	1,953
	By contract type	Full-time	No. of hours	2,678	4,561.5
		Contract worker	No. of hours	46	131
		Dispatched worker	No. of hours	163	121
Average training hours per person	By manager level	Intern, etc.	No. of hours	0	10.5
		Executive (Registered executive)	No. of hours	5	5
	By gender	Male	No. of hours/persons	6.7	9.6
		Female	No. of hours/persons	6.6	11.3
		Full-time	No. of hours/persons	6.3	10.4
By contract type	Contract worker	No. of hours/persons	5.1	6.2	
	Dispatched worker	No. of hours/persons	18.1	5.5	
	Intern, etc.	No. of hours/persons	0	10.5	
By manager level	Executive (Registered executive)	No. of hours/persons	0.6	0.6	
	Education and training expense	KRW	54,462,100	73,731,338	
Total training hours for employees		No. of hours	2,892	4,703	
Average training hours per employee <sup>1)</sup>		No. of hours	6	10.2	

1) Employees, including full-time and temporary workers (Excluding dispatched workers)

### Percentage of Employees Receiving Regular Performance and Career Development Reviews

All full-time employees of Kakao Games receive regular performance evaluations once a year. However, if the actual working period is less than three months due to leave of absence, they are excluded from the performance evaluation. In 2023, 100% of employees received performance evaluation.

**Percentage of total salary for men and women**

Category	Unit	2020	2021	2022	2023	
Ratio of men to women	%	81	82	69	81	
Average salary per person	Male	KRW million	94	162	157	106
	Female	KRW million	76	133	109	86

**Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage**

Payments exceeding the legal minimum wages by country are provided and there is no difference in wages for new employees by gender.

**Stakeholder communication channels and major issues**

Stakeholder	Main communication and participation channel	Main issue
Customers	Customer Service Center, Rights Infringement Reporting Center	Game inquiries, reporting bugs, payments/responding to complaints such as refunds
	Customer meetings, Homepages and (online) cafes by game	Bug · Customer complaints such as errors, gathering opinions on content improvement
Employees	In-house portal	Communication of major company issues (Short work, restrictions on treasury stock trading, security check), delivering daily news on industry status
	Request for secretary assistance	Response to work environment suggestions (Safety, health, first aid, welfare etc.)
Partners	Admin Kakao Chat	Work-related grievances and improvements, operation of a safety and health council for partners
	Regular video meetings	
	E-mail to collect opinions from partners	
Shareholders · Investors	Official website, Annual General Meeting of Shareholders, NDRs, earnings announcements conference call, Kakao community Analyst Day, 1:1 meeting	Creating business trends and financial performance, Preemptive risk management capabilities, transparent disclosure of performance, sound governance
Community	Participation in local government partner projects	Implementation of a project to support game assistive devices for the disabled
Government	Participation in government projects	shing a unified system for the game time selection system to protect youth, Expanding the game culture and raising awareness
	Corporate homepage, Customer Service Center, email, phone call, fax	Inspection and handling of complaints by the Dispute Mediation Organization related to users

**Incidents of Discrimination and Corrective Actions Taken**

There were no incidents of discrimination or corrective actions identified during the reporting period.

**Complaints due to Discrepancies with Partners**

Category	Unit	2022	2023
Complaints due to discrepancies with partners regarding the Service Policy	No. of Cases	3	3
Processing rate	%	100	100

**Information Security training**

Category	Unit	2022	2023	
Personal information protection training	No. of target employees	No. of persons	480	460
	No. of employees who have completed training	No. of persons	477	458
Information security training <sup>1)</sup>	No. of target employees	No. of persons	64	56
	No. of employees who have completed training	No. of persons	64	56
In-depth education on information security and personal information protection	No. of target employees	No. of persons	16	15
	No. of employees who have completed training	No. of persons	8	12

1) For New recruits

**Violation of Personal Information Protection Laws and Measures**

Category	Unit	2020	2021	2022	2023
Number of information security violation incidents	No. of cases	0	0	0	0
Amount of financial loss as a result of the accident	KRW million	0	0	0	0
Number of users affected by the incident	No. of persons	0	0	0	0

# Governance

## Workplace assessed for risks related to corruption

Kakao Games conducted a risk assessment related to corruption at all workplaces.

### Anti-corruption (ethics) Training

Category	Content	Unit	2022	2023	
Anti-corruption (ethics) training	Number of trainees	No. of persons	436	459	
	Subtotal		431	456	
	Number of people who have completed training	Number of full-time employees	No. of persons	422	437
		Number of part-time employees		0	1
		Number of contract workers		9	18
Training for eradication of collusion and unfair trade <sup>1)</sup> (differentiated training by job)	Number of trainees	No. of persons	-	61	
	Number of people who have completed training	No. of persons	-	61	

1) Conducted for employees in charge of contract work in each organization such as marketing and business

## Legal action for anti-competitive behavior, anti-trust, and monopoly practices

There were no unfair trade practices or legal actions during the reporting period.

### Compliance with Laws and Regulations

Category	Unit	2022	2023
Number of fines received for violations of laws · regulations	No. of cases	0	0
Number of cases of non-monetary sanctions for violations of laws · regulations	No. of cases	0	0
Amount of fines paid for violations of laws and regulations in the current year	KRW	0	0
Amount of fines paid for violations of laws and regulations in the previous year	KRW	0	0

### Cases of Unfair Trade and Unfair Competition Violations or Punishment

Category	Unit	2022	2023
Cases of unfair trade and unfair competition violations or punishment	No. of cases	0	0
Target cases of unfair trade and unfair competition violations or punishment	No. of cases	0	0

# Economy

## Creation and Distribution of Economic Value

Category			Unit	2020	2021	2022	2023
Creation	Customer	Sales	KRW million	378,003	793,144	753,476	685,952
	Partners	Purchase costs	KRW million	257,415	649,709	603,977	549,799
Distribution	Employees	Salaries and wages, education and training expenses, welfare expense	KRW million	37,453	47,821	51,845	53,194
	Shareholders-Investors	Total dividends, interest expense	KRW million	177	746	1,413	1,506
	Government	Income tax expense(revenue), taxes and dues etc.	KRW million	11,326	21,120	10,220	9,260
	Community	Donations	KRW million	24	8	68	226

\*based on separate financial statement

Category			Unit	2020	2021	2022	2023
Creation	Customer	Sales	KRW million	495,521	1,012,481	1,147,693	1,025,086
	Partners	Purchase costs	KRW million	273,972	628,104	452,236	447,010
Distribution	Employees	Salaries and wages, education and training expenses, welfare expense	KRW million	91,355	133,345	205,139	215,083
	Shareholders-Investors	Total dividends, interest expense	KRW million	4,942	6,897	15,120	39,717
	Government	Income tax expense(revenue), taxes and dues etc.	KRW million	12,595	205,106	6,889	(35,878)
	Community	Donations	KRW million	94	35	129	460

\*based on consolidated financial statement

## Retirement Pension System

stakeholder	Content	Unit	2020	2021	2022	2023
Defined benefit plan(DB)	Operating amount	KRW million	8,825	11,328	14,948	19,401
	Number of people enrolled	No. of persons	370	422	442	450

\*based on separate financial statement

**Tax Information by Country**

Category	Content	Unit	2020	2021	2022	2023
Income tax expense	Korea	KRW million	7,657	202,476	(2,869)	(52,307)
	Singapore	KRW million	149	182	579	9,452
	USA	KRW million	867	483	679	583
	Netherlands	KRW million	1,414	(1,304)	1,271	(1,202)
	China	KRW million	329	449	1,425	(173)
	Etc.	KRW million	7	(367)	336	930
	Profit before income tax	KRW million	77,936	722,074	(194,694)	(365,122)
Income tax expense computed at statutory tax rate <sup>1)</sup>	KRW million	10,425	201,919	1,420	(42,716)	
Effective tax rate	%	13.4	28.0	(0.7)	11.7	
Income tax payment	KRW million	4,156	3,715	81,225	54,615	
Tax rate paid <sup>2)</sup>	%	5.3	0.5	-	-	

1) The data has changed compared to the 2022 report due to the revision of the data preparation standard from corporate tax expense (income) based on the applied tax rate to corporate tax expense in the comprehensive income statement.  
 2) 2022 data: Tax rate paid not calculated due to net loss before corporate tax

\*based on consolidated financial statement

**Association Membership Status**

Details of contribution expenditure	Unit	2020	2021	2022	2023	Remarks
Korea Association of Game Industry	KRW thousand	120,000	120,000	120,000	120,000	2016.12 Joined
Game Self-governance Organization of Korea	KRW thousand	5,000	5,000	20,000	30,000	2020.02 Joined
Korea Internet Corporations Association	KRW thousand	2,000	6,000	6,000	6,000	2020.06 Joined
Korea Metaverse Industry Association	KRW thousand	0	0	10,000	5,000	2021.11 Joined

Total Annual Contributions	Unit	2020	2021	2022	2023
Total lobbying funds	KRW thousand	0	0	0	0
Total amount of political contributions	KRW thousand	0	0	0	0
Total amount of association fee	KRW thousand	127,000	131,000	156,000	161,000
Total amount of other contributions	KRW thousand	3,000	0	15,000	26,000
<b>Total Amount</b>	<b>KRW thousand</b>	<b>130,000</b>	<b>131,000</b>	<b>171,000</b>	<b>187,000</b>

## Environment/Social/Governance/Economy

GRI Index

SASB Index

## 2023 Tax Information by workplace

Country	Name of the workplace	Main business	Number of Employees	Unit	Sales	Profit before income tax	Unpaid income tax	Income tax expense
Korea	Kakao Games Corp., Kakao VX Corp., BEAGLE, Gaseung Development Company, Metabora Co., Ltd., NGLE, XLGAMES Inc., Sena Technologies Co., Ltd., Lionheart Studio Co., Ltd., Ocean Drive Studio Co., Ltd.	<ul style="list-style-type: none"> <li>• Game software development and supply</li> <li>• Software development and supply</li> <li>• Golf course development and operation</li> <li>• Software planning, development and supply</li> <li>• Manufacturing, sales and trading of electrical, electronic, communication and computer products</li> </ul>	2,423	KRW million	1,167,123	(372,457)	19,266	42,958
China	TAESIK MAUMGOLF CO., LTD., GSWING SPORTING GOODS CO., LTD, Dalian Stealth Science Technology CO., LTD, Shenzhen SENA Science Technology CO., LTD, Cheongwon SENA Intelligence Duheo CO., LTD	<ul style="list-style-type: none"> <li>• Golf simulator sales</li> <li>• Software planning, development and supply</li> <li>• Communication equipment manufacturing and development, wholesale and retail business</li> </ul>	146	KRW million	29,542	(3,201)	68	311
USA	Kakao Games USA Inc., SENA Technologies, Inc., OCEAN DRIVE GAMES, INC.	<ul style="list-style-type: none"> <li>• Game software development and supply, home appliances</li> <li>• Telecommunication equipment wholesale and retail business</li> </ul>	58	KRW million	50,903	1,344	26	942
Netherlands	Kakao Games Europe B.V.	<ul style="list-style-type: none"> <li>• Game software development and supply</li> </ul>	26	KRW million	6,651	(509,457)	-	-
Germany	SENA Europe GmbH	<ul style="list-style-type: none"> <li>• Wholesale and retail of home appliances and communication equipment</li> </ul>	27	KRW million	66,048	2,282	449	490
France	SENA SAS	<ul style="list-style-type: none"> <li>• Wholesale and retail of home appliances and communication equipment</li> </ul>	8	KRW million	1,794	242	42	(75)
Japan	Kakao Games Japan Corp.	<ul style="list-style-type: none"> <li>• Game software development and supply</li> </ul>	25	KRW million	5,403	547	90	44
Singapore	GLOHOW HOLDINGS PTE. LTD., METABORA SINGAPORE PTE. LTD., Bora Ecosystem Fund LP	<ul style="list-style-type: none"> <li>• Supply of game software</li> <li>• System software development and supply</li> <li>• Fund management</li> </ul>	10	KRW million	7,896	(11,713)	38	9,938
Thailand	Glohow Co., Ltd.	<ul style="list-style-type: none"> <li>• Game software supply</li> </ul>	53	KRW million	1,869	6	4	7
Taiwan	Glohow Co., Ltd. Taiwan	<ul style="list-style-type: none"> <li>• Game software supply</li> </ul>	27	KRW million	1,493	53	14	-
Vietnam	Glohow Joint Stock Company, FRIENDS GOLF HOLDINGS VN JOINT STOCK COMPANY	<ul style="list-style-type: none"> <li>• Game software supply</li> <li>• Golf simulator sales</li> </ul>	10	KRW million	786	(614)	-	-

# GRI Index

Statement of Use	The reporting organization Kakao Games reports information on sustainable management for the period from January 1, 2023, to December 31, 2023, in accordance with the GRI standards 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The GRI Sector Standards corresponding to the reporting organization Kakao Games' GICS, industrial classification standards, etc. are not published and therefore do not apply.

Standard	Disclosure	Reporting page	Note	
GRI 2: General Disclosures 2021	2-1	Organization details	p.7	
	2-2	Entities included in the organization's sustainability reporting	p.2	
	2-3	Reporting period, frequency and contact point	p.2	Reporting: One year, Date of publication: June 2024
	2-4	Restatements of information	-	Changes in data are noted separately with annotations.
	2-5	External assurance	p.83	
	2-6	Activities, value chain and other business relationships	-	Refer to Annual Report 2023 p.25~32
	2-7,8	Employees, Workers who are not employees	p.57	
	2-9	Governance structure and composition	p.15	
	2-10	Nomination and selection of the highest governance body	p.16	Refer to Annual Report 2023 p.353
	2-11	Chair of the highest governance body	p.14	
	2-12,13	Role of the highest governance body in overseeing the management of impacts, Delegation of responsibility for managing impacts	p.16~18	Refer to Annual Report 2023 p.353~354

Standard	Disclosure	Reporting page	Note	
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	p.16~18	
	2-15	Conflicts of interest	p.15,16	
	2-16	Communication on critical concerns	p.18,46	
	2-17	Collective Knowledge of the highest governance body	-	Refer to Annual Report 2023 p.355
	2-18	Evaluation of the performance of the highest governance body	p.14	
	2-19,20	Remuneration policies, Process to determine remuneration	p.16	Refer to Annual Report 2023 p.373,354
	2-21	Annual total compensation ratio	p.16	
	2-22	Statement on the sustainable development strategy	p.5	
	2-23,24	Policy commitments, Embedding policy commitments	p.26,43	
	2-25,26	Processes to remediate negative impacts, Mechanisms for seeking advice and raising concerns	p.26,53	
	2-27	Compliance with laws and regulations	p.62	
	2-28	Membership associations	p.64	
	2-29	Approach to stakeholder engagement	p.61	
2-30	Collective bargaining agreements	p.59		

Standard		Disclosure	Reporting page	Note
GRI 3: Material Topics 2021	3-1	Process to determine material topics	p.72	
	3-2	List of material topics	p.73	
Data Protection and Information Security				
GRI 3: Material Topics 2021	3-3	Management of material topics	p.36-39	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.61	
Protecting User Rights				
GRI 3: Material Topics 2021	3-3	Management of material topics	p.34,35	There are no GRI Topic Standards corresponding to this material topic
Work Satisfaction and Fair Performance Evaluation				
GRI 3: Material Topics 2021	3-3	Management of material topics	p.27-33	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.27,28	
	401-3	Parental Leave	p.59	
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	p.60	

Standard		Disclosure	Reporting page	Note
Ethical Management and Fair Trade				New material topic
GRI 3: Material Topics 2021	3-3	Management of material topics	p.43,44	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	p.62	
	205-2	Communication and training about anti-corruption policies and procedures	p.62	
	205-3	Confirmed incidents of corruption and actions taken	-	No related reports during the reporting period
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p.62	
Responding to Climate/Management of Carbon Emissions				New material topic
GRI 3: Material Topics 2021	3-3	Management of material topics	p.22-25	
GRI 302: Energy 2016	302-1,2,3	Energy consumption within(outside of) the organization, Energy intensity	p.56	
	302-4	Reduction of energy consumption	p.24	
GRI 305: Emissions 2016	305-1,2,3,4	Direct (Scope 1) GHG emissions, Energy indirect (Scope 2) GHG emissions, Other indirect (Scope 3) GHG emissions, GHG emissions intensity	p.55	
	305-5	Reduction of GHG emissions	p.24	

Standard		Disclosure	Reporting page	Note
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	p.63	
	201-2	Financial implications and other risks and opportunities due to climate change	p.23	
	201-3	Defined benefit plan obligations and other retirement plans	p.63	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	p.61	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	p.40~42	
	203-2	Significant indirect economic impacts	p.41	
GRI 207: Tax 2019	207-1	Approach to tax	p.43	
	207-4	Country-by-country reporting	p.64,65	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	p.56	
GRI 306: Waste 2020	306-3	Waste generated	p.56	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	p.59	
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	p.59	

Standard		Disclosure	Reporting page	Note
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	p.32	
	403-2	Hazard identification, risk assessment, and incident investigation	p.52	
	403-3	Occupational Health Services	p.32	
	403-4	Worker participation, consultation, and communication on occupational health and safety	p.32	
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	p.33	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.33	
	403-8	Workers covered by an occupational health and safety management system	p.32	
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	p.33	
	GRI 404: Training and Education 2016	404-1,2	Average hours of training per year per employee, Programs for upgrading employee skills and transition assistance programs	p.31,60
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	p.58	
	405-2	Ratio of basic salary and remuneration of women to men	p.61	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	p.61	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	p.40~42	

# SASB Index

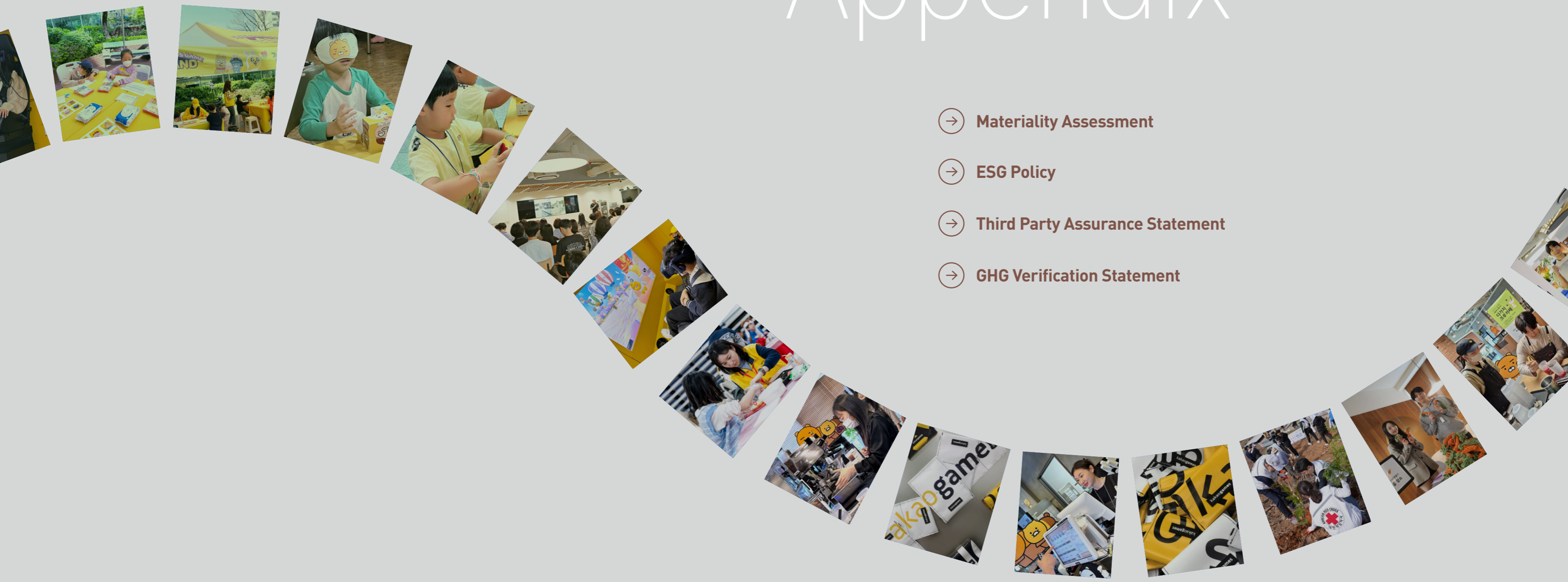
## Technology & Communication sector – Software & IT Services industry standard

Topic	Code	Disclosure Item	Detailed Content
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed	p.56
		(2) Percentage grid electricity	87.7%
		(3) Percentage renewable	6.5%
	TC-SI-130a.2	(1) Total water withdrawn	p.56
		(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	p.56
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	None
Data Privacy, Advertising Standards & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	<ul style="list-style-type: none"> <li>• Daum Game Privacy Policy <a href="#">→</a></li> <li>• Mobile Game Privacy Policy <a href="#">→</a></li> <li>• Personalized Advertisement Guideline <a href="#">→</a></li> </ul>
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	Personal information will not be used beyond consented purpose or for any other purposes.
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	None
	TC-SI-220a.4	(1) Number of law enforcement requests for user information	421 cases as of 2023 (based on warrants)
		(2) Number of users whose information was requested	Not confirmed
	(3) Percentage resulting in disclosure	About 140 cases, 33%	
TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	None	

Topic	Code	Disclosure Item	Detailed Content
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of users affected	None
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	p.37,39
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees that require a work visa	p.58
	TC-SI-330a.2	Employee engagement as a percentage	Kakao Games conducts an annual survey of employee satisfaction and immersion, and in 2023, 56% of employees answered "satisfied" or higher.
	TC-SI-330a.3	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees	p.58
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive regulations	None
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	None
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	None

# Appendix

- **Materiality Assessment**
- **ESG Policy**
- **Third Party Assurance Statement**
- **GHG Verification Statement**



# Materiality Assessment

Kakao Games derived material topics through a double materiality assessment that considers both social/environmental impacts and financial effects to select topics deemed material for the company's sustainability disclosure. Based on the understanding of the business, we derived material sustainability topics for Kakao Games and identified the impacts of company activities linked to each topic on the society, environment, and stakeholders and those of external environments to Kakao Games' financial risks and opportunities. Since then, we have conducted an impact assessment with assistance from internal and external experts who have a high understanding of Kakao Games and ESG. Based on the final review and approval of the evaluation results by the BOD, we have ultimately identified five key important topics.

## Double Materiality Assessment Process

	Process	Detailed procedures and considerations	Output
<b>STEP 1</b> Deducing the sustainability topic pool	Understand the company's activities, value chain, and sustainability context to deduce the sustainability topic pool	<ul style="list-style-type: none"> <li><b>Company activities:</b> Business model/strategy, products and services, location, type of workers etc.</li> <li><b>Value chain:</b> Main business activities, upstream, self-operations, downstream, overall value chain etc.</li> <li><b>Sustainability context:</b> Economy, environment, social issues and law-regulations in regards of industry, activity and location                             <ul style="list-style-type: none"> <li>- Analysis of major disclosure guidelines (GRI, SASB etc.)</li> <li>- Analysis of main ESG evaluation criteria (MSCI, DJSI etc.)</li> <li>- Reporting and analysis of industry-critical ESG topics</li> </ul> </li> </ul>	List of 16 Topics
<b>STEP 2</b> Identifying the sustainability topic pool	Identify the impact using impacts, risks, opportunities and classification criteria, and determine how impact assessment is to be performed based on the type identified	<ul style="list-style-type: none"> <li><b>Social and environmental impacts</b> <ul style="list-style-type: none"> <li>• Analyzing the characteristics of the company's business and value chain to define company activities related to each topic and identify the social and environmental impacts of these activities</li> <li>• Classifying the characteristics of impacts (positive or negative, actual or potential)</li> </ul> </li> <li><b>Business impacts (risks and opportunities)</b> <ul style="list-style-type: none"> <li>• Identifying the external environment related to each topic and its impact on the business (costs, sales, reputation, capital, etc.)</li> <li>• Classifying business impacts as risks or opportunities</li> </ul> </li> </ul>	Development of tools for impact explanation classification, and evaluation
<b>STEP 3</b> Conducting impact assessment for each sustainability topic	Conducted survey of employees who have a high understanding of Kakao Games and ESG to select priority topics (January 2024~March 2024)	<ul style="list-style-type: none"> <li><b>Social and environmental impacts</b> <ul style="list-style-type: none"> <li>• Scale assessment</li> <li>• Scope assessment</li> <li>• Correctability assessment</li> <li>• Likelihood assessment</li> </ul> </li> <li><b>Business impacts (Risks and Opportunities)</b> <ul style="list-style-type: none"> <li>• Assessment of quantitative financial impact size</li> <li>• Assessment of qualitative financial impact size</li> <li>• Likelihood assessment</li> </ul> </li> </ul>	Results and ranking of impact assessment
<b>STEP 4</b> Selecting material topics	Selecting prioritization of the reported topics through ESG Committee under the BOD, the highest sustainability decision-making body	<ul style="list-style-type: none"> <li>• Conducting quantitative analysis of the results of social and environmental impacts and business impacts (risks and opportunities)</li> <li>• Review and approval of topic priorities by management and the BOD</li> <li>• Conducting third-party verification of the materiality assessment process and results</li> </ul>	Selecting five material topics

**Double Materiality Assessment Results**

Sustainability topics		Impact	Risk/opportunity				Remarks		
Rank	Material topic	Impact description	Classification	Result <sup>1)</sup>	Description of potential risks/opportunities	Classification	Result <sup>1)</sup>	GRI Index	Page
1	Information security and data privacy	By implementing a systematic user information protection system, ensuring the safe collection/use/management of data, and conducting information security training and awareness activities, we can guarantee the human rights and privacy of stakeholders related to personal information and prevent various damages in advance caused by advanced security threats.	Positive-Actual	●●●●●	<ul style="list-style-type: none"> <li>• Decrease in user trust due to personal information leakage incidents</li> <li>• Increase in risk of operational sanctions if disputes, lawsuits, or regulatory investigations occur due to violations of related regulations/laws</li> </ul>	Risk	●●●●●	418-1	p.28-31
2	Policy for the Protection of User Rights and Interests	If elements that infringe on user safety and rights, such as experiencing relative deprivation due to unfair games, inadequate security services, and unaddressed service grievances, are not managed, the sustainable operation and reputation maintenance get hard, leading to decrease in user satisfaction.	Negative-Potential	●●●●●	<ul style="list-style-type: none"> <li>• Risk of unfair game usage or rights infringement for users due to harmful environments (illegal programs, etc.) within game services</li> <li>• Violation of users' human rights due to curse, slander, etc.</li> </ul>	Risk	●●●●●	-	p.25-27
3	Work satisfaction and fair performance evaluation	Improving the health and quality of life of employees and their families through enhanced employee benefits and working conditions, along with fair performance assessment, can lead to increased employee motivation, higher employee satisfaction, an efficient work environment, and a healthy organizational culture, thereby preventing breakaway of talent.	Positive-Actual	●●●●○	<ul style="list-style-type: none"> <li>• Exposure to musculoskeletal diseases or muscle pain due to long working hours can decrease employee work efficiency and project completion quality.</li> <li>• Unfair performance evaluation can lower employee motivation and create a disconnected organizational culture.</li> </ul>	Risk	●●●●○	401-2, 401-3, 404-3	p.32-38
4	Ethical management and fair trade	Transparent and clean ethical management, including the prevention of bribery and corruption and compliance with laws, contributes to the company's sustainability and trust relationship with stakeholders, and helps maintain a balance in the economic and social benefits of various stakeholders.	Positive-Actual	●●●●○	<ul style="list-style-type: none"> <li>• Legal issues may arise if there are violations of subcontracting laws, such as delays in providing written documents during the work process.</li> <li>• Increase in grievances from partners due to unfair trade, and occurrence of market inefficiencies</li> </ul>	Risk	●●●●○	205-1~3, 206-1	p.42-43
5	Response to climate change/Carbon emissions management	Greenhouse gases incurred during the company's overall value chain such as indirect greenhouse gases from data center and office energy usage and playing game can cause negative climate change including unusual weather, natural disaster and ecocide.	Positive-Actual	●●●●○	<ul style="list-style-type: none"> <li>• Strengthened information disclosure obligations and increased operating costs due to expanded government regulations on climate change</li> <li>• Increased demand for greenhouse gas reduction from stakeholders including users and partners due to the rising importance of response to climate change in the market</li> </ul>	Risk	●●●●○	302-1~4, 305-1~5	p.21-22

1) ●●●●● Very high impact ●●●●○ High impact ●●●○○ Moderate impact ●●○○○ Low impact ●○○○○ Very low impact

# ESG Policy

## Kakao Games Human Rights Statement

Kakao Games wants to share sustainable value through games that everyone can enjoy without concerns of discrimination. Through these meaningful changes, we hope to contribute in making a better society. Based on Kakao Games' human-centered principles, we pursue inclusive growth with mutual respect. We see it as our responsibility to promote human rights for all stakeholders and relationships, including our employees and users, our investors, shareholders and business partners, and the local communities. We are fully committed to respecting international human rights norms. We observe international principles, namely the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labor Organizations (ILO) Declaration on Fundamental Principles and Rights at Work, and national legislation inclusive of the international principles. Kakao Games undertakes a proactive approach that prevents our services and technologies from being used in activities involving violations of human rights. Part of our approach is to swiftly and effectively respond to cases of human rights violation and further on, to provide fundamental solutions.

### Basic Principles

Kakao Games protects and respects the human rights of all stakeholders affected by our management activities. The human rights that Kakao Games protects and respects include not only those guaranteed by the Constitution and laws of the Republic of Korea, but also those upheld by international human rights law and various human rights norms. Furthermore, we recognize that there may be matters that should be respected as human rights even if they are not stipulated explicitly by various human rights norms.

### 1. Prohibition of discrimination in employment

Kakao Games prevents baseless discrimination in the Krew's working conditions, such as employment, promotion, education, compensation, welfare due to gender, religion, physical condition, age, social status, region of origin, marital status, etc.

### 2. Guarantee of freedom of association

Kakao Games ensures compliance with the Constitution and labor-related laws, which are the basis of human rights policies, respects and guarantees the rights of the Krew, and does not engage in unfair treatment of the Krew on the grounds of the exercise of their rights.

### 3. Prohibition of forced labor

Kakao Games shall not force the Krew to work against his or her own free will through the use of violence, intimidation, confinement, or any other means by which the mental or physical freedom of the employee might be unduly restricted.

### 4. Prohibition of child labor

In principle, Kakao Games prohibits the employment of children and minors, and abides by national labor laws and international standards for the minimum working age and working conditions.

### 5. Security of safety and health

① Kakao Games guarantees fair employment conditions for the Krew to maintain human dignity, provides reasonable remuneration and educational opportunities, respects various cultural differences, and maintains a safe and pleasant working environment.

② Kakao Games has established a sound safety culture so that the Krew can work in a safe working environment, and takes appropriate measures against any risks that are discovered in the process of checking safety status at the workplace.

### 6. Responsible supply chain management

Kakao Games strives to comply with our human rights protection obligations toward business partners in cooperation and transaction relationships, and in the event of any human rights violations that occur in the process, we collect opinions from various stakeholders to seek practical solutions.

### 7. Protection of the human rights of local residents

Kakao Games manages human rights factors such as the environment, safety and health of local residents, strives to prevent violations of freedom of residence by management activities, collects opinions in accordance with related laws, and respects the autonomy and traditional values of the communities where we are present.

### 8. Protection of users' human rights

- ① Kakao Games complies with the standards set by related laws so that users can use our games and services safely and conveniently without causing harm to their lives, health, and safety.
- ② For user personal information, Kakao Games complies with legal regulations and collects the minimum personal information to provide its services. Kakao Games takes reasonable measures to avoid any risks of personal information breach.
- ③ Kakao Games does not provide personal information to third parties without the user's consent.
- ④ Kakao Games respects users' freedom of expression. However, measures may be taken according to procedures for content or information that are prohibited by related laws or are contrary to social norms.

### 9. Protection of environmental rights

Kakao Games makes efforts for all individuals of its organization to adopt sustainable practices and for Kakao Games' technologies and services to support environmentally sustainable solutions.

### 10. Performing digital responsibilities

- ① Kakao Games aims to build a world where all members of society can grow together and share a better future, and considers solving social issues that may occur in the present or in the future.
- ② Kakao Games strives to ensure that game services provided by the Company embrace our society as a whole and prevent alienation and discrimination that may occur in the digital society.
- ③ Kakao Games makes every effort to ensure that all members of society are guaranteed equal access to our services.

### Scope

The Kakao Games Human Rights Statement applies to our employees at the Kakao Games headquarters, as well as our affiliated companies and contingent workforce based in domestic and international workplaces. Furthermore, the Company's business partners and users of the service are encouraged to understand and practice Kakao Games' principle of respect for human rights. The Kakao Games Business and Human Rights Statement observes the locality in which Kakao Games provides its services. In legal cases, we follow the local laws and procedures, while upholding our commitment to harmonize with international human rights norms.

### Human Rights Risk Due Diligence Process

Kakao Games identifies human rights-related risks and establishes and implements measures to mitigate them. The human rights risk due diligence process proceeds through the following steps:

- ① Establish and implement the scope of human rights impact assessment
  - ② Identify major human rights-related risks and determine their causes and impacts
  - ③ Establishment and implementation of mitigation measures for identified risks
  - ④ Continue monitoring through company-wide notification of measures and reporting of implementation status and results
- This process is being implemented under the supervision of the Human Resources Support Group, and we will strive to prevent human rights risks through regular risk identification, evaluation, and monitoring. In addition, we will strive to enhance due diligence so that human rights risks can be managed efficiently for various stakeholders.

### Risk Management and Relief Procedures for Human Rights Violations

① Kakao Games operates an internal channel for its employees, business partners, users and other stakeholders to provide assistance and process formal complaints on issues that risk human rights violation. Depending on the nature of the issue, the complaint filed is transferred to the responsible team and is processed with efficiency and effectiveness. The results of the claim are shared with the relevant parties. In order to ensure that the informant can report any concerns with confidence, the contents of the report and the identity of the informant are thoroughly protected, and we take all measures to ensure that the informant is not subjected to any disadvantage on account of the report.

#### ② Contact

To provide a secure environment for claimants to seek support, all information related to the report and the claimant remain strictly confidential.

<b>Email</b>	hotline.games@kakaocorp.com
<b>Address</b>	HR Group, 14th floor, 152, Pangyoyeok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do (Alphadom Tower)
<b>Online</b>	<a href="https://www.kakaogamescorp.com/policy/cyber">https://www.kakaogamescorp.com/policy/cyber</a>

### Document Summary

Category	Description
Initial Establishment Date	2023.04.04
Recent Revision Date	2024.06.17
Responsible Organization	HR support group
Details of Establishment/Revision	Clarify due diligence process
Administrator (Responsible Executive)	ESG Committee

# Kakao Games Environmental Policy

## Overview

Kakao Games is a company that makes daily life fun for many people, and we provide games that are easy and fun for all, and are suitable to enjoy together. We at Kakao Games dream of games that bring people from all parts of the world together. As publishers and developers of games across platforms such as PC and mobile in the domestic and foreign game markets, we have various IPs, contents, and our own game development capabilities.

## Purpose and Scope

We at Kakao Games recognize our social responsibility for 'environmental issues' beyond business, and strive to create a sustainable environment for customers, our employees, and even global communities. In order to minimize the environmental impact of our business activities, we have prepared an implementation policy and an eco-friendly management system, and our environmental policy guides all related activities.

The environmental policy covers the entire scope of business from game development to sourcing, publishing and customer support. In addition, this policy is applicable to all stakeholders, including subsidiaries, customers, and partners, in the same scope.

## Implementation Guidelines

### 1. Promotion of eco-friendly management

We recognize the impact of Kakao Games on the environment and have established a systematic management system to address the issues. In addition, environmental performance is continuously managed and improved through effective promotion of eco-friendly management.

### 2. Responding to climate change

We respond actively to global climate change by reducing greenhouse gas emissions and preserving water resources, and have initiated efforts to convert to renewable energy.

### 3. Development of eco-friendly technologies/services

We participate in the development of eco-friendly technologies and consider environmental impacts in the process of providing and developing various services.

### 4. Waste and energy management

We have increased the rate of waste reuse and recycling, and are working continuously to reduce greenhouse gas emissions by means of countermeasures for efficient energy use.

### 5. Compliance with relevant laws and requirements

We comply with environmental laws and regulations in the regions where Kakao Games operates, conduct periodic evaluations of our compliance status, and strive continuously to improve customer satisfaction and compliance rates.

### 6. Transparent Disclosures

In order to improve the eco-friendly management capabilities of our employees, related education and information are provided periodically, and environmental policies and related performance are disclosed to the public in a transparent manner.

### 7. Support the engagement of partners and users

We also share Kakao Games' environmental management goals and directions with partners and users in the Kakao Games ecosystem and facilitate their efforts to participate in the establishment of an eco-friendly ecosystem.

## Management System

Executive supervision of environmental management policies and related decision-making are carried out by the ESG Committees involving Kakao Games' CEO. Our ECO Play team provides specific guidelines for compliance with the environmental policy, such as setting goals for environmental management and regular internal audits, and provides trainings and information to ensure that this policy is understood and implemented by our employees. The Krew Support Department is responsible for the environmental sector and measures environmental impacts and performance to establish and evaluate environmental goals.

## Document Summary

Category	Description
Initial Establishment Date	2023.04.04
Recent Revision Date	2024.06.17
Responsible Organization	ECO Play Team
Details of Establishment/Revision	Reflecting reorganization
Administrator (Responsible Executive)	ESG Committee

## Kakao Games Safety and Health Management Policy

### Overview

Kakao Games is a company that makes daily life fun for many people, and we provide games that are easy and fun for all, and are suitable to enjoy together. We at Kakao Games dream of games that bring people from all parts of the world together. As publishers and developers of games across platforms such as PC and mobile in the domestic and foreign game markets, we have various IPs, contents, and our own game development capabilities.

### Purpose and the Scope

Kakao Games considers safety and health as one of the core priorities and strives to promote harmony with other business activities.

In order to provide a safe and healthy environment for employees, partners, and customers, we have established an implementation policy and management system to promote continued improvements on any risk factors being identified.

This safety and health management policy is applied to the overall activities of Kakao Games.

In addition, this policy is applied to all stakeholders, including subsidiaries, customers, and partners, in the same scope.

### Implementation Guidelines

#### 1. Compliance with safety and health laws and regulations

Kakao Games complies with safety and health-related laws, management regulations and strives to create Kakao Games that is safe for everyone by enforcing strict safety and health measures in our corporate governance.

#### 2. Improvement on risk factors tailored to industry characteristics

We aim to continuously identify risk factors specific to the game industry and strive relentlessly to prevent and eliminate any risk factors that are discovered.

#### 3. Efforts to create a safe and pleasant environment

We aim to provide a safe and pleasant environment that promotes safety and health of employees, partners, and customers.

#### 4. Raising awareness of safety culture at home and abroad

Kakao Games prioritizes the strengthening of safety culture and fulfills our social responsibility toward people's safety and health.

### Management System

Kakao Games has appointed the head of the Krew(Kakao+Crew) Support Department to oversee the safety and health policy management at the workplace. The Krew Support Department is responsible for setting goals, developing guidelines, and the enforcement of the safety and health policy, as well as office space's physical compliance with the policy and continued improvements thereof where necessary.

In addition, the Occupational Safety and Health Committee has been formed to introduce a new safety and health system, discuss important matters together, and conduct risk assessment, improvement, and prevention activities appropriate for the video game industry.

### Document Summary

Category	Description
Initial Establishment Date	2023.04.04
Recent Revision Date	2024.06.17
Responsible Organization	Krew Support Department
Details of Establishment/Revision	Reflecting reorganization
Administrator (Responsible Executive)	ESG Committee

## Kakao Games Fair Trade Policy

### Overview

Kakao Games is a company that makes daily life fun for many people, and we provide games that are easy and fun for all, and are suitable to enjoy together. We at Kakao Games dream of games that bring people from all parts of the world together. As publishers and developers of games across platforms such as PC and mobile in the domestic and foreign game markets, we have various IPs, contents, and our own game development capabilities.

### Purpose and Scope

Through fair trade practices, Kakao Games seeks to increase reliability by ensuring transparency and fairness in transactions and thereby improving customer satisfaction and sustainable growth. This policy applies to Kakao Games, its employees, and those who perform business on behalf of the Kakao Games and practices fair trade policies within the scope of all Kakao Games' transactions. Furthermore, Kakao Games expects our business partners and their employees to comply with this policy.

### Implementation Guidelines

#### 1. Compliance with fair trade regulations

In order to maintain a fair trade order in all transactions conducted by Kakao Games, Kakao Games complies with international standards and local laws related to fair trade.

#### 2. Pursuing mutual benefits and joint development

Kakao Games does not engage in unfair acts using superior status and pursues mutual interests and joint development with all counterparties.

#### 3. Fair subcontracting transactions

Kakao Games carries out fair subcontracting by securing fairness and transparency in the subcontracting process.

#### Fair Trade Management System

##### 1. To practice and manage fair trade, specialists are assigned to review the legality and fairness of transactions.

- ① Kakao Games has designated a department that monitors and manages fair trade measures across the business.
- ② The department in charge reviews transactions between various affiliates under the Monopoly Regulation and Fair Trade Act.
- ③ The department in charge also reviews the legality and fairness of new transactions and new businesses.
- ④ The department in charge may oversee the affairs, such as checking the status of transactions to eliminate possibilities of unfair trade, establishing fair trade policies, checking implementation status, and establishing detailed standards and procedures necessary for the management of fair trade by parts, such as purchases and projects.

##### 2. Kakao Games provides regular training so that employees can fully understand this policy and establishes points of contact to discuss fair trade-related concerns and issues.

- ① Kakao Games provides fair trade education and counseling for our employees.
- ② Kakao Games takes all necessary measures to ensure that all employees understand the necessity of fair trade and the importance of its practice.

##### 3. Kakao Games has established a point of contact to report acts that are contrary to this policy, and employees who violate the policy are imposed with disciplinary action in accordance with the relevant regulations.

- ① Kakao Games has designated a department responsible for reporting violations of fair trade.
- ② When the employees become aware of a violation of fair trade, they shall report the matter to the department in charge in the fastest and most convenient way.
- ③ The department in charge may, if necessary, verify the facts of the reported case, and the relevant employees are required to provide active cooperation in this regard.
- ④ Kakao Games does not penalize the informant or the reporter, or divulge their identity.

#### Document Summary

Category	Description
Initial Establishment Date	2023.04.04
Recent Revision Date	2024.06.17
Responsible Organization	Legal/Compliance Department
Details of Establishment/Revision	Refining the wording
Administrator (Responsible Executive)	ESG Committee

## Kakao Games User Rights Protection Policy

### Overview

Kakao Games is a company that makes daily life fun for many people, and we provide games that are easy and fun for all, and are suitable to enjoy together. We at Kakao Games dream of games that bring people from all parts of the world together. As publishers and developers of games across platforms such as PC and mobile in the domestic and foreign game markets, we have various IPs, contents, and our own game development capabilities.

### Purpose

Kakao Games considers customer satisfaction as its top priority and strives to ensure that all users can seek continuous enjoyment in a safe and reliable environment.

We have established an implementation policy and management system to protect user rights and interests so that users' valuable opinions can be reflected actively in the service, and we would like to present this through this user rights protection policy.

### Objectives

- ① We strive to create a healthy service environment and protect youth from harmful environments.
- ② We take all necessary measures to provide a stable service environment by checking possible damage to users from the internal and external environment in advance.
- ③ We work relentlessly to create a fair trade order by providing information in a transparent manner.
- ④ We strive to actively handle opinions and complaints raised by users to improve service quality.
- ⑤ We introduce measures to create a communication environment where users can receive information quickly and conveniently and convey their opinions.

### Implementation Guidelines

#### 1. Protecting youth safely from harmful information

- ① Kakao Games implements youth protection policies to protect teenagers from harmful environments such as pornography and illegal activities, and to establish a service use environment that anyone can trust and use safely.
- ② Age certification devices are applied to the services so that appropriate levels of content can be provided to teenagers, and cases reported as harmful information are deleted and sanctioned through legal procedures.
- ③ We are actively monitoring activities that are harmful to teenagers by designating youth protection managers separately, and conducting real-time monitoring of the overall game service to prevent harmful information from being exposed to teenagers.
- ④ We are doing our best to ensure that teenagers can use the service in a safer environment by educating individual service operation organizations on rating standards and procedures for youth usage and methods for handling harmful information.

#### 2. Prevention of infringement of user rights and restoration in the event of damage

- ① In order to guarantee users' legitimate rights, Kakao Games is striving to prevent violations that may occur during service use preemptively, and to recover from damages in case of rights violations due to unjust acts.
- ② We operate a reporting center for abusive and violent chats and apply a prohibited word setting system in the service, delete portrait rights, privacy violations, and defamation in accordance with operating policies, and take active measures to cooperate with investigative agencies where necessary.
- ③ In addition, if a user suffers damage due to the company's negligence while using the service, the user is compensated for the damage in

accordance with the relevant laws and service terms and conditions. In addition, Government Relations & Policy Department (hereinafter referred to as GR Department) and related departments are in charge of closely investigating the damage and providing support with the recovery of the damage according to the severity of the case.

#### 3. Creating a fair trade order by providing transparent information

- ① Kakao Games complies with related laws such as the E-Commerce Act and the Consumer Protection Act, and provides information related to the use of products and services to ensure reasonable consumption by users and establish a fair and transparent transaction order.
- ② We pay close attention to the display and design of information to prevent errors, misunderstandings, and mistakes by consumers, and in particular, we guarantee the user's right to know by disclosing detailed information about probability content in game services. If a complaint regarding product information is filed, the relevant departments, including GR Department, conduct a thorough investigation and verification.
- ③ We are striving to create a culture of fair transactions between operators and users by cooperating actively with requests from arbitration agencies to resolve disputes related to service use.

**4. Collection of user feedback and service improvement**

- ① Kakao Games is striving to improve content quality and maintain stable service operation by collecting user opinions in a balanced manner through various channels.
- ② We operate bug and fault reporting centers in individual services, receive user opinions quickly, and the department in charge adopts technical and management measures to improve them. In addition, we listen to users' voices related to service operation and provide appropriate feedback through various communication channels such as official cafes, customer centers, and hotlines.
- ③ In addition, we make continual efforts to provide better services by conducting surveys for users on an irregular basis to check content satisfaction and identify new tasks to enhance system convenience.

**5. Delivering services that everyone can relate to and enjoy**

- ① Kakao Games continues to pursue challenges to improve digital accessibility and secure diversity of content so that anyone can use the services equally regardless of the user's tendency or physical disability.
- ② Considering the characteristics of the games, we provide a color weakness mode for the weak and a font expansion function for the elderly and the weak, and study ways to make it easier for disabled persons to access the games through a project to provide auxiliary devices for game use.
- ③ Dedicated personnel are assigned to secure diversity in content. Discrimination based on origin, religion, and sexual orientation is prohibited through service operation policies, and user opinions are collected in an open-minded manner on diversity issues in the service.

**Management System**

The overall supervision of the user rights protection policy is carried out by GR Department. GR Department sets detailed goals to increase users' rights and interests with related departments, and continuously improves and conducts internal education through policy and guide preparation accordingly. Furthermore, such as periodically checking the operation of each service and the protection of user rights, we create a game environment where anyone can play games safely and happily at any time.

**Document Summary**

Category	Description
Initial Establishment Date	2023.04.04
Recent Revision Date	2024.06.17
Responsible Organization	External Cooperation Department
Details of Establishment/Revision	Reflecting reorganization
Administrator (Responsible Executive)	ESG Committee

## Kakao Games Information Security Policy

### Overview

Kakao Games is a company that makes daily life fun for many people, and we provide games that are easy and fun for all, and are suitable to enjoy together. We at Kakao Games dream of games that bring people from all parts of the world together. As publishers and developers of games across platforms such as PC and mobile in the domestic and foreign game markets, we have various IPs, contents, and our own game development capabilities.

### Purpose and Scope

we have established an implementation policy and management system for information and privacy security to ensure providing safe game services and customers' right and interests. We would like to present this through this information security policy.

### Implementation Guidelines

#### 1. Strengthening privacy protection in all business activities

Technical, administrative, physical, and organizational measures are prepared and operated to protect personal information and company data proactively. Privacy is one of the company's core values, and we continue to train all employees to emphasize and practice the principles of information security.

#### 2. Protection of customers' rights and interests

Protection of personal information prevents unauthorized breach or abuse of personal information and protect customers' rights and interests to improve service reliability.

Kakao Games guarantees the rights of information subject as required by global regulations related to personal information protection. We

transparently disclose activities related to personal information processing and respect the fair freedoms and rights of information subjects.

#### 3. Provision of secure service

Kakao Games complies strictly with domestic and foreign regulations related to information and privacy security, reflecting these in in-house regulations to provide safe game services and protect personal information.

We operate a system to identify and respond to personal information protection risks, taking appropriate measures to securely protect information.

#### 4. Securing transparency in personal information processing

In order to secure the transparency of users' personal information processing, Kakao Games discloses information through a privacy policy, making it easier for users to understand how their personal information is handled.

#### 5. Prevention and inspection of information security incidents, establishment and operation of monitoring systems

To provide sound and safe game services, we are reviewing vulnerabilities such as modulation and analysis of resources and supplementary measures.

In addition, in accordance with the relevant laws and regulations, we operate a 24-hour control system that remains prepared for and quickly identifies leakage of personal information and associated regulations. We are preparing countermeasures and improvement measures that enable us to respond immediately to accidents, and we will do our best to inform all stakeholders of the accident and prevent additional damage.

### Management System

Kakao Games appoints the Chief Information Security Officer (CISO) and the Chief Privacy Officer (CPO) in compliance with the selection criteria set by the Act on Promotion of Information and Communications Network Utilization and Information Protection and the Personal Information Protection Act. The CISO is the head of the Information Security Department in the Tech Center and establishes information protection strategies and oversees information protection tasks. The CPO, who is responsible concurrently for the CTO position, oversees the privacy protection tasks such as establishing and implementing personal information protection plans, regularly investigating and improving the status and practices of personal information processing, handling grievances related to personal information processing, and providing remedies for damages. The Information Security Department protects the Company's data, complies with relevant regulations, and manages the level of information security through continuous improvement.

### Document Summary

Category	Description
Initial Establishment Date	2024.06.17
Recent Revision Date	-
Responsible Organization	Information Security Department
Details of Establishment/Revision	-
Administrator (Responsible Executive)	ESG Committee

## Kakao Games Anti-Corruption / Bribery Policy

### Overview

Kakao Games is a company that makes daily life fun for many people, and we provide games that are easy and fun for all, and are suitable to enjoy together. We at Kakao Games dream of games that bring people from all parts of the world together. As publishers and developers of games across platforms such as PC, mobile and VR in the domestic and foreign game markets, we have various IPs, contents, and our own game development capabilities.

### Purpose and Scope

By preventing the occurrence of corruption/bribery acts that damage Kakao Games' tangible and intangible assets and hinder the fair performance of duties by employees, Kakao Games aims to establish transparent management and ethical management, leading to enhancement of client and stakeholder satisfaction and continuous growth. This policy applies to Kakao Games, its employees, and those who perform business on behalf of Kakao Games and practices anti-corruption and anti-bribery policies within the scope of all Kakao Games' transactions. Furthermore, Kakao Games expects our business partners and their employees to comply with this policy.

### Implementation Guidelines

#### 1. Bribery

Under no circumstances will we accept or offer bribes to stakeholders, including public officials, nor will we promise to do so. Bribery refers to any form of benefit given or received to obtain monetary or non-monetary objectives, including money, services, entertainment, gifts, donations, sponsorships, preferential treatment, and conveniences.

#### 2. Improper solicitation

We prohibit improper solicitations between employees and stakeholders, or among internal employees. Employees must not use their superior or dominant position to make unreasonable demands or receive compensation from stakeholders. Additionally, stakeholders must not be induced or solicited to engage in unfair transactions with Kakao Games or its partners, nor should transactions be conducted under favorable conditions without sufficient justification.

#### 3. Gifts and entertainment

We do not receive souvenirs and gifts that exceed simple levels acceptable under social norms, and congratulatory or condolence money or valuables must not exceed the customary level as defined by laws and social conventions.

#### 4. Donations and Sponsorships

Charitable donations and sponsorships are carried out fairly in accordance with internal execution standards and procedures, and those for political purposes are prohibited.

### Management System

#### 1. Monitoring

Kakao Games may regularly or irregularly monitor and investigate compliance with these regulations, and all employees must actively cooperate with such investigations. In cases where acts of corruption/bribery occur or attempts at corruption/bribery are detected, we conduct continuous monitoring on the involved employees and the targets of corruption/bribery.

#### 2. Actions in case of violations

Employees who violate this policy may be subject to disciplinary action in accordance with relevant regulations.

### Document Summary

Category	Description
Initial Establishment Date	2024.06.17
Recent Revision Date	-
Responsible Organization	Legal/Compliance Department
Details of Establishment/Revision	-
Administrator (Responsible Executive)	ESG Committee

## Independent assurance opinion statement

### To: The Stakeholders of Kakao Games Corp.

#### Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the Kakao Games ESG Report 2023 (hereinafter referred to as the "Report"). The Assurer is independent of the Kakao Games and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the Kakao Games report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the Kakao Games and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

Kakao Games is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Kakao Games only.

The Assurer is responsible for providing Kakao Games management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Kakao Games. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than Kakao Games in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

#### Scope

The scope of engagement agreed upon with Kakao Games includes the following:

- Reporting contents during the period from January 1st to December 31st 2023 included in the report, some data included the half of 2024.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI and SASB.
- Other related additional information such as the website, business annual report.

#### Assurance Level and Type

The assurance levels and types are as follows:

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

### Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by Kakao Games.

#### [Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

#### [Topic Standards]

201-1~3, 202-1, 203-1~2, 205-1~3, 206-1, 207-1, 207-4, 302-1~4, 303-3, 305-1~5, 306-3, 401-1~3, 402-1, 403-1~9, 404-1~3, 405-1~2, 406-1, 413-1, 418-1

### Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities:

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the Kakao Games HQ(Alphadom tower) to confirm the data collection processes, record management practices.

### Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

### Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Kakao Games. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

### Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that Kakao Games's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

## Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

### Inclusivity: Stakeholder Engagement and Opinion

Kakao Games defined customers, employees, partners, shareholders/investors, communities and governments as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. Kakao Games conducted a review of the stakeholder engagement process at the governance level in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. Kakao Games disclosed the results related to the process in the Report.

### Materiality: Identification and reporting of material sustainability topics

Kakao Games implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. Kakao Games conducted benchmarking and media analysis of similar companies and global sustainability reporting standards/frameworks analysis. Kakao Games derived 5 material topics through the relevant process, disclosed GRI topic standards disclosures related to material issues in the Report.

### Responsiveness: Responding to material sustainability topics and related impacts

Kakao Games operated a management process for material topics in the context of sustainability derived from the materiality assessment. Kakao Games established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. Kakao Games managed ESG management body, disclosed key response achievements such as related performances and improvement measures in the Report.

## Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Kakao Games identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material topics reported. Kakao Games identified material topics by reflecting the impact of the overall value-chain, which includes the business areas. Kakao Games established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material topics, disclosed mid- to long-term plans and strategic system in the Report.

### Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosure were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic Standards: 205-1, 205-2, 205-3, 206-1, 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5, 401-2, 401-3, 404-3, 418-1

### Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance:

- In accordance with the company-wide ESG vision and strategic system of the Kakao community, It may be helpful to advance the sustainability management system by disclosing concreate ESG strategies and goals unique to Kakao Games and annual performance and improvement plans.
- It may be effective to establish the sustainability performance indicator management system for Kakao Games and its major consolidated subsidiaries, and to secure the completeness and accuracy of sustainability performance indicators based on the operation of internal control procedures.

### GRI-reporting

Kakao Games provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by Kakao Games. The sector standard was not applied.

Issue Date: 25/06/2024

For and on behalf of BSI (British Standards Institution):

BSI representative



Jungwoo Lee, Lead Assurer, ACSAP



Seonghwan Lim, Managing Director of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea

Hold Statement Number: SRA 809641

## GHG Verification Statement

### Kakao Games Corp.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1,2&3) of Kakao Games Corp. (hereinafter "the Company") in 2023.

#### SCOPE

Verification of places of business and emission facilities under the control of the company and its affiliated companies.

#### STANDARDS

- ▶ ISO 14064-1:2018, ISO 14064-3:2019
- ▶ IPCC Guidelines for National Greenhouse Gas Inventories
- ▶ Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- ▶ WRI/WBCSD GHG Protocol

#### PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

- Interview with the person in charge of data and record management
- Reviewed data and record-keeping processes
- Reviewed sources and criteria for emission factors and parameters
- Reviewed additional evidence provided by the company

#### INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

#### LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

#### OPINIONS

- ▶ The assurance opinion is based on our approach and the professional judgment of the assurance practitioner. Nothing has come to our attention that causes us to believe that we have not complied with all material aspects of the Assurance Standard.
- ▶ The assurance engagement was performed to satisfy a limited assurance level, and the assurance risk is higher than a reasonable assurance level.
- ▶ We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated.
- ▶ Criticality: meets the criterion, which is less than 5%

## GHG Verification Statement

### ▶ GHG emissions and Energy consumption

GHG emissions	Scope1 (Direct emission)	Scope2 (Indirect emission)	Scope3 (Other indirect emission)	Total (tCO <sub>2</sub> -eq)
2023	91.131	636.536	5,013.600	5,741

Energy consumption	Fuel	Electricity	Steam	Total (TJ)
2023	1.519	13.064	0.308	14

\* Total and itemized emissions may differ due to rounding

### ▶ Scope 3 emissions

NO	Scope 3 Category	Emissions(tCO <sub>2</sub> -eq)
1	Purchased goods and services	4,741.244
2	Capital goods	37.018
3	Fuel and energy related activities	76.688
5	Waste generated in operations	6.028
6	Business Travel	152.621

### RESULTS

▶ Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

June 17, 2024



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# kakaogames

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