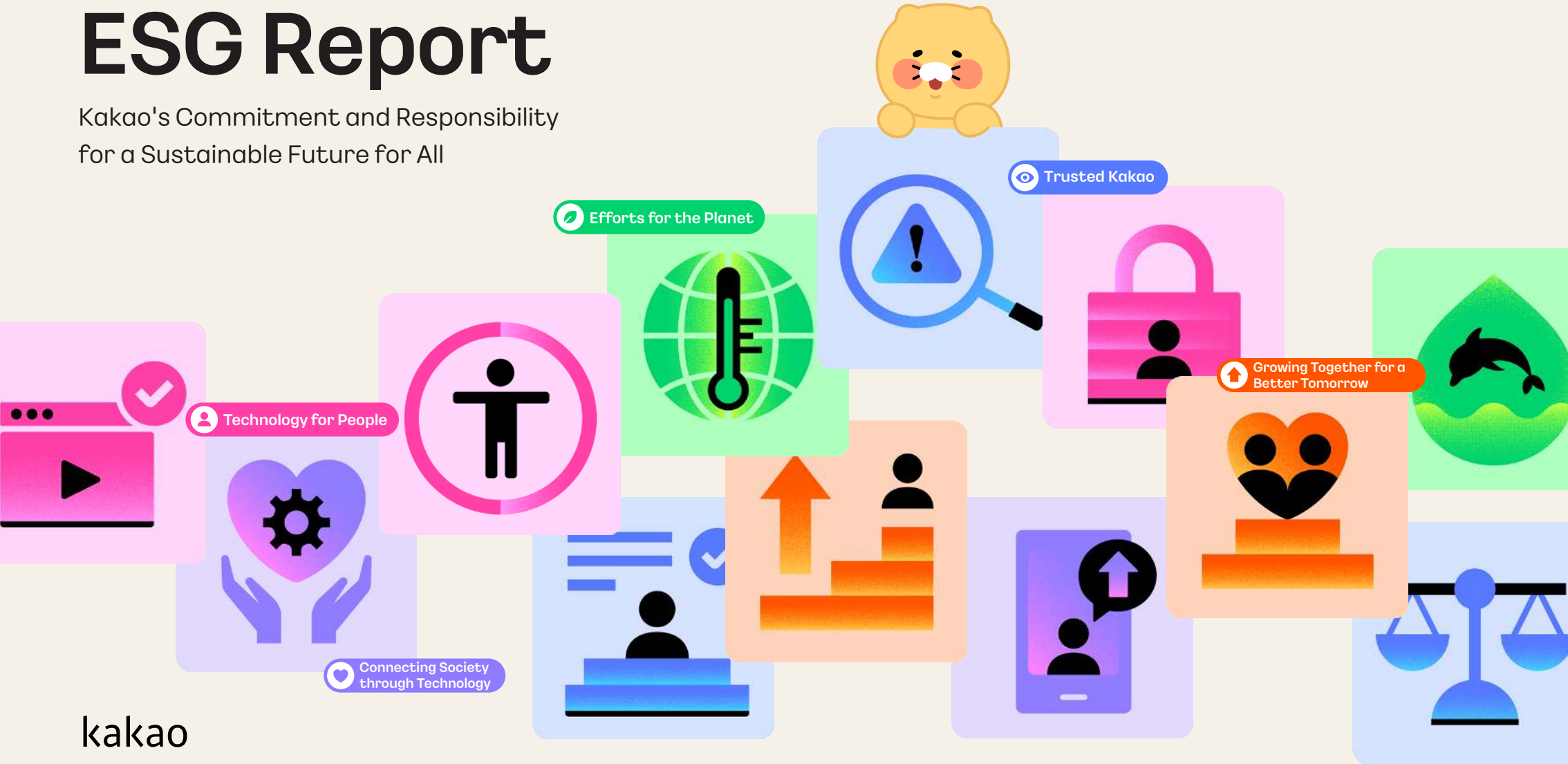
2024

Kakao ESG Report

Kakao's Commitment and Responsibility for a Sustainable Future for All



kakao

About this report

Report Overview

Kakao publishes its ESG report annually to communicate the company's commitments and responsible actions toward creating a better world. Through this report, we aim to communicate transparently with our stakeholders by disclosing the performance outcomes across environmental, social, and governance (ESG) areas. (Date of Publication: July 2025)

Reporting Standards

This report has been prepared in accordance with the GRI Standards 2021, the international sustainability reporting framework, and complies with the Internet Media & Services industry standard of the Sustainability Accounting Standards Board (SASB). It also reflects the requirements of IFRS S1 and S2 issued by the International Sustainability Standards Board (ISSB). Unless otherwise noted, financial performance is reported based on the consolidated financial statements prepared in accordance with Korean International Financial Reporting Standards (K-IFRS). As a member of the United Nations Global Compact, we comply with its Ten Principles in the areas of human rights, labor, environment, and anti-corruption, and we incorporate our actions toward achieving the Sustainable Development Goals (SDGs).

Reporting Period

The reporting period covers January 1, 2024 to December 31, 2024. Some information from prior to 2024 or from the first half of 2025 is also included and is clearly marked within the report. Quantitative data is provided for the past three years (2022—2024) to enable year-over-year trend analysis.

Reporting Scope

Financial performance is based on consolidated data, while non-financial performance is based primarily on Kakao's domestic business sites and individual legal entities. Certain environmental and social performance data include the results of major affiliates, which are reported under the Kakao Group ESG section to reflect the broader ESG activities of the Kakao Group.

Report Reliability

To ensure the credibility of both the report development process and the disclosed information, Kakao obtained third-party verification from an independent assurance agency, BSI Korea, for all reported data except for the "Kakao Group ESG" section. The verification was conducted in accordance with AA1000AS v3, Moderate Level, Type 2.

Report Inquiries

For inquiries regarding this report, please contact Kakao ESG Management.

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Part. 1 Introduction

Kakao's Mission 04
Message from the ESG Committee Chair 05
Message from the CEO 06
About Kakao 07
Business Portfolio 08

Part. 2 Our Commitment

ESG Highlight 12
ESG Management System 14
Stakeholder Communication 16
Double Materiality Assessment 17

Part. 3 Sustainable Management

Material Issue

User Protection 22
Privacy Protection and Information Security 32
Climate Change Response 46
Integrated Risk Management 59

General Issue

Efforts for the Planet 64
Technology for People 74
Growing Together for a Better Tomorrow 88
Connecting Society through Technology 106
Trusted Kakao 116

Part. 4 Kakao Group ESG

ESG Activities and Performance of Kakao Group 129
Kakao Group's ESG Initiatives 136

Part. 5 Appendix

Introduction to Kakao Affiliates 140
Detailed Reporting Scope and Standards 142
ESG Data 143
GRI Standards 2021 Index 154
SASB Index 157
IFRS S1·S2 Index 158
UN Global Compact 158
UN SDGs 159
Kakao's ESG Policies and Regulations 160
Membership in Associations 161
Major Awards and Recognitions 161
Greenhouse Gas Verification Statement 162
Third-Party Assurance Statement 164

Introduction

004 Kakao's Mission
005 Message from the ESG Committee Chair
006 Message from the CEO
007 About Kakao
008 Business Portfolio

Kakao's Mission

Kakao Vision House

To fulfill our reason for being—Kakao brings the future we need closer, using technology that understands people—Kakao has established four key goals and promises: Focus on the Heart of the Problem, Lead with Today's Technology, Create a Safe Digital Environment, and Promote Social Value. In addition, Kakao has defined four principles that Kakao Krew (executives and employees) can apply in their work to collectively realize these goals and promises.

Mission

Kakao brings the future we need closer, using technology that understands people

Goal & Promise

Focus on the Heart of the Problem

We explore businesses and services that genuinely solve user problems, starting with questions rooted in the user's perspective.

Lead with Today's Technology

We expand new relationships and conversational experiences through technology that meets the needs of our era.

Create a Safe Digital Environment

We strive to build a safe digital environment for everyone, grounded in user trust.

Promote Social Value

We work toward a future where both users and partners grow together.

Core Value

Integrity

We prioritize Kakao's mission over personal goals.

User-Centric

We ask ourselves whether something is truly necessary for our users.

Challenge for Excellence

We never stop striving to deliver the best possible results.

Team Synergy

We collaborate as one team to achieve our common goals.

Introduction
Kakao's Mission
Message from the ESG Committee Chair
Message from the CEO
About Kakao
Business Portfolio
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix

Message from the ESG Committee Chair

Greetings to all,

I am Se-Jung, Choi,
Chair of Kakao's ESG Committee.

We extend our sincere gratitude to our users, shareholders, stakeholders, partners, and Kakao Krew who have placed their trust in Kakao and supported us by giving their best in their respective roles. Thanks to the collective interest and dedication of many, Kakao has been able to continue making meaningful strides toward a sustainable future. In 2024, the ESG Committee of the Board of Directors also worked in tandem with the company to ensure that key decisions and ESG initiatives were aligned with sustainability goals.

To strengthen our growing responsibility in the digital space, Kakao has continued to build trust in its services by enhancing user protection and accessibility. Starting in 2024, we have published the "Kakao Talk Safety Report" twice a year to transparently disclose our phishing detection and response efforts. As part of our Barrier-Free Initiative, we conducted regular accessibility assessments and identified 5,472 improvements across 44 services, all of which have been reflected in our service enhancements. These efforts to ensure user safety in everyday life and to create inclusive, barrier-free services lie at the heart of Kakao's commitment to responsible platform operation.

On the front of shared growth, our "Project Dangol" has continued to deliver meaningful results in supporting small businesses with digital transformation. By 2024, we had provided education and supported around 2,800 local merchants to setup Talk channels leading to the acquisition of about 730,000 new customers and contributing to the revitalization of local businesses. This effort was recognized with the 2024 Korea Shared Growth Grand Prize, a milestone that affirms the value of our commitment.

In response to the climate crisis, we are reinforcing the execution of our Active Green Initiative, a proprietary program designed to achieve our 2040 Net Zero target. We also doubled our renewable energy sourcing compared to the previous year. Following the Jeju and Pangyo offices, our Ansan Data Center earned ISO 14001 certification for environmental management, and we continue to manage environmental risks systematically through regular inspections and environmental impact assessments.

In 2025, we will strengthen our ESG management with even more substantive outcomes by closely monitoring risk and opportunity factors related to key ESG issues. We are committed to meeting the expectations of users and society, while further amplifying the positive impact of technology and our platforms.

We ask for your continued warm interest and support as Kakao embraces change and new challenges.
Thank you.

Se-Jung Choi, Chair, ESG Committee, Kakao

Introduction
Kakao's Mission
Message from the ESG Committee Chair
Message from the CEO
About Kakao
Business Portfolio

Our Commitment

Sustainable Management

Kakao Group ESG

Appendix

Message from the CEO

To our valued stakeholders,

I am Shina Chung,
CEO of Kakao.

It is my pleasure to present the fifth edition of Kakao's ESG report, "Kakao's Commitment and Responsibility."
In 2024, Kakao took the opportunity to reflect on the essence of ESG and to articulate more concrete, responsible actions. Today, ESG is no longer an optional pursuit; it has become a core standard that determines corporate sustainability and competitiveness. Kakao has responded to this shift by exercising the influence of its technology and platforms with responsibility and by striving for sustainable growth based on trust with all stakeholders.

In 2024, Kakao recorded a consolidated revenue of KRW 7.8716 trillion and an operating profit of KRW 460.2 billion. To align with global market dynamics and enhance our corporate value, we undertook an organizational restructuring in 2025. In particular, we aim to drive innovation centered on artificial intelligence (AI) by strengthening our in-house model development capabilities and accelerating service transformation, thereby pursuing both technological innovation and qualitative growth.

We also recognize the growing societal demand not only for growth, but for greater transparency in governance and responsible management. In line with our recognition of the importance of fair trade compliance, we joined the "Kakao Group Fair Trade Compliance Joint Pledge" and introduced a fair trade compliance program. As part of our commitment to responsible management, we have also established and implemented a mid- to long-term shareholder return policy on a three-year cycle to strengthen shareholder-focused governance.

Furthermore, as we advance our AI-based services, we fully recognize the importance of tech ethics, privacy protection, and data security, and have strengthened our systems to manage these areas effectively. To manage these responsibly, we have strengthened our internal frameworks. We established an AI Safety organization and introduced the Kakao AI Safety Initiative (Kakao ASI)—a framework for identifying and managing risks that may arise in the development and operation of AI. In addition, to ensure service stability, we have implemented a management system designed to maintain business continuity in the event of disruptions or disasters. We also obtained certification for our Business Continuity Management System (ISO 22301).

Under our group-wide shared growth slogan, "Closer with Kakao," we continue to realize co-prosperity with a diverse range of stakeholders. We remain committed to social contribution activities based on technology and services, such as the Senior Digital School to bridge the digital divide and digital transformation support for small businesses. Through these efforts, we aim to narrow digital gaps, support business success by connecting partners and customers, and provide a foundation for the growth of future developers and creators.

Kakao will continue to respond proactively to the challenges our society faces—through responsible management, safe utilization of AI technology, and digital inclusion. We will work together with users, partners, and future generations to build a better tomorrow.

Thank you.

Shina Chung, CEO, Kakao

Introduction
Kakao's Mission
Message from the ESG Committee Chair
Message from the CEO
About Kakao
Business Portfolio
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix

About Kakao

Kakao is a mobile life platform that delivers innovative lifestyle services in the global mobile and internet markets, leveraging its specialized talent, technological capabilities, content competitiveness, and high mobile traffic. Under our mission—Kakao brings the future we need closer, using technology that understands people—we dedicate all our resources to developing services that enhance the daily lives of users and providing the technologies needed to realize them.

About Us

Company Name	Kakao Corp.
Date of Establishment	February 16, 1995 (Merger Date of Daum Communications Corp. and Kakao Corp.: October 1, 2014)
CEO	Shina Chung
Headquarters	242, Cheomdan-ro, Jeju-si, Jeju-do, Republic of Korea
Number of Krew Members	4,028 (Based on Kakao standalone)

Financial Performance

Revenue	KRW **7.8716 trillion**
Operating Profit	KRW **460.2 billion**
Credit Rating	**AA** by NICE Investors Service (Outlook: Positive)

Major Affiliates Overview

kakaopay, kakao ENTERTAINMENT, kakaogames, kakaomobility, kakaoinvestment, kakaopiccoma, kakaoenterprise, kakaoventures, kakaohealthcare, kakaostyle, KnWorks, dktechin, Linkage Lab

Global Network

Excluding Korea, Kakao has established a global network with 67 subsidiaries across 16 countries worldwide.

Introduction
Kakao's Mission
Message from the ESG Committee Chair
Message from the CEO
About Kakao
Business Portfolio
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix

Business Portfolio

Platform Business

Talk Biz

Centered around KakaoTalk, Korea's No.1 messenger, we offer a range of mobile services and generate synergies among various businesses within the KakaoTalk-driven mobile ecosystem.

The Beginning of All Connections toward People and the World

KakaoTalk

Korea's leading messenger that adds new value of connection and relationships to daily life and creates synergy through connections with various businesses within the mobile ecosystem.

Monthly Active Users (MAU):
48.95 million in Korea (As of December 2024)

Our New Language

Kakao Emoticons

Provides various forms of emoticon services by building an ecosystem that grows together with webtoon and character creators.

Cumulative number of emoticons sent: 280 billion
Cumulative subscribers to Emoticon Plus: 13 million

Making Everyday Life Simpler and More Convenient

KakaoTalk Wallet

A digital wallet that allows users to manage both identity verification and financial assets within KakaoTalk, just like a physical wallet.

Number of users: 40 million
Cumulative issuance of digital certificates:
10 million (As of April 2024)

Connecting All Interests in the World

KakaoTalk Open Chat

A non-acquaintance-based chat service that allows users to start topic-based and event-based conversations with others without adding friends through phone numbers or Talk IDs.

KakaoTalk Channel, Consultation Talk, Notification Talk, Kakao Biz Board

Kakao Business

We offer business services such as KakaoTalk Channel (formerly Plus Friends), Kakao Biz Board, Consultation Talk, and Notification Talk—leveraging KakaoTalk as a powerful business tool.

The Easiest Way to Express Your Heart

KakaoTalk Gift

A mobile commerce platform built on KakaoTalk that leads the culture of conveniently gifting between friends.

Talk Your Way through Shopping / Friendly Live Commerce

Kakao Talk Deal/ Kakao Shopping Live

Users can easily place orders for Talk Deal items using their Kakao ID.
Kakao Shopping Live helps convey spatial and experiential aspects of products that are difficult to express online through real-time interaction.

Meaningful Consumption, Sustainable Production

Kakaomakers

A mobile made-to-order production platform that manufactures and sells products in line with actual demand.

Cumulative transaction volume:exceeded KRW 1 trillion
Participating manufacturers and creators:over 8,080
Products sold:over 36.07 million(As of January 2025)

Introduction
Kakao's Mission
Message from the ESG Committee Chair
Message from the CEO
About Kakao
Business Portfolio
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix

Business Portfolio

Platform Business

Portal Biz

Through the Daum portal site, we provide a variety of internet-based services. By leveraging the rich content across the Kakao ecosystem and applying advanced search technologies, we offer user experiences that deliver satisfaction and convenience.

Smart Mobile Life

Daum

Daum is one of Korea's leading portal sites, offering a wide range of internet-based services such as search, email, communities, shopping, and finance.

KakaoStory, Tistory, Brunch Story

Story

Kakao Story
A social networking service where users can share and subscribe to real-time updates about everyday moments, areas of interest, and brand or business-related content.

Tistory
An open-source blog platform that allows users to design and personalize their blog according to their tastes and preferences.

Brunch Story
A content publishing platform that provides an environment where users can focus solely on writing.

TechFin & Finance

Kakao Pay offers various financial services such as remittance, payment, investment, and insurance—all accessible via KakaoTalk.

Finance with Peace of Mind

Kakao Pay

Korea's No.1 all-in-one financial platform, offering innovative everyday financial services that eliminate the inconveniences of traditional financial activities.

Mobility & Others

We go beyond transportation to integrate mobility into every aspect of daily life—optimizing the movement of people, goods, and services for a freer, more convenient user experience. We also expand our IP business through diverse content creation centered around Kakao Friends.

For Everyone's Mobility

Kakao T

A comprehensive mobility platform that allows users to easily and conveniently access a wide range of transportation services—including taxis, designated drivers, bikes, navigation, parking, trains, and flights—all in a single app.

Location-Based Live Platform

Kakao Map

A map service that provides everything from route guidance for various means of transportation to subway information for the transportation disadvantaged and themed location introductions.

Joy in Daily Life

Kakao Friends & Niniz

We provide various experiences online and offline using Kakao Friends and create "experiential content" beyond "viewing content" in various fields.

Introduction
Kakao's Mission
Message from the ESG Committee Chair
Message from the CEO
About Kakao
Business Portfolio
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix

Business Portfolio

Content Business

Games

Through Kakao Games—a global full-service game company with capabilities spanning the entire value chain from PC/console and mobile game development to publishing and platform services—we are expanding the reach of K-Games.

A World Where Everyday Life Becomes a Game!

Kakao Games

We are expanding our global gaming business through a strategy of diversification across genres and platforms.

Key Lineup: Odin: Valhalla Rising, ArcheAge WAR, Path of Exile 2, Battlegrounds, Umamusume: Pretty Derby

Music

We are scaling K-Pop globally by covering the entire value chain—from music and artist IP planning and production to distribution and streaming platforms.

Only the Music I Love

Melon

Korea's leading music platform that has built market leadership through differentiated services combining music and IT technology.

Music Production & Distribution

Kakao Entertainment

We secure global mega IPs and maintain a robust domestic and international music distribution network through investment in the planning and production of artists and music.

Story

We are expanding K-content in global markets through super IPs.

Capturing Every Story in the World

KakaoPage

The largest webtoon and web novel platform in Korea, operated by Kakao Entertainment, and the nation's leading IP business operator. Kakao Entertainment pioneered the industry's monetization by introducing the "Wait-and-Read-for-Free" business model in 2014, playing a key role in shaping today's webtoon and web novel ecosystem.

Ranked No.1 in book app revenue in the Korean market, across both major app stores (Sensor Tower, as of May 2024)

Worlds Never Seen Before

Kakao Webtoon

The top domestic platform for original webtoon IPs that has produced numerous global hits such as Moving, The Uncanny Counter, and Itaewon Class.

Stories you crave

Tapas

Kakao Entertainment's Global Story IP Business Platform

A World of Content in Your Hands, Anytime, Anywhere

Piccoma

Operated by Kakao Piccoma Co., Ltd., Kakao's Japanese subsidiary, Piccoma is a digital manga and social platform offering e-book formats of Japanese manga and novels, as well as webtoons from Korea, Japan, and China.

2024 Annual Transaction Volume: Over JPY 100 billion
Ranked No.1 in total consumer spending among all apps (including games) in Japan for two consecutive years (Source: data.ai)

Media

Our media business is built on differentiated studio capabilities anchored in creators, actors, and super IPs.

Media Business

Kakao Entertainment

We operate a multi-studio system with capabilities in planning and producing unique video content, and we offer diverse stories and genres that transcend platform boundaries.

Technology, Tech & Other Businesses

New Initiatives

To become an AI that enhances quality of life, we are building a technology-driven digital ecosystem based on high-performance AI infrastructure and data.

Humanity & Tech Thriving in Health

Kakao Pasta

Established in March 2022, Kakao Pasta is committed to being a companion, friend, and assistant for everyone using digital healthcare. We provide digital healthcare-related mobile services to drive positive social change and innovation, with the goal of entering the global healthcare market.

Beyond the Cloud

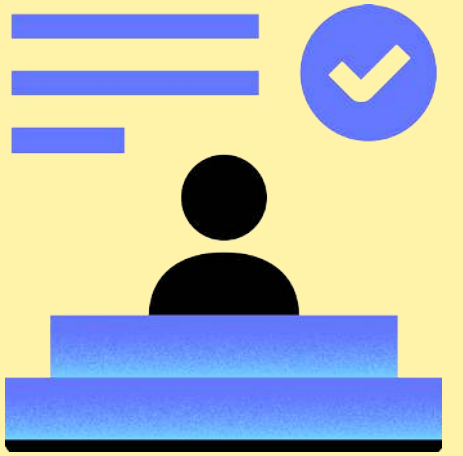
Kakao Cloud

As a cloud partner for business innovation, Kakao Enterprise offers optimal cloud computing resources and a variety of enterprise-grade cloud services by leveraging globally recognized cloud technology.

Introduction
Kakao's Mission
Message from the ESG Committee Chair
Message from the CEO
About Kakao
Business Portfolio
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix

Our Commitment

012 ESG Highlight
014 ESG Management System
016 Stakeholder Communication
017 Double Materiality Assessment



ESG Highlight

Establishment of a stable supply base
through self-solar power generation and other methods

2.7x Increase in Renewable Energy Procurement

Kakao declared its commitment to transitioning to renewable energy by joining RE100 in 2023. Starting with the full conversion of its Jeju Office to renewable energy, the company has been expanding its adoption of renewables. A portion of the electricity is sourced through citizen-participated energy cooperatives, contributing to mutual growth with local communities. In 2025, Kakao is realizing a self-generated energy transition by producing and using electricity directly through solar panels installed on the exterior of the Kakao Data Center in Ansan.

Demonstrating Disaster Response Capability
and Service Continuity Management

Acquisition of Business Continuity Management System Certification (ISO 22301)

Kakao has established a management system that ensures service continuity through systematic response and rapid recovery in the event of disruptions or disasters and has obtained international certification for its Business Continuity Management System (ISO 22301). To enable swift responses in unexpected situations, the company has conducted business impact analyses and risk assessments to identify critical services and risks in advance. Furthermore, the entire crisis management process—from awareness to response—has been progressively advanced and structured.

Promoting financial decision-making
that considers the impact of greenhouse gas emissions

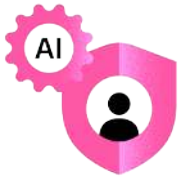
Advancing the Internal Carbon Pricing System

Kakao integrates climate risk into its financial decision-making and operates an internal carbon pricing system as a means to promote the transition to a low-carbon economy. The established carbon price is reflected in major decision-making processes to strengthen incentives for reducing greenhouse gas emissions, and the relevant standards are explicitly defined in internal procurement regulations. In 2024, this system was applied to the acquisition of high-emission assets (such as servers and network equipment), and its operational status is regularly reported to the ESG Committee.

Ensuring the Safety and
Reliability of AI Technology

Establishment of AI Risk Management System

Kakao has established and announced the Kakao AI Safety Initiative (Kakao ASI), an AI risk management framework designed to protect users throughout the development and operation of AI technologies and services. Through cross-departmental collaboration, Kakao is enhancing its AI safety policies and sharing examples of responsible AI practices in cooperation with external stakeholders. In 2024, Kakao published the "2024 Group Tech Ethics Report," outlining the technology ethics initiatives of Kakao and its key affiliates.



Strengthening Systematic Environmental Management
through Expansion of Certified Sites

ISO 14001 Certification for Kakao Data Center Ansan

Following its Jeju Office and Pangyo Office, Kakao has obtained ISO 14001 certification for its Data Center in Ansan. Internal audits are conducted annually at certified sites to assess operational compliance, and environmental impact assessments are used to identify and mitigate risks. The certification is maintained through annual surveillance audits, and Kakao plans to continue expanding the number of certified sites to establish a company-wide environmental management system.

Impact Commerce Driving Positive Environmental
and Social Change

Kakaomakers Surpasses KRW 1 Trillion in Cumulative Transactions

Kakaomakers has achieved KRW 1 trillion in cumulative transactions just nine years after its launch. The platform has provided sales channels to over 8,200 manufacturers and creators, delivering 36.5 million products to more than 3 million users. Through various initiatives such as "Jegaburch" and "Saegaburch," which ensure products are fully utilized without being discarded, and "ECO SEED" and "P.O.M (Peace Of Mind)," which connect purchases to mutual growth and donations, Kakaomakers is driving positive change across environmental and social spheres.

Introduction
Our Commitment
ESG Highlight
ESG Management System
Stakeholder Communication
Double Materiality Assessment
Sustainable Management
Kakao Group ESG
Appendix

ESG Highlight

Supporting Digital Transformation for
Small Businesses

Winner of the 2024 Korea Shared Growth Grand Prize

Kakao operates the "Project Dangol," a shared growth initiative to support the digital transformation of small businesses. Through this program, Kakao has provided digital education to over 2,800 merchants as of 2024. In recognition of its contribution to supporting small businesses and revitalizing local economies, Kakao received the "2024 Korea Shared Growth Grand Pirze" organized by the Korea Commission for Corporate Partnership.

Laying the Foundation for Compliance
and Strengthening Responsible Management

Fair Trade Compliance Joint Pledge

Kakao has established a management system that ensures service continuity through systematic response and rapid recovery in the event of disruptions or disasters and has obtained international certification for its Business Continuity Management System (ISO 22301). To enable swift responses in unexpected situations, the company has conducted business impact analyses and risk assessments to identify critical services and risks in advance. Furthermore, the entire crisis management process—from awareness to response—has been progressively advanced and structured.

Kakao Together Campaign for Emergency Relief

1.88 Million Donors Support Wildfire Emergency Fundraising

Through its social impact platform "Kakao Together," Kakao launched an emergency fundraising campaign to support recovery efforts following large-scale wildfires in 2025 across regions such as Gyeongnam, Gyeongbuk, and Ulsan. Over 1.88 million users participated in the campaign, raising more than KRW 11.1 billion in total. The donations were used to provide food, daily necessities, and relief kits for wildfire victims, as well as support for housing and basic living needs.

Enhancing Shareholder Value for Sustainable Growth

Announcement of Mid- to Long-Term Shareholder Return Policy

In December 2024, Kakao announced a three-year (2024—2026) mid- to long-term shareholder return policy aimed at enhancing shareholder value. Returns to shareholders will be made through cash dividends or share repurchases and cancellations. For cash dividends, at least 7% of the company's adjusted standalone Free Cash Flow (FCF) will be allocated, with the goal of maintaining or exceeding the previous year's dividend per share. Remaining funds will be used for share repurchases and subsequent cancellations.

A Safer Digital World for Everyone

Disclosure of Digital Safety Information through the Publication of the KakaoTalk Safety Report

Kakao published the "KakaoTalk Safety Report" to disclose how it has responded to potential risks and actual incidents on its KakaoTalk service, in accordance with its operational principles. The report includes data on proactive phishing detection and post-incident actions based on user reports, along with examples of policy improvements and enforcement. Through this, Kakao demonstrates its commitment to responsibly addressing sensitive issues related to digital safety.

Board Composition Reflecting Diversity

50% Female Representation on the Board

Kakao is committed to fostering a culture that respects diversity without discrimination based on gender, age, nationality, or disability. The company operates its board of directors in a way that avoids representing specific interests and encourages decision-making from a variety of perspectives. To strengthen gender diversity in particular, Kakao has appointed four female directors, making up 50% of the total board. Through this, the company is building a more balanced and inclusive governance structure.

Introduction

Our Commitment
ESG Highlight
ESG Management System
Stakeholder Communication
Double Materiality Assessment

Sustainable Management

Kakao Group ESG

Appendix

ESG Management System

ESG Framework

Kakao has established key focus areas for ESG management based on its core values: 'Technology that Understands People' and 'Creating the Future We Need Together' In the course of delivering technological innovation and services, Kakao fulfills its commitment and responsibility grounded in trust—not only with users but with all stakeholders.

Kakao's Mission

Kakao Brings the Future We Need Coser, Using Technology that Understands People

ESG
Kakao's Commitment and Responsibility

Technology that Understands People | kakao | Creating the Future We Need Together

	S	S	G	S	E
Key ESG Areas	**Technology for People**	**Connecting Society through Technology**	**Trusted Kakao**	**Growing Together for a Better Tomorrow**	**Efforts for the Planet**
ESG Action Plans	• Privacy Protection and Information Security • User Protection • Digital Accessibility • Technology and AI Ethics • Content and Advertising Ethics • Service Stability • A Healthy IT Ecosystem	• Enhancing Digital Competency • Technology-Driven Social Contribution • Co-Prosperity with Local Communities	• Integrated Risk Management • Board Operation • Shareholder-Friendly Management • Ethical Management • Responsible Management and Compliance	• Enhancing Krew Value • Human Rights and Diversity • Safety and Health • Sustainable Partnerships	• Climate Change Response • Environmental Management Implementation System • Eco-Friendly Data Centers and Offices • Sustainable Services • Biodiversity and Water Resource Management

Introduction
Our Commitment
ESG Highlight
ESG Management System
Stakeholder Communication
Double Materiality Assessment
Sustainable Management
Kakao Group ESG
Appendix

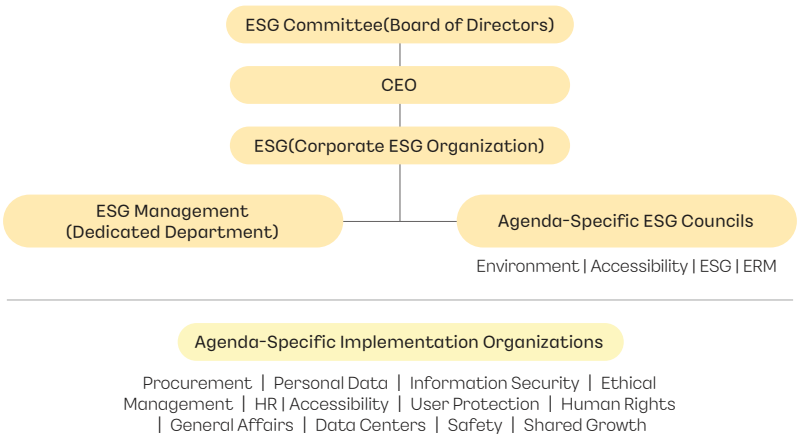
ESG Management System

ESG Governance

Highest ESG Decision-Making Body

Kakao aims to achieve sustainable growth by identifying its environmental and social impacts, reducing negative effects, and expanding positive ones—based on a foundation of transparent governance. Our Board of Directors and key executives have established a responsible decision-making system to support Kakao's sustainable development. To this end, we have established and operate an ESG Committee under the Board of Directors. The ESG Committee holds meetings four times a year to review the direction of ESG strategy, assess and respond to non-financial risks, and oversee the management and performance of ESG-related initiatives. Where necessary, the Committee incorporates stakeholder input and receives professional support and training to ensure company-wide management of environmental and social impacts. The dedicated ESG management team identifies material issues, risks, and opportunities, establishes corresponding action plans, and reports them to the ESG Committee, which in turn reviews and approves the plans. The Board and Committee are responsible for reviewing and approving the action plans.

ESG Organizational Structure



ESG Working-Level Structure

Kakao's Corporate ESG Organization (ESG) is entrusted with implementing company-wide ESG management strategies approved by the Board of Directors and the CEO. The ESG Management Team is the organization in charge of overseeing overall ESG operations and reports the implementation outcomes to the ESG Committee. We also operate cross-functional councils such as the ESG Working Table, Environmental Management Table, and Kakao Accessibility Table, composed of various related departments, to enable stakeholder engagement and promote company-wide coordination on improvement initiatives.

Operation of the ESG Committee and Status of Independent Director Education

Date	Category	Agenda
April 16, 2024	Report	Report on publication of the 2023 Kakao ESG Report and double materiality assessment results
	Report	Report on 2023 ESG performance sharing
	Report	Report on Net Zero implementation status and 2024 plan
	Report	Report on strengthening the ESG framework from a Kakao Group perspective
July 18, 2024	Report	Report on financial impact analysis of climate change
	Report	Report on accessibility initiatives and survey results
	Education	Implementation in accordance with the draft sustainability disclosure standards and the role of the Board of Directors
October 10, 2024	Approved	Approval of renewable energy procurement for RE100 implementation
	Report	Report on internal carbon pricing system operation
December 12, 2024	Report	Report on Kakao's 2024 risk management performance
	Education	Kakao's AI Risk Management Framework

Strengthening ESG-Based Decision-Making

Kakao incorporates ESG elements into key performance indicators (KPIs) to ensure that the CEO, executives, and relevant departments make decisions grounded in ESG principles. In particular, through the Compensation Committee, we are promoting company-wide internalization of ESG management by incorporating ESG-based KPIs into the CEO's performance-based compensation criteria. Starting in 2024, we have introduced a three-year performance period to manage non-financial factors from a long-term perspective and to encourage management practices that enhance corporate value.

Go to "ESG Performance Indicators for CEO Evaluation"

Introduction
Our Commitment
ESG Highlight
ESG Management System
Stakeholder Communication
Double Materiality Assessment
Sustainable Management
Kakao Group ESG
Appendix

Stakeholder Communication

Kakao identifies the interests of key stakeholders—including shareholders and investors, users, Krew (employees), partners, local communities, and government—and actively gathers feedback through a variety of communication channels. This input is used to inform Kakao's business activities and fulfill our social responsibilities. We also strive to disclose ESG activities and performance transparently to our stakeholders and to build a trustworthy communication foundation.

	Shareholders & Investors	Users	Krew (Employees)	Business Partners	Local Communities	Government
Key Interests	• Financial performance and dividend policy • Securing future growth engines • Proactive risk management • Transparent disclosure of performance • Sound governance	• Launch of new services • Improved user satisfaction • Service stability • Privacy protection • Enhanced digital service accessibility	• Personal development support • Protection of human rights in the workplace • Fair and rational performance evaluations • Work-life balance • Employee benefits	• Fair trade practices • Opportunities for shared growth • Education and infrastructure support • Collaboration and communication • IT ecosystem innovation	• Local economic development • Corporate social responsibility	• Creation of economic value • Compliance with laws and regulations • Transparent tax practices • Participation in key policies • Changes in domestic and global environmental policies
Main Communication Channels	• Corporate website • General shareholders' meeting • Non-Deal Roadshow (NDR) • Earnings conference calls • Analyst Day • 1:1 meetings • Shareholder engagement • Regulatory disclosures	• Corporate website • Kakao user roundtables • KakaoTalk Consultation Talk • Customer service center (web & app) • Emergency hotline • Walk-in customer service center • Regulatory disclosures	• Internal portal • Open Talk • TellMe@Kakao) • Roundtable grievance committee • Time's Up • Occupational Safety and Health Committee • Organizational health surveys	• Shared Growth official website (Shared Growth with Kakao) • New purchasing system PoK (Partner on Kakao) • Cyber Ethics Office • Kakao Purchasing Café • Purchasing policy briefings • Dispute Settlement Committee • Partners Day • Kakao Class • Talk Store Community • Seller Education Center • Regulatory disclosures	• Corporate website and customer service center • Kakao Public Interest Partnership Site • Kakao Together • Kakaomakers • Jeju with Kakao • Kakao Impact Foundation • ESG collaboration departments • Kakao ESG representative email	• Corporate website • Public service support activities • Agreements signed with central and local governments Regulatory disclosures

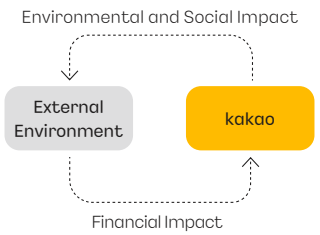
Introduction
Our Commitment
ESG Highlight
ESG Management System
Stakeholder Communication
Double Materiality Assessment
Sustainable Management
Kakao Group ESG
Appendix

Double Materiality Assessment

Double Materiality Assessment Process

In line with our commitment and responsibility, Kakao conducts a double materiality assessment each year to identify ESG issues that are most critical to our business. In 2024, we conducted a comprehensive analysis of global ESG standards, evaluation indicators, and internal issues, and derived a pool of 24 ESG issues. Each issue was evaluated based on its environmental and social impact and financial impact. Issues identified as having a high level of impact in both dimensions were designated as material issues. To analyze the impacts of these material issues in greater detail, we conducted focus group interviews with relevant departments and carried out an IRO assessment[1], which evaluated the degree of impact on the environment, society, and Kakao, as well as the likelihood or timing of that impact. The final results were reviewed and approved by the Board of Directors and executive management, and are subject to ongoing monitoring and management through our company-wide risk management process.

Double Materiality



Environmental and Social Impact

The positive or negative effects that corporate activities may have on the environment and society

Financial Impact

The financial effects that sustainability-related risks and opportunities may have on the company's growth, performance, and market position

Double Materiality Assessment Process

Step 1 Issue Pool Derivation

Identified a total of 24 ESG issues relevant to Kakao through analysis of ESG disclosure standards and industry-specific benchmarks

- Reflected the evolving ESG management landscape using global standards such as the GRI Standards 2021 and ESRS
- Incorporated industry characteristics through media research and peer company reports

Step 2 Material Issue Selection

Selected material issues with high impact from both environmental/social and financial perspectives through internal and external analysis

Environmental and Social Impact Analysis

- International standards (e.g., GRI)
- Media research
- Benchmarking of peer companies
- External stakeholder feedback (e.g., ESG experts, investors, partners)

Financial Impact Analysis

- Indicators from major rating agencies (e.g., MSCI)
- ESG-related regulations
- Internal ESG strategy and direction
- Internal stakeholder feedback (e.g., ESG leaders, independent directors)

Step 3 Material Issue IRO Identification

IRO derivation to understand the specific impact of material issues

Environmental and Social Impact Analysis

I Positive and negative impacts that corporate business activities have on the environment and society

Financial Impact Analysis

R Environmental and social risks that companies may face in relation to ESG issues

O Opportunities for companies to achieve positive results by leveraging environmental and social changes

Step 4 Detailed Impact Assessment

Focus group interviews and written IRO assessments conducted with relevant business departments regarding material issues to measure specific impacts of material issues

- Measuring the impact of IROs by issue and identifying priorities
- Environmental & Social Impact: Likelihood of occurrence X Degree of impact (scale, scope, resilience)
- Financial Impact: Timing of occurrence X Degree of impact (revenue, costs, value chain)

1) Impact, Risk & Opportunity (IRO) Assessment: An evaluation that measures the magnitude of impacts by classifying environmental and social impacts, as well as financial impacts, into positive and negative impacts, risks, and opportunities.

Introduction
Our Commitment
ESG Highlight
ESG Management System
Stakeholder Communication
Double Materiality Assessment
Sustainable Management
Kakao Group ESG
Appendix

Double Materiality Assessment

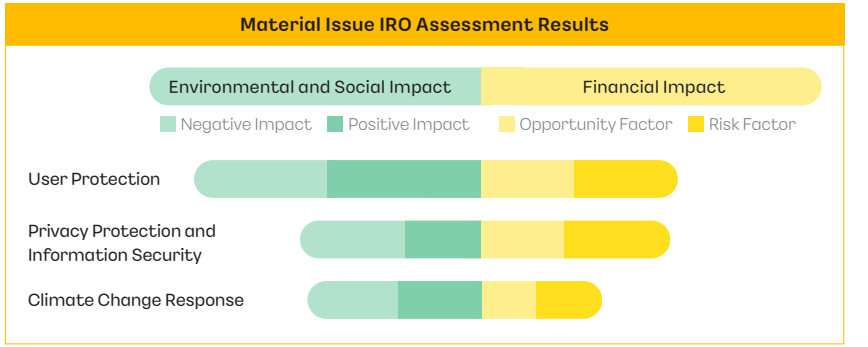
Double Materiality Assessment Results

Material Issue Selection Results

Kakao conducted a comprehensive analysis of environmental and social impacts and financial impacts for 24 ESG issues and selected climate change response, privacy protection and information security, and user protection as material issues, where both impacts were evaluated as "High."
Integrated Risk Management" is a core system for identifying and responding to company-wide risks, and is directly tied to Kakao's sustainability. Given that risk management issues are regularly reported to the Board of Directors and overseen as a key management agenda item, it has been additionally designated as one of the material topics.

Detailed Impact Assessment Results of Material Issues

To gain a more granular understanding of the environmental, social, and financial impacts of the identified material issues, Kakao conducted an IRO (Impact, Risk & Opportunity) assessment. During this process, it was determined that Integrated Risk Management, by nature, functions as a cross-cutting management framework encompassing all ESG issues. As such, it has limitations in being directly compared to other issues based on detailed impact scoring. Accordingly, we conducted detailed impact assessments focusing on three material issues: climate change response, privacy protection and information security, and user protection.
For the IRO assessment, the environmental and social impacts were divided into positive and negative impacts, while financial impacts were separated into opportunities and risks. We evaluated the likelihood and timing of occurrence of each factor and analyzed the magnitude of impact that could occur.



According to the assessment, the issue of User Protection, which is most closely related to Kakao's business domain, showed the highest level of impact in both environmental/social and financial aspects. In particular, as Kakao operates a messenger-based service used by the entire population, the social ripple effect of its user protection activities was analyzed to be highly significant. Privacy Protection and Information Security was expected to have a high financial impact, as it is directly tied to trust in the service and compliance with laws and regulations. The impact was found to be associated with legal liabilities, damage to corporate value, and user attrition, depending on the scale and severity of incidents. 'Response to Climate Change was evaluated as an important issue in connection with Kakao's data center operations. In particular, Kakao's activities and decisions related to climate change were found to have a high level of environmental impact from a long-term perspective.

Introduction
Our Commitment
ESG Highlight
ESG Management System
Stakeholder Communication
Double Materiality Assessment
Sustainable Management
Kakao Group ESG
Appendix

Double Materiality Assessment Results

Kakao establishes mid- to long-term goals and plans for each material issue and manages them strategically by linking them to the compensation structure of the highest-level executive. We disclose our material issue management approach in alignment with the International Sustainability Standards Board (ISSB) disclosure standards to ensure that stakeholders can understand how Kakao identifies and manages risks and opportunities related to each material issue.

Material Issues	Background for Issue Selection	Changes from Previous Year	Identified Key Environmental and Social Impacts	Identified Key Risks and Opportunities	Cause of Impact	Stakeholders Most Likely to Be Affected	Management Approach and Implementation Performance	Mid- to Long-Term Goals and Plans	Executive Compensation (KPI Linkage)
User Protection	Growing societal expectations for a safe service environment due to the normalization of online platforms	New	• Strengthening crime response capabilities and fostering a healthy internet culture through scam and impersonation prevention based on our services • Increased spread of illegal/harmful content and victimization from impersonation or fraud-related crimes	• Expansion of criminal activity exploiting Kakao services • Securing user trust in services	• Business sites • Products and Services	• Users • Partners	• Risk identification based on user complaint data • Continuous management through real-time monitoring and periodic reporting	• Enhancement of user protection systems • Adapting to external environmental changes • Strengthening information accessibility and communication channels	-
Privacy Protection and Information Security	Increased volume of personal data processing and growing cyber threats raise concerns about data breaches and hacking	New	• Revitalization of the information security industry ecosystem through collaboration with startups and SMEs specializing in the latest security technologies • Personal data infringement and erosion of public trust due to inadequate personal data handling	• Securing user trust and revenue stability related to privacy protection and information security • Service disruption and compensation liability due to cyberattacks and hacking incidents	• Business sites • Supply chain	• Users • Partners	• Conducting a personal data impact assessment based on the Privacy by Design principle • Operating bug bounty programs and attack surface management systems	• Establishing privacy protection policies in line with technological changes • Building a personal data management system that aligns with global standards • Strengthening the personal data protection framework for users and partners • Automaton of threat analysis and detection using AI • Gradual introduction and expansion of Zero Trust Architecture (ZTA)	Annual privacy protection goals and achievements reflected in CPO KPIs
Climate Change Response	Growing demand for greenhouse gas reduction and expansion of renewable energy to respond to climate change	Maintained	• Reduction of electricity consumption through data center operations and contribution to climate change mitigation • Surge in electricity demand due to expansion of AI services contributing to negative environmental impact	• Increased cooling costs at data centers due to rising annual average temperatures • Decrease in risks and legal response costs through greenhouse gas emissions reduction	• Business sites	• Environment • Local Communities	• Application of energy-efficient designs and technologies to data centers • Diversification of renewable energy sourcing methods	• Implementation of 2040 Net Zero roadmap for greenhouse gas reduction • Promotion of transition to renewable energy	Integration of renewable energy transition rate and greenhouse gas emissions tracking system into CEO KPIs

Introduction

Our Commitment
ESG Highlight
ESG Management System
Stakeholder Communication
Double Materiality Assessment

Sustainable Management

Kakao Group ESG

Appendix

Sustainable Management

Approach

Composition of 2024 ESG Report

The 2024 ESG Report presents Kakao's ESG management activities and achievements by linking them to five key focus areas in line with the ESG framework. Through this structure, we aim to communicate Kakao's efforts to fulfill its core values—"Technology That Serves Humanity" and "Bringing Forward a Brighter Future"—while aligning with the interests and needs of our stakeholders. Among the reported issues structured by each framework, those identified as material issues through the materiality assessment—"User Protection," "Privacy Protection and Information Security," "Climate Change Response," and "Integrated Risk Management"—have been disclosed as separate sections.

Reporting Issues Aligned with the Key ESG Areas

S Technology for People
- Privacy Protection and Information Security
- User Protection
- Digital Accessibility
- Technology and AI Ethics
- Content and Advertising Ethics
- Service Stability
- A Healthy IT Ecosystem

S Connecting Society through Technology
- Enhancing Digital Competency
- Technology-Driven Social Contribution
- Co-Prosperity with Local Communities

G Trusted Kakao
- Integrated Risk Management
- Board Operation
- Shareholder-Friendly Management
- Ethical Management
- Responsible Management and Compliance

S Growing Together for a Better Tomorrow
- Enhancing Krew Value
- Human Rights and Diversity
- Safety and Health
- Sustainable Partnerships

E Efforts for the Planet
- Climate Change Response
- Environmental Management Implementation System
- Eco-Friendly Data Centers and Offices
- Sustainable Services
- Biodiversity and Water Resource Management

Composition of Material Issues

To align with the requirements of global disclosure standards, Kakao structured the material issues identified through the double materiality assessment in accordance with the ISSB framework. We have reflected the requirements of the IFRS S1 and S2 sustainability disclosure standards recommended by the International Sustainability Standards Board (ISSB) to identify the financial impact of risks and opportunities associated with each material issue on Kakao. We also explain how we manage these issues through our governance, strategy, risk management, and metrics and targets.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Material Issue

022 User Protection
032 Privacy Protection and Information Security
046 Climate Change Response
059 Integrated Risk Management

User Protection

Overview

1. Governance

The ESG Committee under the Board of Directors and the ERM Committee under the CEO respectively deliberate and oversee ESG-related issues and risk management matters, including user protection, in accordance with the Regulation of the CEO-direct ESG Committees and Risk Management Regulation. In particular, the Enterprise Risk Management (ERM) Committee reviews risk factors related to user protection and participates in policy development to support the Board in making responsible decisions.
In addition, "Talk Operation Tribe," a dedicated user protection organization under the direct supervision of the Chief Product Officer (CPO), works closely with the CPO to ensure prompt and accountable decision-making on critical issues.

2. Strategy[1)]

Identification of Environmental and Social Impacts

	Key Impact	Likelihood of Occurrence	Severity of Impact When It Occurs
Positive	• Contributing to a healthy internet culture • Prevention of the spread of illegal and harmful content, abusive language, and defamation • Strengthening prevention and response capabilities against impersonation and fraud based on Kakao services	Low ● Moderate ● High ●	Low ● Moderate ● High ●
Negative	• Spread of inappropriate, illegal, and harmful content • Widespread damage from impersonation and fraud crimes based on Kakao services	Low ● Moderate ● High ●	Low ● Moderate ● High ●

Identification of Financial Impacts

	Key Impact	Likelihood of Occurrence	Severity of Impact When It Occurs
Risk	• Criminal acts committed through the misuse of Kakao services • Increasing demands for service accessibility reviews and certifications • Non-compliance with laws and regulations such as the Telecommunications Business Act	Short-term ● Mid-term ● Long-term ●	Low ● Moderate ● High ●
Opportunity	• Enhancing Corporate Credibility through User Protection Activities	Short-term ● Mid-term ● Long-term ●	Low ● Moderate ● High ●

Response and Management Strategy

Kakao is committed to protecting users from various digital threats, including harmful and illegal content, impersonation, and fraud to enhance trust in our services and establish a foundation for sustainable platform operations. To this end, we are advancing our technical and administrative response systems and strengthening protection activities that prioritize user safety. In addition, based on Kakao's service operation philosophy and principles, we implement user protection measures and transparently disclose the outcomes using quantitative data. Through these efforts, we aim to contribute to the establishment of a digital safety culture across society.

1) "Likelihood of Occurrence" and "Degree of Impact if Occurred" are calculated by averaging scores for each key impact and classifying them into three tiers.

3. Risk Management

Kakao identifies user protection-related risks by analyzing inquiries submitted through our customer service center. We conduct big data analysis on non-personally identifiable inquiries and those containing signs of potential risk are prioritized for review through an automated alert system. We have established internal operational processes to ensure that issues directly impacting user safety are immediately communicated to the relevant departments.
We also monitor external factors that may affect our services on an ongoing basis. When necessary, we request monitoring support from related departments to enable early risk detection and response.

4. Indicators and Goals

2025 Goals

Enhancement of User Protection Systems

- Upgrade of Anti-Abusing System to address emerging threat types

Adapting to External Environmental Changes

- Improve web accessibility of the customer service center in accordance with the latest standards and maintain certification

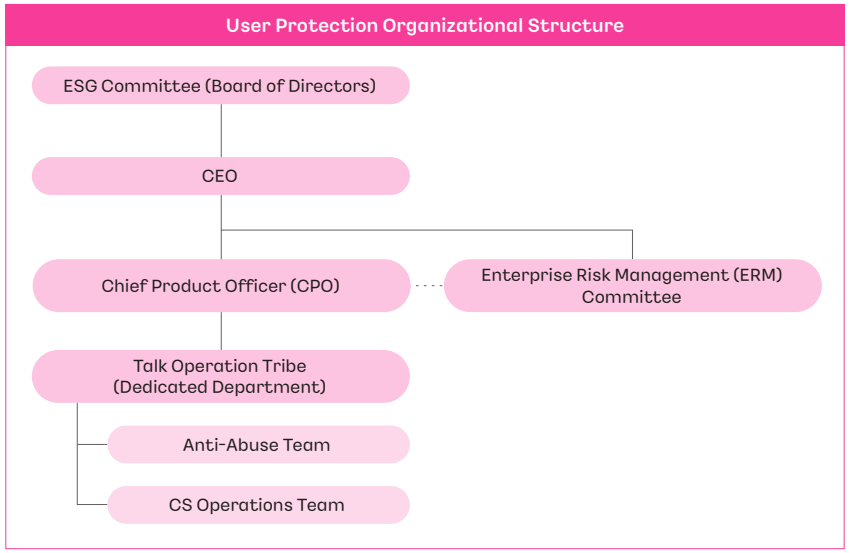
Improved Access to Information and Communication Channels

- Introduce sign language consultation for users with hearing impairments
- Publish the Kakao Talk Safety Report twice a year
- Expand collaboration through MOUs with civic groups and public institutions
- Hold user roundtables to promote two-way communication

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

User Protection

Governance



Board of Directors and Committees

Under Kakao's Board of Directors, the CEO-direct ESG Committee and the ERM Committee deliberate and oversee ESG-related issues and risk management matters, including user protection. We clearly define the responsibilities and authority of the Board and its committees regarding user protection in the ESG Committee Regulations and Risk Management Regulation to ensure accountable decision-making.

The ERM Committee directly reviews risk factors related to user protection, participates in the development of related policies, and supports the Board in making responsible decisions. The leader of "Talk Operation Tribe," Kakao's dedicated user protection organization, is part of the ERM Support Division and continuously reports user protection-related risk factors to the ERM Committee.

Executive Management

Kakao positions Talk Operation Tribe as a unit directly under the Chief Product Officer (CPO), enabling the CPO to engage directly in discussions on major user protection matters and make prompt and responsible decisions.

Talk Operation Tribe actively proposes measures to strengthen user protection and ensure service stability, while continuously reviewing and improving internal management systems to enhance our user protection capabilities. In addition, we ensure that Chief Officer of Youth Protection and the prevention of illegal content distribution complete mandatory annual training.

The leader of Talk Operation Tribe establishes and operates a structured process to effectively manage risks and opportunities related to user protection. By continuously monitoring emerging threat types, the team ensures that user protection policies and features are effectively implemented both in terms of preventive and responsive measures.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

User Protection

Strategy

Risks and Opportunities in User Protection

Kakao reports the potential financial impact of material issues in accordance with the Sustainability Disclosure Standard for Climate-Related Matters (IFRS S2 standard). We have identified and assessed risk and opportunity factors related to user protection, and explained the potential financial impacts of each factor. These financial impacts are categorized by which stage of the value chain they may affect, when they might occur, and to what extent. Detailed analysis is provided in the following strategy section.

Kakao's Value Chain

Upstream
: Stage for securing basic resources and infrastructure necessary to provide services

Own Operation
: The stage of developing, operating, maintaining,and managing services

Downstream
: The stage of delivering value to users and external stakeholders and collecting feedback

Risk 2

Growing demand for compliance with service accessibility reviews and certifications

- **Financial Impact:** Potential costs associated with audit compliance, certification renewal, and maintenance
- **Response Activities:** We enhance usage convenience for information-vulnerable groups through accessibility improvement activities for offline and online customer service centers and obtain web accessibility quality certification.

Short-term | Moderate

Opportunity 1

Enhancing Corporate Credibilitythrough User Protection Activities

- **Financial Impact:** Helps prevent user churn and contributes to revenue stability.
- **Response Activities:** We operate policies designed to both protect freedom of expression and safeguard children and adolescents. We also foster a safer internet environment by employing harmful content filtering technologies and offering the "KakaoTalk Safety Guide."

Mid-term | Moderate

Risk 2

Crimes Committed through the Misuse of Kakao Services

- **Financial Impact:** Additional resource investment and infrastructure costs for crime prevention measures
- **Response Activities:** We have signed an agreement with the Stand Against Child Abuse and Exploitation to strengthen systems for protecting children and teens from sexual exploitation including advancing the banned word database, operating OpenChat hotlines, and establishing dedicated reporting categories.

Short-term | Moderate

Risk 3

Non-compliance with laws and regulations such as the Telecommunications Business Act

- **Financial Impact:** Penalties may be imposed in accordance with applicable laws and regulations
- **Response Activities:** We continuously monitor for potential violations and conduct regular evaluations to ensure legal compliance. We operate services such as the Illegal Content Reporting Center to fulfill legal obligations.

Mid-term | Moderate

Expected Timeframe for Occurrence: Short-term (1 year), Mid-term (5 years), Long-term (10 years) | Expected Impact Level: Low, Moderate, High

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

User Protection

Strategy

Response to Risks and Opportunities in User Protection

Kakao is committed to protecting users from harmful and illegal content, as well as impersonation and fraud in order to build trust in Kakao services and ensure long-term sustainability. To achieve this, we continue to strengthen our technical and administrative measures and carry out user protection activities with user safety as our highest priority. All user protection actions are based on Kakao's service operation philosophy and principles, and we strive to contribute to a safer digital environment across society by transparently disclosing the outcomes of these measures through quantitative data.

Opportunity 1 Enhancing Corporate Credibility through User Protection Activities

User Protection Policies ● Administrative Measures

Guaranteeing Users' Freedom of Expression

Since 2009, Kakao has been a member of the Korea Internet Self-governance Organization (KISO), participating in collaborative self-regulation among internet companies to ensure users can freely express themselves in a trusted online environment. In 2024, we updated Kakao's operational policies and internal guidelines based on 64 hate speech review cases handled by KISO. Newly added forms of hate and discriminatory speech are now regarded as violations of our Terms of Service and are subject to user restrictions.

Kakao Service Operation Policies | KakaoTalk Service Operation Policies

Child and Youth Protection Policy

Kakao enforces a youth protection policy in accordance with the Act on Promotion of Information and Communications Network Utilization and Information Protection, and protects minors from harmful content through initiatives such as the "Digital for Kids" campaign. We strictly define sexual crimes and acts that encourage sexual exploitation targeting children and adolescents in the online environment and enforce a zero-tolerance policy against any attempts to access related content. To ensure rapid blocking of harmful content, the Kakao Harmful Content Reporting Center operates 24/7, 365 days a year.

Kakao Youth Protection Policy | Policy for the Sexual Protection of Children and Adolescents

Enhancing Protection of Comment Users' Rights ● Administrative Measures

Kakao is strengthening restrictions on users who post malicious comments and expanding user protection features to safeguard users from harmful comments on public bulletin board-style services such as KakaoStory, KakaoMap, Daum News, Daum Cafe, and Tistory.

Comment User Rights Protection Measures

- Operate a 24/7 comment reporting center
- Apply an anti-abuse[1] system for comment submissions
- Apply a control system to prevent abuse of "like"/"dislike" functions
- Introduce an automatic filtering system for illegal and obscene comments
- Apply CAPTCHA[2] to prevent spam comments
- Implement AI-based filtering and replacement of profanity and abusive language in comments
- Apply SafeBot features such as "Hide" and "Fold" options to conceal harmful content

News Content Ethics Management and Process ● Administrative Measures

Kakao's Daum News ensures that users of all ages can access news safely by preventing articles containing sensational or illegal content from being exposed on the portal. We apply a keyword-based automated filtering system and conduct bulk review processes through a specialized team, with a particular focus on protecting children and adolescents.

News Content Management Standards and Filtering Criteria

- Content that displays pornography or sexually explicit material intended for adults, or contains excessive violence in images or text
- Content that promotes speculative behavior, such as illegal gambling or fraudulent financial schemes
- Use of vulgar or crude language in headlines, or overly graphic depictions of criminal acts
- Inclusion of hateful expressions or themes that may cause discomfort to many users
- Advertisements or promotional content that could be mistaken for actual news articles

1) Abuse: Acts of exploiting a system in ways that interfere with its normal operation
2) CAPTCHA: A test used to distinguish between human users and computer programs, typically involving characters that automated systems cannot easily recognize

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

User Protection

Strategy

Measures to Block Harmful Advertising Content

● Technical Measures

Kakao implements various controls to prevent the exposure of harmful advertisements by applying AI-based image filtering, filtering for profanity, hate and discriminatory speech, and illegal content, as well as age verification and adult targeting features. To strengthen the protection of children and adolescents, we have expanded the application of AI-powered image filtering and optical character recognition (OCR) technology to more effectively detect and block harmful images. We also manage exposure to harmful content by applying age verification features to messages and posts and utilizing adult targeting capabilities within Kakao Ads to restrict youth access. In addition, Kakao continuously strengthens its review and sanction policies against advertisements that may cause user harm, such as fraud, impersonation, and deceptive advertising.

Machine Learning Technology for Harmful Image Blocking

● Technical Measures

In 2019, Kakao introduced AI technology capable of blocking adult and spam images in a short time frame. The system converts images into unique numeric values and automatically detects and processes duplicates of previously identified harmful images. Kakao has also developed an Adult (Spam) Image Classification System that uses an ensemble method—combining results from multiple AI models—to enhance detection accuracy. This system is actively deployed in our services.

User Protection through Financial Fraud Prevention System

● Technical Measures

Kakao provides a default system that detects and warns users of suspected financial fraud activities without requiring any additional settings. Through this system, users can block and report fraudulent activity, contributing to a safer financial environment.

Globe Signal

- Profiles of users with overseas phone numbers not registered as friends are marked with a globe icon. During conversations, the user's country of registration and a caution message are displayed

Fake Signal

- When a suspected impersonator sends a message or tries to add someone as a friend, a warning pop-up appears, and the profile image is replaced with an orange warning icon

Caution for Non-Friends

- When a user not on the friend list invites someone to a chatroom, a phishing alert banner is shown at the top of the chat window along with "Report" and "Block" buttons
- Clicking on links or files sent by non-friends also triggers a warning popup

Spam Message Reporting

- If a spam SMS or social media ad contains a KakaoTalk ID or links to a Talk QR code, Open Chatroom, or Open Profile, users can report the sender or chatroom

Business Channel System

- Channels that have submitted verified business information receive a "Business Badge" to indicate authenticity
- If not switched to a business channel, a phishing alert appears on the channel home and at the top of the chat window

Continuous Monitoring of Suspicious Channels

- High-risk keywords (e.g., fraud, impersonation) are used to regularly monitor channels
- Any suspicious channels are subject to immediate sanctions

Restrictions on Money Transfers in Open Chatrooms

- If bank account information appears in an Open Chatroom, a warning message is displayed before transfer.

Stranger Signal

- Users with domestic phone numbers not added as friends are shown with an orange warning icon and a caution message appears during chats.

Disable Friend Additions

- If the "Allow Friend Add" option is disabled, others cannot add the user using their phone number

Dedicated Reporting Option for Fraud and Impersonation & Customer Service Center

- A dedicated reporting option for fraud and impersonation has been introduced across public spaces such as Open Chat
- Kakao's Help Center provides information and examples of fraud and impersonation cases
- Phishing Alert Guidance in the KakaoTalk Safety Guide

Warning for Frequently Reported Links

- Links that have received multiple user reports are flagged with a warning icon on the thumbnail, and a cautionary pop-up is displayed when the link is clicked

Restricted Keywords for KakaoTalk Channels

- A list of prohibited keywords is managed and regularly updated
- Channels cannot be created using high-risk terms such as names of financial or public institutions.
- Channels may only be created after submitting proof documents through the customer service center.

New Channel Protection Measures

- If abnormal activity is detected in a channel, it enters a protection status
- The channel administrator must provide an explanation for the activity to continue using the channel

Response to Unauthorized Investment Advisory Services

- Channels providing investment or financial advice must clearly display their registered business information and license number
- Failure to do so will result in sanctions against the channel

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

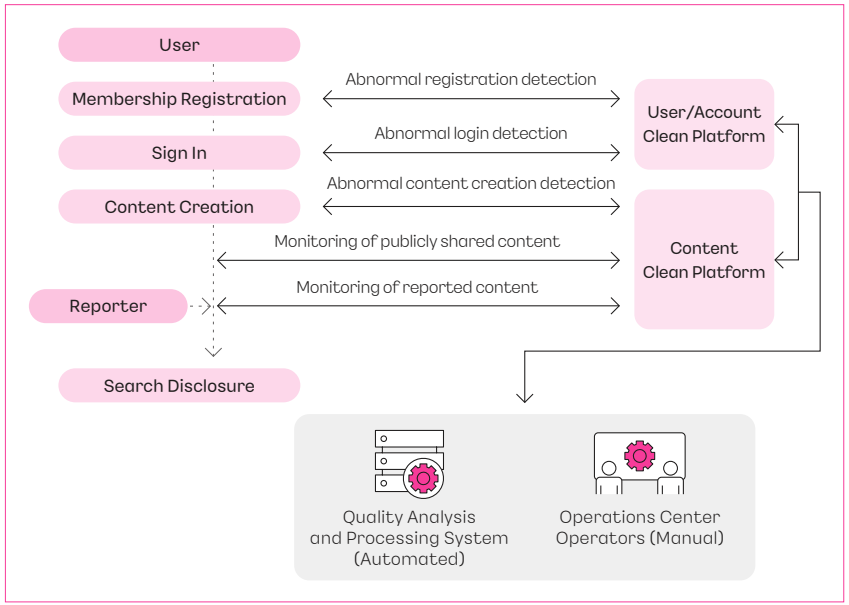
User Protection

Strategy

Harmful Content Filtering Technology

● Technical Measures

Kakao is strengthening its research, development, and investment efforts to protect users from ever-evolving harmful content and to build a safe digital environment. We apply harmful content filtering technologies throughout the user experience.



AI Technology for Blocking Harmful Content

● Technical Measures

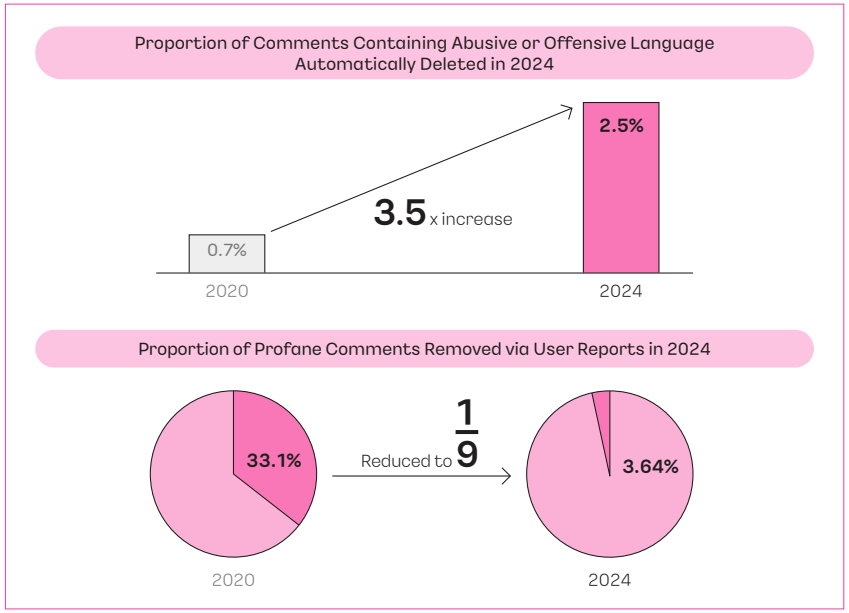
Anti-Abusing System

To ensure a safe environment for KakaoTalk users, Kakao has implemented the Anti-Abusing System, an automated detection system designed to identify abnormal usage patterns and service behavior. The Anti-Abusing System automatically executes user protection measures when it detects abnormal service usage environments and patterns. We continuously improve the efficiency and accuracy of the Anti-Abuse System by incorporating advanced machine learning techniques. To protect user privacy, Kakao does not include chat content in the scope of automated detection. In most cases, if no additional suspicious activity is identified, the protection measures are automatically lifted within a few days. Users may also file an appeal regarding any protective action through the Kakao Customer Service Center at any time.

Harmful Comment Filtering — SafeBot

Kakao has developed SafeBot, a comment filtering feature powered by AI technology that automatically learns and analyzes harmful content to create a more pleasant and respectful comment environment. SafeBot uses AI to detect and classify comments that violate our content policy—such as those containing profanity, obscene language, or illegal keywords—and automatically completes the reporting and removal process. Users can freely choose whether to enable or disable SafeBot through their settings. As of 2024, the proportion of comments containing profanity or abusive language automatically deleted by SafeBot increased from 0.7% to 2.5%, reducing users' exposure to offensive comments. Meanwhile, the proportion of profane comments removed through user reports decreased dramatically—from 33.1% in the second half of 2020 to just 3.64% in 2024, a ninefold reduction.

SafeBot's effectiveness has been internationally recognized and was presented as a tech-driven human rights management case at a workshop hosted by the Office of the UN High Commissioner for Human Rights (OHCHR). Kakao continues to enhance SafeBot by expanding its training datasets to include harmful images and hate speech.



Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

User Protection

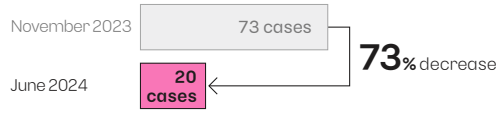
Strategy

Spam Reporting Feature for External KakaoTalk Links

● Technical Measures

In November 2023, Kakao introduced a feature that allows users to report links to KakaoTalk profiles or Open Chatrooms included in external spam text messages or social media ads. If a spam message contains a KakaoTalk ID or a link that leads to a KakaoTalk QR code result, open chatroom cover, or open profile, users can report it by submitting an image capture. By enhancing reporting functions for abuse originating outside the KakaoTalk service, the average number of daily sanctions has shown a downward trend.

Average Daily Sanctions on Reported External KakaoTalk Spam Links



Fake Signal

● Technical Measures

To protect users from impersonation, scams, and phishing, KakaoTalk introduced the Fake Signal feature in August 2024, applied to KakaoTalk profiles and regular chats. Fake Signal combines Kakao's Anti-Abusing System with AI and machine learning technologies to automatically detect accounts suspected of impersonation and displays a warning icon and alert message.

Number of accounts blocked and reported by others through Fake Signal

Number of accounts reported	15,875
Number of accounts blocked	36,631

Disclosure of User Protection Status

● User Engagement

User Rights and Content Protection Status

Kakao discloses its handling of user and government requests for content takedown on a semiannual basis. We publicly share key statistics related to user-submitted reports—such as copyright, trademark, portrait rights, personal data breaches, and defamation—as well as takedown or correction requests made by government agencies. Additionally, we disclose the results of content and comment moderation and usage restrictions triggered by user reports.

User Protection Status Homepage

Kakao Talk Safety Report

Since 2024, Kakao has published the Kakao Talk Safety Report twice a year to disclose the outcomes of actions taken under KakaoTalk's service operation principles regarding both potential threats and incidents that have occurred. The report includes data on proactive phishing detection and follow-up measures based on user reports, as well as examples of policy improvements and enforcement efforts related to digital safety issues.

Kakao Talk Safety Report

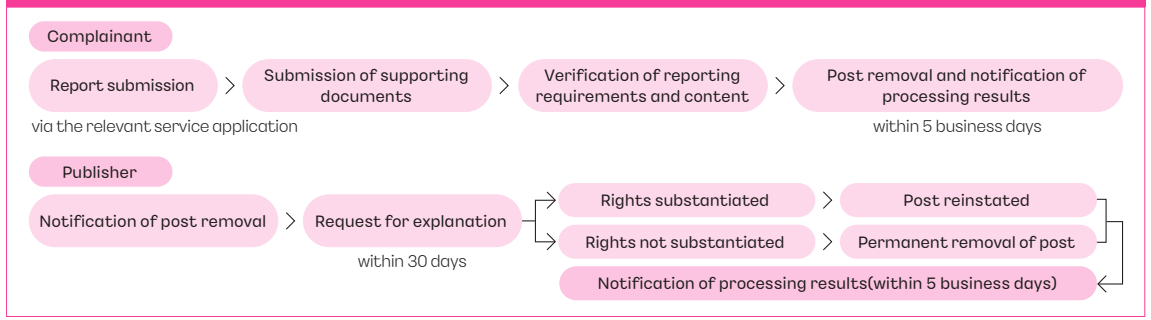
User Remedy Support

● User Engagement

Kakao supports users in reporting harm experienced while using services through various channels. Reports received are processed promptly according to related laws and service terms of use, and we operate procedures to ensure appropriate relief. In particular, we support applying for relief from damages occurring in e-commerce through the "E-commerce Damage Relief Application Agency System" and enable applying for damage relief due to privacy infringement, defamation, copyright infringement, etc., through the "Rights Infringement Report" channel. Reports received are promptly reviewed by the dedicated department, which then notifies the content author to cease posting. Content confirmed to have rights through the clarification procedure is re-posted, and if there is no clarification, the content is permanently deleted. All processing results are notified to reporters and posters within 5 business days. In 2024, we reorganized the report center site to improve the convenience of application procedures so that users can more easily apply for damage relief.

Kakao Reporting Center

Remedy Procedure for Rights Infringement



Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

User Protection

Strategy

User Guidance and Communication ● User Engagement

KakaoTalk Safety Guide and Campaigns

In December 2021, Kakao launched the "KakaoTalk Safety Guide" page to ensure safe service operation and protect users' privacy. The KakaoTalk Safety Guide page introduces KakaoTalk's operating philosophy and policies while offering various tools and guides that help users protect themselves. Since August 2022, Kakao has conducted the "KakaoTalk Safety Campaign" to promote safer service usage. The campaign encourages users to update to the latest KakaoTalk version and renew their Kakao certificates, thereby enhancing service security and user safety. In September 2023, we signed a memorandum of understanding with the Korea Federation of Banks to launch annual financial safety campaigns during the Chuseok and Lunar New Year holidays. These campaigns inform users of the latest voice phishing tactics, impersonation scams, and preventive measures, as well as KakaoTalk's safety features.

KakaoTalk Safety Guide

Expanding Communication through User Forums

Since 2022, Kakao has been hosting user forums where the Chief Officers of Youth Protection and Customer Service directly listen to user feedback and suggestions. In August 2024, we invited 35 activists from the "University Student Consumer Movement" operated by The Voice for Consumers, and in November, we welcomed 20 members of the next-generation Internet governance expert group from the Korea Internet & Security Agency (KISA). During these sessions, we shared Kakao's user protection efforts and gathered improvement ideas.

User counseling and VOC management ● User Engagement

Customer Satisfaction Management System

Kakao collects and manages user feedback and complaints through a wide range of communication channels. Issues that can be resolved immediately are addressed by customer service representatives, while more complex issues are forwarded to the relevant service planning or development teams to ensure prompt and accurate responses. Additionally, we conduct customer satisfaction surveys twice a year for users of our inquiry channels. The results are monitored and used to enhance satisfaction and improve services.

VOC Processing Procedures and Utilization

Service improvement requests and suggestions collected through various channels are continuously monitored and promptly shared with relevant departments through the VOC (Voice of Customer) process. We also conduct a comprehensive analysis of VOC data twice a year to identify recurring key issues. The service planning and development teams collaborate with the CS Operation Team to manage systematic improvements.

Diverse Communication Channels

- Consultation through KakaoTalk
- Contacting the Customer Service Center via the website or application
- 24/7 Emergency Call Consultation and Reporting Center
- Walk-in customer service center
- Visual ARS and Voice-activated Consultation Center

Customer service center

Service Improvements via VOC

- Function to switch between default and multi-profile
- Expansion of the number of pinned chats at the top of the KakaoTalk chat list
- Addition of co-manager functionality in team chats

Risk 1 Criminal Acts Committed Through the Misuse of Kakao Services

External Collaboration and Enhanced Reporting System for Strengthening the Protection of Children and Youth from Sexual Exploitation

To strengthen our policy on the protection of children and youth, Kakao signed a memorandum of understanding with Stand Against Child Abuse and Exploitation in September 2024. We have been refining our prohibited word database by incorporating data on slang that promotes or induces sexual crimes against children and youth, as well as emerging crime types and cases on social media, which are shared with us by Stand Against Child Abuse and Exploitation. We also established a collaboration framework by operating a hotline that allows the organization to quickly report any policy violations involving children and youth in KakaoTalk Open Chat. Furthermore, we improved the inquiry page in our Customer Service Center by creating a dedicated category. This allows users to file reports with attached conversations or evidence of harm, even if no message report history exists. For users submitting such reports, we also provide information on how to seek counseling support from Stand Against Child Abuse and Exploitation.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

User Protection

Strategy

Risk 2	Rising Demand for Evaluation and Certification Related to User Service Accessibility

Enhancing Accessibility of the Customer Service Center

Kakao is improving the accessibility of its Customer Service Center for information-vulnerable groups such as persons with disabilities and seniors. We remodeled our offline Customer Service Center to accommodate wheelchair users. Additionally, we enhanced screen reader compatibility and improved color contrast on our online Customer Service Center webpages for the visually impaired and users with low vision. In 2024, both the Kakao and Daum Customer Service Centers passed the web accessibility quality assessment conducted by Web-Watch, a quality certification agency designated by the Ministry of Science and ICT.

Risk 3	Non-compliance with the Telecommunications Business Act and Other Relevant Laws and Regulations

Evaluation of User Protection Measures

In accordance with Article 32 of the Telecommunications Business Act, Kakao continually reviews the possibility of regulatory violations to fulfill our legal responsibility for preventing and protecting against user harm. We also conduct an annual evaluation to assess the effectiveness and appropriateness of our user protection measures. In 2024, we received an "Excellent" rating—one level higher than the previous year—in the user protection

Efforts to Prevent the Distribution of Illegal Recordings and Related Content

Kakao fulfills its obligation to implement technical and administrative measures to prevent the distribution of illegal recordings. In 2024, we successfully passed an on-site inspection on the prevention of illegal recording distribution, demonstrating full compliance with legal requirements.

We operate a 24/7 Illegal Recording Report Center and provide detailed instructions on our Customer Service Center website regarding the reporting and handling procedures for illegal content, ensuring users face no difficulty when filing reports. If content containing videos subject to identification or publication restrictions is uploaded, it is pre-screened using a comparison-based identification system. Content determined to be illegal recordings is immediately deleted and restricted from being posted.

Risk Management

Risk Identification

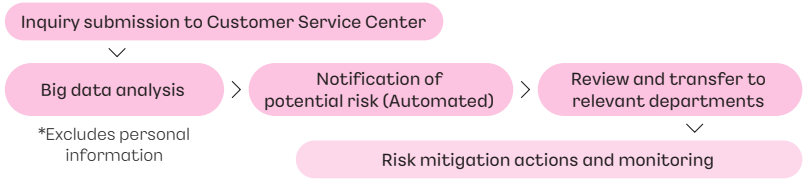
Kakao identifies user protection risks by analyzing user inquiry data submitted through our Customer Service Center. We filter inquiries related to potential risks using data that excludes personal information and review this information every two hours through our internal monitoring system. This process enables us to detect potential risk factors early and operate a management system that facilitates proactive prevention and prompt response.

In addition, Kakao conducts daily reviews of external factors that may affect our services. If any concerns are identified, we request monitoring by the relevant departments to swiftly detect and respond to risks.

Risk Assessment and Monitoring

Kakao monitors the occurrence and frequency trends of potential risks identified through the internal monitoring system and evaluates the effectiveness of response measures and improvement needs in collaboration with relevant departments. We assess the severity of each risk based on the number of affected users and whether the issue has been covered by media reports. Based on this assessment, we adjust the monitoring frequency and reporting targets to ensure continuous risk mitigation.

User Protection Risk Management Process



Integration of User Protection Risk Management into Company-Wide Risk Management Process

Kakao has established an Enterprise Risk Management (ERM) process that integrates financial and non-financial risks as a core system of ESG management. Under the company's Risk Management Regulation, privacy protection and information security are defined as non-financial risks. Leaders of the organizations affiliated with the ERM Support Division identify and assess related risks on a weekly basis and report their findings to the ERM Committee.

Go to "Integrated Risk Management"

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

User Protection

Indicators and Goals

Kakao's vision and action plan for user protection are established based on Article 32 of the Telecommunications Business Act, which outlines user protection obligations. These plans are publicly disclosed to stakeholders via our website. To effectively respond to the evolving digital landscape and social demands while promoting systematic protection activities, we have established a mid- to long-term plan and also formulate an annual user protection action plan.

	Enhance user protection systems	Adapting to External Environmental Changes	Improved Access to Information and Communication Channels
Short-term (2024)	• Developed and implemented "Fake Signal," a feature that identifies and alerts users to suspected impersonators based on profile and account information • Established a dedicated reporting menu for public channels to support post-response measures against impersonation and fraud	• Revised operational policies to counter illegal investment chatrooms • Opened a dedicated reporting channel for sexual crimes against children and youth	• Redesigned the UI of Kakao's web-based Customer Service Center to improve usability • Passed the web accessibility certification audit for Kakao and Daum Customer Service Centers • Published the inaugural "Kakao Talk Safety Report"
Mid-term (2025)	• Upgrade of anti-abuse systems to address emerging threat types	• Sign and expand partnerships with civic groups and public institution	• Introduce web-based sign language consultation for the hearing-impaired • Publish the Kakao Talk Safety Report twice a year • Host user forums for two-way communication • Maintain web accessibility certification for the Customer Service Center
Long-term (2028)	• Expand pre-detection and post-response capabilities to prevent user harm • Advance AI-based harmful content filtering systems	• Continuously improve operational policies and systems to ensure a safe digital environment • Systematically revise protection standards and internal guidelines in response to regulatory changes and societal demands • Expand collaboration channels with civic groups and supervisory agencies to reinforce joint response frameworks	• Continue enhancing accessibility for digitally vulnerable groups • Gradually expand the scope of information disclosure regarding operational principles and protection measures • Diversify forums and participatory communication channels to collect user feedback

Case

Stakeholder Collaboration and Communication for a Safer Digital World

Kakao collaborates with a wide range of stakeholders—including government agencies, research institutions, and NGOs—to foster a healthy online platform where all users can safely and freely express their opinions.

Application of Hate Speech Guidelines

- Disclosed the first 64 hate speech deliberation cases based on the "Voluntary Hate Speech Policy Guide" developed in 2023 in collaboration with the Korea Internet Self-Governance Organization (KISO)

Provided free access to our profanity database

- 39 organizations, including media outlets, joined KISO's user protection system (profanity filtering)
- Added 200,000 new entries to the profanity and vulgar language database

Activities to Prevent Financial Fraud and Ensure Consumer Safety

- Conducted a financial safety campaign through a memorandum of understanding with the Korea Federation of Banks in 2023
- Recognized in the "Product Safety" category at the 2024 Consumer ESG Innovation Award

Partnership with Stand Against Child Abuse and Exploitation

- Established a mutual cooperation system to protect children and youth in digital spaces
- Collaborated on enhancing banned word filters for crime prevention, establishing a swift reporting system between both parties, and providing counseling support for victims.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Overview

1. Governance

The Board of Directors of Kakao and the ESG Committee oversee and manage key issues related to privacy protection and information security, and delegate detailed decision-making to the Enterprise Risk Management (ERM) Committee Committee under the CEO, depending on the issue. The ERM Committee is responsible for managing risks, including reviewing and overseeing risk factors and establishing policies related to privacy protection and information security. We have integrated Kakao's privacy protection and information security issues under the broader domain of information protection to manage them in a unified manner. We have established the Information Protection Committee, our highest-level information protection council, which is composed of the Chief Privacy Officer (CPO), the Chief Information Security Officer (CISO), and executives from technology and infrastructure divisions. In addition, we operate the Privacy Advisory Committee, composed of external experts, to incorporate diverse perspectives into our policy-making process.

2. Strategy[1)]

Identification of Environmental and Social Impacts

	Key Impact	Likelihood of Occurrence	Severity of Impact When It Occurs
Positive	• Contribution to the improvement of industry-wide security policies and establishment of standards • Supporting the revitalization of the information security industry ecosystem • Strengthening of privacy protection capabilities across society through campaigns • Enhanced transparency in government agencies' procedures for accessing and utilizing personal data	Low ● Moderate ● High	Low ● Moderate ● High
Negative	• Social disruption caused by security incidents • Violation of users' personal data and rights due to inadequate handling of personal data	Low ● Moderate ● High	Low ● Moderate ● High

Identification of Financial Impacts

	Key Impact	Likelihood of Occurrence	Severity of Impact When It Occurs
Risk	• Data breaches and non-compliance with the Personal Information Protection Act • Increased demand for transparency in privacy protection • Security incidents such as cyberattacks and hacking	Short-term ● Mid-term ● Long-term	Low ● Moderate ● High
Opportunity	• Gaining user trust through privacy protection and information security efforts • Minimizing regulatory risks from overseas data protection laws	Short-term ● Mid-term ● Long-term	Low ● Moderate ● High

Response and Management Strategy

Kakao strives to manage its information assets securely and prevent personal data breaches and security incidents by establishing a proactive prevention and post-incident response system. We aim to minimize social disruption caused by security incidents through the stable operation of our services, while enhancing trust in our platform by safeguarding users' personal data. Furthermore, to strengthen information security capabilities across society, we conduct privacy protection education and awareness campaigns targeting various groups and contribute to fostering a culture of information security.

1) "Likelihood of Occurrence" and "Degree of Impact When Occurred" are each calculated by averaging scores across key impact factors and classifying them into three tiers (tertiles).

3. Risk Management

Kakao identifies risks to its information assets by utilizing its proprietary checklist for identifying technical vulnerabilities and conducting scenario-based assessments tailored to each service. We also analyze personal data flow diagrams by service to detect vulnerabilities. Identified risks are assessed based on likelihood and impact, and we assign risk levels accordingly to implement tailored responses. The information security organization establishes response plans and reports implementation results to the Chief Information Security Officer (CISO). In addition, we incorporate risks into the service design stage in accordance with the "Privacy by Design" principle and conduct company-wide inspections annually to monitor service operation risks on a regular basis.

4. Indicators and Goals

2025 Goals

Establish privacy protection policies that reflect evolving technological trends

- Develop and implement personal data protection policies in response to emerging technologies such as AI

Build a personal data management system that aligns with global standards

- Conduct privacy impact assessments that consider country- and region-specific compliance requirements in line with international business expansion

Strengthen the personal data protection framework for both users and partners

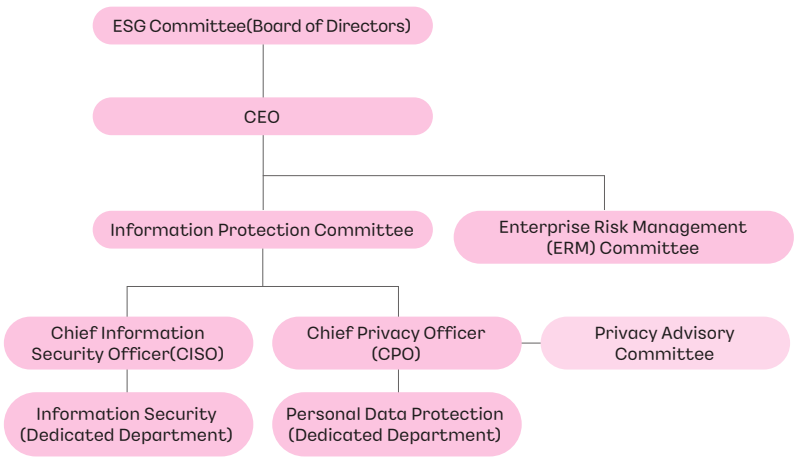
- Expand user-focused personal data protection initiatives

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Governance

Privacy Protection and Information Security Organizational Structure



Board of Directors and Committees

Kakao's Board of Directors and ESG Committee oversee and manage key issues related to privacy protection and information security. These areas are explicitly defined as part of the ESG Committee's scope of management under the Regulation of the ESG Committees, thereby clarifying the Committee's responsibility for their supervision and management. Depending on the issue, the Board of Directors delegates detailed decision-making authority to the ERM Committee.

The ERM Committee, which reports directly to the CEO, performs risk management duties including the review, supervision, and policy formulation of risk factors related to privacy protection and information security. The Risk Management Regulation define the roles and responsibilities of the CEO-direct ERM Committee in reviewing, supervising, and establishing policies on privacy protection and information security issues. The head of the privacy protection department attends the ERM Committee meetings on a weekly basis to report on major issues related to personal data and privacy. If a matter discussed at the ERM Committee is deemed necessary to be reported to the Board, it is submitted as an agenda item for the Board meeting.

Goal and Performance Management

The privacy protection and information security department reports key performance outcomes and objectives to the ESG Committee annually to ensure that privacy protection is taken into account when establishing the company's major business strategies. Kakao's privacy protection objectives are set in detail to a level that allows for a clear review of whether the previous year's goals were achieved and whether the current year's KPIs have been met. The ESG Committee oversees the achievement of these goals. Personal data protection goals and performance results are reflected in the Chief Privacy Officer's (CPO's) KPIs, and incentives are granted in connection with compensation. The goals and outcomes of information security are reflected in the CISO's KPIs and are linked to compensation.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Governance

Executive Management

To manage risks and opportunities related to privacy protection and information security in a professional and systematic manner, Kakao has appointed a separate Chief Privacy Officer (CPO) and Chief Information Security Officer (CISO).

The CPO is responsible for overseeing all risks and opportunities related to privacy protection and makes decisions to minimize risks and effectively utilize opportunities. The CPO regularly receives reports on personal data-related risks and issues and is provided monthly with the "Status Report on Technical and Administrative Safeguards for Personal Data" to manage risk. In addition, the CPOs of six affiliates attend regular meetings to share each company's philosophy and principles on personal data protection and to discuss key policies and issues.

Kakao appoints the CPO in accordance with the Personal Information Protection Act and the Kakao Privacy Protection Policy, selecting individuals with the necessary qualifications and competencies, including relevant expertise and experience in the field. To ensure effective protection and use of personal data in a complex environment shaped by regulatory and technological changes, the CPO completes annual in-house education programs on the Personal Information Protection Act and data policy for executives and employees. The CPO also attends external councils such as the Public-Private Council on AI Privacy and the Korean Chief Privacy Officers' Council.

The CISO oversees all information protection operations and serves as the chair of the Information Protection Committee, where information security-related matters at Kakao are reviewed and resolved.

In accordance with the Act on Promotion of Information and Communications Network Utilization and Information Protection, the CISO is appointed from among executives with professional expertise in information protection and information technology. The CISO receives weekly or ad-hoc reports on information security issues to make decisions and conducts monthly security audits, the results of which are reported to the CEO for risk management purposes.

Kakao establishes an annual information security education plan and provides regular training for all Krews and partner employees, including the CISO. When there are significant changes in applicable laws or regulations, Kakao provides additional training to ensure the CISO's decisions comply with legal requirements and respond effectively to security threats.

Information Protection Committee

The Information Protection Committee is Kakao's highest-level decision-making body on information protection. It deliberates and makes final decisions on critical matters related to information security. The committee is chaired by the Chief Information Security Officer (CISO), and includes the Chief Privacy Officer (CPO), as well as executives and department heads from technical, infrastructure, and relevant departments, ensuring both expertise and execution capability. The committee convenes regularly and on an ad hoc basis when critical issues arise, to discuss and approve core topics such as information security policies, risk management, and investment. Through this process, Kakao continuously strengthens its company-wide information protection standards. The Board of Directors oversees and supervises all aspects of the company's personal data protection and information security, including the activities of the Information Protection Committee.

Key Activities of the Information Protection Committee

- Reviewed and approved the analysis and assessment of website vulnerabilities in accordance with the Regulation on Supervision of Electronic Financial Transactions
- Reviewed and approved the analysis and assessment of vulnerabilities in electronic financial infrastructure in accordance with the Regulation on Supervision of Electronic Financial Transactions
- Reviewed and approved internal risk assessments for exemptions from network separation requirements for electronic financial operations
- Reviewed and approved information technology planning

Privacy Advisory Committee

To ensure that diverse perspectives are reflected in our user privacy protection policies, Kakao operates the Privacy Advisory Committee, which is composed of external experts from the legal and academic fields with expertise in privacy protection and information security. Through regular meetings, the committee monitors domestic and international developments in personal data-related regulations and issues, and provides advisory input on Kakao's policy direction.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

Privacy Protection and Information Security

Kakao discloses the potential financial impact of material issues in accordance with IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information). We present the risks and opportunities related to personal data protection and information security, and explain the potential financial impact of each factor. We also outline when, where in the value chain, and to what extent these impacts may occur. Detailed explanations are provided in the following strategy section.

Kakao's Value Chain

Upstream
: Stage for securing basic resources and infrastructure necessary to provide services

Own Operation
: The stage of developing, operating, maintaining,and managing services

Downstream
: The stage of delivering value to users and external stakeholders and collecting feedback

Opportunity 1

Minimizing regulatory risks from overseas data protection laws

- **Financial Impact:** Effectively responding to information security regulations can ease restrictions on entry into global markets and establish a foundation for revenue generation in new international markets.
- **Response Activities:** We pursue and maintain information security certifications.

Mid-term | Moderate

Risk 1

Personal Data Breach and Non-compliance with the Personal Information Protection Act

- **Financial Impact:** Direct costs such as fines, penalties, and litigation expenses may occur.
- **Response Activities:** We have established privacy protection principles and a management system, and we conduct Privacy Impact Assessment throughout all service processes. We also provide regular education to all employees to ensure compliance with relevant laws and regulations.

Short-term | High

Risk 3

Security incidents such as cyberattacks and hacking

- **Financial Impact:** Service disruptions may result in compensation costs.
- **Response Activities:** We operate a security support system throughout the entire service development process and conduct regular monitoring. We also enhance technical safeguards based on system architecture and provide regular training to strengthen the capabilities of administrators.

Mid-term | High

Opportunity 2

Gaining user trust through privacy protection and information security efforts

- **Financial Impact:** Helps prevent user churn and contributes to long-term revenue stability.
- **Response Activities:** We offer customized privacy protection guidelines tailored to various user groups, including children, adolescents, seniors, and small business owners.

Mid-term | High

Risk 2

Increased demand for transparency in privacy protection

- **Financial Impact:** Disclosing privacy protection activities and performance may incur a certain level of administrative costs.
- **Response Activities:** We standardize the scope and methods of disclosure by operating a dedicated privacy website and publishing transparency reports to provide relevant information.

Short-term | Moderate

Expected Timeframe for Occurrence: Short-term (1 year), Mid-term (5 years), Long-term (10 years) | Expected Impact Level: Low, Moderate, High

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

Response to Risks and Opportunities in Privacy Protection and Information Security

Kakao strives to handle its information assets securely and to prevent personal data breaches and security incidents through both proactive and reactive measures. By ensuring the stable operation of our services, we aim to prevent social disruption caused by security incidents and to protect users' personal data, thereby building user trust. We also seek to broaden our positive impact across society by conducting privacy protection education and campaigns targeting diverse groups, thereby contributing to capacity building in the areas of privacy protection and information security.

Risk 1	Personal Data Breach and Non-Compliance with the Personal Information Protection Act

Privacy by Design

● Proactive Measures

Kakao adopts the "Privacy by Design" principle as a foundational approach to privacy protection. Rather than responding after a privacy breach occurs, "Privacy by Design" involves anticipating and preventing potential personal data risks from the initial planning and design stages of a service—making it well-suited to a rapidly evolving technological environment. To operationalize services in line with this principle, Kakao has established relevant policies and guiding principles. We conduct privacy impact assessment across all stages of a service—planning, operation, modification, and termination—to identify and eliminate risk factors in advance and to internalize privacy protection principles. In addition, we perform vulnerability assessments, secure coding practices, and other preventive and review activities throughout all stages of service development. We also implement technical and administrative safeguards such as vulnerability checks and 24-hour security monitoring.

Kakao Privacy by Design

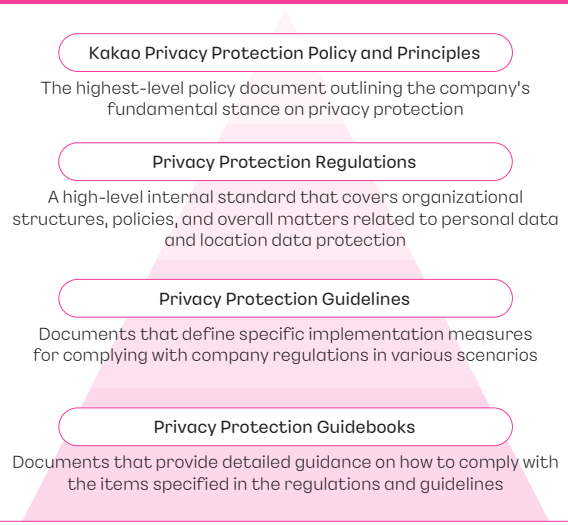
- Proactive not Reactive; Preventative not Remedial
- Privacy as the Default Setting
- Privacy Embedded into Design
- Full Functionality - Positive-Sum, not Zero-Sum
- End-to-End Security - Full Lifecycle Protection
- Visibility and Transparency
- Respect for User Privacy - Keep it User-Centric

Privacy Protection Policies and Guidelines

● Proactive Measures

Kakao's privacy protection policies are structured according to the stages of personal data processing and specific business functions. We publish these policies and guidelines in places accessible to all Krews, enabling them to review and apply the necessary documents to their work at any time. We also review and revise the policies regularly to respond to environmental changes, such as amendments to domestic and international personal data-related laws and the emergence of new technologies.

Tiered Structure of Privacy Protection Policies and Guidelines



Privacy Policy

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

Privacy Protection Principles

● Proactive Measures

Kakao recognizes that building trust with users is the most critical element in providing services. Accordingly, we process personal data based on a set of privacy protection principles to ensure that all Krews are committed to protecting users' personal data to the fullest extent.

Krew Privacy Protection Principles

- Respect user privacy and protect personal data at every stage of the service
- Ensure transparency in personal data processing
- Collect only the minimum amount of personal data necessary to provide services
- Retain collected data only for the necessary period and manage it securely
- Guarantee users' right to self-determination over their personal data
- Strive to fulfill our social responsibility

Personal Data Management System

● Proactive Measures

Kakao operates a personal data management system to ensure that users' personal data is handled securely. We conduct privacy impact assessment in accordance with the Privacy by Design principle throughout the entire service lifecycle—from planning and modification to termination—to prevent risks in advance. Our privacy impact assessment checklist includes items from the Personal Information Protection Act, the Act on the Protection and Use of Location Information, information protection certification requirements, and privacy protection items. These enable us to verify legal compliance and assess the impact on user privacy across all stages of a service. Additionally, we have established a privacy protection inspection and management system to conduct post-assessments based on the results of impact assessments and to ensure that user privacy protection measures are properly implemented. We also operate a personal data handler management system that identifies the company's personal data processing systems and enables integrated management of data processing activities and personnel authorized to handle personal data.

Stages and Review of Privacy Impact Assessment

Service Introduction

During the service planning phase, review compliance with the Personal Information Protection Act and evaluate the current safeguards in place for personal data processing systems.

Personal Data Collection

- Verify whether users have provided lawful consent
- Ensure that only the minimum necessary information is collected

Transmission and Storage of Personal Data

- Ensure secure transmission of personal data
- Apply encryption to sensitive data such as passwords, financial information, and location data
- Access Control and Authorization Management

Service Operation

Reassess review items from the service introduction phase when changes occur in the collection, use, or provision of personal data

Use of Personal Data

- Limit use to the intended business purposes
- Prevent misuse and abuse of personal data

Management of Personal Data Processing Systems

- Identify all personal data processing activities and review access permissions
- Control unnecessary exposure of personal data
- Maintain logs related to personal data processing

Provision of Personal Data

- Minimize the amount of personal data provided
- Ensure secure transmission of personal data

Service Termination

Confirm disposal of personal data once the intended purpose has been fulfilled and verify the shutdown of personal data processing systems

Disposal of Personal Data

- Assess the appropriateness of the target and timing of data disposal, and confirm that the disposal is performed securely

Shutdown of Personal Data Processing Systems

- Verify that personal data processing systems are properly terminated and related assets are returned

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

Personal Data Processing Procedure

● Proactive Measures

Kakao processes personal data based on lawful grounds, including obtaining user consent in accordance with the Personal Information Protection Act. The personal data processing procedure is divided into the stages of collection, use, provision, and disposal. We collect only the minimum necessary personal data required for service registration, use, and access, and utilize the data solely for the purposes agreed upon in advance. Once the purpose of use has been fulfilled, we promptly dispose of the user's personal data. For electronic files, we use technical methods that ensure secure deletion and prevent recovery or restoration. Additionally, we provide personal data processing procedure infographics to help users more easily understand personal data processing procedures, and provide Easy-to-Understand Personal Data Processing Policy for child users.

Kakao Privacy Processing Procedure Infographic | Easy-to-Understand Personal Data Processing Policy

Management and Inspection of Privacy Protection Practices by Data Processors

● Proactive Measures

Kakao manages third parties—including subsidiaries and suppliers (hereinafter referred to as "data processors")—that handle personal data on Kakao's behalf, to ensure that they comply with Kakao's privacy protection policies. Through written contracts, we require data processors to adhere to the Personal Information Protection Act and Kakao's privacy protection policies. We have developed a checklist for inspecting data processors in accordance with applicable laws and conduct regular inspections of their privacy protection practices. If any violations are identified in the inspection results, we take corrective actions to address them. We also assess the effectiveness of those measures by comparing the data processor's privacy protection level before and after implementation. The findings are used to inform future inspection activities. In addition, we have implemented a system that allows for real-time sharing of progress and inspection results with the responsible personnel, enabling efficient and timely risk management.

Privacy Protection Inspection Results for Data Processors in 2024

Response and Notification Procedures in the Event of a User Data Breach

● Reactive Measures

In order to respond quickly to prevent and minimize damage in the event of a personal data breach, we have established and are operating personal data breach response guidelines. Our personal data breach response guidelines include notifying users of the occurrence and reporting of the incident, providing information on the company's response actions, contact details for consultation, and instructions on remedial procedures to minimize user damage, thereby enabling an effective response in the event of an incident.

Step 1. Incident Reporting and Verification

- Occurrence/reporting of a confirmed or suspected data breach
- Report submission
- Fact-finding and emergency measure implementation
- Reporting to CPO and formation of a response team
- Establishment of a response plan

Step 2. Response Execution

- Institutional and legal response (notification and reporting)
- Elimination of vulnerabilities and implementation of technical measures

Step 3. Follow-up Measures

- Customer service response
- External communication
- Establishment and implementation of recurrence prevention measures

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

Activities to Raise Krew Awareness of Privacy Protection

● Awareness Enhancement

Kakao conducts a variety of activities to raise Krew awareness regarding personal data and privacy protection. We require a privacy protection pledge when granting personal data handling authority, and we regularly provide privacy protection and location data protection education to all Krews, including full-time, contract, and temporary employees. In the 2024 mandatory privacy protection education, we provided instruction not only on the protective measures for each stage of the personal data lifecycle, which Krews can refer to in their daily work, but also on amendments to the Personal Information Protection Act. In addition to regular education, we provide ongoing education on policies and protective measures related to data processing for Krews responsible for data-related tasks. We also publish a weekly personal data newsletter and a quarterly privacy protection magazine to help Krew naturally take an interest in privacy protection as part of their daily work.

Risk 2	Increased Demand for Transparencyin Privacy Protection

Operation of Kakao Privacy Site

Kakao ensures users' right to informational self-determination and operates a dedicated Privacy website that introduces our personal data protection principles, policies, and related activities. The Privacy site provides a detailed overview of Kakao's privacy protection principles and personal data management system based on the "Privacy by Design" framework. It also offers easy-to-understand guidance to help users of all ages—including children, teenagers, and seniors—better understand Kakao's privacy policies. Users can visit the Privacy site at any time to check and modify their personal data and adjust security settings. Additionally, through the "Privacy Brunch Story," we share various updates and information with stakeholders, including the structure of Kakao's privacy protection organization, as well as domestic and international policy trends related to personal data.

Kakao Privacy Site | Privacy Brunch Story

Guaranteeing Users' Right to Self-Determination Regarding Personal Data

Kakao respects users' right to self-determination regarding personal data. As data subjects, users can access the "Personal Data Management" menu within the Kakao Privacy site at any time to view the status of their personal data processing and request to view, modify, suspend, or delete their data. Through the "Manage My Information" function, users can review and update the personal data registered to their Kakao Account. They can also review, change, withdraw, or delete their consent history by service. Furthermore, users can review services linked to their Kakao Account and disconnect unused services or request deletion of personal data.

Kakao discloses details related to personal data processing through our Privacy Policy. To ensure that users can easily understand the information, we use plain language and apply custom-designed labeling images.

Personal Data Management Menu | Privacy Policy

Privacy Policy Labeling

Transparency Report Disclosure

Kakao responds to personal data requests from government and judicial authorities in accordance with due legal procedures, based on the principle of warrant requirement. We disclose statistics on user information requests made by government agencies for investigative and other purposes through our Transparency Report. We do not respond to requests from domestic organizations or individuals that have not followed official procedures. In cases where foreign government agencies or private institutions request user information, we request cooperation from the relevant South Korean government and judicial authorities.

Kakao Transparency Report

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

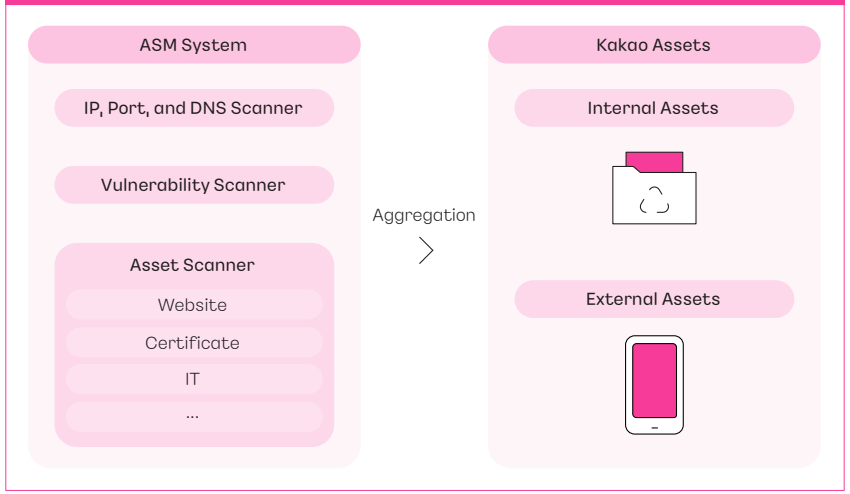
Risk 3 | Security Incidents including Cyberattacks and Hacking

Operation of Attack Surface Management System

● Technical Measures

Since 2023, Kakao has been developing and advancing its own Attack Surface Management (ASM) system[1], and beginning in 2024, we have replaced commercial ASM systems with our in-house system for full-scale operation. Using this system, Kakao has identified over 14,000 domains and more than 8,200 IP addresses, conducting continuous security scanning. By proactively detecting and eliminating unnecessary asset exposure on the internet, we minimize our attack surface. We also conduct simulations of known threats to promptly identify and remediate vulnerabilities. In 2024, we presented the technical excellence of our proprietary ASM system at the "CONCERT 28th Anti-Hacking Workshop," where we shared the related technologies with information security experts.

ASM System Conceptual Diagram



1) Attack Surface Management (ASM): A system that continuously monitors and manages all corporate assets—including servers, applications, and network devices—to protect against external attacks.

Security Development Lifecycle

● Administrative Measures

Kakao provides security education and guidance for developers and operates a comprehensive security support system throughout the entire service lifecycle—from planning to deployment. At key stages of development, we eliminate security vulnerabilities in advance through review procedures. Core services such as KakaoTalk and Kakao Account undergo security inspections with every regular release. We conduct annual security education for developers, and in 2024, this training was held in conjunction with "Information Security Day." To enhance the efficiency of security reviews during development, we are advancing security automation. We have improved our SAST (Static Application Security Testing)[1] tools to enable automatic diagnostics whenever source code changes are made. We also integrate DAST (Dynamic Application Security Testing)[2] and system hardening tools so that developers can directly perform security checks. All active services and infrastructure undergo at least one security assessment per year. In 2024, we conducted four rounds of penetration testing focused on our internal cloud and software supply chain. External services are protected through regular security scans and monitoring, enabling us to proactively block potential threats.

Security Development Lifecycle

Education	• Provide online and offline security education and security guidelines for developers (over 100 items)
Planning and Design	• Conduct security reviews during service planning and design • Define security requirements and conduct threat modeling • Provide guidelines on cryptographic use and cryptographic protocol design
Implementation	• Provide secure development guidelines • Support DevSecOps[3] tools
Verification	• Conduct security inspections of services and systems • Perform system security hardening (system security, network security) • Conduct secure coding inspections
Deployment and Monitoring	• Conduct regular security diagnostics at least once a year • Perform penetration testing • Implement real-time security monitoring and vulnerability scanning

1) Static Application Security Testing (SAST): A static security testing method that analyzes source code, bytecode, or the internal structure of applications to detect security vulnerabilities

2) Dynamic Application Security Testing (DAST): A dynamic security testing method that simulates external attacks on running applications to diagnose security vulnerabilities

3) Development, Security, Operations (DevSecOps): A framework that integrates security into every phase of the software development lifecycle

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

Bug Bounty Program

● Administrative Measures

Kakao operates a Bug Bounty Program to strengthen the security of its web and mobile application services by proactively identifying and addressing security vulnerabilities. External researchers can report security vulnerabilities through the Kakao Bug Bounty reporting site. Kakao evaluates submitted vulnerabilities based on internal criteria, provides rewards for valid reports, and promptly analyzes and remediates all submissions.

Since 2022, we have been operating our own vulnerability reporting site. In 2024, we received a total of 63 vulnerability reports from 37 researchers and awarded bounties for verified vulnerabilities. In 2024, we expanded the scope of the program by adding four services—KakaoStory, KakaoTV, KakaoTalk Channel, and KakaoTalk Business Center—to the existing 23 services, thereby further enhancing the security of a broader range of services.

Through the Bug Bounty Program, Kakao aims to deliver safer services to users and partners by strengthening our system for proactively discovering and addressing security vulnerabilities. We also plan to continuously improve the security level across all Kakao services by expanding collaboration with external researchers.

Bug Bounty Process

Submission	Analysis	Evaluation	Notification	Compensation
• Vulnerability reports submitted through the Kakao Bug Bounty homepage	• Kakao's security personnel analyze the reported vulnerability and assess its impact on services • Verify whether the issue is already being addressed or has been reported previously	• For new vulnerabilities, conduct a risk assessment based on analysis results and internal standards • Perform modification and remediation measures for services affected by vulnerabilities	• Notify the researcher of the evaluation results and whether a reward will be provided • If the report falls outside the scope of rewards or is a duplicate, provide reasons for exclusion	• Provide detailed final evaluation results and request completion of a consent form for compensation payment • Compensations are issued quarterly (January, April, July, and October)

Analysis, Evaluation, and Enhancement of Electronic Financial Service Vulnerabilities

● Administrative Measures

Kakao conducts biannual "Website Vulnerability Analysis and Evaluation" in accordance with Article 37 of the Regulation on Supervision of Electronic Financial Transactions to identify and remediate security vulnerabilities in its electronic financial services, including web and mobile applications. In 2024, Kakao carried out these evaluations in both the first and second halves of the year, targeting its electronic financial services. To ensure accuracy and reliability, the assessments were cross-reviewed in cooperation with the Financial Security Institute. As a result, 8 web and 5 mobile applications were evaluated during each period, with a total of 16 security vulnerabilities identified and addressed, thereby enhancing the overall security of the services. The evaluation results were submitted to Kakao's internal Information Protection Committee for deliberation and approval, subsequently reported to the CEO, and then officially submitted to the Financial Supervisory Service. In addition to electronic financial services, Kakao also conducted internal security vulnerability checks on its identity verification services and submitted the results to the Financial Supervisory Service. For newly introduced prepaid electronic payment instruments, the company carried out its own security review to identify potential vulnerabilities early and took necessary corrective actions. These efforts are part of Kakao's commitment to embedding security assessments from the earliest stages of new service development.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

Privacy Protection and Information Security Education for Krew and Partners

● Awareness Enhancement

Kakao provides annual information security education to all Krews who may have direct or indirect access to information assets, regardless of their employment type—whether full-time, contract-based, or temporary. In 2024, a total of 3,847 Krew members completed education under the theme "Everyday Security with SaaS," which enhanced their awareness of everyday security practices and potential security threats in SaaS environments. In addition, we conducted separate education sessions for 470 Krews in the IT division responsible for electronic financial services, 74 Krews in the information security division, and 63 executives, thereby strengthening our capacity to prevent information security risks.

For new hires joining Kakao either regularly or irregularly, we provide in-person education that helps embed both our organizational culture and security awareness from the start. We also collect and analyze participant feedback from each course to inform the direction and improve the content of the following year's education programs.

Information Security Campaign

● Awareness Enhancement

To help Krew naturally recognize and practice security behaviors in their daily work environment, Kakao designates an annual "Information Security Day (Kakao S Day)" to raise security awareness. In 2024, we organized Information Security Day under the theme "Kakao Information Security Olympics," setting up interactive booths such as a Security Initial Quiz, the Game of P (Protection), and a Memory Game to spark interest in security and naturally guide change management. We also invited a history expert to deliver a special lecture on real historical cases related to information security, helping participants understand the critical importance of security through storytelling and context. Furthermore, Kakao publishes a quarterly information security newsletter that introduces in-house security principles, the latest trends in information security, and major domestic and international security issues that Krews should be aware of. We incorporate storytelling elements, intuitive visuals, and video content to make the importance of information security easy and engaging for everyone to understand and practice.

Opportunity 1 Minimizing regulatory risks from overseas data protection laws

Information Security Certification

Kakao holds several globally and nationally recognized information security certifications, including the international standard for information security management systems ISO/IEC 27001[1], privacy protection certification ISO/IEC 27701[1], cloud security certification ISO/IEC 27017[1], and Korea's domestic certification ISMS-P[2]. Based on these certifications, we operate a secure and reliable security system across all our services. In 2024, we acquired ISO/IEC 27001 and ISMS[3] certification for our Kakao Data Center Ansan and further advanced our information security systems at the infrastructure level.

Information Security Certification

ISMS-P	Scope of Certification: Operation of Kakao services (including Kakao Certificates and electronic documents) Validity Period: February 1, 2023 — January 31, 2026
ISMS	Scope of Certification: Operation of Kakao Data Center Validity Period: November 20, 2024 — November 19, 2027
	Scope of Certification: Kakao Services Validity Period: July 7, 2024 — July 6, 2027

1) ISO/IEC 27001, ISO/IEC 27701, ISO/IEC 27017: International standards for information security management systems, established and maintained by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC)

2) ISMS-P (Information Security Management System — Privacy): Certification for information security and privacy protection management systems

3) ISMS (Information Security Management System): Certification for information security management systems

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Strategy

Opportunity 2 Building User Trust through Privacy Protection and Information Security Initiatives

Personal Information Protection Activities for Children and Adolescents

Kakao carries out a variety of initiatives to help children and adolescents recognize the importance of privacy protection and learn how to safeguard their information in daily life. We provide an "Easy-to-Understand Personal Data Processing Policy" tailored for children. A panel of children under the age of 14 participated in the development of this policy, which is presented in the form of a KakaoTalk conversation between Ryan and Choonsik, making it easy to read even for young users unfamiliar with lengthy text. Additionally, we developed the "Youth Privacy Protection Guidelines" in collaboration with a teen advisory panel composed of nine middle and high school students. The guidelines present 12 rules for various situations to help young users understand and apply Kakao's privacy protection features with ease.

Personal Information Processing Policy for Children and Youth

Easy-to-Understand Personal Data Processing Policy

Privacy Protection Guide for Senior

To support seniors who may face difficulties protecting their personal data in the digital environment, Kakao developed and published the "Privacy Protection Guide for Senior." We collaborated with researchers from the Korea Advanced Institute of Science and Technology (KAIST) "Policy Lab for Technology and Welfare in an Aging Society" to ensure the guide's content and delivery methods are appropriate for senior users. The guide consists of three videos covering: the concept and importance of personal data, real-life incidents such as phishing and how to prevent them, and practical tips for seniors to manage their personal data independently.

Privacy Protection Guide for Senior

Support for Personal Information Protection Activities for Small Business Owners

Since 2022, Kakao has collaborated with the Korea Internet & Security Agency to provide privacy protection education for both Kakao Business partners and small businesses interested in the topic. In 2024, we held a seminar for business operators using online intermediary platforms, focusing on real-life personal data breach cases. The sessions provided step-by-step guidance on key points to consider throughout the personal data processing lifecycle, as well as immediate response procedures in the event of a data breach. Kakao also distributed its custom-designed privacy policy labeling images free of charge to small businesses. We supported their use in various formats, including attachment to offline documents and delivery boxes.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Risk Management

Risk Identification

Kakao identifies and classifies information assets by type, and assesses their criticality based on the potential impact on the company in terms of confidentiality, integrity, and availability. Assets are then categorized into three levels of importance: high, medium, and low. To identify risks associated with information assets, we apply our own vulnerability assessment methodology. In addition, we consider relevant domestic and international legal requirements for information security and privacy protection, along with detailed control items from certifications such as ISMS-P and ISO/IEC 27001.

Service	Refers to server assets by service. Servers with the same configuration (OS, Application) and purpose are grouped together (including DB servers)
Network	Refers to network devices, classified by characteristics (includes security appliances)
Documents	Includes key documents such as information security policy documents and materials related to the protection of communications secrecy
PC/Laptop	Refers to company-issued PCs and laptops (including PCs used by personal data handlers)
Software	Refers to software used for development management, internal information management, and external services, managed by the company
Personal Data	Refers to customers' personal data retained by the company

Risk Assessment

For identified risks, Kakao calculates the level of risk based on likelihood and impact, and establishes mitigation measures for each of three risk levels: high, moderate, and low. For risks that require "risk reduction," we prepare specific mitigation plans that include protection measures and control mechanisms. We determine the priority and implementation timing of these actions based on urgency, cost-effectiveness, and feasibility.

Risk Level Classification

High	Moderate	Low
• Likelihood of Occurrence: High • Impact Level- Significant business losses or temporary service disruptions- Major violations of legal compliance- Substantial media exposure	• Likelihood of Occurrence: Possible • Impact Level- Minor business losses for services- Occurrence of legal compliance violations- Partial exposure to the public	• Likelihood of Occurrence: Significantly low • Impact Level- Low financial impact on services- Minor or delayed legal compliance- Exposure to a very limited audience

Risk Monitoring

Kakao's Information Protection organization establishes and implements action plans for identified security risks, verifies the completion of corrective actions, and reports the results to the Chief Information Security Officer (CISO). We also conduct root cause analyses of risks and establish recurrence prevention measures, such as revising information security and privacy protection documentation, strengthening security education, and enhancing monitoring of abnormal activities. The outcomes of these actions are reported to the CISO.

Pre- and Post-Incident Information Security Management System

Preventive Inspection Activities (Pre-Incident)	Response and Management (Post-Incident)	24/7 Security Monitoring	Incident Response Simulation Training
• Maintain a security level above legal standards through annual scheduled vulnerability assessments • Apply the latest security patches and updates to prevent vulnerabilities • Conduct remedial actions when vulnerabilities are found, and maintain detailed records of inspection results	• Perform rapid and accurate analysis in the event of a security incident • Convene and operate an incident response team according to the roles of each department • Classify incidents by severity, analyze damage, and implement corrective actions • Establish and carry out follow-up measures to prevent recurrence after the incident is resolved	• Operate a 24-hour Security Operations Center (SOC) for real-time incident response • Perform correlation analysis using the risk management system and standardized logs • Analyze and respond to security events and attack attempts • Address risk factors based on attack type and severity	• Conduct one simulated APT (Advanced Persistent Threat) email drill per year • Conduct one intrusion incident response drill per year • Conduct one denial-of-service (DDoS) detection and response drill per year • Participate annually in a national cyber incident response exercise led by the Korea Internet & Security Agency (KISA) for private companies

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Privacy Protection and Information Security

Risk Management

Identification and Monitoring of Privacy Protection Risks

Kakao creates personal data flowcharts for each service to identify the types of personal information processed, how they are handled, and any potential vulnerabilities within its services. Each item of personal data is classified by risk level, taking into account factors such as actual impact and the possibility of being combined with other data. When handling higher-risk personal information, Kakao applies enhanced protection measures to ensure safety. Kakao also uses an internally developed privacy protection checklist to assess risks across all stages of a service's lifecycle—from design to operation and termination. The checklist incorporates the requirements of privacy-related laws, as well as major information security and privacy certification frameworks such as ISMS and ISMS-P. Updates to legal requirements are continuously reviewed and reflected in the checklist. Additionally, during the service design phase, Kakao's privacy officers conduct ongoing privacy impact assessments based on the Privacy by Design principle to identify potential risks. During service operation, a company-wide privacy review is conducted annually to regularly monitor and manage risks.

Integration of Privacy Protection and Information Security Risk Management into Company-Wide Risk Management Process

Kakao has established an Enterprise Risk Management (ERM) process that integrates financial and non-financial risks as a core system of ESG management. Under the company's Risk Management Regulation, privacy protection and information security are defined as non-financial risks. Leaders of the organizations affiliated with the ERM Support Division identify and assess related risks on a weekly basis and report their findings to the ERM Committee.

Go to "Integrated Risk Management"

Indicators and Goals

Kakao aims to build a safe and trustworthy privacy protection and information security framework that responds to technological advancements, complies with legal requirements, protects users, and fulfills our social responsibility.

Mid- to Long-Term Privacy Protection Plan

	Establish privacy policies aligned with technological advancements	Build a privacy management system that meets global standards	Strengthen privacy protection for users and partners
Short-Term (By 2025)	• Establish and operate privacy policies that reflect the advancement of new technologies, including AI • Review and update Kakao's privacy policy framework	• Conduct privacy impact assessments tailored to national and regional compliance requirements as global operations expand	• Expand privacy protection initiatives to better protect users
Mid-Term (By 2027)	• Advance and internalize a privacy governance system	• Develop privacy policies that comply with global standards	• Provide privacy-related information and strengthen education programs for Kakao's partners
Long-Term (By 2030)	• Build and operate a system-based personal data management framework	• Establish and manage an integrated personal data management system that covers both domestic and global operations	• Institutionalize training programs to enhance partners' privacy protection capabilities

Mid- to Long-Term Information Security Plan

	Automate threat analysis and detection using AI	Gradually adopt and expand Zero Trust Architecture (ZTA)
Short-Term (By 2025)	• Integrate major log sources and tune SIEM policies • Automate real-time detection using threat intelligence	• Assess the current authentication status of users and devices • Analyze implementation of least privilege principles across resources
Mid-Term (By 2027)	• Conduct PoC (Proof of Concept) for AI-based anomaly detection	• Improve identity-based access control and monitoring systems • Introduce microsegmentation for more granular access control to critical internal systems
Long-Term (By 2030)	• Establish a continuous learning system using enterprise-wide log data for AI models	• Expand company-wide adoption of ZTA based on reference models (e.g., NIST SP 800-207) • Complete a behavior-based access control system with continuous verification mechanisms

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Overview

1. Governance

Kakao's ESG Committee, as the highest decision-making body, approves policies and strategies related to climate change by considering the financial impacts of climate-related risks and opportunities. It oversees and manages major environmental management issues, including climate change response. The executive in charge of the ESG management organization is delegated partial authority from the ESG Committee to establish and lead company-wide ESG strategies. This executive evaluates critical issues and reports key matters to the Board of Directors and the ESG Committee to support decision-making.

2. Strategy[1)]

Identification of Environmental and Social Impacts

	Key Impact	Likelihood of Occurrence	Severity of Impact When It Occurs
Positive	• Reducing carbon emissions through expanded use of renewable energy and promoting co-prosperity with local communities. • Reduced electricity consumption through energy-efficient operation of data centers • Reducing environmental impact and raising environmental awareness through user-participatory service operations	Low – Moderate – High	Low – Moderate – High
Negative	• Surge in power demand due to the expansion of AI services • Generation of electronic waste from disposal of existing equipment for high-efficiency upgrades • Continued unnecessary carbon emissions due to the maintenance of aging equipment and infrastructure	Low – Moderate – High	Low – Moderate – High

Identification of Financial Impacts

	Key Impact	Likelihood of Occurrence	Severity of Impact When It Occurs
Risk	• Occurrence of natural disasters such as heat waves and heavy rain • Increased precipitation and rising average temperatures • Designation of greenhouse gas regulations • Financial impact from RE100 implementation	Short-term – Mid-term – Long-term	Low – Moderate – High
Opportunity	• Expansion of sustainable services and products	Short-term – Mid-term – Long-term	Low – Moderate – High

Response and Management Strategy

Kakao is pursuing a variety of strategies to address physical and transition risks associated with climate change and to strengthen the foundation for sustainable growth. To achieve our 2040 Net Zero target, we are diversifying renewable energy procurement methods in accordance with RE100 technical standards and applying energy-efficient designs and technologies in our data centers. We also operate an internal carbon pricing system, which factors carbon emissions into key asset acquisitions and decision-making processes, allowing us to manage and minimize the financial impact of related risks.

1) "Likelihood of occurrence" and "degree of impact if occurred" are each calculated by averaging the scores assigned to key impacts and then categorizing them into three tiers (terciles).

3. Risk Management

Kakao systematically identifies and evaluates climate-related risks and opportunities through climate materiality assessments and scenario analyses, and establishes response strategies based on prioritized outcomes. Following our 2023 analysis of transition risks—including carbon credit purchases and rising electricity costs—we developed an internal methodology in 2024 for analyzing physical risks such as heatwaves and average temperature increases. Climate risks are managed as non-financial risk items within our enterprise-wide risk management system, and key issues are reported directly to the Enterprise Risk Management (ERM) Committee, which is under the CEO's authority.

4. Indicators and Goals

Kakao declared its Net Zero and Active Green initiatives in 2022 and transitioned the Jeju office to 100% renewable energy. In 2023, we strengthened our commitment to climate action by joining the global RE100 initiative, and in 2024, we expanded our renewable energy transition by converting the Kakao AI Campus to 100% renewable electricity. Kakao aims to achieve 60% renewable energy usage and reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 40% by 2030, with the goal of reaching 100% renewable energy across all business sites and achieving Net Zero by 2040.

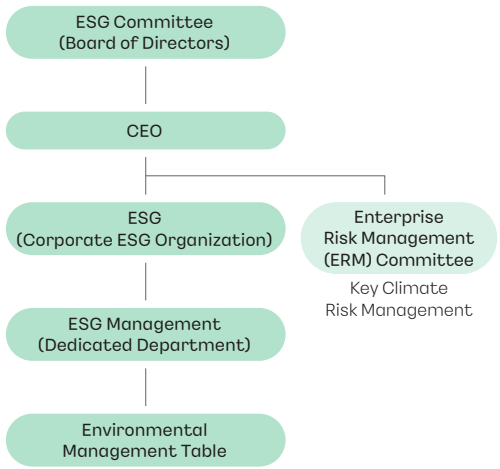
Kakao 2040 Net Zero Milestones	
2022	• Declaring Net Zero and Active Green Initiative • Achieving 100% renewable energy procurement for Jeju Office
2023	• Joining Global RE100
2030	• Achieving 60% share of renewable energy
2040	• 100% renewable energy conversion, • Net Zero achievement

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Governance

Climate Change Response Organization Structure



Key ESG Committee Activities in 2024

Reporting Agenda	• Progress on Net Zero implementation and 2024 plan (April 16, 2024) • Report on financial impact analysis of climate change (July 18, 2024) • Report on internal carbon pricing system operation (October 10, 2024)
Approval Agenda	• Approval for renewable energy procurement for RE100 implementation (October 10, 2024)

Board of Directors and Committees

The ESG Committee's authority and responsibilities for overseeing and managing climate change-related matters are stipulated in the ESG Committee Charter. The Committee makes decisions by considering climate-related risks and opportunities. Committee members are appointed based on the required competencies, and to strengthen strategic response capabilities, two education sessions per year are provided for independent directors. The ESG Committee convenes four times a year to review climate-related risks and opportunities and approves related management policies and strategies. In 2022, the Board approved Kakao's 2040 Net Zero roadmap. Since then, it has reviewed progress and major initiatives annually and deliberated and resolved key implementation plans for each respective year. Particularly, decisions are made with consideration for the reduction of greenhouse gas emissions and financial impacts arising from data center operations and technology investments.

Goal and Performance Management

Kakao established and disclosed its 2040 Net Zero target following deliberation by the ESG Committee. We are pursuing a 60% reduction in GHG emissions by 2030 and 100% by 2040. In May 2023, Kakao joined the RE100 initiative and has been procuring renewable energy in alignment with RE100 standards to meet these goals. The ESG Committee regularly reviews plans and oversees the implementation to ensure systematic execution of the target. Each year, the ESG Committee receives a report on the previous year's progress during its first meeting and reviews and approves the plan for the current year. As needed, interim reports are submitted to monitor the status of key initiatives and issues related to achieving GHG reduction targets.

Executive Management

The executive in charge of the ESG management organization is delegated authority by the ESG Committee to oversee and manage climate change response issues and incorporates related risks and opportunities into decision-making. To ensure the systematic implementation of the Net Zero roadmap, relevant matters are regularly reported to the ESG Committee. The ESG management organization provides weekly updates on climate change and environmental issues, and decisions made through these discussions are shared and executed via the dedicated ESG management team and the company-wide environmental governance body, the Environmental Management Table. Performance in climate response is linked to executive incentives in accordance with the executive compensation policy reviewed by the Compensation Committee under the Board of Directors. In particular, taking into account the nature of the industry, the expansion of renewable energy adoption has been designated as a core KPI for achieving Net Zero, and enhanced climate-related disclosure targets have also been incorporated into the compensation framework.
In 2024, the executive led discussions on the introduction of a data aggregation and management system, enhancement of the internal carbon pricing mechanism, and expansion of renewable energy adoption. To meet carbon reduction targets on a consolidated basis, Kakao has contributed to establishing a group-wide climate response system and has incorporated climate targets into the executive KPI system aligned with the Group ESG KPI framework.

Go to "ESG Performance Indicators for CEO Evaluation"

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Strategy

Risks and Opportunities in Climate Change Response

Kakao discloses the potential financial impacts of material issues in accordance with IFRS S2 (the sustainability disclosure standard for climate-related matters). We identify climate-related risks and opportunities and explain their potential financial impacts. The disclosure outlines which stages of the value chain may be affected, when, and to what extent, with detailed information provided in the strategy section.

Kakao's Value Chain

Upstream
: Stage for securing basic resources and infrastructure necessary to provide services

Own Operation
: The stage of developing, operating, maintaining,and managing services

Downstream
: The stage of delivering value to users and external stakeholders and collecting feedback

Risk 1 — Occurrence of natural disasters such as heatwaves and heavy rain — Long-term | High

Physical / Acute

- **Financial Impact:** The estimated financial impact of heatwaves is projected to be less than 0.1% of cumulative revenue (based on 2023 figures) by 2050.
- **Response Activities:** We regularly monitor and manage risks based on climate scenario analyses of major business sites.

Risk 2 — Increased precipitation and rising average temperatures — Mid-term | Moderate

Physical / Chronic

- **Financial Impact:** The estimated financial impact of rising average temperatures by 2050 is also expected to remain below 0.1% of cumulative revenue (based on 2023 figures).
- **Response Activities:** The estimated financial impact of rising average temperatures by 2050 is also expected to remain below 0.1% of cumulative revenue (based on 2023 figures).

Risk 3 — Designation of Greenhouse Gas Regulations — Mid-term | Moderate

Transition / Policy

- **Financial Impact:** While there is currently no direct impact, future inclusion in regulatory schemes may result in increased costs.
- **Response Activities:** We plan to proactively respond to regulatory risks by improving energy efficiency, introducing renewable energy, and establishing an emissions monitoring system.

Risk 4 — Financial impact of RE100 implementation — Short-term | Moderate

Transition / Market

- **Financial Impact:** Financial impacts are expected due to potential increases in electricity costs and fluctuations in renewable energy procurement prices.
- **Response Activities:** To proactively respond to market changes, we estimate and manage RE100 implementation costs based on various scenarios.

Opportunity 1 — Sustainable services and products — Mid-term | Moderate

Products and Services

- **Financial Impact:** An increase in transaction volume is anticipated through the expansion of sustainable products and services.
- **Response Activities:** We regularly track and manage performance, striving to broaden our portfolio of sustainable offerings.

Expected Timeframe for Occurrence: Short-term (1 year), Mid-term (5 years), Long-term (10 years) | Expected Impact Level: Low, Moderate, High

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

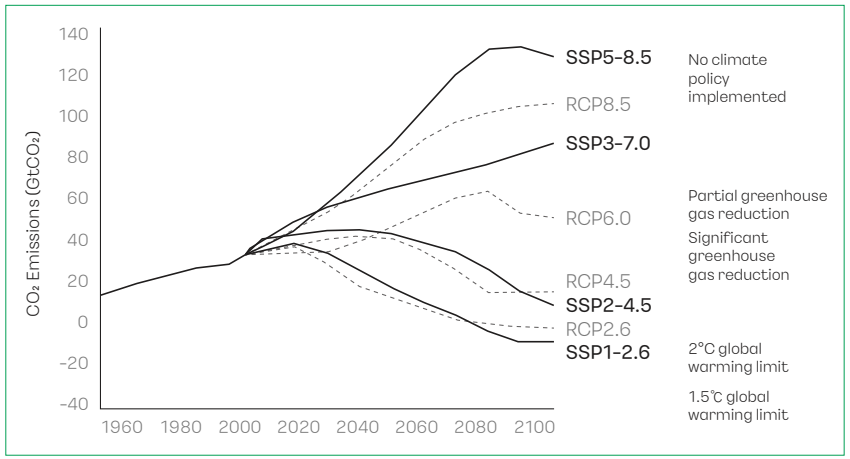
Climate Change Response

Strategy

Physical Risk Scenario Analysis

Scenario Selection

Kakao analyzed the financial impacts of acute and chronic physical risks due to climate change using the SSP (Shared Socioeconomic Pathways) scenarios developed by the IPCC (Intergovernmental Panel on Climate Change). The SSP scenarios expand upon the previous RCP (Representative Concentration Pathways) by incorporating socioeconomic changes based on the level of climate action and are classified into four standard greenhouse gas trajectories.



Source of chart: Climate Change Outlook Report for the Korean Peninsula (2020) by National Institute of Meteorological Sciences

Scenario	Description
SSP1-2.6	Assumes significant advancement in renewable energy technologies, minimal use of fossil fuels, and achievement of sustainable economic growth
SSP2-4.5	Assumes a medium level of climate change mitigation and socioeconomic development
SSP3-7.0	Assumes a society with delayed technological development and weak climate mitigation policies, resulting in high vulnerability to climate change
SSP5-8.5	Assumes rapid industrial and technological development with heavy fossil fuel use and unregulated, urban-centric expansion

Analysis Scope

Kakao conducted risk analysis for four domestic business sites based on the low-carbon scenario (SSP1-2.6) and high-carbon scenario (SSP5-8.5) among the four SSP scenarios.

Category	Address
Jeju Office	Yeongpyeong-dong, Jeju-si, Jeju-do, Republic of Korea
Pangyo Office	Baekhyeon-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
Kakao Data Center Ansan	Sa-dong, Sangnok-gu, Ansan-si, Gyeonggi-do, Republic of Korea
Kakao AI Campus	Gogi-dong, Suji-gu, Yongin-si, Gyeonggi-do, Republic of Korea

Analysis Methodology

Kakao selected heatwaves, heavy rainfall, and rising average temperatures as the primary physical risk factors, considering the nature of the industry and the potential business impacts. Using 2021 as the base year, we independently analyzed the projected changes in relevant indicators for the years 2030 and 2050 to assess potential financial impacts. For scenario analysis, we used the National Standard Climate Change Scenario provided by the Korea Meteorological Administration, which applies the IPCC's SSP scenarios to the Korean region.

Step 1 Selection of Risk Factors and Analysis Period

- Risk analyzed: Heatwaves, heavy rainfall, and rising average temperatures(Indicators analyzed: number of heatwave days, precipitation levels, average temperature)
- Analysis Period: Base year (2021), Future years (2030 and 2050)

Step 2 Evaluation Methodology and Data Preprocessing

- Evaluation Methodology: Korea Meteorological Administration's National Standard Climate Change Scenario
- Data Preprocessing: Analysis of latitude and longitude for each business site

Step 3 Scenario Visualization and Result Derivation

- Visualized Korea Meteorological Administration data and extracted site-specific indicators
- Developed quantitative formulas to calculate financial impacts and derived results accordingly

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

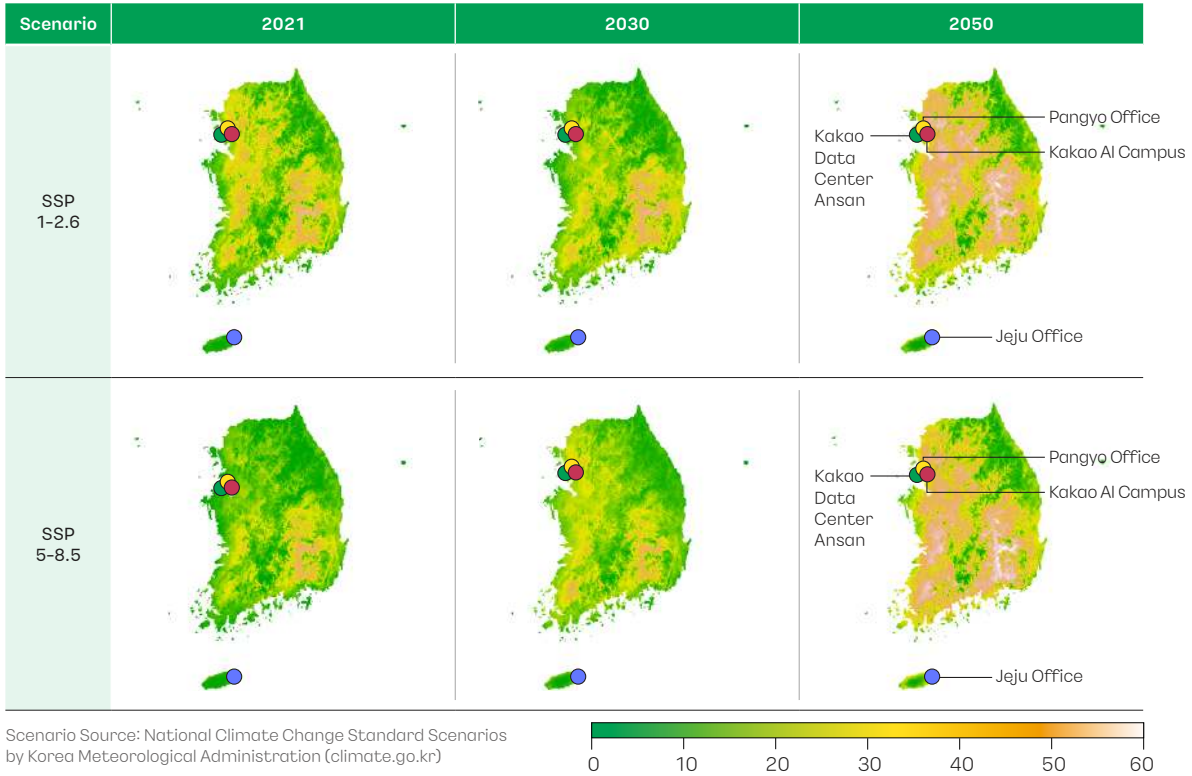
Strategy

Results of Physical Risk Scenario Analysis

Risk 1	Acute Risk — Occurrence of Natural Disasters such as Heatwaves and Heavy Rain

Number of Heatwave Days

Based on the low-carbon scenario (SSP1-2.6), the number of annual heatwave days at Kakao's major domestic business sites is expected to increase by an average of 10.5 days by 2050, compared to the baseline year of 2021. Under the high-carbon scenario (SSP5-8.5), this increase is projected to reach an average of 21.8 days. Although the rise in heatwave days has not yet resulted in direct financial impact, it may lead to increased operating time and output of cooling equipment at data centers. This, in turn, could drive up electricity consumption and associated operating costs. Reflecting these factors, the estimated financial impact by 2050 amounts to a cost increase of less than 0.1% of 2023 revenue on a cumulative basis.



Scenario Source: National Climate Change Standard Scenarios by Korea Meteorological Administration (climate.go.kr)

(Unit: days)

Category	Ansan	Jeju	Pangyo	Yongin	Average
SSP1-2.6					
2021	25.8	6.0	33.4	24.8	22.5
2030	17.6	6.8	24.8	15.6	16.7
2050	38.4	7.4	48.4	37.8	33.0
Change[1]	▲12.6	▲1.4	▲15.0	▲13.0	▲10.5
SSP5-8.5					
2021	11.6	3.0	20.2	9.8	11.2
2030	24.0	5.8	29.0	23.6	20.6
2050	38.4	16.8	43.6	33.2	33.0
Change[1]	▲26.8	▲13.8	▲23.4	▲23.4	▲21.8

1) Projected Change by 2050 Compared to 2021

Kakao Data Center Ansan · Jeju Office · Pangyo Office · Kakao AI Campus

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

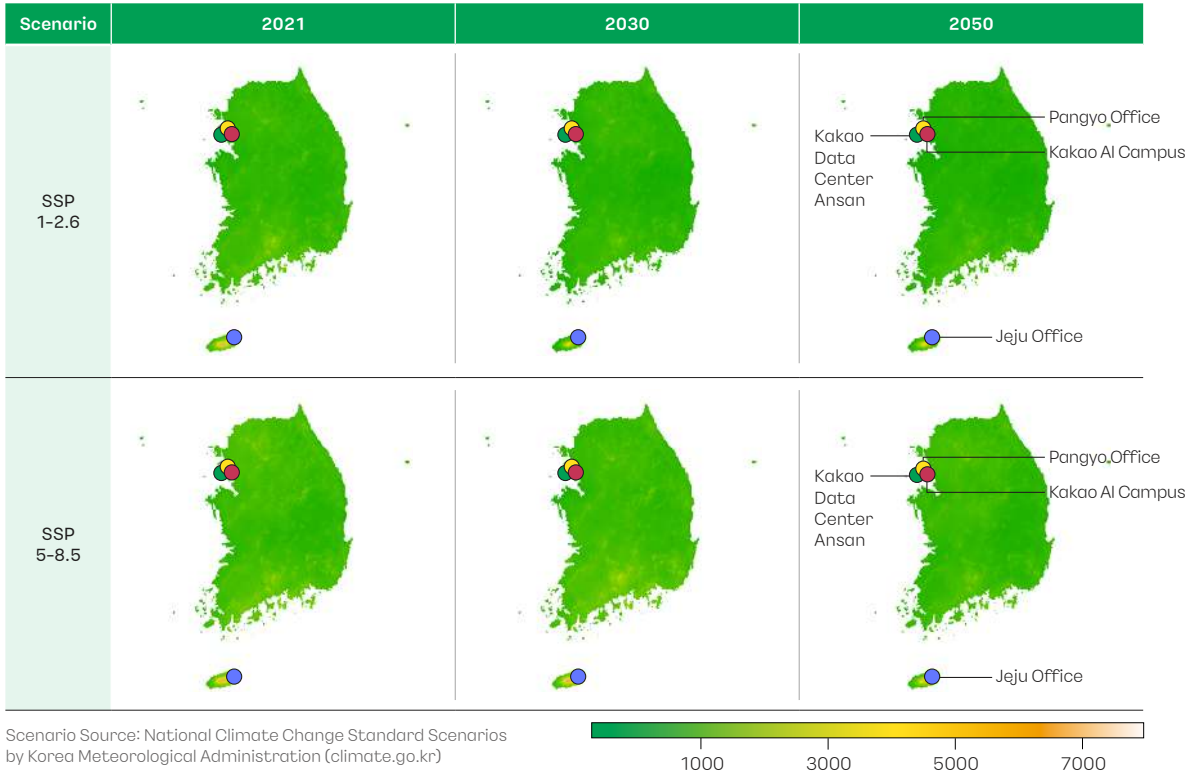
Strategy

Results of Physical Risk Scenario Analysis

Risk 2	Chronic Risk — Increase in Precipitation

Precipitation

An analysis of precipitation at Kakao's domestic business sites under both the low-carbon (SSP1-2.6) and high-carbon (SSP5-8.5) scenarios shows a projected decrease in precipitation by 2050 compared to the 2021 baseline. Accordingly, the likelihood of precipitation-related physical damage to Kakao's business sites is expected to be low.
Kakao plans to strengthen its long-term water-related risk response system and proactively manage uncertainties arising from climate change. We will also enhance its climate data-based analysis system and improve its long-term physical risk management capabilities to ensure stable business operations.



Scenario Source: National Climate Change Standard Scenarios by Korea Meteorological Administration (climate.go.kr)

(Unit: mm)

Category	Ansan	Jeju	Pangyo	Yongin	Average
SSP1-2.6					
2021	1,369	2,497	1,484	1,455	1,701
2030	1,199	1,900	1,382	1,395	1,469
2050	1,056	2,036	1,117	1,121	1,333
Change[1]	▼313	▼461	▼367	▼334	▼368
SSP5-8.5					
2021	1,587	2,660	1,715	1,772	1,934
2030	1,301	2,823	1,474	1,471	1,767
2050	1,450	2,217	1,606	1,613	1,722
Change[1]	▼137	▼443	▼109	▼159	▼212

1) Projected Change by 2050 Compared to 2021

● Kakao Data Center Ansan ● Jeju Office
● Pangyo Office ● Kakao AI Campus

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Strategy

Results of Physical Risk Scenario Analysis

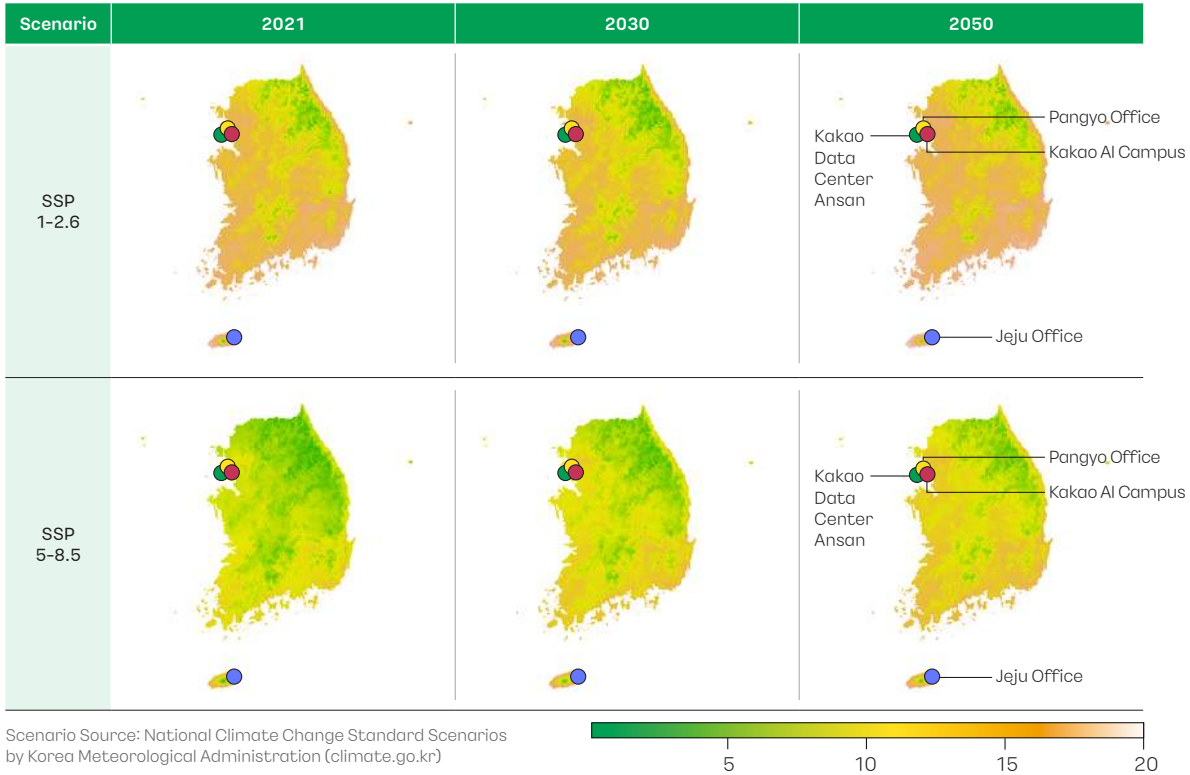
Risk 2	Chronic Risk — Increase in Average Temperature

Increase in Average Temperature

Under the low-carbon scenario (SSP1-2.6), average temperatures across all regions where Kakao's major domestic business sites are located are projected to increase by 0.6°C by 2050, compared to the baseline year of 2021. Under the high-carbon scenario (SSP5-8.5), the increase is projected to reach 2.0°C.

The financial impact of rising average temperatures is expected to materialize over the mid- to long term.

Based on projected additional electricity costs for data centers, cumulative operating costs are estimated to increase by less than 0.1% of 2023 revenue by 2050. To proactively address global climate change, Kakao has established and is implementing a Net Zero roadmap, aiming to manage potential financial impacts of climate change in advance.



Scenario Source: National Climate Change Standard Scenarios by Korea Meteorological Administration (climate.go.kr)

(Unit: °C)

Category	Ansan	Jeju	Pangyo	Yongin	Average
SSP1-2.6					
2021	13.9	14.9	14.7	14.0	14.4
2030	13.4	14.7	14.1	13.4	13.9
2050	14.5	15.6	15.2	14.6	15.0
Change[1]	▲0.6	▲0.7	▲0.5	▲0.6	▲0.6
SSP5-8.5					
2021	12.5	14.1	13.2	12.6	13.1
2030	13.8	15.1	14.5	13.8	14.3
2050	14.7	15.7	15.4	14.7	15.1
Change[1]	▲2.2	▲1.6	▲2.2	▲2.1	▲2.0

1) Projected Change by 2050 Compared to 2021

● Kakao Data Center Ansan ● Jeju Office
● Pangyo Office ● Kakao AI Campus

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Strategy

Results of Transition Risk Scenario Analysis and Resilience

Risk 3	Designation of Greenhouse Gas Regulations

Business Impact

The Korean government allocates emission allowances to business sites emitting greenhouse gases above a certain threshold to encourage emissions reductions. Although Kakao is not currently subject to the Target Management System or the Emissions Trading Scheme, we recognize that designation as a target entity could significantly impact our business. Accordingly, we continuously monitor and manage the potential financial impacts.

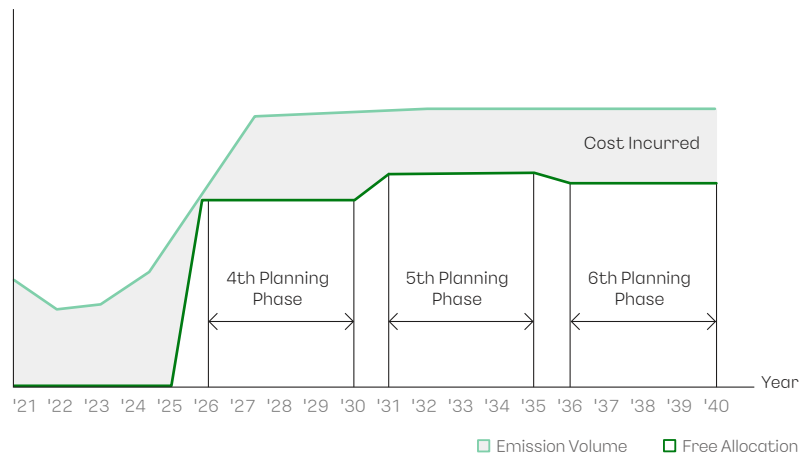
Financial Impact Analysis

Kakao analyzed the potential financial impacts of purchasing carbon allowances under various climate scenarios. The analysis period extends through 2040. Assuming designation under the Emissions Trading Scheme starting in the 4th planning phase (2026–2030), the analysis takes into account an increased share of paid allocation, based on Kakao's mid- to long-term Business As Usual emissions projections (BAU[1]) Based on the IEA (International Energy Agency) GEC Model's STEPS[2], APS[3], and NZE[4] scenarios, carbon allowance prices in Korea are expected to begin generating financial impacts starting in 2026.

Response Measures

Kakao is monitoring and managing internal and external regulations to minimize the potential financial impact of future carbon allowance purchases. Aligned with our 2040 Net Zero roadmap, we are actively working to reduce emissions through renewable energy procurement, and improving data center energy efficiency.

Results of Financial Impact Analysis



1) BAU: Business As Usual (Projected Emissions Scenario)
2) STEPS: Stated Policies Scenario, reflecting policies currently being implemented or officially announced by countries
3) APS: Announced Pledges Scenario, incorporating each country's carbon neutrality goals and Nationally Determined Contributions (NDCs)
4) NZE: Net Zero Emissions by 2050, assuming global net-zero by 2050 and limiting global warming to below 1.5°C

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Strategy

Results of Transition Risk Scenario Analysis and Resilience

Risk 4	Financial Impact due to RE100 Implementation

Business Impact

In line with the implementation of the national Carbon Neutrality and Green Growth Basic Plan and the NDC roadmap, many domestic companies have declared carbon neutrality and joined RE100. Kakao has committed to achieving RE100 and carbon neutrality by 2040. Since the majority of our greenhouse gas emissions originate from electricity consumption, we consider the instability of renewable energy supply and the potential increase in electricity rates to be significant business risks. Accordingly, we continuously monitor and manage changes in the energy market and related policies.

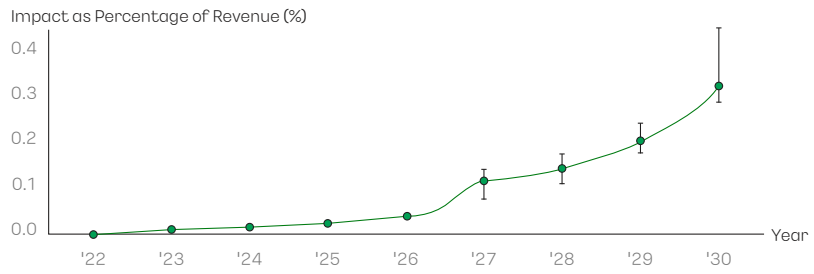
Financial Impact Analysis

Kakao analyzed the financial impact of annual renewable energy procurement costs associated with RE100 implementation. Taking into account the uncertainty in cost projections, the analysis period was set through 2030, and the financial impact is estimated to remain below 0.41% of projected revenue.

Response Measures

Kakao is targeting RE100 achievement by 2040 and is continuously monitoring and managing domestic and global market trends and relevant policies to minimize associated financial impacts. To prepare for potential instability in renewable energy supply and pricing due to rising demand and government policy changes, we have established various procurement-based scenarios—including REC, PPA, and Green Premium—and use them to estimate[1] and manage the cost of achieving RE100.

Results of Financial Impact Analysis



Renewable Energy Procurement Method

Procurement Options	Features	Scenario Setting
On-Site Generation	• While initial capital investment is high, it delivers significant long-term operational cost savings • It allows for electricity cost reduction and stable energy supply based on the volume of self-generated power	Kakao constructed scenarios by strategically assigning weights to each cost-efficient procurement option and developed corresponding response measures.
REC	• Easy to procure, offering high market efficiency and scalability • Low economic feasibility due to additional certificate purchase cost on top of electricity cost	
PPA	• Long-term fixed-price contracts, typically over 15 years • High economic feasibility as they mitigate electricity cost volatility	
Green Premium	• Not recognized as a reduction achievement under the Emissions Trading Scheme • Requires additional payment on top of electricity cost, lowering cost-efficiency	

1) Cumulative renewable energy costs from 2024 to 2030 were analyzed, with the lowest and highest cost estimates based on the 25th and 75th percentiles, respectively.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Strategy

Direct Mitigation and Adaptation Efforts

Renewable Energy Procurement for RE100 Achievement

Kakao has joined RE100, a voluntary global initiative, to achieve its goal of converting 100% of its electricity consumption to renewable energy. We are procuring renewable energy in accordance with RE100 technical standards with the goal of fully converting electricity use to renewables by 2040. Jeju office has already achieved 100% renewable energy usage through solar power generation.

Previously, we primarily secured renewable energy through Renewable Energy Certificates (RECs), but in 2024, we diversified our procurement methods to enhance stability by combining self-generated solar power and the Green Premium program. In particular, we directly utilized electricity generated from solar power facilities installed on the exterior of the Kakao Data Center Ansan. For these self-generation efforts, we received a renewable energy usage verification certificate from the Korea Energy Agency.

Operation of an Eco-Friendly Data Center

Kakao has improved data center operational efficiency through sustainable design and energy-saving technologies. The Kakao Data Center Ansan, which began operation in January 2024, obtained LEED certification and has enhanced energy efficiency through the use of solar power, fuel cells, a waste heat recovery system, and optimized cooling energy.

Go to "Eco-Friendly Data Centers and Offices"

Operation of an Internal Carbon Pricing System

Kakao has introduced an internal carbon pricing system, which is used to evaluate climate risks during major asset acquisition and investment decision-making. In 2024, this system was applied to our procurement process, granting preferential points to server and network equipment vendors with lower carbon emissions.

Go to "Internal Carbon Pricing System"

Indirect Mitigation and Adaptation Efforts

MOU for Spreading a Culture of Carbon Neutrality

Kakao signed a memorandum of understanding (MOU) with the Ministry of Environment to promote a culture of carbon neutrality. Through our social contribution platform Kakao Together, we are jointly conducting campaigns to encourage users to participate in carbon neutrality efforts.

Strengthening Climate Change Response Among Partners

In 2024, Kakao explicitly incorporated the implementation of the internal carbon pricing system into the procurement regulations to incentivize greenhouse gas reduction among partners. Additionally, Kakao supports partners' ESG implementation, including climate change response, and conducts annual ESG due diligence on key partners to assess climate-related risks and support ESG consulting.

Strengthening Engagement with Climate-Related Stakeholders

Kakao continues to enhance the quantification and disclosure of the financial impacts of climate-related risks and opportunities in line with growing climate disclosure requirements. In 2024, we earned a "Leadership A" rating from CDP Climate Change for the second consecutive year and have been reporting our RE100 implementation progress annually through CDP. To strengthen our capabilities in renewable energy transition and climate response, we participate in the UNGC Environmental Working Group and the Corporate Renewable Energy Working Group. Additionally, in 2025, we will join CoREi (Corporate Renewable Energy Initiative), further committing to collaboration for the expansion of renewable energy adoption.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Strategy

Opportunity Analysis Results

Opportunity 01 Sustainable Products and Services

Business Impact

As eco-friendly policies gain traction globally, consumers are increasingly making value-based choices, considering environmental performance and social value. This shift is emerging as a new trend in consumption. Kakao is expanding its user-participatory sustainable business practices, including the introduction of environmentally certified products and packaging materials designed to reduce environmental impact. We view new users attracted by these efforts as a key growth opportunity and have defined this as a significant business opportunity to be managed strategically.

Financial Impact Analysis

Kakao identified business areas and activities aimed at enhancing environmental value and assessed the financial impact based on annual transaction volume. The analysis focused on commerce services that involve direct product sales to consumers, and we track the transaction volume, number of products sold, and number of certified labels for eco-friendly products and services. In 2024, we increased the number of eco-certification labels for Kakao's sustainable products and services by approximately 18%, thereby broadening product variety to help users make environmentally conscious choices. As social interest in the environmental performance of products and services continues to grow, the financial impact is expected to increase steadily and contribute to the growth of Kakao's commerce business.

Process for Analyzing the Financial Impact of Sustainable Products and Services

Process for Analyzing the Financial Impact of Sustainable Products and Services > Identify eligible sustainable products and services > Track Quantitative Performance Annually

- Kakaocommerce
- Kakaomakers

- Transaction Volume
- Number of Products Sold
- Number of Certified Labels

Response Plan

To leverage revenue from sustainable products and the inflow of users driven by sustainability as a growth opportunity, Kakao is undertaking a range of initiatives to deliver environmental value. Kakao Friends plush products use recycled polyester filling certified by the Global Recycled Standard (GRS), and we also use recycled materials in our private-label product development. We encourage user participation through our key business platforms and services. On the platform sector, we have introduced a dedicated section in Daum News that features curated articles on climate and environmental issues for easy access. In KakaoTalk's "Gift" and "Talk Deal" services, we provide eco-certification information alongside product details to support users in making sustainable consumption choices. On the service sector, we run interactive environmental initiatives such as Digital e-Document Service, "Saegaburch" (reuse/upcycling), and "KakaoTogether."

Environmental Practices through Kakao Services

Promoting a Circular Economy Through Products	Providing Environmental Information via Platforms	User-Participatory Environmental Content
• GRS Certification • Private Brand Products Using Recycled Materials • Saegaburch	• Climate and Environment section in Daum News • Eco-certification information in KakaoTalk Gift and Talk Deal	• Saegaburch • Kakao Together • Digital e-Document Service

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Climate Change Response

Risk Management

Identification, Evaluation, Prioritization, and Monitoring of Risks and Opportunities

Kakao analyzes climate-related risks and opportunities in accordance with the recommendations and guidelines of the TCFD (Task Force on Climate-related Financial Disclosures) and establishes response plans based on the characteristics of our business. We assess the significance of each risk and opportunity by considering factors such as likelihood of occurrence, expected timing, and magnitude of impact. Using climate scenario analysis, we evaluate the potential financial implications. Based on the results, we prioritize risks and opportunities and establish appropriate response measures. We also conduct regular assessments and monitoring of the progress of our Net Zero roadmap.

Integration of climate change risk management into enterprise-wide risk management processes

Kakao has established an enterprise risk management (ERM) process that integrates financial and non-financial risks as a core system of ESG management. Kakao defines climate change and environmental issues as non-financial risks in its Risk Management Regulation. Within the ERM (Enterprise Risk Management) support division, the leader of the ESG Management Team—responsible for climate-related matters—reports directly to the ERM Committee under the CEO.

Go to "Integrated Risk Management"

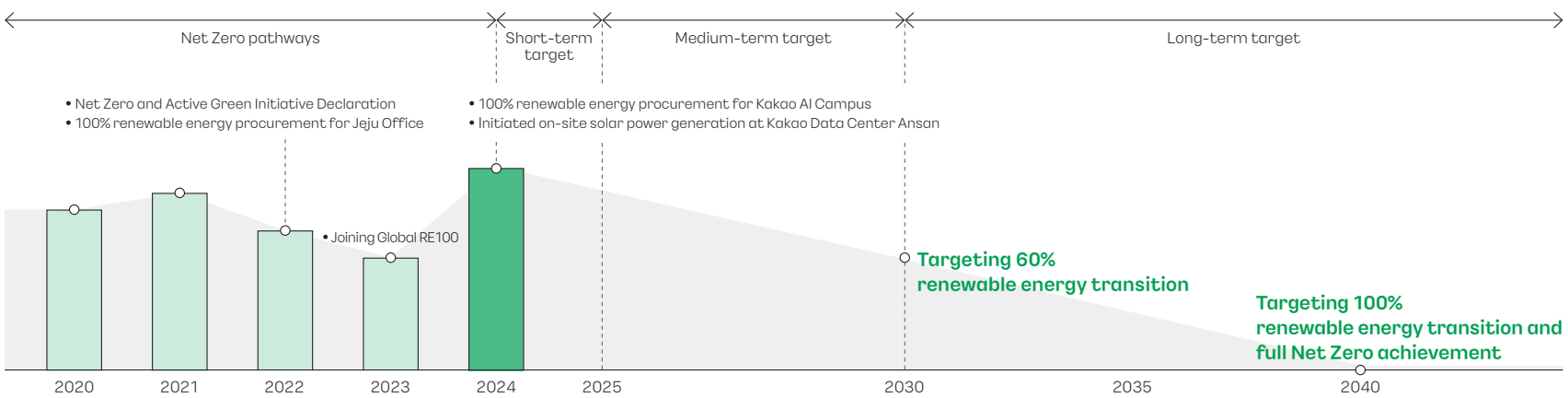
Indicators and Goals

Kakao declared its 2040 Net Zero target in April 2022 to address the climate crisis. We aim to reduce Scope 1+2 emissions—those generated directly from company operations—to zero by 2040[1], and to minimize Scope 3 emissions indirectly generated throughout the value chain, thereby contributing to the Korean government's 2050 carbon neutrality goal. As most of Kakao's greenhouse gas emissions come from electricity usage, we are actively pursuing a transition to renewable energy through diverse strategies. To achieve its sustainability goals, Kakao is implementing a roadmap to reach Net Zero by 2040, with a target of sourcing 60% of its electricity from renewable energy by 2030 and achieving full RE100 compliance by 2040.

Climate-Related Indicators

Greenhouse gas targets · greenhouse gas emissions · energy consumption Go to "Environmental Goals"	**Internal Carbon Price** Go to "Internal Carbon Pricing System"
Executive Compensation Linked to Climate Performance Go to "ESG Performance Indicators for CEO Evaluation"	**Industry-Based Indicators** Go to "SASB Index"

Kakao 2040 Net Zero Roadmap[2]



1) Based on six greenhouse gases (CO2, CH4, N2O, HFCs, PFCs, SF6) and market-based Scope 1+2 emissions
2) Original SBTi-based roadmap restructured around RE100 implementation for Net Zero

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Indicators and Goals

Internal Carbon Pricing System

Kakao operates an Internal Carbon Pricing (ICP) system as a strategic tool to integrate climate risk into financial decision-making and accelerate low-carbon transition. The operation of the ICP is regularly reported to the ESG Committee and is formally incorporated into our internal procurement regulations.

ESG Committee Reporting Item

October 10, 2024	Report on Internal Carbon Pricing System Operation

Decision-Making Procedure Using Internal Carbon Pricing

Step 1 Identification of New Assets and Projects
- Select new assets or projects subject to internal carbon pricing

Step 2 Review of Emission Impact Scope
- Confirm whether the project impacts Scope 1, 2, or 3 emissions

Step 3 Estimation of Carbon Emissions
- Calculate projected emissions from new assets or project execution

Step 4 Monitoring Internal Carbon Price
- Track trends in carbon credit prices, renewable energy procurement costs, and international scenarios

Step 5 Incorporation of Carbon Cost and Decision-Making Support
- Apply the internal carbon price to the estimated emissions to calculate total carbon costs
- Reflect this in investment feasibility assessments and other key decisions

Scope of Application

Kakao applies an internal carbon pricing system to major business decisions—such as the acquisition of new assets or investment projects—that are expected to have significant carbon emissions. Currently, the system is applied selectively to projects with substantial Scope 1 and 2 greenhouse gas emissions. In 2024, the internal carbon price was incorporated into decision-making for investments in servers and network equipment at data centers, based on projected emissions. Kakao plans to gradually extend the system's scope to include Scope 3 emissions as well.

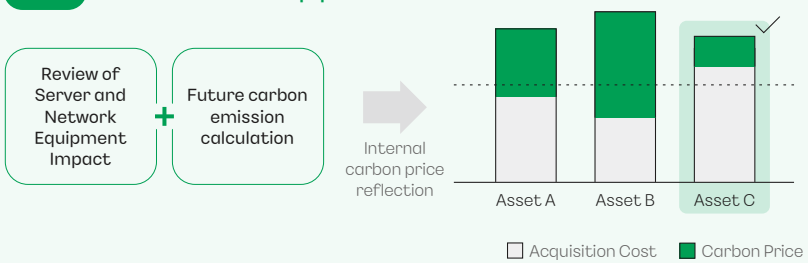
Carbon Pricing Criteria

Kakao comprehensively considers various factors when determining internal carbon pricing, including carbon credit prices, renewable energy procurement costs, and carbon price forecasts based on international climate scenarios. Additionally, Kakao applies a time-differentiated pricing model to better reflect the actual cost structure over time. This approach is designed to manage cost risks proactively while strengthening incentives to reduce greenhouse gas emissions—achieving both sound financial risk management and sustainable decision-making.

Key Achievements in 2024

Kakao actively applies internal carbon pricing to major decisions such as renewable energy procurement contracts and infrastructure investments. Notably, in 2024, carbon pricing was used to prioritize low-carbon products in asset acquisition decisions for high-emission categories. This was done by estimating carbon emissions under real-world operating conditions and assigning added weight to low-emission options. This process forms a key foundation for accelerating Kakao's transition to a low-carbon economy and achieving its carbon neutrality goals.

Case Server and Network Equipment



Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

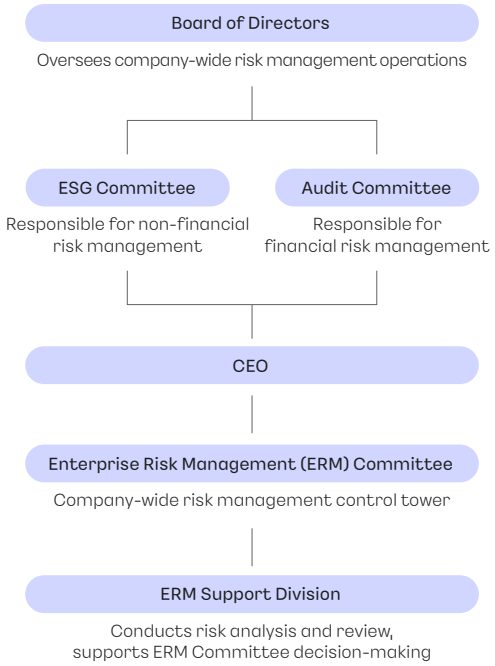
Integrated Risk Management

Risk Management Structure and Responsibility

Approach

"Integrated Risk Management" is a core ESG management system that extends beyond ESG issues to company-wide recognition and response to risks. In particular, the risk management organization serves as a key body responsible for leading or supporting decision-making and execution related to material issues, systematically enabling effective implementation. Accordingly, we aim to present Kakao's Integrated Risk Management System, which underpins the overall management of material issues.

Integrated Risk Management Organizational Structure



Board of Directors and Committees

The Board of Directors of Kakao oversees enterprise-wide risk management by reviewing, supervising, and establishing policies for risks that may arise during business operations. Specific responsibilities may be delegated to the Enterprise Risk Management (ERM) Committee through the CEO. The Board strategically manages environmental, social, and governance (ESG) areas and analyzes their impacts on the company. Non-financial risks are managed by the ESG Committee under the Board, which takes a comprehensive approach based on the magnitude and historical frequency of the risks.

Financial risks are managed by the Audit Committee, which oversees overall risks including interest rate, liquidity, credit, foreign exchange, capital, financial reporting, and internal accounting controls. The roles and authorities of the Board, ESG Committee, Audit Committee, and ERM Committee are defined in each committee's charter and in the Risk Management Regulation.

Strengthening Risk Management Capabilities and Accountability

Kakao appoints board members with deep expertise in the IT industry to ensure that the company's business is conducted in compliance with relevant laws, leveraging their professionalism and independence. To respond to the rapidly evolving IT environment, we are continually enhancing our capacity to understand and manage risks associated with changes in AI technology. In December 2024, a training session on Kakao's AI risk management framework, the Kakao AI Safety Initiative (Kakao ASI) was conducted for the ESG Committee.

ERM Committee

Kakao operates the Enterprise Risk Management (ERM) Committee under the CEO as the control tower for enterprise-wide risk management. In accordance with the Risk Management Regulation, the ERM Committee analyzes potential losses and impacts arising from changes in the external environment. It holds weekly regular meetings to review the current status and impacts of risk management and to make decisions accordingly. The committee oversees comprehensive management of both financial and non-financial risks, supervising all risk management activities from identification, measurement, analysis, and review to response, management, and control. The ERM Committee reports key risk-related matters to the ESG Committee, Audit Committee, or the Board of Directors. In 2024, the committee reported its annual activities to the Board.

Control and Procedures

Kakao is institutionalizing the ESG Committee's reporting system to enhance its risk management capabilities. We operate the ERM Support Division, which consists of senior leaders from each department. This subcommittee analyzes and reviews risks identified in each organization, assigns risk grades based on their scale and frequency, and designates the responsible management entity. The analyzed risks are reported to the ERM Committee, which then determines the appropriate level of control based on the potential losses and likelihood of impact on corporate value. Additionally, to ensure that Kakao Krews can proactively recognize risks that may arise throughout the entire process of technology development, service planning, and operations, we developed and distributed the "Risk Check Guide," thereby reinforcing enterprise-wide risk management efforts.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Integrated Risk Management

Definition and Response to Key Risks

Category	Risk	Definition	Response Status
Non-Financial	Technology Ethics	Emerging technologies such as AI, cloud computing, and blockchain offer numerous benefits but also pose risks that require proactive management.	• Established the Kakao Group Tech Ethics Subcommittee to conduct preemptive risk assessments and oversee integrated policy management • Introduced new items on Kakao's AI Ethics, adopted a Checklist for Safe AI, and established internal policies for the use of generative AI • Built Kakao ASI (Kakao AI Safety Initiative), a risk management framework for AI safety • Developed our own AI guardrail model, Kanana-Safeguard, to enhance AI service reliability
	User Protection	There is a risk that technical defects or issues in service use may cause inconvenience to users or infringe on their rights.	• Continuously review and improve policies from a user protection perspective • Advance the management system to improve service infrastructure stability • Upgrade AI-based filtering system for harmful content • Enhance service support systems to enable rapid societal response in the era of multiple disasters and crises
	Privacy	User information collected through services inherently carries the risk of privacy infringement. Violations of related laws and regulations may lead to sanctions on the respective services.	• Conducted internal education on privacy • Performed personal data-related impact assessments from the early stages of service development • Reviewed privacy policies through the Personal Data Advisory Committee, which consists of external experts
	Policy and Regulation	Changes in policies and regulations can impact the competitiveness of existing businesses and act as barriers to the stable entry of new businesses.	• Continuously monitor domestic and global policy trends • Analyze factors that affect business competitiveness and establish appropriate response strategies
	Compliance	Risk of indirect financial liabilities, civil or criminal disadvantages, regulatory sanctions, or negative impacts on the organization or employees.	• Ensure that business operations comply with current laws and policies • Review the appropriateness of contracts and transactions between affiliates
	Information Security	Information security issues such as abusive activities that disrupt normal service operations and malicious hacking attacks on systems are ever-present.	• Established systems to maintain a stable security environment • Continuously monitor and strengthen response capabilities against external threats such as abuse and hacking
	Ethics	Risk of operational and reputational damage caused by unethical behavior by Krews or partners during business execution.	• Continuously conduct education to prevent unethical behavior and decision-making • Support ethical management activities throughout the supply chain
	Reputation	Negative public opinion and deterioration of the company's external image may result from poor management performance, social controversy, customer complaints, or major litigation.	• Conduct proactive external communications through media, internal, and external channels • Identify and promote best practices to counter misinformation and improve corporate image
	CI (Corporate Identity)	Unauthorized use of the company's name, legal entity, trademark, reputation, or credit without consent may lead to risk exposure.	• Collect and respond to reports on misuse of Kakao IP assets, including major CI elements
	PI (Personal Identity)	Incidents involving executives, Krews, or other company personnel that cause social controversy, major lawsuits related to business operations, or actions that hinder the healthy growth of the organization.	• Strengthened internal awareness through regular education on ethical regulations and disciplinary policies • Operate a hotline system for reporting misconduct
	External Environment	Unforeseen changes in the external environment, such as pandemics, wars, or terrorism, may disrupt sustainable business operations.	• Enhanced the business continuity management system to ensure service stability under disaster and crisis scenarios • Acquired ISO 22301, the international standard for Business Continuity Management Systems (BCMS)
	Human Rights	Violations of dignity, value, freedom, and rights that are protected under the Constitution, national law, or internationally recognized human rights standards.	• Established risk inspection and improvement goals under the human rights management framework • Conducted human rights impact assessments and improved Krew awareness through human rights education • Operated human rights grievance channels to prevent and respond to human rights violations
	Climate Change and Environment	Environmental risks such as pollution and degradation, climate crisis induced by climate change, and related policy or regulatory changes.	• Established a risk response strategy for climate change and environmental challenges • Reduced environmental impact by converting the Jeju office to 100% renewable energy • Promoted sustainable services and campaigns aimed at reducing social greenhouse gas emissions
Financial	Exchange Rate / Interest Rate / Capital / Credit / Tax	Market instability and rapid fluctuations, including exchange rate volatility, interest rate changes, capital risk, credit risk, and tax risk.	• Continuously monitor rapidly changing macroeconomic conditions • Operate a conservative tax policy based on legal review and authoritative interpretations

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Integrated Risk Management

Risk Management System

Risk Management Process

Kakao operates a risk management process that consists of identification, evaluation, and monitoring. Senior leaders from each department affiliated with the ERM Support Division identify and assess risks in their respective areas on a weekly basis and report them to the ERM Committee as needed. The ERM Committee holds regular weekly meetings to deliberate and decide on the reported risks, including response measures and recommendations. For urgent matters, a dedicated reporting process is in place to allow for immediate review. Enterprise-level risks managed under this system are defined in the Risk Management Regulation and include areas such as climate change response, personal information protection and information security, and user protection.

Risk Management Process

Key Risks
Technology Ethics
User Protection
Privacy
Policy and Regulatory
Compliance
Information Security
Ethics
Reputation
Corporate Identity (CI)
Personal Identity (PI)
External Environment
Human Rights
Climate Change and Environment
Financial (Exchange Rate, Interest Rate, Capital, Credit, Tax)

Identification

Risk management officers from each department, as part of the ERM Support Division, identify potential risk factors based on the risks defined in the Risk Management Regulation.

Evaluation

- Risks are assessed by analyzing factors such as the scale and historical frequency of occurrence, which are then used to determine risk levels.
- Based on these ratings, risks are classified as key risks and assigned to appropriate management entities.

Scale	Assessment includes the size of potential losses, impact on strategy, and influence on external perception and reputation.
Frequency	Analysis includes historical occurrence and likelihood of future events

Monitoring

- The ERM Support Division reviews the risk management plan and response strategies on a weekly basis
- Monitoring and response activities continue consistently until the risks are resolved
- Changes in risk magnitude or the responsible management entity are reported to the ERM Committee

Tax Risk Management

Tax Risk Management Policy

Since 2022, Kakao has established a tax policy that serves as the foundation for conducting all tax-related tasks. We strictly comply with Korean tax laws and tax treaties concluded with other relevant countries, and we fulfill our tax filing and payment obligations with integrity. We also rigorously adhere to reporting and payment deadlines, and all transaction-related supporting documents are preserved and managed in accordance with legal standards. Furthermore, we actively cooperate with the tax policies of each country and promptly and accurately respond to requests from tax authorities to maintain a transparent relationship.

Kakao Tax Policy
Compliance with tax laws by country
Pre-review and response to tax risks
Adherence to the arm's length principle in related-party transactions
Management of global tax risks through submission of BEPS (Base Erosion and Profit Shifting) reports

Kakao Tax Policy

Tax Risk Management Process

Kakao strives to proactively prevent tax risks that may arise from transactions involving goods, services, and capital across all business activities. For critical decision-making, we carefully assess potential tax risks through consultations with multiple external experts and advance inquiries to tax authorities. In particular, for transactions involving Kakao affiliates and other related parties, we engage in frequent and close consultations with transaction counterparts to ensure that transfer pricing complies with relevant laws and maintains fairness. We also work to prevent risks in advance by regularly seeking external advisory support.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

Integrated Risk Management

Risk Management System

Potential Risk Management

To proactively address long-term risks, Kakao identifies potential risks, analyzes their impact on the business, and conducts thorough monitoring and response activities to prevent adverse effects on future business operations.

Potential Risk	Potential Impact	Response Activities
Absence of technology ethics, including AI bias and hate speech, leading to decreased trust	In AI-based services, if systems fail to prevent the learning of racially or gender-discriminatory samples or the erosion of ethical values, trust in the technology may decline, resulting in a loss of service competitiveness or serious reputational damage.	• Established Kakao Group Tech Ethics Subcommittee focused on preemptive risk checks and integrated policy management • Introduced new items on Kakao's AI Ethics, adopted a Checklist for Safe AI, and established internal policies for the use of generative AI • Built the AI risk management system Kakao AI Safety Initiative (ASI) • Developed our own AI guardrail model Kanana-Safeguard
Growing Oversight from Domestic and Global Society on the Expansion of Technology-Based Platforms	As the social influence of digital platform companies continues to grow, societal expectations, policy initiatives, and legal regulations are increasingly requiring these companies to consider the sustainability of the industry ecosystems in which they operate.	• In response, we are promoting social contribution and shared growth initiatives under the group's shared growth slogan, "Closer with Kakao." • We strive to drive positive social change and fulfill our social responsibilities by focusing on three key areas: enhancing digital competency, contributing to society through technology, and fostering co-prosperity with local communities.
Growing Demand for Climate Change Response	As global and domestic demands for reducing greenhouse gas emissions intensify, digital platform companies are also expected to take responsibility and contribute to climate change mitigation.	• We are implementing mid- to long-term response strategies centered on the Active Green Initiative, including the operation of sustainable services • Pursuing our 2040 Net Zero roadmap through renewable energy procurement, conversion to electric vehicles, and improved energy efficiency in data centers • Continuing to reduce greenhouse gas emissions through eco-integrated design at the Ansan data center and energy efficiency improvements at leased data centers

Spreading a Risk Management Culture

Kakao Krews promptly share any identified risks with the designated risk management officers in their respective departments. For risks that span multiple areas, we respond efficiently through a collaborative system with relevant risk response teams. To strengthen our proactive risk response capabilities, the ERM Support Division has distributed a Risk Check Guide that helps all Krews understand various risk types and inspection protocols throughout the service and business lifecycle—including launch, operation, and closure. In addition, our AI Safety organization has established Kakao ASI (Kakao AI Safety Initiative), a framework for building safe and ethical AI systems, and has shared this with all Krews.

We also posted the Risk Management Regulation on our internal intranet to reinforce awareness of risk compliance obligations and policies. Furthermore, our internal education system includes courses related to risk areas, such as understanding ethical and disciplinary regulations, understanding the Fair Trade Act, and understanding copyright law.

In 2025, under the leadership of the ERM Committee, we plan to improve the risk management system by enhancing Krew-wide awareness of the enterprise risk management framework and upgrading the Risk Check Guide to further embed a culture of risk management.

Introduction
Our Commitment
Sustainable Management
Material Issue
User Protection
Privacy Protection and Information Security
Climate Change Response
Integrated Risk Management
General Issue
Kakao Group ESG
Appendix

General Issue

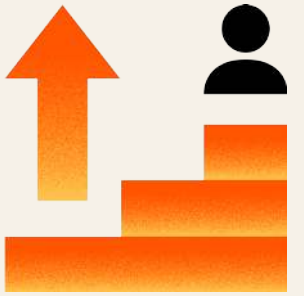
Efforts for the Planet
064 Environmental Management Implementation System
067 Eco-Friendly Data Centers and Offices
068 Sustainable Services
070 Biodiversity and Water Resource Management

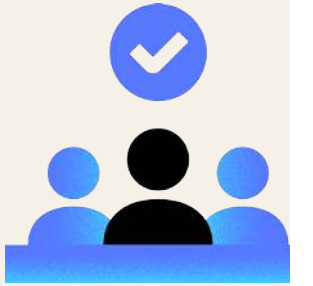
Technology for People
074 Digital Accessibility
077 Technology and AI Ethics
081 Content and Advertising Ethics
084 Service Stability
086 A Healthy IT Ecosystem

Growing Together for a Better Tomorrow
088 Enhancing Krew Value
094 Human Rights and Diversity
098 Safety and Health
101 Sustainable Partnerships

Connecting Society through Technology
106 Social Contribution and Co-Prosperity Implementation System
108 Enhancing Digital Competency
111 Technology-Driven Social Contribution
114 Co-Prosperity with Local Communities

Trusted Kakao
116 Board Operation
122 Shareholder-Friendly Management
123 Ethical Management
125 Responsible Management and Compliance





Efforts for the Planet

Environmental Management Implementation System 064

Eco-Friendly Data Centers and Offices 067

Sustainable Services 068

Biodiversity and Water Resources Management 070

Environmental Management Implementation System

Active Green Initiative

The Active Green Initiative is Kakao's environmental strategy framework to address the climate crisis and environmental issues. It aims to reduce greenhouse gas emissions from internal operations and the value chain while contributing to societal sustainability through services and campaigns. Under the three principles—"Within Kakao," "Through Kakao," and "With Kakao"—we promote responses to climate change aligned with global standards, enhance operational efficiency, and support the transition to a sustainable society through the participation of users and partners.

Active Green Initiative Implementation System

Environmental Governance	**Establish and Strengthen Environmental Governance**	
Objectives and Strategies	Pursue Net Zero by 2040 through operational efficiency and renewable energy adoption	Accelerate the transition to a sustainable society by raising user awareness
Risk Management	Proactively identify climate-related opportunities and risks	Assess financial impacts arising from climate disasters and societal transitions

Principles and Key Activities of the Active Green Initiative

Kakao's Environmental Responsibility Efforts	Collaborative Sustainable Transition
• Establish an environmental management system • Disclose climate-related information in accordance with global standards • Establish and operate eco-friendly data centers	• Encourage environmentally conscious behavior and raise awareness • Implement quantitative actions through the Carbon Index • Expand user-participatory activities that reduce environmental impact

Efforts for the Planet

Environmental Management Implementation System

Environmental Management Policy

Kakao established its Environmental Policy in 2021 as the foundation for implementing environmental management and has been continuously improving it. Based on this policy, we strive to minimize the environmental impact that arises during the service delivery process.

Kakao Environmental Policy

- Environmental governance
- Continuous improvement of environmental performance
- Leading efforts in responding to climate change
- Development of eco-friendly technologies/ services and expansion of green investments
- Preventative actions through continuous improvement
- Compliance with legal and other applicable requirements
- Waste and energy management
- Education and transparent management
- Support for partner and user participation
- Collaboration with partners to reduce environmental impact

Environmental Policy

Environmental Management System

Kakao systematically identifies, assesses, and manages environmental risks based on the ISO 14001 environmental management system. We conduct annual inspections and improvement activities to maintain our certification and expand its application across business sites. The ESG Management Team sets company-wide environmental management goals and regularly consults with implementation departments through the Environmental Management Table to review the implementation status and discuss improvement measures for each business site. We conduct an internal audit annually to assess the adequacy of the environmental management system.

Our Jeju Office, Pangyo Office, and Kakao Data Center Ansan conduct regular environmental impact assessments to identify risks and implement improvement measures as needed. In 2024, Kakao Data Center Ansan acquired ISO 14001 certification, joining the Jeju Office and Pangyo Office, which obtained certification in 2021. As a result, all three business sites maintain ISO 14001 certification. This represents approximately 100% of all major business sites[1]. In March 2025, we conducted a post-certification audit to verify and improve the effectiveness of the environmental management system.

1) Major business sites: Under the Environmental Information Disclosure System, business sites subject to disclosure refer to the headquarters and sites with annual greenhouse gas emissions of 3,000 tCO_2e or more and energy consumption of 55 TJ or more.

Environmental Management Governance

Kakao's ESG Committee, under the Board of Directors, is responsible for overseeing environmental management and making key decisions. The ESG Committee convenes four times a year to review Kakao's environmental strategies and activities. The executive of the ESG General Organization is delegated by the ESG Committee to manage the environmental impact of Kakao's business activities and oversees the company-wide ESG strategy. Significant environmental management issues identified in this process are reported to the ESG Committee and the Board of Directors to support related decision-making. The ESG Management Team is responsible for establishing and executing environmental management strategies, operating the environmental management system, managing environmental performance, and responding to global initiatives. In addition, environmental management issues are shared weekly with the executive in charge of the ESG General Organization, and necessary discussions are held. Kakao also operates an interdepartmental working group called the Environmental Management Table, which facilitates the implementation of environmental management and the execution of improvement tasks by working departments.

Environmental Management Organization Structure

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Efforts for the Planet

Environmental Management Implementation System

Environmental Goals

Kakao establishes and systematically manages annual environmental goals to reduce the environmental impact arising from its overall business operations. Each year, we aim to maintain Scope 1 and 2 greenhouse gas (GHG) emissions, water withdrawal, and waste generation at the same level as the previous year. In 2024, we additionally set a target of procuring 10,000 MWh of renewable energy to advance our RE100 commitment.

In 2024, changes in our work system and the expansion of business sites led to increased energy demand and resource usage. As a result, Scope 1 and 2 GHG emissions, water withdrawal, and waste generation all increased compared to the previous year. Although we faced limitations in achieving our original environmental goals, we exceeded our renewable energy procurement target through continued efforts to expand renewable energy use. Notably, we began generating renewable energy independently by installing solar power facilities at Kakao Data Center Ansan. We also diversified external procurement methods for renewable energy, thereby strengthening the foundation for energy transition. Kakao plans to respond by building a more sophisticated environmental data management system that reflects the new operational environment and by introducing high-efficiency equipment and reinforcing eco-conscious operational standards.

2024 Environmental Goals

	Goal	Result
Scope 1+2 Emissions[1]	53,784 tCO_2e	96,633 tCO_2e
Waste Generation	577 tons	691 tons
Water Withdrawal (based on tap water use)	165,985 m^3	346,673 m^3
Renewable Energy	10,000 MWh	10,905 MWh

1) Energy consumption targets are established and managed based on the greenhouse gas emissions reduction targets. The energy consumption target for 2024 is 1,126,270 GJ, with actual performance recorded at 2,022,935 GJ.

Environmental Education for Krew and Environmental Impact Reduction Practices

Active Green Talk

To enhance Krew's understanding of environmental management and awareness of the climate crisis, Kakao conducts the annual company-wide environmental education program, "Active Green Talk." In 2024, we invited science communicator Lee Jung-mo, Director of the Seoul Science Center, to deliver a session titled "Surviving the Sixth Mass Extinction — The Climate Crisis and the Future of Humanity." A total of 126 Krew members participated both online and offline.

2024 Active Green Talk Effectiveness (Before and After Education)

Perception of climate crisis	Awareness of Kakao's environmental management	Capability to address climate crisis
4.22 > 4.54	2.27 > 3.04	3.16 > 3.85

(out of 5)

Tumbler Donation Campaign at In-House Cafés

On June 5, 2024, in celebration of World Environment Day, Kakao conducted a tumbler donation campaign at our in-house cafés to raise ESG and environmental awareness among Krew. Unused tumblers were collected and repurposed as reusable containers, encouraging Krew to recognize the value of reuse and recycling.

Investment in Cafeteria Equipment and Efforts to Reduce Food Waste

To reduce food waste, Kakao installed six rice dispensers capable of portion-controlled serving at the cafeteria. Through this, we guided Krew to receive only appropriate portions and provided guidance to reduce food waste generation. Kakao will continue to monitor serving and waste volume data and support Krew in voluntarily contributing to environmental protection through sustainable use of the company cafeteria.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Efforts for the Planet

Eco-Friendly Data Centers and Offices

Eco-Friendly Pangyo Office

Kakao's Pangyo Office is equipped with a lighting control system to reduce unnecessary lighting and manage energy consumption efficiently. Lights are programmed to operate according to set schedules, and occupancy sensors automatically turn off lights on unoccupied floors by detecting movement. Recognized for its energy performance and operational efficiency, Pangyo Office was awarded the Gold rating under the LEED (Leadership in Energy and Environmental Design) international green building certification system.

Eco-Friendly Kakao Data Center Ansan

Kakao Data Center Ansan integrated energy-saving technologies and eco-friendly design from the construction planning stage through to operation, earning a Certified rating under the LEED system. The center's design features—ranging from site selection and environmental integration to water efficiency, energy use, and air quality—meet high standards for sustainability and efficiency.

Water Efficiency	• Utilizes free-cooling chillers instead of cooling towers • Equipped with water-saving fixtures and a rainwater/gray water reuse system, reducing water usage by 52% compared to LEED benchmarks
Energy Management	• Installed solar power systems generating up to 1 MW
Resource Circulation	• Recycled 78% of construction waste • Used recycled materials for 63.5% of total construction materials

Operational Efficiency of the Data Center

Kakao began operating Data Center Ansan in January 2024. As server operations scale up, electricity consumption has increased, prompting various initiatives to improve power usage effectiveness (PUE[1]) for more efficient energy use. To reduce cooling energy, the chilled water outlet temperature was raised from 18℃ to 20℃, and the server room cooling temperature was adjusted to between 23℃ and 27℃. These measures allow for the use of outdoor ambient cooling not only in winter but also during transitional seasons. Additionally, we implemented energy-saving uninterruptible power supply (UPS[2]) operations and scheduled lighting control to eliminate inefficiencies and minimize energy consumption. The center also introduced solar power and fuel cells to reduce electrical load and employed a waste heat recovery system to replace conventional heating, enhancing energy efficiency. Various tests—such as installing sunshades and initiating early operation of cooling mist systems—were conducted to optimize cooling energy use. Data from these efforts is being leveraged to further improve operational efficiency.

Energy Efficiency Improvements in Colocation Data Centers

To reduce energy use and greenhouse gas emissions at colocation data centers, Kakao is exploring enhancements to air conditioning environments and the adoption of innovative technologies. We conducted a Proof of Concept (PoC)[4] for immersion cooling[3] technology, which offers greater energy efficiency compared to traditional air-cooling methods. Through extensive testing, we verified its performance and energy-saving capabilities. Based on PoC results, we have established standard specifications and technical criteria for future implementation of immersion cooling systems.

1) Power Usage Effectiveness (PUE): An index measuring the efficiency of power usage
2) Uninterruptible Power Supply (UPS): A power system ensuring continuous electricity supply
3) Immersion Cooling: A method where IT equipment is fully submerged in a non-conductive coolant to directly absorb and dissipate heat
4) Proof of Concept (PoC): A process to verify whether a new technology, idea, or solution works and is practically feasible

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Efforts for the Planet

Sustainable Services

Maintaining Global Recycled Standard (GRS) Certification

In both 2024 and 2025, Kakao received Global Recycled Standard (GRS) certification from Control Union, a professional certification agency. In collaboration with GRS-certified factories and manufacturers, we applied GRS-certified recycled polyester filling to plush toys from Kakao Friends' main line.

Development of Private Brand Products Using Recycled Materials

Kakao launched tablet pouches and bags-in-bag made from recycled polyester fabric derived from discarded PET bottles. In April, to commemorate Earth Day, we released products under the "Friends Green Life" theme using recycled materials. For stationery items such as notebooks, journals, and memo pads, we used recycled paper and soybean oil ink. For mugs, we used bio-based materials made from wood to replace plastic. Through the Saegaburch project on Kakaomakers, we upcycled coffee capsules, instant rice containers, and aseptic packs into aluminum keyrings, desk clocks, and calendar sets. All product packaging uses FSC (Forest Stewardship Council)-certified paper, and unnecessary components are minimized.

Upcycled instant rice container products

Upcycled coffee capsule products

Top Placement of the Climate and Environment Section in Daum News

Reflecting the increasing volume of climate and environmental news, Kakao established a dedicated Climate and Environment section in Daum News in November 2024 and placed it in a priority position. This initiative aims to improve accessibility to related issues and reflect growing societal interest. Daum News provides climate and environmental information in various formats—including investigative reports, analytical articles, and long-form series—to support users' engagement in public discourse.

Climate and Environment section in Daum News

Provision of Eco-Certification Information

Kakaocommerce offers products certified with eco-friendly labels, such as eco-friendly agricultural product certification, organic processed food certification, and vegan certification, within KakaoTalk Gift. Certification information is displayed on each product detail page to help users make informed choices based on reliable data.

Digital e-Document Service

Kakao provides various administrative documents digitally via KakaoTalk. This enables users to check documents in real time, improving delivery efficiency and convenience while reducing paper consumption and the carbon emissions associated with printing and shipping. We also support the digital transformation of public institutions and administrative services, allowing the public to access information anytime, anywhere, while helping improve operational efficiency and reduce costs for government agencies.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Efforts for the Planet

Sustainable Services

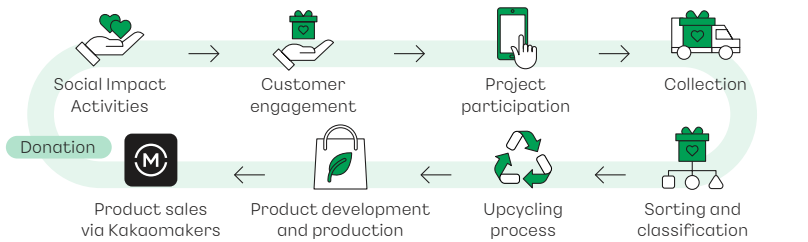
User-Participatory Upcycling Project: Saegaburch

Kakaomakers is leading "Saegaburch," an upcycling project that discovers new value in old items. We introduce proper upcycling methods for hard-to-recycle waste—such as coffee capsules, instant rice containers, and aseptic packs—and have been continuously researching how to transform them into valuable products.

By 2024, we had conducted 10 campaigns, with more than 95,000 users participating and collecting approximately 9.12 million items of waste weighing a total of about 112 tons. The collected waste has been reborn into various products such as keyrings, lamps, clocks, and calendars, and these upcycled products are sold through Kakaomakers. The proceeds from product sales are donated back to society.

In 2025, we plan to launch a paper carton recycling initiative in collaboration with the Ministry of Environment, CJ Logistics, Maeil Dairies, and Hansol Paper. Kakaomakers will operate a continuous collection service and drive initiatives to increase the domestic paper carton recycling rate. We also intend to continue B2B collaborations to promote awareness of proper recycling practices for various types of waste.

Saegaburch Upcycling Process



Key Achievements of "Saegaburch" (as of January 2025)

Items Given New Value	9,120,959
Total Weight of Collected Items	112,823 kg
Carbon Emission Reduction Effect:	379 tons

Signed Memorandum of Understanding for the "Kakaomakers Paper Carton Collection Pilot Project"

User-Participatory Environmental Campaigns on Kakao Together

Kakao Together continues to run campaigns that encourage users to participate in and take action on various environmental issues through its platform. Campaigns are organized in alignment with environmental topics and international awareness days. For each user action—such as uploading proof, commenting, cheering, or sharing—Kakao donates a set amount to an environmental fund.

2024 Key Environmental Campaign Achievements

Green Action Certification Challenge	• Users select one eco-friendly action—using a tumbler, removing labels from PET bottles, or enabling dark mode on their phones—and upload a photo as proof. For every submission, Kakao contributes to an environmental donation fund.	Number of Certifications 22,577
Environment Day Fundraising Campaign	• This campaign supported environmental projects such as protecting endangered porpoises, conserving migratory bird habitats, restoring mangrove forests, and addressing plastic pollution.	Total Donation KRW 61.44 million
Blue Sky Day Campaign	• A campaign promoting the use of public transportation. When users upload proof of using public transit, Kakao donates to the environmental fund.	Total Donation KRW 35.82 million
International Cat Day Campaign	• A fundraising campaign held in honor of International Cat Day, established to protect cats.	Total Donation KRW 87.59 million
World Animal Day Campaign	• This campaign supported animals losing their habitats due to climate change and human activities, including protection of bees and wild pollinators, and rescue and care for captive bears.	Total Donation KRW 66.32 million

Go to "Kakao Together"

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Biodiversity and Water Resources Management

Assessment of Natural Capital and Biodiversity Impacts

Kakao conducted a preliminary assessment to understand the distribution of natural capital near its business sites, evaluate the dependency of business activities on natural capital, and identify their ecological impacts. This evaluation partially applied the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD). We identified key elements related to natural capital and biodiversity in areas where our major business sites are located. In Jeju, where biodiversity-related risks were assessed to be high, we carried out a biodiversity impact assessment near the business site with the participation of experts and the local community and identified areas for improvement.

Biodiversity Impact Assessment Process

- Biodiversity sensitivity assessment of business sites → Evaluation of dependency and impact on natural capital
  - Pangyo Office
  - Data Center Ansan
  - Jeju Office
  - Yongin AI Campus
- Impact assessment of high-risk business sites → Biodiversity conservation activities
  - Jeju Office and surrounding areas

Biodiversity Sensitivity Assessment of Business Sites

In Pangyo, Jeju, Ansan, and Yongin—areas where Kakao's major business sites are located—we identified biodiversity-sensitive sites through comprehensive analyses using GIS tools. These analyses covered natural capital, protected areas, and biodiversity within a 2km and 50km radius of each business site. The natural capital analysis included the identification of key land cover types and areas such as forests, oceans, and grasslands. It also assessed overlaps and areas of protected zones such as national parks, wetlands, and water source protection areas. Additionally, by using IUCN Red List[1] data, we identified both the total and threatened species residing in each region.

Natural Capital Analysis Around Business Sites

Business Site	Jeju Office		Pangyo Office	
Radius	2km	50km	2km	50km
Land Cover Ratio (Top 3 Types)	Forest 47%	Ocean 76%	Buildings 83%	Buildings 36%
	Buildings 41%	Buildings 10%	Forest 13%	Forest 30%
	Grassland 8%	Forest 8%	Grassland 4%	Grassland 16%
Threatened Species	CR 0 species	CR 21 species	CR 0 species	CR 9 species
	EN 11 species	EN 45 species	EN 13 species	EN 65 species
	VU 9 species	VU 57 species	VU 16 species	VU 87 species

Business Site	Data Center Ansan		Yongin AI Campus	
Radius	2km	50km	2km	50km
Land Cover Ratio (Top 3 Types)	Buildings 72%	Buildings 34%	Forest 53%	Buildings 36%
	Grassland 11%	Ocean 23%	Buildings 24%	Forest 26%
	Forest 5%	Forest 16%	Grassland 18%	Grassland 16%
Threatened Species	CR 3 species	CR 9 species	CR 0 species	CR 9 species
	EN 45 species	EN 68 species	EN 14 species	EN 65 species
	VU 57 species	VU 84 species	VU 18 species	VU 86 species

1) IUCN Red list: A global conservation status listing by the International Union for Conservation of Nature (IUCN) that evaluates the extinction risk of species. Among the nine categories, CR (Critically Endangered), EN (Endangered), and VU (Vulnerable) are considered threatened.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Efforts for the Planet

Biodiversity and Water Resources Management

Results of Biodiversity Sensitivity Assessment for Business Sites

Kakao conducted a comprehensive quantitative assessment based on the analysis of natural capital (land cover), protected areas, and species distribution in the vicinity of its business sites and data centers. The biodiversity sensitivity within a 2 km radius of the business sites ranked highest in the following order: Data Center Ansan, Jeju Office, Yongin AI Campus, and Pangyo Office. Within a 50 km radius, the sensitivity ranking was: Jeju Office, Pangyo Office, Yongin AI Campus, and Kakao Data Center Ansan.
The results of this assessment will be used as key data for adopting an integrated approach to effectively manage natural capital and biodiversity across both adjacent and wider surrounding areas.

Biodiversity Sensitivity Assessment of Business Sites (within a 2km radius)[1)]

Sensitivity	Business Site	Natural Capital	Protected Areas	Biodiversity
1	Data Center Ansan	1.3	4.6	1.5
2	Jeju Office	3.7	0.9	4.7
3	Yongin AI Campus	4.2	2.0	1.5
4	Pangyo Office	0.8	2.0	1.5

Biodiversity Sensitivity Assessment of Business Sites (within a 50km radius)[1)]

Sensitivity	Business Site	Natural Capital	Protected Areas	Biodiversity
1	Data Center Ansan	4.7	4.7	0.7
2	Jeju Office	1.4	1.6	4.1
3	Yongin AI Campus	1.5	1.6	4.0
4	Pangyo Office	1.8	1.5	1.3

1) Sensitivity in surrounding areas of each business site was relatively assessed and converted into a five-point scale.

Evaluation of Dependency and Impact on Natural Capital

To assess Kakao's dependency on and impact on ecosystem services, we conducted an analysis using ENCORE[1)] and the WWF Biodiversity Risk Filter. To ensure accuracy, we integrated Kakao's environmental data with the results of the biodiversity sensitivity assessment.

Assessment Methodology

Results of Dependency and Impact Evaluation on Natural Capital

Given our business model centered on IT technologies and services, Kakao was found to have limited overall dependency on natural capital. However, we identified partial dependency on specific ecosystem services[2)] such as soil, flood regulation, and typhoon mitigation. In terms of impact, we observed limited effects related to water usage, greenhouse gas emissions, and light and noise pollution. Among our sites, Data Center Ansan exhibited the highest levels of both dependency and impact. Based on these findings, Kakao plans to strengthen sustainable business operations and integrate natural capital considerations into its decision-making processes.

Results of Dependency and Impact Evaluation on Natural Capital[3)]

No.	Business Site	Dependency	Impact Level
1	Jeju Office	1.1	2.5
2	Pangyo Office	0.7	2.2
3	Data Center Ansan	1.4	3.8
4	Yongin AI Campus	0.9	1.3

1) ENCORE: An analytical tool recommended in the Evaluate stage of the Taskforce on Nature-related Financial Disclosures (TNFD), based on global industry classification standards
2) Ecosystem Services: Goods and services provided directly or indirectly by ecosystems and species
3) A five-point scale was derived through relative evaluation among Kakao business sites

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Biodiversity and Water Resources Management

Biodiversity Survey of the Jeju Business Site

Based on the results of the biodiversity sensitivity assessment and the evaluation of dependency and impact on natural capital, Kakao identified its Jeju business site as the most critical in terms of biodiversity risk. Accordingly, we conducted a biodiversity assessment of the Jeju site and its surrounding areas. Through this, we aimed to understand the presence of endangered and other species in the vicinity of Jeju Office and to develop measures to minimize ecological impacts during current operations and future asset development while preserving biodiversity. A research team composed of experts in birds, mammals, amphibians and reptiles, and vegetation conducted the assessment. Using the results of the 5th National Natural Environment Survey conducted by the National Institute of Ecology, they identified habitats of endangered species around the business site. Additional on-site surveys were carried out to confirm actual and potential habitats of local flora and fauna.

Local Biodiversity Survey in the Jeju Business Site Area

Literature Review	Endangered Wildlife Designated by the Ministry of Environment (Based on the Jeju "Ora" Topographic Map)

- Birds: Japanese Paradise Flycatcher, Eurasian Sparrowhawk, Chinese Sparrowhawk, Cinereous Vulture, Eurasian Hobby, Peregrine Falcon
- Amphibians and Reptiles: Narrow-mouthed Toad
- Terrestrial Insects: Copris tripartitus

Field Survey	Assessment of habitat conditions, feces identification,and interviews with local experts (within a 2km radius of the business site)[1]

- Birds: Japanese Paradise Flycatcher (Class II), Fairy Pitta (Natural Monument and Class II), Eurasian Sparrowhawk (Natural Monument and Class II), Eurasian Hobby (Class II), Common Kestrel (Natural Monument), Lesser Cuckoo (Natural Monument)
- Mammals: Red Deer, Roe Deer, Greater Horseshoe Bat, Jeju Striped Field Mouse
- Amphibians and Reptiles: Narrow-mouthed Toad (Class II), Black-headed Snake (Class II)

1) Class II: Class II endangered wild species / Natural Monument: Designated as cultural heritage for protection

Biodiversity Conservation Activities

Jeju Gotjawal Conservation Activities

Kakao participates in the conservation of Jeju Gotjawal—one of Korea's richest biodiversity hotspots—through collaboration with The Gotjawal Trust of Jeju and the nonprofit organization Gotjawal People. Our sponsorship funds are used to purchase privately owned Gotjawal land and convert it into shared property, supporting the preservation and management of the area's biodiversity. Kakao has donated a cumulative total of KRW 25 million, contributing to the shared ownership of approximately 1,652 square meters of private Gotjawal land in Jocheon-eup and Gujwa-eup, Jeju.

Status of Jeju Gotjawal Conservation Activities

Area of Gotjawal Land Converted to Shared Ownership	Key Endangered Wildlife Inhabiting Gotjawal
1,652 m² Cumulative (2022—2024)	• Jeju Forked Fern (Class I) • Quercus gilva Blume (Class II) • Fairy Pitta (Class II) • Japanese Paradise Flucatcher (Class II)

Protection of Jeju Dolphins

In November 2024, Kakao Impact, in collaboration with the Marine Animal Research and Conservation (MARC) Institute, launched "DIVA," a web service that measures the distance between dolphins and vessels. DIVA uses AI to analyze drone footage and automatically measure the distance between vessels and Indo-Pacific bottlenose dolphins in Jeju. It helps prevent encroachment within 50 meters of dolphin pods, in accordance with the Conservation and Management of Marine Ecosystems Act, thereby protecting dolphin habitats. After successful field testing in the waters off Daejeong, Jeju in October 2024, DIVA is now offered as a nonprofit service, available free of charge to ecosystem conservation groups, vessel operators, and research institutions.

DIVA Website

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Biodiversity and Water Resources Management

Water Resource Risk Analysis and Management

Kakao recognizes water as a sustainable resource and systematically identifies and manages water-related risks that may arise at its major business sites. According to the risk analysis, the water stress level in the region where the data center is located is projected to be moderate to high (20—40%) by 2030 under the SSP1-2.6 scenario, but it is expected to improve to low to moderate (10—20%) by 2050. In contrast, under the SSP5-8.5 scenario, the moderate to high (20—40%) level is expected to be maintained throughout the same period. In response, we plan to continuously enhance our water resource management system to secure stable access and ensure efficient utilization of water resources from a mid- to long-term perspective.

Water Risk Assessment Results[1)]

Business Site	2030		2050	
	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
Jeju Office	Low	Low	Low	Low
Pangyo Office	Moderate-High	Moderate-High	Moderate-High	Moderate-High
Yongin AI Campus	Moderate-High	Moderate-High	Moderate-High	Moderate-High
Data Center Ansan	Moderate-High	Moderate-High	Low-Moderate	Moderate-High

1) Water stress levels are classified into five categories: Low (<10%), Low—Moderate (10—20%), Moderate—High (20—40%), High (40—80%), and Extremely High (>80%).

Case **Water Management at the Data Center**

Data Center Ansan has implemented various systems to conserve water and ensure efficient management. To significantly reduce water consumption in the cooling process, the center uses air-cooled chillers with a free cooling method instead of conventional water-cooled systems that operate cooling towers year-round. Rainwater collected via storage tanks is treated and reused as landscaping water or gray water, significantly reducing the use of municipal water. Additionally, the center employs a gray water recycling system that treats domestic wastewater from sinks and showers for reuse in toilets and urinals. All sanitary fixtures use water-saving and eco-labeled certified products.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Technology for People

Digital Accessibility 074
Technology and AI Ethics 077
Content and Advertising Ethics 081
Service Stability 084
A Healthy IT Ecosystem 086

Digital Accessibility

Barrier-Free Initiative

In 2022, we became the first IT company in Korea to appoint a Digital Accessibility Officer (DAO), and since then, we have been advancing our Barrier-Free Initiative to provide universally accessible services.

Kakao's 4 Tracks for Accessibility Implementation

Track 1 Service Development
- Operate dedicated accessibility organization
- Provide planning and design guidelines that incorporate accessibility considerations
- Establish a process for accessibility implementation

Track 2 Content Production
- Provide alternative text
- Provide video content accessibility guidelines
- Provision of Barrier-free Space Information

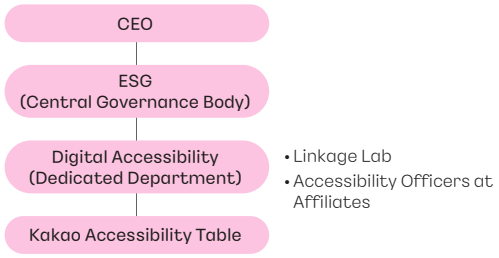
Track 3 Accessibility Verification
- Conduct accessibility evaluations of major services
- Operate a specialized accessibility testing team
- Manage accessibility issues through structured system
- Integrate accessibility quality management resources

Track 4 User Support
- Provide the "KakaoTalk Easy-read Tips"
- Improve accessibility in the Customer Service Center
- Operate Kakao Accessibility Supporters program

Operation of a Dedicated Digital Accessibility

Kakao's DAO oversees all digital accessibility efforts, aiming to eliminate exclusion and discrimination in the user experience of digital services. The DAO has established a unified accessibility quality assurance system, ensuring consistency and efficiency through centralized channel management. DAO operates the "Kakao Accessibility Table" as a systematic accessibility management framework. Leaders from each service area participate in this cross-functional table to review accessibility status, share best practices, and collabo ratively set directions for tangible improvements. It has also established a quality verification and management system for accessibility to ensure consistency and efficiency through centralized channel management. The Accessibility Team at Kakao's affiliate, Linkage Lab, is a dedicated team where persons with and without disabilities collaborate. They conduct preemptive reviews to identify and address potential barriers that users may encounter. In 2024, Kakao and its affiliates conducted 211 accessibility quality assurance activities across 24 services. These efforts identified a total of 6,454 improvement items, which were addressed through corresponding enhancements.

Digital Accessibility Organizational Structure



Technology for People

Digital Accessibility

Service Development

Accessibility Enhancements in Kakao Services

Kakao added font size adjustment and text-to-speech features to the long message viewer in KakaoTalk to support users who experience difficulty reading long texts, including those who are visually impaired, elderly, or have dyslexia. The text-to-speech function was designed to prevent conflicts with existing screen reader tools, thereby enhancing user convenience and service accessibility.

Introduction of DKAPTCHA to Enhance Authentication Accessibility within Kakao Services

Kakao launched DKAPTCHA, its CAPTCHA system used to verify that users are not robots. Traditional CAPTCHA systems require users to perform tasks that rely heavily on a specific sense (e.g., vision) to verify they are not a robot. Kakao's DKAPCHA provides authentication tasks using voice as well, implementing functions that allow users in various environments to go through the authentication process without difficulty, aiming to ensure the accessibility of CAPTCHA that will be utilized across Kakao's various services.

Distribution of Accessibility Guides for Practitioners

Kakao's Digital Accessibility Officer (DAO) has collaborated with experts to develop and distribute accessibility guidelines aimed at improving accessibility in the fields of design, web services, and video production. In the web services field, we are preparing to implement a newly developed "Kakao Web Accessibility Guidelines." Following updates to the Korean Web Content Accessibility Guideline, we added nine new evaluation items and revised several existing elements.

Content Production

"Forest Barrier-Free Trail" Information on Kakao Map

In May 2024, Kakao became the first mapping application to provide information on 113 "Forest Barrier-Free Trail" across Korea through Kakao Map. These trails are forest paths designed with considerations for width, slope, and accessibility, supported by the Korea Forest Welfare Institute under the Korea Forest Service. They ensure safe use by individuals with mobility challenges, including persons with disabilities, pregnant women, and the elderly. In addition to route, location, and total distance information, Kakao released a themed map titled "Top 10 Forest Trails That Are Convenient and Safe for Everyone," enhancing digital accessibility for mobility-impaired users.

Enhancing Accessibility of Video Content

In the area of video production, we have provided subtitles for over 150 videos on the Kakao corporate website and continue to apply subtitles to all newly produced videos. In 2023, the animated series My Heart is MUZY and Dododo Chunsik included both audio descriptions for users who are visually impaired and subtitles for those who are hearing impaired.

Accessibility Verification

Kakao Service Accessibility Survey

Since January 2023, Kakao has conducted accessibility evaluations on services with tens of millions of users to understand the current state of accessibility and identify areas for improvement. The accessibility evaluations consist of quantitative evaluations and user tests involving individuals with disabilities. In the quantitative evaluation, external consultants select key screens or pages from each service and assess them based on the national web accessibility guidelines. In the user testing, individuals with visual and physical disabilities directly test major features used frequently by users. In 2024, we conducted semiannual assessments on 44 major services and identified a total of 5,472 areas for improvement, which have been used to enhance the services.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Technology for People

Digital Accessibility

User Support

Provision of "KakaoTalk Easy-read Tips"

Recognizing the need to produce content that explains everything from installing the KakaoTalk application to using its various features, Kakao has created the "KakaoTalk Usage Guide" to improve accessibility for digitally marginalized users. This initiative enables people with disabilities, seniors, and others who may struggle with mobile devices to understand and use KakaoTalk more easily and conveniently. The beta version was launched in January 2024, and the official version of the "KakaoTalk Easy-read Tips" was released on May 16, in celebration of Global Accessibility Awareness Day. As of May 31, 2025, the manual has recorded a total of 3.76 million cumulative visitors, approximately 8.09 million cumulative page views, and about 61,000 cumulative PDF downloads.

Intent Behind the KakaoTalk Easy-read Tips	
Easy-read content designed for clarity	• Explanations centered on practical applications using simple terms, concise sentences, and illustrations to aid understanding
Dedicated site based on user interviews	• Content selection and suitable UI/UX design informed by usability surveys with digitally marginalized users, including those with developmental disabilities

KakaoTalk Easy-read Tips

Accessibility Improvements to the Kakao Customer Service Center

Kakao has improved the accessibility of the customer service center to help users resolve issues more easily while using services. All instructional images in the FAQ section on the customer service center website now include alternative text. In addition, notices such as "Silent Video" have been added to prevent confusion among users with hearing impairments. An "Kakao Accessibility" category has been added to the homepage's main screen to make accessibility-related inquiries easier to find. The process for handling such inquiries has also been enhanced to provide better support. These improvements have led to the customer service center homepage receiving the "Web Accessibility Quality Certification Mark" from the Ministry of Science and ICT. To further enhance usability for visually impaired users, alternative text has been added to image speech bubbles in chatbot guidance messages. Since 2023, the KakaoTalk customer service center channel has also provided a "Voice-Based Consultation Reservation" feature for visually impaired users and those aged 60 or older, supporting smooth communication.

Operation of Kakao Accessibility Supporters

On April 20, 2025, in commemoration of Korea's Disability Day , Kakao launched the second round of the "Kakao Accessibility Supporters" program. This initiative aims to enhance the accessibility of Kakao services by engaging directly with users with disabilities. Kakao affiliates such as Kakao Pay, Kakao Mobility, and Kakao Entertainment are also participating, expanding accessibility improvement efforts across a broader range of services. Individuals with visual, hearing, and developmental disabilities participate in the Kakao Accessibility Supporters program, reporting usability issues they encounter while using Kakao services over the course of one year. In 2025, Kakao plans to expand the number of supporters to around 50 to gather more diverse feedback from users with disabilities and further improve service accessibility.

Case **Production of the 2025 Kakao Braille Calendar**

Expanding beyond digital accessibility, Kakao has produced a Braille calendar to support information accessibility for individuals with visual impairments in analog formats. To enhance convenience in information retrieval, the calendar includes features such as a holiday overview, monthly index, marked anniversaries and lunar calendar dates, and section dividers. It also comes with tactile stickers to allow users to record personal events such as birthdays or appointments. The Kakao Braille calendar is faithful to the original function of a calendar while also incorporating the joy that Kakao Friends characters bring. Tactile designs are applied to the characters to express different lines and textures, highlighting their distinctive features. Descriptions of the characters' identities and facial expressions are included in Braille to help visually impaired students tangibly experience the characters and understand their expressions, thereby expanding their cultural experience. A total of 3,000 Kakao Braille calendars were distributed to 14 special schools for the visually impaired nationwide and to visually impaired students.

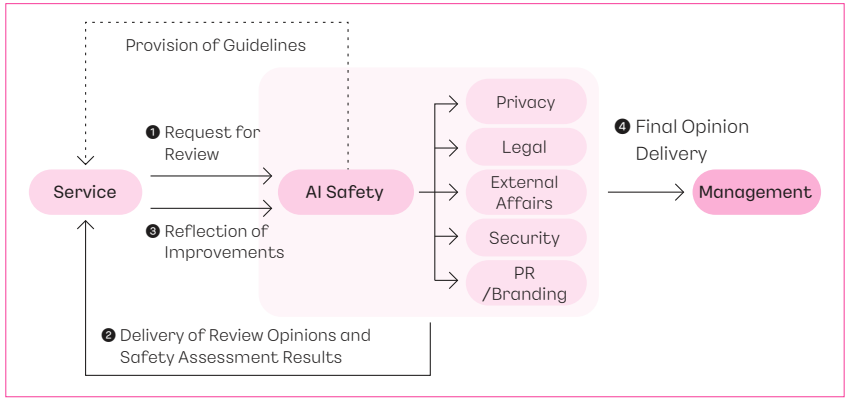
Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Technology and AI Ethics

Operation of AI Policy Support Organization

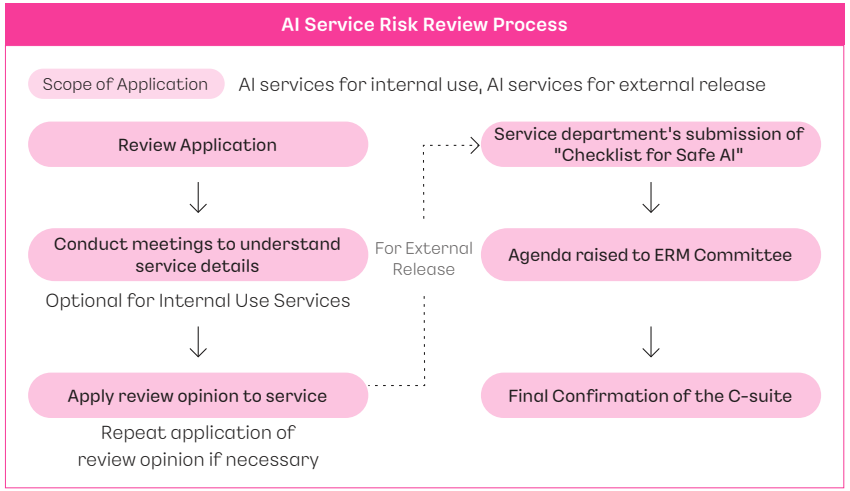
Organizational Framework

AI Safety is the organization responsible for identifying and developing countermeasures for potential risks associated with Kakao's AI services and models. We collaborate with related departments—including Personal Information Protection, Legal, External Affairs, Security, and PR/Branding—to comprehensively review risks throughout the entire lifecycle of AI services. We provide guidelines on personal information protection, legal issues, and AI ethics, and support the safe operation of Kakao's AI services by reviewing actual risks of each individual service.



AI Service Risk Review Process

Kakao has established a development guideline for generative AI services to ensure regulatory compliance and minimize risks. This applies to both internal AI services designed to enhance productivity and externally launched services targeting users. Departments developing AI services must go through a review process to assess risks before utilizing or launching the service. For internal-use services, necessary measures must be reflected in the service based on the review opinion from AI Safety. Externally released services must also submit the "Checklist for Safe AI" and obtain review and approval from the CEO-direct Enterprise Risk Management (ERM) Committee. The guideline includes a self-check questionnaire to be referenced before applying for a risk review, supporting teams in reviewing minimum compliance requirements such as security and personal information protection from the service design stage.



Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

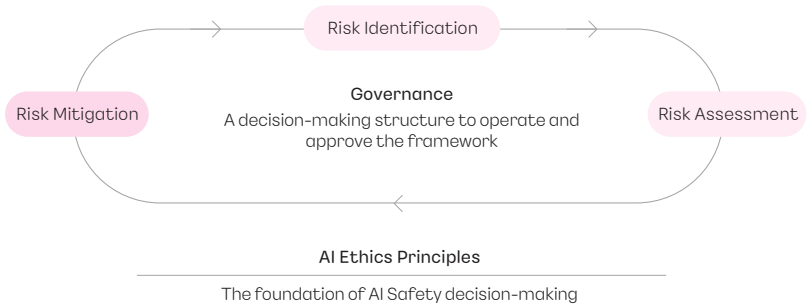
Technology and AI Ethics

Establishment of Kakao's AI Risk Management System

AI Risk Management Framework — Kakao ASI

In October 2024, Kakao announced the Kakao AI Safety Initiative (Kakao ASI), which defines the process for identifying and managing risks that may arise during AI development and operation. Kakao ASI sets ethical standards based on the "Kakao Group's Guideline for Responsible AI," which includes ten principles such as social ethics, inclusiveness, transparency, and privacy. The risk management cycle refers to a three-step process—risk identification, assessment, and mitigation—while governance refers to the decision-making structure that oversees and approves these steps. Risk assessment results conducted by the AI Safety (dedicated organization) are shared with the ERM Committee. The ERM Committee reviews the findings, and the model is released only after obtaining final approval from management and the CEO.

Kakao AI Safety Initiative



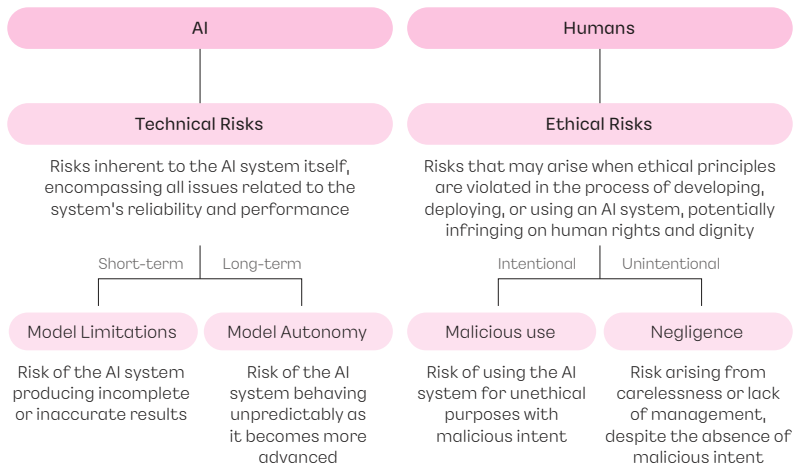
Kakao ASI Organizational Structure

CEO	• Approves the release of model after safety assessment
Enterprise Risk Management (ERM) Committee	• Reviews safety assessment results • Determines issues requiring management decision
AI Safety (Dedicated Department)	• Carries out risk identification, assessment, and response using Kakao ASI and shares outcomes • Continues research and monitoring, and updates Kakao ASI when new risks are identified

Evaluation and Mitigation Based on Kakao ASI

Kakao ASI evaluates and applies mitigation measures by categorizing AI risks into technical and ethical risks. Technical risks pertain to the performance and reliability of AI systems, while ethical risks involve issues arising from human misuse or negligence.

Key Risks by Topic



Risks are evaluated through various methods, including safety benchmarks and red-teaming[1], and are classified as low, moderate, or high. For high-risk ratings, actions such as retraining or adding control mechanisms are taken, and the model is released only when the risk level is reduced to moderate or lower upon reassessment. Through this AI risk mitigation process, we strive to enhance the reliability of AI systems and provide safer services to users and society.

1) Red-teaming: A systematic testing process aimed at uncovering defects and vulnerabilities in AI systems, including adversarial attacks that expose harmful, discriminatory, or unexpected outputs.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Technology and AI Ethics

Development of AI Guardrail Model and System

Development of Kakao's Own AI Guardrail Model

To enhance the safety of AI services, Kakao has developed its own AI guardrail model, Kanana-Safeguard. Kanana-Safeguard is trained to filter inappropriate utterances made by AI service users or AI assistants within conversational texts. It consists of three distinct models, each designed to detect different types of risks based on its designated role and policy. Violations are categorized and output according to internal policies. All models have been trained with proprietary, internally labeled datasets that reflect Korean language and culture, enabling more effective classification of inappropriate expressions in Korean-to-Korean conversations compared to English-centric overseas guardrail models.

Kanana Safeguard	A model that detects harmful utterances from both user prompt and AI response(hate, harassment, sexual content, crime, child sexual exploitation, suicide and self-harm, etc.)
Kanana Safeguard Siren	A model that detects user prompts requiring legal or ethical caution(minor-restricted content, specialized advice, privacy, intellectual property, etc.)
Kanana Safeguard Prompt	A model that detects malicious user prompt attack (prompt injection & jailbreaking, prompt leaking etc.)

Implementation and Integration of Guardrail System within Kakao AI Services

To enhance the safety of its proprietary AI services, Kakao has established the Safeguard by Kanana system, which integrates the three models of Kanana-Safeguard along with a prohibited terms tool.
This system has been applied across Kakao's AI services, including the Kanana Mate and AI Mate-shopping.

Publication of Tech Ethics

Through its monthly online online magazine Tech Ethics, Kakao strives to communicate its technologies and related policies—including those involving AI—more clearly to users and society. First published in June 2023 with the theme of "Technology Behind Daum News," Tech Ethics released a total of nine issues throughout 2024.

Tech Ethics

Promoting Tech Ethics and Responsible AI Through International Collaboration

Since 2022, we have been engaging in bi-monthly dialogue with the UN Office of the High Commissioner for Human Rights (UN OHCHR) to discuss human rights-based business practices and areas for improvement for technology companies. In 2024, we participated in the Northeast Asia Business and Human Rights Workshop and presented Kakao Group's responsible AI practices at the 13th UN Forum on Business and Human Rights. We have also provided corporate perspective and consultation for UNICEF's development of the Digital Child Impact Assessment since 2022. In April 2024, we became the first Korean company to join the Trust & Safety working group of the AI Alliance. At the AI Seoul Summit, we announced the "Seoul AI Business Pledge" and signed a memorandum of understanding at the launch event of the AI Safety Research Center to build an AI safety framework. Additionally, we are actively involved in policy discussions with South Korean government ministries, including the Ministry of Science and ICT, the Ministry of Foreign Affairs, and the Ministry of Culture, Sports and Tourism, in response to evolving global AI policies.

International Collaboration Activities	• Presented Kakao Group's tech ethics case at the Internet Governance Forum (IGF) • Participated as an evaluator in the global startup competition for achieving Sustainable Development Goal (SDG) 16 • Delivered a presentation on digital safety at the 2024 Public Good Convergence Forum
Government Engagement	• Ministry of Science and ICT: Member of the AI Ethics and Trust Forum, Ethics Impact Assessment, and AI Safety Research Center Committee • Ministry of Foreign Affairs: Participated in discussions on global AI governance strategies and attended the Public-Private Joint Economic Security Council • Ministry of Culture, Sports and Tourism: Member of the AI Copyright System Reform Working Group • National Science and Technology Advisory Council: Member of the ICT Convergence Subcommittee

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Technology and AI Ethics

Participation in the Kakao Group Tech Ethics Subcommittee

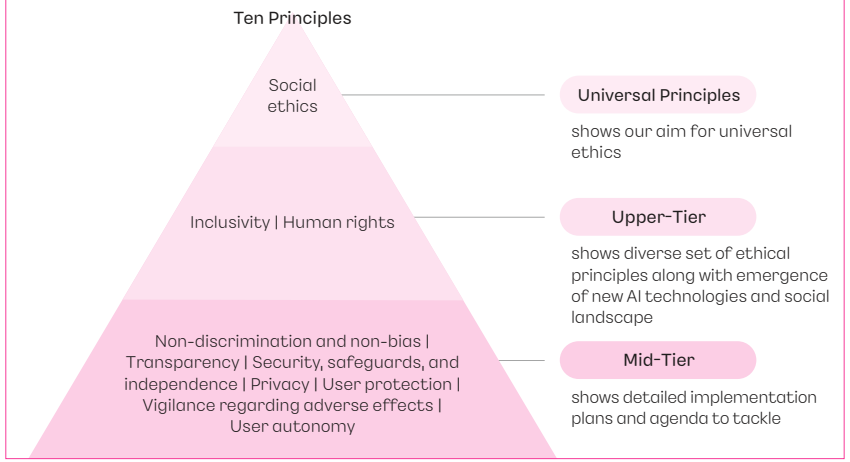
Kakao participates in the Kakao Group Tech Ethics Subcommittee, which is responsible for establishing and implementing group-level tech ethics policies. Originally founded as Tech for Good Committee in July 2022, the subcommittee was reorganized in April 2024 under the ESG Committee of the CA Council. A total of 10 affiliates, including Kakao, are currently involved. The Tech Ethics Subcommittee functions as a control tower that formulates integrated tech ethics policies at the group level and conducts preemptive risk assessment and management.

Go to "Operation of the Group Tech Ethics Committee to Build a Safe and Transparent Technological Environment"

Establishment of Kakao Group's Guideline for Responsible AI

Together with major affiliates, Kakao jointly deliberated and agreed on the concept and principles of AI ethics, participating in the establishment of the "Kakao Group's Guideline for Responsible AI." This guideline is a full revision of the previous Algorithm Ethics Charter. In 2024, in response to concerns over the erosion of human autonomy caused by technological advancement, the principle of "User Autonomy" was newly introduced to reinforce healthy interaction between AI and users. Additionally, the ten principles were reorganized into three tiers—universal principles, upper-tier, and mid-tier—to clarify the hierarchy and function of each principle.

Kakao Group's Guideline for Responsible AI



Kakao Group's Guideline for Responsible AI

Checklist for Safe AI

Kakao uses the "Checklist for Safe AI," developed by the Tech Ethics Subcommittee, to preemptively identify and mitigate risks associated with AI-based services. This checklist is a self-assessment tool to enhance the effectiveness of "Kakao Group's Guideline for Responsible AI" and consists of four stages: planning and design, data collection and processing, AI model development and implementation, and operation and monitoring, with each stage including inspection items for social ethics and service quality. Each affiliate completes the checklist under the responsibility of the tech ethics general manager before service launch and submits it to the Kakao Group Tech Ethics Subcommittee after the legal review and CEO's approval.

Internal Policy on the Use of Generative AI

Kakao is implementing "Kakao Group's Internal Policy on the Use of Generative AI" to prevent potential adverse effects—such as security and copyright risks—that may arise during the introduction and use of generative AI. This policy clearly defines risk factors and provides detailed guidelines on the permissible scope and methods of using generative AI, enabling Kakao and our affiliates to use the technology safely and responsibly. In particular, the policy outlines potential risks and precautions when using generative AI services, and specifies review and compliance requirements for AI-generated content, thereby fostering a culture of responsible AI use.

Company-wide Tech Ethics Training

Kakao launched a company-wide tech ethics training program for the first time in 2023. In 2024, we developed video-based training content that includes key elements such as "Kakao Group's Guideline for Responsible AI", "Checklist for Safe AI", and?Internal Policy on the Use of Generative AI". This content is scheduled to be rolled out to Krew of each group affiliate sequentially starting in the first half of 2025.

Publication of the Kakao Tech Ethics Report

Kakao has been actively carrying out a variety of tech ethics initiatives based on policies approved by the Tech Ethics Subcommittee. In 2024, ten affiliates carried out a total of 40 tech ethics activities, and these initiatives were compiled in the "Kakao Tech Ethics Report," published in December 2024. The report details the Kakao Group's concrete efforts to build a safe, inclusive, and trustworthy future through technology and services.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Content and Advertising Ethics

Advertising

Organization for Promoting Advertising Content Ethics

Kakao operates the Ad Policy Team and the Business Onboarding Squad as dedicated organizations for advertising and content ethics. The Ad Policy Team establishes and manages policies to review and regulate the ethical appropriateness of advertising content on Kakao platforms, including Kakao Moment and Search Ads. The Business Onboarding Squad is responsible for customer service response and customer service (CS) policy development for Kakao advertising clients.

Ad Policy Team

- Managing the quality of advertising content
- Analyzing advertising ethics-related laws, external trends, and media characteristics from multiple angles
- Supporting compliance with obligations outlined in terms, operational policies, and sales guidelines for stakeholders such as advertisers and agencies
- Enforcing tiered sanction policies in cases of violations of ethical obligations or occurrences of moral and emotional issues

Business Onboarding Squad

- Providing platform usage support and operating customer service centers (inquiry boards, chat consultation, email, etc.) for advertisers and agencies
- Responding to advertising-related user CS, including the Advertising Damage Reporting Center

Advertising Content Ethics Policy

Kakao discloses its ethical standards for advertising through the "Advertising Review Guide" in its Business Guide. The guide outlines the execution standards and compliance requirements necessary for displaying ads on Kakao services and includes specific details to ensure adherence to relevant laws and ethical standards. It also defines prohibited acts that hinder user experience or cause harm, including violence, hate speech and discrimination, false or exaggerated claims, misleading expressions, infringement of others' rights, and insufficient measures for youth protection.
The Ad Policy Team regularly assesses advertising ethics risks and updates policies as needed, reporting any relevant risks to the Enterprise Risk Management (ERM) Committee.

Kakao Advertising Service Operation Policy | Kakao Moment Review Guide

Advertising Content Ethics Management Procedures

Advertising Content Registration and Review

We operate advertising review regulations that comply with the law and manage advertising content to prevent the exposure of advertisements with potential violations. Advertisers are responsible for understanding and complying with Kakao's advertising operating policy, Terms of Use, operating policies, and relevant laws and regulations. Advertisers must register advertising creatives in accordance with the applicable policies and guidelines. The registered advertisements are reviewed based on these standards. Reviews take place at the initial registration, upon modification of creatives, and during monitoring. Advertisements may also be re-reviewed after approval. If a violation is found, corrective actions such as creative modification requests, suspension of ad delivery, or restriction of service use will be taken.

Restriction on Harmful Ads and Content

In accordance with the advertising service operating policy, Kakao has established procedures for ethical advertising management. We specify the grounds for restrictions under Article 14 (Restrictions on Use) of the Operating Policy and impose sanctions in cases of policy violations.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Content and Advertising Ethics

Activities for Engaging Advertising Ethics Stakeholders

Operation of the Ad Complaint Center

Kakao operates the Ad Complaint Center to allow users to easily report and inquire about damages related to Kakao advertisements. In the event of anticipated or actual harm, we guide users to external relief agencies such as the National Police Agency's Electronic Cybercrime Report & Management System, the Personal Information Infringement Report Center, and the Illegal Spam Response Center. We also operate an application proxy system for e-commerce damage relief to help users conveniently submit claims. In 2024, approximately 430 inquiries were received, and we collaborated with internal departments such as Policy, External Affairs, and User Protection to take appropriate corrective actions based on the inquiry content. Inquiries and reports received via the Kakao Customer Service Center are reviewed and sanctioned in accordance with the same procedures.

Strengthening of the Ad Review Guide

To prevent user harm and minimize risks caused by fraudulent and impersonation advertisements, we have strengthened our ad review guide. We conduct monthly monitoring of advertiser business information based on data from national agencies such as the Korea Fair Trade Commission and the Seoul Electronic Commerce Center, which disclose high-risk businesses and suspected scam websites. For advertisers with a high potential for user harm, we implement proactive ad sanctions. In addition, we have expanded communications to advertisers regarding illegal business operations and strengthened penalty policies for agencies. If unfair business practices are identified, we take immediate corrective action to prevent further harm and to maintain a healthy advertising market.

News

Cautionary Notice Policy for Suicide Reports

Daum News implements a "Cautionary Notice Policy" to protect users and reinforce media ethics. Under this policy, when a user clicks on an article related to suicide, a notice is shown in advance informing the user that the article contains content related to suicide, thus preventing indiscriminate exposure to sensational reporting.

News Content Ethics Management and Process

Kakao's Daum News ensures that users of all ages can access news safely by preventing articles containing sensational or illegal content from being exposed on the portal. This is implemented through keyword-based automatic filtering and bulk screening by a dedicated team, with particular attention to making the platform safe for children and youth users.

Go to "User Protection - News Content Ethics Management and Process"

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Content and Advertising Ethics

Emoticons

Organization Responsible for Emoticon Ethics Management

The Emoticon Creator Platform team has established the Mandatory Guidelines on Emoticon Ethics, Business, and Copyright. Through these guidelines, we support creators in understanding and adhering to the emoticon ethics guidelines when creating emoticons.

Mandatory Guidelines on Emoticon Ethics, Business, and Copyright

To promote diversity and inclusivity within the emoticon content ecosystem, Kakao has enacted and implemented the Mandatory Guidelines on Emoticon Ethics, Business, and Copyright. Emoticon creators are required to comply with moral and ethical standards, and any infringement of copyright or trademark rights is strictly prohibited. We also analyze the current diversity of emoticon creators and the emoticon content actually provided through the service to ensure the digital space embraces pluralistic values. While respecting creators' freedom and creative expression, we have established and manage ethical standards to prevent emoticon content from negatively affecting users. Additionally, we are conducting research and discussions related to regulating hate speech, considering the potential for discrimination and bias depending on the context of emoticon usage and cultural trends. Hate expressions are assessed based on the complete meaning of the content, and the guidelines specify that content must not infringe on the rights of others.

Emoticon Ethics Management Procedures

When reviewing new types of emoticons that may potentially violate ethical standards but are not yet covered by existing guidelines, the Kakao Emoticon team consults with the Ad Policy Team and the External Cooperation team. This process ensures the application of consistent standards in line with Kakao's overall service operation policies. If the consultation determines that an emoticon violates the ethical guidelines, its commercialization and sales are restricted. The relevant case is then added to the ethics guidelines for future reference.

Enhancing the Emoticon Content Policy Based on Generative AI Technology

Kakao is refining its entry policy for emoticons created using generative AI technology to protect individual creators and the overall ecosystem. As social consensus has yet to be reached regarding the creativity and copyright of generative AI-based digital content. Kakao has established its policy by gathering opinions not only from a legal and institutional standpoint but also from various stakeholders and members of society.

Emoticon Copyright Education

As the emoticon creator ecosystem continues to grow, Kakao conducts regular copyright education sessions for creators as part of its Growth with Partnership program. These sessions target current and aspiring emoticon creators and cover essential legal topics such as copyright eligibility requirements, infringement criteria, and relevant case law. We offer these sessions through live online broadcasts and VOD distribution to ensure easy access for all, and we plan to continue providing practical content on a regular basis to support creators in their work.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

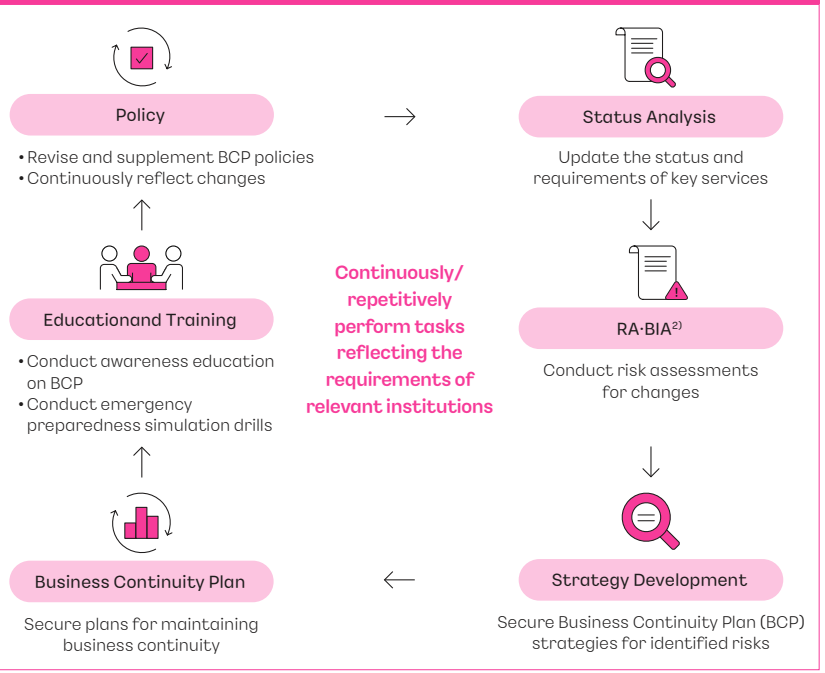
Technology for People

Service Stability

Business Continuity Management System

Kakao defines events that may interrupt business operations and service delivery as incidents and disasters, and operates a Business Continuity Management (BCM) system to maintain service stability even under such circumstances. We continuously perform tasks in accordance with this system, reflecting the requirements of relevant institutions. By taking into account the characteristics of the IT industry, we have established stability assurance measures aligned with international standards and built a governance structure for BCM operations based on these measures. In addition, Kakao has developed risk management measures that assess and prevent the risks of incidents and disasters. We conduct regular simulation drills assuming various incident and disaster scenarios and establish disaster recovery strategies to ensure swift restoration of business operations and services in the event of actual occurrences.

Kakao BCM System

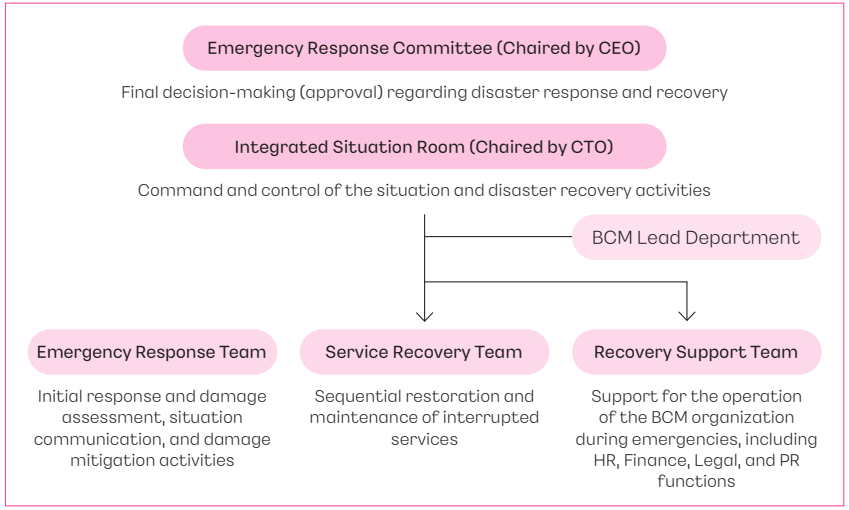


Business Continuity Management System

To enhance the Business Continuity Management (BCM) system we have been operating consistently, Kakao launched the Business Continuity Plan (BCP) governance project in 2023. As a result, in September 2024, we acquired ISO 22301, the international standard for Business Continuity Management Systems. Through this certification, our globally aligned business continuity management system and our capabilities in response and recovery during service disruptions have been recognized.

Business Continuity Management Organization

Kakao has established and operates a company-wide emergency response organizational structure to enable swift decision-making and actions in the event of incidents and disasters. Kakao's emergency response system includes the Emergency Response Committee, chaired by the Chief Executive Officer (CEO), and the Integrated Response Center, led by the Chief Technology Officer (CTO).
This system covers not only service recovery but also support functions such as HR, Finance, PR, Legal, and External Cooperation



1) Risk Assessment·Business Impact Analysis (RA·BIA)

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Technology for People

Service Stability

Simulation Drills and Response

Kakao conducts regular and ad hoc simulation drills to ensure uninterrupted and stable service operations even in the event of failures or disasters. In particular, during periods of significantly increased traffic, such as the New Year, we conduct simulation drills based on previous response reviews and scenario checks to ensure services continue without interruption.

New Year KakaoTalk Traffic Volume

General Chats	Approximately **5** times higher than usual
Group Chats	Approximately **11** times higher than usual
Personnel for New Year Event Response	Approximately **100** personnel

Simulation Drills and New Year Response

Review of Previous Response
↓
Adjustment of Response Plan
↓
Scenario Review
↓
Simulation Drill
↓
New Year Response

Data Center Prepared for Incidents and Disasters

Kakao Data Center Ansan established disaster response plans—including fire, typhoon, and earthquake—during the design and construction stages, and continues to systematically prepare for such scenarios during the operational phase. We have developed a range of operational manuals, including emergency response scenarios, and conduct regular disaster preparedness training. In 2024, we conducted simulation drills and education twice per month, totaling 24 sessions, as part of our ongoing efforts to strengthen our emergency response capabilities. Notably, in August 2024, we carried out the Ulchi Freedom Shield (UFS) in collaboration with Ansan City's Disaster Prevention Division, Gyeonggi Fire and Disaster Headquarters, Hanyang University, Sangnok Police Station, Sadong 119 Safety Center, and the Gyeonggi-do Civil Defense Headquarters.

Ulchi Freedom Shield (UFS)

Disaster Preparedness Simulation Drill

Failure Response and Disaster Recovery Strategy

Kakao has established separate response strategies for failure and disaster situations to ensure swift and appropriate actions tailored to each scenario. These failure response and disaster recovery strategies include compliance with legal requirements, such as user notifications, as well as measures to minimize user inconvenience.

Response Strategy Framework in the Event of an Incident

Incident Occurrence
↓
Situation Reception and Communication
↓
Activation of Emergency Response System
↓
Preliminary Damage Assessment and Reporting
↓
Assessment of Whether to Declare a Disaster

NO → Disability Response Strategy
- Activate the emergency response organization to conduct emergency response and recovery activities
- Partial mobilization of BCM organization as necessary

YES → Disaster Recovery Strategy
Activation of BCM Emergency Response System
↓
Execute the Business Continuity Plan (BCP)
↓
Implement business (service) normalization plan

→ End of Situation

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Technology for People

A Healthy IT Ecosystem

Direction for Vitalizing the IT Ecosystem

The domestic IT developer ecosystem has been one of the key driving forces behind Kakao's growth. Accordingly, Kakao provides stable services and technical platforms to developers, partners, students, and prospective developers who use Kakao's services and technology platforms in order to foster a healthy IT ecosystem. The Kakao Technology Strategy Team plays a role in enhancing and developing the relationship between internal and external developers by supporting developer growth and recruitment, planning events, strengthening engagement, and producing technical documentation.

Knowledge Sharing	• Public Tech Seminar: Tech Meet • Operation of the Kakao Tech Blog
Value Creation	• Developer Conference: if(kakao)
Technology Ecosystem	• Sponsorship of External Tech Communities
Disclosure and Communication	• Open Source Disclosure and Management
Technology Library	• Kakao Developers • Release of Proprietary AI Model: Kanana Model Family

Knowledge Sharing

Public Tech Seminar: Tech Meet

Kakao Tech Meet is a public tech seminar where we share the latest technology trends and experiences with the developer community while fostering networking opportunities. In 2024, a total of three sessions were held, featuring nine presentations that showcased cutting-edge technologies. Approximately 100 participants attended each seminar in person. Since its launch in 2023, Tech Meet has also been available as online VOD content, enabling developers in Korea to access the material anytime. The cumulative view count continues to grow.

Operation of the Kakao Tech Blog

Kakao shares the technologies and insights directly researched and experienced by our developers through the Kakao Tech Blog. The blog covers a wide range of technical domains and topics—including backend, frontend, AI, and cloud—providing valuable technological insights. We also use the platform to share updates on tech events, academic papers, and open-source projects, helping to promote a culture of technology sharing.

Kakao Tech Blog

Value Creation

Developer Conference: if(kakao)

if(kakao) is Kakao Group's flagship developer conference designed to share our technology vision and achievements with the developer community. The 2024 conference focused on the theme of AI, held under the slogan "Redefining Every Connection." A total of 94 sessions explored Kakao's technologies and expertise across AI, data, cloud, mobile, and more. During the event, approximately 3,000 people attended in person, while the sessions streamed online reached a cumulative view count of about 50,000.

Technology Ecosystem

Sponsorship of External Tech Communities

As part of our Developer Relations (DevRel) efforts, Kakao not only hosts its own events but also participates as a sponsor in a variety of developer events to support knowledge sharing, academic exchange, and developer culture initiatives. In 2024, we provided sponsorship for a total of 13 events through various forms of support, including monetary and in-kind contributions, venue provision, and personnel participation. Kakao continues to engage with participants we meet through sponsorship and co-prosperity activities, expanding our networking with the developer community by inviting them to events such as the if(kakao) conference.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Technology for People

A Healthy IT Ecosystem

Disclosure and Communication

Open Source Disclosure and Management

Release of Open Source Projects and Guide Updates

Kakao has released several open-source[1] projects, including FunctionChat-Bench for model performance evaluation, Kakao Font, and three exporters for database monitoring. We also updated the Kakao Open Source Guide to include recent information such as license change cases, font license usage, and the current status of AI regulatory policies by country.

OLIVE Platform

Through the OLIVE Platform, Kakao supports open-source analysis and verification. By applying the Open Source Review Toolkit (ORT), we have expanded the scope of analysis beyond software directly using open-source components to include tools and libraries integrated into the software. We also added new features that provide detailed risk-level insights into potential vulnerabilities.

OLIVE Platform Usage (as of March 2025)			
Projects	Open Source Licenses	Open Source Components	Open Source Packages
1,294 projects (2,145 scans)	253 licenses	5,369,970 components	6,736,168 packages

Open Source DB Integration (OSORI) Project

Kakao participates in a project that provides open source license and compliance data. The OSORI Project is a joint initiative led by private companies and public institutions, including Kakao, aimed at creating a secure open-source usage environment. It delivers reliable open-source information through continuous data updates and inter-company collaboration.

Key Achievements of the OSORI Project (as of March 2025)	
Free Release of Open-Source Datasets	Free Release of Open-Source Licenses
61,762 projects	658 projects

1) Open source: A method of publishing software source code that allows anyone to freely access, use, modify, and redistribute it

Technology Library

Kakao Developers

Kakao operates Kakao Developers, the official platform that provides open APIs[1] and development tools. We support public institutions, businesses, and individual developers in using these APIs to build services, with the goal of fostering a healthy IT ecosystem and creating a secure digital environment. By directly developing and offering core features of the Kakao ecosystem—such as Kakao Login and Kakao Talk Share—we improve development efficiency, reduce IT resource consumption, and generate new value creation opportunities. To ensure stable operation of API-integrated services, we offer an API status page, real-time monitoring, traffic overload detection, and illegal usage detection, and we operate a security management system to protect end users' personal information.

Platform	Kakao Login	Kakao Talk Share
Registered Developer Accounts Approximately 650,000	Number of Users Monthly average of approximately 43 million	Number of Users Monthly average of approximately 16 million
Total Open API Requests Monthly average of approximately 89 billion	Number of Users Monthly average of approximately 11 billion	Number of Users Monthly average of approximately 77 million

Release of Kakao's Proprietary AI Model

At the developer conference if(kakao), Kakao unveiled its proprietary AI model lineup, the Kanana Model Family. In February 2025, we contributed to the global AI research ecosystem by publishing a technical report on the training process and performance of the Kanana language model via the open-access archive arXiv. The report demonstrated the model's superior performance in both Korean and English processing through comparisons with similar global models and highlighted a 50% reduction in training costs compared to competing models. Additionally, we released three lightweight models—Kanana Nano 2.1B (Base, Instruct, Embedding)—as open source, increasing accessibility for domestic AI research and expanding global collaboration. Kakao plans to support the growth of the AI ecosystem by advancing multimodal communication technologies that encompass not only text, but also voice, image, and video.

1) Open Application Programming Interface (Open API): An application programming interface that is made publicly available for use by external developers.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Growing Together for a Better Tomorrow

Enhancing Krew Value 088
Human Rights and Diversity 094
Safety and Health 098
Sustainable Partnerships 101

Enhancing Krew Value

Talent Acquisition Direction

We regard talent acquisition as a core driver of growth. We are committed to providing fair and open recruitment opportunities so that individuals with diverse experiences and perspectives can come together to drive innovation.

Talent Pipeline Development Strategy

New Krew Recruitment

When recruiting new Krew, we focus on the capabilities required for the role and their potential for growth. We conduct blind recruitment that excludes academic background, major, age, and gender. All new developer applicants undergo a coding test in lieu of document screening to assess their job competency. In addition, we continuously operate internship programs with the potential for full-time conversion, and since 2023, we have run a winter internship program for tech and service business positions.

Experienced Krew Recruitment

When recruiting experienced professionals, we compre hensively evaluate their competencies and job fit. We thoroughly review work experience, project history, and portfolios, and assess their expertise and capabilities through coding tests, assignments, and interviews. We also offer rolling recruitment opportunities, allowing individuals with diverse career backgrounds to join Kakao.

Krew Growth Support Direction

We provide an optimal environment where motivated Krew can proactively lead their own learning and development. Respecting diverse methods of learning and development, we operate related systems and education programs that enable Krew to set and pursue their own goals. We also encourage internal knowledge-sharing activities through knowledge and experience exchanges and retrospectives among Krew. For manda tory education and leadership education, we aim for a 100% completion rate among targeted participants.

Principles of Growth Support

Promoting voluntary participation
We support motivated Krew to take initiative in their learning.

Avoiding standardization and generalization
We acknowledge each Krew's learning motivation, style, and context.

Fostering an environment for growth
We support continuous practice and feedback, not one-time events.

Growing together by sharing
Through sharing knowledge and experience, both individuals and fellow Krew grow together.

Recognizing learning motivation and offering opportunities
Believing that learning is a vital part of work, leaders provide attentive support.

Enhancing Krew Value

Krew Growth Support System

The Learning & Development (L&D) organization supports the growth of Kakao Krew by providing learning infrastructure including systems and development programs. L&D collaborates with relevant departments to support skill development by job function.

Programs by Organization

Learning&Development	Technology Strategies
• Organization Development Programs, Leadership Growth Programs • Job-specific and AI-related Growth Programs • Company-wide Seminars and Knowledge-Sharing Programs • Krew Growth Support and Infrastructure	• We manage technology-related company-wide tasks for tech positions, including technology strategy, recruitment, growth, DevRel, culture, and technical documentation. • We also offer AI education programs and other technology-related courses tailored for tech Krew.

Leadership Programs

We operate leadership programs for Krew who serve as organization heads. We conducted the Find Your Story (FYS) program for team leaders for two consecutive years to provide them with an opportunity to set their growth path as leaders. In the second half of the year, we hosted five onboarding sessions to help newly appointed leaders quickly adapt to their roles and perform effectively. Additional sessions were provided to help them understand and apply "Kakao's Way of Working," the behavioral code established under our new Vision House. To support effective performance evaluation conversations, we offered workshops to strengthen interview skills and case-based expert coaching. We also helped improve understanding of our revised evaluation system and supported communication between organizations and upper management.

Organization-level Team-Building Programs

We operate team-building programs at the organizational level to strengthen Krew cohesion and promote effective collaboration. These programs are conducted at the newly opened Kakao AI Campus and include a variety of adaptation activities tailored to participants' preferences, as well as collaborative workshops to enhance understanding of the organization's direction.

New Krew Onboarding Program

We operate an onboarding program to help newly joined Krew adapt smoothly to our organizational culture and way of working, and grow effectively. Before joining, we provide guidance on the competencies required for their roles. After joining, we offer various learning and experience opportunities through the onboarding program and monthly sessions. We run programs that help new and intern Krew improve their understanding of the organization and their roles, by helping them understand their roles and the organization more clearly, while enhancing their problem-solving, collaboration, and communication skills. We also support activities that deepen understanding of Kakao's core values and working practices, enabling smooth adaptation to our corporate culture and work environment.

Knowledge-Sharing Programs

Aligned with our principle of "growing together by sharing," we operate various knowledge-sharing programs that promote the exchange of the latest trends, insights, and Krew experiences. In particular, we hosted Connecting Krew three times and TechTalk 32 times, with Krew participating as presenters to share insights and experiences on a variety of topics such as retrospectives, working practices, and career growth. Through our internal education system Rainbow, Krew can freely access and share learning materials, including self-created content and in-house seminar recordings.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Enhancing Krew Value

Kakao Hackathon 24K

Kakao hosts internal hackathons that bring together Krew from diverse job functions to solve problems collaboratively and share Kakao's work culture and practices. In 2024, the event was held under the name "24K" at Kakao AI Campus. "24K" stands for "24 hours for Krew," where Krew from various fields—tech, design, planning—participated individually or in teams to prototype their ideas. This hackathon was designed to support Kakao's transformation into an AI-driven company. Participating Krew share various ideas. Outstanding ideas will be refined and considered for integration into actual services, contributing to Kakao's AI innovation.

AI Capability Enhancement Program

In 2024, we officially launched our generative AI capability development framework and provided a range of AI capability enhancement programs to Krew. To ensure practical application after the program, Kakao provided tailored education based on AI proficiency and background knowledge for each job category, including Tech, Service Biz, Design, and Staff. Additionally, we continued to develop and operate company-wide programs to create an AI learning environment accessible to Krew from diverse functions. In 2025, we plan to specifically define AI capabilities based on Kakao's business strategy and prepare programs directly connected to AI technology and service development.

Company-Wide Programs	AI Trend Seminars	• Open Tech Seminar: Tech Meet • Operation of the Kakao Tech Blog
	AI Job Talk Study Groups	• This system supports Krew-led group study sessions where participants freely decide the topic, schedule, and format related to AI. • A total of 19 teams and 25 Krew participated. • Eight teams and 60 Krew joined the Immersion Day program, which supports focused study efforts.
For Tech Roles	AI Basic: Core understanding and application of generative AI and large language models (LLMs)	• This program builds foundational competencies by helping participants understand the basic principles and use cases of generative AI and LLMs, with an emphasis on practical application. • A total of 14 sessions were held, with participation from over 600 Krew
	AI Advanced : Utilizing and enhancing generative AI and large language models	• This program focuses on advanced technical skills for applying generative AI/LLMs in actual work, as well as improving and optimizing their performance. • A total of six sessions were held, with over 250 Krew participating
	AI Intensive: Prompt Engineering	• The program also explores complex challenges encountered in the practical application of generative AI/LLMs and teaches how to solve them. • One session Each for Krew and Leaders
	AI Native	• AI capability enhancement through learning how to utilize internal platforms and AI tools • Three additional sessions were conducted, where approximately 120 Krew from 29 organizations participated
Service Business and Design Job Groups	AI One-Day Workshop	• The "Basics" session helps participants understand the possibilities and limitations of generative AI and explore ways to apply it to their work. • The "Application" session involves hands-on experience in automating work in Google Workspace using generative AI-based coding. • "Basic" session held 23 times, "Advanced" session held 7 times; more than 50% of non-tech Krew participated

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Enhancing Krew Value

Job Competency Development Programs

Cross-Functional Competencies

To strengthen the communication skills and collaborative mindset essential for Krew working in cross-functional teams, Kakao operates a variety of education programs. These programs are delivered as video content to improve accessibility and are focused on real-life examples and workplace applicability. A total of seven subjects were offered, including speaking, writing, UX writing, technical writing, IT knowledge, business and accounting knowledge, and meeting facilitation. A cumulative total of 2,412 Krew participated, and the post-training survey on applicability to actual work scored 4.5 out of 5 points.

Function-Specific Competencies

To enhance job-related competencies, Kakao identifies core competency keywords for each function that are essential to company-wide performance creation and operates targeted education programs accordingly. These keywords are derived through interviews by role and level, reflecting business needs and organizational direction, and are made available to all Krew for use in their individual growth planning. In 2024, we conducted a data analysis capability enhancement program for the service business job category and a Figma utilization training course for the design job category. A total of 1,003 Krew participated, and in the post-education program survey on applicability of learning content to work (on a 5-point scale), the data analysis program scored 4.5 points (out of 5), and the Figma utilization training course scored 4.1 points (out of 5).

2024 Key Outcomes of Job Competency Development Programs

		Participants	Workplace applicability	Educational effectiveness
Cross-Functional	Speaking That Enhances Collaboration • Learn how to communicate thoughts clearly and maintain constructive conversations with colleagues who have different perspectives.	58	4.5	4.8
Cross-Functional	IT Knowledge That Supports Collaboration • Designed for non-tech Krew to acquire basic IT knowledge, facilitating smoother collaboration with tech Krew and enhancing understanding of technical workflows.	90	4.2	4.6
Service Business	UX Writing (Basic/Advanced) • Internalize writing skills that effectively guide user behavior through understanding and practicing UX writing principles.	119	4.4	4.7
Tech	AI Advanced: Utilization and performance improvement of generative AI and large language models • Learn advanced techniques to apply and optimize generative AI/LLM models in real work environments.	256	4.5	4.5

Growth Support System

Beyond job-specific expertise development programs, Kakao supports autonomous learning and growth by facilitating participation in external training and conferences. In 2024, approximately 2,000 Krew utilized growth support systems for about 17,000 cases. In particular, around 4,500 books were purchased through the business book purchase support program, and approximately 16,000 books were borrowed through the "Kakao Exclusive E-Library."

Case One Kakao Day

One Kakao Day is a 1-night, 2-day networking program designed to help newly appointed team leaders and executives recognize their roles, strengthen their capabilities, and lead the growth of the Kakao Group together. Held under the themes "One Kakao Day (for new leaders)" and "One Kakao Day (for new executives)," the program was conducted five times and included participants from 11 Kakao Group affiliates. The program includes lectures in the humanities to broaden perspectives and offer training in leadership, finance, and compliance to help Krew develop as leaders. It also features workshops that enable open exchange of work experiences and insights among Krews, fostering a culture of connection and collaboration. We plan to expand these programs to include all executives, team leaders, and new Krews across the Kakao Group, further promoting group-wide growth and development.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

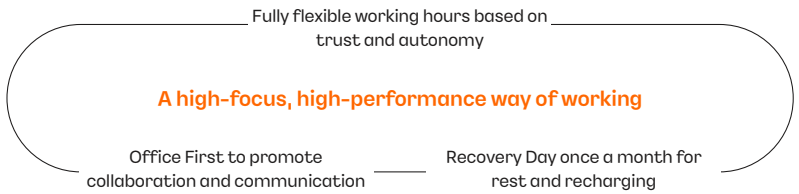
Growing Together for a Better Tomorrow

Enhancing Krew Value

Kakao's Way of Working: "Kakao ON"

Kakao has introduced and operates a new way of working called Kakao ON. The Kakao ON work system adopts a fully flexible working hours system, allowing Krew to freely set their own work schedules. The primary work location is, in principle, an office designated by the company. In addition, the last Friday of every month is designated as Recovery Day to ensure rest and recovery for Krew, helping them focus more effectively on their work.

Kakao ON Framework



Internal Mobility System

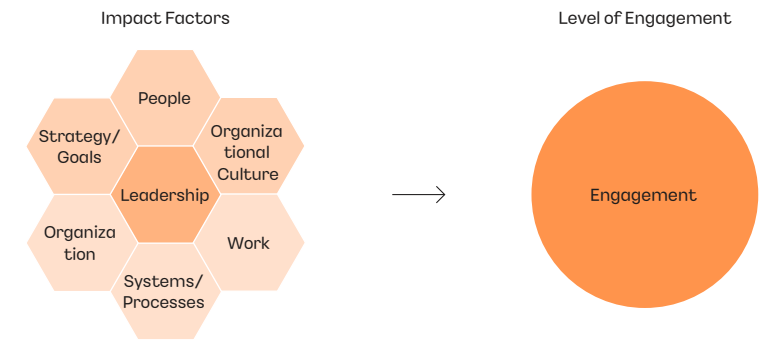
Kakao operates various internal mobility systems—such as strategic reassignment, job matching, and internal job postings—designed to align individual Krew's growth path with the most suitable roles. In 2024, the term 'Job Posting' was updated to 'Internal Job Posting', with a total of 31 postings published.

Strategic Reassignment	Supports role changes based on business strategy and priorities
Job matching	Facilitates transitions considering the fit between Krew and roles
Internal Job Posting	Supports mobility for growth and positive career cycles

Krew Engagement Survey

To assess satisfaction and engagement levels among Krew, Kakao conducts an annual organizational health survey. Engagement is quantitatively measured through seven impact factors to evaluate the organizational level of commitment. In 2024, we designed a customized survey tailored to Kakao's characteristics and tracked changes in engagement through time-series comparative analysis. Survey results showed a 34% response rate for Kakao and a 47% response rate across 12 major affiliates in the group. Based on these results, we identified strengths and areas for improvement and initiated follow-up actions to enhance engagement.

Organizational Health Survey System



Engagement Improvement Initiatives

Based on the results of the organizational health survey, Kakao identified the need to expand internal leadership and growth support programs. Accordingly, we are strengthening programs aimed at improving engagement, such as leadership training for organization heads, team-building activities, and role-specific competency education. In addition, to improve organizational culture, we codified the Krew behavioral code under the name Kakao's Way of Working.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Enhancing Krew Value

Enhancing Krew Value

Kakao respects the rights to freedom of association, collective bargaining, and collective action in accordance with the universal standards for guaranteeing fundamental labor rights as recommended by the Constitution of the Republic of Korea, labor relations laws, and the International Labour Organization (ILO) Declaration. In November 2024, we renewed our collective agreement through collective bargaining with the labor union and have continued our efforts to maintain and improve Krew's labor and living conditions. To ensure communication centered on Krew, we operate a quarterly labor-management council called the Roundtable, composed of employee representatives elected by Krew. In 2024, we held four regular meetings to discuss a variety of topics such as the company's future direction, HR, and welfare systems. We gathered feedback on enhancements to the welfare and work systems and reflected them in our policies. Additionally, six ad hoc meetings were held. To improve the effectiveness of regular meetings, we introduced a pre-meeting process for collecting and reviewing agenda items, thereby strengthening our communication-based labor-management framework.

Guaranteeing Working Conditions

Kakao manages Krew workloads based on the legally mandated maximum working hours (52 hours per week), and minimizes overtime within the scope of pre-approved limits. In accordance with internal policies, we provide compensation for extended work hours and proactively prevent excessive workloads by monitoring working hour data. Corrective actions are taken as necessary. Kakao offers a base salary above the minimum wage, at a living wage level that supports the basic livelihood of Krew and their families. Bonuses and overtime pay are provided separately, and our compensation system is continuously reviewed to reflect inflation and industry standards.

Wide-Ranging Benefits for Krew

Kakao implements a variety of welfare and benefit programs to enhance job satisfaction and work engagement among Krew. These programs apply to all Krew and are partially extended to temporary employees, including dispatched workers, interns, and assistants. We will continue to actively incorporate Krew feedback to realize a welfare system that truly centers on Krew.

Welfare System for Kakao Krew

Category	Program	Description
Kakao Krew are Happy	Sabbatical Leave	30 days of sabbatical leave and KRW 2 million for vacation expenses for every three years of service
	Condominium	Access to and discounts at affiliated resort facilities
	In-house Club	Monthly support for in-house club activities
	Melon Subscription	Melon Streaming Plus subscription provided
	Employee Discount	Discounts at Kakao Friends Shop, airlines, and more
	Emoticon Plus / Talk Drive Plus	Access to KakaoTalk emoticons and Talk Drive features
Kakao Krew are Healthy	Group Personal Accident Insurance (CPAI)	Accident and health insurance for Krew, spouses, parents, and children; dental insurance for Krew, spouses, and children
	Corporate Health Checkup	Annual health checkup for Krew (transferable to family during non-mandatory checkup years)
	Talking About	Up to eight external psychological counseling sessions per year
	Talk Clinic	Massage service twice a month
	Recovery Center	Exercise programs such as weight training, Pilates, and yoga for musculoskeletal health
Kakao Krew are Looked After	Family Funds	Insurance payout in the event of a Krew member's death
	Congratulations and Condolence	Support and leave for weddings, 60th birthdays, bereavement, and childbirth
	Holiday Gifts	Gifts valued at KRW 300,000 for Lunar New Year and Chuseok holidays
	Welfare Loan	Interest support for loans up to KRW 150 million for housing and living expenses
	Daycare Center	On-site daycare facilities at Pangyo and Jeju Offices
	Maternity Care	Support kit for pregnant Krew, taxi fare, priority parking, and nursing rooms
Other	Commuter Bus	Shuttle buses to and from the Pangyo and Jeju Offices
	E-Library	Access to e-books for work-related learning
	Kakao Benefits	KRW 3.6 million in annual welfare points

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Enhancing Krew Value

Performance Evaluation and Compensation Direction

Kakao operates a systematic evaluation and compensation system to support the growth of Krew and ensure fair rewards. We have established an objective performance evaluation framework based on the Growth Stage System, which clearly presents the competency levels expected by the organization and supports Krew's competency development. Our compensation structure balances performance and competency, recognizing Krew's contributions and motivating them to grow. Performance-based compensation includes various forms such as salary increases, bonuses, and stock compensation. In March 2024, we granted a total of 730,400 stock options to 3,652 Krew. These options are exercisable at a rate of 50% after two years of service and 100% after three years. In addition, Kakao practices its philosophy of growing as one team and creating future corporate value together by granting 200 shares equally to all Krew, regardless of tenure or position.

Performance Evaluation and Compensation System

Kakao's performance evaluation system is conducted through a multi-perspective review process involving the individual, peers, and leaders. Regular evaluations are conducted once a year for full-time Krew, with leaders conducting evaluations based on the Growth Stage. The evaluation consists of performance on individual tasks, and potential for growth based on assessment of common competencies, and job-related knowledge and skills. Individual performance results are linked to short-term rewards such as performance bonuses, while the combined results of performance and growth potential are reflected in long-term rewards such as salary increases. Evaluation and compensation results are reviewed and coordinated through Calibration Sessions conducted by the evaluation-responsible leaders and the evaluation and compensation community, which includes the most senior leaders. Once the results are confirmed through the session, each Krew is individually notified. Subsequently, an appeal process is provided to enhance mutual understanding between the organization and individual regarding the evaluation outcomes.

Performance Evaluation and Compensation Process

Review > Evaluation > Calibration Session

- Review: Self Review; 360-Degree Review
- Evaluation: First-level Review; Second-level Review
- Calibration Session: Evaluation Calibration (Evaluation-Responsible Leaders & Compensation Community); Compensation Calibration

Evaluation Results > Feedback

Human Rights and Diversity

Human Rights Management Direction

Kakao fosters a culture of mutual respect and collective growth based on a people-centered philosophy. To support this, we comply with internationally recognized human rights principles and standards, such as those proposed by the United Nations (UN) and the International Labour Organization (ILO). Based on these principles, we have established a Human Rights Statement to embed fundamental human rights principles across our business operations and relationships with various stakeholders, including Krew and business partners. We regularly review and revise the Human Rights Statement, and in 2025, we formalized a risk management process to proactively identify and systematically address human rights risks.

Kakao Human Rights Statement

Mid- to Long-Term Human Rights Management Goals

Kakao has established mid- to long-term goals to establish a company-wide culture of respect for human rights and internalize human rights management. In accordance with our mid- to long-term goals, we continuously identify, prevent, and improve human rights risks while expanding the outcomes of human rights management.

	Advancing the Human Rights Management System	Enhancing Risk Management System	Internalizing Human Rights Management
Short-Term (2024)	• Revise and supplement the Human Rights Statement	• Conduct human rights impact assessment biennially • Conduct human rights impact assessment for all employees and major subsidiaries	• Provide human rights education for employees
Mid-Term (2027)	• Establish and implement human rights policies • Build a group-level human rights management system	• Conduct human rights impact assessment annually • Expand the scope of human rights impact assessment: including suppliers • Refine grievance handling process for human rights issues • Establish human rights due diligence process	• Increase the number of human rights education participants • Expand the group of participants in human rights education: including subsidiaries
Long-Term (2030)	• Develop indicators to verify human rights management performance	• Advance human rights due diligence process and mitigate risks	• Expand the group of participants in human rights education: including partners

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Human Rights and Diversity

Human Rights Impact Assessment

Kakao conducts a biennial Human Rights Impact Assessment to manage actual and potential human rights risks that may arise within Kakao business sites, affiliates, and partners. Assessment results and improvement measures are shared with all Krew through the Kakao Krew Human Rights Impact Report. In 2024, we conducted our second human rights impact assessment and expanded the scope beyond Krew to include external stakeholders, such as key operating affiliates and partners, in order to identify risks from a more comprehensive perspective. The results found no actual risks likely to lead to severe human rights violations. Overall awareness of human rights management was generally positive or neutral. Kakao took proactive mitigation measures to preemptively identify and address potential risks. We revised the Human Rights Statement to include a human rights risk management process and clarified our human rights goals to make them more actionable. In addition, we created a "Report" page on the group's Ethical Management website to establish a clearer reporting channel for human rights violations involving the supply chain and stakeholders. We also set up a group-level grievance-handling system.

Human Rights Due Diligence Procedure

Preparation → **Risk Identification and Assessment** → **Action and Implementation** → **Communications**

- Preparation
  - Select the assessment target
  - Define the purpose and methodology of the human rights impact assessment, assign roles, and establish timeline, procedures, and key considerations
- Risk Identification and Assessment
  - Identify key risks by assessment target and determine root causes
  - Conduct the human rights impact assessment on identified risks
- Action and Implementation
  - Establish and implement risk mitigation measures
- Communications
  - Disclose the due diligence process and key identified risks
  - Report the implementation results of key mitigation actions

Assessment Areas	• Establishment of a human rights management system • Non-discrimination in employment • Freedom of association and collective bargaining • Prohibition of forced labor • Prohibition of workplace bullying and sexual harassment • Inclusivity • Assurance of safety and health • Protection of women's rights • Protection of user rights • Privacy protection • Ethical management
Assessment Targets	• All Kakao Krew (including potential human rights vulnerable groups such as women, non-regular workers, dispatched workers, people with disabilities, and foreign Krew) • Key operating affiliates (Linkage Lab, dk techin, KnWorks), other affiliates and partners, and users
Assessment Methods	• Collection and analysis of human rights-related policies and work documents • Anonymous online survey for all Krew • In-depth interviews with Krew and relevant department representatives
Mitigation Measures	• Revised the Human Rights Statement to formalize the human rights risk management process and clarify human rights management goals • Established a dedicated "Report" page within the Group Ethical Management website to clearly define the reporting channel for human rights violations

Human Rights Violation Reporting Channels

Kakao operates reporting channels through the Cyber Ethics office and the Group Ethical Management website to enable all stakeholders—including Krew, partners, and users—to report human rights violations. In addition, we have established stakeholder-specific reporting channels. Krew can report or consult directly with a designated representative through the "Human Rights Violation" category within the internal reporting system TellMe@Kakao, either online or offline.Partners can report human rights issues that occur during collaboration or business transactions via the official communication channel within Kakao's procurement system, PoK. Users can report violations such as privacy infringement, defamation, or copyright violations via the Rights Infringement Report channel within the Customer Service Center.

Kakao Cyber Ethics Office

Group Ethical Management Website

Human Rights Violation Reporting Channels by Stakeholder

Krew

1:1 grievance counseling and reporting via the "Human Rights Violation" section of the TellMe@Kakao system

Partners

Report human rights issues occurring during collaboration or transactions via the official communication channel in the Kakao Procurement System (PoK)

Users

Report violations related to privacy, defamation, copyright, etc., via the Rights Infringement Report channel within the Customer Service Center

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Human Rights and Diversity

Krew Grievance-Handling System

Kakao operates a variety of 24/7 accessible channels to help Krew recognize and report concerns related to colleagues, work, leadership, organizational issues, human rights violations, violations of the Code of Ethics, workplace harassment, and sexual harassment. All reporting channels ensure the confidentiality of the informant and the reported content. To maintain fairness and objectivity, the roles of fact-checking, follow-up measures, personnel actions, and advisory responsibilities within the grievance-handling procedure are separated into independent entities. If disciplinary action is required in accordance with internal regulations, the Standing Ethics Committee is convened to conduct a discussion for opinion gathering. The Chair of the Standing Ethics Committee is either the CEO or an authorized delegate appointed by the CEO, and the committee members are selected with consideration for position, gender, and age to ensure balanced representation.

Krew Grievance-Handling Procedure

Consultation Request	Report Submission	Fact-Finding	Notification of Results
• Dedicated webpage • Open Chat • Direct contact	• Hotline • TellMe@Kakao • In-person consultation with the Ethics Management Team, or Talk chat	• Verification with involved parties (informant, respondent, witness, etc.)	• Preliminary sharing with involved parties before full announcement • Company-wide announcement

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A procedure can be terminated if the counselor does not wish to proceed after consultation.

Grievance-Handling Channels	Subjects of Reporting and Counseling	Roles and Characteristics
Hotline	Reports of violations of the Code of Ethics	A channel for Krew to report and consult on grievances, ensuring protection of informants' identity and information confidentiality, with v available via email, mail, and website
Time's Up Taskforce	Sexual harassment	A TF voluntarily formed by Krew to prevent and minimize sexual harassment; assists Krew with counseling, reporting, and grievance resolution, and supports safe return to the workplace
Roundtable Grievance-Handling Member	1:1 grievance counseling	Krew may choose one grievance-handling member for 1:1 consultation; issues beyond individual resolution (e.g., systemic or policy-related) can be escalated to Roundtable regular meetings
TellMe@Kakao	Consultation on colleague, work, leader, and organizational issues; Code of Ethics violation reports; human rights violation reports; workplace harassment consultation, etc.	Internal intranet reporting system for Krew; enables anonymous or named reporting of Code of Ethics violations, human rights issues, workplace harassment, and includes intuitive channel names for accessible reporting (e.g., human rights violations, policy suggestions)

Internal Human Rights Education

Krew Participation-Based Human Rights Education Program

Kakao operates human rights education and participatory challenge programs to raise awareness and interest in human rights management among Krew members. To go beyond one-way content delivery and drive awareness and behavioral change, we introduced a quiz-based participatory challenge learning program. The program content consists of the basic concepts of human rights management and Kakao's best practices. Through this participation-based learning method, Krew members were able to enhance their understanding of the key elements of human rights management and Kakao's implementation efforts, as well as elevate their awareness of human rights.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Human Rights and Diversity

Respect for Diversity and Enhancement of Inclusion

Kakao places importance on growing together with stakeholders connected through its services and technologies, and strives to ensure that all users are inclusively protected throughout the service development and operation process. We also respect the diverse backgrounds and values of Krew and are committed to providing a workplace free of discrimination. In recognition of these efforts, we were selected in 2024 as an Excellent Company in Gender Equality in Employment by the Ministry of Employment and Labor.

Institutional Support for Enhancing Diversity

Employment Support for Persons with Disabilities

Kakao operates Linkage Lab, a subsidiary-type standard workplace for people with disabilities. Krew at Linkage Lab perform IT-specialized tasks such as accessibility improvements, search operations, and content management in an environment designed with universal design[1] principles. At the in-house cafeteria KAFE, Krew with developmental disabilities provide services, and at Talk Clinic, visually impaired Krew with national massage therapist certifications are employed. Linkage Lab has established a flexible and inclusive work environment by implementing policies such as staggered commuting hours, remote work options, and automatic annual leave approvals. It was selected as a "2024 Korea Work-Life Balance Excellent Company."

Facility Accessibility Improvements

At the Pangyo Office, Kakao replaced and installed automatic doors at the east-side entrance on the first floor to improve accessibility for children, seniors, and wheelchair users. Additionally, braille signage[2] was installed on all floors of the Pangyo Office, including meeting rooms and recycling stations, to improve accessibility for visually impaired individuals. At the Kakao AI Campus, facilities were designed for socially vulnerable groups, including DFA[3] (Design for All) guest rooms, café bars accessible by wheelchair users, and vertical navigation systems accommodating wheelchair users and children.

Operation of In-House Daycare Centers

Kakao operates the largest in-house daycare capacity in the industry, accommodating up to 907 children. Daycare centers at the Pangyo Office—Neulyesol, Agitteul, and Byeoleaden—and at the Jeju Office—Space Dot Kids—offer Kakao's specialized programs such as physical education, music, English, and art, based on standardized curricula tailored to developmental stages by age group.

1) Universal Design: Design that ensures products, services, and facilities are usable by people regardless of age, gender, nationality, or disabilities

2) Braille Signage: Stickers that can be recognized by touch for use by visually impaired individuals

3) Design for All (DFA): Design philosophy based on the mission "consideration for one benefits many," aiming to ensure convenience for all users

Work-Life Balance Support

Kakao operates various work-life balance support programs for Krew who balance work and caregiving responsibilities. We expanded eligibility for maternity and prenatal examination leave to include both Krew and their spouses. Additionally, Family Care Leave is provided as paid leave for those needing time to care for family due to various circumstances. We also support rest and recovery by designating the last Friday of each month as Recovery Day. Beginning in 2025, we plan to introduce one remote workday per week to further enable flexible and autonomous working arrangements.

Category	Program	Description[1]
Leave of Absence	Parental Leave	Up to 2 years per child for Krew with children under age 8 or in second grade or below, including the period used for Reduced Working Hours for Childcare (including 1 year under statutory requirements)
	Family Care Leave	Up to 90 days per year for caregiving related to childrearing, elderly care, accidents, illness, or other family care needs (combined with Family Care Leave Days)
Leave (Paid/ Unpaid)	Prenatal Examination Leave	Up to 8 days of paid leave (up to 3 days of paid leave for spouses' prenatal examinations)
	Maternity Leave (Prenatal and postnatal leave)	Up to 90 days of paid leave (up to 120 days for multiple births; 100 days for premature births) (up to 20 days of paid leave for spouse upon childbirth)
	Miscarriage/ Stillbirth Leave	Minimum of 5 days to a maximum of 90 days, depending on the gestational week
	Adoption Leave	Up to 10 days of paid leave
	Infertility Treatment Leave	Up to 6 days per year (3 paid, 3 unpaid)
	Family Care Leave Days	Up to 10 days of paid leave per year for reasons such as childcare, visits to educational institutions (e.g., daycare centers, schools), eldercare, accidents, or illness
	Refresh/Sabbatical Leave and Support	Upon reaching 3 years of service, Krew are granted up to 30 days of paid leave and KRW 2 million in support (including holidays and weekends)
Reduced Working Hours	Reduced Hours During Pregnancy	2-hour reduction in daily working hours (available up to 12 weeks of pregnancy and after the 32nd week)
	Reduced Working Hours for Childcare	1 to 5 hours of daily reduced working time, available for up to 3 years per child depending on the use of Parental Leave
	Reduced Working Hours for School Enrollment	1-hour reduction in daily working hours
	Reduced Working Hours for Family Care	2 to 5 hours of daily reduced working hours for family care, personal health, retirement preparation, or academic study (up to 1 year for academic reasons; up to 3 years for others)

1) The following policies have been applied as of February 2025: Expansion of infertility leave (from 3 days to 6 days), addition of premature birth leave, expansion of miscarriage/stillbirth leave (from 5 days to 10 days within 15 weeks of pregnancy), expansion of spouse parental leave (from 10 days to 20 days), and earlier eligibility for reduced working hours during pregnancy (from 36 weeks to 32 weeks onward).

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Safety and Health

Safety and Health Direction

Occupational Safety and Health Management Policy and Guidelines

Kakao recognizes the safety and health of both Krew and partners as a top management priority. Accordingly, we have established an occupational safety and health management system in compliance with applicable laws and regulations and declared an Occupational Safety and Health Management Policy to ensure that all Krew and employees of partner companies work in a safe and pleasant environment. Furthermore, Kakao has newly established a Safety and Health Policy to strengthen our efforts in creating a safer working environment.

Safety and Health Policy

Occupational Safety and Health Management Objectives

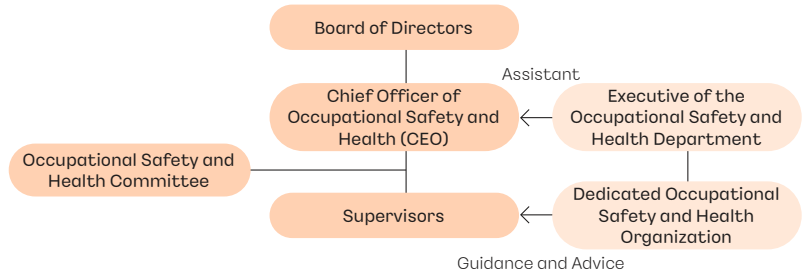
Kakao is pursuing various activities starting with strengthening safety and health compliance capabilities, including listening to opinions from Krew and partners and operating mental health programs. Through these efforts, we aim to establish a culture that considers safety as our top priority value and achieve zero accidents. We are also committed to proactive, ongoing safety and health prevention efforts based on our mid- to long-term implementation goals.

Short-Term (2025)	Strengthening Compliance Capabilities • Eliminate gaps in compliance with safety and health laws • Expand safety culture through role-specific education and campaigns
Mid-Term (2026–2027)	Internalization of Safety and Health Management System • Pursue ISO 45001 certification • Promote a voluntary safety culture through Krew-participation-based safety initiatives
	Transitioning to a Self-Regulated Safety System • Advance system-based safety management • Strengthen statistical analysis to establish a predictive safety management system • Institutionalize a self-regulated safety culture
Long-Term (2028–2029)	Expanding Cooperative Safety and Health Governance • Enhance industry-specific accident prevention activities in partnership with relevant institutions • Expand cooperation networks among IT companies and group affiliates to identify, improve, and jointly respond to safety and health issues

Occupational Safety and Health Management System

To systematically manage occupational safety and health, Kakao has enhanced its safety and health management structure. The CEO is designated as the Chief Officer of Occupational Safety and Health, and responsibilities are further reinforced by appointing an executive of the Occupational Safety and Health department as deputy to the person in charge and forming a dedicated team. This ensures accountability and specialization in safety management. Furthermore, we provide role-based training to key safety and health personnel to deepen their practical understanding, and revised the Occupational Safety and Health Management Regulation to reflect operational conditions and applicable legal requirements. Additionally, key deliberations and resolutions regarding safety and health at our business sites are made collaboratively through the Occupational Safety and Health Committee, consisting of both labor and management. Moreover, the Board of Directors is updated annually on major safety and health topics, such as the implementation status of the management system and safety plans, to ensure proper oversight.

Occupational Safety and Health Management Organizational Structure



Comprehensive Measures for Responding to Safety Incidents

Kakao has established comprehensive measures to respond effectively to safety incidents. We built a company-wide Incident and Disaster Statistics Management System to monitor and investigate the status of incidents and accidents. By analyzing historical incident data, we clarified statistical criteria and minimized data omissions. To ensure swift and accurate reporting and compensation, we introduced an Online Incident Reporting System. By including near misses in the scope of reportable cases, we enhanced our ability to identify potential risks. In addition, we developed an Emergency Response Manual in alignment with applicable laws and regulations to prepare for serious industrial accidents and urgent situations. The manual applies to all incidents within Kakao's control and management scope and outlines procedures for work stoppage, emergency response, and accident investigation. In 2025, we plan to strengthen training and guidance so that Krew can become fully familiar with the manual.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Safety and Health

Emergency Response Education and Training

Kakao conducts disaster response drills and CPR (cardiopulmonary resuscitation) training to minimize damage in emergencies such as fires and earthquakes. We provide regular education and training at least once a year to improve Krew's emergency response capabilities and raise safety awareness.

Emergency Response Training and Education in 2024

	All on-site staff by business site	All employees (voluntary participation)
	Fire Response Training (Offline)	CPR Training (Offline)
Pangyo Office	3,783 out of 4,939 people participated	76 Krew completed training (4 sessions/year)
Jeju Office	60 out of 68 participated	16 Krew completed training (1 sessions/year)
Kakao Data Center Ansan	Approx. 200 participants from 16 institutions	23 Krew completed training (1 sessions/year)

Occupational Safety and Health Compliance Inspection

In accordance with the Serious Accidents Punishment Act, Kakao regularly inspects compliance with legal obligations to secure safety and health, and enhances the management system. We verify the establishment and operation status of the occupational safety and health management system and evaluate the adequacy of facility management through both document reviews and on-site inspections. If improvements are needed, we establish and implement improvement plans to increase the rate of resolution of inspection items.

Key Inspection Items for Compliance

- Establishment and implementation of safety and health objectives and management policies
- Formation of a dedicated organization overseeing safety and health tasks
- Inspection of identification and improvement of harmful and hazardous factors
- Budget allocation and execution for accident prevention
- Oversight of responsibilities for the Chief Officer of Occupational Safety and Health and others
- Establishment of procedures to collect worker feedback
- Development and execution of manuals for serious industrial accidents and emergencies
- Establishment of safety standards and procedures for subcontracting
- Implementation of recurrence prevention measures following accidents
- Legal compliance inspection on safety and health requirements
- Conducting safety and health education for hazardous work

Conducting risk assessments and implementing improvement measures

To ensure workplace safety and prevent hazards and illnesses among Krew and workers, Kakao conducts occupational safety and health risk assessments to identify and correct harmful and hazardous factors. In the preparation phase, we established a risk assessment regulation and formed an evaluation team. Based on previous inspection results and interviews with Krew and relevant workers, we identified risks requiring evaluation. In the actual assessment phase, we quantitatively measured the identified risk factors, reviewed the level of risk acceptance, and developed corrective action plans based on the results. The assessment outcomes and corrective actions were communicated to Krew for review and feedback to ensure appropriateness. In 2024, approximately 400 harmful and hazardous factors were identified through risk assessments, and corrective actions were completed for over 80% of them.

Key Corrective Actions from 2024 Risk Assessments

- Introduced aerial work platforms and provided guidance to prevent falls during ladder use above appropriate height

- Developed and implemented a confined space work program, including gas concentration measurements and hazard signage at entry points

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Safety and Health

Partner Safety and Health Support Activities

Establishment of Safety and Health Management Standards and Procedures

In accordance with the Occupational Safety and Health Act and the Serious Accidents Punishment Act, Kakao has established safety and health management standards and procedures applicable to subcontracting, service outsourcing, and commissioned work. We require partners to submit a safety and health management plan when signing a contract and give priority to selecting vendors with proven capabilities in industrial accident prevention. We have also standardized the Safety and Health Compliance Pledge and apply it uniformly to all partners. To fulfill our responsibilities as a client for construction projects, Kakao has established separate safety and health standards for both in-house and outsourced construction and allocates and executes corresponding budgets. Additionally, we continuously strengthen procedures to fulfill legal obligations, such as preparing safety and health ledgers and signing contracts for technical guidance on accident prevention.

Work Environment Measurement and Hazardous Factor Management

In compliance with Article 125 of the Occupational Safety and Health Act, Kakao assessed exposure to chemical and physical hazardous agents and measured the work environment at both Kakao and partner sites. Through document reviews and on-site inspections, we conducted a comprehensive survey of hazardous factors. For highly hazardous substances, including those designated as special control materials, we recommended alternatives. Improvement measures were implemented for aging facilities. For environments where reducing exposure to hazards such as noise is difficult, we conducted specialized health checkups and provided guidance on the use of personal protective equipment (PPE) to help prevent health damage.

Operation of Safety and Health Council and Regular Inspections

To enhance the safety of partner work environments, Kakao operates a Safety and Health Council in collaboration with partners. Through regular meetings and inspections, we check compliance with the Occupational Safety and Health Act and other relevant regulations, and offer guidance and advice to support compliance. We also support corrective actions for potential risks identified through the council, helping to secure the safety of partner employees.

Category	Frequency	Details
Safety and Health Council	Monthly (1x/month)	Discussion on risk assessment, emergency response systems, improvement cases, and stakeholder feedback
Joint Safety and Health Inspections	Quarterly (1x/quarter)	Identification of hazardous factors in the workplace and collection of partner feedback
Routine Safety and Health Patrols	Weekly (1x/week)	Identification of hazardous and risk factors within the workplace
Other Inspections	Biannually + As needed	Risk assessment, mandatory training, management of hazardous chemicals, etc.

Health Support System for Krew

Wellness room and Recovery Center

To support the physical and mental well-being of Krew, Kakao operates the in-house wellness room and the Recovery Center, providing programs tailored to job characteristics and individual conditions. At the wellness room, we offer first aid, wound dressing services, and general over-the-counter medications, along with health counseling on issues such as obesity and smoking cessation. These services are linked to health promotion programs such as body fat reduction initiatives. The Recovery Center focuses on preventing musculoskeletal disorders and managing job-related stress through stretching, meditation, and exercise programs, supporting both physical and mental recovery. Our health management support programs received an average satisfaction score of 4.8 out of 5 points in user satisfaction surveys.

Employee Assistance Program (EAP) Support

To alleviate stress and improve mental health among Krew, Kakao operates Talk Terrace, a dedicated space for meditation and professional counseling. We provide support through sessions with psychological counseling experts, helping Krew manage a wide range of concerns—including interpersonal relationships, work, and career planning—in a healthy way. In addition, we have also operated Talking About, a company-wide professional counseling service in collaboration with external specialized institutions. This program offers psychological counseling for job stress, interpersonal issues, and mental health or family-related matters, as well as financial, legal, and tax advisory services to support challenges encountered in daily life. Since 2024, we have also operated a group counseling program called "Talk Together" to improve communication skills and relationships among Krew members.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Sustainable Partnerships

Sustainable Supply Chain Management

Definition of Partners

Kakao defines partners as businesses that provide goods or services for the purpose of conducting our operations. Kakao defines its partners as not only subcontractors as stipulated under the Subcontracting Act, but also general suppliers, including those currently doing business with Kakao or planning to do so.

Sustainable Supply Chain Policy

Kakao defines all stakeholders involved in the production and distribution of services and products as part of our supply chain. In March 2024, we established the Sustainable Supply Chain Policy. The policy applies not only to Krew affiliated with Jeju Office and domestic and international business sites, but also to partners engaged in the design, sales, and manufacturing of products and services. It outlines responsibilities for upholding standards in human rights, safety, environment, privacy and intellectual property protection, and ethical practices. In January 2025, Kakao revised the Sustainable Supply Chain Policy and notified partners through the Kakao Procurement System (PoK) and the Procurement Daum Café. Partners were requested to comply with the revised policy and familiarize themselves with the Supplier Code of Conduct, thereby clarifying their responsibilities in supply chain operations. Kakao systematically manages partners' ESG practices within its supply chain through pre-screening, self-assessment, monitoring, on-site audits, and improvement support.

Sustainable Supply Chain Policy

Supplier Code of Conduct

Kakao has established the Supplier Code of Conduct as a set of behavioral guidelines to ensure that partners transact transparently and fairly. We obtain agreement from all partners to comply with the guide and encourage and manage suppliers to fulfill their social responsibilities by presenting responsibilities and roles in five areas: human rights management, safety and health, environmental management, personal information and intellectual property protection, and ethical management. In particular, we require partners to comply with anti-corruption regulations to ensure ethical business operations.

Supplier Code of Conduct

Partner Selection and Management

When selecting new partners, Kakao includes our Supplier Code of Conduct in the evaluation criteria. Since 2023, we have implemented an ESG self-checklist to proactively assess potential ESG risks and restrict the registration of vendors that fall short of set standards. If one or more ESG issues are identified during the evaluation, a one-year grace period for improvement is given, and vendors may be deregistered if the same issues reoccur. In selecting key partners, we consider factors such as transaction period, revenue contribution, compliance with shared growth requirements, and ESG risks. For certain partners, we provide pilot ESG assessments and consulting to raise ESG standards. We also apply quantitative incentive criteria, awarding additional points in the following year's evaluation for outstanding partners.

Establishing a Transparent Procurement System

Kakao has established the Procurement System (PoK) to enable collaboration with partners and prevent risks throughout the entire process—from vendor selection to contracting, inspection, and settlement. Additionally, through a pre-quotation system, we carry out requests and receipt of quotations in advance, ensuring transparent transactions.

Procurement Process

Requesting Department	Procurement Department	Partner
• Finalize purchasing item and specifications • Submit purchasing request • Inspection	• Receive purchase request • Review specifications • Evaluate and select partner • Execute contract or issue purchase order • Payment	• Deliver goods or services • Issue invoice

Incorporation of ESG Compliance into Procurement Guidelines

Kakao has revised its procurement regulations to conduct annual ESG compliance due diligence of key suppliers. If ESG risks are identified and not resolved, Kakao may suspend transactions or terminate contracts with the supplier. To assess and manage suppliers' implementation of safety and health measures, Kakao requires an additional Safety and Health Compliance Pledge from suppliers involved in in-house subcontracting, construction, and cafeteria services, in addition to the standard contract. As of 2024, Kakao has also made safety and health capability assessments mandatory in supplier selection.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Sustainable Partnerships

Education and Support for Enhancing ESG Capabilities of Partners

Kakao operates ESG education and support programs to enhance its partners' understanding and implementation capabilities regarding ESG. In 2024, we held two ESG training sessions—including one during the Partners Day in April—and provided guidance on the ESG checklist and the price adjustment system used within the procurement system. Kakao also provides separate online ESG training content and offers ESG consulting support to ten selected partners who have either expressed their intention to participate in training for two consecutive years or have been identified as having significant ESG-related risks.

Partner ESG Risk Self-Assessment

Kakao requires suppliers to complete an ESG checklist when first registering in the PoK procurement system. We also request the same checklist at the time of contract renewal to ensure regular ESG risk assessments. The ESG checklist consists of six areas and 18 detailed items: General, Human Rights, Safety, Environment, Privacy and Intellectual Property Protection, and Ethical Management. If a partner fails to meet Kakao's internal standards based on the self-assessment, we may restrict further transactions.

Partner ESG Assessment Checklist

General

- Awareness of the Kakao Human Rights Statement and Supplier Code of Conduct

Human Rights

- Compliance with domestic labor and safety laws
- Compliance with working condition laws (e.g., working hours, wages)
- Prohibition of forced and child labor
- Accessibility for persons with disabilities in compliance with the Anti-Discrimination Against Persons with Disabilities Act

Safety

- Possession of authorized certification for delivered equipment
- Provision of a safe and healthy working environment

Environment

- Compliance with domestic environmental regulations
- Efforts to reduce greenhouse gas emissions
- Compliance with laws on hazardous substances, water usage, and waste treatment

Personal Data and Intellectual Property Protection

- Compliance with personal data protection laws
- Pledge to maintain confidentiality and prevent information leaks in dealings with Kakao
- Ongoing monitoring for potential violations of clients' and partners' intellectual property rights

Ethical management

- Compliance with ethics, law, and fair trade practices during transactions
- Prohibition of offering or receiving money or entertainment to/from Kakao Krew
- Preventive and responsive measures for technological misuse
- Adherence to anti-corruption principles, including prevention of embezzlement and breach of trust

Communication Channels for Partners

Kakao operates various communication channels to facilitate smooth interaction with partners. Kakao receives reports of partner grievances online through various official communication channels, including the dispute resolution page on the Kakao Shared Growth website, the Cyber Ethics Center, the Kakao Procurement Café, and the PoK (Procurement System). We also operate a Purchase Review Committee and a Dispute Settlement Committee as needed. Additionally, Kakao holds annual offline Procurement Policy Briefings and Partners Day events to directly hear partners' opinions and strengthen mutual communication.

Operation of the Shared Growth Task Force

Kakao has established a Shared Growth Task Force to build a growth model through co-prosperity and innovation. Since 2017, we have operated this task force under the direct supervision of the CEO, which oversees the Purchase Review Committee and the Dispute Settlement Committee. The Purchase Review Committee reviews and coordinates all tasks related to purchasing, and the Dispute Settlement Committee responds quickly when disputes arise with partners.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Sustainable Partnerships

Partner Support Programs

Kakao operates various programs to support the welfare and business activities of employees of partner companies, including financial and educational support. As of 2023, Kakao had 80 partners participating in its shared growth initiatives, and our Shared Growth Index received a favorable evaluation.

Category	Details	2024 Highlights
Financial Support	• To ensure stable business operations and liquidity for our partners, Kakao pays 100% of the transaction amount in cash. • We also offer early payment during holidays and participate in government-supported programs alongside large and small to medium-sized enterprises. • For partners under the Shared Growth Cooperation Agreement, we provide reduced interest rates of up to 2%.	Supported 43 partners with a total of KRW **15.43 billion**
Educational Support	• We offer kakaoedu, a free online education program that provides 50 courses based on essential job-related content.	Supported **421 employees** from 60 partners
	• Kakao also operates Kakao Class with Partners, where Kakao experts share their experience and knowledge directly with partners.	Supported **2,281 participants** from 929 partners
ESG Management Support	• Since 2023, Kakao has selected 10 key shared growth partners annually and provided ESG consulting and evaluation reports.	Supported **10 partners**

Partners Day

Kakao hosts "Partners Day" annually by inviting outstanding suppliers. Partners Day is an occasion to share our shared growth vision and achievements with suppliers and exchange mutual communication and gratitude. We have been conducting this for 16 years to strengthen partnerships with suppliers and promote shared growth. In 2024, we hosted the MVP Partners Day at our Jeju office, inviting 59 partners. 120 partner employees and 100 Kakao Krew members attended, and we conducted programs including ESG education, price adjustment system guidance, presentation of appreciation plaques to outstanding suppliers, and sharing of Kakao's purchasing vision and shared growth policies. Kakao Friends also hosted a Partners Day event in Korea for the first time in 10 years to strengthen understanding of Kakao Friends' operations among domestic partners, offering tailored programs such as product safety guidelines, quality assurance guides, and a future vision of Kakao Friends merchandise. To strengthen collaboration with overseas suppliers, we hosted Partners Day for Chinese partners for the second time since 2019 and conducted quality management-focused programs including artwork guide, defect screening standards, and conflict situation response process training.

MVP Partners Day

Kakao Friends Partners Day

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Sustainable Partnerships

Sustainable Growth with Partners and Creators

Online Market Expansion and Growth Support

Kakao Shopping Valueplus (Public-Private Partnerships in Education)

Kakao participates in the Strong Small Business Growth Support Program operated by the Ministry of SMEs and Startups and the Small Enterprise and Market Service, running the Kakao Shopping "Kakao Shopping Valueplus" educational program to foster entrepreneur-type online sellers on the Talk Store platform. We selected 100 small businesses registered on KakaoTalk Store and provided tiered training programs at beginner, intermediate, and advanced levels—on topics such as Talk Store onboarding, sales strategies, product detail page creation, branding, marketing, advertising, and Kakao Shopping Live.

Kakao Shopping Valueplus Program Outcomes in 2024			
Promotional Event Transaction Volume	Participant sales	KakaoTalk Channel friends	Store "favorites" Increase of
KRW 1.38 billion	82% year-over-year increase	Increase of 160,000 year-over-year	16,000 year-over-year

2024 Talk Store Community

To help boost small business sales, Kakao operates the annual Talk Store Community, a proprietary shared growth program. We publicly recruited and selected 1,887 stores, provided prioritized product exposure, and allocated a budget of approximately KRW 470 million to offer 10% discount coupons for participating products, thereby enhancing price competitiveness.

Talk Store Community Program Outcomes		
Participating stores	Transaction volume	KakaoTalk Channel friends
1,887	26% year-over-year increase	Increase of 2.19 million year-over-year

Support for KakaoTalk Gift Shop Sellers

Kakao provides discount coupons to help small business sellers enhance the competitiveness of their products on KakaoTalk Gift Shop. In 2025, we plan to operate themed promotions through seasonal public recruitment of small business sellers. Selected products will receive exposure and discounts, supporting sellers' revenue growth and improving price competitiveness.

Kakao Business Best Awards

The Kakao Business Best Awards is an online competition that showcases successful cases utilizing the Kakao Business Platform. As a shared growth initiative, it has been held for three consecutive years. In 2024, the scope of the awards expanded to include the Advertising, Commerce, and Kakao Map categories, with the number of winning teams increasing to 30. A total of KRW 250 million in advertising credits and gift vouchers was awarded to the winners. For winners in the newly introduced Commerce category, additional benefits were provided, including featured placement in KakaoTalk Deal's "Today's Deal", live commerce production support, and in-depth consulting for Talk Store operations. To celebrate partners' achievements and support their continued growth, Kakao also hosted a variety of activities throughout 2024. These included special lectures on 2025 business trends by big data experts, presentation sessions by the previous year's grand prize winners, and interactive quiz programs to foster engagement among participants.

Kakao Business Seminar

The Kakao Business Seminar is an educational initiative aimed at small business owners and marketers. As of 2024, it has reached a cumulative viewership of approximately 160,000. The seminars introduce a wide range of Kakao's advertising and business services, as well as practical topics relevant to day-to-day business operations. New content is delivered monthly via interactive live sessions with expert speakers, alongside on-demand VOD content available anytime, anywhere. In addition, Kakao offers continued support for new business partners through dedicated onboarding programs, which include free advertising credits to help them get started on the Kakao Business Platform.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Growing Together for a Better Tomorrow

Sustainable Partnerships

Emoticons for Shared Growth with Creators

Since its launch 13 years ago, Kakao Emoticons has released a cumulative total of approximately 700,000 individual emoticons. Through "Kakao Emoticon Studio," where anyone can easily propose emoticon ideas, new emoticons are created every day. This platform has led to the emergence of "emoticon creator" as a recognized profession, playing a vital role in developing the emoticon ecosystem. Kakao has continued its efforts to revitalize the emoticon creator ecosystem and launched the Emoticon Plus service in 2021 to provide users with a richer emoticon experience. Since its launch, Emoticon Plus has steadily grown, reaching 13 million cumulative users and 2.5 million subscribers by 2024. This service has created stable revenue opportunities for a wide range of creators.

Key Achievements in Kakao Emoticons in 2024

Cumulative number of individual emoticons since launch:	Emoticon Plus Subscribers:	Cumulative users who have experience Emoticon Plus since launch:	Cumulative number of emoticon messages sent since launch:
Approx. 700,000	Approx. 2.5 million per month on average	Approx. 13 million	Approx. 280 billion

Emoticon Contents Providers (CP)[1] with cumulative revenue:	Over KRW 100 million:	Over KRW 1 billion:	Over KRW 10 billion:
	2,885 creators	146 creators	17 creators

Support for Emoticon Creators

Kakao actively supports emoticon creators and the overall growth of the emoticon ecosystem. As "emoticon creator" has become a recognized career, there has been growing interest in related courses and publications. Through Brunch Story, we publish the Emoticon Trend Report, showcasing trending emoticons, noteworthy designs, and usage patterns. Recognizing the potential impact of generative AI on emoticon creation, we have enhanced related policies and hosted informational sessions for creators on emoticon registration policies using generative AI. We also conducted creator surveys and shared research findings from the Korean Association for Artificial Intelligence and Law (KAAIL). To protect and nurture the creative ecosystem, we continue to review the acceptance and implementation methods of generative AI-based emoticons in consultation with external experts.

Senior Creator Collaboration: Emoticons and Goods Launch

To promote emoticons as a cross-generational and universally enjoyable form of digital culture, Kakao collaborated with four senior creators to release new emoticons and related merchandise. Through a special exhibition titled "A New Challenge for Senior Creators" on Kakaomakers, we launched products featuring their works and donated all proceeds to charitable causes.

1) Contents Provider (CP) refers to a member who has received approval through Kakao Emoticon Studio and entered into a separate digital item licensing agreement.

Brunch Author Discovery and Support

Kakao supports the discovery and growth of new authors through the Brunch Book Publishing Project and offline exhibitions. In 2024, a new fiction category was introduced, offering 10 authors publishing opportunities and a total prize of KRW 50 million. Kakao also held its first offline pop-up exhibition, WAYS OF WRITERS: The Journey of Writers, introducing Brunch authors and their work to approximately 10,000 visitors.

Cumulative Achievements of Brunch Authors (as of 2024)

Number of Brunch Authors (Brunch opened in June 2015)	Approximately 80,000
Number of Brunch Book Works (Brunch Book opened in August 2019)	Approximately 43,000
Number of Published Books (Brunch Bookstore opened in September 2017)	Approximately 8,700

Cumulative Achievements of the Brunch Book Publishing Project (as of 2024)

Number of Submissions	63,554 entries
Number of Awarded Works	359 titles
Total Support Funding	Approximately KRW 610 million

Support for the Creative Ecosystem

To strengthen creators' income and communication with readers, Kakao operates the Cheering feature and Brunch Author Membership. The Cheer Up system allows readers to send financial support via comments. Since its launch, the number of posts has increased by 20% annually, and the cumulative amount of support reached KRW 300 million. The Brunch Author Membership, a paid subscription-based serial publication model, began pilot operations in January 2025.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Connecting Society through Technology

Social Contribution and Co-Prosperity Implementation System 106
Enhancing Digital Competency 108
Technology-Driven Social Contribution 111
Co-Prosperity with Local Communities 114

Social Contribution and Co-Prosperity Implementation System

Our Approach to Social Contribution and Co-Prosperity

Based on its technological capabilities, Kakao carries out social contribution and co-prosperity activities across three key focus areas—"Digital Empowerment," "Technology-Based Social Contribution," and "Co-Prosperity with Local Communities"—under the Kakao Group's co-prosperity slogan, "Closer with Kakao" with the aim of enhancing social value by connecting technology and society, and people and society.

Slogan: Closer with Kakao

Key Areas: Enhancing Digital Competency | Technology-Based Social Contribution | Co-Prosperity with Local Communities

Key Activities

- **Tech Talent Development**
  - Kakao Tech Campus
  - Kakao Track in Jeju
  - Kakao Tech Bootcamp
- **Impact Platform Services**
  - Kakao Together
  - Kakaomakers
- **Community Problem-Solving**
  - Jeju/Ansan Impact Challenge
  - Harbang on the Internet (of Kakao)
- **Support for Small Businesses**
  - Project Dangol
  - Kakao Class
  - Together Project Digital Supporters
- **Impact Technology Support**
  - Tech for Impact
  - Impact Climate
- **Contribution to the Local Community**
  - Youth IT Education in Jeju
  - Community Communication
  - Kakao X Korea Dulle Trail
- **Strengthening Digital Literacy**
  - Senior Digital School
  - Harmonious Digital World

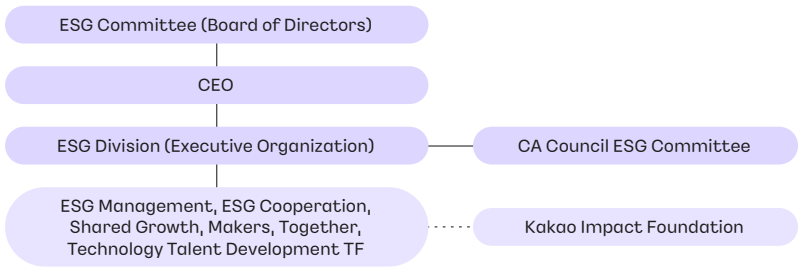
Connecting Society through Technology

Social Contribution and Co-Prosperity Implementation System

Governance of Social Contribution and Co-Prosperity

The ESG Committee under Kakao's Board of Directors oversees all matters related to social contribution and co-prosperity and makes final decisions. The executive in charge of ESG at Kakao is delegated with the responsibility for managing social contribution and co-prosperity by the ESG Committee and the CEO and is responsible for leading our company-wide strategy. Social contribution and co-prosperity initiatives are carried out by departments under the ESG division, with the ESG management organization overseeing operations and performance management. Some programs are also implemented in collaboration with Kakao Impact, the Kakao Group's public-interest foundation.

Social Contribution and Co-Prosperity Organizational Structure

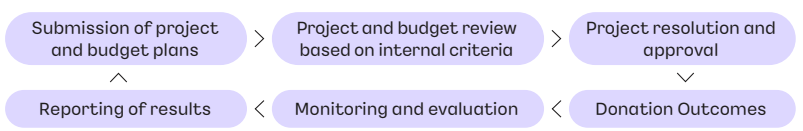


Social Contribution and Co-Prosperity Policy

Kakao provides operational guidelines for social contribution and co-prosperity initiatives and partnerships through its Donation and Sponsorship Policy. This policy outlines approval and management procedures based on budget scale to prevent legal risks that may arise during the disbursement process for social contribution and co-prosperity budgets.

Donation and Sponsorship Policy

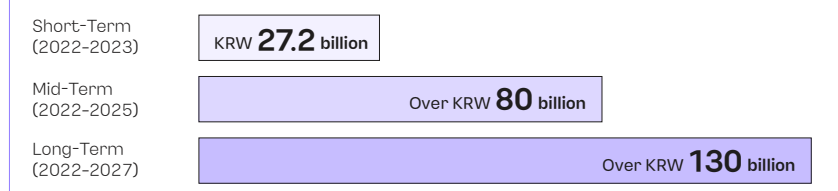
Budget Approval and Management Process



Goals for Social Contribution and Co-Prosperity

The ESG division shares performance outcomes and strategy with the ESG Committee of the CA Council, which oversees the group's co-prosperity initiatives. The Kakao Group sets integrated co-prosperity goals at the group level on an annual basis. In line with this, Kakao aims to invest a total of KRW 136 billion in social contribution and co-prosperity initiatives from 2023 to 2027.

Social Contribution and Co-Prosperity Mid- to Long-Term Goals



Donation Outcomes

Kakao carries out social contribution and co-prosperity initiatives in collaboration with a wide range of partners. In 2024, we donated a total of KRW 13.74 billion to support areas including digital and technological capability development, small business co-prosperity, social welfare and international relief, civil society cooperation, local community partnerships, academic and research support, and environmental and animal protection.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Connecting Society through Technology

Enhancing Digital Competency

IT Talent Development

Kakao Tech Campus

Kakao operates the vocational training program "Kakao Tech Campus" to nurture technology professionals equipped for the digital business environment and to support job experience for university students in non-metropolitan areas. In 2024, the second-year program was offered at five universities and produced 176 graduates, representing a 58% increase from the previous year. The graduate from the first-year program who joined Kakao participated as a mentor and provided code reviews to students. In 2025, Kakao plans to expand participant benefits through government support by participating in the "Future Tomorrow Work Experience (ESG Support Type)" program organized by the Ministry of Employment and Labor.

Kakao Tech Campus

Key Achievements of the 2024 Kakao Tech Campus (Cumulative)

Cumulative Graduates	Willingness to Recommend	Mentoring Sessions Provided
287	94.8%	723

Ideathon scheduled for August 2024

Final presentation to be held at Pusan National University in November 2024

Kakao Track

Kakao operates the "Kakao Track" in collaboration with the Center for Engineering Education at Jeju National University to foster specialized IT talent through industry-academia cooperation. The curriculum is designed to cultivate job-ready professionals, and Kakao provides annual scholarships of KRW 20 million to support local digital talent development. Select students are offered a four-week winter internship, during which Kakao developers participate as mentors to help strengthen their practical skills.

Key Achievements of the 2024 Kakao Tech Campus (Cumulative)

Cumulative Graduates	Cumulative Average Employment Rate (Including Employment at Kakao)	Total Donation Amount
164	76.8%	KRW 360 million

Kakao Tech Bootcamp

Kakao operates a software talent development education program called " Kakao Tech Bootcamp" to enhance the technical competencies of prospective developers. Kakao Tech Bootcamp is conducted in Pangyo and Jeju in collaboration with the Korea Radio Promotion Association (RAPA), under the Ministry of Science and ICT. The program is designed as a practical, hands-on education based on Kakao's technology and development culture. Participants engage in a six-month curriculum, supported by Kakao developers who serve as mentors to help strengthen their practical capabilities. The first cohort concluded on January 1, 2025, with a total of 219 graduates to date, and the Jeju program achieved a 100% completion rate.

Kakao Tech Bootcamp

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Enhancing Digital Competency

Support for Small Businesses

Project Dangol (Loyal Customer Project)

Kakao operates "Project Dangol," a shared growth program designed to help small businesses adapt to the digital environment and secure a loyal customer base. Project Dangol supports small business owners in effectively communicating with customers by leveraging Kakao's wide range of digital services. The program aims to strengthen and revitalize local commercial districts through tailored educational content and both online and offline marketing initiatives. In recognition of these efforts, Kakao received the Shared Growth Grand Prize from the Korea Commission for Corporate Partnership under the Ministry of SMEs and Startups in 2024.

Project Dangol

Dangol Market

"Dangol Market" is a shared growth program that supports traditional market merchant associations and individual merchants to leverage KakaoTalk channels and business tools for digital communication. In 2024, the program was expanded through the "Outstanding Market Program," offering a comprehensive set of benefits and support measures.

Key Achievements of Dangol Market in 2024 (Cumulative)

Participating Traditional Markets Nationwide	Participating Merchants
212	2,005
Cumulative Number of Loyal Customers	**Award**
Approx. 580,000	Presidential Commendation (2023)*

* Awarded for contributions to revitalizing traditional markets at the "2023 National Excellent Market Expo" hosted by the Ministry of SMEs and Startups

Dangol Street

"Dangol Street" is a program that supports small businesses in expanding their touchpoints with loyal customers through digital technology. The program includes one-on-one customized training, support for onboarding to Kakao services, subsidies for channel messaging, creation of regional business district channels, and marketing efforts to attract friends both online and offline. In 2024, Dangol Street was implemented in 15 regions. During the program period, a total of 842 small business owners received support for digital transformation and marketing, engaging with approximately 150,000 loyal customers via KakaoTalk.

Key Achievements of Dangol Street in 2024

Participating Regions Nationwide	Participating Small Business Owners
15	842
Cumulative Number of Loyal Customers	**Award**
Approx. 150,000	Korea Shared Growth Grand Prize*

* Received in the Regional Community Shared Growth Category at the 2024 Korea Shared Growth hosted by the Korea Commission for Corporate Partnership (KCCP)

Dangol Support Center

The "Dangol Support Center"provides a messaging subsidy of KRW 300,000 to small business owners who operate a KakaoTalk channel.
To support easier marketing, Kakao also offers a message delivery feature that leverages Kakao IP (Intellectual Property) and collaborates with the Ministry of SMEs and Startups to share information about government support programs.

Key Achievements of Project Dangol in 2024 (Cumulative)

Subsidy Recipients	Total Talk Channel Messaging Subsidies Provided
66,361	KRW 26.3 billion
Total Number of Loyal Customers for Recipients' Channels	**Total Messages Sent by Subsidy Recipients**
Approx. 90 million	Approx. 1.73 billion message

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Connecting Society through Technology

Enhancing Digital Competency

Support for Small Businesses

Kakao Class

Kakao operates the "Kakao Class" education program to help small business owners and entrepreneurs effectively utilize Kakao's service platforms. Since launching in Jeju in 2016, the program has been held annually. In 2024, Kakao signed Memorandums of Understanding (MOUs) with 11 regional Centers for Creative Economy and Innovation (CCEIs), including Jeju, to expand participation opportunities for local small business owners and entrepreneurs. The curriculum consists of introductory and advanced courses. For 100 advanced course graduates, Kakao provided opportunities to participate in curated product showcases, 100 of the most popular Biz Emoticons, and KRW 100 million in Kakao Moment advertising credits. Additionally, 11 outstanding regional participants were selected and awarded a full Kakao Shopping Live production package, including a show host and full production support.

Key Achievements of Kakao Class in 2024 (Cumulative)

Number of Participants	Sales from Curated Product Showcases*	Sales Growth Rate*
2,281	Approx. KRW 190 million for Introductory and, advanced courses	Introductory 95% Advanced 450%

* Based on 3-month total sales of showcase participants post-completion

Together Project Digital Supporters in Jeju

Kakao operates the "Together Project Digital Supporters" program, which trains university students in Jeju as digital supporters to provide one-on-one online marketing mentoring to small business owners using KakaoTalk channels.

Key Achievements of Together Project Digital Supporters in 2024

New Channels Opened	Small Business Owner Satisfaction
18 stores	4.65/5 points
New Friends Added to Channels	**Supporter Satisfaction**
7,166	4.73/5 points

Strengthening Digital Literacy

Senior Digital School with Kakao Impact

The "Senior Digital School" is a project jointly operated by Kakao and the Kakao Impact Foundation in collaboration with government bodies and nonprofit organizations to bridge the digital accessibility gap for seniors. Customized educational materials tailored for seniors are produced and distributed free of charge, and in-person education is provided nationwide. The curriculum is divided into two segments: "Everyday Education," which covers frequently used services such as KakaoTalk and Kakao Map, and "Financial Education (Kakao Pay Blind Spot Senior Pay School)," which includes guidance on using Kakaopay and preventing financial scams.

Key Achievements of the Senior Digital School (As of early 2025)

Participating Education Institutions	Textbooks Distributed	Learner Satisfaction
100	50,000 copies (347 Senior Welfare Centers Reached)	97.1%

Harmonious Digital World with Kakao Impact

The "Harmonious Digital World" is a digital citizenship education program for children and youth, co-operated by Kakao, Kakao Impact, and the Blue Tree Foundation. The program fosters digital citizenship in the next generation by teaching emotional awareness, empathy, online identity, copyright, digital literacy, privacy protection, digital etiquette, and strategies for recognizing and responding to cyberbullying. By prioritizing underserved areas, the program provided education to more than 250,000 children and adolescents as of 2024. Separate sessions were also held for parents and teachers.

Key Achievements of Harmonious Digital World in 2024

Participating Schools and Classes	Children and Youth Participants	Teacher Satisfaction and Willingness to Reparticipate
649 schools	51,109	96.2%
2,464 classes		95.4%

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Connecting Society through Technology

Technology-Driven Social Contribution

Impact Platform Operations

Kakao Together

Kakao Together is Kakao's flagship social contribution platform, committed to creating a better world through the combined power of technology and people. The platform hosts various initiatives including "With Kakao Fundraising," where users participate by cheering, sharing, and commenting to help raise resources for public interest projects or urgent situations such as natural disasters. To promote a culture of sustained giving, Kakao offers a "Monthly Donation " feature. It also provides programs such as "Act Together," which encourages small, everyday actions on social issues, and "Mental Well-being," which offers content for emotional wellness and mindfulness.

Kakao Together

Driving social change through user donations and behavioral participation to solve social problems

With Kakao Fundraising: The easiest way to give

Act Together: Act and certify together

Monthly Donation: Cultivating a culture of sustained giving

Mental Well-being: Researching collective happiness

Key Achievements of Kakao Together Project in 2024 (Cumulative)

Total Donations	User Participation Count
KRW 81.1 billion	63.96 million
Mental Well-being Engagements	**Number of Fundraising Projects**
14.52 million	18,924

With Kakao Fundraising

"With Kakao Fundraising" allows users to participate in Kakao's giving activities by cheering, commenting, or sharing content on public interest awareness days, pressing social issues, and emergencies like natural disasters. Kakao then makes donations on behalf of users based on their engagement. To ensure trust and transparency, Kakao partners with external experts across different fields who review and support the fundraising initiatives.

Key Achievements of the With Kakao Fundraising Emergency Campaign

Wildfire Emergency Fundraising (2025)	Türkiye—Syria Earthquake Emergency Fundraising (2023)
Achieved KRW 10 billion in 7 days	1 million user engagements in 104 hours
A total of KRW 11.12 billion raised	KRW 4.78 billion raised

Monthly Donation

"Monthly Donation" is a feature that allows users to make recurring monthly donations to causes they care about. The automatic payment function promotes ongoing involvement beyond one-time giving. Users can directly select the cause they wish to support. For those unsure of their choice, the "Balanced Donation" feature allows monthly donations to a variety of themes.

Act Together

"Act Together" is an engagement program where people practice and certify actions together for social change, presenting users with various daily practice activities related to environmental and social issues to encourage social contribution through participation. We conducted activities such as green action certification challenges for eco-friendly living and creating public interest maps to improve accessibility for mobility-impaired individuals.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Connecting Society through Technology

Technology-Driven Social Contribution

Kakaomakers

Kakaomakers is an impact commerce platform that aggregates customer orders to drive positive environ mental and social change. Launched as a joint-order and made-to-order service focused on reducing inventory risks, it aims to minimize demand uncertainty for producers while offering value to consumers.

Kakaomaker

Orders for a Better Tomorrow, Kakaomakers

A brand supporting fair prices for Korean agricultural, livestock, and marine products
Jegaburch

Impact fund collected every time you order
ECO SEED

An impact fund accumulated with every order
Saegaburch

Key Achievements of Kakaomakers in 2024 (Cumulative)

Cumulative Transaction Volume	Number of Manufacturers and Producers
KRW 1 trillion	8,229
Number of Users	**Number of Products Sold**
24.12 million	37 million

Jegaburch

"Jegaburch" is a shared growth initiative that supports market access for agricultural, livestock, and fishery products expected to face oversupply. The project aims to reduce producers' inventory burden, stabilize prices, and offer consumers fresh, direct-from-source products at fair prices. In 2024, Kakao expanded market access by signing agreements with manufacturers and counties in regions facing population decline, including Yeongyang County, Yeongdeok County, and Mokpo City—totaling approximately eight local governments. To support domestic flower farms, Kakao also launched storytelling-based marketing and expanded distribution. Beginning in January 2024, Kakao started selling unsold flowers from auctions, and every release has sold out, helping minimize losses for flower growers.

Key Achievements of Jegaburch in 2024 (Cumulative)

Cumulative Transaction Volume of Agricultural, Livestock, and Fishery Products	Sales Volume	Cumulative Volume of Products Sold at Fair Value
KRW 45 billion	6,892 tons	Approximately 7,000 tons

Saegaburch

Saegabuch is an upcycling project that collects products that have reached the end of their use from users and transforms them into high-quality new items. Starting with T-shirts in 2022, the project has since expanded the range of materials to include discarded sweaters, down jackets, denim, sterilized packs, aluminum, and ready-to-eat rice containers. As of 2024, more than 95,000 users have participated, contribuof waste. The collected waste has been upcycled into a variety of products such as key rings, clocks, and lighting, which are sold through Kakao Makers, with all proceeds donated to support environmental and children's causes.ting approximately 9.1 million discarded items—amounting to about 112 tons

Go to the "User-Participatory Upcycling Project: Saegaburch"

ECO SEED

ECO SEED is an impact fund created from the proceeds of Kakao Makers sales. KRW 100 is allocated per order, and since 2022, a cumulative total of KRW 1.2 billion has been raised. As of 2024, approximately KRW 600 million from the fund has been distributed across 13 rounds. In 2024, the fund supported environmental initiatives such as restoration of wildfire-affected areas in Donghae, Gangwon Province, and school forest projects, as well as education and heating assistance programs for low-income households.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Connecting Society through Technology

Technology-Driven Social Contribution

Impact Technology Support

Techpoimpact with Kakao Impact

"Tech for Impact" is a joint initiative between Kakao and the Kakao Impact Foundation that supports solving social issues through technology. It aims to foster a healthy impact-tech ecosystem by connecting impact organizations with technology experts. Under the mission of "connecting those who help with technologies that help to accelerate impact-driven change," we identify and model technologies suitable for impact organizations. In the long term, the initiative seeks to cultivate technology-based social innovators and promote a developer culture that contributes to society. Key programs include the "Tech for Impact Lab," in which current developers, designers, and planners work together for 5 to 8 months to solve real challenges faced by impact organizations, and the "Tech for Impact Campus," a program that partners with universities to empower future technology experts to collaborate with social innovators in addressing social problems. In 2024, we expanded the scope of the initiative to enable diverse stakeholders to participate in technology-based social problem-solving efforts.

Key Achievements of Tech for Impact in 2024

Expanded Participation	• **Technology Experts :** 151 participants including developers, planners, designers, and technology mentors • **Social Innovators :** 25 participating impact organizations • **Students :** 182 students from institutions such as KAIST participated
Tech for Impact Lab	• Successfully developed 9 practical service solutions
Tech for Impact Campus	• Operated in 2024 in partnership with KAIST, with plans to expand to Yonsei University, Hanyang University, Gachon University, and Seoul National University in 2025 • 22 teams developed prototype technology solutions to address 10 social issues • Kakao developers served as mentors, offering technical consulting to participating students

LabSD	CataScan — An AI-powered mobile application for cataract diagnosis optimized for low-specification devices
PAWINHAND	In-app chat feature added to the Paw in Hand application to ensure safe adoption procedures for abandoned animals
KANGSTERS	Two types of "Wheely-x Play" fitness games tailored for wheelchair users

Impact Climate with Kakao Impact

"Impact Climate" is a network initiative run by Kakao and the Kakao Impact Foundation that aims to contribute to solving climate challenges through technology and solutions by building an ecosystem for climate tech startups.

Key Achievements of Impact Climate in 2024 (Cumulative)

Number of Participating Organizations	Number of Discovered and Supported Startups	Number of Participants
700 or more	41	3,064

Climate Tech Startup Summit

Kakao Impact Foundation hosted the "Climate Tech Startup Summit" to share insights on the latest trends and future opportunities in the climate tech field and to establish leadership within the ecosystem. A wide range of stakeholders working on climate change mitigation participated in the summit. Kakao supports a network for collaboration and growth among climate tech startups. In 2024, the summit was held under the theme "AI and Climate Change," and the program was designed to explore and implement trends and collaboration opportunities in climate tech, leveraging Kakao's expertise in IT.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Connecting Society through Technology

Co-Prosperity with Local Communities

Co-Prosperity Direction with Local Communities

Kakao is building co-prosperity cooperation models with various stakeholders—such as nonprofit organizations, universities, and government agencies—in Jeju, where our headquarters is located, and in Ansan, where our data center is located. We create and support platforms that help resolve local issues, and we carry out a variety of community engagement initiatives to support the environmental, economic, and cultural development of local communities.

Supporting Solutions to Local Issues

Kakao Jeju and Ansan Impact Challenge

To empower local residents to define their community issues and implement ideas to address them, Kakao runs the "Impact Challenge" in both Jeju and Ansan.

Jeju Impact Challenge

In the 2024 Jeju Impact Challenge, eight teams were selected in areas such as barrier-free tourism, preservation of the Jeju language, revitalization of local communities, urban renewal, and environmental protection. Over a period of seven months, these teams received regular education, one-on-one tailored professional mentoring, and funding for their activities.

Ansan Impact Challenge with ERICA IC-PBL

The Ansan Impact Challenge is conducted in collaboration with Hanyang University's ERICA Campus and the City of Ansan. Participating students are provided with experience in solving local issues through a curriculum linked to IC-PBL (Industry Coupled Problem-Based Learning)[1], and the City of Ansan pursues the implementation of the proposed solutions in the local community.

1) Industry Coupled Problem-Based Learning (IC-PBL): A problem-solving-oriented education model implemented by Hanyang University

Dolharbang on the Internet (of Kakao)

Since 2008, Kakao has been running "Harubang on the Internet," a community engagement program that supports individuals and organizations in Jeju in realizing public-interest values.

Social Welfare Track

The "Social Welfare Track" is a program that invites and selects public-interest wishes from Jeju residents, local social welfare institutions, and nonprofit organizations, and provides support to fulfill them. As of December 2024, a total of KRW 1.17 billion has been provided to support 782 cases.

Local Issue Resolution Track

Launched in 2024, the "Local Issue Resolution Track" is a new program that supports projects by local activists aimed at identifying and solving community issues in Jeju. In 2024, six teams were selected in various fields—including culture, community, youth, and environment—and received mentoring, networking opportunities, and resource linkage support.

Contribution to the Local Community

Youth IT Education in Jeju

Kakao provides various support programs—including software education and career experience opportunities—for youth residing in Jeju to help them develop the skills necessary for the digital transformation era.

Unplugged Day	• An educational program for elementary school students to help them understand the basic principles of computers and enhance computational thinking • Since 2011, approximately 200 students have participated each year
Show me the IT	• A career experience program for middle and high school students focused on service development • Students have been invited to Kakao's Jeju Office since 2015; in 2024, around 1,500 students participated
SW Value Dissemination Program	• An on-site AI and coding education program for schools in areas with limited access to information • In 2024, we visited schools located on Gapado, Udo, and Chujado islands

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Co-Prosperity with Local Communities

Community Communication Activities

Kakao not only operates its own community engagement programs but also participates in and collaborates with a variety of local programs and campaigns within the community.

Jeju Gotjawal Conservation Activities	• Provided funding to support the purchase and communalization of privately owned Gotjawal forest land in Jeju
Friend Company of Jeju Olle	• Supported the Jeju Olle Walking Festival for 14 consecutive years • In 2024, sponsored the production of upcycled bedding gift pouches for participants
Fostering the Startup Ecosystem in Jeju	• Annually invested KRW 300 million to support the growth of startups in the Jeju region
Participation in the Ansan Science Valley Festival	• Operated a booth under the theme "Kakao's Efforts to Safeguard Everyone's Everyday Life" • Introduced Kakao Data Center Ansan, eco-friendly infrastructure, stable service delivery, and community collaboration activities

Kakao X Korea Dulle Trail Project

Through the "Kakao X Korea Dulle Trail Project" in collaboration with the Korea Tourism Organization, Kakao launched the "One Round of Korea Challenge," where participants chose and completed one of the nine trail sections. Over a two-month period, 39 participants completed approximately 500 km of trail walks. The official website featured recommended courses and user testimonials, which garnered about 207,000 cheers and more than 2,000 supportive comments. Additionally, the "Find Your Korea Dulle Trail" service helped users discover trail courses tailored to their preferences, attracting approximately 690,000 users. Recommended courses were also made available for storage as digital cards in the KakaoTalk Wallet.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Trusted Kakao

Board Operation 116
Shareholder-Friendly Management 122
Ethical Management 123
Responsible Management and Compliance 125

Board Operation

Board Independence and Effectiveness

Kakao specifies the standards for the independence and transparency of directors through the Directors Nominating Committee and the Corporate Governance Charter, in accordance with applicable laws such as the Commercial Act and the Monopoly Regulation and Fair Trade Act. Independent directors must not have significant interests with Kakao, and when appointed, they are required to submit a certificate of qualification along with disclosures on concurrent executive positions at other companies and stock ownership status. Kakao also discloses the work history and transaction records related to Kakao and its affiliates through the Corporate Governance Report. Under the Commercial Act, an independent director may not concurrently serve as a director, executive officer, or auditor at more than two companies in addition to Kakao. If they hold a concurrent position at another company, prior approval from the Board of Directors is required. As of March 2025, five out of eight board members were independent directors, exceeding the statutory requirement and ensuring the independence of the Board. In March 2023, Kakao appointed an independent director as the Chair of the Board for the first time, and in March 2025, reappointed an independent director to that role to further strengthen board independence.

Kakao Corporate Governance Charter

Disqualifications for Independence (Summary of Criteria)[1]

- Directors, executive officers, and employees who engage in the company's business affairs, or directors, auditors, executive officers, and employees who engaged in the company's business affairs within the past 2 years
- The largest shareholder, or the largest shareholder's spouse and direct lineal ascendants or descendants
- In cases where the largest shareholder is a corporation, its directors, auditors, executive officers, or employees
- Spouses and direct lineal ascendants or descendants of directors, auditors, or executive officers
- Directors, auditors, executive officers, or employees of the company or its subsidiaries
- Directors, auditors, executive officers, or employees of corporations that have significant business relationships with the company
- Directors, auditors, executive officers, or employees of other companies where Kakao's directors, executive officers, or employees concurrently serve in similar roles

1) The independence criteria specified in the Regulation of the Directors Nominating Committee in accordance with domestic Commercial Act, Fair Trade Act, and other laws

Principles of Board Diversity and Expertise

Kakao declares the "Principle of Diversity" in the Corporate Governance Charter and operates its Board of Directors to enable comprehensive decision-making that is not biased toward any particular interest. The Regulation of the Directors Nominating Committee specifies that diversity and expertise—including gender, age, nationality, and religion—should be considered when selecting candidates. Kakao appoints directors with a diverse range of knowledge and experience reflecting changes in the IT and internet industry and business environment. As of March 2025, independent directors with expertise in finance and investment, media, law, and technology were appointed, and gender diversity was secured with 50% of the board composed of female directors.

Board Skill Matrix (BSM)

As of March 2025

Expertise & Experience \ Director	Shina Chung	Jong-Hwan, Shin	Suk-Yung, Cho	Choon-Seung, Ham	Sun-Wook, Kim	Se-Jung, Choi	Kyung-Jin, Cha	Sae-Rom, Park
Law / Regulation, Policy			•		•		•	
Business Management / Investment	•	•	•	•	•		•	
Finance / Accounting	•	•		•				
Digital / Technology / Security	•						•	•
Brand / Communication	•					•		•
Risk Management / Stakeholder Engagement		•	•	•	•	•		
ESG		•	•			•		•

Board Operation

Board Composition

As of March 2025

Category	Name	Gender	Term	Education & Career		Roles & Activities
Executive Director (CEO)	Shina Chung	Female	March 28, 2024- Until the Annual General Meeting (AGM) held in 2026	• B.A. in French Language & Literature / Business Administration, Yonsei University • M.S. in Marketing, Graduate School of Business, Yonsei University • MBA, Ross School of Business, University of Michigan • Consultant, Boston Consulting Group	• Senior Manager, Naver Corporation (formerly NHN Corporation) • CEO, Kakao Ventures Corp. • (Current) Chair, CA Council • (Current) CEO, Kakao Corp.	Member, Directors Nominating Committee
Executive Director	Jong-Hwan, Shin	Male	March 26, 2025-Until the AGM held in 2027	• B.A. in Business Administration, Sogang University • MBA, Kelley School of Business, Indiana University • Samjong KPMG • Ernst & Young Han Young Corporation	• CJ CheilJedang Corp. • CJ Corp. • (Current) CFO, Kakao Corp. • (Current) Head of Finance, CA Council	-
Executive Director	Suk-Yung, Cho	Male	March 28, 2024-Until the AGM held in 2026	• B.A. in Business Administration, Seoul National University • LL.M., Northwestern University School of Law • Completed J.S.D. coursework in Intellectual Property Law, SNU School of Law	• Chief Prosecutor, Seoul Eastern District Prosecutors' Office • Chief Prosecutor, Seoul Central District Prosecutors' Office • Head of ERM Office, Kakao Corp. • Head of Compliance Support Team • (Current) Responsible Management Committee, CA Council	Member, ESG Committee
Independent Director	Choon-Seung, Ham	Male	March 28, 2024-Until the AGM held in 2026	• B.A. in Economics and Political Science, Yale University • Citibank New York • Schroders Securities, London • Director, LG Securities (London/Hong Kong branches)	• Managing Director, ING Barings Securities Co. • President & CEO, Citigroup Global Markets Securities Ltd. • (Current) President, PH&Company • (Current) Chief Risk Officer (CRO), LUTRONIC Co., Ltd.	Chair, Board of Directors Chair, Audit Committee Member, Directors Nominating Committee
Independent Director	Sun-Wook, Kim	Male	March 26, 2025-Until the AGM held in 2027	• LL.B., Hanyang University • LL.M. in Commercial Law, Graduate School of Law, Hanyang University • M.S. in Medical Informatics and Ph.D. coursework, Graduate Graduate School of Medicine, Seoul National University	• (Current) Managing Attorney, SeSeung LLC • (Current) Mediator, Seoul Central District Court • (Current) Member, Ministry of Health and Welfare Proactive Administration Support Committee • (Current) Member, Subcommittee, National Gambling Control Commission (NGCC)	Chair, Compensation Committee Member, Audit Committee
Independent Director	Se-Jung, Choi	Female	March 26, 2025- Until the AGM held in 2026(Reappointed; originally appointed in March 2020)	• B.A. in Journalism and Broadcasting, Ewha Womans University • M.A. in Advertising, Michigan State University • Ph.D. in Mass Media (Advertising), Michigan State University • Assistant and Associate Professor of Advertising, University of Texas at Austin • Independent Director, JTBC mediacomm • President of the Korean Media Management Association • Editor-in-Chief, Korean Journal of Advertising and Public Relations • Member, Broadcasting Market Competition Evaluation Committee, Korea Communications Commission	• (Current) Professor, School of Media & Communication, Korea University • (Current) President, Korean Advertising Society • (Current) Member, Broadcasting Advertisement Development Committee / Self-Evaluation Committee, Korea Communications Commission • (Current) Independent Director, HSAD • (Current) Member, Public Service Advertisement Council, Korea Broadcast Advertising Corporation	Chair, ESG Committee Member, Compensation Committee

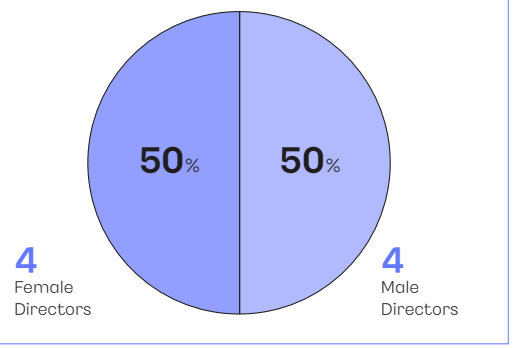
Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Board Operation

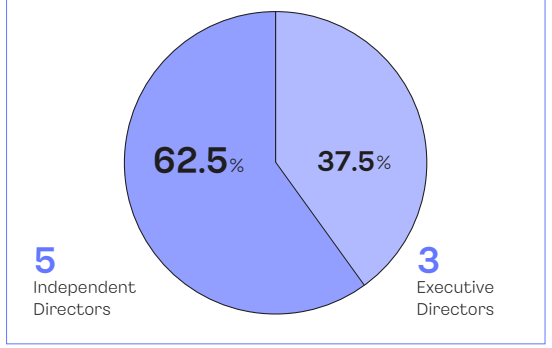
Board Composition

Category	Name	Gender	Term	Education & Career		Roles & Activities
Independent Director	Kyung-Jin, Cha	Female	March 28, 2024-Until the AGM held in 2026	• B.S. in Information Systems, University of Tasmania • Ph.D. in Management Information Systems, Australian National University • (Current) Professor of Management Information Systems, School of Business, Hanyang University; Head of Department of Business Informatics • (Current) Executive Director, Korean Society of Management Information Systems	• (Current) Member, Seoul Metropolitan City Industry-Academia-Government Cooperation Project Review Committee • (Current) Advisor, Korea National Police Agency Data-Based Administration Advisory Committee • (Current) Director, Korea-Australia Foundation • (Current) Policy Advisor, Ministry of the Interior and Safety, Digital Government Division • (Current) Independent Director, Shinsegae I&C Co., Ltd. • (Current) Advisory Member, Naval Development Advisory Committee	Chair, Directors Nominating Committee Member, Audit Committee
Independent Director	Sae-Rom, Park	Female	March 26, 2025-Until the AGM held in 2026 (Reappointed; originally appointed in March 2020)	• B.S. in Industrial Engineering, College of Engineering, Seoul National University • Ph.D. in Industrial Engineering, College of Engineering, Seoul National University • Researcher, Center for Mathematical Analysis of Industrial Data, Seoul National University • Assistant Professor, Department of Convergent Security Engineering, Sungshin Women's University	• (Current) Assistant Professor, Department of Industrial Engineering, Ulsan National Institute of Science and Technology (UNIST) • (Current) Mediator, Data Dispute Settlement Committee, Ministry of Science and ICT • (Current) Member, 7th National Intellectual Property Committee, under the President of the Republic of Korea	Member, Compensation Committee Member, ESG Committee

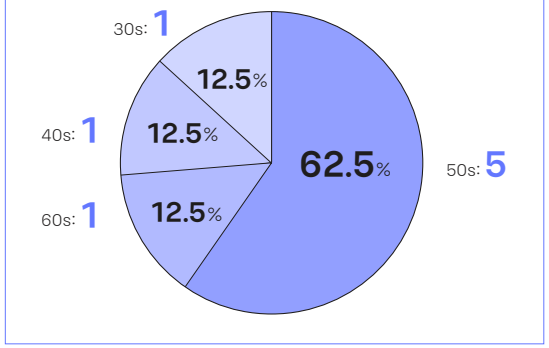
Gender



Board Composition



Age



Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Board Operation

Management of CEO and Independent Director Candidate Pool

As ESG management led by the Board of Directors becomes increasingly important, and the selection, management, education, and oversight of CEO and independent director candidates gain significance, Kakao systematically manages its CEO and independent director candidates. For CEO candidates, we conduct management workshops and offline leadership training programs. We also establish a management plan for the independent director candidates and report the candidate pool to the Directors Nominating Committee. Going forward, we plan to continuously operate management and training programs for CEO candidates and report suitable independent director candidates to the Directors Nominating Committee at least once a year, including the prioritization of top candidates.

Management of CEO and Independent Director Candidate Pool	
CEO Candidate Pool	• We select a group of senior executives within Kakao who possess advanced competencies, extensive experience, and are responsible for leading large-scale organizations where a high level of leadership is required. • Management workshops and leadership training are conducted for candidates to deepen their understanding of overall management and foster leadership development.
Independent Director Candidate Pool	• Candidates are selected based on considerations of board expertise and diversity, the absence of specific conflicts of interest, and compliance with legal qualification requirements. • Since establishing the candidate pool management plan for independent directors in the first half of 2023, the candidates have been reported annually to the Director Recommendation Committee.

CEO Candidate Development Program

Kakao offers a variety of educational programs designed to help CEO candidates build insight into the business and strengthen their leadership capabilities. Through management workshops, candidates share and discuss their respective roles and responsibilities, deepening their understanding of Kakao's overall business operations. Since 2023, we have implemented CEO candidate training focused on developing core competencies required of future CEOs.

Board Appointment Process

The Directors Nominating Committee comprehensively reviews the qualifications and capabilities of candidates and recommends them to the General Meeting of Shareholders, where the final appointment is made. Kakao's Corporate Governance Charter states that the Directors Nominating Committee must be composed in a manner that ensures fairness and independence in the nomination process. In accordance with Articles 9-2 and 9-3 of the Regulation of the Directors Nominating Committee, the committee established internal review standards for nominating director and Audit Committee member candidates and conduct a thorough evaluation process.

Criteria for Independent Director and Audit Committee Member Candidates	
Independent Director	<Regulation of the Directors Nominating Committee Article 9-2> ① Board expertise and diversity (including gender, age, religion, nationality, race, ethnicity, cultural background, and other diversity factors) ② Independence in board operations (composition ratio of independent directors) ③ Risk of impairment to corporate value or shareholders' rights and interest (e.g., final conviction for embezzlement or breach of trust within the past five years, liability for corporate value damage or shareholder rights infringement) ④ Compliance with qualification requirements under relevant laws, including Articles 382 and 542-8 of the Commercial Act
Audit Committee Member	<Regulation of the Directors Nominating Committee Article 9-3> ① Consideration of requirements stipulated in relevant laws, including Articles 542-11 and 542-12 of the Commercial Act

Nomination Process for Independent Directors and Audit Committee Members

Independent Directors	Audit Committee Members
Candidates are selected in accordance with Article 9-2 of the Regulation of the Directors Nominating Committee	Candidates are selected in accordance with Article 9-3 of the Regulation of the Directors Nominating Committee

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Directors Nominating Committee

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Submitted to the General Meeting of Shareholders for resolution

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Board Operation

Board Operation

In accordance with the Regulation of the Board of Directors, Kakao convenes regular Board meetings at least once every quarter and holds ad hoc meetings as necessary. Unless otherwise specified by law or the Board's internal requirements, resolutions are passed by a majority vote of attending directors, provided that a majority of the directors in office are present. Kakao conducts regular annual reviews of the Regulation of the Board of Directors and committee to continuously improve any policy gaps and enhance the efficiency and soundness of the Board. To support independent directors in making informed decisions, Kakao has stipulated in the Board and committee regulations that external experts may be provided when necessary. In 2024, the Board held a total of 16 meetings, during which 53 agenda items were reviewed and resolved, and 9 items were reported.

2024 Board Activities Summary

- Regular Board Meetings: 11 sessions
- Ad Hoc Board Meetings: 5 sessions
- Director Attendance Rate: 90% (Executive and Independent Directors)
- Key Agenda Items: 53 resolution items including capital increase, small-scale mergers, lease contract amendments, and enactment/revision of regulations such as the Corporate Governance Charter, 9 reporting items

Board Committees

Kakao operates a total of 4 committees under the Board of directors: Directors Nominating Committee, Compensation Committee, Audit Committee, and ESG Committee. All committees are composed of a majority of independent directors, and to strengthen independence and management oversight functions, all committee chairpersons are appointed as independent directors. The Audit Committee and Compensation Committee are composed entirely of independent directors to guarantee independent and expert decision-making.

Committee Composition

Board of Directors	
Audit Committee	• Chair: Choon-Seung, Ham, Independent Director • 3 Independent Directors
Directors Nominating Committee	• Chair: Kyung-Jin, Cha, Independent Director • 2 Independent Directors, 1 Executive Director
Compensation Committee	• Chair: Sun-Wook, Kim, Independent Director • 3 Independent Directors
ESG Committee	• Chair: Se-Jung, Choi, Independent Director • 2 Independent Directors, 1 Executive Director

Operation of the Audit Committee

Kakao has established the Audit Committee in accordance with Article 542-11 of the Commercial Act and relevant provisions in the Articles of Association. The committee operates based on the Regulation of the Audit Committee, which outlines its roles, authority, and responsibilities. Kakao's Audit Committee is composed entirely of independent directors, including experts in finance and investment, ensuring both professionalism and independence. The committee places a strong emphasis on securing the independence and soundness of the company's governance structure. In November 2024, offline training was conducted for Audit Committee members to enhance their expertise, covering topics such as fiduciary duties of directors and practical strategies for corporate value enhancement.

Operation of the Audit Committee Support Organization

In October 2024, the Audit Committee established the Audit Committee Secretariat by resolution, as stipulated in the Regulation on the Operation of the Audit Committee Support Organization. The Secretariat is responsible for supporting committee activities, evaluating the internal accounting control system, and assisting with internal audit functions. The Audit Committee holds the authority to approve the appointment, dismissal, and personnel decisions regarding the head and members of the Secretariat.

ESG Education for Independent Directors

Kakao regularly conducts ESG education for independent directors to strengthen their ESG competencies. In 2024, all independent directors participated in sessions on "Key Elements of the Korean Sustainability Disclosure Standards" and "Kakao's AI Risk Management Framework," aiming to deepen their understanding of the evolving ESG landscape.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Board Operation

Board Assessment

Evaluation of the Board and Committees

Kakao conducts an annual self-assessment of the Board of Directors and its committees, evaluating their activities over the year. The evaluation focuses on the efficiency of board operations and the effectiveness of each committee's activities. Independent directors also carry out self-assessments as part of the process. In 2024, the Board of Directors received an overall rating of "Excellent" in evaluations covering operational efficiency, activities of board committees, and self-assessments of independent directors. The Compensation Committee analyzes the results and facilitates mutual feedback on the performance of the Board and its committees, reporting its findings to the Board. Feedback identified during the evaluation process is reflected in follow-up improvement initiatives.

Executive Performance Review

Performance reviews of executives, including the CEO, consider a comprehensive range of factors such as financial performance, contribution to achievement of strategic goals, corporate value growth, and the internal and external business environment. To meet growing societal expectations for ESG management and ensure that the CEO practices responsible management, Kakao has incorporated ESG performance indicators into evaluation factors.

ESG Performance Indicators for CEO Evaluation

Category	Area	Goal (2024–2027)	Key Indicators
Environment	Climate Change Response	Implement the Net Zero Roadmap (RE60 by 2030, RE100 by 2040)	Renewable energy transition rate
			Establishment of a greenhouse gas emissions tracking system
Social	Digital Accessibility	Build barrier-free services by enhancing digital accessibility	Accessibility audit results
			Accessibility upgrades to key services
	Co-Prosperity	Strengthening an inclusive and win-win ecosystem with partners	Implementation of co-prosperity programs for key stakeholders
			Execution of co-prosperity initiatives and mutual cooperation fund
	Tech Ethics	Deliver ethical and responsible digital services	Implementation rate of Technology Ethics Committee deliberations
			External communication to enhance technological transparency
Governance	Risk Management	Enhance ESG management to increase corporate value	Active alignment with key ESG standards
		Advancement of integrated risk management system	Advancement of the Risk Management System

Board Compensation

Compensation for directors, including the CEO, is determined by the Compensation Committee within the compensation limit approved at the General Meeting of Shareholders, in accordance with the Regulation of the Compensation Committee.
Executive directors' compensation consists of a fixed base salary and a performance-based bonus. The base salary is determined based on job value and individual capability, while the bonus is calculated by comprehensively considering financial performance, achievement of strategic and ESG goals, corporate value growth, management environment, and external compensation benchmarks. Bonus payout rates are calculated with consideration of the company's stock price. Various welfare benefits are also provided to promote the welfare of executive directors.
Independent directors receive only a fixed base compensation and meeting fees; performance bonuses or additional incentives are not provided. Individual compensation details for directors and auditors who received KRW 500 million or more are disclosed in the Business Report.

2024 Director Compensation Status (Unit: persons, KRW million)

Category	No. of Recipients[1]	Total Compensation	Average Compensation per Person[2]
Registered Directors (excluding Independent Directors and Audit Committee members)	3	3,455	1,185
Independent Directors (excluding Audit Committee members)	2	136	78
Audit Committee Members	3	249	83

CEO-to-Employee Compensation Ratio[3] (Unit: KRW million)

CEO Compensation	Average Employee Compensation	CEO-to-Employee Pay Ratio
613	102	6.01 times

1) Number of directors subject to the compensation limit approved by resolution at the General Meeting of Shareholders
2) Total compensation divided by average number of executives, adjusted for any changes in executive composition during the reporting year
3) Based on the 2024 Kakao Business Report

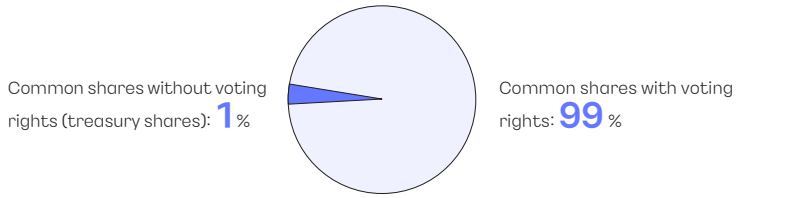
Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Shareholder-Friendly Management

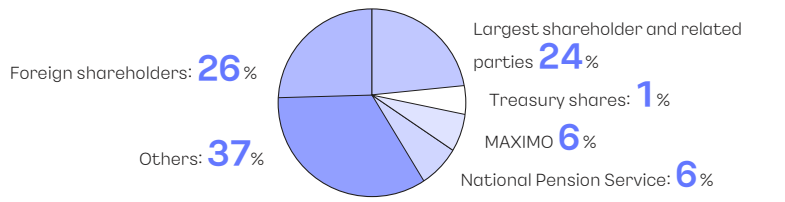
Share Capital and Ownership Structure

As of 2024, Kakao's total number of issued shares is 443,662,117, and the company follows a "one share, one vote" principle. As of December 31, 2024, a total of 439,009,055 common shares carry voting rights, while 4,653,062 treasury shares are restricted from voting in accordance with the Commercial Act.

Total Number of Shares(as of December 2024)



Shareholder Composition(as of December 2024)



Shareholder-Friendly Management System

Kakao upholds rational management and shareholder value enhancement through a transparent decision-making structure and sound governance. Shareholders participate in key management decisions—such as the appointment of directors and the approval of compensation limits—by exercising their voting rights at the General Meeting of Shareholders. The Board of Directors reports on its activities to shareholders at the General Meeting and appoints the CEO, who is responsible for executing shareholder-centered responsible management under the Board's oversight. Kakao prioritizes shareholder rights by establishing mid- to long-term shareholder return policies and transparently disclosing its capital structure and shareholding status through IR activities and public disclosures.

Shareholder-Friendly Policies

To expand shareholder participation and improve the convenience of exercising voting rights, Kakao has introduced various supportive measures. To help shareholders gain prior insight into our business, we issue the notice of the general meeting of shareholders four weeks in advance. Additionally, we disclose the business report and audit report on our website one week before the meeting. Kakao has adopted the electronic voting system and e-proxy solicitation system, allowing shareholders to exercise their voting rights without attending in person. Since 2017, Kakao has held its General Meetings of Shareholders on dates outside of the "peak season" designated by the Korea Listed Companies Association, and since 2018, it has participated in the Association's Voluntary Compliance Program for dispersed scheduling of shareholder meetings. At the 30th Annual General Meeting held on March 26, 2025, Kakao amended the meeting venue criteria to allow for the General Meeting to be held in Seongnam, Gyeonggi-do or its surrounding areas.

Executive Stock Sale Restriction Policy and Preemptive Risk Management

Kakao has established and implemented detailed guidelines to enforce stock sale restrictions on affiliate executives as a means of preemptively managing risks. Executives of affiliates are prohibited from jointly selling shares. Additionally, all executives except the CEO are prohibited from selling shares for one year after listing, while the CEO is restricted for two years. These restrictions remain in effect for one year after an executive's resignation. Even when a sale is permitted under these regulations, executives must notify the CA Council in advance of the volume and timing of the sale and follow the required risk assessment procedures.

Mid- to Long-Term Shareholder Return Policy

In December 2024, Kakao's Board of Directors established a new mid- to long-term shareholder return policy to be applied during the shareholder return period from 2024 to 2026. The source of shareholder returns will be secured within a range of 20% to 35% of Kakao's annual standalone adjusted free cash flow. 7% or more will be allocated for cash dividends, and the remaining portion will be used for the acquisition and cancellation of treasury shares. Additionally, at the Annual General Meeting held in March 2023, the Articles of Association were amended regarding the dividend record date, enabling investors to better assess the scale of shareholder returns in advance and make informed investment decisions. In relation to the dividend for the 2024 fiscal year, on the same day the Board passed the resolution, we made disclosures titled "Decision on Cash and In-Kind Dividends" and "Decision on Closing the Shareholder Register (Record Date) for Cash and In-Kind Dividends," designating March 10, 2025, as the record date.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

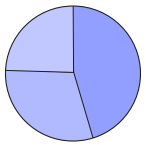
Trusted Kakao

Shareholder-Friendly Management

Enhancing Shareholder Communication

Kakao actively shares information on its current status and strategic direction with external stakeholders by participating in domestic and international Non-Deal Roadshows (NDRs), securities firm-hosted conferences, and Corporate Day events. In addition, Kakao delivers the capital market's expectations and demands to executive management. In 2024, Kakao held a total of 21 sessions, including domestic and international NDRs, conferences, and Corporate Day events. Additionally, Kakao regularly conducted investor relations (IR) meetings with institutional investors and analysts via in-person meetings and conference calls.

Key Achievements in Shareholder Engagement in 2024



Purchase of Treasury Shares by the CEO and Executives

In May 2024, the CEO issued a shareholder letter reaffirming Kakao's commitment to shareholder-centered responsible management and enhancing shareholder value. The CEO announced a plan to purchase KRW 100 million worth of Kakao treasury shares twice a year during the tenure and committed not to sell any of the shares while in office. This commitment was executed through actual purchases made in May and August 2024, and February 2025.

To strengthen management accountability, Kakao's executives have voluntarily acquired treasury shares, with over 70% of executives currently holding Kakao stock. Following the CEO's lead, other key executives also made voluntary purchases in November 2024 and March 2025. They have likewise pledged not to sell their shares while in office.

Kakao Shareholder Letter

Ethical Management

Code of Ethics

Kakao regards ethical management as a core value and has established an Code of Ethics that applies across all aspects of its business operations to build trusted relationships with all stakeholders. Since 2021, all Krew (Kakao employees and executives) have been required to sign a pledge to comply with the Code of Ethics, and business partners are also encouraged to understand and uphold these ethical standards. The Code of Ethics is regularly reviewed and updated by the responsible department to reflect changes in the business environment and evolving social norms.

In 2024, we established and implemented an Anti-Corruption and Bribery Policy to operate our business based on ethical values and to foster a culture of integrity in both internal and external relations. Kakao's Anti-Corruption and Bribery Policy applies to Kakao Krew and business partners and sets out the fundamental principles and specific behavioral guidelines to be followed. The behavioral guidelines specify concrete items including prohibition of giving or receiving money and entertainment, prohibition of improper solicitation, prohibition of conflict of interest, prohibition of pursuing unfair profits using company information, maintenance of political neutrality, and fair record-keeping, and stipulate that when the policy is violated, necessary measures such as internal investigation and disciplinary action can be taken according to internal procedures.

Kakao Code of Ethics | Kakao Anti-Corruption and Bribery Policy

Ethical Management Governance

Kakao has established the Standing Ethics Committee as the highest-level body for ethical management. The committee conducts investigations and deliberations on Krew-related ethical issues, undertaking activities to strengthen anti-corruption efforts and fairness across the organization. The Chair of the Standing Ethics Committee is either the CEO or an individual designated by the CEO. The committee is composed with consideration for diversity in terms of position, gender, and age. In 2024, a total of nine members served on the committee. Deliberations and decisions by the Standing Ethics Committee are made through open discussion and anonymous secret ballot. All proceedings and outcomes are strictly confidential. Under the Standing Ethics Committee, Kakao operates a dedicated internal audit team that performs internal audits of company-wide operations in accordance with the Internal Audit Regulation. The head of internal audit reports at least annually the Board of Directors, Audit Committee, and CEO.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Ethical Management

Ethical Management Implementation Process

Kakao has established a three-step ethical management implementation process—prevention, monitoring, remediation—which is executed by the internal audit department. In accordance with the Internal Audit Regulation, Kakao conducts regular audits, ad-hoc audits, and special audits. Regular audits are performed on a three-year cycle based on audit plans. Audit plans and results are reported to both the CEO and the Audit Committee. In 2024, one regular audit was conducted, through which four risk issues were identified, and corresponding improvement plans were discussed. Aligned with the Group's policy to strengthen compliance and ethical management, Kakao continues to conduct various audits to effectively manage business risks.

Ethical Management Implementation Process

Prevention — Clarification and promotion of ethical principles, standards, and norms

- Operation of ethics-related education and systems
- Submission of the Ethics Pledge

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Monitoring — Process assessment based on data analysis

- Execution of regular audits (including fraud risk assessments) and annual reporting to the Audit Committee
  - 2021: Follow-up audit on infrastructure asset purchasing process improvements
  - 2022: Audit of consumables and asset purchasing processes
  - 2023: Audit of the implementation of improvement measures for consumables and asset purchasing processes
  - 2024: Audit of personal data protection management practices

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Remediation — fact-checking, and response measures

- Protection of affected individuals
- Recommendation of disciplinary and personnel actions
- Notification of results
- Establishment of measures to prevent recurrence

Establishment of Internal Audit Regulation

Kakao established a new Internal Audit Regulation based on the International Professional Practices Framework(IPPF), which organizes authoritative guidance promulgated by the Institute of Internal Auditors(IIA). Accordingly, the internal audit department conducts audits independently and objectively in compliance with company policies and applicable laws and regulations. Audit plans and results are reported regularly to the Audit Committee and the CEO, thereby reinforcing the company's internal control system.

Case **Establishment of Group Audit System and Operation of the Audit and Ethics Roundtable**

To strengthen its compliance system, Kakao established a group-level audit function at CA Council and built a comprehensive group audit framework. This framework ensures the independence of audits at affiliates, enables the management of common risks, and enhances audit quality across the Kakao Group. To support this initiative, Kakao collaborated with the internal audit teams and personnel of key affiliates to revise internal audit regulations and establish the Group Audit Operations Guideline. Kakao also hosted a workshop for group audit professionals to discuss regular audit schedules and key focus areas, share the advanced auditing techniques and internal control strategies, and enhance auditing competencies through training by external experts. Beginning in 2025, audits of key business areas will be conducted based on each affiliate's own risk assessment. Additionally, Kakao plans to expand training programs to strengthen the internal audit capabilities of affiliates and share best practices to further advance the group-wide risk response framework. To facilitate effective collaboration between the group and its affiliates, Kakao operates the Ethical Management Table, where leaders and personnel from affiliate audit organizations participate both online and offline to regularly discuss the group-level audit strategy and improvements to the ethical management system.

Ethics Education for Krew

As part of the monthly onboarding program for new full-time employees, Kakao conducts ethics education sessions. The training covers an overview of the Code of Ethics, shares real-world violation cases, and reinforces the importance of ethical conduct. In 2024, a total of 229 new hires completed ethics training through onboarding sessions. Kakao also provides ethical management internalization education not only to full-time employees but also to contract and fixed-term Krew. In 2024, ethics education sessions focused on the Code of Ethics and Code of Disciplinary, with 66 Krew members participating.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Ethical Management

Ethics Violation Reporting System and Whistleblower Protection

When Krew or affiliate employees are involved in unfair practices, improper demands such as money and entertainment, unauthorized use or abuse of company assets, fraudulent investments in partners, leakage of confidential information, document/data manipulation, or other misconduct and fraudulent activities, Kakao operates related procedures to allow external stakeholders to apply for consultation or file reports with the Cyber Ethics Center, which is exclusively operated and managed by the Internal Audit departement. Kakao strictly adheres to relevant laws and internal regulations to uphold the confidentiality of whistleblowers and reported content. The company is committed to protecting the identity of whistleblowers and prohibits any form of retaliation or disadvantage resulting from a report. When whistleblowers request confidentiality, the Internal Audit department, in consultation with the HR and Legal departments, may implement protective measures such as legal support or departmental reassignment. To support Krew in reporting violations or seeking ethical guidance, Kakao operates an internal reporting platform, TellMe@Kakao, and a hotline that is available at all times. In 2024, a total of 18 reports or consultation cases were processed. Additionally, onboarding education for newly joined Krew includes training on the hotline reporting process to ensure all Krew are empowered to report ethical violations.

Cyber Ethics Hotline		
Email	Mailing Address	Online Reporting
hotline@kakaocorp.com	Kakao Internal Audit 166, Pangyoyeok-ro, Bundang-gu, Seongnam-si Gyeonggi-do, Republic of Korea	Online Report

Operation of the Gift Return Center to Prevent Bribery and Entertainment

In accordance with Article 11 (Prohibition of Bribery and Entertainment) of the Code of Ethics, Kakao adheres to a strict "no giving, no receiving" policy regarding gifts exchanged with stakeholders. To prevent conflicts of interest, Krew and their family members are prohibited from receiving any form of money, gifts, or entertainment. Similarly, offering gifts or entertainment to competitors, clients, or other business partners is strictly prohibited. If a gift or monetary item is received unavoidably, it must be returned immediately. If return is not possible at the time of receipt, the item is processed through the Gift Return Center, and further action is taken in accordance with internal procedures.

Prohibition of Political Contributions and Sponsorship of Associations

Kakao complies with Chapter 6, Article 31 (Restriction on donations) of the Political Funds Act of Korea, and prohibits political donations using company funds. Accordingly, Kakao does not provide financial support for political funds, election-related expenses, or lobbying for political groups. However, donations may be made to public interest organizations and industry associations that maintain political neutrality and serve legitimate public purposes.

Responsible Management and Compliance

Kakao Compliance and Trust Committee

In December 2023, Kakao launched the Kakao Compliance and Trust Committee as an independent body to support compliance and trusted management across Kakao's affiliates. We work with external experts across various fields to carry out activities targeting Kakao and five partner affiliates[1] with which we have established agreements.

The Committee analyzes each affiliate's compliance system, proposes improvement plans, identifies potential legal and regulatory risks in advance, and, when necessary, conducts investigations and responds directly to issues. To promote a culture of compliance, the Committee holds biannual workshops to review the implementation status of recommendations and conducts compliance education programs for Kakao Krew. An internal reporting system is also in place to receive violation reports, ensuring swift and fair investigations to support issue resolution. In 2024, the Committee selected Responsible Management, Ethical Leadership, and Restoration of Social Trust as its three core priorities and issued specific recommendations to support their realization.

Kakao Compliance and Trust Committe

1) Five affiliates: Kakaopay, Kakao Entertainment, Kakao Games, Kakaomobility, and KakaoBank

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Responsible Management and Compliance

Strengthening Responsible Management and Compliance Systems

Kakao has improved its governance structure and reinforced its control tower function to ensure that all affiliates uphold common principles of responsibility and even throughout their autonomous growth. To strengthen the responsible management framework, Kakao restructured the CA Council and established new committees on Management Reform, Strategy, ESG, Responsible Management, and Brand Communication to drive key initiatives. Kakao also reinforced its compliance and control functions. Pre-investment review procedures were strengthened, and post-investment monitoring processes were introduced to enhance the overall sophistication of the investment decision-making process. Measures were implemented to clarify the accountability of executive leadership. Risk assessments and external verification were introduced into appointment and dismissal procedures. Performance monitoring using KPIs was adopted to enable objective evaluations. Where necessary, provisions have been established to hold executives financially accountable.

Establishment of the Kakao Executive Code of Ethics

To institutionalize ethical leadership and reinforce responsible management, Kakao established the Kakao Executive Code of Ethics, which is based on four principles: Value, Responsibility, Fairness, and Communication.

Kakao Executive Code of Ethics	
Value	We pursue innovation with a sense of social responsibility.
Responsibility	We are accountable for both the process and outcomes of our decisions, in proportion to our authority.
Fairness	We consistently uphold fairness and ethics under all circumstances.
Communication	We engage with our teams based on a culture of respect and trust.

Strengthening Shareholder Protection Measures

Kakao has preemptively established shareholder protection measures in consideration of the potential impact on general shareholders during mergers and acquisitions (M&A) or initial public offerings (IPOs). A new procedure was introduced to assess the necessity of an IPO in advance, and a clause was added to the Corporate Governance Charter stating the requirement for pre-assessment of any potential infringement on shareholder interests and for the development of protection measures when an IPO is pursued. In addition, regulations are in place restricting stock sales by executives and CEOs of newly listed affiliates—one year for executives and two years for CEOs. All share transactions by executives of listed companies are subject to public disclosure requirements and the Financial Investment Services and Capital Markets Act, reinforcing the executive responsibility to protect shareholder value.

Fair Trade Principles and Ethics Commitment Agreements

Kakao ensures fair and equal business opportunities for all partners. The company has adopted the Four Key Compliance Practices for the Subcontracting Act from the Fair Trade Commission into its purchasing system, PoK, to strengthen trust with partners. Furthermore, Kakao enters into Ethics Commitment Agreements with partners to promote transparent, fair transactions and mutual cooperation as partners in business. Through these agreements, Kakao and its partners pledge to conduct business in compliance with laws and ethics, with transparency and fairness at the core of their collaboration.

Four Key Compliance Practices for Fair Trade

Practices for Desirable Contract Conclusion for Shared Growth Cooperation between Large and Small Enterprises

Adhere to reasonable and fair contract guidelines to ensure that the interests of small and medium-sized enterprises (SMEs) are properly reflected in contractual agreements.

Practices for Fair Selection (Registration) of Partners

Select and manage partners through transparent and equitable procedures in accordance with the established guidelines.

Practices for Establishing and Operating Internal Review Committees for Subcontract Transactions

Establish and operate an internal review committee to evaluate all aspects of subcontracting transactions, including partner selection, contract execution, and pricing.

Practices for Desirable Issuance and Preservation of Written Documents in Subcontract Transactions

Promote and institutionalize a written transaction culture by adhering to the principle of issuing and retaining written documents throughout the contracting and transaction processes, thereby fostering a fair trading environment.

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Responsible Management and Compliance

Fair Trade Risk Assessment for Partners

Kakao conducts pre- and post-contractual assessments with partners using a checklist to identify any signs of unfair trade practices or violations of the Fair Transactions in Subcontracting Act. To deliberate on such matters, we hold a Purchase Review Committee meeting at least once a month. We also convene a Dispute Settlement Committee meeting at least once a month to facilitate the resolution process for partners with identified issues. Since the establishment of the Dispute Settlement Committee in 2018, no disputes have been reported to date.

Guidelines for Operating the Dispute Settlement Committee

- Kakao endeavors to comply with the Fair Transactions in Subcontracting Act and other regulations under the jurisdiction of the Korea Fair Trade Commission in all subcontracting transactions with partners.
- In cases where a partner company raises an objection related to a subcontracting transaction, we provide a fair and transparent resolution process.
- Partners that submit a dispute resolution request may provide their opinions to the Dispute Settlement Committee.
- As an independent internal body, the committee ensures that individuals involved in the transaction in question do not participate in the resolution process.
- We strive to ensure that the resolution proposals developed by the Dispute Settlement Committee are applied to actual transactions.

Kakao Group's Joint Fair Trade Compliance Pledge

Kakao has joined the Kakao Group Joint Fair Trade Compliance Pledge to promote and uphold a culture of fair trade. The Joint Fair Trade Compliance Pledge includes content such as prevention of fair trade-related law violations including unfair trade practices, Krew education and monitoring for internalizing fair trade compliance culture, and establishment of compliance systems. To ensure the substantive implementation of the pledge, we also participate in the "Kakao Fair Trade Compliance Task Force," which is dedicated to strengthening fair trade law compliance systems.

Introduction and Operation of the Fair Trade Compliance Program (CP)

In June 2024, Kakao obtained board approval for the establishment of the Fair Trade Compliance Program and the appointment of a Compliance Officer. In August, we officially announced the adoption of the Fair Trade Compliance Program (CP). We subsequently implemented the Fair Trade Compliance Program regulations and distributed the updated Fair Trade Compliance Manual to launch full-scale operations. To help Kakao Krew understand and engage with the CP easily and intuitively, we branded the program as "Let's CP" and have been promoting a culture of fair trade compliance through internal campaigns and educational initiatives.

Fair Trade Compliance Program Regulation

Compliance Education

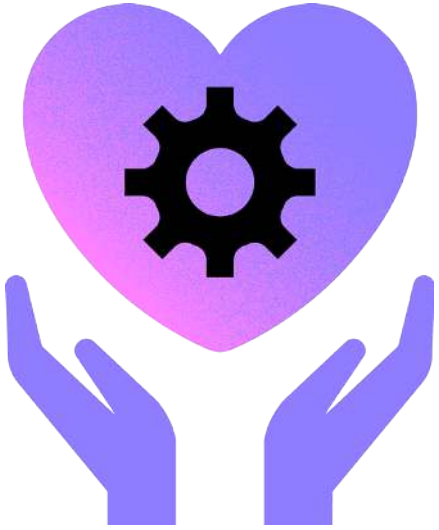
Kakao provides compliance education to all Krew on key issues under the Fair Trade Act, including abuse of market dominance, unfair trade practices, and improper support, as well as the obligations of prime contractors under the Fair Transactions in Subcontracting Act and the price adjustment system. Additionally, we offer specialized training for those responsible for Fair Trade Commission-related duties at Kakao, approximately 120 group affiliates, and affiliated public interest corporations. This includes instruction on FTC disclosures and large business group policies, aiming to enhance capacity and support autonomous compliance with the Fair Trade Act across affiliates.

All Kakao Krew	• Understanding the Fair Trade Act (1 session)
Personnel in charge of FTC matters at Kakao and its affiliates	• Education on Fair Trade Commission disclosures and corporate group polices (13 sessions) • Fair Transactions in Subcontracting Act Overview and Delivery Price Linkage System Training (4 sessions)

Introduction
Our Commitment
Sustainable Management
Material Issue
General Issue
Efforts for the Planet
Technology for People
Growing Together for a Better Tomorrow
Connecting Society through Technology
Trusted Kakao
Kakao Group ESG
Appendix

Kakao Group ESG

129 ESG Activities and Performance of Kakao Group
136 Kakao Group's ESG Initiatives



ESG Activities and Performance of Kakao Group

Kakao Group's ESG Framework and Activities

ESG Management of the Kakao Group

Kakao Group strengthens its unity and pursues a management system and growth direction that align with societal expectations and trust through the Corporate Alignment Council (CA Council), an independent body that coordinates and reaches consensus among the Group's stakeholders. Under the CA Council, the Strategy Committee, Brand Communication Committee, ESG Committee, and Responsible Management Committee have been established. These committees identify key issues requiring discussion at the Group level and provide input on strategic direction and policy development. The ESG Committee enhances the Group's ESG management framework by engaging with various stakeholders and society at large to build a sustainable internal and external management environment. In addition, by collaborating with the Kakao Compliance and Trust Committee—an external body that monitors compliance and ethical management across Kakao's affiliates—we address and coordinate external risks to restore social trust. We will continue striving to ensure that the ESG management efforts of our affiliates are operated and advanced more efficiently and effectively to generate collective outcomes.

Key ESG Achievements of the Kakao Group

In 2024, significant accomplishments were made through the joint efforts of the CA Council's ESG Committee and each affiliate in developing ESG management systems and shared growth initiatives. Moving forward, we aim to generate greater synergy and impact from our ESG management activities across the Kakao Group through a more integrated approach.

Key ESG Achievements of the Kakao Group
1. Launched the Group-wide shared growth campaign "Closer with Kakao"
2. Carried out the Group-wide shared growth initiative "Senior Digital School"
3. Operated the Group-wide ESG forums, "ESG Officer Table" and related seminars
4. Supported the establishment of a Group-level ESG KPI system
5. Operated Kakao Group Tech Ethics Subcommittee to build a safe and transparent technological environment
6. Contributed to socioeconomic value creation and public innovation through Kakao's services
7. Launched the Kakao Compliance and Trust Committee and reported its performance
8. Established a Group-wide integrated methodology for measuring social value

ESG Initiatives of the Kakao Group

In April 2022, Kakao announced the "Active Green Initiative," which outlines our commitment to addressing climate change and our proactive role in solving environmental issues. Kakao also became the first IT company in Korea to appoint a Digital Accessibility Officer (DAO) and launched the "Barrier-Free Initiative" to strengthen digital accessibility. Furthermore, we introduced the "Win-Win Impact Initiative" to propose a sustainable growth strategy that promotes shared growth with society. Under this initiative, we pledged a total of KRW 300 billion over five years to a mutual cooperation fund, fulfilling our promise to the public. The Active Green Initiative, Barrier-Free Initiative, and Win-Win Impact Initiative are ESG initiatives collectively promoted by Kakao Group, with each affiliate implementing tailored activities in alignment with its specific business context.

Win-Win Impact Initiative | Active Green Initiative | Barrier-Free Initiative

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

ESG Activities and Performance of Kakao Group

Kakao Group's ESG in Numbers

Flagship Shared Growth Projects by Kakao Group and Its Affiliates

Group-Wide Initiatives

Senior Digital School

A program to bridge the digital divide for senior citizens

Free distribution of customized textbooks to senior welfare centers nationwide

50,000 copies

Kakao Together

A social contribution platform where anyone can participate and take action

Cumulative donations (as of March 2025)

KRW **81.1 billion**

Kakao

Project Dangol

A shared growth initiative supporting the digital transformation of small businesses

Number of participating small business owners (cumulative since 2022)

66,000 people

Harmonious Digital World

A digital citizenship education program for children and youth

Number of children and youth who participated in the program (cumulative since 2015)

250,000 people

Kakaopay

Oraeorae Together Store

A market access support program for small businesses

Participating small business brands (cumulative since 2023)

204 brands

Kakao Pay Blind Spot Senior Pay School

Education program for the digital financial vulnerable

Number of senior "Paytutor" trained for digital financial education (cumulative since 2023)

104 people

Kakaomobility

Kakaomobility Junior Lab

An IT coding camp for the grandchildren of taxi drivers

Satisfaction rating by participating students

4.6/5 points

Giveshuttle

A volunteer travel program using Kakao T Shuttle to make volunteering more accessible

Number of participating volunteers

262 people

Kakao Games

Kakao Friends Visiting Friends Game Land

A traveling theme park to promote positive gaming culture

Number of participants (cumulative since 2019)

15,895 people

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

A program to reduce the accessibility gap in gaming

Number of assistive devices provided for persons with disabilities (cumulative since 2023)

405 devices

Kakao Entertainment

Online Creative Academy

A free online academy for aspiring content creators

Number of Creative Academy learners

1,739 people

Melon's Forest Streaming

Forests created through listening to music from favorite artists

Creation of Artist's Forests (cumulative since 2022)

12 forests

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

ESG Activities and Performance of Kakao Group

Kakao Group's ESG in Numbers

Kakao Group's Socioeconomic Contributions and Public Innovation Through Kakao Services

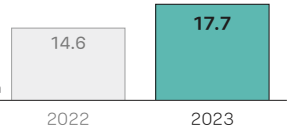
An analysis of the Kakao Group's economic impact revealed that, in 2023 alone, the Kakao Group generated a total production inducement effect of KRW 17.7 trillion and a value-added inducement effect of KRW 8.4 trillion in the domestic industry, both directly and indirectly. A further analysis of the socioeconomic value created by Kakao's services showed that the number of partners using KakaoTalk Channel to communicate with customers surpassed 2 million, and their average monthly marketing cost savings were estimated at approximately KRW 34.7 billion. In addition, the use of services from Kakao Group's affiliates in the public sector has helped alleviate administrative inconveniences, reduce budgets, improve administrative efficiency, and enhance public-private cooperation.

Economic Impact of Kakao Group[1)]

Production Inducement Effect

2023 KRW **17.7** trillion | 2022 KRW **14.6** trillion

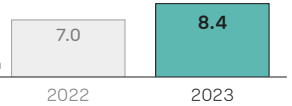
Unit: KRW trillion



Value-Added Inducement Effect

2023 KRW **8.4** trillion | 2022 KRW **7.0** trillion

Unit: KRW trillion



Employment Inducement Effect

2023 **50,000** jobs | 2022 **41,000** jobs

Unit: jobs

1) The economic impact of domestic companies was calculated based on direct effects (such as revenue and operating revenue) and the input-output tables of the Bank of Korea. This analysis, conducted in July 2025, utilized Kakao Group's annual revenue figures (based on the Q4 2024 IR data) along with the Bank of Korea's input-output tables. The tables used include the latest available benchmark table from 2020 and extended tables for 2021 and 2022. For the analysis, the Kakao Group's business was classified into six industries according to the subcategories of the input-output tables. These six categories are wholesale & retail and product intermediary services, information services, other financial intermediaries, insurance, video and audio production&distribution, and central banks and depository institutions.

Socioeconomic Impact of Kakao's Digital Transformation

Number of partners communicating with customers via KakaoTalk Channel

As of August 2024
2 million partners

Marketing cost savings for partners using KakaoTalk Channel

From August 2023 to July 2024
KRW **34.7** billion in average monthly

Examples of Public Innovation Using Kakao Group Services

Resolving Administrative Inconveniences

Mobile local tax delinquency notification service by Nowon-gu Office, Seoul

kakao

As of November 2023
Collection Target Achievement Rate
106%

As of July 2024
Received the award for proactive administration
Order of Service Merit
(Aquamarine Stripe)

As of August 2024
Expanded Adoption
Over **60** local governments

Public Budget Savings

Ministry of National Defense Reservist e-Document Service and Notification Talk

kakao

As of January 2024
Approximately **65**% cost savings compared to text messages

Korea Coast Guard Notification service for general public information

kakao

Annual usage doubled
43% reduction in monthly message delivery costs

Improved Administrative Efficiency

Korean National Police Agency Simultaneous Message Delivery System[1)]

kakaomobility

As of November 2024
Cumulative messages delivered
956,000

Ministry of Health and Welfare Mental Health Chatbot

kakaohealthcare

As of November 2024
Friends added
55,000

Public-Private Cooperation

Ultra-Precision Bus Service

kakao

As of November 2024
Local governments in partnership
21

Autonomous Driving Mobility pilot project

kakaomobility

As of September 2024
Autonomous driving pilot zones in "Seoul Autonomous Vehicle" initiative
7

1) Simultaneous Message Delivery System: A system that sends police-requested messages simultaneously to Kakao T taxi drivers

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

ESG Activities and Performance of Kakao Group

Key ESG Achievements of Kakao Group

1. Launch of Group-Wide Shared Growth Campaign "Closer with Kakao"

Kakao Group is committed to helping everyone enjoy a more convenient and accessible daily life through its technologies and services. In the second half of 2024, we launched the Group-wide shared growth campaign under the slogan "Closer with Kakao," aiming to bring seniors closer to the digital world, help small businesses succeed, and support the dreams of future developers and creators. By launching "Closer with Kakao," we integrated previously independent shared growth initiatives at the Group level to create greater synergy. We also launched the "Closer with Kakao" campaign website, where users can explore various shared growth programs in one place. The campaign was supported by promotional videos and interactive events encouraging user participation.

"Closer with Kakao" Website

더 가깝게, 카카오

- Bringing digital technologies closer to seniors
- Bringing business success closer to small businesses
- Bringing dreams and opportunities closer to creators

Flagship Shared Growth Programs of Kakao Group

Supporting digital adoption for small businesses **Project Dangol**	Developing future talent in technology and digital citizenship **Kakao Tech Campus and A Kinder Digital World**
Strengthening digital literacy among senior citizens **Senior Digital School**	Exploring solutions to social issues through technology **Tech for Impact**

2. Implementation of Group-Wide Shared Growth Program "Senior Digital School"

The Senior Digital School is a flagship group-level social contribution initiative promoted under the slogan "Closer with Kakao." It was designed to enhance digital accessibility and literacy among the elderly. In collaboration with the Ministry of Health and Welfare, the Korea Association of Senior Welfare Centers, and the Senior Financial Education Council, we produce and distribute customized educational materials for seniors free of charge. We also deliver on-site education, along with digital education kits, to senior welfare centers and other requesting institutions across the country.

Key Achievements in 2024

Number of distributed textbooks	Over **50,000** copies
Number of senior teachers	**264** persons
Number of trainees	Over **4,000** persons
Number of training sessions	Over **1,900** sessions

The senior-friendly educational materials include service screens for each function, enabling learners to follow along and try out useful digital features in their daily lives. QR codes are also included to provide access to video content. The materials are printed in a spread layout for better readability, and all text is presented in large print for improved visibility. Through a public offering, we plan to donate up to 100,000 copies of the senior-friendly educational materials by the first half of 2025.

The senior-friendly educational materials

- Enjoying conversations with family and friends
- Getting around conveniently
- Using financial services safely and easily via smartphones
- Accessing public services without visiting government offices

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

Key ESG Achievements of Kakao Group

3. Operation of Group-Wide ESG Council "ESG Officer Table" and ESG Expert Seminars

To systematically manage ESG and shared growth initiatives previously led by individual affiliates and to strengthen inter-affiliate synergy, Kakao Group established the Group-wide council, the ESG Officer Table. This integrated council comprises ESG and shared growth practitioners from affiliates that are parties to the CA Council agreement. The group regularly shares and discusses key agendas related to ESG and shared growth to maximize the efficiency and influence of Group-wide efforts. The ESG Officer Table is operated under the leadership of the Group ESG Support Team, which is part of the CA Council's ESG Committee. Meetings are attended by the Chair of the ESG Committee, ESG Officers, and ESG leaders from each affiliate to discuss company-specific issues, industry trends, and collaboration strategies. For issues requiring further discussion, one-on-one strategic meetings are also conducted with the relevant affiliates. Additionally, regular ESG expert seminars were held for Krew at each affiliate to enhance their understanding of ESG management and its implications. Experts from various fields—such as attorneys, accountants, legal advisors from law firms with backgrounds in journalism, and university professors—shared insights on a wide range of ESG-related topics, including governance, enhancing corporate value, communication strategies, and developing methodologies for social value measurement.

Kakao Group ESG Expert Seminars		
1st Session	October 16, 2024	• Governance Risk from the Perspective of ESG Ratings and Indicators (Attorney Kim Ji-Pyoung, Kim & Chang) • Corporate Value and Shareholder Returns from the ESG Metrics Perspective (Accountant Lee Hyun-hoon , Kim & Chang)
2nd Session	November 20, 2024	• ESG Communication Strategy for Kakao Group (Senior Advisor Kwon Suk-Chun, Bae, Kim & Lee LLC))
3rd Session	January 22, 2025	• What Is a Social Value Methodology for Kakao Group? (Professor Lee Jeong-Hwan, Hanyang University)

ESG Officer Table

ESG expert seminar on Kakao's governance structure

ESG expert seminar on ESG communication strategies

4. Support for Group ESG KPI Framework Development

The ESG Committee of the CA Council supports Group-wide ESG performance management by establishing a consistent ESG management direction and enabling proactive responses to internal and external changes. Kakao Group defines externally declared ESG initiatives as ESG KPIs based on objective indicators and processes, monitors their implementation, and links performance to executive compensation. These ESG KPIs are being advanced as Group-wide goals to contribute to both ESG management and the enhancement of corporate value across affiliates. We are also reviewing the expansion of applicable affiliates. In addition, to enable data-driven ESG management, we are preparing to build an ESG data system. A carbon accounting platform will also be introduced to manage ESG KPIs in a more structured and measurable manner.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

Key ESG Achievements of Kakao Group

5. Operation of the Group Tech Ethics Committee to Build a Safe and Transparent Technological Environment

In July 2022, Kakao Group established the Kakao Community Tech Ethics Committee to address the growing societal demands arising from technological advancement and to support safe service usage for users.
As the first tech ethics organization formed at the group level in Korea, the committee is significant in that it created a governance structure in which Kakao affiliates collectively discuss tech ethics issues and define strategic directions. In April 2024, Kakao Group reorganized the former Community Tech Ethics Committee into the "Kakao Group Tech Ethics Subcommittee" under the CA Council, enabling the integrated management of tech ethics—related policies and activities. The subcommittee has expanded to include 10 affiliates, adding newly participating companies such as dk techin, Kakao Style, and Kakao Healthcare. The subcommittee is composed of tech ethics leaders from each affiliate and holds monthly meetings. In addition, working-level meetings, which include team leaders and above, are also held every month. The working-level meetings derive actionable items based on the decisions made by the subcommittee and distribute them to each affiliate for implementation. The Kakao Group Tech Ethics Subcommittee and affiliated entities have engaged in a total of 40 activities. All related policies and initiatives are disclosed to users through the publication of the Kakao Group Tech Ethics Report.

Kakao Tech Ethics Report

Achievements in Strengthening the Governance and Policies of the Group Tech Ethics Subcommittee
Added the provision "User Autonomy" to the Guidelines for Responsible AI
Introduced a review procedure, "Checklist for Safe AI"
Established the Internal Use Policy for Generative AI
Published the monthly online magazine, "Tech Ethics"
Launched a dedicated page introducing Group-wide digital literacy activities
Strengthened local and global partnerships and improved public communication to promote transparency

6. Kakao Group's Socioeconomic Contributions and Public Innovation Through Kakao Services

Kakao Group conducted a quantitative analysis of its socioeconomic contributions using the input-output analysis method to measure its impact on society and the economy and to assess its economic ripple effects. To enhance the validity and objectivity of the analysis, the study was carried out with consultation from three university professors specializing in economics. Along with the results of the economic ripple effect analysis, Kakao Group disclosed various indicators demonstrating its contributions to digital transformation across users, small businesses, finance, startups, and the cultural ecosystem through its services. The analysis covers 10 Kakao affiliates—Kakao, Kakao Games, Kakaomobility, KakaoBank, Kakao Ventures, Kakao Style, Kakao Enterprise, Kakao Entertainment, Kakaopay, and Kakao Healthcare—through 60 indicators that reflect each affiliate's direct social contributions within its respective industry sector. In addition, through the Public Innovation Report 2024, Kakao Group showcased how government and public institutions have innovated their administrative operations by leveraging Kakao services. The public sector has utilized Kakao Group's services to alleviate administrative inconveniences, reduce public budgets, and improve administrative efficiency, thereby driving innovation in public administration. Moreover, Kakao Group published a report compiling academic research, including scholarly papers and seminar presentations by academic experts, focusing on Kakao's services and social contribution activities. The report includes expert analyses of the value and socioeconomic role created by Kakao Group's services.

Kakao Group's Social Contribution

Public Innovation Report 2024

Kakao's Socioeconomic Contributions in Data

Introduction

Our Commitment

Sustainable Management

Kakao Group ESG

ESG Activities and Performance of Kakao Group

Kakao Group's ESG Initiatives

Appendix

Key ESG Achievements of Kakao Group

7. Launch and Activities of the Kakao Compliance and Trust Committee

In December 2023, Kakao Group launched the Kakao Compliance and Trust Committee, an independent audit body led by external experts, to establish a group-wide compliance and trust management framework and fulfill its social responsibility. The committee and Trust Committee operates outside the group and is responsible for activities such as issuing recommendations, providing ongoing compliance support, delivering compliance education, and receiving and investigating reports for six affiliated companies[1] under agreement. In 2024, the committee held 22 regular meetings and subcommittees, reviewing a total of 97 agenda items. It identified key group-wide tasks centered on three main themes: responsible management, ethical leadership, and restoration of social trust, and issued recommendations to all affiliates. As of January 2025, the committee had implemented detailed improvement measures for each agenda item and plans to regularly evaluate the compliance systems of the affiliated companies based on 16 risk categories. Moving forward, the committee aims to enhance the compliance system, strengthen social trust, and establish a robust compliance management framework for the platform industry.

Roles of Kakao Compliance and Trust Committee

Recommendations	• Researches and recommends of necessary measures for compliance system improvement and social trust restoration
Ongoing Compliance Support	• Reviews and presents discussions on stock market large-scale transactions, mergers and acquisitions and IPOs, internal transactions, and risks of top management compliance obligation violations • Requests investigations and conducts direct investigations regarding compliance obligation violations • Checks effective operation of compliance programs
Compliance Education	• Conducts compliance workshops and education for compliance system improvement
Reporting	• Receives and investigates reports of reports related to compliance obligation violations

Compliance Obligation-Related Reporting Investigation Procedures

Report Submission	Accepts submissions via email (jebo@kakaocorp.com) or postal mail
Fact Confirmation	Conducts preliminary fact-checking of reported content and closes cases lacking sufficient basis for review
Primary Investigation	Engages compliance officers from affiliated entities to perform initial review
Supplementary Investigation	Undertakes additional inquiries when preliminary findings are deemed insufficient
Direct Investigation	Launches a direct investigation by the committee if further clarification is required
Investigation Closure	Concludes investigation and communicates agreed measures following approval of findings and recommendations
Follow-Up	Monitors and evaluates implementation of recommended compliance actions

1) Six Agreement Affiliates: Kakao, Kakao Games, Kakaomobility, KakaoBank, Kakao Entertainment, Kakaopay

8. Establishment of Methodology for Measuring Group-Wide Social Value

Kakao Group is developing an integrated methodology for measuring social value to closely assess the impact of each affiliate's shared growth initiatives on stakeholders and society. We aim not only to make efforts, but also to verify tangible change and its effectiveness, in order to earn the support and trust of beneficiaries and stakeholders. To ensure consistency across affiliates and business units in measuring social value, we are developing an integrated framework. The goal is to assess both quantitative and qualitative indicators in an integrated manner, and to measure the outcomes—changes experienced by beneficiaries—and the short- and long-term impact of each business initiative. The methodology is being developed in consultation with Professor Ye Eun-jung of the School of Business Administration at Chung-Ang University, and Professor Lee Jeong-hwan of the College of Economics and Finance at Hanyang University. As a result of pilot social value measurements for some shared growth businesses, Kakao Games' Support Project to Improve Game Accessibility for People with Disabilities Through Auxiliary Devices showed KRW 710 million as of 2024, and Kakaomobility's Taxi Driver Medical Support Phase 1 project showed social value creation of KRW 910 million assuming loan repayment after 2 years and KRW 640 million assuming repayment after 1 year, both as of 2023.

Pilot Methodology for Measuring the Social Value of Shared Growth Initiatives

Kakao Games — **Support Project to Improve Game Accessibility for People with Disabilities**

Step 1 — Value of Improved Digital Accessibility
- Formula: {Per capita value of access to information (frequency) × Weekly usage frequency (52 weeks)} × {Beneficiary ratio (½) + Increase in satisfaction rate (½)}
- Based on the information access satisfaction score of persons with disabilities (77.6 points) compared to that of persons without disabilities (100 points), the score is weighted by a factor of 1.3 (digital accessibility gap weighting factor) and applied as a multiplier of both elements. (Source: Korea Agency for Digital Opportunity and Promotion, Digital Divide Index Survey, 2005)

Step 2 — Value of Reduced Caregiving Costs
- The estimated value from Step 1 is added to the cost savings from reduced caregiving needs.

Kakaomobiliy — **Taxi Driver Medical Support Program**

Step 1 — Interest Cost Reduction from Medical Expense Support
- Formula: Medical expenses × Credit card loan/short-term loan interest rate + Financial hardship risk premium (3—5 percentage points)
- Reflecting low-income ratio (½)), gender diversity (½)

Step 2 — Effect of Income Reduction Due to Loans and Consumption Boost from Living Expense Support
- Formula: Step 1 result + Daily income loss from taking out loans + Living expenses (adjusted by average marginal propensity to consume by income bracket)

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

Kakao Group's ESG Initiatives

Win-Win Impact Initiative

Win-Win Impact Initiative

In April 2022, Kakao Group announced its strategy for sustainable growth in partnership with society, pledging to create a KRW 300 billion Win-Win Partnership Fund over five years. The Win-Win Partnership Fund is used to support the growth of Kakao Group's partners. Each affiliate carries out a variety of shared growth initiatives aimed at enhancing the capabilities and growth of its partners.

Kakao Group's Win-Win Partnership Fund Allocation Goals

Small Businesses and Local Partners

Support for digital transformation and growth programs for small businesses

KRW **100 billion**

Participating affiliates: Kakao, Kakao Games, Kakaopay, Kakao Impact Foundation

Digital Content Creators

Initiatives supporting sustainable creative activities for content creators

KRW **70 billion**

Participating affiliates: Kakao, Kakao Entertainment, Kakao Games, Kakao Impact Foundation, Kakao Creative Foundation

Mobility Platform Workers

Efforts to improve working conditions and income for mobility platform workers and advance the industry

KRW **50 billion**

Participating affiliates: Kakao, Kakaomobility, Kakao Impact Foundation

Startups and Social Innovators

Support for indie/small developers, startups, and social innovators to build a sustainable IT ecosystem

KRW **20 billion**

Participating affiliates: Kakao, Kakao Enterprise, Kakaopay, Kakao Impact Foundation

Local Communities, the Mobility-Challenged, and the Digitally Disadvantaged

Support for under-resourced communities and populations to address social issues

KRW **60 billion**

Participating affiliates: Kakao, Kakaomobility, Kakao Entertainment, Kakao Games, Kakaopay, Kakao Enterprise, Kakao Impact Foundation

Co-Prosperity Fund Implementation Process and Performance Management

Executed by participating affiliates based on Group-wide shared growth KPIs and guidelines

- Shared Growth Budget and Business Plan → 5-year goal roadmap management
- Budget & Performance Management by Business → Shared growth management report preparation
- Shared Growth Performance Reporting within Agreement Companies → Management reporting for each company

Integrated management by the ESG Committee of the CA Council

- Group Company Shared Growth Goals & Performance Management → Group integrated target amount management; Shared growth business monitoring
- CA ESG Committee Discussion/ Review → Shared growth-related issue discussion/review; Group-level external response plan consultation
- ESG Committee Reporting within Kakao Corporation Board of Directors → Kakao Group Win-Win Fund performance reporting

CA Council 'ESG Officer Table' Operations

- Issue/goal management
- Strategy establishment and alignment
- Impact enhancement

Kakao Group's Public Interest Foundations

Kakao Impact Foundation

Drives positive social impact and seeks solutions to social problems through technology and platform-based initiatives.

Kakao Creative Foundation

Fosters cultural content creators through education, legal, and copyright-related support programs.

Kakaomobility Foundation

Launched in 2025, the Kakaomobility Foundation aims to advance the mobility industry and improve the welfare of its workers. It plans to pursue initiatives in shared growth, policy research, and awareness-raising activities.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

Kakao Group's ESG Initiatives

Active Green Initiative

The Active Green Initiative is Kakao Group's environmental management initiative aimed at contributing to the resolution of the climate crisis and environmental issues. It seeks to fulfill responsibilities such as responding to climate change and transitioning to renewable energy, while also generating eco-friendly impact for a sustainable environment and society. Through the Active Green Initiative, Kakao Group aims to create an ecosystem where all members of society—including Krew, partners, and users—can participate in the transition to a more sustainable future.

Active Green Initiative

Strengthening Environmental Management Across Kakao Group	Eco-Friendly Transition with Everyone
• Expansion and Reinforcement of the Environmental Management System Within the Group • Transition to Renewable Energy and Pursuit of Net Zero	• Everyday Changes for the Planet • Technology Support for a Sustainable Future

Strengthening Environmental Management Across Kakao Group

Expansion and Reinforcement of the Environmental Management System Within the Group

Kakao Group is working to expand and reinforce its environmental management system to improve environmental performance. Kakao, Kakaopay, and Kakao Games have acquired and are expanding their Environmental Management System certifications (ISO 14001), while Linkage Lab has established and declared its Environmental Policy, laying the foundation for environmental management internalization across affiliates.

Transition to Renewable Energy

Most of Kakao Group's greenhouse gas emissions stem from electricity use, making the transition to renewable energy a core strategy for achieving Net Zero. Kakao Group has joined the global renewable energy initiative RE100, and affiliates included within the scope of RE100—such as Kakao, Kakaopay, and Kakao Games—are making various efforts to achieve the goal of transitioning to 100% renewable energy by 2040. At the Group level, renewable energy KPIs have been introduced, and annual transition targets are being gradually raised to ensure systematic management of affiliates' progress and to drive proactive transitions.

Eco-Friendly Transition with Everyone

Everyday Changes for the Planet

To raise environmental awareness among Krew and users, Kakao Group is implementing a variety of affiliate-specific activities. Kakao and Linkage Lab carried out a discarded tumbler collection campaign to promote a culture of internal resource circulation. Kakaopay introduced reusable cups at its in-house café to reduce carbon emissions and waste from single-use items. Kakao Entertainment is making efforts to allow users to contribute positively to the environment through the Melon Forest Streaming Project, which creates forests named after the artists users support.

Technology for a Sustainable Future

Kakao Group is applying its technologies and services to address real-world problems for a sustainable future. Kakaomobility is conducting R&D with its partners to improve the efficiency of electric vehicle energy use. Kakao Impact and Kakao Enterprise are developing AI-based solar power solutions and supporting drone-based biodiversity monitoring technologies with cloud infrastructure.

AI-Based Research for Maximizing Solar Power Utilization

Tech for Impact, an initiative by Kakao Impact, supports projects that leverage technology to address social issues. As part of the 2024 Tech for Impact projects, Kakao Enterprise provided cloud computing resources to Solar Finder LAB, supporting research to enhance the efficiency of solar energy utilization using AI technologies. To enable the stable use of solar energy, which is highly variable due to weather conditions, this project focused on developing satellite and aerial imagery—based solar panel detection models, as well as solar irradiance prediction models. These efforts contributed to the identification of unregistered and unmetered panels and to the advancement of technologies that improve the accuracy of solar power generation forecasting. Through this project, Kakao Group demonstrates that AI technologies can contribute to solving real-world environmental issues and maximizing the use of renewable energy. We aim to continue sharing and expanding such impactful case studies.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

Kakao Group's ESG Initiatives

Barrier-Free Initiative

Digital Accessibility

Kakao Group became the first IT company in Korea to appoint a Digital Accessibility Officer (DAO) and has been promoting the Barrier-Free Initiative to enable unrestricted access to its services. To ensure more systematic management, we established the Kakao Accessibility Table, where service leaders come together to manage the current status of accessibility across services and to discuss strategic direction. Affiliates of Kakao Group are making structured efforts to enhance digital accessibility and are managing six key focus areas collaboratively.

Digital Accessibility Management Areas of Kakao Group	
• Establishment of the Kakao Accessibility Guidelines	• Integration of the accessibility verification workflow
• Development of a systematic process for managing accessibility issues	• Enhancement of accessibility in the Customer Service Center
• Implementation of the Kakao Accessibility Status Survey	• Improvement of accessibility on corporate websites

Key Digital Accessibility Activities by Affiliates

Kakao

- Operates a dedicated accessibility team
- Operation of the Kakao Accessibility Table
- Distributed accessibility guidelines for practitioners
- Operates Kakao Accessibility Supporters
- Conducts Kakao Accessibility Status Survey

Kakaomobility

- Operates the Accessibility Table and an Accessibility Response Taskforce (TF)
- Runs continuous QA, monitoring, and complaint response systems
- Supports Kakao Accessibility Supporters

Kakaopay

- Established and operates accessibility guidelines
- Improved design system for better usability
- Developed accessibility policies for users with visual impairments
- Developed accessibility policies for seniors

Kakao Entertainment

Melon

- Strengthened accessibility across mobile, PC, and wearable devices
- Verifies and responds to accessibility issues when launching new services
- Conducts monthly usability testing with users with visual, mobility, and hearing impairments
- Supports Kakao Accessibility Supporters

KakaoPage

- Adjusted color contrast ratios on service screens
- Increased button and font sizes
- Provides alternative text for images
- Requires accessibility verification for all new projects
- Supports Kakao Accessibility Supporters

Employment of People with Disabilities

Linkage Lab, Kakao's subsidiary-type standard workplace for persons with disabilities, is a growing company dedicated to breaking down barriers between persons with and without disabilities. It actively promotes the employment of persons with disabilities and raises awareness through inclusion-focused initiatives. Major Kakao affiliates—such as Kakaopay, Kakao Games, and Kakaomobility—have participated in capital increases for the company. As of the end of December 2024, 135 persons with disabilities were employed by Linkage Lab, of whom 76% have severe disabilities and 24% have mild disabilities. Krew with disabilities are engaged in IT-specialized roles such as Kakao platform service operations and digital accessibility consulting, as well as in-house welfare services across the Kakao Group, including corporate café operations, health keeper services for the visually impaired, snack curation, landscaping, and daycare maintenance.

Kakao Games' Support Project to Improve Game Accessibility for People with Disabilities

In 2023, Kakao Games launched a support project for game assistive devices to help persons with disabilities and their families enjoy a more fulfilling daily life through gaming. As the first initiative in Korea to offer 1:1 customized game assistive devices to persons with disabilities, the project is being carried out in collaboration with The Beautiful Foundation, Gyeonggi-do Assistive Technology Research & Support Center, and the National Rehabilitation Center. Over the course of two years starting in 2023, the project provided a total of 405 devices across 88 types, including specialized mice, keyboards, switches, and controllers, to 66 individuals with severe physical and brain impairments.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
ESG Activities and Performance of Kakao Group
Kakao Group's ESG Initiatives
Appendix

Appendix

140 Introduction to Kakao Affiliates
142 Detailed Reporting Scope and Standards
143 ESG Data
154 GRI Standards 2021 Index
157 SASB Index
158 IFRS S1·S2 Index
158 UN Global Compact
159 UN SDGs
160 Kakao's ESG Policies and Regulations
161 Membership in Associations
161 Major Awards and Recognitions
162 Greenhouse Gas Verification Statement
164 Third-Party Assurance Statement

Introduction to Kakao Affiliates

Kakaopay

CEO: Shin Won-keun
Established: April 2017
https://kakaopay.com

Kakaopay is a tech-finance (techfin) company that began by launching Korea's first simplified payment service. It has since expanded into transfers, billing, membership, investment, lending, and insurance, using IT to eliminate inconvenience in financial activities and offer new, user-friendly financial services. Through its integration with KakaoTalk and the Kakaopay application, it is leading the transition toward a wallet-free society by providing a convenient and secure financial platform.

Kakao Entertainment

CEO: Kweon Kisu, Chang Joseph
Established: July 2010
https://kakaoent.com

Kakao Entertainment was launched in 2021 through the integration of KakaoPage, Kakao M, and Melon. Guided by the vision "Content beyond Content," the company is building a robust IP value chain centered on three core business areas: Music, Story, and Media, accelerating its growth into a global entertainment powerhouse.

Kakao Games

CEO: Han SangWoo
Established: August 2013
https://kakaogamescorp.com

Kakao Games is a comprehensive game company, covering everything from game development to global publishing, based on powerful platforms such as Daum Game (PC) and Kakao Games (Mobile). Leveraging an expanded gaming platform that includes mobile, PC online, and console, it develops and services a wide range of genres—from casual to hardcore—both domestically and internationally.

Kakaomobility

CEO: Ryu Gung-Seon
Established: May 2017
https://kakaomobility.com

With the goal of making every mobility experience "faster and more convenient," Kakaomobility continues to drive innovation and growth through "Kakao T," its MaaS (Mobility as a Service) platform. Kakao T provides a wide range of mobility services including taxi, parking, navigation, designated driver services, electric bikes, train, and bus. Beyond transporting people, Kakaomobility is expanding the scope of its platform to include the movement of services and goods, offering users better choices and experiences in everyday life.

Kakao Investment

CEO: Kim Do-young
Established: April 2017
https://kakaoinvestment.com

Kakao Investment is Kakao's dedicated investment affiliate, supporting startups that drive innovation under the philosophy of "Creating a Better World with People and Technology". It fosters a virtuous venture ecosystem by facilitating growth, M&A, IPOs, and other exit opportunities for startups.

Kakao Piccoma

CEO: Kim Jae-yong
Established: July 2011
https://kakaopiccoma.com

Kakao Piccoma Inc., Kakao's Japanese subsidiary, operates Piccoma, a leading digital manga and novel platform in Japan. Following its core value of "Works First," the company connects a diverse range of content with readers in a mobile environment, delivering joy to everyday life through engaging storytelling.

Kakao Enterprise

CEO: Lee Wonju
Established: April 2019
https://kakaoenterprise.com

Kakao Enterprise is a leading Cloud Service Provider (CSP) in Korea, driving cloud innovation in partnership with global companies. It supports hyperscale AI and HPC environments and promotes digital transformation through cloud-native technologies. By building a healthy cloud ecosystem with partners and continuously investing in R&D, Kakao Enterprise enhances its technological competitiveness.

Kakao Ventures

CEO: Kim Ki-Jun
Established: March 2012
https://kakao.vc

Kakao Ventures, the venture capital arm of Kakao, serves as a reliable partner for startups, helping founders realize the future the world needs. Since its founding, the firm has secured over KRW 400 billion across 10 investment funds and has invested in more than 260 startups.

Kakao Healthcare

CEO: Hee Hwang
Established: March 2022
https://kakaohealthcare.com

Kakao Healthcare aims to enable healthier lives for all through technology, providing the specialized technologies and solutions needed to drive innovation through health data. Its mission is to make health management easier, more accessible, and more intelligent for everyone.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Introduction to Kakao Affiliates

Kakao Style

CEO: Seo Jung Hoon
Established: February 2012
https://kakaostyle.com

Kakao Style believes that everyone has a special style and that the joy of discovering something you love makes daily life more uniquely yours.. We operate "ZigZag," a style commerce platform that provides personalized recommended products using AI technology, and "Posty," a fashion platform for those in their 40s and 50s, creating a commerce ecosystem based on "personalization" and "relationships."

KnWorks

CEO: Shin Seok Cheol
Established: February 2005
http://knworks.co.kr/

KnWorks is a specialized operations service company equipped with broad domain expertise, specialized functional capabilities, and years of practical experience. Based on various Kakao affiliate services, KnWorks fosters a sustainable mobile ecosystem.

dk techin (DKT)

CEO: Lee Wonju
Established: August 2015
https://dktechin.com

dk techin provides IT services and AI solutions across the entire B2B business spectrum. Its services span from consulting, system development, and operations to infrastructure, delivering digital innovation with differentiated IT technology. It offers core ICT services for the AI era, including AI-based work management platforms, communication solutions, SAP ERP, and ITO services.

Linkage Lab

CEO: Park Dae Young
Established: February 2016
https://linkagelab.co.kr

Linkage Lab is Kakao's subsidiary-type standard workplace for persons with disabilities, committed to expanding employment opportunities and bridging the gap between persons with and without disabilities. It promotes social inclusion by providing specialized roles in IT operations and welfare services across Kakao Group

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Detailed Reporting Scope and Standards

Reporting Approach

Kakao publishes the Kakao's Commitment and Responsibility the company's Sustainability Report to share strategies, governance structure, management systems, programs, activities, and performance with stakeholders. Through this report, we aim to enhance stakeholder trust by disclosing the activities and achievements undertaken over the past year to fulfill our commitments and responsibilities. This report has been prepared in accordance with the GRI Standards 2021, the global sustainability reporting framework, and the SASB Internet Media & Services industry standard, issued by the U.S. Sustainability Accounting Standards Board. Unless otherwise specified, financial performance is reported based on the Korean International Financial Reporting Standards (K-IFRS) consolidated basis. In addition, we have incorporated the disclosure requirements of IFRS S1 and S2, developed by the International Sustainability Standards Board (ISSB), to report on the management of material issues. Climate-related disclosures are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As a member of the UN Global Compact, we also disclose our efforts to uphold the Ten Principles in the areas of human rights, labor, environment, and anti-corruption, as well as our contribution toward achieving the Sustainable Development Goals (SDGs).

Reporting Period

The information presented in this report primarily covers the performance during the period from January 1 to December 31, 2024. Some information from prior to 2024 or from the first half of 2025 is also included and is clearly marked within the report. Quantitative performance data is provided for the most recent three-year period (2022—2024) to support trend analysis.

Reporting Scope

Financial performance is reported on a consolidated basis, and details regarding Kakao's consolidated subsidiaries can be found in the Business Report, pages 551—558, Section 1. Status of Consolidated Subsidiaries (Detailed). Non-financial performance is primarily reported based on Kakao's domestic business sites on a standalone basis, with selected performance data from major affiliates. Additionally, a separate section titled "Kakao Group ESG" presents Group-wide ESG activities across affiliates. The quantitative ESG performance by area (pages 142—153 of this report) has been prepared on a separate basis, while certain governance indicators—such as distribution of value by stakeholder group, membership fee expenditures, corporate tax payments, and taxes paid by country—have been prepared on a consolidated basis.

Environmental Performance

- Greenhouse gas emissions and energy consumption: Data covers Kakao's domestic business sites (Pangyo Office, Jeju Office, Kakao AI Campus, Kakao Data Center Ansan, and other business sites) and leased data centers.
- Water consumption, waste generation and treatment: Data covers Kakao's domestic business sites (Pangyo Office, Jeju Office, Kakao AI Campus, Kakao Data Center Ansan, and other business sites).
- Greenhouse gas emissions data for Kakao's affiliates (Kakao Games, Kakaopay, Kakaomobility, and Kakao Entertainment) is included, and each affiliate's Third-Party Assurance Statement is available in their respective ESG reports.

Social Performance

- Workforce data is presented using both the separate basis (page 145) and the consolidated basis (page 153).

Corrections and Restatements

Changes and reasons for discrepancies between the information in this report and previous reporting years due to corrections or restatements are as follows:

- Page 143 — "Dividends and Interest Expenses," "Personnel Expenses and Employee Benefits," and "Cost of Goods Sold, Payment Gateway Fees, etc.": Adjusted to reflect final disclosures in the business report
- Pages 144 (Scope 1 & 2 Emissions) and 145 (Water Use Overview): Business site classification criteria revised
- Page 144 — Scope 3 Emissions: Recalculated due to expanded calculation boundaries and enhanced methodology, including revised emissions for Categories 1, 3, and 7; emissions for overlapping affiliates excluded from Category 15 in line with separate disclosure of consolidated GHG emissions
- Page 144 — Emissions Intensity: Emission intensity calculation changed from Scope 1, 2, and 3 combined to Scope 1 and 2 combined only
- Page 146 — Voluntary Turnover Rate: Calculated based on the total number of employees during the reporting year
- Page 147 — Employees with Disabilities: Data separated between Kakao and its subsidiary, Linkage Lab
- Page 148 — Targets: 2022 registered executives corrected from fixed-term to permanent employees
- Page 151 — Top Donations and Contributions: Rounded to whole numbers to standardize the data format across years
- Page 152 — Hotline Reports: Revised to count only the number of reports closed within the reporting year
- Page 152 — Tax Payment Ratio: Nominal tax amount and effective tax rate not calculated when pre-tax income is negative

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

ESG Data

Economic Performance

Key Financial Indicators[1)]

Category	Unit	2022	2023	2024
Sales Revenue	KRW 100 million	67,987	75,570	78,716
Operating Profit	KRW 100 million	5,694	4,609	4,602
Net Profit	KRW 100 million	13,580	-10,126	5,528

Revenue by Business Segment

Category	Unit	2022	2023	2024
Talk Biz	KRW million	1,901,657	1,982,204	2,081,533
Portal Biz	KRW million	424,099	344,334	332,174
Other Platforms	KRW million	1,136,808	1,227,904	1,487,333
Games	KRW million	1,109,512	1,009,529	873,185
Music	KRW million	894,096	1,723,949	1,920,047
Story	KRW million	920,917	922,070	864,001
Media	KRW million	411,958	347,012	313,419

Value Distribution by Stakeholder[2)]

Category		Unit	2022	2023	2024
Shareholders/ Investors	Dividends and Interest Expenses[3)]	KRW million	136,090	222,971	245,761
Krew	Personnel Expenses and Employee Benefits[3)]	KRW million	1,568,613	1,706,862	1,767,017
Partners	Cost of Goods Sold, Products, and Payment Gateway Fees[3)]	KRW million	2,554,754	2,621,227	2,604,259
Communities	Donations	KRW million	24,822	30,853	23,082

1) Based on consolidated financial statements
2) Aggregated as of December 31 of the reporting year on a consolidated basis
3) Figures revised to reflect effects of final business report disclosures

Tax Reporting by Country[4)]

Category		Unit	2022	2023	2024
Korea	Revenue	KRW million	5,966,178	6,451,192	7,026,443
	Earning before tax	KRW million	1,268,935	-648,470	208,017
	Corporate Tax Expense	KRW million	199,325	128,527	150,331
	Taxes Paid	KRW million	307,013	260,869	233,823
Japan	Revenue	KRW million	560,758	679,512	670,389
	Earning before tax	KRW million	64,134	26,504	9,512
	Corporate Tax Expense	KRW million	26,945	28,848	6,028
	Taxes Paid	KRW million	-2,627	26,945	28,848
Netherlands	Revenue	KRW million	8,987	6,651	3,106
	Earning before tax	KRW million	-26,088	-509,457	-111,496
	Corporate Tax Expense	KRW million	1,271	-1,202	0
	Taxes Paid	KRW million	-1,304	1,271	-1,202
USA	Revenue	KRW million	99,215	282,262	74,192
	Earning before tax	KRW million	-228,924	-424,561	-38,614
	Corporate Tax Expense	KRW million	1,047	4,485	257
	Taxes Paid	KRW million	483	-114	4,485
Other Countries	Revenue	KRW million	471,700	136,985	97,562
	Earning before tax	KRW million	60,217	-92,257	-70,233
	Corporate Tax Expense	KRW million	13,198	7,771	2,440
	Taxes Paid	KRW million	14,359	14,359	12,256

4) Korean entities are engaged in portal and other internet information services; Japanese entities operate in software development and services; Dutch entities focus on game software development and distribution; U.S. entities engage in entertainment and management businesses; and entities in other countries operate across software development, services, and retail sectors.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

ESG Data

Environmental Performance

Greenhouse Gas Emissions[1)2)]

Category			Unit	2022	2023	2024
Scope 1 Emissions	**Total**		**tCO_2e**	**248**	**358**	**520**
	Jeju Office		tCO_2e	80	80	58
	Pangyo Office		tCO_2e	168	261	297
	Kakao AI Campus		tCO_2e	-	-	57
	Kakao Data Center Ansan		tCO_2e	-	-	36
	Leased Data Centers		tCO_2e	0	0	0
	Others		tCO_2e	0	18	72
Scope 2 Emissions	**Total[3)]**		**tCO_2e**	**67,143**	**53,426**	**96,113**
	Market-based	Jeju Office	tCO_2e	0	0	0
		Pangyo Office	tCO_2e	5,323	6,638	5,318
		Kakao AI Campus	tCO_2e	-	-	0
		Kakao Data Center Ansan	tCO_2e	-	-	17,271
		Leased Data Centers	tCO_2e	59,473	44,964	72,387
		Others	tCO_2e	2,347	1,823	1,138
	Total		**tCO_2e**	**68,016**	**55,263**	**100,709**
	Location-based	Jeju Office	tCO_2e	872	958	880
		Pangyo Office	tCO_2e	5,323	7,518	8,266
		Kakao AI Campus	tCO_2e	-	-	768
		Kakao Data Center Ansan	tCO_2e	-	-	17,271
		Leased Data Centers	tCO_2e	59,473	44,964	72,387
		Others	tCO_2e	2,347	1,823	1,138
Emissions Intensity[4)]	**Total Emissions**		**tCO_2e**	**67,391**	**53,784**	**96,633**
	Emissions Intensity (Scope 1 + 2)		tCO_2e/ KRW 100 million	2.74	2.15	3.72

1) The total greenhouse gas emissions above are rounded down to the nearest whole number.
2) Data has been revised due to changes in business site classification criteria.
3) Emissions were calculated by reflecting renewable energy data for Jeju Office, Pangyo Office, Kakao AI Campus in Yongin, and Kakao Data Center Ansan (self-generation).
4) As the calculation method was changed from including Scope 1, 2, and 3 emissions to Scope 1 and 2 emissions only, figures decreased compared to the previous year.

Category		Unit	2022	2023	2024
Scope 3 Emissions[5)]	**Total**	**tCO_2e**	**84,847**	**75,992**	**57,248**
	1. Purchased Goods and Services[6)]	tCO_2e(%)	10,801(12.7)	11,386(15.0)	10,798(18.9)
	2. Capital Goods	tCO_2e(%)	49,508(58.3)	14,766(19.4)	24,821(43.4)
	3. Fuel- and Energy-Related Activities[6)]	tCO_2e(%)	10,727(12.6)	8,314(10.9)	14,909(26.0)
	4. Upstream Transportation and Distribution	tCO_2e(%)	1(0.0)	81(0.1)	76 (0.1)
	5. Waste Generated in Operations	tCO_2e(%)	282(0.3)	232(0.3)	273 (0.5)
	6. Business Travel	tCO_2e(%)	435(0.5)	272(0.4)	321 (0.6)
	7. Employee Commuting[6)]	tCO_2e(%)	856(1.0)	488(0.6)	530 (0.9)
	8. Upstream Leased Assets	tCO_2e(%)	-	-	-
	9. Downstream Transportation and Distribution	tCO_2e(%)	87(0.1)	127(0.2)	608 (1.1)
	11. Use of Sold Products	tCO_2e(%)	4,547(5.4)	1,238(1.6)	2,622 (4.6)
	12. End-of-Life Treatment of Sold Products	tCO_2e(%)	203(0.2)	194(0.3)	140 (0.2)
	13. Downstream Leased Assets	tCO_2e(%)	207(0.2)	134(0.2)	221 (0.4)
	14. Franchises	tCO_2e(%)	26(0.0)	102(0.1)	83 (0.1)
	15. Investments[7)]	tCO_2e(%)	7,165(8.4)	38,656(50.9)	1,847 (3.2)

5) Figures in parentheses represent the proportion of Scope 3 emissions.
6) As the calculation boundaries were expanded and methodology refined in 2024, emissions for 2022 and 2023 were recalculated based on the updated criteria.
7) From 2024 onward, duplicated affiliate emissions have been excluded, as consolidated greenhouse gas emissions (page 153) are disclosed separately.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

ESG Data

Environmental Performance

Energy Consumption[1)]

Category			Unit	2022	2023	2024
Energy Consumption	Direct Energy	**Total**	**GJ**	**4,125**	**6,138**	**8,936**
		Stationary Combustion (LPG)	GJ	1,025	1,044	1,968
		Stationary Combustion (LNG)	GJ	1,218	2,915	4,629
		Stationary Combustion (Diesel)	GJ	-	-	85
		Stationary Combustion (Kerosene)	GJ	-	255	-
		Mobile Combustion (Gasoline)	GJ	1,586	1,901	2,132
		Mobile Combustion (Diesel)	GJ	296	23	121
	Indirect Energy[2)]	**Total**	**GJ**	**1,405,129**	**1,120,132**	**2,013,999**
		Electricity	GJ	1,395,932	1,104,114	2,005,190
		Heat	GJ	9,197	16,018	8,809
Energy Intensity	**Total Energy Consumption**		**GJ**	**1,409,254**	**1,126,270**	**2,022,935**
	Total Energy Consumption (Direct, Indirect, and External)		GJ/KRW 100 million	57.4	45.1	78.0
Renewable Energy Consumption	**Total[3)]**		**MWh**	**1,900**	**4,001**	**10,905**
	Green Premium Purchase Volume		MWh	0	0	4,000
	Renewable Energy Certificates (REC — Solar)		MWh	1,900	2,001	4,004
	Renewable Energy Certificates (REC — Wind)		MWh	0	2,000	2,000
	Self-Generated Power		MWh	0	0	901
	Renewable Energy Usage Rate		%	1.3	3.3	5.0

1) The total energy consumption above is rounded down to the nearest whole number
2) For the conversion of electricity consumption into indirect energy, the emission factor of 9.6 MJ/kWh for electricity (based on consumption), as specified in the Greenhouse Gas Target Management System (TMS) reporting guidelines, was applied using the national net calorific value conversion factor
3) Renewable energy consumption in GJ units: 18,240 GJ in 2022; 38,405 GJ in 2023; 99,284 GJ in 2024
4) Data has been revised due to changes in business site classification criteria
5) All water withdrawals come from municipal water supplies
6) Water withdrawal and water usage volumes are identical
7) Water discharge = Water withdrawal – Water consumption
8) Same as the previously reported "Reclaimed water usage"
9) From 2024, waste data is disclosed by type in accordance with the Waste Control Act.

Water Consumption[4)]

Category		Unit	2022	2023	2024
Water Withdrawal[5)6)]	**Total**	**m³**	**44,469**	**165,985**	**346,673**
	Jeju Office	m³	7,945	9,065	8,504
	Pangyo Office	m³	32,061	149,811	317,589
	Kakao AI Campus	m³	-	-	6,321
	Kakao Data Center Ansan	m³	-	-	6,320
	Others	m³	4,463	7,109	7,939
Water Discharge[7)]	**Total**	**m³**	**44,469**	**165,985**	**346,673**
Water Recycling[8)]	**Total**	**m³**	**890**	**7,060**	**10,819**
	Jeju Office	m³	0	0	0
	Pangyo Office	m³	890	6,993	10,498
	Kakao AI Campus	m³	-	-	0
	Kakao Data Center Ansan	m³	-	-	192
	Others	m³	0	67	129
Water Withdrawal Intensity	Total	m³/KRW 100 million	1.8	6.6	13.4

Waste Generation and Disposal[9)]

Category			Unit	2022	2023	2024
Waste Generated	**Total Waste**		**tons**	**279**	**577**	**691**
	Household Waste		tons	279	577	131
	Business Site Waste	General Waste	tons	0	0	559
		Designated Waste	tons	0	0	0
		Construction Waste	tons	0	0	0
	Other Waste		tons	0	0	0
Waste Disposed	**Total Disposed**		**tons**	**279**	**577**	**691**
	Incinerated		tons	253	82	118
	Landfilled		tons		172	89
	Recycled		tons	26	322	428
	Others		tons	-	-	56

Other Environmental Performance

Category		Unit	2022	2023	2024
Number of Corporate Vehicles Owned	Number of eco-friendly vehicles	vehicles	10	7	12
	Total number of vehicles	vehicles	45	46	52

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Social Performance

Employee Status[1]

Category				Unit	2022	2023	2024
Total				**persons**	**3,901**	**3,880**	**4,028**
By Gender	Male			persons	2,183	2,147	2,275
	Female			persons	1,718	1,733	1,753
By Age Group	Under 30			persons	1,141	989	825
	30—50			persons	2,709	2,828	3,123
	50 or older			persons	51	63	80
By Employment Type	Permanent Employees	Subtotal		persons	3,681	3,686	3,865
		Male		persons	2,138	2,135	2,263
		Female		persons	1,543	1,551	1,602
	Fixed-term Employees[2]	Contract Workers	Subtotal	persons	71	24	23
			Male	persons	31	3	6
			Female	persons	40	21	17
		Part-time	Subtotal	persons	149	170	140
			Male	persons	14	9	6
			Female	persons	135	161	134
By Job Function	Office Staff	Subtotal		persons	1,964	1,932	1,973
		Male		persons	650	614	652
		Female		persons	1,314	1,318	1,321
	Technical Staff	Subtotal		persons	1,937	1,948	2,055
		Male		persons	1,533	1,533	1,623
		Female		persons	404	415	432
Non-Company Workers	Dispatched Workers	Subtotal		persons	11	9	21
		Male		persons	2	3	2
		Female		persons	9	6	19

1) Calculated based on the number of employees as of December 31 of each year; registered executives are excluded

2) In accordance with the business report, contract employees and interns are classified as "contract employees," and assistants are classified as "part-time"

3) Calculated including both contract and part-time employees

Recruitment Status[3]

Category			Unit	2022	2023	2024
New Hires	**Total**		**persons**	**870**	**452**	**314**
	By Gender	Male	persons	453	139	113
		Female	persons	417	313	201
		Male Ratio	%	52.1	30.8	36
		Female Ratio	%	47.9	69.2	64
	By Age Group	Under 30	persons	466	294	208
		30—50	persons	396	156	93
		50 or older	persons	8	2	13
		Under 30 Ratio	%	53.6	65	66.2
		30—50 Ratio	%	45.5	34.5	29.6
		50 or older Ratio	%	0.9	0.4	4.1
	Internal Recruitment for Open Positions		%	0	43.9	2.8
	Average Hiring Cost per Employee		KRW	552,161	351,439	250,227

Turnover Status[3]

Category			Unit	2022	2023	2024
Voluntary Turnover	**Total**		**persons**	**373**	**208**	**225**
	By Gender	Male	persons	227	108	125
		Female	persons	146	100	100
	By Age Group	Under 30	persons	109	61	88
		30—50	persons	250	133	131
		50 or older	persons	14	14	6
	Voluntary Turnover Rate[4]		%	9.6	5.4	5.6
	Average Years of Service[5]		years	4.3	5.0	5.6
Dismissals	Number of Employees Dismissed[6]		persons	0	0	0
	Number of Employees Affected by M&A		persons	0	0	0

4) Previously reported data has been revised to reflect the entire employee count during the reporting year as the denominator

5) Average years of service is calculated based on employees actively employed as of December 31 of each year

6) Only dismissals due to business reasons are included

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Social Performance

Diversity Status

Category			Unit	2022	2023	2024
Executives	**Total**		**persons**	**6**	**7**	**8**
	By Gender	Male	persons	4	3	4
		Female	persons	2	4	4
		Male Ratio	%	66.7	42.9	50
		Female Ratio	%	33.3	57.1	50
	By Age Group	Under 30	persons	0	0	0
		30—50	persons	2	4	3
		50 or older	persons	4	3	5
		Under 30 Ratio	%	0	0	0
		30—50 Ratio	%	33.3	57.1	37.5
		50 or older Ratio	%	66.7	42.9	62.5
Senior Managers[1]	**Total**		**persons**	**170**	**191**	**132**
	By Gender	Male	persons	112	132	99
		Female	persons	58	59	33
		Male Ratio	%	65.9	69.1	75
		Female Ratio	%	34.1	30.9	25
	By Age Group	Under 30	persons	0	0	0
		30—50	persons	156	170	102
		50 or older	persons	14	21	30
		Under 30 Ratio	%	0	0	0
		30—50 Ratio	%	91.8	89.9	77.3
		50 or older Ratio	%	8.2	10.1	22.7
Junior Managers[1]	**Total**		**persons**	**477**	**494**	**317**
	By Gender	Male	persons	314	320	217
		Female	persons	163	174	100
		Male Ratio	%	65.8	64.8	68.5
		Female Ratio	%	34.2	35.2	31.5

Category			Unit	2022	2023	2024
Junior Managers[1]	By Age Group	Under 30	persons	2	4	0
		30—50	persons	466	481	296
		50 or older	persons	9	9	21
		Under 30 Ratio	%	0.4	0.8	0
		30—50 Ratio	%	97.7	97.4	93.4
		50 or older Ratio	%	1.9	1.8	6.6
Revenue-Generating Departments[2]	**Total**		**persons**	**1,121**	**1,087**	**1,136**
	By Gender	Male	persons	335	313	322
		Female	persons	786	774	814
		Male Ratio	%	29.9	28.8	28.3
		Female Ratio	%	70.1	71.2	71.7
STEM Fields[2]	**Total**		**persons**	**1,937**	**1,948**	**2,055**
	By Gender	Male	persons	1,533	1,533	1,623
		Female	persons	404	415	432
		Male Ratio	%	79.1	78.7	79.0
		Female Ratio	%	20.9	21.3	21.0
By Nationality	Korea		persons	3,895	3,875	4,023
	USA		persons	2	1	1
	Japan		persons	1	1	0
	Canada		persons	3	3	3
	Vietnam		persons	0	0	1
Foreign Employees	Number of Foreign Employees		persons	6	5	5
	Foreign Employee Ratio		%	0.2	0.1	0.1
Employees with Disabilities[3]	Kakao		persons	8	11	12
	Linkage Lab		persons	113	117	124

1) Senior managers include personnel from team leader level up to one level below executive; junior managers include personnel from cell leader level up to one level below team leader

2) Revenue-generating departments are counted under the service business workforce category; STEM occupations are counted under the tech workforce category

3) In accordance with applicable laws, persons with severe disabilities are counted as two individuals for employment rate calculation. As of 2024, the employment rate reached 3.27%, exceeding the statutory requirement of 3.1%

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Social Performance

Employee Training

Category			Unit	2022	2023	2024
Targets	**Total[1]**		**persons**	**3,907**	**3,887**	**4,036**
	By Employment Type	Permanent Employees	persons	3,687	3,693	3,873
		Fixed-term Employees	persons	220	194	163
Total Training Hours			**hours**	**77,707**	**88,351**	**137,576**
Average Training Hours	Average Training Hours per Person		hours/person	19.9	22.7	34.1
	By Gender	Male	hours/person	23.3	24.8	32.6
		Female	hours/person	15.5	20.2	36.0
	By Employment Type	Permanent Employees	hours/person	20.7	23.6	34.8
		Fixed-term Employees	hours/person	7.1	6.7	18.2
	By Age Group	Under 30	hours/person	30.7	26.5	38.4
		30—50	hours/person	15.5	21.5	33.7
		50 or older	hours/person	14.3	20.6	14.9
	By Managerial Level	Executives	hours/person	0.3	6.4	8.9
		Senior managers	hours/person	15.7	26.3	26.5
		Junior Managers	hours/person	16.7	27.4	33.2
	Foreign Employees		hours/person	1.0	25.2	19.8
	By Education Type	Leadership[2]	hours/person	6.4	10.6	4.9
		Onboarding	hours/person	21.3	9.9	11.7
		Job competency	hours/person	9.5	11.5	26.4
		Knowledge sharing[3]	hours/person	1.7	4.1	1.3
		General/ common	hours/person	3.7	4.7	4.8
Average Training Cost per Person			KRW million/ person	0.3	0.3	0.3

1) The total workforce count includes registered executives. For 2022, registered executives were reclassified from fixed-term to permanent employees, and previously reported data has been revisedDecrease in hours due to reduced number of leadership programs

2) Decrease in hours due to shortened training sessions

3) Decrease in hours due to downsized program operations

Human Rights Education Status

Category		Unit	2022	2023	2024
Disability Awareness Education	Targets	persons	3,842	3,960	4,095
	Participants	persons	3,842	3,960	4,095
	Completion Rate	%	100	100	100
Sexual Harassment Prevention	Targets	persons	3,842	3,960	4,095
	Participants	persons	3,842	3,960	4,095
	Completion Rate	%	100	100	100
Workplace Bullying Prevention	Targets	persons	3,842	3,960	4,095
	Participants	persons	3,842	3,960	4,095
	Completion Rate	%	100	100	100

Compensation Status

Category		Unit	2022	2023	2024
Average Salary per Employee	Total	KRW million	139	101	102
	Male	KRW million	173	114	114
	Female	KRW million	94	84	86

Performance Evaluation[1]

Category	Unit	2022	2023	2024
Proportion of Employee Performance Evaluations Conducted	%	100	100	100

1) Conducted among full-time Krew, excluding those not subject to performance evaluation based on internal criteria as of the assessment date

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Social Performance

Parental Leave Status[1)]

Category		Unit	2022	2023	2024
Eligible Employees	Male	persons	536	589	612
	Female	persons	260	333	406
Employees who Took Leave	Male	persons	12	16	29
	Female	persons	52	71	117
Scheduled to Return	Male	persons	6	5	10
	Female	persons	48	41	48
Actually Returned	Male	persons	4	5	10
	Female	persons	43	39	46
Retained for 12 Months Post-Return	Male	persons	2	4	4
	Female	persons	38	41	36
Return Rate[2)]	Male	persons	66.7	100	100
	Female	persons	89.6	95.1	95.8
Retention Rate[3)]	Male	persons	100	100	80
	Female	persons	95.0	95.0	92

1) "Eligible employees" refers to those who were entitled to parental leave during the reporting year, while subsequent indicators under "Employees who took leave" are based on actual usage during the yearReturn Rate = (Number of employees who returned after parental leave) / (Number of employees scheduled to return in the reporting year) × 100

2) Retention Rate = (Number of employees who remained for 12 months after returning) / (Number of employees who returned in the previous reporting year) × 100

Labor-Management Relations and Organizational Culture

Category		Unit	2022	2023	2024
Collective Agreement Coverage Ratio[1)]		%	100	100	100
Notice Period for Major Workplace Changes		days	50	50	50
Employee Satisfaction	Survey frequency	-	Annually	Annually	Annually
	Survey result[2)]	%	77	78	53
	Family-Friendly Certification	-	Yes	No	Yes
Employee Grievance Handling	Number of grievances reported	cases	10	11	12
	Number of grievances resolved	cases	10	11	12
	Grievance resolution rate	%	100	100	100

Occupational Safety and Health

Category		Unit	2022	2023	2024
Occupational Safety and Health	Number of employees covered by the occupational safety and health management system[3)]	persons	3,901	4,897	4,881
Work-Related Injuries	Injury rate[4)]	Injuries per 200,000 hours	0.02	0.08	0.17
	Absence rate[5)]	%	1.27	0.74	0.02
	Number of fatalities	cases	0	0	0
	Number of injuries[6)]	cases	1	4	8
ISO 45001 Occupational Safety and Health Management System Certification	Certification status	-	-	-	-

1) Universally applicable across all business sites

2) Ratio of employees covered by collective bargaining agreements. Employee satisfaction is measured based on the average score of the "Engagement" domain, one of 10 domains in the group's health index methodology

3) The 2022 data includes only Kakao employees, while from 2023 onward, it also includes dispatched and outsourced workers under Kakao's control

4) Injury rate = (Number of work-related injury cases ÷ Annual total working hours) × 200,000 hours. From 2023, the calculation includes dispatched and outsourced workers

5) Absentee rate = (Total number of sick leave days ÷ Total number of scheduled workdays) × 100. From 2024, the calculation includes dispatched and outsourced workers

6) Injury cases: struck by falling object (1), traffic accident (1), ladder fall (2), childcare center collision (3), slip and fall (1).

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

ESG Data

Social Performance

Supplier

Category		Unit	2022	2023	2024
Number of suppliers	Registered suppliers	entities	261	442	879
	Long-term suppliers	entities	53	56	60

Supplier Evaluation

Category		Unit	2022	2023	2024
ESG Risk Assessment	Percentage of suppliers assessed	entities	-	10	10
	Number of suppliers with identified negative impacts	entities	-	0	0
	Number of suppliers supported for corrective actions	entities	-	0	0
	Number of suppliers with contracts terminated due to negative impacts	entities	-	0	0

Supplier Safety and Helath / Environmental Management Systems

Category	Unit	2022	2023	2024
Percentage of Suppliers Certified with ISO 45001 or EMAS (Eco-Management and Audit Scheme)	%	-	0	0

User Satisfaction

Category	Unit	2022	2023	2024
Korea Communications Commission's Evaluation on User Protection Practices	Grade	Average	Good	Excellent

User Rights Protection Status

Category		Unit	2022	2023	2024
Handling of Rights Infringement Based on User Requests	Copyright Infringement	cases	33,603	15,048	13,881
	Trademark Infringement	cases	56,426	78,334	37,034
	Defamation	cases	28,240	22,861	25,325

Privacy Protection and Information Security

Category			Unit	2022	2023	2024
Education for Personnel Handling Personal Data	Participants		persons	3,477	2,415	2,718
	Eligible employees		persons	3,479	2,418	2,718
	Average training hours per person		hours	1	1	1
Complaints and Incidents Related to Personal Data	Number of external complaints received		cases	0	0	0
	Number of complaints received via regulatory bodies		cases	2	4	3
	Number of data breaches		cases	0	0	0
	Breach ratio involving personally identifiable information[1]		%	0	0	0
	Number of affected users		persons	0	0	0
	Financial loss due to legal procedures		KRW million	0	0	0
Bug Bounty Program	Number of bug reports		cases	67	85	63
	Number of reporters		persons	30	36	37
Information Security Education Status	Employees[1]	Targeted personnel	persons	3,329	3,715	3,942
		Completed personnel	persons	3,247	3,667	3,866
		Completion rate	%	97.5	98.7	98.1
	Partners[2]	Targeted personnel	persons	379	661	1,644
		Completed personnel	persons	379	0	1,644
		Completion rate	%	100	0	100

1) Includes all employees under indefinite-term contracts, fixed-term contracts, and short-term contracts.
2) Includes partner company members dispatched through outsourcing contracts.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Governance Performance

Board of Directors Status[1)]

Category			Unit	2022	2023	2024
Board Composition	**Total**		**persons**	**6**	**7**	**8**
	By Type	Executive Directors	persons	2	2	3
		Other Non-Executive Directors	persons	0	1	0
		Independent Directors	persons	4	4	5
	By Gender	Male	persons	4	3	4
		Female	persons	2	4	4
Board Operation	Number of meetings held		sessions	13	18	16
	Average attendance rate of independent directors		%	100	98.9	100
	Number of agenda items	Resolutions	cases	59	51	53
		Reports	cases	11	13	9

Membership Dues

Category	Unit	2022	2023	2024
Lobbying, Interest Representation, or Similar Organizations	KRW million	0	0	0
Local/National Political Campaigns, Organizations, or Candidates	KRW million	0	0	0
Total Association Dues (Consolidated Basis)	KRW million	5,361	3,058	3,593
Others (e.g., Referendum-Related Expenditures)	KRW million	0	0	0

Top Donations and Contributions

Category	Unit	2022	2023	2024
Korea Internet Corporations Association[2)]	KRW million	699	600	654
Korea Internet Self-governance Organization	KRW million	413	475	462
Korea Digital Advertising Association	KRW million	50	50	50

Board Committees[3)]

Category			Unit	2022	2023	2024
Audit Committee	Independent Director ratio		%	100	100	100
	Number of meetings held		sessions	6	10	13
	Number of agenda items	Resolutions	cases	5	12	13
		Reports	cases	6	8	11
Compensation Committee	Independent Director ratio		%	100	100	100
	Number of meetings held		sessions	2	4	6
	Number of agenda items	Resolutions	cases	6	9	10
		Reports	cases	1	1	1
Directors Nominating Committee	Independent Director ratio		%	66.7	66.7	66.7
	Number of meetings held		sessions	3	5	3
	Number of agenda items	Resolutions	cases	0	3	2
		Reports	cases	3	3	2
ESG Committee	Independent Director ratio		%	66.7	66.7	66.7
	Number of meetings held		sessions	3	4	4
	Number of agenda items	Resolutions	cases	2	1	1
		Reports	cases	5	8	8

1) As of December 31 of the reporting year
2) Rounded to the nearest whole number for format consistency
3) As of December 31 of the reporting year

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Governance Performance

Ethical Management

Category			Unit	2022	2023	2024
Ethics Education for New Hires	Participants		persons	455	194	229
Hotline Reports[1]	Total Reports Received	**Total**	**cases**	**12**	**9**	**18**
	Types of Violations	Discrimination and harassment	cases	5	2	9
		Corruption and bribery	cases	0	1	0
		Personal data breaches	cases	0	0	0
		Others	cases	7	6	9
	Outcomes	Reprimands	cases	1	0	0
		Salary deductions	cases	2	1	2
		Suspensions	cases	3	2	1
		Dismissals	cases	1	2	1
		Others	cases	5	4	14

Corporate Income Tax Status[2]

Category	Unit	2022	2023	2024
Earnings Before Tax	KRW million	1,268,935	-1,648,240	-2,814
Reported Tax	KRW million	176,573	-380,743	-650
Effective Tax Rate	%	14	-	-
Cash Taxes Paid	KRW million	317,923	303,330	278,210
Cash Tax Rate[3]	%	24	-	-

1) Calculated based on the number of reports closed in the current year to correct previously reported data
2) Consolidated figures as of December 31 of the reporting year
3) When pre-tax income is negative, the nominal tax amount and effective tax rate are not calculated. Previously reported data has been revised accordingly.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

ESG Data

Consolidated Basis Overview

Employee Status[1)]

Category				Unit	2022	2023	2024
Current Employee[2)]	**Total**			persons	**16,479**	**17,188**	**16,655**
	By Gender		Male	persons	9,196	9,192	8,887
			Female	persons	7,283	7,996	7,768
	By Employment Type	Permanent Employees	Subtotal	persons	15,268	16,033	15,650
			Male	persons	8,732	8,780	8,545
			Female	persons	6,536	7,253	7,105
		Fixed-term Employees	Subtotal	persons	1,211	1,064	1,005
			Male	persons	464	337	340
			Female	persons	747	727	665
New hires	**Total**			**persons**	**5,206**	**2,630**	**748**
	By Gender		Male	persons	2,626	1,297	439
			Female	persons	2,580	1,333	309
Turnover (voluntary turnover)	**Total**			**persons**	**2,430**	**2,227**	**682**
	By Gender		Male	persons	1,286	1,174	322
			Female	persons	1,144	1,053	360

Greenhouse Gas Emissions[3)4)]

Category		Unit	2022	2023	2024
Scope 1 Emissions	Kakao	tCO_2e	248	358	520
	Kakao Games	tCO_2e	97	91	142
	Kakaopay	tCO_2e	18	49	60
	Kakaomobility	tCO_2e	-	-	222
	Kakao Entertainment	tCO_2e	-	-	145
Scope 2 Emissions[5)]	Kakao	tCO_2e	67,143	53,426	96,113
	Kakao Games	tCO_2e	524	637	596
	Kakaopay	tCO_2e	2,028	3,185	3,857
	Kakaomobility	tCO_2e	-	-	2,291
	Kakao Entertainment	tCO_2e	-	-	3,170

1) Kakao, Kakao Entertainment, Kakaopay, Kakao Games, Kakaomobility, Kakao Piccoma, Kakao Investment, Kakao Enterprise, Kakao Healthcare, Kakao Ventures, KnWorks, dk techin (DKT), Linkage Lab, and SM Entertainment

2) Registered executives, part-time workers, and non-affiliated workers are excluded, and for those with concurrent positions, calculation is based on "primary affiliation"

3) These are publicly listed companies among the affiliated companies under agreement. For further details, refer to each company's ESG report.

4) The greenhouse gas emissions listed above are rounded down to the nearest whole number.

5) Emissions for Kakao, Kakaopay, Kakaomobility, and Kakao Entertainment were calculated using a market-based approach, while emissions for Kakao Games were calculated using a location-based approach.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

GRI Standards 2021 Index

Overview

Statement of Use

Kakao has prepared the report titled "2024 Kakao's Commitment and Responsibility," which outlines our ESG management activities and performance from January 1, 2024 to December 31, 2024, in accordance with the GRI Standards 2021 and its requirements for reporting in accordance with the GRI.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standards

As of the publication date, it is not feasible to apply a specific GRI Sector Standard that reflects the industrial characteristics of Kakao. However, in accordance with the GICS (Global Industry Classification Standard), Kakao reviewed various external references to determine material issues relevant to the Interactive Media and Services sector and has reported related performance. Please refer to pages 22—62 of this report for further details.

General Disclosures

Indicator		Report Location	Note
2-1	Organizational Details	7	
2-2	Entities Included in the Organization's Sustainability Reporting	2, 142	
2-3	Reporting Period, Frequency and Contact Point	2, 142	
2-4	Restatements of Information	142	
2-5	External Assurance	164-165	
2-6	Activities, Value Chain, and Other Business Relationships	7-10, 102-104	Refer to 2024 Annual Report pp.29—31 ("1. Business Overview")
2-7	Employees	146-147	Based on headcount as of December 31, 2024; refer to 2024 Annual Report p.512 ("Section L. Employees, etc.")
2-8	Workers Who Are Not Employees	146	
2-9	Governance Structure and Composition	117-120	Refer to 2024 Annual Report p.478 ("Section A. Overview of the Board of Directors")
2-10	Nomination and Selection of the Highest Governance Body	119	Refer to Article 5 "Composition and Appointment of Directors" of the Corporate Governance Charter
2-11	Chair of the Highest Governance Body	117-118	
2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	15, 120	
2-13	Delegation of Responsibility for Managing Impacts	15, 120	
2-14	Role of the Highest Governance Body in Sustainability Reporting	15, 120-121	
2-15	Conflicts of Interest	-	Cross-board membership, cross-shareholding with parnters and other stakeholders, the existence of a controlling shareholder, transactions with related parties, and balances of receivables and payables are disclosed through the Business Report[1] and the Corporate Governance Report[2].
2-16	Communications of Critical Concerns	120	Refer to 2024 Annual Report p.479 ("Section B. Key Agenda Items")
2-17	Collective Knowledge of the Highest Governance Body	116	Refer to 2024 Annual Report p.486 ("Section E. Expertise of Independent Directors")
2-18	Evaluation of the the Performance of the Highest Governance Body	121	
2-19	Remuneration Policies	-	Refer to 2024 Annual Report p.513 ("Section 2. Remuneration of Executives")
2-20	Process to Determine Remuneration	121	Refer to the 2024 Annual Report, p.513 ("Section 2. Executive Remuneration") and the results of the Annual General Meeting of Shareholders.

1) Refer to Section A ("Controls on Internal Transactions and Self-Dealing") and Section A ("Independence of Independent Directors") of the 2024 Corporate Governance Report.

2) Refer to Section VII ("Matters Related to Shareholders") and Section IX ("Affiliates, etc.") of the 2024 Annual Report.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

GRI Standards 2021 Index

Indicator		Report Location	Note
2-21	Annual Total Compensation Ratio	121	
2-22	Statement on Sustainable Development Strategy	5-6	
2-23	Policy Commitments	94, 101	Sustainability-related policies are subject to final approval by the ESG Committee within the Board of Directors.
2-24	Embedding Policy Commitments	95-96, 102-103	
2-25	Processes to Remediate Negative Impacts	61	
2-26	Mechanisms for Seeking Advice and Raising Concerns	96, 102, 125	
2-27	Compliance with Laws and Regulations	-	Refer to the 2024 Annual Report, p.543 ("3. Matters Related to Sanctions, etc.")
2-28	Membership Associations	161	
2-29	Approach to Stakeholder Engagement	16	
2-30	Collective Bargaining Agreements	149	

Material Topics

Topic	Indicator		Report Location	Note
GRI 3: Material Topics 2021				
Material Topics	3-1	Process to Determine Material Topics	17	
	3-2	List of Material Topics	19	
User Protection				
Material Topics	3-3	Management of Material Topics	22-31	
Privacy Protection and Information Security				
Material Topics	3-3	Management of Material Topics	32-45	
GRI 418: Customer Privacy 2016				
Customer Privacy	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	150	
Climate Change Response				
Material Topics	3-3	Management of Material Topics	46-58	
GRI 302: Energy 2016				
Energy	302-1	Energy Consumption within the Organization	145	
	302-3	Energy Intensity	145	
GRI 305: Emissions 2016				
Emissions	305-1	Direct (Scope 1) GHG emissions	144	
	305-2	Energy indirect (Scope 2) GHG emissions	144	
	305-3	Other indirect (Scope 3) GHG emissions	144	
	305-4	GHG Emissions Intensity	144	
Integrated Risk Management				
Material Topics	3-3	Management of Material Topics	59-62	

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

GRI Standards 2021 Index

Topic Standards

Topic	Indicator		Report Location	Note
GRI 201: Economic Performance 2016				
Economic Performance	201-1	Direct Economic Value Generated and Distributed	143	
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	48, 53-54	
GRI 203: Indirect Economic Impacts 2016				
Indirect Economic Effects	203-2	Significant Indirect Economic Impacts	108-115	
GRI 205: Anti-Corruption 2016				
Anti-Corruption	205-2	Communication and Training about Anti-Corruption Policies and Procedures	124, 127	
GRI 206: Anti-Competitive Behavior 2016				
Anti-competitive Behavior	206-1	Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	127	Refer to the 2024 Annual Report, p.547 ("3. Matters Related to Sanctions, etc.")
GRI 418: Customer Privacy 2016				
Tax	207-1	Approach to Tax	24	
	207-2	Tax Governance, Control, and Risk Management	24	
	207-4	Country-by-Country Reporting	143	
GRI 303: Water and Effluents 2016				
Water and Effluents	303-3	Water Withdrawal	145	
	303-5	Water Consumption	145	
GRI 306: Waste 2016				
Waste	306-3	Waste Generated	145	
	306-4	Waste Diverted from Disposal	145	

Topic	Indicator		Report Location	Note
GRI 401: Employment 2016				
Employment	401-1	New Employee Hires and Employee Turnover	146	
	401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	93	
	401-3	Parental Leave	97, 149	
GRI 403: Occupational Safety and Health 2018				
Occupational Safety and Health	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	99	
	403-4	Worker Participation, Consultation, and Communication on Industrial Health and Safety	98	
	403-5	Worker Training on Occupational Health and Safety	99	
	403-6	Promotion of Worker Health	93, 100	
	403-9	Work-Related Injuries	149	
GRI 404: Training and Education 2016				
Training and Education	404-1	Average Hours of Training Per Year Per Employee	148	
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	89-91	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	148	
GRI 405: Diversity and Equal Opportunity 2016				
Diversity and Equal Opportunity	405-1	Diversity of Governance Bodies and Employees	147	
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	148	
GRI 406: Non-Discrimination 2016				
Prohibition of Discrimination	406-1	Incidents of Discrimination and Corrective Actions Taken	152	
GRI 415: Public Policy 2016				
Public Policy	415-1	Political Contributions	125,151	No contributions reported, in accordance with Article 31 of the Political Funds Act, which prohibits political donations.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

SASB Index

Kakao discloses relevant data in accordance with the Sustainability Accounting Standards Board (SASB)'s voluntary industry-specific disclosure standards for sustainability issues, aiming to provide information necessary for decision-making by investors and a wide range of stakeholders. The SASB Index has been prepared based on the Internet Media & Services industry standard under the Technology & Communication sector of the Sustainability Industry Classification System (SICS).

Topic	Code	Accounting Metric	Report Location	Details
Environmental Footprint of Hardware Infrastructure	TC-IM-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	145	(1) 8,936GJ (2) 100% (3) 4.9%, based on proportion of renewable energy within total energy consumption
	TC-IM-130a.2	(1) Total water withdrawn (2) Total water consumed, Percentage from regions with high or extremely high baseline water stress	73, 145	(1) 346,673m³ (2) 346,673m³ (no wastewater discharge or effluent) (3) Jeju Office, Pangyo Office, Kakao AI Campus, and Kakao Data Center Ansan are not located in areas of high water stress
	TC-IM-130a.3	Description of the integration of environmental considerations into strategic planning for data center needs	67	Refer to the section "Eco-Friendly Data Centers and Offices" in the report
Privacy Protection, Advertising Standards, and Freedom of Expression	TC-IM-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	36-39	Refer to Kakao's personalized advertising guide page and privacy site
	TC-IM-220a.2	Number of users whose information is used for secondary purposes	38	Kakao uses users' personal data only for purposes to which they have given prior consent, and continuously monitors compliance with relevant regulations—such as potential usage beyond the agreed scope—through privacy impact assessments.
	TC-IM-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	150	-
	TC-IM-220a.4	(1) Number of law enforcement requests for user information (2) Number of users whose information was requested (3) Percentage resulting in disclosure	39	Refer to the Transparency Report on the Privacy site
	TC-IM-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	-	-
	TC-IM-220a.6	Number of government requests for remove content, percentage compliance with requests	-	-
Information Security	TC-IM-230a.1	(1) Number of data breaches (2) Percentage involving Personally Identifiable Information (PII) (3) Number of users affected	150	(1) 0 cases (2) 0% (3) 0 users
	TC-IM-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	44, 60	-
Employee Recruitment, Engagement, and Performance	TC-IM-330a.1	Percentages of employees that are foreign nationals	147	0.1%
	TC-IM-330a.2	Employee engagement as a percentage	149	According to the 2024 Organizational Health Assessment, the average score in the "Engagement" dimension was 53%.
	TC-IM-330a.3	Percentage of gender and racial/ethnic group representation for (1) management (2) technical staff and (3) all other employee	147	-
Intellectual Property Protection and Anti-Competitive Behavior	TC-IM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	-	Refer to the 2024 Annual Report, p.567—572 ("3. Matters Related to Sanctions, etc.")

Kakao Personalized Ads Guide Page | Privacy Site

Code	Accounting Metric	Report Location	Details
TC-IM-000.A	Entity-defined measure of user activity	8	As of Q4 2024, the average monthly active users (MAU) of KakaoTalk in Korea was 48.95 million.
TC-IM-000.B	(1) Data processing capacity (2) Percentage outsourced	-	-
TC-IM-000.C	(1) Amount of data storage (2) Percentage outsourced	-	-

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

IFRS S1·S2 Index

Kakao discloses relevant data in accordance with the sustainability disclosure standards of the International Sustainability Standards Board (ISSB), aiming to provide useful information for decision-making by investors and various other stakeholders. Based on IFRS S1 and S2—pertaining respectively to general sustainability-related disclosures and climate-related disclosures—Kakao has prepared the following cross-reference index for the reporting period.

IFRS S1 — General Sustainability-related Disclosures

Category	Indicator		Report Location
Governance	27 (a)	Governance body responsible for overseeing sustainability-related risks and opportunities	23, 33
	27 (b)	Management's role in monitoring, managing, and overseeing sustainability-related risks and opportunities	23, 34
Strategy	29 (a)	Sustainability-related risks and opportunities	24, 35
	29 (b)	Current and anticipated effects of risks and opportunities on the business model and value chain	24, 35
	29 (c)	Effects of risks and opportunities on strategy and decision-making	25-30, 36-43
Risk Management	44 (a)	Processes and policies used to identify, assess, prioritize, and monitor risks	30, 44-45
	44 (c)	Integration of risk and opportunity management processes with enterprise risk management	30, 45
Metrics and Targets	46 (a)	Metrics required under applicable IFRS sustainability disclosure standards	31, 45
	46 (b)	Metrics used to monitor performance related to risks and opportunities	31, 45
	51	Targets for strategic goals and regulatory compliance	31, 45

IFRS S2 — Climate-related Disclosures

Category	Indicator		Report Location
Governance	6 (a)	Governance body responsible for overseeing sustainability-related risks and opportunities	47
	6 (b)	Management's role in monitoring, managing, and overseeing sustainability-related risks and opportunities	47
Strategy	10	Sustainability-related risks and opportunities	48
	13	Current and anticipated effects of risks and opportunities on the business model and value chain	48
	14	Effects of risks and opportunities on strategy and decision-making	49-56
	16	Effects of risks and opportunities on financial position, financial performance, and cash flows	48, 53-54
	22	Resilience of the strategy and business model in relation to climate risks and opportunities	50-56
Risk Management	25 (a)	Processes and policies used to identify, assess, prioritize, and monitor risks	57
	25 (b)	Processes and policies used to identify, assess, prioritize, and monitor climate-related opportunities	57
	25 (c)	Integration of risk and opportunity management processes with enterprise risk management	57
Metrics and Targets	29 (a)	Greenhouse gas emissions metrics	144
	29 (f)	Greenhouse gas emissions metrics	58
	29 (g)	Linkage of climate-related considerations to executive remuneration	121

UN Global Compact

The United Nations Global Compact (UNGC) is a global corporate citizenship initiative that outlines ten principles in the areas of human rights, labor, environment, and anti-corruption. More than 100 countries have companies that are signatories to the initiative. Kakao became a participant in February 2021 and has since strived to fulfill its corporate social responsibilities by adhering to the UNGC's ten principles. We will continue to transparently disclose our progress in implementing the UNGC principles and uphold our responsibilities as a corporate citizen.

Kakao's UNGC Communication on Progress (CoP) site

Goal	Accounting Metric	Report Location
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	94-97
	2. Make sure that they are not complicit in human rights abuses.	
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	93, 97
	4. the elimination of all forms of forced and compulsory labor	
	5. the effective abolition of child labor; and	
	6. the elimination of discrimination in respect of employment and occupation	
Environment	7. Businesses should support a precautionary approach to environmental challenges;	64-73
	8. undertake initiatives to promote greater environmental responsibility;	
	9. encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	123-125

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

UN SDGs

The United Nations Sustainable Development Goals (UN SDGs) represent a universal set of 17 goals that aim to ensure sustainable development for people and the planet by 2030. Kakao's mission—to create a better world—aligns with the UN's global agenda for humanity's sustainable development.

Goal	Indicator	Kakao's 2024 Contributions	Report Location
5	(5.4) Recognize and value unpaid care and domestic work through the provision of public services, infrastructure, and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate.	• Operates the industry's largest daycare center at Pangyo Office • Provides maternity/paternity leave, leave for miscarriage or stillbirth, parental leave, prenatal check-up leave, infertility treatment leave, family care leave, and adoption leave, including for spouses	97
7	(7.3) Double the global rate of improvement in energy efficiency by 2030.	• Enhanced energy efficiency through eco-friendly design and water resource management at the Kakao Data Center Ansan • Improved air-conditioning systems at leased data centers • LEED Certified rating for Kakao Data Center Ansan • LEED Gold rating for Pangyo Office	67
8	(8.3) Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	• Launched "Project Dangol" to support digital transformation for small businesses • Offered online sales channels and growth programs for small business owners • Support for KakaoTalk Gift Sellers • Hosting of the Kakao Business Best Awards and seminars	104-105
	(8.5) Achieve full and productive employment and decent work for all women and men, including youth and persons with disabilities, and equal pay for work of equal value by 2030.	• Designed vertical mobility guidance systems at Kakao AI Campus • Installed automatic doors and digital signage at Pangyo Office • Employed visually impaired health keepers with national certified massage therapist qualifications and developmentally disabled baristas at the in-house cafe	97
9	(9.1) Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	• Expanded functions of the open-source management service "Olive Platform" for vulnerability detection and response • Promoted open-source licensing through the OSORI project • Operated Kakao Developers, an official platform providing open APIs and development tools • Released Kakao's proprietary AI model	87
10	(10.2) Empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	• Improved accessibility for long-text message viewer in KakaoTalk • Distributed accessibility guidelines for practitioners • Conducted accessibility audits of Kakao services • Publication of the KakaoTalk Easy-read Tips • Accessibility enhancements at the Customer Service Center • Operation of Kakao Accessibility Supporters • Production of the 2025 Kakao Braille Calendar	74-76
11	(11.2) Provide access to safe, affordable, accessible, and sustainable transport systems for all by 2030, improving road safety, notably by expanding public transport with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.	• Provided "Barrier-Free Sharing Trail" information through Kakao Map	75
12	(12.5) Substantially reduce waste generation through prevention, reduction, recycling, and reuse by 2030.	• Conducted user participation-based upcycling project "Saegaburch" through Kakaomakers	69, 112
13	(13.3) Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	• Diversified renewable energy procurement throughsolar installation at Kakao Data Center Ansan, REC purchases, and Green Premium programs • Implemented an internal carbon pricing system • Conducted "Active Green Talk" environmental education • Tumbler donation campaign at the in-house café • Investment in dining facility improvements and efforts to reduce food waste	55, 66
14	(14.1) Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution by 2025.	• Launched "DIVA," a web-based service to measure distances between dolphins and ships	72
15	(15.2) Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and substantially increase afforestation and reforestation globally by 2020.	• Supported the creation of mangrove forests through fundraising campaigns on Environment Day • Participated in preservation efforts for the Jeju Gotjawal, a biodiversity hotspot	69, 72
16	(16.5) Substantially reduce corruption and bribery in all their forms.	• Established and implemented Kakao's Anti-Corruption and Bribery Policy • Performed anti-corruption and fairness strengthening activities through the Standing Ethics Committee, the highest ethical management body • Built and operated ethical management promotion processes • Established group audit systems and operating Ethics Management Table • Established internal audit regulations in accordance with the Institute of Internal Auditors (IIA) Global Internal Audit Standards • Conducted ethics education for new hires and company-wide ethics awareness education.	123-125
17	(17.17) Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	• Through Kakao Together, we achieved approximately 63.96 million instances of participation and a cumulative donation amount of approximately KRW 81.1 billion	111

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Kakao's ESG Policies and Regulations

Kakao establishes and complies with internal regulations and policies in accordance with domestic and international initiatives and standards to fulfill its corporate responsibility across all ESG dimensions. Furthermore, we categorize environment, society, and governance in detail according to the Kakao framework, and policies under (Environment) Commitment to the Planet, (Society) Technology for People, Growing Together for a Better Tomorrow, Connecting Society through Technology, and (Governance) Trusted Kakao are as follows.

Key ESG Area	Policies and Regulations	
Efforts for the Planet	Environmental Policy	Quick Link
Technology for People	Privacy Protection Policy	Quick Link
	Privacy Policy	Quick Link
	Youth Protection Policy	Quick Link
	Child and Youth Sexual Protection Policy	Quick Link
	Principles to Counter Online Hate Speech	Quick Link
	Kakao Operation Policy	Quick Link
	Algorithm Ethics	Quick Link
Growing Together for a Better Tomorrow	Human Rights Statement	Quick Link
	Safety and Health Policy	Quick Link
	Sustainable Supply Chain Policy	Quick Link
	Supplier Code of Conduct	Quick Link
Connecting Society through Technology	Donation and Sponsorship Policy	Quick Link

Key ESG Area	Policies and Regulations	
Trusted Kakao	Corporate Governance Charter	Quick Link
	Kakao Articles of Association	Quick Link
	Regulation of the Board of Directors	Quick Link
	Regulation of the Audit Committee	Quick Link
	Regulation of the Compensation Committee	Quick Link
	Regulation of Directors Nominating Committee	Quick Link
	Regulation of the ESG Committee	Quick Link
	Code of Ethics	Quick Link
	Anti-Corruption and Bribery Policy	Quick Link
	Risk Management Regulation	Quick Link
	Tax Policy	Quick Link
	Fair Trade Compliance Program Regulations	Quick Link

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Membership in Associations

Association Name	
• Korea Startup Forum	• Location Information Industry Association
• Korea Internet Corporations Association	• The Federation of Korean Industries
• Korea Internet Self-governance Organization	• Korea Digital Document Platform Association
• Seoul Chamber of Commerce and Industry	• Korean Association Spatial Information, Surveying & Mapping
• Jeju Chamber of Commerce and Industry	• Financial Security Institute
• Jeju Startup Association	• Korean Competition Law Association
• Korea Digital Advertising Association	• UN Global Compact
• Korea On-Line Shopping Association	• Korea Listed Companies Association
• Korea Council of Chief Information Security Officers	

ESG External Achievements in 2024/2025	
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Selected for inclusion in the DJSI (Dow Jones Sustainability Indices) World, Asia-Pacific, and Korea (for four consecutive years), Recognized as the best-performing company in the Interactive Media, Service & Home Entertainment sector.
MSCI	Received an A rating in the MSCI ESG assessment
Korea Institute of Corporate Governance and Sustainability	Awarded an A rating in the Integrated ESG Evaluation by the Korea Institute of Corporate Governance and Sustainability (KCGS) for the fourth consecutive year
S&P Global	Selected as "Top 1%" in the Sustainability Distinction by S&P Global for two consecutive years.
CDP DRIVING SUSTAINABLE ECONOMIES	Received the highest grade, "Leadership A," in CDP Climate Change (two consecutive years)

Major Awards and Recognitions

Category	Organizer	Award
2024	Korea Commission for Corporate Partnership (KCCP)	Kakao received the 2024 Korea Shared Growth Grand Prize hosted by KCCP
	Ministry of Employment and Labor, Ministry of Trade, Industry and Energy, etc.	Kakao's subsidiary Linkage Lab was selected as a "2024 Korea Work-Life Balance Excellent Company
	Red Dot Design Award	Kakao Friends received the main award in the Visual Communication category
	LACP, MerComm	Kakao ESG Report received top-tier awards at the LACP Vision Awards and ARC Awards
	Time (U.S.) & Statistac	Kakao named one of the "World's Most Sustainable Companies 2024"
	data.ai	Kakao Piccoma selected in five categories at the "2024 Top Publisher Awards"
	CDP Korea Committee	Kakao won "Carbon Management Sector Honors" at the Climate Change Response and Water Management Excellence Awards hosted by CDP Korea Committee
	Korea Edu-care Association	Awarded the Grand Prize in the "Workplace Daycare Operation Case Competition" (Minister of Employment and Labor Award)
	Korea Digital Enterprise Association	Won the Director's Award from the Korea Culture Information Service Agency (KCISA), Grand Prix, and three Winner prizes at the "2023 &Awards"
	Asia Economy	Kakaomobility received the "Mobility Technology Award" at the 2024 Korea Green Mobility Awards (Asia Economy CEO Award)

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Greenhouse Gas Verification Statement

KMR-VCV-25-048

Verification Opinion Statement

Kakao Corp.

ISO 14064-1:2018

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission of Kakao Corp.

SCOPE

Verification of places of business and emission facilities under the control of Kakao Corp.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational guidelines for reporting and certification of the Greenhouse Gas emissions trading scheme (Ministry of Environment, 2024-155)
- WRI/WBCSD GHG Protocol (2013)

GHG emissions & Energy consumption

Sites	Direct emissions (Scope 1)	Indirect emission (Scope 2)	Scope 1+2 Total (tCO_2 eq)
KaKao	520	(Location basis)100,709 (Market basis)96,113	(Location basis)101,229 (Market basis)96,633
Kakao Mobility	222	2,291	2,513
Kakao Entertainment	145	3,170	3,315

Sites	Fuel	Electricity	Steam	Total (TJ)
KaKao	9	2,005	9	2,023
Kakao Mobility	4	47	1	52
Kakao Entertainment	2	65	2	69

※ Note : There are a differences in the total amount of greenhouse gas emissions and workplace emissions. Emissions at each workplace, rounded off by decimal point, are combined at the company level.

May 21th, 2025

Authorized By

CEO Eun Ju, Hwang

National Institute of Environmental Research

KMR has been recognized as a greenhouse gas verification period by the National Institute of Environmental Research (NIER) (Accreditation number: 2022-EV-05).
The IAF mark is a mark that indicates recognition by an accreditation body that has joined the Multilateral Recognition Agreement of the International Accreditation Forum.

Korea Management Registrar
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KMR-VCV-25-048

Kakao Corp.

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- Operational guidelines for emission reporting and certification of the Greenhouse Gas emissions trading scheme (Ministry of Environment, 2024-155)
- WRI/WBCSD GHG Protocol (2013)

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.

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.

LIMITATION

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.

OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results
- According to KMR's approach, nothing was found that would lead to a finding that Kakao Corp. failed to disclose data and information that was accurate and reliable in all material respects.

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KMR-VCV-25-048

GHG emissions & Energy Consumption

Sites	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Scope 1+2 Total (tCO_2 eq)
Kakao	520	(Location basis)100,709 (Market basis)96,113	(Location basis)101,229 (Market basis)96,633
Kakao Mobility	222	2,291	2,513
Kakao Entertainment	145	3,170	3,315

Sites	Fuel	Electricity	Steam	Total (TJ)
Kakao	9	2,005	9	2,023
Kakao Mobility	4	47	1	52
Kakao Entertainment	2	65	2	69

※ Note : There are a differences in the total amount of greenhouse gas emissions and workplace emissions. Emissions at each workplace, rounded off by decimal point, are combined at the company level.

RESULTS

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

※ The abovementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

May 21th, 2025

Authorized By

CEO Eun Ju, Hwang

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National Institute of Environmental Research

Introduction

Our Commitment

Sustainable Management

Kakao Group ESG

Appendix

Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Greenhouse Gas Verification Statement

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- WRI/WBCSD GHG Protocol (2013)

GHG emissions

Scope 3 emissions (tCO_2 eq.)
57,248

※ Note : There are a difference in the total amount of greenhouse gas emissions and workplace emissions. Emissions at each workplace, rounded off by decimal point, are combined at the company level.

Jun 10th, 2025

Authorized By

National Institute of Environmental Research

CEO Eun Ju, Hwang

KMR has been recognized as a greenhouse gas verification period by the National Institute of Environmental Research (NIER) (Accreditation number: 2022-EV-05).
The IAF mark is a mark that indicates recognition by an accreditation body that has joined the Multilateral Recognition Agreement of the International Accreditation Forum.

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KMR-VCV-25-048

Kakao Corp.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission in 2024 of Kakao Corp.

SCOPE

Verification of places of business and emission facilities under the control of Kakao Corp.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational guidelines for emission reporting and certification of the Greenhouse Gas emissions trading scheme (Ministry of Environment, 2024-155)
- WRI/WBCSD GHG Protocol (2013)

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.

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.

LIMITATION

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.

OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results
- According to KMR's approach, nothing was found that would lead to a finding that Kakao Corp. failed to disclose data and information that was accurate and reliable in all material respects.

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KMR-VCV-25-048

GHG emissions

Category	Scope 3	Scope 3 emissions (tCO_2 eq)
1	Purchased goods and service	10,797.932
2	Capital goods	24,820.823
3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	14,909.452
4	Upstream transportation and distribution	75.957
5	Waste generated in operations	273.287
6	Business travel	320.529
7	Employee commuting	529.827
8	Upstream leased assets	-
9	Downstream transportation and distribution	607.587
10	Processing of sold products	-
11	Use of sold products	2,621.804
12	End-of-life treatment of sold products	140.408
13	Downstream leased assets	221.452
14	Franchises	82.653
15	Investments	1,846.546
Total		57,248

※ Note : There are a difference in the total amount of greenhouse gas emissions and workplace emissions. Emissions at each workplace, rounded off by decimal point, are combined at the company level.

RESULTS

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

※ The aboveementioned company is responsible for preparing verification data in accordance with the "Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)", and KMR's responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The aboveementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

May 21th, 2025

Authorized By

CEO Eun Ju, Hwang

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National Institute of Environmental Research

Introduction

Our Commitment

Sustainable Management

Kakao Group ESG

Appendix

Introduction to Kakao Affiliates

Detailed Reporting Scope and Standards

ESG Data

GRI Standards 2021 Index

SASB Index

IFRS S1·S2 Index

UN Global Compact

UN SDGs

Kakao's ESG Policies and Regulations

Membership in Associations

Major Awards and Recognitions

Greenhouse Gas Verification Statement

Third-Party Assurance Statement

Third-Party Assurance Statement

The Stakeholders of Kakao Corp.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the 2024 Kakao ESG Report (hereinafter referred to as the "Report"). The Assurer is independent of the Kakao 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 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 and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

Kakao 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 only.

The Assurer is responsible for providing Kakao 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. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than Kakao 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 includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the first half of 2025.
- 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.

[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 issues Disclosures)
[Topic Standards]
201-1~2, 203-2, 205-2, 206-1, 207-1, 207-2~4, 302-1, 302-3, 303-3, 303-5, 305-1~4, 306-3~4, 401-1~3, 403-2, 403-4~6, 403-9, 404-1~3, 405-1~2, 406-1, 415-1, 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 HQ 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. 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.

Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

Third-Party Assurance Statement

Opinion Statement
The assurer was carried out by a team of sustainability report assurors 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'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 defined Shareholders/Investors, Users, Krew(employees), Business Partners, Local Communities and Government 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 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 disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics
Kakao implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. Kakao conducted benchmarking and media analysis of similar companies and global sustainability reporting standards/frameworks analysis. Kakao derived 4 material issues 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 operated a management process for material issues in the context of sustainability derived from the materiality assessment. Kakao 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 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 identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. Kakao identified material issues by reflecting the impact of the overall value-chain, which includes the business areas. Kakao established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues, 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 disclourse 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: 201-2, 203-2, 205-2, 206-1, 302-1, 302-3, 303-3, 303-5, 305-1~4, 306-3~4, 401-1~3, 404-1~3, 405-1~2, 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; Considering key business characteristics,
- It may be helpful to advance sustainability management system by specifying stakeholder engagement and value chain identification boundaries.
- It may be helpful to advance sustainability management system by improving the sustainability performance indicator of the Kakao community, which includes companies subject to consolidation criteria, and strengthening internal control procedures.

GRI-reporting
Kakao 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. The sector standard was not applied.

Issue Date: 23/06/2025
For and on behalf of BSI (British Standards Institution):

BSI representative

Jungwoo Lee, Lead Assurer, LCSAP

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 811169

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Introduction
Our Commitment
Sustainable Management
Kakao Group ESG
Appendix
Introduction to Kakao Affiliates
Detailed Reporting Scope and Standards
ESG Data
GRI Standards 2021 Index
SASB Index
IFRS S1·S2 Index
UN Global Compact
UN SDGs
Kakao's ESG Policies and Regulations
Membership in Associations
Major Awards and Recognitions
Greenhouse Gas Verification Statement
Third-Party Assurance Statement

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