

2024



KRAFTON

ESG



REPORT

About this Report

Report Overview
KRAFTON published its first ESG Report in June 2025 to transparently communicate its ESG efforts and key achievements in 2024 to investors and stakeholders. The company plans to publish the report annually and continue reflecting stakeholder expectations and feedback, reinforcing its commitment to responsible communication for sustainable growth.

Reporting Period and Frequency
This report primarily covers the 2024 fiscal year (January 1 to December 31, 2024). To enhance the timeliness and relevance of the information, it also includes certain data from the first half of 2025. For quantitative performance metrics, KRAFTON presents three-year data (2022–2024) to illustrate year-over-year trends.

Reporting Scope
• Financial and business performance is reported based on consolidated data, covering KRAFTON headquarters and all domestic and international entities.
• ESG performance is reported based on data from KRAFTON headquarters.

Reporting Principles and Standards
This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, a globally recognized framework for sustainability reporting. KRAFTON structured the 6 material topics identified through its materiality assessment by proactively applying selected standards from the International Sustainability Standards Board (ISSB). Financial information is aligned with financial statements prepared under Korean International Financial Reporting Standards (K-IFRS).

Third-Party Assurance
To ensure the objectivity and fairness of this report, KRAFTON engaged the Korea Foundation for Quality (KFQ), an independent external assurance provider. The assurance was conducted based on the four principles of inclusivity, materiality, impact, and responsiveness, thereby enhancing the credibility of the reported data. The applied standard was AA1000AS v3 at a Moderate Level, Type 2.

Contact Point
KRAFTON's ESG Report is available for viewing and download at <https://www.krafton.com/ir/esg/>. For further details or inquiries, please contact the team using the information provided below.

Responsible Team: BOD Support Office, KRAFTON
Email: esg@krafton.com

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Interactive Guide

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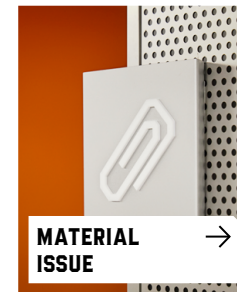


INTRODUCTION

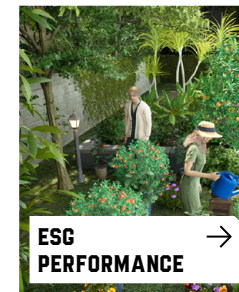
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MANAGEMENT →



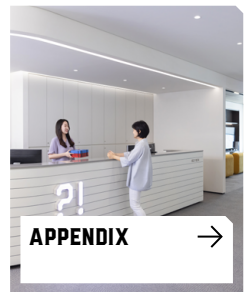
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Message from the CEO



Greetings, I am Changhan Kim, CEO of KRAFTON.

It is with sincere gratitude that I present KRAFTON's inaugural ESG Report. I would like to express my heartfelt thanks to all stakeholders, including customers, shareholders and investors, and employees, who have stood by KRAFTON throughout its journey of challenges and growth. Your continued interest and trust have been the driving force behind KRAFTON's bold experiments and relentless pursuit of innovation. This ESG Report presents KRAFTON's philosophy and approach to content creation, highlighting how these principles contribute to sustainable growth and responsible business operations.

With a vision of "mastering in game production," KRAFTON has forged its own development philosophy and identity. Anchored in the belief that "games will become the world's most powerful medium," KRAFTON has emerged as a global game company. Along the way, KRAFTON has connected with players around the world, challenged the boundaries of genre, and ventured into new markets and technologies through fearless experimentation.

In today's rapidly evolving market, KRAFTON is deeply reflecting on the philosophy and mindset needed to shape a greater future.

Grounded in the challenges and lessons accumulated over time, KRAFTON will continue to pursue sustainable growth. Throughout this journey of growth, KRAFTON will strive to realize the heartfelt aspirations of gamers and deliver exhilarating, unforgettable experiences to our fans. We will discover creative ideas that truly resonate with our players and continuously integrate them with emerging technologies, forging a path that is uniquely KRAFTON's.

The year 2025 marks a pivotal moment in realizing this vision. At its core is PUBG, KRAFTON's flagship title. Built on a continuous reflection and action to deliver lasting enjoyment to our fans, PUBG has grown beyond a popular title to establish itself as a globally influential IP with enduring impact.

In parallel, KRAFTON is preparing a diverse lineup of new projects spanning both in-house development and publishing. To maximize the potential for success, KRAFTON is strengthening production leadership and advancing management systems. At the same time, KRAFTON continues to bolster our publishing capabilities for global expansion, leveraging KRAFTON's proven execution to open up new market opportunities.

KRAFTON is also paying close attention to technologies capable of fundamentally transforming gameplay and content creation. In particular, deep learning-based AI is expected to take the player experience to a new level, expand the scalability of franchise IPs, and strengthen the competitiveness of new projects. KRAFTON is already applying deep learning for the development of Co-Playable Characters (CPCs) that interact with players in real time, while also leveraging generative AI throughout the production pipeline to enhance efficiency. These initiatives go beyond improving tools, redefining the essence of gameplay and immersion.

This direction of innovation is highly relevant from an ESG perspective. The long-term viability of content, a creator-centric organizational culture, the balance between technology and responsibility, and trust with a global player base are where KRAFTON's business strategies and ESG values intersect.

KRAFTON will continue to build its corporate value around game IPs while pioneering the future of AI-driven industries. On this path where sustainability and creativity coexist, we will create new possibilities and meaning through bold challenges.

Thank you.

Changhan Kim
Chief Executive Officer

Message from the Chair of the ESG Committee

Hello, I am Brandon Yoon, Chair of KRAFTON's ESG Committee.

KRAFTON is publishing its first ESG Report this year, a meaningful milestone in transparently sharing our philosophy of sustainable management and the pursuit of its realization. This report marks the starting point of our promise to become a true maker of masterpieces, integrating social responsibility and trust into the essence of gaming. It also serves as the first formal record of KRAFTON's sincerity and commitment to ESG, reflecting our dedication to embedding these values into every aspect of our practices.

As a global game company that shapes new worlds through both development and publishing, KRAFTON is deeply connected with a wide range of stakeholders, including customers, creators, partners, local communities, and governments. Today, games are evolving beyond entertainment to become platforms with broader social impact. In this context, ethical leadership and responsible business practices are no longer optional but essential. Younger generations, including Gen Z, are looking beyond gameplay and technical polish. They regard a company's social responsibility and its commitment to fulfilling its values as key determinants of brand trust. In this context, KRAFTON views ESG not as a mere regulatory obligation but as a practical and strategic means to foster a sustainable gaming industry. We approach it as a foundation that supports both the

scalability of our core business and long-term trust.

In May 2024, KRAFTON established its ESG Committee under the Board of Directors, creating a governance foundation to systematically discuss and implement the company's sustainability agenda. Since 2025, the Committee has led key discussions on ESG strategy, policy review, and risk management, fostering a structure that ensures close alignment between strategy and execution while continuously strengthening company-wide execution capabilities. Major ESG-related decisions are made under a board-led accountability framework, laying the foundation for ESG to be firmly embedded across all aspects of KRAFTON's operations.

Even before this formal structure was established, KRAFTON had been integrating ESG values into its everyday operations. Rather than relying on declarations, KRAFTON has built the foundation for sustainability through its culture and execution.

One of our hallmark initiatives is KRAFTON Live Talk (KLT), a monthly, company-wide communication platform that has been in place since 2015. It allows every team member to engage directly with leadership and stands as a symbol of our horizontal, autonomous work culture. This culture serves as a foundation for unlocking individual creativity and translates into strengthened technological and content capabilities. KRAFTON Jungle is a talent development program, built on this organizational culture that fosters a hands-on developer ecosystem spanning software, AI, and games. Covering the full journey from

foundational theory to practical projects and career placement, the program is systematically designed to train over 1,000 individuals annually, contributing to industry-wide sustainable growth.

From an environmental perspective, KRAFTON is seeking to create harmony between creativity and space, and between technology and responsibility. KRAFTON's new office building in Seongsu-dong, Seoul, scheduled for completion in 2028, is being constructed based on eco-friendly architectural principles that reflect ESG values. It incorporates a range of sustainability features, including energy efficiency, resource circulation, and the use of renewable energy. In addition, the building will feature an open community space designed to foster coexistence with the local community, realizing a spatial vision in which urban life and business thrive together.

These ongoing efforts have also yielded positive results in external evaluations. In 2025, KRAFTON received an AA rating from ESG rating agency MSCI, recognizing both an accountable execution system and a robust governance framework.

Looking ahead, KRAFTON will continue to build lasting trust with its customers, deliver positive value to society through gaming, and establish itself as a true maker of masterpieces, recognized for sustainability in the global market. For KRAFTON, ESG is a practice grounded in KRAFTON's creative philosophy and will play a crucial role in further deepening and expanding our customer-centric world.



Brandon Yoon

Chair of the ESG Committee

We look forward to your continued interest and support as KRAFTON advances on its journey toward a more sustainable future.

Thank you.

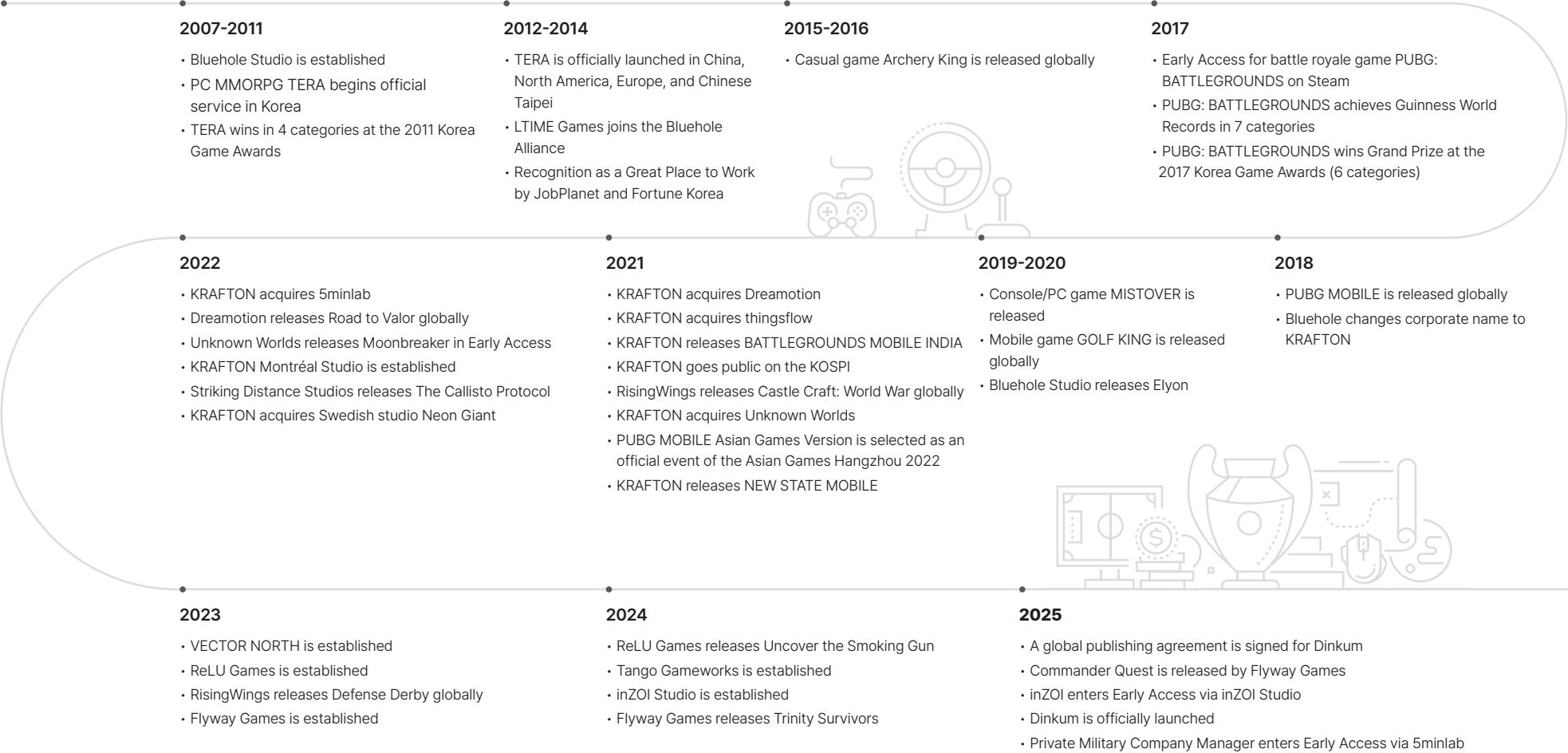
Company Profile

KRAFTON

 KRAFTON Story

Company Name	KRAFTON, Inc.
Founded	March 26, 2007
CEO	Changhan Kim
Number of Employees	1,905 (as of December 2024)
Industry	GAMES, MEDIA
Location of Headquarters	231, Teheran-ro, Gangnam-gu, Seoul (Centerfield EAST Tower)

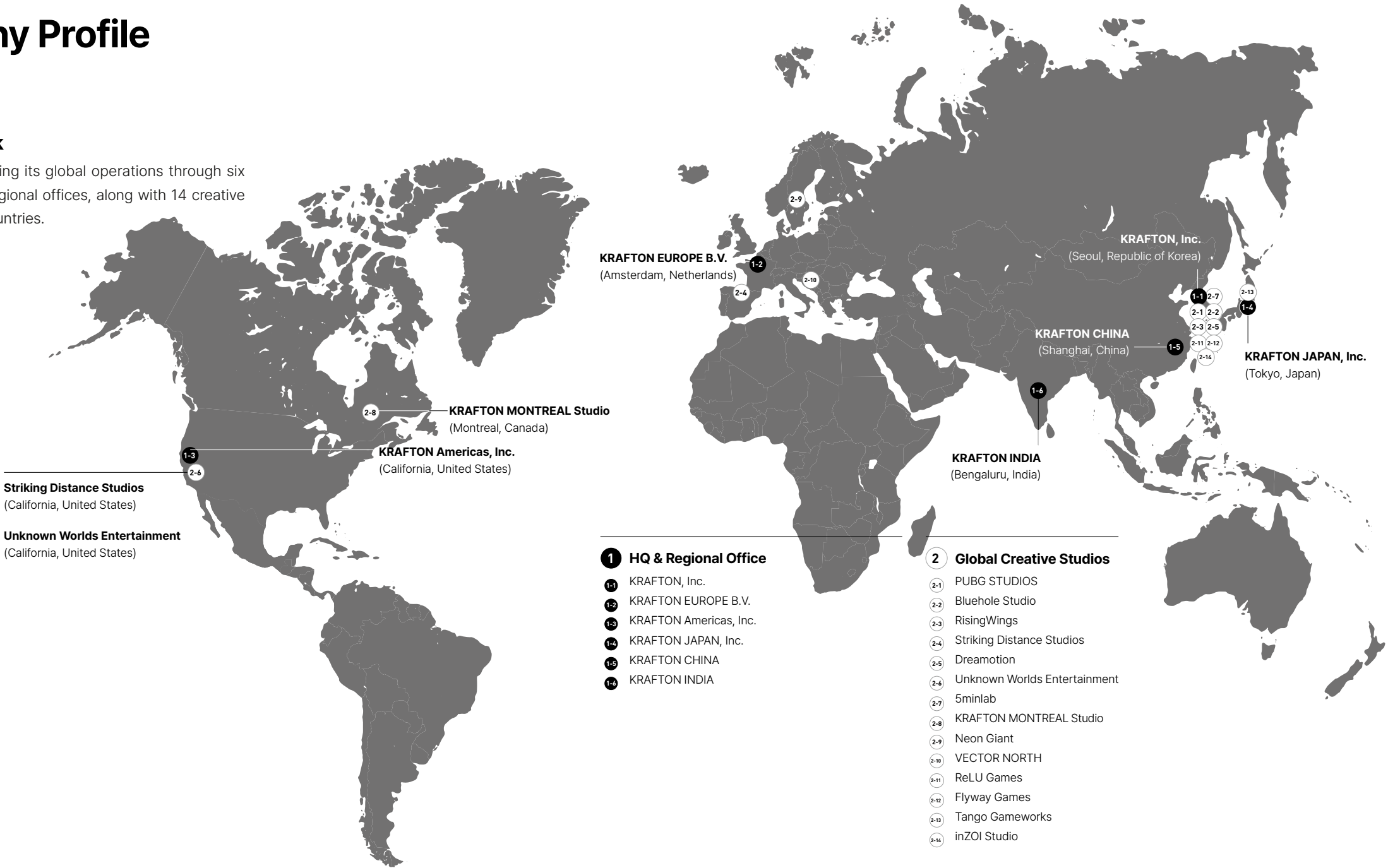
Key Milestones



Company Profile

Global Network

KRAFTON is expanding its global operations through six headquarters and regional offices, along with 14 creative studios across 10 countries.



Our Business

Game IP Development

KRAFTON plans, develops, and operates game IPs for the global market, pursuing sustainable growth through a broad range of platforms and digital content. The company continues to deliver distinctive gaming experiences to players worldwide by combining innovative technology with creative storytelling.

Our Business

Global Publishing Marketing

KRAFTON scouts innovative games and content created by a wide range of global studios and publishes them in global markets based on go-to-market strategies tailored to regional and cultural contexts.

Global Partnership Network

KRAFTON executes global promotional campaigns through a partnership network built with leading global brands.



Esports

KRAFTON builds a global competitive ecosystem through esports leagues based on its flagship titles. These leagues offer players structured formats and fair opportunities to compete, while providing the gaming community with a growing array of immersive content and events. By developing esports strategies, managing global events, and producing and distributing content, KRAFTON continues to advance its esports initiatives.

PUBG Esports

Even before its Early Access release in 2017, PUBG: BATTLEGROUNDS demonstrated strong potential as an esports title, sparking grassroots tournaments and the formation of hundreds of professional teams. In 2018, KRAFTON launched its first official league and has since continued to support third-party competitions. To date, the company has hosted over 50 international



tournaments and continues to lead the battle royale esports scene with a genre-optimized system shaped by ongoing feedback from players and the competitive gaming community.

PUBG MOBILE Esports

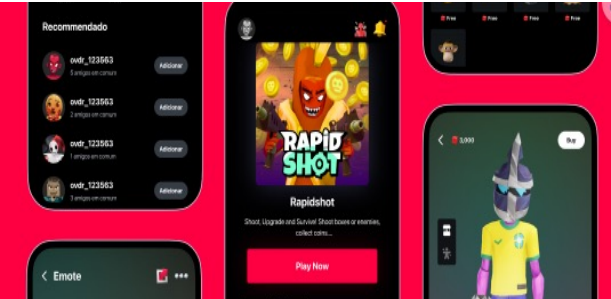
PUBG MOBILE Esports is one of the most active mobile esports platforms, spanning amateur tournaments to top-tier global competitions and showcasing some of the world's leading mobile players. Over the past five years since launch, more than 1,000 tournaments have held across 15+ countries. KRAFTON continues to engage the global gaming community through a wide range of tournaments and events, including participation in global sporting events such as the Asian Games and SEA Games.



Diversifying IP Content UGC Interactive Platform

KRAFTON is developing OVERDARE, an interactive platform for User-Generated Content (UGC) designed for both mobile and PC environments. The platform fosters a creator-driven digital ecosystem where players can produce and share their own content, expanding creative opportunities and nurturing a participatory, community-based content culture.

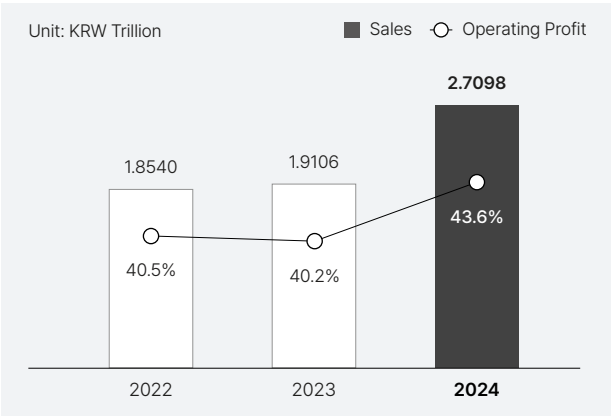
OVERDARE offers OVERDARE Studio, a dedicated creation tool powered by Unreal Engine 5 and a Lua-based sandbox engine. It enables creators to develop and distribute a wide variety of content, including games, 3D assets, and avatar outfits. The platform also features motion capture functionality, allowing creators to apply their own recorded movements naturally to avatars. In addition, a blockchain system optimized for IP licensing has been implemented to protect creative rights and support content monetization. Through these features, OVERDARE aims to build an accessible, creation-based virtual world for everyone.



Financial Highlights

In 2024, KRAFTON achieved its highest-ever financial results, posting revenue of KRW 2.71 trillion, operating profit of KRW 1.18 trillion, and net income of KRW 1.30 trillion. These results reflect steady growth underpinned by the strength of its PUBG IP. Over the past five years, the company has maintained an average annual revenue growth rate of 20%, while continuing to diversify across platforms—PC, console, and mobile—and developing new content to extend the long-term value of its core IP. KRAFTON is advancing independent growth by pushing beyond genre boundaries and exploring new markets, rather than relying on legacy industry leaders. With 93% of its revenue generated overseas and more than 30% of its workforce based globally, KRAFTON has established itself as Korea’s most global gaming company. Looking ahead, KRAFTON will continue to strengthen its core IP services and expand investments in new titles to achieve sustainable financial performance.

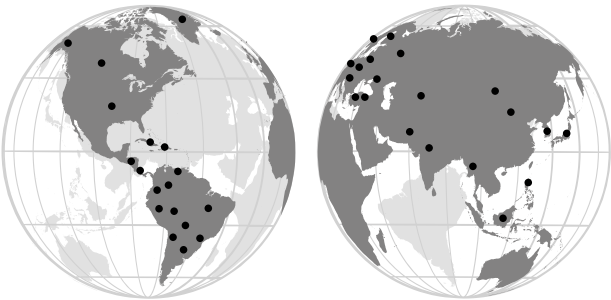
Revenue Summary



<div>Sales</div> <div>KRW</div> <div>2.7098</div> <div>Trillion</div>	Achieved record-high revenue, up 41.8% year-over-year, driven by strong growth of the PUBG IP
<div>Operating Profit</div> <div>KRW</div> <div>1.1825</div> <div>Trillion</div>	Surpassed KRW 1 trillion in operating profit, up 54% year-over-year, supported by strong revenue growth
<div>5-Year CAGR</div> <div>20%</div> <div>(based on revenue)</div>	Maintained an average annual revenue growth rate of 20% over the past five years through continued development and business expansion driven by the PUBG IP
<div>Net Income</div> <div>KRW</div> <div>1.3026</div> <div>Trillion</div>	Up 119.3% year-over-year, driven by PUBG IP's strong performance

1) Refers to the compound annual growth rate (CAGR) from 2019 to 2024

Publishing Service Coverage



Publishing services extended to over 242 countries and regions (as of December 2024)

- Launched and operated in major global markets including China, Russia, South Korea, the US, Vietnam, Brazil, Türkiye, Ukraine, Germany, and India
- Supported by a global team of over 1,000 local publishing professionals

Key Achievements

inZOI Early Access First-Week Sales

1M copies sold

(As of April 2025)



BATTLEGROUNDS PC/Console Cumulative Players

217.5M users

(As of March 2025)



Overseas Revenue Proportion

93 %

(As of December 2024)

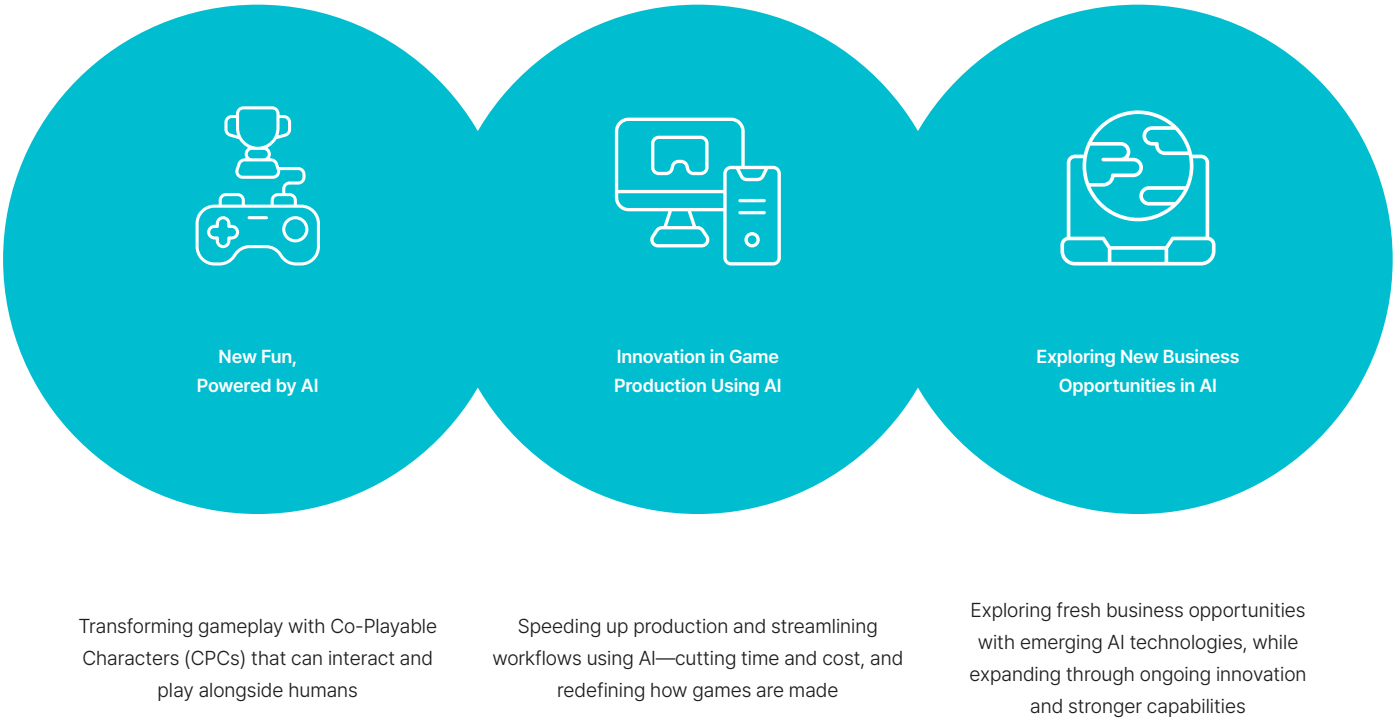


KRAFTON AI Special



KRAFTON AI Focus Area

KRAFTON is accelerating its transformation into an AI-native company by placing AI at the core of its DNA—driving innovation in game development, player experience, and the way it works.



KRAFTON AI Special

AI Research at the Heart of Game Innovation

Pioneering Game Innovation Through AI

KRAFTON views AI as a foundational capability that goes beyond enhancing how games are played or developed—it is a core force driving a new paradigm in the gaming industry. To realize this vision, the company is focused on embedding AI at its core, from fundamental research to real-world application. It is actively developing next-generation technologies, such as Co-Playable Characters (CPCs), to deliver immersive and human-like gameplay experiences. KRAFTON's AI journey began in earnest in 2022 with the establishment of its dedicated Deep Learning Division. CEO Changhan Kim was directly involved in building the organization from its early stages, leading efforts to secure top talent and strengthen technological capabilities. To date, KRAFTON has invested over KRW 100 billion in AI development and recruitment of specialized talent, laying the foundation for integrating AI not only into game development and publishing, but across all aspects of internal operations. Building on this foundation, KRAFTON is expanding its AI capabilities beyond in-game applications—pursuing new business opportunities while also reinforcing the credibility of its technology through global partnerships and publications in international AI conferences.

Research Areas

Vision & Animation Conducting research on automated technologies for visual asset generation, including 2D/3D image modeling, video-to-motion, and lip sync	Multi-modal Learning Developing AI models that integrate visual, textual, and audio data to understand complex contexts and generate adaptive outputs	Voice Synthesis Delivering immersive voice experiences through TTS and voice conversion enhanced with emotional nuance and natural intonation
Reinforcement Learning Designing autonomous behavior strategies for in-game AI players and test bots using reinforcement learning techniques	Language Model Enabling human-like interaction through natural language understanding and generation technologies, including conversational and Q&A systems	Data-centric AI Improving AI model performance, reliability, and fairness by advancing technologies for efficient data collection, processing, and augmentation

AI R&D Achievements

KRAFTON is accelerating its evolution into a global technology leader by placing AI at the core of its strategy—investing in foundational research and real-world applications to lead the AI-driven transformation of the gaming paradigm. The company's growing research capabilities have been recognized by leading AI conferences worldwide. A total of 38 papers have been accepted to top-tier venues such as NeurIPS, ICML, and ICLR. Notably, at NeurIPS 2023, KRAFTON presented five main-track papers—the highest number ever submitted by a Korean game company. KRAFTON's research focuses on generative AI, reinforcement learning, multi-modal learning, and data-centric model optimization—technologies critical to improving both the efficiency and creativity of game development and operations. In 2024, the company presented eight main-track papers across ICLR, ICML, and NeurIPS, and in the first quarter of 2025, three out of six papers accepted to ICLR were selected for Spotlight sessions. KRAFTON also published 11 papers in 2023, 18 in 2024, and 9 in the first quarter of 2025 at other major AI conferences, including ACL (Association for Computational Linguistics), COLT (Conference on Learning Theory), and CVPR (Conference on Computer Vision and Pattern Recognition). Moving forward, KRAFTON will continue to bridge academic research with practical implementation—advancing gaming technology and contributing to the broader AI ecosystem.

Total of 38 Papers Accepted at Global Conferences (Including the World's Top 3 AI Conferences)

Year	2023	2024	2025(Q1)
Number of Papers Published	11	18	9

Key Main-Track Papers from 2025

Title	Conference
SimBa: Simplicity Bias for Scaling Up Parameters in Deep Reinforcement Learning	ICLR 2025 Spotlight
Test-time Alignment of Diffusion Models without Reward Over-optimization	
Rare-to-Frequent: Unlocking Compositional Generation Power of Diffusion Models on Rare Concepts with LLM Guidance	

KRAFTON AI Special

AI Research at the Core of Game Innovation

Deep Learning R&D for In-Game Applications

KRAFTON is actively conducting research to directly apply AI technologies directly to its own games. Key focus areas include natural language processing (NLP), language models (LM), 3D vision and animation, speech recognition and synthesis (STT/TTS), reinforcement learning (RL), and multi-modal models. By securing proprietary AI technologies, KRAFTON has built internal capabilities that can be applied across a wide range of game projects.

Developing Deep Learning-Based Services for Internal Efficiency

KRAFTON is proactively introducing AI across various internal functions to drive workflow innovation and enhance productivity. The company views AI not just as a tool, but as a transformative force that will shape the future of both game development and organizational operations. Going forward, KRAFTON will continue to strengthen its technological edge through ongoing research, strategic investment, and global collaboration.

In-Game Applications of AI

PUBG

Developing realistic reinforcement learning (RL)-based AI bots and an advanced anti-cheat system to enhance player immersion and strategic behavior through iterative training

inZOI

Applying generative AI technologies—including prompt-based character customization (Zoi Pen), 2D-to-3D conversion, text-to-texture generation, and video-to-motion animation—along with filtering systems to prevent inappropriate image generation

Uncover the Smoking Gun

Featuring voice-interactive NPCs (non-Player Characters) using KRAFTON's in-house TTS model, delivering a natural, conversational experience.

Other Cases: Applying LLM-based free-form dialogue NPCs (ReLU Games), with English TTS already introduced and gradual expansion into Korean voice synthesis underway.

KRIS (KRAFTON Intelligence System)

To streamline internal operations, KRAFTON developed and operates KRIS—an AI-powered system that consolidates dispersed internal and external data into a unified intelligent database. Serving as a smart assistant, KRIS delivers tailored insights and responds to diverse employee queries through AI-driven analysis. It supports practical applications such as summarizing internal documents, providing high-accuracy translations for global teams, and analyzing player feedback, effectively embedding AI into daily workflows across the organization.

What can KRIS do?

KRIS: AI 기반 내부 데이터베이스 및 외부 데이터를 통합하고, AI 기반 분석을 통해 직원들의 업무 효율을 높여주는 다양한 기능을 제공합니다. 직원들의 업무에 필요한 정보를 제공합니다.

More about KRIS

- 1. 내부 데이터베이스: 내부 문서, 이메일, 회의록 등 다양한 내부 데이터를 통합하여 검색 및 분석이 가능합니다.
- 2. 외부 데이터베이스: 외부 뉴스, 소셜 미디어, 시장 동향 등 다양한 외부 데이터를 수집 및 분석하여 기업에 유리한 정보를 제공합니다.
- 3. AI 기반 분석: 수집된 데이터를 AI 기반 분석을 통해 인사이트를 도출하고, 직원들에게 필요한 정보를 제공합니다.
- 4. 자연어 처리: 직원의 자연어 질의를 이해하고, 필요한 정보를 찾아 제공합니다.

Configuration

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Comments

CPC Technology Research and Development

At CES 2025, KRAFTON unveiled the Co-Playable Character (CPC), a generative AI innovation co-developed with NVIDIA, highlighting the future of gaming where AI characters interact and collaborate directly with players. CPCs are powered by an integrated framework that combines language models (LM), reinforcement learning (RL), and human-AI interaction (HAI) design, enabling them to understand in-game contexts in real time, converse naturally, and engage in cooperative gameplay. Unlike traditional non-player characters (NPCs), CPCs demonstrate autonomous reasoning, two-way voice and text communication, and personalized long-term memory—allowing them to actively think, adapt, and play alongside players as teammates, advisors, or coaches.

KRAFTON's game inZOI, released in early access in March 2025, features the experimental Smart Zoi CPC. Moving forward, KRAFTON plans to expand CPC integration to flagship titles such as PUBG, paving the way for transformative player experiences.

KRAFTON AI Special

Pioneering New Gameplay Through AI

KRAFTON is integrating AI technologies into game development across its network of studios, exploring new creative possibilities. Among them, ReLU Games is at the forefront—fusing deep learning with game design to pioneer novel gameplay experiences and explore the full potential of AI-native games.

Uncover the Smoking Gun

In this near-future detective game, players solve a mystery by engaging in conversations with NPC suspects. The game features a customized version of OpenAI's GPT-4o, adapted to fit in-game interactions. Each suspect responds in a distinct tone and style, reflecting their personality and background—offering an experience that feels like real-time chat with a human. The narrative evolves organically based on the player's questions, while KRAFTON's proprietary text-to-speech engine, DiTTo, generates realistic voice responses with natural pacing and intonation. This high level of immersion earned the game the "Good Game Award" at the 2024 Korea Game Awards.



Magical Mic Duel: Senpai, Hear My Spell!

This narrative voice-simulation game lets players cast magical spells through expressive speech, with battles unfolding based on the emotion and intent conveyed in their voices. Custom voice recognition technology enables the game to interpret both the emotional tone and intent behind each spell. Except for the character concept art, all in-game visuals were generated using generative AI. Developed in just one month by a three-person team, the demo highlights the creative possibilities unlocked by combining generative AI with developer ingenuity. Despite the absence of formal marketing, the game went viral—attracting influencers across various genres and generating over 2.2 million views and 55,000 likes.



MIMESIS

A psychological co-op game for up to four traps players in a loop of suspicion, trust, and betrayal that swings between dread and dark comedy. The AI "Mimesis," which learns player movement and behavior patterns, is designed to respond naturally and contextually—like a real human. Unlike fixed behavior trees, Mimesis uses reinforcement learning to generate plausible and variable actions and voice responses. As it continues to train on match data, the AI evolves in sophistication, leaving players uncertain whether their teammate is human—or simply acting like one.



Scavenger T.O.M

In this immersive survival game, players remotely control T.O.M—a lone robot left behind on a distant planet—navigating the surface and crafting vital resources for survival. To maximize the sense of exploration, AI technology is used to generate the terrain, dynamically based on players interaction with the world. These environments are created using a combination of advanced image generation techniques, ensuring visual coherence while preserving the game's concept and lore. The development team continues to prioritize visual consistency and seamless integration with gameplay, constantly pushing technical boundaries to deliver a deeply immersive exploration experience.



KRAFTON AI Special

AI: Our Strategic Partner in Transforming Work

Company-Wide AI Adoption and Workflow Innovation

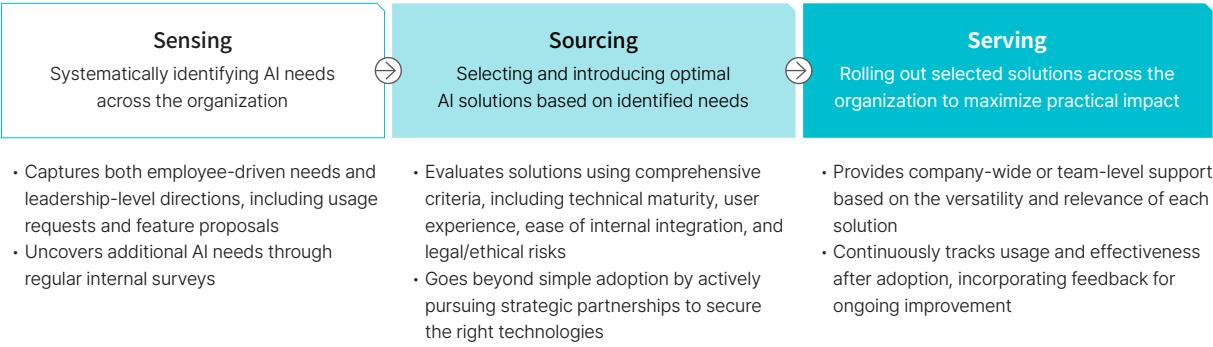
KRAFTON has established a company-wide support system to help employees actively explore and adopt new AI tools. The company offers training programs, hands-on workshops, and regular knowledge-sharing sessions to enhance AI literacy and ensure safe, effective use of AI technologies. On the ground, generative AI tools are already being applied across a variety of functions—including content planning, research, translation, coding, and data analysis. This has helped streamline repetitive, manual tasks while enabling employees to focus on more creative and high-impact work. By embedding AI into everyday workflows, KRAFTON is fostering a company-wide culture of collaboration with AI and steadily advancing its transition into an AI-native organization.

AI Solutions and Use Cases


OA Solutions	Perplexity	<ul style="list-style-type: none">Searches real-time technical information essential for game development, including reviewing core functions of Unreal Engine 5, comparing system performance, and analyzing UI design examplesTranslates global announcements and patch notes in real time, and analyzes Discord community chat logs
	ChatGPT	
Game Development (Tech, Design, Audio etc.)	Midjourney	<ul style="list-style-type: none">Generates early-stage concept art and other visual referencesCreates and edits in-game image elements (icons, backgrounds, maps, etc.)
	Github	<ul style="list-style-type: none">Automatically generates repetitive code and supports error correction
	Copilot	<ul style="list-style-type: none">Provides real-time code reviews when issues occur during script writing
	Cursor	<ul style="list-style-type: none">Automatically converts code and polishes style amid framework transitionsRefactors existing codebase to support new API integration
	Claude	<ul style="list-style-type: none">Automatically generates character dialogue and story outlinesSupports narrative development and character line writing
	ElevenLabs	<ul style="list-style-type: none">Synthesizes AI voices and fine-tunes dialogue timingRenders dialogue via AI voices—no narration booth recording requiredGenerates character voiceovers in early video-editing stages without voice actorsProduces voice lines for in-game character entrances

AI Transformation Driven by Employees

KRAFTON is advancing its AI transformation strategy through a three-phase framework—Sensing, Sourcing, and Serving—to ensure the effective integration of AI across all areas of work. In 2024, KRAFTON became the first company in Korea to adopt ChatGPT Enterprise through a strategic partnership with OpenAI. In addition, employees are provided with access to more than 70 AI tools, including Copilot, Perplexity, and Midjourney. To drive company-wide adoption and embed AI into everyday workflows, KRAFTON has developed internal user guides, enabling employees to utilize these tools with ease. As a result, over 95% of employees are now actively using AI in their daily work.



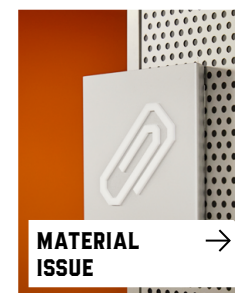
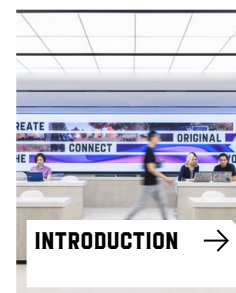
AI Capability-Building Programs for Employees

<div></div> <div>AI Training, Study Groups, and Seminars</div>	<div><ul style="list-style-type: none">(May 22, 2024) ChatGPT Enterprise 101 Webinar(April 22, 2025) ChatGPT-powered Slack automation session</div>	<div><ul style="list-style-type: none">(April 11, 2025) ChatGPT adoption training session</div>
	<div><ul style="list-style-type: none">M365 Copilot training session</div>	<div><ul style="list-style-type: none">Copilot for M365 Excitement Day</div>
	<div><ul style="list-style-type: none">NVIDIA Developer Day: The Future of AI GamingBOOK REVIEW : AI VISUAL TECHNIQUE</div>	<div><ul style="list-style-type: none">Prompt Engineering Masterclass</div>



ESG MANAGEMENT

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ESG Governance


At KRAFTON, we view ESG as a core element of our corporate strategy and are actively working to embed it across the entire organization as part of our commitment to responsible management and a sustainable future. To ensure that ESG is not merely a symbolic gesture but a driver for meaningful change and tangible outcomes, we established the ESG Committee under the Board of Directors in 2024. The ESG Committee plays a key role in setting the company’s ESG strategic direction, reviewing major policies, and strengthening our enterprise-wide risk management framework. Its focus lies in laying a solid foundation for the execution of ESG initiatives across the organization. Discussions within the Committee lead to the development of specific ESG initiatives at the business unit level, with progress monitored regularly and aligned with the company’s broader sustainability objectives. To ensure the seamless operation of this governance system, BOD Support Office (Board Of Directors Support Office) provides dedicated operational

support and coordinates company-wide efforts. Drawing on its expertise in board governance and operations, the BOD Support Office serves as an intermediary that connects ESG discussions with implementation - refining ESG agenda items, coordinating with senior leadership and relevant departments, and ensuring compliance with global standards. This structure enables the consistent execution of ESG initiatives, reinforces accountability at the board level, and helps embed ESG principles throughout the organization. Even prior to the establishment of the ESG Committee, KRAFTON had been actively engaged in ESG initiatives across various domains, including information security, diversity, and environmental management. Moving forward, closer coordination between the ESG Committee and the BOD Support Office will help systematize these efforts and enhance both strategic planning and execution. Through this integrated approach, we aim to further evolve into a sustainable company that fulfills the expectations of our diverse stakeholders.

2024–2025 ESG Committee Activities

Category	Key Agenda Items	Meeting Date	Attendance Rate
Oversight of ESG Performance	• Report on ESG initiatives and plans	2024-12	100%
	• Report on materiality assessment results • Discussion on ESG Committee operational direction	2025-04	100%
Other	• Appointment of ESG Committee Chair	2024-05	100%

ESG Governance Structure

 ESG Committee Regulations



Category	Roles	
ESG Committee	2 External Directors Brandon Yoon (Chair), Eun Jung Yeo	1 Internal Directors Byung-Gyu Chang
	• Serves as the highest decision-making body for ESG management, reviewing strategies and policies to guide the company's sustainable growth • Oversees key ESG initiatives and performance, and establishes systems to identify, assess, and respond to risks and opportunities • Oversees the implementation status of ESG activities and discusses areas for improvement	
BOD Support Office	• Supports the execution of ESG strategies and policies, and oversees the implementation of ESG initiatives company-wide • Facilitates the operations of the ESG Committee and executes decisions made by the Committee across the organization • Manages ESG data and monitors performance outcomes	
Relevant Departments / ESG Working Group	• Plans and implements ESG initiatives across each business unit • Encourages the integration of ESG values among employees through training and awareness campaigns • Measures ESG performance and applies feedback for continuous improvement	

ESG Highlights

(as of December 2024)

2025 MSCI

AA



Total GHG Intensity*

* Based on consolidated revenue (KRW billion)

0.7 % decrease YoY



Monthly Board of Communication

12 meetings held



Percentage of Female Board Members

57 %



Accumulated Coffee Grounds Recycled

675 kg



Maximum Childbirth Support per Employee

KRW 100 M



Treasury Shares Purchased for Shareholder Return

KRW 199.2 B



2024 KCGS

B+



Green Building Rating – Yeoksam Centerfield Office

LEED

GOLD



Training Hours per Employee*

*Includes statutory, job-related, and other forms of training

41 hours



Employee Stock Ownership Plan (ESOP)

240,000 shares in total



ESG Highlights

KRAFTON creates a nature-inspired Green Fabric that helps our people stay focused and refreshed—while offering a calm, welcoming space for the community.

KRAFTON's New Eco-Friendly Building

KRAFTON is constructing a new integrated headquarters in Seongsu-dong, Seoul, to flexibly accommodate the company's evolving organizational scale and ways of working. The building is designed to improve the employee experience by supporting both focused work and spatial efficiency, while maximizing collaborative flexibility. Scheduled for completion in 2028, the Seongsu office incorporates a range of eco-conscious features, including energy efficiency, resource conservation, and the use of sustainable materials. In addition, the building's design reflects a strategy for strengthening connections with the urban community by incorporating elements of local identity and public integration. In particular, the lower floors will serve as open community spaces that integrate into the unique urban character of Seongsu—fostering interaction, emotional resonance, and a sense of community.



Bringing Nature Back to the City

KRAFTON's new Seongsu headquarters aims to enhance the urban environment and improve quality of life by incorporating green spaces into the heart of the city. Drawing inspiration from the concept of a "forest in the city," parts of the building's lower levels will be designed as publicly accessible green areas—creating a natural extension of the local community and serving as an open hub for connection. The building is expected to function as a central space where people, nature, and culture converge, in harmony with Seongsu's dynamic urban landscape. Indoors, landscaped zones and terraces will feature a wide variety of plant species—including trees, shrubs, and ornamental grasses—designed to reflect seasonal changes while maximizing spatial openness and scenic views.



Pursuing Environmental Certifications for the Seongsu Headquarters

KRAFTON is progressing in phases to meet the requirements for multiple environmental certifications for its new Seongsu headquarters. These include the Green Building Certification, Building Energy Efficiency Rating, Zero Energy Building Certification, and LEED Platinum.

Plan for Eco-Friendly Systems in Seongsu Building¹⁾

Category	Description	
Insulation	• High-performance, airtight insulated windows	
HVAC Systems	• Efficient zoned load management using an underfloor air distribution system	• Improved indoor air quality and temperature uniformity
Lighting	• Use of high-efficiency lighting equipment	
Renewable Energy	• Solar power generation: 1,237.95 kW (fixed type), 64.728 kW (BIPV)	• Water-source thermal energy: 6,390.00 kW • Generator exhaust gas reduction device
Elevators	• Regenerative braking system installed in elevators for electricity reuse during operation	
Water Resources	• Rainwater detention facility for recycling as landscape irrigation water	• Greywater reuse system implemented • Water-saving sanitary fixtures applied
Heating and Cooling	• Stable raw water temperature from regional supply used as heat source	• Thermal storage system to store chilled water (summer) and hot water (winter) during off-peak hours, supplying heating/cooling via heat pumps and thermal exchange processes during the day
Power Supply	• Power supply stability system with backup network to support uninterrupted operations and online maintenance	• Environmentally Switchgear panel and transformers equipped with cooling fans • Low-noise, high-efficiency molded transformers

1) Based on the design criteria outlined in the 2024 architectural plan

ESG Highlights

The grit to push through. The patience to debug. The full immersion it takes to claim what you truly seek.

KRAFTON Jungle

As technological change accelerates, the demand for practical digital talent is rapidly rising across industries. In response, KRAFTON operates KRAFTON Jungle, a hands-on training program developed as part of its social responsibility efforts. The program is designed to foster self-directed growth and collaboration, guiding participants through a structured pathway from career exploration to hands-on project execution and advanced research-oriented training. Through KRAFTON Jungle, the company aims to strengthen the talent pipeline across software, AI, and gaming—and ultimately help more than 1,000 individuals each year transition into the digital workforce.

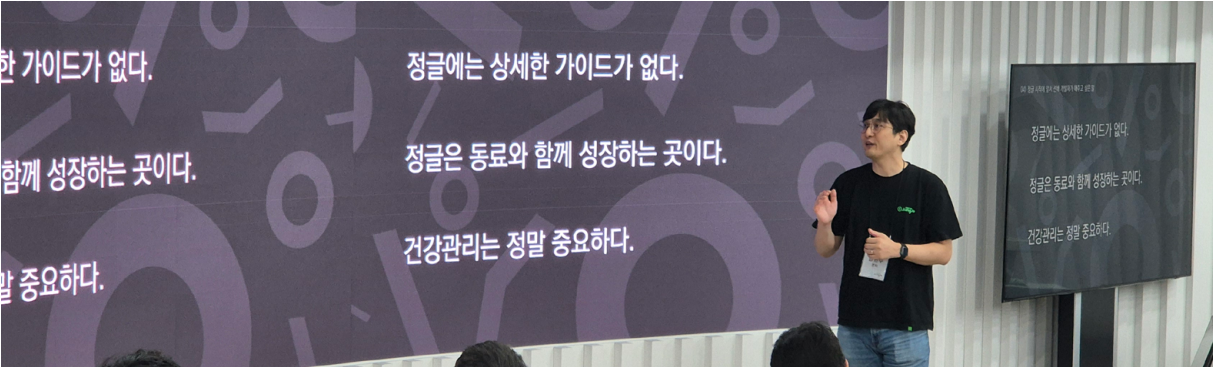
Talent Development Framework

Core Competencies	Learning Approach	Expected Outcomes
Proactiveness and Initiative	Self-Directed Immersive Learning	<ul style="list-style-type: none">• Rapid acquisition of practical, industry-relevant skills through intensive short-term training• Immersive learning that encourages self-directed knowledge building
Problem-Solving Skills	Project-Based Learning	<ul style="list-style-type: none">• Project refinement through real-world service development, game launches, and player engagement• Strengthened problem-solving and hands-on capabilities rooted in computational thinking
Communication and Collaboration Skills	Team-Oriented Curriculum	<ul style="list-style-type: none">• Strengthened collaboration skills and inclusive thinking to work effectively as a trusted team member

Curriculum

KRAFTON Jungle		
<ul style="list-style-type: none">• A step-by-step developer training program—from foundational theory to real-world projects and job placement—open to participants from any academic background		
Foundational Learning	Advanced Application	Service Launch & Career Support
<ul style="list-style-type: none">• Build essential skills in algorithms, data structures, and programming languages (e.g. C programming language), and expand computational thinking through hands-on assignments	<ul style="list-style-type: none">• Explore system-level concepts such as operating systems and networks through team projects and deepen understanding of how software functions	<ul style="list-style-type: none">• Develop and launch player-facing services, then refine them with mentor support• Prepare resumes and job applications for career placement

KRAFTON Jungle Game Lab		
<ul style="list-style-type: none">• Gain end-to-end game development experience—from planning and programming to launch—through an immersive, hands-on curriculum		
Initial Planning & Structural Learning	Production & Implementation	Launch & Iteration
<ul style="list-style-type: none">• Understand the fundamentals of the game development environment and explore key elements—such as level design and balancing—to plan and structure game concepts	<ul style="list-style-type: none">• Experience real-world development workflows through team projects, including building a proof of concept• Receive hands-on production coaching from industry mentors	<ul style="list-style-type: none">• Launch games on global platforms• Update and refine games based on direct player feedback and interaction



ESG Highlights

Partnerships



KRAFTON Jungle

In July 2022, KRAFTON signed an MoU with KAIST to benchmark the philosophy and curriculum of KAIST’s non-degree program, SW Jungler School.



KRAFTON Jungle Game Lab

KRAFTON has also built a collaborative relationship with DigiPen Institute of Technology—often referred to as the “Harvard of game development”—to share expertise and advance game talent development.

Program Outcomes and Future Plans

To support its goal of training 1,000 digital professionals annually, KRAFTON is continuing to scale and refine its programs. Beginning in 2025, both KRAFTON Jungle and KRAFTON Jungle Game Lab will operate out of the new Yongin Campus, training approximately 460 participants each year.

Category	Training Duration	Program Size	Status & Future Plans	
KRAFTON Jungle	5 months	308 participants	• Completion rate (Cohorts 1–6): 95% • Cohort 7 to complete in January 2025	• Cohort 8 to begin on March 10, 2025
KRAFTON Jungle Game Lab	6 months	61 participants	• Completion rate (Cohorts 1–2): 100%	• Cohort 3 to begin on March 4, 2025

Career Support

KRAFTON continues to invest in various initiatives to ensure that the KRAFTON Jungle experience leads directly to employment opportunities.



Partner Company Engagement

- Continually identifies hiring partners and hosts recruitment briefings
- Provides top candidates with early employment opportunities through project-based mentoring



Industry Mentorship

- Project feedback and QA testing provided by industry experts



Talent Network Development

- Builds a community for alumni to stay connected
- Collects graduate profiles and provides resumes and talent database access to companies with hiring needs



Career Readiness

- Offers resume-writing tips and mock interviews with professionals
- Hosts demo days to showcase participant achievements to potential employers

KRAFTON Jungle Campus

KRAFTON has established an eco-conscious campus to support the Jungle program, applying modular construction methods that reduce carbon emissions and noise while taking the local community and environment into account. The KRAFTON Jungle Campus is built to train over 1,000 developers annually, with facilities that can accommodate around 500 participants per half-year session.



ESG Highlights

KRAFTON encourages open, real-time communication—founded on trust and focused on growing together.

KLT (KRAFTON Live Talk)

KLT is KRAFTON's flagship all-hands communication program, held consistently every month since September 2015. It brings employees and leadership together to openly share company updates—both big and small—and engage in transparent, unscripted Q&A. At the heart of KLT is the belief that when leadership and employees share the same information and engage from a common perspective, they can better align and build the vision together. This belief is what has kept KLT going for nearly a decade without interruption. KRAFTON teams around the world participate in KLT live via Zoom, and in January 2024, the program reached its 100th milestone. Going forward, KLT will remain a cornerstone of our transparent and open culture—built on trust, empathy, and honest connection.

Fostering a Culture of Transparent Q&A Under Real Names

Since its early days, KLT has welcomed questions from employees. In June 2020, starting with its 58th session, KLT introduced a real-name submission system through an internal app. Although there were initial concerns that name disclosure might discourage participation, employees embraced the value of transparent communication, and the approach quickly took root. By the 100th session in January 2024, a total of 1,186 questions had been submitted—demonstrating continued engagement and a trust-based Q&A culture.

Establishing Platform for Real-Time Global Communication

In March 2020, starting with its 54th session, KLT introduced a real-time streaming system that enabled employees not only in Korea but also across global offices to participate live. In June of the same year, at the 58th session, simultaneous interpretation was added, eliminating language barriers and establishing global communication structure to ensure equal engagement of for employee. These upgrades marked a turning point, establishing KLT as a truly company-wide communication platform.

KLT Highlights

As of June 2025, KLT has held 118 sessions. It is held regularly on the third Thursday of each month.

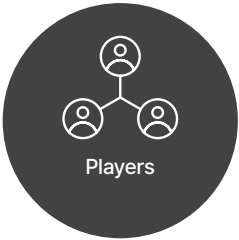





Main KLT Topics

- Game Development at KRAFTON: from Proposal to Sunset
- Company-Wide Direction and Key Organizational Changes at KRAFTON
- Overview of the Indian Gaming Market and Future Business Strategy
- Console-Driven Growth Opportunities in the Americas
- 100th Special Edition: Reflecting on KLT's Past and Future
- Game Production and Workflow Optimization Using Deep Learning
- Q&A on New Office Space
- The Vision for the PUBG IP Franchise
- Preparing for Gamescom: Behind the Scenes
- The Launch Story of BATTLEGROUNDS MOBILE INDIA
- Overview of Major 2024 BGMI Esports Events
- KRAFTON's Talent Development Program: Jungle
- CEO Message: KRAFTON's Five-Year Vision and IP Franchise Strategy
- Game Industry Investment: KRAFTON's Perspective and Strategy



Stakeholder Engagement

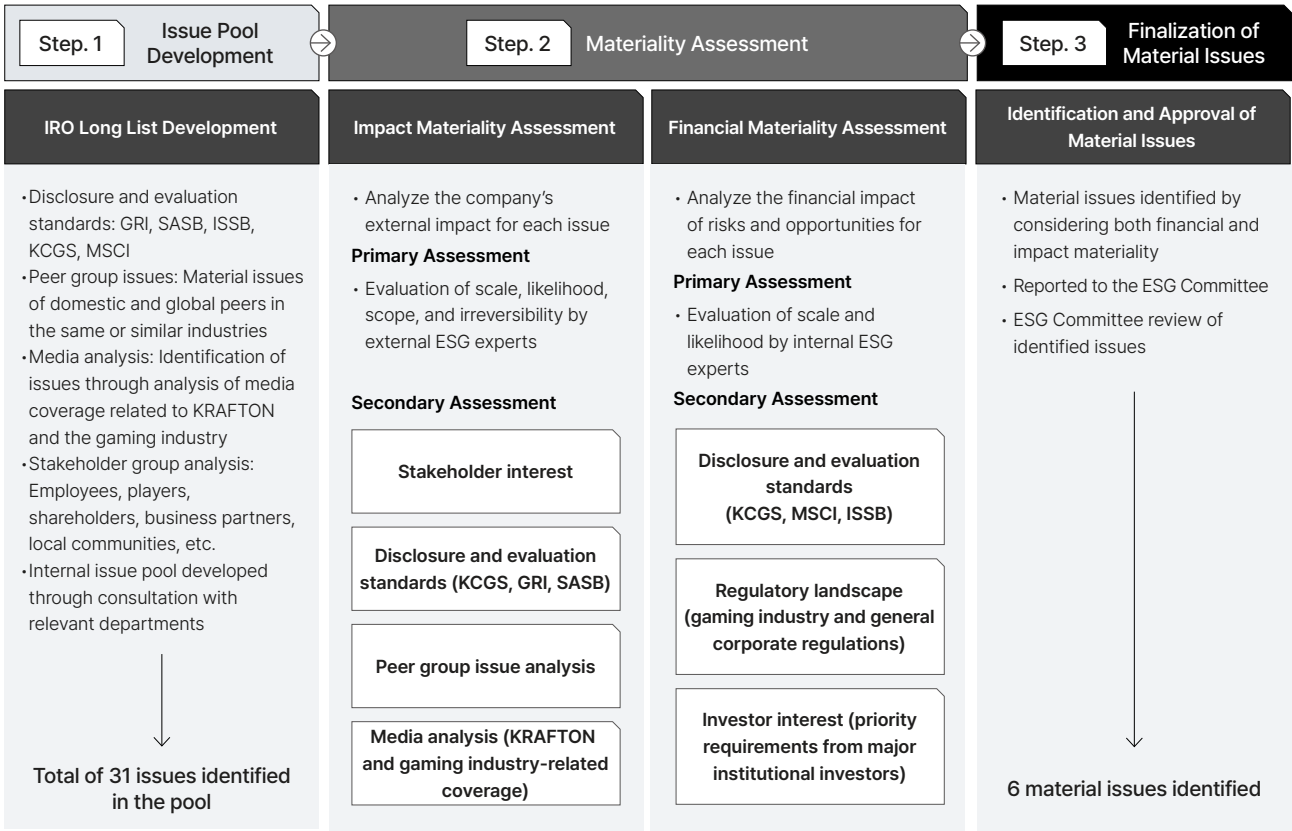
KRAFTON actively engages with players, employees, business partners, shareholders and investors, local communities and government agencies —listening to their interests and building trust through diverse and ongoing channels.

Stakeholder						
Key Topics of Interest	<ul style="list-style-type: none">• Quality and stability of game content• Customer response and reflection on feedback• Player protection and operational policies	<ul style="list-style-type: none">• Fair evaluation and compensation system• Horizontal organizational culture and communication• Talent development and growth support	<ul style="list-style-type: none">• Fair contracts and mutual growth• Reasonable criteria and procedures for business partner selection• Occupational safety and health management for business partners• Sustainability of business partners	<ul style="list-style-type: none">• Strategies and performance for enhancing corporate value• Profitability and risk management• Transparent governance• Shareholder returns	<ul style="list-style-type: none">• IT education programs for local youth and university students• Promoting awareness and understanding of gaming culture• Initiatives that create value for local communities	<ul style="list-style-type: none">• Compliance with game-related laws and regulations• Compliance with information security and personal data protection regulations• Compliance with fair trade and labor law• Fulfillment of ESG disclosure and reporting obligations
Strategy & Response	<ul style="list-style-type: none">• Operation of official communities and customer support center• Notification of patch notes and operational policies• VOC response	<ul style="list-style-type: none">• Operation and enhancement of the performance and career development review system• Leadership and competency development programs• Enhancement of internal communication channels	<ul style="list-style-type: none">• Establishment and distribution of the Business Partner Code of Conduct• Operation of the Business Partner Health and Safety Council	<ul style="list-style-type: none">• Regular IR meetings and participation in conferences• General shareholders' meetings and regulatory filings• Publication and disclosure of ESG Report	<ul style="list-style-type: none">• Operation of IT talent development programs such as KRAFTON Jungle and KRAFTON AI Fellowship• Sponsorship of Game Generation• Donations and volunteer work	<ul style="list-style-type: none">• Compliance system based on legal requirements• Privacy impact assessments and information security certifications• Risk assessments based on fair trade and anti-corruption laws• Establishment of ESG disclosure framework and response roadmap
Frequency & Communication Channels	<div><div>Ongoing</div><div>Official website and social media</div><div>Media coverage</div><div>VOC channels</div><div>Live broadcasts</div><div>As needed</div></div>	<div><div>Ongoing</div><div>Internal email and messenger</div><div>Intranet bulletin board</div><div>Grievance and ethics reporting system (Speak Up Policy)</div><div>Monthly</div><div>Board of Communication</div><div>KLT (KRAFTON Live Talk)</div></div>	<div><div>At time of contract</div><div>Business Partner Code of Conduct</div><div>Ongoing</div><div>Business Partner Grievance Channel (Speak Up Policy)</div></div>	<div><div>As needed</div><div>IR meetings</div><div>NDR(Non-Deal Roadshow)</div><div>Annual</div><div>Business Report and Corporate Governance Report</div><div>ESG Report</div><div>General Shareholders' Meeting</div></div>	<div><div>Ongoing</div><div>Official website and social media</div><div>Media coverage</div><div>As needed</div><div>Education and volunteer programs</div></div>	<div><div>As needed</div><div>Industry Associations and Organizations</div><div>Public portals</div></div>

Materiality Assessment

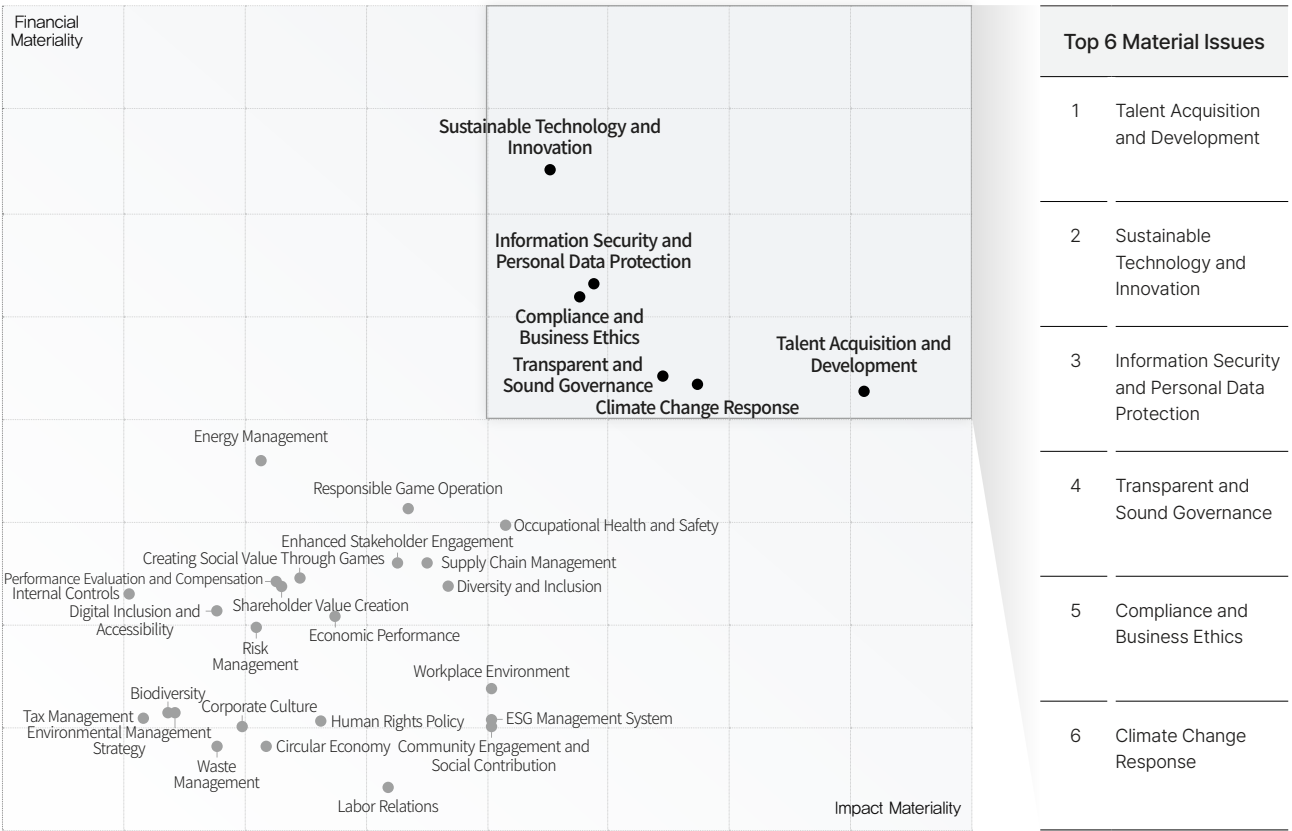
Double Materiality Assessment

KRAFTON conducted a Double Materiality Assessment to identify material issues. This assessment considers both the company's impact on the environment and society, and how environmental and social issues may have a financial impact on the company. KRAFTON carried out the assessment based on the methodology outlined in the European Sustainability Reporting Standards (ESRS), and identified and prioritized its most material issues through this process.



Results of Materiality Assessment







Based on the results of the Double Materiality Assessment, KRAFTON identified six material issues by holistically considering both impact materiality and financial materiality. These issues were reviewed by the ESG Committee under the Board of Directors, which uses them as the foundation for establishing and monitoring the company's ESG strategy and implementation plan.



Materiality Assessment

Material Issue Response Strategy

●: Low ●●: Mid ●●●: High

Material Issues	Impact Materiality	Financial Materiality	Time Frame	Risk & Opportunity		Response Strategy		GRI Index
<div>Talent Acquisition and Development</div> <div></div>	●●●	●●	Long-term	<ul style="list-style-type: none">Recruitment and onboarding costs for securing top talentLosses from talent attrition due to insufficient compensationIncreased operational costs from employee training and capability developmentPotential decline in communication efficiency during organizational growth (e.g., workforce expansion, restructuring)	<ul style="list-style-type: none">Enhanced market competitiveness through acquisition of top talentIncreased productivity through stronger employee training and capability developmentEarly detection and resolution of organizational risks through proactive communication	<ul style="list-style-type: none">Establish a fair recruitment process and operate an internal referral systemFoster and secure future talent through programs such as the KRAFTON AI Fellowship	<ul style="list-style-type: none">Operate a performance-based compensation system and differentiate rewards based on job function and competencySystematize the internal learning platform and develop/support tailored training content by role and level	401, 404
<div>Sustainable Technology and Innovation</div> <div></div>	●●	●●●	Long-term	<ul style="list-style-type: none">Player attrition due to ethical concerns surrounding new technologiesLegal disputes and associated costs arising from unauthorized collection of personal data via generative AI technologiesRegulatory penalties and litigation risks due to trademark or copyright infringement by generative AI technologies	<ul style="list-style-type: none">Increased legal advisory and litigation costs due to stricter regulations on emerging technologiesReduced game development costs through technological innovationExpansion into new markets and enhanced player satisfaction through technological advancement	<ul style="list-style-type: none">Plan and operate an AI Ethics Committee and an ethics review process for each stage of technology developmentEstablish a legal and regulatory monitoring system and pre-risk assessment process based on AI ethical principles	<ul style="list-style-type: none">Develop a checklist for pre-checking technology risksContinuously pursue AI research and innovation, and strengthen advice with external experts	-
<div>Information Security and Personal Data Protection</div> <div></div>	●●	●●	Medium-term	<ul style="list-style-type: none">Decline in player trust and corporate reputation due to data breachesIncreased investment and operational costs to comply with regulations	<ul style="list-style-type: none">Compensation claims and fines resulting from data breachesLeakage of confidential game-related technologies to competitors due to failure in data export controls	<ul style="list-style-type: none">Update the privacy policy and operate a security management systemEstablish and conduct training on manuals for preventing personal data breaches and responding to incidents	<ul style="list-style-type: none">Establish a risk management plan for information security and operate an annual implementation monitoring systemConduct information security campaigns and training	418
<div>Transparent and Sound Governance</div> <div></div>	●●	●●	Long-term	<ul style="list-style-type: none">Strategic misjudgments due to lack of independence and expertise on the Board of DirectorsWeakened oversight due to insufficient performance of duties by outside directorsIncreased management costs from implementing governance improvement measures such as board evaluations and restrictions on tenure and concurrent roles	<ul style="list-style-type: none">Improved decision-making reliability through a more independent and expert board compositionEnhanced board oversight and control through a robust evaluation and verification system for outside directors	<ul style="list-style-type: none">Conduct quantitative and qualitative evaluations of outside directors based on the Board Review systemOperate regulations to prevent conflicts of interest, including term and multiple-role limits for outside directors	<ul style="list-style-type: none">Strengthen pre-assessment and disclosure processes for director candidates through the Director Nomination Committee	2
<div>Compliance and Business Ethics</div> <div></div>	●●	●●	Long-term	<ul style="list-style-type: none">Penalties from non-compliance with anti-corruption and fair trade lawsReputational damage and player attrition due to ethical issuesLegal expenses and compensation costs stemming from corruption, unfair trade practices, or misreporting of material information	<ul style="list-style-type: none">Increased cost of operating anonymous reporting channels and responding to internal unethical behaviorHigher costs associated with building compliance and ethics systems and delivering training	<ul style="list-style-type: none">Provide regular ethics training to all employees and share case studies on corruption riskMonitor risk mapping and legal risk response through the Compliance Management System (CMS)	<ul style="list-style-type: none">Operate an anonymous whistleblowing system and provide feedback on follow-up actionsEmbed compliance review into internal processes	205, 206
<div>Climate Change Response</div> <div></div>	●●	●●	Medium-term	<ul style="list-style-type: none">Operational disruptions and equipment damage from extreme weather eventsRising energy costs due to chronic climate changeIncreased response costs related to greenhouse gas regulations	<ul style="list-style-type: none">Decline in player and investor trust due to insufficient climate actionCost savings through improved energy efficiency and increased use of renewable energy	<ul style="list-style-type: none">Develop disaster recovery scenarios and strengthen Business Continuity Plan (BCP) reviewsExpand investments in renewable energy and energy-efficient facilitiesInstall energy-efficient systems in offices and implement real-time usage-based monitoring	<ul style="list-style-type: none">Establish a climate risk disclosure system and develop strategies to address investor concernsOperate a system to measure player satisfaction and cost savings from new technology adoption	302, 305



MATERIAL ISSUES

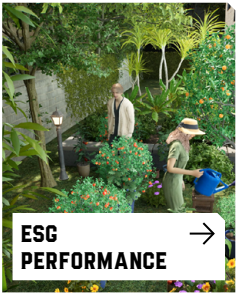
- 27 ① Fostering a Sustainable Organization and Talent Development
- 36 ② Ensuring Responsible Technology Use (AI Ethics)
- 39 ③ Creating a Secure Data Environment
- 44 ④ Strengthening Transparent Governance
- 51 ⑤ Practicing Ethical and Compliant Management
- 57 ⑥ Contributing to a Low-Carbon Society



INTRODUCTION →



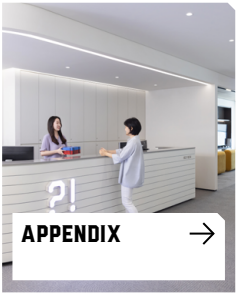
ESG
MANAGEMENT →



ESG
PERFORMANCE →



ESG
DATABOOK →



APPENDIX →

Material Issue 1

Fostering a Sustainable Organization and Talent Development

Governance

KRAFTON operates a structured governance framework to attract, develop, and retain top talent. The Board of Directors conducts regular reviews of medium-to-long-term HR strategies, including talent acquisition, leadership development, and key personnel retention. These strategies are refined through continuous oversight and strategic discussions. The ESG Committee addresses key talent-related issues tied to corporate sustainability and works closely with relevant departments to evaluate the feasibility and effectiveness of associated initiatives. These departments regularly report to senior leadership, which holds clear strategic responsibility for talent development and is actively engaged in related decision-making. In parallel, the Monthly Employee Engagement Committee collects feedback on workplace issues, serving as a channel for aligning the company’s direction with employee perspectives.

Strategy

Environmental and Social Impact	Attribute	Impact Pathway	Likelihood	Magnitude	Scope
	Positive	Stimulating the talent market in the gaming industry through the acquisition of top talent	● ● ●	● ● ○	Company-wide operations and organizational management
		Enhancing employee satisfaction through improvements in the work environment	● ● ●	● ○ ○	
		Increasing employee understanding and engagement through regular communication	● ● ●	● ● ○	
Financial Impact	Attribute	Impact Pathway	Timeframe		Magnitude
	Risk	Costs associated with recruitment and hiring to secure top talent	Short-term		● ● ○
		Losses resulting from talent attrition due to inadequate compensation	Short-term		● ● ○
		Increase in operational costs due to employee training and capability development	Long-term		● ○ ○
		Potential decline in communication efficiency during organizational growth (e.g., headcount increase, restructuring)	Medium-term		● ○ ○
	Opportunity	Strengthening market competitiveness by securing top talent	Medium-term		● ● ○
		Improved productivity through enhanced training and development	Medium-term		● ● ○
		Early detection and resolution of organizational risks through active communication	Medium-term		● ● ○
Response Strategies and Initiatives	To bring in diverse and skilled talent, KRAFTON adopts a multifaceted recruitment strategy. Following onboarding, the company supports the continuous development of all employees to foster a culture grounded in autonomy and accountability—essential elements for long-term organizational competitiveness. Key initiatives include targeted external training programs (e.g., job-specific, language, and self-development), KRAFTON Developer C:onnect (KDC) for internal and external knowledge sharing, book purchase support, and an internal mobility program that facilitates job transfers. In addition, fair performance and compensation systems, comprehensive employee benefits, flexible work arrangements, and organizational culture programs are in place to help employees stay engaged and focused in a stable and autonomous work environment.				

Risk Management

Risk Identification	<ul style="list-style-type: none">Analyze talent demand based on business strategies and medium-to-long-term plansOperate a system to review job competency requirements and workforce status by departmentMonitor external talent markets and industry hiring trends on an ongoing basisEvaluate workforce metrics such as turnover rates and training completion rates
Risk Control and Mitigation	<ul style="list-style-type: none">Establish a talent acquisition roadmap aligned with long-term business strategiesDevelop tailored training and career development systems reflecting industry and role characteristicsBalance external recruitment with internal talent developmentIdentify key talent in advance and design step-by-step growth pathways
Risk Monitoring and Reporting	<ul style="list-style-type: none">Operate a regular reporting system on talent strategy for senior leadershipReview talent development strategies through the ESG CommitteeConduct regular performance reviews of key development programsPeriodically review talent operations by department

Indicators and Targets

- Total training hours and training hours per employee
- Voluntary turnover rate
- Ratio of female employees
- Parental leave utilization rate

Material Issue 1

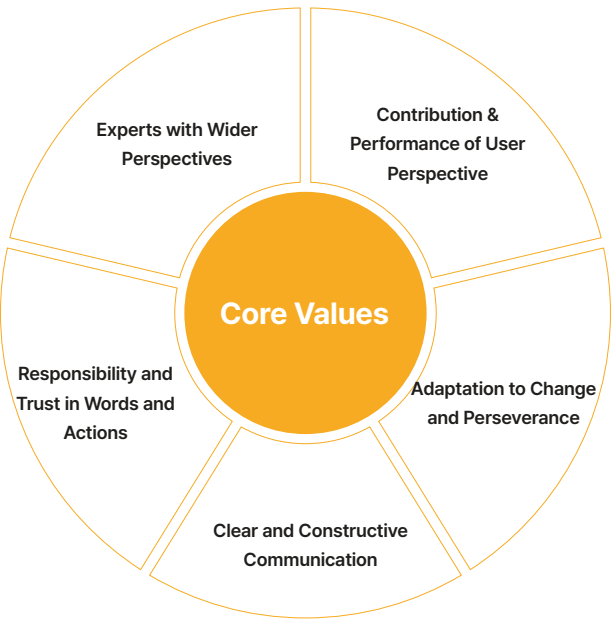
Fostering a Sustainable Organization and Talent Development

KRAFTON fosters an autonomous and horizontal organizational culture where employees are empowered to take ownership and grow their capabilities. Objective performance feedback and a rational compensation framework are in place to ensure fairness and transparency. An inclusive environment that respects diversity enables both individuals and the organization to grow together. Employee benefits are also being continuously enhanced to support a sustainable work environment.

Workplace Culture


KRAFTON's Talent Philosophy

KRAFTON defines the way of working based on five core values: expertise, player-centric thinking, adaptability, communication, and trust. These principles guide how KRAFTON's people work together and grow as a team.



Work-Life Balance

KRAFTON promotes a flexible work culture built on accountability for performance. To enhance both work efficiency and quality of life, KRAFTON implements flexible working hours, a pre-approval system for night and weekend shifts, and remote work options.



Flexible Work Hours

Employees can adjust their schedules freely, except for designated core hours, provided that their average working hours per week remain between 40 and 52.



Pre-approval System for Night and Weekend Work

In cases where night or weekend work is necessary, prior application and approval are required. Compensatory leave is granted for approved cases



Remote Work Arrangement

Teams are encouraged to work remotely at least once a week, depending on team needs and workflows

Diversity and Inclusion

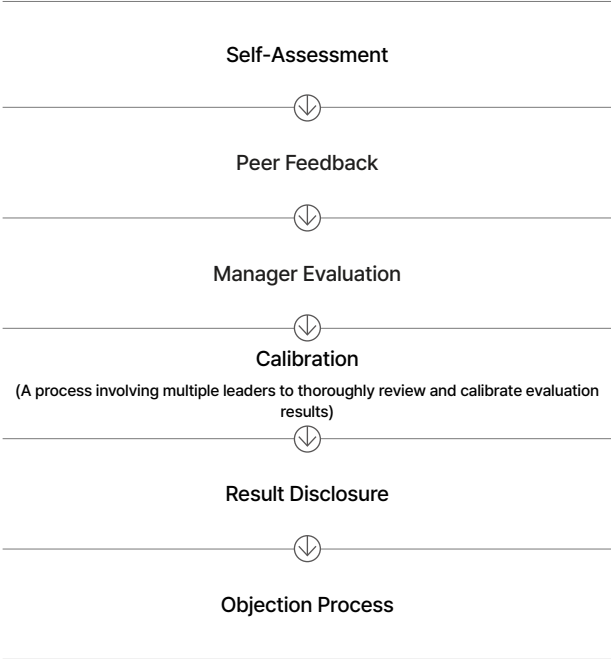
KRAFTON aims to create an environment where all employees have equal opportunities and can realize their full potential. Targeted policies are being implemented to expand female employment and build a more balanced workforce. Comprehensive employee benefits are in place to support both work and personal life, including initiatives that promote better harmony between work and family. Non-discriminatory hiring practices are upheld, alongside structural efforts to expand employment opportunities for individuals with developmental disabilities. Since 2023, KRAFTON has held equity stakes in “Bravo Beaver Gyeonggi” and “Bravo Beaver Incheon,” operated by “BearBetter,” a designated standard workplace for persons with disabilities in Korea. Products manufactured and packaged at these sites are utilized in various recruitment, training, and CSR events, including job fairs, internship briefings, and campus recruitment sessions. By combining equity investment with product procurement, KRAFTON contributes to building a sustainable foundation for continued employment of persons with disabilities.



Material Issue 1

Fostering a Sustainable Organization and Talent Development

Regular Performance Appraisals and Feedback Processes¹⁾



Evaluation Direction

- Set individual goals aligned with organizational OKRs and regularly align expectations with managers
- Support continuous employee growth through year-round, ongoing feedback
- Incorporate peer feedback based on collaboration and conduct multidimensional, in-depth evaluations through the calibration process
- Enhance transparency and accessibility by recording and sharing evaluations through the Workday system

1) For contractors, formal performance reviews are not conducted, but goal setting and continuous feedback are applied in the same manner

Compensation System

KRAFTON operates a performance-based compensation system to support long-term employee growth and motivation. All compensation is determined fairly through the approval of the Talent & Compensation Committee—composed entirely of external directors—and the Board of Directors.

Category	Compensation	Details
Cash-Based Compensation	Base Salary	Determined based on individual capabilities
	Short-Term Incentive (STI)	Distributed using a profit-sharing (PS) model, linked to annual organizational performance
Stock-Based Compensation	Performance-Based Stock Compensation (Restricted Stock Units (RSU))	Long-term talent retention program with performance conditions; granted to selected key talents
	Stock Options	Granted to key executives; exercisable upon achievement of performance targets

Work–Family Balance

KRAFTON fosters an environment that enables employees to balance their professional responsibilities with family life. A variety of measures are in place to ensure stable and flexible work arrangements throughout pregnancy, childbirth, and parenting.

Programs and Support	Details
Reduced working hours during pregnancy and childcare periods	<ul style="list-style-type: none">• Pregnancy: Reduced working hours available during early pregnancy (up to 12 weeks) and late pregnancy (after 32 weeks)• Childcare: Reduced working hours for employees with children under the age of 8
Time off for regular prenatal health checkups	<ul style="list-style-type: none">• Applicable to pregnant employees and their spouses• Time off available upon request for regular prenatal checkups
Leave for infertility treatment	<ul style="list-style-type: none">• Leave provided for infertility treatment (up to 6 days per year)
Leave for miscarriage or stillbirth	<ul style="list-style-type: none">• Protective leave based on pregnancy stage
Maternity leave and paternity leave	<ul style="list-style-type: none">• Maternity leave available (up to 90 days, up to 120 days for multiple births)• 20 days of paternity leave for spouses
Childbirth and childcare subsidies	<ul style="list-style-type: none">• Upon childbirth, KRW 60 million childbirth grant and annual childcare support of KRW 5 million for children aged 1 to 8 (up to KRW 40 million over 8 years)• Available to permanent employees of domestic entities
Parental leave	<ul style="list-style-type: none">• Parental leave support for employees with children under 8 (up to 2 years including the statutory 1 year)
Flexible work arrangements for childcare	<ul style="list-style-type: none">• Remote work allowed during school entry, adjustment periods, and vacations when childcare is needed
Breastfeeding room	<ul style="list-style-type: none">• Breastfeeding rooms and supplies provided for nursing employees
In-house daycare center “Little Foret”	<ul style="list-style-type: none">• In-house daycare center operated in Yeoksam and Pangyo for children aged 0 to 5• Designed as a nature-friendly space considering children's physical safety and emotional development

Material Issue 1

Fostering a Sustainable Organization and Talent Development

Organizational Culture Programs

KRAFTON is shaping an open and autonomous organizational culture through transparent communication and active engagement. Signature programs such as the Monthly Employee Engagement Committee, Pride of KRAFTON (PoK), KRAFTON Developers C:onnect (KDC), and KRAFTON Live Talk (KLT) help employees connect with the company's vision and direction on a deeper level. These ongoing efforts create the foundation for mutual trust, shared growth, and a healthier, more vibrant organizational culture.

Employee Satisfaction Surveys

KRAFTON conducts regular surveys to gather feedback on employee work experiences and uses the results to improve its organizational culture and working environment. Exit surveys help identify key factors behind turnover, while new employee surveys—conducted three months after onboarding—offer insights into adaptation and workplace conditions. In addition, satisfaction surveys on employee benefits are conducted regularly, and feedback is also collected regarding administrative support services. These efforts reflect KRAFTON's continued commitment to listening to its people and creating a better work environment.

Monthly Board of Communication

Since 2018, KRAFTON has operated a Monthly Board of Communication (Collective Bargaining Agreement) to actively listen to employee feedback and create a healthy, productive work environment. The committee convenes on the second Tuesday of every month, with 15 elected representatives from across the organization. Meetings are open to all employees who wish to attend, reflecting KRAFTON's commitment to transparency and open dialogue. All discussion points are documented and shared company-wide, and a comprehensive year-end review tracks progress and outcomes. From 2022 to 2024, a total of 69 agenda items were reviewed and addressed—26 in 2022, 22 in 2023, and 21 in 2024—leading to meaningful improvements in working conditions and employee benefits. In particular, in 2024, the committee gathered feedback on practical issues such as the housing loan and interest support program and the details of the childbirth grant policy.



KRAFTON Live Talk (KLT)

Since September 2015, KRAFTON has hosted KRAFTON Live Talk (KLT), a company-wide communication program held on the third Thursday of each month. It serves as a forum where global employees and leadership come together to engage in in-depth discussions on KRAFTON's strategic direction, project line-ups, and key initiatives. To ensure that all employees are well-informed and aligned, executives share important company updates transparently and respond sincerely to employee questions. Grounded in the core values of autonomy, continuity, and transparency, KLT fosters a culture of mutual trust and open communication between KRAFTON and its people.

Autonomy • KLT reaches nearly 3,000 employees across KRAFTON's headquarters in Korea and global studios and offices in more than ten countries, including the US, China, Japan, Thailand, and Indonesia. To overcome barriers of time zones and language, the program offers live broadcasts, real-time interpretation, translated feedback, and post-session materials—creating an environment where everyone can participate freely, regardless of location.

Continuity • Since its first session in September 2015, KLT has taken place every month without interruption, marking its 100th session in January 2024. A total of 12 sessions were held throughout 2024, and the program will continue in 2025 as a bridge between leadership and employees. Rather than a one-time initiative, KLT has become a deeply rooted part of KRAFTON's organizational culture.

Transparency • KLT plays a key role in closing the information gap between leadership and employees by providing a space for open, transparent communication. Important company updates and strategies are always shared with employees first, and all employees are free to ask questions on any topic. All Q&A sessions are recorded and archived, so employees can revisit and refer to the information whenever they need.

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Fostering a Sustainable Organization and Talent Development

PoK (Pride of KRAFTON)

Pride of KRAFTON, or PoK, is a recognition program that honors employees who actively contribute to the growth of the KRAFTON community. The program encourages company-wide initiatives that promote knowledge sharing, communication, collaboration, and engagement among employees. Those who meet participation criteria are awarded program-specific badges. These badges go beyond simple proof of participation—they reflect individual ownership and a sense of responsibility toward the collective. Employees who earn five badges receive the “Pride of Master” award, encouraging even greater engagement across the organization.

Category	Activities	Eligibility Criteria
Activities that promote knowledge and information sharing	KDC Speaker	At least 2 times
	BDC Committee Member	At least once
	KDC Supporter	At least 3 times
Activities that contribute to talent development	Seminar recap contribution after presentation	At least 6 times
	Contribution to recruitment in one's job group	At least 7 times
	Short-term or long-term mentoring	At least 5 times
	Internal training instructor	At least 5 times
Activities that strengthen communication and collaboration	Communication Committee Member	More than 1 year
	Club organizer or lead	More than 1 year + at least 6 times
Activities that promote cross-functional exchange	Job group seminar coordinator	At least 3 times
	Participation in company-wide task forces	At least once
Participation in company-wide initiatives	Participation or award in company-wide contests	At least once
	Internal tester providing feedback	At least 6 times
Contributions to social responsibility	Matching grant program participant	At least 2 matching grant donations

KDC (KRAFTON Developers C:onnect)

KRAFTON launched KRAFTON Developers C:onnect (KDC) in 2011 as an internal developer community built on company-wide knowledge sharing and technical exchange. Over the past 13 years, it has evolved into a platform that connects not only KRAFTON employees but also professionals from related industries, as well as global studios and partners. KDC aims to connect and spread knowledge and experience across internal and external communities—fostering a virtuous cycle of recognition, inspiration, motivation, growth, and new opportunities. Anchored by an annual conference and regular bi-monthly sessions, KDC now takes on many forms: KDC Track, Week, and Club, as well as meetups, panel talks, and small group gatherings involving KRAFTON employees and partners.

Category	Content
KDC: Track	A forum for deepening expertise within each job group through focused learning and discussion on core business topics
KDC: Week	An open platform for networking across the gaming industry, featuring internal and external speakers
KDC: Club	A casual space for sharing thoughts and experiences on work-related topics, fostering natural relationship-building

Material Issue 1

Fostering a Sustainable Organization and Talent Development

Employee Benefits

KRAFTON believes that employee happiness and well-being are the foundation of sustainable organizational growth. A variety of employee benefits are in place to support a better work environment, healthier lifestyles, and a balanced life. These benefits apply equally to both permanent employee and contractors. KRAFTON supports employees in maintaining their best condition and fully demonstrating their capabilities through flexible work systems, family-friendly programs, and enhanced health and leisure benefits.



Yeoksam Daycare Center



Gamers' Lounge

Category	Programs	Details	
KRAFTON as a Joyful Place to Work	In-house Café and Cafeteria	Operate an exclusive in-house café for employees at reasonable prices	Operate a cafeteria that provides breakfast, lunch, and dinner
	Refresh Leave and Long-Service Leave*	Grant refresh leave every 3 years of continuous service	Grant long-service awards and additional leave every 5 years of continuous service
	Birthday and Holiday Gifts	Provide birthday gift vouchers and a half-day off	Offer holiday gifts for major holidays
KRAFTON as a Place for Shared Growth	Training Programs	Support both job-related and personal development training programs	Support foreign language education to improve global communication skills
	Workshops	Support external workshops to enhance team collaboration	
KRAFTON for Daily Convenience	Family Event Support	Support family events such as marriage, childbirth, funerals, and children's school admissions	
	Child Day Care Support	Run Little Foret, the company daycare center	Provide breastfeeding space for female employees
	Housing Loan Program*	Operate a housing loan and interest subsidy program	
	Parking and Commuter Bus Services	Support parking space	Run commuter bus services
	Lounge and Rest Areas	Provide lounge areas equipped with massage chairs and recliners	Operate the Gamers' Lounge
KRAFTON for Health and Well-being	Health Promotion	Offer group insurance and annual health checkups for employees	Support fitness expenses
	Mind Care	Operate 'Mind Care,' a mental health counseling service provided by professionals	

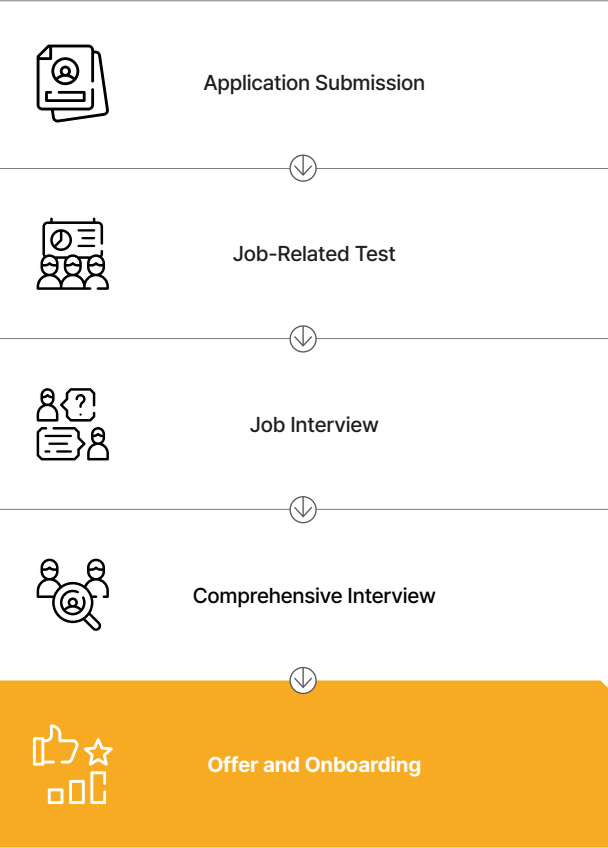
* Available for permanent employees

Material Issue 1

Fostering a Sustainable Organization and Talent Development

KRAFTON considers top-tier talent acquisition a top priority and a core foundation for delivering new gaming experiences and expanding its global entertainment ecosystem. To support this priority, the company maintains a broad range of recruitment pipelines—including internship programs, new graduate hiring, and internal mobility—to secure a consistent influx of skilled individuals. Based on a principle of selecting talent aligned with the company’s vision and values, KRAFTON strategically recruits individuals suited to culture and goals. This strategic focus reinforces the foundation for sustainable growth.

Recruitment Process



- Operate a recruitment process focused on identifying candidates who align with the company's core values and role requirements
- Job-related test: evaluate job-specific capabilities through objective assessment
- Interview and beyond: conduct multidimensional evaluation through job interview and comprehensive (culture-fit) interview before making a final hiring decision

Formal Talent Pipeline Development Strategy

As part of its long-term strategy to secure Big Franchise IPs, KRAFTON focuses on seeking out exceptional individuals with expertise in development and AI. A variety of recruitment initiatives are underway to ensure the organization builds a strong and relevant talent pool to support this vision.

Junior Talent Recruitment

KRAFTON recruits high-potential junior talent, especially in game development and software engineering. For developer positions, candidates are evaluated through a coding test-based assessment focused on capabilities. In the AI field, new hires join the Deep Learning Division and participate in forward-looking innovation projects for the gaming industry, working in collaboration with NVIDIA and OpenAI.

Campus Recruiting

KRAFTON operates a campus recruiting program in partnership with universities to discover promising



candidates for new graduate and internship roles. The program is designed to identify individuals who align with the company’s talent profile and job requirements.

KRAFTON AI Fellowship

KRAFTON launched the KRAFTON AI Fellowship in 2022 to identify and nurture future talent in the field of artificial intelligence. Open to undergraduate students of Korean nationality, the program includes a rigorous selection process that evaluates applicants through a series of advanced challenges, spanning from AI theory to applied technologies. Finalists are invited to join the KRAFTON AI Research Internship program, where exceptional performance may lead to full-time employment or priority consideration for future hiring. Notably, two fellows from the inaugural cohort have already joined KRAFTON as full-time employees.

Key Program Benefits

- Conduct research and write papers under the guidance of leading AI scholars and KRAFTON-affiliated researchers, both domestic and international
- Receive full support for conference participation and related expenses if machine learning research completed during the internship is accepted at a major international conference as first author or co-first author
- All fellows receive a research scholarship of KRW 10 million, in addition to a separate internship salary and full-time employee-level benefits during the program
- Gain practical career support through online career consulting sessions with professionals from top research institutions and global tech companies during the internship

Material Issue 1 Fostering a Sustainable Organization and Talent Development

Employee Referral Program

KRAFTON actively operates an employee referral program to attract talent that aligns with its organizational culture and vision. The program consists of both internal and external referral tracks and provides bonuses for successful hires—encouraging employees to play an active role in talent acquisition.

In 2024, 88 out of 431 new hires (416 at KRAFTON and 15 at inZOI Studio)—approximately 20%—joined the company through referrals. The program continues to contribute meaningfully to both individual career development and the organization's sustainable growth.

Recognized for Outstanding Job Creation

KRAFTON was named a “Best Job-Creating Company” in 2020, 2022, and 2023. This recognition is awarded to companies that demonstrate excellence in creating quality jobs, improving labor conditions, ensuring employment stability, and promoting work–life balance. KRAFTON was highly regarded for its commitment to supporting employee growth and providing stable, meaningful employment as a responsible employer.

Supporting the Software and Gaming Industries and Fostering Talent

KRAFTON Jungle

KRAFTON Jungle is a software talent development program rooted in social contribution, built on the “SW Jungle” curriculum, a non-degree course offered by KAIST. The program provides aspiring developers with practical education and hands-on experience, with some graduates advancing to internship opportunities. In 2024, six participants from the 5th KRAFTON Jungle cohort were brought on as interns. In 2025, eight additional interns were selected from the 9th KAIST Jungle cohort and the 4th to 6th KRAFTON Jungle cohorts.

Better Ground

Better Ground is a social contribution program aimed at nurturing the next generation of talent by supporting youth interested in game development so they can grow into future talent. With mentorship from KRAFTON employees, participants gain hands-on experience and the motivation to pursue their passion. The program supports talent development across all stages in the software and gaming industries.

ICPC Sponsorship

Since 2022, KRAFTON has sponsored the International Collegiate Programming Contest (ICPC) to help discover and nurture outstanding developer talent both in Korea and abroad. That year, the company officially supported the ICPC Seoul Regional and offered various forms of support for participating students.



Material Issue 1

Fostering a Sustainable Organization and Talent Development

Company-wide Learning Program

External Training Support System

To keep pace with a rapidly evolving technological landscape and intensifying global competition, KRAFTON encourages employees to proactively engage in self-directed learning and skill development. A variety of external training programs are offered to support individual growth, with equal access provided to both permanent employees and contractors.

Category	Details
Job-specific Development Training Programs	Support for practical learning through online/offline lectures, certification programs, and participation in seminars and conferences aligned with current job roles and organizational vision
Language Education	Customized language programs such as one-on-one conversation sessions, video content, and AI-based mobile learning to strengthen global communication skills
Self-Development Education	Support for vision-oriented, self-directed learning such as arts and humanities-based education to foster creativity and insight and global competency programs

Certification Support Program

KRAFTON supports skill development by encouraging all employees—both permanent employees and contractors—to obtain job-related certifications. The company offers financial assistance and encourages employees to pursue certifications aligned with each role. In 2024, employees earned a total of 22 certifications, including AWS and ISTQB.

New Hire Onboarding Program

KRAFTON offers a six-month onboarding program to help all new employees—both permanent employees and contractors—integrate smoothly and grow within the organization. The program starts with a comprehensive orientation on the company, its culture, and work environment, followed by training on job-specific tools, internal policies, and information security practices. It also deepens understanding of KRAFTON's vision and core values, while providing opportunities for peer networking and communication to support a smooth and stable transition into the company.

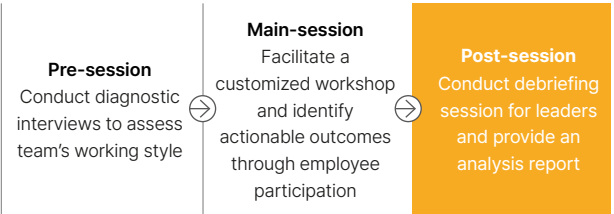
Leadership Development Program

KRAFTON's leadership development program is grounded in the belief that every leader has a unique style—and that leadership can be continuously developed and refined. The program helps leaders gain self-awareness of their personal leadership style and supports balanced growth by strengthening their strengths while addressing areas for improvement. Training is customized by job level and role to ensure relevant and impactful development.



Organizational Development Program

Based on an internally established roadmap, KRAFTON's organizational development program aim to build a culture focused on collaboration and practical execution. Covering themes such as teamwork, issue resolution, and emotional well-being, the program supports teams in aligning around shared goals and generating sustainable performance across the organization.



Mandatory Compliance Training

KRAFTON is committed to fostering a safe and respectful work environment by providing mandatory compliance training at least once a year to all employees, including both permanent employees and contractors. The training covers topics such as workplace bullying prevention, sexual harassment prevention, disability awareness, and personal data protection. Separate compliance sessions are also provided for leadership. To enhance ongoing awareness, the company conducts company-wide campaigns and shares supporting materials both online and offline. The program also offers proactive training on response procedures in the event of an incident, with an emphasis on prevention and appropriate action.

Material Issue 2

Ensuring Responsible Technology Use (AI Ethics)

Governance

KRAFTON recognizes AI as a key driver of innovation across game development and operations—and equally, as a technology that demands ethical responsibility. Grounded in this awareness, the company is committed to ensuring that AI serves not only as a tool for technical advancement but also as a foundation for building a sustainable AI ecosystem. To prevent unintended social consequences such as hate speech, privacy violations, or algorithmic bias, KRAFTON has established ethical principles and implemented technical safeguards as part of a responsible AI governance framework. In April 2023, the company launched the AI Ethics Committee, a cross-functional forum composed of teams including Legal, Data, and Privacy. Based on this structure that reflects diverse perspectives, KRAFTON aims to proactively respond to the evolving ethical risks associated with AI technologies.

Looking ahead, KRAFTON plans to further align AI ethics with ESG governance by deepening collaboration with the ESG Committee. The company aims to institutionalize ethical standards across the organization by embedding them into core processes and decision-making structures. In parallel, KRAFTON also plans to reflect AI ethics standards in key internal processes and decision-making structures and will progressively build company-wide capabilities—through training, operational guidelines, and monitoring and oversight mechanisms—to ensure consistent and accountable implementation.

Strategy

Environmental and Social Impact	Attribute	Impact Pathway	Likelihood	Magnitude	Scope
	Positive	Delivering new forms of entertainment to players through the development of new technologies	● ● ●	● ● ○	Technology Planning-
	Negative	Potential harm from unauthorized collection of personal data via generative AI	● ● ●	● ● ●	Development-Overall Operations
	Negative	Potential harm from trademark or copyright infringement due to generative AI	● ● ●	● ● ●	
Financial Impact	Attribute	Impact Pathway	Timeframe	Magnitude	
	Risk	Player attrition caused by ethical issues related to emerging technologies	Medium-term	● ● ○	
	Risk	Legal disputes and associated costs due to unauthorized collection of personal data through generative AI	Short-term	● ● ●	
	Risk	Risk of penalties and lawsuits related to trademark and copyright infringement involving generative AI	Short-term	● ● ●	
	Risk	Increased legal advisory and litigation costs due to strengthened regulation of emerging technologies	Medium-term	● ● ○	
	Opportunity	Reduction in game production costs through technological innovation	Short-term	● ● ○	
	Opportunity	Expansion into new markets and increased player satisfaction through new technology development	Short-term	● ● ○	
Response Strategies and Initiatives	KRAFTON has established AI ethics principles along with an AI Ethics Checklist for employees, helping to ensure that emerging technologies are used responsibly and safely. These principles are applied across new technologies to prevent potential ethical issues. Legal risks related to AI tools in game development are reviewed through internal roundtables, while ongoing innovation continues to drive both organizational and industry-wide growth. Employees are also encouraged to use AI tools responsibly in their daily work.				

Risk Management

Risk Identification	<ul style="list-style-type: none">Conduct advance impact assessments and internal reviews when introducing new technologies or planning AI-based servicesDetect potential compliance issues early by monitoring changes in relevant laws and regulationsCollect on-the-ground risk perspectives through interviews and workshops with staff engaged in developing and applying new technologies
Risk Control and Mitigation	<ul style="list-style-type: none">Enhance personal data management frameworks and conduct pre-implementation impact assessmentsDefine ethical standards and internal guidelines for AI development and applicationRegularly review and update internal policies in accordance with applicable laws and platform requirementsEvaluate organizational readiness and risk exposure prior to adopting new technologies
Risk Monitoring and Reporting	<ul style="list-style-type: none">Conduct regular reviews of AI ethics issues and strategic direction through the ESG CommitteeLeverage the AI Ethics Committee to coordinate cross-functional reviews and develop response strategiesProvide senior management with regular updates on key AI-related risks and operational mattersPerform comprehensive periodical (at least annual) assessments of technology ethics and operational risks

Indicators and Targets

- Number of publications in deep learning-related journals and conferences
- AI tool adoption rate among employees

Material
Issue 2

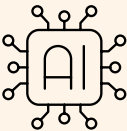
Ensuring Responsible Technology Use (AI Ethics)

As the use of AI technology expands, KRAFTON is committed to establishing and practicing ethical standards throughout its development and operational processes. Guided by four principles—“AI for people,” “Respect for diversity,” “Protection of personal data,” and “Transparency for trust”—KRAFTON has taken tangible steps to ensure that technology upholds its social responsibilities. These efforts include a filtering system to block hate speech, tools to protect trademarks and copyrights during content creation, harmful image detection, and privacy-by-design measures such as data anonymization and storage minimization. KRAFTON plans to further embed these ethical standards across its organizational practices and content development, ensuring that AI operates in a more trustworthy and responsible manner.

KRAFTON AI Ethics Principles

AI for People

We bear in mind that human dignity is the foundation of all AI technology. We will strive to adhere to the principle that the basic rights of humans must not be violated in any stage of AI research, development, and utilization.



Respect for Diversity

We will aim to consider various human characteristics such as culture, race, gender, and age in the process of AI research, development, and utilization. We will strive to ensure that our research and services are not tainted by unfair discrimination or bias.



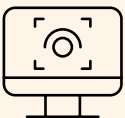
Protection of Personal Information

We will endeavor to protect users' personal information. We will aim to gather and process personal information in compliance with applicable laws.



Securing Transparency for Trust

We are continuously striving to develop trustworthy AI. We will make efforts to transparently disclose how our systems operate if needed.



AI Ethics – Technical Safeguards



Hate Speech Filtering

- Apply a sentence-level filtering system based on toxic filtering technology
- Pre-identify various types of harmful language—such as hate speech, offensive language, and identity hate—and apply safeguards to in-game systems and community spaces



Trademark and Copyright Protection

- Implement constraints in the content generation logic to prevent the reproduction of trademarked or copyrighted terms entered by players during texture or content creation



Harmful Image Filtering

- Apply filtering systems to block adult, violent, or hateful images from being generated or shared within in-game and user-generated content spaces



Privacy security

- Apply de-identification measures throughout the AI feature development and data utilization stages, and design systems to store only minimal personal data temporarily through external solutions and internal tools
- Conduct regular reviews by in-house privacy experts to ensure compliance with relevant laws and industry standards

Material Issue 2

Ensuring Responsible Technology Use (AI Ethics)

Embedding AI Ethics

KRAFTON is establishing step-by-step procedures to proactively identify and carefully review potential risks associated with AI technologies, including hate speech, privacy violations, and algorithmic bias. The company has developed its own “AI Ethics Checklist,” tailored to its services and operational environment, with reference to the self-assessment checklist provided by the Ministry of Science and ICT. KRAFTON is committed to ensuring that technological innovation is realized in a responsible and trustworthy manner by actively addressing AI ethics issues in close collaboration with internal and external experts.

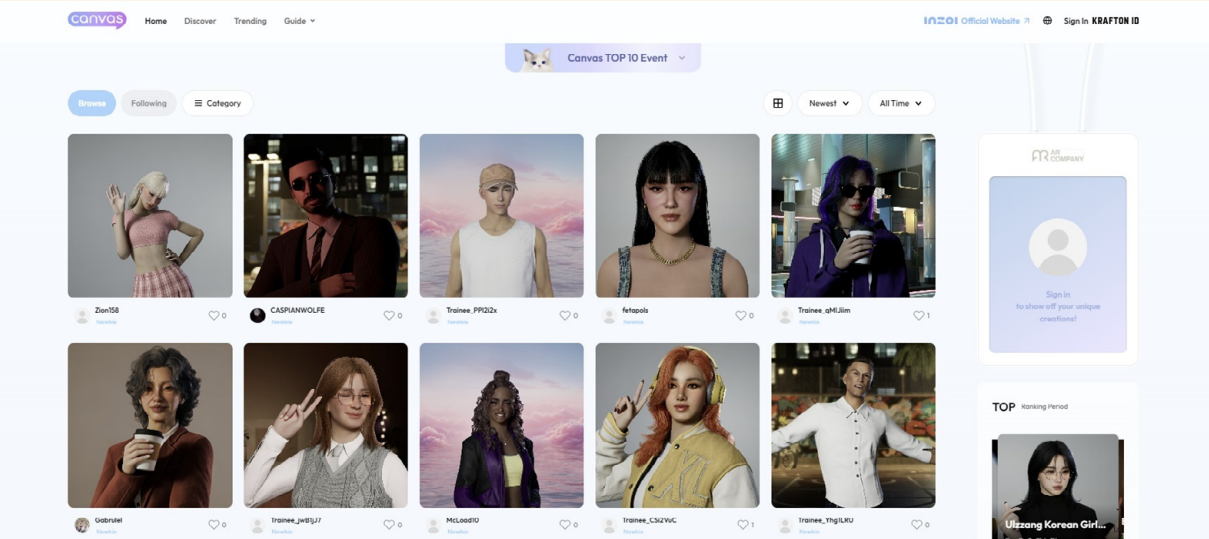
AI Ethics Checklist for Employees (Summary)

Principles	Checkpoints
① Respect for diversity	<ul style="list-style-type: none">• Verify algorithms to prevent bias toward specific groups (e.g., gender, race, ethnicity, nationality)• Design player interfaces that accommodate diverse players (e.g., physical conditions, linguistic and cultural backgrounds)
② Protection of personal data	<ul style="list-style-type: none">• Secure data through encryption and anonymization technologies• Prohibit the collection or use of personal data without player consent• Conduct regular security checks to ensure personal data protection
③ Transparency for trust	<ul style="list-style-type: none">• Clearly explain how the AI functions and the decision-making process to players• Establish protocols to address errors and corrective actions• Provide sufficient information through player guides or manuals
④ Fostering a healthy gaming culture	<ul style="list-style-type: none">• Automatically filter hate speech, discriminatory language, and violent expressions within games• Operate reporting and moderation systems to protect players• Strengthen protection features for children and adolescents
⑤ Ensuring safety and social responsibility	<ul style="list-style-type: none">• Review potential harmful effects in advance, including violence, explicit content, or addiction• Implement reporting and response mechanisms for inappropriate content• Inform players of potential risks associated with AI services and establish appropriate safeguards

Special case

AI-Based Technology for Preventing Trademark and IP Infringement in Games

KRAFTON's inZOI leverages generative AI to enable players to create 2D textures from text prompts, while embedding robust safeguards to prevent trademark and intellectual property (IP) infringement. For example, the texture generation tool is equipped with mechanisms that block the creation of inappropriate content, such as real-world brand logos, explicit material, or hate speech. These controls are powered by proprietary AI models developed in-house, ensuring the proactive elimination of potential external IP violations at the source. In addition, Canvas—an online platform where players share their in-game content—features an advanced filtering system that detects and removes high-risk content, including likenesses of real individuals, offensive symbols, and explicit imagery. By applying this dual-layer filtering approach at both the creation and sharing stages, KRAFTON not only protects IP and brand integrity but also embeds ethical safeguards and reinforces the overall safety of its platform environment.



Example of content created by players on Canvas

Material Issue 3

Creating a Secure Data Environment

Governance

KRAFTON has established an information security governance structure led by the CEO to ensure a secure data environment. The Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO) hold overall responsibility for privacy and data security. The privacy and data security organization is led by the Security Department within the Infrastructure Division, carrying out company-wide activities such as policy development, security risk management, internal training, and certification management.

Strategy

Environmental and Social Impact	Attribute	Impact Pathway	Likelihood	Magnitude	Scope
	Negative	Social harm caused by the leakage of player personal data	● ● ○	● ● ●	Service operations and player contact point
Financial Impact	Attribute	Impact Pathway	Timeframe	Magnitude	
	Risk	Decline in player trust and reputation due to data breach	Short-term	● ● ●	
	Risk	Increased investment and operational costs to comply with regulations	Medium-term	● ● ○	
	Risk	Compensation payouts and fines resulting from data breach	Short-term	● ● ●	
	Risk	Leakage of confidential game technology to competitors due to failure in controlling data export	Short-term	● ● ●	
Response Strategies and Initiatives	KRAFTON upholds the principle of “Data Protection by Design and by Default” by conducting preliminary impact assessments and personal data impact assessments. To improve operational and administrative efficiency across the entire service lifecycle, the company continues to implement change management initiatives. It also operates a systematic and reliable management system for privacy and data security by conducting regular internal reviews and maintaining ISMS-P certification from the Korea Internet & Security Agency (KISA).				

Risk Management

Risk Identification	<ul style="list-style-type: none">• Conduct security reviews in response to IT environment changes, such as the enactment or revision of laws and regulations, introduction or modification of systems, or execution of outsourcing contracts• Identify potential risks across organizational, legal, and infrastructure domains in accordance with the risk management plan• Monitor external threat trends and security incident cases, and perform internal inspections
Risk Control and Mitigation	<ul style="list-style-type: none">• Manage accounts and access rights, enforce access controls, and operate antivirus programs based on information security regulations• Conduct vendor evaluations and incorporate security requirements into contracts when outsourcing tasks, followed by regular inspections of contractors• Perform security vulnerability assessments and follow-up checks• Establish and operate an incident response system
Risk Monitoring and Reporting	<ul style="list-style-type: none">• Conduct regular reviews of security activities and report to the CISO and CPO• Provide regular updates to senior management on the status of information security operations• Verify the effectiveness of internal systems through certification acquisition and maintenance (e.g., ISMS-P) and information security audits• Conduct simulation drills to strengthen incident response readiness and improve the effectiveness of related procedures

Indicators and Targets

- Training hours on privacy and data security
- Number of data breach incidents
- Investment in privacy and data security

Material Issue 3

Creating a Secure Data Environment

KRAFTON places strong emphasis on information security and privacy as core values in the digital space. The company continues to establish a secure data environment by implementing privacy and data security systems aligned with global standards. Policies and guidelines are reviewed annually and updated when needed, while real-time monitoring and threat detection help prevent external threats. These efforts contribute the delivery of a trusted data environment, enabling all service users to use services with confidence.

Information Security for Suppliers and Business Partners

KRAFTON conducts security assessments of suppliers and business partners during the contract stage of outsourced operations. Contracts include confidentiality obligations regarding business-related information and clauses related to information security. Suppliers and business partners are required to sign either a confidentiality agreement or a personal data protection pledge. The pledge clearly states that any violation may lead to disciplinary measures under internal regulations and legal penalties under applicable laws such as the Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization and Information Protection.

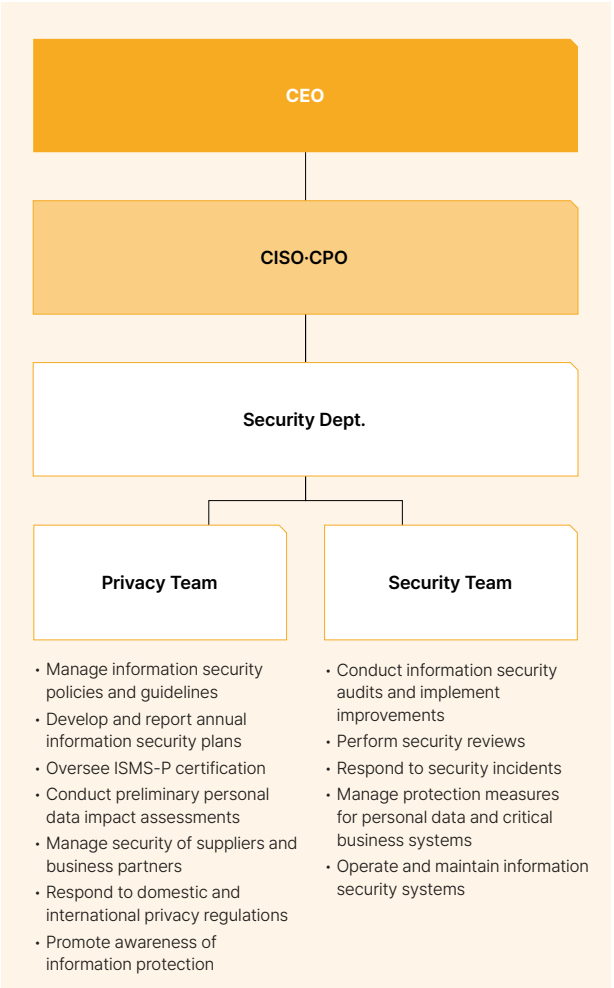
Before issuing partner accounts to external personnel, KRAFTON verifies the submission of the required pledges. Access to internal systems is limited to pre-authorized platforms through secure methods such as VPN. In addition, security inspections of suppliers and business partners are conducted at least once a year. Upon contract termination, KRAFTON obtains a confirmation of the destruction of critical and personal data to prevent potential data breaches.

Information Security Governance

In accordance with Article 45-3 of the Act on Promotion of Information and Communications Network Utilization and Information Protection and Article 36-7 of its Enforcement Decree, KRAFTON appoints and reports a Chief Information Security Officer (CISO). A Chief Privacy Officer (CPO) is also designated pursuant to Article 31 of the Personal Information Protection Act and Article 32 of its Enforcement Decree.

The Security Department, which operates under the CISO and CPO, is responsible for executing privacy and data security activities in a systematic manner. Both officers regularly report key policies and operational updates directly to the CEO.

Information Security Organizational Structure



Material
Issue 3

Creating a Secure Data Environment

Personal Data Protection

KRAFTON recognizes personal data protection as a core corporate responsibility and has established clear principles and procedures in accordance with the Personal Information Protection Act. The company handles the personal data of all stakeholders—including players, employees, and suppliers and business partners—in a transparent and reliable manner, fully complying with applicable laws and regulations. Strict standards are applied throughout the entire data lifecycle, from collection and storage to use, outsourcing, sharing, and destruction. KRAFTON continuously strengthens these safeguards to build and maintain a secure and trustworthy digital environment.

Enhancing Accessibility of the Privacy Policy

KRAFTON publicly discloses its privacy policy on its official website and provides related policies and guidelines in multiple languages to ensure accessibility for its global players. This multilingual approach helps players clearly understand how their personal data is handled. KRAFTON continues to enhance both clarity and ease of access so that players remain well informed about its data protection principles and practices.

Service-Specific Privacy Policies of KRAFTON	
Privacy Policy KRAFTON	➞ View
PUBG	➞ View
Abyss of Dungeons	➞ View
inZOI	➞ View
NEWSTATE Mobile	➞ View
KRAFTON ID	➞ View

Ensuring Compliance through ISMS-P Certification

KRAFTON has obtained the Information Security Management System and Personal Information Protection (ISMS-P) certification, authorized under Article 47 of the Act on Promotion of Information and Communications Network Utilization and Information Protection. This certification, issued by the Korea Internet & Security Agency (KISA) or a designated certification body, officially verifies that the company's information security and privacy protection measures meet national standards. The ISMS-P certification remains valid for three years after initial acquisition and is subject to annual surveillance audits to ensure continued compliance. Through this process, KRAFTON maintains the reliability and systematic operation of its information and personal data protection efforts.



Information Security Systems Audit

KRAFTON conducts both internal and external independent audits at least once annually to validate the effectiveness of its internal information security framework and to identify areas for improvement. These audits are carried out by the information security department or external IT service experts, with audit themes selected based on prevailing security issues and the security maturity of the audit subject. To further strengthen privacy and data security, the company performs security vulnerability assessments at least once a year, followed by remediation and implementation checks based on diagnostic results.

Material Issue 3

Creating a Secure Data Environment

Data Breach and Personal Data Protection Response

KRAFTON prioritizes the protection of players' personal data and the creation of a secure digital environment. To prevent the loss, theft, leakage, tampering, or destruction of information, the company has implemented a systematic response framework that includes both proactive and reactive measures.

Proactive measures

Encryption of Personal Data

Strictly limit access to personal data and apply secure encryption algorithms to sensitive personal information

Installation and Operation of Up-to-Date Security Programs

Deploy and operate security programs company-wide, including firewalls, VPNs, antivirus software, and email filtering solutions

Physical Protection Measures

Classify critical facilities into controlled, restricted, and general zones; implement access control, operate protective equipment, and enforce procedures such as submitting and approving work plans prior to performing tasks in protected zones

Preliminary Personal Data Impact Assessment and Risk Management System

- Identify service overview, use scenarios, technical components, personal data flow, and protection measures during new service planning; establish countermeasures and report to the CPO
- Identify potential privacy and data security risks during game development and operations; develop cost-effective protection plans and report to the CISO
- Establish and implement risk management plans in line with the annual information security plan; apply risk mitigation strategies to identified scenarios and prepare alternative controls for accepted residual risks

Reactive measures

Reporting on privacy and data security

- Regularly review the appropriateness of accounts, permissions, access logs, and other key elements for critical systems
- Conduct detailed log analysis and provide justification when abnormal activity is detected; report findings and follow-up actions to the CPO

Establishment and Operation of Incident Response System

Establish an incident response system to enable rapid response and recovery; verify the adequacy and effectiveness of procedures through regular simulation drills

Data Backup and Recovery

Identify backup targets, frequency, and methods based on RTO and RPO and perform regular backups accordingly

Player Services and Personal Data Protection

Ensuring Data Subject and Legal Guardian Rights

Players may access, rectificate, delete or suspend the processing of their personal data, withdraw consent, or delete their account directly through the in-service settings menu. Players may also exercise these rights by contacting the customer service center or by emailing the Chief Privacy Officer (CPO) at the address provided

Principle of Prohibition on Third-Party Provision

KRAFTON does not rent, sell, or provide personal data to third parties for purposes other than completing transactions-services. The use of personal information for marketing, advertising, or affiliate analytics is strictly prohibited

Standards for the Collection, Use, and Retention of Personal Information

KRAFTON commits to deleting data after purpose of processing has been fulfilled and does not collect personal data from third parties (except when required by law)

Personal Data Liability Insurance

In accordance with applicable laws, KRAFTON maintains liability insurance to cover potential compensation obligations in the event of a personal data breach

Protection of Children and Adolescents

When processing the personal information of players under the age of digital consent, KRAFTON obtains verifiable prior consent from a parent or legal guardian as required by applicable laws

Material Issue 3

Creating a Secure Data Environment

Raising Information Security Awareness Among Employees

Information Security Awareness Campaigns

To enhance employee awareness of privacy and data security, KRAFTON continuously implements a variety of initiatives. Each quarter, the company publishes “Safe Information Practices at KRAFTON” and shares it company-wide. A security calendar highlighting key cybersecurity themes is produced and distributed internally. In addition, the “Easy Security Policy” provides simplified guidance on major policies, while interactive awareness campaigns and quarterly incident response drills are conducted to strengthen employees’ practical security competencies.



Training on Privacy and Data Security

KRAFTON provides structured training programs to strengthen employee understanding of information security and personal data protection. For new hires, onboarding includes online training as well as the required use of desktop backgrounds displaying key security reminders to promote early awareness. All existing employees—both permanent employees and contractors—receive annual training on core security principles and their practical application in daily work. In addition, engineers participate in role-specific programs such as the AWS Guardians Program, which are offered at least once a year to enhance IT and security-related expertise.

Privacy and Data Security Training Performance

Category		Unit	2022	2023	2024
Privacy and data security Training	Target Participants	Persons	1,728	1,624	1,770
	Number of Participants Completed Training	Persons	1,728	1,624	1,770
	Completion Rate	%	100	100	100

Recognized for Excellence in Information Security Investment


From 2020 to 2024, KRAFTON was honored by the Korea Internet & Security Agency (KISA) for five consecutive years as an outstanding company in information security investment.

Status of Information Security Investment

(Unit: KRW 1M)


Year	IT Investment (A)	Information Security Investment (B)	Information Security Investment Ratio (B)/(A)
2020	54,411	2,354	4.3%
2021	202,174	4,062	2.0%
2022	250,368	6,443	2.6%
2023	232,448	6,649	2.9%
2024	212,668	9,694	4.5%

Medium-to-long-term Goals for Privacy and Data Security




Short-term (by 2026)

- Deploy Endpoint Detection and Response (EDR) and antivirus solutions companywide
- Establish a management system for endpoint security
- Develop security guidelines for cloud environments



Medium-term (by 2030)

- Implement a security assessment process for suppliers and business partners and subcontractors
- Conduct regular vulnerability assessments and remediation for critical assets
- Launch annual internal awareness campaigns such as “Information Security Day”



Long-term (Post-2030)

- Institutionalize penetration testing and incident response drills (at least once a year)
- Enhance automation and speed of response in handling security threats

Material Issue 4

Strengthening Transparent Governance

Governance

KRAFTON has established a range of governance practices to ensure the independence and transparency of its governance structure and to reinforce board-led responsible management. The Board of Directors comprises a majority of external directors and is supported by specialized committees—the Nominating & Governance Committee, Talent & Compensation Committee, Audit Committee, and ESG Committee—that support key decisions with their expertise. To facilitate the effective engagement of external directors, the company offers pre-meeting briefings and access to external expert advice. Since 2023, KRAFTON has operated a “Board Review” program to assess the Board’s operations and activities using both qualitative and quantitative criteria. These efforts support the development of a transparent and accountable governance framework and contribute to sustainable long-term corporate value.

Strategy

Environmental and Social Impact	Attribute	Impact Pathway	Likelihood	Magnitude	Scope
	Positive	Promoting a culture of responsible management by ensuring board independence, expertise, and diversity	● ● ○	● ● ○	Company-wide operations and organizational management
	Positive	Establishing transparent governance through the operation of an Audit Committee within the Board of Directors	● ● ●	● ● ○	
Financial Impact	Attribute	Impact Pathway	Timeframe	Magnitude	
	Risk	Risk of flawed strategic decisions due to lack of board independence and expertise	Long-term	● ● ○	
	Risk	Weakened board oversight caused by insufficient performance of external directors	Long-term	● ● ○	
	Risk	Increased management costs associated with board evaluations, term limits, and restrictions on concurrent roles aimed at improving governance	Long-term	● ● ○	
	Opportunity	Enhancing the reliability of strategic decision-making by ensuring board independence and expertise	Long-term	● ● ○	
	Opportunity	Strengthening the board's oversight and checks through a robust evaluation and verification system for external directors	Long-term	● ● ○	
Response Strategies and Initiatives	KRAFTON has built a robust governance structure by forming a Board of Directors with independence, expertise, and diversity. To support external directors in fulfilling their roles effectively, the company provides structured briefings and resources to support decision-making through a dedicated team, continuously reinforcing the Board's transparency and accountability. Annual board reviews are conducted to enhance overall effectiveness and to evaluate and oversee individual director performance. KRAFTON also operates a systematic succession and compensation framework to ensure fair, objective, and appropriate executive appointments and compensation.				

Risk Management

Risk Identification	<ul style="list-style-type: none">Identify key risks through the Board of Directors and its committeesAnalyze risk factors through external directors evaluations and board activity reviewsEnsure board diversity to incorporate diverse perspectives
Risk Control and Mitigation	<ul style="list-style-type: none">Enhance oversight through committee-specific expertise and role delegation (e.g., internal control review by the Audit Committee and review of the performance-based compensation structure by the Talent & Compensation Committee)Promote independence through the Nominating & Governance CommitteePrevent conflicts of interest by setting limits on tenure and concurrent roles of external directors
Risk Monitoring and Reporting	<ul style="list-style-type: none">Regularly report risk-related items to the Board and its committeesReview strategic risks through regular meetings of the ESG CommitteeProvide feedback and propose improvements to management based on the outcomes of each committee's activities

Indicators and Targets

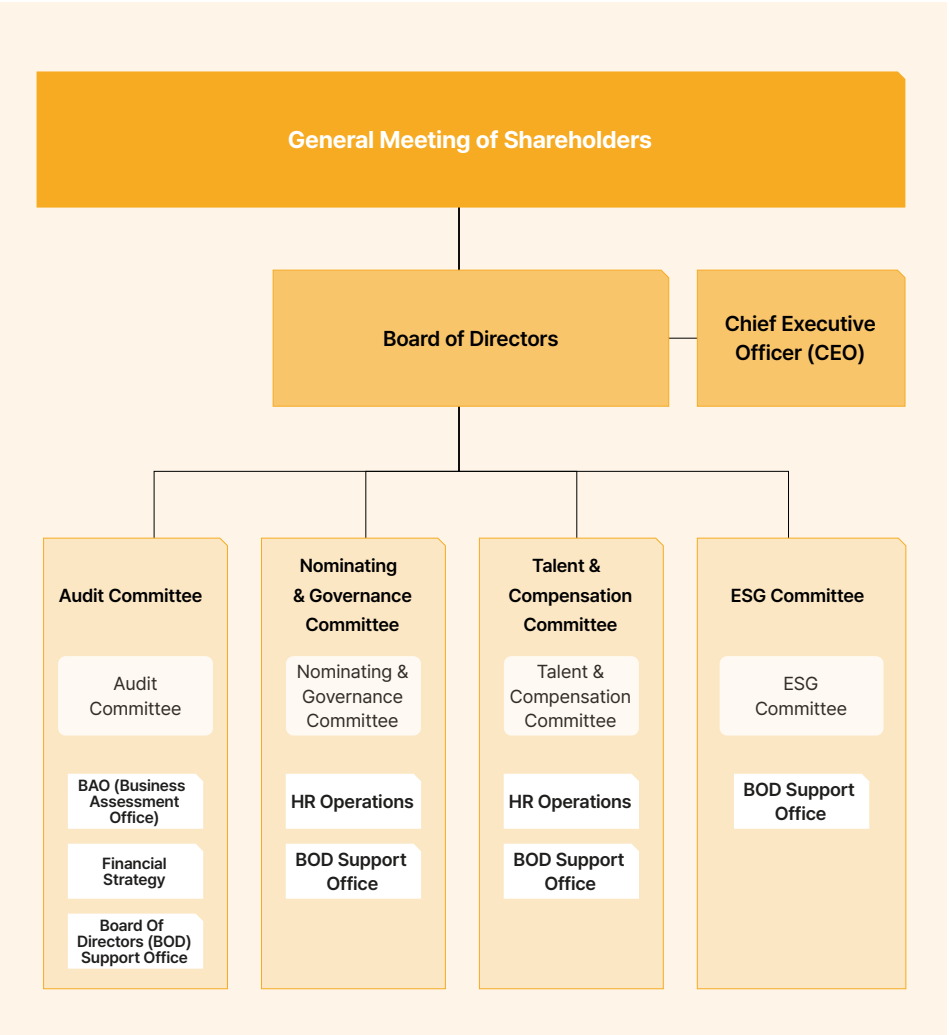
- Ratio of female executives
- Ratio of external directors
- Board meeting attendance rate

Material Issue 4

Strengthening Transparent Governance

KRAFTON has established a transparent and accountable management system grounded in the independence, expertise, and diversity of its Board of Directors. The Board is composed of both internal and external directors, ensuring objectivity and balance in major decision-making processes while effectively overseeing management. By bringing together directors with diverse backgrounds and professional expertise, the Board enhances its collective capacity and maintains a governance structure that is agile and responsive to a complex business environment. KRAFTON also operates a statutory Voting Board alongside an Advisory Board consisting of external experts, further reinforcing the depth and professionalism of board deliberations and strengthening its strategic advisory function.

Board Structure



Board Characteristics



Independence

- Compose the Board with a majority of external directors to ensure effective oversight and transparent decision-making
 - Appoint 5 external directors and 2 internal directors to the Board
- Operate the Nominating & Governance Committee to oversee the nomination of external directors
- Separate the roles of the Chairperson and the CEO
- Restrict directors from concurrently serving as a director, executive officer, or auditor at more than two other companies during their term



Diversity

- Maintain a female director ratio above the industry average (57% of all directors, 80% of external directors), contributing to diverse perspectives and effective sustainability strategy development
- Ensure that a majority of external directors are women, strengthening gender diversity and inclusion
 - Appoint 4 of the 5 external directors as women with diverse backgrounds and experience
- Build a Board composed of members with experience in global business, corporate management, media, and startups, supporting cultural transformation, innovation, and global competitiveness



Expertise

- Conduct Board evaluations to assess performance and identify areas for improvement
- Provide ongoing training on regulatory changes, technological innovation, and market trends to strengthen directors' expertise
- Operate the Advisory Board¹⁾ to enhance the expertise and objectivity of Board decisions, with regular participation in meetings to provide guidance on key agenda items

¹⁾ Advisory Board

KRAFTON operates an Advisory Board composed of external experts to enhance the depth and expertise of Board discussions. With backgrounds in gaming, law, and technology, Advisory Board members provide strategic guidance on the Board's medium- to long-term strategies and review key management issues. Their involvement helps directors evaluate matters from multiple perspectives, contributing to more comprehensive and well-balanced decision-making.

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Strengthening Transparent Governance

(As of May 2025)

- Professional expertise

- Basic understanding or limited experience

Board Composition and Board Skills Matrix (BSM)

Category		Voting Board						Advisory Board			
		Internal Director		External Director				Non-Executive Director			
		Byung-Gyu Chang Chairman of the Board of Directors, Male/Age 50s	Changhan Kim Chief Executive Officer Male/Age 50s	Eun Jung Yeo Female/Age 50s	Sue Kyung Lee Female/Age 50s	Bora Chung Female/Age 50s	Yang Hee Paik Female/Age 40s	Brandon Yoon Male/Age 50s	Sanghun Kim Male/Age 60s	Kevin Maxwell Lin Male/Age 40s	
Year of Appointment		2011	2020	2021	2021	2023	2021	2023	2025	2021	
Key Areas of Expertise		Corporate Management, Investment	Gaming industry	Finance, Accounting	Corporate Management, Global Business	Corporate Management, Global Business	Start-up Management, Media Industry	Corporate Operation, Global Business	Legal Advisory, Corporate Operation	Global Business, Gaming Industry	
Professional Background		<ul style="list-style-type: none">Chairman of the Presidential Committee on the Fourth Industrial Revolution(Current) Advisor, BonAngels Venture Partners(Current) Chairman of Board of Directors, KRAFTON, Inc.	<ul style="list-style-type: none">CEO, PUBG CorporationHead of Development Division, Bluehole Ginno Games(Current) CEO, KRAFTON, Inc.	<ul style="list-style-type: none">External Director, KT Corp.(Current) Vice Chairman, Financial Information Society of Korea(Current) Professor, School of Business, Chung-Ang University	<ul style="list-style-type: none">P&G Global SafeguardGlobal CEO, SK-II, P&G International Operations(Current) President, P&G Skin Care, P&G International Operations	<ul style="list-style-type: none">Chief Experience Officer (U.S.), Advisor (U.S.), Bill.com(Current) Non-executive director, Remitly Global(Current) Strategic Advisor, Korea Credit Data	<ul style="list-style-type: none">Director, Walt Disney Studios(Current) CEO & Co-founder, Rael, Inc.(Current) Director, Rael Korea Inc.	<ul style="list-style-type: none">Country Representative, Apple KoreaVP, Autodesk Digital and E-Commerce(Current) Co-founder, Newco Talent LLC	<ul style="list-style-type: none">Judge, Seoul District CourtVice President, Legal Team, LG GroupCEO, NAVER	<ul style="list-style-type: none">Co-founder & COO, Twitch	
Committee Memberships	Audit Committee										
	Nominating & Governance Committee										
	Chairman 										
	Members 	ESG Committee									
	Talent & Compensation Committee										
Corporate operations and business leadership											
Gaming industry											
Global business											
Major markets and industries											
IT, new businesses											
Finance/accounting, financial services											
Investment and risk management											
Strategic Planning											
Media and entertainment											
Legal/regulatory											

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Issue 4

Strengthening Transparent Governance

Board Operations in 2024

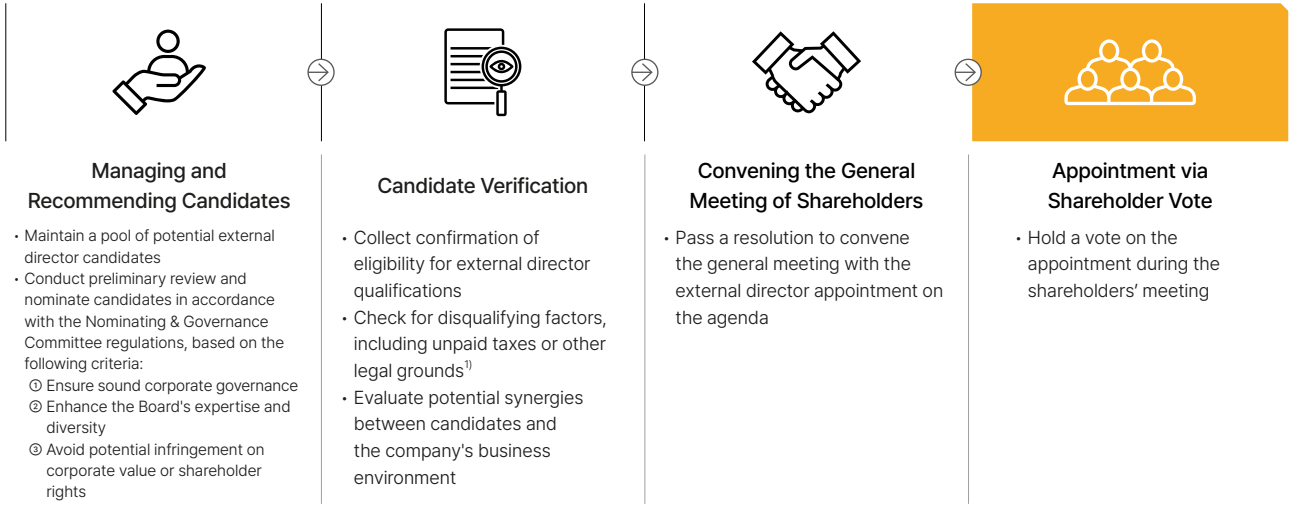
External Director Training	<ul style="list-style-type: none">6 training sessions provided to external directors on topics such as compensation systems, business strategies, and local operations in India (4 internal and 2 external sessions)
Board Attendance Rate	<ul style="list-style-type: none">Average attendance rate: 93.7% (Each external director attended more than 75% of meetings)
Number of Board Meetings	<ul style="list-style-type: none">A total of 9 board meetings held (4 regular and 5 ad-hoc meetings)30 agenda items discussed and resolved

2024 Board Operations Highlights

Category	Meetings held	Agenda items ¹⁾	Attendance rate of external directors ²⁾
Board of Directors	9	30(43)	93.7%
Nominating & Governance Committee	1	3(4)	100%
Audit Committee	5	8(20)	100%
ESG Committee	2	1(2)	100%
Talent & Compensation Committee	6	3(11)	88.9%

1) Figures in parentheses include reporting items in the total number of agenda items
2) The average attendance rate of external directors is calculated based on all meetings held, including those with reporting items

External Director Appointment Process



1) Disqualifications for External Directors (Article 542-8 of the Korean Commercial Act)

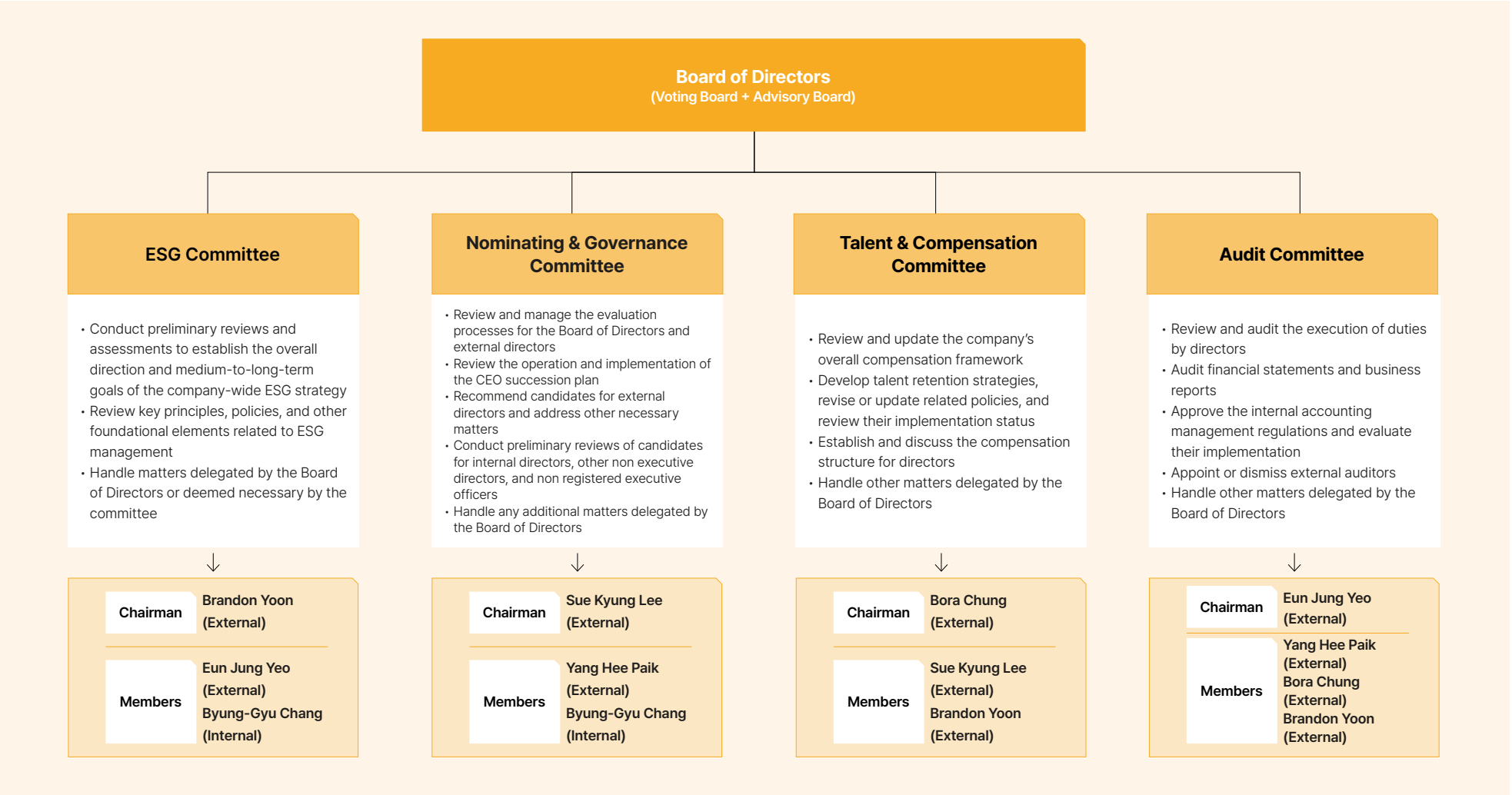
- A person currently engaged in the business operations of KRAFTON, such as a director, executive officer, or employee, or who held such a position within the past two years
- The largest shareholder, or their spouse, or direct ascendants or descendants
- If the largest shareholder is a corporation, any director, auditor, executive officer, or employee of that corporation
- A spouse, or direct ascendants or descendants of any director, auditor, or executive officer
- Any director, auditor, executive officer, or employee of KRAFTON's parent company or subsidiaries
- Any director, auditor, executive officer, or employee of an entity having a significant business relationship or interest with KRAFTON
- Any director, auditor, executive officer, or employee of another company where any of KRAFTON's directors, executive officers, or employees concurrently serve as a director or executive officer

Material Issue 4

Strengthening Transparent Governance

Board Committees

To enhance the efficiency of the Board’s operations, KRAFTON has established four committees under the Board of Directors: the Audit Committee, the Nominating & Governance Committee, the Talent & Compensation Committee, and the ESG Committee. The Audit Committee and the Talent & Compensation Committee are composed entirely of external directors, while a majority of the members on the Nominating & Governance Committee and the ESG Committee are also external directors. These structures comply with applicable laws and the respective committee regulations. Each committee leverages its expertise and independence to support the Board’s core responsibilities, contributing to KRAFTON’s sustainable growth and enhanced stakeholder value.



Material Issue 4


Strengthening Transparent Governance

Board Evaluation

Since 2023, KRAFTON has conducted an annual “Board Review” to strengthen the effectiveness of Board operations and enhance the performance of external directors. The evaluation covers three core areas: (1) Board operations, (2) external director activities, and (3) support for Board functions. A total of 19 items are assessed using both qualitative and quantitative criteria to provide a comprehensive, multi-faceted evaluation.


1) Board Operations

Evaluate the Board's overall governance structure, including its composition, expertise, roles and responsibilities, board culture, and the effectiveness of meetings




2) External Director Activities

Assess the individual contributions and areas for improvement of external directors through structured self-assessments and peer reviews



3) Board Support System

Evaluate the effectiveness of board support functions, including the quality of meeting materials and the timeliness and adequacy of follow-up actions



In particular, the evaluation of external directors includes qualitative, narrative feedback on their contributions and areas for improvement. In parallel, the Board of Directors (BOD) Support Office conducts a quantitative assessment based on indicators such as expertise, independence, and attendance, offering a more complete view of each director's performance. This evaluation is overseen by the Nominating & Governance Committee in accordance with Article 9 of the Committee regulations, and serves as a key reference when determining compensation and reappointment of external directors. In 2024, the Board received a score of 3.83 out of 5, with strong marks in areas such as strategic discussions, shareholder-focused governance, and follow-up execution. Opportunities for improvement included greater collaboration with external experts and more active engagement in long-term strategic discussions.

Support for External Directors

KRAFTON provides external directors with stable access to the resources and information they need to contribute effectively to the Board and its committees, drawing on their expertise and independence. The BOD Support Office, a dedicated governance team, works to minimize information asymmetry and facilitate effective decision-making by regularly sharing internal town hall materials, industry and peer reports, and key news updates. Agenda materials, including explanatory notes, are provided in advance, and pre-session briefings are conducted prior to regular board meetings to enhance understanding of key items. Questions raised during meetings are promptly addressed through follow-up materials to enable more in-depth discussions.

KRAFTON also holds regular info sessions with executives and key personnel from major business units to explain business strategies and recent developments, while strengthening mutual understanding through Q&A sessions. In 2025, KRAFTON enhanced its support based on feedback from external directors—further enriching background and comparative insights in agenda materials and expanding external training opportunities to include ESG, accounting, technology, and global regulations. The company also leverages the Advisory Board to provide timely expert analysis on key issues addressed by the Board, supporting well-informed strategic judgment by external directors.

External Director Training Overview

Date	Key Training Topics
2024-01-18	<ul style="list-style-type: none">• Overview of the company-wide compensation system and pre-briefing on the 2024 compensation pool
2024-08-07	<ul style="list-style-type: none">• Presentation on research and analysis related to emerging markets• Explanation and discussion on the strategic direction for business diversification• Overview of India's publishing operations, the esports industry, and GR/CSR activities
2024-08-08	<ul style="list-style-type: none">• Introduction to India's investment landscape and trends in the local tech and gaming sectors• Overview of India's media and consumer industries, and the strategic direction for monetization
2025-01-03	<ul style="list-style-type: none">• Overview of the company-wide compensation system and pre-briefing on the 2025 compensation pool
2025-04-18	<ul style="list-style-type: none">• Background and philosophy of KRAFTON's compensation system (with a focus on the characteristics of the gaming industry)

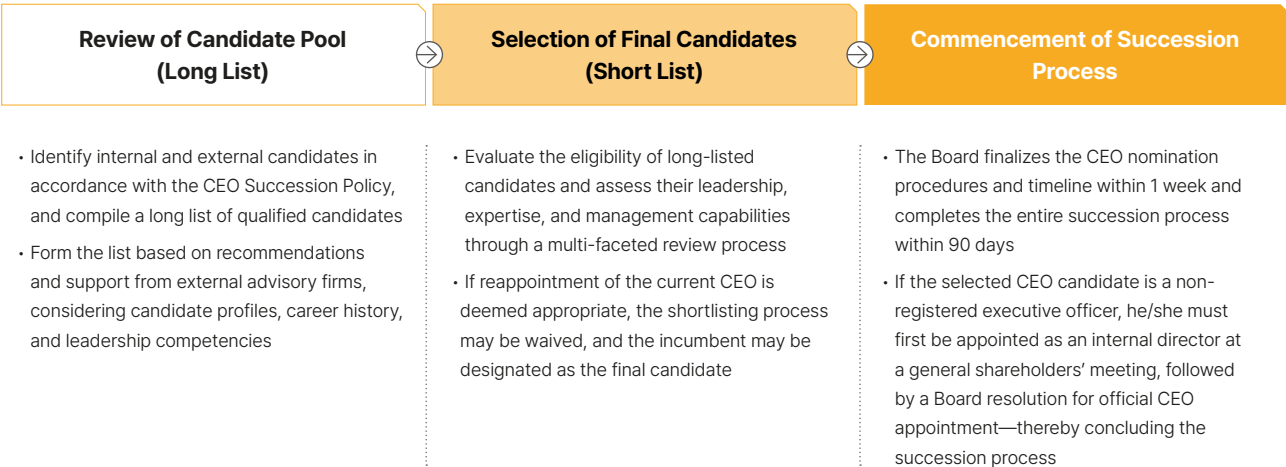
Material Issue 4

Strengthening Transparent Governance

KRAFTON's executive leadership team comprises seasoned professionals with deep expertise across their respective fields. They remain agile amid rapid shifts in the global gaming industry, strengthening the company's competitiveness. Committed to ethical and transparent management, the executives work closely with the Board of Directors and internal teams to ensure effective decision-making—driving responsible growth and building stakeholder trust.

Executive Succession Policy

KRAFTON ensures systematic and transparent CEO succession through clearly defined procedures established in its Chief Executive Officer Succession Policy. The Board oversees a structured succession process that identifies and develops CEO candidates aligned with the company's long-term sustainability and strategic vision. This process also focuses on enhancing the capabilities of potential successors to ensure resilient and effective future leadership.



CEO Candidate Training

KRAFTON proactively supports internal and external training programs to help key leadership candidates systematically develop the leadership and management capabilities aligned with their individual growth stages. External programs are tailored to specific needs; in 2024, candidates completed a CEO course offered by SERICEO, which covered a wide range of topics such as industry and economic trends, business strategy, and the humanities. Led by renowned experts and scholars, the program provided practical insights and strategic thinking applicable to real-world business. These efforts reflect KRAFTON's ongoing commitment to expanding internal talent development and strengthening strategic leadership across the organization.

Executive Remuneration Policies

KRAFTON's executive remuneration policies, including those for registered directors, are implemented within the remuneration limit approved by the general shareholders' meeting. Individual compensation is reviewed by the Talent & Compensation Committee, composed entirely of external directors, and finalized by resolution of the Board. The remuneration framework distinguishes among the CEO, internal directors (including the Chair of the Board), and external directors, and is designed to reflect the distinct responsibilities and contributions of each role.

CEO	Internal Directors (Chairperson of the Board)	External Directors
<ul style="list-style-type: none">Base salary is determined based on the value of duties performed and the CEO's overall contribution to the companyShort-term incentives are determined based on the previous year's business performance, factoring in both quantitative indicators and non-financial elements such as project execution and progress on organizational goals	<ul style="list-style-type: none">Base salary reflects the expected role and responsibilities	<ul style="list-style-type: none">Remuneration is determined individually, taking into account each director's role, responsibilities, and professional expertiseRemuneration is benchmarked against peer companies, reviewed by the Talent & Compensation Committee, and finalized by the Board
<ul style="list-style-type: none">Long-term incentives are granted in the form of Restricted Stock Units (RSUs) tied to KRAFTON's share priceRSUs are structured as a combination of time-based grants, which vest upon continued service through the end of the term, and performance-based grants, which are linked to strategic goals or financial indicators such as operating profit	<ul style="list-style-type: none">Long-term incentives are granted in the form of RSUs, structured similarly to those for the CEO, combining both time-based and performance-based componentsAs for performance-based RSUs, the grant size is determined based on performance metrics such as achieving a minimum market capitalization of KRW 30 trillion in specified tiers and relative stock price growth	<ul style="list-style-type: none">The remuneration for external directors consists of a fixed Base Salary and RSU-based long-term incentives, while short-term cash incentives have been discontinued as of 2024.External directors are granted Time-based RSUs, which vest upon continued service through the end of their term, and Performance-based RSUs, which are awarded based on the level of achievement in performance indicators such as relative stock price performance.

Material Issue 5

Practicing Ethical and Compliance Management

Governance

KRAFTON has established a compliance management system to foster an ethical and fair corporate culture while proactively preventing legal risks. Ethics and compliance governance is led by the Audit Committee and the Compliance Officer. The Board of Directors and the Audit Committee provide oversight of internal controls and legal compliance through regular meetings and internal audits. Dedicated teams support both the Audit Committee and the Legal Compliance Officer, enhancing the overall efficiency of KRAFTON's company-wide compliance operations.

Strategy

Environmental and Social Impact	Attribute	Impact Pathway	Likelihood	Magnitude	Scope
	Positive	Promoting a culture of integrity across the organization through anti-corruption training for employees	● ● ●	● ○ ○	Company-wide operations and organizational management
Financial Impact	Attribute	Impact Pathway	Timeframe	Magnitude	
	Risk	Expenses incurred from sanctions due to non-compliance with regulations such as the Anti-Corruption Act and the Fair Trade Act	Short-term	● ○ ○	
	Risk	Reputational damage and player attrition resulting from ethical misconduct	Short-term	● ● ○	
	Risk	Litigation costs and compensation arising from corruption, unfair trade practices, or material misstatements	Short-term	● ● ○	
	Risk	Increased operational costs associated with anonymous reporting channels and responses to internal unethical conduct	Short-term	● ○ ○	
	Risk	Increased costs for building compliance and ethics systems and providing training	Medium-term	● ○ ○	
Response Strategies and Initiatives	KRAFTON leverages its internal control and Compliance Management System (CMS) to identify and proactively address risks such as corruption and unfair trade practices. The company operates an anonymous reporting channel to receive reports of and respond to ethics violations, and conducts regular ethics and compliance audits to prevent unethical or illegal conduct across the organization.				

Risk Management

Risk Identification	<ul style="list-style-type: none">• Monitor regulatory changes and external developments related to fair trade and anti-corruption• Identify risk factors based on internal regulation breaches and audit results• Detect ethical risks through analysis of reports submitted via the Speak Up Policy and communication with employees• Perform ongoing risk assessments for high-risk functions and roles
Risk Control and Mitigation	<ul style="list-style-type: none">• Maintain and periodically revise the Code of Ethics and employee conduct standards, with corresponding training sessions.• Conduct ethics pledge campaigns for employees• Analyze legal risks and internal control effectiveness through the implementation of CMS• Monitor compliance and address violations through internal audits and compliance monitoring• Strengthen fair trade practices for external business partners
Risk Monitoring and Reporting	<ul style="list-style-type: none">• Provide regular reports on compliance risks to the Audit Committee and ESG Committee• Operate a reporting framework to keep senior management informed of major legal and ethical issues• Share the status and outcomes of whistleblower cases with the Board of Directors• Track and manage KPIs that reflect the performance of ethics and compliance initiatives

Indicators and Targets

- Record of ethics training delivered (anti-corruption, fair trade laws)
- Number of legal violations and investigations

Material Issue 5

Practicing Ethical and Compliance Management

KRAFTON is committed to establishing a strong foundation of ethics and compliance to ensure transparent and fair business practices. As part of its pursuit of sustainable growth, the company not only complies with laws and regulations but also upholds ethical values and responsibilities aligned with global standards. All employees receive regular ethics and compliance training, and an internal reporting channel is in place to detect and address ethical risks at an early stage. To further reinforce its compliance system, KRAFTON continuously monitors regulatory developments both domestically and internationally, and updates internal policies to remain aligned with evolving legal requirements. The company also operates a robust internal control framework across key areas—including fair trade, data privacy, anti-corruption and anti-bribery—as part of its ongoing commitment to transparent and accountable corporate management.

Anti-Corruption Policy

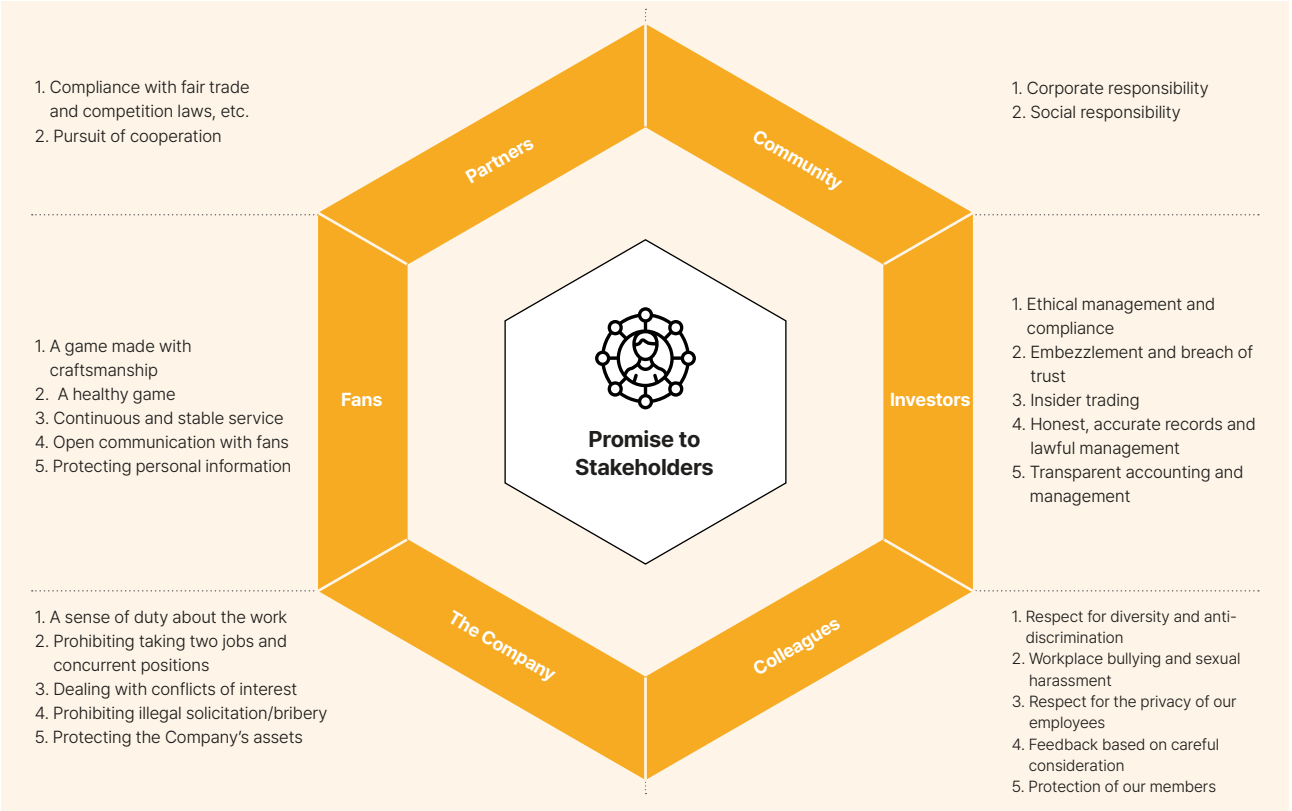
KRAFTON is in the process of establishing an Anti-Corruption Policy to ensure that all employees and related personnel uphold integrity and transparency in the performance of their duties, while preventing corruption, money laundering, and terrorism financing. The policy will apply to all KRAFTON members, including those at domestic and international affiliates, as well as third-party agents. It is intended to outline the core principles and standards that support KRAFTON's commitment to ethical conduct and corporate responsibility.

1. Prohibition of offering or accepting gifts, entertainment, or other benefits from stakeholders
2. Prohibition of making improper requests or offering undue advantages, including gifts or entertainment, to public officials
3. Prohibition of engaging in conflicts of interest or forming inappropriate relationships, particularly when holding influence over work-related decisions
4. Prohibition of insider trading or pursuing personal gain using information obtained through professional duties
5. Prohibition of political donations and unlawful sponsorships made for political purposes

Code of Conduct

KRAFTON's vision is to “further expand our original intellectual property (‘IP’) and build immersive, virtual worlds where our fans play together and share fun moments.” In line with this vision, KRAFTON has established its Code of Conduct, which serves as “a promise between the Company and its employees in fulfilling both internal and external responsibilities.” The Code sets standards across various areas, grounded in the principle of autonomy and responsibility. The Compliance Department and other relevant teams provide practical support by referencing applicable laws and real-world examples, helping employees make appropriate decisions in accordance with the Code.

➔ Code of Conduct



Material Issue 5

Practicing Ethical and Compliance Management

Ethics Pledge

To foster a transparent and ethical corporate culture, KRAFTON requires all employees to sign an ethics pledge. This pledge reflects their commitment to rejecting improper solicitation, bribery, and conflicts of interest, in a fair and responsible manner.

Status of Ethical Violations

Throughout 2024, KRAFTON recorded no fines or penalties related to corporate ethics issues such as money laundering, insider dealings, conflicts of interest, corruption, bribery, data breaches, discrimination, or workplace harassment. No confirmed cases of corruption or related legal proceedings were reported.

Internal Controls

KRAFTON has established and operates a structured internal control system, including an internal accounting management system, to ensure financial soundness and legal compliance. In line with the Act on External Audit of Stock Companies and related regulations, the company prioritizes transparency and reliability in financial reporting. To that end, KRAFTON conducts regular evaluations of its internal accounting management system and reinforces internal audit functions to maintain the effectiveness of internal controls. The Board of Directors and the Audit Committee receive regular reports on the operation of internal controls and assess their effectiveness to drive ongoing improvement.

Compliance Review Request Process

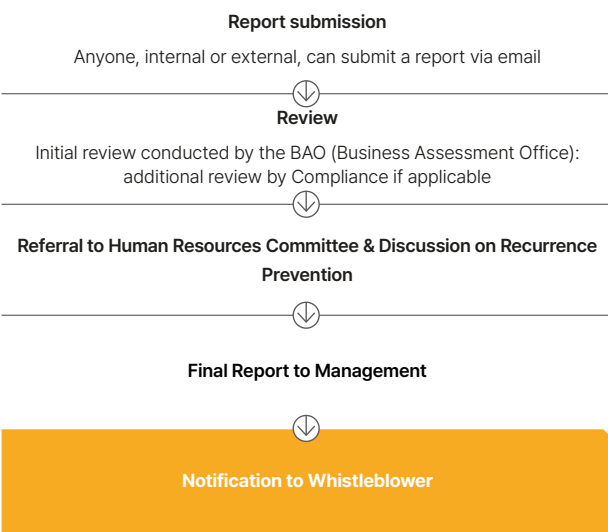
KRAFTON has implemented a Compliance Review Request Process that enables employees to submit inquiries or proposals related to the Code of Conduct, company regulations, and compliance practices. For requests involving external activities or secondary employment, final approval is determined by the relevant senior manager. As of 2024, a total of 145 compliance review requests were received and appropriately addressed.

Speak Up Policy

➤ Speak Up Policy

The Speak Up Policy is an anonymous channel through which individuals can report misconduct or improper activities occurring within KRAFTON, its subsidiaries, or overseas offices. This system is open to all stakeholders, including business partners, as well as permanent and temporary employees. To protect whistleblowers, the system ensures complete confidentiality and includes safeguards to prevent any disadvantage or retaliation. In 2024, a total of 12 reports were received, and all cases where misconduct was confirmed were appropriately addressed.

Process of Speak Up Policy



Types of Misconduct Subject to the Speak Up Policy

- Misuse and embezzlement of company asset/abuse and privatization of company resources.
 - Improper/private use of project outputs.
 - Act of creating and selling items/character by manipulating employee account.
 - Unauthorized private project.
 - Non-business-related expense.
- Leakage of company's confidential information and unfair acquisition of other companies' confidential information.
 - Release of game/company information through an unofficial channel.
 - Leak of information available only to employees. (e.g. KLT Announcement)
- Unfair actions that took advantage of the superior status.
 - Receiving money, valuables, bribery, and loans for business.
 - Unfair/corrupt bargain, etc.
- Accounting fraud and breaches of internal regulation/rule.
 - Use of material nonpublic information.
 - Other acts with regard to violation of related Act and subordinate statute.
- Discriminatory or retaliatory actions against reporting made through the Speak Up Channel, etc.
 - Attempt to reveal or force to reveal a reporter's identity.
 - Adverse personnel action resulted from legitimate reporting.
 - Bullying, insults, threats and other retaliation.
- Unapproved outside employment or working multiple jobs.
- Other acts that harm sound corporate culture

Material
Issue 5

Practicing Ethical and Compliance Management

Training and Risk Management

KRAFTON provides regular ethics and compliance training not only to all employees but also to key entities and functions with compliance relevance, including Compliance and IR.

2024 Employee Training on Ethical Standards Overview

Training Title	Training Content	Target Audience
Code of Conduct Training	<ul style="list-style-type: none">• Overview of the Code of Conduct and related internal policies• Regular compliance training• Targeted training sessions for specific employee groups	All new hires (including permanent and temporary employees)
Fair Trade Commission (KFTC) Disclosure Compliance Training	<ul style="list-style-type: none">• Recent amendments to the Enforcement Decree of the Monopoly Regulation and Fair Trade Act and related case studies• Implications of the business group designation system• Definition of internal transactions and regulations on unfair support• Legal requirements and considerations for disclosure and regulatory reporting	Employees in charge of relevant duties in KRAFTON's corporate group entities and related departments
Training on Fair Practices in Subcontracting Transactions	<ul style="list-style-type: none">• Definition and common types of subcontracting transactions• Key regulatory updates and recent enforcement cases under the Subcontracting Act• Current status of KRAFTON's subcontracting transactions• Pre-transaction compliance checklist for subcontracting	Business divisions and affiliated entities
Compliance Training	<ul style="list-style-type: none">• Use of material non-public information (MNPI)• Insider trading and legal implications	All employees company-wide (including permanent and temporary staff, and all subsidiaries)

Fair Trade Risk Management

To ensure transparency in partner selection, KRAFTON has defined clear criteria within its procurement regulations and enables compliance interpretation requests on partner selection. The company also identifies legal risks related to fair trade and implements mitigation measures through detailed compliance assessments. In 2024, KRAFTON addressed risks linked to the Subcontracting Act and the E-Commerce Act by implementing the mitigation actions.

Risk	Mitigation Measures
Fine imposed due to delayed issuance of legally required documents, determined as a violation of the Subcontracting Act	<ul style="list-style-type: none">• Improved internal contract legal review system• Enhanced internal training on the Subcontracting Act• Perform full-scale subcontracting transaction reviews on a quarterly basis
Administrative penalty imposed for false labeling of probability-based item information, determined as a violation of the E-Commerce Act	<ul style="list-style-type: none">• Launched a dedicated webpage disclosing probability-based item information• Implemented in-game probability display for the crafting-processing system• Strengthen Quality Assurance (QA) processes

Material Issue 5

Practicing Ethical and Compliance Management

Anti-Corruption Compliance and Controls

KRAFTON operates a comprehensive internal control system to prevent bribery and corruption. The use of entertainment expenses is subject to mandatory prior approval through the Kissflow system. If prior approval is not obtained, the expense claim is automatically restricted, effectively preventing improper solicitation altogether.

Through the Compliance review request process, employees may inquire about the appropriateness of offering or receiving gifts or monetary items. Regular training is also provided based on the Code of Conduct, focusing on helping employees understand the root causes of unethical behavior and make sound, principled decisions in various situations. Detailed guidance is provided on topics such as the exchange of gifts with business partners, the revision and interpretation of internal regulations, and the prior notification system for employee stock trading. These efforts collectively reinforce employee understanding and adherence to KRAFTON's ethical standards.

KRAFTON's independent internal audit body, the BAO (Business Assessment Office), is responsible for the company's prevention and investigation of corruption. The BAO conducts internal assessments and investigations, taking both preventive and responsive actions to address unethical or corrupt practices. Its core mandate is to safeguard organizational integrity and ethical conduct. The BAO Charter clearly defines the office's roles, responsibilities, authority, independence, and scope of work, and is made accessible to all employees to ensure transparency and trust in internal audit operations.

Audit Committee Operations

KRAFTON's Audit Committee holds regular meetings on a quarterly basis in accordance with Article 12 of the Committee regulations. The Committee also convenes ad-hoc meetings as needed to review financial performance and approve audit reports. Each February, the first meeting of the year is dedicated to approving the annual goals and work plan of the BAO, which functions as the company's internal audit team. The Committee also receives reports on the operation of the Internal Accounting Management System from the CEO and the designated internal accounting manager, evaluates its effectiveness, and reports the findings to the Board of Directors.

Regular Audits of Ethical Standards

KRAFTON operates a comprehensive internal audit framework to support transparent and efficient business operations. BAO, which functions as the company's internal audit body, conducts risk-based audits and investigates suspected misconduct or fraud, thereby safeguarding corporate assets and value. Internal audits are conducted regularly in accordance with the annual audit plan and follow a standardized five-step process: planning, advance notification to relevant personnel, fieldwork, report preparation, and reporting to the Audit Committee.

All audit reports are grounded in facts and evidence to ensure objectivity and are submitted to the Audit Committee for review. The Audit Committee plays a critical role in upholding the independence and expertise of internal audit activities by maintaining continuous oversight of audit performance and autonomy. To further enhance audit quality, KRAFTON provides targeted training for audit personnel and allocates appropriate resources to strengthen professional capabilities.

Material Issue 5

Practicing Ethical and Compliance Management

Compliance Management

Appointment of Compliance Officer

KRAFTON has appointed a Compliance Officer and established a compliance management framework to promote transparent and ethical business practices while strengthening its legal and ethical responsibilities. In accordance with Article 542-13 of the Commercial Act, the Compliance Officer plays a central role in overseeing legal compliance and reports key matters directly to the Board of Directors. Under KRAFTON's internal compliance standards, the Compliance Officer is clearly entrusted with responsibilities such as assessing legal risks, managing and evaluating compliance controls, providing legal guidance, and conducting regular monitoring. To support these efforts, the company operates an integrated compliance control system that manages legal risks, internal processes, and control effectiveness. This structure ensures the independence and expertise of the Compliance Officer and serves as the foundation for a robust and sustainable compliance management system. As of 2024, the system had identified 60 legal risks and evaluated the control effectiveness for 51 of them.

Compliance Monitoring Council Operations

KRAFTON's Compliance Monitoring Council was established to oversee the planning, execution, and evaluation of compliance monitoring activities, particularly those including insider trading, in accordance with the company's internal compliance regulations. The Council is composed of a Chief Compliance Officer (serving as Chair), along with representatives from Investor Relations, Human Resources, and at least two additional members. Operating under a structured framework, the Council enforces strict standards based on KRAFTON's compliance control policies, including the pre-notification requirement for employee stock trading. Through this system, KRAFTON continues to strengthen its oversight of insider trading and reinforce its overall compliance monitoring practices.

Ethics and Compliance Monitoring

Each year, KRAFTON conducts compliance and internal control audits to proactively identify legal risks and implement appropriate countermeasures. The audit focuses on ten key areas—including governance, ethics, fair trade, and information security—where legal risks are assessed and the status of compliance controls is reviewed. For legal and ethical issues identified within each business operation, KRAFTON implements control measures and continuously improves identified gaps to strengthen internal controls. In addition, the company performs a comprehensive annual review of its overall compliance control system and reports compliance status to the Board of Directors and executive management on a semiannual basis. These efforts contribute to enhancing the company's compliance management system and ensuring transparent governance.

Prior Notification of Employee Stock Trading

To prevent unfair trading practices, KRAFTON operates a Prior Notification of Employee Stock Trading system. Under this system, all employees are required to notify the company in advance of any intended transactions involving KRAFTON stock and to report actual trade details after the transaction. KRAFTON provides resources to help employees assess potential trading risks independently. The Compliance Office and the Compliance Monitoring Council review each prior notification to determine whether any potential violation of the Capital Markets Act has occurred. Employees who are more likely to trigger short-swing profit return requirements are designated as monitored persons, while those with access to undisclosed material information are classified as special monitored persons and are subject to heightened compliance standards.

Category	Subject to Prior Notification of Employee Stock Trading	Prohibition of Short-Swing Trading Within 6 Months	Restriction on Trading During Blackout Periods
General Employees	O (At least 1 day prior to the transaction)	X	X
Monitored Persons	O (At least 3 business days prior to the transaction)	O	X
Special Monitored Persons	O (At least 3 business days prior to the transaction)	O	O

Material Issue 6

Contributing to a Low-Carbon Society

Governance

In 2024, KRAFTON established an ESG Committee and introduced a company-wide governance structure to address climate change and environmental management. Through the ESG Committee, the Board of Directors reviews strategies and policies related to climate and environmental matters and oversees key risks and opportunities. The CEO, as the accountable executive, reviews the effectiveness of climate risk management across the company and evaluates the implementation of strategic initiatives. The Board of Directors (BOD) Support Office drives the execution of short-term, medium-term and long-term initiatives aligned with the climate and environmental strategy and manages related performance. Relevant departments are responsible for implementing space-specific action plans, including improving energy efficiency in office buildings and reducing carbon emissions across different spaces.

Strategy

Environmental and Social Impact	Attribute	Impact Pathway	Likelihood	Magnitude	Scope
	Negative	Acceleration of climate change caused by greenhouse gas emissions	●○○	●○○	Across corporate operations, local communities, and the global environment
	Negative	Increased environmental burden from the use of carbon-intensive data centers	●○○	●○○	
	Positive	Reduction of greenhouse gas emissions through expanded use of renewable energy	●●●	●○○	
Financial Impact	Attribute	Impact Pathway	Timeframe	Magnitude	
	Risk	Operational disruptions at business sites and equipment damage due to extreme weather events	Short-term	●○○	
	Risk	Rising energy costs driven by chronic climate change	Long-term	●●○	
	Risk	Increased compliance costs related to greenhouse gas regulations	Medium-term	●○○	
	Risk	Decline in player and investor trust due to inadequate climate response	Long-term	●○○	
Response Strategies and Initiatives	Opportunity	Cost reductions through improved energy efficiency and increased use of renewable energy	Long-term	●●○	
	KRAFTON addresses both the physical and transition risks associated with climate change by establishing robust disaster recovery systems, indoor temperature control, and energy backup infrastructure to ensure business continuity. The company enhances energy efficiency and reduces GHG emissions through multiple initiatives. These include operating a Building Energy Management System (BEMS), adopting high-efficiency equipment, and designing eco-friendly office buildings. In addition, KRAFTON runs commuter bus services and conducts employee campaigns in parallel. GHG emissions (Scope 1 and 2) from major business sites are regularly calculated and publicly disclosed, and efforts are being made to reduce supply chain emissions through a transition to a cloud-based operating environment.				

Risk Management

Risk Identification	<ul style="list-style-type: none">• Monitor changes in external policies and regulations, such as carbon neutrality mandates and GHG reduction targets• Analyze potential physical and transition risks associated with energy use and business operations• Identify climate-related expectations from external stakeholders, including investors and rating agencies
Risk Control and Mitigation	<ul style="list-style-type: none">• Manage GHG emissions• Promote energy transition and efficiency improvements through the use of renewable energy and high-efficiency equipment• Implement a phased response system based on climate scenario analysis and financial impact assessment
Risk Monitoring and Reporting	<ul style="list-style-type: none">• Track progress and manage performance related to emissions reduction and improvement initiatives• Conduct regular reviews and reporting of climate risks and response strategies through the ESG Committee• Operate a monitoring system to provide climate risk data and operational performance insights to executive management

Indicators and Targets

- GHG emissions (Scope 1 and 2)
- GHG intensity
- Energy consumption
- Energy intensity

Contributing to a Low-Carbon Society

Climate Change Response Governance

KRAFTON has built a strategic governance system to strengthen its response to climate change and environmental management, with clearly defined roles and responsibilities for the Board of Directors, executive management, and dedicated departments to ensure effective implementation.

The Board of Directors (via the ESG Committee) serves as the highest decision-making body for ESG and takes the lead in reviewing climate-related risks and opportunities. It also assesses and confirms the direction and feasibility of KRAFTON's environmental strategies. Executive management takes responsibility for implementing of company-wide strategies and ensures transparent communication with the Board through regular updates on progress and key issues.

Based on this governance structure, KRAFTON executes its climate response strategies in a practical and sustainable manner—minimizing environmental risks and systematically expanding long-term opportunities.

Governance Structure for Climate Change and Environmental Response



Roles of Climate Change and Environmental Management Functions

Category	Role	Responsibilities
Board of Directors	ESG Committee	<ul style="list-style-type: none">Deliberate and decide on key strategies and policies related to climate change and environmental managementOversee climate change-related risks and opportunities
Executive Management	CEO	<ul style="list-style-type: none">Manage risks and opportunities related to climate change and environmental managementMake decisions on implementation plans for climate change and environmental initiativesReview the progress of climate change and environmental strategies and action plans
Operational Teams	BOD Support Office	<ul style="list-style-type: none">Establish and manage short-term, medium-term and long-term initiatives aligned with climate change and environmental strategiesIdentify climate change-related risks and opportunities, conduct materiality assessments, and report the results to the CEO and ESG Committee
	Relevant Departments	<ul style="list-style-type: none">Workplace Team: Manage energy use and monitor GHG emissions across office operations in support of climate change and environmental goalsSpace & Property Team: Plan and carry out eco-friendly design and energy efficiency initiatives across main offices and cluster offices

Material Issue 6

Contributing to a Low-Carbon Society

Risks and Opportunities

KRAFTON identifies the financial impact of climate change on its business operations and prioritizes response strategies according to materiality.

Category		Definition	Financial Impact	Magnitude	Timeframe	Response Strategies
Physical Risks	Acute	• Damage to IT infrastructure and increased disruption risks to business continuity due to extreme weather events such as torrential rain, heatwaves, and typhoons	• Loss of revenue due to service disruptions or data loss • Increased costs associated with establishing backup infrastructure	●○○	Short-term	• Ensure business continuity by distributing critical systems across multiple cloud service providers and geographic locations • Build dedicated disaster recovery infrastructure to prevent service disruptions and data loss • Guarantee remote work capability through VPN and remote desktop solutions
	Chronic	• Rising indoor environmental risks from long-term temperature increases, including overheating of office IT equipment and higher cooling demand	• Higher operating expenses from reinforced cooling systems and increased electricity usage	●○○	Long-term	• Upgrade HVAC infrastructure for improved control of indoor temperatures
		• Higher long-term operating costs due to increased cooling and electricity consumption	• Increased operating costs driven by rising energy prices	●●○	Long-term	• Improve operational stability of office spaces through enhanced insulation and use of eco-friendly materials
Transitional Risks	Policy and Legal	• Increased compliance obligations and operating costs due to government-mandated GHG reduction regulations	• Costs associated with GHG emissions reporting and reduction • Losses incurred from penalties for regulatory non-compliance	●○○	Long-term	• Operate energy-efficient systems within the office building • Install renewable energy generation facilities in the new office building • Establish transparent systems for greenhouse gas emissions reporting and disclosure
	Technology	• Higher upfront investment required for transitioning to energy-efficient technologies and eco-friendly facilities	• Higher initial investment required for transitioning to eco-friendly infrastructure	●○○	Long-term	• Utilize cloud infrastructure powered by renewable energy (AWS)
	Reputation	• Potential decline in investor and customer trust in the event of weak climate change response capabilities	• Revenue decline due to player churn or failed attraction of investment	●○○	Long-term	• Communicate climate response efforts proactively and report performance with transparency
Opportunities	Resource Efficiency	• Opportunities to reduce energy costs and carbon emissions by improving power efficiency, adopting renewable energy, and optimizing cloud usage	• Reduced operating costs through the adoption of energy-efficient equipment for heating, cooling, and power systems	●●○	Medium-term	• Optimize waste recycling and resource management practices • Enhance energy efficiency in office operations
	Energy Source	• Potential for achieving cost savings and carbon neutrality through the adoption of renewable or low-carbon energy sources	• Reduce energy-related costs via on-site renewable generation and renewable-powered cloud	●●○	Long-term	• Expand use and generation of renewable energy in new office facilities • Leverage AWS cloud services based on renewable energy sources

Material Issue 6

Contributing to a Low-Carbon Society

Physical Risk Response Strategy

KRAFTON analyzes the business impact of physical risks associated with climate change and has developed a response strategy centered on preventing operational disruptions, protecting infrastructure, and strengthening disaster recovery capabilities.

Acute

Securing Power Supply and Protecting Data

To maintain operational continuity during natural disasters such as floods, typhoons, and fires, KRAFTON has established a has implemented a power management system to ensure uninterrupted operations. In parallel, key infrastructure teams have developed emergency response protocols to secure alternative power sources during crises. To protect critical data, the company employs redundancy strategies using major cloud service providers, including AWS and Microsoft. These efforts are further supported by regular external backups, which help safeguard against data loss. Together, these measures form a comprehensive defense against service disruptions, enabling KRAFTON to maintain stable and reliable operations even under extreme conditions.

Enabling Remote Working During Weather Emergencies

KRAFTON has built a VPN-based remote work environment to ensure business continuity even when employees are unable to commute due to events like floods, typhoons, or heavy snowfall. Key personnel, including system administrators, are equipped with remote desktop solutions to carry out their responsibilities without interruption.

Building Disaster Recovery Processes

To maintain system stability and recover quickly during emergencies such as natural disasters, KRAFTON has established both a Business Continuity Plan (BCP) and a Disaster Recovery (DR) framework. The company minimizes the risk of service interruptions by utilizing multiple cloud service providers across different regions. Internally, recovery goals are clearly defined using Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO), based on the criticality of each system. Depending on these targets, KRAFTON applies various recovery strategies, including mirror sites, warm sites, and cold sites. In addition, KRAFTON has established separate backup infrastructure to maintain operations even if the primary data center is compromised. In the medium-term to long-term,, the company is also pursuing a transition to a cloud-based DR system.

Chronic

Maintaining Indoor Temperature

To ensure a stable working environment during extreme climate conditions such as heatwaves and cold spells, KRAFTON has equipped its office building with HVAC systems and Electric Heat Pumps (EHPs) to maintain consistent indoor temperatures. In addition, building insulation has been reinforced to enhance the overall comfort and environmental stability of the workspace.



Material Issue 6

Contributing to a Low-Carbon Society

Response to Transition Risks and Strategy for Seizing Opportunities

Policy and Legal

Enhancing Resource Efficiency

Energy Efficiency Equipment in Office Buildings

K R A F T O N has implemented various systems at its Yeoksam headquarters to improve energy efficiency. A power-off automation system shuts down large displays near elevators at 22:00, while air conditioners in meeting rooms are turned off in stages—partially at 20:00 and fully at 23:50 during the summer. To further enhance energy efficiency, LED lighting with dimming functionality has been installed at the Yeoksam and Pangyo offices, while the Seocho office utilizes a manual on/off LED system to prevent unnecessary energy use. Motion sensors in meeting rooms also support automatic lighting control, turning lights off when the space is unoccupied. In addition, KRAFTON has enhanced the energy performance of its training center, KRAFTON Jungle, by installing insulation materials and high-efficiency transformers as part of its broader commitment to energy efficiency across facilities.

Eco-Friendly Design of the New Headquarters

KRAFTON is developing its new Seongsu headquarters, scheduled for completion in 2028, in line with eco-friendly architectural standards, aiming to establish a sustainable work environment. The building will incorporate renewable energy systems such as solar power and water-source heating and cooling, increasing energy self-sufficiency

while minimizing environmental impact through the use of sustainable construction materials. High-efficiency energy systems will also be integrated to enhance operational performance and contribute to the reduction of greenhouse gas (GHG) emissions.

Sustainable Building Certifications

KRAFTON's Yeoksam headquarters has been awarded the LEED Gold certification, an internationally recognized standard for green building design. The upcoming Seongsu headquarters is being designed to meet the highest sustainability benchmarks, targeting the Building Energy Efficiency Rating 1++, the top-tier Green Building Certification, Zero Energy Building (ZEB) certification, and LEED Platinum. To achieve these goals, KRAFTON is proactively integrating advanced green technologies and high-efficiency systems throughout the facility.

Operation of Employee Shuttle Buses

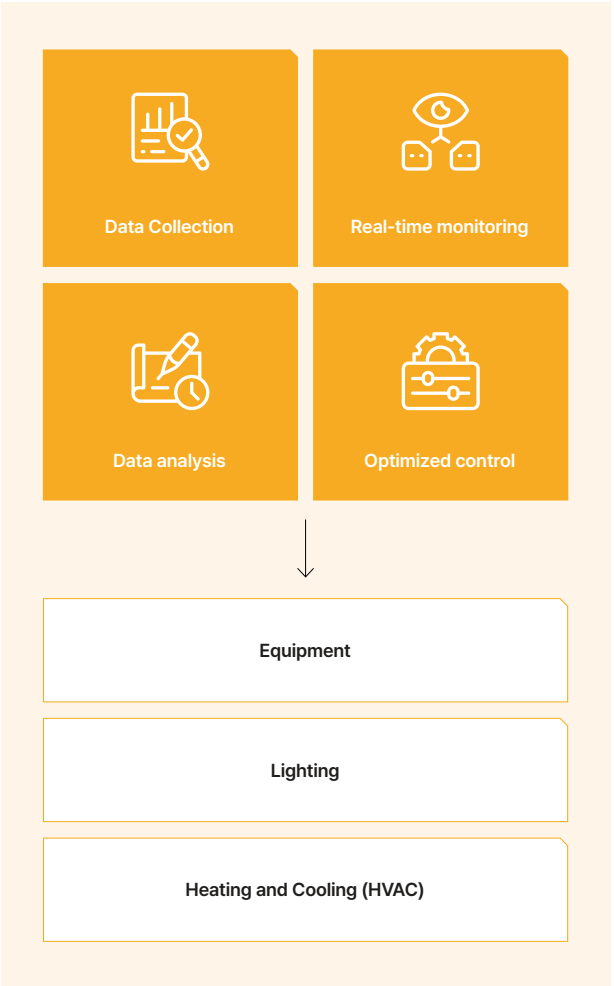
KRAFTON operates employee shuttle buses to support commuting convenience while reducing GHG emissions from transportation. As of December 2024, approximately 88 employees use these shuttles, which run between key hubs—Yeoksam, Seocho, and Pangyo—and along a main route connecting Gangnam Station and Yeoksam Station to facilitate efficient travel. To further reduce unnecessary GHG emissions, the company operates only two corporate passenger vehicles, reinforcing its commitment to fostering a culture of sustainable mobility.

Building Energy Management System (BEMS)

KRAFTON's Yeoksam headquarters is certified with Level 2 in the Building Energy Management System (BEMS), allowing for efficient oversight of indoor environments and energy consumption. Real-time monitoring is enabled through sensors installed on core systems including lighting, HVAC, and ventilation. Collected data is used to identify and address inefficiencies, ultimately enhancing operational energy efficiency and contributing to meaningful reductions in greenhouse gas emissions.



Interior View of Yeoksam Headquarters

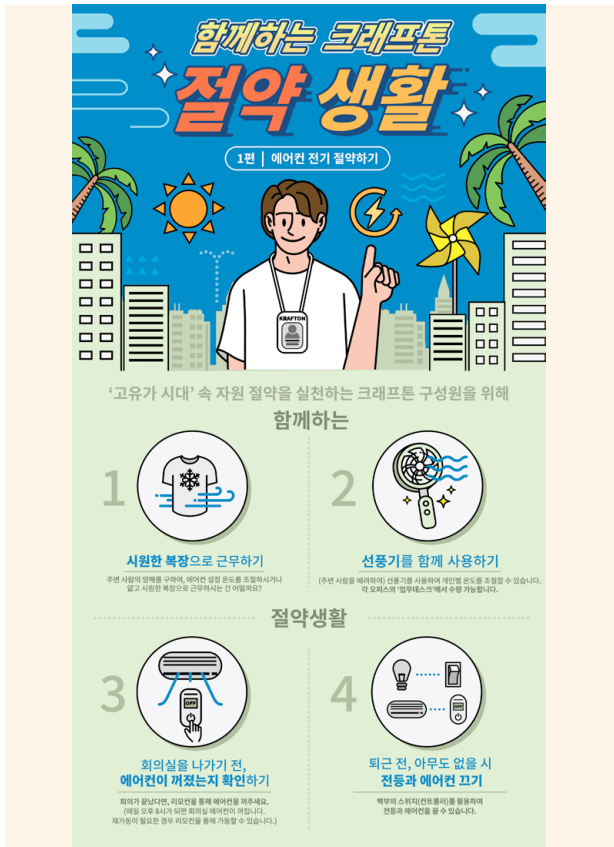


Material Issue 6

Contributing to a Low-Carbon Society

Energy Saving Campaign

KRAFTON promotes awareness of energy conservation among employees and encourages a sustainable workplace culture through ongoing resource-saving campaigns.



Technology

Energy Source

Reducing GHG Emissions Through Cloud Infrastructure

KRAFTON is strengthening the sustainability of its IT operations by transitioning to cloud-based infrastructure. As of June 2024, the company operates approximately 9,000 virtual machine (VM) instances through major providers (A and M), applying these resources efficiently to core services including game server operations. These providers are committed to using 100% renewable energy by 2025, which means the shift to cloud infrastructure not only reduces the energy consumption of traditional data centers but also contributes to lowering KRAFTON's indirect GHG emissions and building a more environmentally responsible IT environment.

Reputation

Climate Change Awareness Training

KRAFTON provides structured training for relevant departments to strengthen environmental awareness and embed a culture of sustainability across the organization. These sessions cover topics such as resource conservation, energy efficiency, carbon reduction, and waste management, encouraging employees to adopt environmentally responsible practices both in the workplace and in their daily lives. The training also offers updates on environmental regulations and emerging issues, enabling employees to stay informed and fulfill their environmental responsibilities. In 2024, KRAFTON conducted a dedicated climate change training session for employees engaged in environmental roles.

Training Title	Date	Training Topics
ESG Management and Practical Strategies for Carbon Neutrality	December 19, 2024	The importance of corporate ESG initiatives and practical methods for reducing carbon emissions in daily work activities

Disclosure of GHG Emissions

KRAFTON regularly measures and discloses its greenhouse gas (GHG) emissions (Scope 1 and 2) in response to growing societal expectations and stakeholder demands regarding climate action. The company closely monitors energy consumption and emissions across major business sites, and transparently shares quantified data in accordance with relevant external assessment and disclosure standards.

Climate Change Response Targets

Category	Unit	2024 Target	2024 Performance
GHG Emissions	tCO ₂ eq	4,800	4,654
Energy Consumption	TJ	97.0	96.9



ESG PERFORMANCE

64	Environmental
65	Social
77	Governance



INTRODUCTION →



**ESG
MANAGEMENT** →



**MATERIAL
ISSUE** →



**ESG
DATABOOK** →



APPENDIX →

E Managing Environmental Impact

Water Resources and Resource Circulation

Use of Eco-Friendly Paper

KRAFTON incorporates recycled materials as part of its efforts to conserve resources and promote sustainable consumption. Paper shopping bags and business cards provided to employees and external stakeholders are made with recycled paper, helping reduce the use of virgin pulp. This practice contributes to lowering greenhouse gas emissions generated during wood harvesting and processing, thereby supporting the sustainable and responsible use of resources.

Eco-Friendly Café

Since 2024, KRAFTON has participated in Nespresso's coffee capsule recycling program, regularly collecting used capsules from its in-house cafés. On average, 10,000 capsules are collected each month. The coffee grounds are reused as compost for farms, while the aluminum is recycled into products such as cans and car parts. In collaboration with upcycling companies, coffee grounds are also repurposed into various products, including planters, candles, bricks, pencils, and clay. As of the end of 2024, approximately 675 kg of coffee grounds had been recycled. KRAFTON also encourages sustainable habits within its café spaces by promoting the use of tumblers and offering coupons as incentives. In addition, the cafés actively adopt eco-friendly products, such as biodegradable straws made from corn-based materials.

Resource Circulation Campaign

KRAFTON promotes everyday resource conservation and circular practices through its internal resource circulation campaign. The campaign encourages employees to voluntarily participate in activities such as reducing the use of office supplies and disposable items, using reusable products, separating waste, and minimizing food waste across office and dining spaces.

Food Waste Reduction in the Cafeteria

KRAFTON operates a systematic food waste management system in its cafeteria to reduce waste and promote resource circulation. Food waste is tracked and monitored regularly, and initiatives such as the "Zero Waste Day" campaign have been introduced to encourage reduction. Unavoidable food waste is reused as organic compost, animal feed, or bio-oil, contributing to a sustainable circular resource system.

Water Conservation

KRAFTON has installed water-saving fixtures at its Pangyo office to support water conservation efforts. At the new Seongsu headquarters, scheduled for completion in 2028, the company plans to introduce a gray water treatment facility and a rainwater reuse system to enable systematic and sustainable water reuse.



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Respecting and Promoting Human Rights

KRAFTON fosters an inclusive corporate culture that respects and protects the human rights of all stakeholders, including employees, business partners, players, and local communities. The company is committed to eliminating discrimination and inequality, ensuring a fair and safe working environment, and upholding the labor rights of all employees. In particular, KRAFTON promotes equal opportunities and fair treatment regardless of gender, age, race, or religion—principles embedded in its core management philosophy. KRAFTON also adheres strictly to international human rights standards, including the ILO conventions and the UN Guiding Principles on Business and Human Rights (UNGPs), and continues to improve its practices to fulfill its ethical responsibilities. Moving forward, the company plans to strengthen its human rights policies and expand training across all employees to build a more systematic and effective human rights management system.

Managing Human Rights Risks

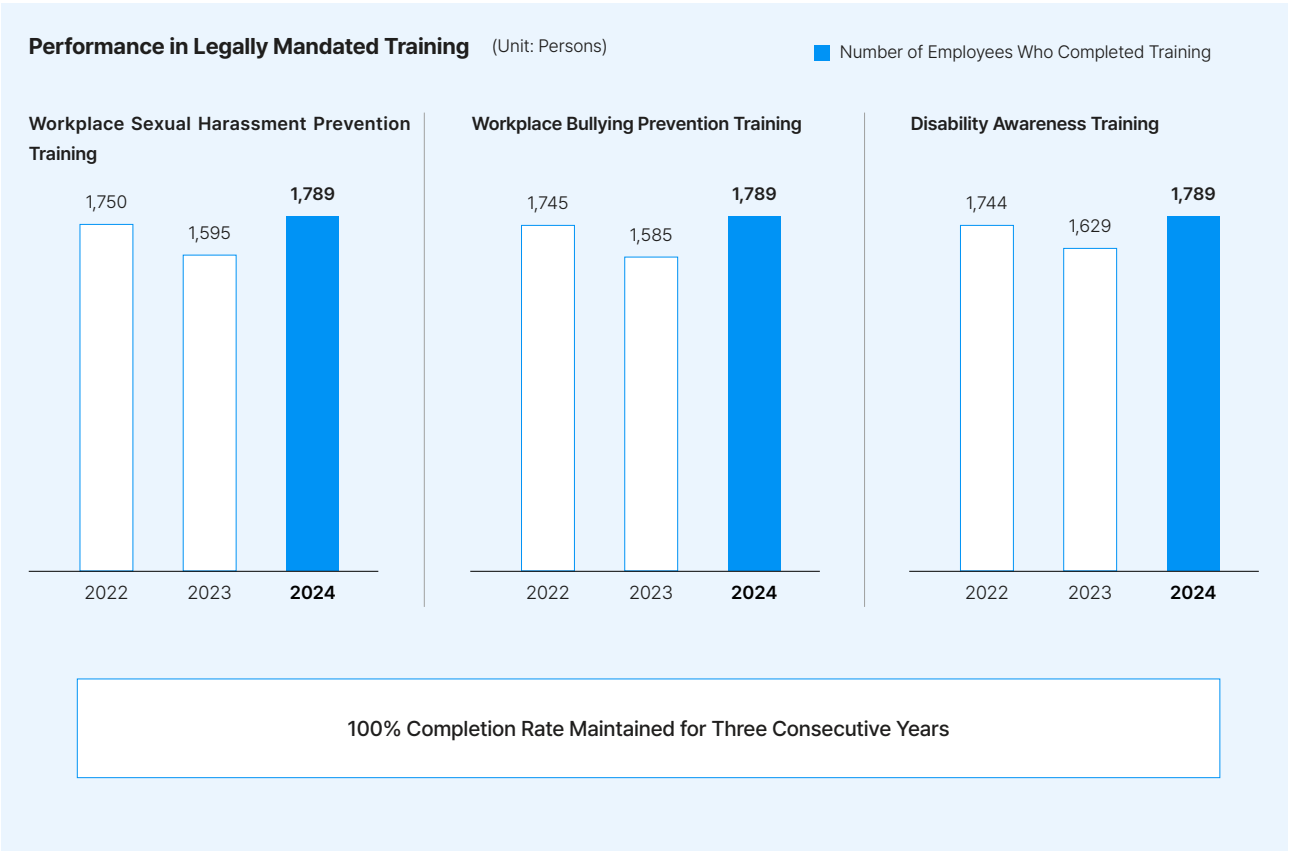
KRAFTON recognizes the protection of employee rights as a core value and continuously works to minimize human rights risks across all business areas. Each team regularly monitors potential risks related to organizational culture, working conditions, and communication structures, and proactively reviews HR policies to prevent possible infringements on employee rights. Major human rights issues are reviewed by the ESG Committee, and system improvements or follow-up measures are implemented as needed.

Mind Care Program

KRAFTON operates the “Mind Care Program” to support employees’ mental well-being and psychological stability. The program provides comprehensive professional counseling services that address a wide range of concerns, including work-related stress, interpersonal issues, mental health conditions, personal challenges, and addiction. Employees are entitled to five free sessions per year, with the option to extend to up to 12 sessions based on clinical assessment. KRAFTON also partners with specialized institutions to enhance the program’s expertise and operational credibility. Through this initiative, the company supports employees in maintaining a healthy mental state and maximizing their potential, fostering a positive cycle that contributes to both individual well-being and organizational performance.

Legally Mandated Human Rights Training

KRAFTON provides legally mandated human rights training programs, including workplace sexual harassment prevention, anti-bullying, and disability awareness. These regular training sessions and awareness initiatives aim to raise employees’ sensitivity to human rights issues and prevent discrimination and unfair practices in the workplace. These efforts contribute to foster a workplace culture that is both inclusive and respectful of human rights.



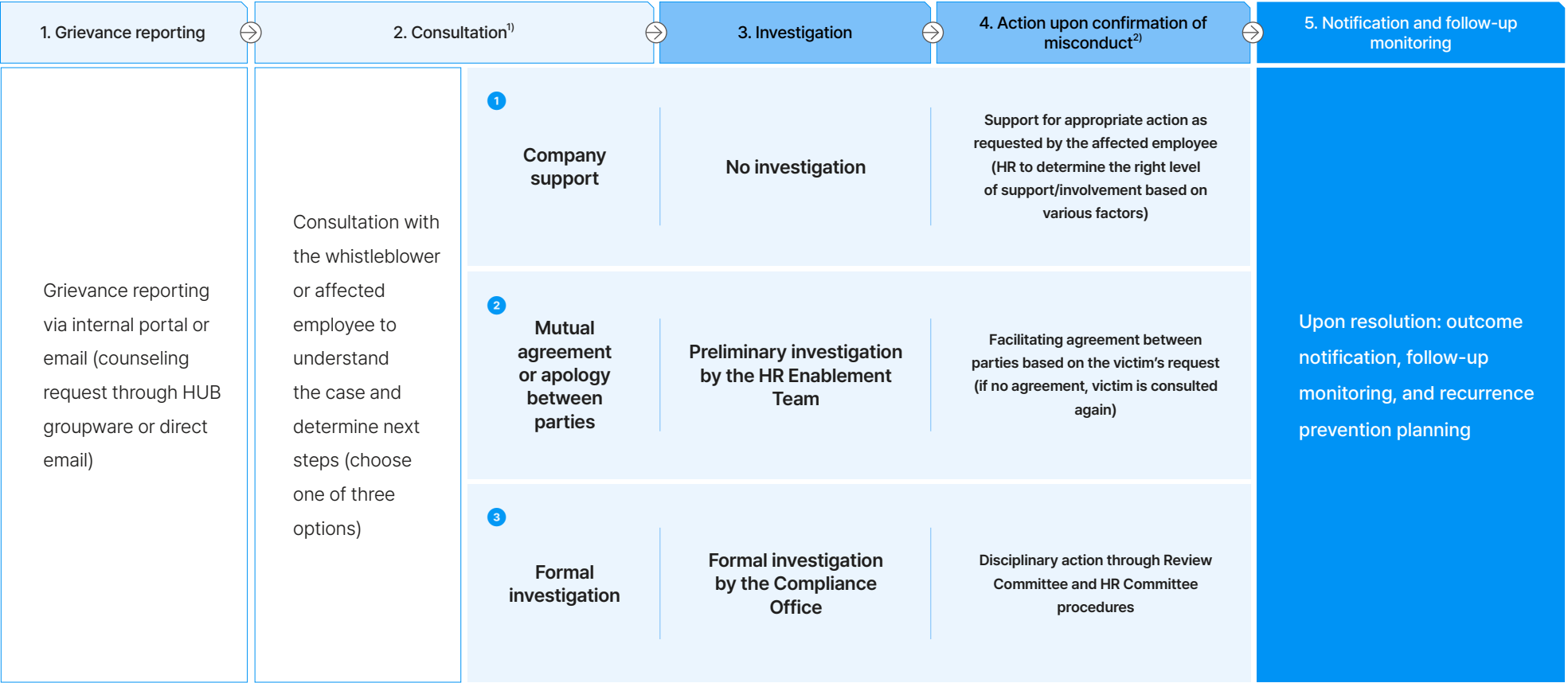
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Respecting and Promoting Human Rights

Formal Grievance Reporting Process

KRAFTON is committed to providing a safe and respectful work environment by operating a formal grievance reporting process that ensures fair investigations and prompt responses. Company-wide guidance on workplace harassment laws is distributed to help employees quickly identify and appropriately respond to incidents of harassment or sexual misconduct. Reports may be filed by anyone—whether directly affected or a witness—and strict confidentiality is maintained for both the reporter's identity and the content of the consultation. Continuous monitoring is also conducted to prevent retaliation or secondary harm. When a victim is identified, the alleged offender is immediately and thoroughly separated. In cases involving sexual harassment, a female investigator is assigned to support the victim's psychological well-being and ensure the integrity of the investigation process. In 2024, a total of 13 cases were reported through the company's internal procedures for grievances, harassment, and sexual misconduct, and appropriate measures were taken in all cases.

Incident Reporting and Response Process



1) Once a report is received, the company conducts a consultation with the individual to fully understand the situation and determine the appropriate course of action.

- If the affected employee directly requests a consultation, it is conducted immediately.
- If the request is submitted by a third party, the company first consults with the third party, followed by the affected employee.
- If temporary protection is deemed necessary based on the consultation, appropriate measures—such as adjusting the work location—are considered, provided they align with the employee's consent

2) If the affected employee requests action, the company takes appropriate protective measures in accordance with internal policies, such as separating the parties or adjusting work arrangements.

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Managing Health and Safety

KRAFTON operates a structured health and safety management system to ensure a safe working environment. The system is designed to identify potential hazards in advance and strengthen preventive measures, while regular training and inspections are conducted to raise safety awareness among employees. KRAFTON also provides a variety of wellness programs to support employees in maintaining both physical and mental well-being.

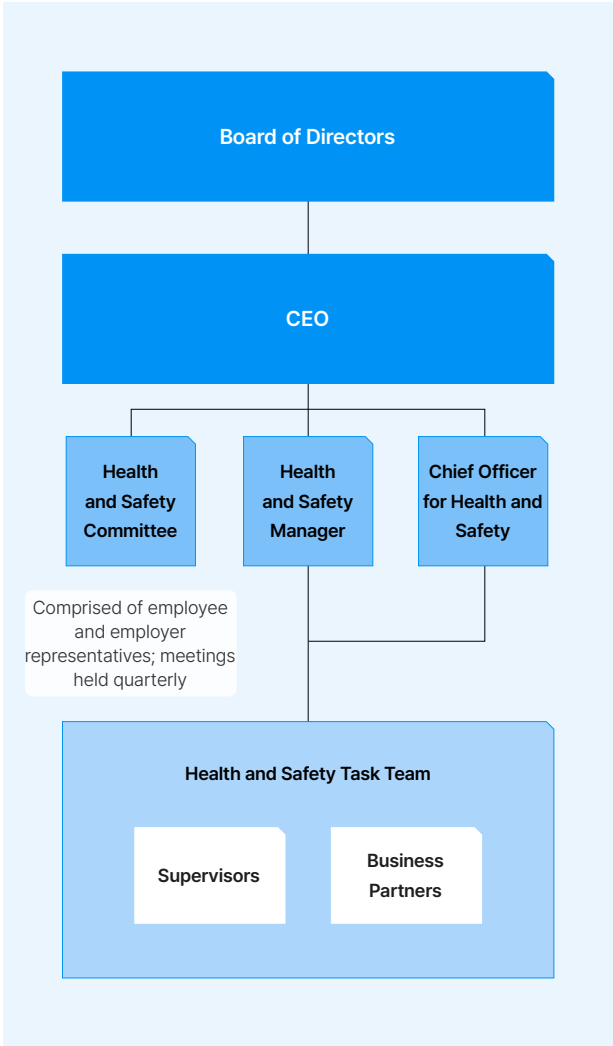
Health and Safety Policy

KRAFTON has established and enforces the Occupational Health and Safety Management Regulations to protect the safety and health of workers at its business sites and to maintain a comfortable working environment. These regulations cover not only to KRAFTON employees but also workers from business partners, and are publicly available on the company's official website.

➡ Occupational Health and Safety Management Regulations

Health and Safety Governance

KRAFTON's health and safety governance is led by the CEO and supported by a structured system composed of the Chief Officer for Health and Safety, Health and Safety managers, dedicated teams, and on-site supervisors. The company also operates Health and Safety Committees, which hold regular meetings to review and improve related policies, identify workplace hazards, and strengthen preventive measures. The Health and Safety manager regularly reports key health and safety issues to the CEO. Director-level leaders are assigned supervisory responsibilities under the Occupational Safety and Health Act, including the authority to suspend work and report injuries when necessary. KRAFTON continues to monitor safety practices and foster a strong safety culture, while also supporting employee well-being and striving to maintain a healthy and comfortable work environment.



Title	Responsibilities
Chief Officer for Health and Safety / Health and Safety Manager	<ul style="list-style-type: none">Establish plans for preventing industrial accidentsMonitor and improve the working environment, including conducting environmental measurementsLead risk assessments in accordance with Article 36 of the Occupational Safety and Health ActOversee health and safety management regulationsInvestigate the causes of industrial accidents, develop recurrence prevention measures, and maintain related statistics
Supervisors	<ul style="list-style-type: none">Check tools used within each department for any functional issuesProvide training and guidance on tool usage to employees under one's supervisionReport industrial accidents and take emergency action within the respective organizationParticipate in risk assessments as outlined in Article 36 of the Occupational Safety and Health Act
Health and Safety Task Team	<ul style="list-style-type: none">Develop and revise health and safety plans and related regulationsConduct accident prevention activities and risk assessments at worksitesManage health and safety for employees and business partnersOperate the Health and Safety CommitteeConduct health and safety training activities

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Managing Health and Safety

Creating a Safe Work Environment

Evacuation and Emergency Response Training

KRAFTON conducts regular evacuation and emergency response training based on a structured plan that prioritizes employee safety during crisis. Company-wide fire training is conducted annually in accordance with emergency action plans that reflect a range of potential scenarios. To ensure effectiveness, KRAFTON periodically evaluates, revises, and supplements training programs to ensure response effectiveness.

Establishment and Operation of Emergency Contact System

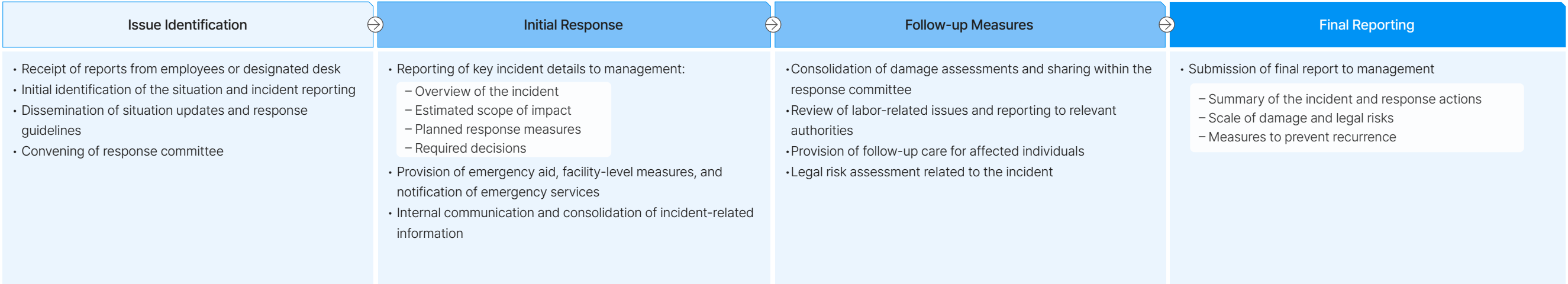
KRAFTON has established and continues to maintain an up-to-date emergency contact system to ensure a prompt response in the event of a crisis. The system connects response teams both within the company and from external agencies, such as police stations, fire departments, and hospitals. KRAFTON also works in close coordination with professional health and safety institutions to enhance the system’s effectiveness and operational readiness.

Incident Response System

When an incident occurs, KRAFTON activates its response system led by designated committees to ensure swift and organized action that minimizes damage and prevents further harm. The incident is immediately reported to the relevant departments and the health and safety team, and the scene is left undisturbed until the investigation is completed. KRAFTON also complies with legal reporting procedures, and in the case of serious incidents, investigations are conducted in consultation with employee representatives.

Following an incident, a thorough root cause analysis is carried out to establish preventive measures. For major accidents, the Health and Safety Committee reviews the case and provides input on improvement plans. Incident cases are shared company-wide as part of safety education, and corrective actions are promptly implemented to strengthen the safety culture and maximize preventive impact.

Incident Response Process



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Managing Health and Safety

Hazard Reporting

KRAFTON operates dedicated reporting channels at each office to collect facility-related concerns. Reported issues are promptly resolved through corrective measures.

Health and Safety for Business Partners

KRAFTON actively supports its business partners in fulfilling their health and safety obligations and works to ensure a safe working environment. Monthly committee meetings are held with all business partners to share safety and health-related issues and discuss improvement measures. KRAFTON also provides training spaces and materials to facilitate effective education, and continues to expand practical support—such as access to hygiene facilities—to improve working conditions for employees of business partners.

Health Promotion Program

KRAFTON provides annual health checkups for all employees and promotes holistic well-being through a variety of initiatives, including psychological counseling (EAP), fitness subsidies, and on-site health consultations. The company also offers group medical insurance that covers immediate family members, supporting the overall health and well-being of both employees and their families.

Global Travel Safety Support

To protect the health and safety of employees during overseas business trips or assignments, KRAFTON provides a comprehensive global risk management service through International SOS (ISOS). The service includes 24/7 medical consultations, emergency evacuation, and real-time security updates. Prior to travel, employees receive country-specific risk information to help prevent incidents. In the event of an emergency, the response system connects to the ISOS assistance center, enabling prompt and coordinated action and ensuring comprehensive protection for employees while abroad.

Creating a Safe Workplace Through Privacy Protection

KRAFTON conducts regular inspections to detect illegal eavesdropping, wiretapping, and recording devices in areas where privacy is essential, such as enclosed spaces, meeting rooms, and restrooms. These inspections aim to prevent personal privacy violations and information leaks, helping reduce anxiety factors related to surveillance in the workplace.

In particular, the detection of illegal recording devices is also part of KRAFTON's broader efforts to prevent sexual harassment and workplace bullying, contributing to a work environment where employees can work with confidence and peace of mind.

Enhancing Everyday Workplace Safety and Comfort

KRAFTON ensures a safe and comfortable work environment by implementing proactive health and safety practices, facility maintenance, and office operations. Indoor air quality is regularly monitored, and training on the use of automated external defibrillators (AEDs) is provided to enhance safety awareness among employees.

Routine maintenance activities—such as cleaning air conditioner filters and installing blackout blinds—help maintain a pleasant work environment. For newly constructed offices bake-outs are performed to eliminate harmful substances. In addition, rest areas are equipped with amenities such as massage chairs, air purifiers, and bidets to support employee comfort and operational efficiency.

Industrial Accident Cases

General Facility Information

Category	2022	2023	2024
No. of cases	0	1	0

Accidents by Type

Type of Accident	2022	2023	2024
Injury	0	1	0
Fatality	0	0	0



Immersive Work Booth



Lounge Space at Seocho Office

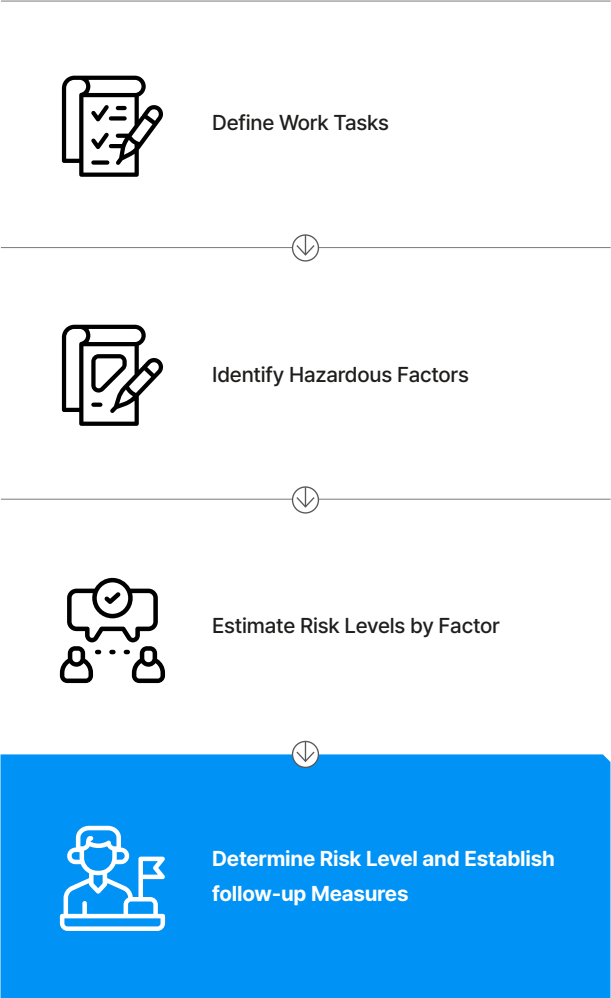
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Managing Health and Safety

Risk Assessment for Occupational Health and Safety

KRAFTON conducts risk assessments tailored to the specific environments and operational characteristics of each site, identifying hazardous factors, assessing their potential severity and likelihood. Based on the results, the company develops and implements appropriate mitigation measures. Assessments are categorized into initial, ad hoc, or periodic evaluations. Ad hoc assessments are carried out in response to events such as new facility installations, relocations, repairs, changes in work procedures, or the occurrence of incidents. Periodic assessments reflect changes such as equipment deterioration, personnel replacement, or updates in health and safety knowledge. Supervisors, members of the Health and Safety Committee, and the health and safety team all participate in the assessment process. The results are documented and retained for ongoing management. In 2023, KRAFTON prioritized preventive measures for items with relatively high risk based on assessment outcomes. For example, equipment such as shredders was marked with warning signs to raise user awareness and help prevent incidents. In 2024, the focus shifted to reviewing the effectiveness of previously implemented controls. Existing safety controls were validated as effective, leading to closure of the assessment without further modifications.

Risk Assessment Process



2024 Risk Assessment Results

●

 Less than 25%

●●

 25% to less than 50%

●●●

 50% or more

Category	Hazard	Risk Level
Office Facilities	Obstacle on stairs	●
	Insufficient lighting on stairs leading to trip hazard	●
	Trip or slip hazard due to floor-level obstacles in the office	●
	Uneven office flooring causing slip hazard	●
Work Environment	Electric shock risk due to use of ungrounded multi-plugs or power strips with electronic office devices like shredders	●
	Lack of warning labels on devices like shredders to prevent finger entrapment	●●
	Insufficient lighting or daylight to reduce eye strain	●
	Inadequate rest areas available during break time to relieve work-related stress	●
	Absence of first aid kits and medical supplies for injury response	●
	Failure to maintain proper temperature and humidity due to prolonged A/C or heater use	●
	Lack of ergonomic furniture to prevent VDT syndrome ¹⁾ from extended computer use	●

1) VDT (Visual Display Terminal) Syndrome: A collection of physical and psychological symptoms caused by prolonged use of VDTs such as computers, tablets, and smartphones.

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Growing Together with Partners

KRAFTON regards its own business partners as essential collaborators and pursue mutual growth based on trust and long-term partnership. To support their stable operations, KRAFTON is in the process of establishing a Partner Code of Conduct and offers assistance in areas such as information security. KRAFTON also upholds principles of transparency and fairness in all transactions and operate dedicated communication channels to facilitate continuous engagement.

Partner Management

Partner Selection

KRAFTON ensures fairness in its partner selection process by applying clearly defined evaluation criteria outlined in its procurement policy. Prospective partners must not be subject to criminal penalties or administrative fines under relevant laws, such as the Improper Solicitation and Graft Act, and must not be classified as disqualified vendors. They are also required to demonstrate security capabilities by appointing a dedicated security officer and establishing internal security policies, as well as implementing a privacy policy in accordance with the Personal Information Protection Act. During all phases of collaboration, partners must fully comply with applicable domestic and international laws on fair trade and anti-corruption.

Partner Feedback and Communication

KRAFTON actively addresses concerns, requests, and any instances of non-compliance raised by partners throughout the contracting and execution process, while fostering open communication to support resolution and continuous improvement. KRAFTON also operates an Speak Up Policy, allowing partners to directly submit grievances or difficulties they may encounter. In 2024, two such cases were reported, and corrective actions were taken in all instances.

Partner Code of Conduct

KRAFTON is in the process of establishing a Partner Code of Conduct to promote its core values—respect for human dignity, workplace safety, and ethical and sustainable business practices—throughout its supply chain. The Code will define clear standards that partners must uphold in the areas of human rights, labor, health and safety, environmental protection, and legal compliance, and will explicitly extend these responsibilities to lower-tier suppliers. Through this initiative, KRAFTON aims to build a responsible supply chain and contribute to the development of a more sustainable industry ecosystem.

Human Rights

- Respect for human rights
- Protection of rights
- Dignity

Labor

- Fair compensation
- Prohibition of workplace harassment
- Voluntary employment
- Compliance with labor laws
- Prohibition of sexual harassment and discrimination
- Working hours
- No child or youth labor

Safety

- Physical and mental safety
- Risk management
- Healthy workplace
- Safety certifications
- Compliance with safety standards

Environment

- Compliance with environmental regulations
- Emission management
- Minimizing negative impact
- Greenhouse gas reduction efforts

Compliance & Ethics

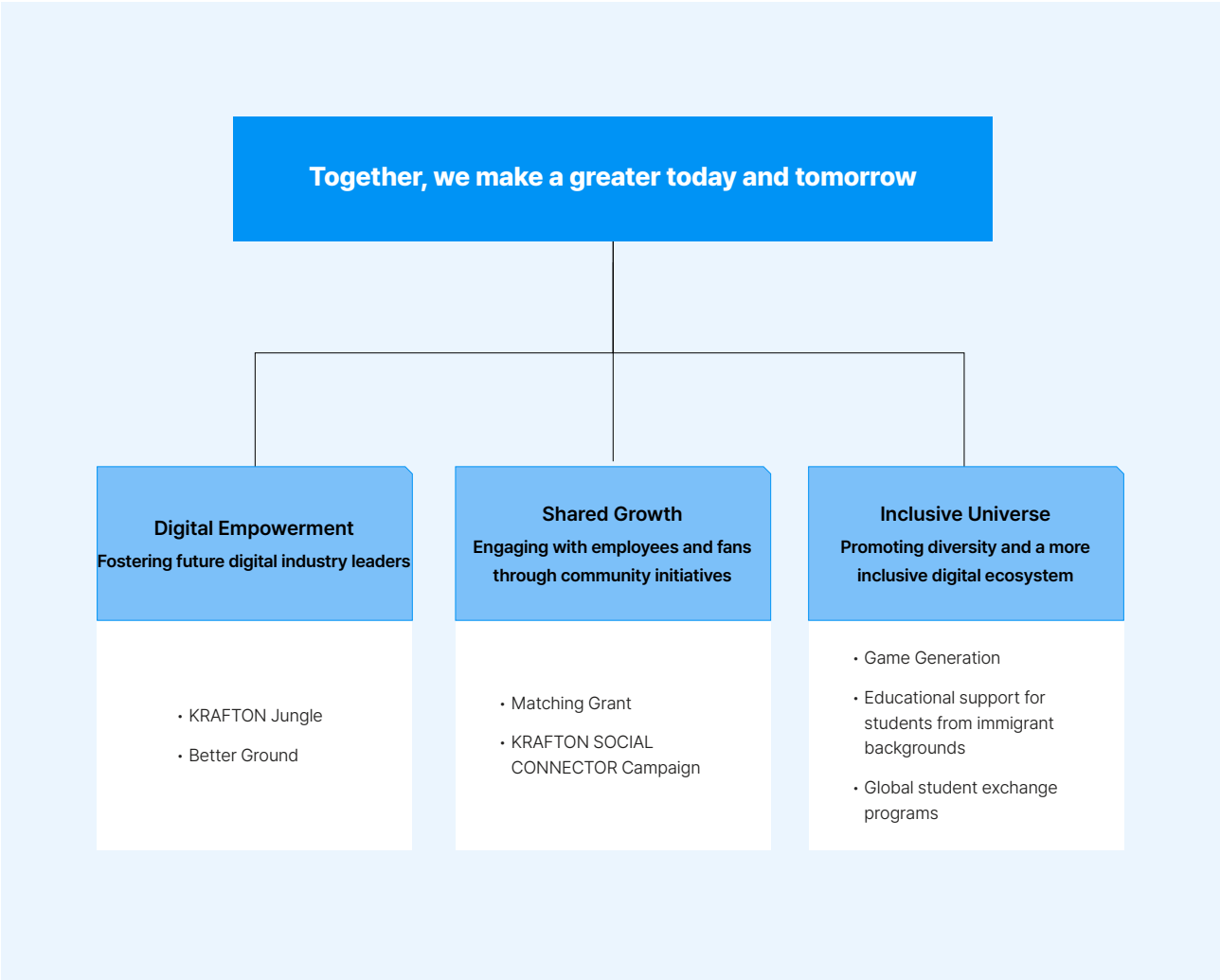
- No bribery, corruption, extortion, or embezzlement
- Intellectual property protection
- Anti-corruption policies and programs
- Privacy security
- No inducement or encouragement of corrupt practices
- Legal compliance
- Technical and administrative safeguards

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Creating Social Value

KRAFTON is expanding its social responsibility and value creation in step with its rapid growth. By nurturing digital talent and driving global social innovation, KRAFTON aims to create meaningful change and open up new possibilities for a better future. KRAFTON will continue to refine unique vision and values as KRAFTON moves toward a more sustainable future.

Social Contribution Framework




Cumulative Impact of KRAFTON's Social Contribution

(As of December 2024)


Support for local communities

- Disaster relief in 2 regions
- Matching grant donations in 13 initiatives




Participation in talent development programs

- Jungle: 308 participants
- Game Lab: 61 participants
- Better Ground: 175 participants




Number and reach of game culture content published

- 355 published articles
- 41,473 unique visitors




Employment rate of youth after completing Jungle program

- Approximately 75% (based on total accumulated employment/startup rate)




Employee participation in community activities (donation, volunteering, mentoring)

- 714 individuals



Total community donations made by KRAFTON and its employees

- KRW 3,101,560,000



S Creating Social Value

Social Contribution Activities

KRAFTON JUNGLE

KRAFTON JUNGLE is a social contribution program designed to cultivate future talent in software development. Based on the non-degree “Software Academy Jungle” curriculum developed by KAIST, the program offers an immersive, hands-on learning environment that fosters self-directed growth and collaboration. The program is structured in phases—from career exploration and project-based learning to research-focused training—designed to support intensive and accelerated development. Through this initiative, KRAFTON seeks to build a sustainable talent ecosystem for the broader digital industry, including software, AI, and gaming, with the goal of training and supplying over 1,000 skilled professionals to the field annually.

Better Ground

Better Ground, launched in 2023 is KRAFTON's pro bono program designed to support aspiring youth interested in game development. The initiative offers students hands-on opportunities to gain practical experience and motivation through mentorship provided by KRAFTON employees, while also helping to strengthen youth developer communities. Operated in partnership with JA Korea, a global nonprofit focused on youth education, the program has engaged 37 schools across Korea to date. Through team-based game development projects, participants are encouraged to build essential 21st-century competencies such as creativity, collaboration, and problem-solving.

Curriculum

Better Ground Play (Online Workshop)

Introductory session for Better Ground applicants featuring
special lectures to enhance understanding of careers in the game
industry



Better Ground Day (Project Mentoring)

Role-specific mentoring (planning, art, programming) by KRAFTON professionals for high school teams developing game projects



Better Ground Up (Follow-up Mentoring)

Ongoing online mentoring and expert-led sessions to support the completion of game projects



Better Ground Final (Project Showcase)

Showcase of game projects completed through self-directed work, supported by mentoring and training from industry experts



Matching Grant

Launched in 2021, KRAFTON's Matching Grant is a voluntary giving program that fosters a culture of donation among employees. Under this initiative, the company matches the amount donated by employees, amplifying their impact and supporting causes that reflect their personal interests. Through the Matching Grant, KRAFTON encourages active social engagement and contributes to the creation of social value. As one example, in 2021, employees who graduated from KAIST came together to support the university's digital talent development by donating toward the expansion of the Computer Science Department building. This initiative enabled KAIST students to study in a significantly improved learning environment from 2025.

2024 Matching Grant Contributions

Recipient Organizations	Date	Description
Columbia University	Mar 2024	Provided scholarships to enrolled students
Sungkyunkwan University	Oct 2024	Offered educational support funds for enrolled students
Woori Animal Hospital Life and Social Cooperative	Oct 2024	Donated veterinary support funds for abandoned animals
Hanmaeum Educational Volunteer Group	Nov 2024	Supported education expenses for middle and high school students from multicultural families

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Creating Social Value

KRAFTON SOCIAL CONNECTOR Campaign

KRAFTON runs “KRAFTON SOCIAL CONNECTOR” campaign annually to create social value by encouraging employees to engage with various local community issues. Through the campaign, employees contribute to society in various ways—including volunteering, mentoring, and donating. Participants in matching grant donations or mentoring activities are recognized with a PoK (Pride of KRAFTON) badge, part of the company’s internal recognition system. This initiative promotes a culture of voluntary giving and helps build a more sustainable and inclusive society where everyone can grow together.

Game Generation

KRAFTON collaborates with the Game Culture Foundation to sponsor Game Generation, a webzine dedicated to thoughtful game criticism. Since its debut in August 2021, Game Generation has explored the cultural significance of games from diverse perspectives and plays an active role in shaping Korea’s game culture discourse. Under the slogan “Lighter than an academic journal, heavier than a webzine,” the platform partners with both domestic and international scholars and critics to examine contemporary game-related issues in depth, and it hosts an annual game-criticism contest to identify new voices. Looking ahead, KRAFTON plans to keep the momentum going, supporting Game Generation as it fosters richer, more inclusive game-culture dialogue for everyone.

Supporting Education for Students from Multicultural Backgrounds

With Korean society becoming more diverse due to demographic shifts, KRAFTON supports students from multicultural backgrounds who face educational challenges. The company sponsors Hanmaeum Global School, a learning initiative run by the Hanmaeum Education Volunteer Group, and employees take part as volunteer tutors, offering online lessons to help these students grow and succeed.

International Student Exchange Program

KRAFTON organized an exchange program to foster mutual understanding between employees and international students, aiming to build a more inclusive society that embraces cultural diversity. Students from nine countries shared their cultures through traditional games, deepening mutual understanding. KRAFTON employees offered mentorship on professional life in Korea, providing practical insights and experiences.

Protecting Public Health for Vulnerable Communities

According to the World Health Organization (WHO), India accounts for approximately 25% of global tuberculosis (TB) cases. In many suburban and rural areas, limited access to healthcare presents challenges for early diagnosis and treatment. In response, KRAFTON INDIA, the company’s local subsidiary, is partnering with IHLD Hospital to support TB elimination efforts across the country. This initiative is aligned with WHO’s Directly Observed Treatment Short Course (DOTs) strategy and aims to strengthen early detection and improve treatment access in underserved communities. Understanding that many patients avoid visiting large hospitals, medical professionals visit homes in the community to offer screening and treatment guidance, and encourage regular monthly participation in preventive screening programs. The program has established an on-site diagnostic system using portable X-ray equipment, enabling immediate imaging and analysis without the need for specialized radiologists. It enables rapid delivery of diagnostic reports even in areas with limited medical infrastructure. All medical services are offered regardless of a patient’s financial background, and educational support on healthier lifestyles is also provided. Through this initiative, KRAFTON is contributing to India’s national strategy to eliminate tuberculosis by 2025 and will continue playing an active role in improving public health within local communities.

Medium-to-long-term Goals for Community Engagement



Short-term

Goals

(by 2026)

- Advance CSR strategy and implementation framework
- Identify new CSR initiatives and launch pilot projects
- Establish a digital talent development system designed to train over 1,000 individuals annually
- Develop and execute a global donation campaign that encourages joint participation of both domestic and international employees.



Medium-term

Goals

(by 2030)

- Improve operational processes and performance management systems
 - Establish standardized CSR guidelines and implement global performance tracking
 - Structure regular reporting and feedback integration
- Expand strategic partnerships with local and global communities and diversify joint projects (e.g., collaboration with academia and nonprofits)
- Institutionalize a sustainable digital talent development model (targeting 5,000 cumulative trainees)
- Increase CSR participation across subsidiaries and global offices, and foster a collaborative network for voluntary CSR initiatives



Long-term

Goals

(Beyond 2030)

- Create social value by strengthening the gaming ecosystem
 - Establish a leading CSR model that connects the gaming industry with social innovation
 - Expand strategic CSR initiatives to enhance long-term corporate competitiveness
- Foster a culture of voluntary community engagement among employees
- Build and scale a global digital talent development system based on accumulated expertise

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Committing to Players

KRAFTON is committed to protecting player rights and delivering fair and responsible game services. KRAFTON strives to build trust by implementing transparent policies and player-friendly operations, while enhancing in-game monitoring systems to prevent unfair practices. KRAFTON values player feedback and use it to improve contents and elevate the quality of support services—creating a more enjoyable and rewarding gaming experience. Through these efforts, KRAFTON honors its role as a trusted game service provider and remains focused on delivering player-centered services that support sustainable growth.

Player Rights Protection Activities

Handling Player Complaints and Resolving Disputes

KRAFTON actively addresses player complaints and resolves disputes to safeguard player rights. In 2024, the company responded to 661 individual cases, and cooperated with investigative authorities in 274 instances by providing relevant information on suspects involved in reported cases. Between 2018 and 2024, KRAFTON also handled a total of 11,442 complaints submitted through the Korea Consumer Agency, demonstrating its ongoing commitment to upholding player rights and reinforcing trust in its services.

Managing Voice of Customer (VOC)

KRAFTON systematically collects and manages Voice of Customer (VOC) feedback to better understand and respond to player needs. Feedback received through various service touchpoints is reviewed regularly and managed systematically by the relevant departments. Cross-functional collaboration among planning, development, business, and operations teams allows us to deliver timely responses and make meaningful improvements. The outcomes of these efforts are actively shared through communication channels with players—reinforcing trust and building a more engaging and responsive gameplay experience.

Managing Risks Related to Player Rights

KRAFTON identifies and manages risks associated with the protection of player rights. In 2024, a risk assessment was conducted based on legal and international standards to evaluate potential infringements on player rights. Five key risks were identified, with non-compliance with the shutdown policy classified as high risk. In response, KRAFTON has enhanced its player identity verification systems for underage players and continuously monitors compliance with the shutdown regulation.

Player Communication

Player Communication Channels

KRAFTON considers open communication with players a core value as a global game publisher. To this end, the company operates a variety of communication channels, including official communities, social media platforms, and forums. These platforms enable real-time engagement with players and help identify their needs and feedback. In the event of service-related issues, KRAFTON ensures transparent and timely updates to maintain trust. Communication is further strengthened through initiatives such as events and developer notes, with player feedback actively incorporated to enhance the overall gameplay experience.

Player Support Channels

To make it easier for players to reach out, KRAFTON offers multiple player support channels. Inquiries can be submitted anytime via KRAFTON's official website, and in-game inquiry functions have been developed to enhance ease of use. For everyday questions, KRAFTON offers a chatbot service that helps players find answers quickly. These tools are constantly being improved to deliver faster, more efficient assistance.

Medium-to-long-term Goals for Player Rights Protection



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Committing to Players

Responsible Game Operations

Providing Information on Randomized Items

Disclosure on the Official Website • KRAFTON transparently discloses information on probability-based items as part of its commitment to responsible game operations and protection of player rights. This enables players to clearly understand the odds of acquiring in-game items and make informed decisions. Information is published in-game and on KRAFTON's official website and is continuously updated and maintained for player accessibility.

Internal Guidelines for Probability-Based Items • KRAFTON operates a structured internal guideline that governs the use of probability-based items. This guideline is regularly referenced by game business and operations teams and is supported by a private internal Q&A channel that enables real-time Q&A among relevant staff. When regulatory changes occur or legal interpretations are required, KRAFTON consults with the Ministry of Culture, Sports and Tourism via the Korea Association of Game Industry (K-GAMES) or directly engages with the Game Rating and Administration Committee. The internal guideline is then updated accordingly to stay in line with current regulations. Through this internal management system, KRAFTON not only ensures legal compliance but also promotes responsible game operations grounded in player trust.

Anti-Cheat Policy and Fair Play Enforcement

KRAFTON enforces a strict anti-cheat policy as part of its official operations guidelines to protect players and maintain a fair gaming environment. These rules are designed to prevent unfair behavior and ensure fair competition among players. The company clearly defines and prohibits a wide range of unfair practices—including the use of unauthorized programs such as hacks, bots, and macros; account theft; real-money trading; abuse of in-game systems; teamkilling; personal data leaks; and inappropriate language—through detailed categories and corresponding disciplinary actions, ranging from temporary restrictions to permanent bans. KRAFTON integrates its customer support, real-time monitoring systems, and player reporting channels to enable swift and coordinated responses to incidents. Through regular policy reviews and continuous technical improvements, KRAFTON continues to promote a fair gaming environment and reinforce player trust.

KRAFTON Security Services (KSS): Anti-Cheat System •

In 2021, KRAFTON introduced its proprietary anti-cheat system, KSS, to counter the increasingly sophisticated of cheat programs in PUBG. KSS has since undergone continuous upgrades to stay ahead of new threats, preventing circumvention of existing security solutions, and reinforcing its anti-cheat capabilities through a broad range of detection technologies.

In 2024, BATTLEGROUNDS' anti-cheat team significantly improved its ability to detect unauthorized players by upgrading KSS and expanding machine learning-driven detection. As a result, restrictions were applied to 3,274,031 accounts involved in unauthorized activity.

Key Features of KSS

- Automated cheat program analysis and detection using machine learning
- 24/7 monitoring of top-tier competitive matches
- Kernel driver-based technology to enhance detection accuracy
- Defense against client-side tampering
- Hardware-based moderation system

Preventing Gaming Overindulgence

In accordance with the Game Industry Promotion Act, KRAFTON implements a range of measures to prevent excessive gaming and foster a healthy gaming environment, with a particular focus on youth protection. All platforms distributing KRAFTON's games require real-name and age verification, as well as identity authentication during account registration. Legal guardian consent is mandatory for minors. Information such as game ratings, monetization models, playtime, and payment history is clearly provided to both minors and their guardians to encourage responsible gameplay. In-game indicators display accumulated playtime, while warning messages are issued to raise awareness of potential overuse. Beyond in-game tools, KRAFTON regularly reviews youth protection practices through self-regulatory compliance and collaboration with industry bodies, while continuously updating internal standards to reflect changes in domestic and international regulations.

G

Enhancing Shareholder Value

KRAFTON pursues sustainable growth to maximize shareholder value. To this end, the company has established a stable and transparent management system, focusing on strategic investments and the exploration of new business opportunities to drive future growth. It also fosters trust through regular disclosures and open communication with shareholders. By building strong relationships with all stakeholders, KRAFTON continues to raise its corporate value and strives to deliver steady, long-term returns to shareholders.

Shareholding and Shareholder Status

Major Shareholders

(as of December 2024)

Shareholder Composition	Number of Shares Held	Ownership Percentage
Largest Shareholder and Related Parties	10,907,851	22.77%
IMAGE FRAME INVESTMENT(HK) LIMITED	6,641,640	13.86%
National Pension Service	3,200,275	6.68%
Treasury Shares	2,444,574	5.10%
Employee Stock Ownership Association	240,131	0.51%
Others	24,472,203	51.08%
-Individuals and Other Corporations	8,945,497	18.67%
-Domestic Institutional Investors	2,035,837	4.25%
-Foreign Investors	13,490,869	28.16%
Total	47,906,674	100%

Share and Capital Structure

(as of December 2024)

Total Number of Issued Shares	47,906,674
Number of Shares with Voting Rights	45,462,100
Number of Non-voting Shares (Treasury Shares)	2,444,574

Shareholder Engagement and Promotion of Rights

Shareholder Communication Channels

KRAFTON carries out investor relations (IR) activities to foster transparent communication with analysts and investors. Each quarter, the CEO, CFO, and other key executives lead earnings conference calls to share the company’s performance and long-term growth strategies directly with the capital market. To enhance accessibility, recordings of these conference calls are made available on the official website and YouTube. In addition, quarterly IR materials containing business updates and financial information are disclosed on the official website. In addition, KRAFTON participates in both regular and ad-hoc IR events hosted by brokerage firms, as well as Non-deal Roadshows (NDRs), offering a direct channel to understand the capital market’s perspectives and incorporate them into management decisions.

Employee Stock Ownership Plan (ESOP)

To support shared growth with its employees, KRAFTON introduced an Employee Stock Ownership Plan (ESOP) in 2021, in conjunction with its KOSPI listing. By holding company shares directly, employees are encouraged to take greater ownership of the business and contribute to sustainable value creation. As of 2024, 1,127 employees—representing approximately 46% of those eligible—were enrolled in the employee stock ownership association. A total of seven affiliated entities currently participate in the ESOP.

Medium-to-long-term Shareholder Return Policy

KRAFTON continues to drive long-term shareholder value through a structured shareholder return policy. The three-year shareholder return plan announced in February 2023 was regarded as competitive within the domestic gaming industry and received a positive market response largely due to its focus on share buybacks and cancellations. Under this policy, KRAFTON executed the largest shareholder return program among listed Korean gaming companies in both 2023 and 2024, allocating up to 40% of Free Cash Flow (FCF)—after deducting investment costs—for treasury share repurchases. All treasury shares acquired in the first year were cancelled, and 60% of the repurchased shares were cancelled in both 2024 and 2025, respectively. This return policy enhanced shareholder predictability and demonstrated KRAFRON's strategic commitment to shareholder value. As 2025 marks the final year of the current three-year plan, KRAFTON is currently developing a new shareholder return policy, taking into account the current market environment and shareholder expectations.

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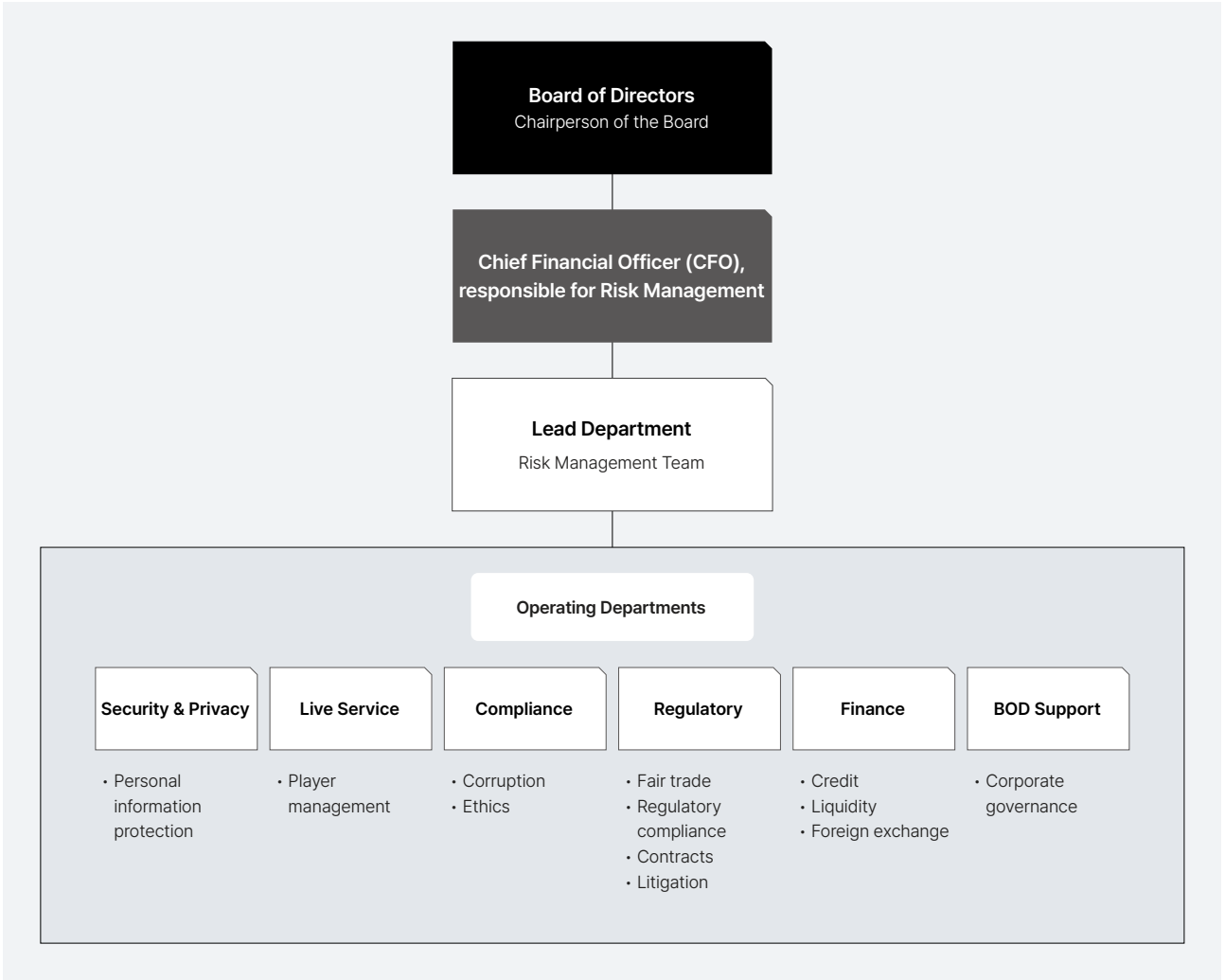
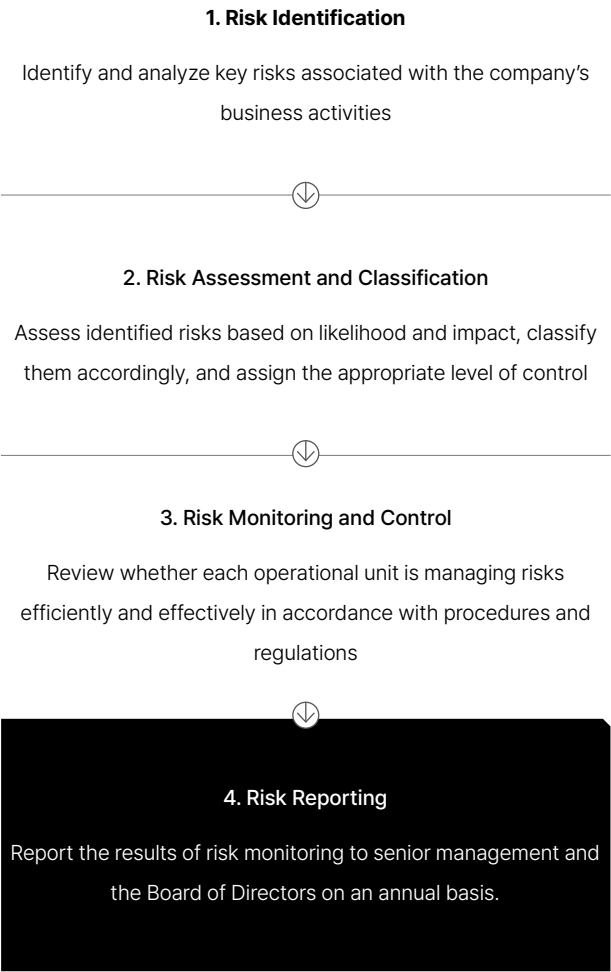
Operating an Enterprise Risk Management System

KRAFTON has established risk management regulations and implemented an Enterprise Risk Management (ERM) framework to proactively identify and address major business risks. This integrated approach allows the company to manage risks in diverse areas, including finance, legal, operations, environmental issues, information security, and compliance, while supporting sustainable growth throught the organization.

Risk Management Governance

Building on its ERM framework, KRAFTON ensures systematic oversight. The Board of Directors and relevant committees define and oversee policies for managing both financial and non-financial risks, monitor risk assessments and response strategies, and regularly review key risk matters to ensure organizational stability. The company also operates a dedicated risk management function responsible for identifying and addressing risks. Monitoring and preventive measures are enhanced through integration with the internal control system. Under Article 16 (Risk Reporting) of the Risk Management Regulations, the Risk Management Team leads company-wide risk oversight. It regularly monitors each department’s risk status and reports to the CFO on an ongoing basis, while also submitting an annual report to senior management and the Board.

Risk Management Process



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Operating an Enterprise Risk Management System

Key Risks: Definitions and Response Strategies

Category	Risk Type	Definitions and Potential Impact of Risks	Current Risk Mitigation Activities
Financial Risks	Credit risk	The risk of failing to recover funds due to a counterparty's credit downgrade, default, or other factors in the course of asset management	<ul style="list-style-type: none">• Monitor aging of receivables and assess indicators of impairment• Regularly review allowance balances to ensure adequacy
	Liquidity risk	The risk of insufficient available cash caused by mismatches in asset and liability maturities, unexpected cash outflows, or reduced market liquidity of held assets	<ul style="list-style-type: none">• Establish annual cash management plans• Provide regular reports on cash holdings and liquidity performance
	FX risk	The risk of asset losses resulting from adverse foreign exchange rate fluctuations	<ul style="list-style-type: none">• Establish FX risk management policies and manage foreign currency reserves
Legal Risks	Contracts	The risk of engaging in unfair transactions due to unreasonable contractual terms or improper execution procedures	<ul style="list-style-type: none">• Conduct legal reviews for all contracts signed under the company's name• Distribute standard contract templates and provide execution guidelines by contract type
	Fair trade	The risk of regulatory sanctions arising from violations of the Fair Trade Act, including unfair internal transactions, collusion, or insufficient disclosure	<ul style="list-style-type: none">• Deliver fair trade compliance training to employees• Monitor potential violations of the Subcontracting Act• Track domestic entities controlled by related parties for compliance risks
	Regulatory compliance	The risk of administrative or legal liability stemming from noncompliance with licensing, permit requirements, or other regulatory obligations	<ul style="list-style-type: none">• Distribute foreign exchange reporting checklists and conduct periodic compliance reviews• Review regulatory requirements in advance for new business initiatives
	Taxation	The risk of administrative or legal liability stemming from noncompliance with tax reporting or payment obligations, or failure to respond to tax law amendments	<ul style="list-style-type: none">• File taxes regularly and review related filings and payments• Perform tax due diligence prior to entering new contracts• Monitor tax law changes and assess potential impact on the company
	Litigation	The risk of financial or reputational damage due to inadequate management of legal proceedings	<ul style="list-style-type: none">• Respond to legal proceedings and oversee post-litigation case management
	Game-related regulations	The risk of potential losses caused by failure to respond appropriately to new or changing laws and regulatory developments in the gaming industry	<ul style="list-style-type: none">• Monitor gaming industry regulations and policy changes by country• Review regulatory compliance prior to launching new services• Conduct annual reviews of regulatory compliance status
	Corporate governance	The risk of negative impact on the company due to violations of corporate governance-related laws or resulting sanctions	<ul style="list-style-type: none">• Support the operation of the Board of Directors and General Meeting of Shareholders in accordance with applicable laws and internal regulations• Review applicable laws and internal rules related to corporate governance

G

Operating an Enterprise Risk Management System

Category	Risk Type	Definitions and Potential Impact of Risks	Current Risk Mitigation Activities
Operational risks	Personal information protection	The risk of data breaches or misuse resulting from inadequate management of personal information (employees and customers) handled by the company	<ul style="list-style-type: none">Establish and manage an information security management system in line with privacy regulations (ISMS-P certified)Conduct privacy impact assessments for new and existing services
	Player management	The risk of losing customers due to delayed or inappropriate responses to service-related issues, such as player complaints or system errors	<ul style="list-style-type: none">Develop policies and emergency response protocols for timely issue resolutionMonitor customer service activity to ensure response qualityConduct regular player satisfaction surveys
	Corruption	The risk of financial loss arising from misappropriation or embezzlement of assets and expenses through intentional misconduct or negligence	<ul style="list-style-type: none">Segregate duties for payments and receipts and implement security controls for payment systemsMonitor actual spending against budget plansRequire approvals and conduct periodic inspections for asset purchases
	Ethics	The risk of reputational or operational damage caused by unethical behavior by employees or the company during the course of business activities	<ul style="list-style-type: none">Operate internal and external whistleblowing channels (Speak Up Policy) and conduct investigationsOperate a Compliance Oversight Committee to review stock trading in advanceProvide compliance training, including on insider trading, for employees
	Human resources management	The risk of diminished competitiveness resulting from inadequate HR management, such as ineffective compensation, training, or the loss of key talent to competitors	<ul style="list-style-type: none">Establish compensation frameworks and implement key talent management programsProvide mandatory legal training and support professional development for employeesMaintain internal reporting channels for workplace issues, including harassment and employee grievancesMonitor labor-related regulations such as the Labor Standards Act and assess potential impacts
	IT systems	The risk of financial or reputational harm resulting from system failures, errors, or cybercrimes affecting the company's IT infrastructure	<ul style="list-style-type: none">Maintain disaster recovery procedures and conduct regular drillsMonitor system disruptions and maintain step-by-step response protocols
	Information security	The risk of financial or reputational harm caused by abusive behavior such as exploiting system vulnerabilities, malicious attacks, or data breaches that disrupt service operations	<ul style="list-style-type: none">Establish and manage both physical and logical security systemsConduct breach response drills and information security training to raise employee awareness
	Intellectual property infringement	The risk of asset loss or reputational damage due to either infringement of the company's intellectual property or violation of third-party rights	<ul style="list-style-type: none">Monitor trademarks and game content for potential IP infringementsIssue warning notices and pursue legal action in response to IP violationsProvide IP training for employees
	Investment	The risk of failing to realize expected returns or incurring financial losses due to poor investment decisions or M&A activities	<ul style="list-style-type: none">Evaluate investment targets and manage portfolios through the Investment Review CommitteeOperate post-investment management processes following contract execution
	Reputation	The risk of reputational harm caused by inadequate responses to issues related to leadership, corporate culture, or customer satisfaction	<ul style="list-style-type: none">Monitor media coverage and issue official responses as needed for issue managementRequest corrections to ensure the accuracy of publicly available informationMaintain regular engagement with external stakeholders, including media organizations



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Environmental Data

Greenhouse Gas (GHG) Emissions¹⁾

Category	Unit	2022	2023	2024
Total GHG Emissions (Scope 1+2)	tCO ₂ eq	3,909	4,559	4,656
Scope 1	tCO ₂ eq	217	230	234
Scope 2	tCO ₂ eq	3,692	4,329	4,422
Total GHG Emissions Intensity (Scope 1+2) ²⁾	tCO ₂ eq/KRW 1B	2.1	2.4	1.7
Scope 1	tCO ₂ eq/KRW 1B	0.1	0.1	0.1
Scope 2	tCO ₂ eq/KRW 1B	2.0	2.3	1.6

1) GHG emissions reporting boundary includes KRAFTON Yeoksam (Centerfield), KRAFTON Seocho (Majestar City Tower 1), KRAFTON Pangyo (The Greats Pangyo), KRAFTON Daycare Center (Yeoksam), KRAFTON Daycare Center (Pangyo), Motion Capture Studio (Pangyo), KRAFTON Daeryung, KRAFTON Dongheung, Pangyo IDC, and PUBG Seongsu (included from 2024). Emissions are calculated using default emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

2) Calculated based on consolidated revenue.

Waste Management¹⁾

Category	Unit	2022	2023	2024
Total Waste Generated	ton	252	379	341
General Waste	ton	252	379	341
Recycling	ton	156	222	193
Incineration	ton	9	7	6
Landfilling	ton	6	5	4
Other Disposal Operations	ton	81	145	138
Waste Intensity (per unit) ²⁾	ton/KRW 1B	0.1	0.2	0.1
Waste Recycled	ton	156	222	193
Recycling Rate	%	61.9	58.6	56.6

1) Waste generation and recycling data cover KRAFTON Yeoksam (Centerfield) and KRAFTON Seocho (Majestar City Tower 1).

2) Calculated based on consolidated revenue.

Energy Consumption¹⁾

Category		Unit	2022	2023	2024
Total Energy Consumption		TJ	81.3	94.9	96.9
Total Energy Consumption	Direct Energy	TJ	4.2	4.4	4.5
	City Gas	TJ	3.8	4.0	4.2
	Diesel	TJ	0.3	0.3	0.2
	Gasoline	TJ	0.1	0.1	0.1
	Indirect Energy	TJ	77.1	90.5	92.4
	Electricity	TJ	77.1	90.5	92.4
Total Energy Intensity (per unit) ²⁾		TJ/KRW 1B	0.04	0.05	0.04

1) Energy consumption data cover KRAFTON Yeoksam (Centerfield), KRAFTON Seocho (Majestar City Tower 1), KRAFTON Pangyo (The Greats Pangyo), KRAFTON Daycare Center (Yeoksam), KRAFTON Daycare Center (Pangyo), Motion Capture Studio (Pangyo), KRAFTON Daeryung, KRAFTON Dongheung, Pangyo IDC, and PUBG Seongsu (included from 2024).

2) Calculated based on consolidated revenue.

Water Management¹⁾

Category	Unit	2022	2023	2024
Total Water Withdrawal ^{1), 2)}	ton	43,807	34,196	39,497
Third-party Water	ton	43,807	34,196	39,497
Areas with Water Stress	ton	0	0	0
Water Withdrawal Intensity (per unit) ³⁾	ton/KRW 1B	23.6	17.9	14.6
Total Water Consumption ¹⁾	ton	38,486	26,667	35,723
Water Reuse Volume ¹⁾	ton	5,321	7,529	3,774
Water Reuse Rate	%	12.1	22.0	9.6

1) Water withdrawal, consumption, and reuse data cover KRAFTON Yeoksam (Centerfield), KRAFTON Seocho (Majestar City Tower 1), KRAFTON Pangyo (The Greats Pangyo), KRAFTON Daycare Center (Pangyo), and KRAFTON Daeryung.

2) Total water withdrawal = Total consumption + Total volume of reused water.

3) Calculated based on consolidated revenue.

Social Data

Employee Status¹⁾

Category		Unit	2022	2023	2024
Number of Employees	Total	Persons	1,772	1,581	1,905
By Gender	Male	Persons	1,231	1,063	1,257
	Female	Persons	541	518	648
	Female Employee Ratio	%	30.5	32.8	34.0
Permanent-Temporary	Permanent	Persons	1,693	1,499	1,733
	Temporary	Persons	79	82	172
By Region	Domestic	Persons	1,738	1,547	1,819
	Overseas	Persons	34	34	86
	Overseas Employee Ratio	%	1.9	2.2	4.5
By Age	Under 30	Persons	439	302	333
	30–49	Persons	1,314	1,254	1,524
	50 and above	Persons	19	25	48
By Job Level	Executives	Persons	3	3	8
	Managers	Persons	274	281	339
	Staff	Persons	1,495	1,297	1,558

1) Based on headcount disclosed in the business report, including 2 registered directors.

Employee Diversity

Category		Unit	2022	2023	2024
Number of Employees of Foreign Nationality		Persons	89	76	132
Female Employee Ratio	Female Ratio in Management and Above ¹⁾	%	18.4	21.1	23.1
	Managers	%	18.6	21.4	23.3
	Executives	%	0	0	12.5

1) Employees at team leader level or above are classified as managers.

New Hires and Turnover

Category		Unit	2022	2023	2024
Total Number of New Hires	Total	Persons	349	267	416
Number of Employee Turnovers	Total	Persons	182	194	97
By Region	Domestic	Persons	182	190	95
	Overseas	Persons	0	4	2
By Job Level	Managers	Persons	16	15	4
	Staff	Persons	166	179	93
By Type	Voluntary Turnover ¹⁾	Persons	177	187	84
	Involuntary Turnover ²⁾	Persons	5	7	13
	Voluntary Turnover Rate ³⁾	%	10.0	11.8	4.4

1) Career development, job change, academic pursuits, health issues, early retirement, etc.

2) Layoffs, contract expiration, restructuring, retirement due to age, etc.

3) Voluntary turnover rate = Number of voluntary leavers ÷ Number of employees at year-end

Employee Education and Training

Category	Unit	2022	2023	2024
Total Number of Trainees	Persons	1,819	1,541	1,738
Total Training Hours	Hours	13,602	60,730	71,084
Total Training Expenses	KRW 1M	5,599	1,234	1,291
Average Training Hours per Employee	Hours	7.5	39.4	40.9
Average Training Cost per Employee	KRW	3,077,877	800,938	742,577

Percentage of Employees Receiving Performance Evaluations

Category	Unit	2022	2023	2024
All Employees ¹⁾	%	65.5	78.4	87.8

1) Based on the number of employees who received performance evaluations compared to the average headcount at the beginning and end of the year.

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

All employees are compensated above the wages subject to minimum wage rules, and there is no difference in entry-level salaries by gender.

Parental Leave

Category		Unit	2022	2023	2024
Total number of employees that took parental leave	Male	Persons	8	5	5
	Female	Persons	15	29	31
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	Persons	6	7	7
	Female	Persons	13	25	23
Parental Leave Utilization Rate	Male	%	3.9	2.6	7.7
	Female	%	92.3	91.7	93.3

Labor-Management Communication

Category	Unit	2022	2023	2024
Percentage of Employees Covered by Monthly Board of Communication (Collective Bargaining Agreement)	%	100	100	100
Monthly Board of Communication (Collective Bargaining Agreement)	Number of Members	17	13	13
	Number of Meetings Held	12	12	12

Number of Employee Grievance Cases

Category	Unit	2022	2023	2024
Cases Reported	Cases	9	12	13
Cases Resolved	Cases	9	12	13
Resolution Rate	%	100	100	100

Occupational Health and Safety

Category		Unit	2022	2023	2024
Lost Time Injury Frequency Rate (LTIFR)	Total Number of Accidents	Cases	0	1	0
	Employees	Cases	0	1	0
	Partners	Cases	0	0	0
	Lost Time Injury Rate ¹⁾	%	0	0.3	0
Occupational Illness Frequency Rate (OIFR)	Number of Occupational Disease Cases	Cases	0	0	0
	Employees	Cases	0	0	0
	Partners	Cases	0	0	0
	Occupational Illness Rate	%	0	0	0
Number of Fatalities	Employees	Persons	0	0	0
	Partners	Persons	0	0	0
Number of Injuries	Employees	Persons	0	1	0
	Partners	Persons	0	0	0

1) Calculated as (Number of incidents ÷ Annual total working hours) × 1,000,000. Annual working hours are based on 40 hours per week × 52 weeks × total number of employees.

Social Contribution

Category		Unit	2022	2023	2024
Number of Employees Participating in Volunteering and Donations	Participants	Persons	21	253	199
Total Social Contribution Spending	Total Investment	KRW 1M	1,337	4,350	4,150
KRAFTON Jungle · KRAFTON Jungle Game Lab	Program Graduates	Persons	47	144	163
Game Generation (External Partnership Program)	Posts Published	Cases	92	103	102

Membership Associations (2022–2024)

Category	Name of Association / Organization ¹⁾	Category	Name of Association / Organization ¹⁾
1	Korea Game Culture Foundation	7	Korea Game Industry Association (K GAMES)
2	Korea Chamber of Commerce and Industry (KCCI)	8	Korea Game Policy Society
3	Institute for Future Strategy, Seoul National University	9	Korea National Academy of Engineering
4	Seongdong Cultural Foundation	10	Korea Esports Association
5	Korea Startup Forum (KSF)	11	Korea Internet Corporations Association
6	Korea Game Law & Policy Association	12	Korea Information Science Society

1) Includes associations and organizations involved through irregular support, events, or exchanges.

Information Security and Personal Data Protection Investment

Category	Unit	2022	2023	2024
Information Security and Personal Data Protection Training	Persons	1,728	1,624	1,770
Percentage of Employees Trained in Information Security and Personal Data Protection	%	100	100	100
Investment in Information Security and Personal Data Protection	KRW 1M	6,444	6,649	9,694

Breaches of Information Security and Personal Data Protection

Category		Unit	2022	2023	2024
Identified Leaks, Theft or Losses of Customer Data	Number of Cases	Cases	0	0	0
	Fines	KRW	0	0	0
Substantiated Complaints Received Concerning Breaches of Customer Privacy	Complaints Received from Outside Parties and Substantiated by the Organization	Cases	0	0	0
	Complaints From Regulatory Bodies	Cases	0	0	0
Breaches of Cybersecurity and Security	Complaints Received from Outside Parties and Substantiated by the Organization	Cases	0	0	0
	Complaints from Regulatory Bodies	Cases	0	0	0

Governance Data

Anti-Corruption Policy and Risk Management

Category		Unit	2022	2023	2024
Anti-Corruption Policy Communication Coverage Rate	Board of Directors	%	100	100	100
	Executives	%	100	100	100
	Managers	%	100	100	100
	Staff	%	100	100	100

Fair Trade Compliance Training for Working-Level Staff

Category		Unit	2022	2023	2024
Training for Large Business Group Practitioners (Disclosed by KFTC)	Number of Participants		31	41	19
	Total Training Hours		4.5	3	1.5
Subcontracting Training	Number of Participants		44	26	27
	Total Training Hours		4.5	3	1.5
Total	Number of Participants		75	67	46
	Total Training Hours		9	6	3

Non-Compliance with Laws and Regulations

Category		Unit	2022	2023	2024
Non-Compliance with Laws and Regulations	Fines Imposed Due to Legal or Regulatory Non-Compliance	KRW 1M	0	20	36
	Number of Cases Involving Fines	Cases	0	1	1
	Number of Cases Involving Non-Monetary Sanctions	Cases	0	0	1

Anti-Competitive and Anti-Corruption Activities

Category		Unit	2022	2023	2024
Anti-Competitive Violations	Number of Lawsuits	Cases	0	0	0
	Number of Violations	Cases	0	1	2
	Amount of Fines Imposed	KRW 1M	0	20	36
	Number of Non-Monetary Sanctions	Cases	0	0	1
Anti-Corruption Violations	Number of Ongoing Investigations	Cases	1	0	8
	Number of Cases Involving Employee Dismissal or Disciplinary Action	Cases	0	3	5

Board Composition

Category		Unit	2022	2023	2024
Total Number of Directors		Persons	5	7	7
Independence	Number of Internal Directors	Persons	2	2	2
		Persons	3	5	5
	Ratio of External Directors	%	60.0	71.4	71.4
Diversity	Number of Female Directors	Persons	3	4	4
	Ratio of Female Directors	%	60.0	57.1	57.1

Voting Rights

Category		Unit	2022	2023	2024
Shares Held by CEO		Shares	544,255	548,455	554,055
Shares Held by Executives (Excl. CEO, incl. non-registered)		Shares	7,134,281	7,136,276	7,158,208
Aggregate Shareholding of Registered Executives (Excl. controlling shareholders & related parties)		%	1	1	1
Shareholding Ratio of Affiliated Companies in the Company		%	2	2	2
Shareholding Ratio of the Controlling Shareholder and Immediate Family		%	15	15	16

Committees within the Board of Directors

Category		Unit	2022	2023	2024
Audit Committee	External Director Attendance Rate	%	Established and commenced operations in 2023	100	89
	Number of Meetings Held	Meetings		5	6
Nominating & Governance Committee	External Director Attendance Rate	%	0	100	100
	Number of Meetings Held	Meetings	0	2	1
Talent & Compensation Committee	External Director Attendance Rate	%	93.3	100	100
	Number of Meetings Held	Meetings	5	5	5
	Percentage of Committee Members Meeting Financial Expertise Criteria	%	25	33	33
	Proportion of External Directors	%	100	100	100
ESG Committee	External Director Attendance Rate	%	0	0	100
	Number of Meetings Held	회	0	0	2



APPENDIX

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Performance Data
Consolidated Entities

(As of December 2024)

Investor	Entity	Location	Business Area
KRAFTON, Inc.	Bluehole Studio, Inc.	Korea	Development and distribution of software
	En Masse Entertainment, Inc.	U.S.A.	Distribution of game software
	Rising Wings, Inc.	Korea	Development and distribution of mobile game and application
	Krafton Americas, Inc.	U.S.A.	Development and distribution of game software
	KRAFTON EUROPE B.V.	Netherlands	Development and distribution of game software
	KRAFTON CHINA	China	Development and distribution of game
	KP PTE. LTD.	Singapore	Consulting advisory and investment
	Striking Distance Studios, Inc.	U.S.A.	Development of software
	KRAFTON JAPAN, Inc.	Japan	Development and services of game
	Striking Distance Studios Spain, S.L.	Spain	Development of game software
	KRAFTON Ventures, Inc.	U.S.A.	Investment
	PUBG Entertainment, Inc.	U.S.A.	Production of video contents
	KRAFTON INDIA PRIVATE LIMITED	India	Development and distribution of game software
	SDS Interactive Canada Inc.	Canada	Development of game software
	Dreamotion, Inc.	Korea	Development and distribution of software
	Thingsflow Inc.	Korea	Development and distribution of software
	OmniCraft Labs, Inc.	Korea	Development and sales of software
	Krafton Global GP, LLC	U.S.A.	Investment
	Krafton Global, LP	U.S.A.	Investment
	Unknown Worlds Entertainment, Inc.	U.S.A.	Development of game software
	5minlab Corp.	Korea	Development and distribution of software
	Neon Giant AB	Sweden	Development of game software
	KRAFTON MONTREAL STUDIO, INC.	Canada	Development of game software
	VECTOR NORTH s.r.o.	Czech	Development of game software
	ReLU Games, Inc.	Korea	Development and distribution of software
	Flyway Games, Inc.	Korea	Development and distribution of software
	Tango Gameworks, Inc.	Japan	Development of game software
	inZOI Studio	Korea	Development of game software
	Blue Ocean Capital Fund I, L.P.	Canada	Investment
Krafton Americas, Inc.	PUBG Mad Glory, LLC	U.S.A.	Development and distribution of software
KRAFTON Ventures, Inc.	Krafton Ventures, L.L.C.	U.S.A.	Investment
	Krafton Ventures Fund, L.P.	U.S.A.	Investment
Krafton Ventures, L.L.C.	Krafton Ventures Fund, L.P.	U.S.A.	Investment
En Masse Entertainment, Inc.	En Masse Entertainment Texas, Inc.	U.S.A.	Development of game software

Consolidated Statements of Financial Position

Category	Unit	2022	2023	2024
Summary Statement of Financial Position				
Current Assets	KRW 1M	38,926	39,644	50,044
Non-Current Assets	KRW 1M	21,452	24,760	29,150
Total Assets	KRW 1M	60,378	64,404	79,194
Current Liabilities	KRW 1M	4,115	5,207	7,848
Non-Current Liabilities	KRW 1M	5,099	3,609	3,055
Total Liabilities	KRW 1M	9,214	8,816	10,903
Total Equity	KRW 1M	51,164	55,588	68,291
Summary				
Revenue	KRW 1M	18,540	19,106	27,098
Operating Profit	KRW 1M	7,516	7,680	11,825
Profit Before Income Tax	KRW 1M	6,839	8,286	17,227
Profit for the Year	KRW 1M	5,001	5,941	13,026

Tax

Category	Unit	2022	2023	2024
Effective Tax Rate	%	25.2	28.3	24.4
Profit Before Income Tax	KRW 1M	6,839	8,286	17,227
Income Taxes Paid	KRW 1M	2,446	1,456	2,631

Consolidated Economic Value Distribution

Category	Unit	2022	2023	2024	Income Statement Account
Revenue	KRW 1M	18,540	19,106	27,098	Revenue
Cost of Services Purchased	KRW 1M	3,253	2,589	3,161	Commissions and fees
Employee Salaries and Benefits	KRW 1M	3,648	4,273	5,168	Total of Salaries and bonuses, Post-employment benefits and Employee benefits
Dividends and Interest Payments	KRW 1M	76	89	95	Interest Expenses
Corporate Income Tax	KRW 1M	1,687	2,346	4,201	Income Tax Expense
Community Investment	KRW 1M	13	44	42	Social Contribution Spending

GRI¹⁾ Standards Index

1) GRI (Global Reporting Initiative)

Topic	Indicator		Reporting Location	
General Disclosure				
GRI 2: General Disclosures	2-1	Organizational details	About This Report About This Report	p.6-7
	2-2	Entities included in the organization's sustainability Reporting	About This Report	p.2
	2-3	Reporting period, frequency and contact point	About This Report	p.2
	2-4	Restatements of information	Initial Publication	
	2-5	External assurance	Third-Party Assurance Statement	p.100
	2-6	Activities, value chain and other business relationships	Company Profile	p.6
	2-7	Employees	Company Profile Employee Status	p.6 p.83
	2-8	Workers who are not employees	-	Annual Report p.350
	2-9	Governance structure and composition	ESG Governance Board Structure Board Composition and Board Skills Matrix (BSM)	p.17 p.45-46
	2-10	Nomination and selection of the highest governance body	Key Characteristics of the Board Process for Appointing External Directors	p.45 p.47
	2-11	Chair of the highest governance body	Board Composition and Board Skills Matrix (BSM)	p.46
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance Board Committees	p.17 p.48
	2-13	Delegation of responsibility for managing impacts	ESG Governance	p.17
	2-14	Role of the highest governance body in sustainability reporting	ESG Governance	p.17
	2-15	Conflicts of interest	External Director Appointment Process	p.47
	2-16	Communication of critical concerns	ESG Governance 2024 Board Operations Highlights	p.17 p.47

Statement of Use	KRAFTON reports on its sustainability activities for the period from January 1 to December 31, 2024, in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	N/A (As of the publication date in June 2025, the sector standard for the software industry applicable to KRAFTON has not been released.)

Topic	Indicator		Reporting Location	
General Disclosure				
GRI 2: General Disclosures	2-17	Collective knowledge of the highest governance body	Board Composition and Board Skills Matrix (BSM) External Director Training Overview	p.46 p.49
	2-18	Evaluation of the performance of the highest governance body	Board Evaluation	p.49
	2-19	Remuneration policies	Executive Remuneration Policies	p.50
	2-20	Process to determine remuneration	Executive Remuneration Policies	p.50
	2-21	Annual total compensation ratio	Not Disclosed Due to Confidentiality	
	2-22	Statement on sustainable development strategy	CEO Message Message from the Chair of the ESG Committee	p.4 p.5
	2-23	Policy commitments	Code of Conduct	p.52
	2-24	Embedding policy commitments	ESG Governance 2024 Employee training on ethical standards Overview Roles of Climate and Environmental Management Functions Health and Safety Governance	p.17 p.54 p.58 p.67
	2-25	Processes to remediate negative impacts	Incident Reporting and Response Process Player Support Channels	p.66 p.75
	2-26	Mechanisms for seeking advice and raising concerns	Ensuring Responsible Technology Use (AI Ethics) Strategy Speak Up Policy Incident Reporting and Response Process	p.36 p.53 p.66
	2-27	Compliance with laws and regulations	Compliance Management Non-Compliance with Laws and Regulations	p.56 p.86
	2-28	Membership associations	Membership Associations (2022–2024)	p.85
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	p.23
	2-30	Collective bargaining agreements	Monthly Employee Engagement Committee Labor-Management Communication	p.30 p.84

GRI¹⁾ Standards Index

1) GRI (Global Reporting Initiative)

Topic	Indicator		Reporting Location	
Material Issue				
GRI 3: Material Topics	3-1	Process to determine material topics	Double Materiality Assessment	p.24
	3-2	List of material topics	Results of Materiality Assessment	p.24
	3-3	Management of material topics	Material Issue Response Strategy	p.25
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Consolidated Economic Value Distribution	p.90
	201-2	Financial implications and other risks and opportunities due to climate change	Risks and Opportunities	p.59
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Ratio of Entry-Level Wage by Gender Compared to Local Minimum Wage	p.84
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Cumulative Impact of KRAFTON's Social Contribution / Social Contribution Activities Cumulative Impact of KRAFTON's Social Contribution	p.72 p.73-74
	203-2	Significant indirect economic impacts	Cumulative Impact of KRAFTON's Social Contribution / Social Contribution Activities	p.72
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	2024 Employee Training on Ethical Standards Overview Status	p.54
			Anti-Corruption Policy and Risk Management	p.86
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti- competitive behavior, anti-trust, and monopoly practices	Anti-Competitive and Anti-Corruption Activities	p.86
GRI 302: Energy	302-1	Energy consumption within the organization	Energy Consumption	p.82
	302-3	Energy intensity	Energy Consumption	p.82
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	Water Conservation Water Management	p.64 p.82
	303-3	Water withdrawal	Water Management	p.82
	303-5	Water consumption	Water Management	p.82

Topic	Indicator		Reporting Location	
General Disclosure				
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas (GHG) Emission	p.82
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas (GHG) Emission	p.82
	305-4	GHG emissions intensity	Greenhouse Gas (GHG) Emission	p.82
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Food Waste Reduction in the Cafeteria	p.64
	306-2	Management of significant waste-related impacts	Food Waste Reduction in the Cafeteria	p.64
	306-3	Waste generated	Waste Management	p.82
	306-4	Waste diverted from disposal	Waste Management	p.82
	306-5	Waste directed to disposal	Waste Management	p.82
GRI 401: Employment	401-1	New employee hires and employee turnover	Recruitment Process Formal Talent Pipeline Development Strategy Supporting the Software and Gaming Industries and Fostering Talent New Hires and Turnover	p.33-34 p.83
	401-2	Benefits provided to full-time employees not provided to temporary or part-time employees	Employee Benefits	p.32
	401-3	Parental leave	Work–Family Balance Parental leave	p.29 p.84
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Monthly Employee Engagement Committee Labor-Management Communication	p.30 p.84
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Health and Safety Governance	p.67
	403-2	Hazard identification, risk assessment, and incident investigation	Risk Assessment for Occupational Health and Safety	p.70
	403-3	Occupational health services	Health Promotion Program	p.69
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety Governance Health and Safety for Business Partners	p.67 p.69
	403-6	Promotion of worker health	Health Promotion Program	p.69

GRI¹⁾ Standards Index

1) GRI (Global Reporting Initiative)

Topic	Indicator		Reporting Location	
General Disclosure				
GRI 403: Occupational Health and Safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health Promotion Program Global Travel Safety Support Enhancing Everyday Workplace Safety and Comfort	p.69
	403-8	Workers covered by an occupational health and safety management system	Health and Safety Policy (Applies to all employees and in-house subcontracted personnel)	p.67
	403-9	Work-related injuries	Industrial Accident Cases Occupational Health and Safety	p.69 p.85
	403-10	Work-related ill health	Industrial Accident Cases Occupational Health and Safety	p.69 p.85
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Employee Education and Training	p.84
	404-2	Programs for upgrading employee skills and transition assistance programs	Formal Talent Pipeline Development Strategy Supporting the Software and Gaming Industries and Fostering Talent Company-wide Learning Program	p.33-34 p.35
	404-3	Percentage of employees receiving regular performance and career development reviews	Percentage of Employees Receiving Performance Evaluations	p.84
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Board Characteristics Employee Diversity Board Composition	p.45 p.83 p.87
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Number of Employee Grievance Cases	p.84
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A	

Topic	Indicator		Reporting Location	
General Disclosure				
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	N/A	
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A	
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	N/A	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Cumulative Impact of KRAFTON's Social Contribution Social Contribution Activities	p.72 p.73-74
GRI 415: Public Policy	415-1	Political contributions	Political contributions are prohibited in Korea pursuant to Article 31 (Restriction on Donations) of the Political Funds Act.	
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	Providing Information on Randomized Items	p.76
	417-2	Incidents of non-compliance concerning product and service information and labeling	No violations identified	
	417-3	Incidents of non-compliance concerning marketing communications	No violations identified	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Breaches of Information Security and Personal Data Protection	p.85

SASB¹⁾ INDEX

1) SASB (Sustainability Accounting Standards Board)

Software & IT Services

Topic	SASB Code	Metric	Reporting Location
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	p.82
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	p.82
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	-
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to targeted advertising and user privacy	p.40-42
	TC-SI-220a.2	Number of users whose information is used for secondary purposes ¹⁾	KRAFTON uses personal information solely for the purposes to which users have consented in advance, in accordance with its privacy policy.
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	KRW 0
	TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	(1) 0 cases, (2) 0 individuals, (3) 0%
	TC-SI-220a.5	List of countries where core products or services are subject to government required monitoring, blocking, content filtering, or censoring	-
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of users affected	(1) 0 cases, (2) 0%, (3) 0 individuals
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	p.40-43
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees that require a work visa	p.83
	TC-SI-330a.2	Employee engagement as a percentage	-
	TC-SI-330a.3	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees	p.83
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	KRW 0
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	(1) 0 incidents, (2) 0 cases, (3) 0 hours
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	p.59-60

1) Refers to the intentional use of data for purposes other than its primary purpose of collection, including practices such as targeted advertising sales or the transfer of data or information to third parties through sale, rental, or sharing.

ISSB¹⁾ S2 INDEX

1) ISSB (International Sustainability Standards Board)

Category	Page
Governance	p.58
1. Governance body(ies) responsible for oversight of climate-related risks and opportunities and the role of management in the oversight process	
a) The name of the governance body or the identity of the individual(s) within the governance body responsible for oversight of climate-related risks and opportunities	
b) How the responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable of the governance body or individual(s)	
c) How the governance body determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climat-related risks and opportunities	
d) How and how often the governance body or individual(s) are informed about climate-related risks and opportunities	
e) How the governance body or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, decisions on major transactions, and risk management processes and related policies—including, whether the governance body(s) or individual(s) has considered trade-offs associated with those risks and opportunities	
f) How the governance body and relevant committees oversee the setting of targets for significant climate-related risks and opportunities and monitor progress toward those targets (including whether and how related performance metrics are linked to remuneration policies)	p.59
g) A description of the role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, (including whether that the role is delegated to a specific management-level position or management-level committee and how oversight is exercised, as well as whether and how management uses controls and procedures to support the oversight of climate-related risks and opportunities and how they are integrated into other internal functions	
1. The entity's strategy for managing climate-related risks and opportunities	
a) The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	
b) The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	
c) The effects of those climate-related risks and opportunities on the entity's strategy and decision-making	
d) The effects of significant climate-related risks and opportunities on the entity's financial position, financial performance, and cash flows during the reporting period, and the anticipated effects over the short-term, medium-term and long-term, taking into consideration those climate-related risks and opportunities have been factored into the entity's financial planning	
e) The climate resilience of the entity's strategy (including its business model) to climate-related changes, developments and uncertainties	
2. Significant climate-related risks and opportunities that could reasonably be expected to affect the entity's business model, strategy, cash flows, access to finance or cost of capital over the short-term, medium-term and long-term	
a) A description of significant climate-related risks and opportunities, and the time horizons—short-term, medium-term and long-term—over which each is reasonably expected to affect the entity's business model, strategy, cash flows, access to finance, or cost of capital	

ISSB¹⁾ S2 INDEX

1) ISSB (International Sustainability Standards Board)

Category		Page
Strategy	b) The definitions of short-term, medium-term and long-term and how these definitions are linked to the entity's strategic planning horizons and capital allocation plans	p.59
	c) Whether the identified risks are physical risks or transition risks (e.g., acute physical risks such as increased severity of extreme weather events, chronic physical risks such as sea level rise or rising average temperatures, or transition risks including regulatory, technological, market, legal, or reputational risks)	p.59-p.62
	2-1. Assessment of the effects of significant climate-related risks and opportunities on the business model	
	a) A description of the current and anticipated effects of significant climate-related risks and opportunities on the value chain	
	b) A description of where in the value chain the significant climate-related risks and opportunities are concentrated (e.g., geographical areas, facilities, or types of assets, inputs, outputs or distribution channels)	
	3. [Strategy and decision-making] Effects of significant climate-related risks and opportunities on the entity's strategy and decision-making	
	a) How the entity has responded to, and plans to respond to, significant climate-related risks and opportunities	p.59
	b) Information about climate-related targets set to support the achievement of its plans	
	c) Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods	
	4. [Financial position, financial performance and cash flows] Information to enable users to understand the effects of significant climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period and the anticipated effects over the short-term, medium-term and long-term (including how climate-related risks and opportunities are factored into financial planning)	
	a) The extent to which significant climate-related risks and opportunities have affected the entity's most recently reported financial position, financial performance and cash flows	p.59
	b) Information about significant climate-related risks and opportunities that have been identified as having a significant risk of material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	
	c) Information about how the entity expects its financial position to change over time, given its strategy for managing significant climate-related risks and opportunities	
	d) Information about how the entity expects its financial performance and cash flows to change over time, given its strategy for managing significant climate-related risks and opportunities (for example, revenue or costs arising from products and services aligned with a lower-carbon economy as per the Paris Agreement, physical damage to assets from climate events, or expenditures for adaptation or mitigation)	
	e) If the entity is unable to disclose quantitative information for items (a)–(d), an explanation of why such information has not been provided	

ISSB¹⁾ S2 INDEX

1) ISSB (International Sustainability Standards Board)

Category		Page
Strategy	5. [Climate Resilience] Information about the resilience of the entity’s strategy (including its business model) to climate-related changes, developments or uncertainties (disclosed in consideration of the significant climate-related risks and opportunities identified by the entity and related uncertainties, using climate-related scenario analysis unless unable to do so)	KRAFTON recognizes the potential impacts of climate change on its financial position and performance, and plans to disclose on climate resilience through scenario analysis at a later stage.
	a) How the analysis was conducted	
	b) The results of the climate resilience analysis	
Risk Management	1.Processes for identifying, assessing and prioritising and monitoring climate-related risks and opportunities	p.57
	a) The processes used to identify climate-related risks and opportunities	
	b) The processes used to identify climate-related risks for risk management purposes	
	c) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities	
	d) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	
Metrics and Targets	1. How the entity measures and monitors its performance in relation to significant climate-related risks and opportunities, including progress against the targets it has set	Refer to the SASB Index
	a) Information relevant to the cross-industry metric categories	
	b) Industry-based metrics	p.57, p.62
	c) Targets set by the entity to mitigate or adapt to climate-related risks or to maximize climate-related opportunities	
	d) Other metrics used by the board or management to measure progress toward achieving the targets the entity has identified	
	2. Information relevant to the cross-industry metric categories	p.82
	a) Greenhouse gas (GHG) emissions – The absolute gross GHG emissions generated during the reporting period, measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, for: Scope 1, Scope 2, and Scope 3, as well as GHG emissions intensity (expressed in metric tonnes of CO ₂ equivalent per unit of physical or economic output)	
	b) For Scope 1 and Scope 2 emissions, disclose (1) The portion attributable to the consolidated accounting group (e.g., the parent and its consolidated subsidiaries), (2) The portion attributable to investments not included in (1), such as associates, joint ventures, and unconsolidated subsidiaries or affiliates, and (3) The approach used to include emissions from the entities in (2), specifying whether the equity share approach or the operational control approach under the Greenhouse Gas Protocol Corporate Standard was applied	

ISSB¹⁾ S2 INDEX

1) ISSB (International Sustainability Standards Board)

Category		Page
Metrics and Targets	c) Transition risks – The amount and percentage of assets or business activities vulnerable to climate-related transition risks	KRAFTON is currently assessing the impacts of climate change on our financial position and performance, and plans to disclose detailed quantitative metrics in the future.
	d) Physical risks – The amount and percentage of assets or business activities vulnerable to climate-related physical risks	
	e) Climate-related opportunities – The amount and percentage of assets or business activities aligned with climate-related opportunities	
	f) Capital deployment – The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	
	g) Internal carbon price – an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis) and the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions	
	h) Remuneration – A description of whether and how climate-related considerations are factored into executive remuneration; and the percentage of executive management remuneration recognized in the current reporting period that is linked to climate-related considerations	
	3. Greenhouse Gas Emissions Related to Scope 3 Activities and Explanations	At present, KRAFTON measures and discloses Scope 1 and Scope 2 greenhouse gas emissions, and intends to expand our disclosures to include Scope 3 emissions following measurement.
	a) Upstream and downstream emissions	
	b) The categories included in the measurement of Scope 3 emissions	
	c) If the Scope 3 emissions measurement includes information provided by entities within the reporting entity's value chain, a description of the basis of that measurement	
	d) If the entity excludes the emissions referred to in (c), an explanation of the reason for the omission	
	4. Climate-related Targets	
	a) The metrics used to monitor progress towards the targets and achievement of strategic objectives	p.57, p.62
	b) The specific targets the entity has set to address climate-related risks and opportunities	
	c) Whether the target is expressed as an absolute target or an intensity target	
	d) The purpose of the target (for example, mitigation, adaptation, or conformance with sector-specific or science-based initiatives)	
	e) A comparison of the target with the goals set by the latest international agreement on climate change, and whether the target has been validated by a third party	
	f) Whether the target has been developed using a sectoral decarbonization approach	
	g) the period over which the target applies	
	h) the base period from which progress is measured	
	i) Any milestones or interim targets	

Awards & Recognitions

Game Awards and Achievements

Game Title	Year	Category	Award Details
PUBG: BATTLEGROUNDS	2018	Steam Awards	Game of the Year
		Korea Content Awards	Presidential Commendation in Foreign Expansion Category
	2017	The Game Awards	Best Multiplayer Game
		Golden Joystick Awards	Best Multiplayer Game, PC Game of the Year
		Korea Game Awards	The Grand Award, Popularity Award (National), Technical Creativity Award (Sound), Excellent Developer Award (Programming), Design, Game Business Innovation Award
TERA	2011	Korea Game Awards	The Grand Award, Technical Creativity Awards (Sound, Graphics, Character)
The House of the Dead: Remembrance	2023	NWU Korea Awards	Best Innovation Award
MISTOVER	2019	Korea Game Awards	Excellence Award in the Hybrid Game Paper category
Uncover the Smoking Gun	2024	Good Game Award	Startup Company Award

Government Awards

Year	Category	Achievements	
2024	Excellence in IR Activities	Excellence Award – KOSPI-listed Companies	KRAFTON
2022	Overseas Expansion	USD 1B Export Tower Award	KRAFTON
	Job Creation	Leading Enterprise in Job Creation (Presidential Certificate)	KRAFTON
2021	Overseas Expansion	USD 800M Export Tower Award, Service Tower Award	KRAFTON
2020	Job Creation	Presidential Commendation for Job Creation	KRAFTON
	Global Esports Contribution	Esports Merit Award (by Minister of Culture, Sports and Tourism)	PUBG
	Silver Tower Order of Industrial Service Merit (Second Class)	Recognized for Contribution to Startup Ecosystem Development (2020 Information and Communications Day)	Chairman BG Chang, KRAFTON
2019	Job Creation	Leading Enterprise in Job Creation (Presidential Certificate)	PUBG
2018	Overseas Expansion	USD 600M Export Tower Award	PUBG
	Overseas Expansion	Korea Content Awards (Presidential Commendation)	CEO CH Kim, KRAFTON

Brand Awards

Year	Category	Achievements	
2022	Website	WEB AWARD KOREA - Grand Prize in Mid-sized Enterprise Category	KRAFTON Official Website
	Website	GDWEB DESIGN AWARD - Grand Prize in Web/IT Category	KRAFTON Official Website
	Creative	Cannes Lions International Festival of Creativity – Bronze Statue in Film Category	PUBG MOBILE INDIA “Game Responsibly” Campaign
	Creative	Korea Innovation Celeb Awards – Metaverse Innovation Award	PUBG MOBILE Influencer “WINNI”
2021	Website	& Award - GRAND PRIX for Mid-sized Enterprise Category in DIGITAL MEDIA & SERVICES	KRAFTON Official Website
	Brand	IDEA (International Design Excellence Awards) - Branding Finalist	KRAFTON Corporate Branding
2020	Brand	Red Dot Award: Brands & Communication Design - Winner for Brand Design & Identity Category	KRAFTON Corporate Branding
	Brand	iF Design Award - Winner for Communication, Brand Identity Category	KRAFTON Corporate Branding
	Website	& Award - GRAND PRIX for GAMES Category in DIGITAL MEDIA & SERVICES	KRAFTON Official Website
2019	Brand	GDA (German Design Award) - Special Mention in Brand Identity Category	KRAFTON Corporate Branding

Third-Party Assurance Statement

Dear Stakeholders

Korean Foundation for Quality (hereinafter ‘KFQ’) has been engaged to independently verify the 2024 Sustainability Report (hereinafter ‘the Report’)² of KRAFTON, Inc.¹ (hereinafter ‘the Company’). KFQ is responsible for providing an independent third-party verification opinion on the report based on the verification criteria and scope specified below. The responsibility for the preparation of this report lies with the Company's management.

1) Organization Address (based on headquarters) : Centerfield EAST, 231, Teheran-ro (Yeoksam-dong), Gangnam-gu, Seoul, Republic of Korea
2) Data Collection Period : Based on fiscal year 2024 (Jan. 1-Dec. 31, 2024), with some data through the first half of 2025. Includes the last three years (2022-2024) to show year-over-year trends in quantitative performance.

Verification Purpose

The purpose of this verification is to ensure the reliability of the data and information stated in the Company's report.

Verification Scope

1. Verification Boundary

Reporting on financial and business performance is on a consolidated basis, which includes KRAFTON's headquarters and all domestic and international operations. ESG performance is based on separate "KRAFTON, Inc."

2. Verification Items (Based on the GRI Standards 2021)

Category	GRI Standards	
Universal Standards	<div>• 2-1 to 2-5 (The organization and its reporting practices)</div> <div>• 2-6 to 2-8 (Activities and workers)</div> <div>• 2-9 to 2-21 (Governance)</div>	<div>• 2-22 to 2-28 (Strategy, policies, and practices)</div> <div>• 2-29 to 2-30 (Stakeholder engagement)</div> <div>• 3-1 to 3-3 (Material Topics Disclosures)</div>
2023	<div>• GRI 205 (Anti-corruption)</div> <div>• GRI 206 (Anti-Competitive Behavior)</div> <div>• GRI 302 (Energy)</div> <div>• GRI 305 (Emissions)</div>	<div>• GRI 401 (Employment)</div> <div>• GRI 404 (Training and Education)</div> <div>• GRI 418 (Customer Privacy)</div>

* Topic Standards : Provisions Criteria for Material Issues

3. Excluded Items from Verification: The following items are not included within the scope of verification

- 1) Performance and reporting practices of subsidiaries, affiliates, partners, and third parties
- 2) Items related to other sustainability initiatives not based on the GRI Standards 2021 presented in the report
- 3) Other related information such as periodic disclosure reports and financial statements

Verification Criteria

This verification has been conducted based on [AA1000AS (v3)], [AA1000AP (2018)], and [Type 2 – Moderate].

Verification Method

The audit team reviewed relevant procedures, systems, and control mechanisms, along with available performance data, to verify the reliability of the report's content based on the aforementioned criteria. The documents reviewed during the verification process are as follows:

- Non-financial Information : Data provided by the company, disclosed Business Reports, and information obtained from media and/or the internet.
- Financial Information : Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage.

* The verification was conducted through document review, on-site visits, and interviews with the responsible personnel. The validity of the materiality assessment procedure in the Report, the selection of material issues considering stakeholders, the data collection, management, and report preparation procedures, as well as the accuracy of the descriptions, were evaluated through interviews with the responsible personnel. Subsequently, it was confirmed that any errors, inappropriate information, or unclear expressions identified in the above steps were appropriately corrected before the publication of the Report.

Verification Limitations

This verification inherently contains limitations that may arise in the process of applying the criteria and methodology.

Competency and Independence

The audit team for this verification was duly composed in accordance with KFQ's internal regulations. KFQ has no conflicts of interest that could compromise the independence and impartiality of the verification, apart from providing third-party verification services.

Third-Party Assurance Statement

Verification Opinion

As a result of the verification, it is the opinion of KFQ that:

1) It has been confirmed that the Report was prepared in compliance with the four principles of AA1000AP (2018)

• **Inclusivity**

The company has appropriately defined stakeholder groups and communicates with them through tailored communication channels that consider the characteristics of each group. The audit team did not identify any missing key stakeholders in this process and confirmed that the company is making efforts to incorporate stakeholder feedback into its management strategy.

• **Materiality**

The company has identified material issues through an appropriate process and has thoroughly reviewed the relevant impacts to enhance the validity of its materiality assessment. The audit team confirmed that the identified material issues were given due emphasis in this report and that all material issues recognized during the materiality assessment process were reported without omission.

• **Responsiveness**

The company strives to respond promptly to stakeholders' requirements and key concerns. The audit team did not find any evidence indicating that the organization's response activities and performance regarding material issues were inappropriately reported.

• **Impact**

The company identifies and monitors the impact of stakeholder-related material issues across its business activities and reports the findings to the extent possible. The audit team did not find any evidence indicating that the impact of material issues was inappropriately measured or reported.

- 2) The report has been appropriately prepared in accordance with the applicable reporting standards, such as (GRI Standards (2021) - Accordance)
- 3) The data and information used for verification were limited to the provided materials and were found to be appropriate, with no significant errors or omissions that could affect the verification opinion.
- 4) Therefore, an "Unmodified Opinion" is provided for the company's 2024 Sustainability Report.



June 18, 2025
Seoul, Korea
Ji Young Song, CEO
Korean Foundation for Quality (KFQ)

Ji Young Song

Greenhouse Gas Emissions Verification Statement

KRAFTON, Inc.

Introduction

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission in 2023 and 2024 of KRAFTON, Inc.

Subject of Verification

Scope 1 and Scope 2 greenhouse gas emissions from all domestic operations of KRAFTON Inc. for 2023 and 2024.

Scope

Verification of places of business and emission facilities under the control of KRAFTON, Inc.

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, 2025-28)
- 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.

GHG Emissions & Energy Consumption

Year	Unit	Direct emissions (Scope 1)	Indirect emission (Scope 2)	Total
2024	tCO ₂ eq	234	4,452	4,656
2023	tCO ₂ eq	230	4,329	4,559

※ 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)

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 KRAFTON, Inc. failed to disclose data and information that was accurate and reliable in all material respects.

Dec 27th, 2024

Jun 2th, 2025

KRAFTON



www.krafton.com



blog.krafton.com



www.youtube.com/KRAFTONofficial



www.linkedin.com/company/krafton-inc