Kakao's Commitment and Responsibility to a Better World

소외된 이웃을 위해 함께 행동한다면

청년 농부의 도전을 함께 응원하는 세상

디지털 약자도 소외되지 않는 세상

CO₂

버려진 물건들이 새로운 가치를 찾는 세상

정성껏 키운 농산물이 제값을 받도록

소신 있는 상인들이 인정받는 세상

BETTER WORLD

RECYCLE

MOVE FORWARD

TOGETHER

Kakao Jae Seung LEE

Our Mission and the Kakao Style

Our Mission

One Kakao

기술과 사람이 만드는 더 나은 세상

Making a better world with people and technology

Kakao

연결을 넘어 의미있는 관계로

Building meaningful relationship beyond the connection

Kakao's Style

We are willing to venture onto the untrodden path

Willing to Venture

Whatever it is, we only keep the essence and go back to the basics

Back to Basics

Have trust in colleagues that their ideas may be more correct than mine

Trust to Trust

We are self-motivated and self-directed

Act for Yourself

We try to change the world into a good-hearted place

Tech for Good

ESG Framework

Kakao's Commitment and Responsibility

Kakao's commitment and responsibility to make a better world with digital technology for good and positive social impact
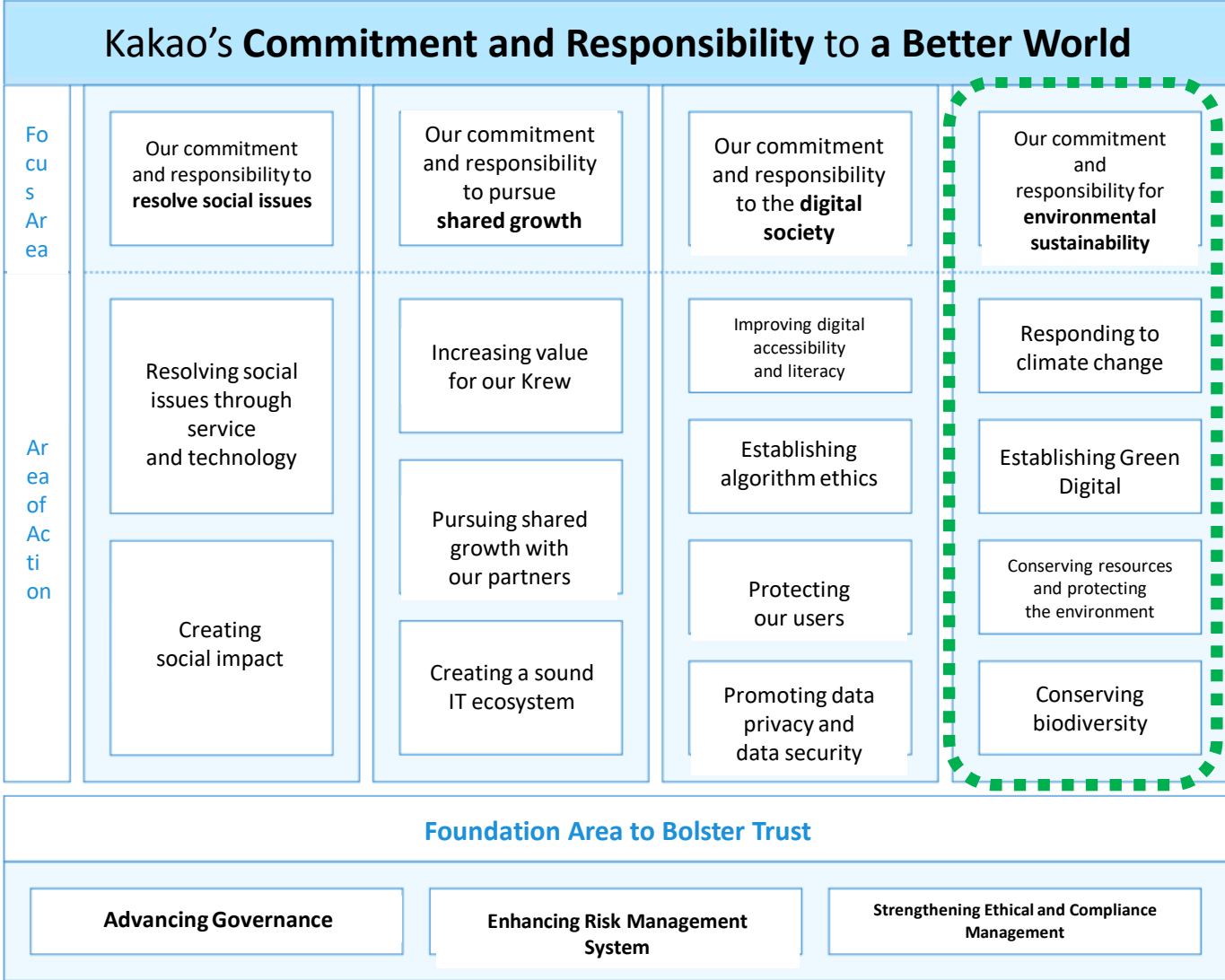
Kakao believes that a company's good faith can surely bring positive changes and the company can serve as an agent of change to help resolve social challenges.

Reflecting on the grave responsibility of Kakao's service that interconnects the daily lives of the entire people, we have redefined the 'foundation area' to bolster trust from stakeholders. This is aimed at reinforcing the foundation of Kakao's ESG management activities in a bid to resolve social issues and create new values in our distinctive Kakao Style approach.
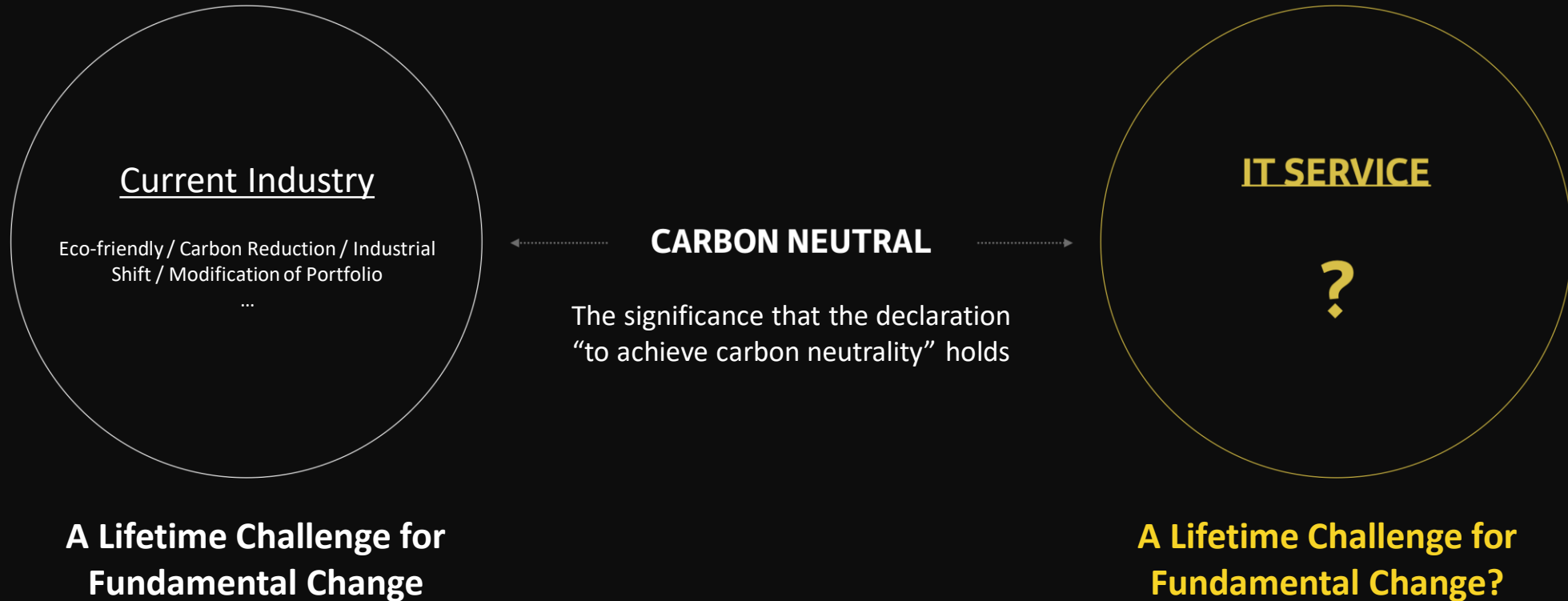
With our third annual ESG report released this year, we transparently share with all stakeholders the progress made over the past year in the four pillars of 'Kakao's Commitment and Responsibility' and in the foundation area to bolster trust. Along with that, we reaffirm our commitment to pursue positive social changes in the future based on our technology and influence.

Kakao's commitments and responsibilities to make a better world
· Kakao takes its distinctive Kakao Style approach to 'resolving social issues'.
· Kakao pursues 'shared growth with its stakeholders'.
· Kakao fulfills its 'responsibility in the digital society'.
· Kakao takes the lead in 'protecting the environment'.
· Kakao "manages the foundation area to bolster trust" from stakeholders.

Kakao's Commitment and Responsibility to a Better World

Focus Area

Our commitment and responsibility to **resolve social issues**	Our commitment and responsibility to pursue **shared growth**	Our commitment and responsibility to the **digital society**	Our commitment and responsibility for **environmental sustainability**

Area of Action

Resolving social issues through service and technology	Increasing value for our Krew	Improving digital accessibility and literacy	Responding to climate change
	Pursuing shared growth with our partners	Establishing algorithm ethics	Establishing Green Digital
Creating social impact		Protecting our users	Conserving resources and protecting the environment
	Creating a sound IT ecosystem	Promoting data privacy and data security	Conserving biodiversity

Foundation Area to Bolster Trust

Advancing Governance	**Enhancing Risk Management System**	**Strengthening Ethical and Compliance Management**

Our View Towards Carbon Neutrality

Current Industry

Eco-friendly / Carbon Reduction / Industrial
Shift / Modification of Portfolio
…

CARBON NEUTRAL

The significance that the declaration
"to achieve carbon neutrality" holds

IT SERVICE

?

**A Lifetime Challenge for
Fundamental Change**

**A Lifetime Challenge for
Fundamental Change?**

How Should an IT Company Respond?

Many people say,

"An IT service company reducing carbon?"
"How much would they do, if any?"

↓

How should Kakao prepare for carbon neutrality?

We will prepare in Kakao's way

Kakao's distinctive starting point for ESG

Numerous users / Daily connection / Platform service

Diverse users / Spread・far-reaching influence
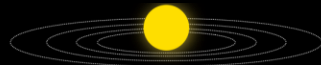
Repeated use / Natural connection
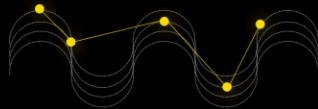
Flexible and extensive
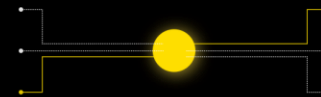
In a way that only Kakao can

Quantifiable
efforts / responses to reducing carbon emission
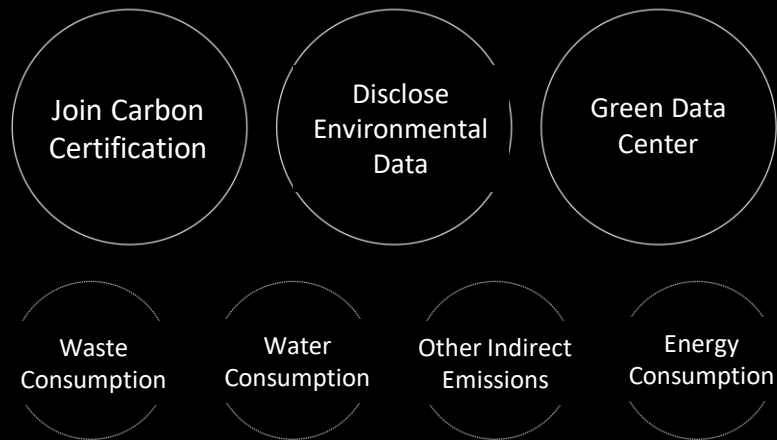
It may be hard to measure directly,
**but we will contribute to the environment in 'Kakao Style'**

Join Carbon Certification

Disclose Environmental Data

Green Data Center

Digital Certificate E-document

Introduction of EV Mobility

"Green Digital" for All

Kakao Together Fund-raising for Wildfire Recovery

Waste Consumption

Water Consumption

Other Indirect Emissions

Energy Consumption

Mobility Effects of Energy Reduction

...

Makers Upcycling

...
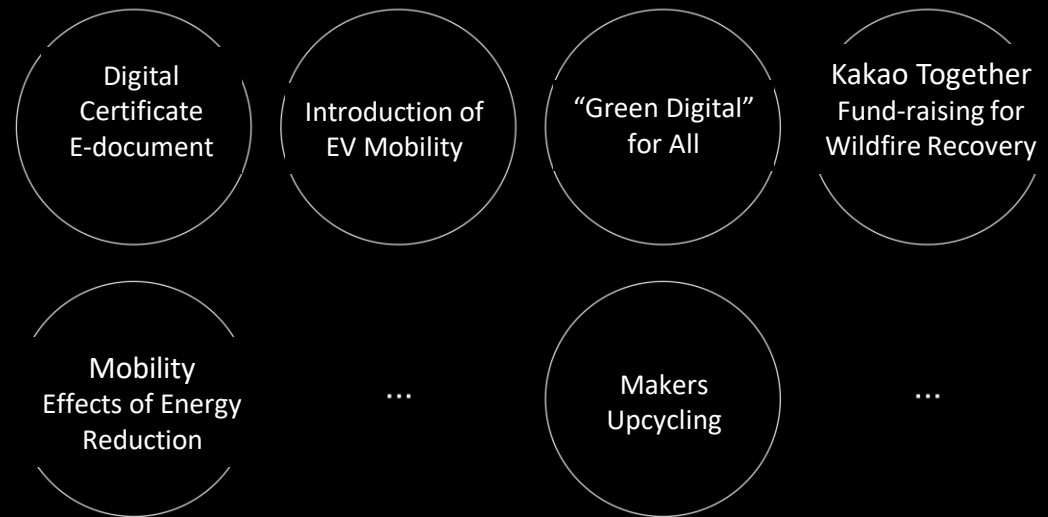
One Step Further

Most Companies

We will reduce our carbon emissions.
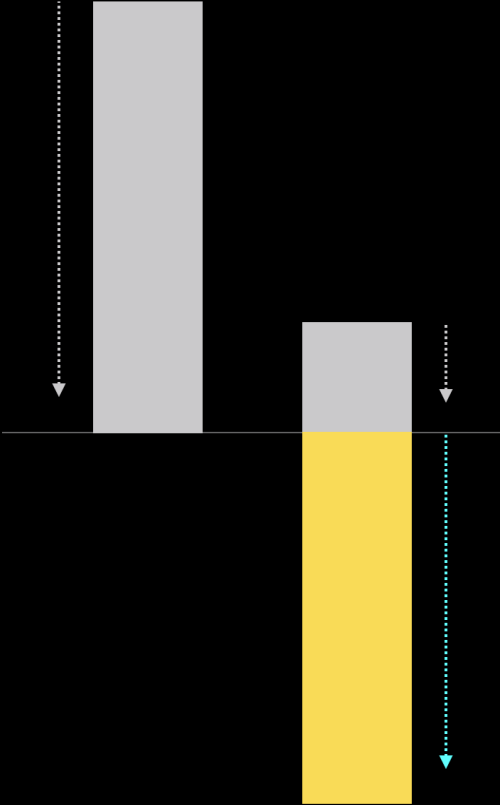
Kakao
Reducing carbon emissions is a given, and we will make substantive changes.

<u>We believe this is the duty that Kakao should take on.</u>

A More Active Effort and Role

Our Role
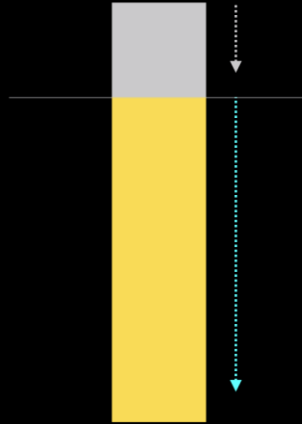
Going beyond passive responses,

a more active effort and role to addressing environmental issues

ACTIVE GREEN INITIATIVE

Going beyond passive responses, a more active effort and role to addressing environmental issues

We announced the Active Green Initiative which embodies our commitment to establishing principles for addressing the climate crisis and resolving environmental issues.

Kakao Community,
Establishes principles for addressing the climate crisis...
Declares the "Active Green Initiative"

The ESG Committee approves principles for responding to the climate crisis...to take a leading role beyond mere responses
Kakao to implement Net Zero (zero GHG emissions) by 2040
Kakao to prepare the initiative to engage Krew, partners, users and all members of society
Kakao secures its credibility by joining global environmental initiatives such as RE100 and SBTi

ACTIVE GREEN INITIATIVE

Within Kakao

Reduce GHG emissions within Kakao

Through Kakao

Leverage our services and platform in supporting users and partners for green practices

With Kakao

Contribute to the sustainability of the society through cooperation with outside stakeholders

2040 Net Zero Roadmap
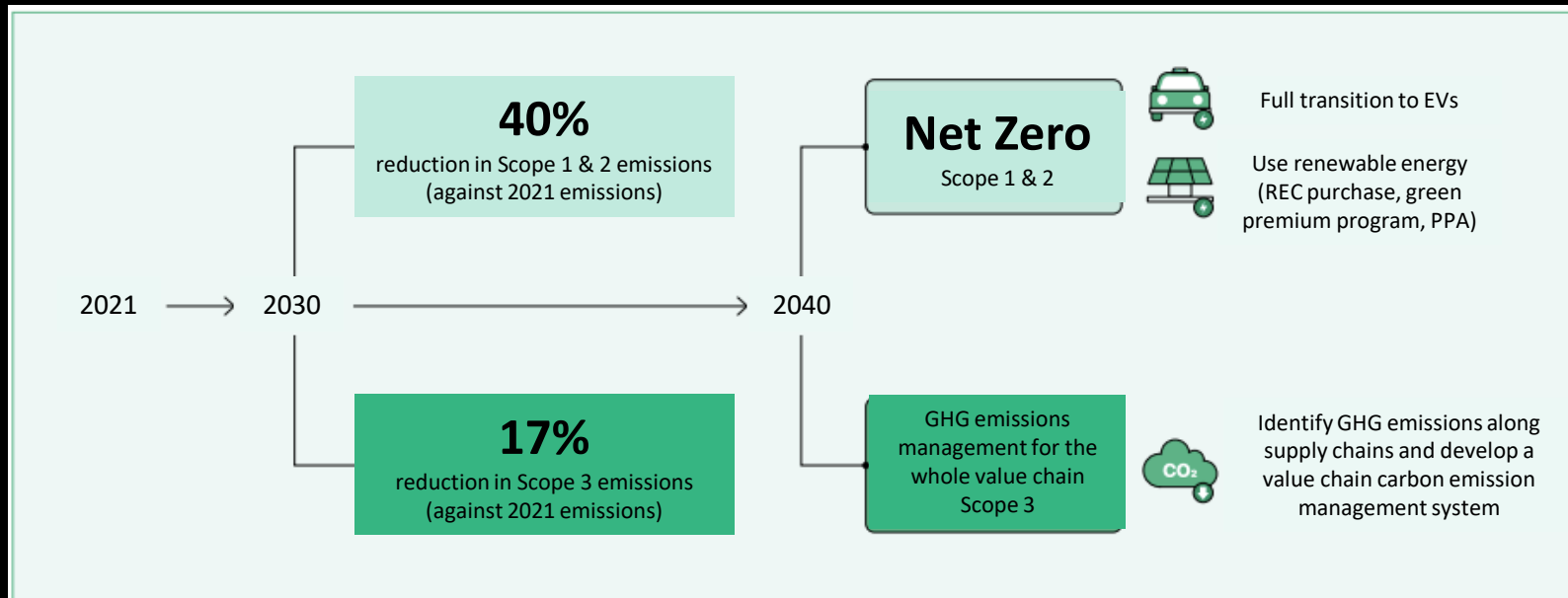
We announced our goal of achieving Net Zero in GHG emissions by 2040 on a consolidated basis.
This goal was set in line with the SBTi1) and will be attained by reducing our Scope 1 & 2 emissions by 40% by 2030 and then by 100% by 2040 from the 2021 baseline.
As to Scope 3 emissions, we aim to lower such emissions by 17% by 2030 from 2021 levels in the mid-term. In tandem with this, we will continually monitor our carbon emissions to manage GHG emissions along the entirety of our value chain and develop a mid- and long-term roadmap for Scope 3 emissions within two years.

(Scope 1) Shift in vehicle fuel – Shift to EVs for commuter buses and corporate fleet vehicles and for Kakao Mobility taxis as a way to mitigate our emissions.

(Scope 2) Use of renewable energy – Refers to indirect carbon emissions generated from the consumption of electricity at our offices and data centers. Our plan is to switch to eco-friendly energy for 60% of our power consumption in the course of business operations, and fully transition to renewable energy by 2040 to attain the RE100 target. To this end, we are considering the Power Purchase Agreement (PPA) for our offices and our own data center.

(Scope 3) Laying the basis for climate action along supply chains – We will establish a system to clearly identify our GHG emissions across supply chains, request key partners to join the RE100 initiative and support their implementation, and develop systems to manage our carbon emissions in the overall value chain.

Our Jeju Office went 100% renewable with electricity generated from citizens' small photovoltaic power stations

Signed a contract with 60 Hertz, an energy IT social venture, to prioritize the purchase of the Renewable Energy Certificate (REC) generated by civic unions affiliated with the National Citizen Development Union.

The union consists of more than 90 civic unions and about 10,000 members, whose members operate about 240 photovoltaic power stations to generate solar energy.

Kakao purchased 1,900 MWh from a total of 17 civic unions and covered the entire electricity needs of the Jeju Office with renewable energy.

Starting with the Jeju Office, expansion of renewable energy procurement is expected.

RE100 that leverages renewable energy generated in Jeju Island

Jeju Office achieved RE100 with 100% electricity generated by a renewable energy power plant in Jeju Island
Kakao joins the Jeju Creative Economy Innovation Center Open Innovation program...(planning) to establish RE100 process with startups
Kakao purchases the renewable energy certificate in 2023...considering direct PPA
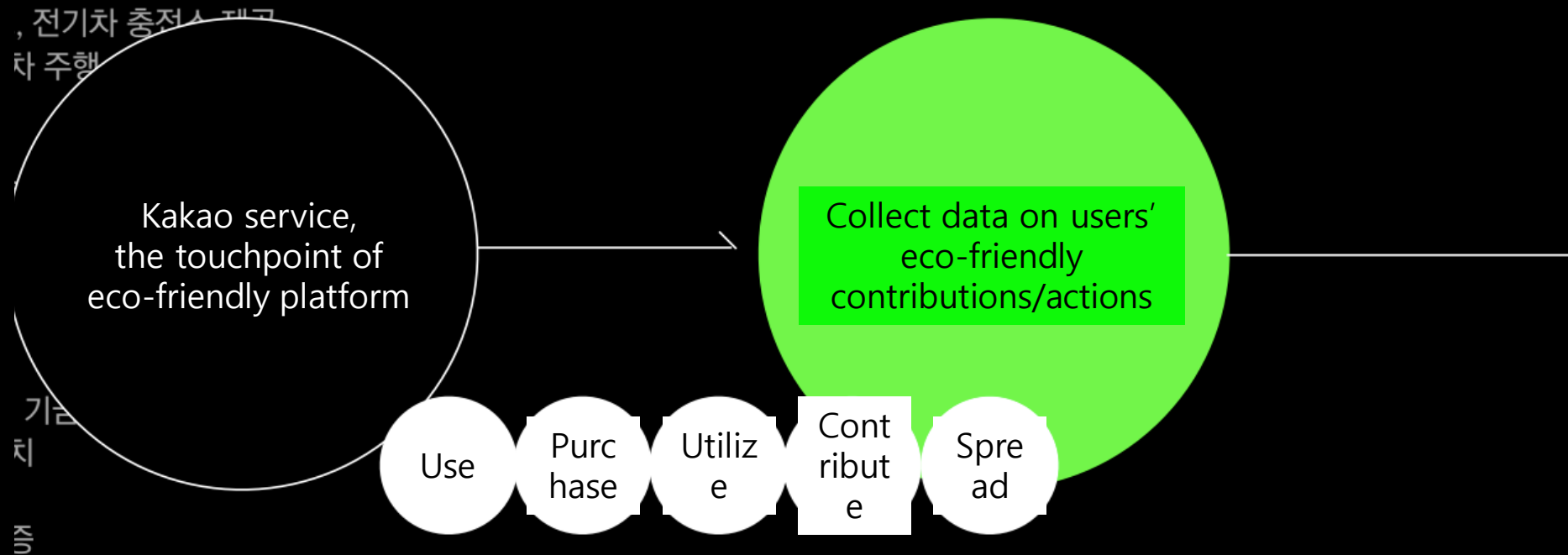
Kakao Carbon Index

The index that quantifies eco-friendly contribution data collected through Kakao
services and platform
The unit KUC stands for Kakao Users Carbon-Reduction

E-document, e-receipts
Kakao T offers electric taxis, T
bikes and charging stations
KakaoNavi and KakaoMap
shows routes for EVs
Makers EcoSeeds
Melon Forestreaming
KakaoTalk Gift Green Gift
KakaoMail Eco-mode
KakaoMap green place
information
KakaoMap offers bike routes
Offers dark mode for apps
Kakao biodiversity and
forestation fund
Makers 'New Value' and 'Worth
Every Penny'
Kakao environmental
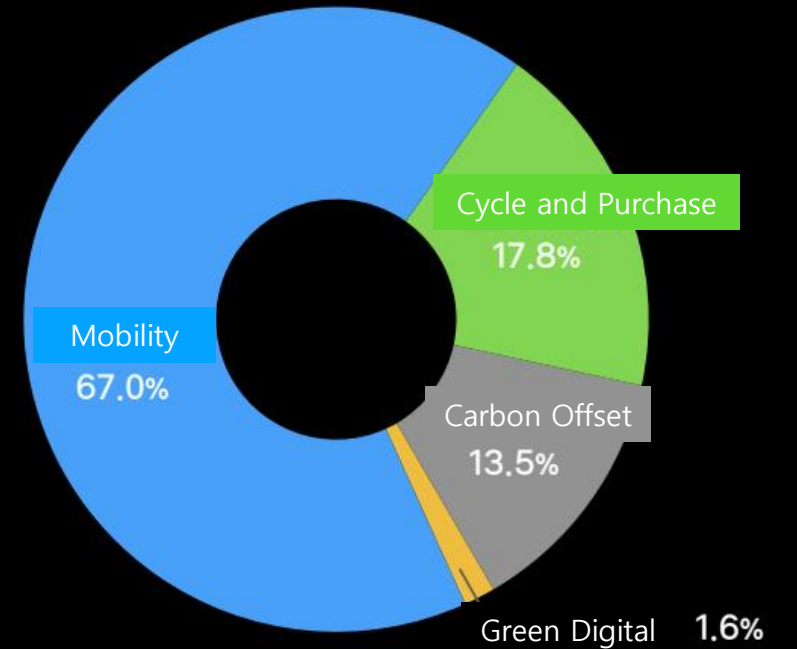campaigns
Action for All green practice
certification

, 전기차 충전소 제공
차 주행

기

치

즉

Kakao service,
the touchpoint of
eco-friendly platform

Collect data on users'
eco-friendly
contributions/actions

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Kakao Carbon Index

Collect data on users' eco-friendly contributions/actions

Measure the impact of users' green contributions/actions

Contribute to GHG reduction

Indirectly contribute to social reduction

Contribute to sponsoring carbon offset

Utilize GHG emissions factors

Convert value consumption and behavior into social value

Use a certain percentage of supporting money from users

Green Impact Index Contributed by Users in 2022

Carbon Index Ratio by Field in 2022

Cycle and Purchase 17.8%

Mobility 67.0%

Carbon Offset 13.5%

Green Digital 1.6%

Carbon Reduction Reward for Users

Carbon Index Beta released... (In preparation for) My Carbon Index through expansion of data
collection scope and advancement and individualization of reduction contribution index
The aim is to offer various rewards to users based on Kakao Carbon Index

Multifaceted efforts to reduce environmental impact within Kakao

Data Center – Creating a green data center identity through an integrated green design

Green Pangyo Office – Awarded a Gold certificate under the LEED program, a green building rating system

Operating eco-friendly in-house restaurants and cafés – Use environmentally preferred materials based on biomass

Conducting environmental education for Krew and environmental campaigns

Encouraging Krew to choose eco-friendly commute and mobility options

Environmental impact mitigation activities of Kakao Community

Green Campaigns with Kakao

Promoting green campaign participation through Kakao services

Kakao Together – Green digital campaign for All

Using eco-mode in emails

Reducing the consumption of electricity of digital devices

Practicing paperless

Spreading the culture of watching performances for Earth

New Value Class 4

Recruitment of Class 4 Upcycling Krew

We take unused down jackets and bedding

Engaging users through Kakao services

Participatory Upcycling Project 'New Value' – Collection > Upcycling > Donation

Providing information about the Green Certification and using environmentally preferred packages

Reducing the usage of papers by utilizing e-documents and daily payment service

Supporting the shift to electric taxis

Continuous inspections through the green advisor table

Active Green Advisor Table

Academic, industry, and civil society advisor table in environmental areas such as renewable energy, carbon credits, and Life Cycle Assessment (LCA)
Discuss mid- and long-term strategies and directions for carbon reduction, including promoting and achieving RE100, enhancing Kakao Carbon Index, and operating a new data center

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

Kakao's innovation and our connections come together to create a better world and a more sustainable future.