
CODE OF CONDUCT

KRAFTON

PUBG
STUDIOS

© BLUEHOLE

RISE
WINGS

STRIKING
DISTANCE

Dreamotion

things
flow

UNKNOWN
WORLDS

5MINLAB

KRAFTON

INTRODUCTION

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."¹ In pursuing this vision, we are often forced to make difficult decisions where the solution is not always easy to identify. In order to establish minimum standards for such occasions, we hereby establish KRAFTON's Code of Conduct, which constitutes "a promise between the Company and its employees in the fulfillment of our internal and external duties."

Since overly complicated rules can hinder the creativity of our employees, we believe instead of providing strict standards and rules the best approach is for employees to exercise "sound judgment" in their individual capacity based on this Code of Conduct. Therefore, most of the details in the Code of Conduct are based on the idea that employees will act with "autonomy and responsibility" according to their conscience. The Compliance Department and other relevant divisions will help guide employees on the exercise of "sound judgment" by including reference to relevant laws and examples in the Code of Conduct.

¹ This Code of Conduct was translated into English from Korean to enhance the Code's accessibility to all KRAFTON employees. Quotation marks denote important terms or phrases that have been translated so as to more accurately reflect the original Korean translation.



Chapter 1 | **PROMISE TO FANS**

Provide fans with good games and services

KRAFTON has grown through taking on new challenges. One of those challenges was “fans come first.” We will make our utmost efforts to connect with our fans by providing exceptional games and services, as well as through active communication. Since we exist because of our fans, we will make, distribute and service games while always thinking about what our fans want. Also, we will responsibly manage and strive to protect our fans’ personal information obtained through these processes.

A game made with craftsmanship

We must have craftsmanship. Based on our craftsmanship, we must create the “fun” of games by capturing the unique characteristic of each studio in the game. Of course, this is not an easy process. However, being committed to offer enjoyment to fans who play our games, we will strive to explore new paths and protect our craftsmanship without yielding to the temptation to take the easy road.

A healthy game

We think about the well-being of our fans who play our games. As we keep making more fun and immersive games, we need to also think about making healthy games. It should be considered if our games promote gambling, obscenity, discrimination or hatred, as well as the impact that they can have on the society. Since it is not easy to differentiate such elements from art, the creative output that we are making could lie on the boundaries. Therefore, if there are concerns that an element of our games could be mistaken as promoting gambling, obscenity, discrimination or hatred, we need to get our colleagues’ opinions and also pay attention to see if they go against any applicable laws or social norms.



Continuous and stable service

We aim to provide continuous and stable games to our fans. To that end, we think about a profit structure based on an appropriate business model, while also launching updates to improve our products. If we terminate a game or service due to unavoidable circumstances, we should inform our fans in a responsible way, making sure appropriate measures are taken to prevent any avoidable inconvenience. Above all, since we believe that a fun game loved by fans for a long time is the basis for continuous and stable service, we will do our best to make fun and good games that are long-lasting.

Open communication with fans

Our games are for our fans and made together with our fans. Therefore, we should think about what our fans want, while also listening closely to their voices and paying close attention to their concerns. We strive to communicate with our fans by taking note of the fact that their diverse opinions and suggestions help to lay the foundation for making good games. Moreover, to meet with our fans through “various ways,” we will further expand and recreate our creative work. We will always pursue “fan-oriented” communication with an open mind.

Protecting personal information

We respect the privacy of our customers and take seriously the protection of their personal information. Using legitimate bases such as our customer’s consent or otherwise in accordance with the law, we will aspire to collect and process the minimum amount of personal information required for the intended purposes and appropriately handle our customer’s data using measures intended to ensure the integrity of the information as may be reasonable under the circumstances. To that end, we will comply with and fulfill the responsibilities and duties specified under applicable international laws and regulations regarding personal information protection, thereby gaining our fans’ trust on the efforts we make for data protection.



Chapter 2 | **PROMISE TO COMPANY**

Be “professional” at work

KRAFTON has continuously changed and will keep changing. Accordingly, our employees will face new challenges and opportunities as they perform their duties, with occasional difficulties. While facing such changes, challenges, opportunities and hardships, we must make decisions and take actions based on “professionalism” at all times. Having a “professional mindset” means many things, but the focus of this Code of Conduct is to highlight the core value and expectation that our employees exercise “sound judgment and action.”



A sense of duty about the work

We have gathered here to provide the world with good games. Instead of being satisfied with just entertaining people, we strive to assist in bringing fun to people around the world and making their lives more enjoyable. In fact, our games expand into the world to have numerous impacts. What we do is not only for us, our colleagues and the Company, but “for the world.” Therefore, we must have a sense of duty about what we do. Instead of just performing the tasks assigned to us, we must do our best while thinking about the impact of what we do on the world.

Prohibiting taking two jobs and concurrent positions

Focusing on the assigned duties is a fundamental tenet of having a “professional mindset.” We should avoid circumstances where we cannot focus on our work due to conflicts of interests. To this end, the employment rules prohibit taking two jobs and concurrent positions “without prior approval” so that employees can solely focus on their work. Even if it is a side job that takes place “outside of working hours,” the side job may be considered by the Company as if the employee is taking on two jobs as specified in the employment rules if it can interfere with the employee’s full-time job. Simple hobbies, games and learning will not be considered as conflicts, so long as they do not prevent employees from concentrating on what they do. If such activities carry such a risk, it is recommended to take this into consideration.

Of course, there may be cases where it is necessary to take a side job or concurrent positions. In such cases, employees should disclose that they are taking two jobs to the Company and request approval thereof. The Company will inform the employees in writing whether it is approved or not after carefully evaluating the circumstances.

Dealing with conflicts of interest

A conflict of interest refers to cases where the interests of an individual employee in charge of certain tasks collides with the Company's interests generated from those tasks. If there is a conflict of interest, it may decrease employee and partner motivation to work, as well as damage the objectivity and fairness of the Company as a whole. Therefore, KRAFTON's employees should strive to avoid such conflicts of interest.

A conflict of interest is a hindrance to implementing tasks fairly and achieving the best results, and it also hampers the "professional mindset" about our work.

When faced with a potential conflict of interest, we must take appropriate actions by asking the following questions:

- **Will this situation bring inappropriate gains or benefits to my family, friends and acquaintances, including myself?**
- **Will this situation have a negative impact on my ability to complete my primary role at the Company and fairly implement my tasks?**
- **If this situation gets outside exposure, will it have a negative impact on KRAFTON?**





Prohibiting illegal solicitation/bribery

While implementing tasks, it may become necessary and important to express gratitude to colleagues, partners and other related people. However, there can be a fine line between words of gratitude and an illegal solicitation, and sometimes it can be difficult to identify the line. An unjust motive or purpose, inappropriate means or gifts, hospitality or favors that exceed an appropriate scale—these are things that may rise to the level of a criminal act in some instances. Therefore, we must be very careful when giving gifts to express our gratitude. In particular, any gifts that are offered to a public official, mediator, school personnel or journalist who are conducting tasks relating to our job functions are likely to violate applicable “anti-bribery and corruption laws” of each country.

Likewise, we must be careful when accepting gifts. Even if a gift is given lightly as a means of socializing may give rise to questions about the fairness of our work if the person who provided the gift has an interest in the work performed by our employees in any way.

Examples of cases that can create an illegal solicitation problem are listed below:

- **Providing, requesting or receiving excessive money or high-value gifts for congratulations, condolences or holiday presents.**
- **Giving and receiving hospitality, including expensive meals, get-togethers, sporting events, etc.**
- **Asking to lend money, and receiving or providing loans.**

Protecting the Company's assets

The Company's assets must be protected and used properly within the scope of work. The Company's major assets include tangible assets like buildings, equipment and appliances, as well as intangible assets such as trade secrets and IP. Therefore, it is prohibited to publicly disclose without permission or make personal use of the company's IP for private gain, including stories, images, videos, sound sources, source codes, etc., without authorization. Also, we will protect our work product against infringement. If there is a risk of infringement of the Company's assets, or if there is an attempt or actual infringement, it will be closely monitored. If such an infringement is suspected or recognized, it is everyone's duty to inform the Company thereof and actively respond to it.



Chapter 3 | **PROMISE TO INVESTORS**

Strive to enhance shareholder interests

KRAFTON strives to enhance our shareholders' interests. We will comply with applicable laws and internal policies, perform tasks suitably, and refrain from inflicting harm on the Company through illegal conduct. Furthermore, we will not use nonpublic information to engage in any transaction of Company stocks. We will endeavor to create and maintain accurate records and to disclose all accounting information and important facts through the appropriate reporting channels in a fair and transparent manner.

Ethical management and compliance

As a company that develops and distributes games beloved across the world, our management will be based on “integrity and ethics” using global standards. Furthermore, we promise our shareholders and investors that we will engage in “lawful work” by complying with applicable laws and internal policies, and “maintaining dignity” while performing our tasks. Based on ethical management and lawfully performing our work, we strive to achieve unrivaled results that are in line with our philosophy and values.

Embezzlement and breach of trust

The unauthorized taking of company assets (embezzlement) or breaking the relationship of trust with the Company (breach of trust) in the course of performing our work is prohibited. Such actions are not only unlawful but break the trust of our shareholders. Complying with the work processes and standards that have been installed, and accurately recording the expenses spent, are mechanisms to prevent legitimate actions from being misinterpreted as acts of embezzlement or breach of trust. Therefore, we must be aware of such procedures and comply accordingly. The Company will also examine and manage tasks assigned to employees in an attempt to ensure that there is no unnecessary misunderstanding regarding an employee’s legitimate actions.





Insider trading

In the course of performing our work, employees will gain access to a broad range of information related to the Company, affiliates, clients and partner firms. Some of the information is made known to the general public through public disclosures and press releases, but there is also important information that is accessible only to Company employees. Using such information to directly engage in share trading, or providing this information to another person for use in trading (i.e., using “material nonpublic information”), will be punished according to the law. It is easy to think that only information accessible to management is applicable, but it must be noted that any information shared with members through internal meetings and presentations before being disclosed to the public can also fall under “material nonpublic information.”

Examples of “material” nonpublic information are as follows:

- **A new title in development, or a change in the direction of game development.**
- **Information about future revenue or profit.**
- **Information about a proposal or progress on an acquisition and merger.**
- **Disposal, transfer or purchase of a sizeable asset.**
- **Information about management reshuffling or internal team restructuring.**

Honest, accurate records and lawful management

KRAFTON has grown through the cultivation of honest and accurate records. Our records are not falsified to disguise failures or exaggerate successes. On the contrary, using honest and accurate records we conduct objective reviews, analyze the cause of failure or success, and attempt to deliver better results.

However, the recording or disclosing of information can at times infringe on another person’s privacy or personal information or create problems related to the company’s trade secrets or IP. Furthermore, sales and other such information need to be considered in relation to the Company’s fair disclosure obligations. Therefore, in addition to honest and accurate records, we must also work to lawfully manage records with due consideration to applicable legal and regulatory requirements.

Transparent accounting and management

Our performance is disclosed to shareholders and investors through accounting records. The accounting records are prepared and managed according to the applicable law, generally accepted accounting principles, and internal regulations. We do not manipulate accounting records to exaggerate achievements or hide mistakes, and we do not follow any such instructions or orders. Anyone who receives or witnesses such instructions or suspects the manipulation of accounting records must immediately inform the Company thereof. We pursue management in accordance with the applicable law and regulations, thereby aiming for transparent governance.



Chapter 4 | **PROMISE TO COLLEAGUES**

Create a healthy work environment based on diversity

KRAFTON is a global company. Our colleagues have diverse backgrounds and work in diverse regions. Such diversity is the driving force behind enriching our content, thereby keeping us going the right way—"the KRAFTON way." In order for our members from diverse backgrounds to work together, we need to understand our differences and have mutual respect for one another. In a healthy work environment that promotes diversity, we work as one team to pursue our dream.



Respect for diversity and anti-discrimination

We should have mutual respect for each other's cultural, religious and political diversity. Discrimination based on race, sex, age, religion, disability or political affiliation must not be tolerated. Religious or political activities are respected but we should not conduct them while at the Company. For example, we should not perform such activities during work hours, or use the office space or the Company's budget to advance these activities "without prior approval."

Workplace bullying and sexual harassment

We will adopt a zero-tolerance policy on workplace bullying, sexual harassment, and any other acts that do harm to a healthy and safe work environment. Workplace bullying and sexual harassment infringe upon the health, safety and personality of our members and such acts are born out of disrespect for colleagues. While conducting our tasks, therefore, we should be mindful of whether our words or actions have the ability to hurt our colleagues or cause a misunderstanding. If you or a colleague are experiencing the negative impact of such conduct, please do not hesitate to let us know.

Respect for the privacy of our employees

We respect our individual members' right to privacy. We should avoid revealing personal information about our colleagues that we acquire while conducting our tasks, or that we happen to know, without their permission. In a work environment where individual privacy is respected, we all can step up our efforts to create and sustain a safer and more pleasant place to work.

Feedback based on careful consideration

We are all from diverse backgrounds and gather here at KRAFTON. Thus, as we might think different from others, we should be considerate and carefully listen to our colleagues' ideas and exchange opinions with one another. We should not criticize the opinions or suggestions of others without mutual respect. However, this does not mean that we should refrain from giving necessary feedback to be considerate. Constructive feedback and critique can help us attain better outcomes. With careful consideration, we should thoroughly engage with one another and develop ideas. Even if the outcome is different from one's suggestion or idea, we should make every effort to achieve the common goals we set out to accomplish together.





Protection of our members

The Company should strive to ensure that its members can focus on their work in a safe environment. The Company should invest in its members so that each member can love their jobs. In addition, the Company should always think about how to create a satisfying work environment and endeavor to make that happen. The Company should comply with and fulfill its responsibilities and duties established by applicable occupational safety and health laws in each country, and create a safe and healthy work environment by introducing various employee benefit programs to protect its members. For their part, KRAFTON members should be mindful of ways they can create a more pleasant work environment, including by being content with their work and minimizing health and safety hazards.

Chapter 5 | **PROMISE TO PARTNERS**

Cooperate with partners based on fair trade practices

KRAFTON has teamed up with various partners to pursue our dream. A partner may be a supplier, a publisher or a company that operates in a completely different field. However, KRAFTON and partners work towards “one dream”—that we provide our customers with truly fun experience. To this end, we comport with the principles of fair trade and competition, while doing our utmost to cooperate with our partners.

Compliance with fair trade and competition laws, etc.

Each country has implemented various laws in order to protect fair trade and competition. We will comply with such laws when cooperating with our partners. We will not cause confusion over trade practices by abusing our superior position or engaging in unjustifiable collusion and will also not treat our partners by engaging in fair trade or anti-competition practices. We will abide by applicable laws when cooperating with partners as one team.



Pursuit of cooperation

We will cooperate with partners operating in various fields across the globe. Since such cooperation is not easy, a great deal of effort is required. We will work with partners as one team and gain their trust to pursue cooperation. To that end, we will first fulfill our duty of good faith. In particular, as much as we emphasize the importance on our IP and trade secrets, we will also consider partners' IP and trade secrets as important. We will use our partners' information assets and works within the bounds of our contracts and handle, destroy or return them after use in accordance with such contract or applicable laws.

Chapter 6 | **PROMISE TO COMMUNITY**

Become a company that joins hands with the community

As part of the community, KRAFTON endeavors to fulfill its social responsibilities. Beyond pursuing profitable results for our efforts, we strive to cooperate with society as a whole, contributing to its sustainable development and improving each community member's quality of life.

Corporate responsibility

We try to provide customers with games and services that can be enjoyed for a long time. Furthermore, we will usher in a new future with innovative and creative ideas rather than being satisfied with the status quo. We will share the fruits that we have reaped with our shareholders, members and society. By carrying out our corporate responsibilities to the fullest, we will contribute to the betterment of our society.

Social responsibility

Since our games, services and various activities are part of society, we believe that by connecting with and positively impacting many people we are capable of taking a key role in building a better society. Therefore, while working towards our vision, we will take upon ourselves the great responsibility of addressing various social issues such as human rights, education, inequality and the environment. We promise that we will think over our social values and sustainable future, pursue diversity and inclusive thinking, and faithfully fulfill our social responsibilities.



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