

SUSTAINABILITY REPORT

2024 지속가능경영보고서



OVERVIEW OF THIS REPORT

Report Overview

YG Entertainment aims to transparently disclose its major strategies, activities, and achievements related to sustainability and ESG over the past year through the publication of the 2024 Sustainability Report. In alignment with the introduction of global sustainability disclosure standards and the release of a draft disclosure standard in Korea earlier this year, this report has been prepared based on the draft of the Korean Sustainability Disclosure Standards.

YG Entertainment plans to proactively adopt sustainability disclosures to prepare for future mandatory disclosure requirements. Reflecting stakeholder feedback on this year's report and forthcoming detailed guidelines, we will refine the disclosure methods and content to address any gaps.

Reporting Period and Scope

This report covers the major risks, opportunities, response strategies, and key achievements related to sustainability and ESG from January 1, 2023, to December 31, 2023. Some qualitative data include performance up to the first half of 2024, with relevant details separately indicated within the report.

Reporting Cycle

Annually, with publication around June each year.

Reporting Standards and Principles

This report is based on the Exposure Draft of the Korean Sustainability Disclosure Standards by the Korea Sustainability Standards Board (KSSB). It includes information on sustainability-related risks and opportunities that could reasonably be expected to impact the company's outlook. We aim to disclose comparable, verifiable, timely, and understandable information on risks, opportunities, strategies, and achievements based on fair disclosure principles. Additionally, we reference global sustainability reporting guides such as the GRI Standards 2021 and SASB industry-based disclosure requirements to include information on major ESG issues beyond material issues within the reporting period. Unless otherwise stated, financial data follow the K-IFRS (Korean International Financial Reporting Standards) consolidated financial statements, with sustainability performance reported primarily for YG Entertainment's domestic operations (excluding accommodations).

Report Assurance

To ensure the accuracy, objectivity, and reliability of the report preparation process and the information provided, YG Entertainment's Sustainability Report has undergone an independent assurance process conducted by the Korea Management Registrar. The third-party verification was completed in accordance with the international assurance standard AA1000AS v3.

Contact

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CONTENTS

About YG Entertainment

CEO Message	04
Sustainability Highlights	05
Company Profile	07
Brand Identity & Business Strategy	09
Key Products & Artists	10

Navigating the Sustainability Disclosure

Identifying Key Issues	12
Governance	13
Strategy	16
Risk Management	19
Metrics & Targets	20

ESG Factbook

Environment	24
Social	29
Governance	41

Appendix

GRI Standards 2021	47
SASB Index	50
GHG Assurance Statement	51
Independent Assurance Statement	53

ABOUT YG ENTERTAINMENT

About YG Entertainment

CEO Message	04
Sustainability Highlights	05
Company Profile	07
Brand Identity & Business Strategy	09
Key Products & Artists	10

CEO MESSAGE

IMPACT BEYOND CREATIVITY

YG Entertainment is committed to fulfilling its responsibilities as an entertainment company for a better future.

Dear esteemed stakeholders, I am Yang Min-suk, CEO of YG Entertainment.

We are pleased to present our second sustainability report, which outlines YG Entertainment's responsibilities and efforts towards a better future. Over the past year, YG Entertainment has strived to integrate ESG principles across our business operations, aiming to spread positive influence in society and contribute to a sustainable future for generations to come.

First, we have concentrated on enhancing the expertise and independence of our Board of Directors. By appointing new directors with diverse backgrounds and increasing the number of outside directors, we have bolstered the company's decision-making capabilities. Additionally, we strengthened the board's independence by appointing an outside director as the board chair.

Second, we established a carbon neutrality roadmap and have continuously reduced greenhouse gas emissions. To actively contribute to global efforts in addressing the climate crisis, YG Entertainment has set ambitious targets for achieving carbon neutrality by 2040 and RE100 by 2025. By purchasing renewable energy and implementing energy efficiency measures, we have successfully reduced our greenhouse gas emissions for three consecutive years.

Third, we developed a sustainable concert framework to minimize the negative impacts of our concert activities. By introducing this framework at events where large audiences gather to share common interests, we have raised awareness and encouraged participation in addressing environmental and social issues. Additionally, we published a Sustainable Concert Report detailing these initiatives.

YG Entertainment's 2024 Sustainability Report was prepared with reference to KSSB's draft sustainability disclosure standards. Moving forward, we will actively strive to establish best practices for sustainability disclosure in the entertainment industry.

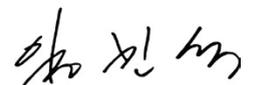
Today, K-pop and K-culture have become global cultural phenomena. Through our content, YG Entertainment aims to bring joy and spread a positive influence to people around the world.

We extend our deepest gratitude to all stakeholders for your support and kindly ask for your continued interest and backing as YG Entertainment advances new sustainability initiatives through the power of culture.

Thank you.

June 2024

Yang Min-suk CEO, YG Entertainment



SUSTAINABILITY HIGHLIGHTS

Designation as a KOSDAQ Global Company

Designated as a KOSDAQ Global Company by the Korea Exchange in June 2024 through improved governance.



Independent and Professional Board Operations

Appointed an outside director as the chair of the board and appointed new outside directors with expertise in accounting, law, and investment



Environmental Management System Certification

Achieved ISO 14001 certification in 2023 to manage environmental risks and continuously improve environmental performance



Fostering a Health-Friendly Environment within the Company

Recognized as a leader in promoting a smoke-free culture by the Seoul Smoking Cessation Support Center in 2023 through the implementation of an in-house campaign



Adoption of KSSB Sustainability Disclosure Standards

Utilized the draft of the Korean Sustainability Disclosure Standards released in April 2024



Reduction of Greenhouse Gas Emissions and Energy Consumption for 3 Consecutive Years

* Calculated based on consolidated sales

Category	Reduction rate over the past 3 years (2021-2023)
Scope 1 & 2 GHG emissions	-10.6%
Scope 1 & 2 emissions intensity*	-49.5%
Energy use intensity*	-48.2%

Enhancing Cultural Accessibility in Local Communities

Received commendation from the Minister of Culture, Sports, and Tourism for "Project Yourside," a CSR project which promotes accessibility for local communities to cultural events.

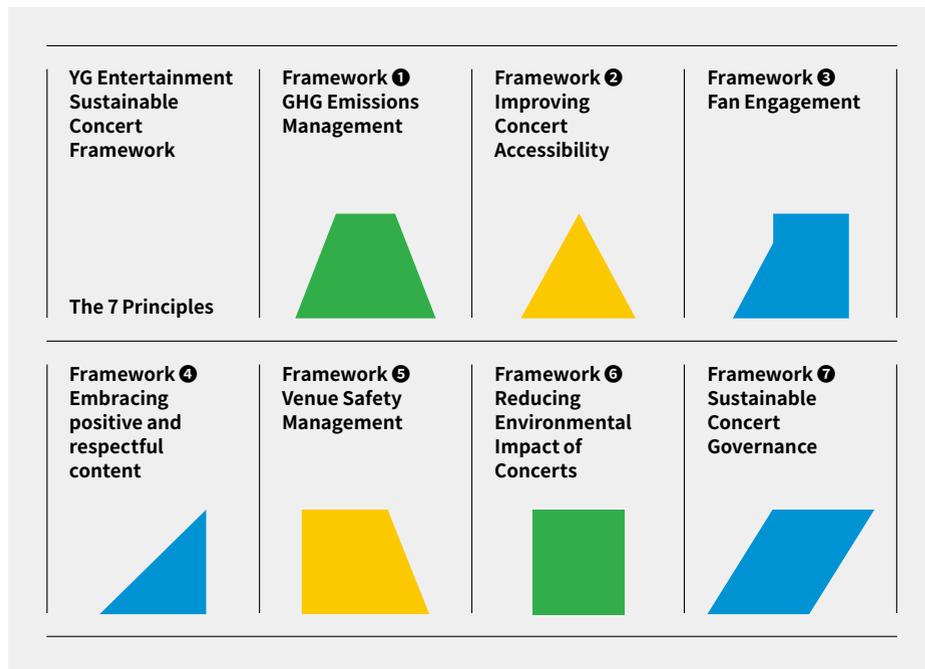


SUSTAINABILITY HIGHLIGHTS

Special Page. Sustainable Concert [Sustainable Concert Report](#) [Sustainable Concert Video](#)

Establishment of the Seven Principles Framework for Sustainable Concerts

The YG Entertainment Sustainable Concert Framework encompasses seven guiding principles and a performance checklist for concerts. YG Entertainment aims to apply this framework progressively and engage a broad range of stakeholders, both domestic and international, to ensure the sustainability of its concerts. Starting with the [BORN PINK] FINALE IN SEOUL in 2023, we have published a Sustainable Concert Report that includes the results of partially applying the Sustainable Concert Framework to the AKMU 2023 CONCERT [AKMUTOPIA] and the 2023 TREASURE CONCERT [REBOOT] IN SEOUL.



Framework 01 | GHG Emissions Management

We measure the greenhouse gas emissions of our concerts, including audience travel, internal and external energy use, waste disposal, and online concerts.

Framework 02 | Improving Concert Accessibility

We improve information and facility accessibility by assigning a concert accessibility manager, providing a visual impairment guide on the booking page, and creating a concert venue accessibility guide video.

Framework 03 | Fan Engagement

We strive to enhance audience-friendliness to provide a more satisfying concert experience, prevent personal data and human rights violations, and ensure fair ticket sales.

Framework 04 | Embracing Positive and Respectful Content

We respect intellectual property and establish procedures to ensure the wholesomeness of content, thereby spreading the positive influence of concerts.

Framework 05 | Venue Safety Management

We develop concert venue safety guidelines and establish a safety management system to proactively manage the safety of artists, staff, and fans, as well as potential safety risks.

Framework 06 | Reducing Environmental Impact of Concerts

We aim to minimize environmental pollution by reducing waste generated from concerts, increasing recycling and reuse rates, and seeking eco-friendly alternatives.

Framework 07 | Sustainable Concert Governance

We establish decision-making and operational systems to promote sustainable concerts, aiming to expand the concept of sustainable concerts both in Korea and internationally.

COMPANY PROFILE

Since its establishment in 1998, YG Entertainment has evolved from a leader in the Korean entertainment industry to a global entertainment company generating revenue worldwide, guided by principles of respect for culture and diversity. We operate various content businesses using diverse intellectual properties (IP), including digital music, physical albums, concerts, and management services. Through a systematic talent development system, we create top-quality content and expand our global presence.

*Transitioned to a sole CEO system in March 2024

Company Name	YG Entertainment Co., Ltd.
Headquarters Location	7, Huiujeong-ro 1-gil, Mapo-gu, Seoul
CEO*	Yang Min-suk
Establishment Date	February 24, 1998
Main Businesses	Management, performance, and the planning, production, and distribution of physical and digital music

*As of December 31, 2023

Number of Employees	460
Assets (Consolidated)	KRW 742.2 billion
Capital (Consolidated)	KRW 585.2 billion
Revenue (Consolidated)	KRW 569.2 billion
Liabilities (Consolidated)	KRW 157 billion
Operating Profit (Consolidated)	KRW 86.9 billion

COMPANY PROFILE

Company History

1996

1996
Establishment of Hyun Agency

1997
JINUSEAN

1998
Establishment of Yang-gun Agency
Conversion to a corporation
ITYM

2001
Changed company name to YG ENTERTAINMENT

2002
WHEESUNG

2003
SE7EN,
BIG MAMA,
GUMMY

2006
BIGBANG

2007
Establishment of YG JAPAN

2009
2NE1

2010
PSY

2011
IPO(KOSDAQ)

2012
Establishment of YG ASIA
EPIKHIGH
LEE HI

2013
Establishment of YG USA,
YG BEIJING

2014
YG PLUS
AKMU,
WINNER

2015
iKON
2016
BLACKPINK

2017
Establishment of YG INVESTMENT
Establishment of YGX

2020
TREASURE

2021
Relocation of head office

2022
Establishment of Forest Factory

2024

2024
BABYMONSTER

BRAND IDENTITY & BUSINESS STRATEGY

YG Entertainment aims to create a unique brand experience through its distinctive cultural content and grow as a brand that inspires the world. We are committed to setting new trends with a passion for challenges and actively engaging and communicating with our audience.

Brand Identity

Brand Statement

VIBE THE NEW FLOW

Brand Vision

CREATE EXPERIENCE, EVOKE INSPIRATION

Brand Spirit

TO BE CREATIVE

Brand Key Values

FORWARD

Constantly evolving based on forward-thinking ideas, setting trends, and leading the times.

DISTINCT

Offering differentiated brand experiences through distinct characteristics that set YG Entertainment apart from others.

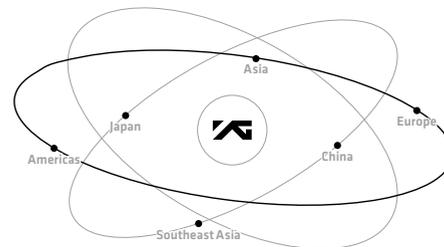
COLLECTIVE

Presenting high-quality outcomes through community-minded thinking and collaboration.

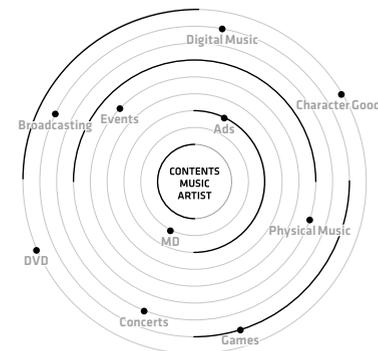
Business Strategy

Since its founding, YG Entertainment has produced industry-leading artists who shape popular culture. We discover promising new talent and cultivate artists who can lead the global market through our unique, systematic training and world-class in-house production system. We are expanding our business globally and diversifying our operations by leveraging our intellectual property.

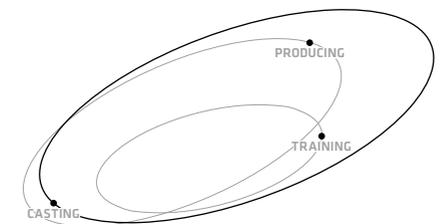
Expansion to the Global Market



One-Source Multi-Use Strategy



New Development & Production



KEY PRODUCTS & ARTISTS

Products and Services

YG Entertainment generates its main revenue through products, concerts, music services, and other businesses.



MUSIC

We lead the latest K-pop trends with our unique music content, delivering distinct and inspiring experiences to fans worldwide.



CONCERT

We engage and interact with fans globally through online and offline concerts, breaking down geographical and situational barriers.



IP BUSINESS

We interact with fans through everyday products like F&B, games, and character goods. The company also pursues the integration of digital technology by establishing various IP business models.



ADVERTISEMENT

Through collaborations with various media channels, YG creates synergies and offers consumers unique brand experiences, showcasing the exceptional charm and artistic value of its artists.



GLOBAL BUSINESS

We continuously explore new business opportunities by partnering with leading global entertainment companies such as GMM in Thailand and AVEX in Japan, as well as global platforms like YouTube and TikTok.

YG Entertainment’s Artists and Actors

Artists

Name (Groups & Artists)
BABYMONSTER
BLACKPINK
TREASURE
WINNER
AKMU
EUN JIWON
SEAN

Actors

Name	
KAL SO WON	LEE KI TAEK
GYEONG SU JIN	LEE MIN YE
CLAUDIA KIM	LEE SUNG KYOUNG
KIM SEUNG YUN	LEE SOO HYUK
KIM HYUN JIN	LEE JU MYOUNG
KIM HEE AE	LEE HO JUNG
NAM KYU HEE	JANG KI YONG
PARK SOI	JANG DEOK SU
PARK YOU NA	JANG HYUN SUNG
PARK HYEONG SEOP	JUNG HYE YOUNG
SEO JEONG YEON	JOO WOO JAE
SON NA EUN	JIN KYUNG
YOO SEUNG HO	CHA SEOUNG WON
YU YEON SU	CHOI DA HYE
YOO IN NA	HAN SEUNG YEON
LEE KANG HUI	

NAVIGATING THE SUSTAINABILITY DISCLOSURE

Navigating the Sustainability Disclosure

Identifying Key Issues	12
Governance	13
Strategy	16
Risk Management	19
Metrics & Targets	20

IDENTIFYING KEY ISSUES

Process and Methods

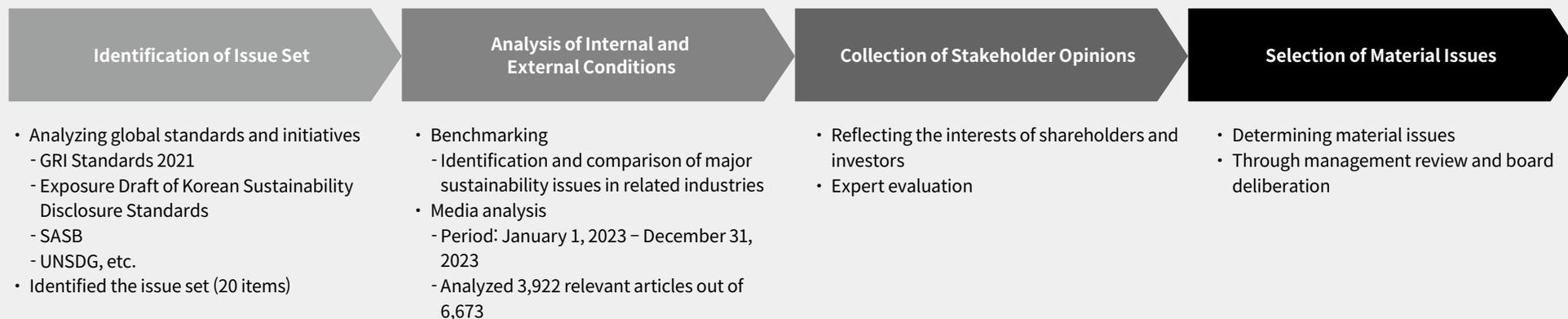
YG Entertainment conducts a double materiality assessment to identify significant sustainability issues, as well as related risks and opportunities from various internal and external environmental changes. These changes may affect the company’s outlook or result from the substantial impacts of its activities on the environment and society. Led by the ESG team, this process involves identifying key issues, analyzing internal and external conditions, and collecting stakeholder opinions. The key issues, along with related risks and opportunities, are finalized through management judgment and board review.

Results of Identification

As a result of the double materiality assessment, YG Entertainment identified climate change, human capital, and corporate governance as material issues. Important information regarding the risks and opportunities associated with these issues is disclosed in this report. The ESG team and management determined the materiality of the information based on the requirements of the Korean Sustainability Disclosure Standards and its relevance from a financial sustainability perspective. YG Entertainment plans to continuously refine its materiality assessment methodology to identify key sustainability-related risks and opportunities that could impact the company’s future prospects and provide valuable insights to stakeholders.

Certain aspects of the identified material issues, particularly climate change and corporate governance, are detailed in “Navigating the Sustainability Disclosure” (p.13-22), based on the Korean Sustainability Standards Board (KSSB)’s proposed sustainability disclosure standards. Information related to human capital is reported in the ESG Factbook section (p.29-36).

Process and Methods



GOVERNANCE

DECISION-MAKING ON SUSTAINABILITY RISKS AND OPPORTUNITIES

Supervision of Sustainability Risks and Opportunities

YG Entertainment has established an ESG Committee within its Board of Directors to manage and oversee sustainability-related risks and opportunities. The roles, responsibilities, and duties of the ESG Committee are detailed in the Board of Directors regulations, ESG Committee regulations, and internal rules. This committee supervises decision-making on all ESG issues and non-financial risks. In 2023, the committee reviewed and resolved several key issues, including the results of the sustainability materiality assessment, the establishment and revision of ESG-related policies and regulations, the appointment of a risk management officer to handle non-financial risks, the approval of compliance control standards, the appointment of a compliance officer, and the approval of the detailed carbon neutrality plan for 2024.

ESG Committee Report and Resolution Matters

1. Resolutions: The committee deliberates to approve, amend and approve, supplement, or reject the following:
 - A. Establishment and management of ESG policies
 - B. Formulation and revision of ESG regulations
 - C. Development and decision-making on response measures for major environmental and social issues (major environmental issues must be addressed regularly, at least once a year)
 - D. Regular/ad-hoc inspection, assessment, and improvement of ESG activities
 - E. Deliberation and approval of ESG-related stakeholder communication, PR, and disclosure reports
 - F. Execution of individual social contributions exceeding KRW 500 million (in unavoidable emergency disaster relief situations, the CEO may execute in advance and report afterwards)
 - G. Other necessary matters related to the operation of the committee
2. Reporting matters: To be reported to the committee instead of requiring a resolution
3. Discussion matters: To be submitted for prior discussion on matters to be addressed in subsequent meetings and do not require a resolution

Overview of YG Entertainment’s Board of Directors

As of June 30, 2024, YG Entertainment’s Board of Directors consists of three executive directors (Yang Min-suk, Hwang Bo-kyung, Kim Sung-hee) and four independent directors (Kim Dong-hyun, Park Jeong-mee, Jeon Song-won, Lee Dong-woo), totaling seven members. To enhance the independence and transparency of the board, the roles of the chairman and the CEO are separated, with outside director Kim Dong-hyun appointed as the chairman. The board operates four committees: the Investment Review Committee, the Related Party Transactions Review Committee, the Compensation Committee, and the ESG Committee.

Committee	Members	Main Roles
Investment Review Committee	Lee Dong-woo (Chair) Yang Min-suk, Hwang Bo-kyung	• Reviews and approves necessary investments, including those in other companies, new business ventures, and overseas direct investments
Internal Transactions Review Committee	Park Jeong-mee (Chair) Kim Sung-hee, Jeon Song-won	• Reviews transactions involving affiliated companies and related parties • Oversees other internal transactions
Compensation Committee	Kim Dong-hyun (Chair) Kim Sung-hee, Park Jeong-mee	• Reviews matters related to employee compensation
ESG Committee	Jeon Song-won (Chair) Hwang Bo-kyung, Lee Dong-woo	• Decides and approves ESG-related tasks

GOVERNANCE

Assessment and Development of Monitoring Capabilities

YG Entertainment evaluates whether its Board of Directors and ESG Committee have the requisite expertise and capabilities to effectively oversee strategies and performance related to managing sustainability risks and opportunities. As of June 2024, the ESG Committee comprises two outside directors (Jeon Song-won, Lee Dong-woo) and one internal director (Hwang Bo-kyung). The company is committed to appointing directors with sufficient expertise to manage sustainability-related risks and opportunities. Furthermore, training sessions have been conducted for the Board of Directors to deepen their understanding of sustainability issues and enhance their oversight capabilities. During the reporting period, a session was held on “ESG Regulatory Trends and YG’s Strategies for Enhancing ESG Management.”

Composition and Expertise of the Board of Directors

*As of June 30, 2024

Category	Name	Gender	Expertise				
			Management	Finance/ Investment	Financial/ Accounting	Legal/ Regulatory	Risk Management
Executive Directors	Yang Min-suk	Male	●				●
	Hwang Bo-kyung	Female	●		●		
	Kim Sung-hee	Female	●	●			
Independent Directors	Kim Dong-hyun (Chairman)	Male	●	●			
	Park Jeong-mee	Female			●		●
	Jeon Song-won	Male				●	●
	Lee Dong-woo	Male		●			●

Methods and Frequency of Reporting for Decision-Making Bodies

YG Entertainment reports critical sustainability risks and opportunities to the Board of Directors and its committees. The ESG Committee is updated on these issues through the dedicated ESG team and also receives ad-hoc reports when significant risks and opportunities emerge. Deliberations and resolutions from matters discussed in the ESG Committee are then communicated to the Board of Directors, ensuring that sustainability risks and opportunities inform major corporate decisions.

Date of Meeting	Agenda	Approval Status
2023.05.11	Publication of the sustainability report	Approved
	Approval of the results of the materiality assessment	Approved
	Establishment and amendment of policies and regulations	Approved
2023.06.08	Appointment of the risk management officer	Approved
	Approval of compliance control standards and appointment of the compliance officer	Approved
2023.12.13	Approval of the detailed carbon neutrality plan for 2024	Approved
	Approval of amendments (draft) to the ESG Committee’s operating regulations	Approved

Goal Setting and Progress Monitoring

Under YG Entertainment’s ESG Committee regulations, significant sustainability goals are formalized through resolutions passed by the ESG Committee. The ESG team is responsible for reporting progress on these goals to the committee, facilitating ongoing monitoring and oversight of sustainability performance by the Board of Directors. Presently, there is no direct integration of sustainability metrics into KPIs for directors or executives.

GOVERNANCE

MANAGEMENT OF SUSTAINABILITY RISKS AND OPPORTUNITIES

Management’s Role and Oversight Methods

YG Entertainment’s ESG Committee has entrusted the CEO with the responsibility of identifying sustainability-related risks and opportunities, setting goals to address them, and overseeing their implementation status. The company has established an internal control system for sustainability, including measures for climate change, to support the CEO’s supervisory role. The ESG team collaborates with task forces and operational departments to execute corporate strategies and initiatives concerning sustainability risks and opportunities, monitoring outcomes and reporting to the CEO.

The CEO continuously monitors and supervises to ensure effective execution and progress of strategies aimed at achieving set objectives. Additionally, a semi-annual report on significant issues and achievements is submitted to the ESG Committee. YG Entertainment’s governance framework for sustainability risks and opportunities, including management roles and oversight systems, is structured as follows.

Framework for Sustainability Governance



STRATEGY

MANAGEMENT STRATEGIES FOR CLIMATE-RELATED RISKS AND OPPORTUNITIES

Identification of Climate-related Risks and Opportunities

YG Entertainment’s greenhouse gas emissions are relatively low compared to other industries due to the nature of its business activities, which do not involve production operations and are not directly subject to relevant laws and regulations. However, to participate in global climate action, YG Entertainment is dedicated to identifying and managing climate-related risks and opportunities.

The transition risks currently identified by the company include strengthened regulations on greenhouse gas emissions and climate disclosures. In the medium to long term, these are expected to fall under relevant laws, potentially leading to increased energy procurement costs, legal/administrative sanctions, and litigation if appropriate responses are not made. Specifically, stricter regulations on building and vehicle energy efficiency could result in higher maintenance costs.

Failure to appropriately respond to emission disclosure regulations and stakeholder demands may result in unmet expectations regarding carbon emissions from album and DVD production processes, as well as emissions from concerts. Strengthened regulations on plastics and alternative aviation fuels could increase travel costs for employees and audiences, potentially reducing profitability from ticket sales.

The physical risks currently identified by YG Entertainment include increased costs due to weather anomalies such as typhoons or heatwaves. For instance, the likelihood of accidents during travel or operations for overseas or regional concerts may increase, leading to higher costs for compensation and recovery from human and material damage. Additionally, according to the Korea Meteorological Administration, the average number of heatwave days is expected to increase from 8.8 days over the past 20 years to approximately 15.3-17 days by around 2030, 18.2-18.6 days from 2030 to 2040, and 22.8-30.2 days from 2040 to 2050. With rising average temperatures and increased heatwave days, outdoor filming or concerts could be delayed or canceled, resulting in additional costs or decreased revenue.

YG Entertainment’s climate-related opportunities include increased revenue from the sale of low-carbon, environmentally friendly products. If the market for the company’s main products, such as albums and DVDs, expands, reducing the carbon footprint of these products can enhance their eco-friendliness, leading to increased sales. Moreover, proactive responses to greenhouse gas emissions and climate regulations, as well as meeting stakeholder expectations, can enhance the company’s reputation and boost the market and societal recognition of its artists. The expected periods during which transition risks, physical risks, and opportunities will impact the company are as follows:

Climate-related Risks and Opportunities		Description	Short-term	Medium-term	Long-term
Transition Risks	Stricter regulations on greenhouse gas emissions and climate disclosures	Increased stakeholder demands for the reduction and management of emissions throughout the lifecycle of albums/DVDs		●	●
		Increased travel costs for artists, staff, and audiences		●	●
		Higher costs for managing energy use and GHG emissions of company buildings and vehicles		●	●
Physical Risks	Weather anomalies such as typhoons, floods, and hail	Human and material damage from accidents during travel and operations for overseas or regional concerts and events	●	●	●
	Rising average temperatures and heatwaves	Increased costs or decreased revenue due to delays or cancellations of outdoor filming and concerts	●	●	●
Opportunities	Sales of low-carbon, environmentally friendly products	Increased sales from meeting carbon footprint and eco-friendliness standards for products such as albums and merchandise			●
	Enhanced reputation and consumer awareness	Enhanced market reputation and consumer awareness from complying with climate-related regulations and meeting stakeholder expectations	●	●	●

STRATEGY

Business Model and Value Chain

At YG Entertainment, we are committed to continuously analyzing the potential impact of climate-related risks and opportunities on our business model. We acknowledge that these risks and opportunities, if realized, could significantly influence our operations. For instance, revenue from album and DVD sales constituted 34.7% of total sales during the reporting period, while concert revenue accounted for 19.6%. The introduction of Scope 3 greenhouse gas emission regulations and disclosure standards could potentially lead to a decline in these sales. We will closely monitor these regulations and trends, developing appropriate response plans to mitigate their adverse effects. Moreover, we will continually seek opportunities to enhance our revenue.

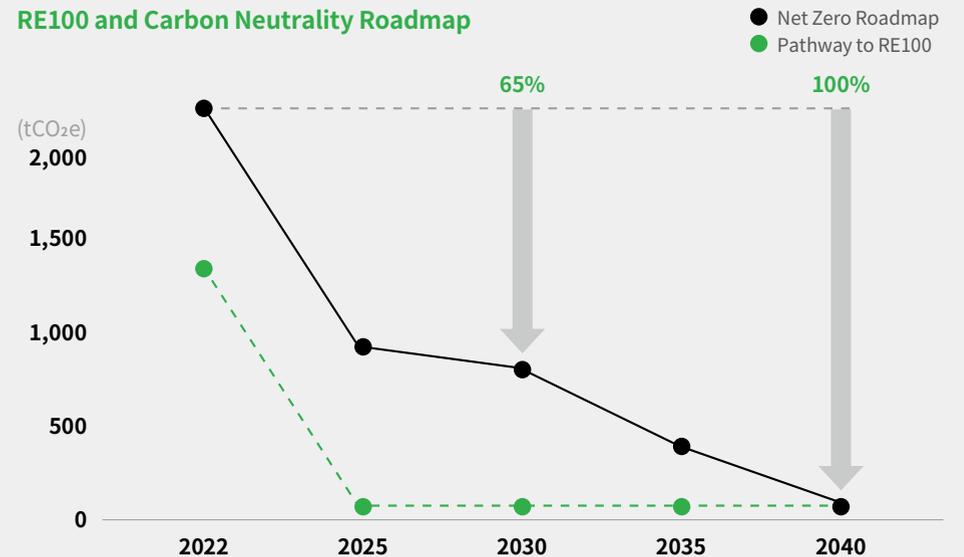
The climate-related risks and opportunities we have identified are also expected to significantly impact various aspects of our value chain. For example, the cancellation or postponement of concerts or events due to weather conditions could disrupt the schedules of business partners, including venue operators. Additionally, during heatwaves, business partners involved in concert preparation and execution, as well as the audience, may face health risks.

Climate Risk and Opportunity Management

In 2023, YG Entertainment established mid- to long-term goals for reducing greenhouse gas emissions to effectively manage climate-related transition risks. We have developed detailed strategies aimed at achieving these goals, including working towards carbon neutrality (including Scope 1 and 2 emissions) by 2040. We have set a target to reduce greenhouse gas emissions by 65% compared to 2022 levels by 2030, recognizing this period as critical for global climate change response. We will actively focus on reducing emissions in the future.

YG Entertainment is committed to achieving RE100 by 2025. We are currently evaluating various measures to attain this goal, including converting approximately 65% of our electricity usage, which represents Scope 1 and 2 emissions from our Korean business operations, to renewable energy sources by 2025. Over the medium to long term, we aim to transition our corporate vehicle fleet to low-carbon alternatives and continually decrease greenhouse gas emissions through enhancements in energy efficiency and conservation measures across our buildings. Further details on our greenhouse gas reduction targets can be found in the Metrics & Targets section.

RE100 and Carbon Neutrality Roadmap



STRATEGY

YG Entertainment's specific activities for climate-related risk management are as follows:

We have begun calculating greenhouse gas emissions from our concerts. In 2023, we assessed emissions for five sessions of two concerts: two sessions of BLACKPINK [BORN PINK] FINALE IN SEOUL and three sessions of AKMU 2023 CONCERT [AKMUTOPIA]. We have developed methodologies to evaluate emissions at each stage of the concerts—preparation, execution, and post-event—identifying major emission sources based on aggregated activity data and parameters. This includes energy usage from audience travel, energy consumption within the venue and auxiliary facilities, waste generated from the events, and electricity consumption from online concert viewing. Our calculations revealed that emissions from audience travel constitute the largest portion of total emissions. We are planning measures to manage environmental impacts caused by concert-related greenhouse gas emissions and to develop strategies for emission reduction. Additionally, by disclosing information on emission calculation methods and reduction activities, we aim to positively impact the advancement of greenhouse gas emission calculation and reduction efforts within the concert and entertainment industry.

At YG Entertainment's new headquarters, we have installed solar panels to generate part of the building's energy needs. Building Integrated Photovoltaic (BIPV) modules and rooftop solar panels have been installed to reduce external electricity purchases. In 2023, solar power generation accounted for approximately 3% of our new headquarters' annual electricity consumption.

[Sustainable Concert Report](#) ↗

To achieve the 2025 renewable energy RE100 goal, we are actively working to purchase external renewable energy.

We are exploring various methods to achieve RE100, including direct purchases from renewable energy developers or brokers (such as over-the-counter REC transactions and PPAs), transactions on the Korea Energy Agency's REC platform, and purchasing green premiums through Korea Electric Power Corporation. In 2023, we acquired RECs, replacing approximately 5% of the company's annual electricity consumption with renewable energy. In 2024, we plan to increase renewable energy usage to at least 30% through additional purchases.

In addition to using renewable energy, we are committed to improving energy efficiency within our buildings. For example, during early spring of the reporting period, we monitored weather conditions and external temperatures, allowing us to operate heating intermittently and reduce heating cycles. Furthermore, by switching the summer cooling in some areas of the new headquarters (such as the cafeteria) from LNG-based hot and cold-water units to EHP, we reduced LNG consumption for cooling and heating by approximately 17,000 cubic meters (17%) compared to the previous year.

As part of our physical risk management activities, we took measures to prevent heat-related health issues. On the day of the 2024 AKMU 10th Anniversary Concert [10VE], a heatwave was expected, so we installed sunshades outside the venue to protect the audience from heat-related illnesses such as heatstroke and exhaustion. We plan to further develop activities to manage physical risks and establish response guidelines for various natural disasters, including heatwaves, typhoons, and floods.

STRATEGY

FINANCIAL IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

YG Entertainment has evaluated the potential to quantify the financial impacts of climate-related risks and opportunities. The review highlighted a significant lack of primary and secondary data required for accurate assessment, resulting in high measurement uncertainty. Consequently, this year, we aim to disclose anticipated financial impacts qualitatively. As the demand for quantitative analysis grows and internal conditions improve, we plan to incorporate quantitative analysis in the future.

Transition Risk

Reinforced regulations on greenhouse gas emissions from the production and disposal of albums/DVDs, along with increased stakeholder demands, may necessitate the switch to low-carbon, environmentally friendly materials, potentially raising production costs. Additionally, efforts to reduce greenhouse gas emissions from buildings, stricter vehicle fuel efficiency regulations, and policies banning the sale of internal combustion engine vehicles may result in increased costs due to improvements in heating and cooling systems, vehicle replacements, and higher purchases of renewable energy.

Physical Risk

Natural disasters such as typhoons, floods, or hailstorms can cause accidents, injuries, or property damage to artists, employees, and business partners, leading to recovery or compensation costs. Furthermore, delays or cancellations of outdoor filming or concerts due to heatwaves can result in financial losses and negatively affect revenue.

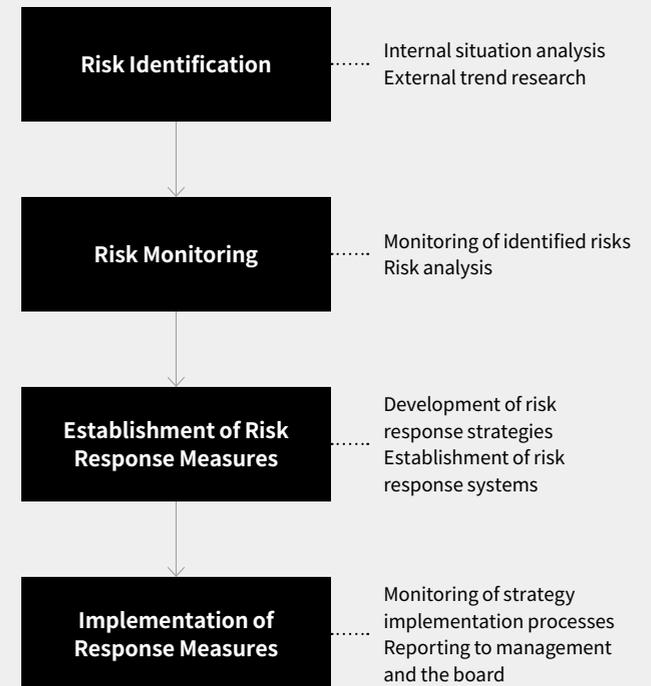
Opportunity

Recognition of the company’s main products, such as albums and DVDs, for their environmental friendliness by meeting carbon footprint standards or demonstrating superior carbon competitiveness could lead to increased sales and positively impact revenue.

RISK MANAGEMENT

SUSTAINABILITY-RELATED RISK MANAGEMENT PROCESS

YG Entertainment has established a comprehensive risk management process to proactively identify and manage sustainability-related risks, including climate risks. This process involves conducting internal situation analyses and external trend research to identify potential risks. Once identified, these risks are monitored, and response strategies and systems are developed and implemented based on their expected impact periods and significance. We continuously monitor the implementation process, analyze results, and report to the Chief Executive Officer, who oversees risk management. The CEO supervises the identification and management of sustainability-related risks within the company and reports the management status to the ESG Committee.



METRICS & TARGETS

CLIMATE-RELATED METRICS

Greenhouse Gas Emissions

YG Entertainment calculates and discloses greenhouse gas emissions to manage climate change-related performance metrics. In 2023, Scope 1 and 2 emissions amounted to 2,103 tons, showing a continuous decrease over the past three years. We also began calculating Scope 3 emissions from two categories: “fuel- and energy-related activities” and “waste generated in operations,” totaling approximately 168 tons. We plan to gradually expand our management scope by collecting additional data and developing methodologies to calculate emissions from other categories. Furthermore, in 2023, we started calculating greenhouse gas emissions from concerts. Emissions from two concerts (BLACKPINK [BORN PINK] FINALE IN SEOUL over two days and AKMU 2023 CONCERT [AKMUTOPIA] over three days) amounted to approximately 6,239 tons. Detailed information can be found in the Sustainable Concert Report.

[Sustainable Concert Report](#)

Category	Unit	2021	2022	2023
Scope 1 & 2 Emissions Subtotal*	tCO ₂ eq	2,352	2,279	2,103
- Scope 1 Emissions	tCO ₂ eq	993	879	759
- Scope 2 Emissions	tCO ₂ eq	1,359	1,400	1,344
Scope 3 Emissions Subtotal	tCO ₂ eq	-	177.48	167.83
- Fuel- and Energy-related Activities	tCO ₂ eq	-	147.98	141.33
- Waste Generated in Operations	tCO ₂ eq	-	29.5	26.5
Emissions from Concerts**	tCO ₂ eq	-	-	6,239
Scope 1 & 2 Emission Intensity***	tCO ₂ eq/ KRW 100 million	0.73	0.58	0.37

* Results are based only on greenhouse gas emissions within the organizational boundaries of YG Entertainment.

** Internally calculated and unverified.

*** Intensity is calculated based on consolidated revenue.

Energy Consumption

YG Entertainment calculates and discloses energy consumption to manage climate change-related performance metrics. In 2023, energy consumption was 42 TJ, representing a 7.7% reduction in absolute terms compared to 2022. Renewable energy consumption increased by approximately 0.7 TJ compared to the previous year, and energy consumption intensity has continuously decreased over the past three years.

Category	Unit	2021	2022	2023
Total Energy Consumption*	TJ	45.8	44.4	42.0
- Gas Consumption	TJ	8.4	6.3	5.7
- Diesel Consumption	TJ	5.6	5.2	4.6
- Gasoline Consumption	TJ	2.6	2.9	2.2
- Externally Purchased Electricity Consumption	TJ	28.4	29.2	28.7
- Photovoltaic systems installed	TJ	0.8	0.8	0.8
- Externally Purchased Heat Consumption	TJ	0.01	0.02	0.00
Renewable Energy Usage Ratio	%	0	1.9	3.5
Renewable Energy Consumption	TJ	0	0.8	1.5
Energy Consumption Intensity **	TJ/KRW 100 million	0.014	0.011	0.007

Scope 1 and 2 greenhouse gas emissions and energy consumption have decreased consecutively over the past two years, with intensity decreasing by 49.5% and 48.2%, respectively, over three years (2021-2023).

Category	2021-2022	2022-2023	2021-2023
Variation Rate of Scope 1 & 2 Emission Intensity	-20.4%	-36.6%	-49.5%
Variation Rate of Energy Consumption Intensity	-20.2%	-35.0%	-48.2%

* Results are based only on energy consumption within the organizational boundaries of YG Entertainment.

** Intensity is calculated based on consolidated revenue.

METRICS & TARGETS

CLIMATE-RELATED METRICS

Greenhouse Gas Emissions

Calculation Method, Input Variables, and Assumptions

(1) Calculation Method

YG Entertainment has defined organizational boundaries* for its domestic operations, encompassing all facilities within Korea (14 buildings including the new headquarters) and corporate vehicles. This boundary is based on an operational control approach for calculating greenhouse gas emissions.

Direct emissions (Scope 1) include the six major greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆) from stationary and mobile combustion sources, as well as emissions from urea solution. Indirect emissions (Scope 2) cover external electricity consumption. Other indirect emissions (Scope 3) focus on upstream emission sources, categorizing emissions from two categories and concerts according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

(2) Input Variables and Assumptions

The input variables and assumptions used by the company to calculate Scope 1, Scope 2, and Scope 3 emissions are as follows:

* Results are based only on greenhouse gas emissions within the organizational boundaries of YG Entertainment.

Category	Input Variables and Assumptions	Category	Input Variables and Assumptions
Scope 1	(1) Stationary Combustion - Primary Data: Consumption of gas and diesel fuel - Emission Factor: Default emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories	Scope 3	(1) Fuel- and Energy-related Activities Not Included in Scope 1 & 2 (C3) - Primary Data: Upstream emissions of purchased fossil fuels and electricity - Emission Factor: Domestic emissions factors by fuel type from the LCI database, emission factors for domestic electricity transmission and distribution losses
	(2) Mobile Combustion - Primary Data: Fuel consumption from mobile combustion (road) - Emission Factor: Default emission factors by fuel type and greenhouse gas from mobile combustion (road)		(2) Waste Generated in Operations (C5) - Primary Data: Amount of municipal waste, food waste, asset waste generated - Emission Factor: National LCI emission factors
Scope 2	(3) Other Greenhouse Gases - Urea Solution: Tier 1 emission factor (0.7328 tCO ₂ e/t), 3% of the diesel consumption applied		(3) Other: Greenhouse Gas Emissions from Concerts - Primary Data: Fuel consumption from audience travel, energy and electricity usage at venues, waste generation, electricity usage for online concerts - Emission Factor: Default emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, emission factors by fuel type and greenhouse gas from mobile combustion (road), country-specific electricity emission factors, national LCI emission factors
	(1) External Electricity - Primary Data: Consumption of externally purchased electricity - Emission Factor: Country-specific electricity emission factor (0.4594 tCO ₂ e/MWh)		
	(2) External Steam: Not applicable		

METRICS & TARGETS

CLIMATE-RELATED GOALS

Greenhouse Gas Emission Targets and Progress Management

Greenhouse Gas Emission Targets

In 2023, YG Entertainment voluntarily set carbon neutrality goals to contribute to global climate action. In alignment with the Paris Agreement, the national 2030 greenhouse gas reduction targets under the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis, and the 1.5°C target of the Science-Based Targets initiative (SBTi), we aim to achieve a 65% reduction in emissions from 2022 levels by 2030 and reach carbon neutrality by 2040. There are no additional targets mandated by climate-related laws or regulations. Our carbon neutrality goals are as follows:

Reduction Targets Progress Management

The reduction targets were established by YG Entertainment’s Facility Operation Team with assistance from a specialized agency and are continuously reviewed. The ESG team conducts additional reviews of these targets and their progress, reporting periodically to the CEO. Our emission reduction performance for 2023 is as follows.

Scope of Application			Base Year		Interim Target		Final Target		Type
Organizational Boundaries	Operational Boundaries	Greenhouse Gases	Year	Emissions	Year	Reduction Rate	Year	Reduction Rate	
All domestic facilities	Scope 1, 2	6 major greenhouse gases	2022	2,279 tons	2030	65%	2040	100%	Total emissions

Category	Current Emissions (tons)	Performance Compared to Previous Year
Total Greenhouse Gas Emissions (Scope 1 & 2)	2,103	7.7% reduction
Direct Greenhouse Gas Emissions (Scope 1)	759	13.7% reduction
Indirect Greenhouse Gas Emissions (Scope 2)	1,344	4.0% reduction

ESG FACTBOOK

ESG Factbook

Environment	24
Social	29
Governance	41

ENVIRONMENTAL MANAGEMENT | ENVIRONMENT

STRATEGY & MANAGEMENT

Environmental Management Policy [↗](#)

YG Entertainment has established an environmental management policy that guides sustainable practices and supports the development of industries and society within a global sustainable framework. This policy is publicly accessible on our website.

Establishment of Environmental Management System

YG Entertainment operates an environmental management system aimed at mitigating long-term negative environmental impacts. We systematically categorize environmental impact factors, assess their effects, and manage them to drive continuous improvement.

Dedicated Environmental Management Team

The Facility Operation Team at YG Entertainment oversees comprehensive environmental management. This team assesses and manages environmental metrics such as greenhouse gas emissions and energy consumption, implementing strategies to achieve environmental objectives, including the transition to renewable energy. Furthermore, they collaborate with the ESG Team to establish company-wide goals related to climate change and environmental management.

ISO 14001 Certification

YG Entertainment has implemented a corporate environmental management system and achieved ISO 14001(Environmental management systems) certification. We have developed an environmental management manual, strengthened organizational structures through management processes, and continuously identify and mitigate risks through ongoing monitoring.

Air Pollutant Management

To manage air pollutants emitted from facilities such as boilers and hot/cold water units at our headquarters, we have installed and maintained emission control facilities (Low NOx burners).

ENVIRONMENTAL MANAGEMENT | ENVIRONMENT

MEASURES & RESULT

Establishment of Electric Vehicle Infrastructure

YG Entertainment has established and operates an internal electric vehicle charging infrastructure as part of its greenhouse gas emission reduction efforts. Employees using electric vehicles can charge up to 80% of their battery within approximately one hour using their RF (Radio frequency) card registered with the chargers installed in the underground parking lot of the new headquarters. This initiative aims to provide convenience to employees who use electric vehicles.

Expansion of Environmental Education

YG Entertainment is enhancing the awareness of ESG management and environmental issues among its employees through expanded environmental education programs.

Program Title	Date	Details	Participants	Method
Everyday Environmental Protection	April 21, 2023	Discovering ways to protect the Earth in daily life that are often unnoticed or overlooked	113 persons	Online
Urban Rainwater Collection Campaign	June 2, 2023	Exploring the value of marine biodiversity and the risks of microplastics	140 persons	offline & online
Carbon Neutrality for Greenhouse Gas Reduction	November 15, 2023	Understanding carbon neutrality and YG's roadmap to achieve it	120 persons	

Air Pollutant Emissions

*Calculated based on NO2

Air Pollutant	Unit	2021	2022	2023
Nitrogen Oxides (NOx)*	Ton	-	-	0.212
Sulfur Oxides (SOx)				-
Particulate Matter				0.007

RESOURCE CIRCULATION | ENVIRONMENT

STRATEGY & MANAGEMENT

Water Management

Using the Aqueduct Water Risk Atlas from the World Resource Institute, we identified that our office in Hapjeong-dong, Mapo-gu, Seoul is located in a region with a medium-high water stress level, with a water stress index of 20-40%. Although it is not classified as a high or extremely high-water stress area, we plan to continue managing it closely. In line with this effort, since March 2023, we have been reusing rainwater through the stormwater treatment facility installed at our new headquarters.

Waste Management

YG Entertainment regularly disposes of miscellaneous goods, obsolete assets, and waste materials stored in warehouses for long periods through external companies, and manages waste disposal records internally. For food waste, we recycle it through composting. Recognizing the negative environmental impacts of landfill and incineration, we aim to explore ways to recycle and reuse waste to mitigate these issues.

MEASURES & RESULT

Environmentally Friendly Office Supplies

YG Entertainment has switched to using environmentally friendly materials for internal consumables such as paper cups and envelopes. We prioritize suppliers who have obtained environmental certifications or marks (such as eco-labels, chlorine-free bleaching, and recycled paper) or who meet related regulatory standards. Additionally, we regularly collect data on the consumption of office supplies and continuously foster a consensus among employees on the need to reduce the use of office consumables.

Waste Separation at Concert Venues

YG Entertainment recognizes the waste generated from extensive stage facilities and large audience gatherings at concert venues. To address this, we strive to reduce waste generation and increase recycling at these venues. At the BLACKPINK [BORN PINK] FINALE IN SEOUL, we installed waste separation facilities in the concert hall and surrounding areas, allowing waste to be categorized into general, recyclable, and food waste. Along with the artists and staff, the audience also participated in waste separation, helping to increase the amount of recyclable waste.

Category	Unit	2021	2022	2023
Water Intake	Ton	-	10,250	11,864
Water Usage			10,250	11,864
Water Intake Ratio from High Water Stress Areas	%		0	0

Category	Unit	2021	2022	2023
Waste Disposal	Ton	-	61.0	61.8
General Waste Disposal			32.1	25.5
Other Waste Disposal			7.2	6.8
Food waste disposal			21.8	29.5

RESOURCE CIRCULATION | ENVIRONMENT

Development of Environmentally Conscious Products and Services

YG Entertainment is developing environmentally friendly products and services in response to the public's pursuit of valuable and ethical consumption. For album production, we use low-carbon paper certified by the Forest Stewardship Council (FSC), soy-based ink for the components, and PLA (Polylactic acid) material derived from corn for the packaging. The environmentally conscious products produced in 2023 are as follows.

BLACKPINK 2nd ALBUM [BORN PINK]



LP ver.

TREASURE 2nd FULL ALBUM [REBOOT]



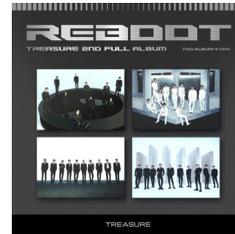
DIGIPACK ver.



Kit ver.



Photobook ver.



Tag ver.

BABYMONSTER 1st MINI ALBUM [BABYMONSTER]



Photobook ver.



Tag ver.

LEE CHANHYUK 1st SOLO [ERROR]



LP ver.

JISOO 1st SINGLE ALBUM [ME]



CD ver.



Tag ver.



Kit ver.



LP ver.

BIODIVERSITY | ENVIRONMENT

STRATEGY & MANAGEMENT

Identification of Biodiversity Risks Near Business Sites

YG Entertainment regularly monitors biodiversity risks around its new headquarters. The Hapjeong-dong area in Mapo-gu, Seoul, where the new headquarters is located, is classified as having a medium level of biodiversity risk according to the World Wildlife Fund (WWF) Biodiversity Risk Filter Map. We have assessed biodiversity risk levels near our business sites using biodiversity identification platforms in Korea and abroad, and we will continue with regular management and monitoring efforts.

* WWF Biodiversity Risk Filter(<https://riskfilter.org/biodiversity/home>)

MOU Aimed at Minimizing Deforestation

YG Entertainment has established a strategic partnership with the Forest Stewardship Council (FSC) to use FSC-certified paper as part of our efforts to raise awareness about forest conservation. We utilize FSC-certified paper and soy ink for album production, and the FSC label on our albums helps educate consumers about the importance of FSC certification and fosters an interest in forest protection.

MEASURES & RESULT

'From Here to the Sea' Rainwater Drain Plogging Campaign

To commemorate World Environment Day, YG Entertainment conducted the "From Here to the Sea" rainwater drain plogging campaign. The campaign aimed to prevent microplastics from entering the ocean by removing cigarette butts and other trash accumulated in urban rainwater drains. YG Entertainment employees, along with the non-profit environmental organization Ecobuddy Institute, participated in this campaign to raise awareness about the importance of maintaining clean rainwater drains. Prior to the campaign, 140 employees attended an educational session on protecting marine biodiversity from urban areas. During the campaign, employees dispersed along the main roads near the new headquarters in Hapjeong-dong, clearing cigarette butts and trash from rainwater drains in alleys frequently used as informal smoking areas. The 90-minute campaign resulted in the collection of 50 liters of cigarette butts and trash. Additionally, employees applied anti-littering stickers to promote environmental cleanliness.

EMPLOYEES | SOCIAL

MEASURES & RESULT

Employee Statistics

YG Entertainment manages the demographics of its workforce, including both regular and non-regular employees under contract.

Category		Unit	2021	2022	2023	
Total		Persons	379	415	460	
Gender	Male		168	183	187	
	Female		211	232	273	
Age Group	Under 30		167	171	186	
	30 to 50		203	237	268	
	Over 50		9	7	6	
Employment Type	Regular		Subtotal	362	394	410
			Male	164	176	158
			Female	198	218	252
	Non-regular		Subtotal	17	21	50
		Male	4	7	29	
		Female	13	14	21	

Diversity

YG Entertainment aims to enhance diversity by increasing the employment rate of disabled individuals and expanding the number of foreign employees by 2028. We are also committed to cultivating female leaders and professionals, thereby increasing the proportion of women in managerial roles. Additionally, we have set a detailed goal to achieve and maintain a 3.1% employment rate for disabled individuals by improving both the quality and quantity of job opportunities available to them.

Category		Unit	2021	2022	2023
Employees	Share of Male Employees	%	44	44	41
	Share of Female Employees	%	56	56	59
Managerial levels	Total	Persons	60	57	77
	Number of Male Managers	Persons	34	35	41
	Number of Female Managers	Persons	26	22	36
	Share of Male Managers	%	57	61	53
	Share of Female Managers	%	43	39	47
Foreign Employees	Number of Foreign Employees	Persons	11	7	7
	United States	Persons	6	4	3
	Canada	Persons	2	1	2
	Japan	Persons	1	1	0
	China	Persons	1	1	2
	New Zealand	Persons	1	0	0
	Share of Foreign Employees	%	2.90	1.69	1.52
	Number of Disabled Employees	Persons	2	1	6
Disabled Employees	Share of Disabled Employees	%	0.53	0.24	1.30

* According to the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities, the goal applies the principle of doubling the employment quota for severely disabled individuals.

EMPLOYEES | SOCIAL

Employment and Years of Service

Category		Unit	2021	2022	2023
Employment	Total Number of New Employees	Persons	129	151	145
	Number of New Graduates	Persons	70	27	45
	Number of Experienced Hires	Persons	59	124	100
Turnover	Total Turnover	Persons	94	117	101
	Number of Voluntary Turnovers	Persons	74	103	78
	Voluntary Turnover Rate	%	19.5	24.8	17.0
Years of Service	Average Employee Tenure	Years	4.2	3.9	3.9
	Average Tenure for Male Employees	Years	4.9	4.7	4.6
	Average Tenure for Female Employees	Years	3.4	3.1	3.2

Employee Compensation Status

Category		Unit	2021	2022	2023
Average Employee Salary	Total	KRW million	50	66	58
	Male	KRW million	57	78	72
	Female	KRW million	43	54	49

Building a Horizontal Organizational Culture

YG Entertainment is committed to fostering a horizontal organizational culture characterized by open communication. To achieve this, we hold quarterly labor-management council meetings composed of six members, with an equal representation of labor and management, to discuss working conditions, welfare, and other related matters.

Employee Education Programs

YG Entertainment supports the enhancement of employee capabilities through job-specific training tailored to individual roles and targeted training for selected employees. Additionally, we offer self-development and external education programs to help employees acquire knowledge in various fields.

Category	Education Program	
Onboarding	<ul style="list-style-type: none"> Welcome Lounge Introductory training: Company history, WorkTool, A&R 	<ul style="list-style-type: none"> Compliance training: On bribery of public officials, bribery by breach of trust, and anti-graft laws Brand & Welfare Tour Advanced training
Job/General	<ul style="list-style-type: none"> Job-specific training Leadership/ethics training 	<ul style="list-style-type: none"> Targeted training
Mandatory	<ul style="list-style-type: none"> Disability awareness training Sexual harassment prevention training Information security training 	<ul style="list-style-type: none"> Education on retirement pension Education on occupational safety and health
Self-Development	<ul style="list-style-type: none"> Job skills, lifestyle (hobbies), language learning 	
External	<ul style="list-style-type: none"> Insight activities, external training, graduate school enrollment 	

Category	Unit	2021	2022	2023
Training hours per person	Hours	30.34	37.33	38.70
Training cost per person	KRW thousand	326	363	436

EMPLOYEES | SOCIAL

Flexible Work Systems

YG Entertainment offers a variety of flexible work systems, including staggered shifts, flexible working hours, compensated leave, and off-site work arrangements, allowing departments to choose the best options for their needs.

Welfare Programs

YG Entertainment implements comprehensive welfare programs that consider the work environment, health, and personal development, and the well-being of employees' families.

Category	Welfare Programs	
Work Environment	<ul style="list-style-type: none"> Flexible work systems On-site cafeteria (free lunch and dinner) and gym 	
Health and Safety	<ul style="list-style-type: none"> Biennial health check-up support Full coverage for up to 8 psychological counseling sessions per year 	<ul style="list-style-type: none"> Support for accident and life insurance premiums Occupational injury compensation
Living and Economic Support	<ul style="list-style-type: none"> Education fund for employees and their children Allowances for personal events (e.g., weddings, funerals) Funeral support services Awards for long-term service 	<ul style="list-style-type: none"> Holiday allowances Maternity leave support for spouses Childcare service support Housing rental/lease fund support Communication expense support
Self-Development	<ul style="list-style-type: none"> Annual self-development fund up to KRW 1.3 million Book purchase support Foreign language learning support 	
Others	<ul style="list-style-type: none"> Club activity support YG employee discount benefits Gathering Day events for employees who joined together 	

Family Care Program

YG Entertainment operates a family care program to support employees' work-life balance and alleviate the burden of childbirth and childcare. In compliance with the Labor Standards Act, we provide up to 90 days of unpaid leave for childbirth and offer reduced working hours during pregnancy and childcare periods. To foster work-life balance for all employees, we actively encourage the use of parental leave.

Category		Unit	2021	2022	2023
Parental Leave	Number of Users	Male	1	1	0
		Female	1	5*	6
	Number of Returnees	Male	0	1	0
		Female	0	1	2
	Employees Who Worked for More Than 1 Year after Returning	Male	0	0	0
		Female	4	0	0
Maternity Leave	Number of Users	Male	5	5	2
		Female	3	4	3
Number of Family Care Leave Users			0	0	2

*A correction was made due to an error in the previous year's report.

Category	Unit	2021	2022	2023
Welfare Cost	KRW million	6,188	8,057	9,304
Ratio of Sales to Welfare Expense	%	1.92	2.06	1.63

SAFETY AND HEALTH | SOCIAL

STRATEGY & MANAGEMENT

Safety and Health Management Policy [↗](#)

YG Entertainment prioritizes the life and safety of its employees above all else in its business operations and has established a comprehensive safety and health management policy. This policy applies to all employees, artists, and partner staff, ensuring they work in a safe environment. The policy was approved by senior management on December 19, 2023, and is accessible through the company website.

Safety and Health Council

YG Entertainment has formed a Safety and Health Council to proactively identify and respond to safety and health risks. The council comprises internal personnel, such as the safety manager, health manager, and safety and health officer, as well as external personnel responsible for facility security and equipment maintenance. This council regularly discusses potential safety and health risks both inside and outside the company, identifies areas for improvement, and works to minimize potential hazards.

Occupational Safety and Health Committee

YG Entertainment addresses safety and health matters and prevents occupational accidents through its quarterly Occupational Safety and Health Committee meetings. This committee, part of the safety and health management organization, includes 10 members, with representation from workers. Quarterly meetings are held to deliberate and make decisions on workplace safety and health matters, with the results disclosed on the company's internal electronic bulletin board in accordance with Article 39 of the Enforcement Decree of the Occupational Safety and Health Act.

ISO 45001 Certification

As the first Korean entertainment company to achieve ISO 45001(Occupational health and safety management systems) certification, YG Entertainment underwent a follow-up audit in October 2023. We have developed a comprehensive disaster response manual to swiftly address various emergency scenarios and consistently deliver disaster safety training to employees, aiming to mitigate the effects of occupational accidents. Additionally, YG Entertainment conducts an annual internal risk assessment across all facilities using the Korea Risk Assessment System (KRAS) to continuously ensure employee safety.

SAFETY AND HEALTH | SOCIAL

MEASURES & RESULT

Concert and Filming Site Safety Manual [Concert Venue Safety Guide](#)

YG Entertainment proactively identifies potential hazards not only within its internal work environment but also at outdoor locations where concerts and content shootings take place. To prevent accidents, we procure and distribute appropriate protective gear, such as safety shoes and helmets, at these sites. Additionally, we provide health supplies like saline glucose to prevent and manage seasonal illnesses, such as heat-related disorders. A safety management system led by a Chief Safety Officer, supported by field experts, has been established. Regular interviews with on-site workers are conducted to identify areas for improvement.

In June 2023, we developed a concert venue safety guide that includes processes for safety management, safety compliance standards, and a manual for responding to serious accidents. This guide was first implemented at BLACKPINK [BORN PINK] FINAL IN SEOUL and will be continuously updated in accordance with relevant laws and regulations.

Safe and Pleasant Workplace

YG Entertainment inspects, takes preventive measures, and manages occupational diseases such as musculoskeletal disorders and respiratory illnesses among its employees. We have completed an investigation of harmful factors in tasks that burden the musculoskeletal system through a specialized organization certified by the Ministry of Employment and Labor. Additionally, we conduct weekly education programs to prevent and manage musculoskeletal disorders for our employees.

Health Consultation Campaign

YG Entertainment conducts regular health consultations to prevent diseases among its employees. An occupational health physician and nurse visit the headquarters to provide consultations on basic health conditions, including blood pressure, blood sugar, and cholesterol levels. In 2023, a total of 12 health consultations were conducted.

Selected as a Leading Company in Non-Smoking Culture

In 2023, YG Entertainment collaborated with the Seoul Smoking Cessation Support Center to conduct non-smoking campaigns and educational programs to promote a non-smoking culture within the company for the health of its employees. In recognition of these efforts, YG Entertainment was designated as a leading company in non-smoking culture by the Seoul Smoking Cessation Support Center in December 2023.

Occupational Accident Rate

Category	Unit	2021	2022	2023
Number of workers covered by the occupational health and safety system	Persons	379	415	460
Fatalities due to work-related accidents	Persons	0	0	0
Fatalities due to work-related illnesses	Persons	0	0	0
Occupational accident rate	%	0	0	0
Absenteeism rate due to occupational accidents	%	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	-	0	0	0
Occupational Illness Frequency Rate (OIFR)	-	0	0	0

HUMAN RIGHTS | SOCIAL

STRATEGY & MANAGEMENT

Human Rights Policy [↗](#)

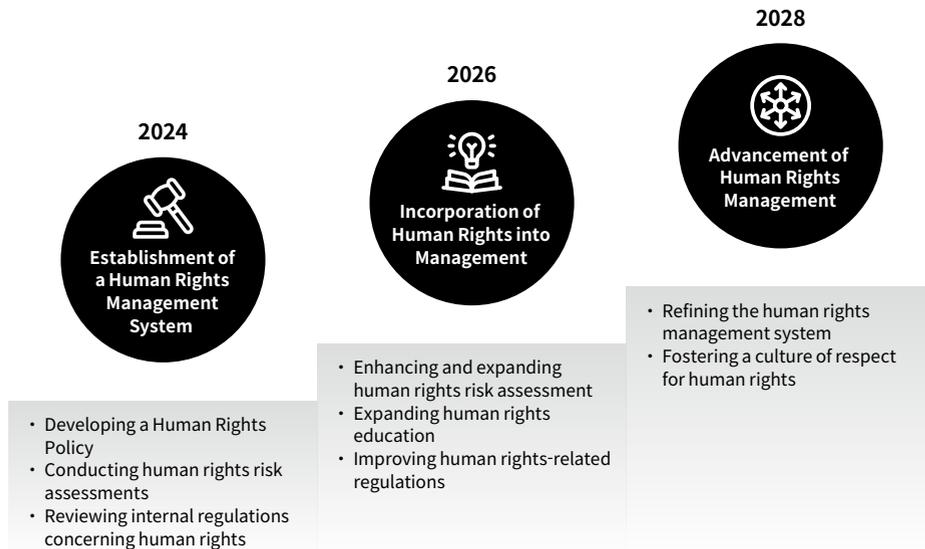
YG Entertainment upholds respect for human rights and has established a Human Rights Policy to prevent violations that may occur across its business activities. The policy applies to all stakeholders, including YG Entertainment’s subsidiaries worldwide, fans, customers, and business partners. It was approved by senior management on June 20, 2023, and is publicly accessible on the company’s website.

Human Rights Risk Assessment Process

YG Entertainment has implemented a Human Rights Risk Assessment Process to identify and manage potential human rights risks in its business operations. In alignment with our Human Rights Policy, we conducted surveys among employees to assess potential human rights risks. The findings were analyzed to identify areas for improvement, with plans for ongoing monitoring and management.



Medium to Long-Term Goals of Human Rights Management



Category	Human Rights Risk Mitigation Measures
Employees	<ul style="list-style-type: none"> • Establishing human rights management goals • Strengthening the labor-management council • Expanding communication opportunities with management • Maintaining and promoting internal reporting channels • Enhancing welfare benefits • Operating employee stress relief programs
Artists	<ul style="list-style-type: none"> • Fan etiquette campaign
Fans	<ul style="list-style-type: none"> • Establishing and disclosing fan interaction principles

HUMAN RIGHTS | SOCIAL

MEASURES & RESULT

Culture of Mutual Respect

YG Entertainment has introduced a culture of simplifying appellations based on job positions to respect individual professional skills and foster development, aiming to encourage proactive communication among employees. For employees with specific titles, we use their job titles, while for those without, we uniformly use the suffix “nim” after names. Through this initiative, we aim to create an organizational culture where all employees can reach their full potential based on mutual respect.

Improving Employee Awareness of Human Rights

YG Entertainment provides online and offline education programs on preventing workplace bullying and sexual harassment and promoting disability awareness to enhance employees' understanding of human rights. This initiative aims to prevent potential human rights risks within the company.

Protection of Artists' Rights

YG Entertainment has launched the Fan Etiquette Campaign to uphold and ensure artists' safety and respect their rights. Guidelines include prohibiting visits to artists' private spaces (residences), disallowing the disclosure of undisclosed schedule information, banning illegal acquisition and sharing of personal information, avoiding excessive physical contact, and preventing the spread of malicious rumors. These guidelines have been shared online. Additionally, we continually monitor and take appropriate actions, such as halting posts, against hate comments, false information, and derogatory remarks about artists, thereby supporting their mental well-being.

Protection of Underage Artists

YG Entertainment actively safeguards underage artists by establishing and managing a mutual communication channel, YG Connect, between the company and their guardians. YG Connect shares matters such as educational initiatives for underage artists, their schedules, the company's safety measures, dedicated management, and relevant departments. It also provides updates on the health of underage artists, residence permit details (for non-Koreans), and other essential notifications.

HUMAN RIGHTS | SOCIAL

Enhancing Fan Accessibility

YG Entertainment enhances the accessibility of its artists’ concerts by focusing on both information and facility accessibility, ensuring all attendees can access concert facilities, information, and content without any inconvenience. Information accessibility involves providing concert-related information in universally recognizable formats. Facility accessibility ensures that venues, including parking areas and ticket offices, are usable by all attendees without discomfort. To support this approach, YG Entertainment offers notifications for the visually impaired on booking pages, advance notices for wheelchair seating, and accessibility manager systems to cater to the needs of disabled audiences.

For instance, the accessibility guide video created for the BLACKPINK [BORN PINK] FINALE IN SEOUL concert received positive feedback. Over 80.9% of respondents in a fan survey on sustainable concert awareness rated the guide video positively, stating it provided detailed explanations of movement paths and guidance.

[Sustainable Concert Report](#) 

Whistleblowing Program for Human Rights Violations

To foster a work environment where all employees’ human rights are respected, YG Entertainment operates a Whistle Blowing System (WBS) to receive human rights-related grievances at any time. This system is accessible to both internal and external stakeholders. The consultation and reporting processes for human rights-related grievances are announced on the internal groupware bulletin board, ensuring transparency and accessibility for everyone.

Category	Unit	2021	2022	2023
Number of human rights-related reports	Case	0	1	0
Number of processed human rights-related reports	Case	0	1	0

Category	Unit	2021	2022	2023
Number of violations of human rights-related regulations	Case	0	0	0
Non-criminal fine	KRW thousand	0	0	0
Criminal fine	KRW thousand	0	0	0

INFORMATION PROTECTION | SOCIAL

STRATEGY & MANAGEMENT

Privacy Policy [↗](#)

YG Entertainment has established a privacy policy to protect the personal data and rights of customers and employees in accordance with relevant privacy laws. This policy covers the collection, processing, and use of personal data, ensuring transparency and secure management. The privacy policy was approved by the head of the IT Support Group, authorized by the CEO, and has been in effect since July 3, 2023. The policy is publicly available on our website.

Privacy and Information Security System [↗](#)

YG Entertainment operates a comprehensive organization dedicated to managing information security and privacy, ensuring systematic approaches and initiatives. This organization has established robust defenses against IT and cyber-attacks and prepares for potential personal data leakage incidents through regular anomaly monitoring, simulated hacking, pilot tests, and data leakage prevention systems. As a result, there have been no incidents or damages related to personal data leakage in the past five years.

MEASURES & RESULT

Investment in Privacy and Information Security

To enhance information security, YG Entertainment provides all employees with secure document and office software as well as data leakage prevention programs. Additionally, to prepare for potential privacy incidents, we have subscribed to liability insurance for privacy protection and regularly renew it.

Data Leakage Status

Category	Unit	2021	2022	2023
Total number of data leak incidents	Case	0	0	0
Total number of customer data leak incidents	Case	0	0	0
Fines for violations of data leakage regulations	KRW thousand	0	0	0
Number of data breaches	Case	0	0	0
Rate of Personally Identifiable Information (PII) breaches	%	0	0	0
Number of users affected by data breaches	Person	0	0	0
Number of incidents where personal data was used for secondary purposes	Case	0	0	0

BUSINESS PARTNERS | SOCIAL

STRATEGY & MANAGEMENT

[Business Partner Code of Conduct](#)

In May 2023, YG Entertainment established the Business Partner Code of Conduct to ensure that our partners' sustainability practices align with ours. This Code comprises four sections: ethical management, safety and health, respect for human rights, and environmental protection. It outlines the standards that YG Entertainment's business partners must adhere to.

[Grievance Handling Process for Business Partners](#)

To prevent fraudulent and illegal activities, YG Entertainment operates a grievance reporting system for business partners. This system is introduced through a compliance pledge for the Code of Conduct, and any issues raised are managed and addressed by the responsible department through a structured process to ensure immediate action.

COMMUNITY | SOCIAL

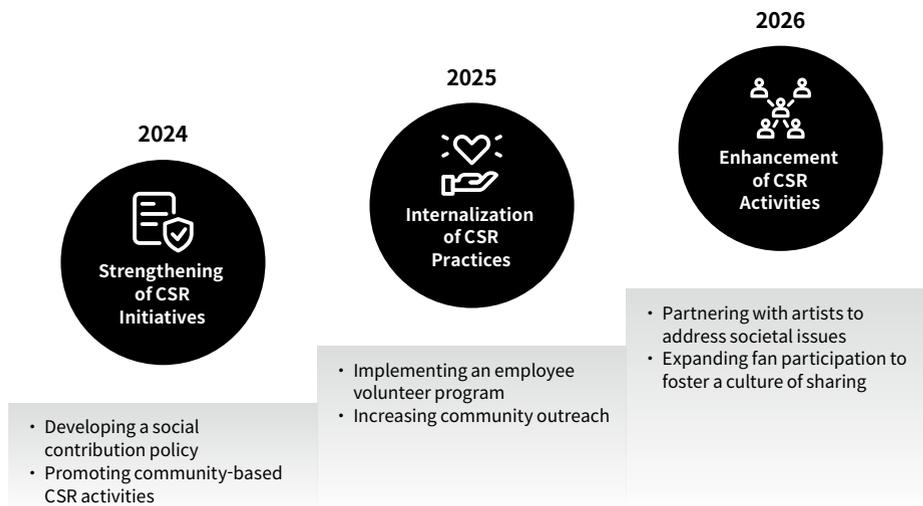
STRATEGY & MANAGEMENT

Corporate Social Responsibility Policy [↗](#)

YG Entertainment has established a strategic framework for corporate social responsibility(CSR) that involve artists, fans, and employees working together to create sustained social value. Recognizing our social responsibility in fostering an inclusive society, we allocate a portion of our revenue to support children and youth communities and engage in various public interest and charitable activities.

Mid- to Long-Term CSR Goals

YG Entertainment aims to establish mid- to long-term goals for mid-to long term CSR goals for, solidifying the foundation and gradually internalizing and enhancing our CSR activities. Through these efforts, we endeavor to exert a positive influence and contribute to the local community, empowering our company, artists, and fans to make a beneficial impact together.



MEASURES & RESULT

Inclusive Society

Employee CSR Activities: YG WITH

YG Entertainment encourages employees to voluntarily participate in charitable activities through the YG WITH campaign. We support volunteer activities through “WITH DAY,” our employee volunteer day, and promote participation with the WITH Point system. In 2023, our employees consistently engaged in community service activities, including delivering coal briquette, providing lunch boxes to children at risk of hunger, organizing cultural experiences for children in orphanages, and cleaning up rainwater drains. Our mid- to long-term goal is to strengthen CSR initiatives by ensuring that employees participate in at least two CSR activities annually.

Category	Unit	2021	2022	2023
Volunteer hours per employee	Hour	0.6	1.1	6.7*
Number of volunteer activities	Case	4	3	8
Total volunteer hours	Hour	237	473	3,088
Number of beneficiaries	Case	750	589	3,621
Total charitable contribution	KRW 10 million	40.8	51.4	61

* The increase in total volunteer hours in 2023 is due to a virtual walking donation challenge.

COMMUNITY | SOCIAL

YG BOPCHA

Since 2015, YG BOPCHA (Meal Truck) has been one of YG Entertainment’s signature CSR activities. In 2023, YG BOPCHA made five trips, delivering a total of 1,255 meals to the local community. Moving forward, we plan to focus YG BOPCHA on providing enjoyable meals primarily for children and youth, rather than visiting various welfare facilities.

Date	Support Details	Number of Beneficiaries
January 18, 2023	Special New Year’s meal at Seoul City Youngbo Care Center	350 persons
May 3, 2023	Special Children’s Day meal at Samdong Boy’s Town	55 persons
June 17, 2023	Snacks for the Seoul Developmental Disabilities Swimming Competition	250 persons
July 28, 2023	Snacks for the flood recovery efforts in Cheongyang County, Chungcheongnam-do	400 persons
November 24, 2023	Snacks for the graduation ceremony of out-of-school youth in Jeollabuk-do	200 persons

Bridging the Cultural Gap

Project Yourside

Project Your Side is a newly launched CSR initiative aimed at bridging the cultural gap, under the motto “YG comes to your side so that anyone can enjoy rich cultural experiences anywhere.” This initiative seeks to actively spread cultural infrastructure concentrated in the metropolitan area to local communities.

In September 2023, we held various programs in Gyeongsan, Gyeongsangbuk-do, and in October 2023, in Chungju, Chungcheongbuk-do. These programs include pop-up exhibitions, dance workshops, auditions, and creative sessions that allowed people to experience YG’s diverse pop culture content. In recognition of our efforts to bridge the cultural gap in these regions, we received the Minister of Culture, Sports and Tourism Award for Cultural City Promotion Merit in September 2023.

YG Walking Festival

In celebration of its 27th anniversary in May 2023, YG Entertainment held the YG Walking Festival. Artists, employees, and fans participated in a virtual charity walking activity, and YG donated KRW 270 million to Oxfam, an international relief and development organization. The donation will be used for the Cultural Equity Project, targeting 1,000 underprivileged youth in Nepal from July 2023 to December 2024.

Positive Influence

AKMU’s Small Concert

In December 2023, AKMU held a Christmas concert for child patients at Seoul National University Children’s Hospital. They also visited patients who couldn’t attend the concert, delivering gifts, taking photos, and sharing messages of encouragement.

TREASURE’s Double Donation

To celebrate the new year in January 2024, YG Entertainment and TREASURE engaged in charitable activities for children and youth. By participating in Naver Happy Bean’s double donation campaign, they selected eight fundraising areas for children’s education, healthcare, and cultural and artistic support, raising KRW 60,112,200 together with netizens.

COMPLIANCE AND ETHICAL MANAGEMENT | GOVERNANCE

STRATEGY & MANAGEMENT

Code of Ethics [↗](#)

YG Entertainment has established a Code of Ethics that outlines the desirable behaviors and value judgments expected of the company and its employees to earn the trust of stakeholders. The Code of Ethics, along with other ethics and compliance-related regulations, is accessible to employees via the internal bulletin board and website. Annually, employees reaffirm their commitment to ethical management by signing the Code of Ethics Compliance Pledge.

Anti-Corruption Policy [↗](#)

YG Entertainment has developed an Anti-Corruption Policy to prevent corrupt activities by the company and its employees.

This policy includes provisions prohibiting all forms of corruption in business activities, outlines reporting channels for corruption incidents, and sets principles for prompt investigation and response. It also ensures protection for whistleblowers from retaliation. Approved by top management in December 2023, this policy is available on our website.

Fair Trade Policy [↗](#)

YG Entertainment has established a Fair Trade Policy to foster mutually beneficial business relationships based on trust and respect with its partners. This policy outlines the principles of fair trade that all employees must adhere to, representing the company's commitment to eliminating unfair trade practices.

Compliance Officer

In 2023, YG Entertainment appointed a Compliance Officer through the ESG Committee and established compliance control standards. The Compliance Officer is responsible for proactively managing and inspecting potential legal risks within YG Entertainment, including those related to human rights, fair trade, anti-corruption, and intellectual property protection. The effectiveness of the compliance system is regularly evaluated, with the results reported to the ESG Committee to preemptively address potential compliance and ethical management risks within the company.

COMPLIANCE AND ETHICAL MANAGEMENT | GOVERNANCE

ISO 37301 and ISO 37001 Certification

In April 2023, YG Entertainment became the first in the industry to obtain integrated certification for ISO 37301 (Compliance management systems) and ISO 37001 (Anti-bribery management system) management systems. The company maintained this certification through a follow-up audit in April 2024. The Legal & Compliance team supports the operation of these compliance and anti-bribery management systems through company-wide training, compliance letter distribution, and ethical campaigns. These initiatives enable employees to independently conduct and review compliance activities. Employees are encouraged to proactively strengthen their sense of responsibility, while the responsible department engages in regular monitoring to prevent work-related risks.

Compliance Risk Identification and Assessment

YG Entertainment operates a process to assess and inspect compliance risks, including corruption. This involves identifying company-wide obligations and diagnosing risks accordingly. Based on the diagnosis results, the company supports each department in establishing appropriate control measures and setting goals to prevent risks.

Internal Reporting System

Employees of YG Entertainment can report any violations of company policies, regulations, and guidelines at any time through the internal Whistle Blowing System (WBS). This includes illegal activities, bribery, misuse of position for unfair advantage, obstruction of fair business conduct, workplace bullying, and other unethical behaviors. Reports are made anonymously, with all related information encrypted to ensure the whistleblower's identity remains confidential. Once a report is received, the audit department promptly responds in accordance with the established process.

COMPLIANCE AND ETHICAL MANAGEMENT | GOVERNANCE

MEASURES & RESULT

Compliance Letters

YG Entertainment regularly sends Compliance Letters to all employees to enhance their awareness of ethics and compliance. These letters cover relevant topics such as policies, laws, and case studies pertinent to our business operations, helping employees better understand compliance issues.

Compliance Training for Artists

Since February 2023, YG Entertainment has provided compliance training to its artists every two months. The training addresses ethical and legal issues that may arise during their entertainment activities, including defamation, insults, and assault. It also educates on the Information and Communications Network Act and considerations when writing on social media. This initiative aims to raise the compliance awareness of YG’s artists.

CLEAN YG Campaign

To foster a fair and transparent organizational culture, YG Entertainment conducts the CLEAN YG Campaign. This campaign focuses on raising ethical awareness through compliance with the Anti-Graft Act, promoting the internal reporting system, preventing workplace bullying, and respecting employee human rights.

Compliance-Related Violations

Category		Unit	2021	2022	2023
Violations of Anti-Corruption Law	Number of Cases	Case	0	0	0
	Non-criminal fine	KRW thousand	0	0	0
	Criminal fine	KRW thousand	0	0	0
Violations of Defamation Law	Number of Cases	Case	0	0	0
	Non-criminal fine	KRW thousand	0	0	0
	Criminal fine	KRW thousand	0	0	0
Violations of Antitrust and Anti-Competitive Practices Law	Number of Cases	Case	0	0	0
	Non-criminal fine	KRW thousand	0	0	0
	Criminal fine	KRW thousand	0	0	0

COMPLIANCE AND ETHICAL MANAGEMENT | GOVERNANCE

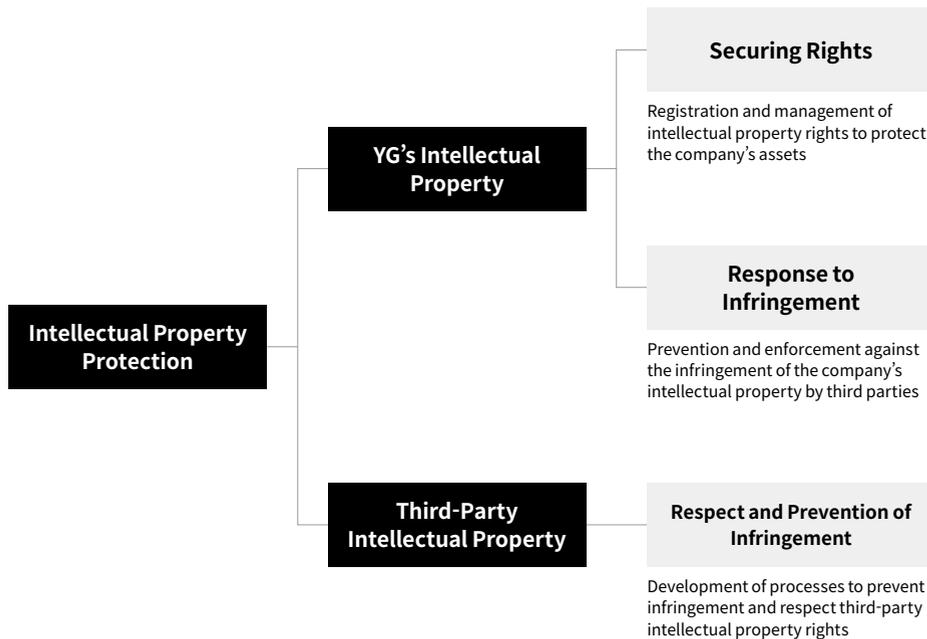
Compliance Training

Training Name	Date	Description	Target Audience	Training Method
Training on Anti-Graft Act and Embezzlement/ Breach of Trust	September 20, 2023	<ul style="list-style-type: none"> • Definition of Anti-Graft Act (applicable individuals, case studies, etc.) • Definition of embezzlement and breach of trust 	All employees	Educational video
Training on Fair Trade Act/Subcontracting Act	October 24, 2023	<ul style="list-style-type: none"> • Fair trade system and enforcement • Fair Trade Act (abuse of dominant market position, unfair trade practices) • Subcontracting Act (key regulations) 	All employees	Offline & online
Training on Artist-Related Risks	November 28, 2023	<ul style="list-style-type: none"> • Educating on potential risks related to artists, including legal violations 	Departments directly working with artists	Offline & online
Training on the Popular Culture and Arts Industry Development Act and the Unfair Competition Prevention Act	December 7, 2023	<ul style="list-style-type: none"> • Popular Culture and Arts Industry Development Act (purposes, scopes, compliance requirements, etc.) • Unfair Competition Prevention Act (purposes, types of unfair competition, protection of trade secrets, etc.) 	All employees	Online

INTELLECTUAL PROPERTY | GOVERNANCE

STRATEGY & MANAGEMENT

YG Entertainment systematically manages and protects its intellectual property rights, which are critical assets in its content business, through a dedicated IP team. The company safeguards copyrights, trademarks, and other intellectual property rights across all content production and business activities. YG Entertainment has also established an IP protection policy and framework to prevent infringements.



MEASURES & RESULT

Intellectual Property Protection Activities

YG Entertainment is committed to fostering a robust intellectual property protection ecosystem within the entertainment industry. In 2023, we conducted continuous monitoring for intellectual property protection across 15 countries. During the BLACKPINK [BORN PINK] FINALE IN SEOUL, we collaborated with the Korean Intellectual Property Office and the Korea Intellectual Property Protection Agency to conduct on-site inspections against intellectual property infringements (counterfeit goods).

Furthermore, we implement procedures to scrutinize intellectual property infringements, including social media posts, in accordance with content creation guidelines. Moving forward, YG Entertainment will continue to lead efforts to raise awareness about the significance of intellectual property rights, ensuring the safeguarding of our own intellectual property while respecting that of third parties.

Intellectual Property Training and Guidelines Development

In May 2024, YG Entertainment developed trademark guidelines to educate departmental personnel involved in creating and utilizing intellectual property on securing and protecting trademarks. We plan to further develop guidelines for copyrights and publicity rights to strengthen our commitment to protecting YG Entertainment's intellectual property and preventing the infringement of third-party rights.

APPENDIX

Appendix

GRI Standards 2021	47
SASB Index	50
GHG Assurance Statement	51
Independent Assurance Statement	53

GRI STANDARDS

GRI Standards 2021		
GRI 1: Foundation 2021	Description	YG Entertainment reports its data from January 1 to December 31, 2023, based on GRI Standards 2021. Some information on key activities and performances includes data from before 2023 or the first half of 2024.
	GRI 1	GRI 1: Foundation 2021
	GRI sector standards	The industry-specific standards for YG Entertainment are currently unavailable as they have not yet been published.

General disclosures			Page
GRI 2: General Disclosures 2021	2-1	Organizational details	1
	2-2	Entities included in the organization’s sustainability report	1, 8
	2-3	Reporting period, frequency and contact point	1
	2-4	Restatements of information	Separate statement
	2-5	External assurance	52
	2-6	Activities, value chain and other business relationships	1, 7-10, 38
	2-7	Employees	29
	2-8	Workers who are not employees	29
	2-9	Governance structure and composition	13-14
	2-10	Nomination and selection of the highest governance body	13-14
	2-11	Chair of the highest governance body	13
	2-12	Role of the highest governance body in overseeing the management of impacts	13-14
	2-13	Delegation of responsibility for managing impacts	13-14
	2-14	Role of the highest governance body in sustainability reporting	13-14
	2-15	Conflicts of interest	13-14

General disclosures			Page
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	12, 15
	2-17	Collective knowledge of the highest governance body	14
	2-18	Evaluation of the performance of the highest governance body	14
	2-19	Remuneration policies	Business Report
	2-20	Process to determine remuneration	Business Report
	2-21	Annual total compensation ratio	Business Report
	2-22	Statement on sustainable development strategy	4
	2-23	Policy commitments	32-37, 41-44
	2-24	Embedding policy commitments	32-37, 41-44
	2-25	Processes to remediate negative impacts	32-37, 41-44
	2-26	Mechanisms for seeking advice and raising concerns	34, 37, 42
	2-27	Compliance with laws and regulations	33, 36, 37, 41-44
	2-28	Membership associations	-
	2-29	Approach to stakeholder engagement	Business Report
2-30	Collective bargaining agreements	30	

GRI STANDARDS

Material Topics			Page
GRI 3: Material Topics 2021	3-1	Process to determine material topics	12
	3-2	List of material topics	12
Material Topics: Climate Change			
GRI 3: Material Topics 2021	3-3	Management of material topics	13-22
GRI 302: Energy	302-1	Energy consumption within the organization	20
	302-2	Energy consumption outside of the organization	Data not aggregated
	302-3	Energy intensity	20
	302-4	Reduction of energy consumption	20
	302-5	Reductions in energy requirements of products and services	Data not aggregated
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	20
	305-2	Energy indirect (Scope 2) GHG emissions	20
	305-3	Other indirect (Scope 3) GHG emissions	20
	305-4	GHG emissions intensity	20
	305-5	Reduction of GHG emissions	20
	305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	25
Material Topics: Human Capital			
GRI 3: Material Topics 2021	3-3	Management of material topics	29-36
GRI 401: Employment	401-1	New employee hires and employee turnover	30
	401-2	Benefits provided to full-time employees	30-31
	401-3	Parental leave	31

Material Topics			Page
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	14
	405-2	Ratio of basic salary and remuneration of women to men	30, Business Report
Material Topics: Governance			
GRI 3: Material Topics 2021	3-3	Management of material topics	13-15

GRI STANDARDS

GRI Standards			Page
Economic Topic			
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Business Report
Environmental Topics			
GRI 303: Water and Effluents	303-3	Water withdrawal	26
	303-4	Water discharge	26
	303-5	Water consumption	26
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	26
	306-2	Management of significant waste-related impacts	26-27
	306-3	Waste generated	26
	306-4	Waste diverted from disposal	26
	306-5	Waste directed to disposal	26
Social Topics			
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	33
	403-2	Hazard identification, risk assessment, and incident investigation	32
	403-3	Occupational health services	33
	403-4	Worker participation, consultation, and communication on occupational health and safety	32-33
	403-5	Worker training on occupational health and safety	32-33
	403-6	Promotion of worker health	33
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33

GRI Standards			Page
GRI 403: Occupational Health and Safety	403-8	Workers covered by an occupational health and safety management system	33
	403-9	Work-related injuries	33
	403-10	Work-related ill health	33
Social Topics			
GRI 404: Training and Education	404-1	Average hours of training per year per employee	30
	404-2	Programs for upgrading employee skills and transition assistance programs	30
	404-3	Percentage of employees receiving regular performance and career development reviews	Data not aggregated
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	34-36
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	37
Governance Performance			
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	41-42
	205-2	Communication and training about anti-corruption policies and procedures	42-44
	205-3	Confirmed incidents of corruption and actions taken	42-43
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	43

SASB INDEX

YG Entertainment is committed to transparently disclosing relevant information to stakeholders in accordance with the SASB (Sustainability Accounting Standards Board) framework. This framework includes industry-specific sustainability accounting reporting standards developed by SASB. YG Entertainment selects and reports applicable indicators from the SASB standards within the Service sector for the Internet Media & Services and Media & Entertainment industries.

Topic	SASB Code	Accounting Metric	Reporting Page
Environmental Footprint of Hardware Infrastructure	TC-IM-130a.1	(1) Total energy consumed (2) Percentage of grid electricity (3) Percentage of renewable energy	20
	TC-IM130a.2	(1) Total water withdrawn (2) Total water consumed, percentage of regions with high or extremely high baseline water stress	26
Data Privacy, Advertising Standards & Freedom of Expression	TC-IM-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	37
	TC-IM-220a.2	Number of users whose information is used for secondary purposes	37
	TC-IM-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	37
Data Security	TC-IM-230a.1	(1) Number of data breaches (2) Percentage involving Personally Identifiable Information (PII) (3) Number of users affected	37
	TC-IM-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	37
Employee Recruitment, Inclusion & Performance	TC-IM-330a.1	Percentage of employees that are foreign nationals	29
Intellectual Property Protection & Competitive Behavior	TC-IM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	43
Intellectual Property Protection & Media Piracy	SV-ME-520a.1	Description of approach to ensuring intellectual property (IP) protection	45
Media Pluralism	SV-ME-260a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) professionals, and (3) all other employees	29
	SV-ME-260a.2	Description of policies and procedures to ensuring pluralism in news media content	-

GHG ASSURANCE STATEMENT



LRQA Independent Assurance Statement

Relating to YG Entertainment Inc.'s GHG Emissions Inventory for the calendar year 2023

This Assurance Statement has been prepared for YG Entertainment Inc. in accordance with our contract.

Terms of engagement

LRQA was commissioned by YG Entertainment Inc. (YG Entertainment) to provide independent assurance on its GHG emissions inventory for the calendar year 2023 (here after referred to as “the report”) against the assurance criteria below to a limited level of assurance and materiality of 5% using ISO 14064-3:2019, ‘Specification with guidance for verification and validation of greenhouse gas statements’. Our assurance engagement covered YG Entertainment’s domestic operations and activities, and specifically the following requirements:

- Evaluating conformance with World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition¹
- Evaluating the accuracy and reliability of data and information for direct GHG emissions (Scope 1) and energy indirect GHG emissions (Scope 2)².

The main activities of YG Entertainment include entertainment service and the GHG emissions have been consolidated using an operational control approach.

LRQA’s responsibility is only to YG Entertainment. LRQA disclaims any liability or responsibility to others as explained in the end footnote. YG Entertainment’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of YG Entertainment.

LRQA’s Opinion

Based on LRQA’s approach nothing has come to our attention that would cause us to believe that YG Entertainment has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of 5%. Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA’s approach

LRQA’s assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Reviewing processes related to the control of GHG emissions data and records;
- Visiting the headquarters of YG Entertainment and reviewing additional evidence made available by YG Entertainment; and
- Verifying historical GHG emissions data and records at an aggregated level for the calendar year 2023.

LRQA’s standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LRQA for YG Entertainment and as such does not compromise our independence or impartiality.

Chan-Sik Yun

LRQA Lead Verifier
On behalf of LRQA Limited

2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

LRQA reference: SEO00001560

1) <https://www.ghgprotocol.org>

2) Our assurance engagement covered carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) among GHGs.

Dated: 28 June 2024

GHG ASSURANCE STATEMENT

Table 1. Summary of YG Entertainment, GHG Emissions Inventory 2023

Scope of GHG emissions	Tonnes CO ₂ e
Direct GHG emissions (Scope 1)	759
Energy indirect GHG emissions (Scope 2, Location-based)	1,376
Energy indirect GHG emissions (Scope 2, Market-based)	1,344

Note 1: Scope 2, Location-based and Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015

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The English version of this Assurance Statement is the only valid version.
LRQA assumes no responsibility for versions translated into other languages.

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It may only be reproduced in its entirety.

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INDEPENDENT ASSURANCE STATEMENT

To readers of YG Entertainment 2024 Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by YG Entertainment to conduct an independent assurance of its 2024 Sustainability Report (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of YG Entertainment. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with YG Entertainment and issue an assurance statement.

Scope and Standards

YG Entertainment described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process. We also confirmed that the report was prepared using, in part, the exposure draft of the Korean sustainability disclosure standards by the Korean Sustainability Standards Board (KSSB).

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 302 : Energy
 - GRI 305 : Emissions
 - GRI 401 : Employment
 - GRI 404 : Training and Education
 - GRI 405 : Diversity and Equal Opportunity
- Exposure draft of the Korean sustainability disclosure standards by KSSB (in part)

As for the reporting boundary, the engagement excludes the data and information of YG Entertainment’s partners, suppliers and any third parties.

KMR’s Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by YG Entertainment to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with YG Entertainment on the revision of the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

YG Entertainment has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

YG Entertainment has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

INDEPENDENT ASSURANCE STATEMENT

Responsiveness

YG Entertainment prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of YG Entertainment's actions.

Impact

YG Entertainment identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with YG Entertainment and did not provide any services to YG Entertainment that could compromise the independence of our work.

June 2024 Seoul, Korea

CEO *E. J. Hwang*



Disclaimer

This report includes not only current and past activities and achievements aimed at sustainable growth and social value creation but also predictions, forecasts, and estimates regarding the future.

Expressions such as “forecast,” “expect,” “estimate,” “anticipate,” “plan,” “goal,” “scheduled,” and similar terms used in this report refer to these future predictions, forecasts, and estimates.

These are based on the company’s reasonable assumptions, expectations, and forecasts as of the report’s date, and they involve significant known and unknown risks and uncertainties. Actual results may differ materially from those originally predicted. The company is not obligated to update any information that forms the basis of these future predictions, forecasts, and estimates after the report’s submission.

Judgments, estimates, and assumptions underlying this report involve uncertainties, and actual results may differ significantly from the forecasted information. Investors should be cautious not to use this report as evidence for investment decisions or as legal liability evidence for investment outcomes under any circumstances.

