



April 14, 2016

Kakao
242, Cheomdan-ro, Jeju-si, Jeju-do,
Korea

Dear Chairman Brian Kim,

We are writing to draw your attention to the results of the [Ranking Digital Rights Corporate Accountability Index](#). The Index ranked 16 of the world's leading internet and telecommunications companies on their disclosure with respect to privacy and freedom of expression online. As you may already be aware, the results were disappointing. Several companies performed poorly on objective indicators that measure adherence to best practices for reporting and transparency.

Now is an opportune time for you to respond publicly to these results and demonstrate your company's support for transparency and accountability.

Respecting human rights in an accountable and transparent manner is good for business. Your company's health and wealth depend on the trust of your customers. Investors require accurate and meaningful data on your firm's performance -- financial and otherwise -- to show why they should continue to commit to your growth. Policymakers seeking to protect their constituents' interests look to you for clear statements and policies to verify that you are complying with laws and norms.

This first release of results from the Corporate Accountability Index, the methodology for which was developed through years of research and consultation with a diverse range of stakeholders, shows why it is urgent that the entire sector must engage with the range of stakeholders and groups who advocate for the rights of people affected by your business.

On the bright side, a roadmap is available for you to follow. The Index's indicators on data protection, transparency about content restriction, digital security, and remedy, among other issues, show how companies can proceed on the path towards demonstrating respect for digital rights. Every company evaluated in the Index has already taken at least some steps toward meeting their responsibility to respect human rights and remedy abuses. Transparency reporting on government requests for customers' information has become a trend, and companies worldwide are publicly declaring their commitment to human rights.

Positively, Kakao's commitments and disclosures related to freedom of expression and privacy are globally competitive. It received a higher score than any other company for several indicators. Additionally, Kakao is one of the best companies on providing notice and record of changes to its terms of service. KakaoTalk's "secret chat" function offers full encryption of the contents, which is a giant step toward fully protecting user privacy. Significantly, Kakao's grievance and remedy processes are stronger than any other internet company evaluated.

However, Kakao should:

- Make a clearer public commitment to respect users' freedom of expression, and match its executive and management oversight on user privacy issues by creating a similar oversight system for freedom of expression.
- Offer users an option to control what user information the company collects and shares, and provide means to access the information the company holds about them.
- Implement end-to-end encryption on all chats in KakaoTalk, rather than just the "secret chat" function.

In some cases, laws restrict what companies can tell their customers. But many of these steps do *not* require a new law before a company can execute them. Your company can raise its score in the Index by taking the steps outlined above, and by joining other companies and civil society stakeholders to address sector-wide challenges through organizations like the Global Network Initiative. By doing so, you would distinguish yourself in the sector as a leader, and earn a reputation among your customers as a champion of their privacy and other human rights.

As a first step, we recommend that you convene your corporate officers to digest this first Corporate Accountability Index report and develop a response. Whether you need a cross-team task force, an independent chairperson on human rights, or additional training for your staff, we trust that your company can meet the challenge of responding to the report. However, remember that if you don't make your response public, stakeholders in your company will remain in the dark about how you treat customers' rights. Their trust hangs in the balance.

We are happy to speak with you about your results and assist you in developing a response.

Sincerely,



Peter Micek
Global Policy & Legal Counsel
Access Now

