



WORKS MOBILE

WORKS MOBILE Corporation

System and Organization Controls 3 Report

**On Controls Relevant to Security, Availability, Processing
Integrity, Confidentiality, and Privacy of
LINE WORKS Service**

January 1, 2018 – December 31, 2018

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Section I: Independent Service Auditor's Report

WORKS MOBILE Corporation

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Scope

We have examined WORKS MOBILE Corporation's ("Service Organization" or "WORKS MOBILE") accompanying assertion titled "Section II: Assertion of WORKS MOBILE Management" ("assertion") that the controls within LINE WORKS Service ("system") were effective throughout the period January 1, 2018, to December 31, 2018, to provide reasonable assurance that WORKS MOBILE's service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Availability, Processing Integrity, Confidentiality, and Privacy ("applicable trust services criteria") set forth in TSP Section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Services Criteria*).

Service Organization's Responsibilities

WORKS MOBILE is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that WORKS MOBILE's service commitments and system requirements were achieved. WORKS MOBILE has also provided the accompanying assertion about the effectiveness of controls within the system. When preparing its assertion, WORKS MOBILE is responsible for selecting, and identifying in its assertion, the applicable trust services criteria and for having a reasonable basis for its assertion by performing an assessment of the effectiveness of the controls within the system.

Service Auditor's Responsibilities

Our responsibility is to express an opinion, based on our examination, on whether management's assertion that controls within the system were effective throughout the period to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination included:

- Obtaining an understanding of the system and the service organization's service commitments and system requirements
- Assessing the risks that controls were not effective to achieve WORKS MOBILE's service commitments and system requirements based on the applicable trust services criteria

- Performing procedures to obtain evidence about whether controls within the system were effective to achieve WORKS MOBILE's commitments and system requirements based on the applicable trust services criteria

Our examination also included performing such other procedures as we considered necessary in the circumstances.

Inherent limitations

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

Because of their nature, controls may not always operate effectively to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. Also, the projection to the future of any conclusions about the effectiveness of controls is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, management's assertion that the controls within WORKS MOBILE's LINE WORKS systems were effective throughout the period January 1, 2018, to December 31, 2018, to provide reasonable assurance that WORKS MOBILE's service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects.

Deloitte Anjin LLC.

April 12, 2019
Seoul, Republic of Korea



Section II: Management's Assertion

WORKS MOBILE's Management Assertion

We are responsible for designing, implementing, operating, and maintaining effective controls within WORKS MOBILE Corporation's ("WORKS MOBILE") LINE WORKS system ("system") throughout the period January 1, 2018, to December 31, 2018, to provide reasonable assurance that WORKS MOBILE's service commitments and system requirements relevant to security, availability, processing integrity, confidentiality, and privacy were achieved. Our description of the boundaries of the system is presented in Section III and identifies the aspects of the system covered by our assertion.

We have performed an evaluation of the effectiveness of the controls within the system throughout the period January 1, 2018, to December 31, 2018, to provide reasonable assurance that WORKS MOBILE's service commitments and system requirements were achieved based on the trust services criteria relevant to security, availability, processing integrity, confidentiality, and privacy ("applicable trust services criteria") set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Services Criteria*). WORKS MOBILE's objectives for the system in applying the applicable trust services criteria are embodied in its service commitments and system requirements relevant to the applicable trust services criteria. The principal service commitments and system requirements related to the applicable trust services criteria are presented in Section IV.

There are inherent limitations in any system of internal control, including the possibility of human error and the circumvention of controls. Because of these inherent limitations, a service organization may achieve reasonable, but not absolute, assurance that its service commitments and system requirements are achieved.

We assert that the controls within the system were effective throughout the period January 1, 2018, to December 31, 2018, to provide reasonable assurance that WORKS MOBILE's service commitments and system requirements were achieved based on the applicable trust services criteria.

Section III: Description of the Boundaries of LINE WORKS System

1. Overview of Operations

Company Introduction

WORKS MOBILE Corporation(referred to as 'WORKS MOBILE' or 'the company' hereinafter) started as a domain service of personal NAVER mail in 2011. After a year, the service's name was changed to NAVER WORKS, and in April 2015, the company separated from NAVER to enter the global enterprise service market. In June 2015, WORKS MOBILE JAPAN Corporation has been established to enter the Japanese market.

One of WORKS MOBILE's key service is LINE WORKS, which provides features such as enterprise-wide instant messenger, voice/video call, e-mail, drive, calendar, home (bulletin board), survey, contact list, monitoring, etc. Corporates and organizations can build Smart Office environment by using the company's services that is provided via cloud. LINE WORKS Service is accessible from various types of devices like PC, smartphone, and tablet PC. In addition to the cooperation/communication services for the employees within corporates, administrative services such as security configuration, service statistics, auditing functions, and e-mail monitoring systems are also provided for the management.

Service

WORKS MOBILE provides services through PC web for the users' convenience. To deliver such services, WORKS MOBILE uses various IT systems, security devices, and internally developed service management systems. The system description covers the following services:

- LINE WORKS – Provides cooperation/communication services such as enterprise-wide instant messenger, e-mail, drive, calendar and contact list for the employees within corporates. And provides administrative services such as security configuration, service statistics, auditing functions, and e-mail monitoring systems for the management personnel.

Users of the service are responsible to adhere to the user's obligation in the Terms of Service in order to securely and properly use the WORKS MOBILE services. Users should also understand and perform the activities to protect personal information by themselves, including changing passwords on a regular basis and not disclosing passwords to others.

Report Scope Boundary

The objective of this Description is limited only to the LINE WORKS service.

The scope of this Description is limited to the LINE WORKS service provided to the users in Korea and overseas. This Description does not include details related to other areas or services.

2. Service Components

The Company's service components to provide the cloud platform service consist of infrastructure, software, data, and relevant operating procedures and human resources.

Infrastructure

The Company implements and operates infrastructures such as server, network, and security systems, which are located at a separate data center for each, to provide the service. The Company restricts unauthorized access (physical / logical) using access controls to infrastructures, and monitors the log of abnormal activities on a regular basis. The Company also uses automatic vulnerability scanning tools to consistently detect and improve security vulnerabilities which may occur in infrastructure, and take remedial actions for identified vulnerabilities. The data center, where the infrastructures are located, is equipped with thermo-hygrostat, UPS, water leakage detector, fire detector, extinguisher, and other security facilities to get prepared for disasters such as fire, earthquake, flood, and so on.

Software

Relevant functions of the Company for each service are responsible for developing and operating applications. When an application needs additional developments or upgrades to improve service quality provided to user entities, to remediate failures or to enhance performance, the security requirements are defined by an agreement between the Service Planning Department and the Development Department and shared with stakeholders via intranet.

Changes to an application requires preapproval by the person in charge, and the QA team reviews and deploys to the production environment through the automated system to minimize the failures that may arise from the change. When significant changes related to the user's personal information processing are involved, a privacy impact analysis is conducted to evaluate its impact and remedial actions are taken when deemed necessary.

Human Resources

To ensure service stability, the Company defines and designates such roles as information security and personal information managers, service planners, developers, infrastructure operators, and CS (Customer Satisfaction) personnel. Annual information security and personal information protection trainings are provided to raise the awareness level of information security of the individuals.

Upon an employee is hired or terminated, he or she is informed about the confidentiality obligations, and required to sign off on a security pledge immediately after his or her employment and termination.

Data

Important data including user's personal information are protected in accordance with relevant laws and regulations such as the Act on Promotion of Information and Communications Network Utilization and information Protection, etc. (the "Act on Information and Communications Network" hereinafter), the Personal Information Protection Act, the Terms of Service and security policies of the Company. Such data are managed to be processed only by a limited number of personnel performing relevant duties.

The Company also applies technical measures such as access control, encryption and logging to protect important data.

Procedures

The Company established information security regulations such as policies, standards and guidelines to comply with the security, availability, process integrity, confidentiality and privacy principles. The regulations are monitored and revised periodically to reflect developments of relevant laws. Revisions require approval by a responsible person and are announced to all employees through intranet.

Regulations related to protection of user's personal information and privacy are disclosed as the Privacy Policy on the Company's website so that users can refer to at any time.

Section IV: Principal Service Commitments and System Requirements

WORKS MOBILE makes service commitments to its customers and has established system requirements as part of the LINE WORKS system. Some of these commitments are principal to the performance of the service and relate to applicable trust services criteria. WORKS MOBILE is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that WORKS MOBILE's service commitments and system requirements are achieved.

Service commitments to customers are documented and communicated in Terms of Service, Privacy Policy, Terms of Location-Based Service, and Customer Center as well as in the description of the service offering provided online. Service commitments include, but are not limited to, the following:

- **Security:** WORKS MOBILE made commitments related to protecting customer data from unauthorized access and use. These commitments are addressed through measures including data encryption, authentication mechanisms, access controls, physical security, and other relevant security controls.
- **Availability:** WORKS MOBILE made commitments related to keeping service continuity without disruptions. These commitments are addressed through measures including performance monitoring, regular data backups and recovery controls.
- **Processing Integrity:** WORKS MOBILE made commitments related to processing customer actions completely, accurately and timely. These commitments are addressed through measures including secured system development and production environments, management approval of system changes and other relevant controls.
- **Confidentiality:** WORKS MOBILE made commitments related to maintaining the confidentiality of customers' data. These are addressed through measures including encryption mechanisms and other security controls to transfer and store users' important data.
- **Privacy:** WORKS MOBILE made commitments related to protecting personal information. These commitments are addressed through controls relating to collecting, storing, using, entrusting, and disposing of personal information in accordance with relevant laws and regulations and its Privacy Policy.

WORKS MOBILE establishes operational requirements that support the achievement of service commitments, relevant laws and regulations, and other system requirements. Such requirements are communicated in WORKS MOBILE's system policies and procedures, system design documentation, and contracts with customers. Information security policies define an organization-wide approach to how systems and data are protected. These include policies around how the service is designed and developed, how the system is operated, how the internal business systems and networks are managed, and how employees are hired and trained. In addition to these policies, standard operating procedures have been documented on how to carry out specific manual and automated processes required in the operation and development of the LINE WORKS service.