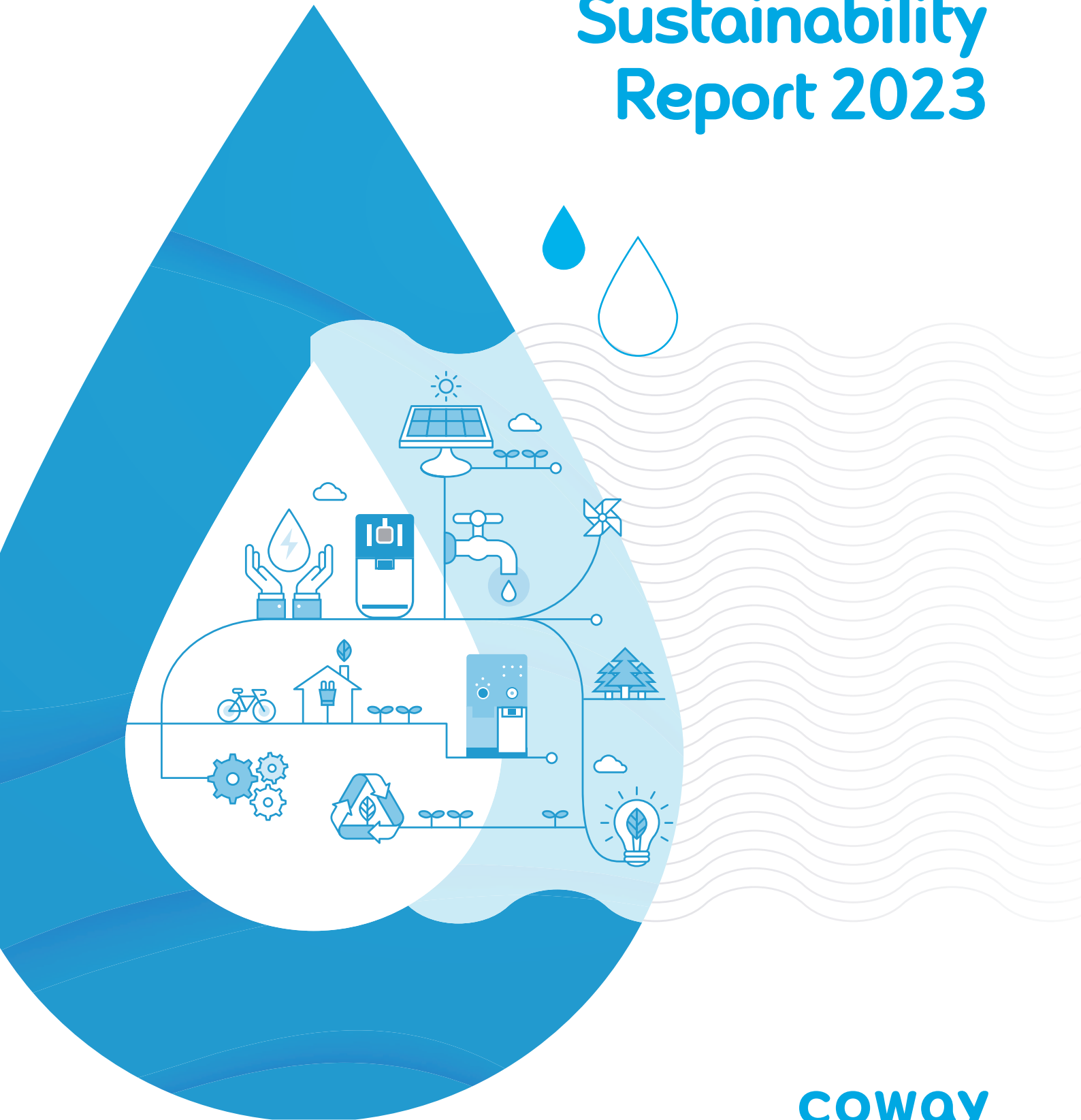


2023 Coway Sustainability Report

# COWAY Sustainability Report 2023



coway

# Contents

|                       |   |
|-----------------------|---|
| <b>Overview</b>       | <ul style="list-style-type: none"><li>• About This Report 03</li><li>• CEO Message 05</li><li>• ESG Committee Chairperson's Message 06</li><li>• Story on Creation of Value 07</li></ul>  |
| <b>ESG Highlights</b> | <ul style="list-style-type: none"><li>• Sustainable Management System 11</li><li>• Stakeholders 15</li><li>• Materiality Assessment 16</li></ul>  |
| <b>Environmental</b>  | <ul style="list-style-type: none"><li>• Environmental Management 20</li><li>• Climate Change Response 24</li><li>• Eco-friendly Products and Resources Circulation 34</li><li>• Environmental Stewardship 39</li></ul>  |
| <b>Social</b>         | <ul style="list-style-type: none"><li>• Employees 43</li><li>• Human Rights Management 50</li><li>• Supply Chain 55</li><li>• Customer-Centric Management 66</li><li>• Local Communities 74</li><li>• Safety and Health 78</li><li>• Product Quality and Safety 87</li><li>• Private Information Protection and Information Security 93</li></ul> |
| <b>Governance</b>     | <ul style="list-style-type: none"><li>• Corporate Governance 101</li><li>• Ethical Management 108</li><li>• Risk Management 113</li></ul>   |
| <b>Appendix</b>       | <ul style="list-style-type: none"><li>• ESG Data 118</li><li>• Policies &amp; Initiatives 133</li><li>• Reporting Frameworks 136</li><li>• Independent Assurance Statement 148</li><li>• Download Report 152</li></ul>  |

# Overview

[About This Report](#)[CEO Message](#)[ESG Committee Chairperson's Message](#)[Story on Creation of Value](#)

## About this Report

This is Coway's 19th Sustainability Report, published in June 2024. Coway has been publishing its Sustainability Report online every year since 2006 to disclose its sustainability efforts and achievements. Through this report, we aim to assess the impact of our business on society and the environment and to transparently disclose our strategies and activities to address ESG-related issues. We strive to become a company that grows by using this report as a communication channel with our stakeholders.



## 01 Reporting Standards

This report meets the key requirements of the Global Reporting Initiative (GRI) Standards 2021 and incorporates the Sustainability Accounting Standards Board (SASB) Disclosure Standards and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

## 02 Reporting Period

This report covers Coway's sustainability activities from January through December 2023 and, for some key issues and achievements, up until the first half of 2024. For quantitative performance results, we disclose data for the four-year period from 2020 to 2023 (excluding data that is difficult to verify) to enhance comparability. We have clarified changes in the scope and basis of our calculations, as well as corrections to existing data, in the footnotes.

## 03 Reporting Scope

This report was prepared based on Coway as a standalone entity, with the main financial information following K-IFRS consolidated standards.

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## 04 Report Assurance

To ensure the accuracy, objectivity, and reliability of the report's preparation process and all information presented, the report has undergone third-party verification by an independent assurance organization (BSI). The detailed assurance statement is provided in the Appendix.



### For inquiries about this report

Address: 15th to 20th floor, G-Tower, 38 Digital-ro 26-gil, Guro-gu, Seoul, 08393 |  
Person in charge: IR/ESG Team, Business Management Division | Email: [sustainability@coway.com](mailto:sustainability@coway.com)



## Continuous change and innovation, a sustainable challenge for everyone's daily life



Dear Stakeholders,  
This is Jang-Won Seo, CEO of Coway.

I would like to share with you Coway's achievements in 2023 and our future direction in sustainable management.

Amidst continued global economic uncertainty last year, Coway transformed challenges into opportunities through continuous innovation and differentiated management strategies, achieving outstanding business performance. Particularly, we proactively navigated the challenging landscape of stricter ESG regulations and made significant strides in enhancing corporate sustainability. These efforts were externally recognized with awards such as the '**2023 Most Trusted Brand Award**' and the '**2023 Management Innovation Award**'.

This was possible thanks to the unwavering support and trust of our stakeholders.

Again in this year, Coway will not settle for the status quo but will continue to take on greater challenges to become a sustainable company. We will further strengthen our framework for ESG management, promoting eco-friendly design that considers environmental impact from the product development stage, optimizes resource usage, and minimizes waste. Additionally, we will implement strategies to reduce carbon emissions across our value chain and establish systematic procedures to achieve our Net-zero goal by 2050. To fulfill our social responsibilities, we will enhance partnerships with local communities and create social value through various programs to support the underprivileged.

Dear stakeholders, your unwavering trust and support are the fundamental strength that enables Coway to move toward a sustainable future.

We will continue to work together and explore ways to make a positive impact on our society and environment.

We are deeply grateful to our stakeholders for their continued support and trust, and we invite you to collaborate with us towards the sustainable future that Coway aims to achieve.

Thank you.

Jang-Won Seo, CEO

서장원



Dear Stakeholders,

This is Jin-Bae Kim, Chairperson of Coway's ESG Committee.

I would like to take this opportunity to thank all of our stakeholders for supporting Coway's values, and I extend my gratitude to our employees and domestic and overseas partners for their continuous innovation.

Coway established the ESG Committee in 2021 to 'strengthen ESG management' leveraging the expertise and independence of the Board of Directors. The ESG Committee is composed of experts with experience and capabilities in various fields. It gathers the latest information and trends in each area, identifies ESG-related risks and opportunities, and formulates strategies to address them. Based on these efforts, we continuously and transparently disclose our ESG management activities to shareholders, investors, and other stakeholders.

In 2023, Coway made significant progress in our ESG activities as well. Let me briefly explain the progress made in each area.

First,

**In the environment (E) area, Coway's waste mattress recovery and recycling system** was recognized by the Ministry of Environment as an **exemplary** case of mattress resource circulation. We also **established a Scope 3 inventory** to measure GHGs generated throughout our corporate value chain, enabling us to disclose GHG information at the supply chain level. Based on this information, we will continue our GHG reduction efforts across the entire value chain.

**In the social (S) area**, we conducted activities targeting the local community, such as **biodiversity conservation** (Classroom Forest Project<sup>1)</sup> and Ploving<sup>2)</sup>. Additionally, to promote **win-win values**, we established the Coway Mulbit Sori Choir for the Visually Impaired, contributing to the promotion of employment opportunities for individuals with disabilities and enhancing corporate diversity.

**In the Governance (G) area**, we have strengthened and clarified the independence requirements for the appointment of **Independent Directors** through **guidelines** and established a system for the Independent Director Candidate Recommendation Committee to verify the independence of candidates based on the guidelines.

Amidst the rapidly changing global business environment, Coway is monitoring and complementing the ESG Committee's performance in identifying and implementing the above ESG management priorities and drawing a picture of Coway's ESG management vision, '**Better Earth Care Company**'. The Coway ESG Committee will continue to play a pivotal role in implementing sustainable management, and we pledge to proactively respond to changes and transparently disclose Coway's commitments and responsibilities.

Thank you.

Coway ESG Chairperson Jin-Bae Kim

김진배

1) Classroom Forest Project: An eco-friendly ESG project where students plant and cultivate air-purifying plants, including endangered species. This initiative aims to foster environmental awareness and emphasize the importance of environmental protection.

2) Ploving: Unlike "flogging," which involves picking up trash on land while walking or jogging, ploving is the activity of picking up trash while freediving in the ocean.

## Introduction to Coway

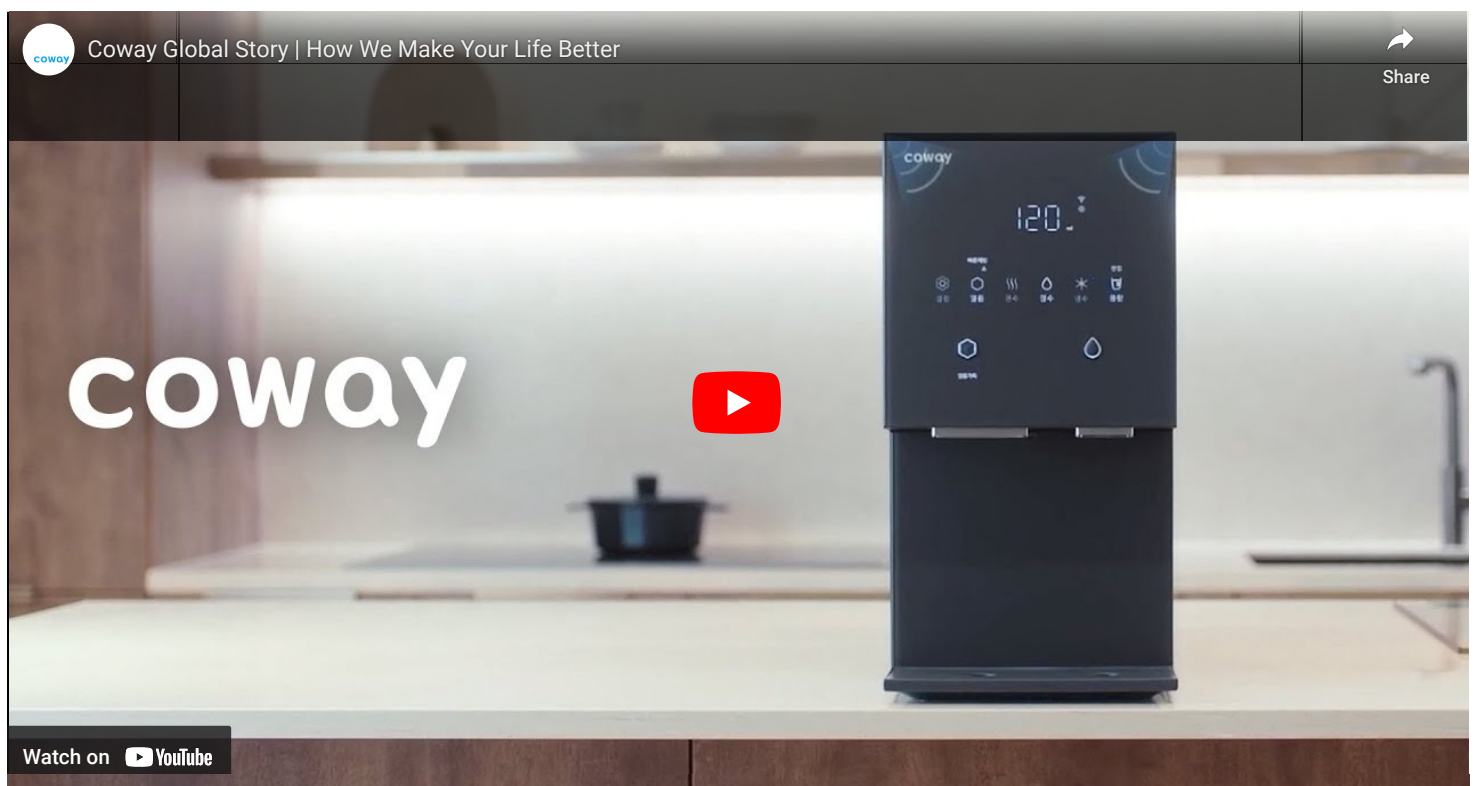
### Business Model

Founded in 1989, Coway is a life-solution company that cares for customers' overall living environment. Through a differentiated business model that combines product rental and professional services, Coway provides green home appliance rental services without the burden of having to purchase the products. In addition, we have established a structure that maintains the value of our products for a long time through our regular care services from professional partners. With these efforts, Coway has accumulated more than 10 million customer accounts both domestically and internationally, sustaining growth by generating stable cash flow.

### Sustainable Competitiveness

Coway expands the value of its core competency, 'Care,' by offering products and services in the environmental home appliance sectors: 'Water Care,' 'Air Care,' 'Living Care,' and the BEREX sector 'Sleep & Healing Care.' We are making our best efforts to ensure that all customers enjoy a safe living environment in terms of water, air, and sleep. This year, with the goal of 'New Coway Growing Through Innovation,' we are focusing on increasing our global competitiveness by accelerating our technological competitiveness and customer-centered services to grow beyond Korea and into the global market. In addition, we are strengthening the competitiveness of our products and services by using 'IoCare (Internet of Care),' a personalized solution integrating IT technology, and steadily expanding our customer base through continuous development of rental product lines and global market expansion. With these differentiated innovations, Coway continues to strive towards creating sustainable value and delivering it to stakeholders.

### Global Story of Coway



# Company Overview

|                          |   |
|--------------------------|---|
| Company name             | Coway Co., Ltd.   |
| Location of headquarters | 136-23 Yugumagoksa-ro, Yugu-eup, Gongju-si, Chungcheongnam-do |
| Seoul office             | G-Tower, 38 Digital-ro 26-gil, Guro-gu, Seoul, Korea          |
| CEO                      | Jang-Won Seo  |
| Major businesses         | Manufacturing, services, rental and lease                     |
| Founded in               | May 1989  |

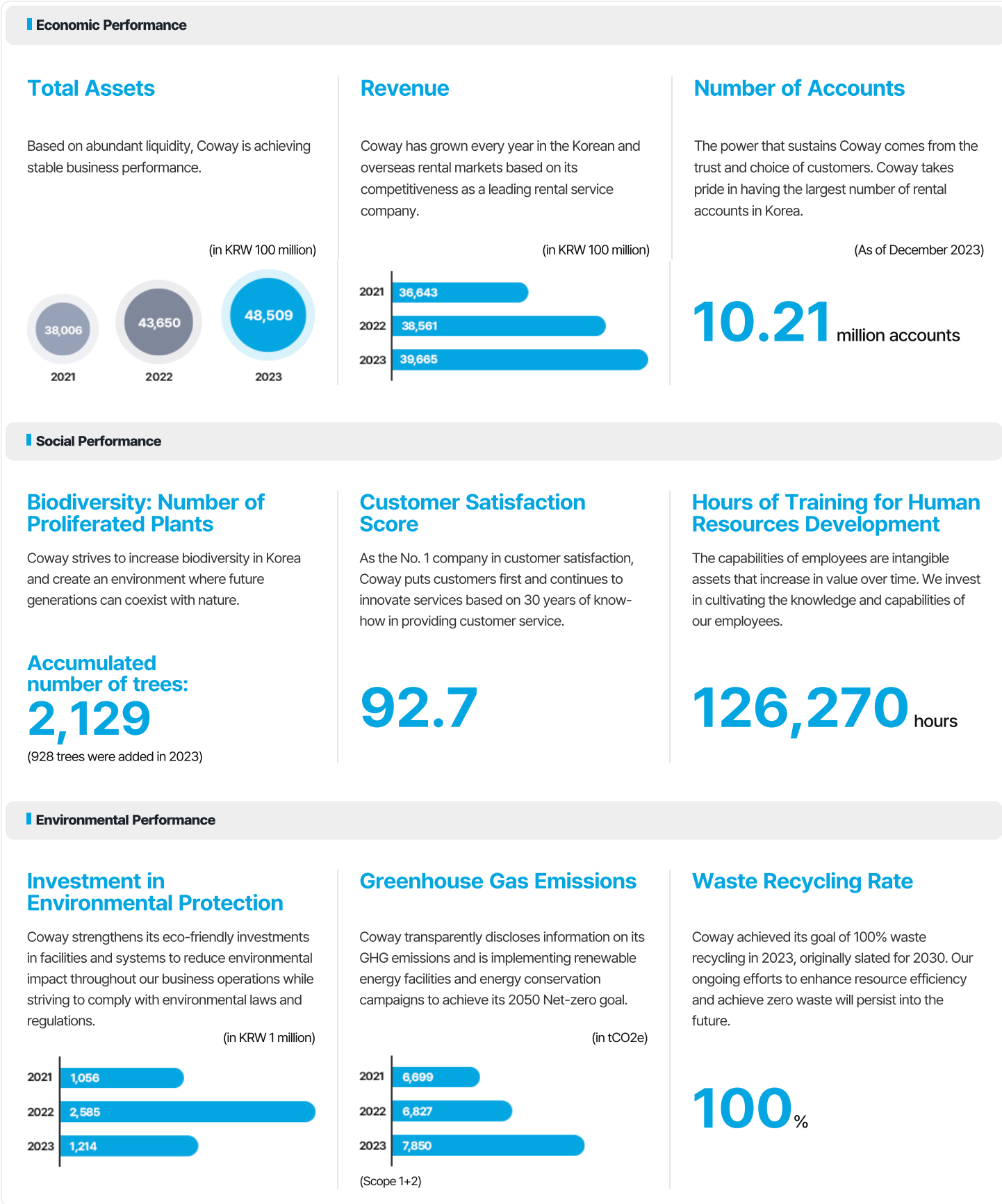




# Business Value Chain

Based on customer trust and product innovation, Coway strives to provide life solutions through our products and brands so that customers can enjoy a safe and healthy life anytime, anywhere. To achieve this goal, we consider the entire process from raw material procurement to product production (applying eco-friendly technologies), sales, disposal (energy recovery), and resource circulation (recycling and reuse) through the lens of sustainable management. We integrate economic, social, and environmental values to create healthy environmental and social outcomes.

## Major ESG Achievements in 2023







# ESG Highlights

Sustainable Management System

Stakeholders

Materiality Assessment

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## Structure of Governance

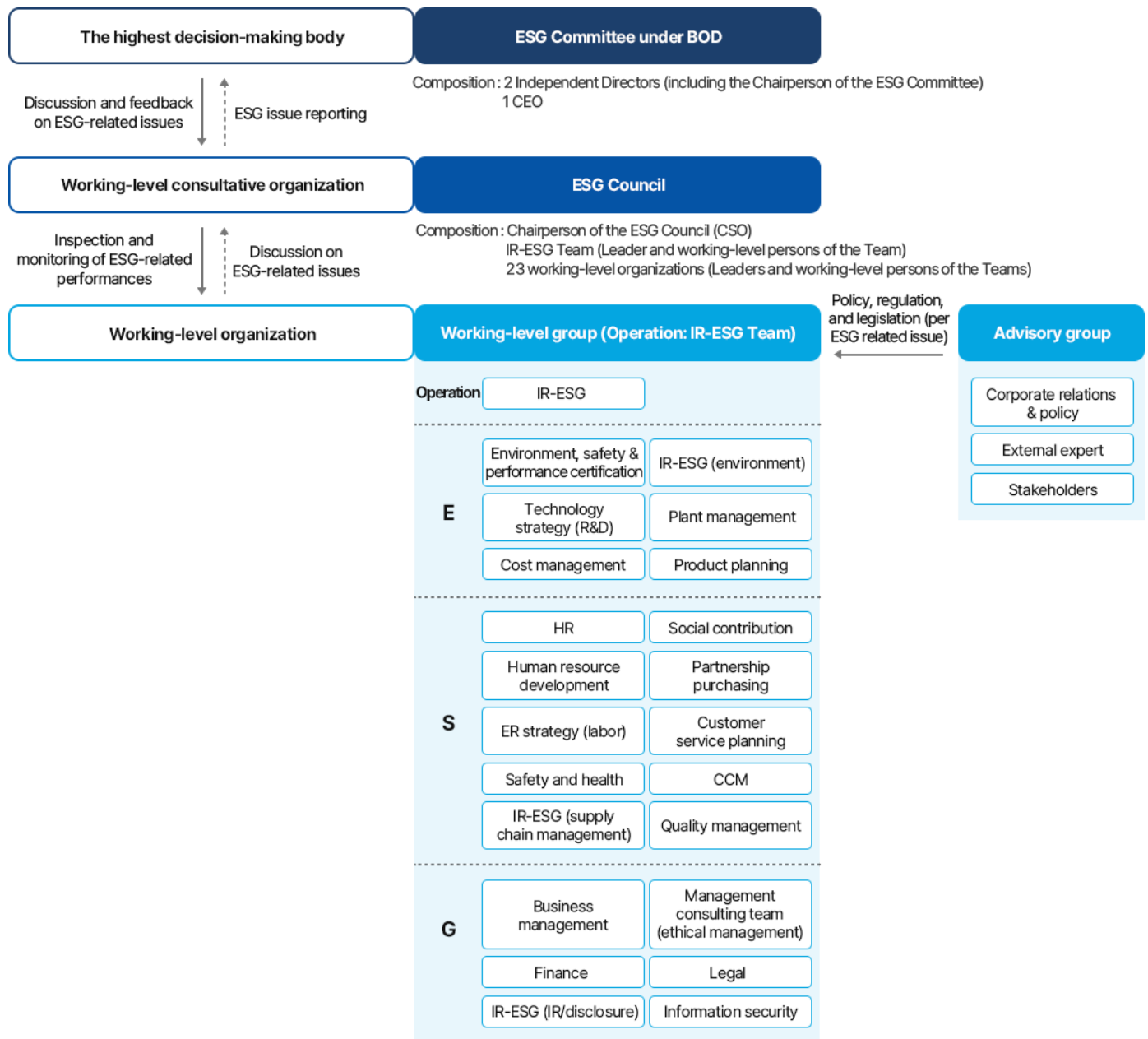
Coway established the ESG Committee within the Board of Directors (BOD) in August 2021 to achieve sustainable growth by defining and practicing ESG strategies and core values related to the environment, society, and governance, in accordance with the Articles of Incorporation and the BOD Regulations. As the highest decision-making body related to the environment, society, and governance, the ESG Committee aims to create an active and transparent ESG management culture and enhance long-term corporate value. The main roles of the ESG Committee include setting ESG management goals and strategic directions, managing major risks, and supervising overall ESG management activities, thereby making core decisions for Coway's ESG management.

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## Implementation System

Coway's ESG system consists of three bodies, including the ESG Committee, ESG Consultative Group, and ESG Working Group. The ESG Committee is the highest decision-making body, composed of two Independent Directors and the CEO. It performs deliberations, takes decisions, and reviews major ESG issues to suggest strategic directions for sustainability management. The ESG Council monitors major issues, conducts detailed discussions on issues such as ESG strategies and policies, goal establishment, and improvement tasks based on the materiality of ESG-related issues, and submits the agenda to the Committee. The ESG Working Group analyzes ESG trends and changes in regulations, consults with outside experts and stakeholders, and supports the ESG Committee and ESG Consultative Group. Coway will expand its business competitiveness through ESG management throughout its business and strive to establish its presence as a respected company that pursues mutual growth with stakeholders.

## ESG Organization of Coway



## Roles of Coway's ESG Consultative Organization

| Category | ESG Committee   | ESG Council  | ESG Working Group  |
|----------|---|--|--|
| Role     | <ul style="list-style-type: none"> <li>Deliberation, resolution, and review</li> </ul>  | <ul style="list-style-type: none"> <li>Submission of the agenda to the Committee</li> <li>Discussion on and reporting of general ESG related issues</li> </ul>   | <ul style="list-style-type: none"> <li>Agendas reporting and operational execution</li> <li>ESG operational support/training</li> </ul>  |
| Details  | <ul style="list-style-type: none"> <li>Resolution and review of major issues</li> </ul> | <ul style="list-style-type: none"> <li>Setting ESG strategies, policies, and goals</li> <li>Proposal of agendas based on the status of ESG initiatives</li> <li>ESG related issues monitoring</li> </ul> | <ul style="list-style-type: none"> <li>ESG Committee and ESG Council operation</li> <li>ESG operational policy training</li> <li>ESG improvement task proposal and discussion</li> <li>ESG trend analysis</li> </ul> |




# ESG Management Vision



**Vision**


**Company Caring for a better Earth**



**Mission**


**Plans 2030 for a better Earth**

**Core Values**




**Environmental**

Establishment of carbon neutral management system



**Social**

Respect for human rights and diversity of members



**Governance**


Maintenance of transparent and sustainable governance

## Mid-to Long-term Goals and Strategies

Coway has been committed to sustainable management long before the establishment of the ESG Committee. Beginning with the declaration of business ethics and environmental management in 2006, we implemented a sustainable management system. In 2009, we set voluntary targets for reducing greenhouse gas (GHG) and have since been at the forefront of environmental management practices. Over time, we expanded our ESG management scope to include privacy protection systems and fostering shared growth with business partners. In 2016, the establishment of the Infinite Responsibility Committee further strengthened our commitment to product responsibility and enhancing customer trust.

By 2021, we had developed a mid-to-long-term GHG emission reduction plan and announced our goal of achieving carbon neutrality (Net-zero) by 2050. In 2023, we demonstrated our dedication to stakeholders by disclosing key tasks and goals for each area of ESG management. Coway's steadfast efforts to create sustainable value are deeply rooted throughout our business value chain, shaping a brighter future.

**Annual ESG Goals**



2006      2009      2021      2022      2023      2024      2030      2050

Declaration of business ethics and environmental management      Setting GHG reduction targets      2050 Net-zero commitment      Establishment of ESG management vision and long-term strategy      Setting major goals for each ESG area      Conversion of worksite (Incheon Factory) to renewable power generation (RE100)      Reduce carbon emissions by 50%      Achieve Net-zero

# Major ESG related Tasks

In 2023, Coway's ESG Committee and other relevant organizations selected major tasks for each ESG-related area to meet the demands of the international community regarding corporate ESG. These major tasks will be monitored annually under the mid- to long-term strategy, aiming to respond to these demands and strengthen the competitiveness in the global market.

## Major ESG Related Strategies

| Goals of ESG strategies     | The new, sustainable Coway that constantly changes and innovates  |   |  |
|-----------------------------|---|---|--|
| Direction of ESG strategy   | E   | S   | G  |
| Strategic task (core value) | <b>Promoting corporate sustainability through environmental management</b><br><br><b>Establishment of carbon-neutral management system</b><br><br><b>Establishment of eco-friendly, low-carbon, green management system</b><br><br><ul style="list-style-type: none"> <li>Achievement of the 2030 carbon emission reduction (offset) goal by 50% (2,668tCO<sub>2</sub>eq)<br/>* 2020 baseline: Carbon emission 5,735tCO<sub>2</sub>eq</li> <li>Achievement of Net-zero by 2050 by investing in renewable energy and transitioning to low-carbon energy</li> </ul> | <b>Institutionalization of diversity through human rights management</b><br><br><b>Broader diversity and inclusion of employees</b><br><br><b>Development of next generation female leaders</b><br><br><ul style="list-style-type: none"> <li>Fill 35% of leaders with females by developing them and assigning them to important positions by 2030</li> <li>Develop the female leader development program</li> </ul> | <b>Strengthening of corporate stability and transparency through responsible management</b><br><br><b>Maintenance of transparent and sustainable governance</b><br><br><b>Strengthening of board independence and transparency</b><br><br><ul style="list-style-type: none"> <li>Establish the independence guideline</li> <li>Fill all seats of Independent Director Candidate Recommendation Committee with Independent Directors</li> </ul> |
|                             | <b>Establish a carbon emission monitoring system for all steps of businesses</b><br><br><ul style="list-style-type: none"> <li>Establish a Scope 3 monitoring system in addition to those for Scopes 1 and 2 by 2025</li> <li>Measure and manage the carbon emission by major business partners by 2030<br/>* As of 2023, at the level of 10%</li> </ul>  | <b>Hire more people with disabilities</b><br><br><ul style="list-style-type: none"> <li>Achieve the 2.5% disabled person employment rate by 2030</li> <li>Implement programs to improve awareness on the disabled persons in and outside the company</li> </ul>   | <b>Specify mid-to-long-term dividend policy that meets shareholder's requirements</b><br><br><ul style="list-style-type: none"> <li>Disclose the mid- to long-term dividend policy</li> <li>Clarify the type of dividend, such as cash, stock, etc.</li> </ul>   |

## Stakeholder Engagement and Material Topics

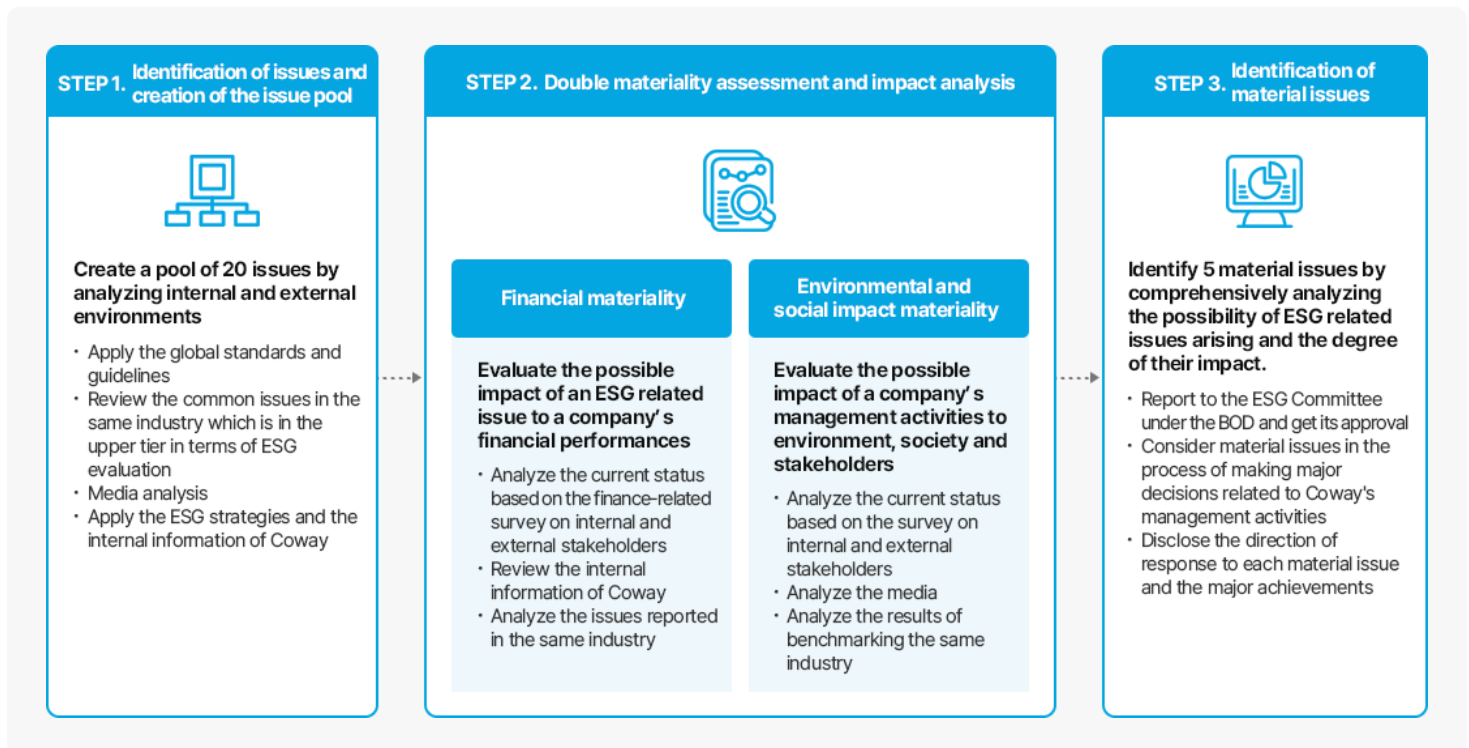
Coway defines stakeholders as entities both inside and outside the organization that influence its activities, categorizing them into seven groups: customers, shareholders and investors, employees, partners, communities, academia and media, and government. Coway operates specific communication channels tailored to each group to gather stakeholder feedback. By fostering stakeholder engagement and communication on critical issues, we enhance transparency, improve management efficiency, and cultivate trusted relationships. Each department manages communication channels dedicated to specific stakeholder groups.

| Stakeholders                | Chanel  | Frequency              | Main communication topics   |
|-----------------------------|---|------------------------|---|
| Customer                    | Corporate website   | Frequently             | <ul style="list-style-type: none"> <li>Responsibilities related to product safety and quality</li> <li>Product and service experience</li> <li>Receipt and resolution of customer complaints</li> </ul>   |
|                             | Media and press releases  | Frequently             |   |
|                             | VOC/Customer Center   | Frequently             |   |
| Shareholders and investors  | Ordinary general shareholders' meeting                                    | Once a year            | <ul style="list-style-type: none"> <li>Building corporate value</li> <li>Enhancing shareholder value</li> <li>Sound corporate governance</li> <li>Management of business opportunity and risk</li> </ul>  |
|                             | IR meeting  | Frequently             |   |
|                             | Investor/analyst conference call  | Frequently             |   |
|                             | IR webzine  | Monthly                |   |
| Employees                   | Labor and Management Council  | 4 times a year or more | <ul style="list-style-type: none"> <li>Fair evaluation of performance and reward</li> <li>Capability development</li> <li>Work-and-life balance</li> <li>Corporate culture based on diversity</li> </ul>  |
|                             | In-house on-line consultation channel                                     | Frequently             |   |
| Partner companies           | Partner round table meeting   | Once a year or more    | <ul style="list-style-type: none"> <li>Win-win cooperation with the business partners</li> <li>Helping business partners develop their sustainability</li> </ul>  |
|                             | Integrated procurement system   | Frequently             |   |
| Local communities           | Local Community Council   | 4 times a year         | <ul style="list-style-type: none"> <li>Social contribution and participation in local community activities</li> <li>Creation of jobs in the local areas</li> <li>Sustainable local development</li> </ul> |
|                             | NGO meeting   | Frequently             |   |
|                             | Social contribution business and project                                  | Frequently             |   |
| Academia and media          | Publication of Sustainability Report                                      | Once a year            | <ul style="list-style-type: none"> <li>Transparent disclosure of information</li> <li>ESG data and performance communication</li> </ul>   |
|                             | Voluntary disclosure of the Sustainability Report                         | Once a year            |   |
|                             | Participation in global ESG evaluation                                    | 5 times a year or more |   |
|                             | Participation in sustainability initiatives                               | 6 times a year or more |   |
| Government and stock market | Corporate Governance Report   | Once a year            | <ul style="list-style-type: none"> <li>Distribution of economic value including payment of taxes</li> <li>Compliance with laws and ethical management</li> </ul>  |
|                             | Regular disclosure such as the Annual Report                              | 4 times a year or more |   |
|                             | Disclosure to the Financial Supervisory Service and Fair Trade Commission | Frequently             |   |
|                             | Compliance with laws and regulations                                      | Frequently             |   |
|                             | Public-private cooperation project  | Frequently             |   |

## Double Materiality Analysis Overview

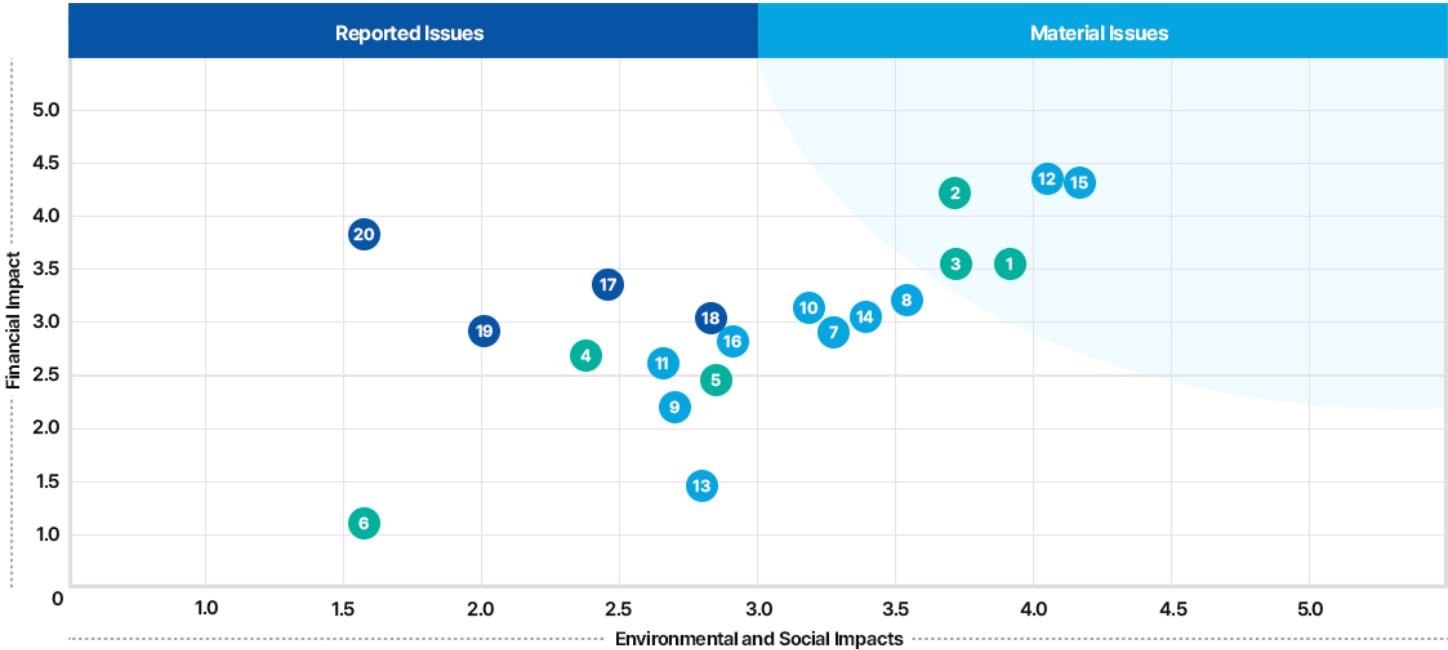
To identify material issues that could affect Coway's sustainability, we conducted a double materiality assessment following the principles of GRI Standards 2021 to select reporting topics. This assessment method analyzes not only the environmental and social impacts of the company's business activities but also considers the financial impact of external environmental and social factors on the company. Coway gathered diverse perspectives through a stakeholder survey and identified material issues by integrating results from media sources, ESG evaluation indicators, and industry benchmarking analysis.

## Double Materiality Assessment Process



# Result of Double Materiality Assessment

Coway comprehensively analyzed the likelihood of sustainability issues occurring and their potential impacts, selecting 5 material issues out of a total of 20. These issues were finalized after being reported to and approved by the BOD. As a result, Coway identified 'product quality and safety' and 'eco-friendly products' as material issues for 2 consecutive years, recognizing them as major ESG issues highly relevant to its business operation. Coway intends to review material issues as key components of company-wide risk management and transparently disclose related ESC activities and their performance to stakeholders.



## Environmental

- 1

Climate Change Response
- 2

Eco-friendly Products
- 3

Waste Management and Resource Circulation
- 4

Water Resources Management
- 5

Management of Hazardous Chemical Substances
- 6

Biodiversity

## Social

- 7

Human Rights Management
- 8

Development and Management of Human Resources
- 9

Diversity and Inclusion
- 10

Supply Chain ESG Management
- 11

Strengthening the Expertise of Partners
- 12

Customer Satisfaction and Services
- 13

Social Contribution Activities
- 14

Safety and Health
- 15

Product Quality and Safety
- 16

Private Information and Information Security

## Corporate Governance

- 17

Corporate Governance
- 18

Ethics and Compliance
- 19

Risk Management
- 20


Technological Innovation

| Rank | Issue                                     | Page              |
|------|---|-------------------|
| 1    | Product Quality and Safety                | <a href="#">↗</a> |
| 2    | Customer Satisfaction and Service         | <a href="#">↗</a> |
| 3    | Eco-friendly Products                     | <a href="#">↗</a> |
| 4    | Climate Change Response                   | <a href="#">↗</a> |
| 5    | Waste Management and Resource Circulation | <a href="#">↗</a> |

# Management and Reporting of Material Issues

Coway identified the company's status and risk factors related to the five material issues selected through the double materiality assessment. The ESG Council discussed directions, policies, performance, improvement plans, and other relevant aspects to address each material issue. Subsequently, the outcomes of these discussions were reported to the ESG Committee under the Board of Directors (BOD).

| Material issues                                  | Description of issues   | Response direction  | Key achievements in 2023   | Page  |
|--|---|---|--|---|
| <b>Product quality and safety</b>                | Product Quality and Safety encompasses strategies aimed at enhancing product quality and ensuring safety through rigorous reliability, safety, and environmental verification processes, spanning from product development through disposal. Failure to ensure product quality and safety can lead to financial risks, such as product recalls and violations of environmental regulations, and negative impacts such as a drop in brand value. | <ul style="list-style-type: none"> <li>Operating Infinite Responsibility Committee</li> <li>ISO 9001-based quality management certification and verification</li> <li>Operating a daily quality data monitoring system</li> <li>Operating an emergency quality improvement TF</li> <li>Establishing the Worst Quality Accountability System</li> <li>Operating a quality VOC consultative organization</li> <li>Operating a quality expert committee</li> <li>Operating an internationally accredited testing laboratory and acquiring certification</li> </ul> | <ul style="list-style-type: none"> <li>2023 National Quality Management Convention Certified as Excellent Quality Competitive Enterprise</li> <li>Attainment of Canadian Standards Association Electrical Safety Testing Laboratory Qualification</li> <li>Attainment of California Energy Commission Testing Laboratory Qualification</li> <li>Safety verification of 224 Coway manufactured products</li> <li>Acquisition of Quality/Reliability Responsible Engineer (PRE) Certification</li> </ul> |    |
| <b>Customer satisfaction and service</b>         | Customer satisfaction and service actively collects customer opinions and suggestions through various channels and reflects them in Coway products to provide products and services that meet customer needs. Failure to deliver products that meet customer needs can pose financial risks, including reduced customer satisfaction, diminished confidence among long-term customers, and lower revenue.                                       | <ul style="list-style-type: none"> <li>Operating a customer-centered initial response process</li> <li>Operating a high-risk VOC handling process</li> <li>Operating a consumer compensating process</li> <li>Operating various customer satisfaction programs</li> <li>Conducting regular customer satisfaction surveys</li> </ul>   | <ul style="list-style-type: none"> <li>Certification as Korea Service Quality Excellence Company</li> <li>Consumer-Centric Management (CCM) Certification</li> <li>2023 KNPS Award</li> </ul>  |  |
| <b>Eco-friendly products</b>                     | Low-carbon products are products that aim to minimize or eliminate negative impacts on the environment, and the demand for low-carbon products has been increasing in recent years due to changing customer awareness of the environment. Failure to adapt to these market shifts can result in a loss of customer trust and damage to the company's reputation.  | <ul style="list-style-type: none"> <li>Operating an eco-friendly product design process</li> <li>Product LCA Evaluation</li> <li>Expanding the use of recycled materials (recycled resins)</li> <li>Applying eco-friendly design and packaging</li> </ul>   | <ul style="list-style-type: none"> <li>Maintenance of a total of 30 Korea Eco-Labels</li> <li>Selection for 2023 InnoStar and GreenStar by Korea Management Certification Institute</li> <li>Reduction to 1/40 level compared to conventional Styrofoam through eco-friendly packaging for bidets</li> <li>Approved by the Ministry of Environment for Circular Assessment (5 types of bidets)</li> </ul>  |  |
| <b>Waste management and resource circulation</b> | Waste management and resource circulation aims to minimize the impact on the environment and human health by safely disposing of and efficiently circulating waste generated from business activities. If waste management and resource circulation are not carried out systematically, financial burden may arise due to the risk of violating relevant laws and regulations.  | <ul style="list-style-type: none"> <li>Operating a resource circulation management process</li> <li>Establishing a circular economy system</li> <li>Establishing a refurbished product system</li> </ul>  | <ul style="list-style-type: none"> <li>Participation in Voluntary Agreement on Recovery and Recycling of Waste Mattresses</li> <li>100% waste recycling</li> <li>Eco-friendly Paper Water Purifier Wins CES 2023 Innovation Award</li> </ul>   |  |

| Material issues         | Description of issues  | Response direction   | Key achievements in 2023  | page  |
|-------------------------|--|--|---|---|
| Climate change response | Climate change response refers to strategies for mitigating and adapting to the negative impacts that businesses will experience from climate change. Without climate change response, achieving global Net-zero goals becomes unlikely, and climate risks can directly impact corporate assets, increasing the financial burden on investments. | <ul style="list-style-type: none"><li>• Promotion of RE100 conversion at major business sites</li><li>• Increasing productivity through process automation</li></ul> | <ul style="list-style-type: none"><li>• Establishment of a Scope 3 GHG emission measurement system</li><li>• Decision on internal carbon pricing</li><li>• Construction of renewable energy facilities (solar power plant No. 2)</li><li>• Environmental investment cost of KRW 1.2 billion</li></ul> |  |



# Environmental

Environmental Management

Climate Change Response

Eco-friendly Products and Resources Circulation

Environmental Stewardship

## Environmental Management System

### Environmental Policy

Coway promotes 'healthy environment, happy people' as the core value of its environmental management, and strives to minimize negative environmental impacts of business activities and the overall value chain through environmentally friendly products and services. In 2006, Coway announced its commitment to environmental management through its Environment Management Declaration. Coway announced its environmental management policy in 2012 to ensure regulatory compliance and stakeholder trust; and in May 2024, advanced management standards were set up through the establishment of the Environment Policy. Our environmental management policy applies to all regions where we conduct business, and we recommend that our subsidiaries and business partners also implement the policy.

[Environmental Policy →](#)

### Environmental Management Policy

Coway's environmental management policy corresponds to the basic principles that must be observed throughout the entire business process, and is further used as a strategic indicator to fulfill social responsibilities.

## Coway Environmental Management Basic Principles (Policy) **coway**

**Coway, the Best Life Solution Company, has established this environmental policy to continuously improve environmental performance through environmentally friendly management while minimizing negative environmental impacts across business activities and the value chain.**

**This Environmental Policy will be applied in the following ways as a guide to establish environmental policies and a cooperation system for Coway's subsidiaries and business partners:**

1. Coway shall strengthen its sustainability and become the global leader among eco-friendly companies by continuously investing in eco-friendly business and innovating itself.
2. Coway shall comply with environmental laws and establish an advanced environmental management system to continuously create value through environmental management, and prepare future growth engines.
3. By establishing a clean production system and complying with precautionary principles such as activities to reduce environmental pollutants and greenhouse gas emissions, Coway shall minimize environmental impact and provide a pleasant environment for future generations.
4. Coway shall lead the development of eco-friendly products, services and technologies by applying lifecycle thinking ("LCT") to products and services.
5. Coway shall strive to satisfy all stakeholders to the greatest possible extent by transparently disclosing information.

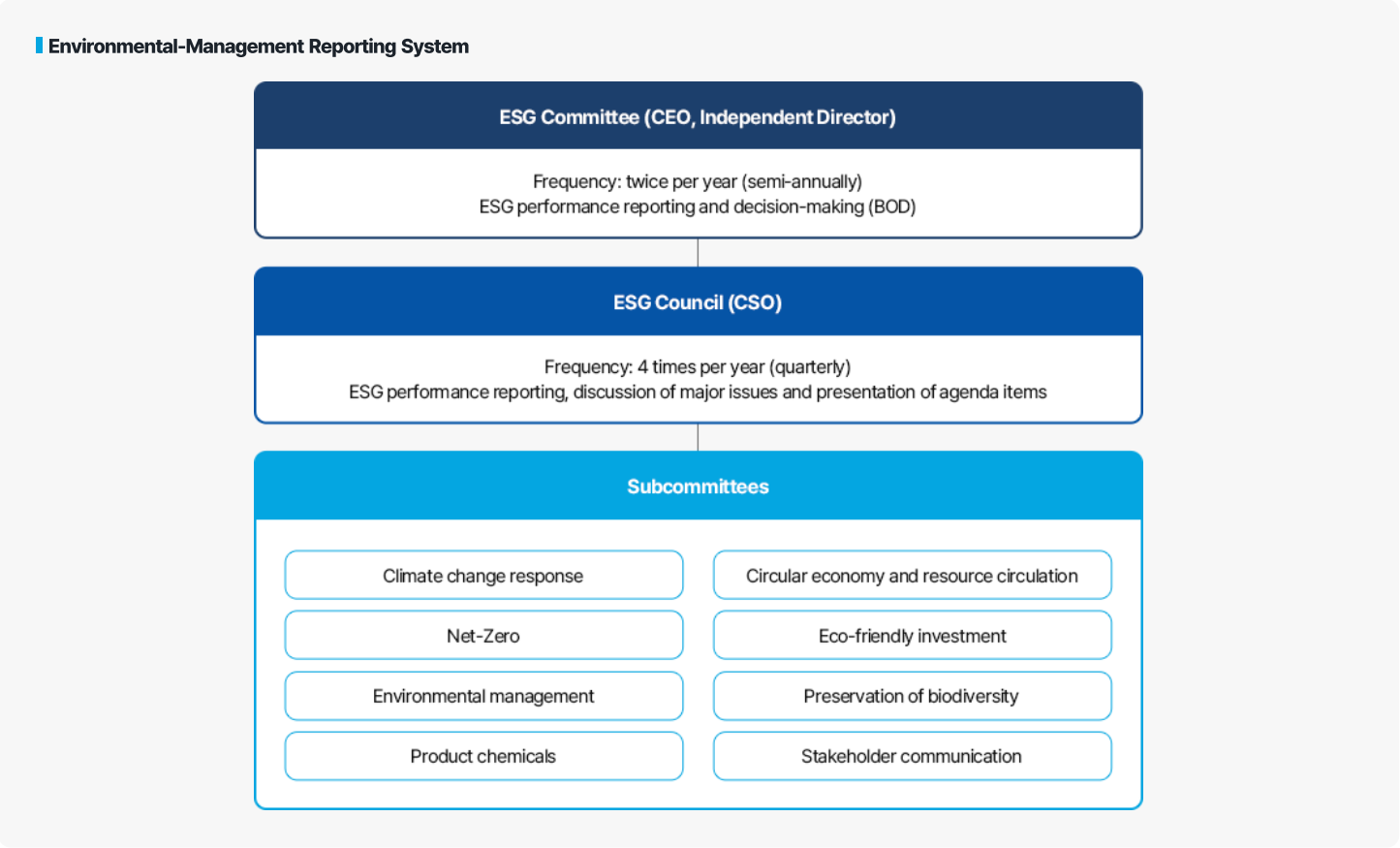
May 2024  
Seo Jang-won, CEO of Coway Co., Ltd.

서 장 원



# Environmental Management Organization System

Coway's highest decision-making body for environmental management is the Board of Directors (BOD). The ESG Committee operates within the BOD, and the ESG Committee is responsible for regularly reviewing and prior deliberation on major issues related to overall sustainable management, including environmental management. In 2023, internal carbon-price determination and REC processing measures were approved to adapt to 2050 Net-Zero. The Environment and Safety Certification Team is a dedicated organization for Coway's company-wide environmental management, and is responsible for establishing greenhouse gas reduction strategies, measuring and analyzing environmental data, and establishing internal and external ESG environmental infrastructure. In addition, we manage company-wide environmental management performance and report semi-annually on various strategies and tasks for improvement to the BOD. At this time, persons-in-charge from related departments related to the company-wide environment also participate in order to inspect and discuss the implementation of these matters.



# Environmental Management Strategy

Coway has established an environmental management strategy to continuously provide environmentally friendly products and services and minimize the environmental impact of business activities. With the goal of achieving Net-Zero by 2050 through the gradual promotion of RE100, we are pursuing 'maximizing environmental brand value, environmental impact management, resource circulation, communication and participation' as major tasks. Based on this goal, Coway is internalizing the environmental management system by 2030 and managing it by designating it as a key performance indicator (KPI) for related departments.

Environmental Management Environmental Management Key Performance Indicators (KPI)

• Targets: CTO (headquarters) and subs (offices), product planning department, design lab (headquarters)

• Size: Differentiated evaluation depending on the performance compared to the goals set by each organization

| Organization       | Key Performance Indicators (KPIs)  |
|--------------------|--|
| CTO (Headquarters) | Identifying and promoting ESG strategic tasks (focusing on proactive regulatory responses) |
| Sub (Offices)      | Planning and development of products using eco-friendly and recycled resin                 |

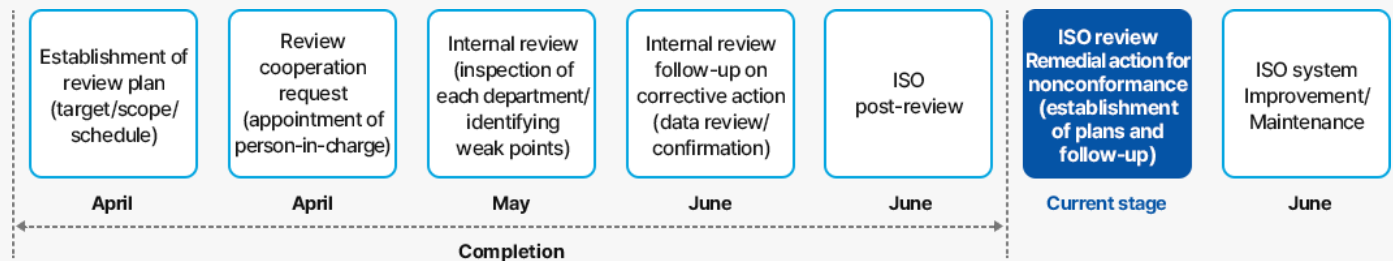
## Environmental Management Strategy System

|                         |  |   |   |   |
|-------------------------|--|---|---|---|
| Vision                  | Best life solution company   |   |   |   |
| Mid- to long-term goals | Achieving the 2050 Net-Zero goal through a phased RE100 (Renewable Electricity 100%) promotion<br>*Preparing to transition to renewable energy at Coway's Incheon Factory in 2024  |   |   |   |
| Strategy                | Expanding eco-friendly policies and eco systems to enhance corporate value and create a future where it permeates the daily lives of customers   |   |   |   |
| Implementation plans    | <b>Maximizing environmental brand value</b> <ol style="list-style-type: none"> <li>Development/introduction of eco-friendly technology <ul style="list-style-type: none"> <li>Application of eco-friendly materials in products (purifiers, bidets with recycled resin)</li> </ul> </li> <li>Expansion of eco-friendly packaging <ul style="list-style-type: none"> <li>Expanded use of eco-friendly packaging materials (Air-Cell)</li> <li>Reduce waste by streamlining packaging</li> </ul> </li> </ol> | <b>Environmental impact management</b> <ol style="list-style-type: none"> <li>Reduction of environmental impact <ul style="list-style-type: none"> <li>Promote voluntary use of new and renewable energy (Promotion of RE100 at Coway Incheon Factory)</li> </ul> </li> <li>Supply-chain environmental impact management (scope 3) <ul style="list-style-type: none"> <li>Scope 3 GHG emission management</li> <li>Supply chain ESG consulting support</li> </ul> </li> </ol> | <b>Resource circulation</b> <ol style="list-style-type: none"> <li>Spread of circular economy system <ul style="list-style-type: none"> <li>Securing competitiveness through waste mattresses collection and recycling agreements</li> </ul> </li> <li>Expanded sales of refurbished home appliances <ul style="list-style-type: none"> <li>2,922 home appliances sold in 2023</li> </ul> </li> </ol> | <b>Communication and participation</b> <ol style="list-style-type: none"> <li>Improvement of local community environment <ul style="list-style-type: none"> <li>Communicate with local stakeholders at business sites</li> <li>Encouragement of environmental management by employees (participating in the campaign to reduce disposable products at company cafes)</li> </ul> </li> </ol> |

## Environmental Management System Certification

Coway has established an environmental management system that meets global standards by obtaining ISO14001 certification for all of its domestic business sites, and its environmental management performance is verified and certified through annual follow-up reviews and renewal reviews every three years. Through this, we are efficiently managing environmental risks by systematically identifying, evaluating, managing, and improving environmental aspects of all business activities.

### ISO Operation Process



### ISO14001 Certifications by Site

| Certified sites  | Certification period   | Certifications |
|--|--|----------------|
| Seoul Office   | June 24, 2023 to June 23, 2026<br>Renewal review: 3 years / Follow-up review: 1 year |                |
| Yugu Factory   |  |                |
| Incheon Factory  |  |                |
| Pocheon Factory  |  |                |
| Environmental Technology Research Institute (R&D center) |  |                |

# Strengthening Environmental Management Capabilities

## Environmental Training for Employees

Coway provides information and training necessary for environmental management activities to employees, thereby raising their awareness of environmental management and strengthening their capabilities. In 2023, various training courses related to climate change, ESG management, and environmentally hazardous substances were completed, and Coway plans to continue to expand environmental competency training — not only for its employees but also for its partners.

| Category                             | Training program                                   | Number of participants | Training hours                      |
|--------------------------------------|--|------------------------|-------------------------------------|
| Climate change                       | Climate change (TCFD) operation                    | 3                      | 40 hours<br>(13.3 hours per person) |
|                                      | ESG sustainability report filing                   |                        |                                     |
|                                      | Workshop for young environmental researchers       |                        |                                     |
| ESG management                       | ESG environmental management                       | 10                     | 52 hours<br>(5.2 hours per person)  |
| Environmentally hazardous substances | Coway's Chemical Management Standards and Policies | 22                     | 154 hours<br>(7 hours per person)   |
|                                      | Hazardous chemical substance quality management    |                        |                                     |
|                                      | Global environmental regulations course            |                        |                                     |

## Environment Policy Management System

Coway performs its work in accordance with procedures to respond to global regulations related to product environments. We have established monitoring standards and processes for monitoring regulatory information, which is the most basic and important starting point for responding to regulations, and are currently establishing/operating an Environmental Regulation Information Management System (ERIMS) for digital management. Through ERIMS, we check the regulatory status by product group/regulation/country and promote product development to continuously manage regulatory risks. Coway complies with domestic and international environmental regulations as follows:



ERIMS, a regulatory information management system to respond to domestic and international environmental regulations

- 01 Electrical appliances and consumer products safety control act
- 02 Act on resource circulation of electrical and electronic equipment and vehicles
- 03 Act on promotion of saving and recycling of resources
- 04 Drinking water management method (limited to water purifiers)
- 05 Response to other domestic laws and similar laws and regulations overseas (major export countries)

### Environmental Regulation Adaptation Procedures



## Eco-friendly Investment

As the demand for Net-Zero spreads globally, Coway has been installing and operating solar power plants as part of its ESG investment. Coway's solar power plants are installed at Yugu Factory (49.5 kWh scale), Incheon Factory (39 kWh scale), Pocheon Factory (45 kWh scale), and Yugu Logistics Center (1,048.8 kWh scale) by using the rooftop of the company's business sites to utilize unused building sites. In March 2023, a solar power plant with a capacity of 802.35 kWh was installed on the roof of the subsidiary BEREX Tech building, and the expected annual power generation is 966 MWh, which generates enough power for approximately 270 households per year.

# Climate Change Response Governance

## The Board’s Management of Risks and Opportunities Related to Climate Change

Coway's highest decision-making body is the Board of Directors. All decisions for climate change response and sustainable management are made in the ESG Committee within the BOD.

### ESG Committee

The Coway ESG Committee has established itself as an important meeting body that will be held semi-annually starting in 2021. In particular, in order to strengthen the ESG management system and ensure sustainable growth of the company, we have secured expertise, transparency, and diversity, by having two independent directors with expertise (one male, and one female) and one executive director (CEO). Coway's ESG Committee makes the final decision upon receipt of reports on key issues (investment, business plan) related to 2050 Net-Zero and climate change response.

### Major Climate Change-related Decisions in 2023

| Date held  | Agenda  | Adopted/rejected |
|------------|---|------------------|
| 2023.12.12 | Decision on Coway’s (internal) carbon price               | Adopted          |
|            | Decision on processing Renewable Energy Certificate (REC) | Adopted          |

# Climate Change Response Strategy

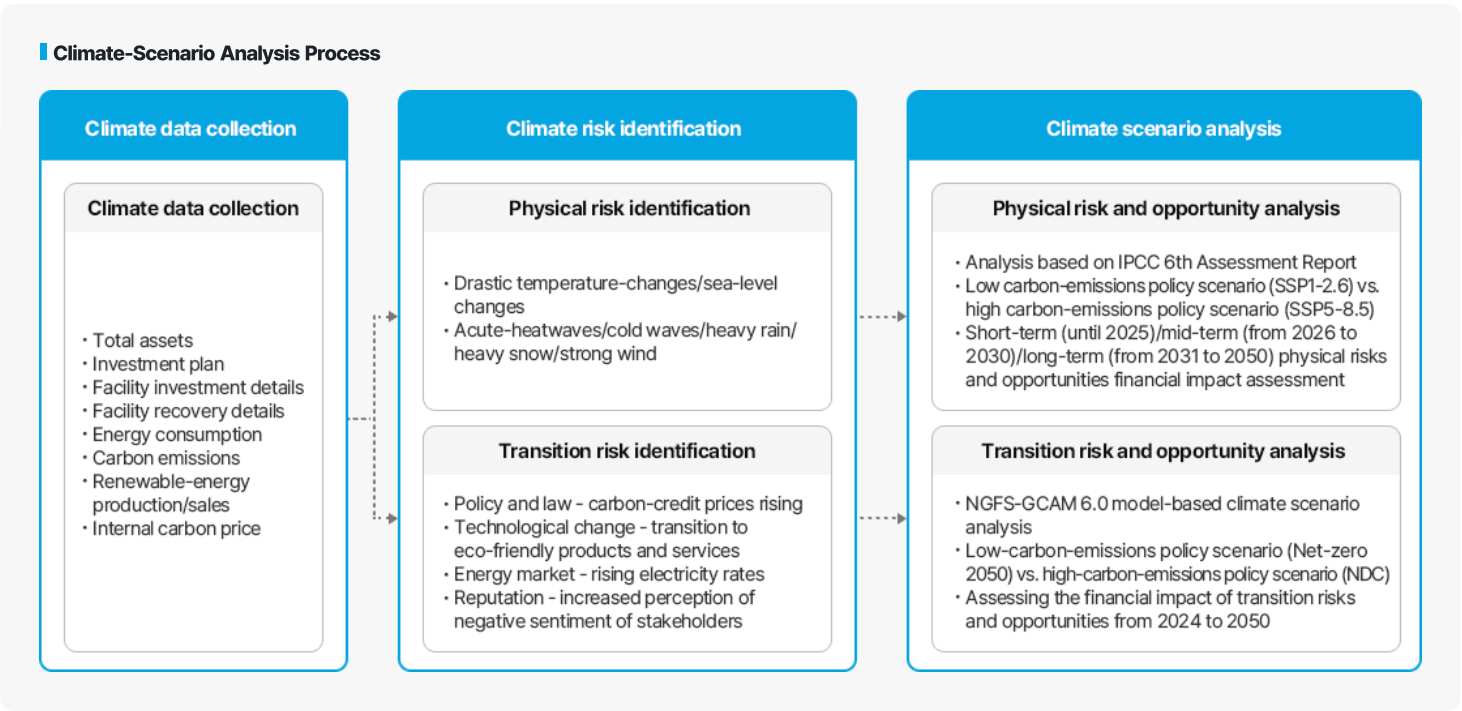
## Overview of Climate Scenario Analysis

Coway conducted a climate-scenario analysis to establish internal strategies and make decisions to respond to climate change. In the analysis, internal key data were reflected in scenarios presented by international consultative bodies such as NGFS and IPCC SSP (SSP1-2.6, SSP5-8.5) to identify physical risks and transition (implementation) risks due to climate change. Physical risks are based on climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, reflecting low-emission scenarios (\*SPP1-2. 6) and high-emission scenarios (\*SSP5-8. 5) in the short, medium, and long term.

\* SSP (Shared Socioeconomic Pathway): A scenario that applies radiant energy changes to the Earth as of 2100 and changes in future socioeconomic systems such as population, economy, and energy use.

Transition risk is based on the Network for Greening the Financial System's (NGFS) \*GCAM (Global Change Analysis Model) 6.0 model, reflecting low-emission scenarios (Net-zero 2050) and high-emission scenarios — Nationally Determined Contributions (NDCs, from 2023 to 2050).

\* GCAM 6.0: NGFS's Integrated Climate and Economic Assessment Model provide integrated information on consumer goods demand and supply, population changes, and price changes for 32 regions under climate-change scenarios.



# Identification of Climate Risk

To analyze the impact (risk) of climate-change on the company, Coway collected past asset-information (investment and maintenance costs) and environmental information (carbon emissions/energy consumption), and identified various issues in advance through interviews with relevant departments. We used it to conduct predictive analytics on a short- medium- and long-term basis. Among physical risks, 'acute risks' refers to impacts from sudden weather events, while 'chronic risks' refers to gradual changes in the environment due to climate change. And 'transition (implementation) risks' refers to risks resulting from changes in policy and the social environment. The analysis identified the main risks as 'heatwaves,' 'heavy rain/snow,' 'temperature changes,' 'policy and legislation,' and 'energy markets,' with each of the five factors expected to have a progressively increasing impact through 2050. Moreover, technological changes do not have a direct impact, but there is a possibility, which, in turn, requires a response strategy. Based on the climate-change risk analysis, Coway will strive to effectively reduce the impacts (risks) of climate change in the future and develop the company's own capability to adapt to climate change

## Climate Change Risk Impact Assessment

|                 |                       |                     |   | Impact <span>High</span> <span>Medium</span> <span>Low</span> |                                 |                                  |
|-----------------|-----------------------|---------------------|---|---|---------------------------------|----------------------------------|
| Risks           | Category              |                     | Description   | Impact  |                                 |                                  |
|                 |                       |                     |   | Years   |                                 |                                  |
|                 |                       |                     |   | Short-term<br>(until 2025)                                    | Mid-term<br>(from 2026 to 2030) | Long-term<br>(from 2031 to 2050) |
| Physical risks  | Acute                 | Heatwave            | Facility investment costs due to heatwaves  | <span>Low</span>  | <span>Medium</span>             | <span>High</span>                |
|                 |                       | Cold waves          | Cost of increased facility investment and energy consumption due to cold waves                              | <span>Low</span>  | <span>Low</span>                | <span>Low</span>                 |
|                 |                       | Heavy rain/snowfall | Costs to repair damage caused by heavy rain/snowfall  | <span>Low</span>  | <span>Medium</span>             | <span>High</span>                |
|                 |                       | Gale                | Costs to repair damage caused by high winds   | <span>Low</span>  | <span>Low</span>                | <span>Low</span>                 |
|                 | Chronic               | Temperature change  | Cost of increased facility investment and energy consumption due to prolonged exposure to high temperatures | <span>Low</span>  | <span>Medium</span>             | <span>High</span>                |
|                 |                       | Sea-level changes   | Flood damage costs due to rising sea levels   | <span>Low</span>  | <span>Low</span>                | <span>Low</span>                 |
| Transition risk | Policy and Law        |                     | Cost of rising prices due to carbon-credit policies   | <span>Low</span>  | <span>Medium</span>             | <span>High</span>                |
|                 | Technological changes |                     | Costs of providing eco-friendly products and services   | <span>Low</span>  | <span>Low</span>                | <span>Medium</span>              |
|                 | Energy market         |                     | Cost due to rising energy costs   | <span>Low</span>  | <span>Medium</span>             | <span>High</span>                |
|                 | Reputation            |                     | Decrease in sales and investment due to poor customer reputation  | <span>Low</span>  | <span>Low</span>                | <span>Low</span>                 |

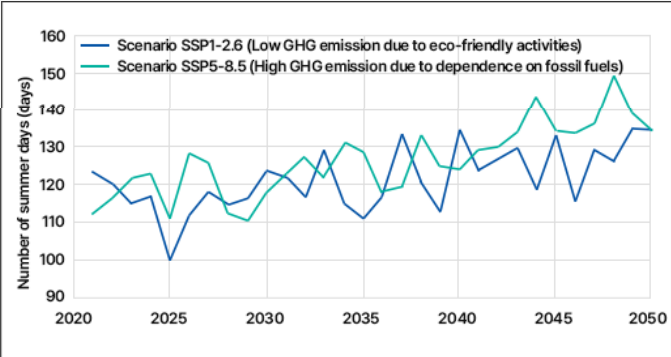


# Climate-scenario analysis and financial-impact assessment

The scenarios presented in this Report had been prepared based on various assumptions and forecasts, and the actual outcomes may differ from those suggested by the scenarios. Coway will refer to the scenarios when establishing plans and strategies related to ESG and continuously advancing the scenarios.

## Physical Risk 1: Temperature Changes and Heat Waves

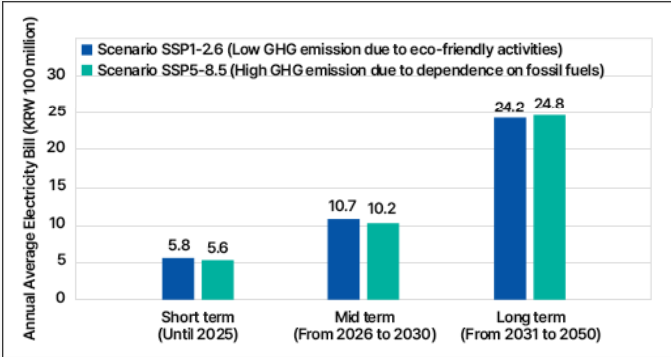
\*Change in number of summer days according to IPCC climate scenario



The number of summer days for the heatwave/temperature change physical risk analysis shows an irregular increasing trend until 2050 for both IPCC SSP low-emission (SSP1-2.6) and high-emission (SSP5-8.5) scenarios. This means that as the average global temperature rises, the number of \*summer days increases, and so does the electricity consumption for cooling.

\* Number of summer days: The first to last day in which the average daily temperature rises and remains above 20°C.

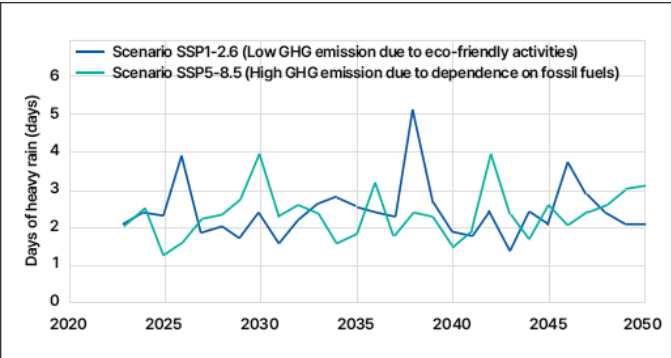
Financial impact of increased power consumption due to temperature changes



To analyze the financial impact of climate change, we have analyzed the scenarios referring to the IPCC climate scenario, the past revenue growth rate of the company and the subsequent use of electricity. When assumed that the increase of number of summer days as suggested by the climate scenario, increase of production caused by the growth of company, subsequent growth of use of electricity and increase of price of electricity, the financial impact is expected to increase at the annual average of KRW 2.42 billion (Scenario SSP1-2.6) to KRW 2.48 billion (Scenario SSP5-8.5), from a long-term perspective (2031 to 2050).

## Physical Risk 2: Heavy rain

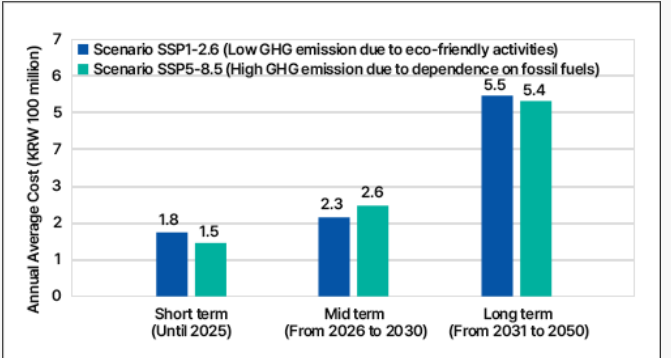
\*Changes in the number of days of heavy rain according to the IPCC climate scenario



The number of heavy precipitation days for the heavy precipitation physical risk analysis shows no increasing trend for both IPCC SSP low-emission (SSP1-2.6) and high-emission (SSP5-8.5) scenarios.

\* Heavy precipitation days: more than 30 mm per hour, more than 80 mm per day or daily precipitation is 10% of the annual precipitation.

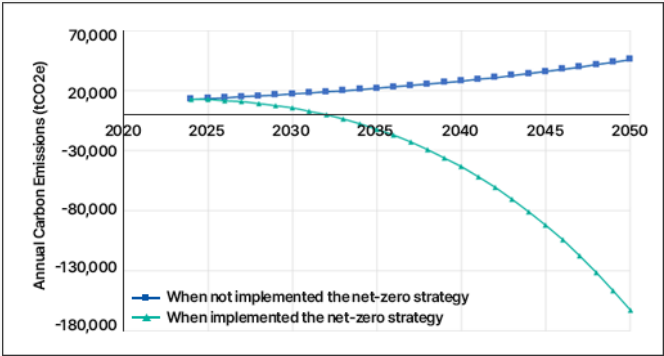
Financial impact of recovery costs due to heavy precipitation



To analyze the financial impact of heavy precipitation, Coway identified the past cost of restoring its facilities and increase and/or decrease of asset value. According to the climate scenario, the frequency of heavy precipitation is expected to remain steady until 2050. However, the continued increase of the company's asset value may increase the financial burden when damage occurs due to heavy precipitation. Accordingly, the company is making efforts to minimize the risk and prevent damages by heavy precipitation, such as flooding, electricity outage or loss of properties, by strengthening its prior inspection of its business sites.

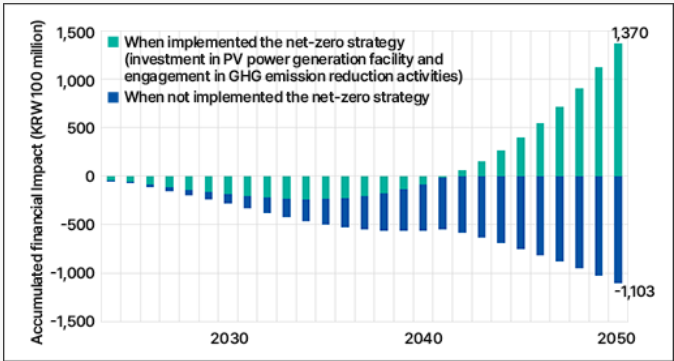
Transition Risk 1: Policy and Law

Carbon emissions according to net-zero scenario



Coway expects its carbon emissions to increase until 2050, if the net-zero strategy is not implemented. By year, it is expected that approximately 18,118tCO<sub>2</sub>e will be emitted in 2030 and approximately 48,000tCO<sub>2</sub>e in 2050. However, assuming that the company annually invests in the photovoltaic power generation facility until 2050, it is expected to achieve net-zero ahead of the schedule, by 2033. The photovoltaic power generation facility construction plan is included in Coway's GHG emission reduction strategy, for which some conditions, such as financial resources, land, permit, etc., must be met. Coway will make efforts to achieve net-zero by 2050 referring to the applicable scenario.

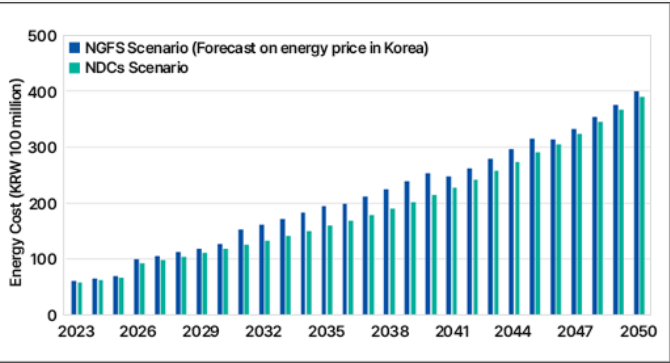
Financial impact according to net-zero scenario



The financial impact was analyzed based on the net-zero scenario in the left. Provided that the net-zero strategy is not implemented, Coway expects that the accumulated financial impact of GHG emission will reach KRW 110.3 billion by 2050 (when translated Coway's GHG emission scenario into a monetary value considering the price of carbon emission). Meanwhile, provided that the net-zero strategy is implemented as prescribed by the net-zero scenario, an accumulated profit of KRW 137.0 billion by 2050 is expected. The net-zero scenario assumes that the company builds 27 PV power generation plants of annual capacity of 1,000kW from 2024 to 2050. Accordingly, there may be financial burden in the earlier period of the strategy because of investment in the power plant, but Coway is expected to reach the break-even point by trading the carbon emission right as time passes and result in the profit of KRW 137.0 in 2050. Thus, it is expected that approximately KRW 247.3 billion benefit to Coway when included the cost that would arise when not implemented the net-zero strategy.

Transition Risk 2: Market Change

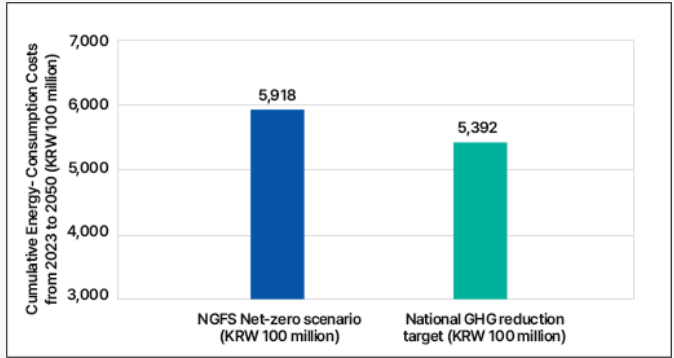
NGFS scenario-based energy-cost estimation



Both \*NGFS Korean energy price scenario and \*NDCs scenario used to estimate the cost of energy anticipates that the cost of energy will rise until 2050. When the two scenarios estimated the cost of energy, they applied the future energy use of Coway, and the estimation calculated thereby was approximately KRW 40.0 billion in 2050.

\* NGFS: Network for Greening the Financial System  
\* NDCs: National greenhouse gas reduction targets set by participating countries according to the Paris Agreement on climate change

NGFS scenario-based financial-impact estimation



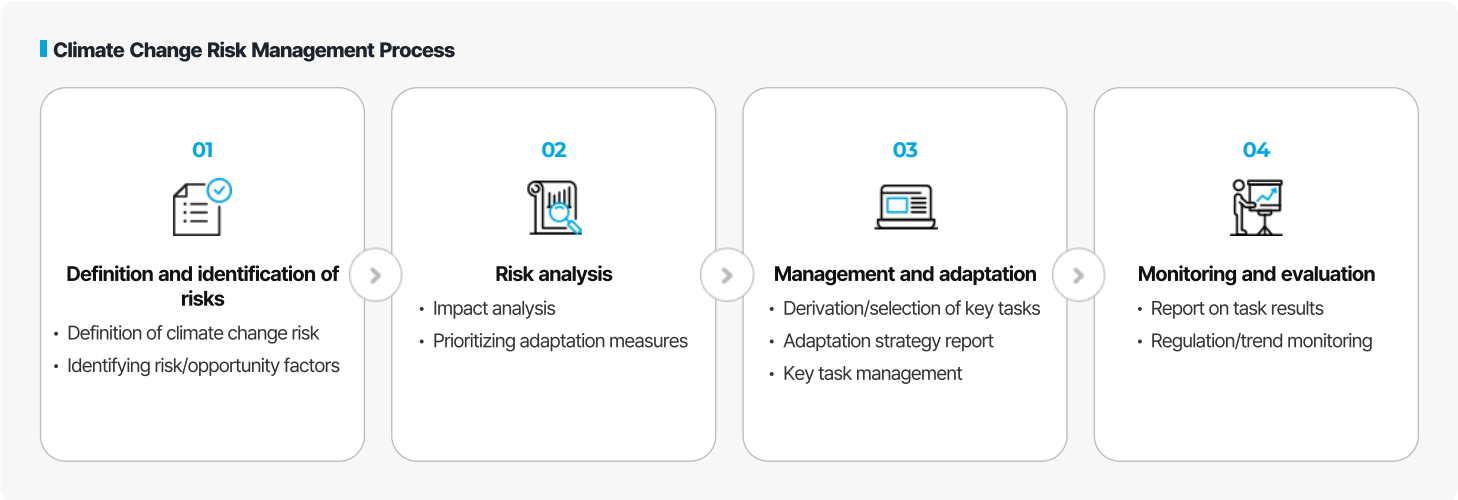
When totaled the cost of energy from 2023 to 2050 based on the estimated price of energy, the costs of energy based on NGFS scenario and NDCs scenario were KRW 591.8 billion and 539.2 billion, respectively. Coway will seek ways to use energy more efficiently and strengthen the RE100 strategy (under which the source of electricity required by the business sites will be converted to renewable energy sources) to alleviate the energy cost risk that the corporate community will experience in the future. By doing so, Coway will strive to reduce the financial risk arising from use of energy.



# Climate Change Risk Management

## Climate Change Risk Management Process

Coway is operating a climate change risk management process to respond to changes in the external business environment caused by climate change.



## Mid- to Long-term Carbon Neutral Roadmap

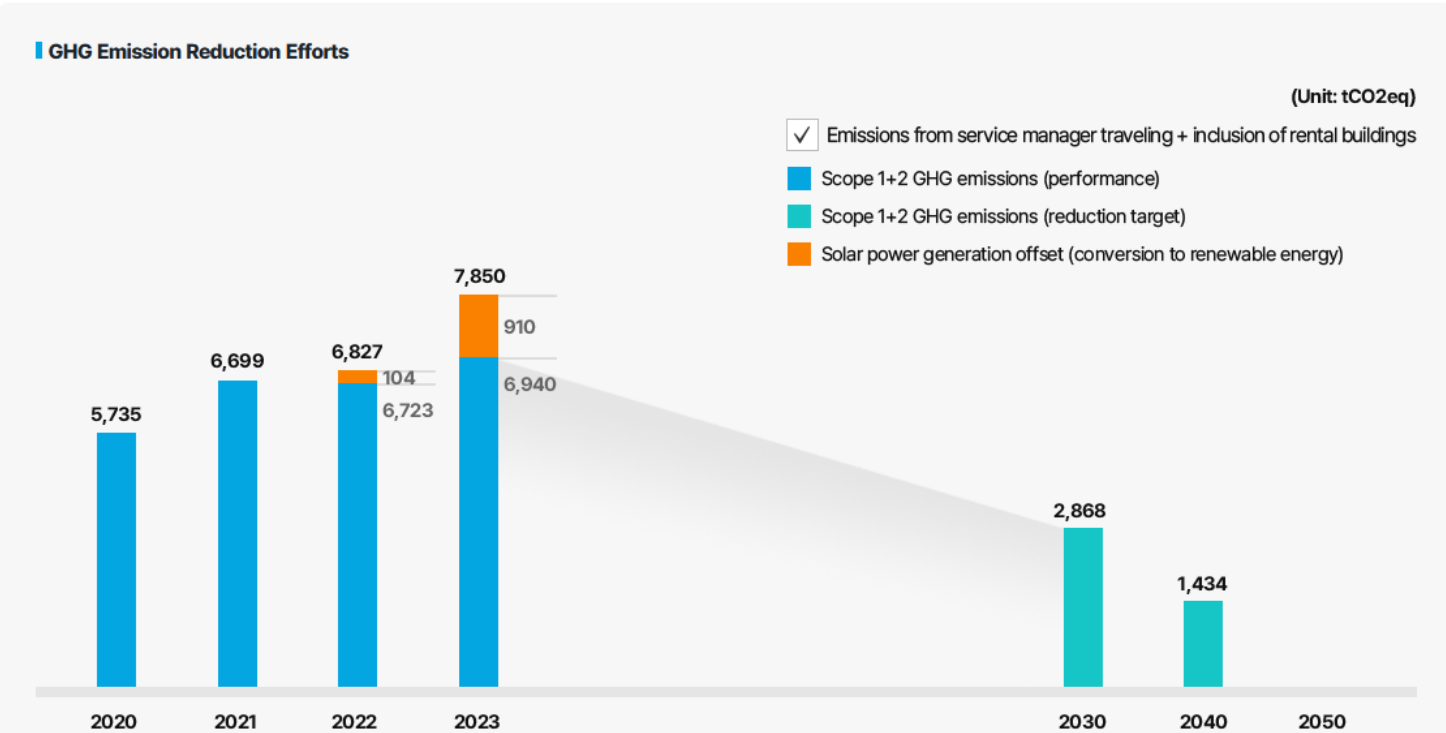
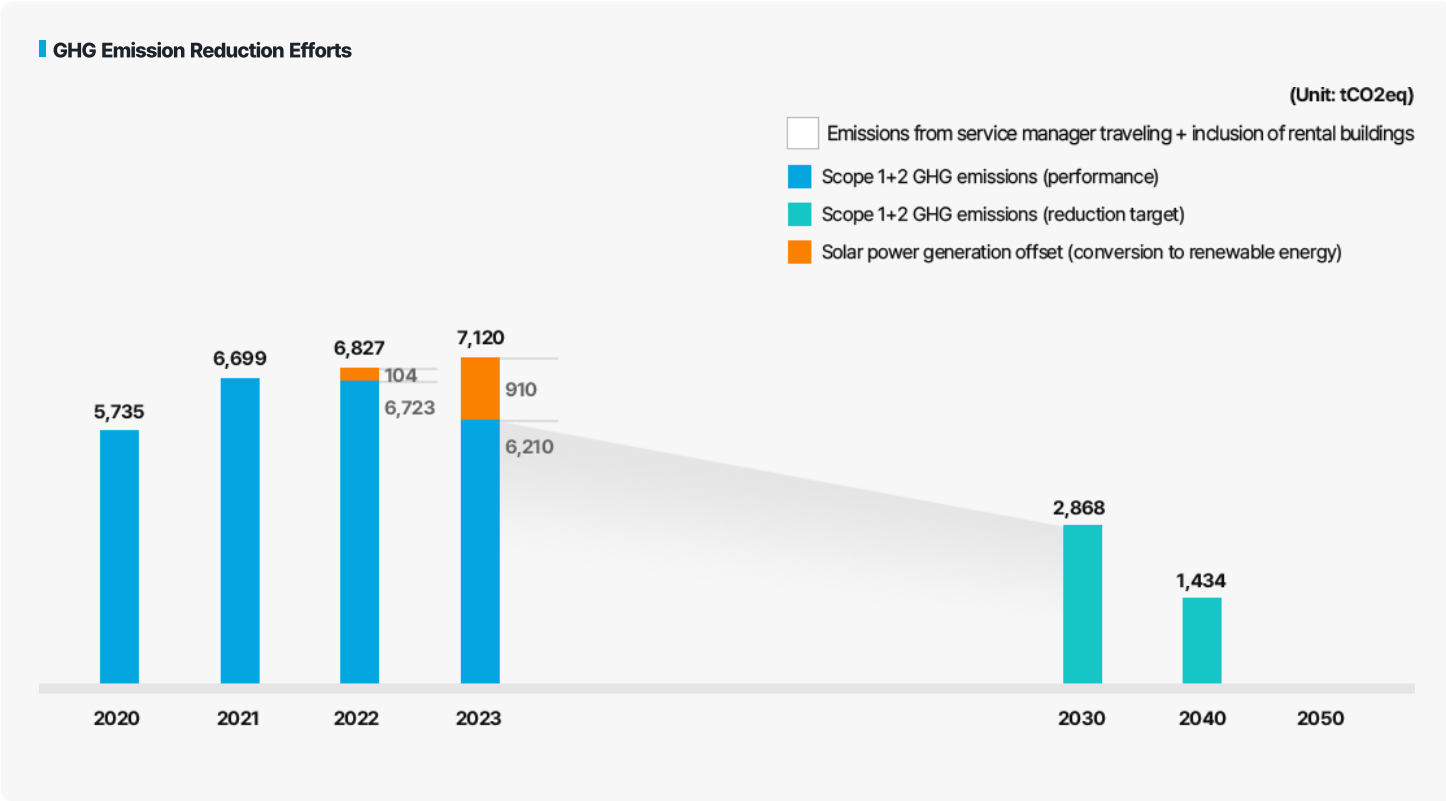
### 2050 Net Zero

| Category                 | Key goals                            | Short- to mid-term (from 2026 to 2030)                                     | Long term (from 2031 to 2050)                                     |
|--------------------------|--------------------------------------|--|---|
| Product innovation       | More eco-friendly products           | Improved product energy consumption efficiency                             | Launch of net-zero compatible products                            |
|                          |                                      | Increased application of eco-friendly materials                            | Improve resource circulation efficiency                           |
| Operation improvement    | Improved renewable energy efficiency | Promotion of RE100 conversion at major business sites                      | RE100 certification for all business sites                        |
|                          |                                      | Maintain/optimize system stability   | Construction of solar power plant No. 10                          |
| Technological innovation | Production process carbon neutrality | Improving workforce efficiency and productivity through process automation | Process optimization and problem solving using digital technology |

# Metrics and Reduction Targets

## GHG Emissions Management

Coway is implementing renewable energy facilities and energy conservation campaigns to achieve its 2050 net-zero goal. In the second half of 2020, the technical service manager became a full-time position, and from November to December 2023, Coway began measuring the carbon emissions of some of the service managers' leased vehicles (approximately 200 vehicles) and leased buildings. Inclusion of Scope 1 (rental vehicles) and Scope 2 (rental buildings) resulted in an increase in GHG emissions compared to the past. In order to transparently disclose the GHG emissions generated within its business value chain, Coway will measure the GHG emissions of its technical service managers' entire fleet of leased vehicles (expected to be around 1,500 vehicles) starting in 2024 to comprehensively measure the mobile combustion of its service managers.



\* Service managers' rental vehicles (S1) and rental building power consumption (S2) are measured for the first time in 2023 after conversion of their position to full-time employees in the national service manager organization.

# Greater Use of Renewable Energy

## Plans for Investment in Renewable Energy

Coway has built two new renewable energy (solar power) power- generation facilities to achieve mid- to long-term greenhouse gas emissions reduction goals. Currently, many companies, including Coway, rely on electricity as a source of energy, so renewable energy (solar) power-generation facilities are necessary to meet national greenhouse gas emission reduction targets (NDCs). Coway will continue to actively utilize renewable energy (solar) to offset its ongoing carbon emissions. Coway's renewable energy (solar) plants 001 and 002 generated a total of 1,993.325 MWh of renewable energy in 2023, which will be issued Renewable Energy Certificates (RECs) from the Korea Energy Agency in May 2024. In addition, the Incheon Factory (1,870.752MWh of electricity consumption in 2023) will become Coway's first RE100 factory as we are pursuing RE100 targets.



No. 001 Yugu Logistics Center (Logistics Building)



No. 002 BEREX Tech

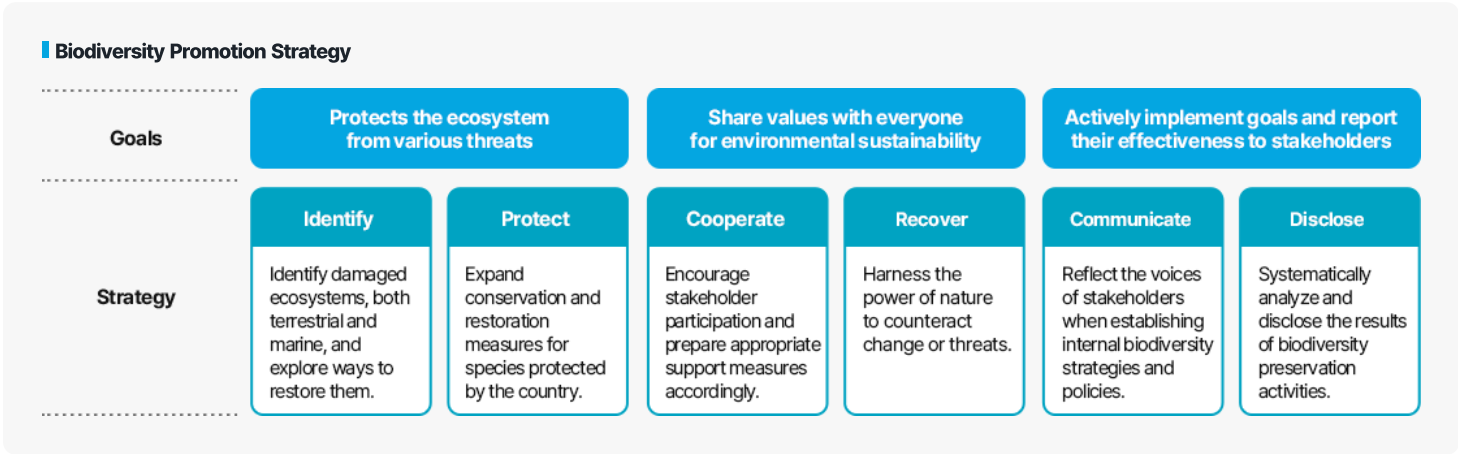
\* Yugu Factory, Yugu Logistics Center (Office Building), Pocheon Factory, and Incheon Factory are operating separate power plants at each business site.

# Biodiversity

Coway is aware of the seriousness of the biodiversity crisis. The peninsula where Coway operates is home to a wide variety of climates and terrains, which translates into high biodiversity. This makes it an important area for biodiversity conservation and enhancement.

## Biodiversity Preservation Management System

Coway has established a biodiversity management system in accordance with Article 7 of the [Biodiversity Conservation and Utilization Act], which was enacted to preserve national biodiversity and ensure sustainable use of its components. Coway has three main goals to protect biodiversity. Coway is also considering enacting a biodiversity policy in accordance with the National Biodiversity Strategy, a top-level ministry plan that outlines a five-year plan for biodiversity conservation. The detailed strategy will follow the region where the business is located (Seoul, Gyeonggi, Incheon, and Chungnam). The reason for following a regional strategy rather than a unified strategy is to allow flexibility in the strategy by considering the species and population of creatures in each region. Coway's biodiversity policy will be disclosed in the 2025 Sustainability Report.



## Activities Related to Preservation and Promotion of Biodiversity

Every living thing has a role and interacts with other species to make up an ecosystem. In particular, plants that are the foundation of an ecosystem can have a positive or negative impact on the ecosystem as a whole, depending on their conservation status. Therefore, Coway has been implementing the Classroom Forest Project every year as a foundation for biodiversity promotion, and successfully revived the endangered native *Asplenium antiquum* Makino.

### CASE

#### Coway Clean Classroom Forest

Starting in 2022, Coway has donated a cumulative 2,129 tree plantings and fern nurseries through the "Classroom Forest Project". In 2023, we donated 958 plants, including Areca palm, Gwaneum bamboo, and *Asplenium antiquum* Makino, to two elementary schools to fill up 2% of the classroom volume with plants. With the creation of Coway Classroom Forest, students participate in approximately 480 minutes of environmental education, with a cumulative total of 1,986 students completing the program to date.

\* *Asplenium antiquum* Makino: Korean rare native plant classified as critically endangered



### CASE

#### Ploving

As Korea's leading water company, Coway is conducting a *ploving* campaign to collect trash in the ocean to spread awareness of the value of clean water and environmental protection. This year's ploving was done by volunteers of employees who have diving certifications in the waters of Songji Lake in Goseong, Gangwon-do. Coway plans to continue to campaign for the preservation of biodiversity on both land and sea by publicizing and improving the state of pollution in the ocean environment through ploving once or twice every year.

\* Ploving: A combination of the Swedish words "plokka up" meaning to "pick up grains" and "freediving"



## Efforts on Preservation of Biodiversity

Coway identifies biological species around our business sites and conducts annual monitoring using national platforms to better understand the species living in Korea, and conserve and manage them as biological resources. In addition, we will conduct mandatory ESG training for employees in 2024 on the topic of "Daily Practices for Preservation of Biodiversity," to help create a world where humans and nature can coexist.



## Eco-friendly Products and Technologies

### Eco-friendly Business Expansion Strategy

#### Eco-friendly Products and Technologies Strengthening Policy

Today, as the impact of climate change grows, companies are becoming more environmentally responsible. Coway is actively introducing eco-friendly technologies to minimize the environmental impact of its products and to realize its goal of Net-Zero. Coway is working to develop eco-friendly products and technologies based on the 3 strategies below.

#### Market Leadership

##### Innovative products



Developing innovative technologies and products to lead the sustainable market

#### Regulation Adaptation

##### Eco-friendly products



Developing innovative technologies and products to proactively address ESG-related regulations

#### Securing New Growth Engines

##### Market leadership



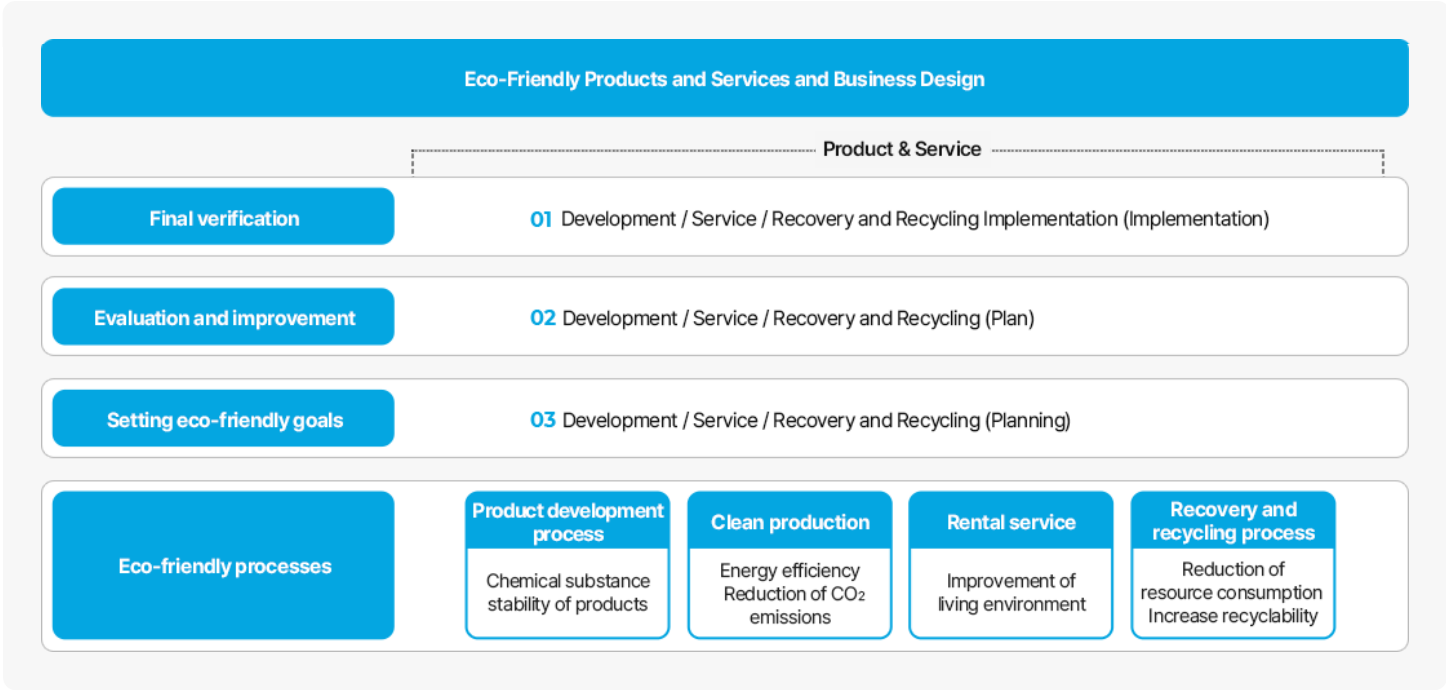
Developing innovative technologies and products considering the growth of the BEREX brand and securing market leadership

#### Eco-friendly Certification in 2023

Coway obtained Eco-Label certification for '4 types of BEREX mattresses' in 2023. The Eco-Label system is a voluntary certification system that requires eco-friendly products that can reduce the consumption of energy and resources and minimize the generation of pollutants throughout each stage of the entire process of products and services — including production, distribution, use, and disposal — to have a distinct logo (environmental label) with a short description. Coway has been recognized for its environmental performance in the categories of reducing hazardous substances, reducing everyday environment pollutants (mattresses), energy saving, reducing local environmental pollution, reducing hazardous substances (bidets), and reducing noise and vibration (purifiers); and as of 2023, Coway has 30 Eco-Label certifications. In addition, all product lines, including environmental home appliances such as water purifiers, air purifiers, and bidets, as well as mattresses and massage chairs, were selected as '2023 Inno Star and Green Star.' Inno Star and Green Star are a certification system in which consumers directly evaluate a company's awareness of eco-friendly products and are certified by the Korea Management Certification Board. In particular, the Prime Stand Water Purifier utilizes energy-saving technology to achieve an energy-consumption efficiency rating of 1. By applying 'multi-sensing and inverter technology' that monitors internal and external temperatures in real time and automatically adjusts the amount of electricity according to usage conditions, we have reduced annual electricity bills by about 20% compared to existing products.

# Eco-friendly Product Design

## Eco-friendly Product Design Process



## Development of Eco-Friendly Products and Technologies

The strategy for developing eco-friendly products and technologies is led by the Technology Strategy Team of Coway's Environmental Technology Research Institute, and other departments in the working group are responsible for implementing tasks in response to related risks and opportunities. We report project performance and plans 4 times a year through the ESG Council.

### Bidets

We are the only company in Korea to use recycled materials (recycled PCR resin) that are flame-retardant, and we are applying recycled materials (recycled PCR resin) at least 10% of the weight of plastic for five bidet products from 2023.

### Purifiers

WINNER purifiers use 99% recycled materials in the design and implementation of their exteriors, and some of the filters that are inserted into the purifiers were made for easier discharge and recycling. This was the first time in Korea to implement resource recycling technology in the field of filters manufacturing exclusively for purifiers. As such, Coway is minimizing waste generation by developing and expanding the application of PLA-based biodegradable air matching filter fabric and single-material dust collecting filters, which are easy to separate and recycle.

### Mattresses

Prime Mattress uses Recycled Polyester Fiber (RPE) from REGEN, which has obtained GRS (Global Recycling Standard), an international eco-friendly certification standard, for its mattress covers, and promotes ESG management by reducing carbon emissions during the production process.

### Air Cell Cushions

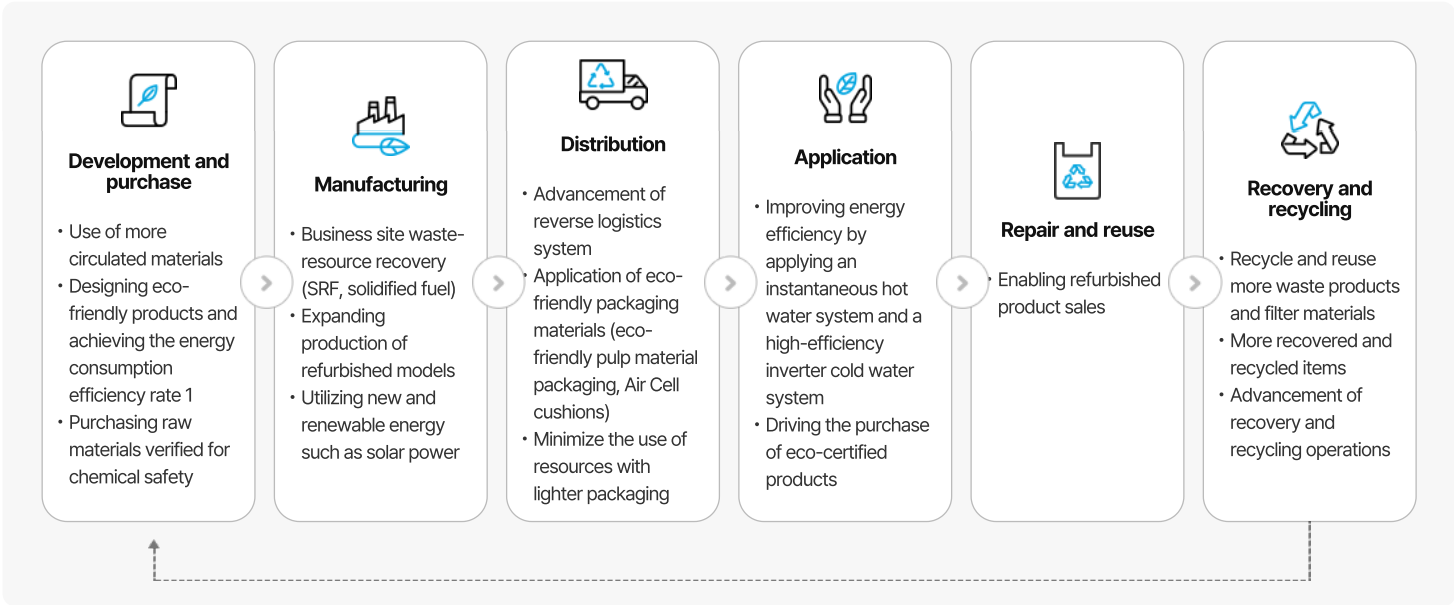
Air Cell is a thin vinyl structure that is inflated with air to provide the same level of cushioning as traditional Styrofoam (EPS), while maintaining the same shipping quality, but shrinking the volume by up to 1/120th to maximize logistics innovation. In addition, it has the advantage of improving the packaging production and disposal as it does not generate dust or residue and is easy to separate and dispose of. Coway has been using eco-friendly Air Cell cushions in its product and component packaging. Air Cell was applied to water purifier pumps and sterilizers in 2022, and to bidets BAS31-A and BAS-41 in 2023, reducing packaging volume to 1/40th of EPS. It was also applied to the packaging of large purifiers, reducing the volume by 28% compared to Styrofoam (EPS) packaging and 46% compared to cartons, contributing to the reduction of carbon emissions through logistics efficiency.

# Resource Circulation

## Resource Circulation Management System

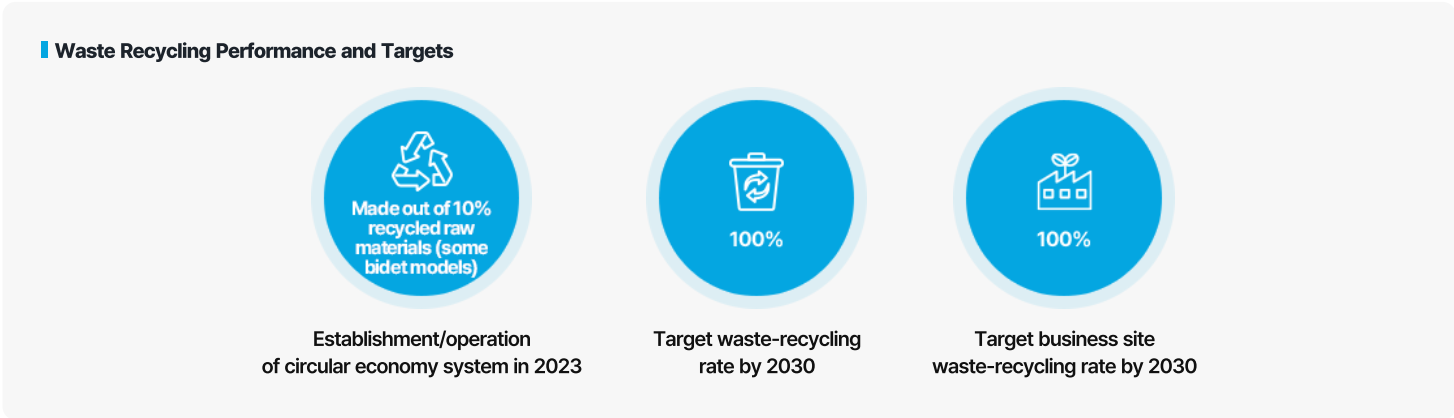
To realize resource circulation, Coway considers environmental factors throughout all product stages (LCA, Life Cycle Assessment), from development and purchase to recovery and recycling. In accordance with the Act on Resource Circulation of Electrical and Electronic Products and Automobiles, we have established and operated a waste resource recovery and recycling system to comply with relevant laws and regulations. Through these activities, Coway plans to continue its efforts to improve resource efficiency and achieve zero waste with the goal of achieving a 100% waste- resource recovery rate and a 100% recycling rate of waste generated at its business sites by 2030.

### Resource Circulation Process



### Waste Recycling Rate Targets

Coway's goal is to achieve a 100% recycling rate of recyclable wastes and 100% resource-recovery rate of waste from business sites by 2030. In particular, by maintaining the refurbished product system, which was introduced for the first time in the home appliance rental industry in 2007, until today, Coway has established a sustainable management system throughout the entire value chain that internally reduces disposal costs and externally satisfies eco-aware consumers. This goal will become Coway's environmental management achievement that will be accomplished before it achieves Net-Zero in 2050.





# Product Life Cycle Management

When developing new products, Coway ensures that each product meets a recycling rate of 75% or higher. If it is calculated at 75% or less, we work to increase the recycling rate by product line by switching to recyclable materials or looking closely at additional recycling opportunities in the process.

## Waste-Product Recovery and Recycling

Coway has established and consistently implemented a recovery and recycling policy to minimize the environmental impact of its products. In addition, we are setting an example as a leading company in the industry through voluntary participation in government-promoted projects. In particular, Coway introduced the \*Refurbishment System for the first time in the rental home appliance industry in 2007. Parts that need to be replaced can be replaced with new parts, thoroughly tested for quality/performance to ensure they are as good as new, while reducing the environmental burden of disposal. Through this system, we internally reduce rental disposal costs and externally continue to create value by operating price-competitive products and contributing to the resource circulation economy.

\* Refurbishment system: A system that reprocesses products that have been returned or displayed in stores due to consumer change of mind and sells them at reasonable prices.

### CASE

#### Participation in Voluntary Agreement on Recovery and Recycling of Waste Mattresses

Coway has been operating a waste-mattress resource circulation process since 2018 to minimize the environmental impact of discarded waste mattresses. Coway directly operates and manages the entire process of collecting mattresses used and discarded by customers including △warehousing them to logistics centers △warehousing them to specialized recycling companies with Coway-specific recycling systems △cutting and shredding △separating valuable materials (scrap metal, synthetic resin) and △management of waste resource processors. The Ministry of Environment recommended our mattress recovery and recycling system as a representative example of waste mattress resource circulation, and a voluntary agreement was reached in the process of encouraging other mattress companies to establish recycling processes. Coway will continue to lead the way in building a circular economy as a leading mattress rental company.



## Use of More Circulated Materials

Coway is participating in the recycling usability evaluation system to expand the application of recycled raw materials (recycled PCR resin). The Circularity Assessment System is a system that recommends improvements to design factors that make it difficult for products to be recycled when they become waste, and discloses relevant facts if they are not implemented. On December 29, 2023, Coway received a certificate of conformity from the Ministry of Environment (MOE) for applying 10% of the plastic weight of 5 bidet models as recycled raw materials (recycled PCR resin). 2 additional models have since been certified, bringing the total to 7 products certified for the Circular Assessment.

### Status of Application of Recycled Materials by Bidet Model

| Category                                       | BA20-D  | BAS25-A | BAS29-C | BASH30-A | BAS31-A | BAS36-A | BAS40-A |
|--|---------|---------|---------|----------|---------|---------|---------|
| Applicable parts                               | 3 parts | 5 parts | 4 parts | 4 parts  | 6 parts | 5 parts | 5 parts |
| Total weight of plastic (g per unit)           | 2,961   | 3,026   | 3,151   | 3,383    | 3,174   | 3,238   | 2,971   |
| *Total weight of recycled plastic (g per unit) | 304     | 314     | 323     | 362      | 329     | 385     | 301     |
| Rate of application                            | 10.26%  | 10.38%  | 10.24%  | 10.70%   | 10.38%  | 11.88%  | 10.15%  |

\* 50% PCR applied to recycled plastic

Based on Article 19 of the Framework Act on Resource Circulation, 'Circular Assessment', water purifier products and massage chair products have been newly included in the products subject to Circular Assessment. Accordingly, Coway is planning to pilot apply recycled raw materials (recycled PCR resin) to its water purifier product line in order to comply with the Framework Act on Resource Circulation.

## Eco-friendly design and packaging

Coway is committed to the eco-friendly use of materials and energy in production, and develops products with eco-friendly design and recycling considerations for production, use, and disposal. We are also implementing green technologies and energy-saving systems to help us operate in an economically efficient way, while minimizing our environmental impact.

### CASE

#### Eco-friendly Paper Water Purifier Wins CES 2023 Innovation Award

Coway won the President's Award at the 2023 Korea Packaging Daejeon for its eco-friendly Paper Water Purifier. This is an up-cycling concept that also won the Innovation Award at CES 2023. The Coway Paper Water Purifier has been made usable by assembling previously discarded product packaging materials into the exterior case of the water purifier. In addition, the internal parts were modularized into a single material without assembly screws to facilitate separate disposal, and the resource circulation rate was increased by using eco-friendly paper packaging even for the product packaging cushioning material.



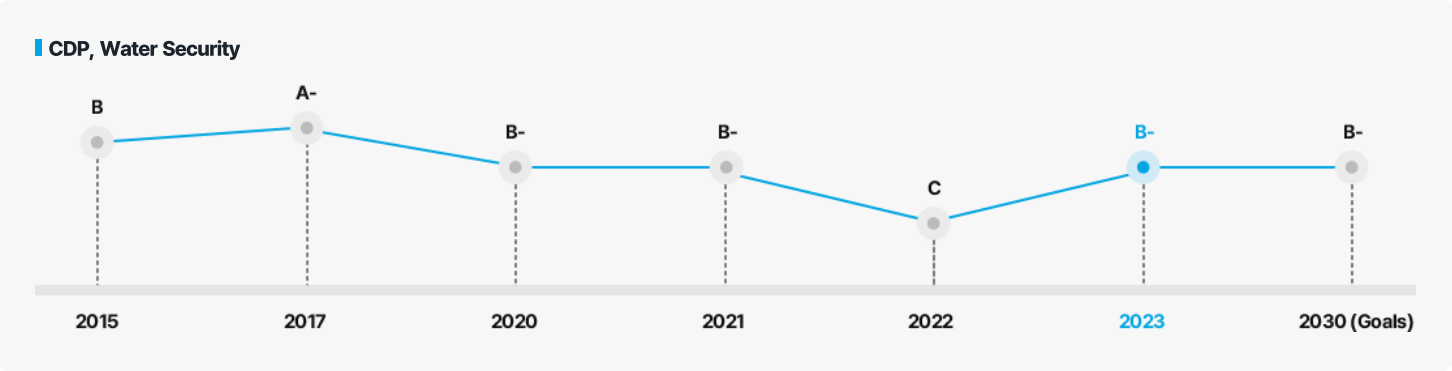
# Water Resources Management

## Water Resources Management Strategy

Coway is Korea's leading environmental home appliance company. It does not use water when manufacturing water purifiers, but instead applies an inspection method using nitrogen (waterless system), so it uses less water than other companies and does not discharge industrial water or wastewater. The scope of water-use includes water used during the product-development stage, reliability verification, and quality-inspection process in the mass- production stage, as well as water used by employees. Coway will continue to implement ongoing water-reduction efforts by continuously improving water consumption processes, and strictly monitoring water consumption to reduce the environmental impact on water resources.

## Water Resources Risk Management

Coway annually monitors the amount of water resources used throughout production operations and business sites. Most of the water-discharge grades used are sewage grade, and are discharged through existing sewer lines. Coway is continuously striving to minimize environmental-impact risks in the use and discharge of water resources. Coway has been participating in CDP Water Security, a water information disclosure project, since 2015, and received a B- grade in the 2023 evaluation.



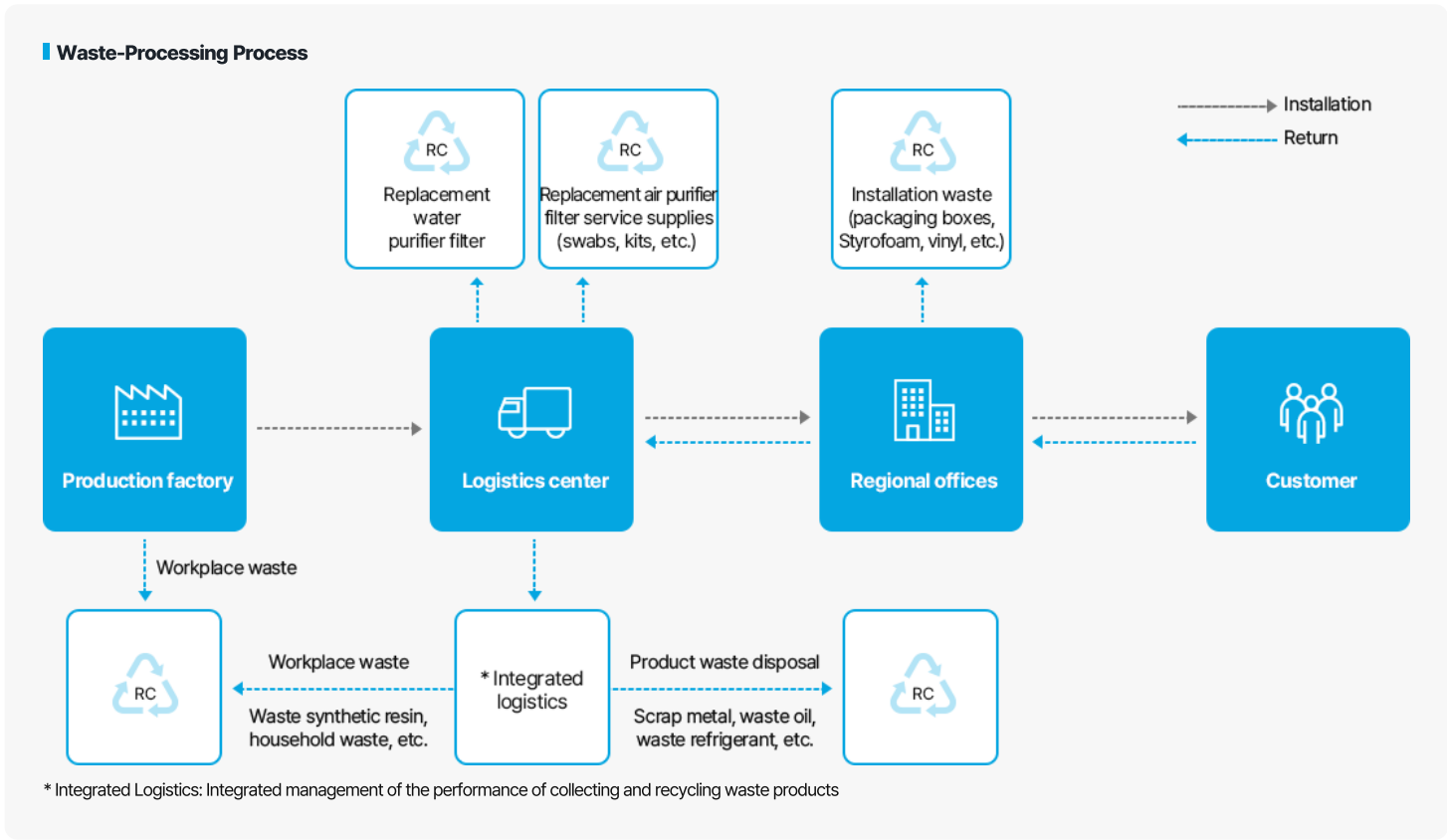
## Minimize Discharge of Water Pollutants

Coway is continuously striving to minimize environmental risks in the consumption and discharge of water resources. In particular, most of the water-discharge grades used are sewage grade and are discharged to sewage treatment plants through existing sewage conduits. In addition, we are continuously making efforts to minimize pollutants generated in the manufacturing process and reduce water consumption by improving the filter manufacturing process and introducing a 'waterless test system' that uses nitrogen and vacuum instead of water.

# Waste Management

## Waste Management System

Coway has continued striving to circulate resources by quantitatively managing volumes of wastes generated from all business areas, such as increasing recycling rates, achieving zero waste and minimizing production and disposal costs. In particular, for the wastes generated from the product and the service areas, Coway is reducing the use of resources by selling the substances with value, turning the wastes into solid refuse fuel ("SRF") and developing products using recycled raw materials.



## Waste Management Status

Coway has created a virtuous cycle of resources throughout the entire process, from product development to sales, recovery and recycling. This is Coway's unique proactive activity that began in 2008, ten years before the enactment of the Framework Act on Resource Circulation in 2018, which manages not only product waste but also waste generated during the service process.

### Goals on Improvement of the Waste Recycling Rate

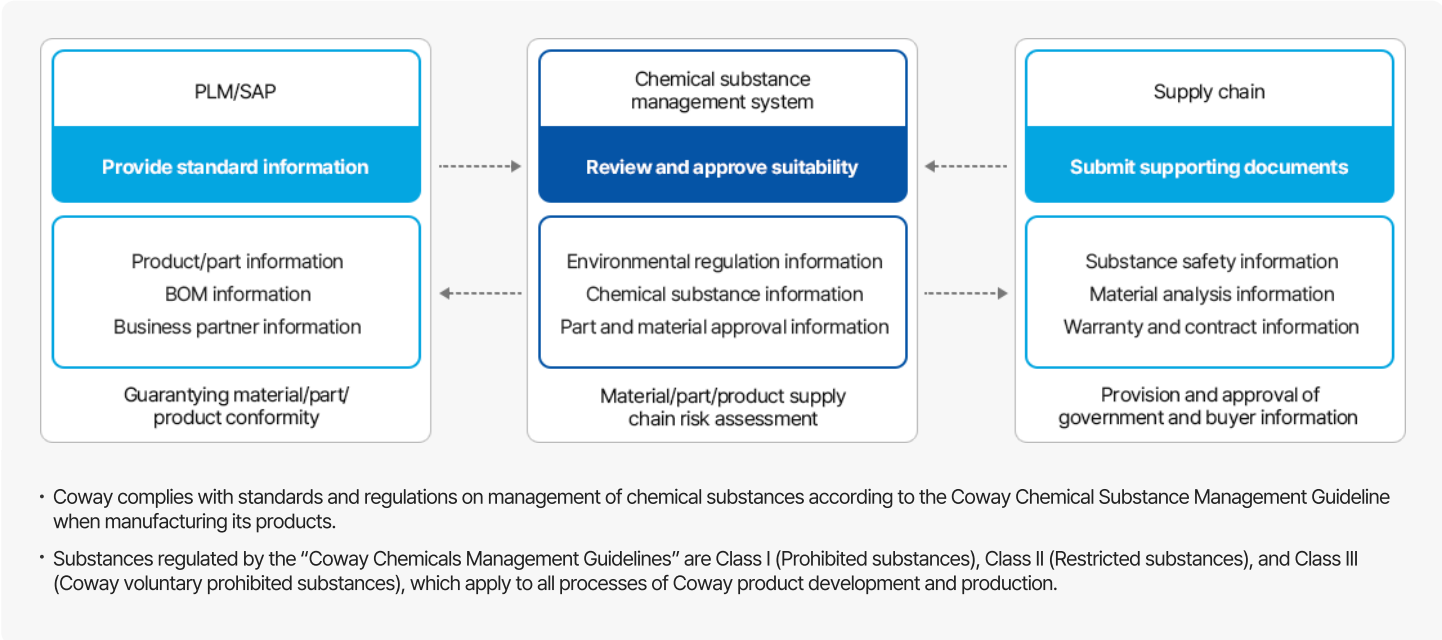
Coway's goal is to achieve a 100% recycling rate of recyclable wastes and 100% resource-recovery rate of waste from business sites by 2030. In particular, by maintaining the refurbished product system, which was introduced for the first time in the home appliance rental industry in 2007, until today, Coway has established a sustainable management system throughout the entire value chain that internally reduces disposal costs and externally satisfies eco-aware consumers. This goal will become the Coway's environmental management achievement that will be achieved before it achieves Net-Zero in 2050.

# Management of Hazardous Chemical Substances

## Management of Hazardous Chemical Substances in Products

In order to strengthen the management of hazardous chemicals in products and prevent related risks, Coway has established a systematic Chemical Substance Management System based on the environmental management system and thereby manages the chemical substances by creating databases for products, parts and substances. Coway plans to strictly comply with Korean and international laws related to chemical substances and continue to ensure the safety of not only environmental appliances, but also all household appliances.

### Description of Product Chemical Substance Management System



### Efforts for Zero-chemical Risks

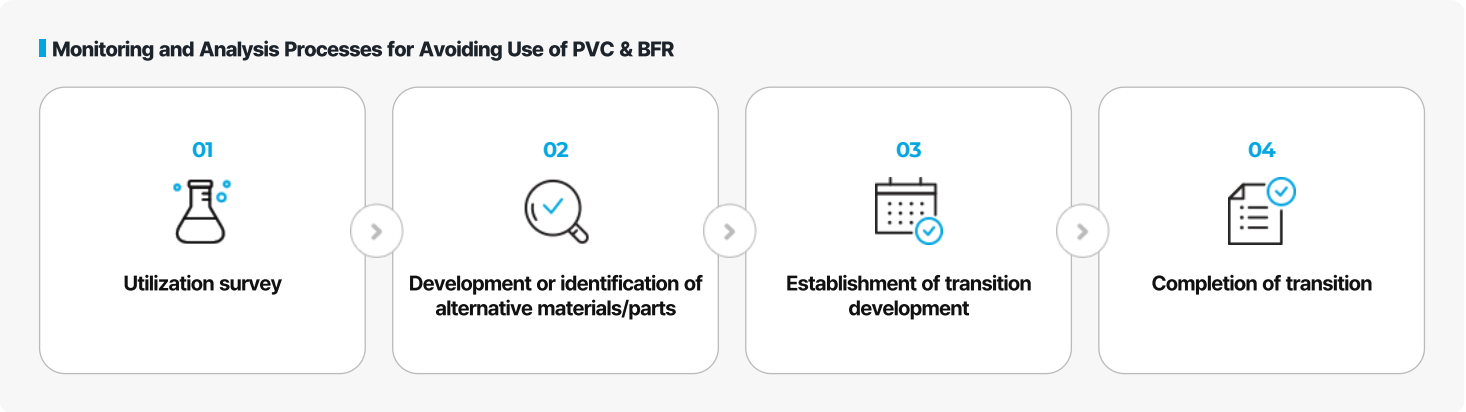
Coway has established ERIMS, a hazardous-chemical substance regulation monitoring system, in 2023 to respond to environmental regulations that are being continuously expanded and strengthened, and to ensure environmental safety. Through this system, Coway obtains information on regulations of chemical substances by country, regulatory classification and product group in real time. Currently, the scope of regulations managed by ERIMS includes hazardous substances, chemical substances, recycling, biocidal substances, and food hygiene, and Coway is strengthening its systematic response to regulations on hazardous chemical substances by continuously expanding the scope of regulations subject to monitoring.

### Chemical Substances Management Plan

| Year | Description   |
|------|---|
| 2018 | <ul style="list-style-type: none"><li>Extended the scope of legislation monitoring from electric and electronic products to food and hygiene safety, as various countries have strengthened laws and regulations and broadened the scope of enforcement</li></ul>   |
| 2019 | <ul style="list-style-type: none"><li>Strengthened advanced response to regulations by establishing a prior monitoring system for regulations related to chemical substances</li><li>Preemptively responded to RoHS II regulation and verified compliance subjecting all products and parts</li></ul>   |
| 2020 | <ul style="list-style-type: none"><li>Subdivided the chemical management system and improved and strengthened the integrated management system</li><li>Established and verified the domestic biocide management system</li></ul>  |
| 2021 | <ul style="list-style-type: none"><li>Established a digital management system for chemical substances in mattresses, and strengthened the ability to respond to the regulations by broadening the scope of management</li><li>Advanced the monitoring systems for hazardous and/or chemical substances and for the related regulations and strengthened the verification ability</li><li>Established and verified the European biocide management system.</li></ul> |
| 2022 | <ul style="list-style-type: none"><li>Strengthened the company-wide ability to respond to regulations by implementing a prior monitoring IT system for regulations related to chemical substances</li><li>Made the management activities more efficient by implementing the chemical-substances management system and the response to regulations more systematical</li></ul>   |
| 2023 | <ul style="list-style-type: none"><li>Implemented an advanced IT system for prior monitoring of regulations on chemical substances</li><li>Standardized and improved the post-event management process for the chemical substances</li></ul>  |

## PVC & BFR Free Products

Polyvinyl chloride (PVC) creates toxic substances and environmental hormones during its use and disposal, which can have a negative impact on the human body and the natural environment. Brominated flame retardants (BFRs) may also be absorbed into the human body when exposed during use and disposal, which may cause cancer or genetic modification. Because of these risks, various countries around the world are trying to ban or voluntarily reduce the use of PVC and BFR in home appliances. Coway plans to apply 'PVC FREE & BFR FREE' to all air-purifier products to reflect this trend, and is continuously monitoring and analyzing its processes to avoid using PVC or BFR.



## Voluntary Agreement on the Safety Management of Household Chemical Products

Businesses, civil society and government have been making efforts to keep chemical daily necessities safe by establishing the government-led governance called “Voluntary Agreement on Management of Household Chemicals Safety” since 2017. Coway has been participating in this initiative since 2019, making efforts to manufacture and sell safer products by disclosing all ingredients of household chemicals we manufacture, evaluating the safety of each raw material and replacing them where necessary with less hazardous raw materials. In 2024, the Household Chemicals Safety Promise Implementation Council is scheduled to be launched so that more companies can join efforts to create a safer household chemicals market. As a company that strives to ensure public safety based on its experience as a company that has been participating in voluntary councils, Coway will continue striving to become a benchmarked standard for consumers when they choose products.



# Social

Employees   Human Rights Management   Supply Chain   Customer-Centric Management   Local Communities   Safety and Health   Product Quality and Safety   Private Information Protection and Information Security

## Employee Development

### Ideal Candidates

Top-notch talents as in Coway's talent vision refer to those people who never stop learning and constantly take on challenges. Based on its core values, Coway provides useful convenience to customers and works hard to discover and train talents in order to grow into a trusted company. We continuously share core values with our members, and our leaders are constantly taking the initiative in creating Coway's own working culture.

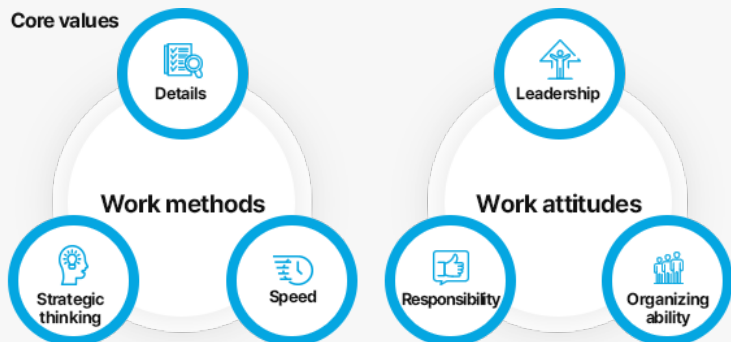
#### Coway's Talent Vision and Core Values

##### Talent vision

### Top-notch talents

"People who never stop learning and constantly take on challenges to grow"

##### Core values



# Employee Capacity Building

Recognizing the importance of securing talented professionals who will lead continuous innovation, and of strengthening their capabilities in the new business era, Coway supports each and every one of our employees to grow into subject-matter experts.

## Employee Development System

| Category             | Team members   |                             |  | Team heads   |   | Department heads or higher             |
|----------------------|--|-----------------------------|--|--|---|--|
| Leadership           | Newcomers  | Process of getting promoted | Leader candidates  | Process of appointing new team heads                                     | Process of improving capabilities of team heads | Process of nurturing top-notch leaders |
| Jobs                 | Common jobs (planning ability/ data analysis/ financial accounting/ cost accounting)   |                             |  | People who never stop learning and constantly take on challenges to grow |   |  |
|                      | Strategic jobs (AI/ R&D/ business planning/ IoT and others)  |                             |  |  |   |  |
|                      | Course to nurture in-house job experts (smart tool/ data utilization and others)   |                             |  |  |   |  |
|                      | Course to nurture in-house creators  |                             |  |  |   |  |
|                      |  |                             |  |  |   |  |
|                      | E-Learning (Run Way)/ external consignment job process   |                             |  |  |   |  |
| Global               | Global talent internship ▶ Introduction course   |                             | Intensive course before expatriation ▶ Expatriation course ▶ Repatriation course |  |   |  |
|                      | Coway language course (video-based foreign language learning)  |                             |  |  |   |  |
| Common               | Coway knowledge day (understanding company's business direction)   |                             |  |  |   |  |
|                      | Required courses for employees (organization culture, ESG management)  |                             |  |  |   |  |
|                      | Legal requirements (sexual harassment prevention/ private information protection/ raising awareness of the disabled/ safety and health)                              |                             |  |  |   |  |
| Organization culture | Diagnosing organization culture/ change management activities (communication, gathering general opinions, cooperation)/ winner of CIF innovation/ Coway talent award |                             |  |  |   |  |

## Employee Training Programs

Coway provides a variety of training programs to improve leadership capabilities, job-related expertise and global capabilities. We provide more than 3,000 different types of educational contents through our integrated learning platform. And each of the employees can apply to open externally consigned job-related courses so as to improve their job-related competencies. In particular, we carried out regular programs related to global business and AI knowledge in 2023 and 2024, all of which were well received by many employees.

### 01 Leadership Training



This program is conducted to foster leaders that fit Coway's talent vision of 'Top-notch Talent.' It is provided for newly-appointed positions (executives, team leaders) and next-generation leader candidates, and those who have been promoted. And topics are selected to help improve the insights of leaders. In addition, we provide opportunities for our employees to acquire knowledge and tips from invited external speakers. In 2023, a total of 4 training sessions were provided on topics of leadership and global management.

### 02 Job and Onboarding Training



This is a job and language program aimed at nurturing talented people for Coway to advance into a global market. This program is conducted in a voluntary way for all employees. Regarding our job training, we foster in-house employees who have job-related expertise as instructors to share their knowledge and expertise with others. For the language training, we provide a number of foreign language programs to improve global work capabilities.

### 03 Top-notch Talent Course



Coway's Top-notch Talent Course is a selective training program to secure our pool of prepared team leaders. And those chosen employees take a total of 8 sessions of training on topics of overall management, understanding of Coway's direction, leadership development and others from professors of Seoul National University and our in-house instructors. The first class of graduates was produced in 2023, and the second class of participants was selected for 2024.

## Performance Management of the Members

### Performance-Evaluation System

Based on Coway's talent vision, we operate a performance-evaluation system to nurture and support top-notch talents (people who do not hesitate to learn, and constantly take on challenges for their growth). Coway turns it into a system to provide reasonable and transparent performance compensation based on the following standards.

### 01 Performance-based Evaluation



In order to strengthen our performance-based evaluation, employees in junior positions (reps/staff) who had previously been evaluated based only on competencies were also evaluated based on their achievements, allowing all employees across the company to focus on achieving goals and improving performance.

### 02 Enhanced Competency Assessment



We operate absolute competency evaluations for us to objectively evaluate the capabilities of each employee and support cooperation among employees. Through absolute assessment, we have enabled evaluation focused on individual capabilities, rather than relative ranking.

### 03 Regular Performance Management



Through our regular performance-management system, evaluators and those evaluated frequently communicate and provide feedback on goals and work process status to support the growth of each of the members.

## Performance-Evaluation Process

Coway operates a performance-evaluation process based on equity and rationality for the purpose of nurturing talented people. To ensure that members and the company pursue the same core values, individual goals of each of the members are set in connection with the team's Key Performance Indicators (KPI). And the progress is checked and feedback from heads is provided throughout the year. In the final evaluation stage, the Evaluation Committee takes a close look at individual performance to give an evaluation grade.

### Individual/team Performance Evaluation Process



#### 01 Goal setting beginning of the Year

- Setting individual goals
- Finalizing and reviewing goals



#### 02 Interim inspections during the year (as needed)

- Midterm inspections and feedback



#### 03 Final evaluation and result reporting year-end

- Conducting self- and team head evaluations
- Operating the evaluation committee
- Confirming and coaching on evaluations

### \*Employee Performance Evaluation System

| Category              | Details  | Frequency of implementation | Proportion of employees who received evaluations (%) |
|-----------------------|--|-----------------------------|--|
| Goal management       | We record feedback during the work-performance process in the evaluation system by setting job-related goals and frequently revising and complementing them. | Frequently                  | 100  |
| 360-degree feedback   | Colleagues and leaders conduct a 360-degree evaluation of the core values that all members must follow and their job-performing styles.                      | Annually                    | 99.2   |
| Team-based evaluation | This is an appraisal in which the performance of each employee is systematically graded within the team.   | Twice a year                | 100  |

\* The scope of employees subject to the evaluation excludes those who are on leave or have worked for less than the performance-evaluation period.

\* On-site employees (production, sales, service technology employees) were excluded. Separate evaluations are conducted upon them by performance each month.

# Organizational Culture and Welfare

## Mutually Respecting Culture

Coway introduces a respectful culture where everyone is addressed by their honorific titles to create a healthy organizational culture through horizontal communication and mutual respect. Everyone ranging from new employees to the CEO uses honorific titles and words equally. Through horizontal communication and mutual respect, we pursue a culture where everyone actively exchanges various opinions and works rationally.

## Systems for Work and Life Balance

### Family-friendly System

Coway operates diverse systems in an effort to support work and family balance of the members and create a family-friendly corporate culture. Coway plans to continue to actively operate and support various family-friendly programs, keeping in mind that the happiness of our employees is the driving force behind corporate growth.

| Category                                   | Description   | Category  | Description  |
|--|---|---|--|
| On-time/staggered commute system           | Operating a PC-OFF policy to encourage on-time/staggered commuting  | Reduced work hours for family care                        | If a family member needs care, reduced work is possible for up to three years (1 year + extended 2 years). |
| Reduced work hours during pregnancy        | Implementing 2hour reduced work hours for employees in early and late pregnancy   | Kids' elementary-school enrollment leave                  | Providing leave for 5 days for employees to help their children adjust to elementary school                |
| Family care leave/leave of absence         | If a family member needs care, an employee can take time off (up to 10 days per year) or a leave of absence (up to 90 days per year) to provide care. | Leave systems for various congratulations and condolences | Providing leave for those employees having a family event for the purpose of congratulations/condolences   |
| Medical leave                              | Paid half-day leave for health checkups   | Spouse maternity leave                                    | Leave for 10 days granted when a spouse gives birth (possible to use the leave separately one time)        |
| Fertility treatment leave/leave of absence | Supporting leave (up to 3 days per year) and leave of absence (up to 1 month per year) for employees who need infertility treatment                   |   |  |

### CASE

### Operating 'Puruni Daycare Center,' Netmarble Coway In-house childcare facility

Coway supports employees with kids in balancing work and family by operating an in-house childcare facility of 'Puruni Daycare Center.' 'Puruni Daycare Center' boasts a large scale and nature-friendly space. And all spaces are designed with the safety of children as the top priority. At the daycare center, 28 qualified staffers, including early childhood education experts, nurses, nutritionists, cooks and others, take care of children; and two native-speaking instructors teach English to the kids there. In addition, it operates in a broad time zone from 08:30 to 22:00, thus increasing convenience for employees.




### Selected as a "Family-friendly Company" for 5 consecutive times

Coway has been selected as an excellent family-friendly company by the Ministry of Gender Equality and Family for 5 consecutive times. The Family-friendly Certification is a system in which the Ministry of Gender Equality and Family grants certificates to companies and organizations that exemplarily operate family-friendly systems for childbirth and child-rearing for three years after a thorough review for harmonious work and family life. Thanks to the continuous operation and development of various family-friendly welfare systems since 2012 when Coway first obtained the certification, we will remain certified until 2026. Coway will continue to work hard to create a flexible and healthy corporate culture where talented people who will lead continual innovation can fully demonstrate their capabilities based on work and life balance.


# Welfare System

Coway supports a variety of welfare systems to ensure that our employees can work in a healthy and stable environment. Some of the representative examples include a long-term leave support system, housing loan interest support, and children's school-expenses support system. And Coway will continue to actively communicate with employees to carry out a wide range of welfare policies for all members and their families.




### Culture/leisure

- Welfare point
- Support for long-term vacations
- Support for condominium lodging



### Working condition/working environment

- Support for housing loan interest
- Support for children's school expenses
- Support for employees' education expenses



### Medical treatment/family event

- Support for employee medical checkups
- Vacations/expenditure for congratulations and condolences
- Funeral manpower/goods service
- Baby registry welcome gift
- Birthday/wedding anniversary gifts
- National holiday/founding anniversary gifts

# Sound Labor & Management Communication

Coway has multiple labor unions established for each job category and occupation, and they are working together to improve their working conditions and environments according to the characteristics of each job category. Through regular labor-management council meetings with employee representatives that represent all employees, we communicate important decisions and changes related to the corporate management. We transparently disclose all major changes in the company and strive to create a win-win labor and management relationship by collecting grievances and opinions of employees. In 2023, we held quarterly labor-management council meetings to discuss a total of 103 items, including improving the working environment in each business division, enhancing welfare benefits and systems, and handling grievances.



# Diversity and Inclusion

## Respecting Diversity

Coway specifies diversity and non-discrimination items in its code of ethics, ethical practice guidelines, and human rights policy, and pursues an organizational culture in which no employees are discriminated against or disadvantaged by reason of differences such as gender, nationality, disability, or religion. We respect various backgrounds of each of the individuals as they are and the ways they think. And we also encourage them to show their competencies based on equal opportunities. Coway signed an agreement to promote the employment of the disabled with the Korea Employment Agency for Persons with Disabilities in 2022 to help those with disabilities become part of our society. And we are striving to create jobs for the disabled and improve awareness of the disabled. The number of employees with disabilities is steadily increasing, rising from 68 (1.3%) in 2020 to 122 (2.0%) in 2023. And we hired new members of the Coway Mulbit Sori Choir in 2023. In addition, we provided training for all of our employees in Korea to improve their awareness of people with disabilities within the workplace in 2023. And 100% of the employees completed the training. Coway also carries out a personnel system that does not discriminate on the basis of gender, and strives to create a gender-diverse culture within the company by electing female managers to ensure a balanced gender ratio. We have a high proportion of female managerial positions, including sales branch managers, comprising 63.7% of the total number of managers (as of 2023). The proportion of female leaders at the level of TF head or higher was 28.2% (as of 2023). And we plan to achieve the goal of 35% by 2030.

### CASE

#### Participating in the TGE Program of the UN Global Compact

As a member of the UN Global Compact (UNGC), Coway is actively participating in a number of activities implemented by the relevant initiatives to improve diversity and female representation within the company. In 2023, we participated in the UNGC TGE (Target Gender Equality) program to share our diversity policy and status and benchmark other companies' systems, contributing to eliminating discrimination against specific gender and to promoting equity within the company.



# Human Rights Management System

## Human Rights Management Policy

Coway's human rights management policy was developed in compliance with the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs), and the principles and standards of the International Labor Organization (ILO). The policy applies not only to our employees but also to all stakeholders, including customers, partner companies and local communities. Coway's human rights management policy is based on the prohibition of discrimination; prohibition of child labor; prohibition of forced labor; compliance with working hours; humane treatment; safety & health; freedom of association; responsible mineral procurement; customer safety & health; responsible marketing; private information protection; and the principle of protecting human rights of local residents.

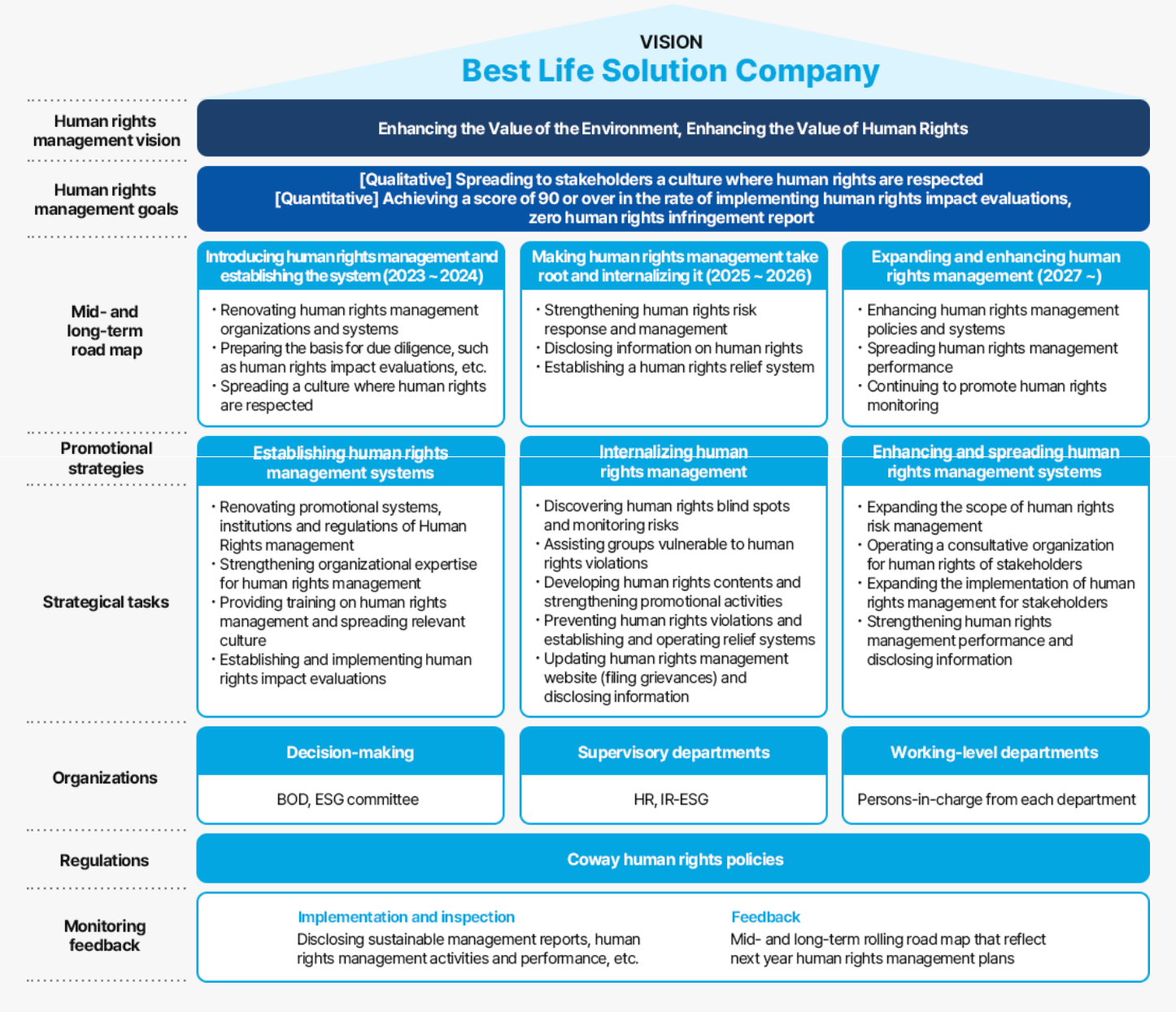
[Human Rights Management Policy →](#)

## Executive Organization of Human Rights Management

Coway makes decisions related to human rights management at meetings of the ESG Committee (in which the top decision-makers participate) and the ESG Council (in which the decision-makers and the working-level employees from major divisions participate). The Committee regularly reports on and discusses matters considered necessary to protect human rights, such as enactment and revision of policies related to human rights, and the current status of and plans for human rights management. Coway's human rights management is supervised by the Human Resources Team and IR-ESG Team, and they manage and supervise the establishment and implementation of the human rights impact-assessment system, and the setting and monitoring of tasks to be improved. The Council internally discusses the agendas to be decided by the ESG Committee. And the persons-in-charge of labor management, compliance and ethical management, and legal matters must participate in the discussion.

# Promotional Strategy for Human Rights Management

## Implementation System for Human Rights Management

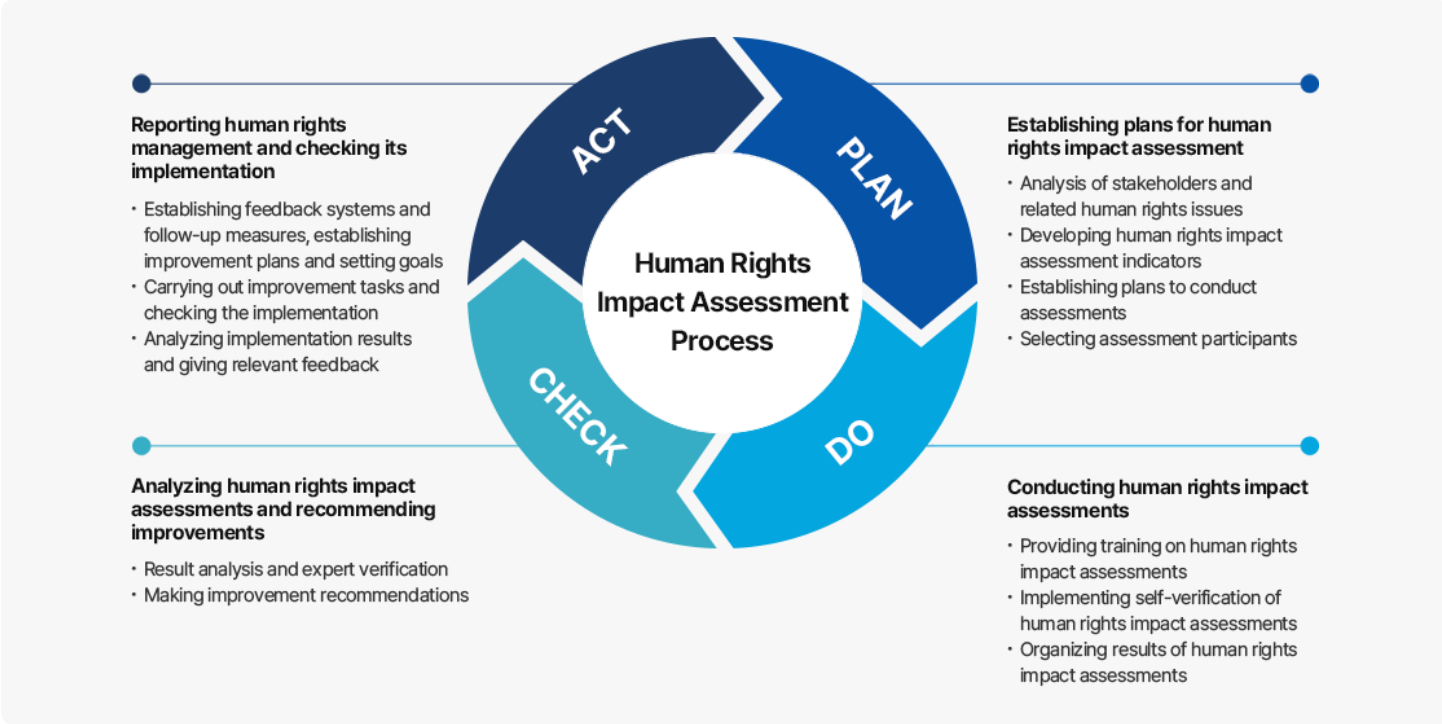


# Identification of Major Human Rights Impact

## Human Rights Impact Assessment

Coway conducts a human rights impact assessment to identify actual and potential negative human rights impacts caused by stakeholders in accordance with the management and business operations and to continuously check and enhance the adequacy of the risk-prevention systems and follow-up measures. Through the human rights impact assessment, we monitor the status of our human rights management on a regular basis and transparently disclose the level of implementation of human rights in each field, and promotion activities carried out by employees and stakeholders. The checklist used in the assessment is in accordance with the guidelines of the National Human Rights Commission and the UN Global Compact (UNGC). And indicators have been revised and supplemented to conduct a more appropriate and advanced assessment for the company. In the human rights impact assessment conducted in 2024, a total of 164 detailed questionnaires in a total of 10 human rights sectors were prepared. And the assessment was conducted based on the current status of 2023. In order to beef up practical performance capabilities in conducting the assessment, all persons-in-charge were matched and necessary training materials were provided. Through this assessment, we developed additional indicators related to the improvement of the human rights management system and the protection of employee human rights. We are planning to establish mid- and long-term strategies based on the confirmed improvements supported by step-by-step actions and responses.

### Human Rights Impact Assessment Process



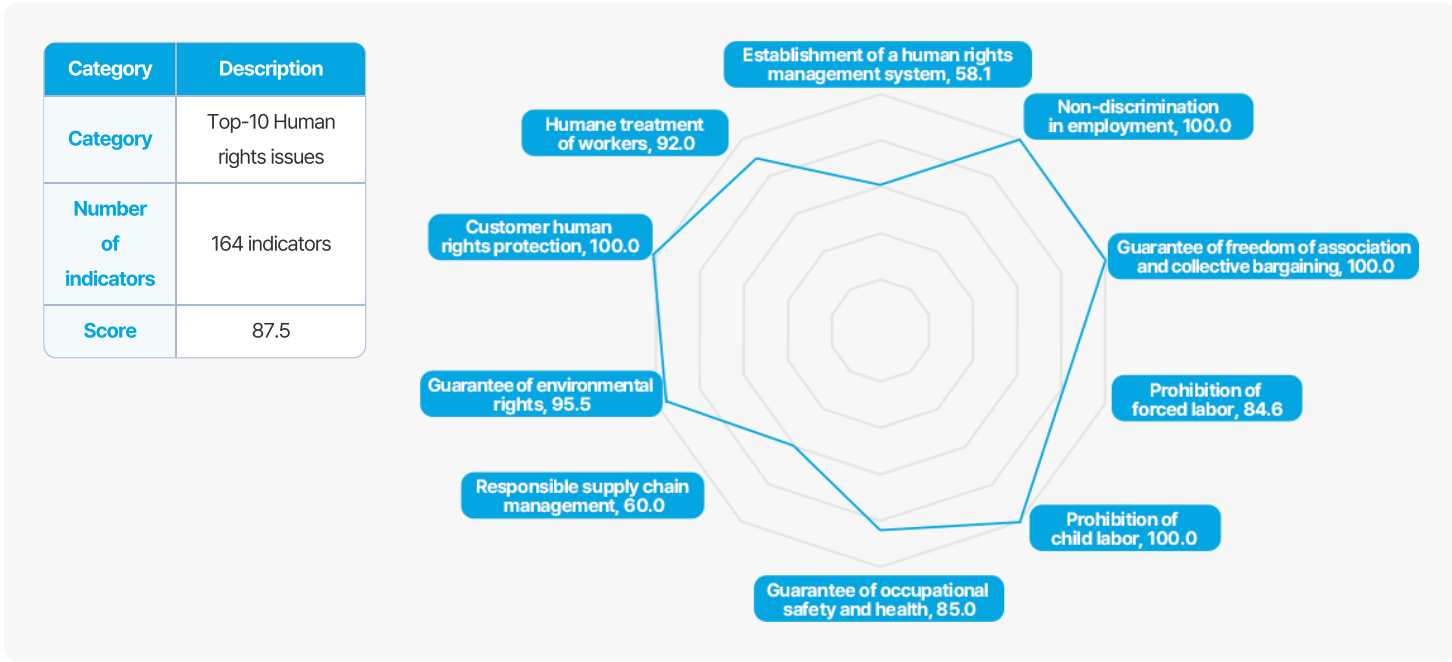
### Scope and Description of Human Rights Impact Assessment

| Human rights sector (issue name)                              | Major contents  | Number of indicators |
|---|---|----------------------|
| Establishment of a human rights management system             | Establishment of a human rights management system, policies and systems, human rights impact assessment, human rights management performance monitoring and disclosure, relief systems for infringement of human rights | 37                   |
| Non-discrimination in employment                              | Providing a non-discriminatory working environment regardless of gender, place of birth, affiliation, etc., in terms of employment  | 12                   |
| Guarantee of freedom of association and collective bargaining | Guarantee and protection of freedom of workers' collective bargaining rights and union activities   | 14                   |
| Prohibition of forced labor                                   | Prohibition of all types of forced labor, including mandatory overtime work   | 13                   |
| Prohibition of child labor                                    | Prohibition of employing children aged 15 years or less, implementation of necessary measures when legally hiring minors  | 13                   |

| Human rights sector (issue name)            | Major contents   | Number of Indicators |
|---|--|----------------------|
| Guarantee of occupational safety and health | Activities to protect workers' safety (monitoring workplaces, providing safety education/training, providing necessary equipment, and other measures), protection of vulnerable workers, and support for disaster-affected or injured workers            | 20                   |
| Responsible supply chain management         | Establishing systems to prevent violations of human rights of partner companies and monitoring the status of their compliance with human rights  | 5                    |
| Guarantee of environmental rights           | Establishing and maintaining environmental management systems, disclosing environmental information, activities to prevent and mitigate environmental impacts, establishing plans to respond to emergencies  | 11                   |
| Customer human rights protection            | Compliance with laws to protect customers, taking action when facing product defects, customer information protection  | 14                   |
| Humane treatment of workers                 | Prevention of violations of human rights of employees, improving the organizational culture and promoting human rights of employees, protection of maternity and balancing work and family, strengthening rights to rest, protection of disabled workers | 25                   |

### Results of Human Rights Impact Assessment

Coway conducted this human rights impact assessment as a tool to identify negative impacts on human rights of internal and external stakeholders. According to the results of the human rights impact assessment as of 2023, a total of 122 respondents said ‘Yes’ (74.4%); 20 said ‘Supplement Needed’ (12.2%); 15 said ‘No’ (9.1%); 0 responded with ‘No Information’; and 7 said ‘Not Applicable’ (4.3%) — out of the 164 indicators. As a result of the assessment, we confirmed various domestic and international laws and standards, voluntary policy promotion, and a number of activities to ensure the human rights of employees and external stakeholders — and ways in which to prevent violations of human rights based on performance and evidence. Coway complies with relevant internal regulations and domestic laws to eliminate discrimination in employment, guarantee freedom of association and collective bargaining and eradicate forced labor. We also listen to the opinions of customers and employees of partners on a regular basis by actively operating various communication channels. In order to ensure the safety of users, including employees, in operating office buildings and factories, we comply with the international standards of ISO45001 to manage safety, health and hygiene of facilities and working environments, and conduct walk-around inspections at least once per month and fire inspections at least once in 6 months in parallel. In order to strengthen responsible supply chain management, we come up with a separate ‘Purchase Standard Subcontracting Agreement’ and sign a ‘Supply Chain Code of Conduct’ agreement for mutual respect and the establishment of a fair order. We also provide annual self-inspections and on-site consulting services for partner companies. In addition, we are planning to carry out various human rights training programs and activities to spread and internalize a culture in which human rights are respected. Through this assessment, we found that we need to improve internal human rights management regulations and systems; to strengthen the monitoring of human rights violations of employees and stakeholders; to expand support for hygiene measures for vulnerable workers based on communication; and to introduce and supplement some factors related to human rights management of supply chains. Based on this, we will beef up the system of protecting human rights of internal and external stakeholders by establishing more specific improvement directions and transparently disclosing and spreading the implementation and performance of human rights management.



# Human Rights Risk Management

## Operation of Grievance-handling Channels

Coway operates grievance reporting channels where human rights violations of employees and other grievances can be reported at any time. Considering the work type of each job category, we operate a number of reporting channels, including groupware, messengers, business apps, etc., for easy accessibility and filing. Grievances are classified and managed as human rights violations (bullying, sexual harassment, discrimination, etc.) or general grievances (working environment, welfare, personnel system, safety and health, etc.) by their contents and issues. And for filed grievances, we promptly identify and take action within 10 days according to in-house grievance handling manuals that comply with relevant laws and guidelines set by the Ministry of Employment and Labor. During this process, we strictly protect the informant and guarantee his/her anonymity to ensure that he or she is not going to suffer any disadvantage or discrimination due to the reporting.

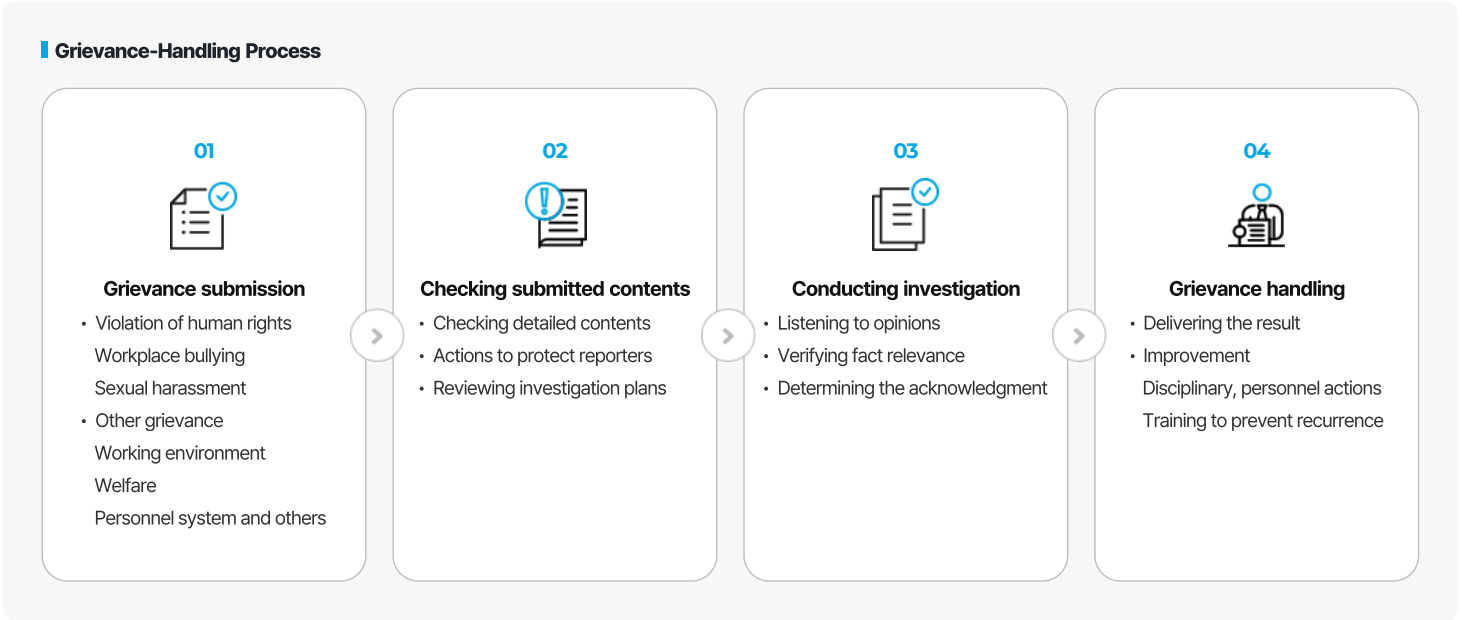
### \*Grievance Reporting Channels

| Category           | How to report via channels  |
|--------------------|---|
| HQs and R&D center | Groupware (portal) -> Business support -> Grievance handling -> Describing and submitting the grievance |
| Sales              | Dedicated on-line channel (separated)   |
| Production         | Dedicated on-line channel (online grievance submission and whistleblowing)                              |
| Field jobs         | Coway Ethical(Jeong-Do) Management website -> Report  |

\* Depending on other situations, messengers, business apps and e-mails are also used for reporting.

## Grievance-Handling Process

Coway promptly verifies and takes action within 10 days when a grievance is submitted. Regarding the result of the investigation, we comprehensively and closely review relevant laws, guidelines of supervisory organizations, court precedents, and existing internal cases. If needed, we ask external organizations to step in so as to ensure fairness. Regarding such cases, Coway responds firmly in accordance with internal regulations as to disciplinary and personnel actions against the perpetrator through the Personnel Committee. We also provide training to prevent a recurrence and resolve the cause.



## Conducting Human Rights Management Training

Coway conducts training on human rights management for all employees every year to raise their awareness of human rights and spread a culture in which human rights are respected. In 2023, as many as 95.4% of the employees completed the ESG training course on the topic of 'Practicing Human Rights Management to Increase Corporate Value.' A total of 279 employees were excluded from the training course as they were scheduled to leave the company or were in supportive positions (health care, cooks).



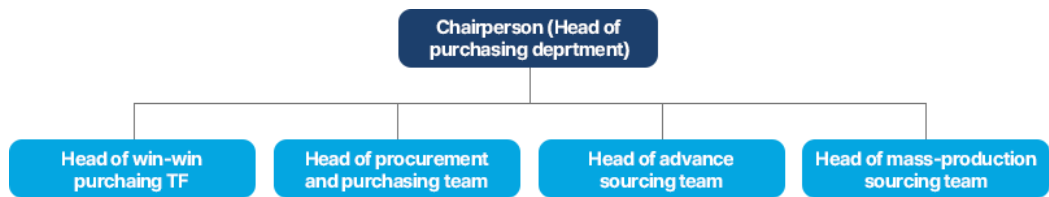
## Win-win Cooperation

### Establishing a Fair Trade Culture

#### Fair Trade Governance

Coway has established and been operating a watchdog agency against internal unfair trade so as to internalize fair trade guidelines. Coway has formed a Subcontract Transaction Deliberation Committee that includes an executive in charge of subcontracting tasks in order to monitor overall transactions, including unit price changes, made by and with partner companies at least once per month for the 4 major fair trade items that have high risks of violating relevant laws. By establishing a department dedicated to fair trade and appointing persons in charge, Coway monitors the compliance with the guidelines on a regular basis in order to prevent unfair trade risks in advance and create a reasonable and transparent trade culture.

##### Organizational Chart of the Fair Trade Voluntary Deliberation Committee



#### Compliance with 4 Major Guidelines for Fair Trade

In order to guarantee rights and interests of partner companies and prevent the abuse of bargaining power by main contractors, Coway has established four major guidelines for fair trade distributed by the Fair Trade Committee for win-win cooperation and has also posted and been managing the relevant document in its integrated purchasing system. By establishing a system to block unfair subcontracting practices, we minimize the possibility of having delayed payments, non-issuance of documents, and other unfair practices. When there are unfair transactions, we receive reports on such transactions within Coway's Ethical(Jeong-Do) Management Center. Coway sticks to fair purchasing in all transactions. Coway conducts evaluations to manage the occurrence of unfair transactions regarding 'the selection of partners and the management of unit prices.' And we have confirmed that fair selection of partners and unit prices is being made in accordance with internal guidelines. Coway has revised the integrated purchasing regulations and work guidelines in order to prevent risk factors related to subcontracting work by delivering bidding plans in advance and redefining standards on failure in bidding and rebidding.

##### 4 Major Guidelines for Fair Trade

01



Action agenda for fair selection  
(registration)  
of partner companies

02



Action agenda for  
establishment  
and operation of the  
subcontract transaction  
deliberation committee

03



Action agenda  
for desirable document  
issuance  
and preservation

04



Action agenda  
for desirable contract execution

## Fair Trade Guidelines Compliance Activities

Coway has revised its ethics guidelines for the overall purchasing-related work so as to reflect the clarification of compliance with fair trade laws and implementation of ethics training in response to changes in the business environment at home and abroad — where the strengthening of ethical awareness and compliance with relevant laws is important, including corporate social responsibility and improvement of non-financial value. And we get hand-written signatures on the 'Pledge for Purchasing Ethics Practice Guidelines' on an annual basis. For ethical compliance of Coway's partner companies, we provide ethical management training to ensure fair-trade compliance once per year. By doing so, we strive to inform our partner companies of the disadvantages for not complying with fair trade, to ensure that they can achieve sustainable growth through compliance with ethical management.

### CASE

#### Purchasing Ethics, Our Promise Day

Coway's Purchasing Department operates the 'Coway's Purchasing Ethics Program' to ensure transparency and ethical responsibility in conducting purchasing activities. All members of the Purchasing Department participate in the ethics training, and each of them signed the Ethics Pledge to comply with ethical purchasing principles. "Ethics of Today! Dignity of Tomorrow!" Coway's Purchasing Department will continue to work hard to internalize the awareness of purchasing ethics.



## Partner Company Management System

### Supply Chain Code of Conduct

As part of responsible management to create a sustainable society, Coway established its 'Supply Chain Code of Conduct' in 2017. Coway's 'Supply Chain Code of Conduct' reflects the UN's Universal Declaration of Human Rights, \* UN Implementation Guide on Business and Human Rights, \* EICC Code of Conduct, \* RBA Code of Conduct and other global guidelines and labor standards laws. When registering new partner companies and signing standard subcontract agreements, Coway requires them to sign an agreement on compliance with the Supply Chain Code of Conduct. Through an evaluation of supply chain ESG, we evaluate whether the code of conduct has been complied with or not. When global guidelines are updated, we revise the existing guidelines and sign an agreement accordingly. In order for Coway's partner companies to take corporate social and environmental responsibilities seriously for a sustainable society and enhance corporate ethics, we review and make decisions on ESG-related issues of our partner companies through the Coway ESG Council and Committee.

\* UN Guiding Principles on Business and Human Rights

\* Electronic Industry Citizenship Coalition (EICC) Code of Conduct

\* RBA (Responsible Business Alliance) Code of Conduct

### Process of Selecting Partner Companies

In order to expand transactions with outstanding companies and maintain stable and competitive supply chains, Coway has established criteria for 'Guidelines for Registration and Evaluation of New Companies.' And we operate the system of registering and evaluating new companies based on clear evaluation standards. When evaluating a new partner company, its credit rating and cashflow matters should meet the criteria set by the financial evaluation. Regarding the on-site due diligence evaluation, we, together with our relevant divisions, visit the workplaces of our partner companies to review items related to the management, supply chain, including technology, quality, environment, reliability, production and materials. And then, we register only those companies that have a final evaluation score of 70 or more from the 'Partner Company New Registration Deliberation Committee.'

#### Process of Recruiting and Evaluating New Partner Companies



Status and Purchase Proportion of Major Partner Companies

Considering transaction proportions and amount of money with Coway and supply of core technology parts for Coway products, we select our partner companies. And we provide active support for them to strengthen their competitiveness and technology.

Status of Coway's Primary & Secondary Partner Companies

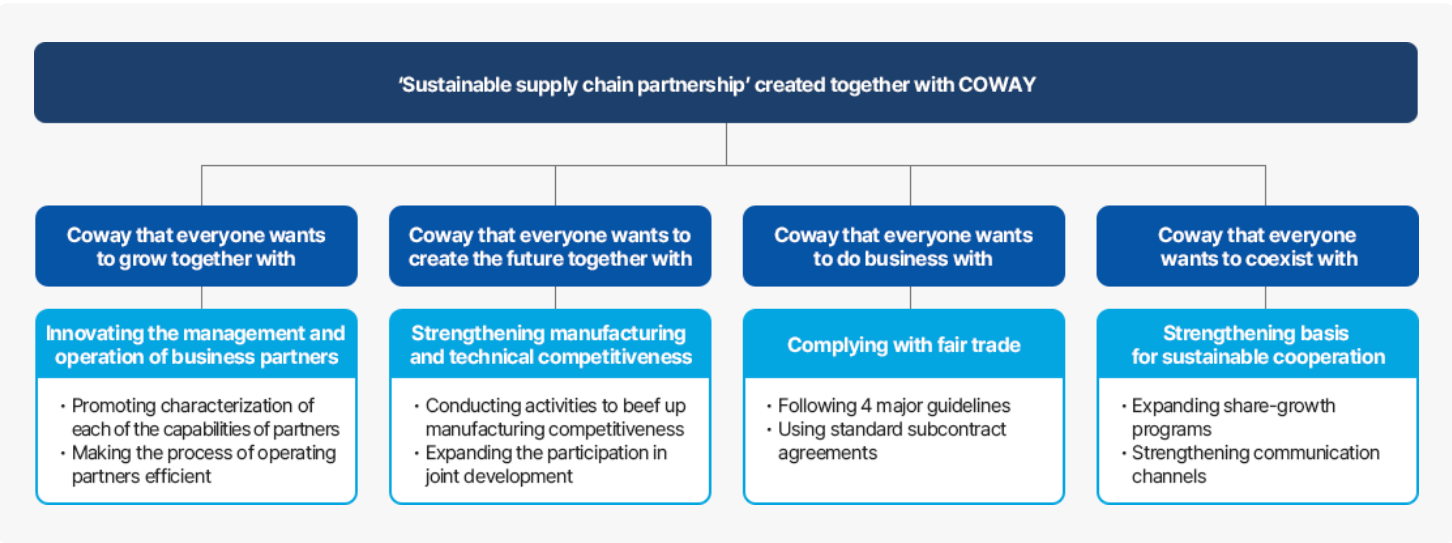
| Category                                 | Details                             | Unit      | 2023 |
|--|-------------------------------------|-----------|------|
| Sum of partner companies (①+③)           |                                     | Companies | 226  |
|  | ① Primary partner companies (all)   | Companies | 133  |
|  | ② Primary core partner companies    | Companies | 72   |
|  | ③ Secondary partner companies (all) | Companies | 93   |
| Proportion of partner companies purchase | Core partner companies              | %         | 78   |

- ① Primary partner companies (all): Yugu/Incheon/Pocheon factory raw material supply partners and mold partners
- ② Core partner companies: They are selected considering the size of transactions, irreplaceability, possession of core technologies and others among the primary partner companies.
- ③ Secondary partner companies: Those who signed a fair trade agreement with primary and secondary partners

Activities to Support Partner Companies

Strategies for Promoting Win-win Growth with Business Partners

Coway has formed an organization dedicated to win-win cooperation to achieve the vision of ‘Establishing a sustainable supply chain partnership created together.’ And we have formed and put into practice 4 core values: (1) Coway that everyone wants to grow together with; (2) Coway that everyone wants to create a future together with; (3) Coway that everyone wants to do business with ; and (4) Coway that everyone wants to coexist with.



Operation of a Division Dedicated to Win-win Cooperation



Support for Management Stability of Partner Companies

| Category                                | Description   | Operating performance |
|---|---|-----------------------|
| Coway-supplied raw material system      | In order to alleviate the cost burden on partner companies due to price increases in raw materials, we operate a system in which we directly purchase and supply raw materials to our partner companies at international prices.          | KRW 42.1 billion      |
| Delivery payment linkage system         | To address difficulties partner companies facing challenges due to surges in raw material prices, we set up a linkage system for delivery charges before legislation to encourage medium-sized venture companies to join as our partners. | 8 Companies           |
| Payment of subcontracting costs in cash | Payment of subcontracting costs is made at least once a month within 30 days after the completion of supplying raw materials and molding work done by partner companies.  | 100%                  |
| Shared growth cooperation loan program  | Based on Coway's deposit, we support operating funds for partner companies at low interest rates.   | KRW 20 billion        |

Strengthening and Protecting the Technologies of Partner Companies

| Category  | Description   | Operating performance               |
|---|---|-------------------------------------|
| Suggesting technical innovation ideas                 | We promote win-win cooperation with capable SMEs by discovering innovative technologies used as future growth engines of the manufacturing industry, receiving 71 tasks and ideas from 41 companies in 2023.    | Total of 74 tasks from 41 companies |
| Supporting and protecting technical resources         | In order to improve the technical power of SMEs, we operated support programs and support funds for technical development (support for the development of new products and localization) and joint development. | KRW 13.918 billion for 727 Cases    |
| Monitoring technical extortion                        | Revision of technical data request forms and introduction of standard confidentiality agreement, monitoring of legal violations of technical extortion from SMEs  | In operation                        |
| Technical data escrow program                         | We promote the use of the technical data escrow system and pay the entire fee for the technical data escrow so as to protect technologies of partner companies.   | In operation                        |
| Operation of online training on technology protection | We completed training on the importance of protecting technologies of SMEs and cases of technical leakage.  | Training completed by 153 persons   |

Supporting Welfare for Partner Companies

| Category   | Description  | Operating performance                  |
|--|--|--|
| Program to nurture quality and environment experts | We operated a training program to nurture 'Coway partners' quality and environment experts' in cooperation with Ajou University's Industry-Academia Support Center for 4 months in 2023.       | Training completed by 128 persons      |
| Online training for partner companies              | Considering physical distances of partner companies, Coway operates training courses on sales, purchases, logistics, human resources, smart factory, etc., by using online training platforms. | Training completed by 128 persons      |
| Support for dormitory mattresses for free          | We provide free dormitory mattresses once a year so as to improve working conditions of employees from partner companies.  | Provided 95 mattresses for 9 companies |

Industrial Safety Campaign for Partner Companies

| Category                             | Description   | Operating performance |
|--------------------------------------|---|-----------------------|
| Monitoring fire-safety inspections   | While partner companies conduct self-inspection on fire safety once per year, Coway personnel visits the sites to request improvement of high-risk groups and monitor their progress.   | Total of 72 companies |
| Providing industrial safety supplies | Coway has completed the provision of industrial-safety supplies such as posters, fire extinguishers and safety hats for partner companies so as to prevent industrial safety accidents. | Total of 72 companies |

Operating Communication Channels with Partner Companies

| Category   | Description  | Operating performance |
|--|--|-----------------------|
| Operation of Coway's Ethical(Jeong-Do) Management Center       | Unfair subcontract transactions can be reported through the Ethical(Jeong-Do) Management Center website ( <a href="https://company.coway.com/company/ethical">https://company.coway.com/company/ethical</a> ).           | In operation          |
| Operation policy briefings and meetings with partner companies | By sharing Coway's purchase policies and operation strategies on partner companies, we raise the awareness of partner companies. We also try to bolster partnerships through the introduction of shared-growth programs. | Once a year or more   |
| Site visits to partner companies                               | We introduce Coway's shared-growth programs and listen to their VOC through on-site visits to our partner companies.   | Once a year or more   |
| Operation of online channels                                   | We receive reports on unfair transactions and other violations and listen to VOC through the operation of Coway's share-growth communication blog and Google surveys.  | In operation          |

# Conflict Minerals Management

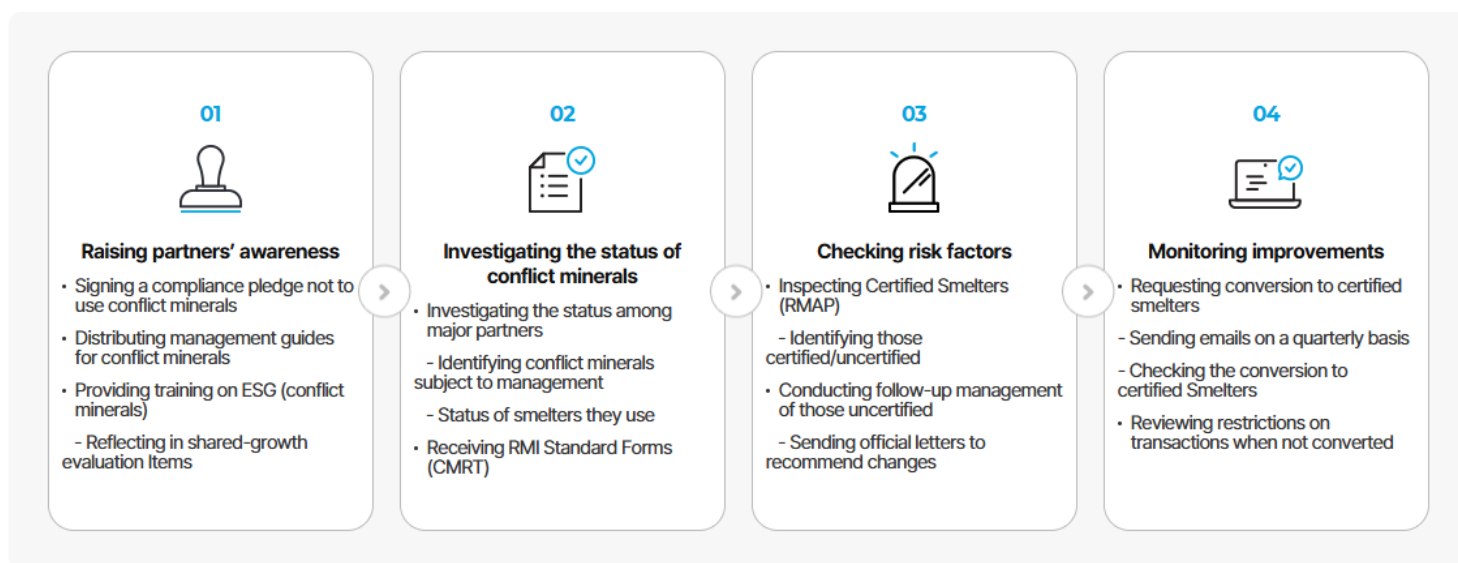
## Conflict Minerals Policy

Coway places human dignity as a top priority, and considers the negative impacts on society, such as human rights violations and environment destruction, during the mining, production and distribution of minerals as a serious problem. To prevent the use of conflict minerals mined unethically, Coway strives to monitor whether raw materials or components it receives contain conflict minerals. Coway helps raise awareness of conflict minerals by providing guidelines and briefings on the management of conflict minerals for partner companies. Moreover, we will continue striving to expand the policy of not using conflict minerals, and of supplying responsible minerals to other supply chains subcontracted with our partner companies.

## Conflict Minerals Management Process

### Conflict Minerals Management Process

Coway has established and operated a 'conflict minerals management process' and monitors the status of the conflict minerals managed by our partner companies once a year. Coway holds regular online briefings to raise awareness of conflict minerals, and based on these, we investigate the current status of conflict minerals and identify risk factors. For the compliance with 'responsible purchase', we will continue to strive to improve the management system for our partner companies' use of conflict minerals.



### Increasing Partner Companies' Awareness of Conflict Minerals

Coway conducts briefing sessions and training on the background of conflict minerals management, trends of conflict minerals regulations among major countries, our policies on conflict minerals management, CMRT introduction and investigation plans, and whether or not to conduct transactions with RMAP certified smelters for our partner companies that use conflict minerals, in order to raise overall awareness of conflict-minerals management. In order to comply with the principle of not using minerals mined in ways that cause problems related to human rights and the environment in conflict and high-risk areas, Coway has signed a 'Pledge to Comply with Non-Use of Conflict Minerals' with our major partner companies. Coway is preventing risks related to conflict minerals in advance by requesting not only major partner companies, but also their subcontracted partner companies to comply with non-use of conflict minerals.

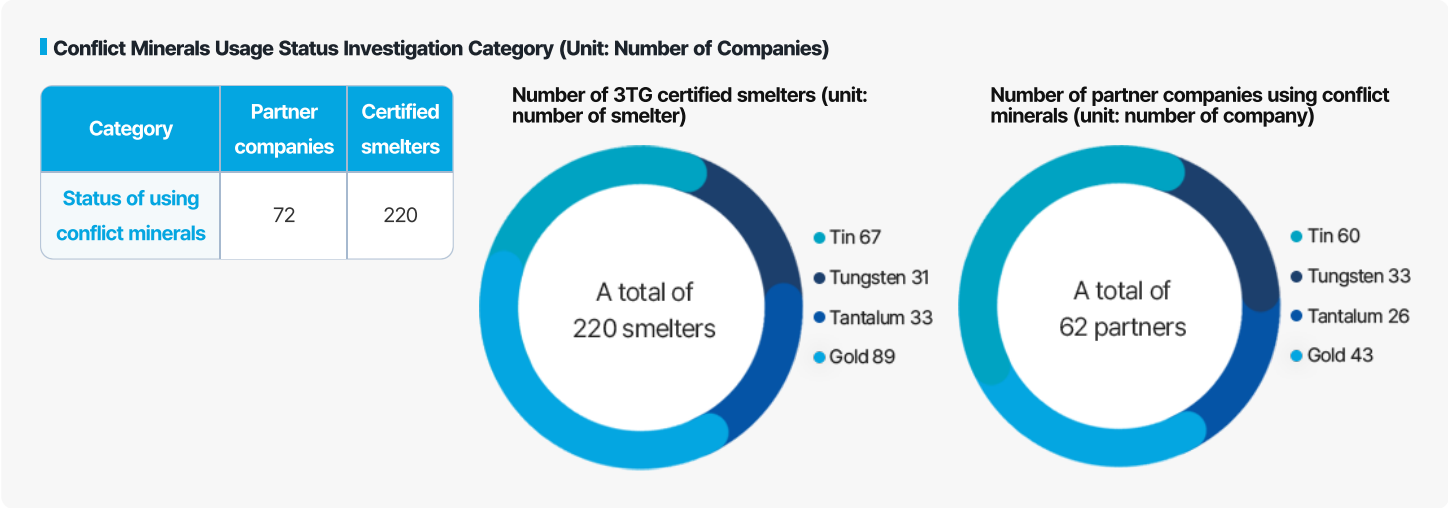
### Identifying Conflict-Minerals Management Targets

We have requested our major partner companies to submit information on conflict minerals used for all items supplied to Coway. Through this, we enter information on minerals and smelters related to each item into a computer, and request them to submit CMRT reports in order for us to manage conflict minerals. Coway is working hard to identify partner companies that have a high risk of and relevance to the use of conflict minerals. In particular, we are aware of the need to manage risks arising from those manufactures specialized in making circuits and electric components. And we have identified minerals used for such items and their origins to check if they are related with conflict areas.



## Investigating the Status of Partner Companies' Conflict-Minerals Management

Coway has established a conflict-minerals management process in accordance with the Responsible Minerals Initiative (RMI) to actively participate in the international efforts to ban the use of conflict minerals such as 3TG (tantalum, tin, tungsten, and gold). In order to raise awareness of conflict minerals for partner companies, Coway conducts relevant briefing sessions and training on a regular basis. And we also investigate the status of conflict minerals and smelters used by partner companies through the Conflict Minerals Reporting Template (CMRT) used for collecting information on suppliers provided by the Responsible Minerals Initiative (RMI). Through the analysis of consistency and risk of CMRT received from partner companies, we request them to comply with the Responsible Minerals Assurance Process (RMAP), and continuously recommend non-certified smelters to obtain certification. For the compliance with 'responsible purchase', we will continue to strive to improve the management system for our partner companies' use of conflict minerals.



## Identifying Risk Factors and Monitoring Improvements

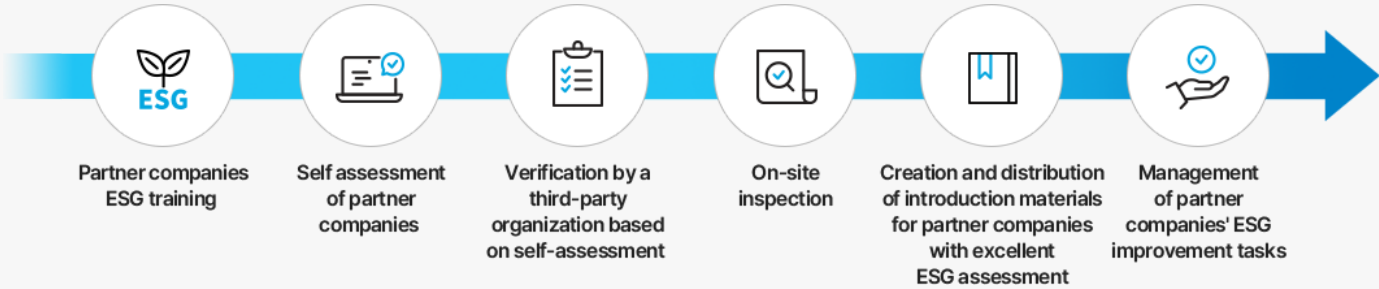
Based on the CMRT data submitted by partner companies, we have checked if they were doing businesses with RMAP-certified smelters. For those that did not do businesses with certified smelters, we requested them to implement socially responsible mineral procurement and change their business to instead use certified smelters. In addition, we will find out and manage the current situation by monitoring whether improvements are actually implemented, so as to operate a responsible mineral-sourcing system. We will strive to monitor whether our partner companies actually carry out improvements based on Coway's conflict-minerals process. And we will also work hard to operate a conflict-minerals sourcing system by reflecting global guidelines in order to strengthen the management of conflict minerals.

# Supply Chain ESG Evaluation

## ESG Assessments in the Supply Chain

Based on Coway's Supply Chain Code of Conduct, we have completed the establishment of Coway's Supply Chain ESG Management indicators. To increase awareness of ESG of partner companies, we have conducted ESG management training for 135 employees of our major partner companies. By conducting self-inspections and on-site evaluations with third-party professional organizations on human rights, labor standards and practices, the environment, ethics and governance, product and service responsibilities, etc., we strive to identify potential supply chain ESG risks and come up with improvement measures with those partners that do not meet certain standards. Coway makes quarterly reports on the status of operating supply chain ESG through the ESG Council.

### ESG Assessments in the Supply Chain



### Coway Supply Chain ESG Management Indicators

|   | E. Environment  | S. Human rights and labor   | G. Ethics and governance  | Product and service support  |  |
|---|---|---|---|--|--|
| Common indicators<br>(applied to all)                   | Environmental management system<br>Greenhouse gases     | Human rights/labor standard and practice<br>Supply-chain human rights/labor standards | Ethical management<br>ESG management and information disclosure<br>Governance |  |  |
|   | Water and waste water<br>Waste materials<br>Air quality | Workplace safety<br>Occupational diseases   |   | Private information protection and information security<br>Contents responsibility<br>Financial consumer protection<br>Sustainable financing/responsible investment<br>Biodiversity and land use<br>Chemical materials safety<br>Recall<br>Recover and recycling | Sourcing raw materials<br>Eco-friendly certification of products and services<br>Packing materials and packaging<br>New and renewable energy opportunities<br>Product carbon footprints and fuel efficiency<br>Transportation accidents and spills<br>Health and nutrition<br>Addiction prevention |
| Industrial innovation indicators<br>(industry specific) |   |   |   |  |  |

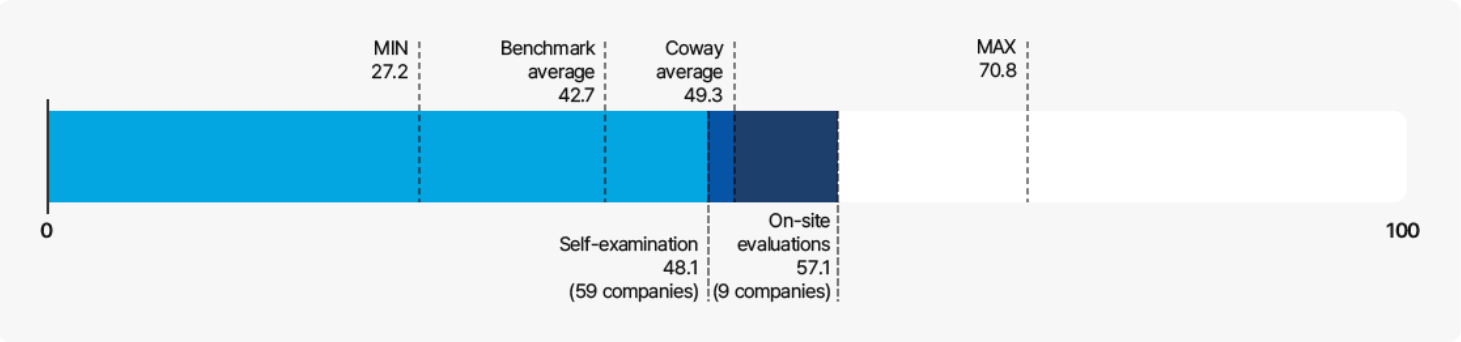
  Governance, supply chain human rights/labor standards are applied only to those companies subject to external audit.

# Supply Chain ESG Evaluation Result

Comprehensively considering partners’ transaction size, irreplaceability and possession of core technologies, we have conducted supply chain ESG evaluations of a total of 68 companies, including self-inspections from 59 of them and written and on-site evaluations from 9 of them. As for the supply chain ESG evaluations, the self-inspections were made by using a third-party professional organization (QESG) platform. And by making on-site visits to partner companies together with Coway’s supply chain ESG personnel and a professional ESG consulting company, we completed written and on-site evaluations regarding ‘human rights, labor standards and practices, environment, ethics and governance, product and service responsibilities’.

## Overall Result

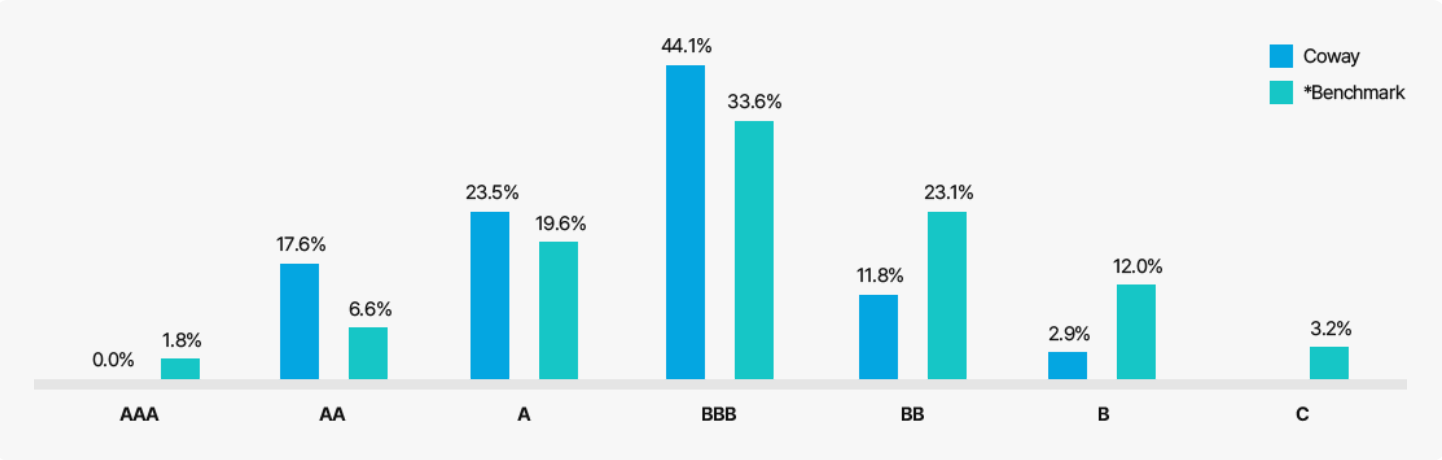
Having an average score of 49.3 in the supply-chain ESG risk evaluations (self-inspections + on-site evaluations), Coway is analyzed to have relatively high capabilities in responding to the ESG management compared to other domestic SMEs and strong medium companies.



\* Benchmark: QESG survey and evaluation result data from 2022 to the 1st half of 2023 (approximately 1,700 companies)

## Rating Distribution Result

The result of analyzing Coway partners’ risk-exposure levels and operational management levels shows that many of them obtained the intermediate BBB ratings, followed by A and AA. In general, they were evenly distributed in good ratings compared to other domestic benchmark companies.

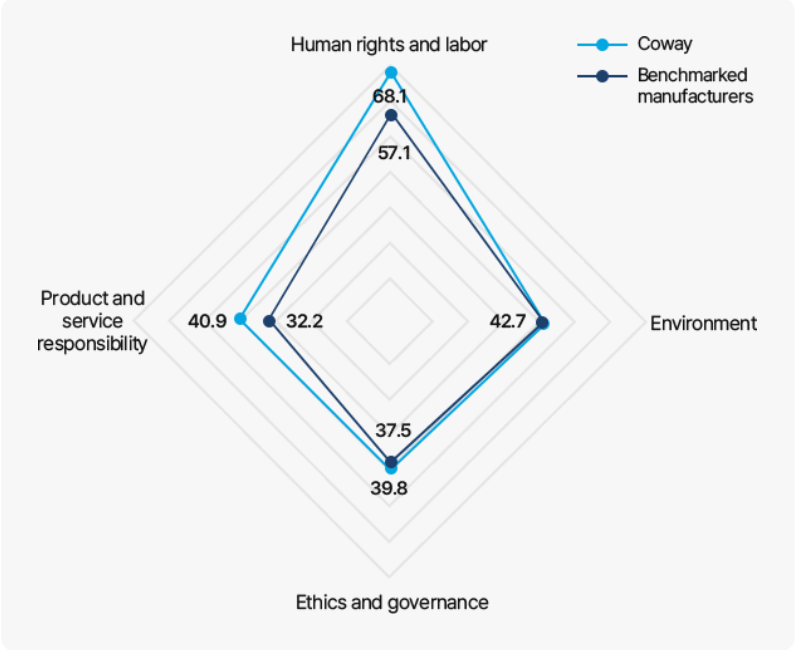


\* Benchmark: QESG survey and evaluation result data from 2022 to the 1st half of 2023 (approximately 1,700 companies)

Results by Sector

Coway's partner companies were found to have good ratings in their management compared to other benchmark companies. In particular, they were confirmed to have better ratings than other small and medium-sized manufacturers in terms of human rights and labor sectors.

| Category                           | Coway partners | Benchmarked manufacturers | GAP   |
|------------------------------------|----------------|---------------------------|-------|
| Human rights and labor             | 68.1           | 57.1                      | ▲11.0 |
| Environment                        | 43.6           | 42.7                      | ▲0.9  |
| Ethics and governance              | 39.8           | 37.5                      | ▲2.3  |
| Product and service responsibility | 40.9           | 32.2                      | ▲8.7  |



# ESG Risk Management in Supply Chain

## Summary of Top Risks

In general, Coway's partner companies were found to be in need of establishing human rights policies, and expanding practical safety and health activities in terms of human rights and labor sectors, to set a long-term reduction goal to manage environmental emissions in terms of the environmental sector, and to establish ethical management systems and expand information disclosure in terms of ethics and governance sectors.

|  |   |   |
|--|---|---|
| Human rights/labor standards and practices<br>68.1 | "Need to revise human rights policies and managing human rights and labor in supply chains" | <ul style="list-style-type: none"><li>As 53% of the companies have faced industrial accidents in the past year, it is necessary to prevent workplace safety accidents through appropriated disaster- prevention activities.</li><li>As 72% of the companies have not established their code of conduct, it is necessary to manage supply-chain ESG by establishing a code of conduct for partner companies.</li></ul>   |
| Environment<br>43.6                                | "Need to set long-term goals to reduce environmental emissions by each factor"              | <ul style="list-style-type: none"><li>Even if most of the suppliers have their environmental management policies, 86% of them have not established mid- and long-term environmental goals.</li><li>It is necessary to establish goals for each of the environmental indicators and manage relevant performance in order to comprehensively take care of the integrated performance throughout the company.</li><li>Even if more than a half (58%) of the suppliers measure environmental indicators, including indirect greenhouses and others, practical reduction efforts are needed.</li></ul> |
| Ethics and governance<br>39.8                      | "Need to establish ethical management system and expand information disclosure"             | <ul style="list-style-type: none"><li>Even though most of the suppliers have a code of ethics, they do not have ethics reporting channels or ethics pledge systems.</li><li>As 95% of the partner companies do not disclose their ESG to the public, the transparency in disclosing information on ESG is low.</li><li>It is necessary to actively promote ESG information disclosure.</li></ul>  |
| Product and service responsibility<br>40.9         | "Need to identify opportunities"  | <ul style="list-style-type: none"><li>It is necessary to strengthen the reflection of standards and evaluations in terms of product environmental responsibilities such as new and renewable energy opportunities, raw material sourcing and others.</li><li>It is necessary to manage the impact of products on the environment. ecosystem and human bodies through the management of chemicals and evaluation of the entire process.</li></ul>  |

## Improvement Status

Out of 233 items related to Coway's supply chain ESG management indicators, we have designated 59 of them (25%) as risk items as they require additional cautions in terms of the ESG management. And improvement tasks were established for 6 high-risk items out of 59. Coway has selected 2 improvement tasks in human rights and labor, 1 in the environment, and 3 in ethics and governance, and has requested companies with identified risks to establish improvement plans. To improve risks of our partner companies, we are actively supporting them by distributing our internal operation materials related to improvement tasks and issuing partners' outstanding cases of ESG management. And we also monitor the improvement status of our partner companies until they complete such improvements.

| Category               | Number of tasks | Target companies | Completion of improvements | In the process of implementing improvements |
|------------------------|-----------------|------------------|----------------------------|---|
| Human rights and labor | 2               | 14 companies     | 13 companies (93%)         | 1 company (7%)                              |
| Environment            | 1               | 19 companies     | 17 companies (89%)         | 2 companies (11%)                           |
| Ethics and governance  | 3               | 50 companies     | 47 companies (94%)         | 3 companies (6%)                            |

# Customer Satisfaction Management System

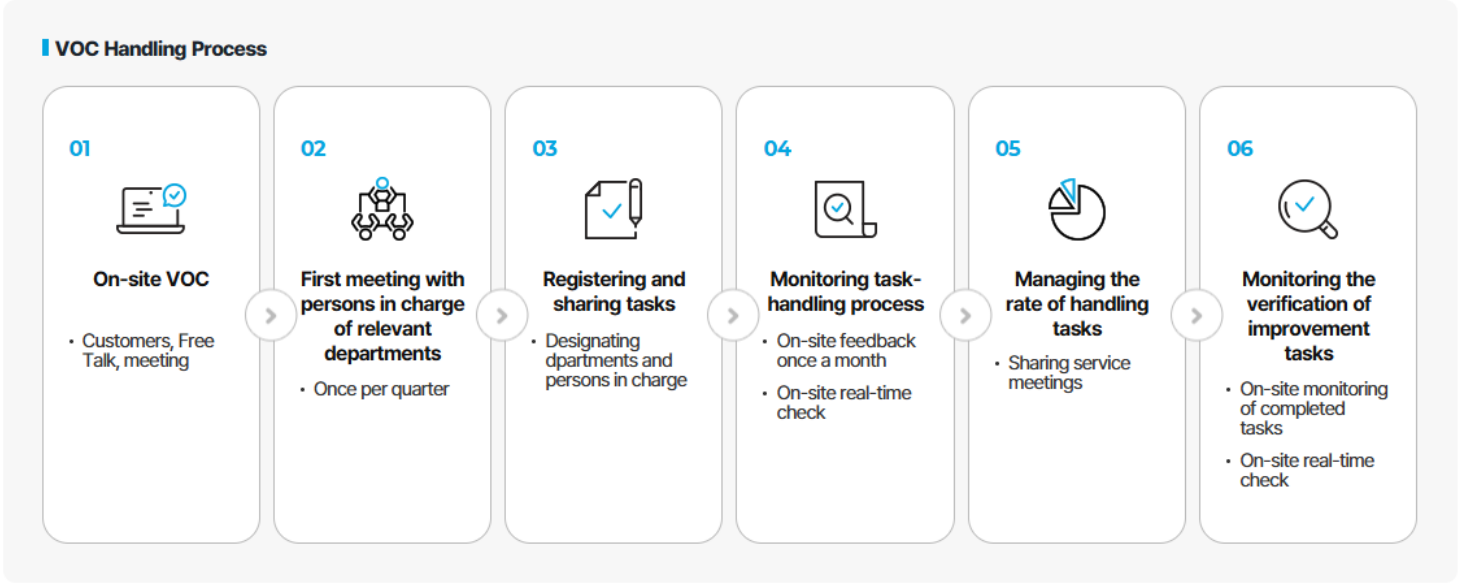
## Strategy and Goals of Customer Satisfaction Management

Coway seeks to enhance our brand value by building up long-term trust relationships with our customers. To this end, we consider their opinions as our top priority and their satisfaction as the standard for all actions and judgments. In addition, we strive to quickly meet the needs of our customers by providing best products and services.

## VOC Handling System

### VOC Handling Process

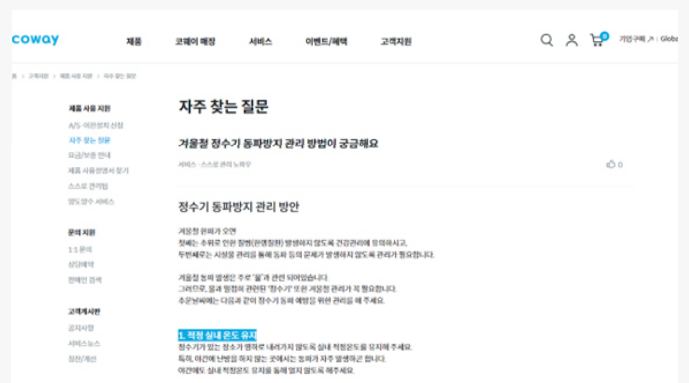
For efficient VOC handling, Coway tries its best in minimizing customer inconvenience and increasing customer satisfaction by subdividing the VOC handling process and applying a customer-oriented process.



### CASE

#### 'I'm curious about how to prevent a water purifier from freezing in the winter.'

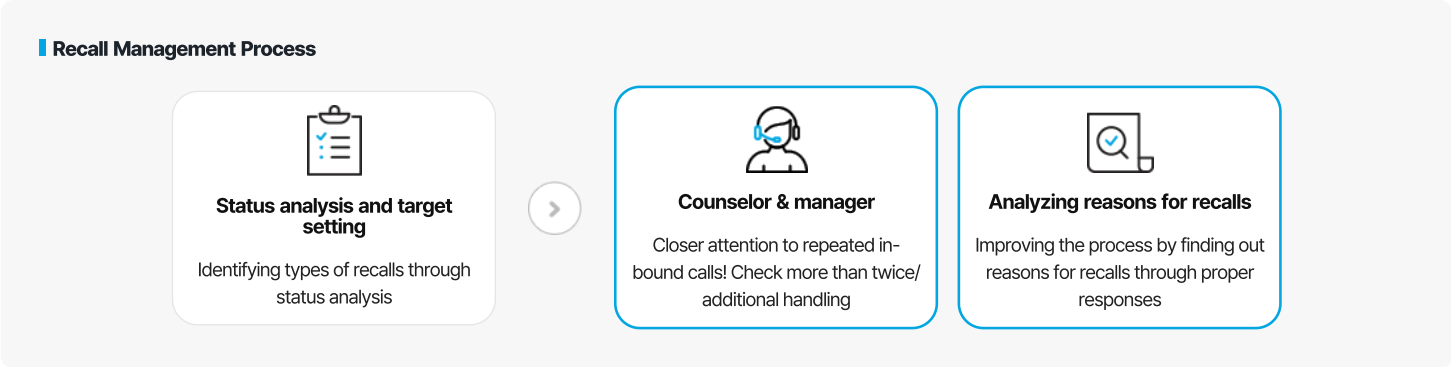
Coway analyzes customer VOC inquiries received monthly, quarterly and seasonally and provides relevant information such as how to manage products and others on the FAQ section at Coway's customer support website. As there are many questions about the prevention from freezing to bursting in the winter, Coway is striving to improve customer satisfaction by providing relevant information on how to prevent freezing, and how to react when facing such an issue in advance through its seasonally data analysis.





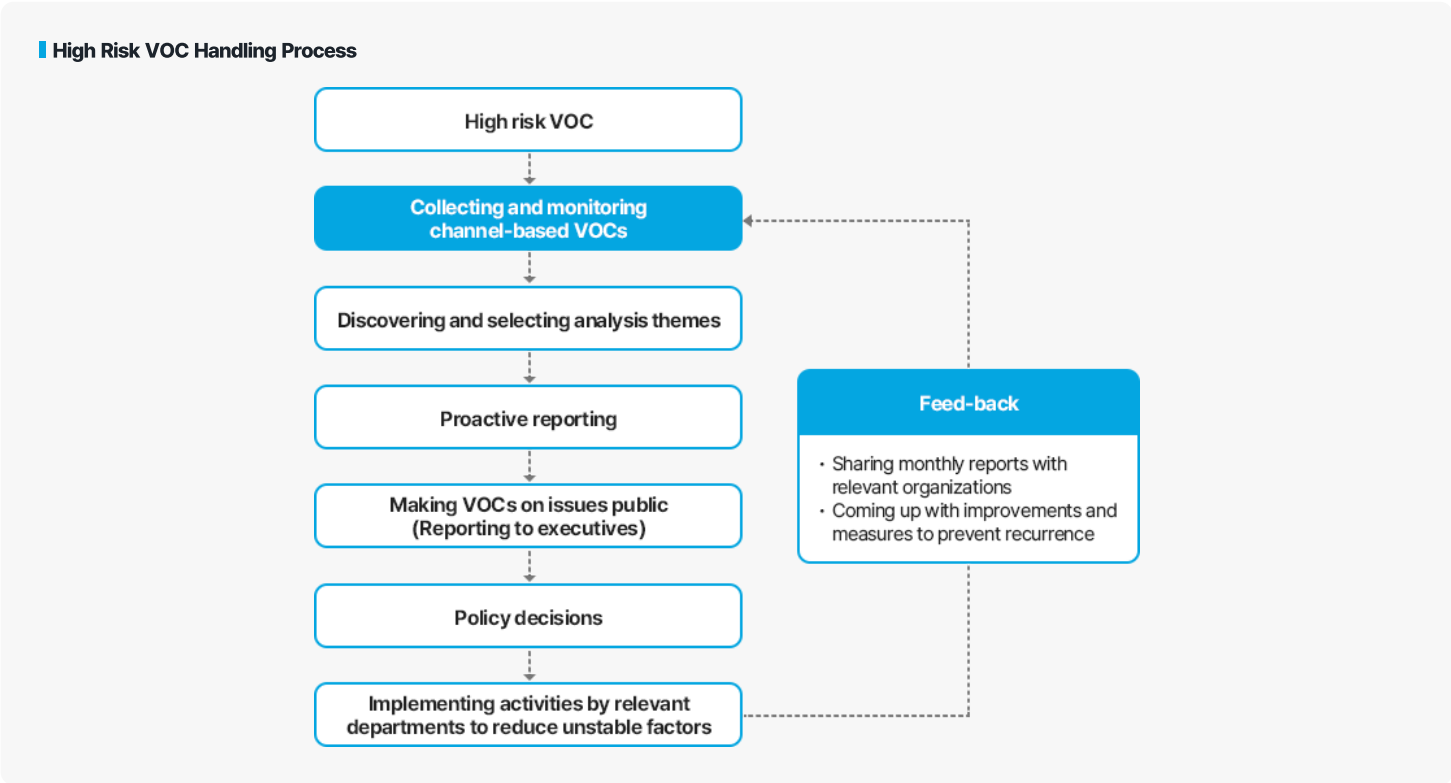
## Customer Center Initial Response Process

In order to improve customer VOC, Coway analyzes inquiries received more than twice and come up with relevant measures to operate an initial response process in which such matters are handled with just one call. Through such a preemptive response system and initial response process, we are trying our best in minimizing customer inconvenience and increasing customer satisfaction.



## High Risk VOC Handling Process

By monitoring high risk VOC, customer complaints are subdivided and delivered to relevant departments with the goal of process-oriented real-time management rather than result-centered follow-up management so as to ensure improvement activities are carried out. In addition, we also classify VOC categories according to their severity. In case of serious issues, we make immediate reports on such issues as urgent VOC to our executives so that they can make swift decisions to alleviate complaints.



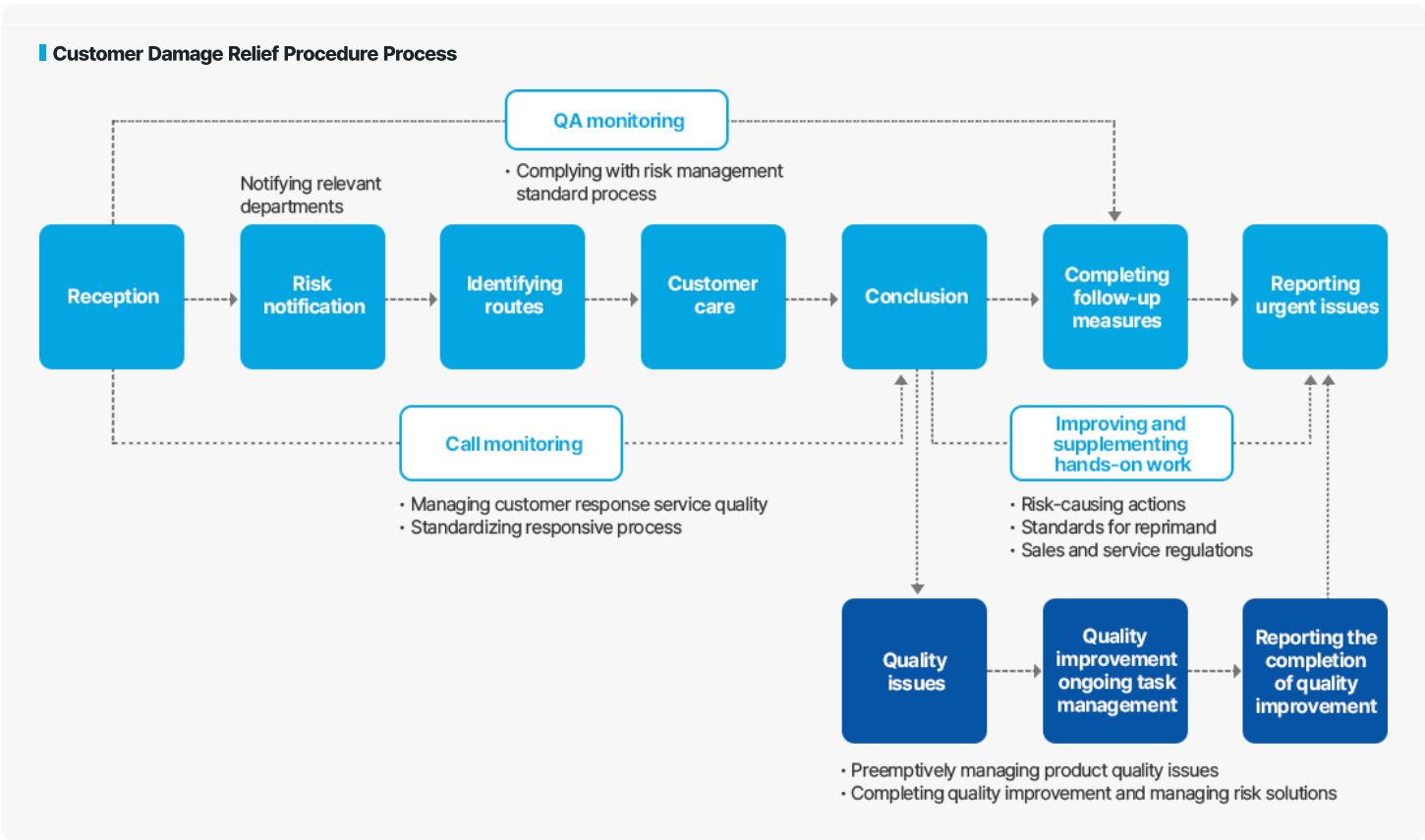
# Consumer Protection System

## Consumer-Rights Protection Policy

Coway has formed an organization dedicated to protecting consumer rights and interests and is working hard to create sustainable value at the contact point with customers. Through mobile surveys on product installations, heart services and others, we manage customer satisfaction survey results and carry out activities to continuously improve identified dissatisfaction issues. Regarding consultations and complains received through Coway's website and customer center, the Customer Support Center, which is a professional organization directly managed by Coway identifies causes together with relevant departments to deliver the accurate feedback to customers. Coway will work hard to provide safe product and services by swiftly addressing issues in order to protect customers.

## Customer Damage Compensation Procedures

Coway provides product warranties in accordance with the consumer dispute resolution standards for each item (Notice of the Fair Trade Commission) and standard terms and conditions of the contract. Standards for compensation regarding damages customers face are disclosed in detail on Coway.com website. Through this, we strive to actively address customer damages and disputes caused by products and services.



# Customer Satisfaction Activities

## Customer Satisfaction Management Certification and Awards

### Korea Service Quality Excellence Company Certification

Coway has been recognized for its service quality by obtaining the Certification of \*Korea Service Quality (SQ) Excellence Company organized by the Korea Service Promotion Association for 7 consecutive times. Since its first award of the certification in 2006, Coway has been receiving the certification of Korea Service Quality Excellence Company for 7 consecutive times (18 years) after being judged adequate at the renewal deliberation process in 2023.

\* Korea Service Quality (SQ) Certification: This is a system prepared by the Ministry of Trade, Industry and Energy to reward SQ-certified companies and involved workers that created outstanding management performance through service quality innovation activities.

### Consumer Centered Management (CCM) Certification

Based on its corporate philosophy of a 'company that considers customer value as the top priority', Coway continuously puts a company-wide consumer centered management into practice. For customer experience innovation, Coway is carrying out various customer satisfaction activities, including the development of customized products, operation of customer satisfaction services, systemic management of VOCs and others. In recognition of such efforts for the improvement of customer value, we received \*Consumer Centered Management (CCM) certification in the second half of 2023 from the Fair Trade Commission.

\* Consumer Centered Management (CCM) Certification: This is a system to certify a company by evaluating if it continues to improve consumer-centered activities and carries out related management activities from the viewpoint of consumers.

### 2023 KNPS Awards

Coway won the 1st awards in the sectors of water purifier and bed respectively at 2023 \*KNPS (Most Recommendable Companies), \*\*KCSI (Korean Customer Satisfaction Index) organized by Korea Management Association Consultants, marking its 7th award for seven years in a row in the category of water purifier since 2017 and its 3rd award for three years in a row in the part of bed. In recognition of our efforts in improving customer value through continuous innovation and increasing customer satisfaction with differentiated services, we received many recommendations from our customers.

\* KNPS: The Most Recommendable Company (KNPS, Korean Net Promoter Score) is a survey that evaluates the index of customers' intention to recommend products and services they have experienced to others.

\*\* KCSI (Korean Customer Satisfaction Index): It is a way of evaluating the level of customer satisfaction with each of the products and services into indicators.

# Customer Satisfaction Program

Coway's business model is growing with customers by providing products and services at customer contact points and gaining customer satisfaction and trust. Through innovation of products and services, we provide new experiences to our customers and increase the value of life. We also grow together with our customers by providing customized care for their overall lives based on continuous research on customer satisfaction.



## 01 Reliable Photo Service

After conducting on-site management services for customers that use ice water purifiers and tank-type water purifiers, we take pictures of the inside of the tanks and send them to those customers.



## 02 Bidet Braille Guide Service

To help visually impaired people who read the world with their fingertips use Coway bidet products, we provide bidet Braille stickers that can be attached to the control panel.



## 03 Self-managed Products and Management Services

By releasing self-managed products, we are delivering filters and tools for replacement and inspection to our customers on a regular basis and informing them of the self-management method through KakaoTalk notifications.



## 04 AR Smart Catalog

In order to strengthen customer experience activities and provide a highly convenient purchasing environment in today's "untact" environment, Coway has introduced AR Smart Catalog utilizing AR technology.



## 05 Real-time Cody Matching Service

Since around 12,000 care service Cody working nationwide are connected with customers in real time, coordinators who are fully aware of their areas are assigned to provide quick, professional, and customized consultation services.

### CASE

## Introduction of Sterilization Kits for Water Purifiers

Coway introduced sterilization kits for water purifiers in 2019 so as to improve the quality of on-site management services. These kits produce sterilized water certified for their sterilization power by obtaining the 'S Mark' from the Korean Testing and Research Institute and provide the service of sterilizing internal tanks and water-flowing tubes inside water purifiers when our coordinators visit for on-site management services.

In 2024, we renewed the existing sterilization kits to increase their durability and improved them into sophisticated designs for customers to easily recognize the sterilization service. In addition, we have launched the 'Cody Visit Care Service', a one-time coupon for the on-site management service, for those who manage their own water purifiers, not only those that have on-site management services, to enjoy the sterilization service. By doing so, we strive to provide the best hygiene service to our customers.



# Customer Satisfaction Survey

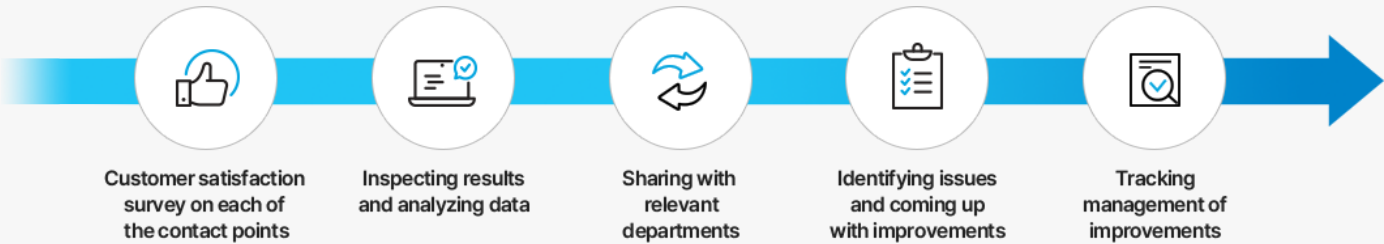
Coway conducts surveys on satisfaction at each of the service contact points, such as orders, installation, on-site inspection, AS, call center, etc., in order to find out all experiences of our customers and come up with measures for improvements. Based on the survey results, things to be improved are delivered to relevant departments and improved through cooperation with them. In addition, we conduct customer satisfaction surveys regularly every year, monitor customer satisfaction indicators, and carry out activities to improve satisfaction.

## Customer Satisfaction Survey Result

(Unit: Point)

| Category                            | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|------|------|------|------|------|------|
| Customer satisfaction survey result | 93.1 | 93.0 | 93.1 | 95.6 | 95.6 | 92.7 |

## Customer satisfaction survey process



## CASE

### Icon 2 Water Extraction Usability Upgrade

Coway conducts consumer satisfaction surveys on a regular basis to release products that meet customer needs. The survey result showed the overall satisfaction with Icon water purifier products obtained considerable points, but additional customer needs regarding cold and hot water temperatures and extraction speed were confirmed. As a result, while the existing Icon water purifiers were applied with \*3-stage hot water system, we applied \*\*4-stage hot water system when releasing Icon 2 in order to reflect customer needs.

\* 3-stage hot water system: 45°C lukewarm water, 70°C hot water, 85°C hot water

\*\* 4-stage hot water system: 45°C lukewarm water, 70°C hot water, 85°C hot water, [added] 100°C extremely hot water



4단계 맞춤 온수로  
더 세밀하게  
100 °C 초고온수도  
빠르고 풍부하게

\* 온수 추출 시 약 10초 정도 대기 후 물이 나오며, 온수 추출 시 온도가 45°C 이상으로 상승합니다.  
\*\* 온수 추출 시 약 10초 정도 대기 후 물이 나오며, 온수 추출 시 온도가 45°C 이상으로 상승합니다.  
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약 100°C 초고온수    약 85°C 커피    약 70°C 차    약 45°C 분유

# Customer Satisfaction Training System

Coway runs systematic training programs to help our partner companies provide professional services for customers and conducts evaluations as to the training effectiveness. By conducting service training for Cody and Codoc, our on-site service managers, every year, we strive to provide quality services to our customers. Compared to the first quarter of 2023 before such training, service-related complaints from the second to fourth quarters of 2023 dropped by a monthly average of 17.7%. In addition, we also conducted training to nurture service managers in their first to sixth months in the field in 2023 to see customer NPS (Net Promoter Score) increase by 1.33% compared to the one before the training.

\* Partner: Cody/ Codoc/ Service Managers and Others

## CASE

### Newly Establishing a Total Care Service Center and Training Service Quality Managers

We have established a Total Care Service Center, a professional organization that provides specialized services for water purifier hygiene. Coway's service quality managers, who are at the center of our specialized service, are assigned to the field after undergoing systematic training courses to gain expertise. Service quality managers are able to go out to the field and respond to customers only after completing training courses and passing tests on product understanding, hygiene service technology, failure diagnosis and AS prevention, customer response, service mind and others for around three months in order for them to acquire competency, technology, and service mindset. As hygiene is the key element of a water purifier, we will continue to work hard to expand systematic hygiene services for our customers to trust and use our products.





# Customized Product Development

## Innovative Technology Application and Development

### Smart Motion Faucet

We launched the NOBLE built-in water purifier that is applied with a motion technology to the faucet from which water comes out for the first time in Korea. By applying a smart motion faucet that is usually hidden inside the product and exposed only when in use, we are able to block external contamination in advance and provide UV sterilization in a double-care way.

### AI Smart Diagnosis Function

By utilizing artificial intelligence technology, Coway can help our customer check device status in real time. When detecting an error, we provide a detailed and quick solution to the problem through smartphone for customer to take a swift action. If the problem is still not solved, we automatically relate it to the customer center to improve convenience for our customers. After receiving data on details of the issue, the customer center recognizes the defect and provides efficient maintenance and management services.

### Smart Filter Sensing Technology

Through the development of smart filter sensing technology utilizing digital technology, we could improve the management convenience for customers to receive high satisfaction from self-managing service users. Thanks to the smart filter sensing function, the filter life is automatically checked and an alarm is provided when the replacement period has expired. We also provide technology that detects and cleans a new filter after completing the replacement of an old one.

#### CASE

### 'BEREX Reclining Massage Bed' \*Selected for Innovation Award at CES 2024

By reflecting customer feedback that bed-type massager machines are generally difficult for them to lie down and get up from when using, Coway developed a differentiated massager equipped with a reclining function that helps the upper body get up and a user-customized massage system to achieve the honor of being selected for an innovation award in the digital health category at CES 2024.

\* CES: The world's largest IT exhibition hosted by the Consumer Technology Association (CTA)



# Social Contribution System

Coway has been actively carrying out social contribution activities to spread a good influence in society. Now, we would like to go beyond that aim and contribute to the community by meeting the needs of a new era and solving social issues that we all face.

## Social Contribution Management System

Regarding Coway's social contribution activities, the Council where team leaders and working-level staffers participate and the Committee where the top decision-maker participates work together to take decisions on major issues related to social contribution activities.

## Social Contribution Policy



Coway established a social contribution policy in March, 2024 to realize the UN Sustainable Development Goals (UN SDGs). This is a declaration Coway made to become a company that seeks benefits for customers and community stakeholders based on specific policies and, furthermore, take care of the lives of all people.

[Social Contribution Policy →](#)

## Promotional Strategies for Social Contributions

Keeping in mind the social contribution mission of 'Good Wave for people & Environment', Coway places society and environment as a top priority when carrying out all social contribution activities. We are developing and implementing programs for the growth of local communities based on our experiences and know-how as a best life solution company. In addition, we consider the seriousness of social issues arising from our social contribution target areas, their relevance to our business and others before selecting our social contribution activities.

### Social Contribution Strategy

|                      |   |  |
|----------------------|---|--|
| Vision               | Best Life Solution Company  |  |
| Mission              | Good Wave for people & environment  |  |
| Theme                | Environment   | People   |
| Strategic directions | Improving local communities   | Coexisting with local communities  |
| Targets              | Elementary schools, ordinary citizens, the underprivileged  | Disabled persons   |
| Activities status    | <ul style="list-style-type: none"><li>· Coway river plogging</li><li>· EM (Effective Micro-organisms) soil ball throwing</li><li>· Clean school forest classroom</li><li>· Project of sharing safe water and underground water (water purifier)</li><li>· Project of sharing clean air and improving environment for the underprivileged (air purifier)</li></ul> | <ul style="list-style-type: none"><li>· Blue Wheels Wheelchair Basketball Team (since 2022)</li><li>· Mulbitsori Choir with visually impaired people (since 2022)</li><li>· Producing school supplies for kids with disabilities and donating voice</li><li>· Conducting activities to raise awareness of the disabled</li></ul> |
| SDGs                 |    |    |

■ Medium-and Long-term Road Map for Social Contribution

| Category  | ~2024 (Implementation)  | ~2030 (Strengthening)  | ~2050 (Expanding)   |
|-----------|---|--|---|
| Strategy  | <ul style="list-style-type: none"><li>Establishing strategy and system</li></ul>  | <ul style="list-style-type: none"><li>Enhancing social contribution program</li></ul>  | <ul style="list-style-type: none"><li>Maximizing the creating of social value</li></ul>   |
| Direction | <ul style="list-style-type: none"><li>Community-centered social contribution</li><li>Establishing representative programs</li></ul> | <ul style="list-style-type: none"><li>Expanding social contribution themes</li><li>Signing social contribution partnership</li></ul> | <ul style="list-style-type: none"><li>Pursuing shared growth and shared-value</li><li>Expanding local community network</li></ul> |
| Location  | <ul style="list-style-type: none"><li>Domestic business site</li></ul>  | <ul style="list-style-type: none"><li>Domestic business site</li><li>Overseas business site (part)</li></ul>                         | <ul style="list-style-type: none"><li>Domestic business site</li><li>Overseas business site (all)</li></ul>                       |

## Social Contribution Goals

Coway seeks to bolster cooperation and connections by establishing plans to address environmental and local community issues based on our social- contribution policies. We plan to enhance relevant policies and programs by connecting our core businesses, which include our social contribution philosophy, direction and purpose, with sustainable development goals (SDGs) and local community issues. In addition, we plan to set up a regular consultation channel with local communities and measure and analyze the impact of our social-contribution activities on our target people.

# Social Contribution Activities and Outcomes

Coway is implementing core social-contribution activities with clean water, clean air environment, and promises to people in mind so as to increase life quality by providing a healthy living environment. Coway shares the value of cleanliness by supporting safe and clean water and air for socially underprivileged people home and abroad as a long-term project rather than a one-time giveaway to increase the sustainability of our social contribution activities and continuously build up trust with local communities.

## Representative Programs

Regarding major social contribution activities, Coway is carrying out a project of sharing the water of life to improve the water-quality environment in areas where groundwater is polluted, a project of sharing clean air to improve the indoor environment of public facilities in urban areas where air is polluted, and a project of seeding unique species for the purpose of environment education for children and the preservation of biodiversity.

### Sharing Water

Coway is promoting a water-purification campaign with employees and ordinary citizens to increase caution regarding water pollution and remind people of the importance of water.

#### CASE

#### EM Soil Ball Throwing

Coway carried out an activity of throwing EM (Effective Microorganisms) soil balls to help purify water and expand carbon dioxide sinks. EM soil balls are fermented for about three weeks after kneading fermented liquor of beneficial microorganisms and red clay. And they slowly resolve and have the effect of purifying water quality and removing bad odors when put into rivers or streams. When the ecosystem of rivers and streams is recovered, carbon dioxide from the atmosphere could be absorbed and reduced as well. Coway employees made 7,000 EM soil balls and threw them into rivers. By carrying out the campaign of throwing EM soil balls, we plan to continuously spread the value of nature and clean water.



### Sharing Air

In order to help underprivileged people that have difficulties improving their living conditions due to the increase in air pollution and fine dust, we signed an 'Agreement on a Project of Preventing Environmental Diseases for Underprivileged People' with the Ministry of Environment in 2018 and have been providing air purifiers since then. We provided 493 air purifiers to schools and other facilities used by teenagers up to 2023. And we also plan to continue to take the lead in sharing air purifiers.

#### CASE

#### Clean School Forest Classroom

Through the project of Clean School Forest Classroom, Coway provides differentiate environmental education for students to directly experience and learn about native plants in their classrooms. Students are to complete an environmental education course comprising 7 sessions produced through the joint research done by elementary and middle school teachers. For about 480 minutes, students would learn about overall biodiversity including endangered species. A total of 965 students learned about plant ecosystems for 463,200 minutes.



## Contributions to the Local Community

Coway shares what we have by referring to advanced cases for integrated improvement of local communities. In particular, Coway signed an agreement to promote the employment of disabled persons with the Korea Employment Agency for Persons with Disabilities in 2022 to help those with disabilities become part of our society. And we are striving to come up with and implement plans to create more jobs for the disabled. We continue to support language education for visually-impaired children and sports, culture and art areas for the disabled, contributing to creating sustainable jobs and promoting employment for the disabled.

### CASE

#### Blue Wheels Wheelchair Basketball Team and Mulbitsori Choir

Coway operates a wheelchair basketball team and a choir formed with visually impaired people to promote sports and culture and arts for the disabled. Coway's Blue Wheelchair Basketball Team continues to provide wheelchair basketball activities for students in the region to experience as part of a campaign to improve awareness of youth disability. And Coway's Mulbitsori Choir also carries out continuous activities related to culture and arts through talent donation performances for the underprivileged and local communities. In 2023, we hired 10 new members of Mulbitsori Choir to continuously carry out our activities to promote employment of the disabled.



# Safety and Health Management System

## Safety and Health Management Policy

Coway strives to create a safe and healthy working environment based on the safety and health management system. Through risk assessments, we continue to find and improve potential risk factors in high-risk workplaces like factories and R&D centers to minimize relevant risks. And we also strive to establish an efficient safety and health management system and continuously improve safety and health performance by obtaining certification for the safety and health management system (ISO 45001:2018). The safety and health management policy specifies our will and direction for safety and health and are announced to all employees and posted at each of the workplaces after reporting to the board of directors every year, if necessary, in accordance with changes in safety-related regulations. Coway prioritizes the safety of workers and stakeholders in all business and process throughout the company, and strives to improve the safety and health of all employees.

### Promotional Strategies for Safety and Health

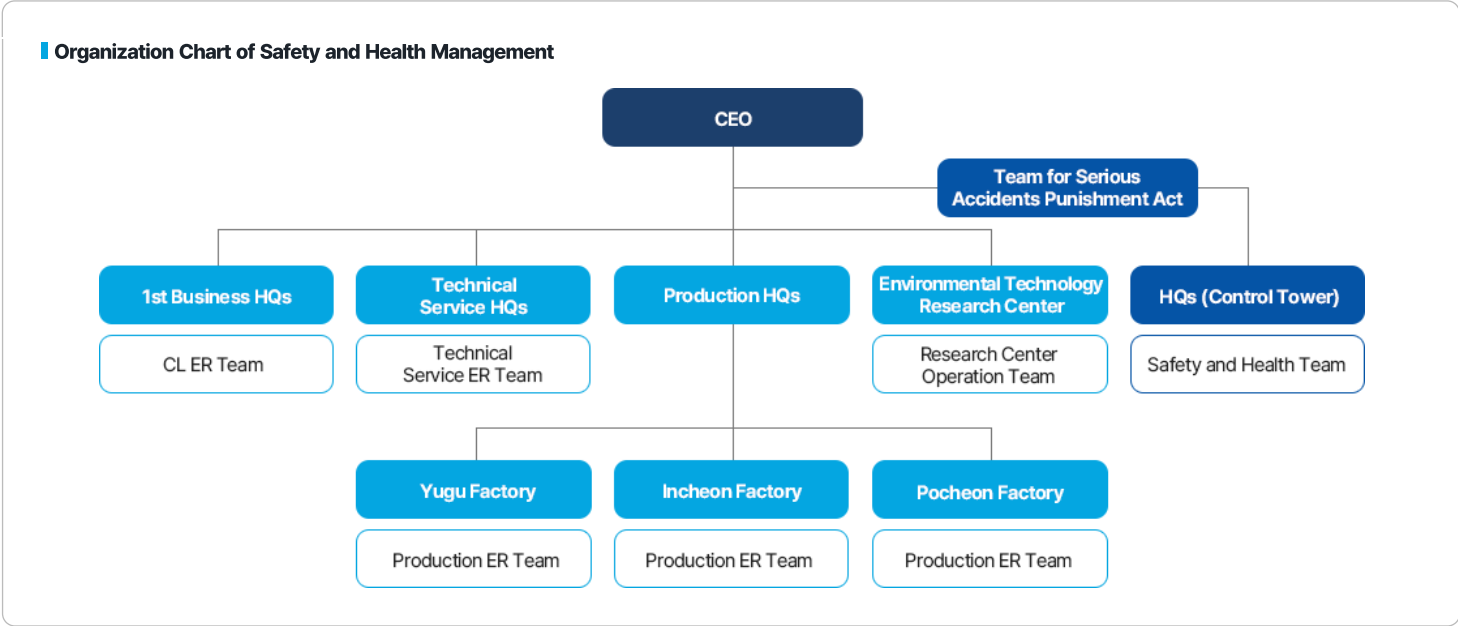
|                                    |  |  |   |   |   |
|------------------------------------|--|--|---|---|---|
| Mission                            | We create a safe and healthy working environment.  |  |   |   |   |
| Vision                             | A Company that prioritizes safety and health of its employees  |  |   |   |   |
| Core values<br>Management policies | Core Values 1  | Core Values 2  | Core Values 3   | Core Values 4   | Core Values 5   |
|                                    | Safety and health  | Compliance with laws and regulations   | Raising awareness of safety and health  | Improving the level of safety and health management   | Shared growth   |
| Directions                         | Guaranteeing safety and health of employees  | Preemptive response  | Education and training  | Continuous improvement  | Mutual cooperation  |
| Operational strategies             | <ul style="list-style-type: none"> <li>Discovering and improving potential risk factors</li> <li>Relacing and eliminating harmful factors</li> </ul> | <ul style="list-style-type: none"> <li>Monitoring relevant laws</li> <li>Establishing, revising and applying in-house regulations</li> </ul> | <ul style="list-style-type: none"> <li>Providing various education contents</li> <li>Encouraging employees to participate in trainings</li> </ul> | <ul style="list-style-type: none"> <li>Carrying out activities of establishing, implementing, inspecting and improving goals</li> </ul> | <ul style="list-style-type: none"> <li>Providing information on safety and health</li> <li>Exchanging and supporting technologies to secure safety</li> </ul> |

[Safety and Health Management Policy →](#)



# Dedicated Organization for Safety and Health

Coway's dedicated organization for safety and health is directly under the CEO and strives to work as a control tower for safety and health, and to unify the establishment and implementation of strategies for safety and health. In particular, we aim for the same goal of maintaining zero serious accidents. And the organization dedicated to safety and health strives to minimize risks related to safety and health reasonably and preemptively by promptly deliberating and making decisions on on-site opinions and difficulties through the Occupational Safety and Health Committee.

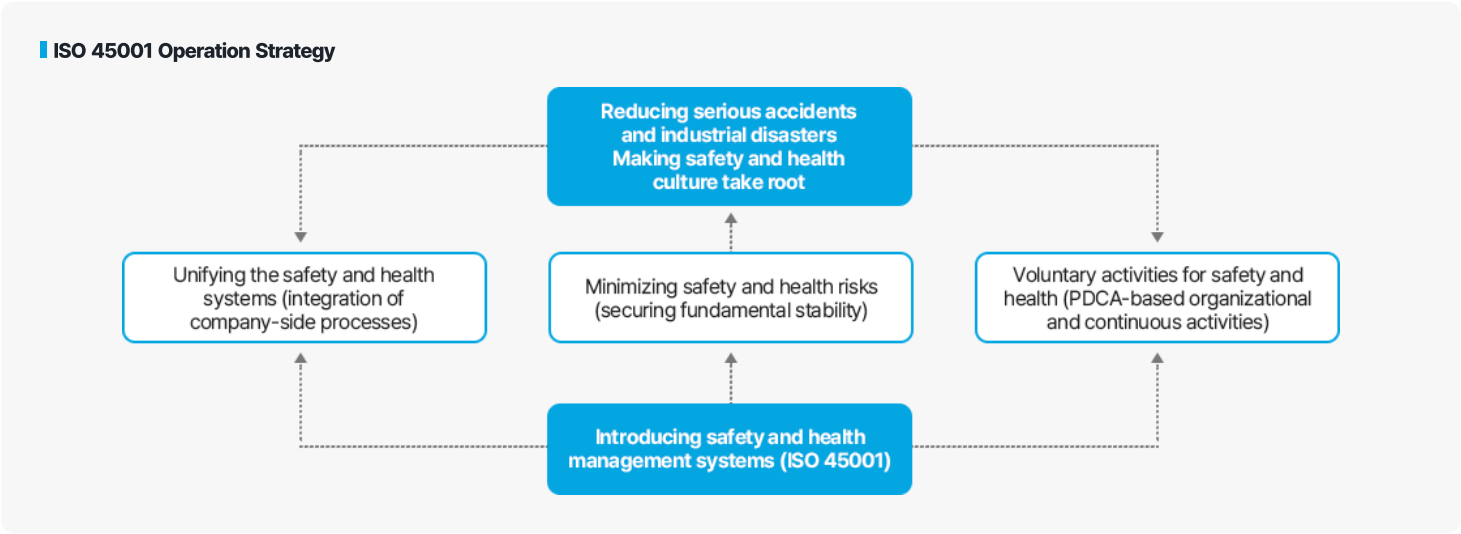


**Operation of Occupational Safety and Health Committee**

| Category                        | Details   | Category     | Details  |
|---------------------------------|---|--------------|--|
| Composition of the committee    | <ul style="list-style-type: none"><li>Same number of the members: From employers, from employees</li><li>Change of members: When changing, proper notifications should be made to both sides within 7 days.</li></ul>   | Main agendas | <ul style="list-style-type: none"><li>Items in accordance with Article 24, Clause 2 of the Occupational Safety and Health Act<ul style="list-style-type: none"><li>Establishment of plans to prevent industrial accidents</li><li>Preparation and modification of safety and health management regulations</li><li>Safety and health training and medical checkups for employees</li><li>Recording and keeping statistics of industrial accidents</li><li>Investigation of serious accidents and establishment of measures to prevent recurrence</li></ul></li></ul> |
| Duties of the committee members | <ul style="list-style-type: none"><li>Chairperson: He or she conducts a general management of the Committee and decides when to hold regular and temporary meetings.</li><li>Members: They are expected to deliberate and resolve agendas submitted to the Committee.</li><li>Assistant Administrators: They take meeting minutes, take up agendas and inspect the implementation of resolutions.</li></ul> |              |  |
| Meetings                        | <ul style="list-style-type: none"><li>Regular meeting: It is held once in every quarter.</li><li>Special meeting: It is held when needed (when requested by the chairperson, or by the labor and the management).</li></ul>   |              |  |

# Safety and Health Management System Certification

Based on the safety and health management system (ISO 45001), Coway operates and manages an integrated safety and health management system for domestic factories in Yugu, Incheon and Pocheon. In addition, we expanded the certification system even to the Environmental Technology Research Institute (R&D Center) in 2023 to eliminate and minimize serious accidents and risks related with occupational disasters. Through this, we are continuously carrying out activities to encourage workers to voluntarily join and convert their awareness of safety and health for a safety and health culture to take root in the company.



# Safety and Health Activities

## Activities to Prevent Serious Accidents

### Emergency Response Training

In order to ensure prompt on-site dissemination and response in the event of an emergency, Coway has in place an emergency contact network with each self-defense fire service at each of the HQs. In addition, we established an emergency response scenario to clearly define the roles of our members in emergency situations. Based on this, we conduct training in preparation for emergencies such as fire and explosion at least once per year.

### Tool Box Meeting

Coway conducts periodic inspections to prevent occupational accidents arising from handling hazardous machines and equipment, including facilities subject to protective measures set by the Occupational Safety and Health Act, machines subject to safety certification, machines subject to voluntary safety confirmation reporting, and machines subject to safety inspections. On-site supervisors inspect each of the process lines handling hazardous machines and equipment every day before starting work. When detecting an abnormality after the inspection, we make sure that an immediate stop is made and follow-up measures are taken so as to ensure safety.

#### List of Machines Subject to Safety Inspection

| Target machines | Number of target machines in retention | Target machines   | Number of target machines in retention |
|-----------------|--|-------------------|--|
| Pressure vessel | 95                                     | Lifts             | 5                                      |
| Conveyors       | 69                                     | Industrial robots | 18                                     |

### Voluntary Safety Inspection Consulting

Coway frequently conducts voluntary safety inspection consulting based on the Serious Accident Punishment Act, Occupational Safety and Health Act, and laws related to safety and health for production business sites (factories in Yugu, Incheon, and Pocheon) and R&D Center (Environmental Technology Research Institute). By doing so, we have come up with effective operation plans and improvement plans to make it mandatory to secure safety and health at our business sites. In particular, we worked hard to create a safe and pleasant working environment by identifying potential harmful and risk factors and suggesting measures that consider features and circumstances of business sites through the diagnosis of sites in relation to general mechanical safety, electrical safety, chemical safety and working environment by means of various diagnostic devices.

## Safety and Health Risk Management

### Inspection of Safety and Health Legal Implementation

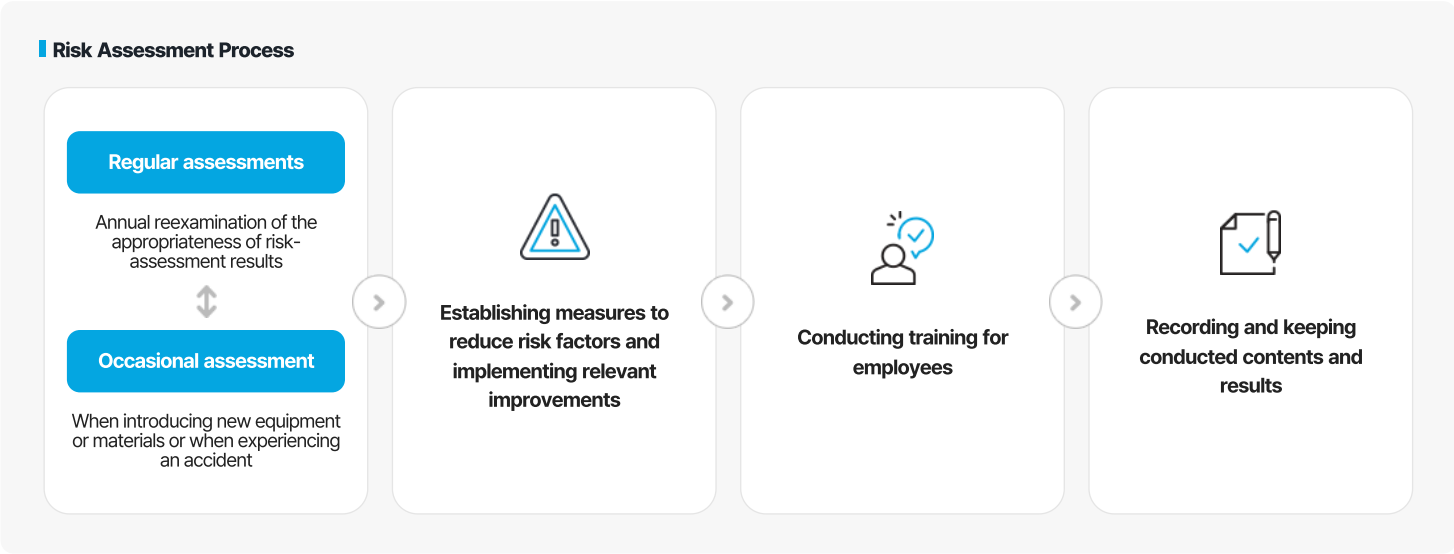
Coway has a separate organization that supervises the overall process of complying with legal obligations set by laws related with safety and health of each business site in accordance with the Serious Accidents Punishment Act and conducts an inspection of the fulfillment of legal obligations as to safety and health at least once in 6 months. We strive to make sure that there are no blind spots in our business sites by inspecting safety and health systems, including regulations and procedures of safety and health, legal training, and risk assessments, checking abnormalities of machines, electricity and sites related with chemical safety, and identifying risk factors exposed when working.

#### Implementation Inspection Areas

| Inspection items         | Details   |
|--------------------------|---|
| Safety and health system | Regulations and Procedures of Safety and Health, Legal Training, Material Safety Data Sheet (MSDS) Risk Assessment, Contractor Management, Occupational Safety and Health Committee, etc. |
| On-site inspections      | General Safety, Machinery Safety, Electrical Safety, Chemical Safety, Fire Safety, etc.   |

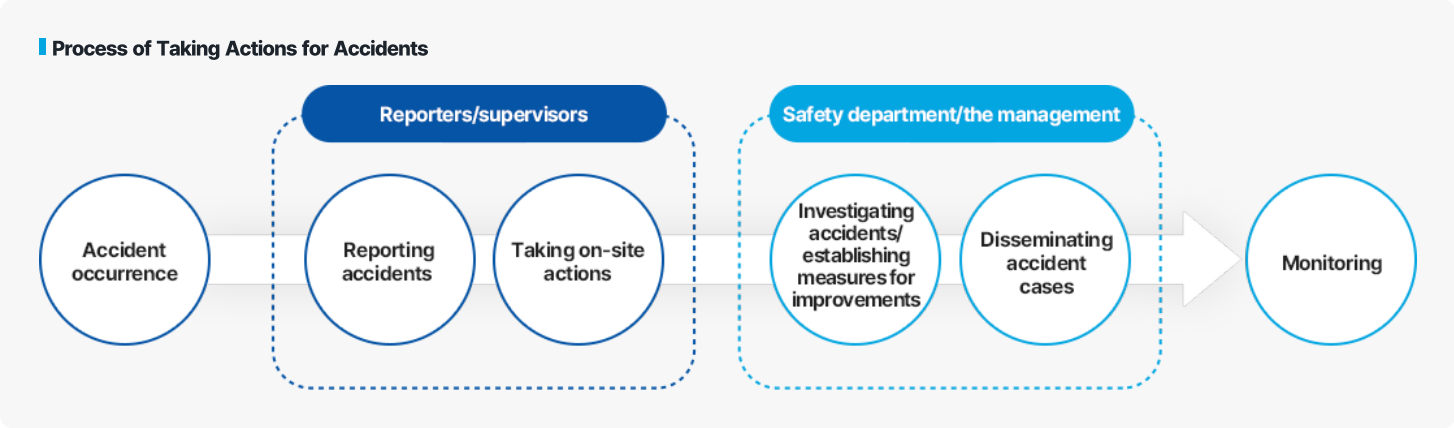
## Safety and Health Risk Assessment

Coway conducts regular risk assessments annually for all processes to eliminate direct and indirect risk factors arising from overall operations, including production, service, research, support activities and others in accordance with risk assessment guidelines. In addition, in the event that new harmful and risk factors may occur due to changes in the installation of structures at business sites, introduction or change of machines and equipment, or raw materials, or the occurrence of industrial accidents, we conduct assessments as necessary. Coway identifies harmful and risk factors inside our business sites through risk assessments and evaluates the likelihood and severity of facing injuries or diseases due to such factors. We establish and implement measures to reduce risks in descending order and help our employees be aware of risk factors by providing relevant training. We continue to monitor and manage the implementation to help build safe and health business sites.



## Process of Taking Actions for Safety and Health Accidents

Coway runs a safety and health accident process for prompt reporting on and accurate investigation of an accident. We investigate the cause of the accident in the presence of safety and health managers and supervisors from the relevant department to prevent recurrence of the accident. And the department from which the accident occurs needs to identify the cause of the accident and come up with a plan to prevent recurrence. Serious disasters and accidents are immediately reported to the management to make a quick response upon facing them and are disseminated to employees through in-house bulletin boards to prevent recurrence.



# Strengthening Safety and Health

## Industrial Safety and Health Training

Coway conducts safety and health training on a regular basis to improve the level of safety awareness of the members. We are conducting regular training for employees, regular training for managers and supervisors to strengthen their awareness of safety and health and capabilities in managing safety for on-site members; training for newly-hired people, and job-related training for people related to handling safety and health matters to improve their capabilities and expertise. In addition, we provide training for those involved in special work when then first start working to give them information on safety and health in advance and prevent accidents.

### Safety Training Status

| Category                                      | Training targets                                  | Training cycle  | Training hours  | Number of people subject to training |
|---|---|-----------------|---|--------------------------------------|
| Regular training for workers                  | All employees                                     | Once a quarter  | Office workers: 3 hours,<br>Non-office workers: 6 hours | 408 persons/year                     |
| Regular training for managers and supervisors | Managers and supervisors                          | Annually        | 16 hours  | 727 persons/year                     |
| Training for newly hired employees            | Newcomers   | As necessary    | 8 hours   | 323 persons/year                     |
| Job training                                  | Persons in charge of safety and health management | Once in 2 years | 6 hours   | 2 safety and health managers         |
|   | Safety and health managers                        | Once in 2 years | New: 34 hours, Supplement: 24 hours                     | 4 safety and health managers         |
| Training when first starting woking           | Special type workers                              | As necessary    | 2 hours   | Number of persons involved           |

# Health of Employees

## Employee Health Improvement Programs

Coway is working hard to improve physical and mental health of the employees. We operate an in-house healthcare center and others in order to prevent musculoskeletal disorders and protect and promote the health of our employees. Coway is making efforts to promote health by installing healthcare zones equipped with self-blood pressure checkers to manage blood pressure and stretching tools to prevent musculoskeletal disorders in 16 of the general branches nationwide. In addition, we operate a psychological counseling center to help employees manage their personal stress and emotions they experience while carrying out their duties. We also have established and distributed manuals for those involved in emotional labor to respond to their emotions. Coway conducts mandatory national health checkups every year and special medical checkups for those employees exposed to high risks. In 2023, we encouraged all employees to have national health checkups through in-house bulletin boards and e-mail notices, recording 100% in completing the checkups (excluding, the retired and those on leave).

# Major Performance and Goals of Safety and Health

## Major Performance of Safety and Health in 2023

| Category  | Description  | Category  | Description   |
|---|--|---|---|
| Minimizing serious disaster Risks                     | <ul style="list-style-type: none"><li>Evaluating the compliance with safety and health laws</li><li>Voluntary safety inspection consulting</li><li>Revising accident reporting process</li></ul> | Expanding the safety and health management system       | <ul style="list-style-type: none"><li>Expanding ISO 45001 certification (R&amp;D center)</li><li>Revising processes and guidelines</li><li>Strengthening the capabilities of examiners (qualifications)</li></ul>         |
| Strengthening actions to improve on-site risk factors | <ul style="list-style-type: none"><li>Establishing safety guard boxes</li><li>Conducting occasional risk assessments</li><li>Conducting customized on-site safety training</li></ul>             | Strengthening safety and health actions for contractors | <ul style="list-style-type: none"><li>Establishing standards for safety and health evaluation</li><li>Counting up safety and health management costs</li><li>Establishing standards for event-safety management</li></ul> |

### CASE

#### Introducing an Automated System and Installing Mats to Prevent Musculoskeletal Disorders

Coway is working hard to promote health by circulating processes, providing health care, installing massagers, and introducing production technologies. In this way, we are striving to prevent musculoskeletal disorders caused by 4 major risk factors (improper posture, excessive force, repetitive motions, and other physical burdens) arising from handling heavy objects in production sites, and simple and repetitive work at production sites. In 2022, we introduced electric carts used to transport heavy objects at production lines as part of a pilot project, and have been conducting test operation of collaborative robots to automate the conveyor supply of heavy objects since 2023. In addition, we are now conducting test operation of an automated system used to put in raw materials and replace simple repetitive work and are planning to complete the production technology by 2025 to gradually expand and apply the system. Moreover, we are contributing to preventing musculoskeletal disorders by installing fatigue-relieving mats in the standing work sections at production lines for workers to alleviate their physical burdens.





Major Indicators and Goals of Safety and Health

| Category                                       | Management goals | 2023 (Performance) | Detailed plan by year   |   |  |
|--|------------------|--------------------|---|---|--|
|  |                  |                    | 2024  | 2025  | 2026   |
| "Zero" serious disaster                        | 0                | 0 case             | <ul style="list-style-type: none"><li>Conducting intensive inspections through the selection of audit themes</li><li>The inspection of emergency response systems of business partners</li><li>Preemptive responses through the enhancement of trends, and the monitoring of issues</li></ul> | <ul style="list-style-type: none"><li>Strengthening on-site implementation of the safety and health management system</li><li>Enhancing the safety and health management system and manuals</li></ul>                 | <ul style="list-style-type: none"><li>Raising the level of safety and health management for each organization</li></ul>      |
| Improving risk factors at production sites     | 90 and over      | 98.3%              | <ul style="list-style-type: none"><li>Activating on-site communication channels (immediate reporting of risk factors)</li><li>Strengthening the discovery of risk factors through strengthened on-site patrols</li></ul>  | <ul style="list-style-type: none"><li>Strengthening the frequent identification of risk factors and risk assessment</li><li>Intensive prevention of 3 major accidents (falls, collision, and getting stuck)</li></ul> | <ul style="list-style-type: none"><li>Establishing an on-site safety culture through participation and cooperation</li></ul> |
| Employees' completion of regular training      | 100              | 100%               | <ul style="list-style-type: none"><li>Intensive monitoring of training targets and strengthening training promotion</li><li>Conducting visit-based customized on-site safety training (galleries, branches and others)</li></ul>  | <ul style="list-style-type: none"><li>Diversifying on-site safety training curriculum</li><li>Strengthening capabilities of working-level people through specialized training</li></ul>                               | <ul style="list-style-type: none"><li>Raising the awareness of safety and health among employees</li></ul>                   |
| Regular safety evaluation of business partners | 100              | 100%               | <ul style="list-style-type: none"><li>Conducting preliminary safety evaluations when registering and signing contracts with new companies</li><li>Revising standards for safety evaluations considering company features</li></ul>  | <ul style="list-style-type: none"><li>Strengthening independent safety and health management</li></ul>  | <ul style="list-style-type: none"><li>Conducting voluntary safety and health activities</li></ul>                            |
| Completion of national health checkups         | 100              | 100%               | <ul style="list-style-type: none"><li>Maximizing the efficiency of booking medical checkups by using an app</li><li>Establishing procedures in managing harmful factors of each job and strengthening the monitoring</li></ul>  | <ul style="list-style-type: none"><li>Expanding job-specific health management programs</li><li>Strengthening the management of preventing occupational diseases</li></ul>  | <ul style="list-style-type: none"><li>Establishing job-specific health management systems</li></ul>                          |

# In-house Business Partners' Safety and Health

## Management of In-house Business Partners' Safety Risks

### Operation of A Council for In-house Business Partners' Safety and Health

In order to ensure safety and health measures when carrying out contracted projects, Coway holds regular Safety and Health Council meetings with in-house business partners at least once a month. Though this, we are working hard to exchange various information on safety and health, listen to VOC, and create a safe and pleasant working environment. In addition, we conduct safety and health inspections of our partners' work processes with their owners and workers so as to continuously improve risk factors and prevent industrial accidents.

#### Status of the Operation of the In-house Business Partners' Safety and Health Council

| Category             | 2020 | 2021 | 2022 | 2023 |
|----------------------|------|------|------|------|
| VOC received (cases) | 0    | 0    | 7    | *28  |
| VOC improvement rate | 0    | 0    | 100% | 89%  |

\* A total of 28 cases of VOC were received through the Council in 2023. Out of them, 25 (89%) were improved and the remaining 3 are planned to be gradually improved.

### In-house Business Partner Risk-Factor Management

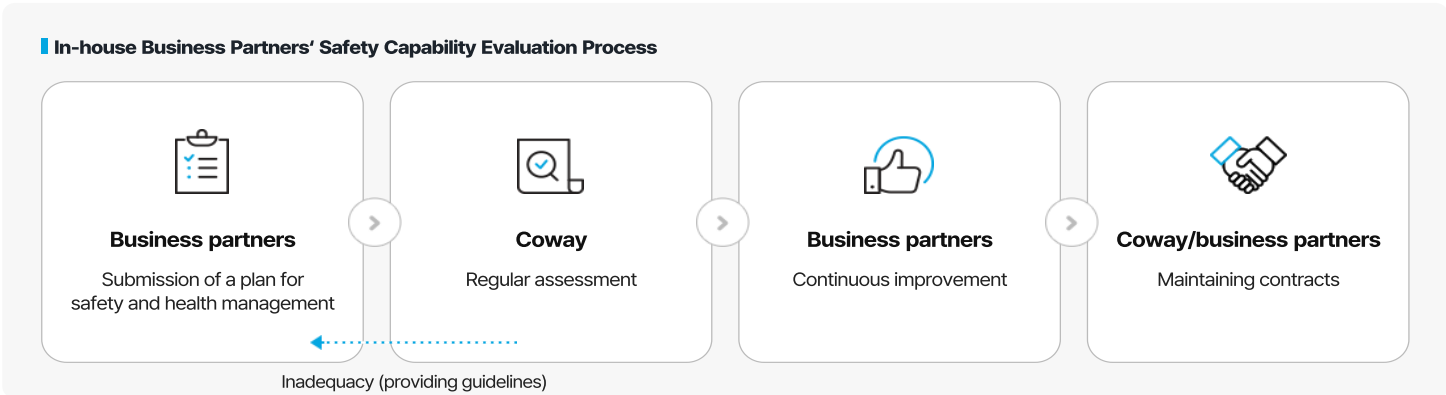
In order to ensure safety and health measures when carrying out contracted projects, Coway conducts regular risk assessments of its in-house business partners at least once a year. Through this, we strive to identify and improve potential risk factors at business sites and create a safe and pleasant working environment.

| Category                        | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|------|------|------|------|
| Risk factors identified (cases) | 8    | 8    | 34   | *173 |
| Improvement rate                | 100% | 100% | 100% | 92%  |

\* A total of 173 cases of risk factors were received through the risk assessment in 2023. Out of them, 163 (94%) were improved and the remaining 10 are planned to be gradually improved.

## In-house Business Partner Safety Capability Evaluation

When carrying out contracted projects, Coway reviews issues related with safety and health from the very beginning, and when implementing projects, we operate a system in which we continue to develop the safety and health management for the prevention of accidents suppliers might face by implementing and evaluating the safety and health management and giving relevant feedback. When registering new and existing business partners, Coway conducts their safety and health management capability evaluations, and links the results to evaluation indicators. Among new companies, those that have scores lower than the minimum level after the evaluations are restricted in terms of registration. As for those existing companies under contract, we conduct regular evaluations at least once in 6 months. In the event that they are examined to be inappropriate, and we provide additional improvement guidelines for them to make and manage improvements.



#### Status of In-house Business Partners' Safety Evaluations

| Category                   | 2020 | 2021 | 2022 | 2023 |
|----------------------------|------|------|------|------|
| Regular assessment (times) | 0    | 0    | 0    | *61  |
| Completion rate            | 0    | 0    | 0    | 100% |

\* Since 2023, regular assessments have been conducted for in-house business partners at least once in 6 months (twice a year).

# Quality Management System

## Quality Management System

Coway has established and been implementing quality management principles to continuously improve product safety and performance. From the R&D stage to the use and disposal of products, we are inspecting reliability, safety and environment performance. In addition, we are striving to achieve customer satisfaction by securing product performance safety factors, minimizing certification risks, and endeavoring to optimize quality standards from the viewpoint of customers and user environment.

## Quality Management Exclusive Organization

Coway has formed and been operating a quality management headquarters dedicated to quality innovation so as to improve customer trust and meet expectations regarding the quality of products and parts. The quality management headquarters carries out quality management activities and monitors potential quality issues that may arise from the process of developing products and from products that have already been sold to identify post-production quality issues and preemptively respond to such issues.

### Organizational Chart of the Quality Management Department



### Infinite Responsibility Committee

Coway operates the 'Infinite Responsibility Committee' to provide customers with better quality products and services. The Infinite Responsibility Committee is attended by the CEO and core executives from our business organizations to share quality issue agendas. The issues discussed at the Committee are grafted onto the company-wide processes to promptly address quality issues.

# Quality Management Certification and Verification

Coway conducts an internal audit every year based on ISO9001, a global standard certification, and receives \*QCAS-based evaluations from external experts through its challenge of becoming a 'Company with Excellent Quality Competitiveness'. Through these internal audits and evaluations from external experts, we identify what needs to be improved, make such improvements and provide the highest level of products to our customers.

\* QCAS : Quality Competitiveness Assessment System

## CASE

### Selected as an 'Excellent Company with Product Quality Competitiveness' at the 49th National Quality Management Competition in 2023.

In recognition of Coway's efforts to drastically reduce the defect rate through a total sample inspection at the stage of verifying developed products, we were selected as the 11th company with excellent quality competitiveness at the 49th National Quality Management Competition in 2023. In the past, each of the organizations in charge of development, quality, and production conducted a separate sampling inspection on its own. However, starting from this year, we introduced a company-wide integrated verification system that integrates and operates verification capabilities of the three organizations and conducts thorough inspections of all developed products. Through this, we standardized verification methods and norms as to each of the parts and performances and improved product quality by reducing sample errors.



# Quality Management Activities

## Quality Management Programs

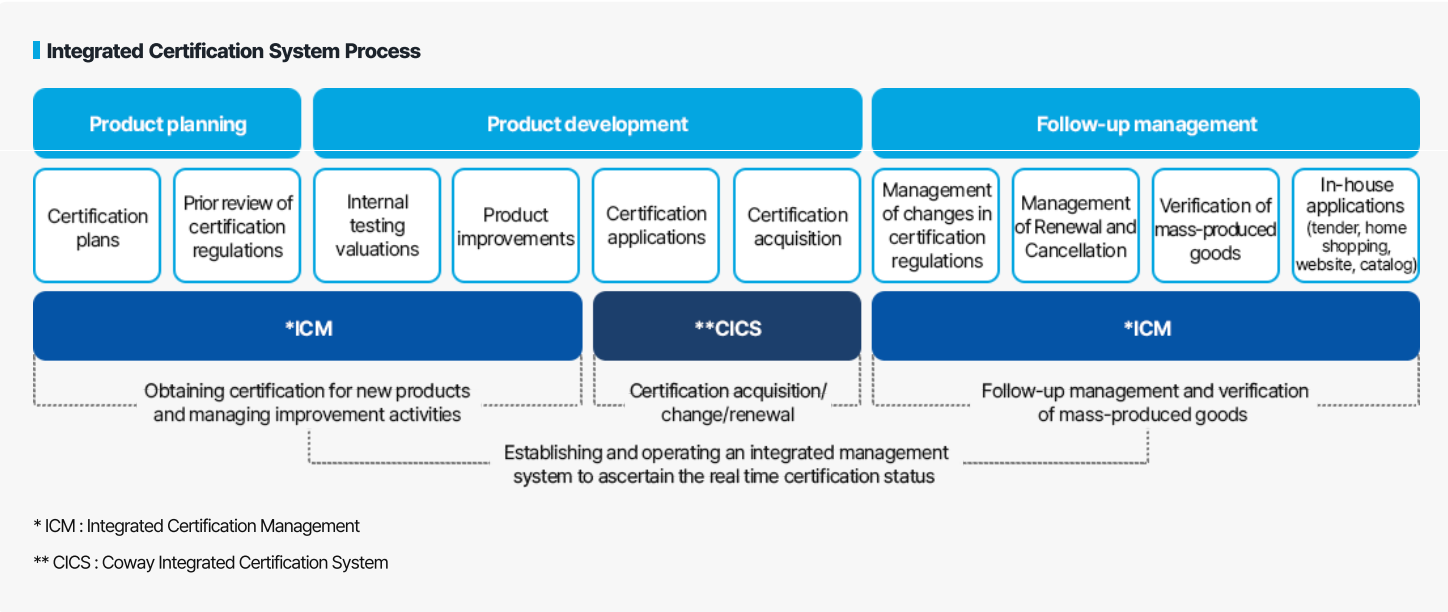
Coway operates various quality management programs to provide high-quality products and services. In order to prevent defects related with durability and performance of products and parts, which may occur depending on the period of time for which they were used by customers, we conduct mass-production reliability tests periodically and improve quality. In addition, we use our IoT platform to ascertain customers' usage environments and patterns and reflect them in reliability test methods. And we also conduct defect-linkage analyses for the improvement of quality and the development of new products. When developing new products, we strive to improve the quality of products and the level of safety by verifying and enhancing quality from the perspective of customers through the 'Quality Expert Committee.' And we identify major quality VOCs received through the 'Quality VOC Committee' so as to make improvements.

| Category                                  | Details  |
|---|--|
| Daily quality network                     | We carry out quality-improving activities quickly and accurately by operating an analysis center that analyzes and monitors major quality-related data, including AS returns and others, in real time on a daily basis.  |
| QSN (Quality Solutions right Now)         | When having a quality issue, we form an 'emergency TFT' to immediately improve and address it, thus increasing customer satisfaction.  |
| Quality VOC consultative group            | By unifying major channels that receive quality VOCs that occur in the field, we hold regular consultative meetings and cooperate with relevant departments to promptly and accurately improve such issues and apply relevant improvements.  |
| 'Worst' improvement responsibility system | We select 'Worst' defects for each of the product groups and form an improvement TFT for each task to carry out improvement activities.  |
| Quality improvement system                | By managing the status of improvements through a computer system in real time, we shorten schedules. And we continuously improve quality by creating a database of failed cases.   |
| Quality expert committee                  | We are increasing the quality level of products by operating a group made of experts in design, manufacturing, service, and customer from the stage of developing new products and are implementing quality verification of new products from the viewpoint of customers in order to enhance the quality level of such products. |

## Quality Failure Prevention Program

### Integrated Certification System Operation

Coway has established a management system to verify and prevent certification risks in all areas from the product planning stage to follow-up management through the operation of an integrated certification system (ICM/CICS), a real-time system for the management of certification status. And we are securing product safety and performance reliability based on thorough follow-up management and monitoring process to be prepared for certification issues at home and abroad.

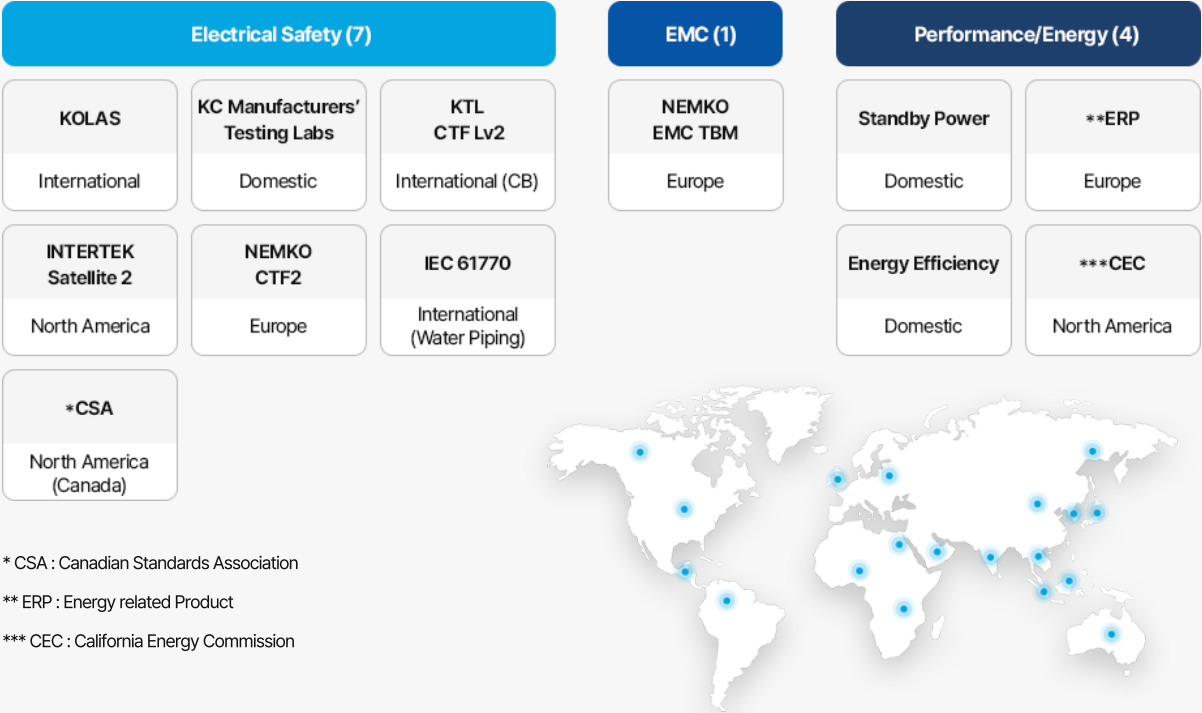


## Operation of Internationally certified Testing Labs and Certification

By operating a total of 12 internationally certified testing labs, Coway is swiftly responding to rapidly-changing safety trends and certification regulations at home and abroad to beef up its competitiveness and contribute to the development of sustainable products. In 2023, we additionally acquired the Canadian Standards Association Electrical Safety Testing Laboratory and the California Energy Commission Testing Laboratory, getting international recognition that our facility environments and testing capabilities meet international standards.

### Operation of Accredited Testing Labs

By operating a total of 12 internationally certified testing labs, we are able to conduct tests on KC certification, energy efficiency, European CE certification, etc. on our own.



### Coway Accredited Testing Lab Operation Status

| Category   | Electrical safety | Electromagnetic wave | Performance/energy |
|--|-------------------|----------------------|--------------------|
| Externally accredited internationally certified testing labs | 7                 | 1                    | 4                  |
| Certified products   | 638               | 247                  | 872                |



# Safety Verification System

With the goal of 'Risk Zero', Coway has introduced its own safety test standards that are stricter than other domestic and international standards for electrical and electromagnetic-wave safety and product performance, and we are verifying safety from the stage of designing products. We are also conducting cross verifications through external testing laboratories. In 2023, Coway conducted safety verifications on a total of 224 models, including 170 domestic models and 24 overseas models, and preemptively responded to revised matters regarding energy-consumption efficiency notice for 73 models in order to increase energy efficiency and minimize environmental impacts.

## Safety Verification System Process



### 01 Preliminary safety/performance design verification

- From the time the product was first developed, we verify whether usability, safety and performance were sufficiently secured.
- Introducing Coway's own safety test standards beyond regulatory requirements



### 02 Verifying safety of electrical and electromagnetic waves of developed products and their performance

- Verifying whether domestic and international regulatory requirements of safety are met (using Coway's own internationally-certified testing labs)
- Verifying whether product performance standards and requirements are met
- Conducting cross verifications through external accredited testing agencies



### 03 Verifying the effectiveness of parts

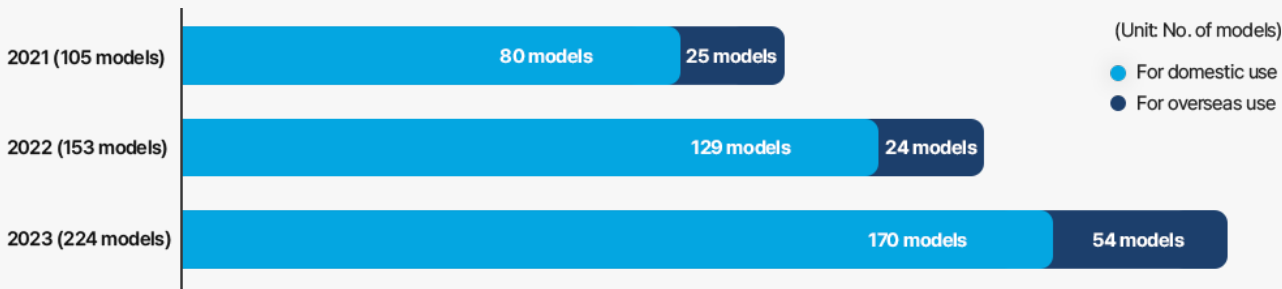
- Verifying the effectiveness regarding the safety (certification) of parts used for products



### 04 Verifying mass production

- Periodic sampling of mass-produced products and re-verifying them through Coway's own accredited testing labs
- Operating a process of reviewing and improving the product safety management system of each production factory

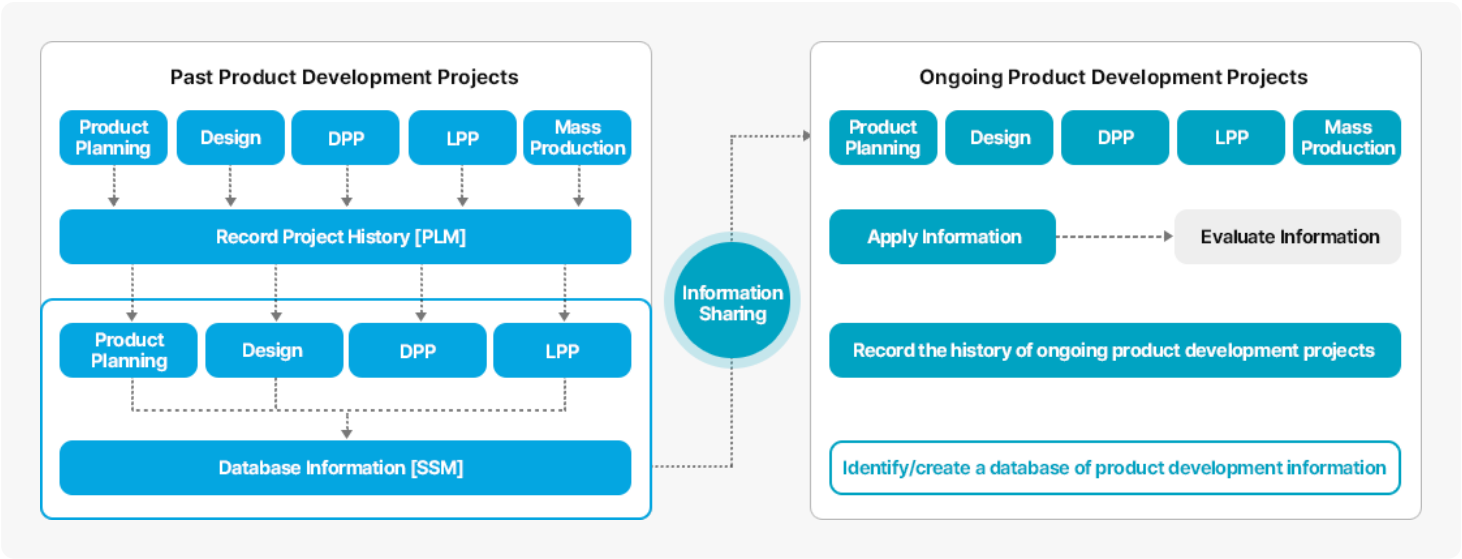
## Status of Verifying the Safety of Coway's Mass-produced Products



## SSM Establishment and Operation

By observing the phenomenon of repeated failure cases in the process of developing products from a knowledge delivery life cycle perspective, Coway strives to discover systemic issues and operational issues. We also work hard to improve design quality through the knowledge structuring (\*SSM) management of failure cases.

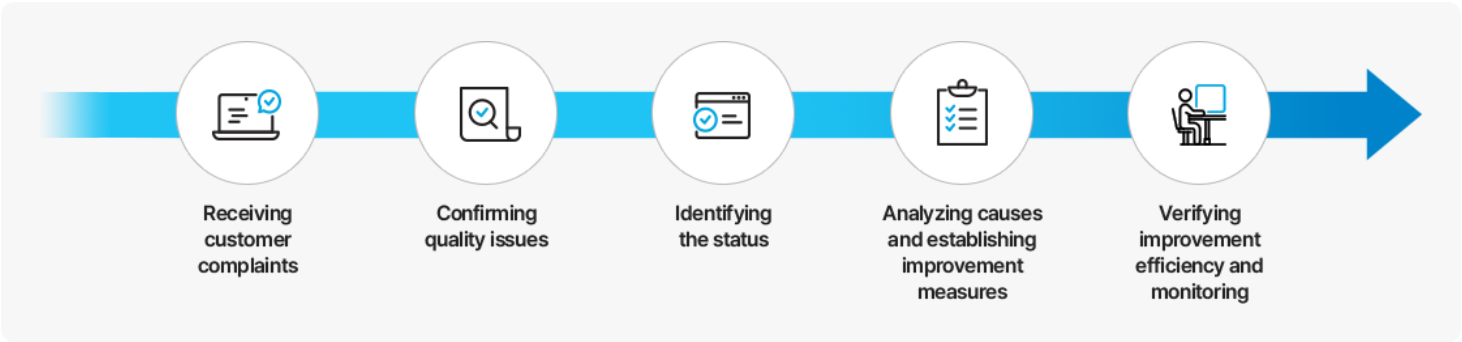
\* SSM (Stress Strength Method): A Knowledge System of Structures' Knowledge about Failures/Defects Based on Causal Chains



## Process of Handling Customer Complaints

\* Complaints about products/ services/ operations can be filed through Coway's Ethical (Jeong-Do) Management Center (<https://company.coway.com>). By operating the process of handling customer complaints, Coway is swiftly responding to customer complaints. And we analyze quality issues received from customers to come up with and monitor improvement measures.

Out of all complaints, simple inquiries regarding products and services are submitted to the customer center.



## Strengthening Quality Management

Coway is conducting training every year to improve internal quality capabilities and acquire related expertise. In 2023, we conducted a reliability and failure analysis seminar for those in charge of quality and reliability and also provided PRE (Reliability Engineer Grade 1) training for them to acquire qualifications. For the quality improvement of our business partners, we conducted 8 sessions of quality training for those in charge of quality, and a total of 132 persons completed the whole course. We are planning to do all we can to strengthen internal and external quality capabilities through the operation of continuous training programs in the future.

# Information Security and Private Information Protection System

## Information Protection Policy

Coway has established information-protection policies and guidelines to protect private information of its customers and is operating information-protection systems based on principles. Coway has divided its information-protection regulations into policies on basic principles of information protection and guidelines for each detailed information protection practice area in order for employees to easily apply them to their actual work. Information-protection policies and guidelines are established and revised after going through a regular review process in order to reflect ever-expanding information-protection areas according to changes in the business environment. In 2023, regarding a total of 16 existing information-protection guidelines, such as the request for disclosure by information entities, separation and establishment of the article on fixed and portable video information process devices, and others, in accordance with the recent second revision of the Personal Information Protection Act, we reflected them in the compliance details of laws related to the information-protection protection and revised details reflected in the current business accordingly. Coway thoroughly protects information by applying all guidelines and policies related to personal information not only to its internal business areas but also to operational organizations, consignees and business partners.

## Guarantee of Data Subject's Private Information Rights

Coway is swiftly responding to requests made by data subjects to delete personal information or matters received through the \*e-Privacy Clean Service so as to guarantee rights of data subjects.

\* The e-Privacy Clean Service: It is a service for data subjects to exercise their rights, which is operated by the Personal Information Protection Committee. It helps users to check previously subscribed websites through their ID verification records and supports them to withdrawal from unnecessary websites.

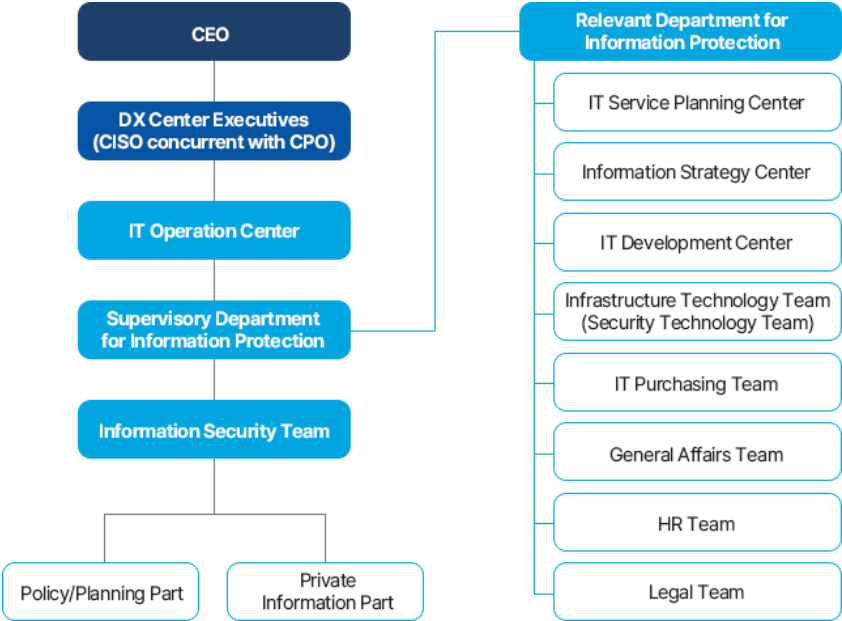
## Information Security Management System

With the increase in various IoT products and services and changes in new technologies, businesses, and environments, corporate responsibilities for information protection and personal information protection are gradually increasing. Coway is fully aware of this matter and establishes and operates information- protection management systems. Together with information protection and personal information protection organizations, the Information Protection Committee discusses major agendas and makes decisions for the management to participate in the overall activities for protecting information. By establishing the company-wide information protection governance, we are striving to provide services for our customers to safely use.

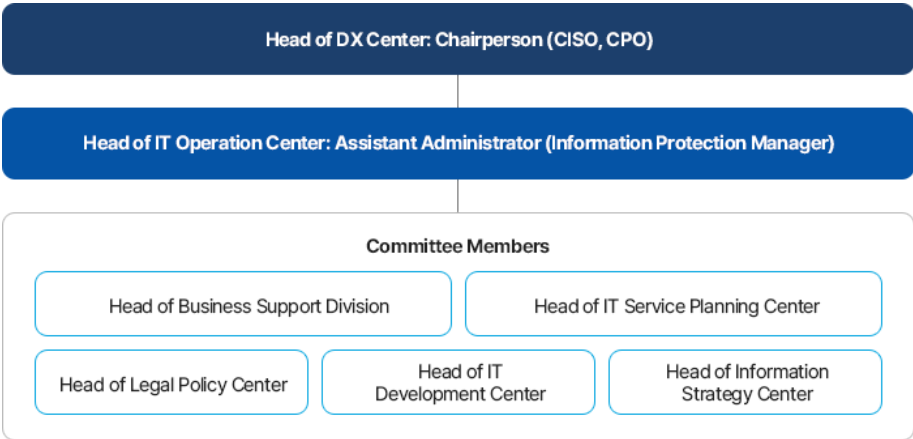
# Organization Dedicated to Information Protection and Private Information Protection

In the Information Protection Committee made up of executives, the Chief Information Protection Officer (CISO) that meets the requirements set by the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc., and has 'more than 10 years of experience in performing work in the field of information protection or information technology' serves as the chairperson, and heads of related departments attend as members of the Information Protection Committee. Activities related to information protection, such as information protection audit, information protection training, information protection awareness promotion, mock training, etc., are carried out by the information-security team, which is a department in charge. Through close cooperation with relevant departments, periodic monitoring, and risk management, we work hard to establish a thorough information-protection system and protect private information.

## Organizational Chart of Information Protection and Private Information Protection



## Formation of Information Protection Committee



## Main Activities Conducted by the Information Protection Committee in 2023

Following the second amendment to the Personal Information Protection Act in September, 2023, private information regulations in both online and offline areas were intensified, making it more important to manage private information. The Information Protection Committee has completely revised the information protection policies and guidelines to reflect the compliance matters regarding the revised laws for personal-information protection and current business operations. By doing so, we are actively protecting customer rights and more practically and systematically operating the information-protection management system both in online and offline areas.

### ■ Main Activities and Performance

| Category                          | Main activities and performance  | Evaluation indicators                                      | Measurement results |
|-----------------------------------|--|--|---------------------|
| Compliance                        | <ul style="list-style-type: none"><li>• Checking private information access records/destruction status</li><li>• Notifying data subjects of details on the use of their information, resolving complaints and conflicts</li></ul>                                | Rate of implementing mandatory legal compliance activities | 100%                |
| Operating the management system   | <ul style="list-style-type: none"><li>• Renewing ISO 27001 certification and acquiring ISO 27701 certification</li><li>• Acquiring ISMP-P certification</li></ul>  | Rate of internalizing security standards                   | 100%                |
| Operating the security system     | <ul style="list-style-type: none"><li>• Improving the operation of the security system</li><li>• Checking security system access rights and unnecessary policies</li></ul>   | Rate of implementing improvement plans                     | 100%                |
| Information protection prevention | <ul style="list-style-type: none"><li>• Detecting and responding to PC security vulnerabilities and information leakage threats</li><li>• Inspecting security of main business sites and operational sites and providing training</li></ul>                      | Rate of responding to detected risks                       | 100%                |
| Increasing awareness              | <ul style="list-style-type: none"><li>• Activities for information security campaign and case dissemination</li><li>• Distributing on-site information security customized guides</li></ul>  | Rate of implementing awareness-raising plans               | 100%                |
| Strengthening training            | <ul style="list-style-type: none"><li>• Implementing IDC mock training</li><li>• Implementing disaster recovery mock trainings for grade 1 failure situations once a year</li><li>• Implementing private information leakage mock training once a year</li></ul> | Completion rate of trainees                                | 100%                |
| Managing risks                    | <ul style="list-style-type: none"><li>• Reviewing security and taking actions to remove company-wide risks</li><li>• Strengthening END-POINT security risk detection and minimizing security blind spots</li></ul>   | Rate of taking actions to remove security vulnerabilities  | 100%                |
| Internal audit                    | <ul style="list-style-type: none"><li>• Checking the status of information protection management system</li></ul>  | Rate of diagnosing management levels                       | 100%                |
|                                   | <ul style="list-style-type: none"><li>• Checking the security management status of business partners and consignees</li></ul>  |  |                     |

# Information Protection Certification

Coway has acquired information protection certification from an accredited third party by obtaining domestic and international certificates for personal information security and personal information protection. And we are beefing up the level of information protection every year through post-examinations (every year) and renewal examinations (every three years).

## Status of Information Protection Certification

| Possessed Certificates                      | ISMS-P  | ISO/IEC 27001:2022 & ISO/IEC 27701:2019   |
|---|---|---|
| Standard                                    | Domestic  | International   |
| Expiration date                             | 2022.06.15 ~ 2025.06.14   | 2023.12.21 ~ 2026.12.20   |
| Certifiers                                  | Korea Internet & Security Agency (KISA)   | DNV   |
| Certification scope                         | Coway online services (coway.com, cosmetics)  | <ul style="list-style-type: none"><li>• Coway online services: 11 services in total, including coway.com, cosmetic on-line service, and corporate site</li><li>• Business apps: A total of 5 services, including Cody App, Home Care Doctor App, Smart Sales App, and Service Manager App</li></ul>   |
| Certification effect                        | <ul style="list-style-type: none"><li>• Enhancing business stability through information protection risk management</li><li>• Complying with information protection laws for ethics and transparent management</li><li>• Minimizing social and economic damages from infringement accidents and collective lawsuits</li></ul>   | <ul style="list-style-type: none"><li>• Complying with laws related to information protection and personal information protection that meet international requirements</li><li>• Providing systemic risk management environments against information protection threats</li><li>• Improving external credibility when obtaining certification for the prevention of information leakage</li></ul> |
| Impact on business contributions (external) | By continuously carrying out activities for systemic prevention and improvements while maintaining certification, we not only can prevent personal information infringement incidents from hacking and insider threats, but also protect against legal violations, financial (fines and others) and reputation risks in connection with such incidents. As such, it is expected to contribute to improving the business safety. |   |

Information Protection Certificates →



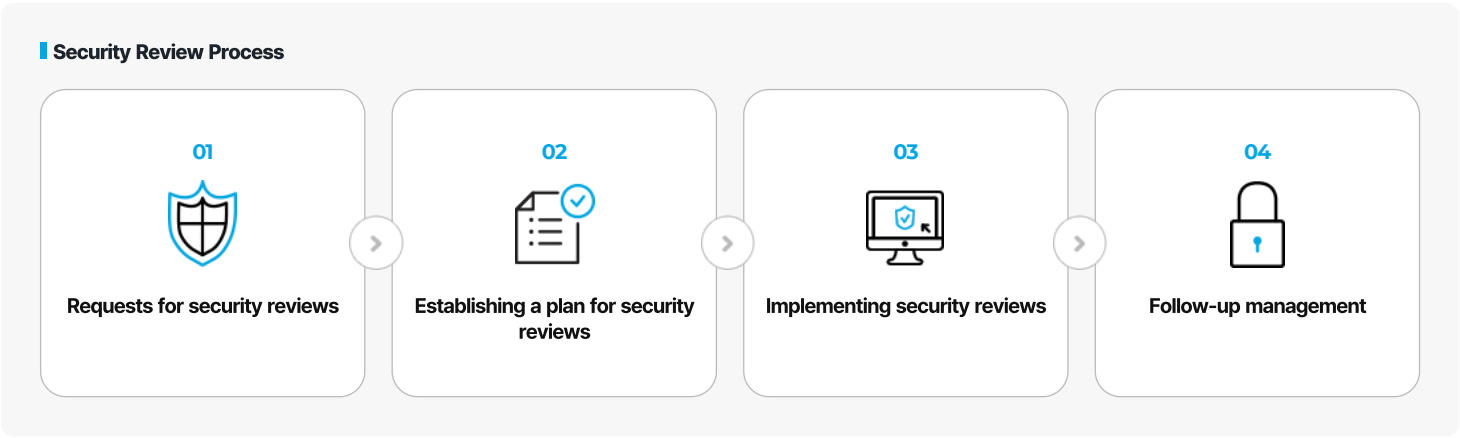
# Information Security and Private Information Protection Strategies

## Information Protection Risk Monitoring

Based on the abnormality-detecting system, Coway conducted monthly inspections by selecting risk factors, including large-scale inquiries and export of private information and activities beyond working hours, in 2023. If a suspected case of violating security policies is confirmed, we take action to prevent such cases. In addition, we have strengthened operational stability and monitoring by replacing outdated security systems so as to respond to new security threats. We have also implemented mock training for all employees, our business partners and their partners to respond to malicious emails. In addition, we have checked the sustainability of our information protection system by diagnosing infrastructure vulnerabilities, reviewing security and verifying the efficiency of disaster recovery procedures.

## Follow-up Measures after Security Accidents

Through security-incident response guidelines and guides, we promptly respond to prevent the spread of damage. According to the severity and types of security incidents and the scope of damage, we have established a four-step treat-alerting standard and formed a security incident response team as a control tower when facing incidents in order to have a company-wide responsive system in place.



# Responsive System for Infringements of Private Information Protection

When facing personal-information infringement incidents and information- leakage cases, we operate an incident responsive system in which we make a swift initial response to minimize secondary damage. Coway has divided incidents related to personal information into infringements and leakages (personal information leakages and internal information leakages) to come up with type-based responsive measures. By operating a security control and all-time monitoring system, we make an immediate report on suspected security incidents to persons in charge of information security and form a relevant responsive team. In response to an incident, we go through the process of taking initial actions, identifying the case, and collecting and preserving evidence so as to scrutinize the information leakage route and others. During the follow-up process, we establish measure to prevent recurrence and work hard to take actions accordingly and normalize the service. By preparing such a responsive system, Coway organizes the incident route, countermeasures and others to prevent recurrence and distributes and trains them to relevant departments on a regular basis.

## Responsive System Process

| Category                                   |                        |                                 | Infringement incidents  | Private information leakage  | Internal information leakage  | Note  |
|--|------------------------|---------------------------------|---|--|---|---|
| Control/monitoring                         |                        |                                 | <b>Remote security control</b> <ul style="list-style-type: none"><li>Malicious code infections (worm/virus)</li><li>Hacking attacks (website forgery/falsification, transit abuse)</li><li>DDoS attacks, etc.</li></ul>   | <b>Remote security control</b> <ul style="list-style-type: none"><li>Private information leakage</li><li>Internal information leakage</li></ul>                              | <b>Remote security control</b>  | <b>Accident-recognizing departments:</b><br>Reporting suspected security accidents to persons in charge of information protection |
| Recognizing and reporting incidents        |                        |                                 | <b>I. Responding to infringement incidents</b>  | <b>II. Responding to private information leakage</b>   | <b>III. Responding to internal information leakage</b>  | Reporting to the CEO<br>Reporting to the CISO   |
|  |                        |                                 | Internal report,<br>Reporting to national agencies<br>Forming a security accident responsive team   | Reporting accidents and notifying customers <ul style="list-style-type: none"><li>Forming an accident responsive team and convening an emergency executive meeting</li></ul> | Internal report,<br>Reporting to national agencies (when necessary) <ul style="list-style-type: none"><li>Forming a security accident responsive team</li></ul> |   |
| Responding to incidents                    | Taking initial actions |                                 | F/W blocking, ACL policy application, NMS monitoring, vaccine   | Minimizing leakage damage  | Prohibiting additional information leakage  |   |
|  | Precedence             | Fact checking                   | Gathering and analyzing system logs (existence of falsification and others) <ul style="list-style-type: none"><li>Checking recently-changed files, programs and services</li><li>Checking hidden or abnormal processes</li><li>Checking abnormal ports and external connections</li></ul> | Finding out leakage route, Responding to customer complaints, Damage relief  | Interview   |   |
|  |                        | Collecting and keeping evidence | Forensic  |  | Collecting evidence   | Reporting to the CISO   |
| Follow-up measures (recurrence prevention) |                        |                                 | Normalizing services, Actions for supplementation and against recurrence  | Monitoring countermeasures, Establishing measures against recurrence   | Disciplinary actions, and civil or criminal charges, Establishing measures against recurrence   | Reporting to the CEO<br>Reporting to the CISO   |

## Information Security and Private Information Protection Activities and Goals

## Increasing the Awareness of Information Security and Private Information Protection

In order to raise employees'awareness of information protection, Coway conducts information security training for all employees twice a year. And through periodic information security campaigns, we strive to increase the implementation of information security and intensity security-related capabilities.

## Information Security Training for Employees

| Category   | Schedule                          | Training targets                                 | Training contents   |
|--|-----------------------------------|--|---|
| Information security visit inspection and training | February, November (twice a year) | Bureaus/branch bureaus (24)                      | Private information management status inspection and training |
|  |                                   | Agencies and branch offices (7), consignees (24) | Private information management status inspection              |

## Information Security Campaign

| Category                                     | Schedule                                   | Training targets   | Training contents   |
|--|--|--|---|
| Mock training to respond to malicious emails | April, August, December (3 times per year) | All employees  | Activities to raise awareness of the prevention of malicious code infections and information leakages due to the influx of malicious emails |
| Clean Desk                                   | April, October (twice a year)              | HQs, R&D center, factories<br>(inspection of relevant departments) | Preventing security accidents that may occur in working environments through Clean Desk activities  |
|  |  | On-site (self-inspection)  |   |

## CASE

## Preventing security accidents that may occur in working environments through Clean Desk activities

Coway's Training against Malicious emails Coway conducts responsive training on a regular basis to raise employees'awareness of the response to malicious emails. The number of employees subject to the training is about 6,072 persons (as of 2023) that use Coway email (@coway.com) account, and various types of suspicious points are delivered in emails during the training. Some of the suspicious points include unclear sending email addresses, service name errors, unknown attachments, requests to enter personal information, and others, aiming to help employees take preventive actions by themselves.



# Information Protection Investment

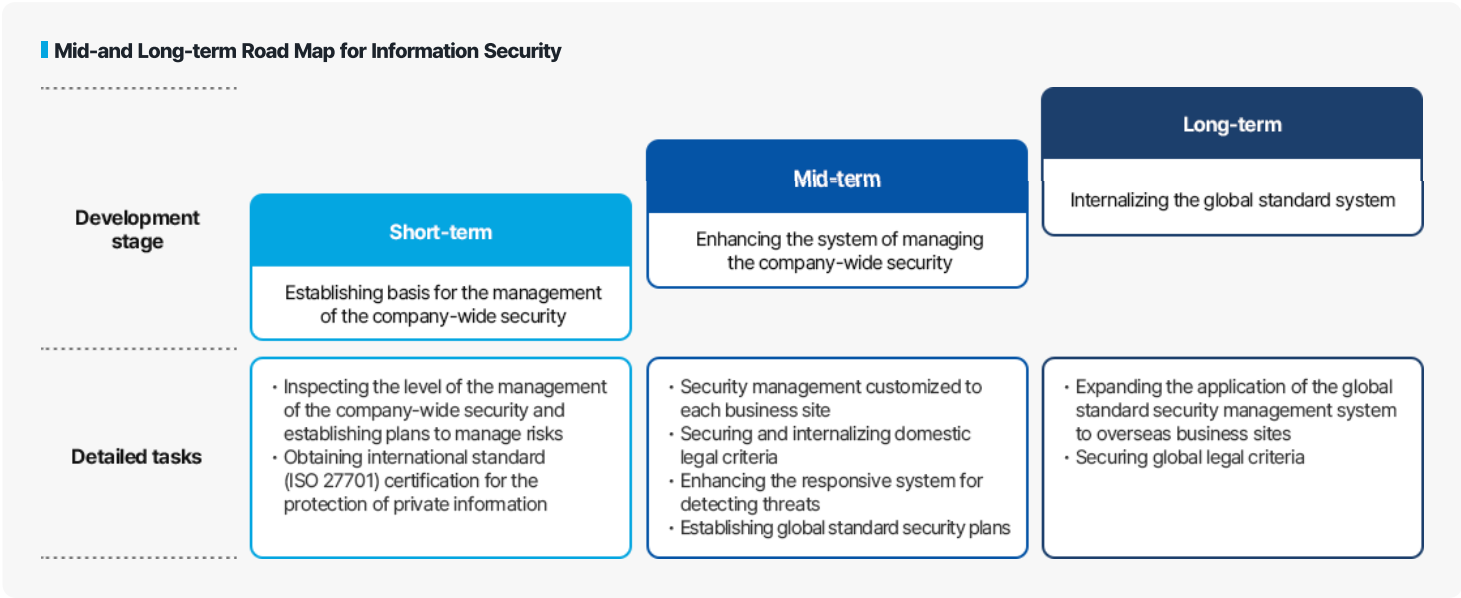
Coway is obliged to disclose information-protection details and has been disclosing the status of the company's information protection investment, human resources, certification, and activities in accordance with the Act on the Promotion of Information Security Industry since 2022. The purpose of this system is to encourage and vitalize voluntary information protection investments by ensuring users' safe Internet use and making companies consider the information protection as an important element in doing their businesses. As of the end of 2023, the amount of money invested in the information protection area by Coway stood at 3.6 billion Won in total, accounting for 4.7% of the IT budget. We are continuously increasing our attention to and investment in information protection.

## Information Protection Investment Status

| Category                             | 2021             | 2022             | 2023            |
|--------------------------------------|------------------|------------------|-----------------|
| Investment in information protection | KRW 2.25 billion | KRW 3.13 billion | KRW 3.6 billion |

# Information Security Goals

Coway has established and is managing a mid-and long-term road map to minimize internal and external security risks and prepare a global-level security management system.



# Governance

Corporate Governance

Ethical Management

Risk Management

## Management Centered on the BOD

Shareholders of Coway have entrusted the highest decision-making authority to the board of directors ("BOD") as prescribed by laws and the Articles of Incorporation. With the authority entrusted in it, Coway's BOD is establishing reasonable and sound corporate governance through checks and balances. The BOD performs various roles such as: coordinating interests with stakeholders; managing investments and internal transactions; reviewing the appropriateness of directors' remuneration limits and transparent compensation standards; managing overall corporate risks; and so forth — thereby improving the transparency and efficiency of corporate management.

## Composition of the BOD

| Category           | Name          | Gender | Position                       | Professional experience   | Date of first appointment         |
|--------------------|---------------|--------|--------------------------------|---|-----------------------------------|
| Executive director | Jun-Hyuk Bang | Male   | Chairperson of BOD             | <ul style="list-style-type: none"><li>• 2020 ~ Current Chairperson of BOD, Coway</li><li>• 2014 ~ Current Chairperson of BOD, Netmarble</li><li>• 2011 ~ 2014 Executive Advisor, Game Business Division, CJ E&amp;M</li></ul>   | Feb. 7, 2020<br>(1 reappointment) |
|                    | Jang-Won Seo  | Male   | CEO<br>Member of ESG Committee | <ul style="list-style-type: none"><li>• 2021 ~ Current CEO, Coway</li><li>• 2020 ~ 2021 Head of Corporate Management Division, Coway, CFO</li><li>• 2020 ~ 2020 Head of Coway TF, Netmarble</li><li>• 2019 ~ 2019 Officer in Investment Strategy and Communication, Netmarble</li><li>• 2015 ~ 2018 Officer in Management Strategy, Netmarble</li><li>• 2001 ~ 2015 Senior U.S. Attorney, Sejong Law Firm   Shin &amp; Kim L.L.C.</li></ul> | Feb. 7, 2020<br>(1 reappointment) |
|                    | Sun-Tae Kim   | Male   | CFO                            | <ul style="list-style-type: none"><li>• 2021 ~ Current Head of Corporate Management Division, Coway, CFO / Non-executive director, Coway Entec / Representative Director of BEREX Tech Co., Ltd.</li><li>• 2016 ~ 2021 Director of Business Management, Coway</li><li>• 2013 ~ 2015 Head of Budget Management Team, Business Planning Team, Coway</li></ul>   | Mar. 29, 2023                     |

| Category             | Name         | Gender | Position  | Professional experience   | Date of first appointment         |
|----------------------|--------------|--------|---|---|-----------------------------------|
| Independent director | Jin-Bae Kim  | Male   | Chairperson of Audit Committee<br>Chairperson of ESG Committee<br>Member of Independent Director Candidate Recommendation Committee | <ul style="list-style-type: none"> <li>• 2001 ~ Current Professor in Business Administration, Korea University</li> <li>• 1997 ~ 2001 Assistant Professor, Boston University</li> </ul>   | Feb. 7, 2020<br>(1 reappointment) |
|                      | Kyu-Ho Kim   | Male   | Member of Independent Director Candidate Recommendation Committee   | <ul style="list-style-type: none"> <li>• 2021 ~ Current Professor (focused on academia-industrial cooperation), Ewha Womans University</li> <li>• 2015 ~ 2020 Professor (focused on academia-industrial cooperation), Sogang University</li> <li>• 2013 ~ 2014 Executive Director, Media Solutions Center, Samsung Electronics</li> </ul>   | Feb. 7, 2020<br>(1 reappointment) |
|                      | Bu-Hyun Yoon | Male   | Member of Audit Committee<br>Chairperson of Independent Director Candidate Recommendation Committee                                 | <ul style="list-style-type: none"> <li>• 2020 ~ Current Advisor, LG Display</li> <li>• 2018 ~ 2020 Advisor, LG U+</li> <li>• 2012 ~ 2018 Executive Director, Management Planning of MC Business Group, LG Electronics</li> <li>• 2009 ~ 2011 Managing Director in Charge of Finance, LG Electronics</li> <li>• 2007 ~ 2008 Managing Director in Charge of Management Planning, LG Electronics</li> </ul>  | Feb. 7, 2020<br>(1 reappointment) |
|                      | Gil-Yeon Lee | Female | Member of Audit Committee<br>Member of ESG Committee  | <ul style="list-style-type: none"> <li>• 2009 ~ Current Representative Attorney, Lawoffice Hokma</li> <li>• 2019 ~ Current Member of Human Rights Management, Korea Copyright Protection Agency</li> <li>• 2018 ~ 2020 Member of Administrative Appeals Committee, Board of Audit and Inspection</li> <li>• 2013 ~ 2017 Member of Law Interpretation and Deliberation Committee, Ministry of Government Legislation</li> <li>• 2011 ~ 2013 Special Member of Special Committee of Legal Ethics Council, Korean Bar Association</li> </ul> | Mar. 31, 2022                     |

## Operation of BOD Meetings

Coway holds regular BOD meetings quarterly in accordance with Article 6 of BOD Regulations, and ad hoc BOD meetings are held from time to time as necessary. The BOD meeting is convened by the Chairperson of the Board as prescribed by Article 39 of the Articles of Incorporation and Article 8 of the BOD Regulations, and each director is notified of the date and agenda of the meeting 3 days prior to the date of the applicable meeting. However, a meeting may be held at any time subject to agreement by all directors. When deemed necessary for the performance of duties, each director may request a BOD meeting by stating the agenda and reasons to the Chairperson of the Board. In the event that the Chairperson fails to convene the BOD meeting without justifiable cause, the director who requested the meeting may convene the meeting. In addition to personally attending the meeting, directors may vote through the communication methods that transmit and receive voice simultaneously. As prescribed by Article 40 of the Articles of Incorporation and Article 9 of the BOD Regulations, resolutions of the BOD are made with the attendance by a majority of directors and by a majority vote from directors present, except as prescribed otherwise in the relevant laws and regulations. In addition, directors who have a special interest in the item subject to a resolution of the BOD cannot exercise their voting rights, and restrictions on the exercise of voting rights are disclosed through the details of BOD meetings in the Regular Report.

### BOD Activities

(in 2023)

| Number of BOD meetings held | Total number of agenda items | Number of agenda items subject to resolution | Number of agenda items subject to reporting | Rate of attendance to BOD meeting |
|-----------------------------|------------------------------|--|---|-----------------------------------|
| 6 times                     | 24 items                     | 18 items                                     | 6 items                                     | 100%                              |



# Director Appointment Procedure

As of the end of March 2024, Coway's BOD consists of 3 Executive Directors and 4 Independent Directors. All directors are appointed through resolutions at the general shareholders' meetings. Regarding appointment of Independent Directors, the Independent Director Candidate Recommendation Committee reviews the qualifications of candidates and selects the candidates who will be appointed as Independent Directors at the general shareholders' meeting. To form a transparent and independent BOD, Coway carefully checks various interests, including the status of shares, and then selects candidates for Independent Director who can supervise the company's management independently from the executives. In addition, the proportion of Independent Directors on the BOD is 57.1%, which exceeds the majority requirement for Independent Directors prescribed by Article 382-8 of the Commercial Act.

## Expertise and Diversity of the BOD

Coway strengthens the expertise and diversity of board members so that they can make effective and prudent decisions through the BOD meetings. Accordingly, Coway prescribed in its Articles of Incorporation that all directors shall not be of a specific gender, and strives not to impose restrictions on age, nationality or background, in addition to gender. In addition, during the Independent Director election process, Coway takes into consideration the expertise of candidates, and has secured expertise by appointing members with experience and capabilities in various fields, such as management, strategy, finance, accounting and law. After appointment, the IR-ESG Team, Finance Department, Diagnosis Team, and Internal Accounting Management Team provide support to ensure that Independent Directors can perform their duties professionally in the BOD, and training is continuously provided to Independent Directors.

### Board Skills Matrix

| Category            | Executive director |              |             | Independent director |            |              |              |
|---------------------|--------------------|--------------|-------------|----------------------|------------|--------------|--------------|
| Name                | Jun-Hyuk Bang      | Jang-Won Seo | Sun-Tae Kim | Jin-Bae Kim          | Kyu-Ho Kim | Bu-Hyun Yoon | Gil-Yeon Lee |
| Gender              | Male               | Male         | Male        | Male                 | Male       | Male         | Female       |
| Age                 | 55                 | 53           | 52          | 62                   | 61         | 63           | 54           |
| Leadership          | ●                  | ●            | ●           |                      |            |              |              |
| - Experience as CEO | ●                  | ●            | ●           |                      |            |              |              |
| - Experience as CFO |                    | ●            | ●           |                      |            |              |              |
| Management/Strategy | ●                  | ●            | ●           |                      |            | ●            |              |
| Finance/Accounting  |                    |              | ●           | ●                    |            | ●            |              |
| Law                 |                    | ●            |             |                      |            |              | ●            |
| ESG                 |                    |              |             | ●                    |            |              | ●            |
| M&A                 | ●                  | ●            |             |                      |            |              |              |
| IT/Technology       | ●                  |              |             |                      | ●          |              |              |

## Independence of BOD

Coway assures the independent decision-making authority of the BOD, and establishes a reasonable and sound governance structure centered on the Independent Director through a system of checks and balances. To verify the independence of Independent Directors, Coway has established guidelines that apply relevant laws, regulations and global standards with necessary modifications. The BOD and the Independent Director Candidate Recommendation Committee confirm the independence of Independent Director candidates and incumbent Independent Directors based on the aforementioned requirements. In addition, if the Chairperson deems it necessary, relevant employees and/or external personnel may attend the BOD meeting so that their opinions can be heard, as prescribed by Article 12 of the BOD Regulations, and the independence of Independent Directors is guaranteed by allowing advisors or observers attend the BOD meetings.

### Disqualification Criteria of Independence

- 01.** Directors, executive officers, and employees engaged in the company's business affairs; or directors, auditors, executive officers and employees engaged in the company's business affairs within the past 2 years
- 02.** The largest shareholder himself, spouse, direct ancestors, and descendants
- 03.** In case the largest shareholder is a corporate body, its directors, auditors, executive officers and employees
- 04.** The spouse, direct ancestors and descendants of directors, auditors, and executive officers
- 05.** Directors, auditors, executive officers and employees of the company's parent company or subsidiaries
- 06.** Directors, auditors, executive officers and employees of corporations
- 07.** Directors, auditors, executive officers and employees of other companies whose directors, and executive officers are directors, executive officers and employees of the company

# Committees under the BOD

For efficient and professional operation of the BOD, Coway has set up various BOD Committees, including Audit Committee, Management Committee, Independent Director Candidate Recommendation Committee and ESG Committee. Each Committee operates as prescribed by the written operating regulations approved by the BOD. In addition, each Committee is prescribed by Article 42 of the Company's Articles of Incorporation and is operated by appointing its members to comply with the composition requirements of relevant laws and regulations.

## Composition of Committees under the Board of Directors

(as of the end of 2023)

| Category  | Purpose  | Major roles   | Members<br>(*Chairperson)   | Number<br>of<br>meetings<br>held in<br>2023 |
|---|--|---|---|---|
| Management Committee                                    | Prompt deliberation and resolution of matters related to the company's management  | <ul style="list-style-type: none"><li>Matters delegated by the BOD among the company's important management matters</li><li>Matters delegated by the BOD from time to time</li><li>Other matters that the Committee has decided to refer as important management matters of the company</li></ul> | *Jun-Hyuk Bang,<br>Executive Director<br>Jang-Won Seo,<br>Executive Director<br>Sun-Tae Kim,<br>Executive Director      | 4 times                                     |
| Independent Director Candidate Recommendation Committee | Nomination of Independent Director candidates and ensuring fairness in the selection process   | <ul style="list-style-type: none"><li>Reviewing qualifications and recommendation of an Independent Director candidate</li><li>Establishment and review of Independent Director appointment principles</li></ul>  | *Bu-Hyun Yoon,<br>Independent Director<br>Jin-Bae Kim,<br>Independent Director<br>Kyu-Ho Kim,<br>Independent Director   | 2 times                                     |
| Audit Committee   | Auditing the company's accounting and operations   | <ul style="list-style-type: none"><li>Review of accounting-related documents, such as financial statements, and procedures and results of the audit by the accounting firm</li><li>Review of the operation status of the internal accounting management system</li></ul>                          | *Jin-Bae Kim,<br>Independent Director<br>Bu-Hyun Yoon,<br>Independent Director<br>Gil-Yeon Lee,<br>Independent Director | 4 times                                     |
| ESG Committee   | Increase long-term corporate value and pursuit of sustainable growth through management and supervision of ESG-related long-term strategies, policies and issues | <ul style="list-style-type: none"><li>Setting goals and directions of ESG management</li><li>Making decisions on major risks and opportunities</li><li>Supervision and review of ESG management activities in general</li></ul>   | *Jin-Bae Kim,<br>Independent Director<br>Jang-Won Seo,<br>Executive Director<br>Gil-Yeon Lee,<br>Independent Director   | 2 times                                     |

# Evaluation and Remuneration

## Independent Director Performance Evaluation and Remuneration Structure

Coway appoints excellent experts as Independent Directors and provides them a reasonable level of remuneration, taking into account the level of legal responsibility and the level of compensation in the same industry, so that they can actively perform their duties. Coway qualitatively considers attendance rate and effectiveness of suggestions in the Independent Director evaluation process, but does not link such consideration to remuneration and reappointment of Independent Directors. Coway believes that linking evaluation and compensation of Independent Directors may undermine their independence, so it does not link evaluation to compensation, in principle.

## CEO and Executive Performance Evaluation Structure

Coway seeks to promote sustainable development of the company by preventing decision-making focused on short-term performance; encouraging responsible participation by the CEO and the executives for the company's mid-to-long-term growth; and compensating them for such participation.

### 01 Short-term Performance Evaluation

Executive Directors' remuneration is determined by considering non-financial items, such as job and position, length of service, leadership, expertise, and contribution to the company. Also, incentives (bonuses) are paid after evaluating the overall score and degree of achieving the goals by comprehensively considering growth potential, profitability, and stability, according to the key performance indicators ("KPI") composed of quantitative and qualitative indicators. In addition, the level of payment is determined by comprehensively considering business performance, work performance and competency.

### 02 Long-term Performance Evaluation

Coway is operating long-term incentive ("LTI") to balanced short-and-long-term performances and evaluates the CEO's long-term management performance by considering 3 years' performance based on long-term management contribution and competency level. Thereafter, incentives (bonuses) are paid.

### 03 Other Executives than CEO

Coway evaluates the long-term performances of capabilities of not only the CEO, but also other executives. The main competency items subject to management are: strategic decision-making; positive influence; talent development; fairness; communication; and cooperation, and the performance accumulated for 3 years are evaluated depending on the level of leadership exercised.

## Board of Directors Remuneration Status

Coway remunerates directors considering their responsibilities and performances according to the remuneration limit determined at the annual general shareholders' meetings, and the status of overall remuneration is transparently disclosed to stakeholders through the Annual Report.

**\* Remuneration Paid to Directors** (in KRW 1,000)

| Category  | Number of directors | Total remuneration | Average remuneration per person |
|---|---------------------|--------------------|---------------------------------|
| Registered director<br>(excluding independent directors<br>and the members of Audit<br>Committee) | 3                   | 3,550,125          | 1,183,375                       |
| Independent director<br>(excluding members of Audit<br>Committee)                                 | 1                   | 42,000             | 42,000                          |
| Members of the Audit Committee  | 3                   | 136,161            | 45,387                          |

\* 'Number of Directors' represents the total number of registered directors in office as of December 31, 2023, and 'Total Remuneration' includes the remuneration of registered directors who retired in 2023.

\* This average remuneration per person is derived simply by dividing the total remuneration as of December 31, 2023 by the number of directors, which is different from the actual average remuneration per person.

# Enhancing Shareholder Value

## Composition of Shareholders

As of the end of 2023, Coway's total number of issued shares is 73,799,619, consisting of 100% common stocks with no preferred stocks. Coway follows the principle of 1 vote per share and does not have a dual-class share system that grants multiple voting rights to the stocks of a specific class. However, in the case of treasury stocks, the exercise of voting rights is restricted under the Commercial Act. As of the end of December 2023, there are 72,563,745 shares with voting rights (98.32% of total issued shares).

### Shares Held by Major Shareholders

| Category  | Name of shareholder                          | Shares held | Shareholding ratio |
|---|--|-------------|--------------------|
| Largest shareholder and specially related persons | Netmarble Co., Ltd.                          | 18,511,446  | 25.08%             |
|   | Specially related persons (executives, etc.) | 15,586      | 0.02%              |
| Foreigners  |  | 45,039,668  | 61.03%             |
| National pension service                          |  | 4,821,663   | 6.53%              |
| Others  |  | 4,175,382   | 5.66%              |
| Treasury stock                                    |  | 1,235,874   | 1.67%              |
| Total   |  | 73,799,619  | 100.00%            |

## General Shareholders' Meetings

To ensure that shareholders have sufficient time to deliberate on the agendas, Coway provided information related to the regular general shareholders' meeting, including the date, location and agendas, no later than 4 weeks prior to the 35th regular general shareholders' meeting held on March 22, 2024, through KIND by Korea Exchange and the company's website. Coway aims to participate in the Voluntary Compliance Program on General Shareholders' Meetings on Scattered Days, so that more shareholders can attend the general shareholders' meetings. Except in unavoidable cases, such as having the meeting on a certain day after the year-end closing, general shareholders' meetings are held on the days other than those in which other companies' general shareholders' meetings are concentrated. Although Coway has not adopted a written voting system or an electronic voting system, the company supports shareholders who have difficulty attending general shareholders' meetings and exercising their voting rights in person through a proxy voting system.

## Mid- to long-term Dividend Policy

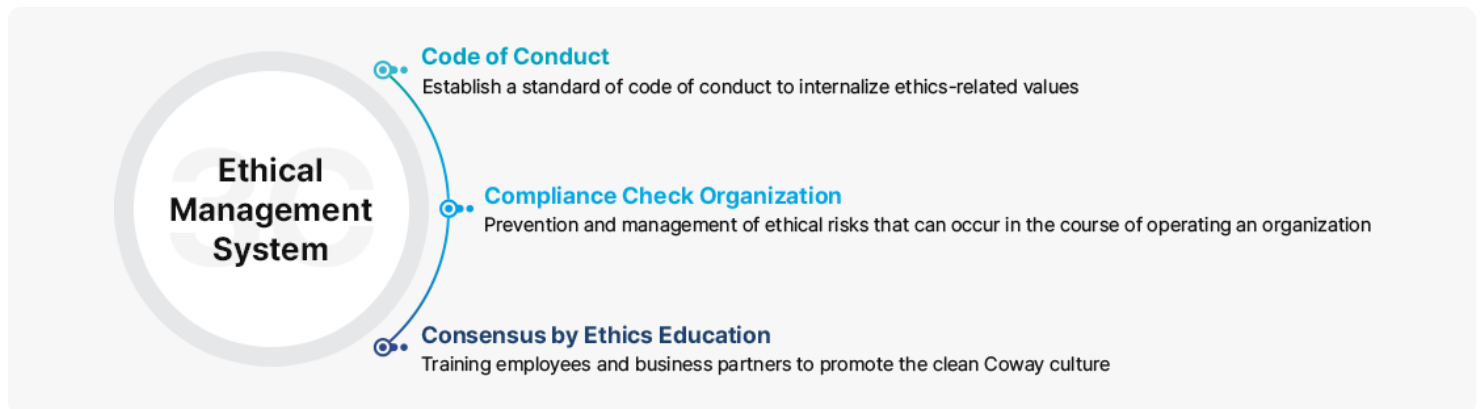
Coway continues to pay dividends to enhance shareholder value and has established a mid- to long-term dividend policy for a better predictability for shareholders. Under the basic principle of enhancing shareholder value, Coway plans to allocate financial resources it generates to strategic investments for sustainable growth, maintaining the soundness of financial structure (cashflow, etc.) and shareholder return, taking into account the internal and external business environment to the extent of distributable profit. Coway disclosed its mid- to long-term (3 year interval, 2023 to 2025) dividend policy through its disclosure on March 29, 2023, under which the company will pay dividends at the end of every fiscal year up to 40% of annual separate FCF; and to the extent of 20% dividend payout ratio based on net profit of the applicable year, taking into consideration all matters such as management status.

## Exercise of Ethical Management

### Ethical Management System

#### 3Cs Ethical Management

Coway pursues ethical management based on the 3Cs (Code of Conduct, Compliance Check Organization, and Consensus by Ethics Education). To strengthen ethical awareness among all employees, Coway avoids the ethical management risks based on its Corporate Ethics Code and through the compliance check organization and provides employees and business partners with ethics education on a regular basis.



### Code of Ethics

To practice ethical management, Coway added to the Code of Conduct the standards for ethical conduct and judgment for the internal and external stakeholders. Coway's Code of Ethics consists of the Ethics Charter, Ethics Regulations and Ethics Practice Guidelines, all of which apply to all employees, business partners and stakeholders who engage in various transactions with Coway, helping them to actively adhere to the Code of Ethics. As the English version of the Code of Ethical Conduct was published in 2021, it was posted on the websites of major foreign local entities in Malaysia, the United States, Thailand, Indonesia, Vietnam, China, Japan, and Europe in 2022, to spread the culture of ethical management alongside global business expansion.

[Charter of Ethics →](#)[Regulations of Ethics →](#)[Code of Ethics →](#)

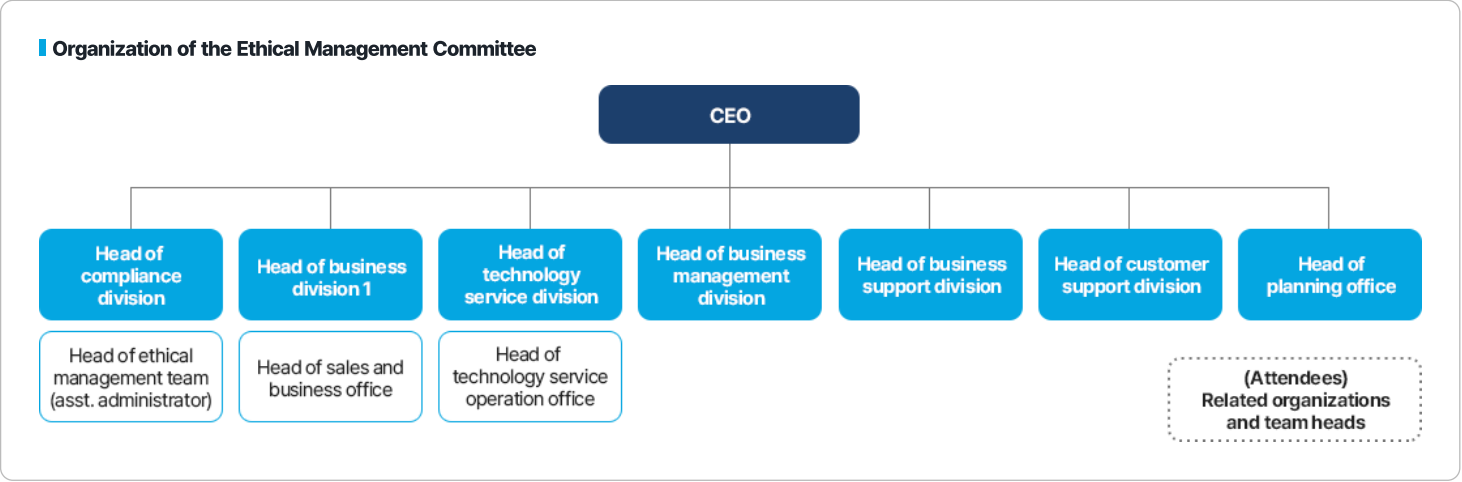


# Compliance check organization

The Ethical Management Team and Diagnosis Team under the Compliance Division functions as the compliance check organization, planning, training, campaigning, monitoring, and auditing, with regard to ethical management. The Ethical Management Team controls risks to Coway's sales and service organizations, while the Diagnosis Team controls risks in other organizations. The 2 Teams collaborate with and mutually complement each other to strengthen internal controls, and carry out training and campaigns.

## Operation of the Ethical Management Committee

Coway recognizes the importance of acting ethically and operates the Ethical Management Committee, a body directly reporting to the CEO, to strengthen internal ethical management and ethical sales management. The Ethical Management Committee is comprised of the heads of the Business Division and Offices, and strives to make prompt decisions and promote improvements on the issues for each Division. The Ethical Management Committee held 5 meetings in 2023, which discussed 7 issues and sought to make immediate improvements.



# Ethics Diagnosis and Monitoring

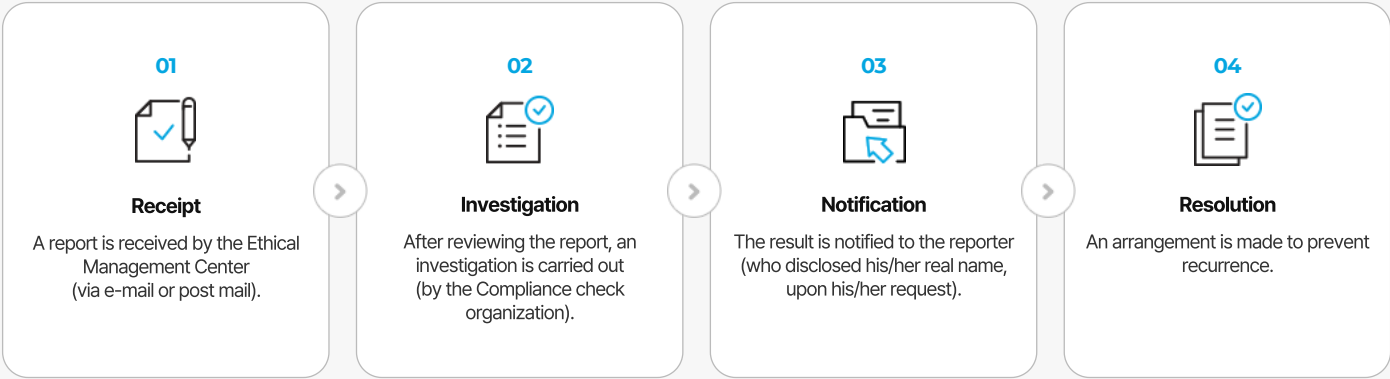
## Strengthening of Ethics Diagnosis and Monitoring

Coway conducts scheduled and non-scheduled business diagnoses to ensure the company's soundness and transparency and prevent ethical risks. In addition, Coway operates a full-time monitoring system; regularly notifies the employees of the health of the company-wide organization, and the status of risks; and prevents abnormal sales practices and unfair transactions. In 2023, the company advanced monitoring indicators by upgrading the address-cleaning system and developing abnormality avoidance indicators; and strengthened monitoring to prevent fraudulent orders. Coway strives to strengthen the sales transparency of field organizations by setting 'management of abnormal sales/service risk' as a KPI.

## Operation of the Ethics Reporting Center

The employees of Coway must make reports to the organization-in-charge as prescribed by Chapter 3 of the Ethics Regulation when they recognized a violation of the Code of Ethical Conduct or heard of such violation from a third person. Coway prepared the report channels, such as the online reporting channel, e-mail, post mail, etc., that are open at all times. The Ethical Management Center, an online reporting channel, is divided into a reporting channel for customer complaints related to products, services, and sales; and a reporting channel for employees and business partners to report corruption and unreasonableness. The matters received via the reporting channels are processed quickly and fairly. Coway established a new English web page for the Ethical Management Center (<https://company.coway.com/en/company/ethical>) in November 2022, so that global stakeholders can also file reports. Since then, the company has been strengthening control over the overseas subsidiaries by expanding and activating reporting channels.

### Reporting and Handling Procedures



### Items subject to report



## Guidelines on whistleblower protection and rewards

To protect the reporters, Coway guarantees strict confidentiality of the reporters' identity and the contents of the report, and establishes and applies guidelines for reporter protection and rewards. In addition, the company operates a reporter reward system and a leniency program to encourage reporting and improve the employees' awareness of compliance. Under the reporter reward system, the reporter is rewarded up to KRW 50 million within 60 days from the date when his/her report is confirmed to be true after an investigation on the reported issue has been fairly conducted.

### Principle on Protection of Reporters



#### Protection of Identity

If an employee is a reporter, he/she shall not be subject to disciplinary action, any disadvantage in terms of status, or discrimination in working conditions because of his/her reporting, statements related thereto, or submission of other materials.



#### Personal protection

The compliance check organization for ethical compliance must guarantee the confidentiality of the reporter and the contents of the report. When processing the report, the identity of the reporter must not be revealed or implied without the reporter's consent, and the reporter's identity must be processed anonymously and not be disclosed internally.



#### Prohibition of retaliation

If the reporter is retaliated against by the reported person or a related third party, the reporter shall immediately notify the compliance check organization for ethical compliance of such fact, and the compliance check organization for ethical compliance shall immediately investigate the notified event, and may take steps against the employees involved in the retaliation according to the relevant regulations.



#### Protection of collaborators

The company must impose no disadvantage, and must provide personal protection to persons other than the reporter, who made statements related to the reported event or collaborated with the audit or investigation on the reported event in other forms, such as submitting information.



#### Reduction of liability

If an unfair act, such as negligence of the reporter (collaborator), is discovered by his/her report, the disciplinary action may be reduced or exempted.

## Anti-corruption and Risk Management

In order to practice ethical management, Coway conducts regular diagnosis every year to check and prevent corruption risks and irregular diagnosis based on information reported to the Ethical Management Center. Violations identified as a result of the diagnosis are subject to internal disciplinary action determined by the HR Committee, and civil/criminal legal action is also taken when necessary.

### Ethics Practice Guidelines

| Category                                    | Description  |
|---|--|
| Bribery                                     | Under no circumstances shall the employee accept any money or gift from a companion or stakeholder or offer or promise any money or gift to a companion or stakeholder in connection with work.  |
| Improper solicitation                       | Under no circumstances shall employees make any improper solicitation to companions, stakeholders, public officials, etc., directly or via a third party; or make unfair demands or receive compensation by taking advantage of their superior or dominant position related to work. |
| Gifts and entertainment                     | Under no circumstances, shall employees accept souvenirs or gifts that exceed the socially acceptable level. If an employee inevitably receives such gifts, he/she shall take action in accordance with the Ethics Practice Guidelines.  |
| Payments to government and public officials | Transaction amounts resulting from transactions with a government or a governmental institution must be paid in accordance with the terms of contract and in writing, which must be reviewed in advance by the Compliance Division.  |

# Internalization of Ethical Culture

## Ethical Management Training for Employees

Coway conducts ethical management campaigns to create a healthy organizational culture and establish a sound sales culture. In addition, Coway provides an integrated learning platform website through which employees can train themselves with the contents related to various aspects of ethical management, such as workplace bullying, whistleblowing, and abnormal sales. By doing so, all Coway employees are continuously making efforts to practice 'ethical management together.' To prevent the heads of organizations taking advantage of their positions to engage in unfair transactions, Coway conducted online training for prevention of unfair transactions for the sales organization in August 2023. A total of 1,481 leaders of organizations, including Directors-General, completed the training. Coway regularly conducts preventive training to prevent unfair transactions.

## Raising Awareness of Ethical Management

To raise employees' awareness of ethical management, and establish a culture of ethical practice, Coway promotes regulations and cases related to ethical management once per month through the Coway e-JeongDo Magazine. The Coway e-JeongDo Magazine covers various cases and related issues employees may experience, focusing on the company's ethical management policy and principles, and continuously provides information to raise employees' awareness of ethical management. The magazine plays an important role in strengthening the employees' ability to practice ethical management.

### CASE

### Hosting of the Ethical Management Forum

Coway has launched the Ethical Management Forum, the first which of which was held in July 2023, to lead the company to healthy growth through ethical management shared by the entire company — and to raise awareness of ethical management among company employees. Coway holds the Ethical Management Forum annually, gathering all executives and employees at or above the Team Leader level, to self-diagnose the ethical management risks in each organization, make public the risks in the organization that lie beneath the surface, and invite all attendees to come up with improvement plans. At the 2023 Ethical Management Forum, the company pledged to practice ethical management through the ethical management declaration ceremony and the presentations, prepared improvement plans through discussions on a total of 5 topics, and took follow-up actions.



## Company-wide Risk Management System

Coway operates a company-wide risk-management system by dividing risks that may arise from business activities into financial risks and non-financial risks; and manages and supervises them through the Committees under the BOD and the business Divisions according to the type and importance of risks. Financial risks related to markets, credit, liquidity, etc. are handled by Finance Department, while non-financial risks, such as regulations, policies, quality, labor, human rights, safety and the environment, are handled by the ESG Committee. The financial and non-financial risk-management organizations operate risk-monitoring systems that periodically identify and inspect risks, and analyze the impact of each risk factor. Key issues derived through such monitoring are reported to the BOD, and follow-up actions are implemented by a company-wide response system, taking into account the potential impact and urgency of the risk.

### Risk-Management Reporting Structure

|               | Decision-making Organization  | Consultative Group  | Dedicated Organization  |
|---------------|---|---|---|
| Organizations | ESG Committee   | ESG Consultative Group  | ESG Working Group   |
| Major Roles   | Review of and feedback on ESG issues  | Reporting and introduction of an ESG issue<br>Performance checking and monitoring   | Reporting on progress of a discussion on an ESG issue   |
| Composition   | <div>Executive Director</div> <div>Independent Director</div> <div>Independent Director</div> | <div>(Head of) Consultative Group</div> <div>Head of Business Management Office</div> <div>Heads of related Teams and the working level</div> | <div>Dedicated Team</div> <div>Organization dedicated to IR-ESG (ESG part)</div> <div>E</div> <div>Organization in charge of environment and safety certification</div> <div>Organization in charge of plant management</div> <div>Organization in charge of R&amp;D planning</div> <div>Organizations in charge of product planning (3 Teams)</div> <div>S</div> <div>Organization in charge of labor relationship</div> <div>Organization in charge of HR issues</div> <div>Organization in charge of health and safety</div> <div>Organization in charge of supply chain management</div> <div>G</div> <div>Organization in charge of ethics and legal matters</div> <div>Organization in charge of finance</div> <div>Organization in charge of business management</div> <div>Organization dedicated to IR-ESG (IR part)</div> |

# Management of Financial Risk

Financial risk management focuses on the unpredictability of financial markets, identifies, evaluates, and avoids financial risks, and eliminates factors that have a potentially adverse impact on financial performance. The major financial risks managed by the company are divided into market risk, credit risk, liquidity risk and capital risk, respectively.

## Market Risk

Market risk (interest rate risk, foreign exchange risk and other price risks) is the risk by which the fair value of a financial instrument for future cash flow will fluctuate due to changes in market prices. The management pays attention to changes in financial indicators, such as exchange rates and interest rates; periodically reviews interest rate trends to monitor risks that may have a negative impact on the company's value; and prepares follow-up arrangements to ensure an appropriate balance between fixed-rate and floating-rate borrowings. Additionally, the company regularly evaluates, manages, and reports risks related to exchange rate fluctuations.

| Increase/decrease of foreign currency exchange rate | When increased by 5%          | When decreased by 5%          |
|---|-------------------------------|-------------------------------|
| Increase of EBIT                                    | Increase by KRW 6,134 million | Decrease by KRW 6,134 million |

## Credit Risk

Credit risk is managed at the consolidated company level. Credit risk arises not only from customers, including account receivables held and confirmed contracts, but also from cash, cash equivalents, financial derivatives, and deposits at banks and financial institutions. Coway deals only with banks and financial institutions that have obtained a credit rating of at least "A" from an independent credit-rating agency, and in the case of clients without an independent credit rating, the company evaluates the credit of customers by considering other factors, such as the customer's financial status and past experience, to determine the risk limit.

(Based on the Annual Report for 2023, Unit: KRW 1,000)

| Category    | Cash and cash equivalents | Accounts receivable | Lease receivable | Other short-term financial assets | Other long-term financial assets |
|-------------|---------------------------|---------------------|------------------|-----------------------------------|----------------------------------|
| Credit risk | 259,741,455               | 259,093,281         | 2,660,294,843    | 27,818,743                        | 24,208,983                       |

## Liquidity Risk

Coway manages the credit-tightening risk due to changes in the financial market in advance and analyzes the impact on financing to establish a preemptive response system. In particular, Coway constantly monitors liquidity outlook to ensure that the unused borrowings are kept at an appropriate level, and ensure that the demand for operating cash is satisfied, so that the company will not violate borrowing limits or agreements. When forecasting liquidity, Coway refers to legal or regulatory requirements related to, for example, the consolidated company's financing plan, compliance with agreements, internal target financial ratios, and currency restrictions.

(Based on the Annual Report for 2023, Unit: KRW 1,000)

| Category       | Within 1 year | Longer than 1 year and within 5 years | Longer than 5 years |
|----------------|---------------|---------------------------------------|---------------------|
| Liquidity risk | 1,109,346,505 | 668,651,409                           | 22,015,590          |

## Capital Risk

Coway maintains an optimal capital structure to continuously provide profits to shareholders and stakeholders and reduce capital costs. Like other companies in the industry, the consolidated company manages its capital based on its capital financing ratio.



# Management of Non-financial Risks

Coway established the ESG Committee under the BOD to strengthen management and supervision of ESG risks, such as ethics, environment, labor, human rights, and supply chains. Also, Coway established the ESG Council (which holds meetings quarterly) and a working group (which holds meetings as necessary) under the ESG Committee, which will monitor non-financial risks in different areas and report major risks to the ESG Committee regularly (half-yearly).

## ESG Committee Meeting Record

| Category    | Date          | Major agendas   | Reporting characteristics      |
|-------------|---------------|---|--------------------------------|
| 1st meeting | May 2023      | <ul style="list-style-type: none"><li>Report on the results of the previous year's ESG evaluation grade</li><li>Interim report on strategic ESG tasks for 2023</li><li>Report on results of materiality assessment for the 2023 Sustainability Report</li></ul> | Report<br>Report<br>Report     |
| 2nd meeting | December 2023 | <ul style="list-style-type: none"><li>Decision on Coway's internal carbon-price standards</li><li>Decision on renewable-energy credit ("REC") handling method</li><li>Report on strategic ESG task plan for 2024</li></ul>                                      | Approval<br>Approval<br>Report |

## ESG Council Meetings

| Category    | Date           | Major agendas  |
|-------------|----------------|--|
| 1st meeting | May 2023       | <ul style="list-style-type: none"><li>Establishment of ESG strategies and goals</li><li>Establishment of diversity and inclusion policies</li><li>Expansion of ESG evaluation of the supply chain</li></ul>  |
| 2nd meeting | July 2023      | <ul style="list-style-type: none"><li>Review of the 2023 sustainability report by the working group</li><li>Progress of ESG technology tasks carried out by Environmental Technology Institute</li><li>Status of and plans for response to conflict minerals</li></ul> |
| 3rd meeting | September 2023 | <ul style="list-style-type: none"><li>Plan for advancement of Task Force on Climate-related Financial Disclosure ("TCFD") disclosure</li><li>Human Rights Impact Assessment Plan (Draft)</li></ul>   |
| 4th meeting | December 2023  | <ul style="list-style-type: none"><li>Result of establishing the Scope-3 management system</li><li>Biodiversity activity strategy (draft)</li><li>Improvement-task implementation for 2024</li></ul>   |

# Management of Major Risks

Coway is identifying major internal and external risks to respond to the rapidly changing business environment. The company analyzes the business impact of identified major risks, establishes mitigation measures, and promotes strategic response plans. The major risks selected by Coway in 2023 were environmental risk and security risk, respectively, and the working groups (Environment and Safety Certification Team and Information Security Team) that manage these 2 topics are improving management stability through preemptive responses.

## Emerging Risk

| Category           | Environmental risk  | Security risk   |
|--------------------|---|---|
| Risk               | The burdens on companies are increasing as global ESG regulations are strengthened. In particular, environmental regulations are 1 of the important issues that companies must comply with for the sustainable development of future generations. This is a topic which can actually become an opportunity for well-prepared companies.               | Information security risks can cause loss or damage to a company as they exploit vulnerabilities that can act as a sustainability risk for the company.<br><br>As the No. 1 company in the rentals industry, and a company that holds a large volume of customers' personal information, Coway needs to actively avoid the related information-security risks.  |
| Impact on business | <ul style="list-style-type: none"><li>• Increase in corporate carbon tax due to increase in carbon emissions</li><li>• Decrease in brand value and customer trust due to inadequate management of greenhouse gas emissions</li><li>• Attrition of customers due to decline in customer trust</li></ul>  | <ul style="list-style-type: none"><li>• Leakage of customer information due to hackings from outside</li><li>• Leakage of key technical information and data</li></ul>  |
| Response status    | <ul style="list-style-type: none"><li>• Declared carbon-emission reduction goal for 2030 (50% reduction from that of 2020)</li><li>• Declared the goal of achieving carbon neutrality (Net Zero) by 2050</li><li>• Monitored the latest regulations of countries through the Environmental Regulation Information Management System (ERIMS)</li></ul> | <ul style="list-style-type: none"><li>• Established guidelines on prevention of leakage of personal information and important data</li><li>• Conducted mock training on personal-information leakage</li><li>• Continued to collect security-incident information through internal information leak monitoring</li><li>• Renewed ISO 27001 certification and acquired ISO 27701 certification</li></ul> |

# Management of Tax Risks

Coway continuously monitors changes in tax-related regulations and policies to proactively identify and manage tax-related risks.

## Tax Policy

Coway faithfully implements the national tax policy and strives to fulfill its social responsibilities. The company also is committed to strictly complying with all relevant regulations and laws, and will make its best efforts to maintain fair and transparent relationships with its stakeholders and the community.



### 01 Compliance with Laws and Regulations

Coway prohibits income transfers that exploit differences in the structures of tax laws and tax treaties between countries, and the company does not use tax havens to reduce tax burdens. By doing so, Coway contributes to the establishment of a sound tax culture and economic development in the country where its business is located.



### 02 Obligations to Pay Tax

Employees of Coway dealing with taxation must comply with the tax laws and regulations of the host country, and ensure that Coway fulfills its obligations to file and pay relevant taxes based on the principle of good faith.



### 03 Response to Risks

When applicable laws, such as established regulations and precedents, are enforced or amended, Coway makes decisions considering its business activities, and responds thereto after reviewing possible risks.



### 04 Communication and Cooperation

When requested by the tax authorities of each country, Coway provides supporting evidences to clarify the facts in a timely manner, and makes active efforts to resolve the issue.



### 05 Information Disclosure

When disclosing tax-related accounting information, Coway does so transparently by: Having an independent agency verify the information; making available the independent auditor's audit report through the electronic disclosure system of the Financial Supervisory Service; and having the Sustainability Report verified by an independent third party.

# Appendix

ESG Data

Policies & Initiatives

Reporting Frameworks

Independent Assurance Statement

Download Report

Environmental

Social

Governance

Economic

## Greenhouse Gas Emissions

|                 |  | Unit  | 2020  | 2021  | 2022  | 2023   |
|-----------------|--|---|-------|-------|-------|--------|
| GHG Emissions * | Scope 1 (Direct emissions)             | tCO <sub>2</sub> eq   | 601   | 877   | 831   | 1,070  |
|                 | Scope 2 (Indirect emissions)           | tCO <sub>2</sub> eq   | 5,134 | 5,822 | 5,995 | 6,780  |
|                 | Scope 1+2                              | Total emissions   | 5,735 | 6,699 | 6,827 | 7,850  |
|                 |  | Yugu Factory  | 2,555 | 2,803 | 2,484 | 1,956  |
|                 |  | Incheon Factory   | 639   | 797   | 886   | 871    |
|                 |  | Pocheon Factory   | 220   | 235   | 255   | 262    |
|                 |  | Environmental Technology Research Institute (R&D center)      | 1,660 | 1,835 | 1,730 | 1,765  |
|                 |  | Seoul Office (G-Tower)  | 396   | 694   | 761   | 874    |
|                 |  | Technical Services **   | -     | -     | -     | 730    |
|                 |  | Logistics Center  | 265   | 335   | 711   | 1,385  |
|                 |  | Solar Power Plant (001)                                       | -     | -     | 1     | 4      |
|                 |  | Solar Power Plant (002)                                       | -     | -     | -     | 3      |
|                 | Scope 3 (Other indirect emissions) *** | Total emissions   | 72    | 67    | 59    | 17,717 |
|                 |  | Purchased goods and services ****                             | -     | -     | -     | 5,062  |
|                 |  | Capital goods   | -     | -     | -     | 0      |
|                 |  | Fuel and energy related activities not included in Scope 1, 2 | -     | -     | -     | 115    |
|                 |  | Upstream transportation and distribution                      | -     | -     | -     | 3,550  |

|  |                                | Unit                                   | 2020   | 2021   | 2022   | 2023   |
|--|--------------------------------|--|--------|--------|--------|--------|
|  | Waste generated in operations  | tCO <sub>2</sub> eq                    | -      | -      | -      | 2,026  |
|  | Business trips of employees    | tCO <sub>2</sub> eq                    | -      | -      | -      | 37     |
|  | Commuting of employees         | tCO <sub>2</sub> eq                    | 72     | 67     | 59     | 64     |
|  | Upstream leased assets         | tCO <sub>2</sub> eq                    | -      | -      | -      | 5,755  |
|  | Downstream leased assets ***** | tCO <sub>2</sub> eq                    | -      | -      | -      | 190    |
|  | Investment *****               | tCO <sub>2</sub> eq                    | -      | -      | -      | 919    |
| Scope 1+2 Intensity in KRW/*****                                     |                                | tCO <sub>2</sub> eq/KRW<br>100 million | 0.221  | 0.238  | 0.243  | 0.285  |
| Amount of refrigerant purchase in product manufacturing              |                                | kg                                     | 38,530 | 45,420 | 36,100 | 34,190 |
| Amount of eco-friendly refrigerant purchase in product manufacturing |                                | kg                                     | 3,331  | 1,300  | 3,310  | 6,250  |

\* Greenhouse gas reduction performance through conversion of renewable-energy usage performance (REC conversion) is not reflected

\* ±1 Difference may occur as the emissions by category are totaled after being rounded up in integer units

\*\* The first measurement in 2023 after the transition into the national service manager organization with full-time employees: The sum of 204 tons of leased vehicles (S1) + 526 tons of leased buildings (S2)

\*\*\* Scope 3 showcases categories corresponding to Coway (a significant increase in total greenhouse gas emissions as its calculation began in 2023)

\*\*\*\* Total of Scope 1+Scope 2 in 9 major Coway business partners

\*\*\*\*\* Affiliated company (Coway EnTech) leasing Coway-owned building

\*\*\*\*\* Affiliated company (BEREX Tech) that Coway has a stake in

\*\*\*\*\* Calculated based on individual sales revenue

| Energy Consumption                        |  |  | Unit                    | 2020    | 2021    | 2022    | 2023    |
|---|--|--|-------------------------|---------|---------|---------|---------|
| Energy Consumption *                      | Total Consumption  |  | GJ                      | 116,070 | 137,272 | 140,485 | 160,136 |
|   | Direct energy  | Total Consumption  | GJ                      | 9,551   | 14,813  | 14,418  | 17,795  |
|   |  | LPG **   | GJ                      | 0       | 0       | 0       | 0       |
|   |  | Gasoline   | GJ                      | 2,109   | 1,892   | 1,833   | 3,542   |
|   |  | Diesel   | GJ                      | 1,712   | 1,865   | 772     | 3,162   |
|   |  | LNG  | GJ                      | 184     | 4,165   | 5,051   | 5,113   |
|   |  | Kerosene   | GJ                      | 148     | 144     | 118     | 39      |
|   |  | Propane  | GJ                      | 5,398   | 6,748   | 6,644   | 5,939   |
|   | Indirect energy  | Total Consumption  | GJ                      | 106,519 | 122,459 | 126,067 | 142,341 |
|   |  | Electricity  | GJ                      | 105,702 | 121,653 | 125,282 | 141,674 |
|   |  | Others (on-site PV power self-generation facilities)<br>Renewable energy(direct) consumption *** | GJ                      | 817     | 806     | 785     | 667     |
|   |  |  |                         |         |         |         |         |
| Renewable Energy Consumption              | Total Consumption  |  | MWh                     | 227     | 224     | 446     | 2,178   |
|   | Transition of owned REC renewable energy usage (electricity consumption) ****                |  | MWh                     | -       | -       | 228     | 1,993   |
|   | Other (on-site PV power self-generation facilities) renewable energy(direct) consumption *** |  | MWh                     | 227     | 224     | 218     | 185     |
| Energy Consumption Intensity in KRW ***** |  |  | GJ / KRW<br>100 million | 4.5     | 4.9     | 5.0     | 5.8     |

\* Energy-reduction performances through transition of renewable energy usage (REC transition) is not reflected

\* ±1 Difference may occur as the consumption by category is totaled after being rounded up in integer units

\* Some errors in 2020 and 2022 data are corrected

\*\* No consumption after 2018

\*\*\* Small-scale electricity generated and directly used by 4 business sites (Yugu Plant, Yugu Logistics Center office building, Incheon Plant, and Pocheon Plant)

\*\*\*\* REC acquired with PV power generation in PV power-generation plant 001/002 were transformed into renewable energy usage in the RE100 system of Korea Energy Agency

\*\*\*\*\* Calculated based on individual sales revenue

| Water Resources Management *   |                            |  |                      |        |        |        |         |
|--------------------------------|----------------------------|--|----------------------|--------|--------|--------|---------|
|                                |                            |  | Unit                 | 2020   | 2021   | 2022   | 2023    |
| Amount of water withdrawal     | Total water withdrawal     |  | ton                  | 81,528 | 91,606 | 86,457 | 105,477 |
|                                | Water withdrawal by source | Supplied water   | ton                  | 64,751 | 66,953 | 67,021 | 82,745  |
|                                |                            | Underground water  | ton                  | 16,777 | 24,653 | 19,436 | 22,732  |
|                                | Water withdrawal by Site   | Seoul Office (G-Tower)                                   | ton                  | -      | 7,373  | 11,586 | 10,978  |
|                                |                            | Yugu Factory   | ton                  | 30,420 | 34,045 | 32,261 | 38,060  |
|                                |                            | Incheon Factory  | ton                  | 4,827  | 5,870  | 8,214  | 8,546   |
|                                |                            | Pocheon Factory  | ton                  | 3,221  | 1,925  | 1,710  | 1,340   |
|                                |                            | Environmental Technology Research Institute (R&D center) | ton                  | 32,748 | 34,755 | 25,180 | 37,802  |
|                                |                            | Logistics Center (Yugu)                                  | ton                  | 10,312 | 7,638  | 7,506  | 8,751   |
| Water use intensity in KRW *** |                            |  | ton/ KRW 100 million | 3.14   | 3.25   | 3.07   | 3.82    |

\* Coway discharges all used water (supplied and underground water) as domestic water

\*\* Water withdrawal measurement of Seoul Office began in March 2021

\*\*\* Calculated based on individual sales revenue

| Raw Material Consumption                 |                   |  | Unit | 2020   | 2021   | 2022   | 2023   |
|--|-------------------|--|------|--------|--------|--------|--------|
| Non-renewable raw material consumption * | Total Consumption |  | ton  | 16,100 | 14,488 | 14,906 | 16,034 |
|  | Plastic           |  | ton  | 9,982  | 8,974  | 9,209  | 9,885  |
|  | Metal             |  | ton  | 4,159  | 3,622  | 3,752  | 4,006  |
|  | Packaging         |  | ton  | 1,959  | 1,892  | 1,945  | 2,143  |
|  |                   |  |      |        |        |        |        |

\* Based on all products



| Waste and Recycling *                |                                 |                                       |                         |        |        |        |        |
|--------------------------------------|---------------------------------|---------------------------------------|-------------------------|--------|--------|--------|--------|
|                                      |                                 |                                       | Unit                    | 2020   | 2021   | 2022   | 2023   |
| Generation and Disposal of Waste     | Total amount generated/disposed |                                       | ton                     | 23,451 | 23,751 | 25,214 | 25,676 |
|                                      | General waste                   | Total amount generated/disposed       | ton                     | 23,451 | 23,751 | 25,180 | 25,643 |
|                                      |                                 | Recycled/Reused                       | ton                     | 16,266 | 15,713 | 17,547 | 17,923 |
|                                      |                                 | Incinerated (with energy recovery)    | ton                     | 6,953  | 7,812  | 7,612  | 7,720  |
|                                      |                                 | Incinerated (without energy recovery) | ton                     | 231    | 226    | 21     | 0      |
|                                      |                                 | Buried **                             | ton                     | 0      | 0      | 0      | 0      |
|                                      |                                 | Others                                | ton                     | 0      | 0      | 0      | 0      |
|                                      | Designated waste                | Total amount generated/disposed       | ton                     | 0      | 0      | 34     | 33     |
|                                      |                                 | Recycled/Reused                       | ton                     | 0      | 0      | 34     | 33     |
|                                      |                                 | Incinerated (with energy recovery)    | ton                     | 0      | 0      | 0      | 0      |
|                                      |                                 | Incinerated (without energy recovery) | ton                     | 0      | 0      | 0      | 0      |
|                                      |                                 | Buried                                | ton                     | 0      | 0      | 0      | 0      |
|                                      |                                 | Others                                | ton                     | 0      | 0      | 0      | 0      |
| Waste intensity in KRW ***           |                                 |                                       | ton/ KRW<br>100 million | 0.9    | 0.84   | 0.9    | 0.86   |
| Waste disposal reduction ratio (KRW) |                                 |                                       | %                       | 1.06   | -1.28  | -6.16  | -1.83  |
| Amount of recycled waste ****        |                                 |                                       | ton                     | 23,220 | 23,525 | 25,193 | 25,676 |
| Waste-recycling rate                 |                                 |                                       | %                       | 99     | 99.1   | 99.9   | 100    |

\* As the index was redefined, some of the previous data were modified to apply the new criteria.

\*\* Coway does not bury waste

\*\*\* Calculated based on individual sales revenue

\*\*\*\* Total amount recycled among products, services, business site waste

| Eco-friendly Investments                               |                            | Unit            | 2020  | 2021  | 2022  | 2023   |
|--|----------------------------|-----------------|-------|-------|-------|--------|
| Eco-friendly certification (Eco-Label certification) * |                            | cases           | 17    | 27    | 43    | 30     |
| Sales of eco-friendly products                         |                            | KRW 100 million | 8,002 | 8,969 | 9,104 | 11,053 |
| Ratio of eco-friendly products to total sales          |                            | %               | 30.3  | 31.9  | 32.4  | 36.9   |
|  | type 1 **                  | %               | 7     | 6     | 4.82  | 5      |
|  | type 2 ***                 | %               | 17.6  | 21.3  | 24.72 | 30     |
|  | type 3 ****                | %               | 5.9   | 4.1   | 2.9   | 1.9    |
| Green purchases  |                            | KRW 1 million   | -     | 656   | 604   | 553    |
| Green purchase ratio                                   |                            | %               | -     | 3.5   | 3.5   | 5.4    |
| Environmental investment cost                          | Total                      | KRW 1 million   | 1,193 | 1,056 | 2,585 | 3,476  |
|  | Facility operation         | KRW 1 million   | 377   | 444   | 626   | 1,214  |
|  | System operation           | KRW 1 million   | 408   | 325   | 400   | 251    |
|  | Communication              | KRW 1 million   | 328   | 176   | 311   | 945    |
|  | New environmental business | KRW 1 million   | 80    | 111   | 1,248 | 1,066  |

\* Followed product standard for which Eco-Label certification is valid in the year (accumulated)

\*\* ISO14024

\*\*\* ISO14021

\*\*\*\* ISO14025

| Environmental Regulations              |  | Unit  | 2020 | 2021 | 2022 | 2023 |
|--|--|-------|------|------|------|------|
| Number of violations                   |  | cases | 0    | 0    | 0    | 0    |
| Year-end environmental liability costs |  | KRW   | 0    | 0    | 0    | 0    |
| Fines for violations                   |  | KRW   | 0    | 0    | 0    | 0    |

| Employee Status *   |  | Unit    | 2020  | 2021  | 2022  | 2023  |
|---|--|---------|-------|-------|-------|-------|
| Total number of employees                                   |  | Persons | 6,571 | 6,587 | 6,442 | 6,272 |
| By gender   | Male   | Persons | 3,337 | 3,538 | 3,505 | 3,490 |
|   | Female   | Persons | 3,234 | 3,049 | 2,937 | 2,782 |
|   | Percentage of female employees                                       | %       | 49.2  | 46.3  | 45.6  | 44.4  |
| By age  | Under 30   | Persons | 423   | 427   | 336   | 279   |
|   | Over 30 – Under 50   | Persons | 4,717 | 4,715 | 4,532 | 4,350 |
|   | Over 50  | Persons | 1,431 | 1,445 | 1,574 | 1,643 |
| By employment type  | Full-time employees  | Persons | 6,366 | 6,423 | 6,276 | 6,077 |
|   | Percentage of full-time employees                                    | %       | 96.9  | 97.5  | 97.4  | 96.9  |
|   | Temporary employees  | Persons | 205   | 164   | 166   | 195   |
|   | Percentage of temporary employees                                    | %       | 3.1   | 2.5   | 2.6   | 3.1   |
| Percentage of female employees in STEM ** related positions |  | %       | 16.7  | 18.4  | 19.1  | 20.4  |
| Female management employee status ***                       | Female management employees  | Persons | 1,700 | 1,493 | 1,443 | 1,336 |
|   | Junior level   | Persons | 1,631 | 1,424 | 1,369 | 1,269 |
|   | Middle level   | Persons | 64    | 63    | 67    | 62    |
|   | Top level  | Persons | 5     | 6     | 7     | 5     |
|   | Percentage of female management employees among management employees | %       | 70.5  | 65.9  | 65.7  | 63.7  |
|   | Junior level   | %       | 74.2  | 70    | 70.4  | 68.3  |
|   | Middle level   | %       | 36.2  | 34.2  | 34    | 33.9  |
|   | Top level  | %       | 14.7  | 12    | 12.7  | 9.1   |
|   | Percentage of female leaders(executives)                             | %       | 32.7  | 29.5  | 29.4  | 28.2  |
| Minority employees ****                                     | Employees with disabilities  | Persons | 68    | 80    | 100   | 122   |
|   | Employment rate for persons with disabilities                        | %       | 1.3   | 1.2   | 1.6   | 2.0   |
|   | Foreigners   | Persons | 6     | 10    | 10    | 8     |
|   | United States  | Persons | 2     | 3     | 3     | 2     |
|   | Iran   | Persons | 0     | 0     | 1     | 1     |
|   | Japan  | Persons | 1     | 1     | 1     | 1     |
|   | China  | Persons | 1     | 3     | 3     | 2     |
|   | Canada   | Persons | 0     | 1     | 0     | 0     |
|   | Australia  | Persons | 1     | 1     | 1     | 1     |
|   | New Zealand  | Persons | 1     | 1     | 1     | 1     |

|                     |                           | Unit    | 2020  | 2021  | 2022  | 2023  |
|---------------------|---------------------------|---------|-------|-------|-------|-------|
| Overseas employment | Total number of employees | Persons | 3,694 | 4,443 | 5,059 | 4,844 |
|                     | Dispatched abroad         | Persons | 0     | 0     | 2     | 8     |
|                     | Expatriates               | Persons | 33    | 36    | 35    | 36    |
|                     | Locally hired             | Persons | 3,661 | 4,407 | 5,022 | 4,800 |

\* As the index was redefined, some of the previous data were modified to apply the new criteria.

\* All data related to employees include the number of employees residing overseas (corporate heads, expatriates, etc.) and unregistered executives, excluding registered executives

\*\* Refers to employees who use knowledge related to science, technology, engineering, and mathematics for their work, in accordance with internal standards defined by the HR team

\*\*\* The level of management is classified into the levels defined by the HR team based on the responsibility of each position, the size of the managing organization, etc.

\*\*\* 'Female leaders(executives)' refer to middle and top management employees

\*\*\*\* The number and percentage of employees with disabilities follows the standards of the Korean Employment Agency for Persons with Disabilities

| Employee Recruitment Status * |  |  | Unit    | 2020    | 2021  | 2022  | 2023  |
|-------------------------------|--|--|---------|---------|-------|-------|-------|
| New recruitment               | Total number of employees                                  |  | Persons | 1,951** | 667   | 427   | 329   |
|                               | By position  | Executives                                     | Persons | 9       | 1     | 2     | 0     |
|                               | By gender  | Male   | Persons | 1,678   | 381   | 271   | 146   |
|                               |  | Female   | Persons | 273     | 286   | 156   | 183   |
|                               |  | Percentage of newly recruited female employees | %       | 14      | 42.9  | 36.5  | 55.6  |
|                               | By age   | Under 30                                       | Persons | 184     | 243   | 141   | 79    |
|                               |  | Over 30 – Under 50                             | Persons | 1,629   | 410   | 261   | 222   |
|                               |  | Over 50  | Persons | 138     | 14    | 25    | 28    |
|                               | By nationality   | Korean   | Persons | 1,950   | 662   | 425   | 329   |
|                               |  | Foreigners                                     | Persons | 1       | 5     | 2     | 0     |
| Internal recruitment          | Total number of open positions ***                         |  | Persons | 3,467   | 2,340 | 1,775 | 1,987 |
|                               | Number of open positions filled by internal candidates     |  | Persons | 1,516   | 1,673 | 1,348 | 1,658 |
|                               | Percentage of open positions filled by internal candidates |  | %       | 43.7    | 71.5  | 75.9  | 83.4  |

\* As the index was redefined, some of the previous data were modified to apply the new criteria.

\*\* In 2020, service managers (1,498) were converted to full-time employees

\*\*\* Including internal transfers for human resource development

| Employee Turnover and Retirement *                        |                           |                    |         |      |      |      |      |
|---|---------------------------|--------------------|---------|------|------|------|------|
|   |                           |                    | Unit    | 2020 | 2021 | 2022 | 2023 |
| Total Numbers of Employee Turnover and Retirement         | Total number of employees |                    | Persons | 367  | 713  | 455  | 546  |
|   | Total percentage **       |                    | %       | 5.6  | 10.8 | 7.1  | 8.7  |
|   | By gender                 | Male               | Persons | 149  | 216  | 229  | 199  |
|   |                           | Female             | Persons | 218  | 497  | 226  | 347  |
|   | By age                    | Under 30           | Persons | 59   | 128  | 83   | 54   |
|   |                           | Over 30 – Under 50 | Persons | 250  | 313  | 287  | 259  |
|   |                           | Over 50            | Persons | 58   | 272  | 85   | 233  |
| Numbers of Voluntary Employee Turnover and Retirement *** | Number of employees       |                    | Persons | 340  | 467  | 413  | 292  |
|   | Percentage **             |                    | %       | 5.2  | 7.1  | 6.4  | 4.7  |
|   | By gender                 | Male               | Persons | 138  | 194  | 214  | 160  |
|   |                           | Female             | Persons | 202  | 273  | 199  | 132  |
|   | By age                    | Under 30           | Persons | 58   | 128  | 80   | 34   |
|   |                           | Over 30 – Under 50 | Persons | 236  | 293  | 281  | 226  |
|   |                           | Over 50            | Persons | 46   | 46   | 52   | 32   |

\* As the index was redefined, some of the previous data were modified to apply the new criteria.

\*\* Turnover rate and voluntary turnover rate are indicated in percentages among the number of entire employees.

\*\*\* Number of resigned and retired employees excluding those who resigned under early retirement, by voluntary resignation, by mandatory dismissal, by mandatory retirement and by disciplinary dismissal.

| Parental Leave *   |                           |         |      |      |      |      |
|--|---------------------------|---------|------|------|------|------|
|  |                           | Unit    | 2020 | 2021 | 2022 | 2023 |
| Total number of employees who used parental leave **   | Total number of employees | Persons | 87   | 110  | 149  | 134  |
|  | Male                      | Persons | 15   | 42   | 87   | 64   |
|  | Female                    | Persons | 72   | 68   | 62   | 70   |
| Employees who returned to work after taking parental leave ***                                   | Total number of employees | Persons | 104  | 115  | 142  | 131  |
|  | Male                      | Persons | 18   | 30   | 74   | 72   |
|  | Female                    | Persons | 86   | 85   | 68   | 59   |
| Employees who returned to work after taking parental leave and stayed for 12 months ****         | Total number of employees | Persons | 79   | 93   | 119  | -    |
|  | Male                      | Persons | 15   | 24   | 60   | -    |
|  | Female                    | Persons | 64   | 69   | 59   | -    |
| Percentage of employees who returned after taking parental leave *****                           | Total return rate         | %       | 97.2 | 98.3 | 100  | 98.5 |
|  | Male                      | %       | 100  | 96.8 | 100  | 100  |
|  | Female                    | %       | 96.6 | 98.8 | 100  | 96.7 |
| Percentage of employees who returned after taking parental leave and worked over 12 months ***** | Total retention rate      | %       | 76   | 80.9 | 83.8 | -    |
|  | Male                      | %       | 83.3 | 80   | 81.1 | -    |
|  | Female                    | %       | 74.4 | 81.2 | 86.8 | -    |

\* As the index was redefined, some of the previous data were modified to apply the new criteria.

\*\* Number of employees who used parental leave categorized by year based on the starting date of parental leave

\*\*\* Number of employees who were employed at the time of data aggregation or who have retired after serving for at least one day after the end of parental leave among employees who have completed parental leave, categorized by year based on the end date of parental leave

\*\*\*\* Number of employees who were employed at the time of data aggregation or who have retired after serving for at least 365 days after the end of parental leave among employees who have completed parental leave, categorized by year based on the end date of parental leave  
(However, year 2023 is excluded as accurate data aggregation becomes possible only after December 31, 2024)

\*\*\*\*\*Number of employees who returned after the end of parental leave / employees who have completed parental leave for that year

\*\*\*\*\* Number of employees who worked for more than 365 days since the end of parental leave / employees who returned after parental leave for that year  
(However, year 2023 is excluded as accurate data aggregation becomes possible only after December 31, 2024)

| Performance Evaluation *   |                                   | Unit  | 2020 | 2021 | 2022 | 2023 |
|--|-----------------------------------|-------|------|------|------|------|
| Number of performance evaluations conducted by type                              | Management by objectives          | Times | 2    | 2    | 2    | 2    |
|  | 360-degree feedback               | Times | 2    | 2    | 2    | 2    |
|  | Team-based performance evaluation | Times | 2    | 2    | 2    | 2    |
| Percentage of employees who received regular performance evaluation and feedback | Male                              | %     | 100  | 100  | 100  | 100  |
|  | Female                            | %     | 100  | 100  | 100  | 100  |

On-site employees (production, sales, and service technology employees) were excluded. Separate evaluations are conducted upon them by performance each month.

Employees not subject to evaluation (employees who took leave or worked less than a period) are excluded

| Employee Training *       |               | Unit | 2020 | 2021    | 2022    | 2023 |
|---------------------------|---------------|------|------|---------|---------|------|
| Total number of trainees  | Persons       | -    | -    | 6,123   | 6,156   |      |
| Total training hours **   | Hours         | -    | -    | 120,391 | 126,270 |      |
| Total training costs      | KRW 1 million | -    | -    | 810     | 908     |      |
| Training hours per person | Hours         | -    | -    | 20      | 21      |      |
| Training cost per person  | KRW           | -    | -    | 132,288 | 147,498 |      |

\* Numbers were calculated based on full-time employees who completed training in the relevant year, excluding employees not subject to training (employees who took a leave or hold additional position at Netmarble, etc.)

\* As the index was redefined, some of the previous data were modified to apply the new criteria (the new criteria were applied since 2022)

\*\* Total of e-learning, legally required training, outsourced training, and job training hours

| Welfare           |               |            |            |            |            |
|-------------------|---------------|------------|------------|------------|------------|
|                   | Unit          | 2020       | 2021       | 2022       | 2023       |
| Welfare benefit * | KRW 1 million | 58,048,446 | 67,585,341 | 69,831,793 | 74,799,417 |

\* According to the audit report

| Labor Union Membership      |      |      |      |      |      |
|-----------------------------|------|------|------|------|------|
|                             | Unit | 2020 | 2021 | 2022 | 2023 |
| Labor union membership rate | %    | -    | 19.8 | 34.3 | 34.3 |

| Employee Grievance Process Status * |                         |       |      |      |      |      |
|-------------------------------------|-------------------------|-------|------|------|------|------|
|                                     |                         | Unit  | 2020 | 2021 | 2022 | 2023 |
| Number of grievances filed          |                         | Cases | 46   | 33   | 30   | 72   |
|                                     | Human Rights Violation  | Cases | 5    | 8    | 6    | 14   |
|                                     | General grievances      | Cases | 41   | 25   | 24   | 58   |
| Number of grievances processed      |                         | Cases | 46   | 33   | 30   | 72   |
|                                     | Human Rights Violations | Cases | 5    | 8    | 6    | 14   |
|                                     | General grievances      | Cases | 41   | 25   | 24   | 58   |
| Rate of cases processed             |                         | %     | 100  | 100  | 100  | 100  |
|                                     | Human Rights Violation  | %     | 100  | 100  | 100  | 100  |
|                                     | General grievances      | %     | 100  | 100  | 100  | 100  |

\* The number of grievances increased in 2023 as the channel for filing complaints was diversified to facilitate access to each job group

\* Grievances are classified and managed as human rights violations (bullying, sexual harassment, discrimination, etc.) or general grievances (working environment, welfare, personnel system, safety and health, etc.) by their contents and issues

| Occupational Safety and Health *  |                 |                       |      |      |      |      |
|---|-----------------|-----------------------|------|------|------|------|
|   |                 | Unit                  | 2020 | 2021 | 2022 | 2023 |
| Industrial accidents  | Employees **    | Cases                 | 15   | 47   | 79   | 60   |
|   | Contractors *** | Cases                 | -    | -    | 2    | 1    |
| Lost time injuries frequency rate (LTIFR)   | Employees       | persons/million hours | 1.14 | 3.54 | 6.21 | 4.82 |
|   | Contractors     | Persons/million hours | -    | -    | 2.61 | 1.40 |
| Industrial accident rate  | Employees       | %                     | 0.23 | 0.71 | 1.23 | 0.96 |
|   | Contractors     | %                     | -    | -    | 0.52 | 0.28 |
| Fatalities  | Employees       | Persons               | 0    | 0    | 0    | 0    |
|   | Contractors     | Persons               | 0    | 0    | 0    | 0    |
| Number of contractors safety and health capability evaluations conducted                |                 | Times                 | 0    | 0    | 0    | 2    |
| Number of risk factors found by risk evaluation on contractors ***                      |                 | Cases                 | -    | -    | 34   | 35   |
| Percentage of risk factors improved with risk evaluation of contractors ***             |                 | %                     | -    | -    | 100  | 93   |
| Percentage of grievances handled with contractors safety grievance-handling channel *** |                 | %                     | -    | -    | 100  | 89   |
| Rate of employees under occupational safety, and health management system (ISO 45001)   |                 | %                     | 60   | 60   | 60   | 80   |

\* Based on domestic business sites under the Occupational Safety and Health Act

\* May differ from actual data as an average

\*\* Based on employees. As partners (Cody, Codoc, Home Care Doctors) were excluded, the data were modified by applying the new criteria.

\*\*\* Data of 2020 and 2021 are not indicated as the data have been managed on the same basis since 2022.



| Social Contribution  |   | Unit            | 2020 | 2021 | 2022  | 2023   |
|--|---|-----------------|------|------|-------|--------|
| Employees who participated in social contribution activities |   | Persons         | -    | -    | 250   | 314    |
| Expense spent in social contribution activities              | Total cost *                                    | KRW 100 million | 21.5 | 11.4 | 12.6  | 17.1   |
|  | Social contribution cash(donation)              | %               | -    | 35   | 10    | 10     |
|  | Social contribution spot goods                  | %               | -    | 34   | 22    | 15     |
|  | Expenses spent in nature of social contribution | %               | -    | 31   | 68    | 75     |
| Donations  | Political donations **                          | KRW 1,000       | 0    | 0    | 0     | 0      |
|  | Donations to association                        | KRW 1,000       | -    | -    | 7,000 | 37,610 |

\* Increase in expenses occurred due to the launch and expansion (additional recruitment) of the Wheelchair Basketball Team and Choir of Blind Singers in 2022, 2023.

\*\* Coway does not make political contributions pursuant to Article 31 (Limitation of Contributions) of the Political Funds Act

| Supply-Chain Management *   |   | Unit      | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|---|-----------|------|------|------|------|
| Partner companies           | Total number of partner companies   | Companies | 191  | 234  | 223  | 226  |
|                             | 1st partner companies   | Companies | 122  | 144  | 133  | 133  |
|                             | 1st core partner companies  | Companies | 69   | 71   | 71   | 72   |
|                             | 2nd partner companies   | Companies | 87   | 90   | 90   | 93   |
| Partner companies purchase  | ** Percentage of 1st core partner companies purchase                        | %         | 84   | 81   | 80   | 78   |
| Supply chain ESG evaluation | 1st core partner companies that performed ESG risk evaluation               | companies | -    | -    | 10   | 9    |
|                             | 1st core partner companies classified as high risk                          | companies | -    | -    | 0    | 0    |
|                             | Percentage of 1st core partner companies that performed ESG risk evaluation | %         | -    | -    | 14   | 13   |

\* As the index was redefined based on raw material and mold supply partner companies, some of the previous data was modified

\*\* 1st core partner company purchase ratio and domestic partner company purchase ratio based on domestic businesses were the same

| Distribution Network Quality Control and Auditing *  |  | Unit | 2020 | 2021 | 2022 | 2023 |
|--|--|------|------|------|------|------|
| Percentage of distribution networks that had regular external audits based on ISO9000 series or other commonly accepted quality management systems |  | %    | -    | -    | 94   | 94   |

\* As the index was redefined based on raw material and mold supply partner companies, some of the previous data was modified

| Customer Satisfaction                       |        |      |      |      |      |
|---|--------|------|------|------|------|
|   | Unit   | 2020 | 2021 | 2022 | 2023 |
| Customer satisfaction survey result *       | points | 93.1 | 95.6 | 95.6 | 92.7 |
| Customer complaint resolution rate          | %      | 100  | 97.3 | 99.9 | 100  |
| Customer complaint in product/service/sales | Cases  | -    | 105  | 24   | 63   |

\* As the index was redefined, some of the previous data were modified to apply the new criteria.

| Product recall                |       |      |      |      |      |
|-------------------------------|-------|------|------|------|------|
|                               | Unit  | 2020 | 2021 | 2022 | 2023 |
| Total cases of product recall | Cases | 0    | 0    | 0    | 0    |
| Recalled product line         | lines | 0    | 0    | 0    | 0    |
| Expense occurred by recall    | KRW   | 0    | 0    | 0    | 0    |

| Information Protection   |               |       |       |       |       |
|--|---------------|-------|-------|-------|-------|
|  | Unit          | 2020  | 2021  | 2022  | 2023  |
| Information leaks  | Cases         | 0     | 0     | 0     | 0     |
| Violations against information protection and cyber security                           | Cases         | 0     | 0     | 0     | 0     |
| Fines paid for violating information protection and cyber security related regulations | KRW 1 million | 0     | 0     | 0     | 0     |
| Violations related to customer information   | Cases         | 0     | 0     | 0     | 0     |
| Customers affected by data breaches  | Persons       | 0     | 0     | 0     | 0     |
| Employees participated in information protection training                              | Persons       | 4,729 | 6,172 | 6,046 | 6,211 |

| Board of Directors            |                       | Unit    | 2020 | 2021 | 2022 | 2023 |
|-------------------------------|-----------------------|---------|------|------|------|------|
| Members of board of directors | Total no. of members  | Persons | 7    | 7    | 8    | 7    |
|                               | Executive Directors   | Persons | 3    | 3    | 3    | 3    |
|                               | Independent Directors | Persons | 4    | 4    | 5    | 4    |
|                               | Female                | Persons | 0    | 0    | 1    | 1    |

| Operation of BOD Meetings                        |  | Unit              | 2020 | 2021 | 2022 | 2023 |
|--|--|-------------------|------|------|------|------|
| Number of BOD Meetings Held                      |  | Times             | 8    | 7    | 6    | 6    |
| Agendas (voted/reported)                         |  | Number of actions | 36   | 34   | 33   | 24   |
| Attendance rate                                  |  | %                 | 100  | 97.9 | 100  | 100  |
| Attendance rate of executive directors           |  | %                 | 100  | 100  | 100  | 100  |
| Attendance rate of independent directors         |  | %                 | 100  | 96.3 | 100  | 100  |
| Average term of office on the board of directors |  | Months            | 10   | 22   | 30   | 37   |
| Board re-election rate *                         |  | %                 | -    | -    | -    | 71.4 |

\* No re-election agenda for 2020, 2021, and 2022

| Independent Director Candidate Recommendation Committee |  | Unit  | 2020 | 2021     | 2022 | 2023 |
|---|--|-------|------|----------|------|------|
| Number of committee meetings held                       |  | Times | 2    | Not held | 1    | 2    |
| Attendance rate of independent director                 |  | %     | 100  | Not held | 100  | 100  |

| Audit Committee                         |  | Unit  | 2020 | 2021 | 2022 | 2023 |
|---|--|-------|------|------|------|------|
| Number of committee meetings held       |  | Times | 7    | 4    | 4    | 4    |
| Attendance rate of independent director |  | %     | 100  | 100  | 100  | 100  |

| Remuneration of the Board of Directors *  |  | Unit      | 2020      | 2021      | 2022      | 2023      |
|---|--|-----------|-----------|-----------|-----------|-----------|
| CEO's remuneration  |  | KRW 1,000 | 776,947   | 659,143   | 808,096   | 1,004,725 |
| Average employee remuneration **  |  | KRW 1,000 | 52,427    | 55,353    | 59,950    | 63,256    |
| Rate of CEO remuneration compared to average employee remuneration                                      |  | Times     | 14.8      | 11.9      | 13.5      | 15.9      |
| Total remuneration of registered directors  |  | KRW 1,000 | 1,783,196 | 2,442,311 | 2,853,001 | 3,550,125 |
| Average remuneration per registered director  |  | KRW 1,000 | 594,399   | 814,104   | 951,000   | 1,183,375 |
| Total remuneration of independent directors   |  | KRW 1,000 | 50,810    | 42,000    | 73,613    | 42,000    |
| Average remuneration per independent director   |  | KRW 1,000 | 50,810    | 42,000    | 36,806    | 42,000    |
| Total remuneration of members of the audit committee  |  | KRW 1,000 | 122,017   | 126,000   | 126,000   | 136,161   |
| Average remuneration per audit committee member   |  | KRW 1,000 | 40,672    | 42,000    | 42,000    | 45,387    |
| Rate of non-audit service remuneration compared to audit service remuneration paid to external auditors |  | %         | 3.9       | 6.6       | 0         | 5.9       |

\* Same as the standard value disclosed in the annual report

\*\* Error in data of 2022 was revised

| Ethical Management                                       |   | Unit    | 2020 | 2021  | 2022  | 2023  |
|--|---|---------|------|-------|-------|-------|
| Number of employees who completed ethics training *      |   | Persons | -    | 6,389 | 6,336 | 6,156 |
| Completion rate of ethics training *                     |   | %       | -    | 100   | 99.9  | 100   |
| Code of conduct violation status (internal standards) ** | Total violations  | cases   | -    | 22    | 19    | 20    |
|  | Total violations dealt with (severe or above penalty)   | cases   | -    | 22    | 19    | 20    |
|  | Rate of cases processed   | %       | -    | 100   | 100   | 100   |
| Corruption   | Percentage of business sites that conducted corruption test(Regular tests)                          | %       | -    | 40    | 60    | 20    |
|  | Cases where a contract with a business partner has been terminated or not renewed due to corruption | cases   | -    | 0     | 0     | 0     |

\* Employees not subject to training (on leave, holding multiple positions, etc.) were excluded

\* Includes training for sexual harassment, workplace harassment, improvement of awareness of the disabled, and ethical management

\*\* Data was re-collected based on violation and internal penalties not on the reception of violation

| Compliance with Laws and Regulations     |                                 | Unit          | 2020 | 2021 | 2022 | 2023 |
|--|---------------------------------|---------------|------|------|------|------|
| Anti-monopoly/anti-competition violation | Total legal actions taken       | cases         | 0    | 0    | 0    | 0    |
|  | Total fines or settlements paid | KRW 1 million | 0    | 0    | 0    | 0    |
| Corruption or bribery                    | Total legal actions taken       | cases         | 0    | 0    | 0    | 0    |
|  | Total fine or settlement paid   | KRW 1 million | 0    | 0    | 0    | 0    |

## Summarized Consolidated Financial Statement

|                         | Unit            | 2020   | 2021   | 2022   | 2023   |
|-------------------------|-----------------|--------|--------|--------|--------|
| Liquid asset            | KRW 100 million | 8,969  | 11,065 | 13,745 | 15,916 |
| Non-current assets      | KRW 100 million | 21,322 | 26,942 | 29,906 | 32,593 |
| Total assets            | KRW 100 million | 30,290 | 38,006 | 43,651 | 48,510 |
| Current liabilities     | KRW 100 million | 14,173 | 12,932 | 11,302 | 15,090 |
| Non-current liabilities | KRW 100 million | 1,217  | 6,030  | 9,229  | 7,042  |
| Total liabilities       | KRW 100 million | 15,390 | 18,962 | 20,531 | 22,132 |
| Total capital           | KRW 100 million | 14,900 | 19,044 | 23,120 | 26,378 |

## Consolidated Statement of Comprehensive Income

|  | Unit            | 2020   | 2021   | 2022   | 2023   |
|--|-----------------|--------|--------|--------|--------|
| Revenue  | KRW 100 million | 32,374 | 36,643 | 38,561 | 39,665 |
| Cost of goods sold (COGS)                      | KRW 100 million | 10,439 | 12,753 | 13,696 | 13,950 |
| Gross profit                                   | KRW 100 million | 21,935 | 23,889 | 24,865 | 25,715 |
| SG&A expenses                                  | KRW 100 million | 15,871 | 17,487 | 18,091 | 18,402 |
| Operating income                               | KRW 100 million | 6,064  | 6,402  | 6,774  | 7,313  |
| Financial income                               | KRW 100 million | 12     | 10     | 43     | 58     |
| Financial expense                              | KRW 100 million | 212    | 179    | 331    | 560    |
| Profit and loss of related company investments | KRW 100 million | 0      | 47     | 64     | 41     |
| Income before corporate tax expenses           | KRW 100 million | 5,404  | 6,586  | 6,833  | 6,606  |
| Corporate tax expenses                         | KRW 100 million | 1,357  | 1,931  | 2,255  | 1,896  |
| Net income                                     | KRW 100 million | 4,047  | 4,655  | 4,578  | 4,710  |

## R&amp;D Investment (Consolidated)

|                       | Unit          | 2020   | 2021   | 2022   | 2023   |
|-----------------------|---------------|--------|--------|--------|--------|
| R&D expenses *        | KRW 1 million | 41,937 | 48,337 | 53,547 | 53,128 |
| Percentage to revenue | %             | 1.3    | 1.32   | 1.39   | 1.34   |

\* The number is a sum of ordinary development expenses of the selling and administrative expenses stated in the consolidated statement of income and the research and development expense stated in the manufacturing cost statement, and also includes personnel expenses of the R&D personnel

## Tax Report (Consolidated)

|                                      | Unit      | 2020        | 2021        | 2022        | 2023        |
|--------------------------------------|-----------|-------------|-------------|-------------|-------------|
| Income before corporate tax expenses | KRW 1,000 | 540,379,082 | 658,552,414 | 683,308,004 | 660,563,060 |
| Corporate tax burden (total)         | KRW 1,000 | 138,242,247 | 175,927,650 | 188,676,924 | 166,177,740 |
| Corporate tax expenses (total)       | KRW 1,000 | 135,668,222 | 193,066,319 | 225,512,387 | 189,551,955 |
| Effective tax rate                   | %         | 25.1        | 29.3        | 33.0        | 28.7        |

## Sustainability Policy

## Evaluations and Initiatives

## Human Rights Management

Human Rights Policy (Korean)

DOWNLOAD 

Human Rights Policy (ENG)

DOWNLOAD 

CSR Code of Conduct (Korean)

DOWNLOAD 

CSR Code of Conduct (ENG)

DOWNLOAD 

## Ethical Management

The Charter of Ethics (Korean)

DOWNLOAD 

The Charter of Ethics (ENG)

DOWNLOAD 

The Regulation of Ethics (Korean)

DOWNLOAD 

The Regulation of Ethics(ENG)

DOWNLOAD 

The Code of Ethics (Korean)

DOWNLOAD 

The Code of Ethics (ENG)

DOWNLOAD 

## Safety and Health Management

Safety and Health Management Policy  
(Korean)DOWNLOAD Safety and Health Management Policy  
(ENG)DOWNLOAD 

## Supply Chain

Business Partner Selection and Price  
Determination Guidelines (Korean)DOWNLOAD 

Supplier Code of Conduct (ENG)

DOWNLOAD Purchase Agreement Management  
Guidelines (Korean)DOWNLOAD Guidelines on Establishment and  
Operation of the Internal Review  
Committee (Korean)DOWNLOAD Issue and Archiving of Outsourcing-  
related Documents (Korean)DOWNLOAD 

Supplier Code of Conduct (Korean)

DOWNLOAD 

## Environmental Management

Environmental Management Policy  
(Korean)DOWNLOAD Principles and Strategies for  
Environmental  
Managements (ENG)DOWNLOAD 

## Recognition



DJSI Asia Pacific  
**Listed**



ESG Rating  
**A**



Climate Change Adaptation  
**B**



Integrated ESG Rating  
**A**

**E** A **S** A+ **G** B+



FTSE4Good  
**Maintain**



ESG Risk Rating  
**18.2(Risk Low)**

## Participation in Global Initiatives



### United Nations Global Compact (UNGC)

Since its participation in UNGC in June 2006, Coway has been complying with and practicing the 10 principles on human rights, labor, environment and anti-corruption, so that the company will promote growth while fulfilling its social responsibilities as a corporate citizen. This Sustainability Report represents Coway's evaluation and oath of its present and future.



### Sustainable Development Goals (SDGs)

Coway seeks to discover new opportunities for growth and achieve sustainable growth by developing and implementing solutions to achieve the SDGs that were established by a joint declaration of UN member states in 2016.





### **Carbon Disclosure Project (CDP)**

Coway is regularly reviewed by the Korean Commission of CDP, a non-profit organization, while it continues to respond to climate change and preserve water.



**United Nations**  
Climate Change

### **Support for the Paris Agreement by COP21 of the United Nations Framework Convention on Climate Change (UNFCCC)**

Coway supports the Paris Agreement by COP21 of UNFCCC signed by 195 countries in Paris, France, in December 2015, and has been voluntarily establishing carbon-emission reduction plans.

GRI Index

| Index                           | Description  |
|---------------------------------|--|
| Statement of use                | The reporting organization, Coway, is reporting the applicable information in accordance with the Global Reporting Initiative (GRI) Standards 2021 — reporting principles when reporting sustainable management contents for the period from January 1, 2023 to December 31, 2023. |
| GRI used                        | GRI 1: Foundation 2021   |
| Applicable GRI Sector Standards | As of the current reporting date (June 2024), standards that correspond to Coway's standards for classifying GICS industries have not been published, so they were thus not applicable   |

GRI 2: General Disclosures 2021

| No. | Disclosure   | Page   | Notes  |
|-----|--|--|--|
| 2-1 | Organizational details   | Story on Creation of Value - Introduction of Coway - Company Overview >  |  |
| 2-2 | Entities included in the organization's sustainability reporting | About This Report >  |  |
| 2-3 | Reporting period, frequency and contact point                    | About This Report >  |  |
| 2-4 | Restatements of information                                      | -  | Data and performances changed from those of the previous year are indicated separately through annotations, etc.         |
| 2-5 | External assurance   | Independent Assurance Statement >  |  |
| 2-6 | Activity, value chains and other business relationships          | Story on Creation of Value - Introduction of Coway - Business Model ><br>Story on Creation of Value - Introduction of Coway - Sustainable Competitiveness ><br>Story on Creation of Value - Introduction of Coway - Global Story of Coway ><br>Story on Creation of Value - Business Value Chain > | Refer to the Annual Report   |
| 2-7 | Employees  | ESG Data - Social - Employee Status >  |  |
| 2-8 | Workers who are not employees                                    | -  | Corresponding information was not collected across all business areas due to relevant laws and business characteristics. |
| 2-9 | Governance structure and composition                             | Corporate Governance - Management Centered on the BOD - Composition of the BOD ><br>ESG Data - Governance - Board of Directors >   |  |

**GRI 2: General Disclosures 2021**

| No.  | Disclosure  | Page   | Notes                      |
|------|---|--|----------------------------|
| 2-10 | Nomination and selection of the highest governance body                     | Corporate Governance - Management Centered on the BOD - Director Appointment Procedure <a href="#">➤</a><br>Corporate Governance - Management Centered on the BOD - Expertise and Diversity of the BOD <a href="#">➤</a><br>Corporate Governance - Management Centered on the BOD - Independence of BOD <a href="#">➤</a>                                      | Refer to the Annual Report |
| 2-11 | Chair of the highest governance body  | Corporate Governance - Management Centered on the BOD - Composition of the BOD <a href="#">➤</a>   |                            |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Corporate Governance - Committees under the BOD - Composition of Committees under the Board of Directors <a href="#">➤</a><br>ESG Highlights - Sustainable Management System - Implementation System <a href="#">➤</a>   |                            |
| 2-13 | Delegation of responsibility for managing impacts                           | Corporate Governance - Committees under the BOD - Composition of Committees under the Board of Directors <a href="#">➤</a><br>ESG Highlights - Sustainable Management System - Implementation System <a href="#">➤</a>   |                            |
| 2-14 | Role of the highest governance body in sustainability reporting             | Risk Management - Company-wide Risk Management System - Management of Non-financial Risk - ESG Committee Meetings <a href="#">➤</a>  |                            |
| 2-15 | Conflicts of interest   | Corporate Governance - Management Centered on the BOD - Independence of BOD <a href="#">➤</a>  |                            |
| 2-16 | Communication of critical concerns  | Corporate Governance - Management Centered on the BOD - Operation of BOD Meetings <a href="#">➤</a><br>Corporate Governance - Committees under the BOD - Composition of Committees under the Board of Directors <a href="#">➤</a><br>ESG Highlights - Sustainable Management System - Implementation System <a href="#">➤</a>                                  | Refer to the Annual Report |
| 2-17 | Collective knowledge of the highest governance body                         | Corporate Governance - Management Centered on the BOD - Expertise and Diversity of the BOD <a href="#">➤</a>   |                            |
| 2-18 | Evaluation of the performance of the highest governance body                | Corporate Governance - Evaluation and Remuneration - Independent Director Performance Evaluation and Remuneration Structure <a href="#">➤</a><br>Corporate Governance - Evaluation and Remuneration - CEO and Executive Performance Evaluation Structure <a href="#">➤</a>   |                            |
| 2-19 | Remuneration policies   | Corporate Governance - Evaluation and Remuneration - Independent Director Performance Evaluation and Remuneration Structure <a href="#">➤</a><br>Corporate Governance - Evaluation and Remuneration - CEO and Executive Performance Evaluation Structure <a href="#">➤</a><br>ESG Data - Governance - Remuneration of the Board of Directors <a href="#">➤</a> | Refer to the Annual Report |
| 2-20 | Process to determine remuneration   | Corporate Governance - Evaluation and Remuneration - Independent Director Performance Evaluation and Remuneration Structure <a href="#">➤</a><br>Corporate Governance - Evaluation and Remuneration - CEO and Executive Performance Evaluation Structure <a href="#">➤</a>   |                            |
| 2-21 | Annual total compensation ratio   | Corporate Governance - Evaluation and Remuneration - Remuneration to Director <a href="#">➤</a><br>ESG Data - Governance - Board of Directors Remuneration Status <a href="#">➤</a>  |                            |
| 2-22 | Statement on sustainable development strategy                               | CEO's Message (2024) <a href="#">➤</a>   |                            |

## GRI 2: General Disclosures 2021

| No.  | Disclosure   | Page   | Notes   |
|------|--|--|---|
| 2-23 | Policy commitments   | Policies & Initiatives - Sustainability Policy <a href="#">➤</a>   |   |
| 2-24 | Embedding policy commitments   | Policies & Initiatives - Sustainability Policy <a href="#">➤</a>   |   |
| 2-25 | Processes to remediate negative impacts                              | Risk Management - Company-wide Risk Management System - Risk Management Reporting Structure <a href="#">➤</a><br>Risk Management - Management of Major Risks <a href="#">➤</a><br>Risk Management - Management of Tax Risks - Tax Policy <a href="#">➤</a> |   |
| 2-26 | Guidance for ethics-related matters and grievance handling mechanism | Ethical management - Ethics Diagnosis and Monitoring - Operation of Ethics Reporting Center <a href="#">➤</a><br>ESG Data - Society - Employee grievance Process Status <a href="#">➤</a><br>ESG Data - Governance - Ethical Management <a href="#">➤</a>  |   |
| 2-27 | Compliance with laws and regulations                                 | ESG Data - Environmental - Environmental Regulations <a href="#">➤</a><br>ESG Data - Social - Information Protection <a href="#">➤</a><br>ESG Data - Governance - Compliance to Laws and Regulations <a href="#">➤</a>                                     | Refer to the Annual Report  |
| 2-28 | Membership associations  | Policies & Initiatives - Evaluation and Initiatives - Participation in Global Initiatives <a href="#">➤</a>  |   |
| 2-29 | Approach to stakeholder engagement                                   | Stakeholders - Stakeholder Engagement and Material Topics <a href="#">➤</a>  |   |
| 2-30 | Collective bargaining agreements                                     | -  | Insufficient use of information due to multiple operation of unions |

## GRI 3: Material Topics & Topic standards

| No.   | Disclosure   | Page   | Notes |
|---|--|--|-------|
| 3-1   | Process to determine material topics   | Materiality Assessment - Materiality Assessment Overview - Double Materiality Assessment Process <a href="#">➤</a> |       |
| 3-2   | List of material topics  | Materiality Assessment - Result of Double Materiality Assessment <a href="#">➤</a>                                 |       |
| 3-3   | Management of material topics  | Materiality Assessment - Management and Reporting of Material Issues <a href="#">➤</a>                             |       |
| Material topic 1. Product Quality and Safety        |  |  |       |
| GRI 416: Customer Health and Safety                 | 416-1 Assessment of the health and safety impacts of product and service categories                | Product Quality and Safety - Quality Management Activities - Quality Failure Prevention Program <a href="#">➤</a>  |       |
| Material topic 2. Customer Satisfaction and Service |  |  |       |
| GRI 416: Customer Health and Safety                 | 416-1 Assessment of the health and safety impacts of product and service categories                | Product Quality and Safety - Quality Management Activities - Quality Failure Prevention Program <a href="#">➤</a>  |       |
| GRI 418: Customer Privacy                           | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | ESG Data - Social - Information Protection <a href="#">➤</a>   |       |

## GRI 3: Material Topics & Topic standards

| No.                                       | Disclosure | Page   | Notes   |
|---|------------|--|---|
| Material topic 3. Eco-friendly Products   |            |  |   |
| GRI 301: Materials                        | 301-1      | Materials used by weight or volume   | ESG Data - Environmental - Raw Material Consumption <a href="#">➤</a>   |
|   | 301-2      | Recycled input materials used  | Eco-friendly Products and Resource Circulation - Resource Circulation - Product Life Cycle Management - Use of More Circulated Materials <a href="#">➤</a><br>ESG Data - Environmental - Raw Material Consumption <a href="#">➤</a>                       |
| Material topic 4. Climate Change Response |            |  |   |
| GRI 201: Economic Performance             | 201-2      | Financial implications and other risks and opportunities due to climate change | Climate Change Response - Climate Change Response Strategy - Identification of Climate Risk <a href="#">➤</a><br>Climate Change Response - Climate Change Response Strategy - Climate Scenario Analysis and Financial Impact Assessment <a href="#">➤</a> |
| GRI 302: Energy                           | 302-1      | Energy consumption within the organization                                     | ESG Data - Environmental - Energy Consumption <a href="#">➤</a>   |
|   | 302-3      | Energy intensity   | ESG Data - Environmental - Energy Consumption <a href="#">➤</a>   |
|   | 302-4      | Reduction of energy consumption  | Climate Change Response - Metrics and Reduction Targets - Greater Use of Renewable Energy - Plans for Investment in Renewable Energy <a href="#">➤</a><br>ESG Data - Environmental - Energy Consumption <a href="#">➤</a>                                 |
| GRI 305: Emissions                        | 305-1      | Direct (Scope 1) GHG emissions   | Climate Change Response - Metrics and Reduction Targets - GHG Emissions Management - GHG Emission Reduction Efforts <a href="#">➤</a><br>ESG Data - Environmental - GHG Emissions – Scope 1 <a href="#">➤</a>   |
|   | 305-2      | Indirect GHG Emissions – Scope 2   | Climate Change Response - Metrics and Reduction Targets - GHG Emissions Management - GHG Emission Reduction Efforts <a href="#">➤</a><br>ESG Data - Environmental - GHG Emission - Scope 2 <a href="#">➤</a>  |
|   | 305-3      | Other indirect (Scope 3) GHG emissions   | Climate Change Response - Metrics and Reduction Targets - GHG Emissions Management - GHG Emission Reduction Efforts <a href="#">➤</a><br>ESG Data - Environmental - GHG Emissions – Scope-3 <a href="#">➤</a>   |
|   | 305-4      | GHG emissions intensity  | ESG Data - Environmental - GHG Emissions <a href="#">➤</a>  |
|   | 305-5      | Reduction of GHG emissions   | Climate Change Response - Metrics and Reduction Targets - GHG Emissions Management - GHG Emission Reduction Efforts <a href="#">➤</a>   |

### GRI 3: Material Topics & Topic standards

| No. | Disclosure | Page | Notes |
|-----|------------|------|-------|
|-----|------------|------|-------|

#### Material topic 5. Waste Management and Resource Circulation

|                    |       |   |  |  |
|--------------------|-------|---|--|--|
| GRI 301: Materials | 301-1 | Materials used by weight or volume                        | ESG Data - Environmental - Raw Material Consumption ➤  |  |
|                    | 301-2 | Recycled input materials used                             | Eco-friendly Products and Resource Circulation - Resource Circulation - Product Life Cycle Management – Use of More Circulated Materials ➤<br>ESG Data - Environmental – Raw-Material Consumption ➤  |  |
| GRI 306: Waste     | 306-2 | Management of significant waste-related impacts           | Environmental Stewardship - Waste Management - Waste Management System ➤<br>Environmental Stewardship - Waste Management - Waste Management Status ➤<br>Environmental Stewardship - Management of Hazardous Chemical Substances - Management of Hazardous Chemical Substances in Products ➤<br>Environmental Stewardship - Management of Hazardous Chemical Substances - Voluntary Agreement on the Safety Management of Household Chemical Products ➤ |  |
|                    | 306-3 | Waste generated   | ESG Data - Environmental - Waste and Recycling ➤   |  |
|                    | 306-4 | Waste diverted from disposal (reuse, recycle, etc.)       | ESG Data - Environmental - Waste and Recycling ➤   |  |
|                    | 306-5 | Waste directed to disposal (incineration, landfill, etc.) | ESG Data - Environmental - Waste and Recycling ➤   |  |
|                    |       |   |  |  |

### Topic Standards Issue Subject to Report

| No. | Disclosure | Page | Notes |
|-----|------------|------|-------|
|-----|------------|------|-------|

#### Environmental

#### Water Resources Management

|                              |       |   |   |  |
|------------------------------|-------|---|---|--|
| GRI 303: Water and Effluents | 303-1 | Interactions with water as a shared resource  | Environmental Stewardship - Water Resources Management - Water Resources Management Strategy ➤  |  |
|                              | 303-2 | Management of water discharge-related impacts | Environmental Stewardship - Water Resources Management - Water Resources Risk Management ➤<br>Environmental Stewardship - Water Resources Management - Minimize Discharge of Water Pollutants ➤ |  |
|                              | 303-3 | Water withdrawal                              | ESG Data - Environmental - Water Resources Management ➤   |  |
|                              | 303-4 | Water discharge                               | ESG Data - Environmental - Water Resources Management ➤   |  |
|                              | 303-5 | Water consumption                             | ESG Data - Environmental - Water Resources Management ➤   |  |

| Topic Standards Issue Subject to Report |       |   |   |  |       |
|---|-------|---|---|--|-------|
| No.                                     |       | Disclosure  |   | Page   | Notes |
| Biodiversity                            |       |   |   |  |       |
| GRI 304: Biodiversity                   | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Climate Change Response - Biodiversity - Biodiversity Preservation Management Status - Distribution of Biodiversity by Business Site ➤<br>Climate Change Response - Biodiversity - Biodiversity Preservation Management Status - Distribution Chart by Business Site ➤                        |  |       |
|   | 304-3 | Habitats protected or restored  | Climate Change Response - Biodiversity - Biodiversity Preservation Management Status - Activities Related to Preservation and Promotion of Biodiversity ➤<br>Climate Change Response - Biodiversity - Biodiversity Preservation Management Status - Efforts on Preservation of Biodiversity ➤ |  |       |
|   | 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | Climate Change Response - Biodiversity Preservation Management Status - Distribution Chart by Business Site ➤<br>Climate Change Response - Biodiversity - Biodiversity Preservation Management Status - Distribution Chart by Business Site ➤   |  |       |
| Social                                  |       |   |   |  |       |
| Human Rights Management                 |       |   |   |  |       |
| GRI 408: Child Labor                    | 408-1 | Operations and suppliers at significant risk for incidents of child labor   | -   | By following the Employment Rules which comply with the Labor Standards Act of Korea, Coway has no business site where child labor can be used.                          |       |
| GRI 409: Forced or Compulsory Labor     | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor  | -   | By following the Employment Rules which comply with the Labor Standards Act of Korea, Coway has no business site where coercive rights regarding labor can be exercised. |       |



## Topic Standards Issue Subject to Report

| No.   | Disclosure | Page  | Notes |
|---|------------|---|-------|
| Development and Management of Human Resources |            |   |       |
| GRI 401: Employment                           | 401-1      | New employee hires and employee turnover<br>ESG Data - Social - Recruitment Status <a href="#">➤</a><br>ESG Data- Social - Employee Turnover and Retirement <a href="#">➤</a>   |       |
|   | 401-2      | Benefits provided to full-time employees that are not provided to temporary or part-time employees<br>Employees - Organizational Culture and Welfare - Systems for Work and Life Balance - Family-friendly System <a href="#">➤</a><br>Employee - Organizational Culture and Welfare - Welfare System <a href="#">➤</a> |       |
|   | 401-3      | Parental leave<br>ESG Data - Social - Parental Leave <a href="#">➤</a>  |       |
| GRI 402: Labor-Management Relations           | 402-1      | Minimum notice periods regarding operational changes<br>Employees - Organizational Culture and Welfare - Sound Labor & Management Communication <a href="#">➤</a>   |       |
| GRI 404: Training and Education               | 401-1      | Average hours of training per year per employee<br>ESG Data - Social - Employee Training <a href="#">➤</a>  |       |
|   | 401-2      | Programs for upgrading employee skills and transition assistance programs<br>Employees - Employee Development - Employee Capacity Building <a href="#">➤</a>  |       |
|   | 401-3      | Percentage of employees receiving regular performance and career development reviews<br>ESG Data - Social - Performance Evaluation <a href="#">➤</a>  |       |
| Diversity and Tolerance                       |            |   |       |
| GRI 405: Diversity and Equal Opportunity      | 405-1      | Diversity of governance bodies and employees<br>ESG Data - Social - Employee Status <a href="#">➤</a><br>ESG Data - Governance - Board of Directors <a href="#">➤</a>   |       |
| GRI 406: Non-discrimination                   | 406-1      | Incidents of discrimination and corrective actions taken<br>ESG Data - Social - Employee Grievance Process Status <a href="#">➤</a>   |       |
| Supply Chain ESG Management                   |            |   |       |
| GRI 204: Procurement Practices                | 204-1      | Proportion of spending on local suppliers<br>ESG Data - Social - Supply Chain Management <a href="#">➤</a>  |       |
| GRI 308: Supplier Environmental Assessment    | 308-1      | New suppliers that were screened using environmental criteria<br>Supply Chain - Win-win Cooperation - Partner Company Management System - Process of Selecting Partner Companies <a href="#">➤</a>  |       |
|   | 308-2      | Negative environmental impacts in the supply chain and actions taken<br>Supply Chain - Supply Chain ESG Evaluation - ESG Risk Management in Supply Chain - Improvement Status <a href="#">➤</a>   |       |
| GRI 414: Supplier Social Assessment           | 414-2      | Negative social impacts in the supply chain and actions taken<br>Supply Chain - Supply Chain ESG Evaluation - ESG Risk Management in Supply Chain - Improvement Status <a href="#">➤</a>  |       |

## Topic Standards Issue Subject to Report

| No.                                     | Disclosure  | Page   | Notes   |
|---|---|--|---|
| Social Contribution Activities          |   |  |   |
| GRI 203: Indirect Economic Impacts      | 203-1 Infrastructure investments and services supported   | Local Communities - Social Contribution Activities and Outcome - Representative Programs ><br>ESG Data - Social - Social Contribution >  |   |
| GRI 413: Local Communities              | 413-1 Operations with local community engagement, impact assessments, and development programs                      | Local Communities - Social Contribution Activities and Outcome - Representative Programs - Contribution to the Local Community ><br>ESG Data - Social - Social Contribution >  |   |
| GRI 415: Public Policy                  | 415-1 Political contributions   | ESG Data - Social - Social Contribution >  | Coway complies with the requirements of related laws and regulations, including Article 32 of the Political Funds Act of Korea. |
| Safety and Health                       |   |  |   |
| GRI 403: Occupational Health and Safety | 403-1 Occupational health and safety management system  | Safety and Health - Safety and Health Management System - Safety and Health Management Policy ><br>Safety and Health - Safety and Health Management System - Dedicated Organization for Safety and Health ><br>Safety and Health - Safety and Health Management System - Safety and Health Management System Certification >                       |   |
|   | 403-2 Hazard identification, risk assessment, and incident investigation  | Safety and Health - Safety and Health Activities - Activities to Prevent Serious Accidents - Tool Box Meeting ><br>Safety and Health - Safety and Health Activities - Activities to Prevent Serious Accidents - Voluntary Safety Inspection Consulting ><br>Safety and Health - Safety and Health Activities - Safety and Health Risk Management > |   |
|   | 403-3 Occupational health services  | Safety and Health - Safety and Health Activities - Health of Employees >   |   |
|   | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | Safety and Health - Safety and Health Management System - Dedicated Organization for Safety and Health - Operation of Occupational Safety and Health Committee >   |   |
|   | 403-5 Worker training on occupational health and safety   | Safety and Health - Safety and Health Activities - Strengthening of Safety and Health >  |   |
|   | 403-6 Promotion of worker health  | Safety and Health - Safety and Health Activities - Health of Employees - Employee Health Improvement Programs >  |   |
|   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Safety and Health - Safety and Health Activities - Activities to Prevent Serious Accidents - Voluntary Safety Inspection Consulting ><br>Safety and Health - Safety and Health Activities - Safety and Health Risk Management >  |   |
|   | 403-8 Workers covered by an occupational health and safety management system  | Safety and Health - In-house Business Partners' Safety and Health - Management of In-house Business Partners' Safety Risks ><br>ESG Data - Social - Occupational Safety and Health >   |   |
|   | 403-9 Work-related injuries   | ESG Data - Social - Occupational Safety and Health >   |   |

## Topic Standards Issue Subject to Report

| No.                                | Disclosure | Page  | Notes  |
|------------------------------------|------------|---|--|
| Governance                         |            |   |  |
| Ethics and Compliances             |            |   |  |
| GRI 205: Anti-corruption           | 205-1      | Operations assessed for risks related to corruption                             | ESG Data - Governance - Ethical Management >   |
|                                    | 205-2      | Communication and training about anti-corruption policies and procedures        | Ethical Management - Internalization of Ethical Culture - Ethical Management Training for Employees ><br>Ethical Management - Internalization of Ethical Culture - Raising Awareness of Ethical Management ><br>ESG Data - Governance - Ethical Management > |
|                                    | 205-3      | Confirmed incidents of corruption and actions taken                             | ESG Data - Governance - Ethical Management >   |
| GRI 206: Anti-competitive Behavior | 206-1      | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | ESG Data - Governance - Compliance with Laws and Regulations >   |
| Risk Management                    |            |   |  |
| GRI 201: Economic Performance      | 201-1      | Direct economic value generated and distributed                                 | Story on Creation of Value - Business Value Chain - Major ESG Achievements in 2023 ><br>ESG Data - Economic - Summarized Consolidated Financial Statements >   |
| GRI 207: Tax                       | 207-1      | Approach to tax   | Risk Management - Management of Tax Risks - Tax Policy >   |
|                                    | 207-3      | Stakeholder engagement and management of concerns related to tax                | Risk Management - Management of Tax Risks - Tax Policy >   |
|                                    | 207-4      | Country-by-country reporting  | ESG Data - Economic - Tax Report (Consolidated) >  |

## Appliance Manufacturing Sector Sustainability Indicators

| Topic                                   | Code         | Metric  | Page  |
|---|--------------|---|---|
| Product Safety                          | CG-AM-250a.1 | (1) Number of recalls issued and (2) total units recalled   | ESG Data – Social – Product Recall ➤  |
|   | CG-AM-250a.2 | Discussion of process to identify and manage safety risks associated with the use of its products   | Product Quality and Safety – Quality Management Activities – Quality Management Programs ➤<br>Product Quality and Safety – Quality Management Activities – Quality Failure Prevention Program ➤                             |
|   | CG-AM-250a.3 | Total amount of monetary losses because of legal proceedings associated with product safety         | ESG Data – Social – Product Recall ➤  |
| Product Lifecycle Environmental Impacts | CG-AM-410a.1 | Percentage of eligible products by revenue certified to an energy efficiency certification          | N/A   |
|   | CG-AM-410a.2 | Percentage of eligible products by revenue certified to an environmental product lifecycle standard | ESG Data – Environmental – Eco-friendly Investments ➤   |
|   | CG-AM-410a.3 | Description of efforts to manage products' end-of-life impacts                                      | Eco-friendly Products and Resource Circulation – Resource Circulation – Resource Circulation Management System ➤<br>Eco-friendly Products and Resource Circulation – Resource Circulation – Product Life Cycle Management ➤ |
| Activity Metric                         | CG-AM-000.A  | Annual production   | Refer to the Annual Report ➤  |

## Professional and Commercial Services Sector Sustainability Indicators

| Topic         | Code         | Metric   | Page  |
|---------------|--------------|--|---|
| Data Security | SV-PS-230a.1 | Description of approach to identifying and addressing data security risks  | Private Information Protection and Information Security – Information Security and Private Information Protection System – Information Security Management System ➤<br>Private Information Protection and Information Security – Information Security and Private Information Protection Strategies – Information Protection Risk Monitoring ➤  |
|               | SV-PS-230a.2 | Description of policies and practices relating to collection, usage, and retention of customer information   | Private Information Protection and Information Security – Information Security and Private Information Protection System – Information Protection Policy ➤<br>Private Information Protection and Information Security – Information Security and Private Information Protection System – Information Security Management System ➤<br>Private Information Protection and Information Security – Information Security and Private Information Protection System – Organization Dedicated to Information Security and Private Information Protection ➤ |
|               | SV-PS-230a.3 | (1) Number of data breaches, (2) percentage that (a) involve customers' confidential business information and (b) are personal data breaches, (3) number of (a) customers and (b) individuals affected | ESG Data – Social – Information Protection ➤  |

## Professional and Commercial Services Sector Sustainability Indicators

| Topic                            | Code         | Metric  | Page   |
|----------------------------------|--------------|---|--|
| Workforce Diversity & Engagement | SV-PS-330a.1 | Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees | Corporate Governance - Management Centered on the BOD - Composition of the BOD <a href="#">▶</a><br>ESG Data – Social – Employee Status <a href="#">▶</a><br>ESG Data – Governance – Board of Directors <a href="#">▶</a>  |
|                                  | SV-PS-330a.2 | (1) Voluntary and (2) involuntary turnover rate for employees   | ESG Data – Social – Employee Turnover and Retirement <a href="#">▶</a>   |
|                                  | SV-PS-300a.3 | Employee engagement as a percentage   | N/A  |
| Professional Integrity           | SV-PS-510a.1 | Description of approach to ensuring professional integrity  | Ethical Management – Exercise of Ethical Management – Code of Ethics <a href="#">▶</a><br>Ethical Management – Ethics Diagnosis and Monitoring - Strengthening of Ethics Diagnosis and Monitoring <a href="#">▶</a><br>Ethical management – Ethics Diagnosis and Monitoring – Anti-corruption and Risk Management <a href="#">▶</a><br>Ethical management – Internalization of Ethical Culture – Ethical Management Training for Employees <a href="#">▶</a> |
|                                  | SV-PS-510a.2 | Total amount of monetary losses as a result of legal proceedings associated with professional integrity   | ESG Data – Governance – Compliance with Laws and Regulations <a href="#">▶</a>   |
| Activity Metric                  | SV-PS-000.A  | Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract  | ESG Data – Social – Employee Status <a href="#">▶</a>  |
|                                  | SV-PS-000.B  | Employee hours worked, percentage billable  | N/A  |

## TCFD Recommendations

## Page

|                                    |  |  |
|------------------------------------|--|--|
| Governance                         | a) Describe the board's oversight of climate-related risks and opportunities.  | Climate Change Response – Climate Change Response Governance – The Board's Management of Risks and Opportunities Related to Climate Change – ESG Committee ➤ |
|                                    | b) Describe management's role in assessing and managing climate-related risks and opportunities.   |  |
| Climate change strategy            | a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.                               | Climate Change Response – Climate Change Response Strategy – Identification of Climate Risk – Climate Change Risk Impact Assessment ➤                        |
|                                    | b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.                        | Climate Change Response – Climate Change Response Strategy – Climate-Scenario Analysis and Financial Impact Assessment ➤                                     |
|                                    | c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. |  |
| Management of climate-change risks | a) Describe the organization's processes for identifying and assessing climate-related risks.  | Climate Change Response – Climate Change Response Strategy – Overview of Climate Scenario Analysis – Climate-Scenario Analysis Process ➤                     |
|                                    | b) Describe the organization's processes for managing climate-related risks.   | Climate Change Response – Climate Change Risk Management – Mid- to Long-term Carbon Neutral Roadmap – 2050 Net Zero ➤  |
|                                    | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.     |  |
| Climate-change indices and goals   | a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.    | ESG Data – Environmental – GHG Emissions ➤   |
|                                    | b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.  |  |
|                                    | c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                          | Climate Change Response – Metrics and Reduction Targets – GHG Emissions Management – GHG Emission Reduction Efforts ➤  |

# INDEPENDENT ASSURANCE OPINION STATEMENT

To: The Stakeholders of COWAY Co., Ltd.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "assurer") was requested to verify the COWAY 2024 Sustainability Report (hereinafter referred to as the "report"). The assurer is independent of COWAY and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the COWAY report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by COWAY and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

COWAY is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to COWAY only.

The assurer is responsible for providing COWAY management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of COWAY. The assurer shall not bear any other responsibility, including legal responsibility, to any third party other than COWAY in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with COWAY includes the following:

- Reporting contents during the period from January 1st to December 31st 2023 included in the report, some data included the half of 2024.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance level and type are as follows:

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following disclosures based on the sampling of information and data provided by COWAY.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies, and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

201-1~2, 203-1, 204-1, 205-1~3, 206-1, 207-1, 207-3~4, 301-1~2, 302-1, 302-3~4, 303-1~5, 304-1, 304-3~4, 305-1~5, 306-2~5, 308-1~2, 401-1~3, 402-1, 403-1~9, 404-1~3, 405-1, 406-1, 408-1, 409-1, 413-1, 414-2, 415-1, 416-1, 418-1



## Methodology

As a part of its independent assurance, the assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The assurer has performed the following activities:

- A top-level review of issues raised by external parties that could be relevant to organization's policies to provide a check on the appropriateness of statements made in the report
- Discussion with managers and staff on the organization's approach to stakeholder engagement
- Review of materiality issue analysis process and prioritization by reviewing the materiality issue analysis process and verifying the results
- Verification of data generation, collection, and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- Visit to the COWAY HQ to confirm the data collection processes, record management practices
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000 AccountAbility Principles Standard (2018)

## Limitations and approach used to mitigate limitations

The assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

## Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years of history in providing independent assurance services globally. The assurance team members do not have any business relationships with COWAY. The assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

## Opinion Statement

The assurance was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The assurer planned and performed this part of our work to obtain the necessary information and explanations considered to provide sufficient evidence that COWAY's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

## Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

## Inclusivity: Stakeholder Engagement and Opinion

COWAY defined customers, shareholders/investors, employees, partners and suppliers, local communities and academia/media/government associations as key stakeholder groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. COWAY conducted a review of the stakeholder engagement process at the governance level in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. COWAY disclosed the results related to the process in the Report.

## Materiality: Identification and reporting of material sustainability topics

COWAY implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, COWAY conducted the analysis of global sustainability reporting or assessment standards, and analyzed international disclosure standards and evaluation indicators, benchmarking the same industry, and analyzing major regulatory issues to derive the impact and financial materiality. COWAY derived 5 material issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

**Responsiveness: Responding to material sustainability topics and related impacts**

COWAY operated a management process for material issues in the context of sustainability derived from the materiality assessment. COWAY established mid- to long-term sustainability plans and goals according to the management methodology established to effectively reflect the expectations of key stakeholders. disclosed the process including policy, indicator, activity and response performance on key issues in the Report.

**Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders**

COWAY identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. COWAY established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for key issues at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

**Recommendations and Opportunity for improvement**

The assurer will provide the following comments to the extent that they do not affect the result of assurance:

- It may be helpful to advance the sustainability management system by disclosing ESG management vision, mid- to long-term objectives, and annual performance, achievement status, and improvement plans according to the implementation strategy.
- It may be effective in achieving key sustainability strategic objectives such as a circular economy, by internalizing a sustainability management framework based on key operational management systems, such as re-use of filters and re-resource rental expired products in key service segments of COWAY.
- It may be helpful to advance the sustainability management system by integrating and operating an internalized enterprise-wide risk management process with a sustainability performance indicator management framework.

**GRI-reporting**

COWAY provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by COWAY. The sector standard was not applied.

**Issue Date: 21/06/2024**

**For and on behalf of BSI (Brithish Standards Institution):**

**BSI representative**



**Jungwoo Lee, Lead Assurer, ACSAP**



**Seonghwan Lim, Managing Director of BSI Korea**

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea  
Hold Statement Number: SRA 811162



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## Water Verification Statement

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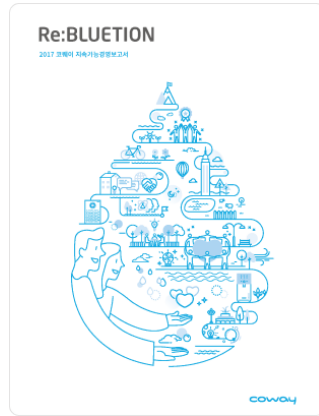
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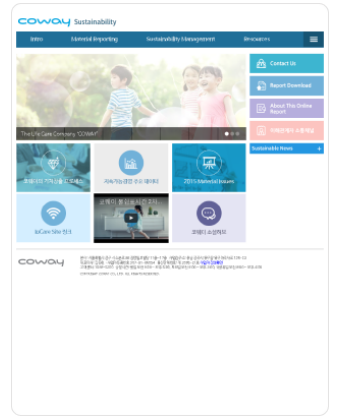
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