

Coway

Supply Chain

Sustainability Policy

2025.05.08

coway

Coway Supply Chain Sustainability Policy

1. Overview	3
2. Scope	3
3. Governance	3
4. Coway Supply Chain ESG Management Indicators	4
1) Supply Chain ESG Management Indicators.....	4
2) Coway Conflict Mineral Management Policy	5
5. Sustainability Due Diligence Process in Supply Chain.....	5
1) ESG Self-Assessment in Supply Chain	5
2) On-Desk Assessment and On-Site Audits in Supply Chain	6
3) Monitoring of Supply Chain ESG Improvement	6
4) Support for Supply Chain Capacity Building	6
6. Grievance Handling System	7
7. Supplementary Provisions	7

1. Overview

Coway has established the "Coway Supply Chain Sustainability Policy" to achieve sustainable growth together with our partners. In accordance with this policy, Coway aims to build a supply chain management system by enhancing and improving supply chain sustainability, while assessing the performance and strengthening the capabilities in the areas of environmental impact, labor and human rights, health and safety, ethics, and governance.

This policy has been developed based on key international guidelines and frameworks, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Responsible Business Alliance (RBA).

2. Scope

This policy applies to all stakeholders, including partner companies and their employees, customers, and local communities, at domestic and international sites. It covers all parties that may be impacted throughout the process where the company supplies products and services, produces goods for distribution to end consumers, and enters into contracts for other transactions.

3. Governance

In accordance with its articles of incorporation and board regulations, Coway defines and implements ESG strategies and core values related to environmental, social, and governance factors to achieve sustainable growth. To this end, Coway operates the ESG Committee, ESG Council, and ESG Working Groups. Coway reports the status of supply chain ESG management to the ESG Council on a quarterly basis.

4. Coway Supply Chain ESG Management Indicators

1) Supply Chain ESG Management Indicators

Coway has formalized the "Coway Supply Chain Code of Conduct," reflecting global guidelines such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the EICC Code of Conduct, the RBA Code of Conduct, and other relevant domestic regulations. Based on this, Coway has established the "Coway Supply Chain ESG Management Indicators."

Coway manages the supply chain ESG management indicators by categorizing them into common indicators and industry-specific innovation indicators. Common indicators are the basic metrics for all supply chains that Coway engages with, while industry-specific innovation indicators are tailored to reflect the unique characteristics required by each industry. These indicators are applied differently depending on the industry type of the supply chain.

The supply chain ESG management categories are environmental, human rights and labor, ethics and governance, and product and service. Coway actively supports improving ESG management awareness within the supply chain and identifying potential risks in advance to enable improvements.

	Environmental	Human Rights and Labor	Ethics and Governance	Product and Service
Common Indicators (Applied by all)	<div>Environmental Management System</div> <div>GHG Emissions</div>	<div>Human Rights/ Labor Practices</div> <div>Human Rights/ Labor Practices in Supply Chain</div>	<div>Ethics Management</div> <div>ESG Management and Disclosure</div> <div>Governance</div>	
Industry-Specific Innovation Indicators (Applied by Industry)	<div>Water and wastewater</div> <div>Waste</div> <div>Air Quality</div>	<div>Workplace Safety</div> <div>Occupational Illness</div>		<div>Product Environmental Certification</div> <div>Raw Material Sourcing</div> <div>Opportunities In Renewable Energy</div> <div>Chemical Safety, etc.</div>

 : Applies only to entities subject to external audit

2) Coway Conflict Mineral Management Policy

Coway has established the "Coway Conflict Mineral Management Policy" to actively address the issue of conflict minerals and fulfill its social responsibility as a global company while pursuing a sustainable future. Coway strives to avoid using minerals (3TG) mined in conflict regions, such as the Democratic Republic of Congo and neighboring countries, and works to manage a responsible supply chain by signing the "Pledge of Compliance with Non-Use of Conflict Mineral" with its partners.

5. Sustainability Due Diligence Process in Supply Chain

Coway has established and operates the "Sustainability Due Diligence Process in Supply Chain" to assess potential risk factors within the supply chain ESG areas and enhance the ESG capabilities of the supply chain.

Step 1	Step 2	Step 3	Step 4	Step 5
Self-Assessment	On-desk Assessment	On-Site Audits	Improvement Monitoring	Support for Capacity Building
Conduct self-assessment of the supply chain and notify the results on environmental, social, ethics, product and services indicators	Select high-risk groups based on self-assessment and conduct on-desk assessment through external consulting firms	Conduct on-site audits with external consulting firms, based on the results of the on-desk assessment	Request improvements for supply chain risks and monitor the implementation of improvements	Distribute global ESG trends data and support ESG training through online and offline activities

1) ESG Self-Assessment in Supply Chain

As international regulations on supply chain ESG risks are becoming more stringent, we are conducting regular self-assessments of the supply chain. Through these self-assessments, Coway is identifying potential risk factors in the areas of environmental impact, human rights and labor, ethics and governance, and product and service within the supply chain.

2) On-Desk Assessment and On-Site Audits in Supply Chain

Based on the results of the ESG self-assessments, high-risk supply chains are selected for on-desk assessments and on-site audits. To ensure transparency and objectivity, these assessments are conducted through a third-party professional consulting firm. Coway conducts on-site audits based on the on-desk assessments submitted by the supply chain and provides practical ESG consulting tailored to the supply chain's ESG management level during the audits. This helps prevent ESG risks within the supply chain in advance.

3) Monitoring of Supply Chain ESG Improvement

Coway selects and manages risk factors that require closer scrutiny from an ESG perspective. Based on the results of the supply chain's self-assessments, on-desk assessments, and on-site audits, Coway requests improvements for identified weaknesses. Coway actively supports these improvements by distributing internal operational materials and publishing partner ESG management best practices, while monitoring the improvement progress until completion.

4) Support for Supply Chain Capacity Building

Coway selects and manages risk factors that require closer scrutiny from an ESG perspective. Based on the results of the supply chain's self-assessments, on-desk assessments, and on-site audits, Coway requests improvements for identified weaknesses. Coway actively supports these improvements by distributing internal operational materials and publishing partner ESG management best practices, while monitoring the improvement progress until completion.

6. Grievance Handling System

Coway operates the Ethics Management Center (<https://company.coway.com/company/ethical>) to listen to the voices of employees regarding unfair subcontracting practices and supply chain VOCs (Voice of the Customer). Coway ensures that all reports submitted to the Ethics Reporting Center are handled swiftly and fairly. We have also established and implemented policies to protect whistleblowers and provide rewards for their contributions.

Step 1	Step 2	Step 3	Step 4
Case Submission	Review of Reported Case	Notification of Results	Internal Measures
Ethics Reporting Center Case Submission (Email and Mail Accepted)	Review of the Case and Investigation/Verification (Ethics Compliance Oversight Body)	Notification of Results to Whistleblower (for Identified Whistleblowers, Upon Request)	Internal Measures for Preventing Recurrence

7. Supplementary Provisions

This policy shall take effect as of May 8, 2025.