



coway

Human Rights Policy of Coway

Human Rights Regulations

May 2024

Human Rights Management Policy

Coway Co., Ltd. values human dignity and values. Accordingly, the personalities of Coway's employees and all stakeholders (subsidiaries, supply chain, customers, etc.) must be respected, and their values must be guaranteed and protected. Coway Co., Ltd. considers human rights a top priority in its management activities.

Importance of Human Rights Management

Human rights are basic values that must be given the highest priority in corporate activities, and we therefore continuously strive to respect and protect the human rights of all stakeholders. Through the Universal Declaration of Human Rights of 1948, the United Nations("UN") created a foundation that urges the contemporary UN member states to promote and protect human rights activities in accordance with the UN Charter. This also applies to companies doing businesses in UN member states, who are responsible for protecting the human rights of their workers and the human rights of all related stakeholders.

Human Rights Policy

In May 2017, Coway declared its commitment to establishing and implementing a corporate social responsibility policy through the Coway Trust Guidelines, and strived to win the trust of employees and customers by announcing the basic human rights principles in 2022. Following this, in May 2024, we announced the Human Rights Management Policy, establishing global-level management standards. The markets in Korea and abroad are expecting companies to broaden their scopes of social responsibility in the areas including, but not limited to, human rights, labor, and safety, through the concept of ESG (Environmental, Social and Governance) management that emerged recently. Coway hopes that this Human Rights Management Policy will become the minimum principle in establishing and instilling social responsibility as a standard in each business area.

I request all employees to be fully aware of the above directions and apply them continuously to their business activities.

May 2024

Jangwon Seo, CEO

서장원

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I . Overview

1. Purpose of Establishment

As the Best Life Solution Company, Coway strives to create a healthy and convenient living environment and a better world through its innovation. Accordingly, Coway established the Coway Human Rights Policy (hereinafter, “this Policy”).

This Policy aims to create a sustainable society based on the UN Guiding Principles on Business and Human Rights (hereinafter, “UNGP”), the Ten Principles of the UN Global Compact (hereinafter, “UNGC”) and the Responsible Business Alliance (hereinafter, “RBA”) of the International Labor Organization (hereinafter, “ILO”). It contains the basic principles of responsible business behavior and human rights that Coway will uphold for a sustainable society.

2. Scope of Application

This Policy applies to employees of Coway (all workers including executives, employees, and non-regular workers at all Coway business sites including domestic and foreign production and sales entities and Coway’s subsidiaries, hereinafter referred to as “employees”). Coway requires employees to follow this Policy when dealing with the supply chain and the sales and service organizations, and encourages all stakeholders in business relationships to respect this Policy. If the provisions of this policy conflict with the laws and regulations of a host country, the laws of the host country will be followed first, and if necessary, this Policy may be applied with modifications to reflect the laws and the industry characteristics required in the host country. If necessary, separate detailed policies can be established. Unless it is stated otherwise in the articles of incorporation or the company regulations, all employees of Coway shall conduct their business activities in accordance with this Policy.

3. Management System

Coway respects the human rights of all employees and carries out human rights management activities in accordance with this Policy. To this end, Coway's HR Team and ESG Team (hereinafter referred to as "Dedicated Team") proactively respond through regular human rights impact assessments and human rights due diligence. Discovered issues are reported to the ESG Council, and important human rights issues can be submitted as the ESG Committee agenda. The corrected issues are monitored, and the results of correction are shared transparently with the stakeholders. The Dedicated Team in charge of human rights management at Coway takes the lead in promoting a culture that respects human rights and regularly amends the applicable management system by actively applying the changes in society. The Employment Rules and the HR Committee Regulations shall apply to the matters not specified in this Policy.

II . Basic Principles

1. Non-Discrimination

Coway respects all employees equally and considers employee diversity as an important value for the company's sustainable development. Coway does not discriminate against its employees based on political, economic, or social status, such as race, age, gender, physical condition, or religion, as these factors are irrelevant to job performance. This policy applies to all aspects of employment practices, including hiring, promotion, compensation, and training.

2. Prohibition of Child Labor

Coway complies with the labor relations laws of each host country and only hires workers who are older than the legal minimum age for employment. Coway does not discriminate against employees under the age of 18 into any work environment that is hazardous in terms of safety and health. Coway also complies with various regulations and systems that must be applied to young workers, such as limiting the amount of overtime work, and providing appropriate levels of support and training to young workers.

3. Prohibition of Forced Labor

Coway guarantees that no employee will be unreasonably restricted in their mental or physical freedom or required to work against their will, and that employment is voluntary. In addition, Coway provides all employees with an employment contract written in the local language (or a language that can be understood) and will not ask for workers' personal documents, such as ID cards, passports or work permits, as a condition of employment.

4. Compliance with Working Hours

Coway does not require its employees to work more than the maximum weekly working hours stipulated by law in the countries in which they are hired or work. If an employee chooses to work overtime, it must be voluntarily agreed upon, and Coway pays the overtime allowance as prescribed by the labor relations law of the host country.

5. Humane Treatment

Coway prohibits any inhumane treatment of workers, including sexual harassment and abuse, corporal punishment and mental or physical coercion, as well as any harassment using their status at work or hierarchical superiority over another person. If any damage occurs as described above, Coway implements appropriate protection and relief measures and provides training to prevent the occurrence of such damage.

6. Safety and Health

Coway complies with relevant laws and international standards related to safety and health, and provides a safe and healthy working environment for all employees. In addition, Coway strives to minimize work-related injuries and diseases with the goal of keeping workers safe and healthy, and improving morale.

7. Freedom of Association and the Right to Collective Bargaining

Coway guarantees (respects) its employees' freedom of association and the right to collective bargaining in accordance with the labor relations laws of each host country or region. Coway do not disadvantage or discriminate against workers based on their membership in, activities related to, or formation of a labor union.

8. Responsible Sourcing of Minerals

Coway considers the negative impact on society, such as human rights violations, during the mining, production and distribution of minerals as a serious problem. To prevent the use of conflict minerals mined illegally and unethically, Coway strives to monitor whether the products or raw materials it receives contain conflict minerals. Coway continues striving to respect human rights and ensure ethical mineral procurement in accordance with the Responsible Mineral Sourcing Policy specified in the Business Partner Code of Conduct.

9. Consumer Safety and Health

When providing products and services, Coway gives the highest priority to the lives, health and safety of consumers and complies with relevant laws. If any damages occur related to product safety, Coway promptly informs consumers of such danger, and takes necessary measures, such as product recall.

10. Responsible Marketing

Coway establishes marketing standards when advertising or marketing products and services, and does not exaggerate product quality or performance or engage in unfair labeling or advertising that causes consumers to misunderstand or have misconceptions.

11. Protection of Personal Information

Coway respects the privacy of customers, and does its best to protect their personal information. Additionally, Coway prevents information leaks, and guarantees the rights of information subjects to the best of its ability by acquiring the information to the least possible extent, and making technical and/or administrative protection arrangements.

12. Protection of Local Residents' Human Rights

Coway strives to ensure that the human rights of local residents are not violated in areas where its business activities occur. Coway respects and protects the rights to life and property of local residents.

III. System Implementation

1. Governance

1) Scope of Human Rights Management

Coway makes decisions related to human rights management through a committee of top decision-makers and a council that includes decision-makers and staff from key departments. The Committee meets under the direction of the Board of Directors and decides on all matters related to sustainable management, including human rights management. The Council internally discusses the agendas to be decided by the Committee. When a human rights management matter is included in the agendas of the Council, the heads and the persons-in-charge of the departments related to HR, labor, ESG, compliance and ethics management and legal matters, who are related to human rights management, must participate in the discussion. Various stakeholders may participate in the discussions depending on the characteristics of the matter concerned.

2) Implementation of Human Rights Management

Coway considers human rights management to be the top priority in all business activities, and is identifying and improving human rights issues that can be found in all business activities. In addition, Coway promotes human rights management by establishing a dedicated department that has put in place the procedures for improving and resolving human rights violations. The Dedicated Team for human rights management is given the following tasks: 1) Establishing a human rights management system; 2) establishing and amending human rights related policies; 3) establishing a human rights management action plan; 4) conducting due diligence to identify human rights related risks; 5) handling and remedying grievances; 6) internal training; and 7) external communication.

2. Grievance Handling and Remedial Procedure of Human Rights Violation

1) Reporting and Receipt

Coway operates various grievance channels across the organization, and receives grievances from employees through them. A complainant may report a grievance through Coway's internal groupware(the Portal) and is required to identify itself to prevent making false accusations. Employees who are unable to use the grievance-handling channels can also report a grievance by sending an email to the department in charge of labor issues.

Grievance Channels

- Headquarters and R&D Center : Groupware (the Portal) → Business Support → Grievance Handling → Describe the Grievance and Save
- Sales : A separate, dedicated online channel
- Production : A dedicated online channel (Online grievance submission and whistleblowing)
- For employees who work outside the office : Coway Ethical Management Website → Report
- Channel operator: Department in charge of labor

2) Report Processing

Coway promptly verifies and takes action within ten days when a human rights violation report is submitted. Coway handles the report by referring to court precedents, regulations of competent authorities, past handling history and cases, and industry practices, and seeking the best remedy with support from the legal department.

3) Protection of Reporter's Identity

All Coway employees are protected during the grievance-handling procedure. The reporter and the report are treated as strictly confidential, and the department in charge of labor issues must keep all related information confidential. Based on the Public Interest Whistleblower Protection Act, Coway strives to protect whistleblowers from unfair cases or misconduct that violates the principles of ethical and integral management. Therefore, protective measures (separation, work-from-home, etc.) are prepared in accordance with relevant laws and the Ministry of Employment and Labor guidelines, to protect the identities of reporters and victims, and the contents of their reports. Coway strictly punishes those who attempt to identify the reporter or impose disadvantages on the reporter.

3. Training and Promotion

1) Human Rights Management Training

Coway provides human rights training to increase employees' understanding and awareness of human rights. Training contents are divided into human rights management theory, and job-related human rights training. All employees are required to complete the training offered through the in-house online education platform once per year. By doing so, Coway encourages active reporting of human rights violations and risk factors and creates a culture that respects the human rights of all stakeholders.

2) Promotion of Human Rights Management

Coway discloses the contents of its human rights training through the most suitable channels (corporate intranet and the sustainability report) that are accessible to stakeholders. Also, Coway makes its best efforts to inform all Coway employees and its business partners about the importance of human rights and the measures for protection through regular human rights training.

IV. Human Rights Impact Assessment

1. Overview

Coway may conduct human rights impact assessments on the issues (risks) that affect the human rights of employees and stakeholders, such as corporate operations and major businesses. The human rights impact assessments can be conducted by external professional organizations, and plans and results are reported through the Committee. Matters that must be considered while planning for a human rights impact assessment are: ① Subject and period of assessment; ② assessment method; ③ verification of evidence; and ④ results and monitoring.

2. Assessment and Analysis

1) Development of Assessment Indicators

The human rights impact assessment indicators have been developed referring to the Human Rights Management Manual of the National Human Rights Commission of Korea and considering Coway's main businesses activities. Coway ensures that the assessment indicators are reliable, fair and objective by having not only a Dedicated Team in charge of human rights management, but also the working group of the Committee participate in the indicator selection process. The human rights impact assessment checklist asks the respondents to give short answers in the forms of "yes," "no," "need to be improved," or "not applicable," so that they can answer the questions easily. The questions in the checklist implicitly present human rights risks and are expressed in easy and concise sentences, so that respondents can understand them by referring to detailed evaluation indicators.

2) Management of Assessment Process

Coway conducts assessments by clearly defining the purpose, scope and method thereof, to prevent the risk of internal information leakage. By having the human rights impact assessment checklist filled out, the company secures clear evidence to the responses. Answers and collected materials are assessed after fully listening to the opinions of stakeholders who are related to the subject of assessment. Interviews, sample studies, in-depth studies, and other means can be used to gather the opinions of stakeholders, and the assessment also considers the results, follow-up actions and achievements from the previous year's human rights impact assessment.

3) Improvement of Risk Factors

A department in which risk factors have been identified after the human rights impact assessment must establish specific improvement and implementation plans in consultation with the team dedicated to human rights management. The Dedicated Team for human rights management may continuously monitor such departments. During the monitoring process, the Dedicated Team addresses and re-assesses the deficiencies from the previous year in-depth and determines whether they are improved. When necessary, the Dedicated Team may investigate whether the corrective action has been implemented effectively and/or have prevented damage.

4) Management Reporting and Disclosure

The Dedicated Team for human rights management reports to the management the risk factors identified through the human rights impact assessment, and the management may establish and implement appropriate measures to prevent human rights violations based on such reports. The results of such preventive measures are monitored and pursued through follow-up reporting. Additionally, the results of Coway's human rights impact assessments are disclosed via a medium (the Sustainability Report) to which the stakeholders have access.

V. Appendix

1. References

- UN Guiding Principles on Human Rights Due Diligence
- Ten Principles of the UN Global Compact
- International Labor Organization (ILO) standards
- Public Institution Human Rights Manual of the National Human Rights Commission of Korea

This Human Rights Policy was created to reflect the opinions of internal and external stakeholders, and the departments dedicated to human rights at Coway will continue to observe human rights issues in the international community and prepare countermeasures accordingly. I hereby pledge that Coway will continue striving to create a better future through such efforts.

CEO of Coway Co., Ltd,
Jangwon Seo,

서장원

Revision History

Major Contents	Dates
Coway Trust Guidelines (Human Rights Policy Ver 1.0)	May 2017
Coway Human Rights Policy (Human Rights Policy Ver 1.5)	February 2022
Coway Human Rights Policy: Human Rights Management Regulations (Human Rights Policy Ver 2.0)	May 2024

If you have any questions about this Policy, please contact sustainability@coway.co.kr.