coway

COWAY Sustainability Report 2024

Contents

Overview	About This Report	03
	CEO Message	04
	ESG Committee Chairperson's Message	05
	About Coway	06
Approach to ESG	Sustainability Management System	11
	Double Materiality Assessment	14
	Response to Material Issues	17
Environmental	Environmental Management	22
	Climate Change Response	28
	Resource Circulation and Waste	36
	Product Stewardship	42
	Environmental Impact Management	47
Social	Employees	50
	Health and Safety	56
	Human Rights Management	64
	Supply Chain Management	69
	Customer-Centric Management	77
	Local Community	88
	Personal Information Protection and Information Security	92
Governance	Governance	99
	Ethics Management	108
	Risk Management	112
Appendix	ESG Data	115
	Policies & Initiatives	130
	Reporting Frameworks	132
	Independent Assurance Statement	140
	Download Report	143
	Awards	144

Overview

Report Overview

Coway publishes an annual sustainability report to transparently disclose its sustainability initiatives, performance, and future plans.

Moving forward, we will continue to actively utilize this report as a communication channel with stakeholders. We remain committed to considering the social and environmental impact of our business and to making ongoing efforts to address and improve ESG-related issues.

01. Reporting Standards

This report has been prepared in accordance with **the GRI (Global Reporting Initiative) Standards, the international guidelines for sustainability reporting.** It also incorporates **the SASB (Sustainability Accounting Standards Board) indicators to disclose activities for each key issue relevant to our industry.** In addition, the report reflects information disclosure guidelines of the TCFD (Task Force on Climate-related Financial Disclosures) and the ESRS (European Sustainability Reporting Standards).

02. Reporting Period

This report covers Coway's **sustainability management activities from January 1 to December 31, 2024,** based on our fiscal year-end. **Key updates from the first half of 2025 have also been included for certain material issues and achievements.** To enhance comparability, quantitative performance data is provided for the most recent four years (2021 to 2024), except for certain items where verification was not feasible.

03. Reporting Cycle

Coway published its first Sustainability Management Report in 2006, with the most recent report published in 2024. This report is **Coway's 20th sustainability report, and we plan to continue publishing the report on an annual basis.**

04. Reporting Scope and Boundary

This report has been prepared based on **Coway's separate entity basis. Key financial information is presented in accordance with the consolidated financial statements under the Korean International Financial Reporting Standards (K-IFRS).** In cases where the calculation scope or criteria have changed, or where previous data have been revised as a result, such changes are clearly indicated through accompanying footnotes.

05. Report Assurance

To ensure the accuracy, objectivity, and reliability of the reporting process and the overall information provided, **third-party assurance was conducted by an independent assurance provider.** The assurance was performed in accordance with the internationally recognized assurance standard, AA1000AS v3, and the assurance statement is included in the Appendix.

Contact Information

Address
15-20F, G-Tower, 38, Digital-ro 26-gil, Guro-gu, Seoul, Republic of Korea

Department
ESG Team, Communication Office, Communication Division

Email
sustainability@coway.com

CEO Message

Dear respected Coway partners and all stakeholders,
I am Jangwon Seo, CEO of Coway.

The 2024 Coway Sustainability Report, now in its 20th edition, reviews the achievements Coway has made over the past year and outlines our future direction in advancing sustainability management.

Amid ongoing global economic downturn and uncertainty, Coway has expanded investments in R&D for developing innovative products and securing new technologies, resulting in record-high sales and ongoing growth. Through these efforts, Coway was externally recognized by ranking first in the water purifier category in the 2024 National Brand Competitiveness Index (NBCI) and first in both the water purifier and bed categories in the 2024 Korean Customer Satisfaction Index (KCSI).

In addition, to build a more sustainable society, we have responded to domestic and international ESG regulations and stakeholder needs, actively adopted ESG policies, and strengthened our ESG management system.

This year, we aim to more systematically manage strategic tasks in each area of ESG and enhance execution toward sustainability. We will establish a phased greenhouse gas reduction strategy and implementation roadmap in line with our goal of achieving Net Zero by 2050 and set site-specific targets to manage progress. To this end, we will actively review various reduction measures to respond to climate change, such as the installation of solar power systems and the implementation of EV100. Coway will also carry out various ESG activities to reduce environmental impact, such as expanding the use of recycled resin (closed-loop) to build a circular plastic economy and applying eco-friendly refrigerants more widely in water purifiers. Furthermore, we will establish new ESG policies in areas such as supply chain sustainability and biodiversity, and strengthen our shared growth support programs, thereby striving to create greater social value. The ESG Committee within the Board of Directors will review and refine the implementation of our ESG initiatives.

Going forward, all of us at Coway remain fully committed to creating genuine environmental and social value as we work toward building a sustainable future. We appreciate your continued interest and support.

Thank you.

서 장원

Jangwon Seo,
Chief Executive Officer (CEO)

ESG Committee Chairperson's Message

Dear respected stakeholders,
I am Jin-Bae Kim, Chairperson of the ESG Committee at Coway.

First, I would like to express my sincere gratitude to all stakeholders for your unwavering support and encouragement for Coway's sustainability management.

Coway operates an ESG Committee that deliberates and makes decisions on key ESG matters based on the expertise and independence of the Board of Directors. We have formed a working-level ESG Council to regularly share our strategic ESG direction and monitor the implementation status of key tasks across each area.

In 2024, guided by our vision of becoming a "Company Caring for Better Earth," Coway has achieved various outcomes through our ESG activities, which will be transparently disclosed through this Sustainability Report.

In the Environmental (E) area, Coway implemented a resource circulation system (closed-loop) by applying recycled materials—made from plastic waste collected from returned products—to mass-produced products. We are also making continuous efforts to minimize environmental impact in the product design and packaging stages, such as simplifying packaging and using eco-friendly packaging materials. The Icon Ice Water Purifier was recognized for its energy-saving performance through the application of a high-efficiency ice evaporator and was awarded the 2024 Energy Winner Awards.

In the Social (S) area, Coway has carried out biodiversity conservation activities such as creating classroom forests, river plogging, and marine plogging campaigns. Since 2018, in partnership with the Ministry of Environment, we have also supported environmentally vulnerable groups by providing air purifiers and regular maintenance services to help improve their living environments, including protection against fine dust. In recognition of these efforts, Coway received a commendation from the Minister of Environment in 2024.

In the Governance (G) area, Coway has strengthened transparent communication by participating in voluntary disclosures of corporate value enhancement plans, selecting mid-to-long-term key performance indicators and targets to increase shareholder value, and setting goals for compliance rates with key indicators for governance advancement.

Moving forward, the Coway ESG Committee will continue to advance ESG management through transparent and responsible decision-making. We remain committed to fulfilling our corporate social responsibilities and creating long-term value for all stakeholders.

Thank you.

김 진 배

Jin-Bae Kim,
Coway ESG Committee Chairperson

Company Overview

Company Overview

Company Name	Coway Co., Ltd.
CEO	Jangwon Seo
Location of Headquarters	136-23 Yugumagoksa-ro, Yugu-eup, Gongju-si, Chungcheongnam-do, Korea
Seoul Office	15-20F, G-Tower, 38 Digital-ro 26-gil, Guro-gu, Seoul, Korea
Industry	Manufacturing, Sales, and Services for Environmental and Home Care Appliances
Date of Establishment	May 2, 1989
Website	https://www.coway.com/

Business Models

WATER CARE

As the No. 1 water purifier brand, Coway maintains purification performance through rigorous and trusted hygiene management, caring for our customers' health.

AIR CARE

We care for healthy indoor air quality with filter technology developed through world-class air quality research capabilities.

BODY CARE

We enhance a comfortable bathroom culture with more elaborate and perfect hygiene technology.

SLEEP CARE

To provide a hygienic and comfortable sleeping environment, we deliver systematic services on an appropriate schedule to care for customers' sleep quality.

HEALING CARE

We care for customers' rest by offering products that improve quality of life to be healthier and more convenient, ensuring peace of mind.

IoCARE

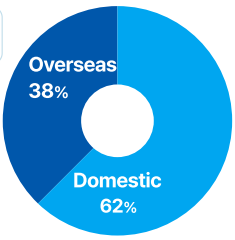
We provide customized care solutions tailored to each customer through Coway IoCare, which helps customers recognize, understand, and adopt healthy habits.

Coway Sales Composition and Key Indicators

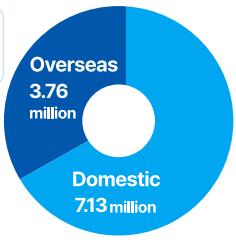
[As of 2024]

Revenue	KRW 4.3101 trillion
Operating Profit	KRW 795.4 billion (18.5% of Revenue)
Net Profit	KRW 565.5 billion (13.1% of Revenue)
Total Number of Accounts	10.89 million accounts

Sales by Segment

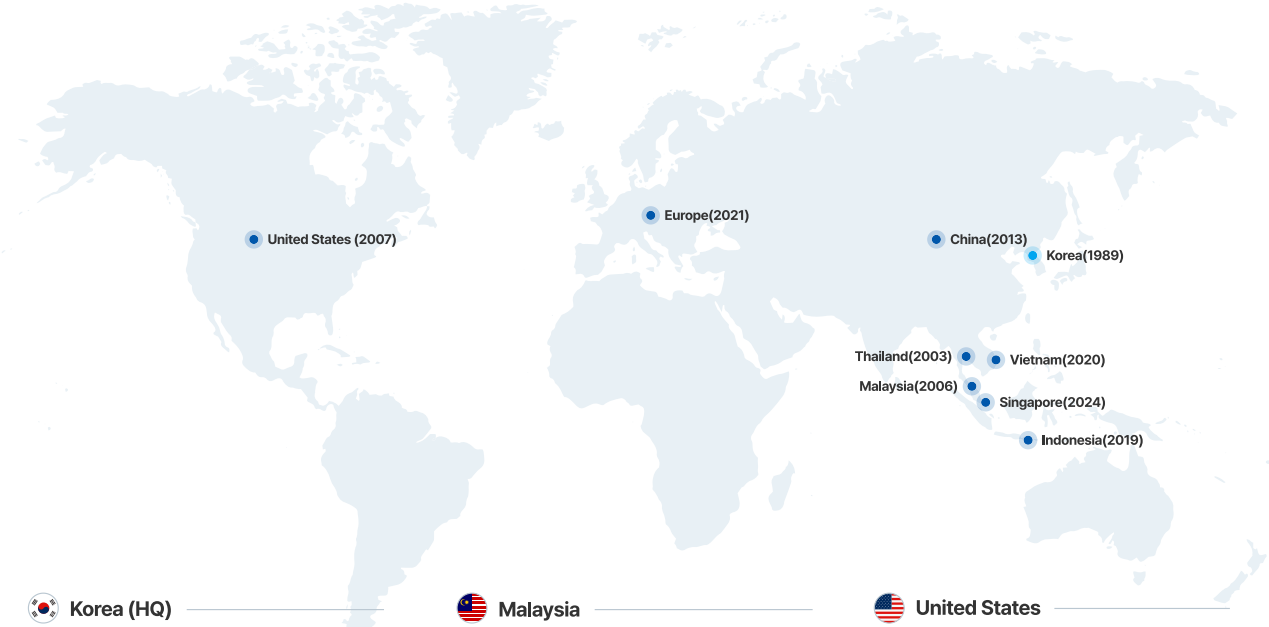


Number of Accounts by Segment



● Domestic Business ● Overseas Business

Global Network



Korea (HQ)

- Established: 1989
- Sales types: Rental / Membership / Lump-sum purchase
- Main sales channels: Door-to-door sales / Retail (online & offline)
- Products: Water Purifiers, Air Purifiers, Massage Chairs, Mattresses, Massage Chairs

Malaysia

- Established: 2006
- Sales types: Rental / Membership / Lump-sum purchase
- Main sales channel: Door-to-door sales
- Products: Water Purifiers, Air Purifiers, Mattresses, Air Conditioners, Massage Chairs

United States

- Established: 2007
- Sales types: Rental / Membership / Lump-sum purchase
- Main sales channels: Door-to-door sales / Retail (online)
- Products: Water Purifiers, Air Purifiers, Massage Chairs

Thailand

- Established: 2003
- Sales types: Rental / Membership / Lump-sum purchase
- Main sales channel: Door-to-door sales
- Products: Water Purifiers, Air Purifiers

Indonesia

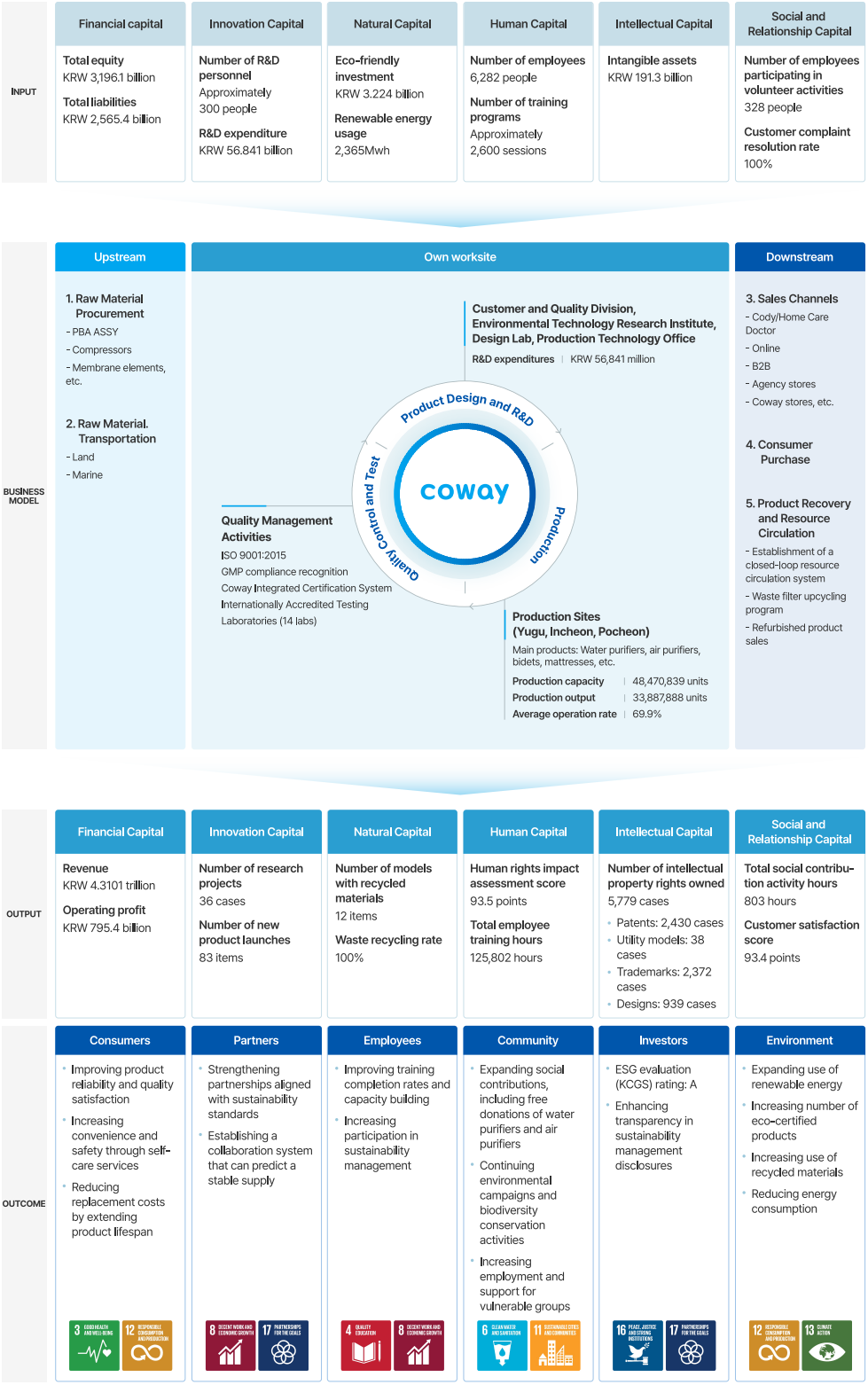
- Established: 2019
- Sales types: Rental / Membership / Lump-sum purchase
- Main sales channel: Door-to-door sales
- Products: Water Purifiers, Air Purifiers

Vietnam

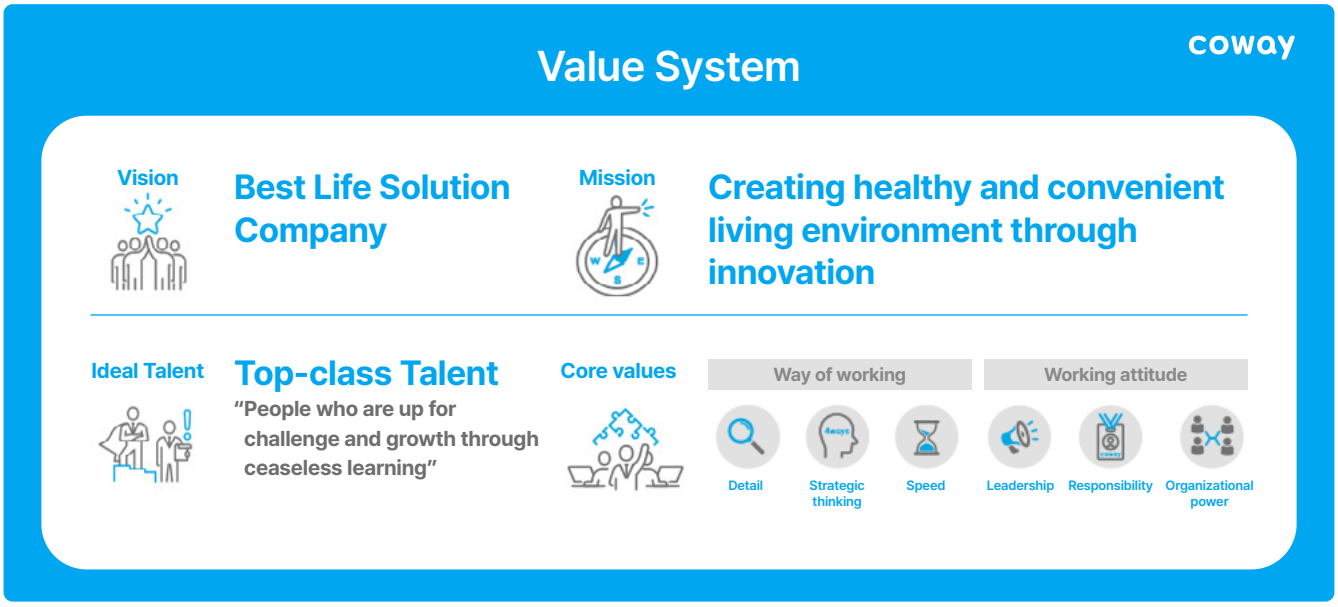
- Established: 2020
- Sales types: Rental / Membership / Lump-sum purchase
- Main sales channels: Door-to-door sales / Retail (offline)
- Products: Water Purifiers, Air Purifiers

Value Creation Process

As a life care solutions company dedicated to supporting customers' healthy lives and a sustainable environment, Coway delivers well-being value in everyday life through its core products such as water purifiers and air purifiers, and its care services. To this end, we incorporate sustainability into all stages of our operations, including product planning, R&D, production, quality control, and customer management, based on financial, innovation, natural, human, intellectual, and social and relationship capital. We seek to systematically identify the positive impact of these outcomes on stakeholders and society. Going forward, Coway will continue to practice ESG-driven management and work together with diverse stakeholders to build a sustainable future.



Value System



Approach to ESG

ESG Management Implementation Strategy

Coway's vision is "A Company Creating a Better Planet." Based on this, we've established and are implementing an ESG management strategy for sustainable growth. We set operational strategic directions for each ESG area, select key tasks accordingly, and systematically implement them while continuously monitoring the operational status.

ESG Vision House

ESG Management Vision
A Company Creating a Better Planet

+

ESG Management Mission
2030 Plan for a Better Planet

Strategic Goal
Sustainable New Coway with Constant Change and Innovation

	Environmental	Social	Governance
Strategic Direction	Establishing a carbon neutrality management system	Promoting sustainable growth	Operating transparent and sustainable governance
Key Task	• Practicing carbon neutrality • Enhancing resource circularity • Minimizing environmental impact • Practicing environmental management	• Implementing human rights management • Expanding diversity • Establishing a safe working environment • Managing sustainable supply chains • Strengthening information protection systems • Practicing customer-centric management	• Securing soundness of governance • Strengthening stakeholder communication • Advancing ethical management
Implementation Strategy and Target	• Setting and managing carbon emission reduction targets • Executing 2050 Net Zero strategy through investment in renewable energy and transition to low-carbon energy • Reducing environmental impact by establishing Korea's first closed-loop resource circulation system	• Advancing human rights management system and promoting a culture of human rights • Establishing a culture of diversity and inclusion by increasing employment of female leaders and persons with disabilities • Strengthening practice of fair trade and mutual growth • Achieving zero serious accidents through enhanced safety and health management system • Setting and managing goals to improve customer satisfaction	• Strengthening shareholder return policy • Enhancing governance independence and transparency • Sustaining communication with shareholders and investors • Practicing ethics management through corruption risk assessment
Alignment with UN SDGs	7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	5 Gender Equality; 16 Peace, Justice and Strong Institutions; 17 Partnerships for the Goals

Governance Structure for Promoting ESG Management

To systematically advance its ESG management initiatives, Coway established the ESG Committee under the Board of Directors in August 2021. The committee is composed of the CEO and two independent directors, and it convenes regularly twice a year to set ESG targets and strategic directions, manage major risks, and deliberate and resolve key ESG issues. Additionally, the ESG Council, comprised of working-level representatives from various departments meets quarterly to identify department-specific key ESG tasks and implement action plans to achieve their targets.

Organizational Chart for Coway's ESG Governance Structure

Stakeholder Engagement

Coway defines key internal and external entities that influence its business activities as stakeholders and classifies them into seven groups: customers; shareholders and investors; employees; partners; local communities; academia and the media; and the government. To gather stakeholder input and communicate effectively, we operate tailored communication channels for each group, with relevant dedicated departments responsible for their management. By actively encouraging stakeholder engagement and communication on material issues, we aim to enhance transparency and efficiency in management and build sustainable relationships based on trust.

Stakeholder Engagement

Stakeholder	Channel	Frequency	Main communication topic
Customers	Corporate website	Frequently	• Responsibilities related to product stewardship, including safety and quality • Product and service experience • Receipt and resolution of customer complaints
	Media and press releases	Frequently	
	VOC/customer center	Frequently	
Shareholders and investors	Annual general meetings of shareholders	Once a year	• Corporate value creation • Enhancement of shareholder value • Sound corporate governance • Business opportunity and risk management
	IR meetings	Frequently	
	Investor/analyst conference calls	Frequently	
	IR webzine	Once a month	
Employees	Labor-Management Council	4 times a year	• Fair performance evaluation and compensation • Competency development • Work-life balance • Diversity-based corporate culture
	In-house online consultation channel	Frequently	
Partners	Partner meetings	At least once a year	• Win-win cooperation with partners • Support for partners' sustainability development
	Integrated purchasing system	Frequently	
Local communities	Meetings with local communities and government agencies	Frequently	• Participation in social contribution and community activities • Job creation in local communities • Sustainable regional development
	NGO meetings	Frequently	
	Social contribution programs and projects	Frequently	
Academia and the media	Corporate governance report	Once a year	• Transparent information disclosure • ESG data and performance communication
	Business report and other regular disclosures	At least 5 times a year	
	Participation in global ESG ratings	At least 6 times a year	
	Participation in sustainability management initiatives	At least 4 times a year	
Government	Disclosures to the Financial Supervisory Service and the Fair Trade Commission	Frequently	• Economic value distribution, including tax payments • Legal compliance and ethical management
	Legal/regulatory compliance	Frequently	
	Public-private partnership projects	Frequently	

Double Materiality Assessment

Coway conducts a double materiality assessment annually to identify sustainability issues that require focused management. The material issues are selected by comprehensively considering the impact of social and environmental factors on our financials and the impact of our business activities on society and the environment. The 2024 assessment was conducted based on the materiality assessment implementation guidance outlined in ESRS[1] and EFRAG[2] IG 1 as presented in the European Sustainability Reporting Standards (ESRS). In particular, unlike previous reporting periods, the assessment was conducted on an individual IRO[3] basis rather than on individual issues, and in the assessment process, opinions of internal and external stakeholders, were gathered and then used to select key IROs and identify material issues. The final materiality assessment results were reported to and signed off by the Board of Directors.

1) ESRS: European Sustainability Reporting Standards
2) EFRAG: European Financial Reporting Advisory Group
3) IRO: Refers to Impact, Risk, and Opportunity related to corporate business activities

Materiality Assessment Process

— 01

Derive an Issue Pool

A long-list of issues (all ESRS topics) was composed based on ESRS 1 and IG 1. In addition, a total of 24 issues were derived for the short-list (priority issues) by reflecting Coway's existing material issues, ESG disclosure standards, assessment agency's management indicators, and issues of benchmarked companies.

- Constructed a long-list of 93 issues based on ESRS
- Reviewed the linkages between each issue and the value chain (upstream, own worksite, downstream)
- Considered Coway's business environment, benchmarking companies, ESG standards, etc.
- Finalized a short-list of 24 issues

— 02

Identify IRO

For each issue in the short-list, we identified the risks and opportunities faced by the company in terms of financial materiality and the positive and negative impacts of the company on society and the environment in terms of impact materiality (i.e., social and environmental materiality). In the identification process, we selected IROs with high relevance to Coway's business after having internal and external stakeholders review them to enhance consistency.

— 03

Assess IRO

A survey was conducted with internal and external stakeholders to evaluate the identified IROs. For financial and impact materiality, the likelihood of occurrence and the impact of occurrence were assessed on a five-point scale. The survey included not only internal employees but also partner companies and external experts in the environmental, social, and governance fields.

– Assessment Factors

Financial Impact		Social & Environmental Impact	
Risk	**Opportunity**	**Positive**	**Negative**
Scale, likelihood of occurrence	Scale, likelihood of occurrence	Scale, likelihood of occurrence	Scale, scope, likelihood of occurrence, irremediable character

— 04

Select Material Issues

Based on the IRO assessment results, we identified a total of eight issues that exceeded the threshold for at least one financial or impact materiality and chose them as material issues. The threshold was set at exceeding 25% of the average score of financial and impact materiality.

Stakeholder Engagement

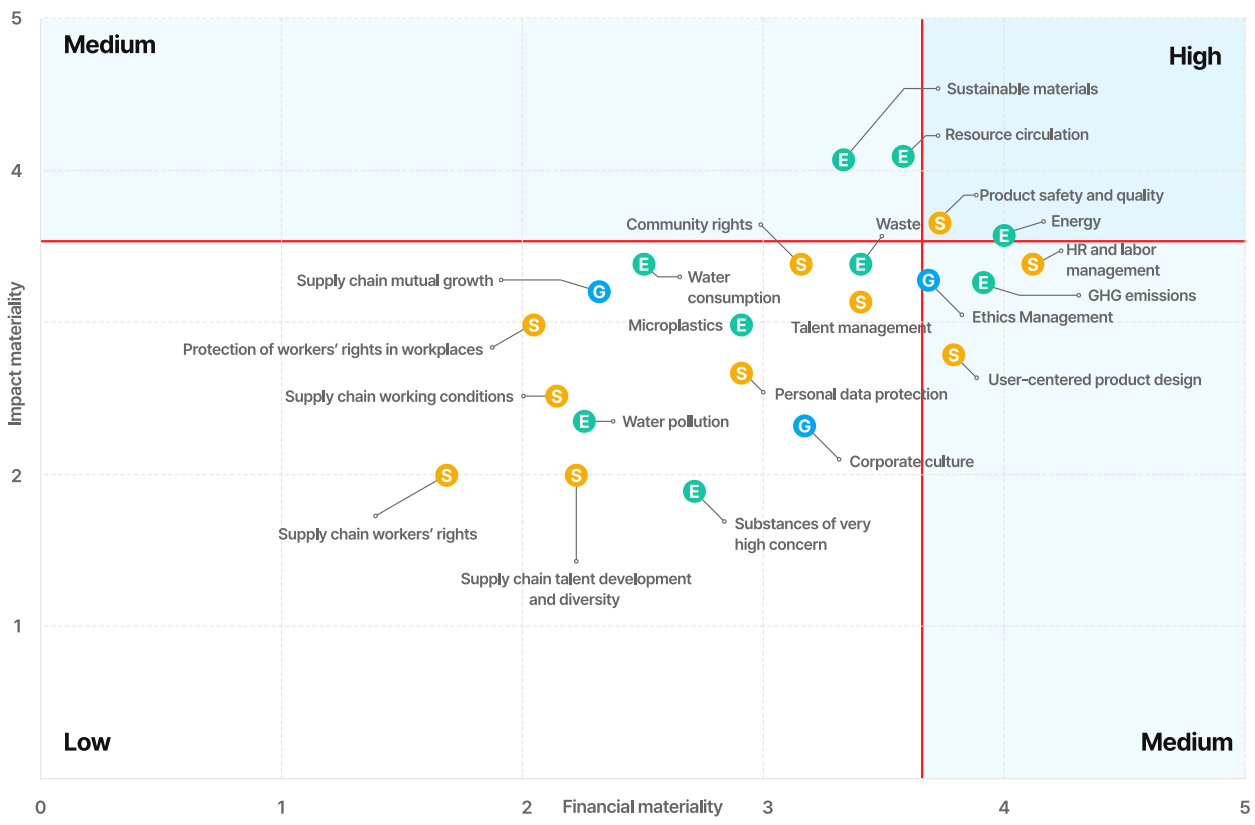
We enhanced the objectivity of the assessment by strengthening the engagement of our internal and external stakeholders and selected material issues based on their opinions. In the IRO identification stage, we held a meeting with employees from applicable departments to select IROs highly relevant to the short-list. Subsequently, both internal employees and external stakeholders participated in the IRO assessment to evaluate financial and social/environmental impacts. Based on the assessment results, the selected material issues were reported to the management for final review and confirmation.

Stakeholder Engagement Methods

Stage	Method	Target stakeholders	Engagement description
Identify IRO	Interviews with working-level employees	Working-level employees in relevant departments	Review the validity of positive/negative impacts, risks, and opportunities related to the short-list
Assess IRO	Stakeholder survey	Internal/external stakeholders • Relevant department employees, partners, external experts in each ESG field	Assess and prioritize the materiality of identified impacts, risks, and opportunities; collect opinions on managing material issues and improving sustainability management
Select Key IROs and Material Issues	Executive meeting	Executives	Report materiality assessment results, including IRO identification and assessment, and discuss responses aligned with business model and management strategy

Materiality Assessment Results

Based on our double materiality assessment, all eight High[1] and Medium[2] -level issues that exceeded the thresholds for at least one of financial or impact materiality were designated as material issues. The following issues were carried over as material issues from the previous year: GHG emissions, energy, sustainable materials, resource circulation, product safety and quality, and user-centered product design. On the other hand, HR and labor management as well as ethics management were added as new material issues to reflect industry characteristics, trends, regulatory changes, and stakeholder demands.



1) High: Both financial and impact materiality exceed threshold
2) Medium: Either financial or impact materiality exceeds threshold

Material Issues

Category	Issue	Compared to last year	Reason for selecting as material issue
E	GHG emissions	Same as last year	It was selected as a material issue as the rise in energy and raw material costs—caused by abnormal climate conditions and carbon neutrality policies—poses financial risks that may lead to reduced sales and increased production costs.
	Energy	Same as last year	It was selected as a material issue as the sharp increase in energy prices and policies promoting the use of renewable energy are expected to raise the cost burden of improving energy efficiency and transitioning to renewables, presenting financial risks. On the other hand, it was selected as a material issue as energy management through renewable energy transition and energy reduction technologies is expected to have a positive environmental impact.
	Sustainable materials	Same as last year	It was selected as a material issue as the use of recycled raw materials—such as regenerated resin and recycled polyester—not only contributes to resource conservation but also has a positive impact on reducing waste and GHG emissions.
	Resource circulation	Same as last year	It was selected as a material issue as Coway's rental business model, being closely linked to product recovery and recycling, promotes resource circulation and contributes to the reduction of waste generation.
S	HR and labor management	Newly added	It was selected as a material issue as the strengthening of labor-related laws, such as limiting working hours and raising the minimum wage, has increased the burden of labor and management costs, posing financial risks.
	Product safety and quality	Same as last year	It was selected as a material issue as quality risks associated with products may lead to recalls and disruptions in production and delivery, which could result in decreased sales and rental cancellations, thus posing financial risks. On the other hand, the implementation of real-time quality management to ensure the production of safe and defect-free products has been identified as a material issue, as it contributes to enhancing consumer trust and creating social value.
	User-centered product design	Same as last year	It was selected as a material issue in terms of social inclusion and competitiveness enhancement through product design and launches that respond to the needs of diverse consumers.
G	Ethics management	Newly added	It was selected as a material issue in terms of a negative impact, as excessive sales activities or incorrect information provided by field-based sales personnel may lead to customer dissatisfaction, damage to brand credibility, and rental cancellations.

Response to Material Issues

Material Issue #1 GHG Emissions

Governance

Coway's Board of Directors serves as the company's highest decision-making body, deliberating and deciding on strategies and policies related to overall sustainability management including climate change issues, and supervising the execution by management. To this end, the ESG Committee has been established under the Board, composed of two independent directors (including the chairperson) and the CEO, to deliberate on key agenda items on risks and opportunities related to climate change. The ESG Committee regularly receives reports on the establishment and implementation status of strategies, considering key climate-related risk and opportunity factors. It also reviews and approves core agenda items such as GHG reduction targets, resource circulation strategies, and eco-friendly technology development. In 2024, the Committee reviewed the achievements of key tasks including "Expansion of eco-friendly technology development and certification," "Establishment of a resource circulation system," and "Climate risk scenario analysis," along with the 2025 plan for operating key ESG indicators and advancing key tasks.

Strategy

Key IRO[1]		Materiality		Occurrence period[2]	Occurrence location	Reporting location
		Likelihood of occurrence	Impact if occurred			
Risk	Potential financial losses such as decreased sales and increased production costs may arise due to disruptions in product manufacturing and delivery caused by abnormal weather events like typhoons, floods, and heatwaves, as well as rising energy and raw material costs following the government's declaration of the 2050 carbon neutrality target	●●○	●●○	Mid-term	Upstream Own operations Downstream	Climate Change Response

Risk Management

- Assessing abnormal climate risks and establishing response plans in preparation for production and delivery disruptions and financial losses caused by abnormal climate events
- Establishing a production cost reduction roadmap by developing energy-efficient products and adopting low-carbon raw materials in preparation for the rising energy and raw material costs following the government's declaration of the 2050 carbon neutrality target

Target

- Achieve carbon neutrality (Scope 1, 2) by 2050
- Derive quantitative financial directions according to climate risks and opportunities

1) IRO (Impact, Risk, Opportunity) refers to key factors that cause financial risks and opportunities to the company or have positive/negative impacts externally including stakeholders.
2) Period of occurrence of the IRO (Short-term: within one year; Mid-term: within 2–5 years, Long-term: over 5 years)

Material Issue #2 Energy

Governance

Coway's Board of Directors serves as the highest decision-making body for environmental management. The ESG Committee, established under the Board, regularly reviews and deliberates on key agenda items related to sustainability management, including environmental management. In 2024, Coway established the 'Coway Closed-loop' resource circulation system based on its in-house product return and recovery framework. The application status of recycled materials by product model for the year 2024 was reviewed and approved by the ESG Committee. The Environmental Safety Certification Team and the COST Management Team are responsible for operating the company's waste resource recovery and recycling systems, as well as reducing energy consumption through the use of circular materials. Strategies and initiatives for continuous improvement are reported to the Board of Directors twice a year. During these reporting sessions, responsible personnel from related departments assess the implementation status and discuss future directions.

Strategy

Key IRO[1]		Materiality		Occurrence period[2]	Occurrence location	Reporting location
		Likelihood of occurrence	Impact if occurred			
Risk	Increasing cost burden from renewable energy facility establishment and sustainable power purchase agreements (PPA) due to rising energy costs and growing demand for renewable energy transition	●●○	●●○	Mid-term	Own operations	Environmental Management Climate Change Response
Positive	Reducing consumer energy consumption by selling products equipped with energy-saving technologies	●●●	●●○	Short-term	Downstream	Eco-friendly Products and Technologies

Risk Management

- Establishing a roadmap for adopting high-efficiency equipment and expanding renewable energy infrastructure at production sites to address risks related to energy costs and transition investments
- Developing mid- to long-term strategies and promoting company-wide energy use optimization to alleviate the burden from expanding sustainable power purchase agreements (PPA)
- Establishing a roadmap for developing new products with high-efficiency energy technologies
- Expanding product lines that apply high-efficiency energy technologies and strengthening customer communication centered on energy-saving effects

Target

- Expand the installation of renewable energy facilities
- Introduce and expand high-efficiency mobility operations
- Increase sales of eco-friendly products

1) IRO (Impact, Risk, Opportunity) refers to key factors that cause financial risks and opportunities to the company or have positive/negative impacts externally including stakeholders.
2) Period of occurrence of the IRO (Short-term: within one year; Mid-term: within 2–5 years, Long-term: over 5 years)

Material Issue #3 Sustainable Materials

Governance

As environmental risks from climate change continue to intensify, Coway actively seeks to adopt and develop eco-friendly technologies and products to minimize environmental impact throughout the product lifecycle and to achieve carbon neutrality targets. Under the three strategic pillars of "market leadership, regulatory compliance, and securing new growth engines," we are systematically promoting sustainable technological innovation and product development. This process is led by the Technology Strategy Team within the Environmental Technology Research Institute, with departments that belong to relevant working groups performing tasks to address each of the risks and opportunities. The progress and future plans of tasks performed by each department are reported and managed through the ESG Council, which convenes four times a year.

Strategy

Key IRO[1]		Materiality		Occurrence period[2]	Occurrence location	Reporting location
		Likelihood of occurrence	Impact if occurred			
Positive	Minimizing environmental impact and conserving resources by increasing the proportion of recycled raw materials used	●●●	●●○	Mid-term	Upstream	Eco-friendly Products and Technologies Resource Circulation and Waste

Risk Management

- Establishing targets for the use of recycled materials by major product line and implementing a monitoring system
- Increasing sales of eco-friendly products using recycled materials for products using regenerated materials

Target

- Expand the use of eco-friendly refrigerants in new water purifier models
- Expand the application of circular materials

1) IRO (Impact, Risk, Opportunity) refers to key factors that cause financial risks and opportunities to the company or have positive/negative impacts externally including stakeholders.
2) Period of occurrence of the IRO (Short-term: within one year; Mid-term: within 2–5 years, Long-term: over 5 years)

Material Issue #4 Resource Circulation

Governance

The highest decision-making body for Coway's environmental management is the Board of Directors, and the ESG Committee established under the Board regularly reviews and deliberates on key agenda items related to sustainability management, including environmental management. In 2024, Coway established the 'Coway Closed-loop' resource circulation system based on its in-house product return and recovery framework. The status of recycled material application by product model for 2024 was reviewed, approved, and reported through the ESG Committee. The Environmental Safety Certification Team and the COST Management Team oversee the operation of waste resource collection and recycling systems for Coway products, as well as energy consumption reduction through the use of circular materials. Strategies and initiatives for ongoing improvement are reported to the Board of Directors twice annually. During these reporting sessions, responsible personnel from related departments assess the implementation status and discuss future directions.

Strategy

Key IRO[1]		Materiality		Occurrence period[2]	Occurrence location	Reporting location
		Likelihood of occurrence	Impact if occurred			
Positive	Contributing to resource conservation and the growth of the recycling market by establishing a resource-circulating business model, such as a 100% recycling system for used mattresses	●●●	●●○	Mid-term	Own operations Downstream	Resource Circulation and Waste

Risk Management

- Expanding product lines applying a closed-loop resource circulation system based on product recovery and enhancing its operation
- Building a consumer-participatory resource circulation model by operating a waste filter upcycling program

Target

- Expand sales of refurbished products
- Achieve a 100% waste recycling rate by 2030

1) IRO (Impact, Risk, Opportunity) refers to key factors that cause financial risks and opportunities to the company or have positive/negative impacts externally including stakeholders.
2) Period of occurrence of the IRO (Short-term: within one year; Mid-term: within 2–5 years, Long-term: over 5 years)

Material Issue #5 HR and Labor Management

Governance

Coway discusses and makes decisions on key matters regarding human rights management through the ESG Committee, which involves the top decision-maker, and the ESG Council, which involves decision-makers and working-level staff from major departments. The ESG Committee regularly reports and deliberates on necessary matters for human rights protection, such as the establishment and revision of human rights management policies and current status and plans. Human rights management is jointly overseen by the HR Team and ESG Team, which are responsible for establishing and operating the human rights impact assessment system, as well as setting improvement tasks and monitoring their implementation. Internal discussions for submitting agenda items to the Committee are conducted through a working-level council, with mandatory participation from personnel in charge of labor management, compliance and ethical (Jeong-Do) management, and legal departments.

Strategy

Key IRO[1]		Materiality		Occurrence period[2]	Occurrence location	Reporting location
		Likelihood of occurrence	Impact if occurred			
Risk	Pressure on labor and management costs from stricter labor laws (e.g., limiting working hours, raising minimum wages, enhancing worker benefits, regulating ordinary wages)	●●●	●●●	Short-term	Own operations	Employee Welfare Corporate Culture and Diversity

Risk Management

- Internalizing a sound labor-management culture
- Promoting human rights management improvement tasks for employees

Target

- Strengthen employee communication through quarterly labor-management council meetings
- Enhance human rights impact assessments (expand the scope, etc.)

1) IRO (Impact, Risk, Opportunity) refers to key factors that cause financial risks and opportunities to the company or have positive/negative impacts externally including stakeholders.
2) Period of occurrence of the IRO (Short-term: within one year; Mid-term: within 2–5 years, Long-term: over 5 years)

Material Issue #6 Product Safety and Quality

Governance

Coway has established a Customer & Quality Division to maximize customer value, striving to develop products based on future-oriented strategies, innovative designs, and superior quality. Quality issues are shared and discussed weekly in key executive meetings, including the CEO and senior business leaders. The matters discussed are incorporated into company-wide processes to ensure that quality concerns are addressed promptly and systematically.

Strategy

Key IRO[1]		Materiality		Occurrence period[2]	Occurrence location	Reporting location
		Likelihood of occurrence	Impact if occurred			
Risk	Recalls and production/delivery delays caused by product quality risks, leading to sales decline and reduced consumer trust	●●○	●●●	Short-term	Own operations Downstream	Quality Management Activities
Positive	Strengthening product responsibility and enhancing consumer trust through real-time product quality management via quality issue response meeting groups and quality management programs	●●●	●●○	Mid-term	Own operations	Customer-Centric Management System

Risk Management

- Conducting consulting to diagnose overall quality and derive improvement plans
- Operating a preemptive risk response system for certification throughout the entire process from product planning to launch via an integrated certification system
- Enhancing testing capabilities and strengthening overseas certification response through expanded operation of internationally accredited testing laboratories

Target

- Achieve 'zero risk' for product quality and safety
- Internalize quality management

1) IRO (Impact, Risk, Opportunity) refers to key factors that cause financial risks and opportunities to the company or have positive/negative impacts externally including stakeholders.
2) Period of occurrence of the IRO (Short-term: within one year; Mid-term: within 2–5 years, Long-term: over 5 years)

Material Issue #7 User-Centered Product Design

Governance

Coway has established a Customer & Quality Division to maximize customer value, striving to develop products based on future-oriented strategies, innovative designs, and superior quality. Every week, an executive meeting that involves key executives of business departments including the CEO is held to share quality issues, and the items discussed are reflected in company-wide processes to promptly and systematically resolve quality issues.

Strategy

Key IRO[1]		Materiality		Occurrence period[2]	Occurrence location	Reporting location
		Likelihood of occurrence	Impact if occurred			
Opportunity	User-centered design (universal design) responding to increasing social demands for improved product accessibility, leading to new customer acquisition and market share expansion	●●●	●●○	Short-term	Own operations Downstream	Customer satisfaction activities

Risk Management

- Improving customized features based on VOCs and developing products with enhanced usability and convenience
- Improving usability and accessibility through application of universal design elements such as braille stickers

Target

- Maintain Consumer-Centered Management (CCM) Certification
- Enhance usability through customer satisfaction surveys

1) IRO (Impact, Risk, Opportunity) refers to key factors that cause financial risks and opportunities to the company or have positive/negative impacts externally including stakeholders.
2) Period of occurrence of the IRO (Short-term: within one year; Mid-term: within 2–5 years, Long-term: over 5 years)

Material Issue #8 Ethics Management

Governance

To promote Jeong-Do Management, Coway operates the Ethics Management Team and the Diagnosis Team under the Compliance Division, performing tasks such as related system management, training, campaigns, monitoring, and audits. The Ethics Management Team is responsible for controlling risks in sales and service organizations, while the Diagnosis Team manages risks in other organizations. The two teams collaborate complementarily to strengthen internal controls and promote education and campaigns, contributing to the spread of the Jeong-Do Management culture. Moreover, recognizing the importance of responsible ethical practices, we operate the Ethics Management Committee under the direct supervision of the CEO to enhance internal ethical management and Jeong-Do sales management. The committee consists of business division heads and department managers as members, and it plays a key role in making prompt decisions and improvements on major issues within each division. In 2024, the committee was convened a total of 4 times, and 8 agenda items were proposed and addressed, including measures to strengthen customer information management and standards for product installation and returns.

Strategy

Key IRO[1]		Materiality		Occurrence period[2]	Occurrence location	Reporting location
		Likelihood of occurrence	Impact if occurred			
Risk	Excessive sales activities and the provision of inaccurate information by field-based sales personnel leading to customer dissatisfaction, which could result in rental service subscription cancellations and a decline in brand trust	●●●	●●○	Mid-term	Own operations Downstream	Ethics Management

Risk Management

- Managing ethical risks in sales and service fields through proactive diagnosis, training, and reporting systems with a need to establish a quality-based sales culture to secure customer trust and prevent rental service cancellations

Target

- Strengthen ethical/Jeong-Do management

1) IRO (Impact, Risk, Opportunity) refers to key factors that cause financial risks and opportunities to the company or have positive/negative impacts externally including stakeholders.
2) Period of occurrence of the IRO (Short-term: within one year; Mid-term: within 2–5 years, Long-term: over 5 years)

Environmental

Environmental Management System

Environmental Policy

Coway embraces "Healthy Environment, Happy People" as the core value of environmental management and strives to minimize environmental impact across business activities and the value chain through eco-friendly products and services. In 2006, we publicly declared our commitment to environmental management, followed by the establishment of our Environmental Management Policy in 2012, focusing on regulatory compliance and building stakeholder trust. Furthermore, in May 2024, we enacted an updated environmental policy reflecting enhanced environmental management standards. This policy applies to all of Coway's business sites and is recommended for implementation by our subsidiaries and business partners.

Environmental Policy

Coway Environmental Policy

1 Overview

1. Purpose of Establishment
2. Scope of Application

2 Basic Principles

1. Eco-friendly Business Investment and Innovation
2. Compliance with Environmental Laws and Creation of Value
3. Compliance with Precautionary Principles
4. Development of Sustainable Technology
5. Transparent Disclosure of Information

3 System Implementation

1. Governance
2. Training and Promotion

4 Risk Management

1. Identification of Risks
2. Assessment and Analysis of Risk
3. Risk Reduction
4. Disclosure of Risk Status and Results

Governance Structure for Promoting Environmental Management

Coway's Board of Directors serves as the highest decision-making body for environmental management. The ESG Committee, established under the Board, regularly reviews and deliberates on key agenda items related to sustainability management, including environmental management. In 2024, the ESG Committee approved and received reports on items such as the enactment and revision of the environmental management policy and the selection of key tasks for managing Scope 1 and 2 greenhouse gas emission targets. Coway's Environmental Safety and Certification Team serves as the dedicated organization responsible for company-wide environmental management. It oversees tasks such as establishing greenhouse gas reduction strategies, measuring and analyzing environmental data, and building internal and external ESG environmental infrastructure. We also comprehensively manage company-wide environmental performance and report related improvement strategies and action plans to the Board of Directors twice a year. During these reporting sessions, responsible personnel from related departments assess the implementation status and discuss future directions.

Environmental Management Reporting System

Environmental Management Strategy

Coway has established an environmental management strategy to continuously deliver eco-friendly products and services while minimizing environmental impact across its business activities. To achieve carbon neutrality by 2050 through a phased implementation of RE100, we are focusing on four key tasks: "maximizing environmental brand value, managing environmental impact, promoting resource circulation, and encouraging communication and participation." These core initiatives are being integrated into company-wide operations, with the aim of fully embedding the environmental management framework across the organization by 2030. Progress is systematically tracked by linking the initiatives to key performance indicators (KPIs) for relevant departments, ensuring accountability and ongoing improvement.

Environmental Management Strategy System

VISION | Best Life Solution Company

Mid-to Long-term Target

Achieve carbon neutrality by 2050 through a phased implementation of RE100 (Renewable Electricity 100%)

Strategy

Creating a future where eco-friendly policies and ecosystems are expanded to enhance corporate value and embed that value into customers' daily lives

Implementation plan

Maximization of environmental brand value

- Development and adoption of eco-friendly technologies
  - Application of high-efficiency, energy-saving technologies (water purifiers, air purifiers, bidets)
- Expansion of eco-friendly packaging
  - Development of reusable packaging materials (massage beds)
  - Waste reduction through simplified packaging

Environmental impact management

- Activities to reduce environmental impact
  - Voluntary promotion of renewable energy use
- Environmental impact management across the supply chain
  - Management of Scope 3 greenhouse gas emissions
  - ESG consulting for partners and monitoring of improvement tasks

Resource circulation

- Expansion of the circular economy system
  - Adoption of closed-loop application models
  - Expansion of government-recognized recyclable items (increase in recycling volume)

Communication and participation

- Improvement of local environmental conditions
  - Expansion of communication with stakeholders in communities where Coway's sites are located
  - Employees to practice environmental management indaily life (participation in a campaign to reduce disposable items at in-house cafes)

Environmental Management Key Performance Indicators (KPIs)

Management level[1]	KPIs	Evaluation method
C-level	Establish a recycled resin process	Assessment varies based on each department's performance relative to its set targets
	Improve energy efficiency in bidets and electric cooktops	
	Develop a system to enhance energy consumption efficiency in cooling systems	
	Develop sustainable reusable packaging technology	
	Develop optimized recyclable mattress technology	
	Apply eco-friendly PU materials in massage chairs	
Director	Establish a recycled resin process	
	Develop and operate a refurbishment process for massage chairs	
	Develop new energy-saving technologies, including Silver Mode for water purifiers	
	Develop and expand the application of eco-friendly and recycled material components in products	

1) Management Level: (C-level) CFO, CTO, etc./ (Director) Department head or higher

Environmental Management Activities

Environmental Management System Certification

Coway has obtained ISO 14001 certification for all its domestic operations, establishing an environmental management system that aligns with global standards. Through annual surveillance audits and renewal audits every three years, we continuously verify our environmental performance. This process enables us to systematically identify, assess, manage, and improve environmental aspects throughout our business operations, allowing for effective mitigation of environmental risks.

– ISO 14001 Certification by Site

Certified sites	Certification validity period	Certificate
Seoul Office	Jun. 24, 2023 – Jun. 23, 2026 Renewal audit: 3 years / Surveillance audit: 1 year	
Yugu Factory		
Incheon Factory		
Pocheon Factory		
Environmental Technology Research Institute		

Enhancing Environmental Management Capabilities

Environmental Training for Employees

Coway provides training programs related to environmental management for employees, covering topics such as climate change, environmental regulations, and ESG. Climate change training focuses on CDP Climate Change and Scope 3 emissions, while environmental regulation training centers on the safe management of chemical substances. The scope of this training has been expanded beyond electrical and electronic products to include other product lines such as mattresses, frames, massage chairs, and even products from global OEM/ODM partners. To raise overall awareness of ESG, we also offered a program titled "Creating a Sustainable Society and Environment" for all employees. Moving forward, we plan to extend these efforts to include not only our employees but also partner companies, further strengthening environmental capabilities at the corporate level.

– Outcomes of Environmental Training for Employees

Category	Training program	Number of participants	Training hours per person	Method
Climate change	CDP Climate Change training	2	24h	Online (video) or face-to-face training
	CDP Scope 3 training	2	8h	Face-to-face training
Environmental regulations	Training to address environmental regulations for products (Global OEM/ODM)	32	15.63h	On-site visits to 3 companies
	Training to address environmental regulations for products (Mattresses/frames)	7	3h	Face-to-face training
ESG education	ESG Insight "Creating a Sustainable Society and Environment" (Basic concept of ESG/fair trade/ climate change)	5,659	15min	Online (video) training

Employee Participation Challenge

Coway observed World Water Day, designated by the United Nations (UN) as March 22 each year, by conducting an employee-participation water conservation campaign aimed at raising awareness of water scarcity and water pollution. As part of our ESG environmental management initiatives, we also conducted the "Blue Water Keeper Challenge," encouraging employees to engage in water-saving activities that can be practiced in daily life. Key activities include using a cup while brushing teeth, utilizing a dishwashing basin, doing laundry in full loads, and turning off the tap while washing hands. Through this initiative, we are taking the lead in promoting a culture of water resource protection in everyday life.

– Blue Water Keeper Challenge

Monitoring of Environmental Laws and Regulations

Coway has established an environmental regulatory management system in response to global product environmental regulations. We operate the Environment Regulation Information Management System (ERIMS) to help each department quickly identify and respond to relevant regulatory information. In addition, we are continuously enhancing our capabilities to respond to various global environmental regulations by expanding the number of countries under legal monitoring and upgrading the management system.

– **ERIMS**

Preliminary research and analysis of domestic and international environmental regulations and laws

01 RoHS (EU/K-RoHS, etc.)
02 Drinking water safety and food hygiene (K-FDA, WQA, NSF, EU-FCM, LFGB, etc.)
03 Resource circulation (collection/recycling, etc.)
04 Safety related to chemical substances (biocidal substances, etc.)
05 Global treaty-regulated substances (POPs, PFAS, REACH, Act on Registration and Evaluation of Chemical Substances, Chemical Substances Control Act, etc.)
06 Energy efficiency (Energy Efficiency Labeling Program, ENERGY STAR, etc.)
07 Other product-related environmental and safety regulations

– **Environmental Regulation Response Procedure**

STEP 01
Monitoring regulatory information

STEP 02
Establishing response strategies by country/ regulation

STEP 03
Developing/improving products and components

STEP 04
Testing suitability

STEP 05
Monitoring and follow-up management

Expansion of Renewable Energy

In response to the global demand for carbon neutrality, Coway has installed and operates solar power plants using idle land at its business sites as part of its ESG management efforts. Solar power facilities have been established on the rooftops of the following sites: Yugu Factory (49.5 kWh), Incheon Factory (39 kWh), Pocheon Factory (45 kWh), and Yugu Logistics Center (office building 48.8 kWh, logistics center rooftop 993.6 kWh). Additionally, a solar power plant with a capacity of 802.35 kWh operates on the rooftop of the subsidiary BEREX Tech's building. The power generated by small-scale facilities is consumed on-site, while the power produced at the logistics center and the subsidiary's rooftop is sold to Korea Electric Power Corporation (KEPCO), totaling approximately 2,181 MWh in 2024, through which we are securing REC[1]. These RECs are converted into renewable energy usage credits through the Korea Energy Agency and are used to help achieve our greenhouse gas reduction targets.

1) REC: Renewable Energy Certificate

Operation of Eco-Friendly Work Vehicles

To reduce greenhouse gas emissions from fuel used in transportation, Coway has introduced high-efficiency mobility solutions for its technical service managers. In 2024, coinciding with their transition to full-time employment, we replaced the previous system of using personal vehicles with leased vehicles featuring a certified fuel efficiency of 11.6 km/L - significantly higher than the 9.3km/L average of the personal vehicles previously in use. This initiative contributed to lowering greenhouse gas emissions per kilometer traveled. Although the total number of service cases (including installation, removal, and after-sales service) increased by approximately 4% in 2024 compared to 2023, resulting in a rise in total emissions, emissions per service unit improved due to the enhanced fuel efficiency. Emissions per service case were 2.96 kgCO_2e in 2023, which decreased by approximately 4% to 2.84 kgCO_2e in 2024. This improvement demonstrates that, despite increased service demand driven by higher sales, the introduction of high-efficiency mobility helped reduce emissions per unit of service. Coway plans to further pursue its mid- to long-term greenhouse gas reduction targets by transitioning its business vehicles to electric vehicles.

Climate Change Response Governance

The Board of Director's Roles in Supervision and Management

Coway's Board of Directors serves as the company's highest decision-making body, deliberating and deciding on strategies and policies related to overall sustainability management including climate change issues, and supervising the execution by management. To support this, the ESG Committee has been established under the Board, composed of two independent directors (including the chairperson) and the CEO, to deliberate on key agenda items on risks and opportunities related to climate change. The ESG Committee regularly receives reports on the establishment and implementation status of strategies, considering key climate-related risk and opportunity factors. It also reviews and approves major agenda items such as GHG reduction targets, resource circulation strategies, and eco-friendly technology development. In 2024, the Committee reviewed the achievements of key tasks including "Expansion of eco-friendly technology development and certification," "Establishment of a resource circulation system," and "Climate risk scenario analysis," along with the 2025 plan for operating key ESG indicators and advancing key tasks.

– ESG Committee Meetings Held

Date	Form	Agenda items
2024.05.09	Deliberation	Establishment and revision of ESG policies (environment management)
2024.12.17	Report	2024 achievements of key ESG tasks · Expansion of eco-friendly technology development and certification · Establishment of a resource circulation system · Climate risk scenario analysis
	Report	2025 plan for operating key ESG indicators and advancing key tasks · 8 key environmental tasks (GHG emissions, waste, circular materials, eco-friendly refrigerants, etc.)

Roles and Responsibilities of the Management

The responsibility for Coway's climate change response lies primarily with the CEO and the Chairperson of the ESG Committee. The CEO strategically recognizes the impact of climate change on the company's business activities and stakeholders. The CEO receives regular reports on policy directions and implementation status regarding major environmental issues, including carbon neutrality and climate risk response.
The Chairperson of the ESG Committee oversees the formulation and implementation of ESG strategies and operates the ESG Council. The ESG Council involves the ESG Team and responsible managers from each functional unit, coordinating tasks related to key climate-related issues—such as GHG reduction, resource circulation, and eco-friendly technology—and formulating action strategies.
The ESG Team, as the implementing body, oversees function-based working groups such as environmental safety certification, technology strategy (R&D), and factory management. It also performs the roles of managing climate-related data, monitoring emissions reduction performance, and inspecting the implementation of relevant tasks. In addition, the Team works in collaboration with external experts and a stakeholder advisory group to establish proactive response strategies in line with regulatory changes and societal expectations.
The management effectively supports the Board's decision-making and strengthens the company's ESG drive through a consistent management framework that spans the entire climate change response process from strategy development to implementation and monitoring.

– ESG Council Climate Change Agenda

Date	Form	Agenda items
2024.04.24	Report	2024 key ESG task implementation status and plan · Sharing progress on climate change risk scenario analysis
2024.07.26	Report	Notice on the publication of the 2024 Sustainability Report · Results of the climate change risk impact assessment
2024.12.04	Report	2025 plan for operating key ESG indicators · Setting and managing reduction targets and performance for Scope1 & 2 GHG emissions · Expanding the Scope3 GHG emissions boundary within the supply chain

Climate Change Response Strategy

Climate Change Risks and Opportunities

Coway conducts a thorough analysis of risks and opportunities associated with climate change and has established and implemented a strategic response system accordingly. Amid rising operational costs due to strengthened carbon emission regulations and the resulting increase in emission allowance prices, we have completed the introduction of high-efficiency business vehicles to reduce greenhouse gas emissions and are currently reviewing the adoption of eco-friendly mobility solutions. Moreover, we are enhancing our self-generation capacity by expanding renewable energy facilities and gradually reducing our dependence on external power sources, through which we seek to save energy costs and reduce carbon emissions at the same time. In addition, we are reducing energy and facility operating costs through technological transitions such as improving energy efficiency and adopting high-efficiency equipment. To actively respond to climate change, Coway identifies key climate-related risks and opportunities, evaluates their financial impacts, and builds and operates a structured mid- to long-term management system to steadily enhance sustainable growth value.

Key Climate Change Risks and Opportunities

Category	Type	Classification	Content	Potential financial impact	Period		
					Short-term (~2030)	Mid-term (~2040)	Long-term (~2050)
Risk	Physical	Acute	Flooding due to heavy rainfall	Capital loss due to flooding, power outages, and facility damage caused by heavy rainfall		●	●
		Chronic	Abnormal weather conditions	Surge in energy consumption and electricity costs due to chronic temperature increases		●	●
	Transition	Market	Increase in transportation and logistics costs	Increase in logistics costs due to carbon pricing on CO_2 emissions from mobile combustion sources that occur during transportation and logistics		●	●
		Policy/Law	Expanding carbon credit purchases and carbon tax imposition	Increase in operating costs resulting from rising carbon credit prices	●	●	●
		Reputation	Securing personnel to respond to ESG disclosure requirements	Costs associated with securing human resources and operational expenses	●	●	
		Technology	Building in-house renewable energy facilities in response to technological shifts	Capital expenditures for facility investment and rising electricity costs		●	●
Opportunity	Transition	Resource Efficiency	Transition to EVs (replacement of mobile combustion sources) and improvement of energy efficiency	Incurring initial investment costs for the transition to EVs, while achieving mid- to long-term operational cost savings through reduced fuel and maintenance expenses (including repairs and replacements)		●	●
		Market	Reducing dependence on external electricity purchase by expanding renewable (solar) energy generation facilities	Cost reduction through avoidance of increased electricity purchase costs due to rising power rates		●	●
		Reputation	Anticipation for enhanced brand trust and corporate image through strengthened ESG	Enhancing corporate value by boosting investor confidence and stock price through improved ESG performance	●		

Climate Scenario Analysis

Coway conducted scenario analysis on key factors by categorizing risks into physical and transition risks to quantitatively assess the financial impacts caused by climate change. Physical risks were assessed based on the financial impacts of physical factors such as increased electricity consumption due to rising temperatures and potential asset losses from heavy rainfall. Transition risks were analyzed with a focus on cost increases driven by stricter carbon emissions regulations, transition to renewable energy, and expanded ESG disclosures. The results of this analysis are used in the formulation and execution of climate change response strategies. Moving forward, Coway plans to adjust the priorities according to the impact levels of each risk and strengthen the capacity to respond to climate change.

Climate Scenario

Category	Scenario	Description	Assumption
Physical risk	SSP1-2.6	A low-carbon scenario in which global carbon neutrality policies lead to a stable reduction in GHG emissions and a relatively mitigated impact of climate change	GHG reduction policies are effectively implemented, and energy transition accelerates, keeping the global average temperature increase below 2°C by 2100
	SSP5-8.5	A high-carbon scenario characterized by continued fossil fuel use and limited effect of emission reduction policies, resulting in a significant increase in GHG emissions and a maximized impact of climate change	GHG reduction policies are ineffective, and energy transition is delayed, leading to the most severe climate change impacts, with temperature increases projected to exceed 4°C
Transition risk	NGFS Scenario	A climate transition scenario proposed by the Network for Greening the Financial System (NGFS) under the Financial Stability Board, presenting various carbon prices and economic impacts based on combinations of GHG reduction policies and carbon pricing measures	Climate policies gradually strengthen, with annual carbon prices varying by scenario, assumed to affect corporate transition risks
	Net Zero 2050	A carbon neutrality scenario presented by the International Energy Agency (IEA) and major climate organizations, setting the goal of achieving net-zero global GHG emissions by 2050	Achieving the 1.5°C target is assumed through renewable energy transition, maximization of energy efficiency, and widespread adoption of decarbonization technologies, set as a high-intensity policy scenario with sharply rising electricity and carbon costs

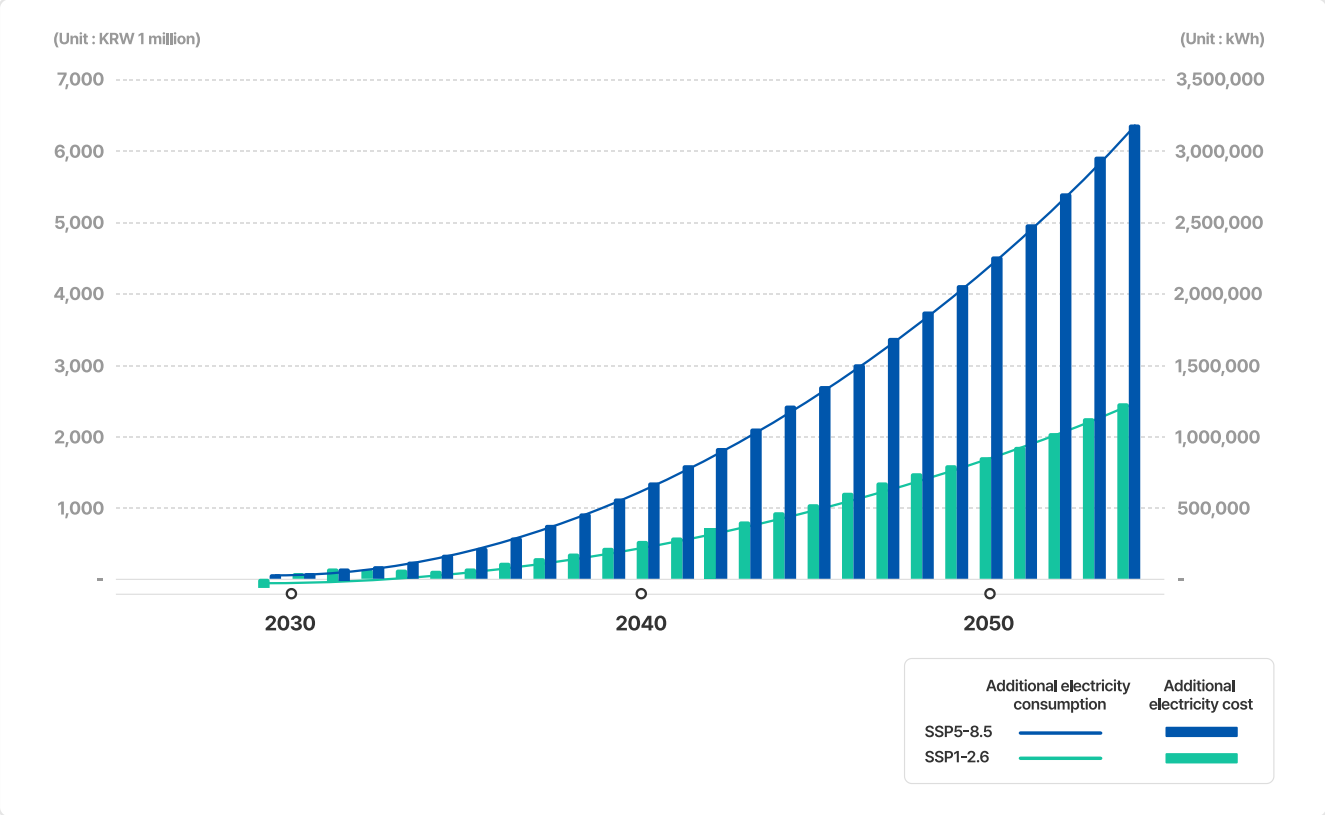
Physical Risk Analysis

Financial Impact of Temperature Rise

Coway analyzed the financial impact of temperature rise by adopting the SSP1-2.6 (low-carbon) and SSP5-8.5 (high-carbon) scenarios based on the IPCC Sixth Assessment Report and national climate change standard scenarios. Electricity demand under each scenario was projected using trends in summer day counts and historical electricity consumption data. In particular, Coway redesigned its analysis model by incorporating changes in the number of summer days and average daily electricity use in response to temperature fluctuations. This was based on projections from the KEPCO Economy & Management Research Institute regarding the impact of carbon neutrality on the electricity market by 2050. As a result, we were able to derive more refined financial estimates for each scenario.

Specifically, both scenarios project an increase in the number of summer days, with the SSP5-8.5 scenario predicting approximately 12 more summer days by 2050 compared to the SSP1-2.6 scenario. The number of heatwave days is also expected to increase by up to about 37 days, indicating not only a rise in costs due to increased energy demand but also a potential impact on productivity decline. An increase in energy demand driven by temperature rise is projected to start at around 1% of total electricity consumption in 2030 and expand to about 5% by 2050. The cumulative electricity costs resulting from this are estimated at approximately KRW 2.1 billion under the SSP1-2.6 scenario and up to KRW 6.2 billion under the SSP5-8.5 scenario. A clear difference in the medium- to long-term financial impacts due to temperature rise was identified between the scenarios.

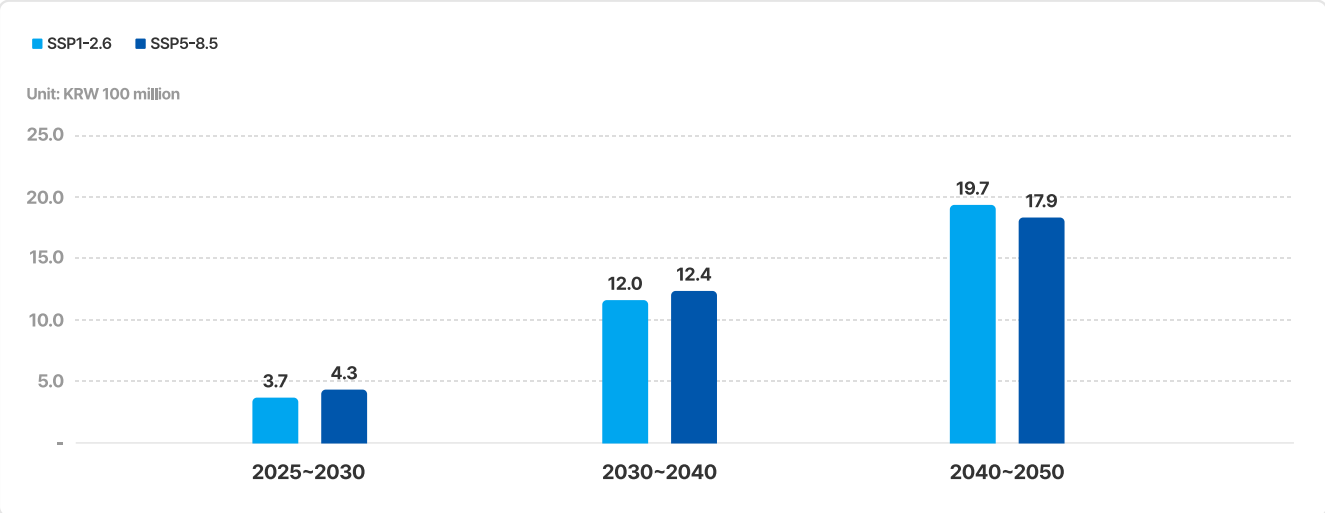
Financial Impact by Scenario



Financial Impact of Heavy Rainfall

From 2021 to2050, the annual average number of heavy rainfall days is projected to remain similar under both SSP1-2.6 (low-carbon) and SSP 5-8.5 (high-carbon) scenarios, averaging approximately 2.1 days per year. Precipitation forecasts also showed no significant difference between the two scenarios. Based on the average annual probability of heavy rainfall events during each period and gross profit data, estimated financial losses are projected to range from approximately KRW 300 million to 400 million between 2025 and 2030, rising to around KRW 1.2 billion to 1.24 billion from 2030 to 2040. Between 2040 and 2050, potential losses could increase to between KRW 1.79 billion and 1.97 billion. According to the Korea Meteorological Administration, under the high-carbon scenario, the intensity of extreme rainfall events with a 100-year return period is likely to increase, thereby raising the risk of flooding. In response, Coway will continue to closely monitor changes in related regulations, policies, and societal responses to ensure proactive adaptation strategies are in place.

Financial Impact by Scenario



Transition Risk and Opportunity Analysis

Financial Impact of Transition Risks

Coway classifies transition risks from climate change into four categories—market, regulation, technology, and reputation—and quantitatively analyzed the financial impact of each risk on business. We estimated costs related to vehicle operation, emissions allowance purchases, low-carbon facility investments, and ESG image degradation by reflecting NGFS scenarios and domestic and international carbon regulation forecasts, based on which the financial impact for each risk was calculated. In response, Coway has established voluntary GHG reduction targets and is strengthening the carbon reduction foundation by expanding eco-friendly vehicle adoption and increasing solar power facilities. Furthermore, we are enhancing our management system to prepare for a potentially stricter regulatory environment, such as emissions trading schemes.

Category	Risk Factor	Financial impact estimate	Basis
Market	Carbon emissions from the use of vehicles to provide Coway's services	KRW 361 million~ 645 million	Estimating annual regulatory costs by calculating carbon prices for each NGFS scenario based on annual emissions from vehicle operations (including average labor costs of managers for vehicles and fuel expenses etc.)
Regulation	Cost increases due to rising carbon credit prices	KRW 5.715 billion~ 7.443 billion	Assuming changes in the free allocation rates from 2024 to 2050, estimating annual costs by applying NGFS scenario-based carbon prices to the difference between projected yearly emissions and allocation amounts (including average labor costs of managers handling emissions trading compliance and carbon emissions volume)
Reputation	Brand reputation decline in case of insufficient low-carbon management	KRW 51.667 billion	Reflecting the possibility of disadvantages in market evaluation such as reduced stock returns and expanded PER due to ESG rating downgrade (including average labor costs of managers handling disclosures)
Technology	Cost increases from investments in low-carbon facility transitions	KRW 2.149 billion~ 3.868 billion	Estimating investment costs reflecting annual power generation, installed capacity, and unit facility costs (LCOE) based on a scenario of expanding solar power facilities to achieve carbon neutrality

Financial Impact of Transition Opportunities

Coway recognizes climate change as a new growth opportunity and identifies transition opportunities in various aspects, such as enhancing resource efficiency, transitioning to renewable energy, and enhancing trust based on ESG. We are reducing operational and maintenance costs by shifting from internal combustion engine vehicles to electric vehicles (EVs), and have analyzed the energy cost-saving effects from expanding renewable energy by reflecting electricity price projections based on NGFS and Net Zero scenarios. Furthermore, we are advancing ESG management to strengthen positive market evaluation and enhance corporate value, while maintaining excellent ESG ratings. Through these efforts, we are strengthening competitiveness and securing a foundation for sustainable growth beyond response to climate change.

Category	Opportunity factor	Financial impact estimate	Basis
Resource efficiency	Vehicle maintenance cost savings through EV transition for headquarters, factories, and service manager vehicles	KRW 404 million	Reflecting the cost savings from reduced fuel expenses and maintenance costs associated with transitioning from internal combustion engine vehicles to EVs (estimating costs that can be saved such as vehicle mileage, annual fuel price increase rates, and EV fuel efficiency)
Market	Electricity cost reduction through renewable energy transition (solar power generation)	KRW 9.516~12.020 billion	Setting a target of 50% renewable energy use by 2033 and 100% by 2050 and applying electricity costs from the NGFS and Net Zero scenarios to the annual electricity consumption to estimate the cost-saving effect from energy transition
Reputation	Enhanced market trust and increased corporate value by maintaining and improving excellent ESG ratings	KRW 8.073 billion	Reflecting the positive effects on market evaluation factors such as increased stock returns and expanded PER following an improvement in ESG ratings (enhancing corporate value)

Climate Change Risk Management

Coway operates a risk management process that includes identification, analysis, response, and monitoring to systematically address risks arising from climate change. Through this process, we assess the impact of climate issues, prioritize them, and establish key management tasks to proactively respond to the evolving business environment.

Climate Change Risk Management Process

1

Risk Definition / Identification

- Define types of physical and transition risks arising from climate change
- Identify risk and opportunity factors affecting business and operations

2

Risk Analysis

- Analyze financial and non-financial impacts
- Derive response priorities and set strategic directions

3

Management and Response

- Identify key tasks and develop execution plans
- Report response strategies and manage key task implementation

4

Monitoring and Evaluation

- Report progress and outcomes of response tasks
- Monitor regulatory changes and trends

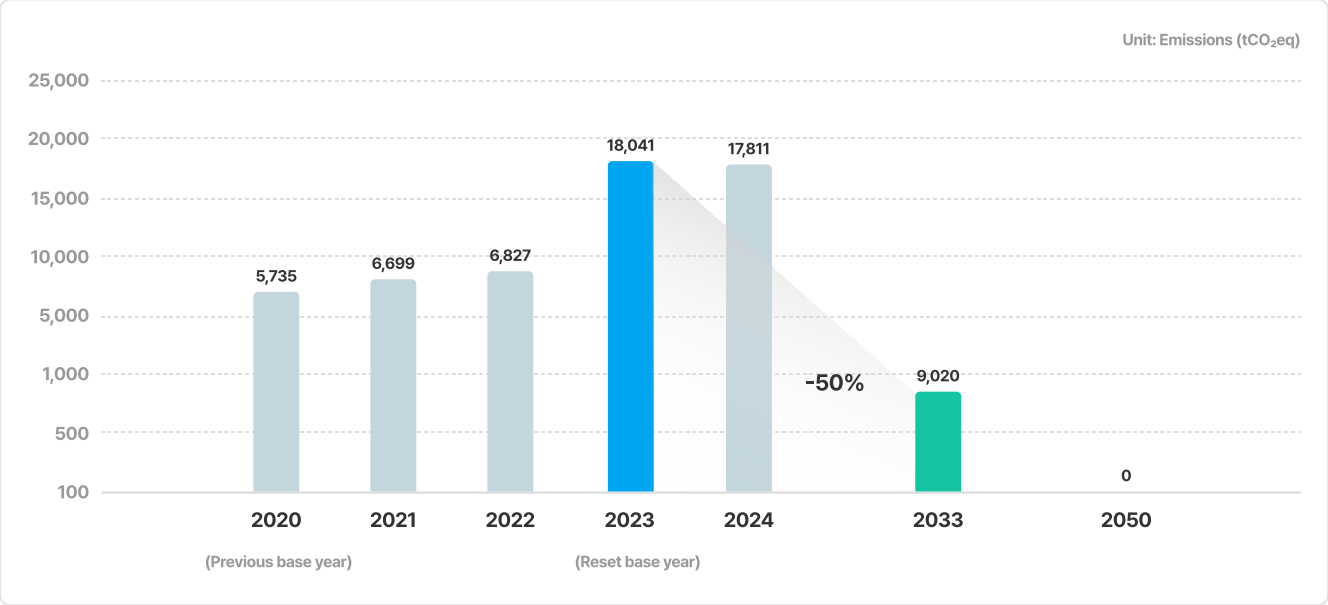
Metrics and Targets

GHG Emissions Management

To achieve the 2050 Net-zero target, Coway is actively promoting the establishment of renewable energy facilities and the adoption of high-efficiency vehicles. In particular, following the transition of service managers to permanent employment, we have gradually introduced high-efficiency vehicles by March 2025 to enhance their welfare and reduce greenhouse gas emissions from vehicles. Due to changes in organizational boundaries resulting from the employment status of service managers, Coway has reset the base year and reduction targets for Scope 1 and Scope 2 GHG emissions. We have established a 50% reduction target for GHG emissions by 2033 (from the 2023 base year) and a 100% reduction target by 2050. In addition, we are gradually expanding the management scope for Scope 3 emissions through the CCMS[1].

1) CCMS: Coway Climate Change Management System

GHG Emissions Reduction Efforts

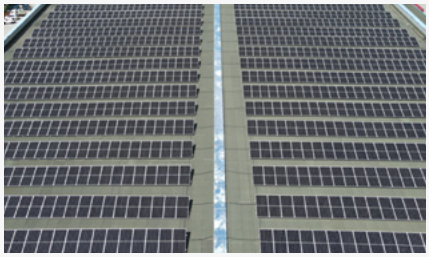


Mid- to Long-term Carbon Neutrality Roadmap

Classification	Key Focus Goals	Short- to Mid-term (~2040)	Long-term (~2050)
Product innovation	Activation of low-carbon circular economy	• Improve product energy consumption efficiency • Expand use of recycled materials	Launch products built on low-carbon and resource circulation systems
Operational improvement	Adoption of eco-friendly energy	• Pilot RE100 implementation at business sites • Pilot introduction of EVs for service managers	Expand RE100 adoption to major business sites and achieve EV100 for service vehicles
Technological innovation	Carbon neutrality in production processes	• Introduce high-efficiency equipment to improve energy productivity	Enhance energy efficiency in production processes applying digital technologies

Expansion of Renewable Energy

To achieve its mid-to-long-term greenhouse gas reduction targets, Coway has established and is operating two solar power generation facilities (Site 001 and Site 002). In 2024, these two plants generated a total of 2,181 MWh of renewable energy, which was fully converted into Renewable Energy Certificates (RECs) through the Korea Energy Agency. Based on this achievement, Coway successfully attained RE100 status at its Incheon plant. Moving forward, Coway plans to continue expanding its use of renewable energy as part of its ongoing efforts to reduce carbon emissions.



001 Yugu Logistics Center (Logistics Building)

002 BEREX Tech

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

Resource Circulation

Resource Circulation Management System

Coway is strengthening life cycle assessment (LCA) management considering environmental factors across the entire product life cycle—including development, purchase, recovery, and recycling—to promote resource circulation. Following the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles, we have established and operated a waste recovery and recycling system while strictly complying with relevant laws and regulations. Aiming to achieve 100% recycling and resource recovery rates within our business sites by 2030, we are enhancing resource efficiency and working toward zero waste. During the product development phase, we review whether each new product meets a minimum recycling rate of 75%. If the standard is not met, we thoroughly evaluate alternative recyclable materials and the recyclability within the manufacturing process, striving to continuously improve the recycling rate across all product categories.

Resource Circulation Process

STEP 01

Development & Purchase

- Expanding the application of circular materials
- Designing eco-friendly products, including achieving Grade 1 energy efficiency
- Purchasing raw materials verified for chemical safety

STEP 02

Manufacturing

- Resource recovery of site-generated waste (SRF, Solid Refuse Fuel)
- Expanding production of refurbished models
- Operating renewable energy facilities, such as solar power systems

STEP 03

Logistics

- Advancing the reverse logistics system
- Using eco-friendly packaging materials (pulp-based packaging, air-cell cushions)
- Minimizing resource use through lightweight packaging

STEP 04

Usage

- Improving energy efficiency by applying instant hot water systems and high-efficiency inverter cooling systems
- Promoting the purchase of environmentally certified products

STEP 05

Repair & Reuse

- Promoting sales of refurbished products
- Promoting sales of repackaged products

STEP 06

Recovery & Recycling

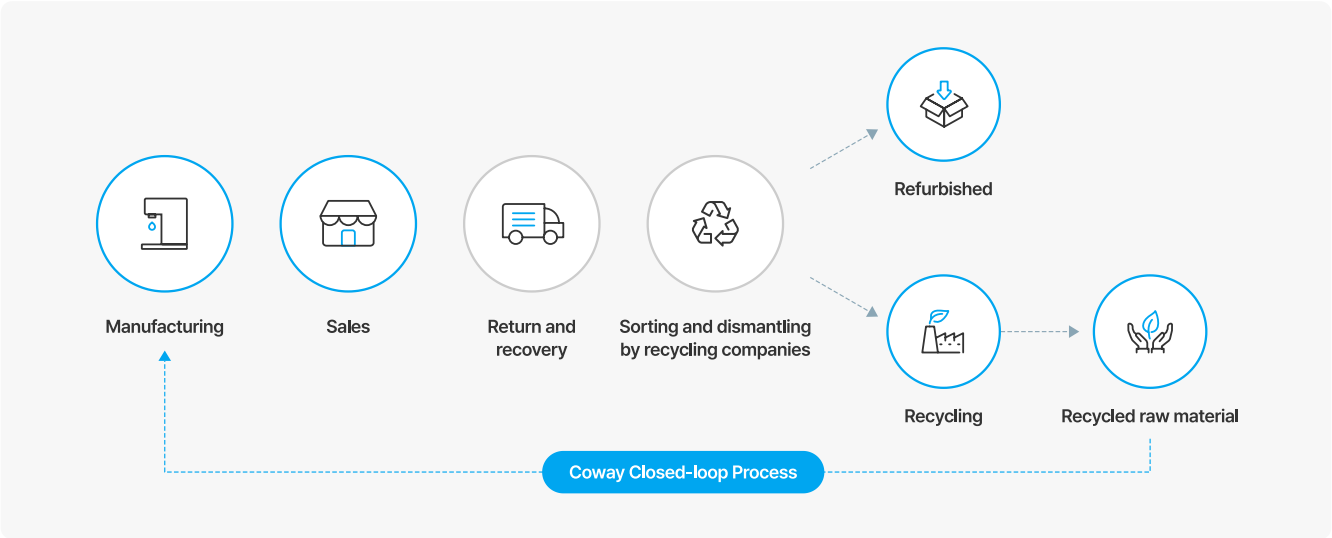
- Expanding recyclable items across business sites, products, and service areas
- Enhancing recovery and recycling operations
- Expanding the operation of closed-loop systems

Waste Product Recovery and Processing

Waste Product Recovery Process

In October 2024, Coway established the "Coway Closed-loop" resource circulation system, based on our in-house product return and recovery framework. This is a circular recycling system that converts plastic waste from returned products into recycled raw materials through physical processes such as sorting, shredding, and compounding, and reuses them in mass-produced products. Moving forward, we plan to expand the range of collected items, enhance the recovery process, and improve the system's efficiency and scope of application.

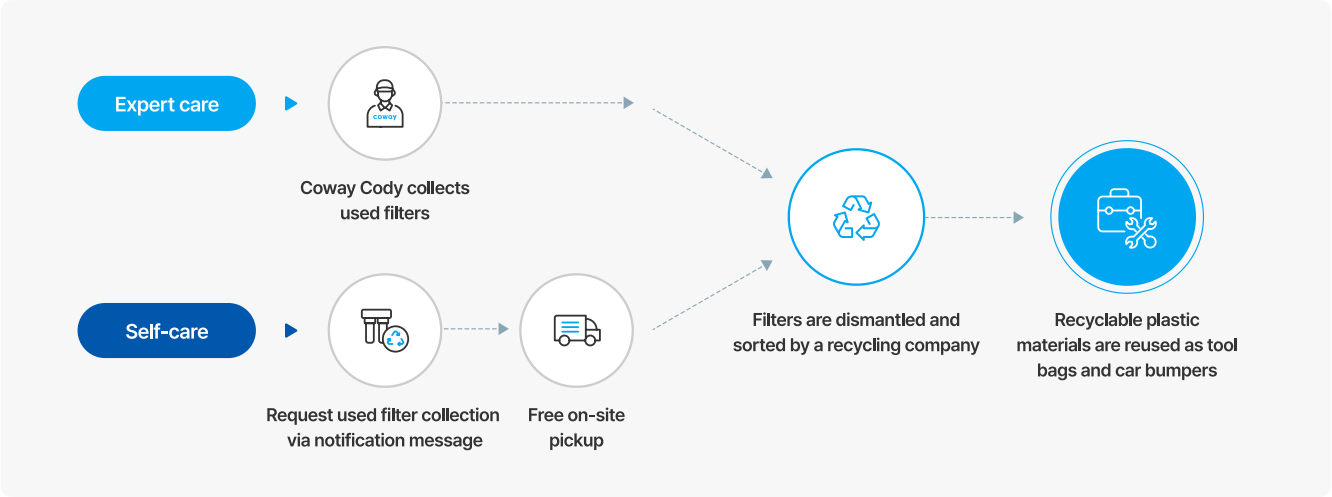
Coway Closed-loop Process



Used Filter Upcycling Program

To reduce negative impacts on the environment, Coway operates a "Used Filter Upcycling Program" that collects and recycles used water purifier filters. For customers using the expert care service, a dedicated service specialist Cody visits and collects the used filters. Self-care customers put the filters inside pre-distributed return packaging and deposit them at designated locations for collection by Coway. The collected filters are dismantled and sorted by a recycling company, and recyclable materials are reused as resources such as tool bags and car bumpers.

Used Filter Upcycling Process



Use of Circular Raw Materials

Circularity Assessment System

To expand the use of post-consumer recycled (PCR) resins as circular raw materials, Coway is participating in the Ministry of Environment's Circularity Assessment System. This system recommends improvements to design elements that hinder recycling at product disposal and discloses related information if such improvements are not implemented. Coway applied circular raw materials to over 10% of the plastic weight used in 7 bidet models and received a compliance rating under the Ministry of Environment's Circularity Assessment.

Application Status of Circular Raw Materials

Through its "closed-loop" resource circulation system, Coway converts recovered waste plastics into recycled materials through physical processes and applies 100% circular raw materials—unblended with other resin[1)]—to mass-produced products. Depending on the product and component, circular raw materials are applied at rates ranging from 30% to 100%, amounting to approximately 1,200 tons of recycled plastic used annually. Looking ahead, we plan to exapnd the number of models incorporating circular materials and increase the use of recycled inputs. This will contribute to reducing greenhouse gas emissions and energy consumption, while advancing eco-friendly management and leading the transition to a circular economy.

1) Resin: A raw material, about the size of a grain of rice, used in the process of manufacturing plastic components

– 2024 Application Status of Recycled Materials by Model

Model type		Applied Component Types	Total weight of plastic (g per unit)	Total weight of recycled plastic (g per unit)	Application rate
Circularity assessment standard	BA20-D	3	2,961	304	10%
	BAS25-A	5	3,026	314	10%
	BAS29-C	4	3,151	323	10%
	BASH30-A	4	3,383	362	11%
	BAS31-A	6	3,174	329	10%
	BAS36-A	5	3,238	385	12%
	BAS40-A	5	2,971	301	10%
Closed-loop standard[1)]	AP-1023F	6	4,970	2,482	50%
	CHP-264L	4	6,045	1,767	30%
	CHP-6340L	6	6,483	1,961	30%
	AP-3522E	8	16,633	8,264	50%
	Water purifier stand	1	1,660	1,660	100%

1) Coway products returned after the sale are converted into recycled raw materials through physical processes and applied to mass-produced products

Product Design and Packaging

Coway minimizes environmental impact by applying eco-friendly approaches to product design and packaging. We apply recycled plastics and eco-friendly bio-based materials to our products, developing goods that consider environmental impacts throughout their entire life cycle—from production to use and disposal. We also enhance the eco-friendly elements of packaging materials by simplifying packaging, using eco-friendly materials, and developing reusable options, thereby striving to reduce resource consumption and minimize environmental burden.

Development of Reusable Packaging Materials for Massage Beds

To reduce packaging waste from home trial massage beds, Coway has developed and implemented reusable packaging materials to replace conventional materials. This packaging replaces single-use cardboard boxes and PE foam with reusable fabric, enhancing durability and reusability, and is designed to accommodate the packaging of heavy products. As a result, packaging during the installation and collection of massage beds is simplified, and the reduced packaging volume has improved transport and loading efficiency.

Simplification of Packaging for Self-Care Water Purifier Filters

Coway minimizes packaging waste by simplifying the packaging of self-care filters regularly delivered to customers who use self-care water purifiers. The packaging vinyl (pillow pack) previously used for the filters has been eliminated, and the size of the user manual was reduced to simplify the packaging structure. These improvements not only enhance logistics efficiency but also contribute to reducing carbon emissions by cutting down on packaging waste.

CASE

Development of returned product collection packaging

In 2024, Coway won the Minister of Environment Award, the grand prize at the 14th Green Packaging Competition, for its "Returned Product Collection Packaging." This packaging is designed to enable the safe return of products without damage, allowing returned items—due to simple changes of mind by consumers—to be refurbished and reused. Instead of single-use bubble wrap, reusable polypropylene material is applied to enhance cushioning performance and durability, making it suitable even for heavy products. Moreover, a foldable, assembly-type structure is applied to reduce volume during transportation, contributing to a reduction in carbon emissions. Usability was improved and packaging processes were simplified through a standardized design with four types tailored to different product lines and sizes. Currently applied to the bidet product line, we plan to expand the packaging to all product lines, including water purifiers, air purifiers, and massage chairs.

Development of returned product collection packaging

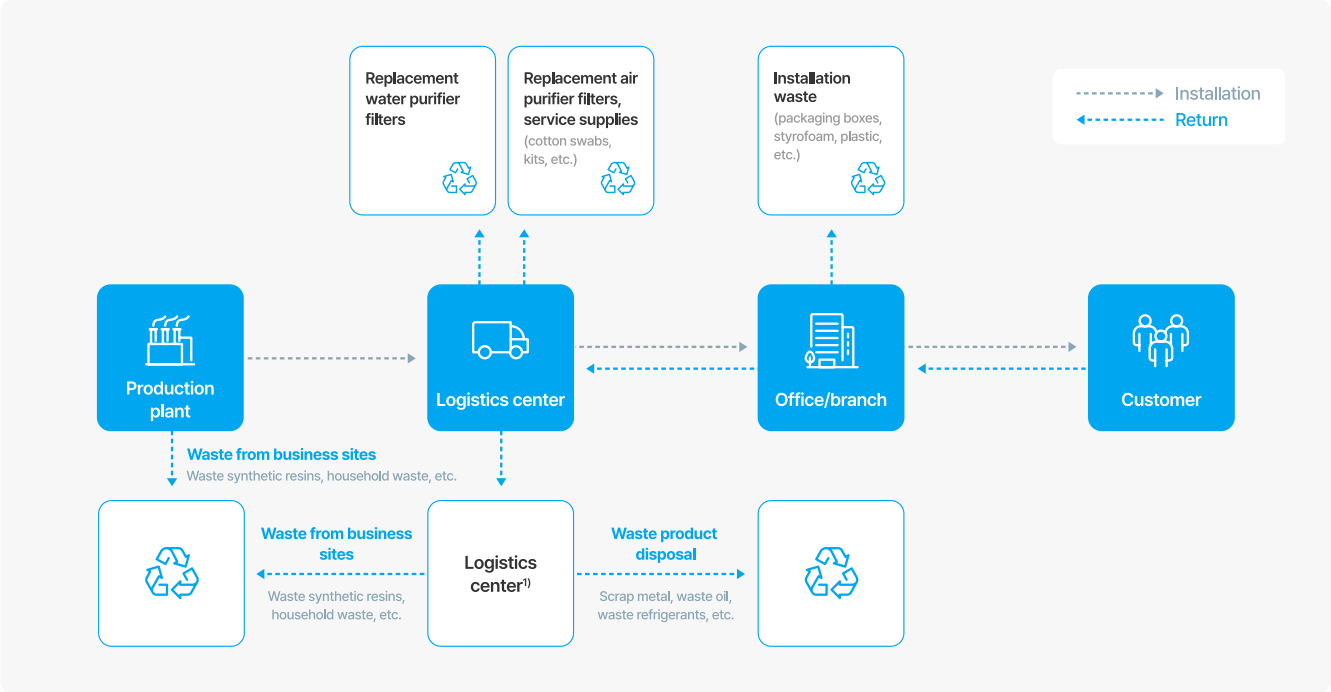
Waste Management

Waste Treatment

Coway quantitatively manages waste generation across all business areas, striving to increase recycling rates, achieve zero waste, and minimize production and disposal costs through ongoing resource circulation efforts. Waste generated during product, business site, and service processes is handled through the sale of valuable materials and resource recovery[1]. Circular raw materials produced during this process are utilized in product development to reduce resource consumption.

1) Combustible materials such as waste vinyl and waste plastic, which are classified as municipal waste, undergo a drying process to produce solid refuse fuel (SRF)

Waste Treatment Process



1) Integrated logistics: Centralized management of waste product collection and recycling performance

Evaluation of Waste Treatment Companies

Coway conducts an annual evaluation and monitoring of its recycling partners to ensure compliance with resource circulation-related laws and regulations. The evaluation criteria include possession of necessary permits, violations of resource circulation regulations, and issues pointed out in Korea Environment Corporation's investigations. Based on the evaluation results, we identify improvement tasks for each partner and provide support for their implementation.

Waste Management and Recycling

Before the enforcement of the Framework Act on Resources Circulation in 2018, Coway proactively established and has been operating a resource circulation system since 2008 that covers the entire lifecycle of products—from development, sales, and collection, to recycling. This system integrates the management of not only product waste but also waste generated during service processes. We aim to maintain a 100% recycling rate for recyclable waste and a 100% resource recovery rate for waste generated at our sites by 2030. In addition, we were the first in the rental home appliance industry to introduce a refurbished product system in 2007, which helps reduce product disposal costs.

Waste Recycling Performance and Target

Operation of the circular economy system	Reduction in environmental fees[1]	Recycling rate per product	Waste recycling / resource recovery rate by 2030[2]
Expansion of product lines using recycled raw materials (some water purifier models)	**Maintain 90%**	**75% or more**	**Maintain 100%** - 2024 Target: 100% - 2024 Performance: 100%

1) Environmental levy reduction rate: The percentage of environmental levies reduced through recovery and recycling, relative to the total levies incurred
2) Calculated based on generated waste

Eco-friendly Products and Technologies

Development of Eco-friendly Products and Technologies

In response to the growing environmental risks posed by climate change, Coway is actively adopting eco-friendly technologies and developing sustainable products to minimize environmental impacts throughout the entire product lifecycle and to contribute to carbon neutrality. Under the three strategic pillars of "market leadership, regulatory compliance, and securing new growth engines," we are systematically promoting sustainable technological innovation and product development. This initiative is led by the Technology Strategy Team within the Environmental Technology Research Institute, with departments affiliated with relevant working groups addressing each of the risks and opportunities. The progress and future plans for each department's initiatives are reported and monitored through the ESG Council, which convenes quarterly.

Development of Eco-friendly Products and Technologies

Market leadership

Innovative products

Securing future market leadership through innovative products based on cutting edge technology

Regulatory compliance

Eco-friendly products

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

Securing new growth engines

Securing market leadership

Creating new market opportunities through sustainable products and services

Eco-friendly Product Design

Eco-friendly products and services

Product development	Eco-friendly purchase	Clean production	Eco-friendly services	Product delivery	Consumer use	Recovery/ recycling
• Designing eco-friendly products	• Purchasing eco-friendly materials and parts	• Applying renewable energy	• Extending the usage period for experts and self-management	• Introduction of FMS for transportation route optimization	• Automatic switch to energy-saving mode when not in use	• Expanding recyclability assessments • Increasing recovery and recycling efforts

Eco-friendly Product Certification

In 2024, Coway obtained Environmental Label Certifications for two of its bidet models. The environmental labeling system is a voluntary certification system that marks eco-friendly products with an Eco-label logo and a brief description, indicating that they have a relatively lower environmental impact compared to other products or services of the same use. This system is based on the core principle of reducing energy and resource consumption and minimizing pollutant emissions throughout the entire lifecycle of a product, including its production, distribution, use, and disposal. Coway has been recognized for its environmental performance across multiple categories, including the reduction of hazardous substances, mitigation of environmental pollution in daily life, energy savings, reduction of local environmental pollution, and minimization of noise and vibration in products such as bidets, mattresses, and air purifiers. As of 2024, Coway holds a total of 30 Environmental Label Certifications. In particular for mattresses, Coway has adopted the environmental label criteria as part of its internal quality control standards and manages compliance rigorously.

CASE

Highest number of awards in the industry for the 2024 Inno-Star & Green-Star

In 2024, a total of 28 Coway products were selected for the Inno-Star and Green Star awards. These certifications, granted by the KMR (Korea Management Registrar), are based on comprehensive evaluations by consumers, who assess various aspects including product quality, design, and user experience. In the Inno-Star category, which assesses product innovation, 15 products were selected, including the Icon Water Purifier series, Noble Air Purifier 2, and BEREX PEBBLE Chair. In the Green-Star category, which focuses on assessing environmental friendliness, 13 products were selected, including the Prime Stand Water Purifier, Self-Care Bidet, and BEREX Smart Mattress. Coway remains committed to delivering enhanced experiences and greater value to customers by continuously pursuing environmentally friendly and innovative technologies.

Flagship Products and Technologies

— 01

Water Purifier

The Icon Ice Water Purifier, a product enhanced for energy efficiency and hygiene, was awarded the 2024 Energy Winner Award (Energy Grand Prize).

The product incorporates energy-saving technologies such as the "high-efficiency 2PASS ice evaporator," "a sealed cold-water system," and "high-density instant water heating technology," which collectively reduce monthly power consumption by approximately 18% compared to previous models. The product size has also been reduced by approximately 40%, improving space efficiency. Despite its compact size, the product delivers excellent ice-making performance and improved hygiene features, earning recognition as an eco-friendly product that balances energy efficiency with user convenience.

— 02

Bidet

The Self-Care Bidet features a hybrid tank system that combines the benefits of both a hot water tank and instant heating technology, enabling efficient hot water supply while reducing energy consumption.

By reducing the size of the hot water tank and adopting a method that heats water only during use, like instant-heating systems, the product cuts monthly power consumption (in energy-saving mode) by approximately 19.3%, from 16.4 kWh to 13.3 kWh, compared to our previous models. To enhance accessibility for visually impaired users, the product replaces traditional Braille with icon-shaped tactile markings and differentiates tones for each button and mode, implementing a universal design and UI (user interface) that is inclusive for all users. In addition, we reduced carbon emissions by using recycled plastic[1] for approximately 10% of the product's total plastic components and applying its closed-loop eco-friendly recycled resin system during production.

1) PCR ABS (Post-Consumer Recycled Acrylonitrile Butadiene Styrene)

— 03

Air Purifier

The Power-Up Air Purifier is a high-efficiency product that incorporates technologies such as an optimized dual-intake system, enhanced dust collection filter, and a ventilation alert system to deliver a coverage area of over 115 m² and achieve noise levels of 48 dB at maximum airflow, earning Grade 1 in energy efficiency rating.

Moreover, we expanded the use of eco-friendly materials by applying PCR (Post-Consumer Recycled) resin to injection-molded parts[1], such as flame-retardant materials (excluding functional parts) and the fan. A resource circulation system has also been established, in which discarded products are recovered through our internal take-back system, sorted and recycled, and reused in new product manufacturing.

1) External or structural parts of products made by melting plastic and shaping it in a mold

CASE

Received the Energy Grand Prize at the 'Energy Winner Awards of the Year'

The Coway Icon Ice Water Purifier was awarded the Energy Grand Prize and the Korea Energy Agency President's Award at the 27th Energy Winner Awards, hosted by Consumers Korea and sponsored by the Ministry of Trade, Industry and Energy, the Ministry of Environment, and the Korea Energy Agency. The Energy Winner Awards recognize products with outstanding energy efficiency that contribute to carbon neutrality. The award-winning Icon Ice Water Purifier incorporates a high-efficiency ice evaporator in the core component responsible for ice generation, improving refrigerant flow efficiency and shortening ice-making time, thus reducing energy consumption. In addition, its sealed cold water system is designed to directly cool the coil, enabling a rapid and stable cold water supply while enhancing hygiene. It was recognized for its innovative achievements in two key areas: compact design and reduced power consumption. Throughout the product development process, we actively adopt energy-saving and eco-friendly technologies to minimize environmental impact and advance carbon neutrality. We will continue our efforts to develop eco-friendly products based on distinctive technological capabilities.

Coway Icon Water Purifier

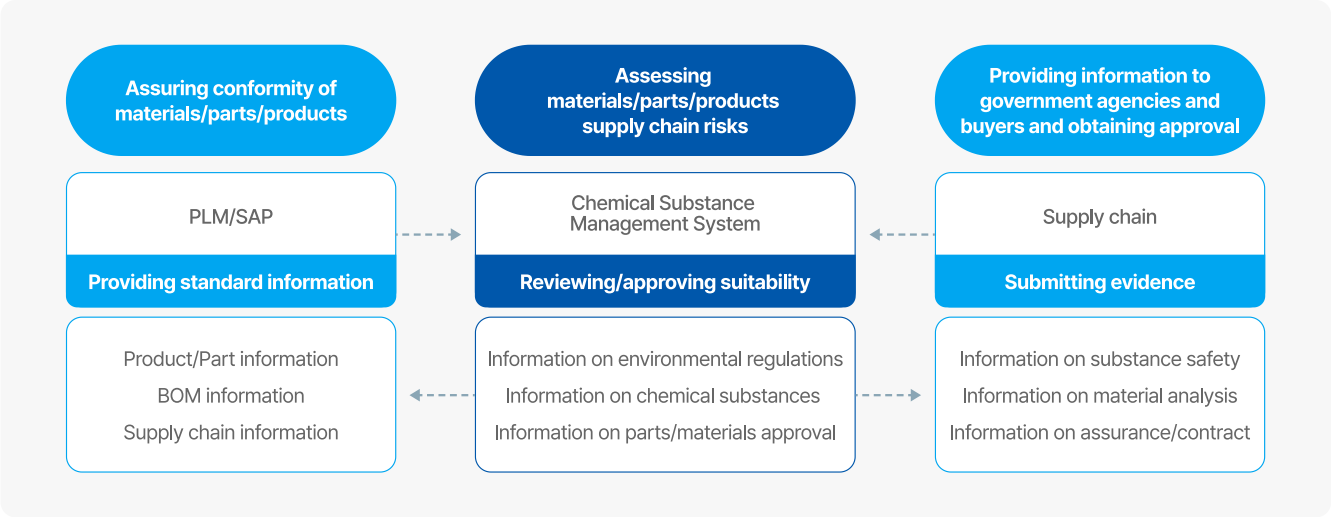
Hazardous Chemical Substances in Products

Hazardous Chemical Substance Management

Hazardous Chemical Substance Management System

Coway has established and operated a Chemical Substance Management System based on the environmental management system to manage hazardous chemical substances in products and prevent related risks. This system allows for the systematic management of information on products, components, and materials by organizing the data into a centralized database. All products manufactured by Coway are managed according to the Coway Chemical Substance Management Guidelines, which categorize substances into three regulatory classes: CLASS I (prohibited substances), CLASS II (restricted substances), and CLASS III (voluntarily prohibited substances). By adhering to these guidelines, we proactively prevent risks caused by hazardous substances and support regulatory compliance and customer safety. Beginning in 2024, we have implemented our own risk criteria for incoming parts and are conducting preemptive inspections, while also performing detailed analyses when necessary to verify the presence of hazardous substances. We strictly comply with domestic and international chemical regulations and strive to ensure safety and minimize related risks across all home appliances, including environmental models.

Hazardous Chemical Substance Management System



Monitoring Compliance with Hazardous Chemical Substance Regulations

Coway efficiently manages the entire process, from proactive regulation monitoring to post-compliance management, to respond to hazardous chemical substance regulations and achieve zero risk. In particular, to proactively respond to regulations, we have implemented the ERIMS (Environmental Regulation Information Monitoring System) to monitor global environmental regulations. Upon identifying a regulatory issue that requires action, we conduct a company-wide review and respond through an integrated process that includes component development, compliance verification, and post-market management. Moving forward, we will continue to enhance our management system and make continuous efforts to comply with various environmental regulations, including those related to hazardous substances, chemical substances, recycling, biocides, and food sanitation, while leading the way in the development of safer and more eco-friendly products.

Hazardous Chemical Substance Management Performance

Year	Content
2022	• Strengthened company-wide regulatory response capability through the IT system for proactive monitoring of chemical regulations • Improved management efficiency and streamlined regulatory response through the implementation of a chemical substance management system
2023	• Operated and upgraded the IT for a proactive regulatory chemical substance monitoring system • Standardized and improved the chemical substance post-management process
2024	• Expanded the scope/countries for proactive regulatory monitoring of chemical substances and strengthened the corporate collaboration system • Enhanced execution capacity of the chemical substance post-management system

Hazardous Chemical Substance Management Activities

Transition to Eco-Friendly Refrigerants

Coway recognizes the environmental impact of compressor refrigerants with high GWP (Global Warming Potential) and is actively promoting the transition to eco-friendly refrigerants to minimize this impact. In particular, to proactively respond to refrigerant regulations, we plan to increase the proportion of eco-friendly refrigerants in new products launching in 2025 to 95.8%, representing an improvement of over 12.5% points compared to the previous year. Moving forward, we will continue to expand the adoption of eco-friendly refrigerants, contributing to climate change mitigation and the development of sustainable products.

BFR & PVC FREE

At Coway, we identify items in products and components that may contain certain harmful substances and conduct preliminary hazardous substance verification using ED-XRF equipment. Starting from the second quarter of 2025, we plan to assess the presence of BFR[1] and PVC[2]. If bromine (BR) is detected during the initial screening, the BFR content is verified through combustion IC testing conducted by an external testing agency. For materials suspected to contain PVC, we conduct FT-IR[3] analysis to confirm its presence. We will continue to expand the monitoring and analysis of hazardous substances to further strengthen the environmental safety of our products.

1) Brominated Flame Retardants
2) Polyvinyl Chloride
3) Fourier Transform Infrared Spectroscopy

Water Resource Management

Water Resource Management Strategy

Coway has established and systematically operates a water resource management strategy divided into site and process management and product lifecycle management. At our sites, water is used for testing during each quality inspection phase, including product development, reliability verification, and mass production. After use, this water is discharged as clean domestic water. We also monitor annual water usage across all sites to improve efficiency and minimize resource consumption. Furthermore, we take the lead in effective water resource management for customers by enhancing water-saving functions from the development and design of water purifiers and bidets.

Minimizing Discharge of Water Pollutants

Coway strives to minimize environmental impact risks throughout the process of using and discharging water resources. Most of the water resources used are classified as sewage and safely discharged to sewage treatment plants through dedicated sewer pipes. Additionally, we are implementing improvements to reduce water usage during quality testing of water purifier products. The traditional method of checking for leaks using water has been replaced with a "Waterless Test" method to reduce the discharge of water resources. This uses nitrogen and vacuum instead of water to inspect product integrity, not only enhancing testing quality but also minimizing testing time and wastewater generation. As a result, we saved a total of 6,198 tons of water during the water purifier production process in 2024.

Biodiversity

Declaration on Biodiversity Conservation

Coway recognizes the importance of biodiversity and is making various efforts to conserve and enhance it. The Korean Peninsula, where Coway's business sites are located, is home to a wide range of species due to its diverse climates and terrains, making it a region of particularly high biodiversity value. As such, preserving and managing local biological resources is a priority. We first survey species around our sites and conduct annual monitoring using national platforms. Furthermore, we conduct various activities such as river cleanup, forest creation via donations for nationally protected species, and ecological education programs for children, through which we aim to realize a world where humans and nature coexist in harmony.

Biodiversity policy

Biodiversity Management System

Biodiversity Implementation Strategy

In accordance with Article 7 of the Act on the Conservation and Use of Biological Diversity, Coway has established an independent biodiversity management system for the conservation of biodiversity and sustainable use of the components thereof at the national level. We have set practical targets for biodiversity conservation divided into three core areas. In alignment with the top-level, cross-ministerial National Biodiversity Strategy—which outlines the country's direction for the next 5 years—we formulated a new biodiversity policy in 2025. This policy extensively references key biodiversity standards from the international community, including the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the IUCN Guidelines for Protected Area Management Categories. Furthermore, to ensure flexible responses tailored to the ecological characteristics and biodiversity of each region, we have established and are implementing customized detailed strategies for each region where our key sites are located, such as Seoul, Gyeonggi, Incheon, and Chungnam.

Biodiversity Implementation Strategy

Practical goals	Protect ecosystems from various risk factors		Share value with all to ensure environmental sustainability		Report the effectiveness of goal implementation to stakeholders through proactive action	
Activity strategies	Identification	Protection	Collaboration	Restoration	Communication	Disclosure
	Identify damaged terrestrial and marine ecosystems and explore restoration methods.	Expand conservation and restoration measures for nationally protected species.	Encourage stakeholder participation and provide appropriate support mechanisms.	Leverage the power of nature to respond to changes or threats.	Reflect stakeholder voices when establishing internal biodiversity strategies and policies.	Systematically analyze and disclose the outcomes of biodiversity conservation activities.

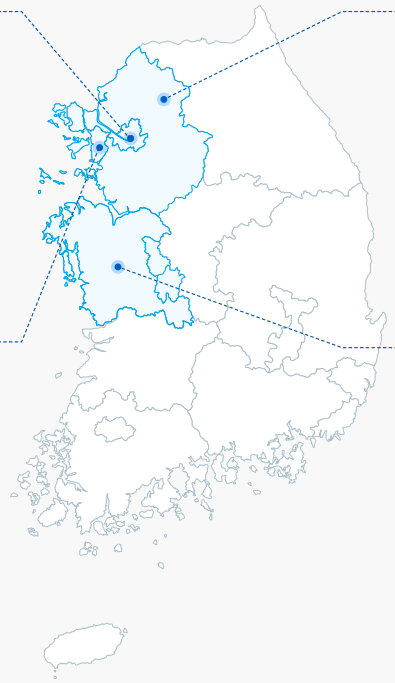
Biodiversity Management Status

Coway has identified the terrestrial and marine biodiversity in the regions of its domestic sites to support biodiversity conservation. No endangered species were identified in the Seoul Office area (Guro-gu, Seoul), while 5 endangered species were found each in the Yugu Factory area (Gongju-si, Chungnam) and the Incheon Factory area (Namdong-gu, Incheon), and 12 species were identified in the Pocheon Factory area (Pocheon-si, Gyeonggi-do). Coway plans to monitor ecological changes around its business sites annually and, should any negative impacts be detected, will develop tailored risk mitigaiton plans accordingly.

Biodiversity Distribution by Site

Seoul Office (G-Tower)	
Location	Guro-gu, Seoul
Area	20.11km²
Endangered species	-

Incheon Factory	
Location	Namdong-gu, Incheon
Area	57.01km²
Endangered species	5 species Birds (3), insects (1), invertebrates (1)



Pocheon Factory	
Location	Pocheon-si, Gyeonggi-do
Area	826.4km²
Endangered species	12 species Birds (2), reptiles (1), fish (4), insects (1),terrestrial plants (4)

Yugu Factory	
Location	Gongju-si, Chungcheongnam-do
Area	940.7km²
Endangered species	5 species Mammals (1), birds (2), amphibians (1), fish (2)

* Criteria for assessing endangered species: Based on the standards of the National Institute of Biological Resources, Ministry of Environment

Biodiversity Conservation Activities

Coway actively identifies and implements various conservation initiatives to protect biodiversity and ecosystems around its business sites and neighboring areas. These efforts include creating "Clean School Classroom Forests" and ecological forests, among other protective activities.

Key Programs

Program	Operation period	Activity description
Clean School Classroom Forest	May 2022 ~ Present (6 sites completed)	Donation of air-purifying plants-including Asplenium nidus[1], Areca Palm, and Rhapis excelsa-to elementary schools, along with environmental education programs (A total of 2,714 plants have been planted to date)
Ecological Forest	October 2024 ~ Present (1 site completed)	Creation of forests for ecosystem restoration by planting endangered and rare plant species[2] designated by the International Union for Conservation of Nature (IUCN) and the Korea Forest Service (cumulative 1,750 plants planted)
EM Mud Ball Throwing	May 2023 ~ Present (3 events held)	River cleanup by throwing EM mud balls (cumulative 10,000 balls)
Employee Marine Plogging	July 2023 ~ Present (2 events held)	Underwater trash collection and beach cleanup activities

1) A critically endangered native plant species designated by the Korean government
2) Allium dumebuchum, Dianthus chinensis, Abeliophyllum distichum, Veronicastrum sibiricum var. japonicum, etc.

Social

Talent Recruitment and Development

Talent Philosophy

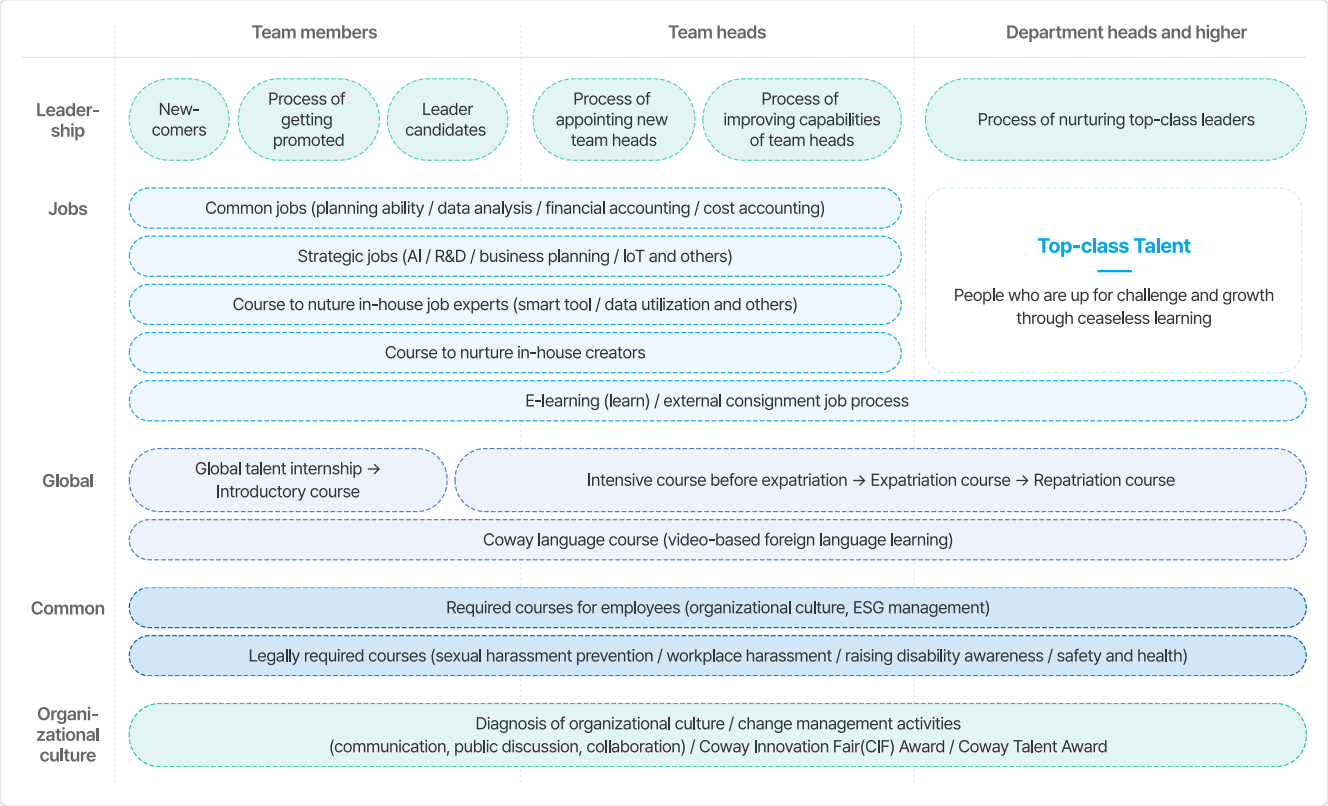
Coway defines "top-class talent" as individuals who do not hesitate to learn, constantly challenge themselves, and strive for growth based on six core values: detail, strategic thinking, speed, leadership, responsibility, and organizational power. Guided by these values, we are committed to becoming a trusted company by providing beneficial and convenient experiences through customer-centric mindset, while striving to discover and develop outstanding talent. Furthermore, we also foster open communication and promote a horizontal, collaborative organizational culture to help employees internalize these core values.

– Coway's Talent Philosophy and Core Values

Employee Competency Building

Coway recognizes the recruitment and development of top talent as a critical priority for driving sustainable growth amid an evolving business environment. Moreover, to support each employee in becoming a professional in their respective roles, we have established a 'top-class talent growth roadmap' and are operating systematic training programs.

Talent Development System



Talent Development Programs

Coway operates various training programs to enhance the leadership, job expertise, and global competencies of employees. We support employees in voluntarily participating in external training programs and offer over 2,600 training contents through an integrated learning platform.

01 Leadership Training

Coway operates a leadership development program to nurture leaders who embody our Talent Philosophy of "top-class talent."

Coway offers an onboarding program and a level-up course for newly appointed managers, and role-specific competency-building training for employees promoted to higher positions. In 2024, we conducted a total of four strategic decision-making training sessions for leaders at the director level and above. Team leaders received training related to communication skills, performance appraisal, and coaching to support the development of a healthy organizational culture.

02 Job and Onboarding

Coway operates various job training and onboarding programs to fulfill organizational goals and support employee development.

In 2024, Coway helped strengthen employees' digital capabilities by offering courses on task automation and data analysis using generative AI. Additionally, we launched an In-house Job Expertise Program, in which employees with strong job-specific expertise were trained as internal instructors to share their knowledge and skills across the organization. A total of 469 employees participated in the program, which received an average satisfaction score of 4.7 out of 5, reflecting high engagement and positive feedback from participants. In addition, we provided onboarding programs to help improve new hires' understanding of our company and adapt quickly to their roles.

03 Global Course

Coway operates a global competency-building system that covers the entire process before and after an employee's overseas assignment.

The Global Potential program was conducted to help employees develop the fundamental knowledge and competencies necessary for working at overseas subsidiaries. We also support the growth of global talents through tailored programs for each life cycle, such as the expatriate candidate program, the expatriate program, the repatriate program, and the effective utilization of their overseas experience. Moreover, we have expanded our support for voluntary enrollment in online foreign language training to enhance the global capacities of employees, providing learning opportunities for employees to improve their foreign language skills.

— 04

R&D Training

In 2024, Coway established a structured R&D training system, operating training programs to enhance the professional capacities of researchers.

We strengthened an onboarding training for new research center employees to enhance their initial job adaptability, and nurtured internal expert instructors to provide the basic training required for research roles. Moreover, we have expanded training in common job competencies for researchers, such as patents, PM(Project Management), and cost reduction, and are supporting both internal and external learning programs to enhance expertise related to key jobs such as AI.

— 05

Top-Class Talent Course

Coway operates the "Top-Class Talent Course" to nurture next-generation leaders and strengthen the competitiveness of its human resources.

This program focuses on enhancing participants' understanding of overall business management, collaboration, and leadership capabilities. In 2023 and 2024, a total of 62 employees completed the program, 19 of whom have since advanced to leadership roles, driving the continuous growth of the organization.

— 06

ESG Training

As the importance of ESG expands, Coway operates a mandatory online training program called 'ESG Insight' for its employees.

The training covers key topics such as the concept of ESG management, case studies, fair trade, and climate change. A total of 5,659 employees required to receive the training have successfully completed it, helping enhance their understanding of ESG and strengthening the foundation for practical implementation.

Employee Performance Management

Performance Appraisal System

Based on Coway's talent philosophy, we operate a performance appraisal system to nurture and support 'top-class talents' who continuously challenge themselves and grow without hesitation in learning. The performance appraisal serves as the foundation for a rational and transparent compensation system and is managed based on clearly defined criteria.

— 01

Performance-based

To strengthen performance-based appraisals, Coway transitioned from a position-based group appraisal method to an integrated approach that reflects a broader, organization-wide perspective. Additionally, the appraisal system was improved to more accurately reflect each individual's actual performance.

— 02

Enhanced Competency Assessment

To objectively assess employee competencies, Coway accumulates validated data throughout the year through competency assessments and talent development programs. Based on these assessments, we clearly identify individual development progress and implement effective talent placement and personalized support for growth.

— 03

Ongoing Performance Management

Coway implements continuous performance management, in which evaluators and employees discuss goal setting, regularly communicate on progress, and share feedback. This approach supports individual employee growth beyond simple results-based appraisals and ensures that appraisals are structured and aligned with performance objectives.

Performance Appraisal Process

Coway operates a fair and reasonable performance appraisal process to develop employee competencies and drive performance. To align employees and the organization around shared core values, individual objectives are set based on organizational KPIs and role-specific expectations. Throughout the year, performance progress is monitored, and continuous performance management is conducted through feedback from leaders or heads. In the final appraisal stage, the Evaluation Committee thoroughly analyzes individual performance and assigns fair appraisal ratings based on the analysis.

Individual/Organizational Performance Appraisals Process

STEP 01

Objective setting Beginning of the year

- Setting individual goals
- Finalizing and reviewing goals

STEP 02

Interim review Mid-year (ad-hoc)

- Interim review and feedback

STEP 03

Final appraisal and result feedback End of the year

- Self-evaluation and manager assessment
- Operating the evaluation committee
- Confirming and coaching on evaluations

Employee Performance Appraisals[1)]

Category	Details	Frequency	Percentage of employees appraised
Objective management	Setting objectives, continuously modifying and supplementing them, and recording feedback on work processes in the appraisal system	Ongoing	100%
360-degree feedback	Appraisal by colleagues and leaders focused on core values and work methods required from all employees	Annually	91.4%
Team-based appraisal	Systematic appraisal of employee performance based on organizational standards, and assignment of ratings according to appraisal results	Biannually	100%

1) Employees who are not subject to appraisal, such as those on leave or with tenure shorter than the performance appraisal period are excluded / On-site employees (production, sales, service staff) are excluded; separate appraisals are conducted on on-site employees based on monthly performance

Employee Welfare and Benefits

Employee Welfare and Benefit System

Coway operates a range of employee welfare and benefit programs to ensure that employees can work in a healthy and stable environment. Key benefits include support for extended leave, housing loan interest subsidies, and educational support for employees' children. Moving forward, Coway plans to actively engage with employees to further expand its welfare policies that support both employees and their families.

– Employee Benefits and Welfare Programs

Category	Item	Content
Culture/ leisure	Welfare points	Welfare points are granted annually based on years of service, allowing employees to freely use them across a variety of welfare categories
	Long-term leave support	Special paid leave and vacation allowances are provided to long-serving employees, offering them opportunities for rest and renewal
	Support for condo accommodation	Support for employee leisure activities through condominium use in key locations nationwide
Working conditions/ working environment	Support for housing loan interest	Support for interest on loans for purchasing or leasing a home
	Support for children's tuition	Support for the tuition fees of employees' children to ease the burden of education costs
	Support for employees' educational expenses	Support for employees' educational expenses for their self-development and competency-building
Medical/life event support	Health checkups for employees	Annual health checkups for the healthcare of employees, with additional special health checkups for those exposed to harmful factors
	Funeral personnel and supplies service	Support with funeral services and related supplies is provided when an employee experiences the loss of an immediate family member
	Birthday and wedding anniversary gifts	Celebratory gifts are given to employees on special occasions such as birthdays and wedding anniversaries
	Congratulatory and Condolence Leave/Allowance	Leave and monetary support for life events such as marriage, childbirth, and funerals
	Childbirth congratulatory gifts	Congratulatory gifts for employees and their spouses upon childbirth
	National holiday and anniversary gifts	Gifts are provided to employees on national holidays and Coway's anniversary

Family-Friendly System

Coway fosters a family-friendly corporate culture that enables employees to maintain a work-life balance while ensuring a stable work environment. There are dedicated rest areas and breastfeeding facilities to provide comfortable rest for pregnant employees during work hours, and various systems are in place for childbirth and childcare, helping employees maintain a stable life with their families. Moreover, we support employees with children in maintaining a work-life balance by running an in-house daycare center. Guided by the belief that employee well-being is the foundation for corporate growth, Coway will continue to expand maternity-friendly and family-oriented programs in the future.

– Family-Friendly Programs

Category	Content	Category	Content
Fixed/flexible work hours	Operating a PC-OFF system to encourage fixed and flexible working hours	Health checkup leave	Providing paid half-day leave for health checkups
Family care leave/leave of absence	Supporting leave (up to 10 days per year) and leave of absence (up to 90 days per year) for employees who need to care for family members	Maternity leave for spouse's childbirth	Providing 20 days of leave for employees whose spouses give birth (can be used in up to 3 installments)
Reduced working hours during pregnancy	2-hour reduced working hours during early and late stages of pregnancy	Fertility treatment leave/leave of absence	Supporting leave (up to 6 days per year) and leave of absence (1 month per year and up to 3 months in total) for employees who need fertility treatment
Elementary school entrance leave	Providing employees with 5 days of leave to help their children adjust to entering elementary school	Lactation facilities	Providing dedicated rest and lactation rooms for pregnant employees
Reduced working hours for family care	Employees may reduce working hours for up to 3 years (1 year + extended 2 years) to care for family members	Rest facilities	Operating an in-house cafe and providing rest areas to promote efficient work
Leave for various life events	Providing leave in the event of life events for congratulations/condolences	Operation of a daycare center	Operating a dedicated daycare center from 8:30 AM to 10:00 PM to support work-life balance for employees and offer a wide range of childcare services in consideration of various work schedules

Selected as a Family-Friendly Company for Five Consecutive Terms

Coway has been selected as an "Excellent Family-Friendly Company" by the Ministry of Gender Equality and Family for five consecutive terms, leading the way in fostering a family-friendly corporate culture. The "Family-Friendly Certification" is a three-year designation awarded to companies and organizations that exemplarily operate family-friendly programs such as support for childbirth, childcare, and work-life balance. Since first receiving the certification in 2012, Coway has steadily expanded and enhanced various family-friendly programs. As a result, we have secured our certification eligibility through 2026. Moreover, Coway has established and is operating a dedicated daycare center for employees' children to actively support work-life balance. Moving forward, Coway will continue to foster a flexible and healthy corporate culture where employees can fully demonstrate their capabilities while maintaining the balance between work and life.

Corporate Culture and Diversity

Sound Labor-Management Communication

Multiple labor unions have been established at Coway based on different job groups or categories. Each union collaborates to improve working conditions and the work environment, taking into account the characteristics of each job group or category. Through regular labor-management council meetings with employee representatives of each business site, Coway communicates key issues and changes related to corporate management, transparently discloses major transitions, if any, and actively gathers employee feedback and grievances. In the quarterly labor-management council meetings held in 2024, a total of 123 agenda items were discussed, including improvements to the work environment, employee welfare and benefit programs, and grievance handling.

Culture of Mutual Respect

Coway implements the practice of using respectful forms of address among all employees, using the suffix "-nim," throughout Coway to foster a healthy organizational culture based on horizontal communication and mutual respect. All members, from new hires to the CEO, address each other uniformly to freely exchange opinions and perform tasks rationally. In 2024, Coway launched an internal contest to discover teams that contributed to the change and management of organizational culture, and departments that actively promoted a horizontal work culture and innovative working styles were rewarded with custom zip-up hoodies. The best practices selected were created into videos and shared company-wide via the integrated learning platform, encouraging interest and participation from employees and contributing to the spread of a horizontal organizational culture. Coway will continue to promote a healthy and sustainable organizational culture built on autonomy and collaboration.

Diversity and Inclusion

Diversity Policy

Coway explicitly states its commitment to diversity and non-discrimination in its Code of Ethics, Ethical Practice Guidelines, and Human Rights Policy. Our goal is to cultivate an organizational culture where no employee faces discrimination or disadvantage based on individual differences such as gender, nationality, disability, or religion. Coway respects the diverse backgrounds and mindsets of individuals and supports all employees in realizing their full potential through equal opportunity. Coway also maintains a non-discriminatory HR system with regard to gender and continues to expand the appointment of female managers, thereby reinforcing gender diversity and fostering an inclusive organizational culture.

Expanding Employment of Persons with Disabilities

Coway actively promotes employment opportunities and raises awareness to support persons with disabilities in becoming self-reliant members of society. In 2022, Coway signed an agreement with the Korea Employment Agency for Persons with Disabilities to promote disability employment and have since continued efforts to create inclusive job opportunities for such individuals. As a result, the number of employees with disabilities has steadily increased from 80 (1.2%) in 2021 to 139 (2.3%) in 2024. In 2022, Coway also established a wheelchair basketball team and a choir for persons with disabilities, contributing to the promotion of disability employment. In 2024, we expanded disability hiring in administrative support roles, enabling employees with disabilities to make substantial job contributions. Coway is committed to expanding employment opportunities for persons with disabilities and fulfilling its corporate social responsibility by aiming to achieve a 2.5% employment rate for persons with disabilities by 2030.

Fostering Female Talent

As a member of the UNGC (UN Global Compact), Coway actively participates in the UNGC TGE[1] program, a global initiative that promotes diversity and expands female representation. In particular, as of 2024, women constitute 64% of managerial positions within the sales division, including regional branch managers, which reflects a consistently high level of female representation. The proportion of women in leadership positions at the level of TF leader and above stood at 19.2%. Coway has set a target to increase the proportion of female leaders to 20% by 2030 and is committed to ongoing efforts to achieve this goal.

1) Target Gender Equality

Health and Safety Management System

Health and Safety Management Policy

Coway has established the Health and Safety Management Policy that reflects our commitment and direction regarding workplace health and safety. This policy is publicly posted at all business sites and applicable to all employees and on-site partners under the company's supervision. Moreover, with the goal of achieving "zero serious accidents," Coway prioritizes the health and safety of various stakeholders including employees, customers, citizens, and partners. To that end, Coway ensures 100% compliance with the Serious Accidents Punishment Act and the Occupational Health and Safety Act, and continuously strengthens its ability to respond to health and safety risks.

Safety and Health Management Policy coway

COWAY Corporation recognizes safety and health as the foremost priority as a corporate citizen and strives for the safety and health of all employees throughout its business activities.

1. **Ensuring Employee Health through Creating a Safe Work Environment**
   We strive to enhance the quality of life and health of employees by identifying and improving potential hazards to create a work environment where all employees can work safely and healthily.
2. **Compliance with Legal and Regulatory Requirements in Business Activities**
   We comply with international standards, relevant laws and regulations, internal regulations, and standards related to safety and health.
3. **Raising Awareness of Employee Safety and Health**
   We raise awareness of safety and health throughout the organization and provide education and training to ensure active participation of all employees.
4. **Continuous Improvement Activities for Safety and Health**
   We regularly set goals, implement, inspect, and improve activities to enhance the level of safety and health.
5. **Growth in Partnership with Stakeholders and Partners**
   We strengthen mutual cooperation through smooth communication with internal and external stakeholders regarding key safety and health matters. We also provide continuous support to improve the safety levels of partners, aiming to establish a healthy safety culture.

Jan. 2,2024
Seo Jang-Won, CEO of COWAY 서장원

Health and Safety Management Policy

Health and Safety Strategies

Coway promotes health and safety management based on five core values under its mission to "create a safe and healthy work environment" and the vision to become "a company that prioritizes the health and safety of its employees." To achieve this, Coway proactively eliminates potential risk factors and strictly complies with all health and safety regulations to ensure a safe and pleasant work environment. We provide tailored education and training programs to raise health and safety awareness among all employees and sets clear health and safety goals to drive continuous improvement. Furthermore, Coway fosters a culture of mutual health and safety by sharing relevant information with partners and expanding technical support. Through these efforts, Coway aims to build a safe and healthy corporate culture and pursue sustainable growth in partnership with all stakeholders.

Health and Safety Strategies

MISSION
We create a safe and healthy working environment

+

VISION
A company that prioritizes the health and safety of its employees

Management policies based on core values	Directions	Operational strategies
Health and Safety	Guaranteeing health and safety of employees	• Removing potential risk factors and strengthening management based on risk assessment • Substituting hazardous factors and applying engineering controls
Improving the Level of Health and Safety Management	Preemptive response	• Establishing a monitoring system for health and safety regulations and compliance trends • Conducting legal compliance inspections and operating improvement processes
Raising Awareness of Health and Safety	Education and training	• Developing and operating customized health and safety training programs • Conducting participatory drills and campaigns on a regular basis
Compliance with Laws and Regulations	Continuous improvement	• Setting health and safety goals and managing KPIs • Conducting regular health and safety assessments and promoting improvement activities
Mutual Growth	Mutual cooperation	• Operating health and safety support programs for partners • Sharing health and safety information and expanding technical support

Health and Safety Targets and Plans

Indicator	Target	2024 Performance	Yearly detailed plan		
			2025	2026	2027
'Zero' serious accidents	0 cases	0 cases	• Strengthen health and safety diagnosis and standardize safety criteria for hazardous equipment	• Strengthen health and safety evaluation criteria and raise the operational level across organizations	• Establish an autonomous safety management system led by employees
Improvement rate of risk factors on production sites	Above 90%	95.1%	• Build a company-wide integrated health and safety management system and focus on managing risk factors	• Minimize risk factors by enhancing risk assessment techniques	• Establish an autonomous safety culture by strengthening worker participation and collaboration
Completion of regular worker training	100%	100%	• Develop field-oriented, tailored safety education content and enhance instructor expertise	• Expand hands-on safety training and emergency drills focused on accident cases	• Diversify educational content and evaluate safety awareness improvement effects to foster a safety culture
Completion of national health screenings	100%	100%	• Strengthen preventive management of occupational diseases	• Expand job-specific health management programs	• Create a culture of autonomous health management among employees
Regular safety evaluation of partners	100%	100%	• Strengthen the management system for partner health and safety evaluations	• Support the establishment of a partner-driven safety management system to elevate health and safety standards	• Build a safety-first culture by enhancing autonomous health and safety capabilities

Governance Structure for Promoting Health and Safety

Coway restructured its dedicated health and safety body into the Health and Safety Office, now under the direct supervision of the CEO. This reorganization strengthens our response capabilities to the Serious Accidents Punishment Act and the Occupational Health and Safety Act, ensuring the company-wide health and safety management system operates with professionalism and effective execution. The Health and Safety Office comprises the Health and Safety Audit Team and the Health and Safety Operations Team. Each team is responsible for distinct functions, such as preventing serious accident risks, establishing safety strategies, and ensuring legal compliance, operating in accordance with their respective roles. This is expected to enhance operational efficiency and improve safety management standards by integrating the previously dispersed reporting systems across the headquarters and sites and establishing a prompt and unified decision-making framework.

Organizational Chart for Health and Safety

Operation of the Occupational Health and Safety Committee

Category	Details	Category	Details
Member composition	• Equal representation: From employer and employees • Changes in members: Any changes must be mutually notified within 7 days	Key agenda items	• Matters in accordance with Article 24, Paragraph 2 of the Occupational Health and Safety Act - Formulating an industrial accident prevention plan - Preparing and amending health and safety management regulations - Health and safety education for and health examinations of employees - Recording and maintaining statistics on industrial accidents - Investigating causes of industrial accidents and formulating measures to prevent recurrence
Duties of members	• Chairperson: Oversees the committee's operations and convenes regular and ad-hoc meetings • Members: Deliberate and decide on agenda items assigned to the committee • Secretary: Prepares meeting minutes, submits agenda items, and monitors the implementation of resolutions		
Meetings	• Regular meetings: Held quarterly • Ad-hoc meetings: Whenever there are agenda items to discuss (when convened by the chairperson or requested by either labor or management) • Conducted at the business site level		

Health and Safety Management System Certification

Coway is committed to systematic health and safety management, as evidenced by its ISO 45001 certification for health and safety management systems. This certification has been achieved at our domestic factories in Yugu, Incheon, and Pocheon, as well as at our Environmental Technology Research Institute (R&D center). Having initially obtained ISO 45001 certification in July 2021, Coway has since made continuous efforts to prevent and minimize risks related to industrial accidents, including serious workplace injuries. Furthermore, we are carrying out various activities to internalize a health and safety culture within the organization by promoting voluntary employee participation and strengthening awareness of health and safety.

ISO 45001 Certification Status

Certified sites	Certification period	Certified sites	Certification period
Yugu Factory	Jul. 7, 2021 - Jul. 13, 2026	Pocheon Factory	Jul. 7, 2021 - Jul. 13, 2026
Incheon Factory	Jul. 7, 2021 - Jul. 13, 2026	Environmental Technology Research Institute	Dec. 21, 2023 - Jul. 13, 2026

Health and Safety Risk Management

Health and Safety Regulation Monitoring

Coway conducts comprehensive assessments and manages the compliance status of health and safety regulations at each business site in accordance with the Serious Accidents Punishment Act. Coway reviews the overall health and safety system, including health and safety regulations and procedures, mandatory training, and risk assessments. Through on-site inspections in the areas of machinery, electrical, chemical, and general safety, Coway identifies hazardous and risk factors, focusing on minimizing safety blind spots. As a result, Coway identified a total of 210 risk factors in 2024, established improvement plans, and took prompt follow-up measures to create a safer workplace.

Areas of Inspection for the Implementation of Regulations

Inspection items	Details
Health and safety system	Health and safety regulations and procedures, mandatory training, MSDS (Material Safety Data Sheet) risk assessment, partner management, Occupational Health and Safety Committee, etc.
On-site inspections	General safety, mechanical safety, electrical safety, chemical safety, fire safety, etc.

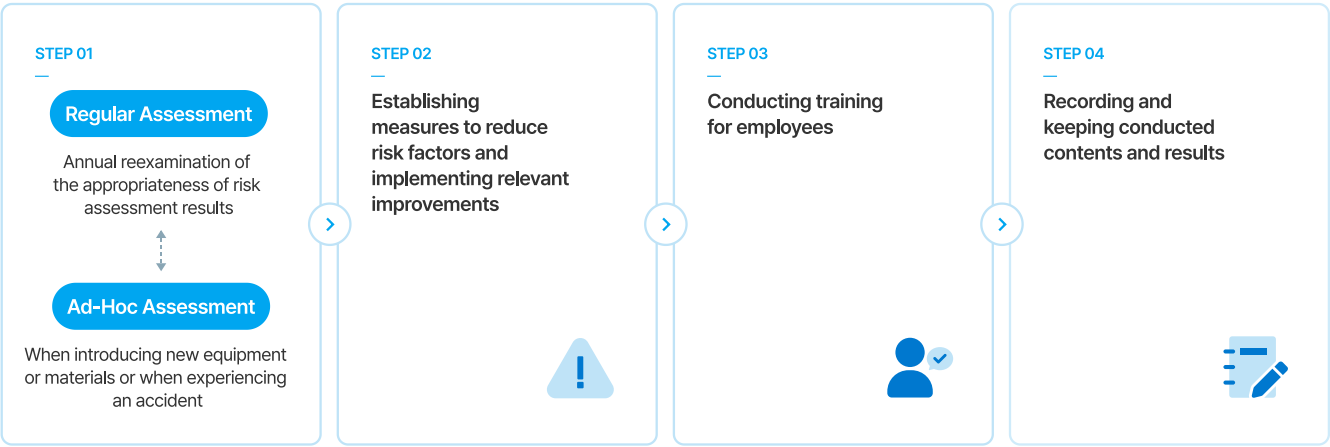
Key Outcomes of 2024 Health and Safety Diagnosis

Category	Number of cases	Key findings	Improvement rate
First half of 2024	120 cases	• Reinforcement of safety devices for conveyors/lifts • Improvement of chemical substance management measures	99%
Second half of 2024	90 cases	• Improvement of emergency stop devices on manufacturing facilities • Improvement of management control measures for forklift loading zones	In progress

Health and Safety Risk Assessment

Coway conducts an annual risk assessment in accordance with internal risk assessment guidelines to eliminate both direct and indirect risk factors across all operations, such as production, service, research, and support activities. During this process, we identify hazardous and risk factors at our sites and assess their likelihood and severity of causing injury or illness. Based on these evaluations, Coway establishes and implements mitigation measures in order of risk severity, taking measures for employees to perceive and respond to the risk factors through employee training. In addition, Coway takes proactive measures by conducting ad-hoc assessments whenever new hazardous or risk factors are anticipated, such as the installation or modification of structures, the introduction or change of machinery, equipment, or raw materials, and the occurrence of industrial accidents.

Risk Assessment Process



Key Outcomes of 2024 Risk Assessment

Category	Risk factors	Improvement measures	Cases identified	Measures taken	Improvement rate
Production and research	• Risk of tripping due to protruding anchor bolts on the floor in the Waterless Test process • Risk of fall accidents due to open stair-type work platforms in the filter waste storage area • Risk of falling objects in the laboratory	• Flattening the floor by removing protruding bolts • Extending work platforms, adding safety rails and footguards • Distributing and organizing lightweight materials	726 cases	700 cases	96.4%
Service and office	• Risk of collision involving forklifts during loading and unloading operations of logistics vehicles • Risk of finger injuries during water meter work • Risk of accidents due to unsecured barrier doors such as roll container doors and damaged wheels	• Restricting vehicle movement, shifting forklift routes, and prohibiting warehouse entry • Wearing safety gloves and conducting accident case safety training • Replacing roll containers and conducting safety training	731 cases	717 cases	98.1%

Pre-Work Safety Inspections of Risk Factors

Coway conducts regular inspections to prevent industrial accidents that may arise from the use of hazardous machinery and apparatus, such as those subject to protective measures, safety certification, reporting of voluntary safety verification, and safety inspection as prescribed by the Occupational Health and Safety Act. On-site supervisors inspect hazardous machines and equipment before work starts on each production line. If any issues are found, they immediately stop usage and take swift follow-up actions to ensure safety.

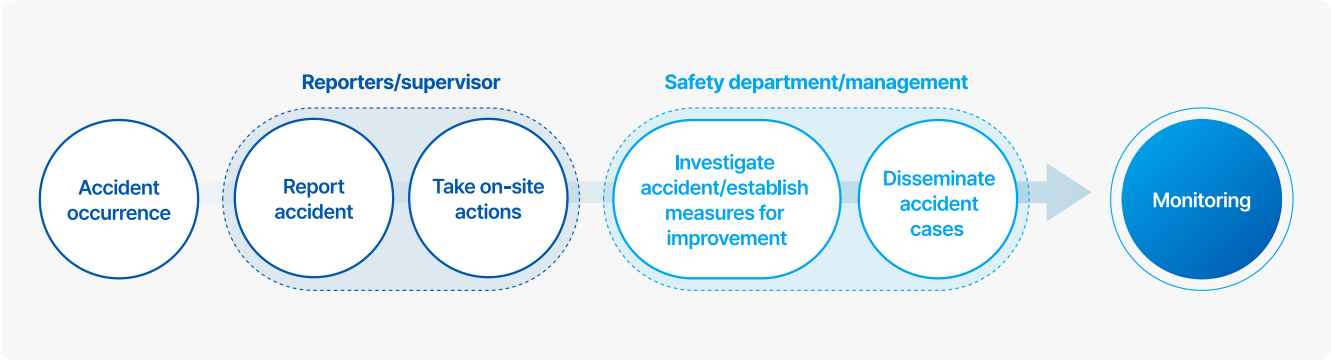
List of Equipment Subject to Safety Inspections

Target equipment	Quantity owned	Target equipment	Quantity owned
Pressure vessels	83	Lifts	4
Conveyors	64	Industrial robots	21

Response to Health and Safety Accidents

Coway operates a structured health and safety accident response process to ensure prompt notification and reporting, as well as accurate investigation in the event of an accident. To prevent recurrence, Coway investigates the root cause of each accident in the presence of health and safety managers and relevant department supervisors. The department where the accident occurred is responsible for identifying the cause and implementing measures to prevent recurrence. In addition, in the event of a serious accident, Coway immediately reports it to management for prompt response and strengthens recurrence prevention measures by sharing the case details with employees.

Accident Response Process



Health and Safety Programs

Health and Safety Programs

Occupational Health and Safety Training

Coway regularly conducts health and safety training to enhance health and safety awareness among employees. Regular training is conducted for all employees, including mandatory sessions for new hires and supervisors to strengthen site workers' health and safety awareness and management capabilities. New hires undergo onboarding safety training, and specialized job training is provided for health and safety personnel to enhance their expertise and competencies. Safety training is also offered to specialized workers, and accident prevention activities are reinforced through the issuance of OPS[1].

1) OPS: One Page Sheet, a safety and health information leaflet

– Safety Training Status

Category	Trainees	Frequency	Training hours	Number of participants
Regular training for employees	All employees	Twice a year (semiannually)	· Office posts: 6 hours · Non-office posts: 12 hours	5,599 people
Regular training for supervisors	Supervisors	Annually	· 16 hours	689 people
Onboarding training	New hires	As needed	· 8 hours	433 people
Job training	People in charge of health and safety management	Once every 2 years	· 6 hours	Target personnel
	Health and Safety managers	Once every 2 years	· Initial: 34 hours · Refresher: 24 hours	Target personnel
Initial training at the start of work	Special-type workers	As needed	· 2 hours	Personnel involved

Emergency Response Training

Coway organizes in-house fire response teams for each division and operates an up-to-date emergency contact network to enable rapid on-site communication and immediate initial response in the event of an emergency. To strengthen practical response capabilities, Coway establishes a variety of emergency response scenarios and clearly assigns roles to employees to ensure a systematic approach during emergencies. Based on this system, various emergency response drills are conducted at least once a year to prepare for facility safety incidents, fires, and chemical substance leaks, continuously enhancing Coway's response capabilities.

Employee Health and Well-being

Employee Wellness and Preventive Health Programs

Coway offers a range of support programs to promote the physical and mental well-being of its employees. We operate in-house health management and healthcare stations and provide customized support to prevent musculoskeletal disorders. In addition, "healthcare zones" equipped with self-check blood pressure monitors and stretching tools are installed at certain business sites, enabling employees to manage their health in their daily routines. Furthermore, we have also introduced customized hearing protectors for on-site workers to prevent noise-induced hearing loss and improved the slip resistance of safety shoes to reduce safety incidents on worksites.

In addition to promoting physical health, Coway also operates a psychological counseling office to support emotional well-being, helping employees manage potential stress and maintain psychological stability while performing their duties. For employees engaged in emotional labor, Coway has implemented a tailored emotional labor response manual to alleviate psychological strain and foster a healthier work environment. Furthermore, we conduct annual health checkups for all employees and provide special health screenings to those exposed to higher risks based on their job functions. As a result of encouraging active engagement via company bulletin boards and emails, we have achieved a 100% participation rate in health checkups in 2024, demonstrating our commitment to employee health management.

CASE

Introduction of Collaborative Robots and Customized Health Management

To reduce the burden of handling heavy objects in manufacturing sites and prevent musculoskeletal disorders, Coway has strengthened various health promotion activities, including the development of automation technologies, process improvements, healthcare support, and the installation of massage equipments. Since 2023, Coway has piloted collaborative robots to automate the supply of heavy materials. In 2024, this expanded to three production processes, establishing an automation system in which workers and robots collaborate. Furthermore, in 2024, Coway provided customized health management solutions based on individual body type analysis for employees at production sites, while diversifying musculoskeletal disorder prevention programs as part of our ongoing initiatives.

Collaborative robot for heavy object supply automation

Automatic Transmission of Customized Safety Videos for Special Workers

Coway automatically sends safety incident prevention videos through the work app to strengthen safety for special workers and systematically operates activities to prevent industrial accidents. In collaboration with the Korea Occupational Health and Safety Agency under the Ministry of Employment and Labor, Coway provides approximately 190 customized safety content pieces. This enables workers to access, in real-time, safety information tailored to their specific work environments and recognize potential hazards in advance. Moving forward, Coway plans to expand continuous support to ensure that specialized workers can easily access health and safety information and perform their tasks safely.

Customized videos for special-type workers

Health and Safety for On-site Partners

Operation of the Health and Safety Council

Coway strengthens health and safety management for in-house partner companies by operating a Health and Safety Council with them, through which health and safety information is shared and on-site feedback is gathered. Moreover, we conduct joint inspections of work processes with in-house partner company owners and workers every quarter to identify potential risk factors, such as securing forklift passageways, improving emergency exits, and enhancing lighting in worksites. Building on these efforts, Coway is constantly striving to prevent industrial accidents and create a safe and healthy work environment.

– Operation of the Health and Safety Council

Category	2021	2022	2023	2024
VOC received	-	-	12 cases	21 cases
VOC improvement rate	-	-	100%	86%

Safety Risk Assessment

Coway integrates health and safety considerations from the early stages of its subcontracting operations. During project execution, we actively work to prevent accidents by continuously implementing, evaluating, and refining the health and safety management practices of our subcontractors. Since 2023, we have implemented health and safety capacity assessments when registering new and existing partners, linking them with the assessment criteria. In 2024, we completed the assessment for all 25 partners, achieving a 100% completion rate. If new partners fail to meet the assessment standards, their registration is restricted while existing partners are subjected to separate measures, such as inspecting non-compliant issues through regular assessments and offering improvement guidelines.

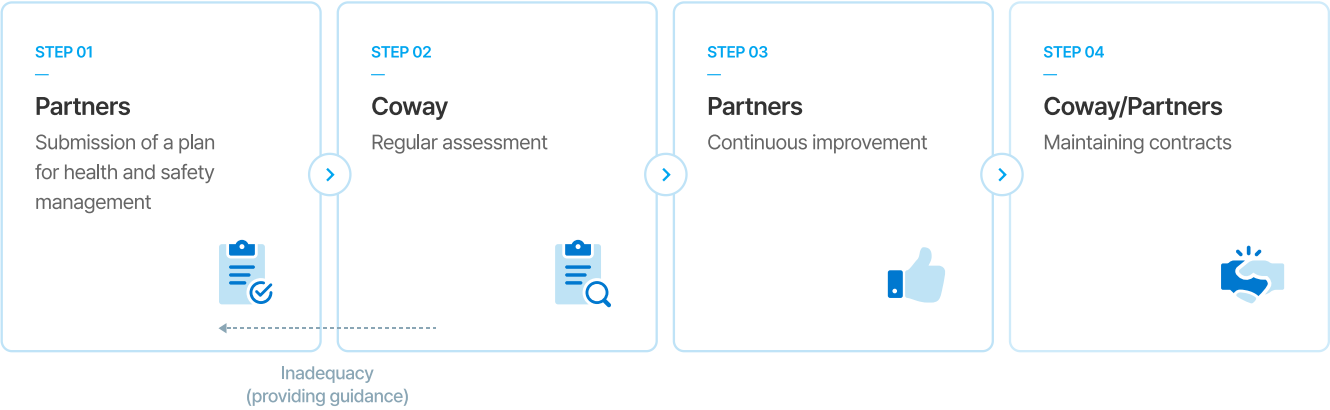
– Risk Assessment Results

Category	2021	2022	2023	2024
Risk factors identified	-	34 cases	173 cases	74 cases
Improvement rate	-	100%	100%	96%

Health and Safety Capacity Assessment

Coway integrates health and safety considerations from the early stages of its subcontracting operations. During project execution, we actively work to prevent accidents by continuously implementing, evaluating, and refining the health and safety management practices of its subcontractors. Since 2023, we have implemented health and safety capacity assessments when registering new and existing partners, linking them with the assessment criteria. In 2024, Coway completed the assessment for all 25 partners, achieving a 100% completion rate. If new partners fail to meet the assessment standards, their registration is restricted while existing partners are subjected to separate measures, such as inspecting non-compliant issues through regular assessments and offering improvement guidelines.

Safety Assessment Process



Human Rights Management System

Human Rights Management Policy

Coway's Human Rights Management Policy is established based on 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). It applies to all stakeholders, including employees, customers, partners, and local communities. The policy affirms a commitment to upholding key human rights principles, including non-discrimination; the prohibition of child labor and forced labor; compliance with working hours; humane treatment; safety and health; freedom of association; responsible mineral sourcing; consumer safety and health; responsible marketing; protection of personal information; and respect for the rights of local communities.

Human Rights Management Policy

Human Rights Management Implementation System

Under the human rights management vision of "Enhancing the value of the environment, enhancing the value of human rights," Coway has established goals to promote a culture of respect for human rights and prevent human rights violations for all stakeholders. To realize this vision, we are implementing systematic human rights management based on mid- to long-term roadmaps and promotional strategies. Going forward, we will continue to enhance human rights management to realize sustainable corporate value.

Promotional Strategy for Human Rights Management

VISION
Best Life Solution Company

Human rights management vision	**Enhancing the value of the environment, enhancing the value of human rights**
Human rights management goals	**[Qualitative] Spreading to stakeholders a culture where human rights are respected** **[Quantitative] Achieve a human rights impact assessment score of 90 or higher, zero human rights violation reports**
Mid- to Long-term roadmap	**Adopting human rights management and establishing the system (2025)** • Renovating human rights management organizations and systems • Preparing the basis for due diligence, such as human rights impact assessments, etc. • Spreading a culture where human rights are respected **Establishing and internalizing human rights management (2026)** • Strengthening human rights risk response and management • Disclosing information on human rights management • Establishing a human rights relief system **Expanding and enhancing human rights management (2027~)** • Enhancing human rights management policies and systems • Spreading human rights management performance • Continuing to promote human rights monitoring
Promotional strategies	**Establishing human rights management systems** • Renovating promotional systems, institutions, and regulations of human rights management • Strengthening organizational expertise for human rights management • Providing training on human rights management and spreading relevant culture • Establishing and implementing a human rights impact assessment system **Internalizing human rights management** • Discovering human rights blind spots and monitoring risks • Assisting groups vulnerable to human rights violations • Developing human rights contents and strengthening promotional activities • Preventing human rights violations and establishing and operating relief systems • Updating human rights management website (filing grievances) and disclosing information **Enhancing and spreading human rights management systems** • Expanding the scope of human rights risk management • Operating a human rights council for stakeholders • Expanding the implementation of human rights management for stakeholders • Strengthening human rights management performance and information disclosure
Organizations	**Decision-making** Board of Directors, ESG Committee **Supervisory departments** HR team, ESG team **Working-level departments** Person in charge of human rights from each department
Standard	**Coway Human Rights Policy**
Monitoring feedback	**Implementation and inspection** Disclosing Sustainability Reports, human rights management activities and performance, etc. **Feedback** Reflecting mid- to long-term roadmaps and next year's human rights management plans

Governance Structure for Promoting Human Rights Management

Coway discusses and makes decisions on key matters regarding human rights management through the ESG Committee, which involves the top decision-maker, and the ESG Council, which involves decision-makers and working-level staff from major departments. The ESG Committee regularly reports and deliberates on necessary matters for human rights protection, such as the establishment and revision of human rights management policies and current status and plans. Human rights management is jointly overseen by the HR Team and ESG Team, which are responsible for establishing and operating the human rights impact assessment system, as well as setting improvement tasks and monitoring their implementation. Internal discussions for submitting agenda items to the Committee are conducted through a working-level council, with mandatory participation from personnel in charge of labor management, compliance and ethical (Jeong-Do) management, and legal departments.

Human Rights Management Activities

Human Rights Management Training

Coway conducts human rights management training annually for all employees to raise awareness and spread a culture where human rights are respected. In 2024, "Human Rights Education for Mutual Respect" was provided to all 6,175 employees, with 6,174 completing the program, achieving a completion rate of 99.9%.

2024 Human Rights Management Training Status

Title	Target	Content	Number of participants	Frequency
Human Rights Education for Mutual Respect	All employees (6,175)	• Personal information protection • Workplace sexual harassment prevention • Awareness improvement regarding people with disabilities	6,174 (Completion rate: 99.9%)	Annually

Human Rights Grievance Handling

Coway operates various reporting channels—including groupware, messenger, and work-related mobile apps—to allow employees to report human rights violations or grievances at any time. Grievances are categorized and managed as either human rights violations (e.g., workplace harassment, sexual harassment, discrimination) or general grievances (e.g., working environment, employee welfare, HR systems). All grievances are handled promptly within 10 days in accordance with the internal grievance handling manual, which complies with relevant laws and guidelines from the Ministry of Employment and Labor, while strictly ensuring the anonymity and protection of the whistleblower. When necessary, Coway seeks the guidance of external experts to ensure fairness. Based on the investigation findings, appropriate actions are taken through the HR Committee, and preventive training is conducted to mitigate recurrence. In 2024, a total of 42 grievance cases were submitted, all of which were resolved in accordance with the relevant procedures.

Grievance Reporting Channel

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

Grievance Handling Process

STEP 01
Grievance submission
- Violation of human rights
  - Workplace bullying
  - Sexual harassment, etc.
- Other grievances
  - Working environment
  - Welfare
  - Personnel system and others

STEP 02
Checking submitted contents
- Checking detailed contents
- Actions to protect reporters
- Reviewing investigation plans

STEP 03
Conducting investigation
- Listening to opinions
- Verifying fact relevance
- Determining the acknowledgment

STEP 04
Grievance handling
- Delivering the result
- Making improvements
  - Disciplinary, personnel actions
  - Training to prevent recurrence

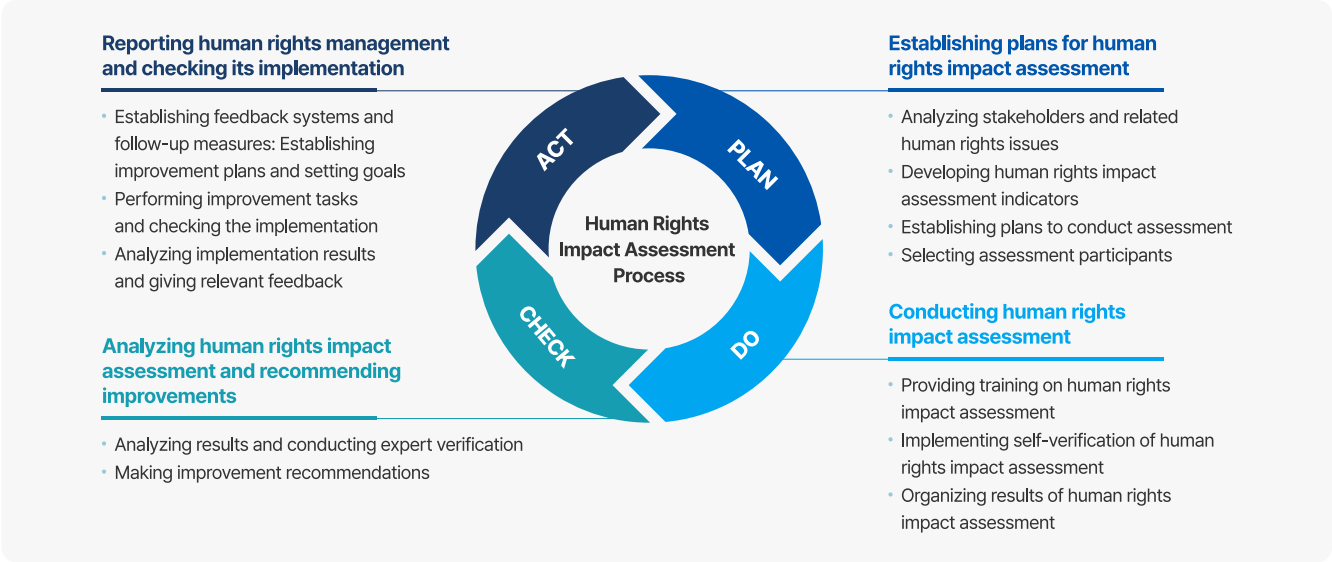
Human Rights Due Diligence

Human Rights Impact Assessment

Conducting Human Rights Impact Assessment

Coway regularly conducts human rights impact assessments to identify actual and potential human rights impacts on stakeholders that may arise throughout its management and business activities and to inspect the adequacy of preventive and follow-up measures for related risks. Assessments are based on a checklist aligned with the guidelines of the National Human Rights Commission of Korea and the UN Global Compact (UNGC), with indicators adapted and refined to reflect the company's business environment and enhance effectiveness and practical applicability. The 2025 assessment consists of 10 human rights categories and 170 detailed items, conducted based on the status as of 2024. Specific personnel were designated to oversee each area, and new indicators were added to strengthen employee human rights protections and consumer data privacy. Through this, we regularly monitor the human rights management system, transparently disclose the implementation status and improvement activities to employees and stakeholders, and incorporate identified areas for improvement into our mid- to long-term human rights management strategy, taking phased actions accordingly.

Human Rights Impact Assessment Process



Areas of Human Rights Impact Assessment

1 Establishment of a human rights management system
- Establishing human rights management policies and systems, conducting human rights impact assessments, and operating performance monitoring frameworks

2 Non-discrimination in employment
- Ensuring and managing equal employment opportunities and a non-discriminatory working environment

3 Guarantee of freedom of association and collective bargaining
- Guaranteeing freedom of association and collective bargaining for workers and ensuring effective implementation

4 Prohibition of forced labor
- Prohibiting all forms of forced labor, including mandatory overtime

5 Prohibition of child labor
- Complying with child labor prohibition standards and implementing protective measures for young workers

6 Guarantee of occupational safety and health
- Providing safety training, operating safety facilities, and managing the working environment to prevent industrial accidents

7 Responsible supply chain management
- Establishing and operating systems to prevent and assess human rights risks of partners

8 Guarantee of environmental rights
- Establishing management systems and operating response procedures to protect the environment and prevent violations

9 Protection of consumer rights and employee information
- Ensuring product safety and managing the establishment and implementation of systems for protecting consumer and employee information

10 Humane treatment of workers
- Managing the implementation of measures to protect employee dignity, the right to rest, maternity, and people with disabilities

Results of Human Rights Impact Assessment

In the 2024 Human Rights Impact Assessment, Coway scored 93.5 points, marking a 6-point increase compared to the previous year. This improvement reflects the introduction of new items such as human rights protection of employees and consumer data protection, as well as strengthened training for working-level personnel and the advancement of response processes. In particular, significant enhancements in the field applicability of monitoring systems and assessment indicators for identifying and addressing human rights risks were key drivers of the score increase. Based on the assessment results, identified areas for improvement will be discussed with relevant departments to develop action plans, which will be incorporated into the company's mid-to-long-term human rights management strategy for phased improvement.

Area	Achievement score	Area	Achievement score
Establishment of a human rights management system	82.4 points	Guarantee of occupational safety and health	100 points
Non-discrimination in employment	100 points	Responsible supply chain management	90 points
Guarantee of freedom of association and collective bargaining	100 points	Guarantee of environmental rights	100 points
Prohibition of forced labor	84.6 points	Protection of consumer rights and employee information	100 points
Prohibition of child labor	100 points	Humane treatment of workers	92 points

Management of Key Issues of the 2024 Human Rights Impact Assessment

Stakeholder	Identified key risks	Mitigation measures
Employees	Need to enhance the establishment and implementation of a structured human rights impact assessment system	Established and implemented a system for conducting annual human rights impact assessments
	Need to define the roles of internal control and monitoring systems for human rights	Separated the roles of the human rights promotion department and the independent monitoring department
	Need to regularly implement ESG training, including environmental education	ESG training conducted as a mandatory company-wide program, with 5,659 employees completing the course
Partners	Need to strengthen systematic monitoring and response to human rights risks in the supply chain	Reflected and evaluated human rights protection status in comprehensive partner assessments

Supply Chain Sustainability

Supply Chain Policy

Supply Code of Conduct

Since 2017, Coway has implemented the "Coway Supplier Code of Conduct" to ensure sustainability across its supply chain and to uphold responsible management aligned with global standards. This Code is based on global guidelines such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights[1], the EICC[2] Code of Conduct, and the RBA[3] Code of Conduct, as well as the Labor Standards Act. It serves as the foundation for Coway's sustainable supply chain management standards. We enter into mandatory agreements on the Supply Chain Code of Conduct with current key partners, and we continuously monitor compliance with the Code through new partner selection, regular comprehensive evaluations, and supply chain sustainability risk assessments. In addition, Coway seeks to update the Code in accordance with changes to global guidelines and support its partners in fulfilling their social and environmental responsibilities and practicing ethical management.

1) UN Guiding Principles on Business and Human Rights
2) Electronic Industry Citizenship Coalition
3) Responsible Business Alliance

Supply Chain Sustainability Policy

Coway has established the "Coway Supply Chain Sustainability Policy" to realize a sustainable future through future mutual growth with its supply chain partners. Based on this policy, Coway has established a supply chain management framework that assesses key areas such as environmental practices, labor and human rights, health and safety, ethics, and governance. We actively support continuous improvement and capacity building within the supply chain to strengthen sustainability across all dimensions.

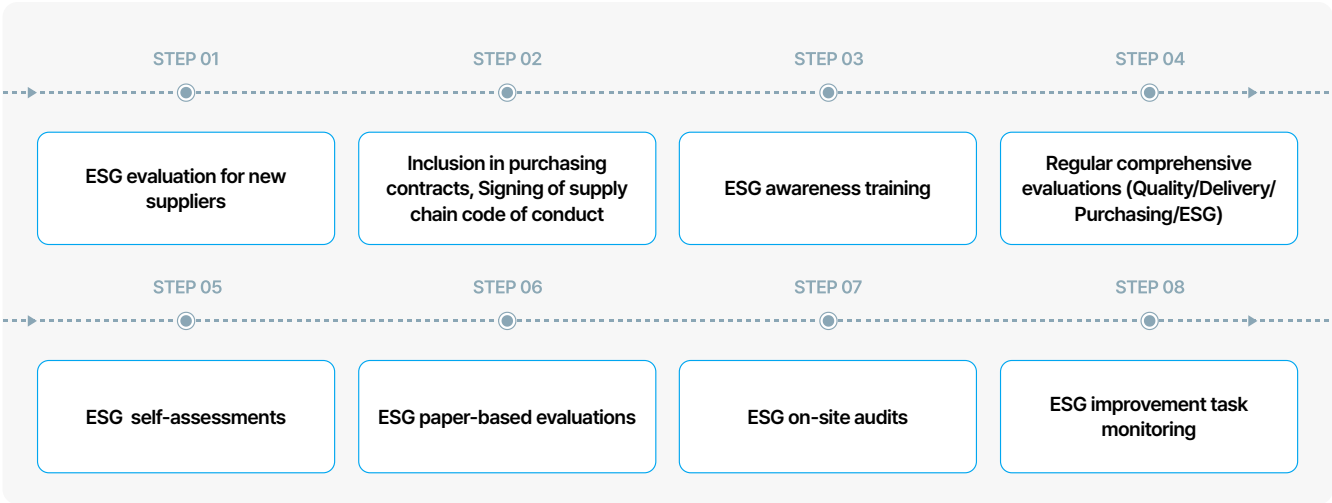
Coway Supply Chain Sustainability Policy

Sustainable Supply Chain Management

Sustainability Management Process in Supply Chain

Coway operates an integrated supply chain management process centered on new partner selection, regular comprehensive evaluations, and supply chain ESG assessments, preventing ESG risks in the supply chain. Moreover, Coway incentivizes sustainable practices by offering rewards based on ESG assessment results, thereby encouraging its partners to actively engage in responsible and sustainable management.

Integrated Supply Chain Management Process



Selection of New Partners

To expand transactions with high-performing companies and build a stable and competitive supply chain, Coway has established the New Partner Registration and Evaluation Guidelines and manages the registration and evaluation of new partners based on clear standards. We conduct on-site inspections along with a financial review when evaluating new partners, thereby comprehensively reviewing their overall capabilities and sustainability factors. In particular, relevant departments conduct in-depth on-site assessments at the supplier's facilities, covering a wide range of areas such as management, supply chain operations, technology, quality, reliability, production, materials, and environmental performance. The evaluation results are submitted to the New Partner Registration Review Committee, and only those that have scored 70 points or higher are approved for registration as a new partner company. Through this rational and systematic process, Coway ensures the development of a sustainable and trustworthy supply chain.

Comprehensive Evaluation of Partners

Coway conducts regular comprehensive evaluations to assess the overall capacities and sustainability management level of its partners. On-site inspections analyze issues, based on which partner performance is measured and improvement directions are suggested. In 2024, Coway conducted comprehensive evaluations of 53 key partners and, based on the evaluation results, provided practical incentives to outstanding partners, such as priority allocation of orders. In particular, the ESG criteria are a core component of the evaluation, and partners with strong ESG performance receive additional points, contributing to higher overall scores.

Status of Key Partners

Coway selects its key tier-1 partners based on a comprehensive assessment of factors such as transaction volume, duration of transaction, possession of manufacturing facilities, and on-site presence. These selected partners undergo an assessment of their level of sustainability management and related risks are systematically assessed and managed, thereby enhancing the sustainability of the supply chain.

Total number of Coway's partners	Overall tier-1 partners [1]		Overall tier-2 partners [3]
235 Companies	134 Companies	Key tier-1 partners [2]: 35 Companies	101 Companies

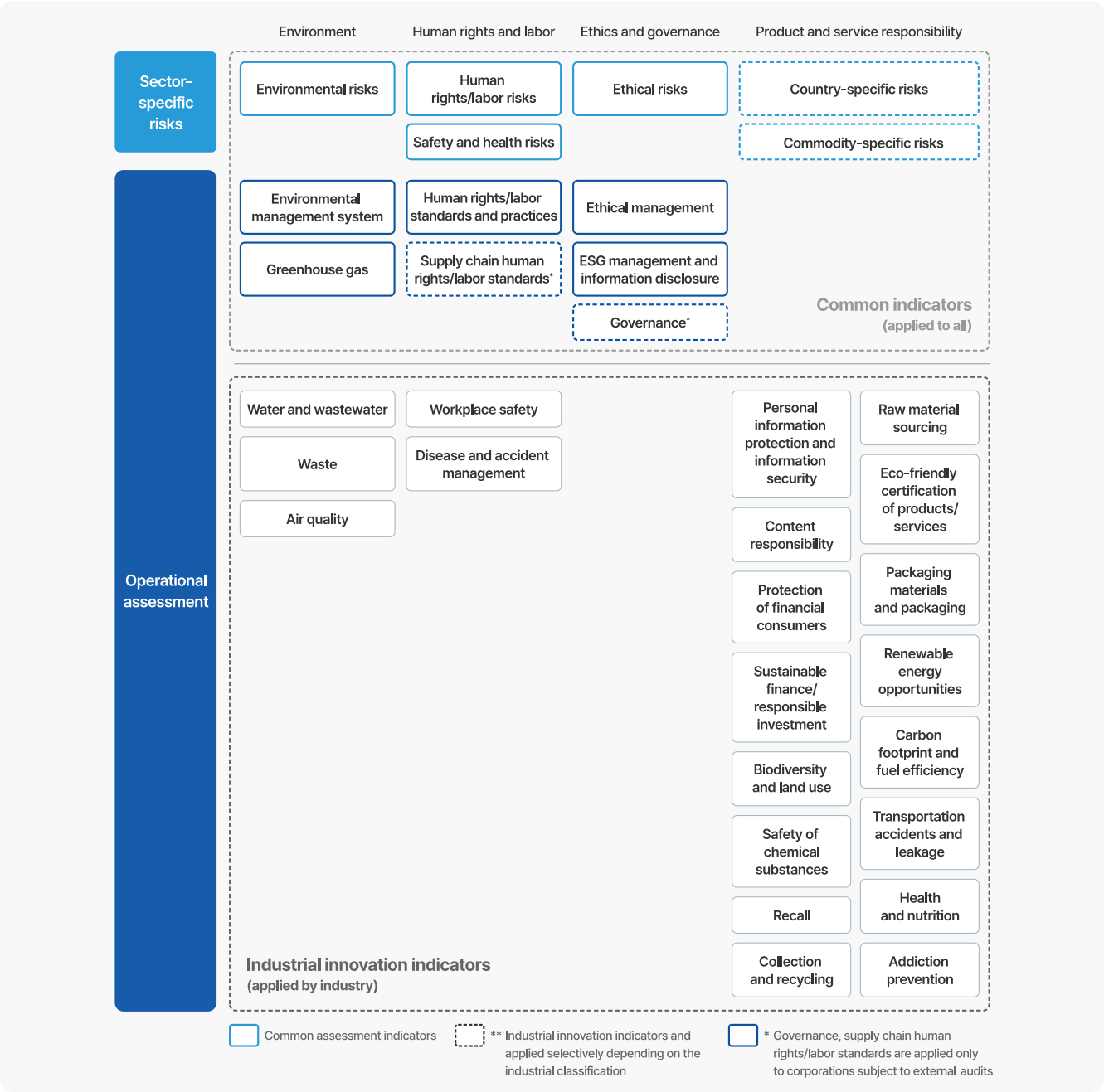
1) Overall tier-1 partners: Overall tier-1 partners are selected based on criteria such as domestic partners among categories like environmental home appliances, BEREX, subcontracted manufacturers, logistics, and IT partners, as well as those with an annual purchase volume of KRW 100 million or more
2) Key tier-1 partners: Key tier-1 partners are selected among overall tier-1 partners based on factors such as transaction of three years or more, purchase volume of KRW 5 billion or more, possession of manufacturing facilities, and on-site presence
3) Overall tier-2 partners: Tier-1 partners that have signed a Fair Trade Agreement with Coway

Supply Chain ESG Assessment

Supply Chain ESG Assessment Process

Coway has established a set of Supply Chain ESG Management Indicators based on the UN Guiding Principles on Business and Human Rights, EICC, and RBA standards to systematically inspect and improve the ESG management level of its partners, based on which assessments are conducted. Self-assessments and third-party on-site evaluations are conducted focusing on key ESG areas such as environment, human rights and labor, ethics and governance, and product and service responsibility. The results are shared through quarterly ESG Committee meetings. Moreover, incentives are provided to high-performing partners, while improvement plans are developed for those who fall short of desired ESG levels. In 2024, Coway provided online and offline training to improve the ESG awareness and practical capabilities of key partners, along with the "Coway Supply Chain ESG Program Briefing" for 110 employees from partner companies.

Coway Supply Chain ESG Screening Indicators



Supply Chain Self-Inspection

To proactively prevent supply chain risks, Coway conducted a self-inspection of ESG management levels of 35 key partners. The sustainability level of the entire supply chain was systematically assessed based on such categories as human rights and labor practices, environment, ethics and governance, and product and service responsibility. The evaluation grades and detailed assessment results by category were shared with each partner company.

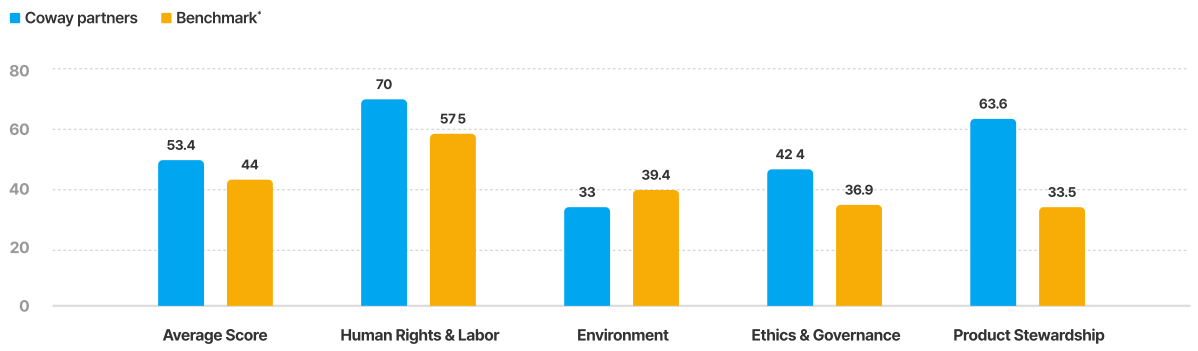
Self-Inspection Items

Category	Number of categories	Inspection categories
Environment	11	Environmental management, environmental performance, environmental control, etc.
Human/labor rights	9	Human rights/labor management, wage/working hours compliance, etc.
Safety/health	11	Health and safety management, health and safety management system, risk factor management, industrial accident management, etc.
Ethics	8	Ethical management, legal compliance, ethical monitoring, etc.
Product and service responsibility	5	Life cycle assessment, quality and defect management policy, renewable energy, etc.

Desk and On-site Assessment

Coway conducts desk and on-site assessments in collaboration with third-party professional agencies for key tier-1 partners with scores that fall below the average score for the ESG self-inspections. Coway comprehensively evaluates the ESG management level of its partners based on the submitted materials for each category and the on-site inspection results. The assessment results, along with detailed improvement recommendations, are shared with each partner. Coway also publishes the "Supply Chain ESG Management Best Practices," compiling best practices and distributing them to its partners.

Desk and On-site Assessment Results



* Benchmark: QESG evaluation result data from 2021 to 2024 (approximately 5,000 companies)

ESG Support for Partners

Coway has designated items within the ESG self-inspection process that require additional management as "risk items" and evaluated them accordingly. In particular, Coway selected ten supply chain ESG improvement task for 2024 focusing on items that can be immediately addressed such as the adoption of ESG policies and greenhouse gas emissions management. These include four tasks in the environmental sector, two in the social sector, and four in the ethics sector. To support the implementation of these tasks by partners, we share benchmarking materials for each risk item and request relevant documentation to be submitted to verify actual implementation. The results of the improvement tasks are reported through the ESG Council and Committee. Based on these reports, Coway systematically manages the sustainability risk across its supply chain.

Conflict Minerals Management

Conflict Minerals Policy and Guidelines

Coway places the highest value on human dignity and environmental protection. We recognize the potential human rights violations and environmental degradation that may occur during the mining, production, and distribution of minerals as serious social and environmental concerns. Accordingly, Coway monitors whether conflict minerals are included in the materials supplied to us, including raw materials, components, and parts, to prevent the unethical sourcing of such minerals. We also provide our partners with conflict mineral management guidelines and hold briefing sessions to raise awareness. Coway makes continuous efforts to ensure that responsible mineral sourcing policies are adopted not only by our direct partners but also by their lower-tier suppliers throughout the supply chain.

Coway Conflict Minerals Policy and Guidelines

Conflict Minerals Management Activities

Conflict Minerals Management Process

Coway has established and operates a "Conflict Minerals Management Process," through which it monitors its partners' conflict minerals management status on an annual basis. To raise awareness among partners, Coway regularly holds online briefings on conflict minerals and identifies potential risk factors. Coway continues to enhance its partners' conflict minerals management system to uphold the principle of "responsible purchase."

1 Raising partners' awareness

- Signing non-use compliance pledge
- Distributing conflict minerals management guide
- Supporting ESG (conflict minerals) training
  - Linking shared growth evaluation criteria

2 Investigating the status of conflict minerals

- Investigating the status of key partners
  - Identifying materials subject to conflict minerals management
  - Status of smelters used

3 Checking risk factors

- RMAP-certified smelter review
  - Identification of certified and non-certified smelters
- Post-management of non-certified smelters
  - Issuance of official recommendation letters requesting transition to certified smelters

4 Monitoring improvements

- Request for transition to certified smelters
  - Quarterly reminder emails sent
  - Verification of progress in transitioning to certified smelters
- Review of potential trade restrictions in cases of non-compliance

Raising the Awareness of Partner Companies

To raise awareness on conflict minerals among partners using conflict minerals, Coway provides briefings and training sessions covering the background of conflict minerals management, regulatory trends in key countries, Coway's management policy, an introduction to the CMRT[1], and investigation planning, and whether the suppliers are sourcing from RMAP[2] certified smelters. In addition, to avoid the use of minerals sourced through unethical practices, such as human rights violations or environmental destruction in conflict-affected and high-risk areas, we have signed a "Conflict Minerals Non-Use Compliance Pledge" with its key partners. Furthermore, Coway requests the non-use of conflict minerals not only from our key partners but also from their lower-tier suppliers, thereby preventing conflict mineral-related risks throughout the entire supply chain.

1) CMRT: Conflict Minerals Reporting Template
2) RMAP: Responsible Minerals Assurance Process

Identifying Conflict Mineral Management Targets

To systematically manage conflict minerals, Coway requests key partners to submit conflict mineral information for all items supplied to Coway. Mineral usage status is verified through CMRT reports that include details on the types of minerals used in each item and information on smelters. In particular, Coway closely examines the types and origins of minerals used by partners closely related to conflict mineral risks—such as circuit and electronic component manufacturers—to inspect potential links to conflict-affected areas. Moving forward, Coway remains committed to proactively managing risks related to conflict minerals and strengthening a responsible and ethical supply chain.

Status on Conflict Minerals Usage

Tin	104 units	Tantalum	39 units
Tungsten	51 units	Gold	177 units

Number of 3TG-certified smelters
Year 2024
371 units

Tin	58 units	Tantalum	24 units
Tungsten	31 units	Gold	41 units

Number of partners using conflict minerals
Year 2024
60 units

Identifying Risk Factors and Monitoring Improvements

To ensure the responsible sourcing of conflict minerals, Coway reviews partner-submitted CMRT reports to verify whether they conduct transactions with RMAP-certified smelters. If a partner is not sourcing from certified smelters, Coway recommends transitioning to socially responsible mineral procurement and requests a shift toward certified smelters. In addition, we monitor whether corrective measures are actually being taken by partners and track the progress to maintain a continuous management system. Going forward, Coway will continue to actively incorporate global guidelines to enhance its conflict minerals management and strengthen its responsible mineral sourcing system with effective monitoring.

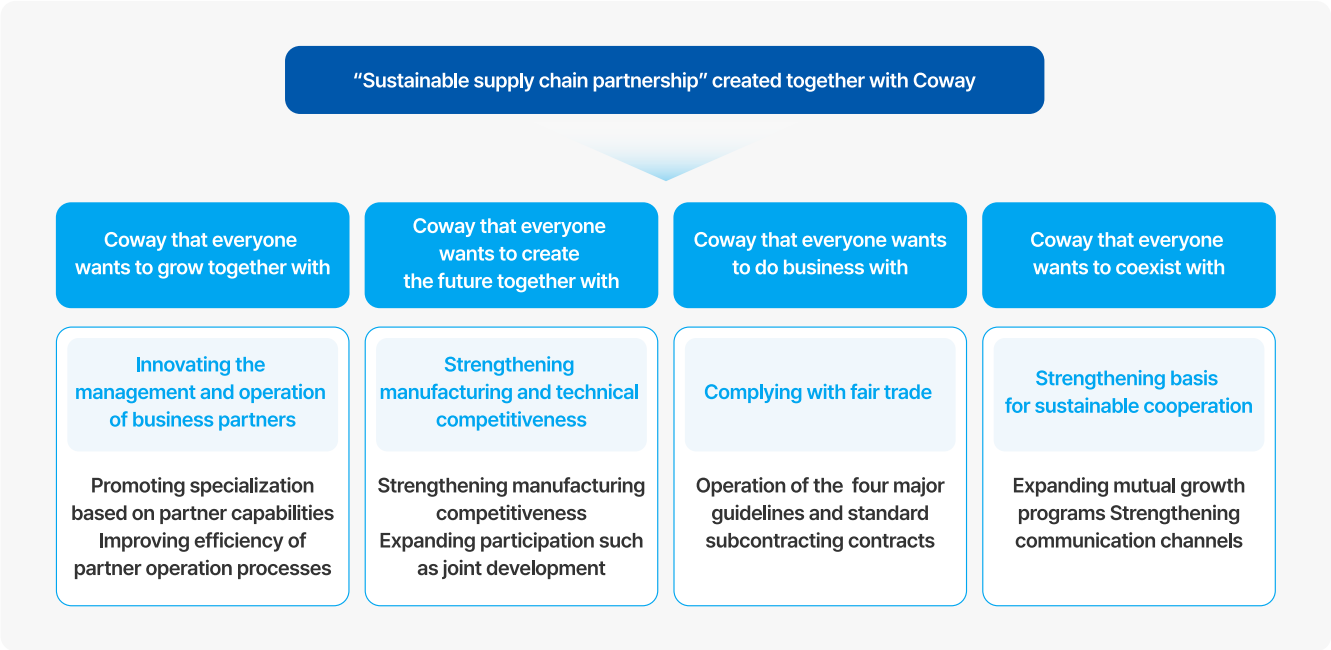
Mutual Growth

Spreading a Culture of Mutual Growth

Strategy for Promoting Mutual Growth

Coway operates a dedicated organization for shared growth, with the goal of building a "sustainable supply chain partnership through collaboration." To this end, Coway has established and implemented four core values. Based on these values, Coway works closely with its partners to establish a responsible supply chain management system and promote sustainable growth, ultimately aiming for long-term mutual growth. This approach aims to achieve long-term, mutual success through strategic partnership and shared responsibility.

Strategy for Promoting Mutual Growth



Governance Structure for Promoting Mutual Growth

Mutual Growth Activities

Coway regards mutual growth with its partners as a core value and is driving various initiatives to foster mutual growth and build a sustainable supply chain. Programs are implemented in multiple areas, including technology, finance, education, and employee welfare, and help partners strengthen their competitiveness. Furthermore, Coway maintains regular communication channels to listen to on-the-ground feedback. Collected input is reviewed in coordination with relevant departments and followed by tangible improvements, ensuring that partner voices lead to meaningful change.

Mutual Growth Programs

Program details		2024 operational performance
Technology development support and technology protection	Technology innovation idea proposal	35 companies, 62 entries
	Technology support and protection	247 cases / KRW 24.3 billion
	Technology theft monitoring	Ongoing
	Technical data custody program	7 cases
	Technology protection online training	101 companies / 143 people
Financial support	Raw material supply system	KRW 59.4 billion
	Price-linked payment system	9 companies
	Subcontractor payment in cash	100%
	Win-win growth cooperation loan program	KRW 20 billion
Education support and employee welfare	Partner company online training	5 times, 101 companies
	Industrial safety equipment support	78 companies
	Discount benefits on products from us and affiliates	Ongoing
Communication channels	Integrity management center	Ongoing
	Policy briefings and meetings	Annually
	Site visits and VOC (Voice of Customer) feedback collection	Ongoing

CASE

2024 Partners Innovation Fair

Coway held the "2024 Coway Partners Innovation Fair (PIF)" to strengthen technological exchange with partners and continuously drive mutual growth. Approximately 500 attendees, including Coway CEO Jangwon Seo and Park Chi-hyung, the operations director of the Korea Commission for Corporate Partnership, along with stakeholders from Coway and its partner companies, participated in the event. The fair showcased outstanding innovative technologies from partner companies centered around four key themes: Ideas, Innovation, Global, and Future Technologies. Based on these innovative ideas, Coway plans to expand joint technology development and collaboration, playing a key role in sustainable growth.

2024 Partners Innovation Fair

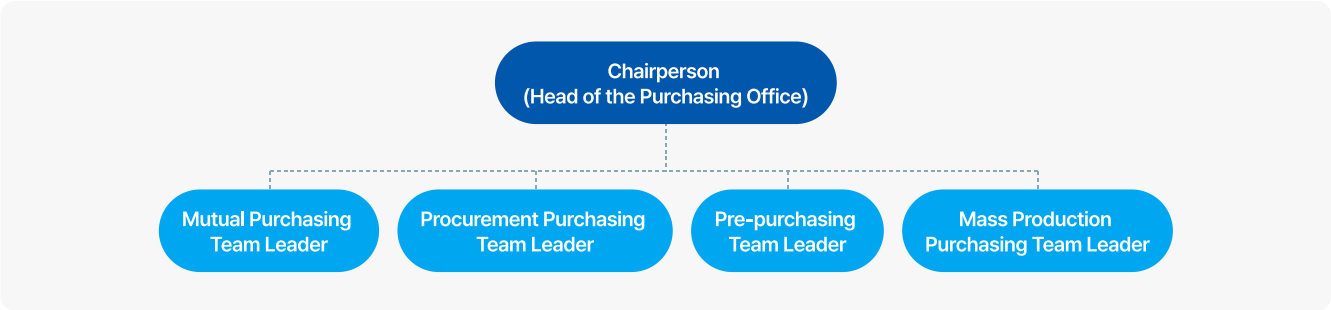
Fair Trade

Establishing a Fair Trade Culture

Fair Trade Governance

Coway has established and operates the Fair Trade Voluntary Deliberation Committee, an internal monitoring body to oversee unfair trade practices, in order to institutionalize fair trade guidelines. Additionally, Coway designated a fair trade department and assigned responsible personnel to regularly monitor compliance with these guidelines, proactively preventing risks related to unfair trade practices.

Organizational Chart for the Fair Trade Voluntary Deliberation Committee



Compliance with Fair Trade Guidelines

Coway has introduced four key fair trade guidelines and established a "Purchasing Ethics Code," alongside its Ethics Practice Manual, to reinforce ethical and compliance awareness and foster a culture of fair trade throughout its purchasing operations. Employees take an annual pledge to adhere to the "Purchasing Ethics Practice Guidelines," and fair-trade training is provided to partners based on these guidelines to inform them of the potential disadvantages that could arise from violations. In March and December 2024, two sessions of ethics and unfair trade prevention training, along with pledges to adhere to these practices, were held with the participation of all 63 members of the Purchase Office. Coway is committed to cultivating a fair and transparent trade culture and actively supports partners in their compliance with ethical management for continuous growth.

Four Major Fair-trade Guidelines

01
Practices for fair selection (registration) of partners

02
Practices for the establishment and operation of a Subcontract Transaction Deliberation Committee

03
Practices for proper issuance and retention of documents

04
Practices for proper contract formation

Assessment of Unfair Trade Risks

Coway's Purchasing Office operates a deliberation committee monthly, based on its four major fair-trade guidelines, to prevent unfair trade. This committee deliberates on issues such as fair delivery price adjustments, returns and order cancellations, and the status of delivery price-linked systems. Additionally, to facilitate voluntary and smooth dispute resolution with partners, Coway established the "Coway Dispute Resolution Body" in 2024. Reports received by the Integrity Management Center are handled through fair procedures in accordance with internal processes. Furthermore, Coway conducts an annual compliance and ethical practice survey with partners to gather diverse opinions on aspects such as co-prosperity management, mutual growth, fairness, and transaction satisfaction. As a result of these activities to prevent unfair trade, Coway recorded zero legal violations of subcontracting in 2024.

Customer-Centric Management System

Customer Protection Policy

Coway aims to continuously enhance its brand value based on long-term relationships of trust with customers. Customer opinions are prioritized, and customer satisfaction is established as a core management principle, applying it to all business activities and decision-making processes. Guided by this customer-centric management, Coway strives to deliver top-quality products and services while quickly responding to customer needs.
In particular, a dedicated organization has been established to protect consumer rights and interests and take the lead in delivering a trust-based customer experience by actively managing and addressing inconveniences that may arise at customer touchpoints. We conduct mobile surveys of customers who use our product installation and Heart Service[1] to monitor customer satisfaction, and the results are used to improve any causes of dissatisfaction. In addition, inquiries and complaints received through the website and customer center are handled promptly by our direct customer support center, which works in collaboration with relevant departments to analyze root causes and provide accurate feedback to customers. Coway will continue to prioritize the protection of customer rights and interests and strive to provide safer products and services through swift and systematic problem-solving.

1) A regular home-visit service that provides professional maintenance for customer products

– Mid- to Long-term Targets to Protect Consumer Rights and Interests

Target	2024 Performance	2025 Target	2026 Target	2027 Target
Consumer-Centric Management (CCM) Certification	Certified	Maintain certification	Maintain certification	Re-certification
Korea Service Quality Excellent Company (SQ)	Certified	Re-certification	Re-certification	Re-certification
KNPS[1] / KCSI[2]	No. 1 (water purifier category for 8 consecutive years, bed category for 4 consecutive years)	No. 1 (water purifier category for 9 consecutive years, bed category for 5 consecutive years)	No. 1 (water purifier category for 10 consecutive years, bed category for 6 consecutive years)	No. 1 (water purifier category for 11 consecutive years, bed category for 7 consecutive years)
KS-SQI[3]	No. 1 (after-sales service for water purifiers for 8 consecutive years, air purifiers for 7 consecutive years)	No. 1 (after-sales service for water purifiers for 9 consecutive years, air purifiers for 8 consecutive years)	No. 1 (after-sales service for water purifiers for 10 consecutive years, air purifiers for 9 consecutive years)	No. 1 (after-sales service for water purifiers for 11 consecutive years, air purifiers for 10 consecutive years)
NCSI[4]	No. 1 (water purifier category)	No. 1 (water purifier category subscription-based rental care service category[5])	No. 1 (water purifier category, subscription-based rental care service category)	No. 1 (water purifier category, subscription-based rental care service category)
Action plan	• Weekly Business Leader Meeting attended by the CEO and key executives • Operation of the Integrity Management Committee (bi-monthly) for clean business practices • Company-wide sharing of key performance indicators and related insights • Identification of company-wide issues and VOC from the customer perspective, followed by improvement and innovation initiatives • Real-time service MOT[6] compliance and service quality monitoring			
Inspection of implementation activities	• Customer satisfaction survey (C-NPS) • Management of customer complaint resolution rate at 100% • Product and service planning centered on consumers (protecting consumer rights and interests) and inspection of implementation			

1) KNPS: Korean Net Promoter Score
2) KCSI: Korean Customer Satisfaction Index
3) KS-SQI: Korean Standard Service Quality Index
4) NSCI: National Customer Satisfaction Index
5) Subscription-based rental care service category: Survey on manufacturers with rental and product care services
6) MOT: Moment of Truth

Governance Structure for Promoting Customer-Centric Management

Coway has established a Customer & Quality Division to maximize customer value and strives to develop products based on future-oriented strategies, innovative designs, and superior quality. Quality issues are regularly shared and discussed in weekly executive meetings, including the CEO and key business leaders. The insights and decisions from these meetings are promptly integrated into company-wide processes to ensure quality concerns are addressed swiftly and systematically.

Organizational Chart for Customer-Centric Management

Quality Management Activities

Quality Management System Certification

Global Quality Management System Certification

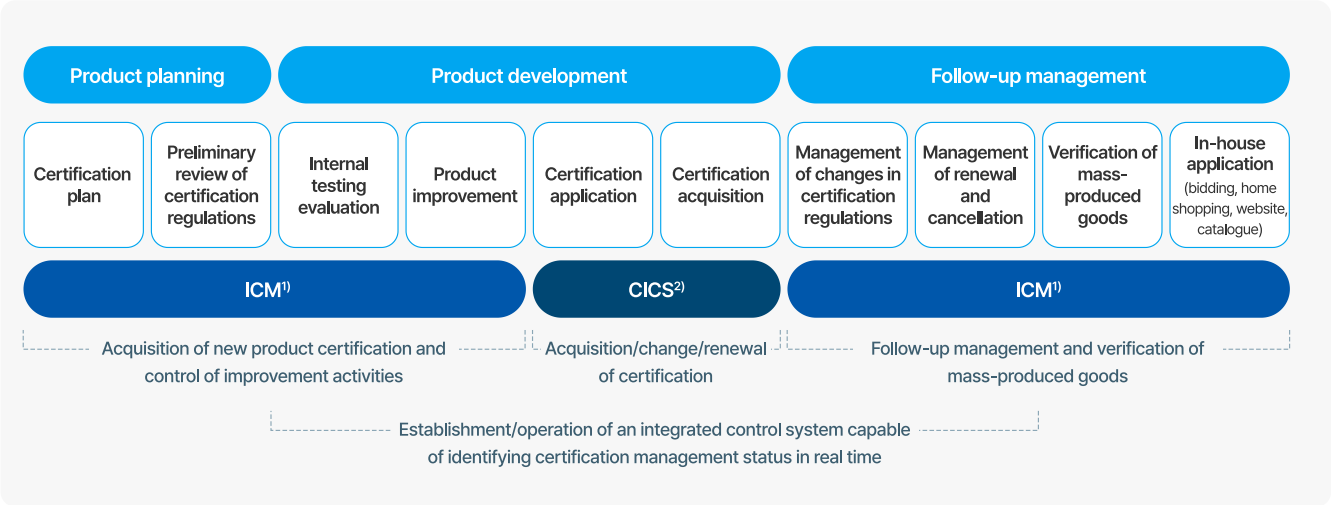
Coway consistently maintains ISO 9001:2015 certification, the global standard for quality management systems, and operates a systematic quality management framework. To achieve customer-centric quality standards, Coway continuously improves its quality management system through annual internal audits and audits by third-party certification bodies. In 2024, Coway also obtained GMP[1] (Good Manufacturing Practice) compliance certification for medical devices from the Ministry of Food and Drug Safety, establishing a quality management system capable of providing medical devices with verified performance and safety.

1) GMP: Good Manufacturing Practice, medical device manufacturing and quality management standards

Operation of the Integrated Certification System

Coway operates the Integrated Certification System, a real-time certification status management system, to systematically verify and prevent certification risks throughout the entire product lifecycle, from product planning to post-management. This system allows Coway to proactively address certification issues and ensure product safety and performance reliability through rigorous post-management and continuous monitoring.

Integrated Certification System Process



1) ICM: Integrated Certification Management System
2) CICS: Coway Integrated Certification System

Operation and Certification of Internationally Accredited Testing Laboratories

To ensure product safety and quality reliability, Coway operates 14 internationally accredited testing laboratories capable of conducting various domestic and international certification tests. These laboratories are qualified to perform international certification tests in various fields such as electrical safety, EMC (electromagnetic compatibility), performance, and energy. Coway also has the infrastructure to conduct major certification tests in-house, including KC certification, energy efficiency, and European CE certification. In 2024, Coway further demonstrated its compliance with international standards by obtaining additional accreditations as an authorized testing laboratory for Energy Star and UL (Underwriters Laboratories Solutions). We were also re-certified as a KOLAS (Korea Laboratory Accreditation Scheme) nationally accredited testing laboratory, reaffirming the global standard of our testing facilities and technical capabilities. Through these efforts, Coway strengthens its ability to respond quickly to evolving global certification regulations and enhances both its product competitiveness and sustainable product development capabilities.

Operation of Coway Accredited Testing Laboratories

COWAY Operation of Internationally Accredited Testing Laboratories

Accredited with 14 International Testing Laboratory Certifications

Electrical Safety | Operation of 8 Testing Laboratories

International	Domestic	International (CB)	North America	Europe	International (water Piping) Testing	North America (Canada)	USA
KOLAS	KC manufacturer Testing Laboratory	KTL CTF Lv2	INTERTEK Satellite 2	NEMKO CTF2	IEC 61770	CSA[1]	UL

EMC | Operation of 1 Testing Laboratory

Europe
NEMKO EMC TBM

Performance/Energy | Operation of 5 Testing Laboratories

Domestic	Europe	Domestic	USA	North America
Capabilities include testing for standby power	ERP[2]	Energy efficiency	CEC[3]	ENERGY STAR

- **1) CSA** : Canadian Standards Association
- **2) ERP** : Energy Related Product
- **3) CEC** : California Energy Commission

KC certified / Energy efficiency / In-house testing for certifications such as European C

Performance of Accredited Testing Laboratories

(Unit: Number of laboratories / products)

Category	Electrical safety	EMC/wireless	Performance/energy
Internationally accredited third-party testing laboratories	8	1	5
Certified products	578	280	752

In-house Safety Verification System

Coway aims to achieve "Risk Zero" in product quality and safety by adopting its own testing standards that are more stringent than domestic and international requirements for electrical and EMC safety and product performance. Coway conducts preemptive verification of safety and performance from the product design stage and reinforces the reliability and objectivity of test results through mutual and cross-verification with domestically and internationally accredited testing laboratories.

In-house Safety Verification System Process

STEP 01

Verification of preliminary safety/ performance design

- Verifying usability, safety, and performance from the product development stage
- Adopting Coway's own safety testing standards, which are more stringent than standard criteria

STEP 02

Verification of electrical and EMC safety and product performance of developed products

- Verifying compliance with domestic and international safety standards (using Coway's internationally accredited testing laboratories)
- Verifying compliance with product performance standards and criteria (using internal and external testing laboratories)
- Conducting cross-verification with external accredited testing institutions

STEP 03

Verification of component effectiveness

- Verifying the effectiveness of component safety (certification) for components used in products

STEP 04

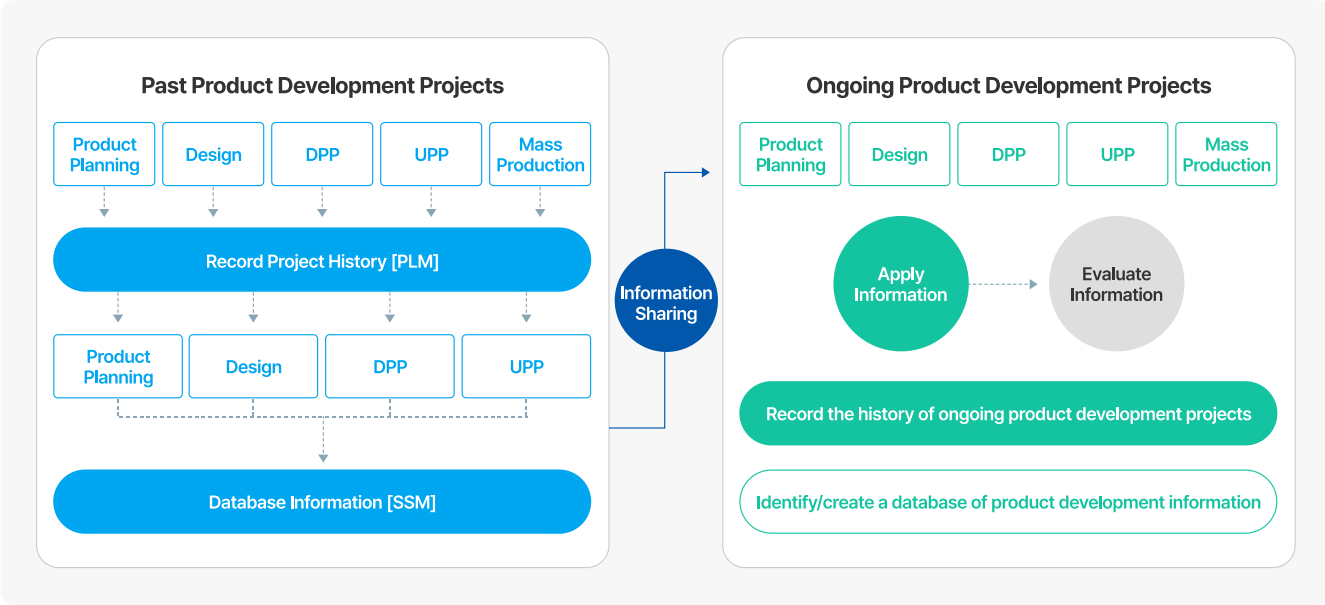
Verification of mass-produced products

- Conducting periodic sampling and re-verification of mass-produced products using Coway's accredited testing laboratories
- Operating a review and improvement process for product safety management systems at each manufacturing plant

SSM-based Product Development Management

Coway is promoting the digitization and knowledge structuring of product development information based on the SSM (Stress Strength Method) to systematically analyze past failure cases throughout the entire product development process and prevent recurrence. For approximately 30 products released in 2024 and scheduled for release in the first half of 2025, Coway has analyzed the causes of failure in previous development projects and proactively reflects them in the product design phase to strengthen preventive verification activities. Furthermore, by recording and analyzing the entire development process, from planning to mass production, a development history database is established. This accumulated knowledge is shared and applied to similar future projects to continuously enhance product quality and development efficiency.

Product Development Process



CASE

Coway designated as a UL certified testing laboratory for product safety in the U.S.

In 2024, Coway was officially designated as a certified testing laboratory by UL (Underwriters Laboratories Solutions), a leading U.S. product safety certification organization, in recognition of its robust product verification and quality analysis capabilities. This designation grants Coway the authority to independently conduct essential safety standard tests required for exporting products to the U.S. and North American markets. Through the Environmental Safety Certification Center under the Customer/Quality Division, Coway not only performs safety testing for its own products but also conducts Energy Star certification tests—a program administered by the U.S. EPA (Environmental Protection Agency) for high-efficiency energy products. This contributes to enhancing the reliability of product quality while also strengthening Coway's status as a one-stop safety certification laboratory based on systematic verification capabilities and continuously securing competitiveness in global markets.

Coway designated as a UL certified testing laboratory for product safety in the U.S.

Embedding Quality Management

Coway operates a variety of quality management programs to provide high-quality products and services. Through periodic reliability testing of mass-produced products, Coway proactively diagnoses and addresses potential issues related to durability and performance degradation during product usage. We have also refined our reliability testing methods by leveraging IoT platforms to analyze the customers' actual usage environments and patterns. Based on these efforts, Coway is preemptively verifying and preventing potential quality issues from the early stages of new product development. In 2024, a total of 12 "Quality VOC Council" meetings were held. Improvement measures were derived from key customer VOC data collected in the field, and these are being applied to products and services for ongoing management.

Quality Management Programs

Category	Details
Daily quality network	Operating a quality analysis center that analyzes and monitors major quality-related data such as A/S returns in real time on a daily basis, thereby promptly and accurately implementing quality improvement activities
QSN[1]	Improving customer satisfaction by forming an "emergency TFT" in case of a quality issue and immediately improving and addressing it
Quality VOC Council	Unifying major channels for quality VOC from the field, promptly and accurately addressing such issues through related departments and regular council meetings, and cooperating to apply improvement points
"Worst-case" improvement responsibility system	Selecting "Worst-cases" for major defects in each product line and forming a TFT to improve each task
Quality improvement system	Managing the status of improvements through a computer system in real time and shortening lead times, and continuously improving quality by creating a database of failure cases
Quality expert committee	Operating a group of experts in design, manufacturing, service, and customer service from the stage of new product development and improving the quality level of products by conducting new product quality verification from customers' perspective

1) QSN: Quality Solution right Now

Quality Competency Development

Coway operates specialized training programs to strengthen employees' competencies and expertise. In 2024, two employees completed the ISO 9001 auditor training course, enhancing in-house competencies to improve the quality management system. In addition, expertise in medical device quality management systems was obtained through ISO 13485 auditor training. Furthermore, 14 employees participated in training aimed at improving quality-related expertise, such as Statistical Process Control (SPC), and Coway also held a seminar on analyzing the root causes of smoke and ignition in electrical and electronic components for quality and reliability personnel. Coway will continue to strengthen employees' quality competencies through structured training programs.

VOC Handling Process

Coway operates a variety of VOC (Voice of Customer) channels including the customer center, chat service, and official website, and systematically manages collected customer feedback using the RTV system and Data Studio. The RTV system is a monitoring platform that converts call content into text in real-time using voice recognition technology, enabling swift identification of customer inconveniences and supporting prompt improvement actions. By leveraging this digital VOC management system, Coway strengthens personalized customer responses and strives to enhance customer satisfaction.

Real-time VOC Management Process

Accumulation of data by VOC channel[1)] → Analysis of high-risk VOCs → Preliminary reporting → Disclosure of issue-level VOCs → Review by relevant departments → Policy decision-making → VOC collection and monitoring by channel

1) VOC channels: Customer center, chat service, website, etc.

CASE

Enhancing customer satisfaction by linking notification message with the chatbot

Coway provides a "Chatbot Scenario Shortcut" button when sending notification messages in response to customer requests, enabling customers to access services easily and conveniently. The system is also regularly updated to deliver real-time, up-to-date information, even in online environments. Coway continuously strives to improve customer convenience and satisfaction through these efforts.

Notification Talk and Chatbot Guidance for Coway Transfer of Ownership Application

Recall Management and Initial Response

Coway operates an initial response process called "One Call," which aims to initially identify and promptly resolve repeated customer inquiries up to the point where they are fully resolved. In particular, Coway is identifying tasks for improvement by analyzing calls with more than two follow-up inquiries and taking proactive measures to prevent the recurrence of customer inconvenience. Moreover, Coway improved the previous procedure, which required customers to reach the service center to change A/S appointments. Now, customers can directly reschedule or cancel appointments online. Through this proactive response system and the simplification of service procedures, Coway is striving to minimize customer inconvenience and improve satisfaction.

Recall Management Procedures

Status analysis and target setting

Identify many types of recalls through status analysis

→

Counselor & manager

Caution when receiving calls from recall customers
Check at least twice/take additional measures

Analysis of causes for recall

Identify the cause of recall due to responses and improve the process

High-Risk VOC Handling

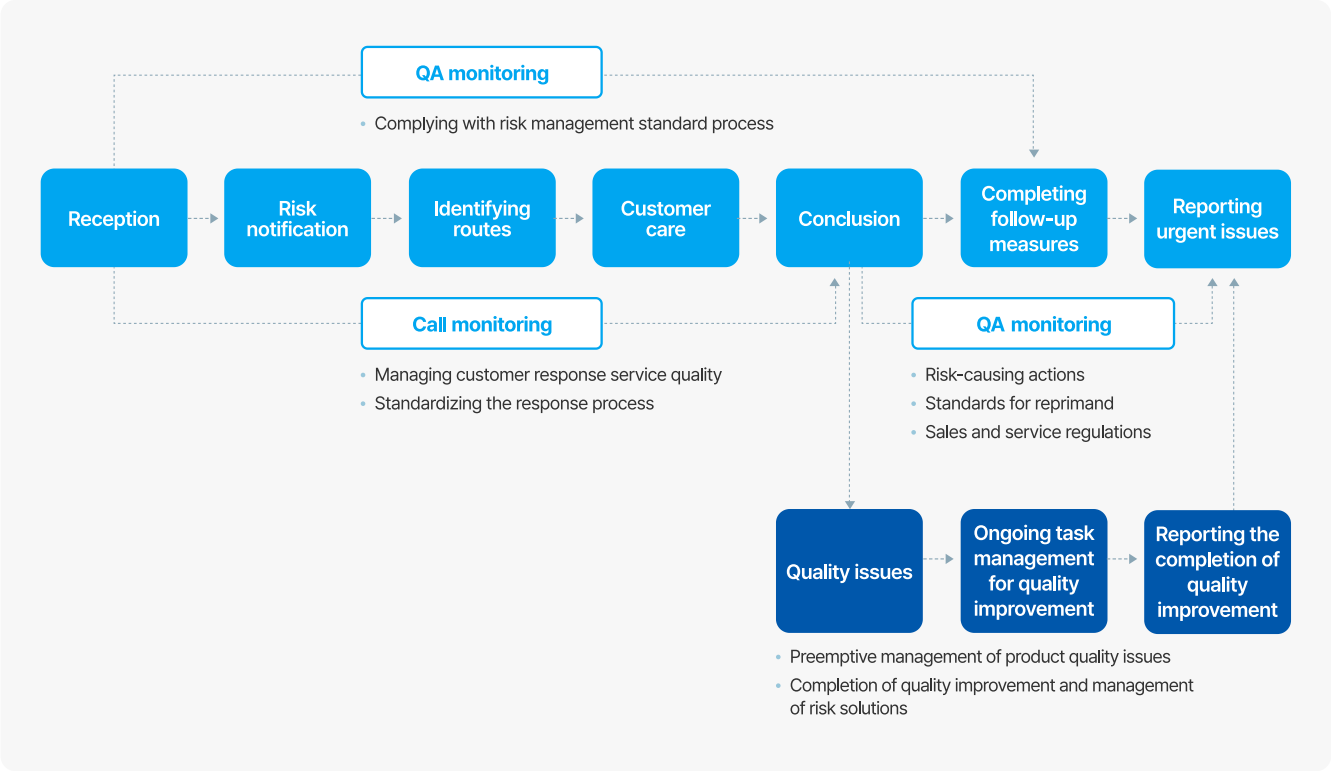
Coway monitors high-risk VOCs in real-time and proactively addresses customer complaints through a preventive system focused on process rather than follow-up measures focused on outcomes. We categorize customer complaints in detail and promptly forward them to relevant departments to ensure that improvement measures are taken systematically. Moreover, Coway categorizes VOCs by severity and designates critical issues as "urgent VOCs" to be reported immediately to the executives, thereby encouraging prompt policy decisions and reducing factors of customer complaints.

– High-Risk VOC Handling Procedures

Consumer Dispute Resolution

Coway provides product warranties in accordance with the "Consumer Dispute Resolution Standards" established by the Korea Fair Trade Commission and the standard terms and conditions of contract terms. Compensation guidelines based on the type of consumer damage are provided by product category on the customer support page of the Coway website. This ensures prompt and fair resolution of disputes in the event of consumer damage.

– Consumer Dispute Resolution Procedures



Customer Satisfaction Activities

Customer Satisfaction Services

Coway strives to grow based on customer satisfaction and trust by providing products and services at every point of contact with its customers. Through continuous innovation of products and services, we offer new experiences to customers, enhancing the value of life in daily routines. In addition, Coway provides care tailored to all aspects of customers' life based on ongoing research into customer satisfaction, pursuing sustainable growth along with customers.

Key Customer Satisfaction Services

1 Reliable Photo Service

- After providing visiting maintenance service for customers using ice water purifiers and tank-type water purifiers, photos of the internal tank are taken and sent to customers.

2 Braille Guide Service for Bidets

- To support visually impaired customers, Braille stickers are on the bidet control panel, enabling easier and more independent use of Coway bidets.

3 Self-management Products and Management Services

- Filters and inspection tools are delivered on a regular basis to customers so that they can manage the products. Self-management guidance is also provided via Kakao notification messages.

4 AR Smart Catalogue

- To enhance the contactless customer experience and provide a convenient purchasing environment, an AR Smart Catalogue that applies AR technology was introduced.

5 Real-Time Cody Matching Service

- Customers are connected in real-time with are service coordinators active nationwide, allowing the coordinator most familiar with the local area to be assigned. This ensures prompt, professional, and personalized consultation services.

6 Product Management History

- The product management history service allows customers to check details about products and services online at any time.
- Through a Kakao notification link, customers can view information such as their history of filter and hygiene part replacements, product inspections, and contact details of their assigned service personnel.

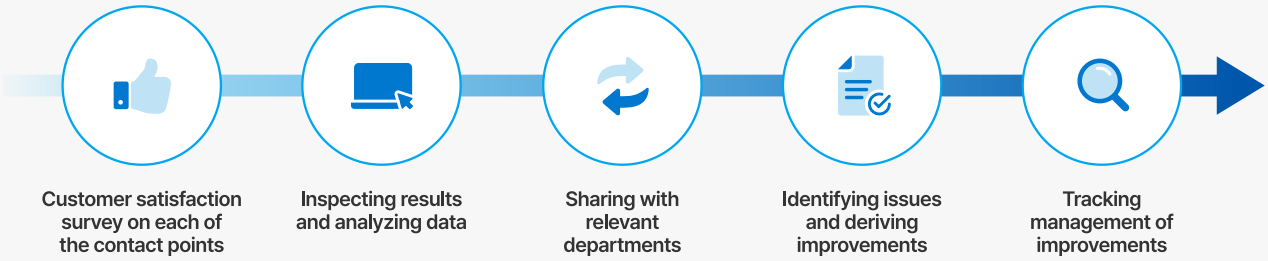
7 Operation of the Total Care Service Center

- A dedicated Total Care Service Center, a specialized organization focused on water purifier hygiene, is in operation and provides services through service QM (Quality Managers) who are experts in managing water purifier hygiene.
- The Total Care Service provides comprehensive management services that include filter replacement, tank sterilization and inspection, external outlet checks, as well as replacement of water pipes and extraction parts, and thorough cleaning of both interior and exterior components.
- Hygienic cleaning is provided for even components that are not directly related to drinking water—such as heat sinks and rear fans—but require care for product performance and longevity.

Customer Satisfaction Survey

Coway conducts satisfaction surveys at key service touchpoints including order placement, installation, visiting inspections, after-sales service (A/S), and call centers to identify the overall customer service experience and derive areas for improvement. The survey results are shared with relevant departments, and any necessary improvements are promptly addressed through collaborative efforts. In addition, Coway conducts an annual customer satisfaction survey and continuously monitors the satisfaction index, based on which we carry out activities aimed at improving service quality.

Customer Satisfaction Survey Process



Customer Satisfaction Survey Results[1)]

(Unit: points)

Category	2020	2021	2022	2023	2024
Customer satisfaction survey results	93.1	95.6	95.6	92.7	93.4

1) Based on the satisfaction survey for environmental home appliance visit inspections

CASE

Upgrading the Usability of Icon Ice Water Purifier

Coway continuously improves product features and user convenience based on customer feedback collected through consumer satisfaction surveys. The 2024 model of Icon Ice Water Purifier is an upgraded version that reflects the results of the 2023 customer satisfaction survey. Customers frequently used the continuous dispensing function during cooking but reported the inconvenience due to the absence of a display of the dispensed water volume. To address this, the upgraded model now displays the dispensed volume in 10ml units during continuous dispensing. Additionally, to accommodate the growing demand for the use of large-capacity tumblers and purifiers in cooking, the maximum volume for dispensing was increased to 1 liter, significantly improving user convenience.

Coway Icon Ice Water Purifier

Customer Satisfaction Training

Coway operates a systematic training program to ensure that partners providing services at customer touchpoints, such as Codys, Codocs, and service managers, possess the necessary expertise. Specifically, annual service training is conducted for Codys and Codocs to enhance customer satisfaction and ensure the stable delivery of high-quality service. Through the 2024 Cody productivity enhancement training, productivity was improved by 10% compared to 2023, while service claim rates were reduced by 32% through monthly training at each branch office. Coway's differentiated service quality is driven by "Service Quality Managers," who undergo approximately three months of specialized training in product understanding, hygiene management, fault diagnosis and A/S prevention, customer response, and service mindset. Only those who pass the final test are assigned to the field operations. Adhering to the principle that "hygiene is fundamental to water purifiers," Coway will continue to strengthen the quality of its hygiene services to ensure that customers can use Coway products with confidence.

Development of Products Customized for Customers

i-wave System

Coway developed the "i-wave System," a bidet feature that offers customized water flow settings, based on its differentiated technological capabilities. This system scientifically analyzes water flow, pressure, air, and cleansing range to provide tailored water flow settings optimized for cleansing. Based on a three-step i-wave water flow system, it is designed to allow users to select from various cleansing modes according to their characteristics and conditions, delivering enhanced hygiene and user convenience.

Smart Mattress

To address the challenge various consumers face in selecting mattresses that suit their body type and personal preferences, Coway has developed a smart mattress with a dual-zone structure. This design allows each user to independently adjust the firmness level of their side of the mattress to their preference. In addition, the mattress features body pressure distribution tailored to the user's physique, providing a more comfortable and personalized sleep experience.

CASE

Triple Innovation Award Winner at CES 2025

Coway was honored with three Innovation Awards at the CES (Consumer Electronics Show) 2025, the world's largest IT exhibition hosted by the CTA (Consumer Technology Association), with its technological excellence and innovation recognized. The award-winning products include Digital Healthcare Bidet, Smart Self-Cleaning Air Purifier, and a personalized air purifier customized for individual spaces, all concept models designed to enhance user convenience and provide customized life-care solutions. These achievements demonstrate Coway's future-oriented technological vision and differentiated innovation capabilities. Coway will continue to lead the smart home and life-care markets through user-centric technology development and innovative products.

Digital Healthcare Bidet
Innovation Award-Home Appliances

Going beyond basic cleaning functions, the user's health can be monitored through their use of the bidet; integrated health management is possible based on collected data

Smart Self-cleaning Air Purifier
Innovation Award – Sustainability

Equipped with self-cleaning technology that eliminates the need for manual filter cleaning or replacement

Personalized Air Purifier Customized for Individual Spaces
Innovation Award – Smart Home

Provides optimized air care solutions tailored to respective spaces using AI technology

Social Contribution Management System

Social Contribution Policy

As a "Best Life Solution" company, Coway recognizes and fulfills its responsibility to the local community and strives to enhance social value. In alignment with the United Nations Sustainable Development Goals (UN SDGs), Coway has established and is operating the Social Contribution Policy to guide its systematic social contribution activities. This policy is continuously updated to reflect evolving social needs.

Social Contribution Policy

Governance Structure for Promoting Social Contribution

Coway's ESG Council and ESG Committee establish key directions for social contribution and discuss implementation plans. The Social Contribution Team operates key programs such as environmental campaigns, a sports team for people with disabilities, and a performing arts group for people with disabilities. In addition, Coway strives to generate social value and grow together with local communities through employee volunteer activities and donation programs that align with its core businesses of "water" and "air."

Social Contribution Strategy

Under the mission of "Good Wave for People & Environment," Coway aims to take the lead in addressing social issues by communicating with local communities, focusing on people and the environment. To this end, Coway selects social contribution activities by comprehensively considering the severity of social issues in local communities and their relevance to its business. Coway also encourages voluntary participation of its employees and provides regular opportunities to raise awareness of social contribution. Going forward, Coway plans to establish communication channels for continuous engagement with local communities and to measure and analyze the impact of its social contribution activities on beneficiaries.

Social Contribution Framework Diagram

VISION
Best Life Solution Company

+

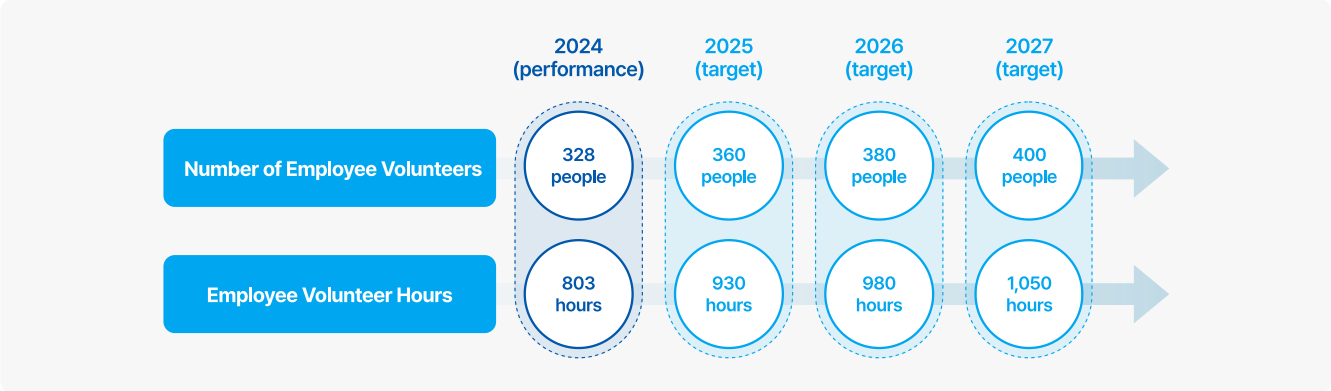
MISSION
Good Wave For People & Environment

Character	The character name Co.B stands for "Coway Makes A Better Life" and represents Coway's commitment to social contribution.	
Theme	Environment	People
Strategic Direction	Community Improvement	Community Co-prosperity
Target Groups	Elementary Schools, General Public, Underprivileged Groups	Persons with Disabilities
Key Activities	• Coway River Plogging • EM(Effective Micro-organisms) Mud Ball Throwing • Clean School Classroom Forest • Coway Ecological Forest Project • Safe Groundwater Supply Project: Clean water supply through groundwater purification • Air Purification Project for the Underprivileged: Supplying clean air to vulnerable communities	• Bluewheels Wheelchair Basketball Team (Founded in 2022) (Participation in tournaments, hosting wheelchair basketball classes, and team operations) • Mulbit Sori Choir for the visually impaired (Founded in 2022) (Performances at events like regular concerts, small concerts, and special performances for disability awareness) • Production of Learning Kits for Visually Impaired Children and Voice Donation Activities for Reading-Impaired Groups • Disability Awareness Programs

Social Contribution Targets

Coway promotes a variety of environmental campaigns and social contribution activities aligned with its core businesses. From 2023 over a two-year period, a total of 601 employees voluntarily participated and performed a total of 1,460 hours of volunteer service. Looking ahead, Coway aims to expand employee participation in social contribution, with a goal of reaching 1,741 volunteers and accumulating 4,420 hours of service by 2027. In addition, Coway also plans to continue supporting local communities by planning new programs each year.

Mid- to Long-term Social Contribution Targets



Mid- to Long-term Social Contribution Roadmap

Category	~2025	~2030	~2050
Strategy	· Establishing strategy and system	· Enhancing social contribution programs	· Maximizing social value creation
Direction	· Community-aligned social contribution	· Expanding social contribution themes	· Pursuing mutual growth and shared value
	· Establishing flagship programs	· Signing social contribution partnerships	· Expanding local community networks
Location	· Domestic sites	· Domestic sites / Overseas sites (all)	· Domestic sites / Overseas sites (all)

Social Contribution Activities

Environmental Protection

EM Mud Ball Throwing

Coway is carrying out the "EM (Effective Micro-organisms) Mud Ball Throwing" activity to help purify water and expand carbon dioxide absorption sources. EM mud balls are created by kneading a solution of beneficial microorganisms with red clay, which is then fermented for approximately three weeks. Once thrown into rivers or streams, these balls gradually dissolve, purifying the water and removing odors. As aquatic ecosystems recover, they can also contribute to the reduction of atmospheric carbon dioxide. This activity, in which Coway employees participated, was carried out along the Anyangcheon Stream near our headquarters. Starting in 2023 and continuing into 2024, a total of 10,000 EM mud balls were donated. Moving forward, the initiative will be expanded to include nearby locations such as the Incheon and Pocheon factories, contributing to the restoration of local river and stream ecosystems and continuing to promote the value of clean water.

Number of EM mud balls donated (cumulative)	10,000 balls

River Plogging

Since 2022, Coway has been running the "River Plogging" campaign to promote environmental protection culture in daily life. This eco-friendly activity involves jogging along riverbanks while collecting litter, with the goal of creating cleaner water environments. In 2024, the campaign saw a 54% increase in participation, with 3,400 internal and external stakeholders joining, expanding its significance even further. Going forward, Coway plans to host the River Plogging campaign annually to continue spreading awareness of the value of clean water. Furthermore, as part of its water protection activities, Coway is also operating the "Marine Plogging" program, in which employee volunteers with diving certifications participate by collecting waste from beaches and underwater, contributing to the protection of the marine environment.

Number of participants in the river plogging campaign (cumulative)	6,003 participants

Clean School Classroom Forest

Coway's "Clean School Classroom Forest" is an environmental education program designed for elementary school students, aimed at creating social value. The program donates air-purifying plants to elementary schools, helping students grow in a healthier learning environment while staying close to nature. To further raise awareness about ecology and the environment, Coway also hosts the "Ecology/Environment Poetry Contest" for students. Since 2022, Coway has donated a total of 2,714 air-purifying plants to six elementary schools, including 494 plants in 2024 alone. Coway contributes to biodiversity conservation by additionally donating seedlings of endangered species in proportion to the number of plants installed in classrooms.

Number of air-purifying plants donated (cumulative)	2,714 plants

Ecological Forest Development Project

In 2024, Coway launched the Ecological Forest Project with the aim of addressing environmental crises and restoring ecosystems. This project is based on the Red List guidelines of the IUCN (International Union for Conservation of Nature) and involves planting endangered, rare, and native plant species designated for conservation by the Korea Forest Service to create ecological forests. As part of the project, we established the Coway Ecological Forest No. 1 in the outdoor garden on the 3rd floor of our G-Tower headquarters in Guro-gu, Seoul, planting a total of 1,750 nationally protected species. Moving forward, Coway plans to expand ecological education activities for employees and local residents using the ecological forest as a learning hub. In addition, environmental programs for children and youth will be introduced to raise awareness about the importance of biodiversity.

Number of nationally protected species planted (cumulative)	1,750 plants

Community Protection

Living Environment Improvement Project

Coway continuously carries out social contribution activities aimed at improving the living environments of vulnerable groups by providing air purifiers and water purifiers. Since signing an agreement with the Ministry of Environment in 2018, we've offered free air purifiers and maintenance services to vulnerable groups, addressing their need for improved indoor air quality amidst rising air pollution and fine dust. By 2024, Coway had provided a total of 505 units, contributing to more comfortable living environments. Through these efforts, Coway was recognized for its contribution to preventing respiratory diseases among vulnerable groups and received a commendation from the Minister of Environment at the 2024 Indoor Environment Improvement Agreement Ceremony for Vulnerable Populations.

In addition, Coway operates the Safe Groundwater Project to ensure access to clean and safe drinking water for residents in rural areas affected by groundwater contamination. The project began in 2015 with an initial agreement with the Ministry of Environment, resulting in approximately 500 water purifiers donated. An additional 500 units were provided under a second agreement in 2021, contributing to the creation of a safer drinking water environment.

– Safe Groundwater Project

Support for Sports and Cultural Arts for People with Disabilities

Coway is committed to fostering social inclusion and promoting a culture of sharing by expanding opportunities for people with disabilities to participate in society and create sustainable employment opportunities. In 2022, Coway signed an agreement with the Korea Employment Agency for Persons with Disabilities to promote employment opportunities for people with disabilities and has since implemented an active employment expansion plan. For example, we established the Blue Wheels Wheelchair Basketball Team and the Mulbit Sori Choir for the visually impaired, supporting both sports and cultural arts activities for people with disabilities. In 2024, the Blue Wheels achieved a grand slam by winning all major tournaments and continues to raise awareness through outreach initiatives such as wheelchair basketball classes for local students.

Furthermore, the Coway Mulbit Sori Choir for the visually impaired holds concerts and special performances for Coway employees and local residents, further expanding its efforts in sharing cultural arts. As part of these efforts, the choir also conducted awareness-raising performances and lectures for elementary school students in 2024, helping to foster a greater understanding of disability. In recognition of its contributions to the advancement of sports for people with disabilities, Coway received a commendation from the Mayor of Seoul at the 2024 Seoul Sports Night for people with disabilities.

– Blue Wheels Wheelchair Basketball Team

– Mulbit Sori Choir for the visually impaired

Employee Volunteering Activities

Since 2022, Coway has been operating a social contribution campaign where employees directly participate in creating braille learning kits to support language acquisition and improve educational environments for children with visual impairments. These materials are donated to schools for the blind and welfare centers for the visually impaired across South Korea, helping to enhance learning opportunities for visually impaired children. To date, a total of 486 kits have been produced and donated.

Moreover, Coway has operated a "Voice Donation" volunteer program since 2023 for children who face challenges in reading. Coway employees who have completed professional training in vocalization and voice acting record children's storybooks to produce audiobooks, which are then donated via the Municipal Nowon Welfare Center for the Blind in Seoul to visually impaired children, multicultural families, and other groups with reading difficulties. This activity is driven by voluntary employee participation, with 34 employees having taken part so far. Coway plans to continue expanding employess engagement in ESG related initiatives and to further its efforts in improving educational and informational access for underserved communities through sustainable social contribution activities.

– Learning kit making campaign for visually impaired children

– Voice donation activity for groups with reading difficulties

Information Protection System

Information Protection Policy

Coway operates a structured information protection management system to protect the valuable personal information of customers. Coway classifies its information protection regulations into policies and guidelines to facilitate effective implementation in actual operations. To address the growing scope of information protection requirements and adapt to evolving business environments, Coway regularly reviews, establishes, and revises its information protection regulations. In 2025, we revised a total of 16 types of information protection guidelines, reflecting compliance with personal information protection laws—such as standards for actions to be taken by personal data controllers in relation to automated decisions[1)]—and aligning them with current business practices. Furthermore, Coway applies the same personal information protection policy not only across internal business units but also to sales organizations, contractors, and partners, thereby rigorously practicing information protection at the corporate level.

1) Decisions that produce legal effects or similarly significant impacts on individuals, based solely on automated processing

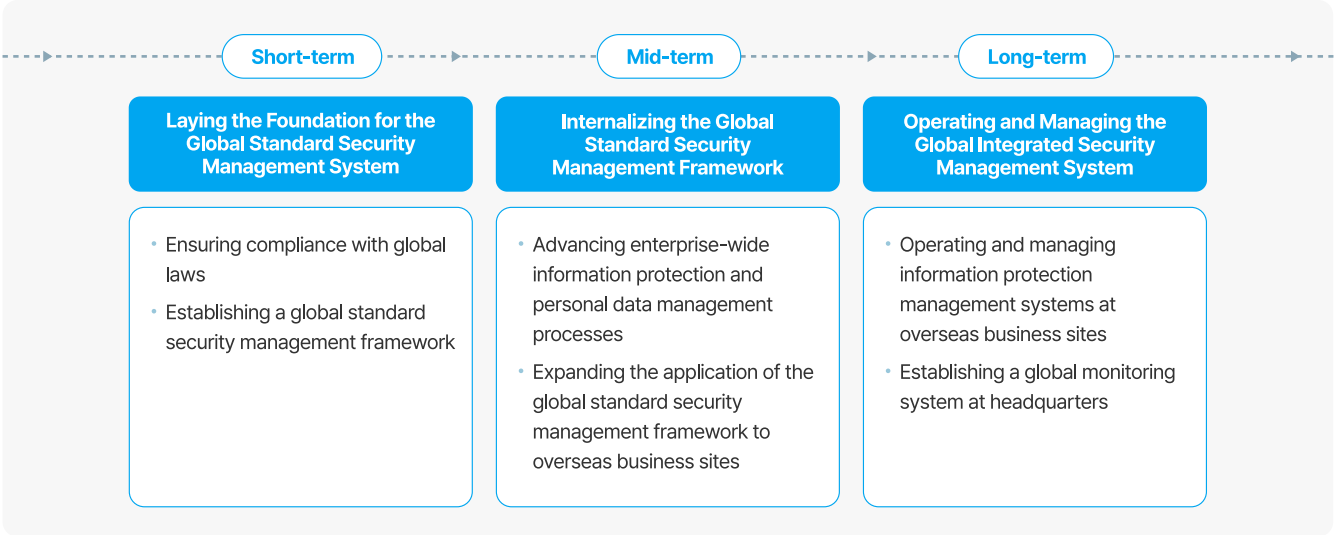
Protection of the Personal Data Rights of Individuals

Coway promptly responds to requests for the deletion of personal information and related inquiries to ensure the rights of data subjects. In particular, Coway actively addresses requests received through the "e-Privacy Clean Service" operated by the Personal Information Protection Committee. This service allows data subjects to review websites they have previously joined based on authentication records and supports the process of withdrawing from unnecessary websites, thus helping data subjects manage their personal information more easily. Coway continues to strengthen the management system to effectively guarantee the rights of data subjects through various channels, including an external linkage channel.

Information Security Management System

Coway prioritizes strengthening the trust of domestic and international customers by proactively responding to internal and external security threats. To this end, Coway has established a mid- to long-term roadmap for information security and continues to manage it systematically in order to build and maintain a global standard information security and personal data protection management system.

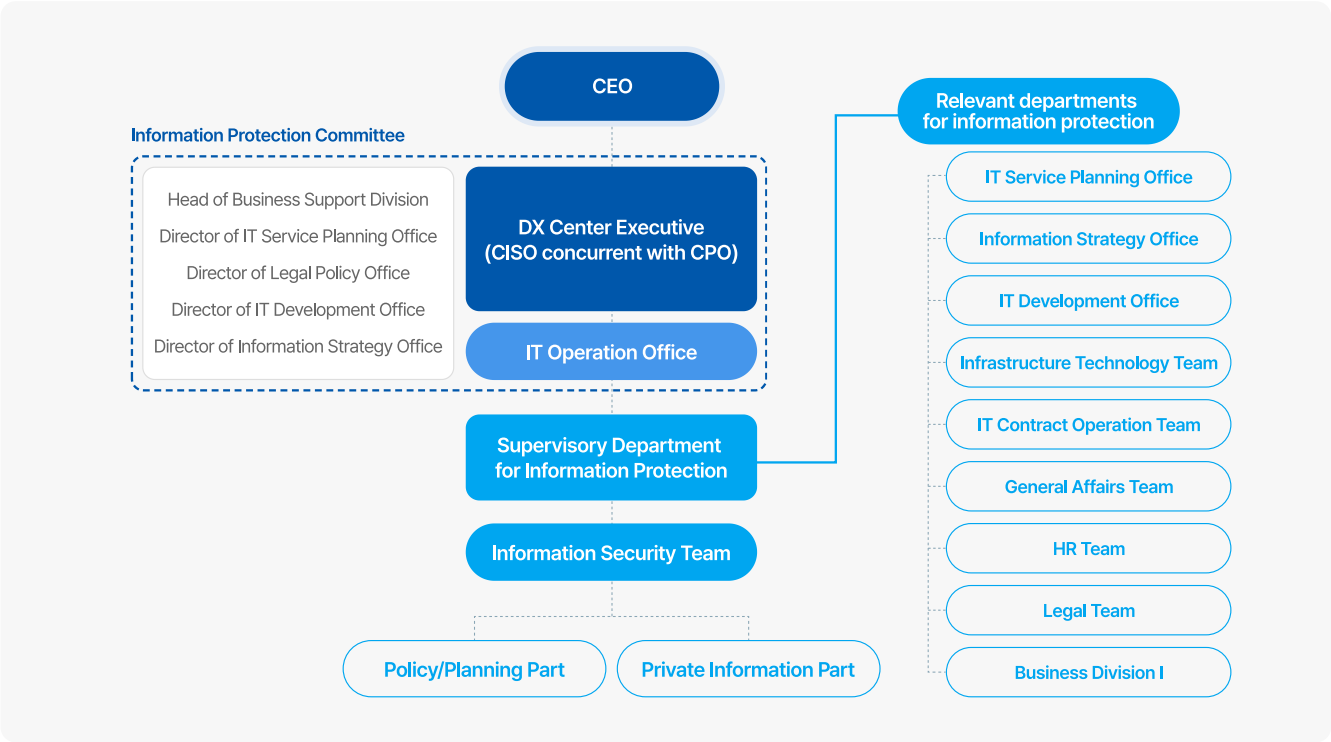
Mid- to Long-term Information Security Roadmap



Governance Structure for Promoting Information Protection

Coway operates the Information Protection Committee at the executive level. The committee is chaired by the CISO (Chief Information Security Officer), who, in accordance with the Act on Promotion of Information and Communications Network Utilization and Information Protection, possesses over ten years of experience in the fields of information security or information technology. The committee, led by the CISO, includes heads of relevant departments who participate as members and deliberate on information protection policies and execution directions. The Information Security Team, the department responsible for information protection, manages audits, training, awareness-raising activities, and simulated training. It also strengthens a strict information protection system and personal data protection standards through close collaboration with related departments, regular monitoring, and risk management.

Organizational Chart for Information Protection



Information Protection Committee

Coway's Information Protection Committee operates on a regular basis, continuously reviewing amendments to relevant laws, such as the Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization and Information Protection, and promptly reflecting them in internal policies and processes. In 2024, Coway strengthened legal compliance by establishing procedures for consent withdrawal of data subjects, providing guidance on refusal of overseas data transfers and the resulting effects, and separating the procedures for consenting to receive promotional information. These efforts have enhanced our regulatory compliance, contributing to greater business stability and increased customer trust.

2024 Information Protection Committee's Key Activities and Performance

Category	Key activities and performance	Evaluation indicators	Measurement results
Compliance	• Checking personal information access records/destruction status • Notifying data subjects of details on the use of their information, resolving complaints and disputes	Rate of implementing mandatory legal compliance activities	100%
Operating the management system	• Renewing ISO 27001 certification and acquiring ISO 27701 certification • Acquiring ISMP-P certification	Rate of internalizing security standards	100%
Operating the security system	• Improving the operation of the security system • Checking security system access rights and unnecessary policies	Rate of implementing improvement plans	100%
Preventing information protection risks	• Detecting and responding to PC security vulnerabilities and information leakage threats • Inspecting security of key sites and operational sites and providing training	Rate of responding to detected risks	100%
Raising awareness	• Activities for information security campaign and case dissemination • Distributing training videos tailored to sales sites	Rate of implementing awareness-raising plans	100%
Strengthening training	• Conducting disaster recovery simulation drills (IDC drills) once a year for incident scenarios • Conducting personal information leakage simulation drills once a year	Completion rate of trainees	100%
Managing risks	• Reviewing security and taking actions to remove company-wide risks • Strengthening END-POINT security risk detection and minimizing security blind spots	Rate of taking actions to remove security vulnerabilities	100%
Internal audits	• Checking the status of the information protection management system • Checking the security management status of partners and entrusted service providers	Rate of diagnosing management levels	100%

Information Protection Certification

Coway's information protection management system has received official recognition through certifications from reputable domestic and international third-party organizations specializing in information security and personal information protection. We also conduct annual surveillance audits and renewal audits every three years to continuously assess and enhance our information security level.

Information Protection Certification Status

Certification	ISMS-P	ISO/IEC 27001:2022 & ISO/IEC 27701:2019
Standard	Domestic	International
Expiration date	June 15, 2022 – June 14, 2025	December 21, 2023 – December 20, 2026
Certification body	Korea Internet & Security Agency (KISA)	DNV
Certification scope	Coway online services (coway.com)	• Coway online services: 11 services in total, including coway.com, and corporate website • Business apps: A total of 5 services, including Cody App, Home Care Doctor App, Smart Sales App, and Service Manager App
Certification effect	• Enhancing business stability through information protection risk management • Complying with information protection laws for ethical and transparent management • Minimizing social and economic damages from infringement accidents and collective lawsuits	• Complying with laws related to information protection and personal information protection that meet international requirements • Providing systemic risk management environments against information protection threats • Improving external credibility when obtaining certification for the prevention of information leakage
Impact on business contributions (external)	By maintaining these certifications, Coway is expected to achieve several key outcomes. Not only will we continue systematic prevention and improvement activities to prevent personal information breaches caused by hacking and insider threats, but we will also effectively mitigate legal violations, financial risks (such as fines), and reputational risks associated with such incidents. Ultimately, these efforts will significantly contribute to enhancing Coway's business stability.	

Information Security Certifications

Information Protection Risk Management

Information Protection Risk Monitoring

Coway conducts a variety of regular monitoring activities to secure the protection of customers' valuable information and continuously enhance the level of information security and personal information protection. These activities include malicious email response drills, clean desk campaigns, inspections of entrusted service providers, on-site inspections at sales locations, and training for sales representatives. Through these efforts, Coway identifies information protection risk factors at sales sites and among partners, and strives to prevent incidents while raising awareness of information protection by conducting inspections and training tailored to each activity type.

– 2024 Key Activities and Performance

Type	Activity	Target	Performance
Malicious email response drills	Raising employee awareness and enhancing response capabilities such as personal information theft scenarios through internal simulation training against intelligent malicious emails	All employees	Implemented three times a year
Clean desk campaign	Raising security awareness among employees, preventing security incidents through clean desk campaigns, and eliminating information management vulnerabilities	Headquarters (Inspected by relevant departments), R&D center, and factories (Self-inspection) Sales sites	Implemented annually
Inspections of entrusted service providers	Inspecting entrusted service providers based on checklists and providing training on personal information protection	Partners	354 partners participated
On-site inspections and training at sales sites	Improving vulnerabilities in information and personal data protection through on-site inspections and related training at sales sites, which are the sites for customer management	Sales sites	Conducted at 100 sales sites

Proactive Management of Security Risks

Coway operates a company-wide crisis management process to ensure that key IT services remain uninterrupted or are promptly restored in the event of a security incident or system failure. In addition, Coway integrates personal information protection policies and systems to systematically manage risks. Damage is minimized and a stable information protection system is maintained by identifying potential threats in advance and responding swiftly to security incidents or IT disasters. Coway also operates a "security review process" that incorporates security considerations from the system planning stage, thereby establishing a sustainable information protection system. This process supports safer and more reliable system operations through preliminary inspections of and improvements to security vulnerabilities at each stage of system development, in collaboration with the service department and the Information Security Team.

Crisis management organization and roles

- Information Protection Committee: Deliberates and makes decisions on key matters related to information protection
- Chief Information Security Officer: Oversees overall operations and leads crisis response
- Information Security Team: Executes and improves information protection tasks
- Emergency Response Team: Responds to disasters and makes recovery efforts

Scope of crisis management

- Security Incidents: Breaches of security policies, including data leaks and system intrusions
- IT Disaster: Disruptions to IT services due to natural disasters, fires, etc.

Crisis management process

- Prevention: Risk assessments, establishment of protective measures, and information protection training
- Incident Response: (Incident reporting, analysis, emergency measures, recovery, and recurrence prevention
- IT Disaster Response: Activation of the Emergency Response Team, IT service restoration, and business continuity assurance

Security Review Process

STEP 01

Request security review

The department in charge of the service consults with the Information Security Team during the system planning stage to determine whether a security review is required, and prepares a system briefing and flowchart.

STEP 02

Review and make plans

The Information Security Team reviews the request from the service department, provides security requirements, finalizes the scope of the review, and establishes a security review plan.

STEP 03

Conduct security review

The security review is conducted in accordance with the established plan, with inspections performed after key screens are developed.

STEP 04

Perform follow-up management

The system is registered in the information asset inventory, and its security status is maintained through continuous monitoring.

Response to Personal Information Breach Incidents

Coway operates a coordinated incident response system to minimize damage and prevent secondary harm in the event of a personal information breach or data leak by taking prompt initial measures. Personal information-related incidents are classified into breach incidents and leak incidents (e.g., personal data leaks and internal data leaks), with tailored response measures established for each type. Through security control and constant monitoring systems, any suspicious activity is immediately reported to the information protection officer, and a dedicated response team is formed to take measures. Following initial response measures, Coway conducts a thorough analysis involving fact-checking, evidence collection and preservation, and detailed analysis of the breach route and root cause. In the post-incident phase, Coway establishes recurrence prevention measures and implements related actions while seeking swift normalization of services. Furthermore, the entire response process is documented to prevent the recurrence of similar incidents, and incident processes and countermeasures are regularly shared with relevant departments and used in training. This helps strengthen Coway's overall organizational capacity to respond to information protection incidents.

Incident Response Process

Category			Infringement incidents	Private information leakage	Internal data leaks	Note
Control/ monitoring			**Remote security control** · Malicious code infections (worm/ virus) · Hacking attacks (website forgery/ falsification, transit abuse) · DDoS attacks, etc.	**Remote security control** · Personal information leakage · Internal information leakage	**Remote security control**	**Department that detected the incident:** Reporting suspected security accidents to persons in charge of information protection
Recognizing and reporting of incidents			**I. Responding to breach incidents**	**II. Responding to personal information leaks**	**III. Responding to internal information leaks**	Report to the CEO Report to the CISO
			Internal report Report to national agencies Form a security incident response team	**Report incidents and notifycustomers** · Form an incident response team and convene an emergency executive meeting	**Internal reportReport to national agencies (when necessary)** · Form a security incident response team	
Responding to incidents	Taking initial actions		**F/W blocking, ACL policyapplication, NMS monitoring,vaccine**	Minimizing leakage damage	Prohibiting additional information leaks	
	Precise analysis	Fact checking	**Gather and analyze systemlogs (existence of falsification, etc.)** · Check recently-changed files, programming and services · Check hidden or abnormal processes · Check abnormal ports and external connections·	**Find out leakage routeRespond to customer complaints Damage relief**	**Interview**	
		Collecting and keeping evidence	**Forensic**		**Collect related evidence**	Report to the CISO
Follow-up measures (recurrence prevention)			**Normalize services Take measures for supplementation and recurrence prevention**	**Monitor countermeasures Establish measures for recurrence prevention**	**Disciplinary actions, and civil or criminal chargesEstablish measures for recurrence prevention**	Report to the CEOReport to the CISO

Post-incident Measures for Security Breaches

Coway operates a systematic response process to contain damage in the event of personal information violations and prevent the recurrence of similar cases. Coway offers various reporting channels for employees to promptly recognize and report security incidents. When an incident occurs, the Information Security Team takes the lead in verifying the facts and analyzing the risk. If necessary, Coway collaborates with the ER Strategy Team to conduct a fair and objective investigation. Based on the severity of the violation, appropriate disciplinary actions are taken. Moreover, recurrence prevention measures were established based on root cause analysis and shared across us to enhance the response capabilities of the entire organization. Coway strictly complies with all relevant personal information protection laws and fully acknowledges that both individuals and we may bear legal responsibility. By doing so, Coway actively upholds its responsibility for information protection.

Investment in Information Protection

Coway recognizes information protection as a core element of corporate management and continues to invest in enhancing its protection system and strengthening risk response capabilities. In particular, under the Act on the Promotion of Information Security Industry, Coway has been designated as a company subject to mandatory disclosure of information protection details since 2022. Accordingly, Coway annually discloses its investment, personnel, certifications, and activities related to information protection. This disclosure system aims to promote safer internet use for users and encourage companies to voluntarily invest in information protection by recognizing it as a key element of business. As of the end of 2024, Coway's total investment in information protection amounted to KRW 3.3 billion, accounting for 4.6% of the total IT budget. Major areas of investment include the advancement of the risk management system for information protection and the development of a system for detecting abnormal log patterns.

Establishing a Culture of Information Protection

Information Protection Training for Employees

Coway conducts annual information security training for all employees to raise awareness and enhance their security competencies. In 2024, Coway expanded its training programs and reinforced a culture of security through regular company-wide campaigns. Moreover, Coway provides field-based, case-oriented training for agents under sales consignment contracts to increase security management levels at sales sites to improve information protection throughout Coway's business operations.

– 2024 Information Security Training

Category	Schedule	Target	Content	Participants
Video training	August, September, October	Commissioned Sales Associates (Codys, Home Care Doctors, etc.)	Training on personal information collection, use, and disposal	5,926 people
On-site information security inspections and training	April–August (Seoul), September–November (regional areas)	Total/branches (76), Agencies (22), Offices (2)	Inspection of and training on personal information management status	334 people
Company-wide mandatory training	March	All employees	Personal information protection and information security	6,175 people

Information Security Campaigns

Coway continuously leads information security campaigns to create a safe work environment and raises employee awareness on security. In 2024, we focused on strengthening employees' practical security capabilities through various initiatives, including a mobile device security campaign and a proper transmission of promotional information campaign. These targeted efforts are part of Coway's broader commitment to embedding a robust security culture across the organization.

– 2024 Information Security Campaigns

Category	Schedule	Target	Content
Mobile phone security guidelines campaign	August	All employees	Preventing personal information leakage and damage caused by smishing
Proper promotional information transmission campaign	April, November	All employees (including sales sites)	Distributing a checklist for sending promotional information to prevent operational security risks
Four-line acrostic poem event in celebration of Information Protection Day	July	All employees	Encouraging employee interest in information protection

CASE

Online Members' Personal Information Protection Campaign

In October 2024, Coway launched the "Online Members' Personal Information Protection Campaign" targeting Coway.com online members to raise awareness of personal information protection and prevent account theft and data leakage. The campaign was conducted over a period of two weeks, where members were encouraged to change their passwords, and a total of 4,937 members participated. Through this campaign, Coway successfully enhanced users' security awareness and contributed to strengthening account protection.

Online Members' Personal Information Protection Campaign

Governance

Board Composition

Board Composition Status

Coway's Board of Directors operates in accordance with laws and the company's Articles of Incorporation, entrusted by shareholders with the highest decision-making authority regarding corporate management. The Board is committed to establishing a rational and sound corporate governance framework based on checks and balances. As of the end of March 2025, the Board consists of 3 executive directors and 6 independent directors—ensuring that 66.7% of all Board members are independent directors, strengthening the Board's independence and transparency. Through this structure, the Board effectively fulfills its surveillance and monitoring functions of management. In line with the requirements of the Commercial Act, the Board has appointed one female director to strengthen diversity within the Board. The Board deliberates and resolves key matters related to corporate management and performs risk management functions, continuously striving to strengthen corporate transparency and lay a foundation for sustainable growth.

Board Composition Status

Category	Name	Gender	Position	Professional experience	Date of initial appointment
Executive directors	Jun Hyuk Bang	Male	Chairperson of the Board	• 2020–Present: Chairperson of Coway Board of Directors • 2014–Present: Chairperson of Netmarble Board of Directors • 2011–2014: Executive Advisor, Game Business Division, CJ E&M	Feb. 7, 2020 (Reappointed once)
	Jang Won Seo	Male	CEO Member of ESG Committee	• 2021–Present: CEO, Coway / Concurrent position as CEO of NECOA Holdings, Inc. • 2020–2021: Head of Management Division / CFO, Coway • 2020–2020: Head of Coway TF, Netmarble • 2019–2019: Officer in Investment Strategy and Communication, Netmarble • 2015–2018: Officer in Management Strategy, Netmarble • 2001–2015: Senior U.S. Attorney, Sejong Law Firm	Feb. 7, 2020 (Reappointed once)
	Soon Tae Kim	Male	CFO	• 2021–Present: Head of Corporate Management Division, CFO, Coway / CEO of BEREX Tech Co., Ltd., and CEO of Coway Life Solution Co., Ltd. • 2016–2021: Head of Corporate Management Office, Coway • 2013–2015: Head of Budget Management Team and Corporate Planning Team, Coway	Mar. 29, 2023
Independent directors	Jin Bae Kim	Male	Chairperson of Audit Committee, Chairperson of ESG Committee, Member of Independent Director Nomination Committee	• 2024–Present: Independent director, Samyang NC Chem Corp. • 2001–Present: Professor, Korea University Business School • 1997–2001: Professor, Boston University Questrom School of Business	Feb. 7, 2020 (Reappointed once)
	Kyu Ho Kim	Male	Member of Independent Director Nomination Committee, Member of Compensation Committee	• 2021–Present: Professor (focused on academic-industrial cooperation), Ewha Womans University • 2015–2020: Professor (focused on academic-industrial cooperation), Sogang University • 2013–2014: Executive Director, Media Solution Center, Samsung Electronics	Feb. 7, 2020 (Reappointed once)
	Bu Hyun Yoon	Male	Member of Audit Committee, Chairperson of Independent Director Nomination Committee	• 2020–Present: Advisor, LG Display • 2018–2020: Advisor, LG U+ • 2012–2018: Executive Director, Management Planning of MC Business Group, LG Electronics • 2009–2011: Managing Director, Finance, LG Electronics • 2007–2008: Managing Director, Management Planning, LG Electronics	Feb. 7, 2020 (Reappointed once)

Board Composition Status

Category	Name	Gender	Position	Professional experience	Date of initial appointment
Independent directors	Gil Yeon Lee	Female	Member of Audit Committee, Member of ESG Committee	• 2009–Present: Chief Counsel, Law firm Hokma • 2019–Present: Member of Human Rights Management Committee, Korea Copyright Protection Agency • 2018–2020: Member of Administrative Appeals Committee, Board of Audit and Inspection • 2013–2017: Member of Statutory Interpretation Deliberation Committee, Ministry of Government Legislation • 2011–2013: Expert Member, Special Committee of the Legal Ethics Council, Korean Bar Association	Mar. 31, 2022 (Reappointed once)
	Jung Ho Kim	Male	Member of Independent Director Nomination Committee, Member of Compensation Committee	• 1995–Present: Professor, Department of International Studies, Graduate School of International Studies, Korea University (Strategic Management, International Management, and the U.S. Economy) • 2023–2023: Visiting Scholar, Waseda University (Japan) • 2019–2021: Head of International Affairs Division, and Head of the Center for Global Leadership, Korea University • 2019–2021: Member of the Board of Directors, Asia-Pacific Association for International Education (APAIE), Venice International University (Italy) • 2019–2021: Senior International Leader, Association of Pacific Rim Universities (APRU) • 2016–2016: Visiting Professor, Ritsumeikan University (Japan) • 2015–2015: Visiting Professor, University of Vienna (Austria)	Mar. 31, 2025
	Tae Hong Kim	Male	Member of Audit Committee, Member of Compensation Committee	• 2012–Present: CEO, Growth Hill Asset Management • 2009–2012: Vice President, Brain Asset Management • 2007–2009: Director of Equity Investment, Franklin Templeton Investments • 2003–2007: Head of Equity Investment Division, Mirae Asset Global Investments • 2000–2003: Analyst, Daewoo Securities	Mar. 31, 2025

Appointment of Directors

All directors of Coway are appointed through a resolution at the general meeting of shareholders. Regarding the appointment of executive directors, the company identifies and develops a wide pool of internal and external candidates, with final appointments made upon approval at the general meeting of shareholders. Specifically, the appointment of the CEO is governed by the "CEO Succession Policy." The policy specifies the required qualifications of the CEO and ensures the continuous development and management of a talent pool of executive leadership candidates by simultaneously identifying internal candidates and securing external ones. Among those appointed as executive directors at the general meeting of shareholders, the CEO is ultimately appointed by resolution of the Board of Directors. The appointment of independent directors is conducted through transparent and fair procedures. The Independent Director Nomination Committee, composed entirely of independent directors, independently nominates candidates, secures candidate pools through external advisory firms, and reviews any shareholder-nominated candidates. During the screening stage, candidates are comprehensively evaluated based on eligibility, compliance with the company's independent director independence guidelines, expertise, and suitability. The detailed evaluation criteria include the candidate's potential to enhance corporate value, contribution to board diversity, independence, and fairness, sense of ethics and responsibility, commitment to duties, and expertise. At the final candidate selection stage, the fulfillment of eligibility requirements and any disqualifying factors are thoroughly reviewed to confirm the final candidates who possess both expertise and independence. Coway strives to ensure fair and reliable appointment of directors through these procedures.

Board Expertise

Coway has implemented and operates a Board Skills Matrix (BSM) to strengthen the expertise and diversity of the Board composition. Through the BSM, the Board's capabilities are systematically analyzed and actively utilized in appointing directors who align with the company's sustainable growth and strategic direction. Currently, Coway's Board is composed of directors with experience and expertise across various fields, including leadership, management and strategy, finance/accounting, legal affairs, ESG, M&A, IT/technology, global industries, and financial/capital markets. Additionally, Coway continuously provides training programs tailored for independent directors to enhance their knowledge and effectiveness. After appointment, independent directors are supported by departments such as the IR team, finance office, and internal accounting management team through the provision of necessary materials and information to enable them to perform their specialized duties within the board.

Board Skills Matrix

Category	Executive directors (3)			Independent directors (6)					
Name	Jun Hyuk Bang	Jang Won Seo	Soon Tae Kim	Jin Bae Kim	Kyu Ho Kim	Bu Hyun Yoon	Gil Yeon Lee	Jung Ho Kim	Tae Hong Kim
Gender	Male	Male	Male	Male	Male	Male	Female	Male	Male
Leadership	●	●	●					●	●
CEO experience	●	●	●						●
CFO experience		●	●						
Management/Strategy	●	●	●			●		●	
Finance/Accounting			●	●		●			●
Legal affairs		●					●		
ESG				●			●		
M&A	●	●							
IT/Technology	●				●				
Global industries								●	
Financial/Capital Markets									●

Board Diversity

Coway strives to enhance the expertise and diversity of its Board to enable effective and discreet decision-making. Our Articles of Incorporation explicitly state that the Board shall not be composed entirely of directors of the same gender. By assembling the Board with diversity across gender, age, race, nationality, country of birth, and cultural background, we ensure a wide range of expertise.

Board Independence

Coway guarantees the independent decision-making authority of the Board and establishes rational and sound governance through a structure of checks and balances centered on independent directors. To ensure their independence, we have established our own Independence Guidelines for independent directors, incorporating relevant legal requirements and global standards. The Board of Directors and the Independent Director Nomination Committee review the independence of both prospective and incumbent independent directors based on these guidelines. Moreover, under the Independent Director Nomination Committee's regulations, a transparent and fair process is applied from the candidate nomination stage, and a systematic screening process is conducted to strengthen the independence of independent directors. Furthermore, pursuant to Article 12 of the Board Regulations, the Chairperson may, if deemed necessary, invite relevant employees or external personnel to attend and provide their opinions. Advisors or observers may also be present to support the Board's activities, thereby institutionally ensuring the independent activities of non-executive directors.

Independence Disqualification Criteria

Independence Guidelines for Independent Directors

Coway Co., Ltd. Ensures the independent decision-making authonty of its Board of Directors and is committed to establishing a sound and rational governance structure centered on independent directors through checks and balances. To verify the independence of its independent directors, Coway has established a set of guidelines based on relevant laws, regulations, and global best practices. Both the Board of Directors and the Independent Director Candidate Recommendation Committee evaluate the independence of candidates and sitting independent directors in accordance with these criteria. An individual is deemed independent if they meet the following conditions. In addition, any other significant relationships with the company will be comprehensively assessed:

01 | Not disqualified under any applicable law or regulation from serving as a director

02 | No history of impairing corporate value or infringing shareholder rights

03 | Board meeting attendance rate of at least 75% during the most recent term

04 | Has not been a full-time executive or employee of Coway or its affiliates, including non-profits, in the past five years

05 | Has not served in the past two years as a director, executive, auditor, or employee of a company that has entered into a technical alliance with Coway

06 | Has not served in the past two years as a director, executive, auditor, or employee of a company that, during the latest fiscal year, engaged in a single business transaction with Coway exceeding 10% of the company's total revenue

07 | Has not served in the past two years as a director, executive, auditor, or employee of an accounting firm appointed as Coway's auditor

08 | Has not served in the past two years as a director, executive, auditor, or employee of a company whose total transactions with Coway over the past three fiscal years exceeded 10% of Coway's total assets or revenue

09 | Has not served in the past three years as a director, executive, auditor, or employee of a firm that has entered into a major legal or management advisory agreement with Coway

10 | Is not an advisor or consultant to Coway or its management

11 | Has no significant conflict or interest regarding matters decided by the Board of Directors

Operation of Board Meetings

Coway holds regular quarterly Board meetings in accordance with Article 6 of the Board Regulations and convenes extraordinary meetings as needed. The Board of Directors is convened by the Chairperson in accordance with Article 39 of the Articles of Incorporation and Article 8 of the Board Regulations, with notice of the meeting's date, time, and agenda provided to each director at least three days in advance. However, if all directors unanimously agree, the meeting may be held immediately without prior notice. Moreover, if a director deems it necessary for the performance of their duties, they may request the Chairperson to convene a Board meeting by specifying the agenda and reasons. If the Chairperson fails to comply without justifiable cause, the requesting director is entitled to convene the meeting directly. Directors may attend Board meetings either in person or remotely through real-time audio communication tools. Resolutions of the Board are adopted pursuant to Article 40 of the Articles of Incorporation and Article 9 of the Board Regulations, requiring the attendance of a majority of directors and approval by a majority of those present, except where otherwise provided by law. Directors with a special interest in an agenda item are prohibited from exercising voting rights on that matter, and any restrictions on voting rights are transparently disclosed in the regular reports on Board meeting proceedings.

– Operation of Board Meetings

(As of 2024)

Number of Board meetings held	Total number of agenda items	Agenda items for resolution[1]	Report items	Board meeting attendance rate
6 times	30 items	22 cases	8 cases	100%

1) Of the 22 agenda items presented for resolution, none received any dissenting votes.

Board Remuneration

Performance Evaluation and Remuneration of Independent Directors

Coway appoints highly qualified professionals as independent directors and provides reasonable remuneration based on a comprehensive consideration of their legal responsibilities and compensation levels in comparable industries, to actively support them in fulfilling their duties. The evaluation of independent directors is focused on qualitative factors such as Board meeting attendance rates and the effectiveness of their suggestions. However, the results of these evaluations are not linked to remuneration or reappointment decisions. Since linking compensation to evaluation could undermine the independence of independent directors, Coway maintains the principle of separating compensation from evaluation to ensure their independence and fairness.

Performance Evaluation of CEO and Executives

Coway avoids decision-making centered on short-term performance and offers corresponding compensation to promote responsible participation by the CEO and executives in driving mid- to long-term growth. Through this approach, we strive to realize sustainable corporate value.

Performance Evaluation of CEO and Executives

Short-term Performance Evaluation	The remuneration of executive directors is determined by taking into account **non-financial factors such as achievement of strategic targets, leadership, expertise, organizational culture, talent development, and contribution to the company.** Additionally, incentives (bonuses) are granted based on the level of target achievement and overall performance in areas such as growth, profitability, and stability, as evaluated through key performance indicators (KPIs) consisting of both quantitative and qualitative indicators. The overall level of remuneration is further determined by reviewing business performance, work achievements, and competency assessments.
Long-term Performance Evaluation	To ensure balanced short- and long-term performance management, **Coway operates a Long-Term Incentive (LTI) program.** Under this program, the CEO's long-term management performance is evaluated based on cumulative performance over three years, taking into account managerial contribution and demonstrated capabilities from a long-term perspective, and incentives (bonuses) are awarded accordingly.
CEO and Other Executives	Coway evaluates long-term capabilities demonstrated by not only the CEO but also other executives. **Key management capability areas include strategic decision-making, positive influence, talent development, fairness, communication, and collaboration. Leadership performance is assessed based on the cumulative results over three years.**

Board Remuneration Status

The remuneration of directors is determined annually within the limits approved at the general meeting of shareholders, comprehensively reflecting each director's responsibilities and performance. The overall remuneration details are transparently disclosed to stakeholders through the business report.

Remuneration Paid to Directors

(Unit: KRW 1,000)

Category	Number of directors	Total remuneration	Average remuneration per person[1]
Registered director (excluding independent directors and members of Audit Committee)	3	3,062,418	1,020,806
Independent director (excluding members of Audit Committee)	1 (Kyu Ho Kim)	42,000	42,000
Members of Audit Committee	3 (Jin Bae Kim (chairperson), Bu Hyun Yoon (member), Gil Yeon Lee (member)	126,000	42,000

1) The average remuneration per person is a simple average calculated by dividing the total remuneration by the total number of directors as of December 31, 2024, which may differ from the actual average remuneration per person.

Committees under the Board

Coway has established and operates the Audit Committee, Management Committee, Independent Director Nomination Committee, ESG Committee, and Compensation Committee under the Board to enhance the efficiency and expertise of Board operations. Each committee operates according to written regulations approved by the Board, with the establishment basis stipulated in Article 42 of the company's Articles of Incorporation. Furthermore, committee members are appointed to meet the composition requirements mandated by relevant laws and regulations. In particular, to ensure fairness and transparency in executive compensation decisions, the Compensation Committee was established through a Board resolution on May 8, 2025. The Compensation Committee is composed entirely of independent directors to ensure independence and objectivity, and it will be deliberating on matters such as the review of executive director remuneration, determination of executive incentive budgets, and examination of executive compensation-related systems.

– Composition of Committees under the Board

(As of May 2025)

Category	Purpose	Major roles	Members (*Chairperson)
Management Committee	Promptly deliberating on and resolving matters related to the company's management	• Matters related to the company's significant management issues delegated by the Board • Matters delegated by the Board on an ad hoc basis • Other important company management matters as determined by the committee for deliberation	*Jun Hyuk Bang, Executive Director; Jang Won Seo, Executive Director; Soon Tae Kim, Executive Director
Independent Director Nomination Committee	Ensuring fairness in the process of nominating and appointing independent directors	• Review and recommendation of qualifications for independent director candidates • Establishment and review of principles for independent director appointments	*Bu Hyun Yoon, Independent Director; Jin Bae Kim, Independent Director; Kyu Ho Kim, Independent Director
Audit Committee	Auditing the company's accounting and operations	• Review of financial statements and other accounting documents, including audit procedures and results from the external audit firm • Review of the operation status of the internal accounting control system	*Jin Bae Kim, Independent Director; Bu Hyun Yoon, Independent Director; Gil Yeon Lee, Independent Director
ESG Committee	Supervising mid- to long-term ESG strategies, policies, and key matters to enhance long-term corporate value and pursue sustainable growth	• Setting of targets and directions for ESG management • Decision-making on major risks and opportunities • Supervision and review of overall ESG management activities	*Jin Bae Kim, Independent Director; Jang Won Seo, Executive Director; Gil Yeon Lee, Independent Director
Compensation Committee	Responsible for managing a fair and transparent compensation system	• Determination of base salary and incentives for internal directors • Allocation of the incentive pool for executives • Review and approval of the establishment, revision, or abolition of executive compensation-related systems	Kyuho Kim, Independent director; Jungho Kim, Independent director; Taehong Kim, Independent director

– Committee Meetings Held in 2024[1)]

Category	Management Committee	Independent Director Nomination Committee	Audit Committee	ESG Committee
Number of meetings held	8 times	0 time	4 times	2 times

1) As the Compensation Committee was newly established in May 2025, no meeting records are available for 2024.

Internal Audit Support Organization

To assist the Audit Committee in performing its duties effectively and to ensure independence from management, Coway operates the Audit Support Team as a direct organization under the Board of Directors. When necessary, the IR Team, Finance Team, and Internal Accounting Management Team also provide support to the Audit Committee. The Audit Support Team assists with preparing agenda materials and managing committee meetings. The Finance Team supports the committee with matters related to external audits, while the Internal Accounting Management Team supports its oversight of the internal accounting control system.

Enhancement of Shareholder Value

Shareholder Composition

As of the end of 2024, Coway's total issued shares amount to 73,799,619 shares, consisting entirely of common stock with no preferred shares. Coway adheres to the "one share, one vote" principle and does not operate a dual-class share system that grants multiple voting rights to certain shares. Additionally, we hold 1,890,486 treasury shares, which are restricted from exercising voting rights under the Commercial Act. Accordingly, the number of shares with voting rights stands at 71,909,133 shares, representing 97.4% of the total issued shares.

– Shares Held by Major Shareholders

(As of the late 2024)

Category		Shareholder name	Shares held	Shareholding ratio
Shares with voting rights	Major shareholders	Netmarble Co., Ltd.	18,511,446	25.08%
	Related parties	Executives	15,586	0.02%
	Foreigners		43,996,387	59.62%
	National pension		4,924,819	6.67%
	Others		4,460,895	6.04%
	Total		**71,909,133**	**97.44%**
Shares without voting rights	Treasury stock		1,890,486	2.56%
Total shares issued	**Total**		**73,799,619**	**100.00%**

Convening of the General Meeting of Shareholders

Coway published the notice of the 36th General Meeting of Shareholders on the electronic disclosure system and the company's website 6 weeks before the meeting date, allowing shareholders sufficient time to review and deliberate on the agenda items. Reference materials were provided in both Korean and English to support shareholders' understanding. To encourage broader shareholder participation in decision-making, we implement the "Voluntary Program for Decentralizing Shareholders' Meeting Dates." Furthermore, we operate a proxy solicitation system for all shareholders to facilitate the exercise of voting rights by proxy.

Shareholder Return Plan

To enhance predictability for investors and increase shareholder value, Coway established a shareholder return plan for the 2024 fiscal year and the following three years, which was disclosed on January 6, 2025. The plan is based on the principle of enhancing shareholder value, and we intend to allocate available financial resources—within the range of distributable profits—by considering both internal and external business conditions. The allocation will be made toward shareholder returns, strategic investments for sustainable growth, and maintaining a sound financial structure (cash flow, etc.).

– Shareholder Return Plan for FY2024

01 | Shareholder return scale
Increased to approximately 40% of consolidated net income

02 | Shareholder return method
Year-end cash dividends and cancellation of all treasury shares previously acquired

– Three-Year Shareholder Return Plan
(FY 2025~2027)

01 | Shareholder return scale
Increased to approximately 40% of consolidated net income

02 | Shareholder return method
Year-end cash dividends and acquisition and cancellation of treasury shares

– 2025 Repurchase of Treasury Shares

As part of the previously disclosed shareholder return plan, Coway decided to repurchase treasury shares worth KRW 110 billion through the resolution of the Board of Directors on May 8, 2025. The company will continue to strengthen our shareholder-friendly policies to enhance corporate value and maximize shareholder interests.

Corporate Value Enhancement Plan

To ensure the sustainable enhancement of shareholder value, Coway has selected key performance indicators and set mid- to long-term targets, for which the corporate value enhancement plan was formulated and disclosed on February 13, 2025.

Corporate Value Enhancement Plan

01 | Revenue growth
Achieve over KRW 5 trillion in revenue by 2027

02 | Higher shareholder return ratio
40% of net income (consolidated)

03 | Optimized capital structure considering financial soundness and capital efficiency
Net Debt / EBIT capped at 2.5x

04 | Governance advancement
87% compliance with key governance indicators; strengthened independence and expertise of the Board

Amendment to the Articles of Incorporation to Improve Dividend Procedures

Coway completed an amendment to its Articles of Incorporation at the Annual General Shareholders' Meeting held on March 31, 2025. The amendment allows the record date for dividend payments to be set separately from the record date for exercising voting rights at the shareholders' meeting. This institutional improvement aims to enhance predictability for shareholders and investors by enabling them to make informed investment decisions after confirming the dividend amount. We will continue our efforts to enhance the dividend process.

Ethics Management Implementation System

Code of Ethics

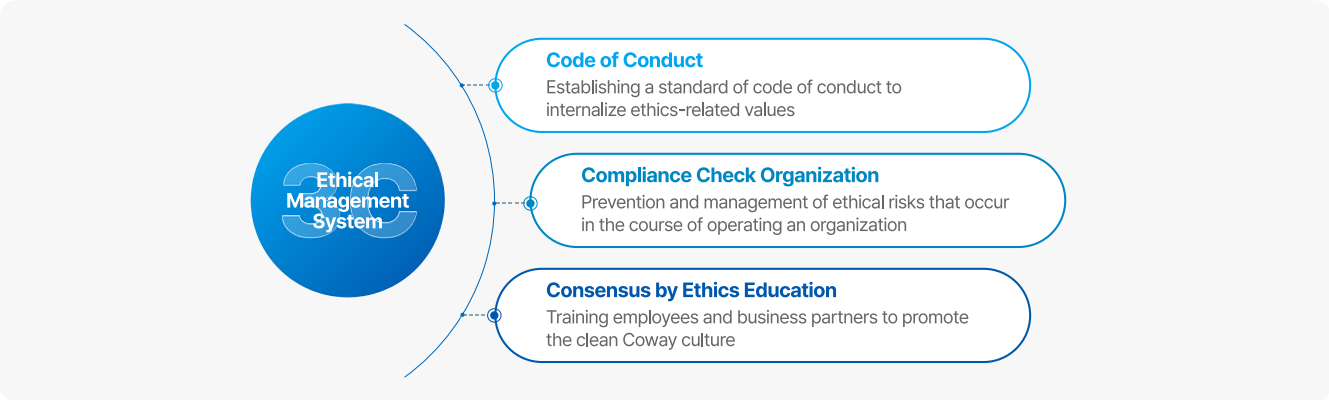
To embed ethics management, Coway has established a Code of Ethics that outlines ethical behavior and value judgment standards for both internal and external stakeholders. The Code of Ethics consists of the Ethics Charter, Ethical Regulations, and Ethical Practice Guidelines, and it applies to all Coway employees, partners, and various stakeholders. Moreover, to ensure stakeholders prioritize and practice ethical values, Coway has improved the accessibility and usability of the Code of Ethics. Accordingly, following the publication of the English version of the Code of Ethics in 2021, in 2022 Coway posted the Code of Ethics on the websites of its major overseas corporations, including those in Malaysia, the United States, and Thailand, in line with our global business expansion, aiming to spread the culture of ethical management.

Ethics Charter | Ethical Regulations | Ethical Practice Guidelines

3C Ethics Management System

Coway has established and operates an ethics management system based on the 3C framework (Code of Conduct, Compliance Check Organization, Consensus by Ethics Education). To strengthen the ethical awareness of all employees, Coway operates an ethics compliance oversight body to proactively prevent ethics management risks, while also conducting regular ethics training and campaigns for employees and partners.

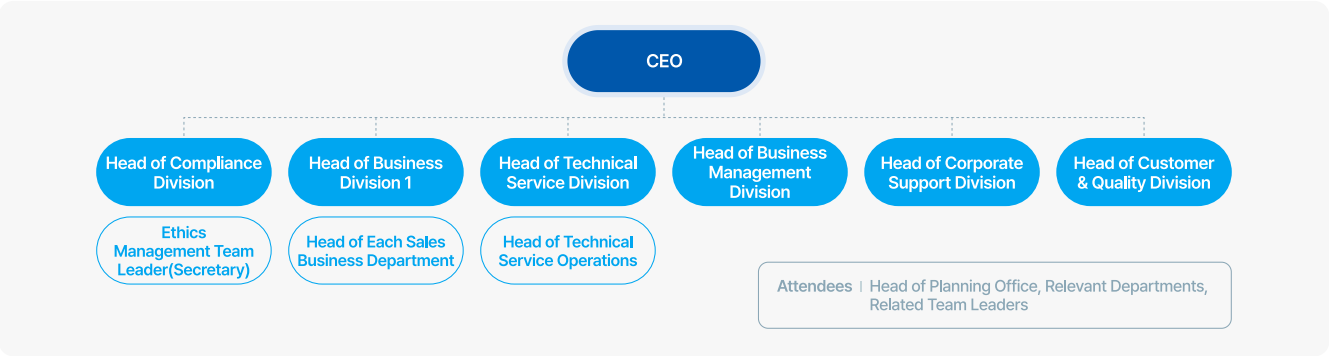
– 3C Ethical Management System



Governance Structure for Ethics Management

To promote ethics management, Coway operates the Ethics Management Team and the Diagnosis Team under the Compliance Division. These teams manage related systems, conduct training and campaigns, and perform monitoring and audits. The Ethics Management Team is responsible for controlling risks in sales and service organizations, while the Diagnosis Team manages risks in other organizations. The two teams collaborate complementarily to strengthen internal controls and promote education and campaigns, contributing to the spread of the ethics management culture. Moreover, recognizing the importance of responsible ethical practices, Coway operates the Ethics Management Committee under the direct supervision of the CEO to enhance internal ethical management and ethical sales management. This committee, comprising business division heads and directors as members, is tasked with making prompt decisions and implementing improvements on key issues within each division. In 2024, the committee was convened a total of four times, during which eight agenda items were proposed and addressed, including measures to strengthen customer information management and standards for product installation and returns.

– Organizational Chart for the Ethics Management Committee



Ethical Risk Management

Ethical Diagnosis and Monitoring

Coway conducts regular and ad-hoc business diagnoses to ensure our soundness and transparency and prevent ethical risks. Accordingly, we conduct various risk management activities, including monitoring corporate credit card usage, preventing and detecting irregular sales practices, and enhancing ethical sales management in global corporations. In 2024, we reviewed company-wide corporate card usage for all employees and monitored the appropriateness of business budget execution. Based on these findings, we revised our expense usage regulations accordingly.

In addition, we operate ongoing monitoring indicators to prevent irregular sales within the country, and are monitoring a total of 11 indicators by adding two new ones to prevent fraudulent orders. Leveraging this monitoring system, we conducted on-site inspections to eradicate large-scale irregular business practices, and recovered all undue profits generated from such activities through corrective and preventive measures.

Furthermore, we regularly share the soundness of our organization and the status of risk occurrences with the field to prevent irregular sales and unfair trade. We are also continuously enhancing sales transparency by setting non-compliant sales and service risks as KPIs (key performance indicators).

To strengthen ethical sales management in global corporations, we reviewed the irregular sales management system at its Malaysian corporation and established the system for strengthened management. We will continue to carry out ethical diagnoses and monitoring to prevent ethical risks both domestically and internationally and enhance internal control functions based on ethics management.

Ethics Reporting Channel

Coway has a reporting and handling procedure in place for violations of the Code of Ethics, based on established ethical regulations. When employees become aware of an ethical violation or receive a report from a third party, they are required to report it to the designated department. Reports can be submitted at any time through various channels, including an online reporting system, email, and postal mail. In addition, Coway utilizes both domestic and international online reporting channels to separately manage customer complaint channels related to products, services, sales, and whistleblowing channels for misconduct involving employees and partner companies. All received reports are processed swiftly and fairly, and follow-up actions are taken when necessary to ensure compliance with ethics management principles.

If violations of ethical regulations or employment rules are confirmed, the human resources department is notified to convene a personnel committee, and disciplinary actions such as dismissal, suspension, salary reduction, or warnings are implemented based on the severity of the violation.

Items Subject to Report

- Receipt of valuables or entertainment
- Disclosure of confidential information
- Unfair trade acts
- Embezzlement or misuse of company assets
- Bullying/sexual harassment
- Other irregularities

Reporting and Handling Procedures

STEP 01
Receipt
A report is received by the Ethics Management Center (via e-mail or post mail)

STEP 02
Investigation
After reviewing the report, an investigation is carried out (by the compliance check organization)

STEP 03
Notification
The result is notified to the reporter (who disclosed his/her real name, upon his/her request)

STEP 04
Resolution
As arrangement is made to prevent recurrence

Whistleblower Protection and Rewards

Coway ensures the thorough protection of whistleblowers' identities and the content of their reports. To protect the information of whistleblowers, Coway has revised the whistleblower protection process so that only the Compliance Division Head can access the whistleblower's information. In addition, to encourage reporting, Coway established the "Whistleblower Protection and Reward Guidelines" and is operating the "Whistleblower Reward System" and "Self-Report Punishment Reduction System" to enhance employees' compliance awareness. The whistleblower reward system grants up to KRW 50 million within 60 days from the verification date if the reported content is confirmed through a fair investigation. Coway will continue to prioritize the protection of whistleblowers and improve the system to establish a transparent and fair reporting and whistleblowing culture.

– Whistleblower Protection Principles

① Protection of Identity	Whistleblowers who are employees will not face disciplinary actions, discrimination, or any changes in employment conditions due to their report, testimony, or submission of related materials.
② Protection of Personal Safety	The ethics compliance oversight body must guarantee the confidentiality of the whistleblower and the content of the report. The whistleblower's identity must not be revealed or implied without their consent in handling the report details, and reports should be handled anonymously with internal confidentiality by default.
③ Prohibition of Retaliation	If a whistleblower faces retaliation from the subject of the report or any related third party, they must immediately notify the ethics compliance oversight body. The body will immediately investigate the matter and take disciplinary actions based on relevant regulations against employees involved in retaliation.
④ Protection of Collaborators	Anyone who cooperates with the investigation or audit, aside from the whistleblower, by providing testimony or other materials must also be provided with identity protection and safety measures.
⑤ Reduction of Responsibility	If a whistleblower (or collaborator) is found to have committed a wrongful act or negligence related to the reported issue, disciplinary actions may be mitigated or waived.

Corruption Risk Assessment

To practice ethics management, Coway conducts an annual regular diagnosis to assess and prevent corruption risks and supplements this with ad-hoc assessments based on reports received by the Ethics Management Center. Coway also establishes an annual audit plan focused on high-value procurement and expenditure activities, proactively managing key areas to mitigate corruption risks in advance. In 2024, Coway assessed corruption risks in transactions with overseas partners, specifically to ensure compliance with one of the Four Major Fair-Trade Guidelines for overseas partners outlined in the "Best Practices for Contract Execution" and took necessary measures by deriving and completing tasks for improvement. Coway continues to conduct follow-up audits reflecting the outcomes of regular audits and establishes preventive measures aimed not only at avoiding recurrence but also at preemptively blocking potential new corruption risks.

– Corruption Risk Assessment Activities

Category	Content
Annual audit plan	• Regular audits are conducted to assess and monitor the purchasing organization
Fraud and misconduct reports	• Receipt and handling of reports related to fraud and misconduct
Pre-risk assessment	• Preliminary assessment of compliance with the Four Major Compliance Principles • Prior approval from the Legal Team required for any policy revisions by the Purchasing Office
Subcontracting management and fair trade compliance	• Monthly reviews of compliance with the Four Major Fair-Trade Guidelines • No legal sanctions related to subcontracting or fair trade in 2024

Embedding Ethical Culture

Ethics Management Training

Coway operates ethical management campaigns to foster a healthy organizational culture and establish a sound sales culture. In addition, Coway also offers ethical management training content in various topics, such as workplace harassment, internal reporting, and irregular sales practices, enabling employees to access the training at any time. These efforts aim to encourage all employees to practice "Ethical Management Together." In 2024, Coway also provided training to 180 general and regional sales managers to raise awareness on adopting ethical management and preventing unfair trade. Moving forward, Coway will continue to offer regular training on the prevention of unfair trade to establish a fair and transparent sales culture.

Distribution of Ethics Management Cases

Coway operates the "Clean-Coway" initiative to foster a healthy sales culture and promote fair and compliant sales practices. This initiative is carried out through our internal intranet and focuses on sharing principles of fair sales and promoting ethical conduct among employees. In addition, Coway continuously analyzes cases of irregular sales and distributes real-case examples along with preventive guidelines. This proactive approach aims to prevent recurrence of similar violations and reinforce a culture of integrity across the organization.

CASE

2024 Ethics Management Forum

In March 2024, Coway held its 2nd Ethics Management Forum to strengthen employees' commitment to ethical practices. The forum saw attendance from the CEO, executives, and team leaders from headquarters. During the event, a formal ethical management declaration and commitment ceremony were held, reaffirming the collective pledge of all employees to uphold ethical conduct. Each business division also identified key organizational issues and derived solutions through company-wide discussions, leading to immediate improvements. Coway will continue to provide education and run campaigns to ensure that all employees actively practice Ethics Management for sustainable growth.

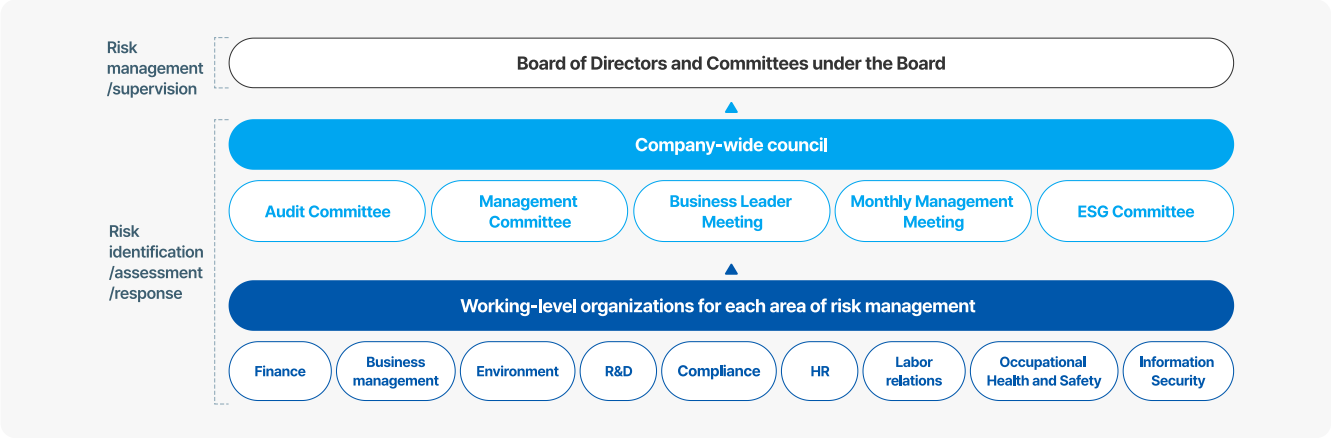
March 2024 Opening Ceremony of the Coway Ethics Management Forum

Company-wide Risk Management

Company-wide Risk Management System

Coway operates an enterprise-wide risk management system to comprehensively manage key risks that may affect its overall business operations. We identify potential risks in advance by organizing working-level organizations by domain, such as finance, investment, environment, labor management, and information security. We then systematically assess the likelihood and impact of the risks, after which we establish appropriate response measures. Identified risks are reviewed comprehensively through company-wide councils and, when necessary, reported to committees under the Board such as the Audit Committee and the ESG Committee. The Board and its subcommittees regularly monitor the management status of company-wide risks and the outcomes of response measures. In the case of critical issues, prompt responses are ensured through ad hoc reporting. Furthermore, we operate a regular inspection and feedback system to enhance the effectiveness of risk management.

Company-wide Risk Management Process



Management of Financial Risk

Financial risk management focuses on identifying, assessing, and avoiding financial risks with a focus on the unpredictability of financial markets, aimed at minimizing factors that could have potential adverse effects on financial performance. The key financial risks managed by Coway include market risk, credit risk, liquidity risk, and capital risk.

Market Risk

Market risk (interest rate risk, foreign exchange risk, and other price risks) refers to the risk of changes in the fair value of financial instruments due to fluctuations in market prices affecting future cash flows. The management closely monitors changes in financial indicators such as exchange rates and interest rates and regularly reviews interest rate trends to maintain an appropriate balance between fixed-rate and variable-rate borrowings, in order to monitor risks that could negatively impact the company's value and prepare response measures. We are also regularly assessing, managing, and reporting risks regarding exchange rate fluctuations.

Increase/decrease of exchange rate	When increased by 5%	When decreased by 5%
Increase in earnings before tax (EBT)	Increase by KRW 35,301 million	Decrease by KRW 35,301 million

Credit Risk

Credit risk is managed at the consolidated level. It arises not only from trade receivables and firm contractual obligations with counterparties, but also from cash and cash equivalents, derivative financial instruments, and deposits held at banks and financial institutions. Transactions are conducted only with banks and financial institutions that have been assigned a minimum credit rating of 'A' or higher by independent credit rating agencies. For counterparties without an independent credit rating, credit risk is assessed based on factors such as the customer's financial status and past transaction history, and risk limits are set accordingly.

(Based on the Business Report for 2024, 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	128,882,484	244,259,231	3,606,199,827	27,299,121	27,054,875

Liquidity Risk

Coway proactively manages liquidity risk arising from financial market fluctuations by analyzing the impact on funding and establishing a preemptive response system. Specifically, we maintain unused borrowing limits at appropriate levels and constantly monitor liquidity forecasts to ensure sufficient working capital needs are met and to prevent any violations of borrowing limits or contractual agreements. In preparing liquidity forecasts, Coway takes into account various factors such as the funding plans of its consolidated subsidiaries, compliance with financial covenants, internal target financial ratios, and any external legal or regulatory requirements, including currency restrictions.

(Based on the Business Report for 2024, Unit: KRW 1,000)

Category	Within 1 year	Longer than 1 year and within 5 years	Longer than 5 years
Liquidity Risk	1,341,299,582	606,736,844	8,405,454

Capital Risk

Coway aims to maintain an optimal capital structure to continuously deliver value to shareholders and stakeholders while minimizing the cost of capital. Similar to other companies in the industry, the consolidated company manages capital based on its capital sourcing ratio.

Management of Non-Financial Risk

Emerging risks refer to newly arising risks or those that have existed but have not been fully identified, which may have a significant impact on the company. Coway monitors such risks in advance to ensure company-wide and long-term preparedness, identifying their potential impact and developing effective. We analyze the potential impact of risks, establish effective response plans, and promote mitigation activities.

Emerging Risk

Category	Climate change response	Cybersecurity
Risk	In response to strengthened global carbon neutrality and climate disclosure standards (such as IFRS S2), measuring and reducing carbon emissions throughout the entire lifecycle of products—from manufacturing to usage—is increasingly required. Along with the growing demand for eco-friendly products, there is mounting pressure to disclose information on the energy efficiency and environmental performance of home appliances, such as air purifiers and water purifiers.	With the expansion of smart home appliances, data collection, and transmission through IoT functions connected to products have become widespread, accompanied by an increase in security threats. In particular, protecting sensitive information such as customer data and usage patterns is directly linked to corporate trust.
Potential impact	• Downgrading of ESG ratings in case of poor quality or inaccurate carbon emissions data • Deteriorated product competitiveness and possibility of customer attrition • Risks such as increased costs and export restrictions due to non-compliance with regulations	• Damage to brand trust in case of personal data breaches or hacking incidents • Cybersecurity issues contributing to ESG rating penalties • Potential exploitation of software vulnerabilities in smart devices
Response activity and plan	• Launch of products aligned with a low-carbon and resource circulation system • Develop high energy-efficiency products and apply carbon reduction technologies • Review adoption of climate-related disclosures (IFRS S2)	• Involve security officers from the product planning stage • Enforce mandatory compliance with security review processes • Strengthen encryption and storage systems for customer information • Conduct training exercises on information security breach response scenarios

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. We are also committed to strictly complying with all relevant regulations and laws and will make our utmost efforts to maintain fair and transparent relationships with our stakeholders and local communities.

1 **Compliance with Laws and Regulations**	Coway prohibits income transfers that exploit differences in the structures of tax laws and tax treaties between countries and does not use tax havens to reduce tax burdens. By doing so, we contribute to the establishment of a sound tax culture and economic development in the countries where our business sites are located.
2 **Obligations to Pay Tax**	Employees of Coway responsible for taxation comply with the tax laws and regulations of the countries where the company's business sites are located and ensure that Coway fulfills its obligations to file and pay relevant taxes based on the principle of good faith with responsibility as a taxpayer.
3 **Response to Risks**	When applicable laws, such as revised tax laws, established rules, and judicial precedents, are enforced or amended, we make decisions based on our business activities and proactively review potential risks for response.
4 **Communication and Cooperation**	When requested by the tax authorities of each country, Coway provides supporting evidence to clarify the facts promptly and makes active efforts to resolve the issue.
5 **Information Disclosure**	When disclosing tax-related accounting information, Coway undergoes verification by an independent body and discloses information transparently through the independent auditor's audit report on the Financial Supervisory Service's electronic disclosure system, as well as the Sustainability Report verified by an independent third party.

Appendix

Summarized Consolidated Financial Statement

Category	Unit	2021	2022	2023	2024
Liquid asset	KRW 100 million	11,065	13,745	15,916	17,710
Non-current assets	KRW 100 million	26,942	29,906	32,593	39,906
Total assets	KRW 100 million	38,006	43,651	48,510	57,616
Current liabilities	KRW 100 million	12,932	11,302	15,090	18,780
Non-current liabilities	KRW 100 million	6,030	9,229	7,042	6,875
Total liabilities	KRW 100 million	18,962	20,531	22,132	25,654
Total capital	KRW 100 million	19,044	23,120	26,378	31,961

Consolidated Statement of Comprehensive Income

Category	Unit	2021	2022	2023	2024
Revenue	KRW 100 million	36,643	38,561	39,665	43,101
Costs of goods solde (COGS)	KRW 100 million	12,753	13,696	13,950	15,265
Gross profit	KRW 100 million	23,889	24,865	25,715	27,837
SG&A expenses	KRW 100 million	17,487	18,091	18,402	19,883
Operating income	KRW 100 million	6,402	6,774	7,313	7,954
Financial income	KRW 100 million	10	43	58	58
Financial expense	KRW 100 million	179	331	560	665
Profit and loss of related company investments	KRW 100 million	47	64	41	46
Income before corporate tax expenses	KRW 100 million	6,586	6,833	6,606	7,840
Corporate tax expenses	KRW 100 million	1,931	2,255	1,896	2,186
Net income	KRW 100 million	4,655	4,578	4,710	5,655

R&D Investment (Consolidated)

Category	Unit	2021	2022	2023	2024
R&D expenses[1]	KRW 1 million	48,337	53,547	53,128	56,841
Percentage to revenue	%	1.32	1.39	1.34	1.32

1) 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)

Category	Unit	2021	2022	2023	2024
Income before corporate tax expenses	KRW 1,000	658,552,414	683,308,004	660,563,060	784,002,285
Corporate tax burden (total)	KRW 1,000	175,927,650	188,676,924	166,177,740	193,266,733
Corporate tax expenses (total)	KRW 1,000	193,066,319	225,512,387	189,551,955	218,550,098
Effective tax rate	%	29.3	33.0	28.7	29

GHG Emissions

Category			Unit	2021	2022	2023	2024
GHG Emissions[1]	Scope 1(Direct emissions)		tCO_2eq	877	831	11,261	11,395
	Scope 2(Indirect emissions)		tCO_2eq	5,822	5,995	6,780	6,416
	Scope1+2	Total emissions	tCO_2eq	6,699	6,827	18,041	17,811
		Yugu Factory	tCO_2eq	2,803	2,484	1,956	2,077
		Incheon Factory	tCO_2eq	797	886	871	13
		Pocheon Factory	tCO_2eq	235	255	262	295
		Environmental Technology Research Institute (R&D center)	tCO_2eq	1,835	1,730	1,765	1,828
		Seoul Office (G-Tower)	tCO_2eq	694	761	874	987
		Technical Services[2]	tCO_2eq	-	-	10,921	10,979
		Logistics Center	tCO_2eq	335	711	1,385	1,623
		Solar Power Plant (001)	tCO_2eq	-	1	4	4
		Solar Power Plant (002)	tCO_2eq	-	-	3	4
	Scope3 (Other indirect emisisons)[3]	Total emissions	tCO_2eq	67	59	16,921	17,686
		Purchased goods and services[4]	tCO_2eq	-	-	5,062	5,638
		Fuel and energy related activities not included in Scope 1, 2	tCO_2eq	-	-	331	343
		Upstream transportation and distribution	tCO_2eq	-	-	3,550	3,541
		Waste generated in operations[5]	tCO_2eq	-	-	1,014	1,143
		Business trips of employees	tCO_2eq	-	-	37	25
		Commuting of employees	tCO_2eq	67	59	64	65
		Upstream leased assets	tCO_2eq	-	-	5,755	5,798
		Downstream leased assets[6]	tCO_2eq	-	-	190	222
		Investment[7]	tCO_2eq	-	-	919	908
Scope 1+2 Intensity in KRW[8]			tCO_2eq/KRW 100 million	0.238	0.243	0.654	0.572
Amount of refrigerant purchase in product manufacturing			kg	45,420	36,100	34,190	38,310
Amount of eco-friendly refrigerant purchase in product manufacturing			kg	1,300	3,310	6,250	10,300

1) ±1 Difference may occur as the emissions by category are totaled after being rounded up in integer units
2) Recalculated based on mileage data following the transition of all service managers nationwide to full-time employment in 2024
3) Category specific data management for Coway has been implemented since 2023
4) Sum of Scope 1 and Scope 2 emissions from 9 major Coway partner companies
5) Correction made to 2023 data due to conversion error
6) Affiliated company (Coway EnTech) leasing Coway-owned building
7) Affiliated company (BEREX Tech) that Coway has a stake in
8) Calculated based on individual sales revenue

Energy Consumption

Category			Unit	2021	2022	2023	2024
Energy consumption[1]	Total consumption		GJ	137,272	140,485	305,293	299,872
	Direct energy	Total consumption	GJ	14,813	14,418	162,952	165,146
		Gasoline	GJ	1,892	1,833	3,542	4,271
		Diesel	GJ	1,865	772	148,319	148,922
		LNG	GJ	4,165	5,051	5,113	5,946
		Kerosene	GJ	144	118	39	53
		Propane	GJ	6,748	6,644	5,939	5,954
	Indirect energy	Total consumption	GJ	122,459	126,067	142,341	134,726
		Electricity[2]	GJ	122,459	126,067	142,341	134,726
Renewable energy consumption	Total consumption		MWh	224	446	2,178	2,366
	Transition of owned REC renewable energy usage (electricity consumption)[3]		MWh	-	228	1,993	2,181
	Other (on-site PV power self-generation facilities) renewable energy (direct) consumption[4]		MWh	224	218	185	185
Energy consumption intensity in KRW[5]			GJ/KRW 100 million	4.9	5.0	11.07	9.62

1) ±1 Difference may occur as the consumption by category is totaled after being rounded up in integer units
2) Previous data revised to reflect the combined value of electricity purchased from KEPCO and self-generated power
3) REC acquired with PV power generation in Solar Power Plant plant 001/002 were transformed into renewable energy usage in the RE 100 system of Korea Energy Agency
4) Small-scale electricity generated and directly used by 4 business sites (Yugu plant, Yugu Logistics Center office building, Incheon Plant, and Pocheon Plant)
5) Calculated based on individual sales revenue

Water Resources Management[1]

Category			Unit	2021	2022	2023	2024
Amount of water withdrawal	Total water withdrawal		ton	91,606	86,457	105,477	113,331
	Municipal water		ton	66,953	67,021	82,745	87,363
	Groundwater		ton	24,653	19,436	22,732	25,968
	Fresh water		ton	0	0	0	0
Water withdrawal by site	Seoul office (G-Tower)	Municipal water	ton	7,373	11,586	10,978	9,914
		Groundwater	ton	0	0	0	0
		Fresh water	ton	0	0	0	0
	Yugu factory	Municipal water	ton	9,392	12,825	15,328	18,312
		Groundwater	ton	24,653	19,436	22,732	25,968
		Fresh water	ton	0	0	0	0
	Incheon factory	Municipal water	ton	5,870	8,214	8,546	10,245
		Groundwater	ton	0	0	0	0
		Fresh water	ton	0	0	0	0

1) Municipal water and groundwater are used for domestic purposes, and the entire volume is discharged externally through the sewage system without reuse

Water Resources Management

Category			Unit	2021	2022	2023	2024
Water withdrawal by site	Pocheon factory	Municipal water	ton	1,925	1,710	1,340	1,269
		Groundwater	ton	0	0	0	0
		Fresh water	ton	0	0	0	0
	Environmental Technology Research Institute (R&D center)	Municipal water	ton	34,755	25,180	37,802	29,090
		Groundwater	ton	0	0	0	0
		Fresh water	ton	0	0	0	0
	Logistics center (Yugu)	Municipal water	ton	7,638	7,506	8,751	18,533
		Groundwater	ton	0	0	0	0
		Fresh water	ton	0	0	0	0
Water withdrawal			ton	91,606	86,457	105,477	113,331
Water reuse			ton	0	0	0	0
Water consumption			ton	0	0	0	0
Water discharge			ton	91,606	86,457	105,477	113,331
Water use intensity in KRW[1]			ton/억 원	3.25	3.07	3.82	3.64

1) Calculated based on individual sales revenue

Raw Material Consumption

Category		Unit	2021	2022	2023	2024
Raw Material Consumption[1]	Total consumption	ton	14,488	14,906	16,034	17,619
	Plastic	ton	8,974	9,209	9,885	10,864
	Metal	ton	3,622	3,752	4,006	4,497
	Packaging[2]	ton	1,892	1,945	2,143	2,258

1) Based on domestic sales of environmental home appliances (water purifiers, air purifiers, bidets, water softeners, humidifiers, dehumidifiers, and non-electric water purifiers)
2) Cardboard boxes, plastic wraps, packaging films, and EPS (expanded polystyrene used as cushioning material)

Waste and Recycling[1)]

Category			Unit	2021	2022	2023	2024
Generation and disposal of waste	Total waste generated		ton	23,751	25,214	25,676	25,358
	General waste	Total amount generated/disposed	ton	23,751	25,180	25,643	25,322
		Recycled/reused	ton	15,713	17,547	17,923	17,895
		Incinerated (with energy recovery)	ton	7,812	7,612	7,720	7,427
		Incinerated (without energy recovery)	ton	226	21	0	0
		Buried	ton	0	0	0	0
		Others	ton	0	0	0	0
	Designated waste	Total amount generated/disposed	ton	0	34	33	36
		Recycled/reused	ton	0	34	33	36
		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)[2)]			ton/KRW 100 million	0.84	0.9	0.86	0.81
Waste disposal reduction ratio (KRW)			%	-1.28	-6.16	-1.83	1.24
Amount of recyceld waste[3)]			ton	23,525	25,193	25,676	25,358
Waste-recycling rate			%	99.1	99.9	100	100

1) As the index was redefined, some of the previous data were modified to apply the new criteria
2) Calculated based on individual sales revenue
3) Total amount recycled among products, services, business site waste

Eco-friendly Investments

Category		Unit	2021	2022	2023	2024
Eco-friendly certification (Eco-label certification)[1)]		cases	27	43	30	8
Sales of eco-friendly products[2)]		KRW 100 million	8,969	9,104	11,053	9,741
Ratio of eco-friendly products to total sales		%	31.9	32.4	36.9	31
Green purchases		KRW 1 million	656	604	553	566
Green purchase ratio		%	3.5	3.5	5.4	3.8
Environmental investment cost	Total	KRW 1 million	1,056	2,585	3,476	3,224
	Facility operation	KRW 1 million	444	626	1,214	1,024
	System operation	KRW 1 million	325	400	251	296
	Communication	KRW 1 million	176	311	945	799
	New environmetnal business	KRW 1 million	111	1,248	1,066	1,105

1) Number of new Eco-label certifications issued in the year
2) Third-party certified products and refurbished products

Environmental Violations

Category	Unit	2021	2022	2023	2024
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[1)]

Category			Unit	2021	2022	2023	2024
Total number of employees			people	6,587	6,442	6,272	6,282
By gender	Male		people	3,538	3,505	3,490	3,539
	Female		people	3,049	2,937	2,782	2,743
	Percentage of female employees		%	46.3	45.6	44.4	43.7
By age	Under 30		people	427	336	279	274
	Over 30 - Under 50		people	4,715	4,532	4,350	4,194
	Over 50		people	1,445	1,574	1,643	1,814
Percentage of female employees in STEM related positions[2)]			%	18.4	19.1	20.4	20.9
Management-level employee[3)]	Total female management employees		people	1,493	1,443	1,336	1,328
		Junior level	people	1,464	1,408	1,303	1,289
		Middle level	people	23	28	28	33
		Top level	people	6	7	5	6
	Percentage of female management employees among management employees		%	65.9	65.7	63.7	64.0
		Junior level	%	70.4	70.8	68.5	68.9
		Middle level	%	16.9	18.5	20.0	23.2
		Top level	%	12.0	12.7	9.1	9.8
	Percentage of female leaders[4)]		%	15.6	17.0	16.9	19.2
	Percentage of foreign managers among all management-level employees		%	0	0	0	0
By employment type	Permanent employees		people	6,423	6,276	6,077	6,009
		Male	people	3,496	3,445	3,413	3,411
		Female	people	2,927	2,831	2,664	2,598
	Temporary employees		people	164	166	195	273
		Male	people	42	60	77	128
		Female	people	122	106	118	145
	Part-time employees[5)]		people	0	15	25	17
		Male	people	0	5	9	10
		Female	people	0	10	16	7
	Full time employees		people	164	151	170	256
		Male	people	42	55	68	118
		Female	people	122	96	102	138

1) 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
2) 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
3) The level of management is classified into the levels defined by the HR team based on the responsibility of each position, the size of managing organization, etc.
4) Female leaders (executives) refer to middle and top management employees
5) Excluding daily workers

Employee Status

Category			Unit	2021	2022	2023	2024
Minority employees[1]	Employees with disabilities		people	80	100	122	139
	Employment rate for people with disabilities		%	1.2	1.6	2.0	2.3
	Foreigners		people	10	10	8	8
	Percentage of foreigners		%	0.15	0.16	0.13	0.13
		United States	people	3	3	2	1
		Iran	people	0	1	1	1
		Japan	people	1	1	1	1
		China	people	3	3	2	2
		Canada	people	1	0	0	0
		Australia	people	1	1	1	1
		New Zealand	people	1	1	1	1
		Germany	people	0	0	0	1
Overseas employment	Total number of employees		people	4,443	5,059	4,844	4,506
		Dispatched abroad	people	0	2	8	4
		Expatriates	people	36	35	36	37
		Locally hired	people	4,407	5,022	4,800	4,465

1) Based on standards set by the Korea Employment Agency for the disabled

Employee Recruitment

Category			Unit	2021	2022	2023	2024
New recruitment	Total number of employees		people	667	427	329	514
	By position	Executives	people	1	2	0	1
	By gender	Male	people	381	271	146	289
		Female	people	286	156	183	225
		Percentage of newly recruited female employees	%	42.9	36.5	55.6	43.8
	By age	Under 30	people	243	141	79	128
		Over 30 - Under 50	people	410	261	222	349
		Over 50	people	14	25	28	37
	By nationality	Korean	people	662	425	329	512
		Foreigners	people	5	2	0	2
Internal recruitment	Total number of open positions		people	2,340	1,775	1,987	1,854
	Number of open positions filled by internal candidates		people	1,673	1,348	1,658	1,340
	Percentage of open positions filled by internal candidates		%	71.5	75.9	83.4	72.3
Average hiring costs			KRW	4,245,877	2,377,049	854,103	1,157,588

Employee Turnover and Retirement

Category			Unit	2021	2022	2023	2024
Total number of employee turnover and retirement	Total number of employees		people	713	455	546	515
	Total percentage[1]		%	10.8	7.1	8.7	8.2
	By gender	Male	people	216	229	199	242
		Female	people	497	226	347	273
	By age	Under 30	people	128	83	54	68
		Over 30 - Under 50	people	313	287	259	307
		Over 50	people	272	85	233	140
Total number of voluntary employee turnover and retirement[2]	Total Number of employees		people	467	413	292	309
	Total percentage[1]		%	7.1	6.4	4.7	4.9
	By gender	Male	people	194	214	160	170
		Female	people	273	199	132	139
	By age	Under 30	people	128	80	34	40
		Over 30 - Under 50	people	293	281	226	212
		Over 50	people	46	52	32	57

1) Turnover rate and voluntary turnover rate are expressed as a percentage of the total number of employees
2) Total number of resignations and retirements, excluding cases of early retirement, recommended resignation, automatic dismissal, statutory retirement, and disciplinary action

Parental Leave[1]

Category		Unit	2021	2022	2023	2024
Employees who used parental leave[2]	Total number of employees	people	110	149	134	142
	Male	people	42	87	64	77
	Female	people	68	62	70	65
Employees who returned to work after taking parental leave[3]	Total number of employees	people	115	142	131	151
	Male	people	30	74	72	78
	Female	people	85	68	59	73
Employees who returned to work after taking parental leave and stayed for 12 months[4]	Total number of employees	people	93	123	118	135
	Male	people	24	58	68	68
	Female	people	69	65	50	67
Percentage of employees who returned after taking parental leave[5]	Total number of employees	%	98.3	100	98.5	98.0
	Male	%	96.8	100	100.0	98.0
	Female	%	98.8	100	96.7	99.0
Percentage of employees who returned after taking parental leave and worked over 12 months[6]	Total number of employees	%	80.9	86.6	90.1	89.4
	Male	%	80	78.4	94.4	87.2
	Female	%	81.2	95.6	84.7	91.8

1) As the index was redefined, some of the previous data were modified to apply the new criteria
2) Number of employees who used parental leave categorized by year based on the starting date of parental leave
3) 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
4) 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
5) Number of employees who returned after the end of parental leave / employees who have completed parental leave for that year
6) 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

Performance Appraisal[1)]

Category		Unit	2021	2022	2023	2024
Number of performance appraisals conducted by type	Management by objectives	times	2	2	2	2
	360-degree feedback	times	2	2	2	2
	Team-based performance appraisal	times	2	2	2	2
Percentage of employees who received regular performance appraisal and feedback	Male	%	100	100	100	100
	Female	%	100	100	100	100

1) On-site employees (production, sales, and service technology employees) were excluded. Separate appraisals are conducted upon them by performance each month. Employees not subject to appraisal (employees who took leave or worked less than a period) are excluded

Employee Training

Category		Unit	2021	2022	2023	2024
Total number of trainees[1)]		people	-	6,123	6,156	6,175
Total training hours[2)]		hours	-	120,391	126,270	125,802
Training hours per person		hours	-	20	21	20
	Male	hours	-	-	-	19
	Female	hours	-	-	-	22
	Under 30	hours	-	-	-	28
	Over 30 - Under 50	hours	-	-	-	20
	Over 50	hours	-	-	-	20
	Executive level	hours	-	-	-	15
	Mid-level management	hours	-	-	-	19
	Entry-level employees	hours	-	-	-	21
Total training costs		KRW 1 million	-	810	908	915
Training cost per person		KRW	-	132,288	147,498	148,248
	Male	KRW	-	-	-	165,303
	Female	KRW	-	-	-	126,440
	Under 30	KRW	-	-	-	155,310
	Over 30 - Under 50	KRW	-	-	-	160,806
	Over 50	KRW	-	-	-	115,637
	Executive level	KRW	-	-	-	634,399
	Mid-level management	KRW	-	-	-	296,849
	Entry-level employees	KRW	-	-	-	126,130

1) 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.)
2) Total of e-learning legally required training, outsourced training, and job training hours

Welfare

Category	Unit	2021	2022	2023	2024
Welfare benefit[1]	KRW 1 million	67,585,341	69,831,793	74,799,417	77,619,675

1) According to the audit report

Labor Union Membership

Category	Unit	2021	2022	2023	2024
Labor union membership rate	%	19.8	34.3	34.3	33.6

Employee Grievance Process Status[1]

Category		Unit	2021	2022	2023	2024
Number of grievances filed[2]		cases	33	30	72	42
	Human rights violation	cases	8	6	14	10
	General grievances	cases	25	24	58	32
Number of grievances processed		cases	33	30	72	42
	Human rights violation	cases	8	6	14	10
	General grievances	cases	25	24	58	32
Rate of cases processed		%	100	100	100	100
	Human rights violation	%	100	100	100	100
	General grievances	%	100	100	100	100

1) The number of grievances increased in 2023 as the channel for filing complains was diversified to facilitate access to each job group
2) Grievances are classified and managed as human rights violations (bullying, sexual harassment, discrimination, etc.) or general grievances (working environment, welfare, personnel system)

Occupational Health and Safety

Category		Unit	2021	2022	2023	2024
Employees[1]	Industrial accidents	cases	15	13	15	10
	Lost time injuries frequency rate (LTIFR)	cases/ million hours	1.13	1.02	1.21	0.81
	Industrial accident rate	%	0.23	0.2	0.24	0.16
	Fatalities	people	0	0	0	0
	Number of health and safety improvement requests received[2]	cases	13	30	33	38
	Percentage of improvement requests resolved[2]	%	100	100	100	100
Partners[4]	Industrial accidents	cases	-	2	1	0
	Lost time injuries frequency rate (LTIFR)	cases/ million hours	-	2.61	1.4	0
	Industrial accident rate	%	-	0.52	0.28	0
	Fatalities	people	0	0	0	0

Occupational Health and Safety

Category		Unit	2021	2022	2023	2024
Partners[4]	Number of partner companies assessed for health and safety competency	companies	-	-	25	25
	Number of risk factors identified through risk assessments on partners	cases	-	34	173	74
	Percentage of identified risk factors mitigated through risk assessments on partners	%	-	100	100	96
	Number of health and safety improvement requests received[2, 3]	cases	-	-	12	21
	Percentage of improvement requests resolved[2, 3]	%	-	-	100	86

1) Based on domestic business sites subject to the Occupational Health and Safety Act, and covers incidents under the site management's authority
2) Data managed through internal reporting channels (e.g., Occupational Health and Safety Committee, Subcontractor Health and Safety Council)
3) As the index was redefined, some of the previous data were modified to apply the new criteria
4) Data on on-site partners have been managed under the same criteria since 2022

Social Contribution

Category		Unit	2021	2022	2023	2024
Employees who participated in social contribution activities		people	-	250	314	328
Expense spent in social contribution activities	Total cost	KRW 100 million	11.4	12.6	17.1	17.5
	Monetary donation	%	35	10	10	9
	In-kind contribution	%	34	22	15	2
	Social contribution-related expenses	%	31	68	75	89
Donations	Lobby	KRW 1,000	0	0	0	0
	Political donations[1]	KRW 1,000	0	0	0	0
	Donations to association	KRW 1,000	-	7,000	37,610	53,500

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

Supply Chain Management

Category		Unit	2021	2022	2023	2024
Partner companies	Total number of partner companies	companies	234	223	226	224
	Tier-1 partner companies[1]	companies	144	133	133	134
	Tier-1 significant partner companies[1]	companies	71	71	72	35
	Tier-2 partner companies	companies	90	90	93	90
Partner companies purchase	Percentage of Tier-1 significant parnter companies purchase	%	81	80	78	77
Supply chain ESG evaluation	Tier-1 significant partner companies that performed ESG risk evaluation	companies	-	10	9	5
	Tier-1 significant partner companies classified as high risk	companies	-	0	0	0
	Percentage of Tier-1 significant pratner companies that performed ESG risk evaluation	%	-	14.1	12.5	14.3
Percentage of distribution networks regularly audited under ISO 9000 or equivalent QMS		%	-	94	94	94

1) In 2024, Tier-1 partners and significant Tier-1 partners were reselected among domestic partners in the categories of environmental home appliances, BEREX, OEM/processing, logistics, and IT, based on purchasing volume and other considerations

Customer Satisfaction

Category	Unit	2021	2022	2023	2024
Customer satisfaction survey result	points	95.6	95.6	92.7	93.4
Customer complaint resolution rate	%	97.3	99.9	100	100
Number of customer complaints in product/service/sales	cases	105	24	63	68

Product Recall

Category	Unit	2021	2022	2023	2024
Number of violations on product and service health and safety regulations	cases	0	0	0	0
Total cases of product recall	cases	0	0	0	0
Recalled product line	lines	0	0	0	0
Expenses incurred due to recalls	KRW	0	0	0	0

Information Protection

Category	Unit	2021	2022	2023	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	people	0	0	0	0
Employees participated in information protection training	people	6,172	6,046	6,211	6,175

Economic Environmental Social Governance

Board of Directors

Category		Unit	2021	2022	2023	2024
Members of board of directors	Total number of members	people	7	8	7	7
	Executive directors	people	3	3	3	3
	Independent directors	people	4	5	4	4
	Female directors	people	0	1	1	1

Operation of BOD Meetings

Category		Unit	2021	2022	2023	2024
Number of BOD meetings held		times	7	6	6	6
Agendas (voted/reported)		cases	34	33	24	30
Attendance rate		%	97.9	100	100	100
	Attendance rate of executive directors	%	100	100	100	100
	Attendance rate of independent directors	%	96.3	100	100	100
Average tenure of board members		months	22	30	37	49

Independent Director Candidate Recommendation Committee

Category	Unit	2021	2022	2023	2024
Number of committee meetings held	times	Not convened	1	2	Not convened
Attendance rate of independent directors	%	Not convened	100	100	Not convened

Audit Committee

Category	Unit	2021	2022	2023	2024
Number of committee meetings held	times	4	4	4	4
Attendance rate of independent directors	%	100	100	100	100

Remuneration of BOD[1)]

Category	Unit	2021	2022	2023	2024
CEO remuneration	KRW 1,000	659,143	808,096	1,004,725	1,126,190
Average employee remuneration	KRW 1,000	55,353	59,950	63,256	64,033
Ratio of CEO remuneration compared to average employee remuneration	times	11.9	13.5	15.9	17.6
Total remuneration of executive directors	KRW 1,000	2,442,311	2,853,001	3,550,125	3,062,418
Average remuneration per executive director	KRW 1,000	814,104	951,000	1,183,375	1,020,806
Total remuneration of independent directors[2)]	KRW 1,000	42,000	73,613	42,000	42,000
Average remuneration per independent director[2)]	KRW 1,000	42,000	36,806	42,000	42,000
Total remuneration of the Audit Committee members	KRW 1,000	126,000	126,000	136,161	126,000
Average remuneration per Audit Committee member	KRW 1,000	42,000	42,000	45,387	42,000
Ratio of non-audit to audit service fees paid to external auditors	%	6.6	0	5.9	18.4%

1) Same as the reference value disclosed in the 2024 business report
2) Excluding independent directors who serve as members of the Audit Committee, in accordance with the 2024 business report standards

Ethical Management

Category		Unit	2021	2022	2023	2024
Number of employees who completed ethics training[1)]		people	6,389	6,336	6,156	6,174
Completion rate of ethics training[1)]		%	100	99.9	100	99.9
Code of conduct violation (internal standards)	Total violations	cases	22	19	20	21
	Total cases subject to severe or above penalties	cases	22	19	20	21
	Rate of cases processed	%	100	100	100	100
Corruption	Percentage of business sites that conducted periodic corruption risk reviews	%	40	60	20	60
	Cases where a contract with a business partner has been terminated or not renewed due to corruption	cases	0	0	0	0

1) 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

Compliance with Laws and Regulations

Category		Unit	2021	2022	2023	2024
Anti-monopoly/anti-competitive violation	Total legal actions taken	cases	0	0	0	0
	Total fines or legal settlements paid	KRW 1 million	0	0	0	0
Corruption of bribery	Total legal actions taken	cases	0	0	0	0
	Total fines or legal settlements paid	KRW 1 million	0	0	0	0

Sustainability Policy | Evaluations and Initiatives

Human Rights Management

Human Rights Policy	KR EN

Local Community

Social Contribution Policy	KR EN

Ethics Management

The Charter of Ethics	KR EN		
The Regulation of Ethics	KR EN	The Code of Ethics	KR EN

Health and Safety

Health and Safety Management Policy	KR EN

Supply Chain

Supplier Code of Conduct	KR EN		
Supply Chain Sustainability Policy	KR EN	Conflict Minerals Management Policy	KR
Purchase Contract Management Guidelines	KR	Written Issuance and Retention of Subcontracting Agreements	KR
Internal Deliberation Committee Establishment and Operation Guidelines	KR	Business Partner Selection and Price Determination Guidelines	KR

Environmental Management

Environmental Policy	KR EN	Biodiversity policy	KR EN

Sustainability Policy | Evaluations and Initiatives

Recognition

DJSI Asia Pacific	Listed
ESG Rating	A
Climate Change Adaptation	B
Integrated Rating	A
FTSE4Good	Maintain
ESG Risk Rating	18.2(Risk Low)

Participation in Global Initiatives

UNGC(United Nations Global Compact)

Coway joined the United Nations Global Compact (UNGC) in June 2006 and has since adhered to its 10 principles on human rights, labor, environment, and anti-corruption. By putting these principles into practice, the company fulfills its role as a responsible corporate citizen while pursuing sustainable growth. This Sustainability Report reflects Coway's commitment and self-assessment regarding the present and future.

SDGs(Sustainable Development Goals)

In line with the Sustainable Development Goals (SDGs) adopted in 2016 by the international community through a joint declaration of UN member states, Coway develops and implements solutions to support the achievement of the SDGs, thereby promoting sustainable growth and identifying new opportunities.

CDP (Carbon Disclosure Project)

Coway continues its efforts to address climate change and preserve water resources by participating in the Carbon Disclosure Project (CDP), a non-profit initiative, and receiving regular assessments from the CDP Korea Committee.

Support for the Paris Agreement (COP21)

In December 2015, Coway expressed support for the Paris Agreement adopted at COP21 in Paris by 195 member countries of the UN Framework Convention on Climate Change (UNFCCC). The company remains committed to global climate goals and actively responds to climate change.

GRI | SASB | TCFD

GRI Index

Category	내용
Statement of Use	Reporting data for the period from January 1, 2024 to December 31, 2024, based on GRI Standards 2021, including partial performance from 2025.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable as the GRI Sector Standard for the industry to which Coway belongs has not been published as of June 2025.

GRI 2: General Disclosures 2021

Category	Topic	Index	Indicator	Reporting Location	Note
GRI 2	The organization and its reporting practices	2-1	Organizational and reporting practices	About Coway > Company Overview	
				About Coway > Value System	
				About Coway > Global Network	
		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	-	Relevant footnotes have been included in ESG Data
		2-5	External assurance	Appendix > Independent Assurance Statement	
	Activities and Workers	2-6	Activity, value chains and other business relationships	About Coway > Company Overview > Business Models	
				About Coway > Global Network	
				About Coway > Value Creation Process	
		2-7	Employees	ESG Data > Social > Employee Status	
		2-8	Workers who are not employees	-	Due to relevant laws and business characteristics, the company does not collect this information across all business areas.
	Governance	2-9	Governance structure and composition	Governance > Board Composition > Board Composition Status	
				ESG Data > Governance > Board of Directors	
		2-10	Nomination and selection of the highest governance body	Governance > Board Composition > Appointment of Directors	
				Governance > Board Composition > Board Expertise	
				Governance > Board Composition > Board Diversity	
				Governance > Board Composition > Board Independence	
		2-11	Chair of the highest governance body	Governance > Board Composition > Board Composition Status	
		2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management System >Governance Structure for Promoting ESG Management	
				Governance > Committees under the Board	
		2-13	Delegation of responsibly for managing impacts	Sustainability Management System >Governance Structure for Promoting ESG Management	
				Governance > Committees under the Board	

GRI 2: General Disclosures 2021

Category	Topic	Index	Indicator	Reporting Location	Note
GRI 2	Governance	2-14	Role of the highest governance body in sustainability reporting	Sustainability Management System > Governance Structure for Promoting ESG Management	
				Governance > Committees under the Board > Composition of Committees under the Board	
		2-15	Conflicts of interest	Governance > Board Composition > Board Independence	
		2-16	Communication of critical concerns	Sustainability Management System > Governance Structure for Promoting ESG Management	Business report-VI.-1.
				Governance > Operation of Board Meetings	
				Governance > Committees under the Board > Composition of Committees under the Board	
		2-17	Collective knowledge of the highest governance body	Governance > Board composition > Board Expertise	
				Governance > Board composition > Board Diversity	
		2-18	Evaluation of the performance of the highest governance body	Governance > Board Remuneration > Performance Evaluation and Remuneration of Independent Directors	
				Governance > Board Remuneration > Performance Evaluation of CEO and Executives	
		2-19	Remuneration policies	Governance > Board Remuneration > Performance Evaluation and Remuneration of Independent Directors	
				Governance > Board Remuneration > Performance Evaluation of CEO and Executives	
				ESG Data > Governance > Remuneration of BOD	
		2-20	Process to determine remuneration	Governance > Board Remuneration > Performance Evaluation and Remuneration of Independent Directors	
				Governance > Board Remuneration > Performance Evaluation of CEO and Executives	
		2-21	Annual total compensation ratio	Governance > Board Remuneration > Board Remuneration Status	
				ESG Data > Governance > Remuneration of BOD	
	Strategy, Policies, and practices	2-22	Statement on sustainable development strategy	CEO Message	
		2-23	Policy commitments	Policies and Initiatives > Sustainability Policy	
		2-24	Embedding policy commitments	Policies and Initiatives > Sustainability Policy	
		2-25	Processes to remediate negative impacts	Supply Chain Management > Fair Trade > Establishing a Fair Trade Culture	
				Ethics Management > Ethical Risk Management > Ethics Reporting Channel	
				ESG Data > Governance > Ethical Management	
		2-26	Guidance for ethics related matters and grievance handling mechanism	Human Rights Management > Human Rights Grievance Handling	
				ESG Data > Social > Employee Grievance Process Status	
		2-27	Compliance with laws and regulations	ESG Data > Environmental > Environmental Violations	
				ESG Data > Social > Information Protection	
				ESG Data > Governance > Compliance with Laws and Regulations	
		2-28	Membership associations	Policies and Initiatives > Participation in Global Initiatives	
	Stakeholder Engagement	2-29	Approach to stakeholder engagement	Sustainability Management System > Stakeholder Engagement	
		2-30	Collective bargaining agreements	-	Insufficient use of information due to the operation of multiple labor unions

GRI 3: Material Topics 2021

Category	Topic	Index	Indicator	Reporting Location	Note
GRI 3	Material issue	3-1	Process to determine material topics	Double Materiality Assessment > Materiality Assessment Process	
	Material issue	3-2	List of material topics	Double Materiality Assessment > Materiality Assessment Results	
				Response to Material Issues	
	Material issue	3-3	Management of material topics	Response to Material Issues	

Topic Standards Disclosures

Category	Topic	Index	Indicator	Reporting Location	Note
Topic 1: GHG Emissions					
GRI 3	Material issue	3-3	Management of material topics	Response to Material Issues	
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	Climate Change Response > Metrics and Targets > GHG Emissions Management	
				ESG Data > Environmental > GHG Emissions	
		305-2	Indirect (Scope 2) GHG emissions	Climate Change Response > Metrics and Targets > GHG Emissions Management	
				ESG Data > Environmental > GHG Emissions > Scope2	
		305-3	Other indirect (Scope 3) GHG emissions	Climate Change Response > Metrics and Targets > GHG Emissions Management	
				ESG Data > Environmental > GHG Emissions > Scope3	
		305-4	GHG emissions intensity	ESG Data > Environmental > GHG Emissions	
		305-5	Reduction of GHG emissions	Climate Change Response > Metrics and Targets > GHG Emissions Management	
				Environmental Management > Environmental Management Activities > Expansion of Renewable Energy	
				Environmental Management > Environmental Management Activities > Operation of Eco-Friendly Work Vehicles	
GRI 201	Economic performance	201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Response > Climate Change Response Strategy	
Topic 2: Energy					
GRI 3	Material issue	3-3	Management of material topics	Response to Material Issues	
GRI 302	Energy	302-1	Energy consumption within the organization	ESG Data > Environmental > Energy Consumption	
		302-3	Energy intensity	ESG Data > Environmental > Energy Consumption	
		302-4	Reduction of energy consumption	Climate change response > Metrics and targets > Expansion of Renewable Energy	
Topic 3: Sustainable Materials					
GRI 3	Material issue	3-3	Management of material topics	Response to Material Issues	
GRI 301	Materials	301-1	Materials used by weight or volume	Resource Circulation and Waste > Resource Circulation > Application Status of Circular Raw Materials	
				ESG Data > Environmental > Raw Material Consumption	
		301-2	Recycled input materials used	Resource Circulation and Waste > Resource Circulation > Use of Circular Raw Materials	
				ESG Data > Environmental > Raw Material Consumption	
		301-3	Recyclability of products and packaging	Resource Circulation and Waste > Resource Circulation > Product Design and Packaging > Development of Reusable Packaging Materials for Massage Beds	
GRI 417	Marketing and labeling	417-1	Product and service information and labeling requirements	Product Stewardship > Eco-friendly Products and Technologies > Eco-friendly Product Certification	
				ESG Data > Environmental > Eco-friendly Investment	

Topic Standards Disclosures

Category	Topic	Index	Indicator	Reporting Location	Note
Topic 4: Resource Circulation					
GRI 3	Material issue	3-3	Management of material topics	Response to Material Issues	
GRI 306	Waste	306-2	Management of significant waste-related impacts	Resource Circulation and Waste > Resource Circulation > Resource Circulation Management System	
				Resource Circulation and Waste > Resource Circulation > Waste Product Recovery and Processing	
				Resource Circulation and Waste > Resource Circulation > Used Filter Upcycling Program	
				Resource Circulation and Waste > Waste Management	
		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	
Topic5: HR and Labor Management					
GRI 3	Material issue	3-3	Management of material topics	Response to Material Issues	
GRI 401	Employment	401-1	New employee hires and employee turnover	ESG Data > Social > Employee Status	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees > Employee Welfare and Benefits	
		401-3	Parental leave	ESG Data > Social > Parental Leave	
Topic 6: Product Safety and Quality					
GRI 3	Material issue	3-3	Management of material topics	Response to Material Issues	
GRI 416	Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Customer-Centric Management > Quality Management Activities	
				Product Stewardship > Hazardous Chemical Substances in Products > Hazardous Chemical Substance Management	
		416-2	"Incidents of non-compliance concerning the health and safety impacts of products and services"	ESG Data > Social > Product Recall	
Topic 7: User-Centered Product Design					
GRI 3	Material issue	3-3	Management of material topics	Response to Material Issues	
Non GRI	-	-	-	Customer-Centric Management > Customer-Centric Management System > Customer Protection Policy	
	-	-	-	Customer-Centric Management > Customer Satisfaction Activities > Development of Products Customized for Customers	
Topic 8: Ethics Management					
GRI 3	Material issue	3-3	Management of material topics	Response to Material Issues	
GRI 206	Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics Management > Ethical Risk Management	
				ESG Data > Governance > Compliance with Laws and Regulations	
Non GRI	-	-	-	Supply Chain Management > Fair Trade	

Marked as Non-Core Topics

Category	Topic	Index	Indicator	Reporting Location	Note
Economic					
GRI 201	Economic performance	201-1	Direct economic value generated and distributed	ESG Data > Economic > Summarized Consolidated Financial Statement	
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	
Environmental					
Water Resources Management					
GRI 303	Water and effluents	303-1	Interactions with water as a shared resource	Environmental Impact Management > Water Resource Management > Water Resource Management Strategy	
		303-2	Management of water discharge-related impacts	Environmental Impact Management > Water Resource Management > Minimizing 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	
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	Environmental Impact Management > Biodiversity > Biodiversity Management System	
		304-3	Habitats protected or restored	Environmental Impact Management > Biodiversity > Biodiversity Conservation Activities	
		304-4	IUCN Red list species and national conservation list species with habitats in areas affected by operations	Environmental Impact Management > Biodiversity > Biodiversity Management Status	
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 labor	409-1	Operations and suppliers at significant risk for incidents of foreced 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
Development and management of human resources					
GRI 402	Labor management relations	402-1	Minimum notice periods regarding operational changes	Employees > Corporate Culture and Diversity > Sound Labor-Management Communication	
GRI 404	Training and education	401-1	Average hours of training per year per employee	ESG Data > Social > Employee Training	
		401-2	Programs for upgrading employee skills and transition assistance programs	Employees > Talent Recruitment and Development > Employee Competency Building	
		401-3	Percentage of employees receiving regular performance and career development reviews	ESG Data > Social > Peformance Appraisal	

Marked as Non-Core Topics

Category	Topic	Index	Indicator	Reporting Location	Note
Diversity and Inclusion					
GRI 405	Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	ESG Data > Social > Employee Status	
				ESG Data > Governance > Board of Directors	
GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	ESG Data > Social > Employee Grievance Process Status	
Supply Chain ESG Management					
GRI 308	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Supply Chain Management > Supply Chain Sustainability > Sustainable Supply Chain Management	
		308-2	Negative environmental impacts in the supply chian and actions taken	Supply Chain Management > Supply Chain Sustainability > Supply Chain ESG Assessment	
GRI 414	Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management > Supply Chain Sustainability > Supply Chain ESG Assessment	
				Supply Chain Management > Supply Chain Sustainability > Conflict Minerals Management	
Social Contribution Activities					
GRI 203	Indirect economic impacts	203-1	Infrastructure investments and services supported	Local Community > Social Contribution Activities	
				ESG Data > Social > Social Contribution	
		203-2	Significant indirect economic impacts	Supply Chain Management > Mutual Growth > Spreading a Culture of Mutual Growth > Mutual Growth Activities	
GRI 413	Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	Local Community > Social Contribution Activities	
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
Health and Safety					
GRI 403	Occupational Health and Safety	403-1	Occupational health and safety management system	Health and Safety > Health and Safety Management System	
		403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety > Health and Safety Risk Management	
		403-3	Occupational health services	Health and Safety > Health and Safety Programs	
		403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety > Health and Safety Management System > Governance Structure for Promoting Health and Safety	
		403-5	Worker training on occupational health and safety	Health and Safety > Health and Safety Programs > Occupational Health and Safety Training	
		403-6	Promotion of worker health	Health and Safety > Health and Safety Programs > Employee health and well-being > Employee Wellness and Preventive Health Programs	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety > Health and Safety Risk Management	
				Health and Safety > Health and Safety Programs > Health and Safety for On-site Partners	
		403-8	Workers covered by an occupational health and safety management system	ESG Data > Social > Occupational Health and Safety	
		403-9	Work-related injuries	ESG Data > Social > Occupational Health and Safety	
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	Ethics Management > Embedding Ethical Culture	
				ESG Data > Governance > Ethical Management	
		205-3	Confirmed incidents of corruption and actions taken	ESG Data > Governance > Ethical Management	

GRI | SASB | TCFD

Appliance Manufacturing Sector Sustainability Indicators

Topic	Code	Metric	Reporting location
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 products	Customer-Centric Management > Quality Management Activities > Embedding Quality Management
			Customer-Centric Management > Quality Management Activities > Operation of the Integrated Certification System
	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 promote resource circularity at the end-of-life stage of products	Resource Circulation and Waste > Resource Circulation > Resource Circulation Management System
			Resource Circulation and Waste > Resource Circulation
Activity Metric	CG-AM-000.A	Annual production	Refer to the Business Report

Professional and Commercial Services Sector Sustainability Indicators

Topic	Code	Metric	Reporting location
Product safety	SV-PS-230a.1	"Description of approach to identifying and addressing data security risks"	Personal Information Protection and Information Security > Information Protection System > Information Security Management System
			Personal Information Protection and Information Security > Information Protection Risk Management > Information Protection Risk Monitoring
	SV-PS-230a.2	"Description of policies and practices relating to collection, usage, and retention of customer information"	Personal Information Protection and Information Security > Information Protection System > Information Protection Policy
			Personal Information Protection and Information Security > Information Protection System > Information Security Management System
			Personal Information Protection and Information Security > Information Protection System > Information Security Management System > Governance Structure for Promoting Information Protection
	SV-PS-230a.3	(1) Number of data breaches, (2) percentage that (1) 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
Workforce diversity & engagement	SV-PS-330a.1	(1) Gender and racial diversity ratios of executive management, and (2) all other employees	Governance > Board Composition > Current Board Status
			ESG Data > Social > Employee status
			ESG Data > Governance > Board of Directors
	SV-PS-330a.2	"(1) Voluntary and (2) involuntary turnover rate for employees"	ESG Data > Social > Employee Turnover and Retirement
	SV-PS-330a.3	Employee engagement as a percentage	N/A
Professional integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Ethics Management > Ethics Management Implementation System > Code of ethics
			Ethics Management > Ethical Risk Management > Ethical Diagnosis and Monitoring
			Ethics Management > Ethical Risk Management > Corruption Risk Assessment
			Ethics Management > Embedding Ethical Culture
	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
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
	SV-PS-000.B	Employee hours worked, percentage billable	N/A

TCFD Index

TCFD recommendations		Reporting location	Corresponding CDP questions[1]
Governance	a) Describe the board's oversight of climate-related risks and opportunities	Climate Change Response > Climate Change Response Governance	C4.1a, C4.1b
	b) Describe management's role in assessing and managing climate related risks and opportunities	Climate Change Response > Climate Change Response Governance	C4.2a, C4.2c
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 > Climate Change Risks and Opportunities	C3.1a, C3.1b
	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	C3.2a, C3.4
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related 2oC or lower scenarios	Climate Change Response > Climate Change Response Strategy > Transition Risk and Opportunity Analysis	C3.5
Management of climate-change risks	a) Describe the organization's processes for identifying and assessing climate-related risks	Climate Change Response > Climate Change Risk Management	C2.1, C2.2a, C2.2g
	b) Describe the organization's processes for managing climate-related risks	Climate Change Response > Climate Change Risk Management	C2.3a
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Climate Change Response > Climate Change Risk Management	C2.3b, C2.4
Climate change metrics and goals	a) Describe 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	C5.1a, C6.1, C6.3a, C6.5, C6.11
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG (greenhouse gas) emissions and the related risks		C6.1, C6.3a, C6.7, C6.10
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Climate Change Response > Metrics and Targets > GHG Emissions Management	C6.11

1) Based on CDP 2024 questions

Independent Assurance Statement

To readers of COWAY Sustainability Report

Introduction

NICE D&B Co., Ltd. (hereinafter referred to as the "Assurer") was commissioned by COWAY to conduct an independent assurance of its Sustainability Report 2024 (hereinafter referred to as the "Report"). The responsibility for all information and statements included in the report lies with the management of COWAY. The assurer's responsibility is to perform an assurance engagement as agreed upon in our agreement with COWAY and issue an assurance statement.

Competence and Independence

The assurer is composed of members who have accumulated long-term experience in sustainability, with deep understanding of the assurance standard methodology. The assurer has no other contract with COWAY and did not provide any services to COWAY that could compromise the independence of our work.

Scope and Standards

The assurer applied the international verification standard AA1000AS v3 and conducted the verification using the Type 1 method with a Moderate level of assurance. In other words, the verification was conducted as a Type 1 verification to assess compliance with the principles of inclusivity, materiality, responsiveness, and impact as outlined in AA1000AP (2018). Therefore, the assurer does not provide assurance on the reliability and quality of the reported information.

The scope of the verification applied to the report is as follows:

- Report contents during the period from January 1st 2024 to December 31st 2024; in certain cases, includes data from the first half of 2025
- Appropriateness of the selection of key issues based on materiality assessments
- Major contents included in the report, such as the company's strategies, activities, and performance related to specific sustainability information
- Validity of the processes for measuring and collecting selected information based on sampling

Assessment on the Application Level of GRI Standards

The assurer confirmed that the report by COWAY was prepared in accordance with the GRI Standards and that there were no inappropriate elements based on the materials presented by COWAY in relation to the Universal Standards and Topic Specific Standards.

Universal Standards
Topic Specific Standards

Economic	201-1~2(Economic Performance), 203-1~2(Indirect Economic Impacts), 205-1~3(Anti-corruption), 206-1(Anti-competitive Behavior), 207-1, 207-3~4(Tax)
Environmental	301-1~3(Materials), 302-1, 302-3~4(Energy), 303-1~5(Water and Effluents), 304-1, 304-3~4(Biodiversity), 305-1~5(Emissions), 306-2~5(Waste), 308-1~2(Supplier Environmental Assessment)
Social	401-1~3(Employment), 402-1(Labor/Management Relations), 403-1~9(Occupational Health and Safety), 404-1~3(Training and Education), 405-1(Diversity and Equal Opportunity), 406-1(Non-discrimination), 408-1(Child Labor), 409-1(Forced or Compulsory Labor), 413-1(Local Communities), 414-2(Supplier Social Assessment), 415-1(Public Policy), 416-1~2(Customer Health and Safety), 417-1(Marketing and Labeling)

Conclusion and Opinion

Based on the document reviews and on-site inspections, the assurer had several discussions with COWAY on the revision of the Report regarding the reporting principles, and reviewed the final report after incorporating recommendations for revisions and improvements. The verification results confirm that the report has been prepared in accordance with the GRI Standards, and no inappropriate aspects were found in relation to the compliance with the principles outlined in AA1000AP (2018). The assurer's opinions on the principles are as follows:

Inclusivity

COWAY has stakeholder engagement processes in place that involve key stakeholders such as customers, shareholders and investors, partners in the supply chain, affiliated companies, government agencies, local communities, employees who are directly or indirectly affected by its operations. It has established channels to identify and communicate with these stakeholders to reflect their core needs in decision-making.

Materiality

COWAY conducted a double materiality assessment in accordance with the implementation guidance of the European Sustainability Reporting Standards (ESRS) to identify key important reporting issues that need to be managed in relation to sustainable management. The assessment included value chain mapping, analysis of global ESG standards based on business characteristics, and surveys conducted with internal stakeholders and external ESG experts. Based on an evaluation of the potential impacts, risks, and opportunities to COWAY, 8 key issues were identified and appropriately disclosed in the report.

Responsiveness

COWAY has established management directions and ESG strategic tasks for each of the 8 key issues identified, and reported on the detailed actions and performance related to these tasks.

Impact

COWAY identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

June 2025 Seoul, Korea
Ceo Oh, Gyu Geun

AA1000
Licensed Report
000-915/V3-C2ZGA

Independent Verification Statement on Water Usage

Verification Statement 2024	KR	EN	Verification Statement 2023	KR	EN
Verification Statement 2022	KR	EN	Verification Statement 2021	KR	EN
Verification Statement 2020	KR	EN	Verification Statement 2019	KR	EN
Verification Statement 2018				KR	EN

Independent Verification Statement on GHG and Solar Power Generation

Verification Statement 2024	KR	EN	Verification Statement 2023	KR	EN
Verification Statement 2022	KR	EN	Verification Statement 2021	KR	EN
Verification Statement 2020	KR	EN	Verification Statement 2019	KR	EN
Verification Statement 2018				KR	EN

Sustainability Reports

2024 Report
(Published in 2025)

KR EN

2023 Report
(Published in 2024)

KR EN

2022 Report
(Published in 2023)

KR EN

2021 Report
(Published in 2022)

KR EN

2020 Report
(Published in 2021)

KR EN

2019 Report
(Published in 2020)

KR EN

2018 Report
(Published in 2019)

KR EN

2017 Report
(Published in 2018)

KR EN

2016 Report
(Published in 2017)

KR EN

2015 Report
(Published in 2016)

KR EN

2014 Report
(Published in 2015)

KR EN

2013 Report
(Published in 2014)

KR EN

2012 Report
(Published in 2013)

KR EN

2011 Report
(Published in 2012)

KR EN

2010 Report
(Published in 2011)

KR EN

Awards

Korea Association for Service

Excellent Service Quality (SQ) Company Certification

Since first receiving the SQ certification in 2006, we have maintained our status as a certified Excellent Service Quality company for 19 consecutive years, having passed the follow-up assessment in 2024.

Fair Trade Commission

Consumer-Centered Management (CCM) Certification

Based on the corporate philosophy of "a company that places customer value as a top priority," we have consistently practiced company-wide consumer-centered management. We have implemented various customer satisfaction activities for the innovation of customer experiences, such as developing customized products, offering customer satisfaction service, and systematically managing VOCs. In recognition of these efforts to enhance customer value, we were awarded the 2024 CCM certification by the Korea Fair Trade Commission.

Korea Management Association Consultants (KMAC)

KNPS (Korea Net Promoter Score), KCSI (Korean Customer Satisfaction Index)

We were ranked No. 1 in the water purifier category (9 consecutive years) and in the bed category (5 consecutive years) in both KNPS (Korean Net Promoter Score) and KCSI (Korean Customer Satisfaction Index) in 2024 hosted by Korea Management Association Consultants (KMAC).

Korean Standards Association (KSA)

KS-SQI(Korean Standard-Service Quality Index)

In the 2024 KS-SQI (Korean Standard-Service Quality Index) survey conducted by the Korean Standards Association, we received high scores in service expertise and accuracy, ranking No. 1 in both the water purifier A/S and air purifier A/S categories.

Korea Productivity Center (KPC)

NCSI(National Customer Satisfaction Index)

In the National Customer Satisfaction Index (NCSI) survey conducted by the Korea Productivity Center, we ranked No. 1 in the water purifier category. We earned the highest scores across all functional segments, including standard, hot & cold, and ice water purifiers. The exceptional performance of our ICON Series, the professionalism of our care service, and our differentiated customer experience were highly praised.

NBCI(National Brand Competitiveness Index)

Through innovative products such as the Icon Series, Coway has earned high marks in brand loyalty and customer satisfaction. As a result, the company ranked No.1 in the water purifier category of the 2024 National Brand Competitiveness Index (NBCI) for the 16th consecutive year.

Korea Marketing Association

Korea Brand Awards-Winner of "Design of the year"

The BEREX Pebble Chair was recognized for its distinctive aesthetics and usability, earning the "Design of the Year" award. It received high praise not only for its design and functionality but also for its value as a stylish interior object.

Korea Management Registrar (KMR)

2024 Innostar & Greenstar Awards

Acknowledged for both innovation and eco-friendliness, Coway received a total of 28 product awards at the 2024 Innostar & Greenstar Awards - 15 products in the innostar category, including the BEREX Pebble Chair, ICON Series Water Purifier, Noble Air Purifier 2 and 13 products in the Greenstar category, including the Prime Stand Water Purifier, Self-Care Bidet, and BEREX Smart Mattress. Notably, Coway achieved top rankings in various categories such as water purifiers and sleep/healing care, demonstrating technological excellence and strong product competitiveness across its entire portfolio.

U.S. Consumer Technology Association (CTA)

CES Innovation Awards (Consumer Electronics Show Innovation Awards)

At CES 2025, we received Innovation Awards for three products: the digital healthcare bidet, the auto filter-cleaning air purifier, and the personalized air purifier for individual spaces. Recognized for differentiated user convenience and customized life care solutions, we have won the CES Innovation Awards a total of 26 times since 2016.

Design Center of North Rhine Westphalia, Germany

2024 Red Dot Design Award (Healthcare)

Coway received the 2024 Red Dot Design Award in the Healthcare category for its bed-type massage devices, the BEREX Massage Bed and Spinal Bed. This marks the third design award for these products, following the 2023 Good Design Award and Pinup Design Award. With this recognition, Coway has achieved 18 consecutive years of winning the Red Dot Design Award since 2007.

Industrial Designers Society of America (IDSA)

IDEA Design Award

Recognized for excellence in aesthetics, functionality, space efficiency, and eco-friendly design, a total of five Coway products-including the BEREX Pebble Chair, Massage Bed, and Icon Water Purifier 2-received main awards at the 2024 IDEA Design Awards. This achievement marks Coway's 15th consecutive year of winning at the IDEA Design Awards.

coway