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CEO Messages 

We shall care for  
*the customer and the world*  
with all our heart!



The Coway business starts from the effort to have empathy with people about their worry and to solve it. Such effort of Coway can be expressed with one word, 'Care'. Coway shall evolve into not just a simple rental company but into 'a company to care for customers' through customized service based on premium products and CODY that engraft new technology such as IoT (Internet of Things).

Dear Stakeholders,


In 2015, Coway overcame the limit set by itself through continuous growth. Even under economic depression constant, Coway has accomplished the highest management performance in its history and led the market with successful release of premium products. Coway has shown a new value 'IoCare (Internet of Care) that combines its unique care service with IoT technology. You have felt empathy consistently on such reason for the existence of Coway. Coway has not only kept the first rank in Korea's industrial brand power for seventeen years but has also been acknowledged for its differentiated corporate value by winning three major customer satisfaction indexes of National Customer Satisfaction Index (NCSI), Korea Service Qualification Index (KS-SQI), and Korea Customer Satisfaction Index (KCSI). As a home appliance company, Coway has been selected for '100 good working places in Korea' for five consecutive years. As Coway has been listed in Dow Jones Sustainable Industry Asia Pacific(DJSI Asia Pacific) for three consecutive years, we have proved the highest level in Asia as for the sustainable management. We appreciate your love and support for much matured Coway.


We shall care for customer more

A managerial vision of Coway in 2016 is 'The(more) Care 2016' Here, 'The(more)' means the value of unique existence of Coway in the world and at the same time it has the meaning of 'adding value, expanding domain, and widening perspective'. Care is the core value of Coway's work. We should first understand customers to care more for them. The beginning of understanding is to know their worries and to feel empathy. With a 'sincere heart' to feel empathy for customers' worry, we shall make product and service that can cater to their needs before they tells us.

We shall care for world with a new challenge

In 2016, we will increase the number of people who will enjoy the value of Coway's products and services through new business and overseas business. Coway has

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**GRI Indicators**

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analyzed the environment and living pattern of people in detail. We have collected indoor air quality data and water drinking purpose data. We plan to collect and analyze unlimited data for living environment and family health such as health data through bidet and sleeping quality data through mattress. This big data shall be Coway's sole asset but also be the highest competitiveness that will open a new era of IoT. We shall perform an integrated care for individual water drinking habit, sleeping habit, air quality management habit through a 'customized care solution' that interconnects Coway's products into one system and integrates all data. We shall combine service with IoT and open a new customer care era.

### The Life Care Company is another name of Coway

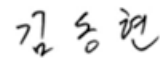
Coway had first participated in CES(Consumer Electronics Show) 2016 and received an award for innovation. This means that the world has acknowledged Coway's innovative power but also our daily work means innovation. Our daily work is innovation, that is Coway. We shall be changed to 'Life Care Company' that will break away from the title of rental and service company yet lead a healthy life. By the year 2018, we shall present most of our released products as a smart product based on the IoT. We shall advance to a big data platform company of the largest scale in Korea after collecting 1 trillion data of living environment and health. This will be Coway's way of evolution and a better world created through Coway. For such change, Coway has newly changed the company's vision to 'The Life Care Company' and kept working to foster into one mind company-wide.

As a leader in the environmental appliances industry, Coway shall not over confident about its past success, but overcome the limit by itself and make a better world. We shall challenge new domain that looks impossible. We shall get closer to your precious daily life, and take full responsibility for the society and environment, and Put "We believe in Goodness" philosophy into practice

June 2016

Dong-hyeon Kim

CEO, Coway



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# Sustainable Management Overview



## ● Vision and Strategy

Coway has established a sustainable management vision of ‘Putting “We believe in Goodness” philosophy into practice’ for Sustainable Management. We have been applying this to the entire process of business to put in effort to make stakeholders ‘happy’ such as customers, executives & employees, partners and local communities who share influence with Coway.

## ● 6 Major Field Control in Sustainable Management

Coway has consistently promoted management and improvement in ethics and compliance management, win-win partnerships, customer satisfaction, environmental management, employee satisfaction management, and 6 fields of social contribution, and disclosed to public about major system and activities, core performances and plans.



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### Related Links

- [Philosophy, Mission, Vision](#)

### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-2](#)







### Promotion System

To promote an effective sustainable management, the activities of the issue monitoring of sustainable management, the internal diagnosis, and the establishment of improvement measures for each field and their results reporting have been promoted around men in charge of each department such as Ethics Management office, CSR team, HR development team, Environmental Management team, and Win-Win cooperation team. We are making an effort to share company-wide and improve through consultative group and management committee that have been identified as critical influence.

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## Value Creation Process

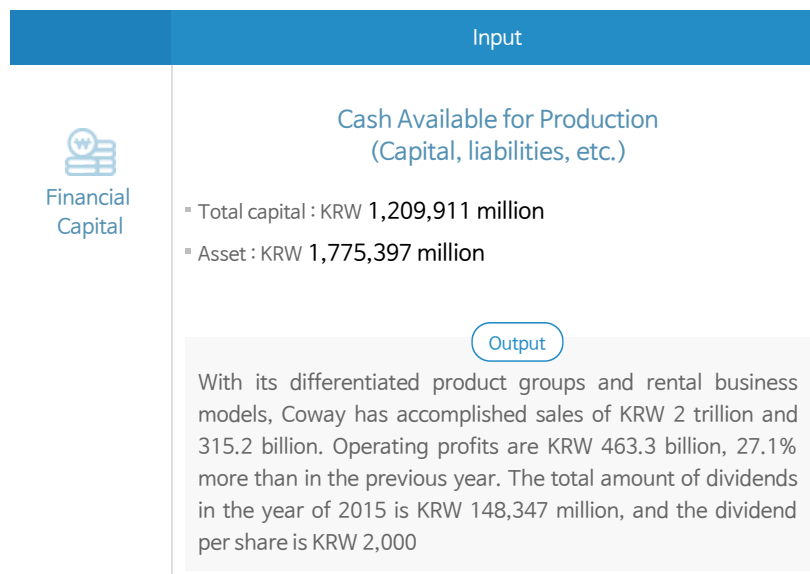


All the products and brands of Coway ultimately aim to create values making the 'environment healthy and humans happy.' Particularly, values are put into every corner of the supply network from procurement of materials and parts to product sales in pursuit of Sustainability Management for happy customers and a healthy environment.

### Value Creation Process

We develop and produce eco-friendly home appliances that make customers and the environment healthy. Our business models seek ways of minimizing customers' initial purchasing costs and providing service regularly. Particularly, we provide customers with differentiated service through sales persons in similar age groups with customers (CODY, HP, BP). As a result, Coway maintains the superior position in the domestic market regarding market share, customer satisfaction, brand awareness, etc. As of the end of 2015, Coway secured about 5.77 million rental users and membership holders, the greatest asset and continued growth engine of Coway

#### Business Model



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#### Related Links

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#### GRI Indicators

The GRI box shows all relevant indicators on this specific page [EC1](#)



 <p>Manufactured Capital</p>	<p>such as buildings, devices, etc</p> <ul style="list-style-type: none"> <li>Investment into production facilities : KRW 699, 511 million</li> <li>Expenses for raw material purchase : KRW 308.9 billion</li> </ul> <p style="text-align: center;"><b>Output</b></p> <p>The total production capacity of Coway in utilization of production facilities increases every year. In 2015, 20,294,000 units of products (products: 2,170,000/ filters: 18,124,000) in total were manufactured with the working ratio of 83.2%.</p>
 <p>Human Capital</p>	<p>Talent abilities, experience, commitment, etc</p> <ul style="list-style-type: none"> <li>Education hours per head : 76.3 hours</li> <li>Average expense per FTF on education : KRW 1,090,387</li> <li>No. of employees : 4,780</li> <li>No. of human resources for sales and service : 18,600</li> </ul> <p style="text-align: center;"><b>Output</b></p> <p>For five consecutive years including the year of 2015, Coway Won the Grand Prize at GWP Korea's Top 100 Great Korean Workplaces.</p>
 <p>Intellectual Capital</p>	<p>Intangible assets such as brands, patents, know-how, etc</p> <ul style="list-style-type: none"> <li>Expense for R&amp;D : KRW 34 billion (1.47% of total sales)</li> <li>No. of human resources for R&amp;D : 368</li> <li>Re-establishment of brand strategies</li> </ul> <p style="text-align: center;"><b>Output</b></p> <p>Coway owns 3,530 intellectual properties including 613 patents, 181 utility models, 1,998 brands and 738 designs. Coway was ranked the 32nd in Interbrand Best Korea Brand 2016 for its strategic brand management with intangible assets.</p>
 <p>Social Capital</p>	<p>Relationships with stockholders such as local communities, partners, etc</p> <ul style="list-style-type: none"> <li>No. of employee volunteers : 1,449</li> <li>Social contribution and donation : KRW 1.5 billion</li> <li>Purchase from local community partners : KRW 506.4 billion</li> </ul> <p style="text-align: center;"><b>Output</b></p> <p>In 2015 volunteer work time per employee was 24.3 hours. 20 technical support and protective activities were conducted for suppliers.</p>
 <p>Natural Capital</p>	<p>Natural environment, resources, eco-system, etc</p> <ul style="list-style-type: none"> <li>Investment for environment : KRW 0.71 billion*</li> <li>Raw material consumption : 15,783 ton</li> </ul>

▪ Energy consumption : 5.08 GJ/KRW 0.1 billion

※ Investment for the product and quality have excluded

Output

With the Carbon Partnership established with suppliers, solar-light power generation facilities were supplied to two partners in 2015, producing electric power of 55,961KW internally and reducing 26 tons of greenhouse gas emissions. In addition, Coway has collected and recycled 6,353 ton of plastic wastes, establishing the resource virtuous circulation structure.

※ Based on the International Integrated Reporting Council's (IIRC) of framework.

## Material Reporting

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### 2015 Material Issues



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Material Issues of Coway are selected on the basis of both the strength that affects the business and the higher standard of interest by concerned parties. Report for each of Material Issues is done systematically with issue and related trend, business connectivity and access method, major activity and performance.

In 2015, Coway deduced total six kinds of Material Issues such as the implementation of differentiated growth strategy, the improvement of brand value, the reinforcement of product safety and reliability and strengthened the issue of business aspect such as management and economy compared to issues in 2014.

#### Report Organizing Process



Create a Pool of Reporting Issues



Stakeholders' Survey & Materiality Test



Examine Reporting Issues and Make a Final Decision

[More on the process](#)

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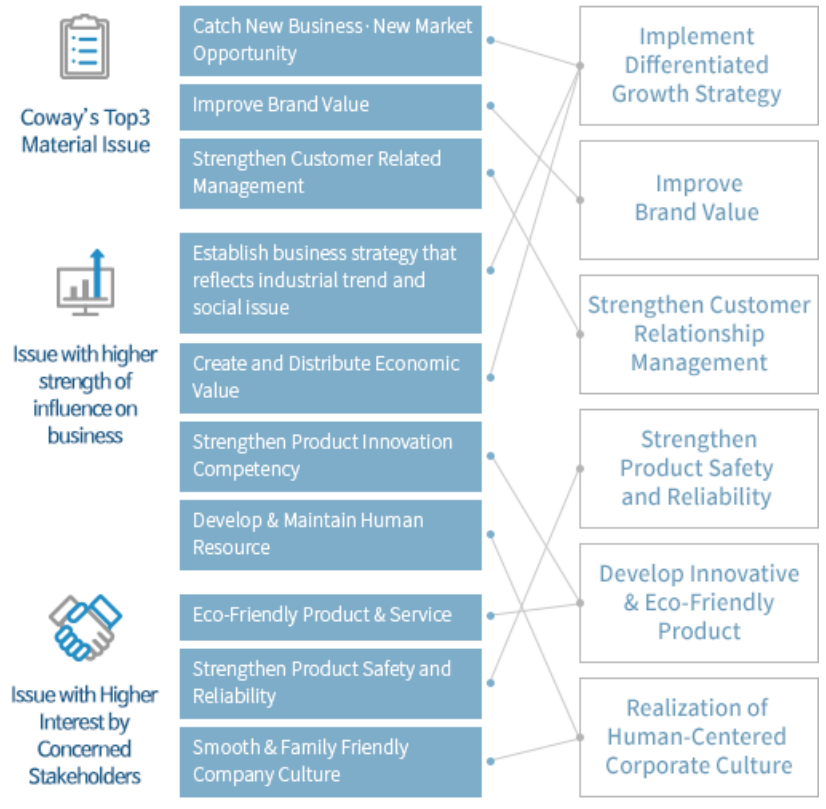
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#### Related Links

- Report Organizing Process
- Definition of Stakeholders and Communication Channels
- GRI G4 Index

#### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-20, G4-21](#)



### Implement Differentiated Growth Strategy ✕

Mega Trends	Business Relevance & Approach
<ul style="list-style-type: none"> <li>▪ Saturated domestic appliance market</li> <li>▪ Appearance of (IOT)</li> <li>▪ Integration of Manufacture-Service</li> </ul>	<p>It is mandatory for company's continuous growth to provide the better value to customers through differentiated products and services. Especially, the business of environmental appliance has become more important for its procurement of differentiated growth strategy as the environmental pollution gets worse and the market opportunity expands as well as the competitiveness becomes deepened. Coway is trying to find the answer for continuous growth by establishing a differentiated growth strategy toward a direction of providing a better value to customers through strengthening of inborn competitiveness and procurement of future technology.</p>
<p>GRI Aspect</p>	<p>Market Position, Economic Performance</p>

[View in Detail](#)

### Improve Brand Value ✕

Mega Trends	Business Relevance & Approach
<ul style="list-style-type: none"> <li>▪ Facilitation of brand communication through SNS</li> <li>▪ Expression of personal identity through brand</li> </ul>	<p>The effective establishment of brand strategy and clear setting of brand value have been highlighted for more important aspect in company's sustainability by raising royalty to customers. According to the characteristic of rental business, as Coway has gained credibility by facing customers directly for regular service and continued a long term friendship, the brand in</p>

	Coway is a living asset based on the credibility with human centered and beyond the aspect of product service.
GRI Aspect	Marketing Communication

[View in Detail](#)

## Strengthen Customer Relationship Management ✕

Mega Trends	Business Relevance & Approach
<ul style="list-style-type: none"> <li>▪ Diversifying customer's demand</li> <li>▪ Expanding demand regarding the protection of Customer privacy</li> <li>▪ Increasing single household</li> <li>▪ Activating utilization of big data</li> </ul>	<p>According to the business characteristic of Coway's rental business, as we have formed a long term relationship with customers from post management to return stage after the product sale, customer satisfaction is a very important element in the aspect of Coway's sustainable management. Moreover, due to rapid market change and diversified customer needs, such elements have become more important as the customer classification at the provision of product development and service, the establishment of response strategy for each customer group as well as the understanding of customer's environment and situation who actually uses the product.</p>
GRI Aspect	Customer Satisfaction

[View in Detail](#)

## Strengthen Product Safety and Reliability ✕

Mega Trends	Business Relevance & Approach
<ul style="list-style-type: none"> <li>▪ Increasing concern regarding product safety</li> <li>▪ Increasing demand of certification regarding product responsibility</li> </ul>	<p>Recent manipulation of the product performance and maleficence of the product have become a social issue. The products lacking safety and reliability can cause a severe setback to the company's reputation and sales, while the ones with safe and excellent performance are the soundest ways to build trust with customers. "Product reliability" defined by Coway is a series of courses to actively fulfill the responsibilities with regards to the product that enable the customers to use the products safely and with consistency in the performance. In particular, Coway's products deal with water and air, and are to be used for a long period of time in a daily life, which makes it very important to maintain the homeostasis of safety and performance in a product.</p>
GRI Aspect	Customer Safety & Health, Product and Service Labeling

[View in Detail](#)

## Develop Innovative & Eco-Friendly Product ✕

Mega Trends	Business Relevance & Approach
<ul style="list-style-type: none"> <li>▪ Increasing demand of eco-friendly product</li> <li>▪ Increasing effect of climate change</li> </ul>	<p>As a concern about environment has been increased recently, 'Greensumer' has increased who purchases eco-friendly products. As the damage out of climate change has increased, it has become much more important to develop sustainable products at the global level. Moreover, as the home appliance market is saturated and the technology gap has narrowed down rapidly, it has become an important element for Coway to be equipped with innovative development technology and products, which can help it maintain its position of leading company in the market and provide higher value to customers.</p>
GRI Aspect	Product and Service Labeling, Emissions

[View in Detail](#)

## Realization of Human-Centered Company Culture ✕

Mega Trends	Business Relevance & Approach
<ul style="list-style-type: none"> <li>▪ Expanding social demand for the balance between work and life</li> <li>▪ Deepening competitiveness of acquiring excellent talents</li> </ul>	<p>Recently, demand for the balance between work and life has been increasing in our society. A good working place helps the formation of creative and dynamic thinking by employees and directly connects to the performance of company. Accordingly, the settlement of human-centered corporate culture and realization of talent management have become mandatory elements to procure company's competitiveness in the market.</p>
GRI Aspect	Hiring, Training and education, Labor Management Relation, Diversity and Equal Opportunity

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# Implementing Differentiated Growth Strategies



Overview	Developing Premium Products to Secure Growth Engines
Accelerating Overseas Business Projects	Strengthening the foundation for sales activity



### Business Relevance & Approach

It is mandatory for company's continuous growth to provide the better value to customers through differentiated products and services. Especially, the business of environmental appliance has become more important for its procurement of differentiated growth strategy as the environmental pollution gets worse and the market opportunity expands as well as the competitiveness becomes deepened. Coway is trying to find the answer for continuous growth by establishing a differentiated growth strategy toward a direction of providing a better value to customers through strengthening of inborn competitiveness and procurement of future technology.

Nationwide sales network, service network, and professionalism in R&D for environmental appliances are elements with which Coway has attained the superiority in the market. Additionally, Coway has strengthened its own competitiveness through the engraft of IT new technology such as IoT and big data. Especially, Coway is creating a synergy with the existing businesses through 'IoCare' product and service lineup for each stage. Coway is also accelerating the growth of overseas business with a business strategy considering each local characteristic. Coway is strengthening the major business channels of visiting sales and CODY organization as well as the business basis by diversifying sales channels.

### Activities

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Related Links

GRI Indicators

The GRI box shows all relevant indicators on this specific page  
[G4-1](#)



Procure Growth Engine  
through Premium Product



Accelerate  
Overseas Business



Strengthen  
Business Foundation

### Business Cases

- Provide with IoT base integrated care solution
- Acquire Halal certificate of Malaysia for the first time in water purifier industry

### 2015 Performance



Accounts in  
management  
(rental & membership)



Overseas market sales



Year-on-year operating  
profit growth



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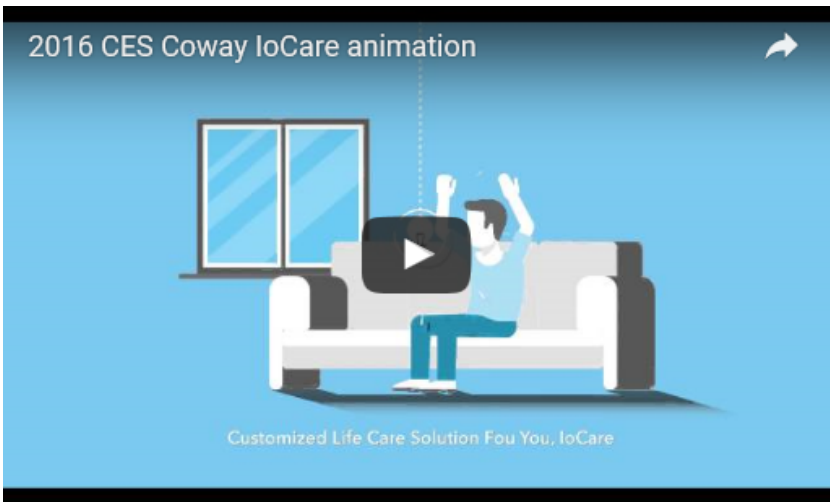
# Implementing Differentiated Growth Strategies



Overview	Developing Premium Products to Secure Growth Engines
Accelerating Overseas Business Projects	Strengthening the foundation for sales activity

## Taking a Leap to Become ‘The Life Care Company’

Coway has continued growing with its new business model that combines rentals and services, and now it pays attention to the need for new differentiated strategies in response to the fierce competition in markets. In 2015, Coway developed premium products and service values, strengthening its competitiveness by applying IoT to service development. For a new leap, it has established a new corporate vision of ‘The Life Care Company,’ going beyond the boundary of environmental appliance service business. Coway will continue putting forth every effort into improving customers’ quality of life and pursuing happiness through ‘Life Care’ that creates a clean environment and healthy life habits.



## Developing Premium Products to Secure Growth Engines

The entry barriers of the premium market are high, but once you advance into it successfully, you can secure high competitiveness. Coway pursues premium strategies as a new approach for continuous growth.

### ● Customized Solutions in Combination with IoT Technology

The direction that premium strategies pursue is to provide a combination of service and products that apply smart technology and IoT for which consumers would willingly pay. To this end, ‘IoCare (Internet of Care)’ which is an IoT-based life care

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### Related Links

- Coway & IoT Leaflet
- IoCare Service

### GRI Indicators

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solution of Coway connects various environment appliances and expands the boundary of smart home care service to every corner of living environments. With loCare business strategies established in 2015, loCare products have been released based on the research, service development, and business agreements with the Ministry of Industry, Trade, and Resources, etc.

### ● Taking the Lead of Consumer Trends with Premium Products

Coway has continued pursuing premium strategies. In 2015, it focused on developing premium products and solutions, putting forth every effort into R&D for more convenient and healthy life of customers. To strengthen premium values, Coway will continue developing premium services combined with products.

#### ■ 2015 Main Products

	<p style="text-align: center;"><b>Air Purifier - loCare (AP-1515A)</b></p> <ul style="list-style-type: none"> <li>▪ An air cleaner model that adopts loCare system for the first time Showing indoor/outdoor fine dust concentration and hazardous gas concentration visually; operated automatically depending on the level of pollution</li> </ul>
	<p style="text-align: center;"><b>Automatic sterilization water purifier loCare (CHP-470L)</b></p> <ul style="list-style-type: none"> <li>▪ Automatic sterilization with electrolysis sterilizing water from the water channel to the storage, tank, and outlet</li> <li>▪ 'Green Plug' function that analyzes use patterns automatically and saves power during the time of less use</li> </ul>
	<p style="text-align: center;"><b>Automatic sterilization &amp; humidification air purifier (APMS-0815C)</b></p> <ul style="list-style-type: none"> <li>▪ Humidification system of 0.0001 micrometer fine water molecules smaller than hazardous substances that creates a pleasant sleeping condition rapidly with rich humidification</li> </ul>

More on the Premium Products

## IoT-based integrated care solution

“ Coway provides innovative service by combining IoT and service in early recognition of customers' needs. ”



A recent hot issue in the electronic appliance industry is IoT, which is a technology that connects various things including home appliances to sensors and communication functions via the internet. When IoT is applied to home appliances, a company can develop customized solutions by collecting and analyzing customers' product use data easily.

Coway has developed 'customized care' service by combining IoT and big data with rental items, going beyond the boundary of rental and maintenance. As of April 2015, the smart care service shows the condition of air in a customer's place by means of IoT technology and provides a customized solution depending on the level of pollution.

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# Implementing Differentiated Growth Strategies



Overview	Developing Premium Products to Secure Growth Engines
Accelerating Overseas Business Projects	Strengthening the foundation for sales activity

## Accelerating Overseas Business Projects

### The Direction of Overseas Business Projects

As of the end of 2015, Coway operates local corporations in China, Thailand, Malaysia, and the U.S., targeting overseas markets through the OEM contracts with global home appliance manufacturers as well as overseas integrated brand 'Coway' and ODM brands. Overseas sales in 2015 amount to KRW 149.3 billion, 7% of the total sales in the previous year. In the future, Coway will continue strengthening its marketing and capabilities to grow overseas businesses mainly through its own brands.

- Export revenue

### Implementing Locally Differentiated Strategies

Coway conducts overseas business products with its differentiated approaches to overseas markets. In 2015, it developed specialized service models with strategic line-ups of products for each region.

In addition to its outward business growth, Coway increased its door-to-door sales workforce in Malaysia and the U.S. to accelerate its overseas business localization by improving brand awareness through TV commercials, etc.



China
✕

In recent times, as environmental problems such as air pollution due to fine

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#### Related Links

- [Coway's Global Network](#)

#### GRI Indicators

The GRI box shows all relevant indicators on this specific page  
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dust have become a serious issue in China, interests in environmental home appliances are increasing. Particularly, preference of Korean products is high among customers. Coway has conducted customer surveys and design researches, targeting the Chinese market. Based on its outstanding technical power, Coway has developed specialized products that meet customer needs.



〈 Participation in 2016 AQUATECH CHINA 〉

● Major Strategies

- Expanding the air cleaner business continually
- Expanding the water purifier brand business



Malaysia



Malaysia is a market of high growth potentials in view of its young population and economic growth. In 2015, the rental business was stabilized with 270,000 in the management account, which indicates 47.2% increase compared to the previous year. The number of door-to-door sales persons increased to more than 1,500 individuals. Efforts were also put forth into making Coway a known brand and forming a positive corporate image by conducting TV commercials.



〈 Coway TV commercials in Malaysia 〉

● Major Strategies

- Expansion of sales service regions
- Developing more product portfolios

## BUSINESS CASE

## Obtain the Malaysia Halal Certificate for the first time in the water purifier industry

“ Coway has obtained the Malaysia Halal Certificate for the first time in the water purifier industry, becoming more active in its advancement into the local market. 'Halal' is an Arabic word meaning 'things allowed.' This certificate is given only to food products processed in accord with Islamic Law. ”



Coway has obtained the Malaysia Halal Certificate for the first time in the water purifier industry with its change of conception in 2010, 'drinking water is also a food.' With this certification as a stepping stone, Coway will strengthen its competitiveness in Malaysia further.

Particularly by localizing its products and services in harmony with Islamic cultures and customs, Coway will promote its CODY and rental system in Malaysia and strengthen its brand competitiveness.



### U.S.



Recently, the IoT market grew in the U.S., the potential of air cleaners with IoT functions is growing in the market. Accordingly, Coway is expanding its share of premium products in the U.S. market, displaying the technical party in '2016 International Home & Housewares Show (IHHS)' in Chicago. As a result, the management account of the U.S. Corporation grew 15% in 2015 compared to the previous year, achieving sales of KRW 57.2 billion.



< '2016 IHHS in Chicago >

### Major Strategies

- Expanding and diversifying sales channels
- Strengthening organizational operation and management

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# Implementing Differentiated Growth Strategies



Overview	Developing Premium Products to Secure Growth Engines
Accelerating Overseas Business Projects	Strengthening the foundation for sales activity

## Strengthening the foundation for sales activity

Coway further strengthened its foundation to pursue continuous growth by maintaining its market share in the environmental appliances business and by concurrently creating new profit channels. The company reinforced local management by focusing on each specific region conducted projects to improve the level of sales productivity, and heightened its customer services. As a result, both the sales volume and number of managed accounts increased in 2015, and also maintained a stable cancellation rate below 1 percent during the year.

### ● System and Service Innovation

As customers' consumption trends changed from 'possession' to reasonable 'value consumption' recently, 'New System of Mattresses,' an upgraded version of mattress care rental service, was developed. This system has improved customer satisfaction by changing the focus from product sales to service and human and also by providing the value of continuous 'Care'

### ● Diversification of sales channels

Coway has attracted more customers and strengthened its sales competitiveness by improving accessibility to its products and services. Sales trends changed recently as consumers would purchase goods through non face-to-face sales channels such as home and online shopping. Accordingly, Coway operates the 'hybrid mall' that combines existing door-to-door sales with online sales methods, securing competitiveness in the online market. In addition, it has strengthened its foundation for sales by promoting offline sales channels such as outlets at the same time.

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### Related Links

- Coway online mall



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# Strengthening Customer Relationship Management



Overview	Establishing Customized Response Strategies
Providing Customer-centered Service	Continued Quality Innovation



### Business Relevance & Approach

According to the business characteristic of Coway's rental business, as we have formed a long term relationship with customers from post management to return stage after the product sale, customer satisfaction is a very important element in the aspect of Coway's sustainable management. Moreover, due to rapid market change and diversified customer needs, such elements have become more important as the customer classification at the provision of product development and service, the establishment of response strategy for each customer group as well as the understanding of customer's environment and situation who actually uses the product.

Coway, based on CMI (Customer & Market Insights), has classified customers through analysis of customer data, needs, life stage, and purchasing behavior, established and implemented the response strategy for each customer group. Moreover, based on customer centered work process, we have provided high quality products through research on customer's emotion and consuming pattern along with continuous monitoring on customer and market, and raised the quality of customized service.

### Activities



Establish Customized Response Strategy



Provide Customer Centered Service



Innovate Quality Continuously

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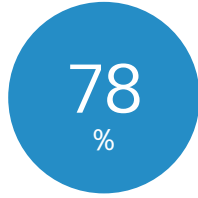
GRI Indicators

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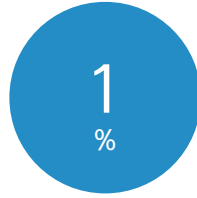
## Business Cases

- Research on Customer Emotion
- Supplier Quality Innovation Project Implementation

## 2015 Performance



Retention rate



Cancellation Rate



PPC  
(products per customer)

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# Strengthening Customer Relationship Management



Overview	Establishing Customized Response Strategies
Providing Customer-centered Service	Continued Quality Innovation



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## Establishing Customized Response Strategies

### Establishing a Customer-centered Management System

Based on its customer-satisfaction management strategy, 'Beyond Expectation,' Coway provides customer care, which is based on accurate understanding of customers, so that customers can live a healthy, happy life.



### CMI, Big Data-based Analysis of Customers and Markets

Coway's customer-centered management begins with data analysis of customers and markets. To respond to rapidly changing markets and various customer needs flexibly, Coway classifies customers based on its CMI (Customer & Market Insights) that analyzes customer data, needs, life stages, purchase behaviors, etc. and establishes different response strategies for each customer group. Products and services are developed in reflection of changing needs depending on life patterns and stages among various customers such as newly-weds, families with infants, and single families. Marketing activities are promoted to provide positive experiences so that values beyond expectations can be provided.

## Research on Customer Emotions

To develop customer-centered products, understanding of environments and situations where customers use products is essential.



Coway operates 'the customer emotions research center' in the R&D center where customers use products personally in conditions similar to their own home. Their opinions and feedback are reflected in developing new products. Researches on various elements of customer convenience such as product UI are conducted continually by means of the design room, etc. so that customers can use Coway products conveniently and get greater satisfaction from them.



The Emotions Research Center - A Cutting-edge Research Space for Customer-intimacy Products

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# Strengthening Customer Relationship Management



Overview	Establishing Customized Response Strategies
Providing Customer-centered Service	Continued Quality Innovation

## Providing Customer-centered Service

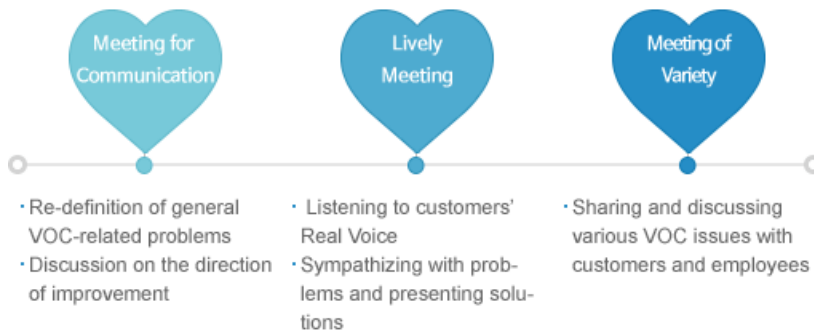
### VOC Management

Coway pays keen attention to customers' feedback, minor or major, and reflects them in management activity under the VOC(Voice of Customer) management system. Particularly, the 'SoriSup' Program based on VOC and the company-wide meeting group put forth efforts into minimizing complaints among customers. In prompt response to customers' feedback collected through various channels, solutions are sought to prevent similar problems from recurring systematically. Major concerns are shared by the company-wide meeting group so that they can find effective VOC solutions and to improve the quality of service provided to customers.

#### Providing Customer-centered Service

Coway operates the 'Heart Guest Room,' which is a company-wide communication group that discusses issues with related divisions to address customers' VOC problems and onsite complaints.

#### > Features of Heart Guest Room



### Customer-centered Service

#### Service Improvement

Parts replacement service has been provided free of charge for long-term rental service users. Its upgraded version entitled 'special water purifier service' has been released and conducted to relieve anxiety of hygienic problems among customers. In addition, the sterilizing water system has been introduced for tank sterilization. Since

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#### Related Links

- Coway rental & membership

sterilizing water contains no chemical addition but is generated through electrochemical reactions, it is harmless to human bodies and has obtained 'S Mark' from Korea Testing & Research Institute that certifies its safety. In consideration of customers' moving needs, 'the service package for moving customers' has been developed with more diversified service: such as life cycles individual needs, places, and regions are provided, improving customer satisfaction.

#### ▪ Communication with Service Users

'Service Map' that visualizes service features is added to the existing water purifier user manual so that customers can look through available services conveniently. In addition, the mobile checking card through which users can refer to the checking timing and details real-time has been newly introduced to improve user convenience.

[More on the Customer satisfaction services](#)

[More on the Customer satisfaction management](#)

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# Strengthening Customer Relationship Management



Overview	Establishing Customized Response Strategies
Providing Customer-centered Service	Continued Quality Innovation

## Continued Quality Innovation

### Improving Quality Management Infrastructures

#### Q- Big Data Analysis System

Coway provides differentiated quality service by collecting customer requests and complaints through the VOC system and analyzing them through the Q- Big Data analysis system.



#### Q- DR Quality Expert Committee

Quality-related issues at each DR-Gate are shared company-wide by the committee to come up with and implement ideas to solve such problems.

### Quality Management Program

#### System of Improvement and Prevention Responsibility

The system of improvement responsibility is operated to find and address product defects, and the system of prevention responsibility takes preventive measures for possible defects.

#### Quality Improvement Progress Management

The improvement progress is managed real-time through the computer system, which shortens the schedule. Failure cases are managed through the accumulated database to improve quality continually.

#### Quality Forecast System

Risk factors that may affect manufacturing quality in a weekly production plan are detected and preventive measures are taken accordingly.

#### Daily Quality Issue Screening Net

Field records regarding customer service, return, etc. are analyzed every day through the real-time monitoring and analysis center for prompt and precise quality improvement.

#### QS7(Quality Solution 7 Days)

Upon a quality issue, the 'Emergency TFT' is dispatched to address the problem

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#### Related Links

- Quality Management for Customer Satisfaction

within seven days for customer satisfaction.

More on the activities

BUSINESS CASE

## Conducting the ‘Suppliers Quality Innovation Project’

---

Coway takes the lead in product quality improvement among suppliers as well. In 2015, ‘the quality innovation project’ was implemented to stabilize suppliers’ processes and new product quality. Such projects help suppliers improve quality competitiveness as well as improve customer satisfaction with high quality products.

- Four Major Quality Innovation Plans for Suppliers

<b>Providing Guidelines and Support for Major Suppliers’ Quality System Development</b>	<b>New Parts Suppliers’ Processing Line Assessment and Approval</b>
<ul style="list-style-type: none"> <li>• Quality system assessment, guideline, and fostering</li> <li>- Quality-related organization, system, and process assessment; onsite management; support for advanced quality assurance system establishment</li> <li>• Quality-related education in association with Q-CAMPUS (Practical education for partners on quality management)</li> </ul>	<ul style="list-style-type: none"> <li>• 4M* and processing line assessment and approval</li> <li>- Assessment of 4M, etc.; technical guideline provided for quality parts supply</li> <li>Process standardization</li> <li>• 4M (workers, facilities, working methods, quality management)</li> </ul>
<b>OEM/ODM Quality Assurance</b>	<b>SUB Suppliers’ Autonomous Quality Assurance System</b>
<ul style="list-style-type: none"> <li>• The same integrated quality assurance map for products developed and produced by Coway</li> </ul>	<ul style="list-style-type: none"> <li>• Autonomous quality assurance system</li> <li>- Working standard check/guidance; special process certification</li> <li>- Quality information and improvement details shared real-time</li> </ul>



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## Improving Brand Value



Overview	Introducing a strategic brand management system
Facilitation of Brand Communication	Providing Brand Experiences



### Business Relevance & Approach

The effective establishment of brand strategy and clear setting of brand value have been highlighted for more important aspect in company's sustainability by raising royalty to customers. According to the characteristic of rental business, as Coway has gained credibility by facing customers directly for regular service and continued a long term friendship, the brand in Coway is a living asset based on the credibility with human centered and beyond the aspect of product service.

In 2015, Coway established a new brand vision, 'The Life Care Company', to confirm its pursue as a brand to care overall life of customers. Especially, Coway informed the promise and pursue of brand by introducing a strategic brand management system to provide various brand experiences in a contact point with customers through on & off line channels. Moreover, as a brand that procures a representation in the most basic and important domain in terms of the life with water and air, Coway has continuously planned and developed a campaign to feel empathy with society on the importance of water.

### Activities



Introduction of Strategic Brand Management System



Activation of Brand Communication



Provision of Brand Experience



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Related Links

GRI Indicators

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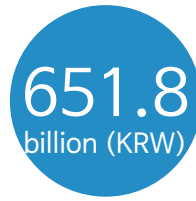
● Business Cases

- Conduct the 'Water Break Campaign Season II' campaign
- Acknowledge domestic & international brand values

● 2015 Performance



Best Korea Brand 2016



Brand Value  
(\*Source: Interbrand KOREA)

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## Improving Brand Value



Overview	Introducing a strategic brand management system
Facilitation of Brand Communication	Providing Brand Experiences

### Introducing a strategic brand management system

#### ● Establishment of a Brand Identity System

In 2015, Coway established its brand identity system, which consists of the brand vision, brand essence, core identity, etc. The BIS is a central value system to represent the Coway brand at contact points with customers such as products, marketing, service, etc. Based on this system, Coway will put forth constant efforts into caring for customers' life and enhancing the value of the Coway name in their life.

### **BRAND VISION**

**The Life Care Company**

Coway enhances customer's quality of life and pursues customer happiness through the eco-friendly life care by creating a clean environment and healthy living pattern

**BRAND ESSENCE** *Caring Happiness* X

By caring for the environment, people's health and quality of life, our customers will experience reliability and happiness.

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**Related Links**

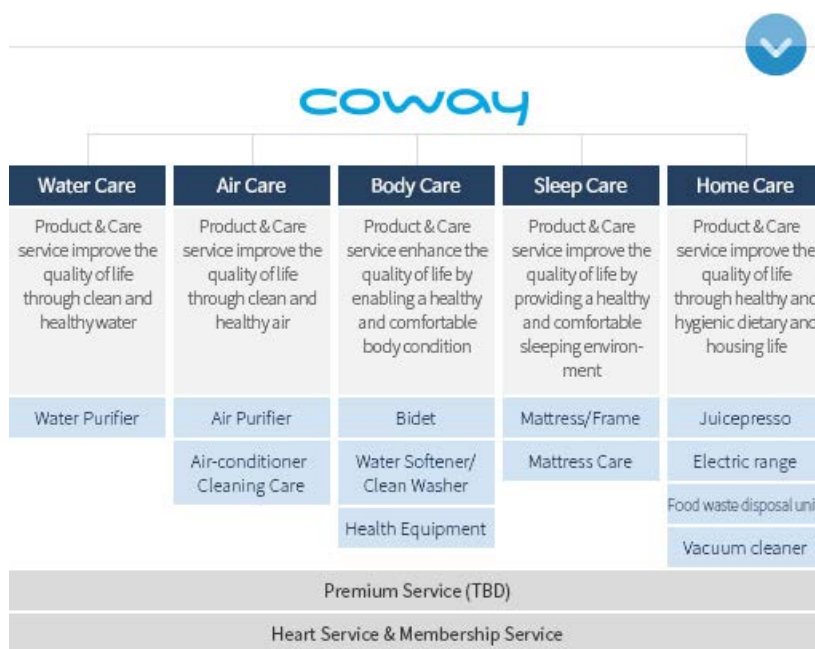
**GRI Indicators**

The GRI box shows all relevant indicators on this specific page [G4-1](#)



**Re-establishment of mid/long-term brand strategies and positioning plans**

To reflect the value of ‘Care’ clearly and promote better understanding of various products and services of Coway, products of Coway, the major brand, are organized under five ‘Care’ categories below so that customers can experience more professional and systematic products/care services. In addition, established brand strategies are made known in and out of the company in an effort to share perspectives and views on brands with stockholders



※ Cosmetics are excluded because Coway brand is not applied to them.

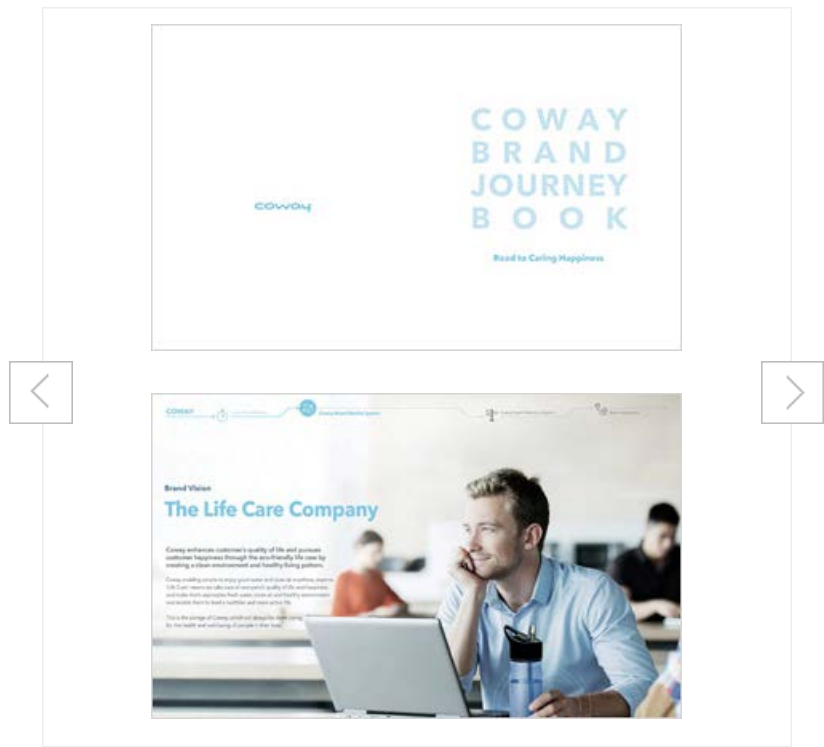
**Social Consensus on Brands**

Capabilities and interests should be focused for a brand management system to be established. Accordingly, Coway operates the brand operation committee and brand consultative group. The committee makes decisions on major aspects of brand management under the supervision of the CEO while the consultative group conducts activities such as proposals, coordination, and consultation on issues related to brand operation and management.

Additionally, education on brand internalization is conducted company-wide so that all executives and employees can share the direction that brands pursue. In 2015, education programs were conducted for the marketing division, departments in direct contact with consumers, etc. with the themes of brand importance, brand identity

system, etc. In 2016, in-depth education programs will be conducted especially on actual application and practice of brand-related affairs, and the education will be expanded to hands-on workers and overseas corporations. Brand storybooks, videos, and campaigns are other means to deliver re-established brand strategies in an easy-to-understand way.

[View On Coway Brand Journey Book](#)



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## Improving Brand Value



Overview	Introducing a strategic brand management system
Facilitation of Brand Communication	Providing Brand Experiences

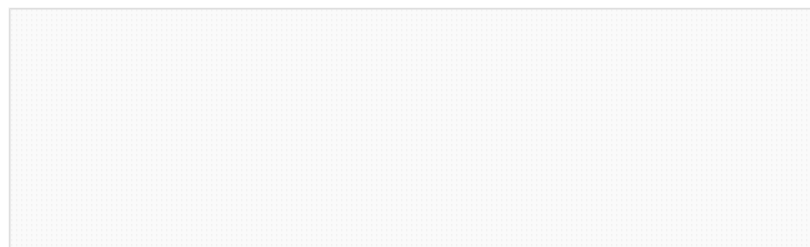
### Facilitation of Brand Communication

#### ● Delivery of Brand Values and Social Values in Consumers' Perspectives

Coway has conducted brand campaigns from the first half of 2016 in order to share with stockholders including customers future visions as the Life Care Company and to attract expectations on products and services to be released in the future. Such activities reflect Coway's desire to share values with consumers and its efforts to communicate the reality of the vision and promise to care for customers' happiness with its customized solutions of IoCare that combines products and services.



As a brand that plays a key role regarding important elements of humans such as water and air, Coway conducts various CSR campaigns including 'Water Growth Campaign' and 'Water Break Campaign' with a great sense of commitment.



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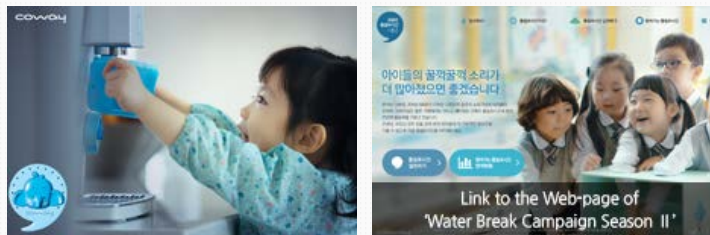
#### Related Links

- 'Taking a Break for Drinking Water Season II Official site

## Conduct the 'Water Break Campaign Season II'

Coway arouses interest in the issue of water shortage as well as the importance of drinking water in the nation, including among children and youth. To promote healthy and proper habits of drinking water, Coway has conducted Water Growth and Love of Water Project Campaigns since 2013.

In 2015, Coway conducted nationwide 'Water Break Campaign Season II' campaign education for infants in kindergartens and childcare centers. The Water Rest Time Kit was produced and distributed to promote water habit practice in each household, which has received favorable responses.



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## Improving Brand Value



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### Providing Brand Experiences

#### Providing Brand Experiences through Communication at Various Contact Points with Consumers

##### Online Activity

To arouse awareness of Coway brand online among potential consumers as well as existing customers, Coway operates the official website and shares contents including images and videos through blogs, Facebook, SNS, etc. In addition, it operates 'Coway Talk-Talk Reporter Group,' which means 'to talk to the world with unique and creative ideas.' The reporter groups use Coway's major products personally and present their opinions on product development and marketing activity. They also prepare reviews on products at their personal SNS to share genuine information with potential customers live.



Total No. of visitor  
**976,494**



Total No. of fans  
**118,282**



Total No. of subscribers  
**21,469**



No. of postings  
**1,378**

\* As of May 2016

##### Off-line Activity

Coway meets and communicates with customers personally to provide brand experiences. In 2015, it participated in CES (Consumer Electronic Show), the world-largest home appliance exhibition, to make a new contact point with global customers and communicate with them actively. In addition to that, Coway has participated in various other events such as MWC (Mobile World Congress) which is a telecommunication and information/communication industry exhibition, Baby Fare, 2015 Olive Festival, etc. to make known Coway brand among various customers.



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Related Links

GRI Indicators

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## BUSINESS CASE

### Selected as the 'Top Riser' brand at the Best Korea at the Best Korea Brands 2016

Coway was included among 'Best Korea Brands 2015' selected by Interbrand, a world-largest brand consulting agency. With that as the beginning, Coway was ranked 32nd in 2016 among 'Top Riser\*' brands. This survey was conducted among 500 major domestic companies selected by Fortune in 2015 based on Interbrand's brand

value evaluation model that reflects its three major elements: 'Financial analysis and prediction,' 'Brand Role Index calculation,' and 'Brand Strength Evaluation.' As the brand value of Coway increased as much as 44% compared to that in 2015, Coway was selected as a Top Riser whose brand value increase rate was the highest among 50 major brands.

Coway will continue conducting activities to improve brand values in a mid/long-term perspective based on its objective and reputable brand value recognition system.

※ Top Riser Brands : Brands whose brand growth rate is the highest



[More on the Brand-related Awards](#)

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# Strengthening Product Reliability and Safety



Overview	Enhancing reliability test competency
Response to External Technical Regulations	Increasing product reliability



## Business Relevance & Approach

Recent manipulation of the product performance and maleficence of the product have become a social issue. The products lacking safety and reliability can cause a severe setback to the company's reputation and sales, while the ones with safe and excellent performance are the soundest ways to build trust with customers. "Product reliability" defined by Coway is a series of courses to actively fulfill the responsibilities with regards to the product that enable the customers to use the products safely and with consistency in the performance. In particular, Coway's products deal with water and air, and are to be used for a long period of time in a daily life, which makes it very important to maintain the homeostasis of safety and performance in a product.

In 2015 the process of reliability verification was strengthened to increase the completion of product design, and to enhance product quality. Rigorous tests are performed for products & parts endurance, environment, packaging and transportation and performance and failure analysis etc. in total 15 international authorized testing labs such as Parts Reliability Test Lab, Failure Analysis Lab, Safety Certification Test Lab, Electromagnetic Test Lab etc. This reduces the time for obtaining the certifications to improve the competitiveness of the products by enhancing the productivity as well as by strengthening the international position of the product safety.

## Activities

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GRI Indicators

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Enhancing reliability  
test competency



Obtaining product  
safety certification



Increasing  
product reliability

#### ● Business Cases

- IoT product certification infrastructure establishment
- CVC (China Vkan Certification) acquired for the first time in the environmental appliance industry

#### ● 2015 Performance



Consumer Electrical Safety  
Certification Cases



Number of Official Testing Lab  
Licenses under the International  
Safety Certification Center

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# Strengthening Product Reliability and Safety



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## Enhancing reliability test competency

### Reinforcement of Failure Prediction & Analysis Capabilities

Coway improves the completeness of the product design by implementing the process of functional failure prediction and cause analysis, and enhances the reliability of the products by preventing the defects and failures of the products.

#### DFMEA Process



- DFMEA : Design Failure Modes and Effect Analysis

#### SSM system



- SSM : Stress-Strength Model

#### FRACAS Process



- FRACAS : Failure Reporting, Analysis, and Corrective Action System

### Re-verifying the Effectiveness of Accelerated Life Test Methods

The accelerated life test is the process of testing a product by subjecting it to conditions (stress) in excess of its normal service parameters to estimate the life expectancy of a product. Coway has continuously made use of an accelerated life-testing system since 2009, and secured the standards to strengthen product durability in 2014 by re-verifying the effectiveness of these very same test methods.

## IoT product certification infrastructure establishment

As the development of the IoT-based product increase, Coway enhances the infrastructure of testing facilities and equipment for the verification of IoT-related technologies, and operates the verification process.



Coway has expanded Wi-Fi, NFC wireless technology measuring equipment for wireless network verification, and established the equipment for IAQ(Indoor Air Quality) sensing technology measurement such CO2 sensor, dirt sensor etc. In addition, the verification system in mobile app for controlling the product and collecting information has been established so that the customers can use the products in a more convenient way.

In 2016, new verification schemes including blue-tooth, zigbee etc., in responding to a variety of wireless communication technologies will be developed, and the upgrades for measurement facilities and equipment continue to be in process. Coway also plans to strengthen the capacity to accommodate a variety of product development utilizing IoT related technologies in the future by securing the verification capacity for new sensors.



WIFI communication  
measuring equipment



IAQ measuring equipment

### Strengthening overseas field test

Coway conducts a domestic and overseas field tests to overcome the limitations of the test and evaluation performed in the restrictive environments of test labs and to evaluate the suitability and robust design of the product in the actual use environment and from the customers' points of view. The evaluation proceeds from the customer standpoint including the design, UI, performance and emotional part of the product and the test results are reflected immediately on the product design to complete the final product.

In 2015, the international field test procedure was improved to make the field test tasks achieved organically and smoothly from field test pre-checking, selection of target people, product delivery to local adaption. In particular, field tests were conducted in countries such as the US, China, Japan, Malaysia, and Australia etc., so that the local customers' opinions could be reflected on the product design, and the user environmental conditions such as water quality and pressure were investigated and knowledge based so that they can be utilized continuously in the course of developing the products for international markets in the future.

### Establishing & Amending Reliability Test Methods

In an effort to secure product reliability testing capabilities that meet the most stringent global standards, Coway established a reliability test methods after examining examples of six advanced companies in Korea and abroad, international standards (IEC, ISO), national standards (KS, MIL, JIS, BS), those of related organizations (JEDEC, EIAJ), and Coway's own standards. Since then, the company has continually reflected failure cases and test methods from the customers' point of view every year, and as of 2015 claimed the rights to 251 reliability test method cases as intellectual properties.

#### ■ Establishing & Amending Reliability Test Methods

year	Establishment	Amendment
2009	115	0
2010	27	28
2011	17	17
2012	22	14
2013	22	29
2014	26	24
2015	26	15

#### ● Enhanced capabilities of testing personnel

Coway enhances the capabilities of testing personnel by self-learning and collaborations with external organizations. R-campus has been developed as a reliability professional education program to select the required training items according to the test fields and the positions, which leads to systematically foster the reliability professionals through individual education goals design and education history checks based on this program. Externally, Coway has signed the agreement of national Human Resource Development Consortium with the Ministry of Labor and provides more professional training opportunities for the testing personnel through a step-by-step training system. In addition, Coway supports training for and obtaining the international qualifications such as CRE (Certified Reliability Engineer), CPLP (ISTA Certified Packaging Laboratory Professional), iNARTE (International EMC engineer certification) etc. Moreover, Coway has been sharing the latest issues and trends, best practices etc., by holding the regular reliability technology seminars.

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# Strengthening Product Reliability and Safety



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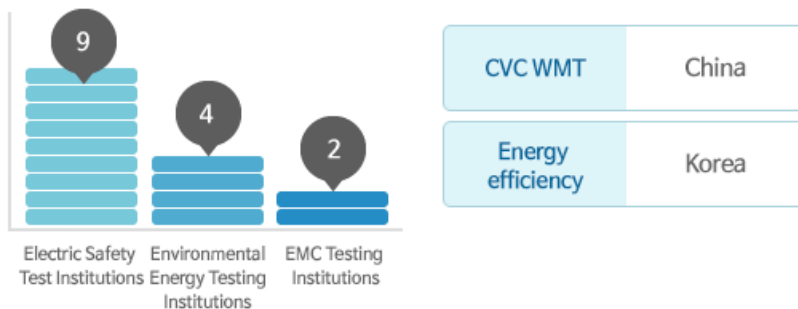
## Response to External Technical Regulations

To secure customers' trust in its products and obtain objective recognition of the high reliability of its products among customers, Coway has obtained certificates for each product from authorized institutions and made known the details. Coway will continue adopting stricter quality management standards, advanced technologies, and new test methods in order to provide customers with reliable products.

### Certifications from Authorized Testing Institutions

Coway has obtained 15 certificates from international authorized testing institutions and secured more than 200 specialized testing facilities, with which it can certify products independently. Coway has developed products that meet various standards in different countries and obtained related certificates, shortening the time for product certification and release. As such, Coway responds to rapidly changing market situations, strengthening its product competitiveness.

■ Certificates Obtained from Testing Institutions ■ New Acquisitions in 2015



### Establishing SAFETY / EMC / ENERGY / Feedwater line related specification comprehensive testing laboratory

Coway has introduced and built the equipment to verify the specifications related to the product safety, electromagnetic waves, energy efficiency, feedwater line safety etc., in an orderly manner in order to enhance the capabilities of self-verification for the product. In 2015, the equipment for energy efficiency testing equipment has been fully established and the energy efficiency testing laboratory has been acquired to enable the self-certification. In addition, by expanding the scope of accreditation of KOLAS (internationally recognized testing certification) Coway has strengthened the self-verification capabilities.

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#### Related Links

- Environmental Information Disclosures

#### GRI Indicators

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[PR1](#), [PR3](#)

## Major Certificates by Product Groups

### Water Purifier



This certificate is given to water purifiers that meet the standards of Korea Water Purifier Industry Cooperative. All the water purifier products of Coway have obtained this certificate.

### Air Purifier



This is a quality certificate based on the standards of Korea Air Cleaning Association. All the air Purifier products have obtained the CA mark, and all the products with humidifying/dehumidifying functions have obtained the HH mark and HD mark respectively.

### Clean Washer



Coway Clean Washer (BD01) removes rust, remaining chlorine in water, and hazardous substances. This item has obtained 'WQA Certification' of International Water Quality Association as its product safety has been recognized. As it has also obtained the 'atopy-free product mark' from Korea Atopy Association, individuals with atopy also can feel safe while using this item.

## BUSINESS CASE

### CVC (China Vkan Certification) acquired for the first time in the environmental appliance industry

Coway has obtained 'CVC (China Vkan Certification)' for the first time in the environmental appliance industry. This means that Coway can approve of electric safety certification based on its independent test result, which shortens the time for certification process as well as enhances its global status in terms of product safety and competitiveness.



In 2015, Coway obtained the certificate of CVC product safety testing institution from the CVC authorization agency. With this certificate, Coway is eligible to conduct 'CCC (China Compulsory Certification)' which is an electricity and safety certification for water purifiers, air cleaners, bidets, and juicers, and 'CQC (China Quality Certification) which is an autonomous certification in the international safety certification center of its own environmental technology research center. 'CCC' is a basic requirement for domestic companies to export electric/electronic products to China. By shortening the time for certificate acquisition and improving the efficiency, Coway has improved its global status regarding product safety and competitiveness.





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## Strengthening Product Reliability and Safety



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Overview

Enhancing reliability test competency

Response to External Technical Regulations

Increasing product reliability

### Increasing product reliability

#### ● Reinforcement of Safety Design Standards as Premium Products

Coway proceeds with the test under more stringent safety standards to provide customers with higher product safety and strengthens its position as a premium product.

##### ■ Ensuring EMF Safety

Coway will examine any harmful elements related to Electro Magnetic Fields(EMF) in advance and compare EMF generation between Coway products and its competitors to make sure the highest level of safety is being maintained. We also arrange the system to visualize the results to demonstrate to the consumer in order to inform the excellence of our products, and enhance the corporate image. In the future, we are planning to ensure the objectivity by obtaining the test results from the external test laboratory, and to strengthen the safety design of the product by measuring and managing the EMF generated components.

##### ■ Strengthening Test Methods on Water Resistance

Coway applies a higher standard of IPX5 than general waterproof test standard to the tests for the products including bidets which use and contact with water. In 2015, a new product, 'self-sterilizing bidet Secret Care' has obtained the IPX5 rating. In addition, a level of IPX1 waterproof test standard is added even to the products with less contact with water, such as air purifiers in attempting to ensure a more stringent level of product safety than other companies.

#### ● Prevention of failures and defects

Accurate and efficient verifications are carried out by building a state-of-the-art equipment and processes to analyze the causes of failures and defects that may occur during use. In 2016, we will perform the failure analysis for the failure products in the entire field, in order to address the underlying causes by reproducing and verifying the failures in various conditions in an accurate manner utilizing user environmental information.

Besides, in order to prevent solvent phenomenon (failure causing cracks by the chemicals such as detergents, cleaners etc. to penetrate into the interior plastics), we are examining the relevant practices and developing the test methods and jigs to build a test infrastructure. In 2016, we will ensure that the product design with resistance can be made by leading the activities such as researching main ingredients

of various detergents and cleaners on the market and building process of raw material failure prediction etc.



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# Developing Innovative & Eco-Friendly Products



Overview	Strengthening R&D for Product Innovation
Products for Customer Convenience	Improvement of Product Eco-friendliness



## Business Relevance & Approach

As a concern about environment has been increased recently, 'Greensumer' has increased who purchases eco-friendly products. As the damage out of climate change has increased, it has become much more important to develop sustainable products at the global level. Moreover, as the home appliance market is saturated and the technology gap has narrowed down rapidly, it has become an important element for Coway to be equipped with innovative development technology and products, which can help maintains position of leading company in the market and provide higher value to customers.

Coway has developed innovative activity by four research centers around the Environmental Technology Research Center to make products that not only make customers' life more convenient and healthy but also minimize the environmental effect. Coway has been studying on customers' habits and behaviors, and the use space of products, and on water and air through professional competency to maintain healthy life; and developed innovative product and service that care for customers' life. In addition, Coway has put an effort to minimize the environmental effect out of product use by customers.

※ Greensumer is a compound word of Green and Consumer, which means a consumer who emphasizes environment and health and applies these to his own consuming pattern.

## Activities

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Sustainability Data Disclosures

Related Links

GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-1](#)



Strengthening R&D  
for Innovative Product



Product for Customer's  
Convenience

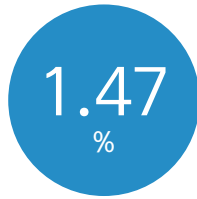


Improvement in  
Eco-Friendliness of Product

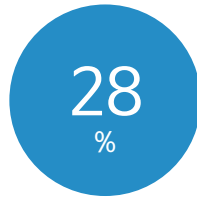
### Business Cases

- Study on new pollutants inside water supply & Water / Air big data
- Innovative product development
- Energy winner award for Coway water purifier and dehumidifier

### 2015 Performance



R&D Cost Proportion  
(vs Sales)



Eco-Friendly Product  
Sales Proportion



Awarded for CES 2016  
Innovation Reward

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## Developing Innovative & Eco-Friendly Products



Overview	Strengthening R&D for Product Innovation
Products for Customer Convenience	Improvement of Product Eco-friendliness

### Strengthening R&D for Product Innovation

Due to the technological development of the market and intensified price competition, the needs for continued investment in new product development and introduction of new technologies are gradually increasing. Therefore, Coway strengthens the research and development organization and expands investment to secure new technologies and to develop innovative products.

#### R&D Organization

As competition is getting fiercer, Coway operates R&D sectors for each function in order to secure future growth momentum. It has conducted product innovation activities to secure health of customers and environment through its environmental technology research center which has specialized sectors: research sector, development sector, and technology sector. In addition, Coway has obtained certificates of quality and gas analysis from domestically and internationally authorized testing institutions.

Report Download

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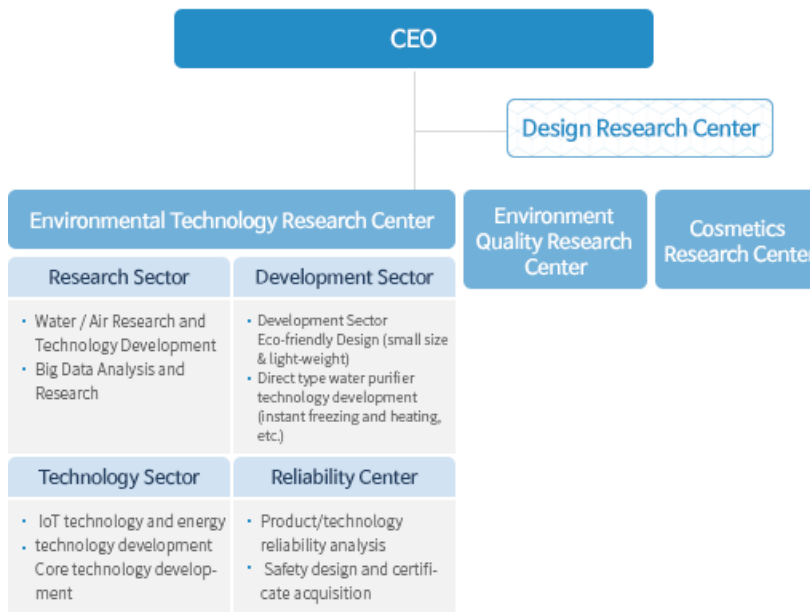
#### Related Links

- Coway R&D Center

#### SDG Goals

The SDG box shows all relevant goals on this specific page

[Goal 6](#)



R&D manpower (by the end of 2015)

368

## ● Investment into R&D

Coway has secured the professional R&D workforce for product innovation with continued investment in it. In 2015, Coway focused on developing premium products for market expansion and products customized to local circumstances for advancement into overseas markets. It has secured future growth engines by developing materials and core parts, future-oriented technologies, etc.

## ● Researches on Water Quality and Air Quality

Coway is a company specialized in water and air. It puts forth every effort to enhance pollutant-removing performance for customers' health and safety. As the quality of life was improved, the demand for 'tasty water' has increased among consumers recently. Accordingly, Coway has established the water taste assessment division and system to secure expertise and reliability for test and assessment.

In addition, a lot of pollutants such as ultra-fine particles were generated frequently and caused serious problems such as respiratory/skin diseases. Accordingly, Coway has put forth effort into developing ultra-fine particle removal performance indexes and solutions to relieve anxiety among customers. It also conducts R&D on special air cleaning technology to remove radon, a natural radioactive substance in the air that can cause lung cancer, and its progeny.

\* Radon Progeny: An element into which radon is converted after collapse. This element also generates radioactive rays.

### BUSINESS CASE

## Big Data Research on Water/Air and New Pollutants in Waterworks

Coway has conducted researches on new pollutants in waterworks, putting forth efforts into developing products that meet standards of new certifications and regulations. In addition, it has conducted environmental monitoring on domestic tap water to produce water that consumers can drink at ease.



Recently, new hazardous substances in waterworks such as nitrosamine that causes liver cancer and micro cyanotoxic that is an algae toxic substance became an environmental issue overseas. Accordingly, NSF added new certification/regulation items and the EU as well established BPR (Biocidal Product Regulation) in September 2015, strengthening their waterworks pollutant regulations.

Coway has conducted researches on such new pollutants and obtained international certificates including the drug and endocrine disruptor safety certification entitled NSF/ANSI 401 and the algae toxic substance removal certificate entitled NSF P477 for the first time in the industry, which indicates that its response to new pollutants has been recognized. In addition, Coway has conducted the running water monitoring project in association with a domestic public institution in an effort to secure safety of running water so that consumers can drink it at ease.

## BUSINESS CASE

## Coway World Water Map

With the aim of responding to all types of water quality conditions depending on geographical situations, environments, etc., 'Coway World Water Map' has been established based on the analysis of 2,000 world data sets from 40 countries.



Coway has established 'Coway World Water Map' independently based on its analysis of collected water samples from various parts of the world. 'Coway World Water Map' started in 2006 with the aim of responding to all types of water quality conditions depending on geographical situations, environments, etc.

More than 20,100 water quality data sets collected from more than 40 countries in Asia, America, Europe, Oceania, and Africa were analyzed, and the analysis items include hydrogen-ion concentration, turbidity, TDS (total dissolved solid), metallic substances, ions, etc.





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## Developing Innovative & Eco-Friendly Products



Overview	Strengthening R&D for Product Innovation
Products for Customer Convenience	Improvement of Product Eco-friendliness

### Products for Customer Convenience

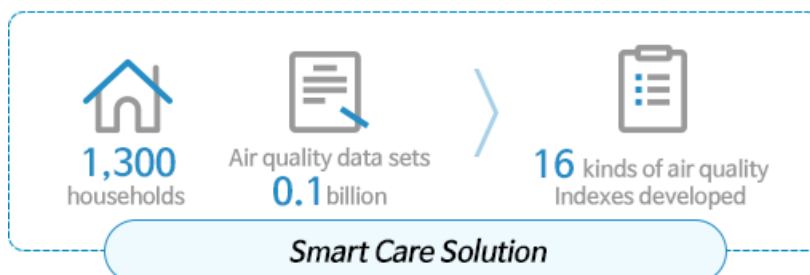
#### Value Creation of Products and Services in Utilization of IoT

Recently, IoT is a big issue in the electronic appliance industry. It is an internet-based technology that connects various things including electronic appliances with sensors and communication functions. When IoT is applied to home electronic appliances, companies can collect and analyze customers' product use data through their products, develop customized solutions for individual customers, and respond to various customer needs accordingly.

In 2015, Coway released IoCare, a new product that adopts IoT to water purifier and air cleaner product groups. The IoT customized care services and solutions also have been established based on analysis results.



#### Develop IoCare Solution



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#### Related Links

- Coway's Products.

[Download Coway & IoT leaflets](#)
[More Information on IoCare](#)

## ■ Cooperative Activity for IoCare Platform Establishment

Coway has conducted cooperative activities in association with other institutions in order to establish the foundation for integrated Life Care service commercialization. By concluding the MOU with KT for the joint business of smart home care, Coway has initiated the IoT service platform development for smart air care service commercialization during the year.

By concluding the IoT win-win cooperative business agreement with the Ministry of Industry, Trade, and Resources, Coway has also participated in joint work of sharing technologies, resources, and information to establish the IoT industry eco-system.



### BUSINESS CASE

The innovation of Coway's differentiated products and services have been recognized home and abroad.

Korean Innovation Frontier Award, New Technology Innovation Prize Awarded for 13 Consecutive Years  
Coway has been awarded the new technology innovation prize for thirteen consecutive years including 2015 at Korean Innovation Frontier Award that is conducted by the Korean Standards Association. As businesses that achieved innovation



in new technologies, products, and services were awarded in this event, the two items - Sparkling Ice Water Purifier and Air Cleaner IoCare were awarded the new technology innovation prize.

#### 8 CES Innovation Prizes Awarded in 2016

In 2016, Coway participated in the world largest home appliance exhibition entitled CES (Consumer Electronic Show) for the first time, and its six products won CES innovation prizes in eight areas with their innovation and excellence recognized. For CES innovation prizes, CEA (Consumer Electronics Association) and IDSA evaluate technologies, designs, and innovative features of CES exhibition items. Although this was the first time that Coway participated in this exhibition, its products including water purifiers, air cleaners, and bidets were awarded in various categories, which is of great significance.

#### Coway's Products That Won 'CES 2016 Innovation Prizes'

- Dual Power Air Purifier IoCare (AP-1515D)
- Automatic Sterilization Water Purifier IoCare (CHP-470L)
- Barista Ice Water Purifier (CHPCI-430N)
- Clinic Bidet (BASH21-A)
- Vehicle Air Purifier (design concept item)
- Portable Air Purifier (design concept item)



coway

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# Developing Innovative & Eco-Friendly Products



Overview	Strengthening R&D for Product Innovation
Products for Customer Convenience	Improvement of Product Eco-friendliness

## Improvement of Product Eco-friendliness

### Development of Eco-friendly Products

The effect of Coway products on environment is related to energy and water consumption in the step of customers' product use. Accordingly, Coway has developed products that would improve energy and water consumption efficiency to minimize products' effect on environment.

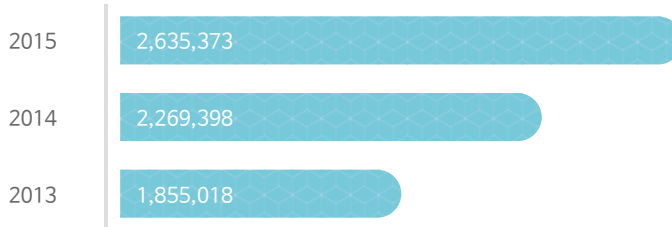
#### Products of High Energy Efficiency

To improve energy efficiency of cool/hot water purifiers, Coway has developed and applied the technology of vacuum insulation materials. It has also released products in which instant heating and semiconductor-based cooling technologies are adopted, improving energy efficiency innovatively.

#### Develop product reducing customer's water use

Coway maintains a filtration rate of hazardous materials by applying the nano technology and reduces the water consumption in the use of water purifiers by developing and applying the nano-trap filter which improves the purification efficiency.

#### Reducing water consumption by applying nano-trap filter



※ It is calculated on the basis of annual installation quantity of the products applied with the nano-trap filter, and it is the cumulative performance since 2012

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### Related Links

- Awards and Certificates
- Environmental Information Disclosures

### GRI Indicators

The GRI box shows all relevant indicators on this specific page  
[EN7](#), [EN27](#), [PR3](#)

### SDG Goals

The SDG box shows all relevant goals on this specific page  
[Goal 7](#)

## Coway Water Purifiers and Dehumidifiers Winning Energy Winner Awards

Coway has released products of high energy efficiency and energy-saving effects, contributing to reduction of energy use and greenhouse gas emissions. The eco-friendliness has been recognized home and abroad.



### Barista Ice Water Purifier CHPIC-430N

Instant Water Heating System  
Water Circulative Cooling System  
Compared to existing coffee machines,  
max. **80%** energy-saving effect



### Inverter Dehumidifying Purifier APD-1015B

Higher dehumidifying efficiency of the Inverter-type model  
Compared to the company's existing products,  
Max. **70%** energy-saving effect  
Energy Efficiency **Grade 1**

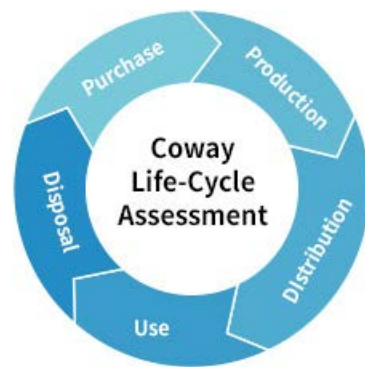


Coway was awarded with Energy Winner Awards of Green Energy Equipment for the 'Inverter Air Purifier with Dehumidifier' and 'Barista Ice Water Purifier' in the 19th Energy Winner Awards. Inverter Air Purifier with Dehumidifier enhances the efficiency of dehumidification by adopting energy-saving inverter system which enables from 16% up to max. 70% of energy saving compared to our other products to obtain the first-class energy efficiency. In addition, it is equipped with a display showing energy-saving level for the first time in domestic products to check the energy saving level in real-time basis. Coway Barista Ice Water Purifier is also equipped with innovative technologies, "instant hot water heating systems" and "cold water circulation cooling system" to significantly reduce the cold water generation speed improving the energy efficiency, which leads to the recognition of max. 80% of monthly energy consumption of electric power in extracting coffee compared to the existing coffee machines.

### ● Product Life Cycle Assessment

Through its LCA (Life-cycle Assessment), Coway collects greenhouse gas emission information in each step of purchase, production, distribution, use, and disposal, and reports it by issuing Carbon Reports.

[View 2014 Carbon Report](#)



#### ▪ Purchase

In 2010, Coway fulfilled voluntarily the agreement of green procurement, and now Coway keeps up its procurement for green growth with low carbon emissions

#### ▪ Production

Coway has introduced new and renewable energy sources such as solar-light energy generation facilities at workplaces and provided support for partners to improve energy efficiency, contributing to reducing greenhouse gas emissions in production procedures.

#### ▪ Distribution

To respond to climate changes effectively, Coway has managed and estimated greenhouse gas emission during product transportation from distribution centers that it has been entrusted with since 2013.

#### ▪ Use

Coway has taken the lead of developing technologies to reduce greenhouse gas emissions and water consumption in relation to product use, estimating the reduction effect. It has reduced greenhouse gas emissions by utilizing vacuum insulation materials, instant heating and semiconductor-based cooling technologies as well as water consumption by adopting nano trap filter technology that enhances water purifying efficiency.

#### ▪ Disposal

Coway reduces greenhouse gas emission by recycling waste product resources, especially through collection and recycling of refrigerants, refurbished item production, and waste product recycling. It also estimates and manages the quantity of greenhouse gas emission reduction.

### ● Eco-friendly Certification

To minimize environmental effect of customers' using products, Coway has continued its technology development, and the energy-saving and carbon reduction effect of Coway products have been recognized by various stockholders including authorized institutions.

Especially in 2015, 17 eco-friendliness certificates were obtained, including 'water footprint' certificate and carbon neutral product certificate for the first time in the water purifier industry.

#### ▪ Eco-friendly Product Certificates Obtained

Coway maintains a filtration rate of hazardous materials by applying the nano technology and reduces the water consumption in the use of water purifiers by developing and applying the nano-trap filter which improves the purification efficiency.

(Unit: certificates)

	2013	2014	2015
Energy Consumption Efficiency Grade 1	2	5	5
Low-carbon Emission Product Certificate	1	1	-
Carbon Emission Certificate	-	3	4
Environment Mark Certificate	5	1	7
★ Water Footprint	-	-	1
★ Carbon Neutral Product Certificate	-	-	1

★ New Certificates

- Energy Consumption Efficiency Grade 1: Accumulated certificates
- Other Certificates: Acquisition in each year
- Water Footprint is an indicator that quantifies environmental effect throughout the cycle of product and service use including raw material acquisition, production, distribution, use, and disposal based on the total amount of direct/indirect water use. Verification was conducted based on requirements of ISO 14046, an international standard institution's verification standard.
- This certificate is given to products for which CERs corresponding to the greenhouse gas emission throughout the process including production, distribution, use, and disposal, or greenhouse gas reduction activity is conducted to make the amount of carbon emissions 'zero (0).'

**BUSINESS CASE**

### Obtaining the first carbon-neutral product certification among domestic water purifiers

“ Coway Self-Sterilizing Water Purifier has acquired a carbon neutral product certification in 2015. ”



Self-Sterilizing Water Purifier (CHP-270L) obtained a carbon-neutral product certification in 2015. Carbon neutral product certification is only given to the products which purchase the carbon credits corresponding to the greenhouse gas emissions generated in the whole process of the product including production-distribution-usage-disposal or which make carbon emissions to zero (0) through the GHG reduction activities, and which obtain both the first stage of carbon emission certification and the second stage of low carbon emissions certification in the carbon labelling scheme.





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# Realization of Human-Centered Corporate Culture



Overview	Practice of Corporate Culture Change
Improving the Way of Working	Strengthening the development of workforce capabilities



### Business Relevance & Approach

Recently, demand for the balance between work and life has been increasing in our society. A good working place helps the formation of creative and dynamic thinking by employees and directly connects to the performance of company. Accordingly, the settlement of human-centered corporate culture and realization of talent management have become mandatory elements to procure company's competitiveness in the market.

The corporate culture is both the identity of organization and the primary competitiveness of Coway. Of late, as the global competitiveness has become so intensive, Coway has 'defined' the inherent corporate culture and 'set up' the personnel system to strengthen company's competitiveness and future growth engine. In 2015, Coway developed various activities that realized a 'Belief in Goodness' in the field where individual work domain meets with customers and fulfills the value. Especially, Coway improved organization engagement and employees' satisfaction through not only the diagnosis of internalization level of core value but also the realization of project and Work Smart that raise the value of work; and set up the Coway's sole working type. Moreover, Coway has established reasonable personnel and assessment systems and operates a training program fits the life cycle of employees to strengthen the competency of individual employee.

### Activities

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Related Links

GRI Indicators

The GRI box shows all relevant indicators on this specific page  
[G4-1](#)



Fulfill Change in Corporate Culture



Advance in way of work



Strengthen Development in Human Resource Competency

● Business Cases

- 'Value Up Project' to raise value of Business
- Strengthen the competency of business service partner

● 2015 Performance



Training hours for each staff or employee



Selected for GWP(Good Working Place)

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Overview	Practice of Corporate Culture Change
Improving the Way of Working	Strengthening the development of workforce capabilities

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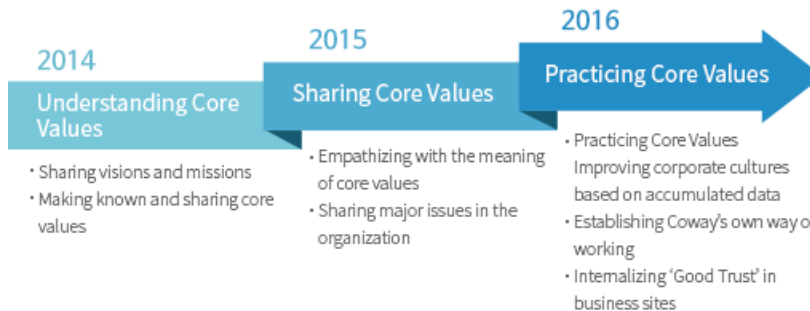
### Related Links

- HRM strategy & program

## Practice of Corporate Culture Change

Coway management philosophy for sustainable growth is 'Belief in Goodness,' which means to contribute to making the world better with what we do. All executives and employees put forth every effort to forming a consensus under this principle. More than that, they will continue doing their utmost to practice core values at the head office and business sites.

### ▪ Direction for Business Promotion



### ● Good Meeting & Workshop









'Good Meeting' is operated to help realize and understand the cultural differences among divisions and promote the same directivity company-wide. Particularly, subjects such as working space, meeting culture, and facilitation of communication are discussed in an effort to change the way of working. In 2015, the night work time limit system and annual leave use rate analysis were implemented. In addition, 'Good Meeting' program facilitates developing creative mind and positive energy among employees. In 2016, divisional activities conducted more specifically in each team to secure the consistent directivity company-wide.

### ● Beyond Coway

'Beyond Coway' is a vision education program to internalize Coway management spirit and vision system among all the employees. In 2015, 1,200 employees participated in sharing their examples of Belief in Goodness and practicing six core values, forming a bond of sympathy regarding Coway management philosophies.

### ● Communication Program

Coway operates the communication program so that employees' opinions are collected and reflected in business management activity. Particularly, in recognition of the importance of a leader's role in communication, Coway conducts various programs where the management and employees work together.

<p> <b>Book-reading Club Activity with the CEO</b></p> <ul style="list-style-type: none"> <li>Groups of new employees, team heads, and newly promoted employees share values and discuss the direction of development with the CEO in a casual atmosphere.</li> </ul>	
<p> <b>Grievance Settlement Channel</b></p> <ul style="list-style-type: none"> <li>Joint labor-management meetings and workshops with employee representatives are held regularly to promote communication between labor and management</li> <li>'Pine Tree Bakery,' which is a corporate online counseling channel, has been instituted to hear and solve difficulties</li> </ul>	
<p> <b>High-ting</b></p> <ul style="list-style-type: none"> <li>This is a communication program at each division through which the heads and members can share the divisional issues and suggest ideas.</li> </ul>	
<p> <b>Coway Day</b></p> <ul style="list-style-type: none"> <li>This is a program that invites employees' families with a monthly theme to promote family unity.</li> </ul>	

## 'Value Up Project' to Improve Business Values

Coway has conducted 'Value Up Project' to improve business values and develop healthy corporate culture. Under the head office's mission, 'Extending one more year of healthy life,' two main projects - 'Health UP,' and 'Relief UP' - are operated.

Personal experience of the effect of drinking eight cups of water a day, on health

- Moisture checking poster, self-checklist, and 2L water bucket provided
- Improving employees' health



Water Value (Together) Project

Improving Crisis Managing Ability at Contact Points with Customers

- Education on CPR (cardiopulmonary resuscitation) and defibrillators
- Improving business values and self-esteem among employees



Education on CPR

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# Realization of Human-Centered Corporate Culture



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Overview	Practice of Corporate Culture Change
Improving the Way of Working	Strengthening the development of workforce capabilities

## Improving the Way of Working

### Work Smart

Coway practices Work Smart by changing the way of working and improves organization commitment and employee satisfaction. In 2015, a campaign was conducted to create efficient and streamlined working culture by improving unproductive meeting/report cultures. In the future, five major areas of WORK SMART will be selected and addressed continually for an efficient and smart working culture.

#### Five Major Areas of WORK SMART

Five Major Areas	Definition
Space	Efficient space utilization; smart working
Method	Nature of work, duty adjusting, decision-making process, innovation of personal and organizational ways of working
Acquaintance	Facilitation of interchange with the outside world; sharing of internal/external information
Result	Performance-based appraisal and corresponding rewards
Time	Work priorities; Producing results within the given time

#### WORK SMART Activity

<p>'For Commitment and Consideration,' Efficient Space Utilization</p>	<p>'For the Proper Manner of Taking Responsibility,' Time-efficient Operation</p>
<p>'For Efficient Ways of Working,' Process Review</p>	<p>'For the Firm Establishment of Culture,' Development of a Corporate Culture Evaluation Model</p>

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# Realization of Human-Centered Corporate Culture



Overview	Practice of Corporate Culture Change
Improving the Way of Working	Strengthening the development of workforce capabilities

## Strengthening the development of workforce capabilities

Coway talent development policies pursue ‘people who practice Belief in goodness and aim at ‘Good Growth’ of employees. Coway operates various programs for talent development such as corporate culture education, vocational and leadership education, etc., through which employees continue strengthening their personal expertise and professionalism.

### ● Next-generation Leader Training

Coway seeks and manages competent individuals who can grow as next-generation ‘leaders’ and ‘experts’ depending on their potential capabilities and job aptitudes. Particularly, Coway seeks developing their expertise in business areas by providing leadership education continually and opening various education courses.



**THE Good Insight**  
(a course for executives)

A curriculum for executive education that promotes ‘Big Question’ and THE bigger thinking.



**THE Good Companion**  
(for team heads)

For organization commitment, the role of a team head, who is a leader of a small organization is of importance. Thus, the curriculum for team heads supports their functions and capabilities



**Springboard for Promotion**  
(for team members)

This is a curriculum for newly promoted employees and those who have worked for three years. This program aims to help developing role/responsibility management skills and communication skills.

### ● Education Program for Each Step of Employees’ Life-Cycle

Coway has reorganized employee support programs such as vocational education, corporate culture education, and welfare benefits so that each of them can be provided at the best timing during employees’ life cycle from the early stage of joining the company in their 20s to the point of retirement age of 60. In 2015, a general course of Good Education was added, and customized special lectures for each age group were introduced.

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#### GRI Indicators

The GRI box shows all relevant indicators on this specific page  
[LA10](#)

[More on the employee education program](#)

**BUSINESS CASE**

## Strengthening Business Service Partners' Capabilities

For practical business management, Coway has achieved innovation in its education system to strengthen business service partners' capabilities. Particularly for management of CODY Capability of the best service competence in the industry, Coway provides customized education programs for each class and capability, going beyond the uniform way of management. In addition to product management, various other education programs are conducted to develop personalities and service mind as well as promote communication between the head office and hands-on workers.

[More on the sales & service partner support activities](#)

- Major activities for competency reinforcement

Strengthening Service Competence	Promoting Onsite Communication
<ul style="list-style-type: none"> <li>• Training experts through the innovative CODY training system</li> <li>• Internalizing CODY service values</li> </ul>	<ul style="list-style-type: none"> <li>• Communication channel (Naver Band) operation</li> <li>• Awarding exemplary field organizations</li> <li>• Morale-boosting programs</li> </ul>



## Sustainability Management

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- Ethics Management >
- Customers >
- Environment >
- Employees >
- Supplier >
- Sales & Partners >
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## Governance



Organization & Operation of BOD	Subcommittee under BOD
Independence of BOD	

### Organization & Operation of BOD

#### BOD Organizational Structure

As of March of 2016, Coway Board of Directors includes 7 directors: 1 internal director, 4 non-executive directors, and 2 external directors. There is a subcommittee named the management committee under the board of directors. Board members are selected among directors specialized in each area through a general meeting of stockholders in accordance with related regulations.

Classification	Name	Position/Additional Position
Chairman	Dong-hyeon Kim	CEO, Coway(Current)
Non-standing Director	Jong-Ha James Yoon	Partner, MBK Partners(Current)
Non-standing Director	Jay H. Bu	Partner, MBK Partners(Current)
Non-standing Director	Tae Hyun Park	CEO, MBK Partners(current)
Non-standing Director	Yon Sog Choi	Head of Korea, L.E.K. Consulting(Current)
Independent Directors	Joongseek Lee	Associate Professor, Graduate School of Convergence Science and Technology, Seoul National University(Current)
Independent Directors	Joonho Lee	Head of Korea, L.E.K Consulting(Current)

\* As non-executive director Byeong-ju Kim resigned from the office at the regular shareholders' meeting for the business year of 2015, Yon-Sog Choi was newly appointed as non-executive director in the regular shareholders' meeting on March 29, 2016. On March 29, 2016, two external directors were reappointed in the regular shareholders' meeting.

#### BOD Operation in 2015

The board of directors makes resolutions on important decisions according to laws or articles of association, agendas entrusted by the general meeting of shareholders, and other important aspects related to basic policies and corporate business management. The board supervises directors' performance of their duties. Regular meetings of directors are held quarterly in principle, and special meetings may be held when necessary. Board's resolutions shall be made with the presence of a majority of the members and with the agreement of the majority of the present members. The

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Related Links

GRI Indicators

The GRI box shows all relevant indicators on this specific page  
[G4-1](#)

voting right of a director with special interest in the agenda will be limited. In 2015, 9 meetings of directors were held and the major agendas include revision to the management committee's regulations, branch foundation, new appointments of external directors, etc.

## ● Performance Assessment and Rewards

Every year, directors' expertise in businesses and technical areas, activity as part of the Board of Directors, etc. are evaluated, and the results are discussed in the Board of Directors meeting. The amount of rewards for board activity is estimated based on the standards for short-term performance-based pay that reflect annual KPI, and then it is reported through a business report after the CEO's coordination and resolution in a general meeting of shareholders.

Total Rewards for The Board of Directors (unit: KRW million)	Average rewards for each person (unit: KRW million)
Registered Director : 4,000 Auditor : 400	Registered Director : 4,000 External Director : 28

1) Among 5 registered directors above, only 1 is paid.

2) Auditor Gyeong-hwan Kim resigned upon completion of his term of office in the regular meeting of shareholders on March 31, 2015, and Cheol-ungJeong was newly appointed for auditor. Accordingly, the rewards for the retired auditor were also included.

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## Governance



Organization & Operation of BOD	Subcommittee under BOD
Independence of BOD	

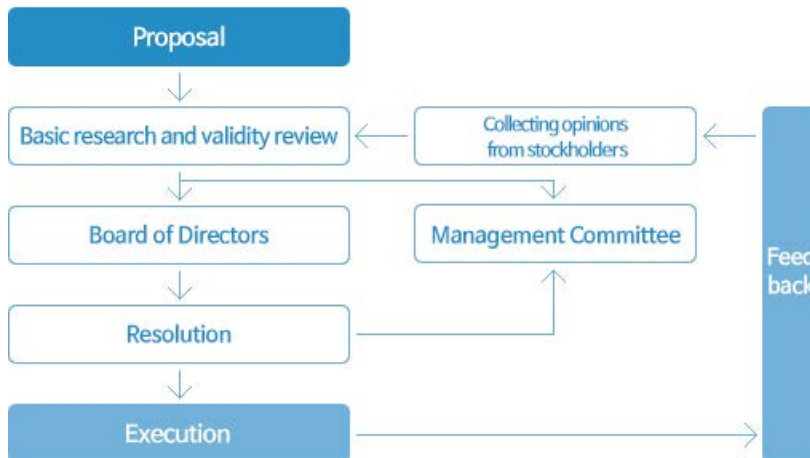
### Subcommittee under BOD

Coway operates one committee as part of the Board of Directors in order to improve the efficiency of business management activity.

#### Management Committee

The Management Committee operates under the supervision of the CEO. This is a decision-making group on certain aspects such as small scale investment for efficient business operation and prompt decision-making, and it consists of 3 individuals, appointed by the Board of Directors, including the CEO. In 2015, about 40 agendas were discussed and approved regarding management, compensation, finance, and investment. These agendas include the approval of water environment business contract conclusion, the increase of the working budget for IoT business, the approval of critical change in executive treatment and working conditions, the new establishment of the research committee system for research group, etc

#### Major Steps of Decision-making



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#### Related Links

- Annual Report
- BOD activities

#### GRI Indicators

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## Governance



### Independence of BOD

#### ● Transparency of Director Appointment Process

To secure fairness and independence, Coway appoints directors through recommendations by the Board of Directors and resolutions by general meetings of shareholders although there is no separate committee for the recommendation of external director candidate. Once a director candidate is decided prior to notification of the next meeting of shareholders, the name and brief career of the candidate are notified.

#### ● Expertise of External Directors

Coway appoints as external directors those with a wealth of expertise or experience in such areas as business management, economy, law, and related technologies. The company provides support so that external directors can implement specialized duties as part of the Board of Directors. Sufficient data is provided prior to a meeting of directors so that each can review the content in advance. When necessary, a separate presentation may be conducted, and additional information on other major issues of the company is also provided.

#### ● Independence of the Audit Committee

Coway appoints one auditor for the independent and transparent operation of the Board of Directors. The auditor can participate in board meetings and supervise directors' performance of duties independently. When necessary, the auditor can request a department to submit related registers and documents or ask the company for a report on business activity.

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- Annual Report
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## Risk Management



Management Systems

**Risks and Mitigation Actions**

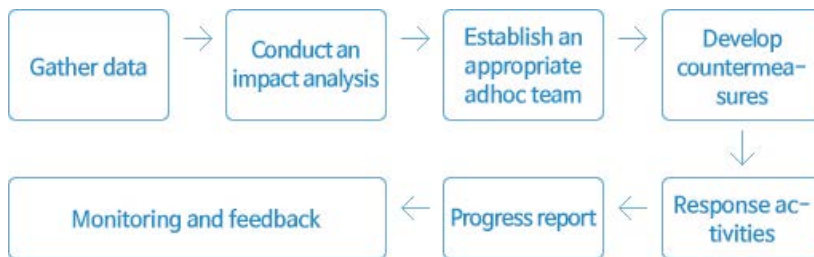
### ● Operating the organization for risk management

Coway analyzes to manage the risks that may occur during the business activity of the company. While operating a Risk Management Committee to effectively manage risks, Coway has established and operated the Issue Meeting Group in 2015 to derive the direction and solution to the crisis that may occur or continues to occur in the corporate level.

### ● Reinforcing risk response process

Depending on the risk management policy approved by the Risk Management Committee, the concrete countermeasures are conducted through the respective business units. Each business department in close and mutual cooperation identifies, assesses and prevents the risks, and if the risks are found the suitable task forces such as crisis supporting team, media response team etc. are organized according to the Impact and characteristics identified by analyzing the related information and the level of the crisis, and manage the risks by continuous monitoring even after resolving the crisis situation.

#### ■ Risk Management Process



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- Annual Report



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## Risk Management



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- Management Systems
- Risks and Mitigation Actions

### Risk management and mitigation

Each business division of Coway manages key risks associated with business activities preemptively. The financial risks such as market, credit and liquidity as well as the non-financial risks including compliance and policy etc. are also actively managed.



- Reinforced requirement of respecting compliance** ✕

Implement Ethics program for sales personnel on site  
Transparent disclosure of tax information
- The Occurrence of customers' complaint about product quality & service** ✕

Minimize product quality issues such as defect and noise  
Strengthen customer complaint management
- Managing hazardous substances, incidents, local environment load** ✕

Operate hazardous substances management system and Conduct management activity focused on prevention  
Implement education and training for preventing incidents
- Changes in policies and institution** ✕

  - Monitor policies, institutions and laws about door-to-door sales, labeling and advertising, resource circulation etc.

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**Related Links**

- [Annual Report](#)

## The main risks and mitigation activities highlighted in 2015

“ Coway is actively managing the real risks identified in the risk management process. The main risks that emerged in 2015 include business, supply chain and privacy risks etc. Coway has developed a variety of efforts to assess the impact of each risk in order to respond and manage them proactively. It has developed a variety of efforts to manage the risks proactively. ”

Emerging Risk	Risk Impacts
Business Risk	<p>environmental appliance business witnessed increasing market opportunities as the environmental pollution has deteriorating while it is essential to ensure differentiated growth strategy as the competition is gradually increasing.</p> <p>Mitigation Actions</p> <ul style="list-style-type: none"> <li>▪ To enhance premium products and service value and to secure new growth engines by developing the service combining the technology of Internet of Things</li> <li>▪ To diversify the sales channel and to enhance the business bases through the innovation of system and service.</li> <li>▪ To expand overseas business through the regional differentiation strategy</li> </ul>
Supply chain Risk	<p>Competitive composition of companies in recent years is now being intensified by the competition among supply chain. In particular, Coway keeps the business with a variety of suppliers to deliver the raw materials and components necessary for the operation and production of manufacture-based business, which makes the supply chain risk management essential part of its business activities.</p> <p>Mitigation Actions</p> <ul style="list-style-type: none"> <li>▪ Building sustainable management systems by adding the items to the supplier evaluation such as industrial safety, environment and labor contracts etc.</li> <li>▪ Strengthening the energy competitiveness by continuing to support the Carbon Partnership suppliers and preventing the supplier risks due to climate change</li> </ul>
Privacy Risk	<p>As online/mobile prevails, the acquisition and distribution of personal information has been facilitated, but the security, system, and awareness level lag behind so the social anxiety and concerns are growing.</p> <p>Mitigation Actions</p> <ul style="list-style-type: none"> <li>▪ Strengthening information security infrastructure by building a consolidated security management system</li> <li>▪ Managing the utilization of privacy in business activities</li> </ul>

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## Ethics Management



Strategy and Organization

Program

### Strategy and Organization

#### ● Strategy

Coway has made a transparent corporate culture, 'Clean Coway' based on the ethics management type of 3C(Code of Conduct, Compliance Check Organization, Consensus by Ethic Education).

### VISION

#### Ethics Management Culture "Clean Coway"



#### ● Organization

#### Ethical Management Department

- Legal Team
- Compliance Program Team
- Management Consultation Team

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#### Related Links

- [Coway Ethics management](#)

#### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-56](#), [G4-57](#), [G4-58](#)





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## Ethics Management



- Strategy and Organization**
- Program

### Program

#### ● Establishment of a Corporate Code of Ethics

In order to expand the 'Clean Coway' culture to the entire organization, Coway has enacted a specific and stipulated action instruction such as ethics charter, ethics regulation, and ethics practical instruction.

#### ● Operation of Ethics Report Center

Coway has regulated the work procedure related to the receipt, investigation, deliberation, and notice of matters that violate ethical management and the activities of detail stage to eradicate unethical action in advance.

##### ■ Ethics Report Center Operation Process


Coway receives customer reports through mail, fax and online. Once reports are received, the ethics management office will investigate, and the ethics committee will deliberate and decide, deliver the investigation result to the reporter. In addition, we shall share the relevant case to prevent repeated misconduct and to spread the exemplary case.


#### ● Consensus Formation of Ethics Management

In order to internalize and spread 'Clean Coway' culture, Coway has been strengthening ethics conscience through the ethics management PR targeting entire employees and partners and the monitoring of employees' action. In addition, Coway has implemented regular ethics education to improve recognition and practical will for ethics management.

##### ■ Programs to Reinforce Ethics Awareness

PR		Diagnosis & Monitoring	
			
CEO Message	Posters	Regular Diagnosis	Constant Monitoring
No Gift campaign for suppliers	Posters and online pop-up messages to promote sales based on proper business practices	Ethics management diagnostics at all workplaces twice	Monitoring of illegal sales practices with mystery shoppers

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**Related Links**

- [Coway Ethics management](#)

**GRI Indicators**

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## Customers

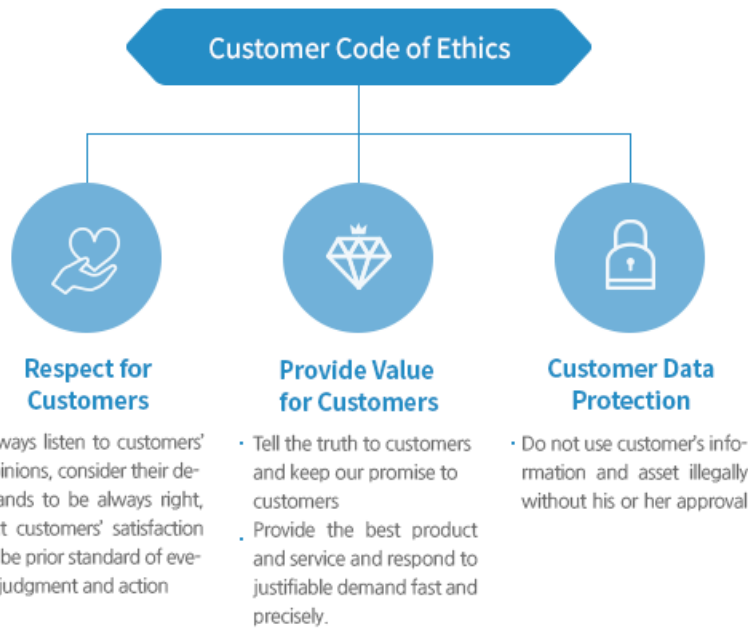


Strategy & Organization	Quality Management for Customer Satisfaction
Activities for Customer Satisfaction	Optimized Maintenance for Information Protection Management

### Strategy & Organization

Based on self-enacted customer ethics regulation, Coway has provided satisfaction beyond customers' expectation, and through this, made an effort for customers to enjoy healthier and happier life.

#### Customer Code of Ethics



#### Environment and Home Appliance Business Headquarters

Environmental Appliances Division	Production Operation Division	Strategy Innovation Division
<ul style="list-style-type: none"> <li>Customer Service Team</li> <li>CCM Team</li> </ul>	<ul style="list-style-type: none"> <li>Quality Management Team</li> <li>Quality control team</li> </ul>	<ul style="list-style-type: none"> <li>CS StrategyTeam</li> </ul>

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#### Related Links

- Customer Center
- Strengthen Customer Relationship Management



## Sustainability Management

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## Customers

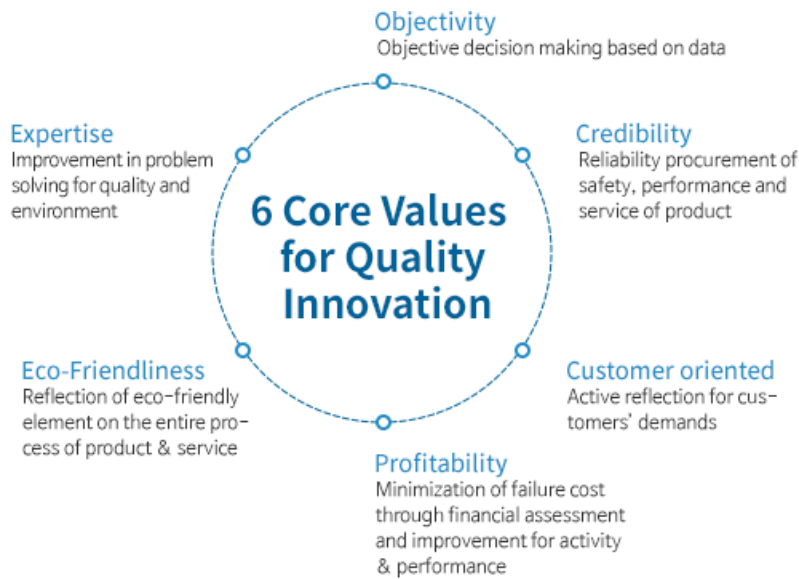


Strategy & Organization	Quality Management for Customer Satisfaction
Activities for Customer Satisfaction	Optimized Maintenance for Information Protection Management

### Quality Management for Customer Satisfaction

#### 6 Core Values for Quality Innovation

Based on six core values for quality innovation, Coway has concentrated its competency for each stage on overall quality planning and management, quality assurance and improvement activity and implemented reliability and safety verification for each stage based on the regulation at the development of product.



#### Continuous Quality Improvement

Coway has internalized quality management activities throughout the entire process from development stage to sales and disposal in order to secure the safety of products.

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#### Related Links

- Strengthen Customer Relationship Management

## Sustainability Management

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## Customers



Strategy & Organization	Quality Management for Customer Satisfaction
Activities for Customer Satisfaction	Optimized Maintenance for Information Protection Management

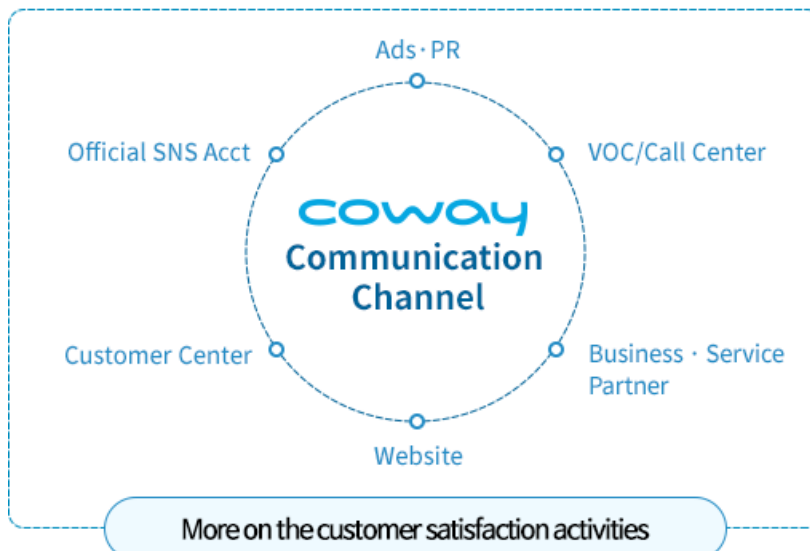
### Activities for Customer Satisfaction

#### ● Strengthening Responsibility for Product & Marketing

Coway has delivered precise information to customers through catalogues, product pamphlets, product manuals, contracts, advertisements and its website. In terms of product pamphlets, Coway has utilized visual elements of daily terminologies, pictures and symbols for easy identification by customers. In addition, Coway has emphasized important contents regarding terms and conditions or matters that customers should know, and warning marks through letter color, letter box and symbol. Moreover, Coway has notified safety precautions, characteristic and structure of product, dimension, use/installation method, and the problems that may occur due to misuse or carelessness during the use process of product by customers.

Coway has explained to customers for easy understanding of the contract content at the preparation of terms and conditions for the conclusion and separately marked important contents or mandatory matters on terms and condition. Whenever there is a change in the system and terms & conditions, Coway has informed customers in advance for a long enough period before their enactment. In addition, Coway has properly collected and managed customers' personal information to be used within clear purpose.

#### ● Strengthening Customer Communication



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#### Related Links

- Customer Center
- Ads/Commercial
- Coway Social Media Service

- Advertisement · PR

To deliver differentiated value to customers, Coway has been continuously studying customers' living environment in order to provide not only the performance and design of product but also better water and air. Moreover, Coway has shared with customers the value and identity of Coway through the advertisement that contains such will and effort.

- Official SNS Account

Coway is conducting PR for product and service targeting young customers who are familiar with SNS and at the same time collecting issues and improved opinions. It has a merit to collect sincere opinions about product and service according to features of SNS.

- VOC/Call Center

Coway has established a 5-stages VOC management system, 'Voice Forest', that leads to VOC Collection-Analysis-Improvement Task Receipt-Product Improvement-Product Efficiency Analysis.

For 365 days and 24 hours, professional consultants have responded to product and service A/S applications, transfer installation receipts, membership subscription & cancellation, other product and service related inquiries through a call center, making an effort for customers' satisfaction according to their demands. Moreover, Coway has continuously made an effort for the improvement in response rate.

- Website ([www.coway.com](http://www.coway.com))

Coway has operated a customer center on the website, and though this, implemented consultation and interpretation regarding product and service.

- Business · Service Partner

Coway has faced customers directly onsite and collected customers' complaints, damage and suggestions.



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## Customers

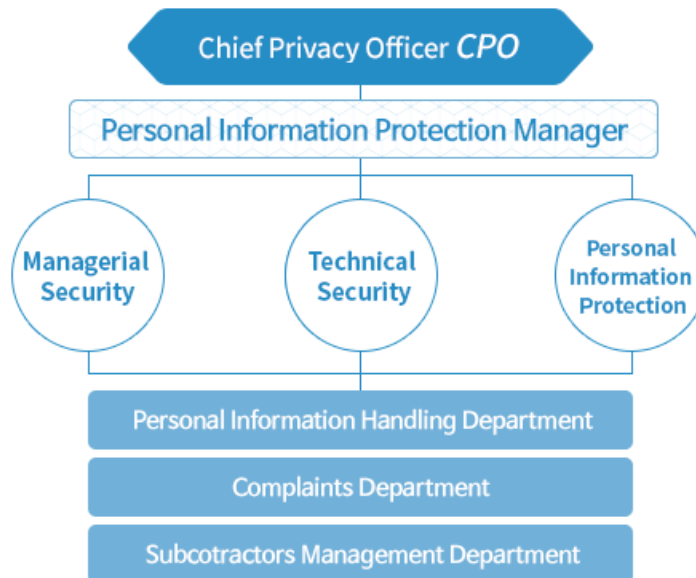


Strategy & Organization	Quality Management for Customer Satisfaction
Activities for Customer Satisfaction	Optimized Maintenance for Information Protection Management

### Optimized Maintenance for Information Protection Management

Coway has collected many customers' personal information according to the characteristic of rental business. In addition, as the online sales channel has been gradually expanded, a necessity has arisen to establish a proper information protection system for inflow and handling path of diversified customer information. Accordingly, Coway has appointed a Chief Privacy Officer(CPO) to streamline the organization and system. Especially in 2015, Coway strengthened the establishment of integrated security control system regarding data center and the environmental control for the man in charge of critical information.

### Organization for Information Protection



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Related Links

GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-1](#)

## Information Protection System



### Customer Information Collection

- According to the prohibition of Resident ID No. Collection, switch to a substitute key (D.O.B, sex, etc)



### Information Storage & Utilization

- Store ciphered personal information within DB
- Impossible to store original copy of personal information file within staffs & employees' PCs



### Customer Information Disposal

- Conduct information protection online education for entire employees
- Carry out disposal process of documents through external professional company

## Strengthening Information Management Infrastructure

### Establishment of Integrated Security Control System

Coway has established an integrated security control system that collects, distributes and controls the log of entire system with IDC\* to handle scattered customers' personal information safely. Through this, efficient control response and surveillance have become available. In addition, Coway has established a check and improvement system for weak point of IDC server system to automatically diagnose and supplement weak point monthly. As a result, the security level in 2015 was 98%, which was improved by 3% compared to the previous year, but also by completing the supplement of remaining weak points, a protection system for customers' personal information was strengthened. In the future, Coway shall apply IDC to the entire system and establish a real time monitoring system for the security weak point.

\*IDC(Internet Data Center)

### Rearrangement and Control Reinforcement of Personal Information Handling Process

Most of recent domestic leaks in customer personal information have occurred by personal information handling personnel and IT partners. Coway has established VDI\* to personal information handling personnel and partners to prevent such leaks and progressed all works through VDI to block external leak of critical information. In addition, Coway has not only diagnosed and supplemented security weak points by conducting simulated hacking, but has also improved the response competency against invasion.

\*VDI(Virtual Desktop Infrastructure)

Solution to provide a virtual desk top and data storage space for each user utilizing server resource that is operating central to virtual. Especially, it is safe from hacking risk and possible to block data leak fundamentally

## Inspiring Security Awareness of Staffs & Employees

### Information Protection Education

Coway has strengthened not only the competency of information protection in technical view but also the information security through the enhancement of information protection awareness of employees. In 2015, Coway conducted the education for company's information protection policy, information protection related law revision and misuse cases and enhanced its effectiveness by specifying online education for each duty. Coway is planning to upgrade the educational contents for easy understanding and to strengthen the internal sanction against the violation of

security matters.

### Major Performance for Information Protection Education

- Specification of online education for each duty
- Implementation of education reflection on result after sending spam mail
- Assessment of improvement in security awareness after education



The No. of Implementing Information Protection Diagnosis

45times



The No. of employees educated in Information Protection

2,781



Tracking out and Monitoring an invasion

24hours

#### ▪ Information Protection Diagnosis

Coway has implemented the information protection diagnosis by specifying into frequent and regular system diagnoses and conducted monitoring on the procurement status of personal information in PC and the system access record of personal information handling. Coway conducted total 45 times of diagnosis in 2015, and identified security procedure violations were corrected and supplemented by 100%. In addition, Coway paid a direct visit to major business sites to proceed with the system diagnosis through actual condition check and IDC simulated hacking to induce employees of each business site to proceed with security activities voluntarily.

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## Environment



Strategy & Organization	Response to Climate Change
Resource Circulation Activation	Hazardous Substance Management

### Strategy & Organization

#### Strategy

Coway has proclaimed the environmental management since 2006 to minimize the environmental effect by company's management and installed an environmental management committee and an exclusive department, and managed four fields of climate change, resource circulation, hazardous substances, and communication. In addition, we create a Carbon Report open to the public in order to provide investors and consumers with the transparent information on emissions and reduction activities of greenhouse gases caused by the business activities of Coway.

## VISION

**1st Green Global Leader who Designs Healthy Future**

- Reduce GHG intensity by 50% until 2020 compared to 2010
- Reduce environmental load by 15% through green products and services



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**Related Links**

- Develop Innovative & Eco-Friendly Products

**GRI Indicators**

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## Environmental Management Organization



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## Environment



Strategy & Organization	Response to Climate Change
Resource Circulation Activation	Hazardous Substance Management

### Response to Climate Change

#### ● Expansion of Introduction to New Renewable Energy

Coway installed and operated solar power generations at Pocheon Factory in August 2013(45KWh scale), Yugu Factory in September 2014(49.5KWh scale), and Incheon Factory in July 2015(39KWh scale). In 2015, these three factories showed the effect of 62 ton reduction in greenhouse gas by producing 133,496KW electric power for self consumption.

Moreover, to transparently provide investors and customers information about emissions and activities for reducing GHG ejected by operation, Coway makes a Carbon Report and then disclose to the outside.

#### ● Operation of Carbon Partnership

With the Carbon Partnership established with suppliers, solar-light power generation facilities were supplied to two partners in 2015, producing electric power of 55,961KW internally and reducing 26 tons of greenhouse gas emissions. In addition, Coway has collected and recycled 6,353 ton of plastic wastes, establishing the resource virtuous circulation structure.

#### ■ Coway Integrated Energy Management System



#### Establish Energy Management System in suppliers

- Establish an energy management system according to the management status of energy greenhouse gas by suppliers
- Possible to conduct a real time monitoring on energy greenhouse gas



#### Establish Coway-suppliers Energy Network

- Share a real time information about energy greenhouse gas with suppliers through Coway-suppliers Online System and establish on/off line network
- Accomplish goals of shared growth and win-win cooperation through the mid & long term strategy establishment between Coway and suppliers
- Distribute/spread, establish a support measure for energy management system of suppliers



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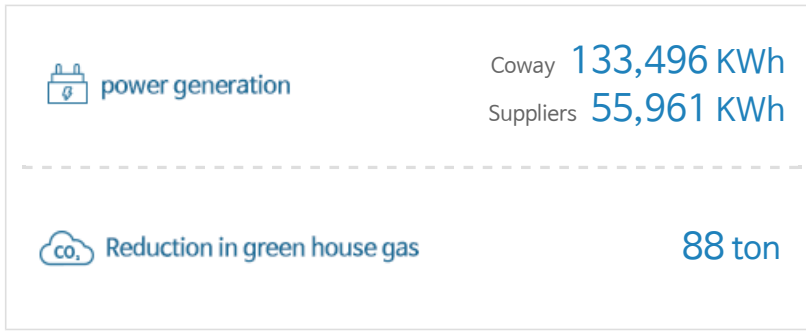
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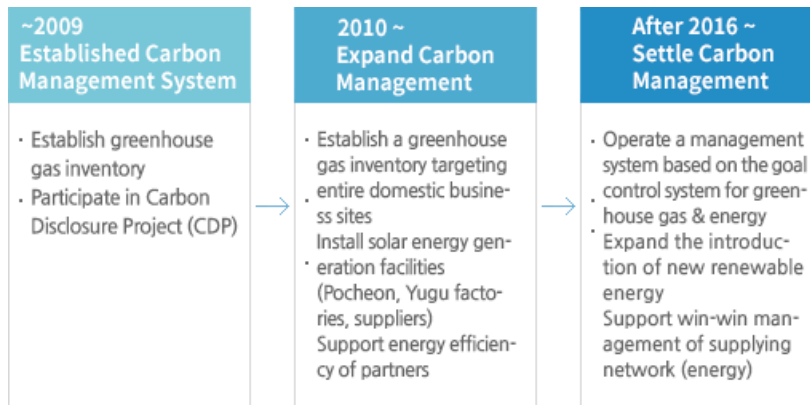
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Photovoltaic power generation



Assured by Korea Management Association Registration Inc.

● Response to Climate Change Roadmap





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## Environment



Strategy & Organization	Response to Climate Change
Resource Circulation Activation	<b>Hazardous Substance Management</b>

### Response to Resource Circulation

#### ● Manufacturing Refurbished Product

A refurbish, the representative recycle system of Coway, not only satisfies customers who demand reasonable and economical consumption but also achieves the double effect on the minimization of environmental problem through the reuse of resources. In 2015, Coway manufactured 21,535 refurbished products.

	2013	2014	2015
Sales of Refurbished Products	28,123	18,583	21,535

#### ● Plastic Waste Recycle

Products that Coway manufactures are not included in EPR (Extended Producer Responsibility), but Coway, who considers the environment, has manufactured the refurbished products but also voluntarily returned and recycled the entire disposed appliances that have been manufactured by our company. Through this, in 2015, Pocheon Factory indirectly reduced greenhouse gas of 7,485 tCO<sub>2</sub>e.

	Unit	2013	2014	2015
Recycled Waste Plastic	Ton	5,638	6,198	6,353
Greenhouse Gas Reduction	tCO <sub>2</sub> e	6,643	7,303	7,485

\*Calculated based on M.O.E's guideline on carbon labeling, and waste emission factor by treatment

#### ● Coolant Return & Recycle

Coway water purifier uses a coolant gas (R-134a) to realize the coolant performance GWP of R-134a coolant gas is 1,300, which generates greenhouse gas because of its waste coolant. Accordingly, Coway Pocheon Factory operates a coolant return facility,

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#### Related Links

- Develop Innovative & Eco-Friendly Products

#### GRI Indicators

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#### SDG Goals

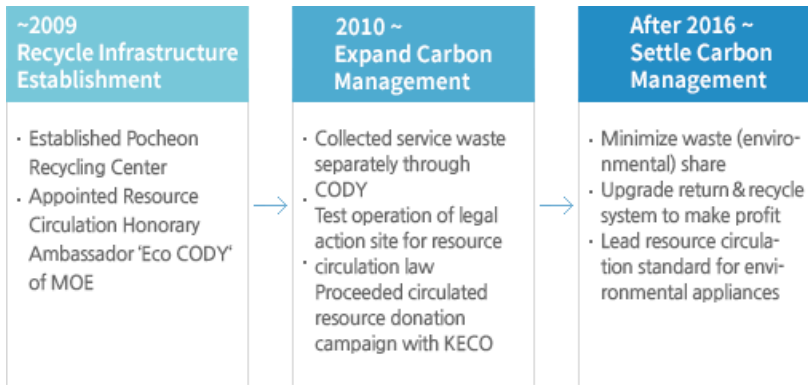
The SDG box shows all relevant goals on this specific page [Goal12](#)



and through this, greenhouse gas of 19,359 tCO<sub>2</sub>e was reduced in 2015.

	Unit	Types	2013	2014	2015
Coolant Return & Recycle	Kg	R-12	1,200	1,000	1,910
		R134a	3,430	3,120	2,600
Greenhouse Gas Reduction	tCO <sub>2</sub> e	R-12	10,464	8,720	16,655
		R134a	3,567	3,245	2,704

### Major History & Future Direction



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## Environment

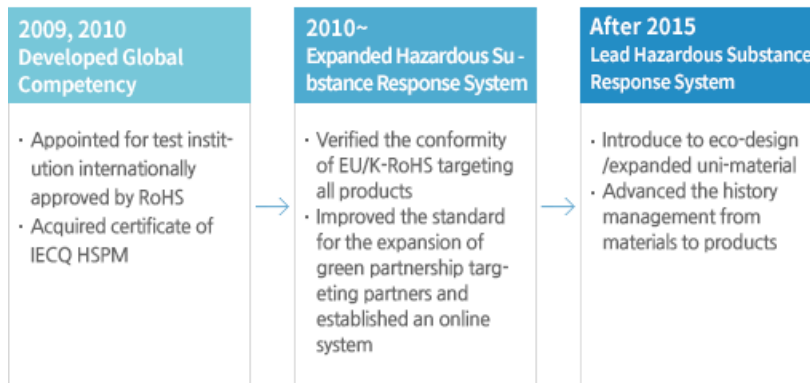


Strategy & Organization	Response to Climate Change
Resource Circulation Activation	Hazardous Substance Management

### Reinforcement of Hazardous Substance Management

Coway has established a hazardous substance management system to minimize the environmental effect and managed all manufactured and sold products to satisfy the restriction standard for European and domestic hazardous substances. Since 2010, Coway has voluntarily verified the conformity by applying EU/K-RoHS standard to all products being used. Especially, in 2015, Coway expanded K-RoHS response to receive the verification of conformity of all products after completing 100% registration of service part code. Moreover, for revised China-RoHS in 2015, Coway completed the response of 30 models to target overseas environmental appliance market more aggressively and enhanced the reliability of products to respond to both the demands related to the global environmental restriction and the use of hazardous substances by global customers.

#### Major History & Future Direction



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#### Related Links

- Environmental management

#### GRI Indicators

The GRI box shows all relevant indicators on this specific page [EN24](#)



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## Employees



Strategy & Organization

Management Program for Employees

### Strategy & Organization

Coway has connected life cycles of employees with the direction of fostering Coway's talented people, and operated the programs of a creation of corporate culture for each stage, a competency education, and a welfare support according to careers of employees.

#### Employee Life Cycle Support Program

	Culture	Education	Welfare
Entry level & assistant manager	<ul style="list-style-type: none"> <li>Company Understanding</li> <li>Core Value</li> </ul>	<ul style="list-style-type: none"> <li>Manner/Financial Tech.</li> <li>Duty Basic</li> </ul>	<ul style="list-style-type: none"> <li>Education Fund</li> <li>Loan Payment</li> </ul>
Senior manager	<ul style="list-style-type: none"> <li>Communication</li> <li>Core Value</li> </ul>	<ul style="list-style-type: none"> <li>Problem Solving</li> <li>Professional Duty</li> <li>Leadership Basic</li> </ul>	<ul style="list-style-type: none"> <li>Housing Fund</li> <li>Marriage Support</li> <li>Childbirth Support</li> </ul>
Deputy department heads	<ul style="list-style-type: none"> <li>Career Development</li> <li>Core Value</li> </ul>	<ul style="list-style-type: none"> <li>Performance Management</li> <li>Leadership Development</li> <li>Core Talented</li> </ul>	<ul style="list-style-type: none"> <li>Organization Management</li> <li>Leadership Development</li> <li>Decision Making</li> </ul>
Department heads	<ul style="list-style-type: none"> <li>Community for each generation</li> <li>Conflict Management</li> </ul>	<ul style="list-style-type: none"> <li>Organization Management</li> <li>Leadership Development</li> <li>Decision Making</li> </ul>	<ul style="list-style-type: none"> <li>Changing job support</li> </ul>
※ Additional application toward higher rank			※ Common Matters Funeral Service, Congratulations, Consultation, etc.

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#### Related Links

- Coway's Recruit
- Practice of Corporate Culture Change

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## Employees



Strategy & Organization

Management Program for Employees

### Management Program for Employees

Coway has made an effort to grow together with employees, and to create much better work environment. Coway has been operating various programs not only to raise the work satisfaction but also enhance the degree of satisfaction by maintaining the balance of work and life.

#### Supporting Work-Life Balance

Coway has installed a Refresh Zone to relieve stress and fatigue and to demonstrate creativity but also has been operating a "Health Care Center" that provides professional massage service and massage chair. In addition, on every first and third Wednesdays of month, 'Love My Family Day' has been operated for employees to leave the office on time and spend time with their families. Besides this, Coway has been implementing programs for employees to find the balance between work and life, such as 'Coway Day' when families of new employees are invited to experience company and corporate culture and 'Coway Happy Farm' where employees can cultivate crops with their families by creating farms in Suwon and Paju.

#### Performance-based compensation

Coway evaluates the performance and competency of individual staff or employee with which the compensation and the end of year incentive are commensurate, and according to the assessment grade, the increase rate in ability allowance is applied up to 140%. Coway has been also operating a compensation system for the improvement in R&D competency that is the basis for future growth. When employee petitions a patent, he or she will receive a compensation for each case and the degree of difficulty. Every year, in order to maintain core manpower, Coway pays 300-400% retention incentive out of monthly salary to 3-5 researchers.

#### Empowering our employees

Coway's policy to foster talented people has a goal for 'Good Growth' of employees based on 'a talented person who practices 'Belief in goodness'. Coway implements an internalizing education of philosophy and core value, a customized training for HQ and individual, and a leadership training for each position.

- Major Training Programs

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#### Related Links

- Realization of Human-Centered Corporate Culture

#### GRI Indicators

The GRI box shows all relevant indicators on this specific page  
[G4-53, LA2, LA11](#)

 <b>Mandatory Education Courses</b>	<p><b>Management Philosophy &amp; Core Value Internalization</b></p> <ul style="list-style-type: none"> <li>- To share the management philosophy of company and to internalize the core value, a 'Beyond Coway' education is conducted every year, and to develop the emotion of employees, a 'Good Education' is conducted.</li> </ul> <p><b>Other mandatory education</b></p> <ul style="list-style-type: none"> <li>- An education is conducted for the basic principle of which employees should be aware essentially.</li> </ul>
 <b>Self Initiated Learning</b>	<p><b>Selective Course</b></p> <ul style="list-style-type: none"> <li>- As a course for the self development of individual member, 3rd year selective course for each position, externally contracted courses and 2,000 online courses are conducted.</li> </ul> <p><b>Selection Process</b></p> <ul style="list-style-type: none"> <li>- A course is conducted to foster core talented people within the company and foreign employees.</li> </ul>
 <b>Leadership Training for each Position</b>	<p>Various trainings are conducted for a common course for team leaders and a common course for employee according to the supplementary positions. Through this, goal and vision of individual and organization have been arranged to one direction.</p>

[More on the Activities](#)

## ● Practicing Change in Corporate Culture

Good meeting and workshop have been conducted to realize the cultural difference by the characteristic of each HQ and to have the same direction in the level of company. A vision program, 'Beyond Coway', has been operated to internalize all employees with managerial spirit and vision system.

[More on the Activities](#)

## ● Enhancing the Ways of Working, 'Work Smart'

[More on the Activities](#)

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## Supplier



Strategy & Organization	Supply Chain Management System
Support Program for Supplier	Spread Win-Win Culture of Communication

### Strategy & Organization

Recent competition structure of companies has been expanded to the competition between supply chain including suppliers. The importance of fulfillment in social responsibility has been increased in view of supply chain. Especially, Suppliers are companions who play a role of supplying products and service in a value chain of Coway, and their competitiveness directly connects to that of Coway.

#### ● Shared Growth Policy

Coway has supported suppliers to grow into small giants equipped with competitiveness through the shared growth policy centered at effectiveness.



#### ● Standardization of Fair Trade Compliance Regulations

Coway has operated a win-win cooperation guideline to reflect the right and benefit of partners fairly at trading with them and to prevent the abuse of superior negotiation power of the primary company. Especially, in 2015, Coway conducted the standardization within the company for 4 major guidelines based on the established regulations of Fair Trade Commission and shared changed matters with entire partners through SCM and partners' win-win portal\*.

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#### Related Links

- Supplier Portal



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## Supplier

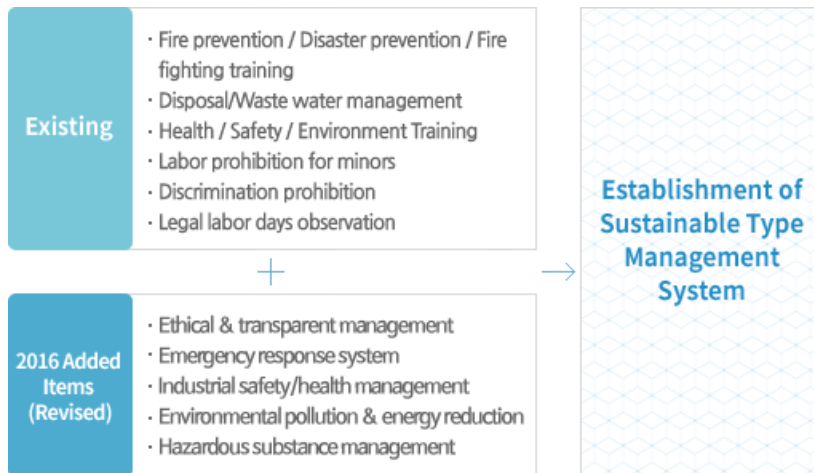


Strategy & Organization	Supply Chain Management System
Support Program for Supplier	Spread Win-Win Culture of Communication

### Supply Chain Management System

Coway has annually conducted one general assessment on suppliers under the conviction of shared growth, that is the 'Fostering of Small Giants through Strengthening the Competitiveness of Suppliers. In 2015, Coway established a sustainable type management system by adding legal and social aspects such as industrial safety, environment and labor contract to the existing partnership assessment items and it is scheduled to be implemented from the year 2016 in full scale.

#### CSR Management Item Changes



#### Assessment Process for Suppliers

Coway's assessment on suppliers is carried out basically for actual condition assessment, performance assessment, and managerial stability, being operated with such a type that points are additionally added to the company with excellent innovative activity and communication. Assessment results are classified from A grade to D grade. For excellent partners (A,B), the expansion of order quantity and the qualification for consultation member group are given. But for weak partners(C,D), penalties of restricted development and quantity reduction are given. If any company receives D grade for two consecutive years, Coway stops trading.

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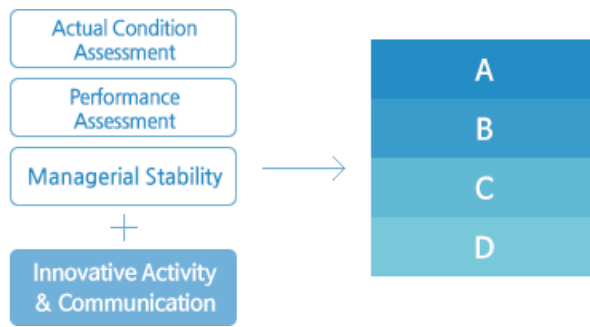
#### Related Links

- [Supplier Portal](#)

#### GRI Indicators

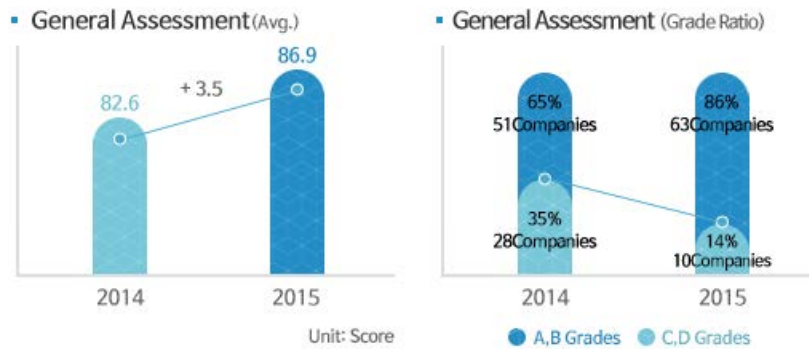
The GRI box shows all relevant indicators on this specific page  
[LA14, SO9, SO10](#)





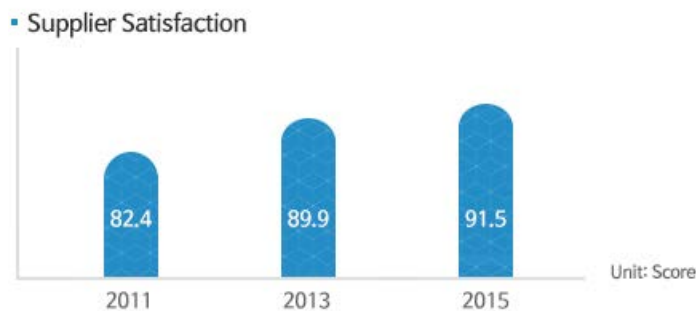
### Suppliers Assessment and Satisfaction Results

Coway implemented a general assessment targeting 73 suppliers in 2015. From the assessment result, the general score of suppliers was 86.9 point, which was increased by 3.5 point compared to the previous year, and the ratio of A, B grades for suppliers also was 86% increased by 21% compared to the previous year. Especially, 28 companies were classified to a weak partnership company in 2014, but in 2015, 10 companies were improved successfully.



Biennially, coway conducts satisfaction surveys for every supplier. Since 2011, supplier satisfaction have continued to increase.

In 2016, an assessment has been introduced, based on CSR management items, to strengthen CSR supply chain, and a reward system has been introduced for excellent suppliers to give incentives for management improvement and innovation pursuit and to stabilize win-win cooperation structure with Coway.



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## Supplier



Strategy & Organization	Supply Chain Management System
Support Program for Supplier	Spread Win-Win Culture of Communication

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### Related Links

- Supplier Portal

## Support Program for Supplier

### Strengthening Basis for Management Stability

In order to improve the management stability of suppliers, Coway has supported not only financial support but also the participation in overseas exhibitions.

Fund Support	Operate support systems of KRW 20 billion scale win-win fund and KRW 3 billion upper limit fund with no interest
Payment Condition Improvement	After 2013, pay in 100% cash within 10 days at delivery
Delivery Unit Price Adjustment	Reflecting the price increase of raw materials, adjust the delivery unit price within 30 days if supplier requests
Payment Method	Cash (cashable) payment ratio 100%
Sale Expansion	To expand the sales of partners, support joint marketing and participation in overseas exhibitions



### 2015 Performances

- Total support amount : KRW 22.85 billion
- Payment Method : 100% (Cash)
- Payment Condition Improvement : 9.86 days
- Overseas exhibitions: held 3 times
- Purchase consultation: participated 2 times

### Supporting Growth Infrastructure

Coway has developed various activities to strengthen the infrastructure by supporting not only training and technical support but also hiring excellent talented people to grow continuously.

Training	Operate training course to foster talented people for each class and competency of suppliers
Technical Support and Protection	Support technology and operate protection program to secure the technical competitiveness of suppliers

Recruit Fair	Support a manpower training course for new manpower recruit fair to support hiring talented people
Carbon Partnership	Establish a green partnership to support the reduction of carbon emission
Reliable Technology Support	Support reliability related technology such as part test and failure analysis



### 2015 Performances

- Total trainees : 960 people
- Total support amount : KRW 438 million
- Joint development : 12 cases
- Technology protection : 8 cases
- Recruit : 6 companies
- Manpower support : 20 companies
- Support for Suppliers installation Solar Power : 2 companies
- Productivity : improved 33%



### VOICE OF STAKEHOLDERS

“ Through Coway's manufacturing innovation program, SAM-WOON Inc. was able to strengthen its competency of field, quality, product which is base of sustainable growth and to establish inherent manufacturing system. ”



Win-win special force of Coway is an activity operated with a purpose to support a necessary competency to supplier and to strengthen competitiveness. It is a representative technology support activity that improves weak points at fields by dispatching Coway's employees to our company for two months. In 2015, Win-win special force of Coway had paid a visit to our company for two months to develop sustainable productive innovation. Win-win special force of Coway is an activity operated with a purpose to support a necessary competency to supplier and to strengthen competitiveness. It is a representative technology support activity that improves weak points at fields by dispatching Coway's employees. through this, they strengthened manufacturing competitiveness much higher.

Chun-man Lee  
CEO, SAMWOON Inc.

#### Main activities



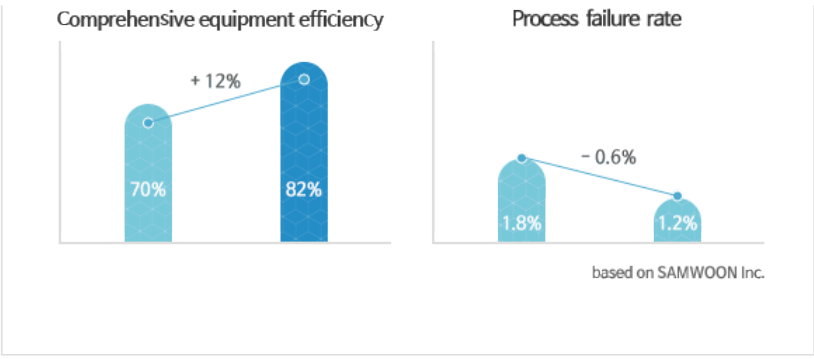
Field Innovation



Quality Innovation



Production Innovation



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## Supplier



Strategy & Organization	Supply Chain Management System
Support Program for Supplier	Spread Win-Win Culture of Communication

### Spread Win-Win Culture of Communication

#### ● Operating Autonomous Communication System

Since 2013, Coway has activated autonomous communication between suppliers and operated 'Belief in goodness Consultation' to improve competitiveness of suppliers through mutual comparison and analysis. Through this consultation, Coway has established a new shared growing culture as well as a shared growth between suppliers



#### Major Program Accomplishments of Belief in goodness Consultation

- Operate partnership company's CEO MBA (100 people completed)
- Support innovative activities of manufacturing process (20 companies in 2015)
- Participate in overseas exhibitions and overseas small giants benchmarking
- Collection through 1st and 2nd VOC and Improvement activity of zero complaint

#### ● Creation Win-Win Culture between Tier 1 and 2 suppliers

C.E.O and staffs of general purchase in charge in Coway paid a visit to secondary suppliers in order to promote a true shared growth through the communication with suppliers and converged opinions of suppliers. In 2015, Coway visited total 11 suppliers, and reviewed new and quality improved items, and implemented a bench marking for primary excellent suppliers.

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**Related Links**

- [Supplier Portal](#)



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## Sales & Partners



Organization	Strengthening Onsite Communication
Strengthening Onsite Support	

Coway has supported the sustainable growth of sales & service organization that plans to 'Grow Together' conforming to the basic direction of Coway.

### Organization

'CODY', who is not only the driving force of business in Coway but also the communication at the contact point of customers, has conducted management in customers who are using environmental appliances and each product, to enhance the degree of satisfaction in brand and company at the closest place to customers. Accordingly, Coway has supported sales & service partners unsparingly to proceed onsite service and sales activity to customers more easily.

	<p><b>CODY</b></p> <ul style="list-style-type: none"> <li>- Visit customer's house to check environmental appliances of water purifier and air purifier and provide sanitary management service</li> </ul> <p><b>Home Care Doctor</b></p> <ul style="list-style-type: none"> <li>- Provide periodic mattress sanitary management service targeting care service members</li> </ul>
	<p><b>CS Doctor</b></p> <ul style="list-style-type: none"> <li>- Maximize customer satisfaction by providing product installation, transfer, disassembly service and A/S</li> </ul>
	<p><b>HP, BP</b></p> <ul style="list-style-type: none"> <li>- On behalf of the company, deliver product information to customers and implement sales activity</li> <li>- Collect information and idea directly in the fields</li> </ul>

### Operating Complaint Manager

Responding to customers' complaints, in order to prevent no handling or mishandling of claim, Coway has operated CS Doctor complaint manager. Through this, not only Coway has effectively supported onsite works but also has prevented risks due to complaints in advance.

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#### Related Links

- Coway'S CODY

 VOICE OF STAKEHOLDERS

“ While I have worked as a CODY, the point I have changed is just the change in values. I was passive before, but now I have a first thought that 'I can do it' . Likewise, I used to find myself who has more grown and developed through Coway CODY. ”

I left the bank after four years with my marriage, and I have indulged in a child care while living as a housewife for eight years. I tried to find a job. At that time when I gave it up because there was no such job I could work while taking care of my child, I came to know about a vocation, CODY, through my acquaintance. I challenged when I saw people work while raising their children without any difficulty. In fact, at that time, I felt a great burden rather than excitement as I had a 8 years of cut off career.

However, I was easily able to adapt to systematic mentoring system and education for each stage. I was able to overcome the period of cut off career thanks to various support such as customized coaching according to personal inclination and to advance to society successfully. Likewise, I have a sense of accomplishment thinking that through CODY not only I have received financial assistance for my family but also I have grown and developed by myself.

Ms. Sun-young Cho  
CODY, Coway



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## Sales & Partners



Organization	Strengthening Onsite Communication
Strengthening Onsite Support	

### Strengthening Onsite Communication

#### ● Activating communication with onsite

Coway has operated social media to activate the company-wide level communication. The BAND that is being operated for onsite organization unit such as head office/administration office/branch office/team/staff, makes a real time communication possible but also contributes to the activation of communication between among office-field-local by proceeding with various events. Especially, through the prevention BAND for PL(Product Liability), a real time onsite report to corporate branch was accomplished actively to prevent 256 cases of PL accident for one year in 2015, and through this, the cost of about KRW 500 million was reduced.

#### ● Implementing onsite excellent organization reward & encouragement program

Coway has operated an award system 'Excellent Organization' and 'Customer Compliment' to encourage onsite. In 2015, through general assessment, Coway selected and encouraged 60 branch offices who had accomplished excellent performances and excellent CODY who had been recommended by customers through customer center and website. Coway planned 'Family Emerges' 'HIGHPASS' where head office, sector, and onsite family jointly participate, and boosted onsite manpower and strengthened onsite communication.

#### ● Implementing performance share program

In 2015, Coway implemented a performance compensation system, 'Performance Share Program' for the first time as for one of activities to encourage the spirit of onsite. CODY and CS doctor selected tasks for quality improvement in onsite service, and employees received incentives out of their contribution to the creation of performances. In 2015, total 3 tasks were implemented and total KRW 175 million was paid.

#### ■ Performance Share Process



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#### GRI Indicators

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[PR3](#)



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## Sales & Partners



Organization	Strengthening Onsite Communication
Strengthening Onsite Support	

### Strengthening Onsite Support

#### ● Operating Education Program

To foster onsite manpower, Coway has strengthened the support for CODY and CS doctor with team leader companion settlement, mentoring system upgrade, and expansion of overseas training for excellent CS doctor (CODY connection), and scholarship support for excellent doctor's children.



#### ● Effort to Expand Right Way Business Culture

Coway has developed a program to eliminate irregular business to strictly practice ethical business activity. First, in 2012, Coway improved the ethics management system to set up a rebuke policy criteria and an irregular business investigation process, and strengthened responsibility criteria. Every year relevant systems have been upgraded. In addition, through the activity of 'Mystery Chauffer', Coway has implemented frequent monitoring and on/offline training for ethical business activities to prevent irregular business in advance.

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#### Related Links

- CODY's Education & Welfare Program

#### GRI Indicators

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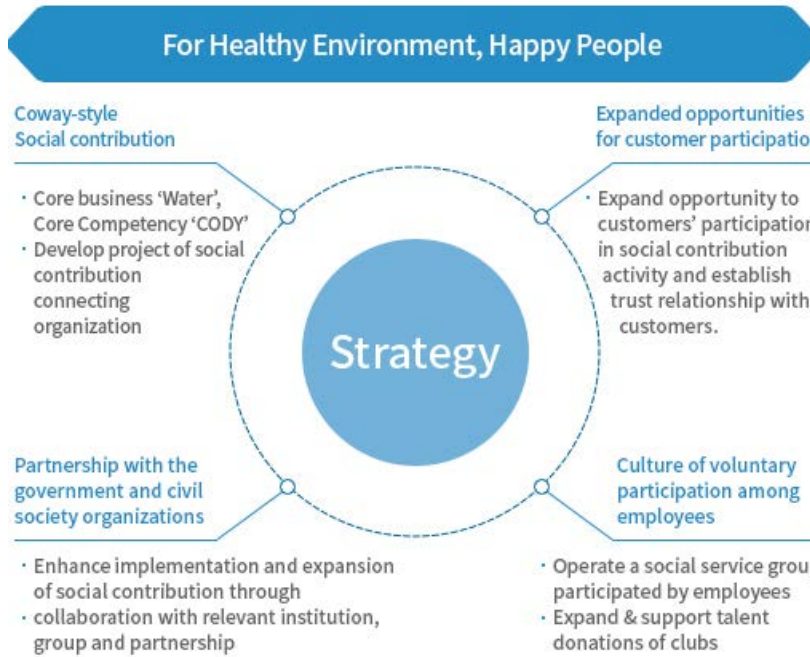
## Community



Strategy & Organization	Coway-Style Social Contribution
Expanding Share Culture	Establishing Share partnership

### ● Strategy & Organization

Coway implements a social contribution for environment and people based on the will of 'Belief in goodness' to contribute to making the better world. Coway is promoting by focusing on the business of 'Coway Style Social Contribution' that contributes the Coway's most able activity to the place connected with core business.



- Coway Volunteer Group

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### Related Links

- Social Contribution (Official Website)

### GRI Indicators

The GRI box shows all relevant indicators on this specific page [EC7, SO1](#)

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## Community



Strategy & Organization	Coway-Style Social Contribution
Expanding Share Culture	Establishing Share partnership

### Coway-Style Social Contribution

Coway is promoting by focusing on a 'Coway-Style' project such as water source pollution, water shortage and women's career cut off through connection with core business.

#### ● Happy well project in Cambodia

Coway has proceeded with 'Digging wells in Cambodia' every year since 2006 with a slogan '1,000 Wells for 10 Years' to solve the water shortage and water quality of local residents in Cambodia. Although Coway does not have the same interest in Cambodia such as Coway's factory or overseas corporation, as a representative water company, Coway has done such activity to implement our responsibility for water.



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Related Links

GRI Indicators

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## VOICE OF STAKEHOLDERS

“Coway has shown the right social contribution activity by seeking for regions where clean water is required and keeping its promise for the past 10 years.”

Coway successfully completed its global social contribution campaign aimed at digging 1,000 wells in 10 years in Cambodia. 1,000th well behind me was the fruit of promise that Coway, a company from far away country, had shown to us for 10 years. Many companies implement social contribution activities as a one-time event without long-term plans. However, Coway has shown the right social contribution activity by seeking for regions where clean water is required and keeping its promise for the past 10 years.

The Governor of Kampot State  
- Khoch Kunhour -

### ● Re:NK's Program to Support Women Who Discontinued Career Development



In order to help the society advance and economic independence of women who have been cut off from their careers due to child birth and child care, Coway has been operating 'Re:starter Beauty College'. In 2015, Coway recruited women for the second term to provide a beauty professional education for four months. Participants started the second stage of their life after achieving the national certificate of skin care specialist.

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## Community



Strategy & Organization

Coway-Style Social Contribution

Expanding Share Culture

Establishing Share partnership

### Expanding Share Culture

#### ● Culture of voluntary participation among employees

Coway has developed the activities of social contribution to settle the contribution culture in the entire organization and spread it to the society, which contributes to the development of local society



#### ▪ Belief in goodness Volunteer Activity Sharing Briquette

Since 2009, Coway has assisted coal briquette to our neighbors under difficult living environment to prepare for the winter season. In December 7, 2015, including C.E.O, about 120 employees from Busan and Gyeongnam regions participated to deliver 26,500 briquettes to poor neighbors. Especially, briquettes used for voluntary activity was purchased with coins collected for one year in piggy banks by CODY and employees, which emphasized the meaning of share.



#### ▪ Small Sum Regular Donation Program 'Hanbyum' Love

Coway's employees have conducted a small sum regular donation as a part of sharing activity in the company. The 'Hanbyum' Love means a 'Coway's sole good sharing culture to help neighbors and practice a great love by drawing hand span of things I have'. Each of employees has selected a project that he or she wishes to support

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#### GRI Indicators

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[SO1](#)

among assistances to abandoned children, drinking water support in country of national water shortage, and foundation of schools; and given donation of KRW 1,000 regularly every month. Coway has assisted the additional amount of money by matching one to one with employees' donation at company level.





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## Community



Strategy & Organization	Coway-Style Social Contribution
Expanding Share Culture	Establishing Share partnership

### Partnership with the government and civil society organizations

#### ● Good Water Purifier Campaign for Clean Water to Neighbors under Difficulty



Coway has developed ‘Good Water Purifier Campaign’ with a public service foundation, NAVER Happy Bean. This campaign has been implemented to provide a clean water to neighbors under economic difficulty and poor environment, who cannot even drink water safely that is the basic for life. Coway has opened a campaign page in [Happy Bean](#), and received donation requests for water purifiers with stories from social welfare groups for one month. In order to raise the effectiveness of activity, Coway has selected target institutions among social groups around the places where governmental support cannot reach. Coway has selected 157 social groups among total 285 groups who requested for donation and donated refurbished water purifiers (CHP-590N-RA). Coway has not stopped supporting just after one time support but fulfilled continuous product management.

\* Participation Period : Aug. 12, 2015 – Sep. 13, 2015

#### ● Activity for Water Quality Improvement in Regional Drinking Water

##### ▪ Agreement between M.O.U & Chungcheongnamdo, Free Assistance of Water Purifier to 1,000 households

In farming area, problems have been speculated for livestock manure, compost, and pollution problems of ground water and drinking water source due to sewage water through agricultural activities. Accordingly, Coway has spread the activity for the improvement in regional drinking water quality through the cooperation with local

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#### Related Links

- ‘Good Water Purifier Campaign’

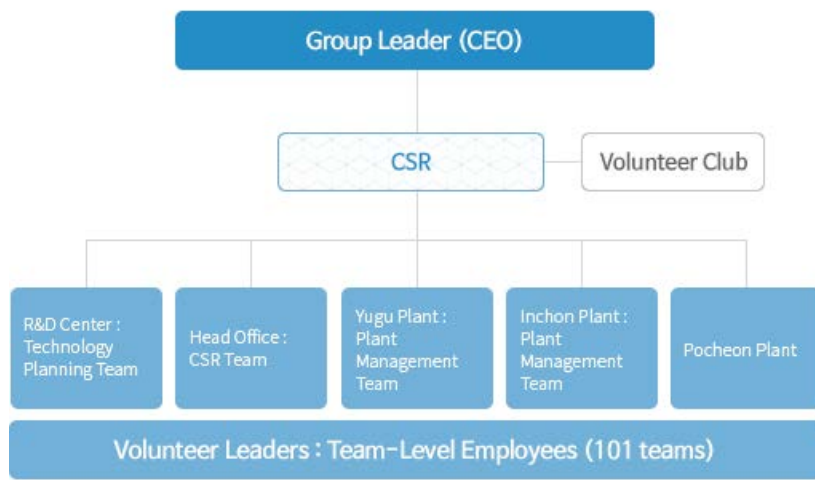
#### SDG Goals

The SDG box shows all relevant goals on this specific page  
[Goal 6, 14, 15](#)

society. In 2015, Coway concluded an agreement of 'Safe Underground Water Support Project' with M.O.E that supports water purifiers to polluted underground water regions of farming area for five years by 2020. Coway will not only support Coway's water purifiers mounted with a reverse osmosis filter to about 500 households but also promote the technical support to improve underground water and the study on the efficient management plan for underground water.

In addition, Coway concluded an agreement of 'Reverse Osmosis Water Purifier Support Project for Drinking Safe Water' with Chuncheongnamdo by 2020 to improve the water welfare of poor class in the regions without drinking water supply within the province. Coway will supply about 600 water purifiers mounted with a reverse osmosis filter to keep health of poor class within the province who use drinking underground water with excess of quality standard and provided free regular maintenance service for five years. Moreover, Coway has participated in the preparation of plan to improve the quality of underground water in Chungcheongnamdo, and will support technology to improve water environment by 2020.





## Resources

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## Sustainability Data Disclosures



Economic	Social
Environmental	

### Organizational Scope

#### Financial Data

Summary of Consolidated Financial Statements		Unit : KRW million		
Category	2013	2014	2015	
Current Assets	6,914	5,968	6,534	
Non-current Assets	9,764	10,248	11,221	
<b>Total Assets</b>	<b>16,679</b>	<b>16,216</b>	<b>17,754</b>	
Current Liabilities	6,767	5,260	4,729	
Non-current Liabilities	502	562	643	
<b>Total Liabilities</b>	<b>7,270</b>	<b>5,822</b>	<b>5,372</b>	
<b>Total Shareholders' Equity</b>	<b>9,409</b>	<b>10,394</b>	<b>12,382</b>	
Sales	21,183	21,603	23,152	
Operating Profit	3,390	3,644	4,633	
Income Before Income Tax	3,271	3,324	4,545	
<b>Net Income</b>	<b>2,451</b>	<b>2,497</b>	<b>3,431</b>	

Summary of Non-Consolidated Financial Statements		Unit: KRW million		
Category	2013	2014	2015	
Current Assets	6,425	5,731	6,581	
Non-current Assets	9,986	10,029	10,843	
<b>Non-current Assets</b>	<b>16,411</b>	<b>15,760</b>	<b>17,424</b>	
Current Liabilities	6,368	4,680	4,216	
Non-current Liabilities	369	490	513	
<b>Total Liabilities</b>	<b>6,737</b>	<b>5,170</b>	<b>4,729</b>	
<b>Total Shareholders' Equity</b>	<b>9,673</b>	<b>10,590</b>	<b>12,694</b>	
Sales	19,337	20,136	21,613	
Operating Profit	3,332	3,775	4,630	
Income Before Income Tax	3,505	3,297	4,608	

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Sustainability Data Disclosures

#### Related Links

- Annual Report
- Financial Position

#### GRI Indicators

The GRI box shows all relevant indicators on this specific page  
[G4-9, G4-12, EC5, EC9](#)

Net Income	2,532	2,429	3,494
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#### ▪ Customers

Customers	Unit	2013	2014	2015
No. of Customer Accounts	10,000 accounts	544	561	577

※ Since 2013, the figures have excluded bond accounts and accounts with no fixed ownership and free-of-charge membership

#### ▪ Coway's Supply Chain

Coway engages in trade with a total of 288 suppliers in order to procure raw materials and parts for manufacturing products. In 2015, Coway purchased approximately KRW 50.64 billion worth of parts and materials for production.

	Category	2013	2014	2015
	Total	225	224	288
No. of Suppliers	Tier 1 suppliers	155	151	193
	Tier 2 suppliers	70	73	95

#### ▪ Features of Resource Procurement

Coway has been successful in producing most of the parts it requires in Korea through constant R&D efforts by the company's Environmental Technology Institute and Quality Management Institute, or by purchasing them from numerous suppliers within Korea. Today, the company is also equipped with automatic production lines for filters. Furthermore, core parts used for water purifiers are ultra-precision filters, so competitors have had to work hard to increase the number of more technologically advanced products they produce in Korea to keep up with Coway.

#### ▪ Comparison of New Employees' Remuneration and the Legal Minimum

	Category	2013	2014	2015
New Employee Monthly Wages Compared to the Legal Minimum	Legal Minimum Wage(monthly, KRW 10,000)	101.5	108.8	116.6
	New Employee Wages(monthly, KRW 10,000)	298.5	307.5	316.7
	Rate (%)	296	282	272

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## Sustainability Data Disclosures



Economic	Social
Environmental	

### ● Employment Indicators

#### ■ Business Sites and No. of Employees

Category		2013	2014	2015	
Total No. of Employees		4,776	4,768	4,780	
Domestic	No. of Employees by Business Area	Production	257	249	250
		Sales	3,232	3,344	3,331
		R&D	364	354	368
		Clerical	895	796	805
		Others	28	25	26
Total No. of Employees		770	991	1,292	
Overseas	No. of Employees by Employment Type	Regular	3,738	3,898	3,936
		Temporary	1,038	870	844
Total No. of Employees		770	991	1,292	
Overseas	No. of Employees by Employment Type	Overseas postings	38	17	15
		Local recruitment	732	974	1,277

#### ■ New Employment, Turnover, and Average year of service

Coway is fulfilling its social responsibility through creating employment for vulnerable groups such as people with disabilities, as well as to recruit excellent human resources to maintain its leading position in the market and strengthen the company's competitiveness. A monthly average of 46 disabled workers served in 2015.

Category	2013	2014	2015
No. of New Employees	628	645	643
Rate of New Recruitment(%)	13.5	16.5	13.4
No. of Retirees	687	655	628
Turnover Rate(%)	14.2	13.6	13.1



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### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-10](#), [G4-11](#), [LA1](#), [LA9](#), [LA12](#), [LA13](#), [HR12](#), [SO3](#), [SO4](#)

Average year of service	5.6	6.0	6.5
-------------------------	-----	-----	-----

## Diversity Indicators

### Employees by Gender and Age

Coway is an equal opportunity provider and does not discriminate based on age or gender. In 2015 there were no violations related to child and forced labor, and in 2016 we plan to establish a global CSR Guide containing human rights, labor, environment and overall safety principles.

Category (Unit:Persons)		2013	2014	2015	
Executives by Age and Gender	Aged 30-50	Male	11	14	12
		Female	2	2	2
	Over 50 years of age	Male	12	11	11
		Female	-	-	1
Employees by Age and Gender	Under 30 years of age	Male	43	74	69
		Female	248	295	252
	Aged 30-50	Male	1,398	1,421	1,465
		Female	2,394	2,374	2,448
Over 50 years of age	Male	34	42	38	
	Female	629	562	508	

### Basic Remuneration Comparison between Men and Women

Coway does not adopt different remuneration policies for male and female employees, but pays the same salaries to both from the time they begin working at the company.

Category (Unit : KRW)		2013	2014	2015
New Employees	Basic annual salary for a new male employee	35,764,144	36,908,592	38,000,000
	Basic annual salary for a new female employee	35,764,144	36,908,592	38,000,000

## Safety & Health Related Indicators

### Safety & Health Related Certification

With a high portion of clerical and sales employees, Coway tends to have a lower industrial accident rate compared to other manufacturing industry companies. However, at business sites which have a higher potential for safety accidents, such as Coway's Yugu and Incheon plants as well as its R&D Center, Coway operates an Industrial Safety and Health Committee for each business site to respond to potential risks. At the same time, it upholds rigid safety management standards by meeting the very highest requirements for renowned safety and health management system certificates. In 2015, Coway had no industrial accident case.

Category	Notes
Yugu Plant	OSHAS 18001: 2007(2011.07.14~2014.07.13)

## Safety & Health Certification

▪ KOSHAS 18001

### Incheon Plant

▪ KOSHAS 18001

## Indicators Related to Handling Employee Grievances

### Operation of the Labor-Management Council

Coway discusses its major decisions and changes it implements regarding corporate management through regular meetings of the Labor-Management Council. If significant operational changes occur, we transparently share them in advance, and in 2015, a total of seven Labor-Management Council were held to discuss 10 agenda including operation of evaluation committee, determination of promotion and annual salary, payment of year-end incentives, system improvement of corporate culture and training etc.

Category	2013	2014	2015
No. of Council Meetings	4	5	7
No. of Agenda Issues Discussed	11	9	10
No. of Agenda Issues Resolved	11	9	10

### Operation of the Grievance Counseling Program

Category	2013	2014	2015
No. of Grievances Submitted	35	61	51
No. of Grievances Handled	35	61	51
Handling Rate	100	100	100
Major Grievances	HR, Sales, Job, Private Matters		

## Anti-corruption Related Indicators

### Anti-corruption Training

Category	2013	2014	2015
Anti-corruption Training (Ethics Management, Proper Business Practices)	57	87	40

### Corruption-related Monitoring and Responses

Category	2013	2014	2015	
Analysis of Corruption Risks	Measures against Corruption Cases	7	7	7
No. of inspected business sites	Suspension with pay and other measures	58	50	54

## Indicators Related to Social Contribution

### Social Contribution and Volunteer Activities

On top of company-wide social contribution programs which reflect Coway's business scope, Coway also works hard to create tangible social value for every body.

For example, the company encourages employees to volunteer at least 16 hours a



year.

Category	2013	2014	2015
No. of Volunteer Groups	1,396	1,495	1,449
Volunteer Hours per Employee	24.4	20.0	24.3
Social Contribution Costs & Donations (unit: KRW 100 million)	5.6	13.4	15.17



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## Sustainability Data Disclosures



Economic	Social
Environmental	

### Natural Resources Used in Business Activities

#### Use of Materials

Category	2012	2013	2014	2015	Notes
Plastics	8,988	7,482	8,724	9,185	Filters, 5 major products (1)
Non Renewable Raw Materials (Unit: tons)					Theoretical weight applied
Theoretical weight applied (2)	2,000	1,922	1,983	2,266	
Renewable Raw Materials	-	-	-	-	
<b>Total (Unit: tons)</b>	<b>15,855</b>	<b>13,068</b>	<b>14,763</b>	<b>15,783</b>	

(1) Water filtration systems, air purifiers, bidets, water softeners. And food waste treatment appliances

(2) Packaging materials: paper boxes, plastics & protective films, and use of EPS in 2015

#### Water Use

According to features of manufacturing facility that operates the process around assembly-oriented, so the company's environmental impact on water resources through its water use or the discharge of waste water is not significant. Still, Coway is adamant about reducing its water use. One way it has done this is by developing a "waterless" water purifier test system that uses nitrogen and vacuum conditions instead of water. Additionally, Coway was the first Korean company to become a signatory of the UNGC CEO Water Mandate, and has done its best to protect water resources throughout the production process.

Category	2013	2014	2015
Yugu Plant	20,832	31,221	30,916
Incheon Plant	13,443	12,151	16,603

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#### Related Links

- [Environmental Management](#)

#### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-14, EN1, EN2, EN3, EN5, EN6, EN8, EN15, EN16, EN17, EN18, EN22, EN23, EN31](#)

#### SDG Goals

The SDG box shows all relevant goals on this specific page [Goal12](#)

Pocheon Plant	392	340	235
Environmental Technology Institute (R&D Center)	27,770	19,995	15,104
Logistics Center (Yugu)	1,644	2,340	3,386
<b>Total (Unit: tons)</b>	<b>64,101</b>	<b>66,047</b>	<b>66,244</b>

### ■ Energy Use

In order to increase the efficiency of energy use, Coway installed photovoltaic generators at its production facilities and is expanding its use of renewable energy. The company also joined the Win-Win Energy Companion project, and offered energy quantification equipment to reinforce suppliers' energy competitiveness.

Category	Energy Source	2013	2014	2015
Direct	Butane(GJ)	20	7	2
	LPG(GJ)	40	44	-
	Diesel(GJ)	270	250	268
	LNG(GJ)	2,164	1,567	1,601
	Kerosene(GJ)	611	209	267
	Propane(GJ)	1,078	1,135	4,126
<b>Direct Total(GJ)</b>		<b>4,183</b>	<b>3,212</b>	<b>6,264</b>
Indirect	Electricity(GJ)	104,022	103,944	103,640
<b>Indirect Total(GJ)</b>		<b>104,022</b>	<b>103,944</b>	<b>103,640</b>
<b>Total(GJ)</b>		<b>108,205</b>	<b>107,155</b>	<b>109,903</b>

- JoongAng Ilbo Building (Seoul Office), Seoul National University Environmental Technology Research Center, Cosmetics Research Center, Water Treatment Project Office, Yugu Distribution Center, Manufacturing Factories (Yugu, Incheon, Pocheon)
- Classified LPG to propane according to the verification of greenhouse gas goal control system criteria

<b>Energy Use per Unit(GJ/KRW 100 million)</b>		<b>5.60</b>	<b>5.32</b>	<b>5.08</b>
<b>Total energy use(GJ)/Total sales(KRW 100 million)</b>				
Adoption of Renewable Energy	Photovoltaic facility installation costs(KRW 100 million)	1.1	2.0	1.7
	Reduction in power consumption(kw) (1)	18,998	71,528	189,457
<ul style="list-style-type: none"> <li>▪ 2013-Pocheon plant</li> <li>▪ 2014-Yugu plant, one supplier</li> <li>▪ 2015-Incheon Plant, one supplier</li> </ul>				

(1) The 2013 data represents the total amount of power saved from the operation of a photovoltaic generator at the pocheon plant. this is based on separate financial statements.

## ● Environmental Impact due to Business Activities

### ■ GHG Emissions

Coway is the only Korean company which declared its support for the 'UN Framework

Convention on Climate Change' agreed by 195 countries at the COP21 held in Paris in December 2015 and has been participating in the corporate voluntary carbon reduction plan scheme. Coway plans to reduce the GHG emission per unit by 50% of the year 2010 by the year 2020 in order to accomplish the mid & long term reduction goal of greenhouse gas established in 2009. Accordingly, Coway has developed the energy saving activity participated in together by staff & employees and partners to minimize the greenhouse gas emission at all manufacturing and sales fields.

Category (Unit: tCO <sub>2</sub> e)	2013	2014	2015
Direct Emissions (Scope1)	256	196	391
Indirect Emissions (Scope2)	5,389	5,385	5,369
Indirect Emissions (Scope1+2)	5,645	5,581	5,760
Yugu Plant	1,695	1,919	2,015
Incheon Plant	695	634	658
Pocheon Plant	394	361	349
Environmental Technology Institute (R&D Center)	1,628	1,537	1,565
Cosmetics Research Institute	180	163	174
Seoul Office (JoongAng Daily Building)	384	399	390
Logistics Center (Yugu)	499	413	464
Water Environment Business Division	169	154	145
Net Emissions(CO <sub>2</sub> e/KRW100)	0.292	0.277	0.266
Domestic Logistics and Transport (Scope 3)	3,156	4,025	4,514
Commuting Vehicles (Scope 3)	49	49	49

- Domestic logistics and transport are carried out through subcontracts, which are excluded from the company's calculation of emissions (data is taken from subcontractors).
- The direct emissions 391 tCO<sub>2</sub>e is the value that the error of propane volume → weight conversion process is corrected, and the value prior to the correction is 191 tCO<sub>2</sub>e. Therefore, when compared with 2014 it is 5,560 tCO<sub>2</sub>e, reduced by 21 tCO<sub>2</sub>e.

#### ▪ GHG Emissions from the Use of Refrigerants

Category	R-134a			R-12		
	2013	2014	2015	2013	2014	2015
Use of Refrigerants in Product Manufacturing (kg)	14,823	43,867	50,238	122	-	-
Use of Refrigerants in Product Disposal (Kg)	12,725	13,558	15,562	4,580	3,061	2,066
GHG Emissions Caused by Refrigerants from Waste Products (tCO <sub>2</sub> e)	13,234	14,073	16,185	39,937	26,640	18,016

- Status of Mid & Long Term Accomplishment in Reduction Goal of GHG Emissions

- Generation of Waste

Category	2013	2014	2015	
Generation of Waste	Products	11,765	12,808	13,263
	Business Site: General	1,003	1,028	1,023
	Business Site: Designated	25	26	27
	Services	6,772	7,024	8,501
Total (Unit: tons)	19,565	20,886	22,814	
Amount of Waste Recycled (Unit: tons)	11,817	12,228	12,837	
Waste Recycling Rate (%)	60	59	56	

#### ■ Plastics Recycling

Coway has expanded its management scope from the manufacturing and distribution of products to waste that occurs during its service process, as CODYs recollect waste filters after carrying out their services, thus enabling waste separation.

Category	2013	2014	2015	Notes
Output (tons)	7,482	8,724	9,185	Amount of plastics used in products on the market (filters, 5 major products)
Amount Recycled (tons)	5,638	6,198	6,353	Sales amount of recollect and recycled products
Recycling Rate (%)	75.4	71.1	69	(Amount of recycled plastics/Plastics output) X 100

- Products: filters, air / water purifiers, bidets, water softeners, food waste processors
- Recycle Rate: (waste product / filter) plastic recycle rate / product/filter) plastic delivery Amount
- Waste product / filter return and recycling qty increase continuously. However, the increase range of product shipping is high so that its recycling rate decreases.

#### ■ Discharge of Other Pollutants

Coway operates an assembly-oriented production process in which more than 95 percent of total energy use is electric energy. There are no air pollutants or wastewater during the process, and Coway does not separately measure/manage fossil energy for heating offices and travelling. The same applies to water usage, in which Coway does not evaluate the contamination of sewage water separately.

#### ■ Sales of Refurbished Products

For customers who purchase new products and dispose of existing ones, Coway collects the used products free of charge. The recollect products are handled at the company's Recycling Center, where plastics are recycled, some of which are later sold as refurbished products. In 2013, Coway signed an MOU with the Ministry of Environment and the Korean Environment Corporation on this very issue and has been working hard to facilitate the sale of refurbished products since then.

Category (Unit: No. of units)	2013	2014	2015
Water Filtration Appliances	15,571	12,061	13,492
Air Purifiers	4,959	2,672	4,508
Water Softeners	597	366	49

Bidets	6,850	3,454	3,486
Food Waste Treatment Appliances	146	30	-
<b>Total</b>	<b>28,123</b>	<b>18,583</b>	<b>21,535</b>

## ● Activities to Reduce Coway's Environmental Impact

### ■ Environmental Investments

Category (Unit: KRW million)	2013	2014	2015
Facility Operations	1,125.8	186.5	71.3
System Operations	75.3	66.5	119.85
Communication	915.8	616.0	373.7
New Environmental Businesses	-	59.0	149.2
<b>Total</b>	<b>2,116.9</b>	<b>928.0</b>	<b>714</b>

■ Environmental investments do not include investments made to improve products and service quality.

### ■ Eco-friendly Product

Category (Unit: KRW 100 million)	2013	2014	2015
Sales	5,000	6,034	5,972

### ■ Hazardous Substance Process Management

Coway operates a hazardous substance process management system to minimize the amount of hazardous substances contained in its products. Since 2006, The company has responded to environmental regulations such as EU RoHS and WEEE for exports to Europe, and is responding to Korea's Act on the Resource Circulation of Electrical and Electronic Equipment and Vehicles ever since Coway products fell under the terms of the law in 2014.

Category (Unit: %)	2013	2014	2015
Response Rate to Parts Containing Hazardous Substances	95.5	100	100

## ● Reducing Suppliers' Environmental Impact

### ■ Green Partnerships

Coway's Green Partnership (GP) certification system helps Coway to produce eco-friendly products and offers Green Partner certificates for suppliers that meet Coway's stringent environmental & quality management standards.

Category	2013	2014	2015
Suppliers Certified with Coway's Green Partnership Certificate	55	55	55

### ■ Suppliers' GHG Emissions

Coway continuously supports carbon partnership suppliers and reinforces their competitiveness by encouraging them to reduce energy use in relation to sales growth. In doing so, Coway is successfully reducing suppliers' environmental risks due

to climate change.

Category	2013	2014	2015
Category (tCO <sub>2</sub> e)	47,806	44,445	36,181
Emissions per Unit (tCO <sub>2</sub> e/KRW 100 million)	12.48	10.56	8.46

※ Based on 26 major carbon partnership suppliers.

#### ■ Support for Carbon Partnerships

Coway has selected 26 suppliers that deliver major raw materials in large trade amounts and energy use, and now maintains carbon partnerships with them. Every year, the company measures these key suppliers' GHG emissions and emissions per unit, reinforcing their response capabilities to climate change.

Category	Period	Major Description
Win-Win Energy Partnership	Jun. - Oct. 2015	Diagnosis of energy issues at business sites (Encourage investment)
Support for Suppliers Adopting Renewable Energy Sources	May. - Jul. 2015	Offering 0 percent interest financial support for 2 years when suppliers join a photovoltaic building project



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## Assurance Statement



### ● Reporting Assurance

This report received third party assurance for the audits of financial information through an independent audit corporation, while the non-financial information received third party assurance from Samil PricewaterhouseCoopers.

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Sustainability Data Disclosures

### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-33](#)



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## GRI G4 Index



General Standard Disclosure

Specific Standard Disclosure

### General Standard Disclosure

The 2015 Coway Sustainability Report was organized according to the Core option of the GRI G4 Guidelines released by the GRI (Global Reporting Initiative) regarding sustainability management reports. Coway's report highlights the company's core values, governance, current operations, strategies, and the preparation process involved with the sustainability report, as well as indicators necessary for introducing Coway and the report to the general public.

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### GRI Indicators

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## GRI G4 Index



General Standard Disclosure

Specific Standard Disclosure

### Specific Standard Disclosure

Of the 46 Aspects included in the Specific Standard Disclosure of the GRI G4 Guidelines, this report classified 7 Aspects related to 2015 material issues: economic performance, products and services, employment, training & safety, customer safety & health, product & service labelling, marketing communication. It also classified the Aspect of emissions as a material Aspect. Since 2009, the company has continued to work for effective environmental management and has carried out GHG emission reduction initiatives. For each material aspect, this report contains Disclosure on Management Approach (DMA) and indicators.

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### GRI Indicators

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## About This Online Report



Report Overview

Report Organizing Process

### Reporting Features

The 11th 'Coway 2015 Sustainability Report' for this year is the first report in the online form. While maintaining the frames of existing reports, it provides in-depth report of key issues derived by reflecting the industry mega trends and stakeholders' opinions through business cases. In addition, we improve the accessibility and usability of information by the stakeholders, utilizing the features of the online reporting such as relevant site links, the latest sustainability news posting etc.

- This site is available in Korean and English. The main menu provides quick access to all report content.
- This site is optimized for both desktop computers and mobile devices. ([Responsive web Design\\*](#))
- It was posted in the homepage on June 20, 2016, and nothing is changed except for the news updates on "Sustainability News Bulletin".

### Reporting Scope

Focusing on the head office in Seoul, research institutes and production plants / Including overseas operations for a portion of the data.

### Reporting Period

- Jan. 1, 2015 - Dec. 31, 2015
- To ensure there is enough data to provide comparable referencing, three years' worth (in some case five years' worth) of data was disclosed.
- In the case of quantitative activities related to core issues, activities conducted until 2016 were included.

### Reporting Standards

- Core option of the GRI G4 Guidelines
- IIRC's Integrated Reporting Framework

### Reporting Assurance

This report received third party assurance for the audits of financial information through an independent audit corporation, while the non-financial information received third party assurance from Samil PricewaterhouseCoopers.



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### GRI Indicators

The GRI box shows all relevant indicators on this specific page  
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## About This Online Report



Report Overview

Report Organizing Process

### Step 1. Create a Pool of Reporting Issues

Research was conducted to identify the most discussed issues regarding sustainability management during the reporting period.

#### Media research

Conduct research on articles that received media exposure during 2015 in Korea.

#### Research sustainability management trends

The company surveyed sustainability management issues dealt with in newsletters and articles which were published by international organizations as well as global initiatives.

\* Analysis by : UNGS, GRI G4 guideline, SDGs, etc.

Furthermore, sustainability reporting trends in the industry were uncovered by looking into Best Practices of global companies in the field of home appliances and cosmetics.

#### Research issues for each stakeholder group

In order to identify the issues that major stakeholders—especially customers, employees, and suppliers—are most concerned about in relation to Coway's sustainability management, the company researched feedback received from stakeholders at each contact point during the reporting period.



#### Pool of 35 Issues in 3 Areas

Areas	Issues
Economy	<ul style="list-style-type: none"> <li>▪ Reinforce Coway's Brand credibility</li> <li>▪ Responsible marketing and advertising</li> <li>▪ Strengthen competence of Product Innovation</li> <li>▪ Establish sound sales culture</li> <li>▪ Seize upon opportunities for new businesses &amp; new markets</li> <li>▪ Reinforce ethics management</li> <li>▪ Establish Business strategy reflecting industry trends &amp; social issues</li> <li>▪ Strengthen product's safety &amp; reliability</li> <li>▪ Maintain &amp; reinforce market status</li> <li>▪ Improve customer satisfaction</li> <li>▪ Generate and distribute economic value</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Flexible &amp; family-friendly corporate culture</li> </ul>



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### GRI Indicators

The GRI box shows all relevant indicators on this specific page  
[G4-18](#), [G4-19](#), [G4-20](#), [G4-21](#)

<b>Social</b>	<ul style="list-style-type: none"> <li>▪ Develop &amp; retain human resources</li> <li>▪ Social contribution activities reflecting a characteristic of business</li> <li>▪ Supplier's sustainability management</li> <li>▪ Establish fair trading order</li> <li>▪ Reinforce security of data &amp; personal information</li> <li>▪ Improve sales &amp; service partners' status and professionalism</li> <li>▪ Reinforce suppliers' business capabilities</li> <li>▪ Respect employees diversity and anti-discrimination efforts</li> <li>▪ Improve product access for the disadvantaged</li> <li>▪ Guarantee health &amp; safety at work</li> <li>▪ Comply with principles regarding human rights and labor</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>▪ Minimize products' effect on environment in an entire process</li> <li>▪ Hazardous substance management</li> <li>▪ Develop eco-friendly products and services</li> <li>▪ Improve products' recyclability</li> <li>▪ Respond to climate change</li> <li>▪ Energy management</li> <li>▪ Water-resource management</li> </ul>

## Step2. Stakeholders' Survey & Materiality Test



With the 35 sustainability issues identified through stakeholders' survey (March 3-18, 2016) and conducted materiality tests.

### Summary of Materiality Test Outcomes

#### Issues of high interest to stakeholders

Areas	Issues
<b>Economy</b>	<ul style="list-style-type: none"> <li>▪ Strengthen product's safety &amp; reliability</li> <li>▪ Establish Business strategy reflecting industry trends &amp; social issues</li> <li>▪ Reinforce Coway's Brand credibility</li> <li>▪ Generate and distribute economic value</li> <li>▪ Improve customer satisfaction</li> <li>▪ Seize upon opportunities for new businesses &amp; new markets</li> <li>▪ Strengthen competence of Product Innovation</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>▪ Flexible &amp; family-friendly corporate culture</li> <li>▪ Develop &amp; retain human resources</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>▪ Develop eco-friendly products and services</li> </ul>

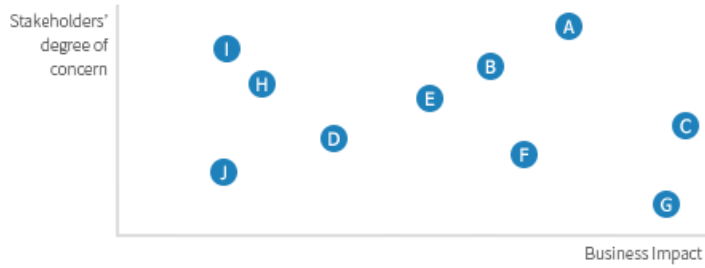
#### Highly influential issues in business

Areas	Issues
<b>Economy</b>	<ul style="list-style-type: none"> <li>▪ Establish Business strategy reflecting industry trends &amp; social issues</li> <li>▪ Improve customer satisfaction</li> <li>▪ Generate and distribute economic value</li> <li>▪ Seize upon opportunities for new businesses &amp; new markets</li> <li>▪ Strengthen competence of Product Innovation</li> <li>▪ Reinforce Coway's Brand credibility</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>▪ Develop &amp; retain human resources</li> <li>▪ Improve sales &amp; service partners' status and professionalism</li> <li>▪ Flexible &amp; family-friendly corporate culture</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>▪ Develop eco-friendly products and services</li> </ul>

## Step3. Examine Reporting Issues and Make a Final Decision



Focusing on issues with the highest priority, interviews were conducted with departments in charge of each issue and decided on the 10 key material issues (The top 30%). The content of the report was later confirmed after a final review by the department in charge of publishing the sustainability report.



Name of Material Issue	
A	Reinforce Coway's Brand credibility
B	Develop eco-friendly products and services
C	Develop & retain human resources
D	Improve customer satisfaction
E	Flexible & family-friendly corporate culture
F	Establish Business strategy reflecting industry trends & social issues
G	Seize upon opportunities for new businesses & new markets
H	Strengthen competence of Product Innovation
I	Strengthen product's safety & reliability
J	Generate and distribute economic value

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### Definition of Major Stakeholders and Communication Channels

Coway defined stakeholders as internal·external individuals and organizations that influence corporate activities. Coway then classified them into seven groups. Recognizing that communication with each group of stakeholders is an essential element for the successful pursuit of sustainable management, Coway operates a number of communication channels. In order to effectively organize the content of this sustainability report, the company utilized stakeholder feedback collected through Certain communication channels during the reportin period.

Category	Definition	Major Concerns
	Major Concerns	Communication Activities
Customer	Not merely consumers who purchase Coway’s products and services, but all stakeholders that share Coway’s values.	Improving customer satisfaction, distinguished customer services, systematic customer feedback management Handling of customer grievances, thorough customer data protection
	<ul style="list-style-type: none"> <li>Website</li> <li>VOC/Call Center</li> </ul>	<ul style="list-style-type: none"> <li>New Heart Service</li> <li>Customer-centered management (CCM)</li> </ul>
Shareholders & Investors	Those who make indirect/ non-financial investments as well as those who make capital investments.	Profitability improvement, dividend policies, sound corporate governance, business opportunities & risk management.
	<ul style="list-style-type: none"> <li>Frequent IR meetings</li> <li>General meeting of stockholders</li> </ul>	<ul style="list-style-type: none"> <li>General meeting of stockholders</li> <li>Management information notification</li> </ul>
Government	Institutions and organizations that exercise sovereign power on behalf of the countries where the company conducts its business.	Compliance and laws & regulations, Public-Private partnerships
	<ul style="list-style-type: none"> <li>Government-funded councils</li> <li>Corporate disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Public-private partnerships</li> <li>Seminars</li> </ul>

Groups that produce and

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### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-24, G4-25, G4-26, G4-27](#)



<p>Academia &amp; Media</p>	<p>deliver information for communication between Coway and its stakeholders.</p>	<p>Transparent disclosure of corporate information</p>
	<ul style="list-style-type: none"> <li>▪ Corporate disclosure</li> <li>▪ Press releases</li> </ul>	<ul style="list-style-type: none"> <li>▪ Management information notification</li> <li>▪ Press releases</li> </ul>
<p>Suppliers</p>	<p>Organizations and individuals that provide Coway with raw materials and related services.</p>	<p>Support for suppliers' financing/technology/training; support for suppliers' environmental/ethics management; improvement of suppliers' work environment</p>
	<ul style="list-style-type: none"> <li>▪ Suppliers' Council</li> <li>▪ Win-Win Portal Site</li> </ul>	<ul style="list-style-type: none"> <li>▪ Technological and monetary support</li> <li>▪ Benefit sharing program</li> </ul>
<p>Employees</p>	<p>Coway's core assets that continuously strengthen their ability to achieve both an individual and corporate vision.</p>	<p>Fair evaluations and compensation, training and competency development, family-friendly management, current situation of employment, non-regular employees' work conditions and welfare &amp; benefits</p>
	<ul style="list-style-type: none"> <li>▪ Labor-Management Council</li> <li>▪ Grievance handling program</li> <li>▪ HR Committee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Beyond Coway</li> <li>▪ Coway Day</li> </ul>
<p>Local Communities</p>	<p>Not just geographical/administrative districts, but also the societies in which Coway and its stakeholders live.</p>	<p>Communication with local communities, ethics management performance disclosure, various social contribution &amp; volunteer Activities</p>
	<ul style="list-style-type: none"> <li>▪ Local councils</li> <li>▪ NGO meetings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Well-digging program</li> <li>▪ Hanbyum Love</li> </ul>



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2011 Sustainability Report	
2010 Sustainability Report	
2009 Sustainability Report	
2008 Sustainability Report	
2007 Sustainability Report	
2006 Sustainability Report	

### Other Data Disclosure

- Joined the UNGC (United Nations Global Compact)



We joined the UN Global Compact (UNGC) in June 2006 to abide by the 10 principles in the areas of human rights, labour, environment and anti-corruption and to fulfill our role as a corporate citizen – a citizen who not only pursues its own growth, but also does its part in meeting and going beyond its social responsibility. This online sustainability report represents our commitment to becoming what we aspire to be.

- Supports the UN Sustainable Development Goals (SDGs)

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#### Related Links

- Awards and Certificates
- Environmental Information Disclosures
- UN Sustainable Development Goals
- United Nations Global Compact
- UN Climate Change Convention (COP21)

#### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-15, G4-16](#)



As the UN announced the Millennium Development Goals (MDGs) followed by Sustainable Development Goals (SDGs) that should be achieved by the global society, Coway will find the new growth opportunities and make sustainable growth by developing and implementing the solutions to SDGs achievement. SDGs include the UN global development agenda to be applied from this year to 2030 of 17 goals and 169 detailed tasks such as poverty alleviation, climate change response, economic growth, increasing employment and sustainable industrialization etc. Coway sets the response priority of SDGs as △ providing and strengthening management of sanitation and water, △ climate change response, △ gender equality and empowerment of women etc. and plans to arrange the corporate strategy that reflects this priority to develop the related activities and to perform the monitoring.

- Supports the UN Framework Convention on Climate Change at the COP21



Climate change is one of the major challenges of our time. Coway wants to be a positive player in climate change, ensuring climate is kept on safe levels around the world for communities and environment. This demands important investments and collaborations.

Coway is the only Korean company which declared its support for the 'UN Framework Convention on Climate Change' agreed by 195 countries at the COP21 held in Paris in December 2015. We've been participating in the corporate voluntary carbon reduction plan scheme.

- Response to the Use of Conflict Minerals

Conflict minerals refer to precious minerals such as tantalum, tungsten, tin, and gold distributed in the Democratic Republic of Congo and its adjacent countries in Central Africa. This region is often insecure, due to the involvement of regional militias causing armed conflict for mining purposes. In this process, human rights abuse occurs frequently. Therefore, advanced sovereignties, including the U.S. and EU, have been introducing voluntary regulations to discourage the use of conflict minerals to protect human rights. Restriction on voluntary use of conflict minerals. Since 2012, Coway has restricted the use of conflict minerals voluntarily regardless of restrictions. Coway has voluntarily limited the use of conflict minerals, regardless of the regulations since 2012 and uses Electronic Industry Citizenship Coalition (EICC) form to maintain the reliability and consistency. Coway shall fulfill the voluntary suppression on the use of conflict minerals through the identification of refineries for four metals described previously and the continuous communication with partners.

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Address	100-759, 11~17F, JoongAng Ilbo Bldg., 88, Seosomun-ro, Jung-gu, Seoul
Department	CSR Team
TEL	+82. 2. 2172. 1285
FAX	+82. 2. 773. 2911
e-Mail	<a href="mailto:shh@coway.co.kr">shh@coway.co.kr</a>

### Web Site Inquiry

Company	World Vertex
TEL	+82. 2. 576. 3776
e-Mail	<a href="mailto:help@vtex.co.kr">help@vtex.co.kr</a>



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### GRI Indicators

The GRI box shows all relevant indicators on this specific page [G4-31](#)

## INDEPENDENT ASSURANCE REPORT

### To the management of Coway

We have been engaged by Coway (the "Company") to perform an independent assurance engagement in regard to the following aspects of Coway Sustainability Web Report 2015 (the "Report").

### Scope and subject matter

The information for the year ended December 31, 2015 (hereinafter, collectively referred to as the "Sustainability information") on which we provide limited assurance consists of:

- The Company's conclusion on meeting the principles of Inclusivity, Materiality and Responsiveness in the AA1000 AccountAbility Principles
- The non-financial information, stated in "GRI G4 Index" as subject to an external assurance (the "Sustainability Data") is prepared based on the reporting principles set out on GRI G4 guideline with core option

We read the other information included in the Report and considered whether it was consistent with the Sustainability Information. We considered the implications for our report in the case that we became aware of any apparent misstatements or material inconsistencies with the Sustainability Information. Our responsibilities do not extend to any other information.

### Assurance work performed

We conducted our engagement in accordance with ISAE 3000<sup>(1)</sup> and AA1000AS<sup>(2)</sup>

The term 'moderate assurance' used in AA1000AS (2008) is designed to be consistent with 'limited assurance' as articulated in ISAE 3000. Our assurance is a Type II assurance engagement as defined in the AA1000AS (2008).

(1) International Standard on Assurance Engagements 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by International Auditing and Assurance Standards Board

(2) AA1000 Assurance Standard(2008), issued by AccountAbility



Our work involved the following activities:

1. Interviews with the personnel responsible for internal reporting and data collection to discuss their approaches to stakeholder inclusivity, materiality and responsiveness
2. Visits to the Company's headquarter in Yugu and Seoul office to understand the systems and processes in place for managing and reporting the Sustainability Data
3. Review of samples of internal documents relevant to output from the risk assessment process, sustainability-related policies and standards, the sustainability materiality assessment matrix and other documents from stakeholder-engaged activities
4. Evaluating the design and implementation of key processes and controls for managing and reporting the Sustainability Data
5. Limited testing, through inquiry and analytical review procedures, of the preparation and collation of the Sustainability Data
6. Review of media sources referring sustainability issues of the Company during the Reporting period

### **Respective responsibilities of the management of the Company and Samil PricewaterhouseCoopers**

The management of the Company is responsible for establishing reporting principles that meet the principles of Inclusivity, Materiality and Responsiveness in the AA1000APS, measuring performance based on the reporting principles, and reporting this performance in the Report.

Our responsibility is to provide a conclusion based on our assurance procedures in accordance with ISAE 3000 and AA1000AS.

This report, including the conclusion, has been prepared for the management of the Company as a body, to assist the management in reporting on the Company's sustainability performance and activities. We do not accept or assume responsibility to anyone other than the management of the Company as a body and the Company for our work or this report save where terms are expressly agreed and with our prior consent in writing.

### **Inherent limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual

assumptions and judgments.

A limited assurance engagement is less in scope than a reasonable assurance engagement under ISAE 3000. Consequently, the nature, timing and extent of procedures for gathering sufficient, appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

In particular:

- We did not attend any stakeholder-engaged activities. Therefore our conclusion is based on our discussions with the management and the staff of the Company, and our review of sampled documents provided to us by the Company.
- The scope of our work was restricted to 2015 performance only, as set out in the scope and subject matter section above. Information related to the year ended December 31, 2014 and earlier periods have not been subject to assurance by us.

## **Conclusion**

Based on the results of the assurance work performed, our conclusion is as follows

- On the AA1000APS principles
  - Inclusivity
    - The Company has collected concerns and opinion through stakeholder communication channels that include those of Customers, Partners, Stakeholders, Communities and Employees.
    - Nothing has come to our attention to suggest that material stakeholder groups were excluded from these channels.
  - Materiality
    - The Company has identified most relevant and significant sustainability issues through process for identifying material issues.
    - Nothing has come to our attention to suggest that material issues were omitted in this process.
  - Responsiveness
    - The Company has included in the Report its response to the material sustainability issues which are defined through process for identifying material issues.
    - Nothing has come to our attention to suggest that there were material deficiencies in the issue management system.
- Nothing has come to our attention that causes us to believe that the Sustainability Data for the year ended December 31, 2015 is not fairly stated, in all material respects, in accordance with the Company's





internal reporting principles set out on GRI G4 guidelines with Core option.

## **Recommendations**

As a result of our work, we have provided the following recommendations to the management.

- It is recommended to manage key performance indicators with wider scope which are aligned with performance evaluation of each part of the Company in order to effectively implement sustainability management and address sustainability issues corporate-wide.
- In order to consider sustainability issues properly in corporate decision making process, it is recommended to reinforce internal governance on sustainability to enable company-wide management of sustainability issues and promote effective communications with internal and external stakeholders.

June, 2016  
Samil PricewaterhouseCoopers  
Seoul, Korea

# GRI G4 Index

## General Standard Disclosure

● Overall Reporting ● Partial Reporting ○ No Reporting

Classification	Key indicators	G4	Indicators	Reporting level	Page	Verification	
Strategy and Analysis	●	G4-1	Statement from the most senior decision-maker	●		●	
		G4-2	Provides a description of Key impacts, risks, and opportunities	●		●	
	●	G4-3	Report the name of the organization	●	The bottom of the web page	●	
Organization- al Profile	●	G4-4	The primary brands, products, and services	●		●	
	●	G4-5	The location of the organization's headquarters	●	The bottom of the web page	●	
	●	G4-6	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	●		●	
	●	G4-7	The nature of ownership and legal form	●		●	
	●	G4-8	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	●		●	
	●	G4-9	Scale of the organization	●		●	
	●	G4-10	Total workforce	●		●	
	●	G4-11	The percentage of total employees covered by collective bargaining agreements	●		●	
	●	G4-12	The organization's supply chain	●		●	
	●	G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	●	There were no such changes in 2015	●	
	●	G4-14	Whether and how the precautionary approach or principle is addressed by the organization	●		●	
	●	G4-15	List Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	●		●	
	●	G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization	●		●	
	●	G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	●		●	
	Identified Material Aspects and Boundaries	●	G4-18	The process for defining the report content and the Aspect Boundaries	●		●
		●	G4-19	List all the material Aspects identified in the process for defining report content	●		●
●		G4-20	For each material Aspect, report Aspect Boundary within the organization	●		●	
●		G4-21	For each material Aspect, report the SPECT Boundary outside the organization	●		●	
●		G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	●	When such a case occurred, it was marked with a note.	●	
●		G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	●	There were no such changes in 2015	●	
●		G4-24	List of stakeholder groups engaged by the organization	●		●	
Stakeholder Engagement	●	G4-25	Basis for identification and selection of stakeholders with whom to engage	●		●	
	●	G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●		●	
	●	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	●		●	

# GRI G4 Index

## General Standard Disclosure

● Overall Reporting ● Partial Reporting ○ No Reporting

Classification	Key indicators	G4	Indicators	Reporting level	Page	Verification
Report Profile	●	G4-28	Reporting period such as fiscal or calendar year for information provided	●		●
	●	G4-29	Date of most recent previous report (if any)	●	↻	●
	●	G4-30	Reporting cycle such as annual, biennial	●		●
	●	G4-31	Provide the contact point for questions regarding the report or its contents	●	↻	●
	●	G4-32	Report the 'in accordance' option the organization has chosen	●	↻ ↻	●
	●	G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the reported	●	↻	●
Governance	●	G4-34	Report the governance structure of the organization, including committees of the highest governance body	●		●
		G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	●	↻ ↻ ↻	●
		G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics If consultation is delegated, describe to whom and any feedback processes to the highest governance body	●		●
		G4-38	Report the composition of the highest governance body and its committees	●	↻ ↻	●
		G4-39	Report whether the chair of the highest governance body is also an executive officer (and, if, so, his or her function within the organization's management and the reasons for this arrangement)	●	CEO is also the chairman of BOD	●
		G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	●	↻	●
		G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed	●	↻ Memorandum of Association, Article 35~36.3	●
		G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	●		●
		G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	●	↻ ↻	●
		G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	●		●
		G4-49	Report the process for communicating critical concerns to the highest governance body	●		●
	G4-51	Report the remuneration policies for the highest governance body and senior executives	●		●	
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	●	↻	●	
Ethics and Integrity	●	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●		●
		G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	●	↻	●
		G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	●		●

# GRI G4 Index

## Specific Standard Disclosure

● Overall Reporting ● Partial Reporting ○ No Reporting

Classification	Key indicators	G4	Indicators	Reporting level	Page	Verification
<b>ECONOMIC</b>						
Economic Performance	●	DMA	Disclosure on Management Approach	●	↻	●
		G4-EC1	Direct economic value generated and distributed	●	↻	●
		G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	↻	●
Market Status		G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	●	↻	●
Indirect Economic Impacts		G4-EC7	Development and impact of infrastructure investments and services supported	●	↻	●
Procurement Practices		G4-EC9	Proportion of spending on local suppliers at significant locations of operation	●	↻	●
<b>ENVIRONMENTAL</b>						
Materials		G4-EN1	Materials used by weight or volume	●		●
		G4-EN2	Percentage of materials used that are recycled input materials	●		●
Energy		G4-EN3	Energy consumption within the organization	●	↻	●
		G4-EN5	Energy intensity	●		●
		G4-EN6	Reduction of energy consumption	●		●
		G4-EN7	Reductions in energy requirements of products and services	●	↻	●
Water		G4-EN8	Total water withdrawal by source	●	↻	●
Emissions	●	DMA	Disclosure on Management Approach	●	↻	
		G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	●		●
		G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	●	↻	●
		G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	●		●
		G4-EN18	Greenhouse gas (GHG) emissions intensity	●		●
		G4-EN19	Reduction of greenhouse gas (GHG) emissions	●	↻	●
Effluents and Waste		G4-EN22	Total water discharge by quality and destination	●	↻	●
		G4-EN23	Total weight of waste by type and disposal method	●		●
Products and Services	●	DMA	Disclosure on Management Approach	●	↻	●
		G4-EN27	Extent of impact mitigation of environmental impacts of products and services	●	↻	●
		G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	●	↻	●
Compliance, Supplier Environmental Assessment		G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	●	↻	N/A
		G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	●	↻	●

# GRI G4 Index

## Specific Standard Disclosure

● Overall Reporting ● Partial Reporting ○ No Reporting

Classification	Key indicators	G4	Indicators	Reporting level	Page	Verification
<b>LABOR PRACTICES AND DECENT WORK</b>						
Employment	●	DMA	Disclosure on Management Approach	●		●
		G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	●		●
		G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	●		●
Training and Education	●	DMA	Disclosure on Management Approach	●		
		G4-LA9	Average hours of training per year per employee, by gender, and by employee category	●		●
		G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●		●
		G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	●		●
Diversity and Equal Opportunity		G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	●		●
Equal remuneration for women and men		G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	●		●
Supplier Assessment for Labor Practices		G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	●		●
Labor Practices Grievance Mechanisms		G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	●		●
<b>HUMAN RIGHTS</b>						
Security Practices		G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	●		●
Human Rights Grievance Mechanisms		G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	●		●

# GRI G4 Index

## Specific Standard Disclosure

● Overall Reporting ● Partial Reporting ○ No Reporting

Classification	Key indicators	G4	Indicators	Reporting level	Page	Verification
<b>SOCIETY</b>						
Local Communities		G4-SO1	Percentage of operations with implemented local community engagement, impact, assessments and development programs	●		
Anti-Corruption		G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	●		●
		G4-SO4	Communication and training on anti-corruption policies and procedures	●		●
Supplier Assessment for Impacts on Society		G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	●		●
		G4 SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	●		●
<b>PRODUCT RESPONSIBILITY</b>						
Customer Health and Safety	●	DMA	Disclosure on Management Approach	●		●
		G4-PR1	Percentage of significant products and services categories for which health and safety impacts are assessed for improvement	●		●
Product and Service Labeling	●	DMA	Disclosure on Management Approach	●		●
		G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and services subject to such information requirements	●		●
		G4-PR5	Results of surveys measuring customer satisfaction	●		●
Marketing Communication	●	DMA	Disclosure on Management Approach	●		●
		G4-PR6	Sale of banned or disputes products	●		There were no such incidents in 2015 ●
Customer Privacy	●	DMA	Disclosure on Management Approach	●		●
		G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●		There were no such complaints in 2015 ●

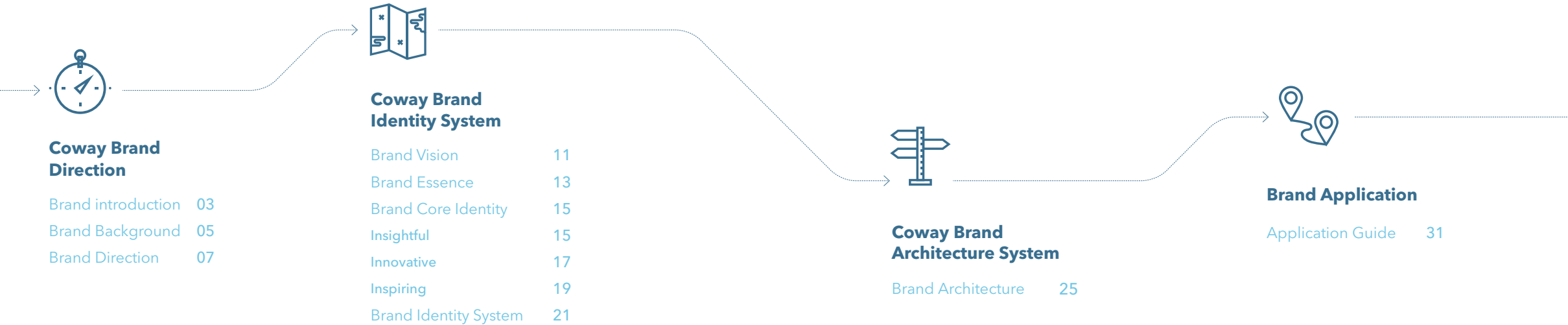
coway

COWAY  
BRAND  
JOURNEY  
BOOK

**Road to Caring Happiness**

# Coway Brand Journey Book

Road to Caring Happiness







## **Coway Brand Direction**

Coway is embark on a new journey in pursuit of becoming a more caring and loving brand.



## What kind of company is Coway?

### It is the No.1 well-being household electronics company in South Korea.

Coway is a well-being household electronics company established in 1989.

With great technologies and innovation, Coway penetrated the home appliance industry from water purifiers to air purifiers, bidets, water softeners, food processors, mattress and cosmetics. Coway was the first company in South Korea to introduce the rental business and Coway Lady (Cody) service triggered by global economic crisis in 1997. With the sense of understanding on customer's need Coway is occupying the leading position in domestic home appliance market regarding market share, customer satisfaction and brand awareness.

Nowadays, water and air pollution are increasingly becoming an international concern, and people are under pressure in their hustle and bustle of daily life. Therefore, pursuing good health in this busy and stressful daily life has become increasingly important. This phenomenon is not only happened in South Korea, but a global issue instead.

As a well-being household brand who expertise in the most essential elements-water and air-Coway focuses its efforts on enabling a more comfortable and healthy lifestyle for customers in their living environment.

Coway's cutting-edge technologies invented by own R&D center is gradually changing the people's lifestyle and the renowned products and customer service have created unprecedented value to the brand.

### Coway is rapidly emerging as a global leader in home appliances industry.

Based on its domination of the domestic market, Coway has accelerated its overseas business from 2006 to develop as a global home appliances company.

Key subsidiaries are operated in China, Thailand, Malaysia and the USA. Through the foreign integrated brand 'Coway', ODM brand and OEM supply agreements with global home appliance manufacturers, overseas markets are being targeted to provide Coway products to about 60 countries worldwide.

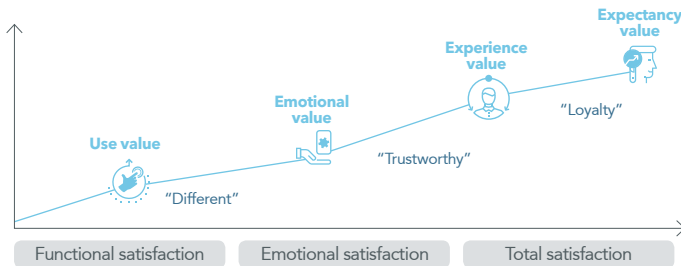
Coway is continuing its efforts to export its products, services and solutions through the new business model to deliver healthy lifestyle and happiness across the world.



## A journey to a new brand! So, why now?

The reason: Consumers' expectations & the company's values have changed.

Many companies only focus on one-off business without sustaining support to consumer. However, consumers nowadays are internet savvy by giving diverse communication channels. Easy access to internet and social media furnish them with more information to study about a brand in a snap of fingers.



Rather than seeking satisfaction with just a "good product," consumers now pursue holistic expectations through the product and the brand, such as emotional value and experiential value. Here are some great brand examples. The world's most popular search engine Google has grown into one that nurtures creative culture and connects the world. Volvo which be known as strong and safe car maker is consistently delivering the brand value of considering consumer's lives as their top priority. Meanwhile, Nike has transform from sport equipment company to a "must have" brand that inspires athletes worldwide.



Coway is at a stage that faced fulfillment of a promise to develop consumers' need and loyalty in their lives by going beyond the image for just a home appliances company. Now, Coway is becoming a company that cares for consumers' lives.

## Walking the same path together toward one goal.

We are now taking the step toward a peak.

To widen the brand value of Coway, we now stand at a new starting point. We want to deliver one dynamic message and image to our customers in the name of Coway – To realize this, all employees of Coway must first understand the new goal to achieve consistency.

When we lead the way toward one goal, customers will open ear for our story and later convinced by our quality products and service.

In order to focus on and walk toward the same goal, we are proud to introduce Coway Brand Journey Book that provides guidance on the journey for us to share, to empathize and to internalize.



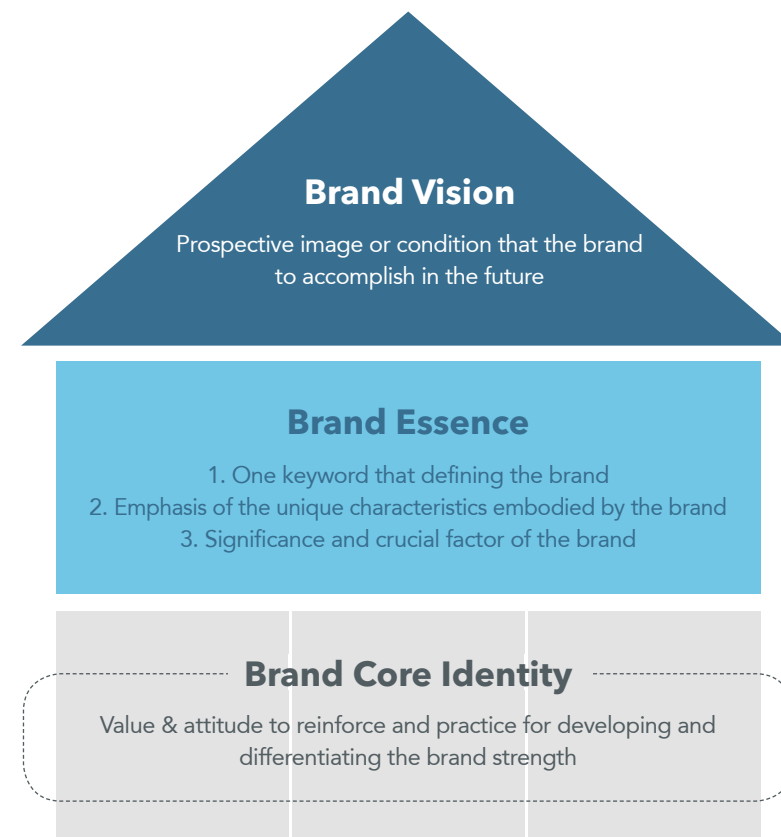
## Which path should we follow on this new brand journey?

The Brand Identity System is a map for this brand journey that guides the direction of the brand that Coway aims to establish.

The Brand Identity System is a well-arranged map of the future image and direction that the brand must eventually accomplish.

When the brand practices and follows each **Core Identity** that can differentiate its own strength, the brand will be invigorated and remind customers of one positive image of **Brand Essence**.

When the significance and unique characteristics of the brand are well stabilized, we will ultimately reach our final ideal destination of **Brand Vision**.





## Coway Brand Identity System

What must Coway pursue as a brand  
to be more loved?



## Brand Vision

# The Life Care Company

**Coway enhances customer's quality of life and pursues customer happiness through the eco-friendly life care by creating a clean environment and healthy living pattern.**

Coway enabling people to enjoy good water and clean air anywhere, anytime. 'Life Care' means we take care of everyone's quality of life and happiness and make them appreciate fresh water, clean air and healthy environment and enable them to lead a healthier and more active life.

This is the pledge of Coway, which will always be there caring for the health and well-being of people in their lives.





## Brand Essence

# Caring Happiness

**By caring for the environment, people's health and quality of life, our customers will experience reliability and happiness.**

When people are happy, they have smiles on their faces, often without even knowing it.

We must become "happiness care experts," by creating happiness in our customers' lives. Besides the basic concept of simply drinking and breathing safely, we guarantee a clean environment and healthy life to give everyone a true smile on their faces. Also, caring for their lives so that they can experience true happiness and good health is key to the brand that we must deliver.



## Brand Core Identity

# Insightful

**We continue to understand people's environmental concerns and empathize deeply with their needs.**

We sense their discomfort and concerns even before the people can feel them, and understand and empathize with what they want for a better, healthier lifestyle.

We constantly observe changes happening around and anticipate future market trend. Instead of keeping up with the trend, we set trend by evolving our product and service aggressively. One example is how we develop the interchangeable mattress cover for customers who emphasize on mattress hygiene, based on Coway's understanding of customers' needs and health concerns.

Product, service, and solutions reflecting our understanding of people's needs will boost our competitiveness strengthening our brand value and position as a market leader.







**Brand Core Identity**

# Innovative

**With responsibility and sincerity to provide a healthier environment and better lifestyle for customers, we continuously take on new challenges and seek innovations for new solutions.**

The legendary 18cm subminiature water purifier just as wide as an adult's hand span size.

IoCare air purifier show, notify changes in air.

All these proves that we understand customers' needs with sincerity, and innovating the technology and service accordingly.

We will seek opportunities to achieve true innovation through believing in 'possible' instead of 'impossible'.

**What is IoCare?**

IoCare is Coway's exclusive smart care service based on IoT (Internet of Things), that diagnoses and analyzes the product's servicing environment of the customer to provide optimal care solutions.





## Brand Core Identity

# Inspiring

**Value is added to enable every customer to have the perfect life of their own.**

We have passed the period where the same benefits and service were provided to all people. Now, customers want to live in a tailored lifestyle which best suit their living habits.

When water purifier, air purifier and bidet interconnected, it creates synergy to care the customers in multiple aspects of their life, leading customers to a comfortable and happy life.

Adding value to increase the quality of life and to take a step forward into the customer's future, that is the future of Coway.





# The new brand journey of Coway, shall we go together?

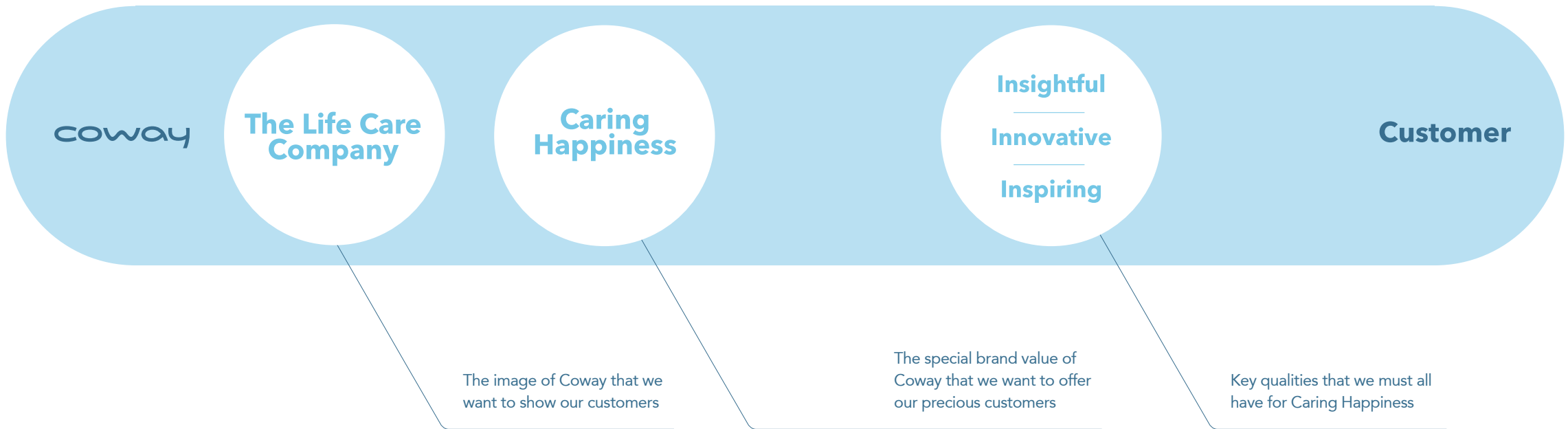
**New goals and values are possible to achieve as long as all members of Coway moving forward together.**

We have the vision of 'The Life Care Company' that provides customer happiness through the care of increasing people's quality of life.

To accomplish this vision, the most important thing is for all members of Coway to understand and participate in the goals and values of this new brand journey.

When we understand the new brand direction of Coway and continue to realize this, then consumers will be able to view the differentiated value and message that we seek to deliver.

When we accomplish this, Coway will be born again as a 'more loving brand.'





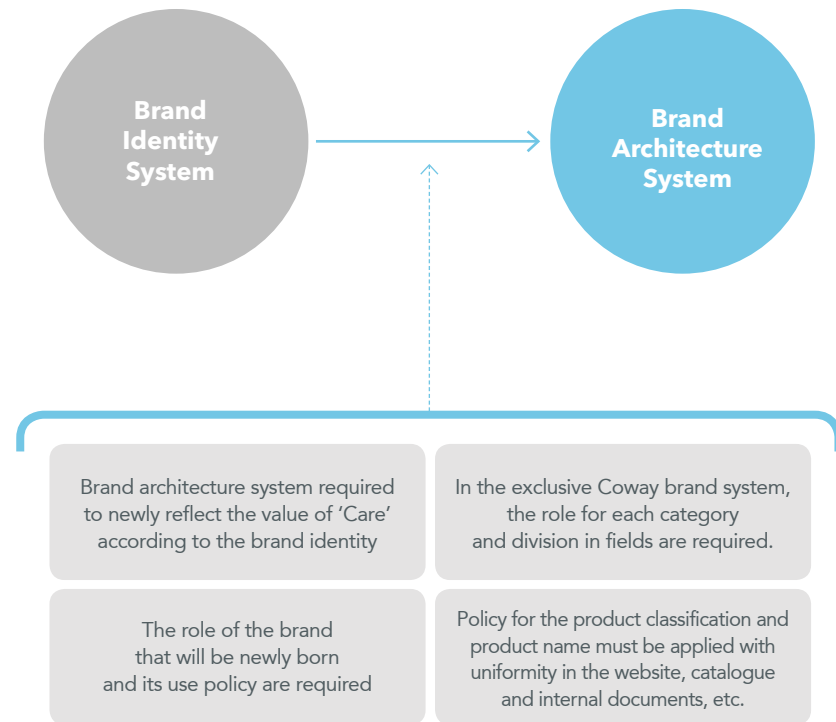
## **Coway Brand Architecture System**

What is required for better  
Coway brand management?



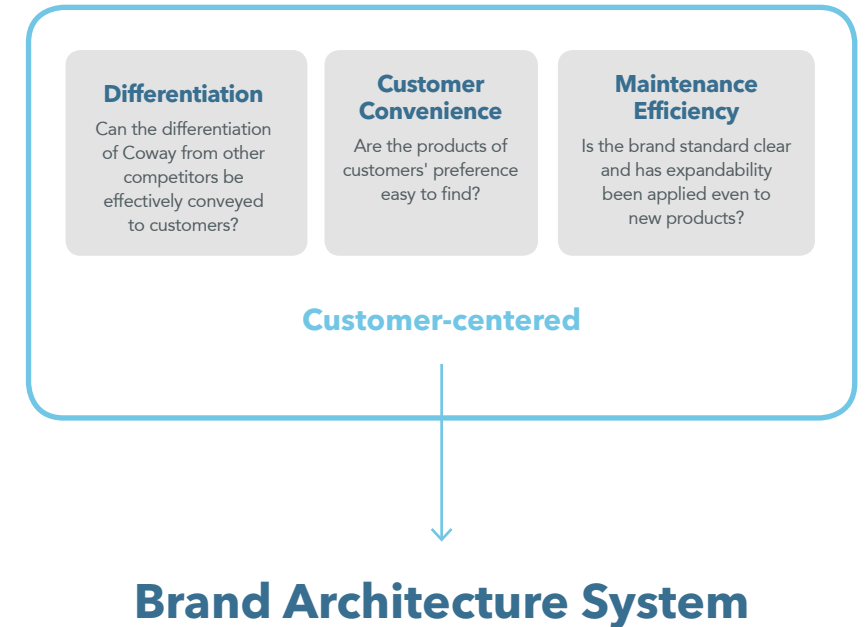
## Purpose of reestablishing Brand Architecture System

The purpose is to enable customers to more easily and clearly understand the direction and the value of Coway by defining the relationship between our brands and their role and systemizing the structure.



## Direction of establishing Brand Architecture System

Enabling efficient communication between the customers and Coway by informing customers about the information of products and services of Coway based on customers' need in order to reinforce the competitiveness of Coway.





## Coway Brand Architecture System

Essentially, Coway, is the company brand and also the master brand, and Coway's product groups are organized under four 'Care' categories for customers to experience more professional and systematic product and care service.

This means that customers will recognize the Coway brands as 'The Life Care Company', and have higher expectations.

### Company brand/ Master brand

COWAY

### Category

#### Water Care

Product & Care service improve the quality of life through clean and healthy water

#### Air Care

Product & Care service improve the quality of life through clean and healthy air

#### Body Care

Product & Care service enhance the quality of life by enabling a healthy and comfortable body condition

#### Sleep Care

Product & Care service improve the quality of life by providing a healthy and comfortable sleeping environment

#### Home Care

Product & Care service improve the quality of life through healthy and hygienic dietary and housing life

### Product group

Water purifier

Air purifier  
Air-conditioner  
cleaning care

Bidet  
Water softener  
Clean washer  
Health equipment

Mattress  
Mattress care

Juicpresso  
Electric range  
Food waste disposal unit  
Vacuum cleaner

### Service

Heart service & Membership service

Premium service

- \* All categories must be applied the same in all media such as the website, catalogue, etc.
- \* For details, please contact the Brand Strategy Team.



## **Application Guide**

How should we think and act  
in order to deliver the brand value  
of Coway more effectively?



Product strategy  
R&D  
Design

Product transforms imagination into reality

Coway has always been creating things that did not exist in the past to change the world, therefore differentiated products are developed through new approaches and fresh perspectives. We always think from the customer's point of view in order to satisfy customer by experiencing new and unique value, and purchasing products which fulfil customers' needs.

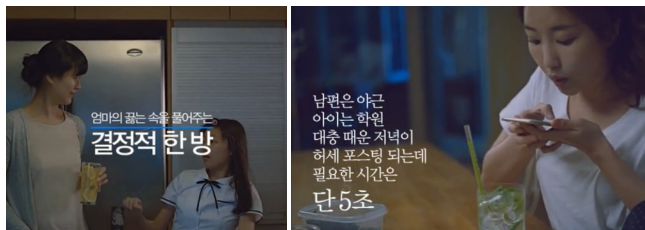


loCare product series launched to provide customized care service for customers

Marketing / PR

Creative message captivates the customer's imagination and senses

We enable to open the customers' mind to new value. Consistent messages are delivered to ensure Coway's brand name be easily associated. We continue the efforts with concept and theme for the customers to understand and empathize with our message.



Various storytelling campaigns based on customer insight to enable the customer to experience the brand and to feel its value

Sales/Service

We strive to provide the best customized experience for each customer

We must listen closely to the customers' voices in order to satisfy them in any process, from product purchase to maintenance and care service. As we represent the brand of Coway, we must approach customer with hospitality and sincerity for the customer to feel the brand personality of Coway.



Provide care service from the service expert for customer satisfaction and value creation

Overseas

Coway is increasing the quality of life for people around the world

Coway is renowned not only domestically, but also in many foreign countries. However, we need to professionally develop our brand competitiveness to secure the brand status of Coway in overseas. Localization policies must be applied appropriately without changes in consistent policy according to each country.

Expanded to Malaysia with a customized strategy through detailed analysis of the local culture and customs to record high sales growth rates



First water purifier in the industry to acquire a HALAL Certification





# Brand FAQ

Why is a brand strategy required?

Q1.

Brand is the strength that motivates consumers. The brand image is formed by varied awareness and experiences of the consumer, and these experiences are mostly connected to the activities performed by the company. Therefore, we must direct and control the customer experience through brand strategy. Company-wide brand strategy must be established to increase the experiential value of Coway to the consumer, and to share the promise and direction of the brand.



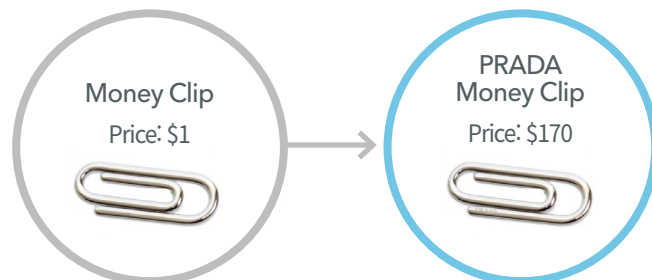
IY PHOTOS / Shutterstock.com

Anton\_Ivanov / Shutterstock.com

What is the benefit when the brand value increases?

Q2.

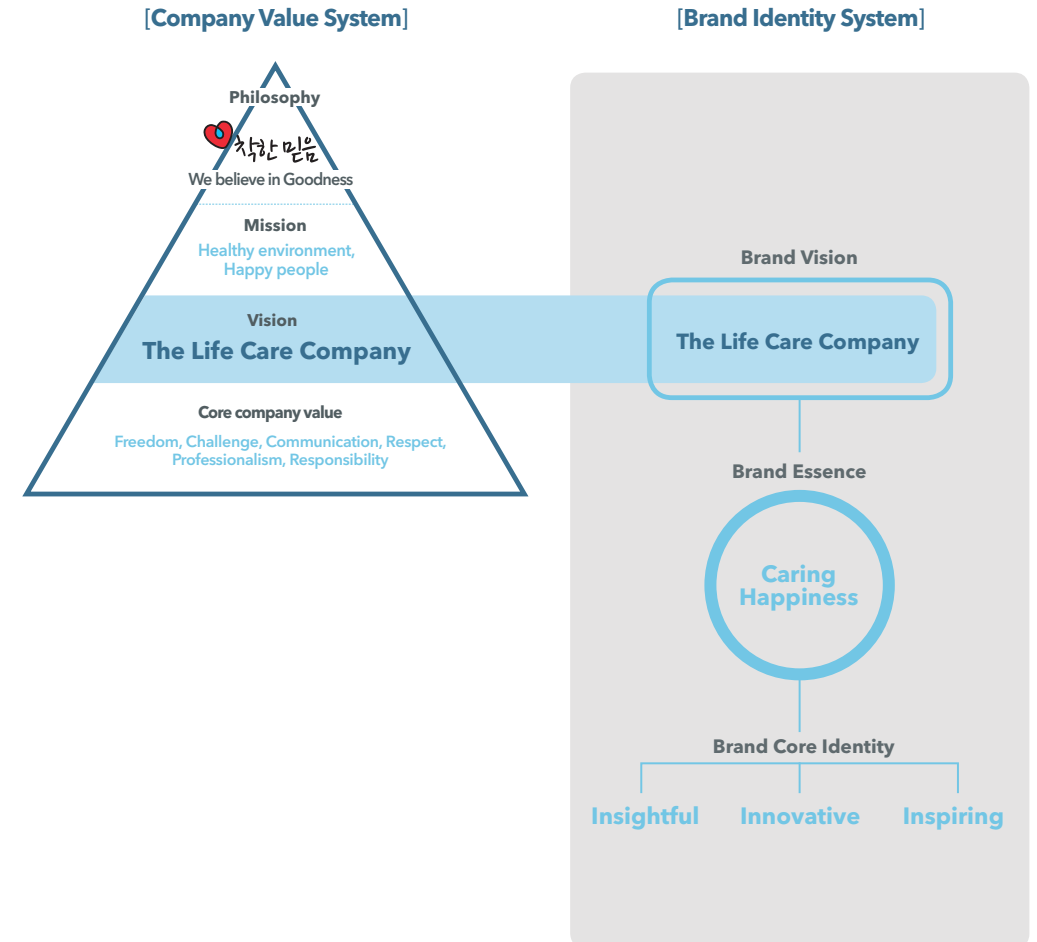
Even with the same product and service, when there is a recognized brand, there is a special meaning granted to the consumer, and value is added through this brand recognition. When the brand value is formed and increased through this brand recognition, it is acknowledged as an intangible asset which not only has differentiated competitiveness, but also is set at a premium price, and even the brand loyalty is reinforced.



What is the difference between the company value system and brand identity system?

Q3.

Company value system is, the central core value system, the cardinal principle of the company and its business activities. Based on this system, the brand identity system was established, and in particular, the direction of expressing the brand to the consumer is included.





coway

서울시 중구 서소문로 88 중앙일보빌딩  
JOONGANG ILBO BLDG., 88, SEOSOMUN-RO, JUNG-GU, SEOUL, KOREA 100-759



# COWAY & IoT

사람과 기기가 연결되고 상상과 현실이 만나는  
코웨이 IoT 라이프케어 솔루션  
이제 코웨이가 세상의 미래가 됩니다

coway

생활을 더욱 스마트하고 건강하게 하는  
라이프케어 서비스

## 코웨이가 IoT를 만나 가장 먼저 시작합니다

간간한 대한민국 소비자에게  
No.1 케어서비스 브랜드로 자리잡으며 생활의 기준을  
만들어 온 코웨이가 이제 한 단계 더 진화합니다

정수기가 물섭취현황을 분석해 건강관리를 돕는 워터케어 전문가로  
공기청정기가 공기질을 진단하고 분석하는 에어케어 전문가로  
매트리스와 비데가 건강상태를 체크하는 헬스케어 전문가로

지금까지 당신이 알고 있던 세상을 뛰어 넘어  
한 사람, 한 사람에게 최적화되고 지속적인 서비스를 제공하는  
라이프케어 솔루션으로 고객만족을 높ی겠습니다.

사물과 사람을 유기적으로 연결하고, 생활의 전반에서  
변화와 혁신을 촉진하는 코웨이 IoT 라이프케어 서비스 -

이제 세상은 더욱 편리하고 더욱 행복하고 더욱 건강해집니다.



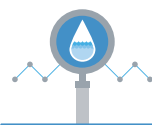
# SMART WATER CARE

## ‘물’과 ‘마신다’는 행동 사이에 건강을 만드는 기술이 담겨 있습니다

개인의 권장 물섭취량은 하루 8잔이지만 대부분의 사람들은 물섭취 부족상태, 이제 정수기를 통해 하루 물섭취량을 체크하고 다음 물마실 시간까지 체크하는 스마트 워터케어 서비스를 선보입니다. 이에 그치지 않고 축적된 물섭취 현황은 개인의 건강관리를 위한 데이터로 활용됩니다.



물섭취 현황 데이터 분석



분석 데이터를 통한 건강상태 진단



물섭취량/살균시간 등 활용 가이드 제공



맞춤형 기능 자동 세팅 서비스



09:25 AM

3시간 후 유로 및 탱크가 스스로살균됩니다.

현재까지 마신 1일 물섭취량 3잔 총 600ml



1000ml 남은 1일 필수 물섭취량 5잔 총 1000ml



다음 물마실 시간은 오후 3시 30분입니다.

# SMART AIR CARE

## 보이지 않는 공기, 이제 당신의 눈앞에 실체가 됩니다

보이지 않는 공기, 당신이 모르는 사이 외부의 공기 유해요소는 집안으로 침투합니다. 코웨이 IoT 공기청정기는 이러한 공기의 상태를 실시간으로 분석하고 모니터링하여 스스로 최적의 공기질을 찾아갑니다. 또한 이렇게 모니터링된 공기질을 축적 및 데이터화하여 개인에게 딱 맞는 맞춤형 스마트 에어케어 서비스를 선보입니다.



IAQ 수집 데이터 분석



IAQ 모니터링  
진단 서비스



청정/환기/습도  
조절 관리 가이드



IAQ 맞춤형 필터  
교체 서비스

04:00 PM

외출을 삼가하세요.  
공기청정기가 작동합니다.  
7일 후 코디가 방문하여  
항사 맞춤형필터로  
교체 예정입니다.

실내 황사 농도

325  
 $\mu\text{g}/\text{m}^3$

중요

실내 미세먼지 농도

25  
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실외 황사 농도

350  
 $\mu\text{g}/\text{m}^3$

나쁨

147  
 $\mu\text{g}/\text{m}^3$

실외 미세먼지 농도



# SMART HEALTH CARE

## 습관까지 분석하는 스마트 세상, 당신의 미래가 됩니다

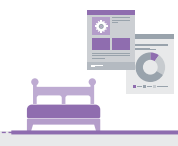
잠자는 동안 나의 수면 습관을 체크하는 매트리스와 사용습관에 따라 나의 건강 상태를 분석하는 비데, 이제 코웨이를 통해 현실이 됩니다. 분석된 신체현황을 알아서 데이터로 전송하는 기능, 건강상태를 점검하고 관리하는 스마트 헬스케어 서비스, 코웨이가 실현합니다.



배변/수면 습관 데이터 분석



배변/수면 습관을 통한 건강상태 진단



매트리스/좌욕/클리닉 기능 활용 가이드



맞춤형 기능 자동 세팅 서비스

10:30 PM

수면의 질이 낮으니  
정기적인 운동을 통해  
건강관리에 신경쓰세요.

뒤척임지수

나쁨



호흡지수

정상



수면환경소음지수

나쁨



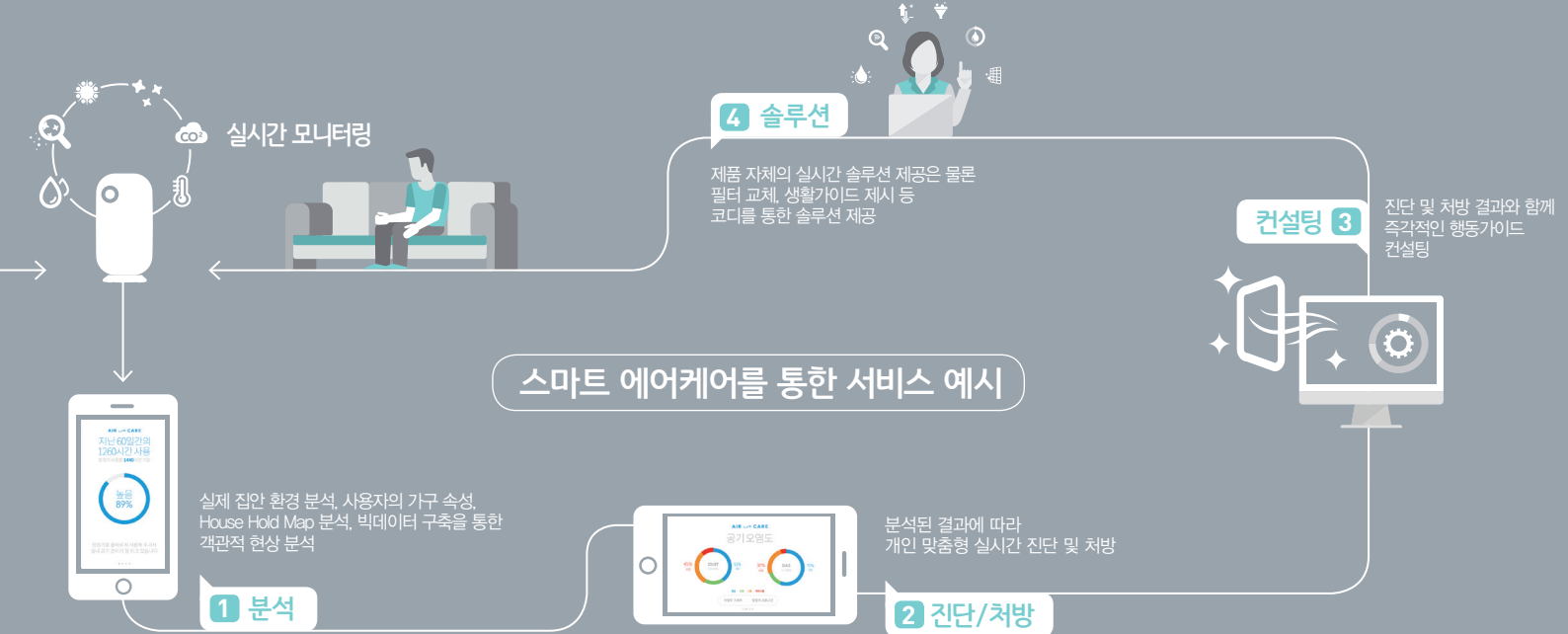
# COWAY & IoT PROCESS



## 단순한 기술을 넘어 사람을 위한 서비스로 한 차원 올라섭니다

단순히 주변의 상황을 분석하고 진단하는 수준에 머물러 있었던 지금까지의 IoT, 코웨이는 한 차원 높은 라이프케어 서비스를 선보입니다.

업계 최고 수준의 서비스 전문인력인 '코디'와의 연계를 통해 각 가정에서 수집 및 분석한 데이터를 진단하는 것은 물론 개인에게 적합한 행동가이드를 제시하고 필터 교체, 제품 추천 등 맞춤형 솔루션을 제시합니다.





# Why COWAY?

## No.1



시장점유율 1위<sup>①</sup> (정수기, 공기청정기, 롤루비데, 연수기)

브랜드 인지도 1위<sup>②</sup> (코웨이 71.3%, 롤루비데 66%)

업계 최고 수준의 R&D역량  
우수한 재무실적과 현금창출력

대한민국 환경가전분야 환경가전서비스  
최초 기업상기도, 브랜드선호도 1위<sup>③</sup>

17년 연속 브랜드파워 정수기 부문 1위 **1**

① 2013년 한국웰빙가전 보유현황 및 1년 내 시장 조사(갤럽) 기준  
②, ③ 2014년 코웨이 BP조사(입소스) 기준

## 5,700,000 ACCOUNTS

### 350만 고객 & 570만 계정

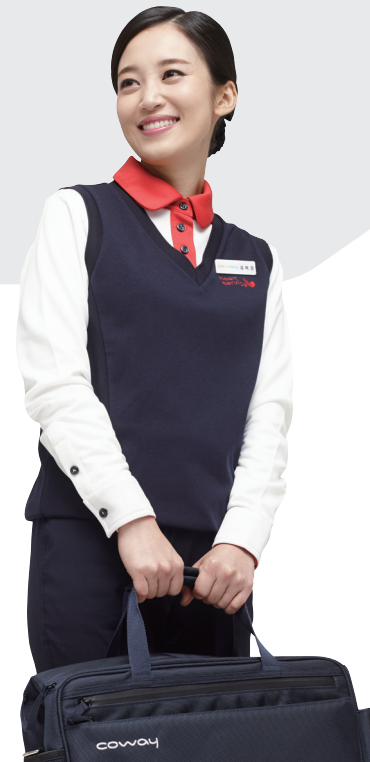
1989년 설립 이래 업계 최초로 렌탈비즈니스의 개념을 도입하고 시장을 구축해온 코웨이는 현재 350만 고객에 570만 계정이라는 놀라운 기록으로 렌탈비즈니스 시장을 선도하고 있습니다.



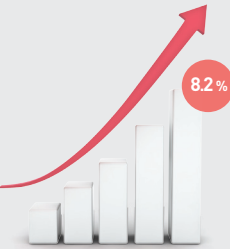
## 18,000 CODY + STAFF

### 18,000여 명

업계 최초로 제품판매와 관리서비스를 제공하는 코디(Coway Lady) 시스템을 도입하여 현재 18,000여 명의 대한민국 최대 관리 및 판매 인력이 고객의 깨끗하고 건강한 생활을 위해 노력하고 있습니다. 이에 그치지 않고 앞으로의 코디는 고객 개개인의 맞춤형 솔루션을 제공하는 IoT서비스의 주축인력으로 활동할 예정입니다.



## 8.2%



### 연평균 성장률 8.2%

코웨이는 설립 이후 지난 16년간 매해 연평균 8.2% 이상의 꾸준한 성장률을 기록하고 있으며, 현재에 안주하지 않고 앞으로의 성장을 위해 노력하고 있습니다.

CARBON REPORT  
2014  
Summary



# 2014 Coway Carbon Report

## 보고서 프로필

2014년 Carbon Report는 코웨이가 발행하는 여섯 번째 보고서로 지속가능보고서에서 상세히 다루지 않은 탄소정보를 공개하기 위해 작성되었습니다.

## 보고 목적

본 보고서는 투자자 및 소비자에게 코웨이의 기업 활동으로 인해 발생하는 온실가스의 배출과 저감 활동에 대해 투명하게 정보를 제공하는데 있습니다.

## 보고 기간

2014년 1월 1일부터 12월 31일까지입니다. 그러나 이해를 돕기 위해 일부 항목은 이전 연도의 실적을 함께 수록하였습니다.

## 보고 범위

코웨이 생산공장(유구/인천/포천), 물류센터, 서울대 환경기술연구소, 화장품연구소, (중앙)일보빌딩(서울사무소) 및 물&환경사업부의 성과를 중심으로 기술하였으며, 국내 현장 영업점과 협력회사에 대한 정보도 일부 포함하였습니다.

## 보고 기준

보고서 작성 기준은 <대한민국 온실가스·에너지 목표관리 운영 등에 관한 지침>, <탄소정보공개프로젝트(Carbon Disclosure Project, CDP) 2014>와 GRI(Global Reporting Initiative) G4 가이드라인>의 경제, 환경지표를 기준으로 작성되었습니다.

## 보고서 검증서

2014년 코웨이 Carbon Report는 별도의 검증을 받지 않았으며, 온실가스 배출량 제3자 검증 결과를 기준으로 탄소 관련 정보를 세부적으로 공개하는 데 목적이 있습니다.

## 보고서 피드백 및 추가정보

본 보고서는 코웨이 홈페이지를 통하여 다운로드 받으실 수 있습니다. 본 보고서에 대한 이해관계자의 의견은 우편, E-mail, 전화 등 다양한 경로를 통하여 받고 있습니다. 보다 자세한 정보는 코웨이 홈페이지(<http://www.coway.co.kr>)에서 찾으실 수 있습니다.

## Executive Summary

코웨이는 대한민국 온실가스·에너지 목표관리 대상 기업은 아니지만 해당기준에 의거하여 자발적으로 온실가스 저감 목표를 수립하여 관리하고 있습니다.

### ① 2013년 대비 2014년 온실가스 저감 활동의 성과를 수록하였습니다.

코웨이는 성장으로 인한 조직경계 추가로 2012년까지 총배출량이 증가하였으나 2013년부터 지속적인 신·재생에너지의 도입과 비즈니스 운영 효율화를 통해 2013년 대비 2014년 64 tCO<sub>2</sub>e의 온실가스를 저감하였습니다.

### ② 코웨이는 위탁운영 되고 있는 물류이동에 의한 온실가스 정보를 공개하고 있습니다.

코웨이는 2013년부터 기후변화 대응을 위해 위탁 운영 관리되고 있는 전체 물류 거점으로 부터 제품의 수송으로 인해 발생하는 온실가스를 산정하고 있습니다. 2014년 제품 수송에 의해 4,025 tCO<sub>2</sub>e의 온실가스를 발생시켰습니다.

### ③ 탄소파트너십을 통한 협력사들의 탄소저감활동을 수록하였습니다.

인버터 설치 지원으로 연간 110 MW의 전력 사용량을 저감하여 연간 236 tCO<sub>2</sub>e의 온실가스와 2014년 4개 협력사에 사출기 히터 단열 커버 설치를 통해, 사출기 한 대당 16~20 MW/년의 전력 사용을 저감하여 7.8~9.9 tCO<sub>2</sub>e의 온실가스를 저감하고 있습니다.

### ④ 코웨이는 제품에서 발생하는 온실가스 저감에 앞장서고 있습니다.

진공 단열 소재, 순간 가열 및 반도체 냉각 기술의 제품 적용을 통해 2014년 총 27,097 tCO<sub>2</sub>e의 온실가스를 저감하는 성과가 있었습니다.

### ⑤ 폐제품의 자원재활용을 통해 온실가스를 저감하고 있습니다.

코웨이 냉매 회수·재활용을 통해 11,965 tCO<sub>2</sub>e, 리퍼브 제품 생산으로 1,416 tCO<sub>2</sub>e, 폐제품의 플라스틱 재활용을 통하여 7,303 tCO<sub>2</sub>e의 온실가스를 간접 저감하여 총 20,684 tCO<sub>2</sub>e의 온실가스를 저감하였습니다.

### ⑥ 수자원 사용 현황을 공개하고 있습니다.

코웨이는 기후변화로 인한 물 부족에 따른 위험을 관리하기 위해 수자원 사용량을 파악하여 그 정보를 공개하고 있습니다. 2014년 코웨이는 66,047 톤의 용수를 사용하였습니다.

### ⑦ 신·재생에너지의 도입과 보급을 확대하고 있습니다.

코웨이는 2013년부터 포천공장에 신·재생에너지인 태양광 발전을 도입하여, 2014년에는 유구공장 및 협력사까지 태양광 발전 보급을 확산하였습니다. 그 결과 2014년 코웨이 및 코웨이 협력사의 태양광 발전(총 91,741 KW/년)을 통해 42.77 tCO<sub>2</sub>e의 온실가스를 저감하는 효과를 볼 수 있었습니다.

## 기후변화 기회 및 리스크 분석

코웨이는 이해관계자의 기대와 요구에 적극 대응하고 핵심 비즈니스와의 연관성과 활용도를 높이기 위해 노력하고 있습니다.

### 기후변화 위기 및 기회

기후변화 중요성 평가 결과 제품의 온실가스 감축과 탄소 감축 기술 개발은 전년과 동일하며, 사업장 온실가스 감축 활동과 탄소 사회공헌이 전년과 비교하여 중요성 측면에서 변동이 있었습니다.

#### ■ 기후변화 중요성 평가



### 기후변화 위기 및 기회 분석

코웨이는 기후변화 위기와 기회 분석을 통해 위기관리에 대한 역할과 책임을 명확히 하여, 위기 대응력을 높여가고 있습니다.

#### ■ 기후변화 위기

분류	항목	위기
규제적	국제협약	냉매 사용 규제 강화로 개발 비용 증가
	배출량 의무 보고(목표관리제)	규제 대상 확대로 목표관리제 편입
	제품 에너지효율(효율 등급)	에너지 소비효율 등급 규제 강화로 개발 비용 증가
물리적	평균기온 변화	에너지 소비 억제 정책 강화로 대응 비용 발생
	강수패턴 변화	수자원 관리 정책 강화로 개발 비용 증가
기타	소비패턴 변화	소비자 요구 증가 및 변화로 개발 비용 증가
	시장의 불확실성	기후변화로 인한 시장의 변화에 따른 신제품 발굴

■ 기후변화 기회

분류	항목	기회
규제적	국제협약	친환경 냉매(R-600a), 무냉매(반도체)냉각 기술 개발
	배출권 거래제	폐제품 회수·재활용 시스템 구축, 폐냉매소각 기술 검토
	제품 에너지효율(효율 등급)	신기술 개발(순간가열/반도체냉각) 투자 확대
물리적	평균기온 변화	에너지 소비효율 1등급 제품 확대
	강수패턴 변화	나노트랩필터 개발(생활용수 저감)
기타	소비패턴 변화	융·복합제품 및 신기술 개발
	평판	소비자의 친환경제품 요구 증가 및 친환경 매출 증가

탄소파트너십

코웨이는 지속가능한 기업경영을 위해 협력사들과 탄소파트너십을 유지, 운영하고 있습니다. 기후변화로 인한 기업의 위기와 기회요인이 구체화되면서 공급망에 대한 지속적인 관리가 필요하기 때문입니다. 코웨이는 협력사들의 사업장 온실가스 저감 활동 외에 협력사들이 공급하는 제품에 대해서도 온실가스를 저감하기 위해 녹색 소재·부품 개발 파트너십으로 확장하여 녹색제품 개발을 위해 노력하고 있습니다. 또한 협력사들의 에너지 계측 정량화를 위한 계측기 지원을 에너지 사용량을 정량화하고 IT 시스템을 통해 상호 공유하며, 모니터링을 통해 감축항목을 지속적으로 도출하고자 통합에너지경영시스템 구축 사업을 추진하고 하였습니다.

■ 코웨이의 파트너십



수자원 관리

코웨이는 기후변화로 인한 물 부족에 따른 위험을 평가하기 위해 수자원 사용량을 파악하여 그 정보를 공개하고 있습니다. 코웨이는 카본필터 제조공정의 개선과 워터리스 테스트 시스템 도입 등을 통해 사업장에서 사용되는 용수 사용량을 지속적으로 저감하고 있습니다.

다. 또 신기술이 적용된 나노트랩필터를 개발하고 이를 제품에 확대 적용하여 소비자 사용 단계에서 발생하는 생활용수를 저감하고 있습니다. 또한 캄보디아 우물 지원 사업을 통해 글로벌 미래시장 확보를 위한 사회공헌 활동도 추진하고 있으며, 물성장 프로젝트를 통해 청소년 및 영유아들의 물 음용 습관을 개선하고자 노력하고 있습니다.

■ 나노트랩 필터 적용을 통한 용수 사용량 저감 성과      단위 : 톤



• 나노트랩필터 제품(12년부터 년도별 누적)\*365일\*10L(4인 기준)

■ 물섬표 시간(물성장 프로젝트 II)



전국 어린이집, 유치원에서 코웨이 물섬표 시간을 함께 하고 있습니다

■ 캄보디아 우물지원 사업



■ 코웨이 수자원 사용 현황

	2010	2011	2012	2013	2014
용수 사용량(톤)	87,133	72,356	91,555	64,101	66,047
매출액(억원)	15,018	17,098	18,068	19,337	20,136
원단위(톤/억원)	5.80	4.23	5.06	3.31	3.28

## 저탄소 녹색경영 전략 및 목표 및 실적

코웨이는 ‘THE Lifestyle Design Company’라는 기업 비전을 바탕으로 인류의 생활가치를 높여줄 친환경 제품 및 서비스를 제공하는데 역점을 두므로써 당사의 환경경영 비전인 ‘The 1st Green Global Leader’를 향해 도약하고자 합니다.

### 온실가스 중장기 저감 목표

코웨이는 2010년 기준, 2020년까지 온실가스 원단위를 50%까지 저감하는 목표를 수립하였습니다. 코웨이는 성장에 따른 배출량 증가는 피할 수 없으나, 2010년 당시의 조직경계를 기준으로 최대한 에너지 사용량을 억제하여 온실가스 배출량을 저감하고자 목표를 수립, 저감 활동을 추진하고 있습니다.

■ 코웨이, 중장기 온실가스 저감 목표 및 현황



코웨이는 제조현장, 사무실, 협력사 등 제품의 설계단계에서부터 폐기단계에 이르는 전과정 (LCA)에서 온실가스 배출을 최소화할 수 있도록 전임직원이 동참하고 있습니다. 또한 신재·생에너지의 도입 및 비즈니스 운영 효율화를 통해 온실가스 총배출량을 지속적으로 저감하고 있습니다.

■ 연료 사용 현황(Scope1 + Scope2)

종류	단위	2011		2012		2013		2014	
		사용량	GJ	사용량	GJ	사용량	GJ	사용량	GJ
부탄	kg	372	17	472	22	440	20	160	7
LPG	m3	761	44	749	43	695	40	762	44
경유	l	51,180	1,812	43,896	1,554	7,648	270	7,069	250
LNG	m3	57,683	2,307	56,675	2,267	54,932	2,164	39,770	1,567
등유	l	10,941	383	9,678	339	17,469	611	5,978	209
프로판	kg	25,162	1,165	24,085	1,115	23,275	1,078	24,508	1,135
전력	MWh	10,911	98,199	11,750	105,750	11,558	104,022	11,549	103,944
계	-	-	103,927	-	111,090	-	108,205	-	107,155



■ 연도별 온실가스 배출량

단위 : tCO<sub>2</sub>e

	Scope1 [직접배출]	Scope2 [간접배출]	Scope3	Opt. Info	순배출 [S1+S2]	총배출
2010	575	4,789	93	72,687	5,365	78,145
2011	368	5,087	49	63,570	5,455	69,076
2012	338	5,479	49	60,179	5,817	66,044
2013	256	5,389	49	39,346	5,645	45,040
2014	196	5,385	49	29,319	5,581	34,949

- Scope3는 협력사, 영업점, 물류 제외
- Opt. Info는 탈루배출(R-134a), 비6대 온실가스(R-12) 포함

2010년 대비 2011년 순배출량이 증가하였습니다. 이는 2011년 유구기숙사와 물류센터의 신축에 따라 조직경계에 추가되고 2012년에는 물환경사업부가 조직경계에 추가되었기 때문입니다. 코웨이는 에너지의 대부분을 전력에 의존하고 있으며, 전력사용 저감을 위해 노력하고 있습니다. 이에 따라 코웨이는 2013년 신·재생에너지의 도입 및 비즈니스 운영 효율화를 통해 전력사용량을 저감, 온실가스를 감축하고 있으며 2014년에는 협력사에게로 신·재생에너지의 보급 범위를 확산하고 있습니다.

■ 사업장별 배출 현황

단위 : tCO<sub>2</sub>e

	2010	2011	2012	2013	2014
유구공장	1,732	1,589	1,604	1,571	1,805
유구기숙사*	-	57	125	125	115
인천공장	845	808	710	695	634
포천공장	496	493	499	394	361
서울대연구소	1,823	1,688	1,709	1,628	1,537
화장품연구소	89	155	151	180	163
일보빌딩	380	436	354	384	398
물류센터*	-	229	515	499	413
물&환경사업부*	-	-	150	169	155

- \*는 2010년 이후, 추가된 조직 경계

■ 제품 폐기에 의한 냉매 발생량      단위 : kg

	R-12	R-134a	계
2010	10,386	4,758	15,144
2011	9,737	7,891	17,628
2012	7,568	11,552	19,120
2013	4,580	12,725	17,305
2014	3,061	13,558	16,619

■ 폐제품에 의한 플라스틱 발생 현황

	발생량(톤)	환산량(tCO <sub>2</sub> e)
2010	10,139	11,946
2011	10,794	12,718
2012	8,988	10,590
2013	7,482	8,815
2014	8,724	10,279

- 폐제품은 당해연도 제품 출고량 기준(환경부)

코웨이는 렌탈 비즈니스의 장점을 이용하여 폐제품을 회수·재활용하고 있습니다. 2014년

회수된 제품의 폐기과정에서 발생하는 냉매 R-12에 의해 26,640 tCO<sub>2</sub>e, R-134a에 의해 14,073 tCO<sub>2</sub>e의 온실가스를 배출하고 있습니다. 또한 폐제품 처리로 인해 플라스틱 폐기물을 발생시키고 있으며, 환경부 탄소성적표지 작성지침의 폐기물 처리방법에 의해 온실가스 배출량은 산정하면 연간 10,279 tCO<sub>2</sub>e의 온실가스를 간접배출하고 있는 것입니다.

### 협력사 중장기 온실가스 저감 목표

코웨이는 협력사들의 탄소경쟁력 강화를 위해 모기업인 코웨이의 매출성장을 고려하여 목표를 코웨이와 동일하게 2010년 기준 2020년까지 온실가스 원단위를 50%까지 저감하는 것으로 설정하고 지속적으로 탄소파트너십을 유지, 운영하고 있습니다.

#### ■ 협력사 온실가스 배출 현황

단위 : tCO<sub>2</sub>e

	2010	2011	2012	2013	2014
26개 협력사	39,982	40,136	40,079	47,806	44,485
원단위(매출액/억원)	13.51	12.43	11.95	12.48	10.57

- 코웨이 탄소파트너십 협력사 중, 정보를 제공한 협력사를 기준으로 함  
(2014년 정보를 제공한 26개 협력사의 온실가스 배출량과 매출액 기준)
- 2013년 1개 협력사의 신규 사업 진출에 의한 영향으로 배출량이 급증함

### 온실가스 배출량 비교

코웨이는 기후변화 대응을 위해 지속적으로 온실가스 배출량 파악을 위해 노력하고 있습니다. 2011년 영업점, 2013년에는 전체 물류 거점을 중심으로 위탁 운영되고 있는 제품 수송 등으로 확대하고 있습니다.



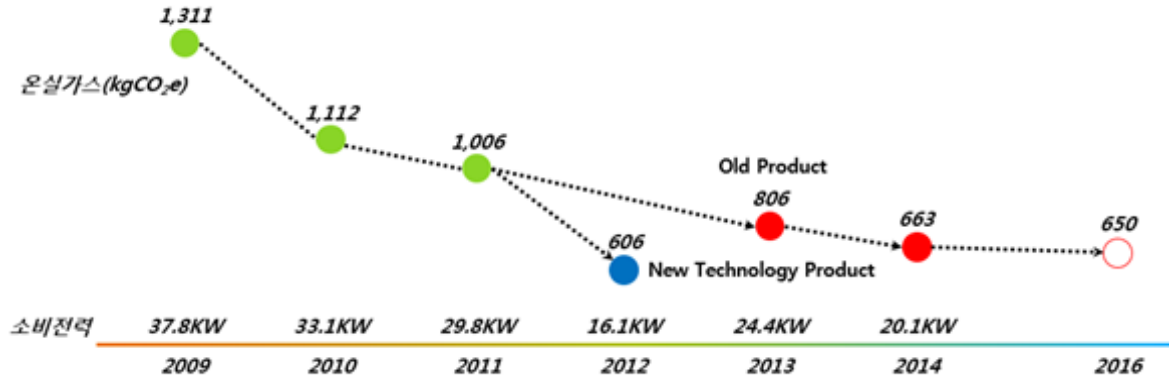
- 개별 전력 개량기가 설치된 영업점을 기준으로 임차 면적 등을 고려한 추정치  
(현실적으로 수집이 불가능한 Scope 1은 제외)
- 전과정 온실가스 평가를 위해 위탁 물류 회사에 온실가스 산정 기초 데이터 요청  
(물류 회사에서 제공한 자료 기준, 운행거리, 주유량 등을 종합 고려하여 배출량 산정)
- 26개 협력사 및 코웨이 사업장 3자 검증 기준이며, 영업점 및 물류는 내부 추정치임

### 제품 온실가스 저감 목표

코웨이는 단계별 배출량 평가를 통해 최종 제품의 소비자 사용에 의해 발생하는 온실가스

를 저감하는 것이 중요하다는 것을 인식하고 제품의 온실가스를 저감하는 목표를 수립하였습니다. 또한 코웨이는 제품 온실가스 저감 목표를 달성하기 위해 기술 개발에 전념하고 있습니다.

■ 제품 온실가스(에너지 사용) 저감 목표 및 현황



- 신제품은 국가 기준 부재로 추정치임.
- 제품 평균이 아닌 해당 년도 신제품 또는 대표 모델 기준임

## 온실가스 감축 성과

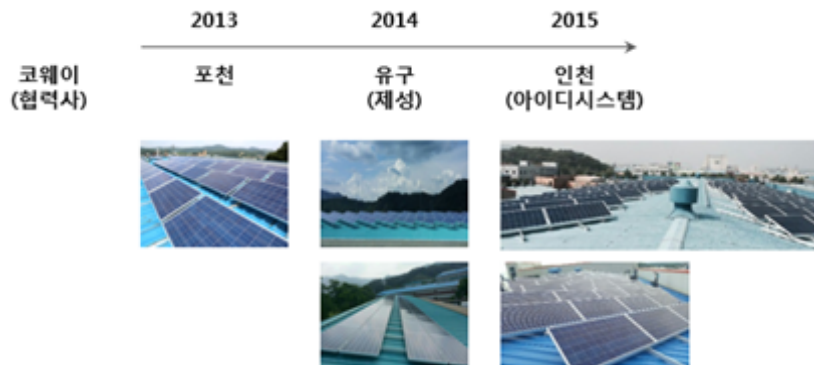
코웨이는 온실가스 인벤토리 구축을 시작으로 에너지 진단, 생산공정 효율화, 폐제품의 자원 재활용, 신·재생에너지 도입 및 제품 등의 온실가스·에너지 저감을 위해 전임직원이 노력하고 있습니다.

## 사업장 온실가스 저감

2014년 코웨이는 매출이 증가하였음에도 유구공장에 신·재생에너지인 태양광 발전의 도입 [49.5 KWh 규모, 연간 예상 발전량 66.849 MW]과 비즈니스 전반에 걸친 운영 효율화를 통해 2013년 대비 총량(절대량)기준 온실가스를 64 tCO<sub>2</sub>e을 저감 하였습니다. 또한 2014년에 협력사[(주)제성, 29.7 KWh]까지 신·재생에너지의 도입을 확대하였으며, 2015년에도 코웨이 인천공장(39 KWh) 및 협력사[(주)아이디시스템, 29.4 KWh]에 태양광 발전을 설치 중에 있으며, 코웨이는 협력사에 태양광 발전에 필요한 자금을 무이자로 지원하고 있습니다.

### ■ 코웨이 태양광 발전 설치 현황(협력사 포함)

	포천공장	협력사 (주)제성	유구공장	인천공장	협력사 (주)아이디시스템
설치 년도	2013	2014	2014	2015	2015
발전 용량(KW)	45	29.7	49.5	39	29.4
총 투자비(천원)	114,250	73,313	122,850	96,790	72,960
보조금(천원)	64,260	38,313	63,850	49,140	37,040
자부담금(천원)	49,990	35,000	59,000	47,650	35,920
예상발전량(KW/년)	59,178	40,109	66,849	52,669	39,704
가동일	08. 16	06.12	09.01	7월 中	8월 中
감축량(톤CO <sub>2</sub> e)	27.5	18.6	31.1	24.4	18.4



### 냉매 회수·재활용을 통한 온실가스 저감

코웨이의 정수기에는 냉각 성능 구현을 위해 냉매가스(R-134a)가 사용되고 있습니다. R-134a 냉매가스는 지구온난화지수(GWP)가 1,300으로 폐제품의 냉매로 인해 발생하는 온실가스의 관리가 중요합니다. 코웨이 포천공장에서는 냉매 회수 설비를 통해 2013년 11,965 tCO<sub>2</sub>e의 온실가스를 저감하였습니다.

#### ■ 냉매 회수·재활용 및 온실가스 저감 실적

	종류	단위	2010	2011	2012	2013	2014
냉매 회수·재활용량	R-12	kg	2,590	3,230	1,725	1,200	1,000
	R134a		1,090	1,680	3,010	3,430	3,120
온실가스 저감량	R-12	tCO <sub>2</sub> e	22,585	28,166	15,042	10,464	8,720
	R134a		1,134	1,747	3,130	3,567	3,245

• GWP R-12 : 10,900 / R-134a : 1,300 적용

### 자원 재활용에 의한 온실가스 저감

코웨이는 제품의 판매뿐만 아니라 폐제품을 회수하여 재사용 또는 재활용 하는 등 환경유해성을 최소화하기 위해 노력하고 있습니다. 코웨이는 리퍼브 제품 생산과 폐제품의 자원 재활용을 통해 환경부하를 최소화하고 있습니다.

#### 1) 리퍼브 제품 생산을 통한 간접 온실가스 저감

코웨이의 대표적인 재활용 제도인 리퍼브는 합리적이고 알뜰한 소비를 원하는 구매고객을 만족시킬 뿐만 아니라 자원 재사용을 통해 환경문제를 최소화하는 일석이조의 효과를 거두고 있습니다. 코웨이는 2014년 약 1만 8천대의 리퍼브 제품 생산을 통해 환경부 탄소성적표지 기준 1,416 tCO<sub>2</sub>e의 온실가스를 간접 저감하였습니다.

#### ■ 리퍼브 실적 및 온실가스 저감량

	단위	2010	2011	2012	2013	2014
리퍼브 매출액	억원	122	124	166	145	216
리퍼브 판매량	대	35,538	40,444	29,477	28,132	18,583
온실가스 저감량	tCO <sub>2</sub> e	1,735	2,615	1,789	1,773	1,416

- 정수기의 리퍼브 수량이 많을수록 온실가스 저감량이 증가함.
- 산출 기준(kgCO<sub>2</sub>e/제품 1대) : 정수기 100, 청정기 40, 비데 30
- 환경부 탄소성적표지 에너지 사용제품 작성지침 중, 사용단계 제외한 제품 1대당 배출량 (연수기 등은 기준이 없어 산정에서 제외)

#### 2) 플라스틱 폐기물 재활용을 통한 온실가스 저감

코웨이는 리퍼브제품 생산뿐만 아니라 당사가 생산한 폐가전 제품을 전량 회수하여 자발적

으로 재활용하고 있습니다. 코웨이가 생산하는 제품은 생산자책임재활용제도(EPR, Extended Producer Responsibility)에 포함되지 않지만 환경을 생각하는 기업으로서 생산자책임 원칙에 의해 포천공장에서 재활용하여 2014년 7,303 tCO<sub>2</sub>e의 온실가스를 간접 저감하였습니다.

■ 플라스틱 폐기물 재활용 실적 및 온실가스 저감량

	단위	2010	2011	2012	2013	2014
페플라스틱 재활용량	ton	5,040	6,094	6,081	5,638	6,198
온실가스 저감량	tCO <sub>2</sub> e	5,938	7,180	7,165	6,643	7,303

• 환경부 탄소성적표지 작성지침 배출계수 적용(폐기물 처리방법에 따른 배출계수)

**제품의 에너지 효율 향상을 통한 온실가스 감축 성과**

코웨이는 사업장 내에서 발생하는 온실가스 감축 활동뿐만 아니라 당사가 제공하는 제품을 소비자가 사용하는 과정에서 발생시키는 온실가스 저감을 위해 노력하고 있습니다.

코웨이는 냉온정수기의 에너지 효율 향상을 위해 진공 단열 소재 적용기술을 개발하여 제품에 적용하였습니다. 소비자가 이 제품(CHP-270L)을 1년 동안 사용하게 되면 제품 1대당 기준 모델(CHP-210L)과 비교하여 51.8 kgCO<sub>2</sub>e의 온실가스를 저감하는 효과가 있습니다. 이 제품은 2012년 이후 누적 판매 기준 10,344대가 판매되어 2014년 536 tCO<sub>2</sub>e의 온실가스를 저감하는 효과를 볼 수 있었습니다. 이를 전력으로 환산하면 1년간 1,152 MWh의 전력 사용량을 저감하는 것입니다. 또한 코웨이는 순간 가열 및 반도체 냉각 방식 기술이 적용된 제품을 출시하여 에너지 효율을 혁신적으로 향상 시켰습니다. 소비자가 이 제품(CHP-241N)을 1년 동안 사용하게 되면 제품 1대당 기준 모델(CHP-210L)과 비교하여 101.2 kgCO<sub>2</sub>e의 온실가스를 저감하는 효과가 있습니다. 이 제품은 2012년 이후 누적 판매 기준 285,524대가 판매되어 2014년 26,561 tCO<sub>2</sub>e의 온실가스를 저감하는 효과를 볼 수 있었습니다. 이를 전력으로 환산하면 1년간 57,121 MWh의 전력 사용량을 저감하는 것입니다.

**협력사에 의한 감축 활동**


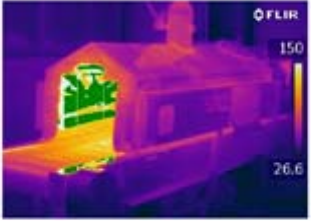

코웨이는 협력사들의 탄소경쟁력 강화를 위해 탄소파트너십을 유지, 운영하고 있습니다. 코웨이의 매출성장에 따라 협력사들의 매출도 증가하고 있으며, 이에 따라 에너지 사용량도 증가하고 있습니다. 코웨이는 협력사들의 에너지 저감을 유도하기 위해 인버터 설치 지원, 사출 협력사를 대상으로 사출기 히터 고효율 재질의 단열 커버 설치를 시범적으로 진행하였습니다. 인버터 설치 지원으로 연간 110 MW의 전력 사용량을 저감하여 연간 236 tCO<sub>2</sub>e의 온실가스와 단열 커버 설치를 통해 사출기 한 대당 16~20 MW/년의 전력 사용을 저감하여 7.8~9.9 tCO<sub>2</sub>e의 온실가스를 저감하는 효과를 볼 수 있었습니다. 코웨이는 탄소

파트너십을 통해 발굴한 잠재감축 항목들에 대한 지속적인 모니터링과 시범 투자 및 자체 투자 유도를 통해 코웨이 협력사들의 탄소경쟁력을 강화할 예정입니다. 2014년에는 협력사 사업장 에너지 효율화 사업과 신·재생에너지 도입 지원(코웨이 태양광 발전 설치 현황 참조)을 통해 지속적으로 온실가스를 저감하였습니다.

■ 협력사 잠재 감축량 도출(에너지 진단 지원)

	<b>&lt;순환펌프&gt;</b>	<b>&lt;건조기&gt;</b>	<b>&lt;사출기&gt;</b>	
<ul style="list-style-type: none"> <li>▪ Peak 관리</li> <li>▪ Leak 관리</li> <li>▪ 운전표준화</li> <li>▪ 설비 관리</li> <li>▪ 노후설비 교체</li> <li>▪ 에너지 효율화</li> <li>▪ 기타</li> </ul>				<ul style="list-style-type: none"> <li>▪ 작업자</li> <li>▪ 운전 조건</li> <li>▪ 운전 환경</li> <li>▪ 노후화 정도</li> <li>▪ 기타 잠재요인</li> </ul>
	<b>&lt;창호 단열 필름&gt;</b>	<b>&lt;인버터&gt;</b>	<b>&lt;태양광 발전&gt;</b>	
				
<p>▪ LED 조명, 역률 개선, 운전율 개선, 단열 페인트, 노후 설비 개선, 효율화 장비 도입 등</p>				

■ 협력사 저감 활동 지원

		
<b>&lt;사출기 단열커버&gt;</b>	<b>&lt;건조로&gt;</b>	<b>&lt;보일러&gt;</b>

## 저탄소 파트너십 & 커뮤니케이션

코웨이는 지구환경을 보존하여 인류의 삶을 건강하고 행복하게 디자인하고자 신뢰와 존중을 기반으로 상호 협력하고 있습니다.

### 탄소정보공개 프로젝트

탄소정보공개 프로젝트(CDP, Carbon Disclosure Project)는 금융투자기관을 대신해 글로벌 주요 상장기업의 탄소배출 관련 정보를 수집하여 분석하는 글로벌 프로젝트로서, 투자자와 기업간의 자발적 참여를 바탕으로 진행됩니다. 코웨이는 2009년 처음 참여하여 6년 연속 산업별 리더 기업으로 인정받았으며, 2011년과 2012년 국내 최고 5개 기업에 부여되는 '탄소경영 글로벌 리더스 클럽'에 선정되기도 하였습니다.

#### ■ CDP 우수기업 시상식



<2014년 Climate Disclosure Leadership Index(CDLI)>

기업명	섹터	공개점수	성과밴드
LG전자	선택소비재	100	A
삼성물산	산업재	100	A
현대건설	산업재	100	A
SK하이닉스	IT	100	A
LG화학	원자재	99	A
KT	통신	99	A
삼성전기	IT	99	A
신한금융그룹	금융	98	A
한국전력공사	유틸리티	97	B
<b>코웨이</b>	<b>선택소비재</b>	<b>97</b>	<b>A-</b>
삼성엔지니어링	산업재	97	A-
삼성SDI	IT	97	A

## 녹색제품 파트너십

#### ■ 녹색제품(상), 에너지동행(하) 및 카본 풋프린트 갤러리 출품작(우)



2014년 전시 제품: 슬림형 냉온정수기(CHP-260L)

- 친환경 에너지 절감 기술로 에너지소비효율 1등급 달성
- 고객의 하루 평균 물 사용량을 반영하여 탱크 용량 최적화
- 제품 소형화를 통한 공간 효율 향상



코웨이는 환경문제 및 기후변화에 대해 협력사들과 공동 대응이 가능하도록 그린파트너십, 탄소파트너십에 이어, 녹색제품 파트너십을 운영하고 있습니다. 산업통상자원부의 지원을 받아 모기업인 코웨이의 최종 제품의 온실가스를 저감하기 위해 참여기업들과 함께 부품 단계에서 온실가스를 저감하기 위해 노력하고 있습니다.

### 대·중소 상생 에너지 동행

코웨이는 협력사들이 지속적으로 사업장 온실가스를 저감할 수 있도록 그린비즈니스 협회의 지원을 받아 2012~2014년 대·중소 상생 에너지 동행 사업을 수행하였습니다. 협력사들의 에너지 진단을 통해 잠재 감축항목을 지속적으로 도출하고 감축할 수 있도록 시범 지원 및 자체 투자를 유도하고 있습니다.

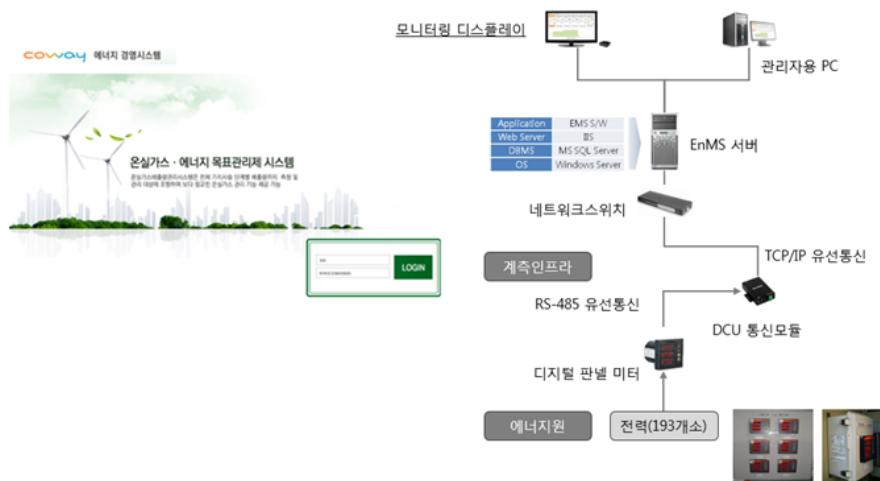
#### ■ 에너지 동행 참여 협력사

구분	참여 협력사
2012년	(주)제성, 케이제이전자(주), (주)한독크린텍, (주)성진, (주)정양SG
2013년	(주)광산, (주)동일엔프라스 알비코리아(주), 영진테크, (주)제임스텍
2014년	(주)은성산업, (주)큐비에스, (주)신우엠테크, (주)해인전자, (주)아이디시스템

### 통합에너지경영시스템 구축

코웨이는 협력사들의 에너지 정량화 계측기 지원을 통해 설비별 잠재 감축항목을 지속적으로 도출하여 에너지 경쟁력을 강화하고자 그린비즈니스 협회의 지원을 받아 통합에너지경영시스템 구축 사업을 수행하고 있습니다. 2013년 10개 협력사에 193개의 계측기를 지원하였으며, 2014년 통합모니터링 시스템 구축을 완료하였습니다.

#### ■ 코웨이-협력사 통합에너지경영시스템



### 환경부, 탄소성적표지 제도 참여

코웨이는 2009년 국내 최초 탄소성적표지 인증 시범 사업의 참여를 시작으로 국내최초 저탄소제품 인증을 거쳐 2014년말, 환경부 탄소성적표지 3단계 사업(탄소중립제품인증)에 참여하기로 결정하여 2015년 1월 국내최초 정수기 탄소중립제품 인증을 받았습니다.

#### ■ 코웨이, 환경부 탄소성적표지제도 참여 현황



• 세부 사항 홈페이지 참조

### 기타 사항

코웨이는 친환경 제품 확대를 통해 환경부하 및 온실가스 저감을 위해 노력하고 있습니다.

#### ■ 코웨이 친환경 제품 인증 현황

	2011년	2012년	2013년	2014년	2015년
RoHS 3자 인증		 CHP-240/241N / 270L APD-1212BH			 CP-260L CPI-280L
탄소성적 표지	 BAS14-A			 CHP-590L CHP-671L	
저탄소 인증	 CHP-06DL	 CHP-210L	 CHP-270L	 CHP-260L	
탄소 중립					 CHP-270L
환경 표지			 BA10-A/B BA14-C	 BAS14-A/B	 BA10-A/B, BA14-C BAS16-A, BAS20-A

## 독립된 검증인의 에너지 사용량과 온실가스 배출량 검증보고서

코웨이(주) 경영자 귀중

본 검증인은 코웨이(주)(이하 "회사")의 다음에 해당하는 내용에 대한 제한적 확신을 제공하기 위해 다음의 검증절차를 수행하였습니다.

### 검증범위 및 검증대상

2014년 12월 31일로 종료되는 기간의 정보에 대해 제한적 확신을 제공하는 대상은 다음과 같습니다.

- 2014년 1월 1일에서 12월 31일까지의 회사의 8개 국내 사업장의 직접 (Scope 1), 간접 (Scope 2), 기타 온실가스 배출량과 에너지 사용량
- 2014년 1월 1일에서 12월 31일까지의 회사의 26개 협력사의 직접 (Scope 1), 간접 (Scope 2) 온실가스 배출량

### 수행한 검증 업무

본 검증인은 International Auditing and Assurance Standards Board 에서 승인한 International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (이하 "ISAE 3000")와 ISO14064-3(온실가스 선언에 대한 타당성 평가 및 검증을 위한 사용규칙 및 지침)에 근거하여 검증을 수행하였습니다.

본 검증인의 업무는 다음의 내용을 포함하고 있습니다.

1. 회사의 온실가스 배출량과 에너지 사용량 데이터 집계에 책임을 지고 있는 담당자 인터뷰
2. 에너지 사용량과 온실가스 배출량 산정에 사용된 방법, 가정 및 절차 검토
3. 에너지 사용량과 온실가스 배출량 정보의 생성과 수집 및 보고체계 검토
4. 총남 본사(유구공장)를 직접 방문하여 에너지 사용량과 온실가스 배출량 원천정보에 대한 검토

## 5. 질문과 분석적 검토를 기본으로 에너지 사용량과 온실가스 배출량에 대한 제한된 검증 수행

### 경영진 및 검증인의 책임

WRI/WBCSD 「GHG Protocol(2004)」와 ISO14064-1 「온실가스 배출 및 제거의 정량 및 보고를 위한 조직차원의 사용규칙 및 지침」에 명시된 원칙을 반영한 회사의 온실가스 인벤토리 가이드라인(이하 "온실가스 인벤토리 가이드라인")에 따라 검증대상 에너지 사용량과 온실가스 배출량 데이터를 산정할 책임은 회사의 경영진에게 있습니다.

본 검증인의 책임은 수행한 검증절차에 따라 경영진에게 결론을 제공하는 것입니다.

이 검증보고서는 회사의 에너지 사용량과 온실가스 배출 성과에 대한 경영진의 보고를 위해 작성되었습니다. 본 검증인은 수행한 업무 또는 검증보고서에 대해 경영진 이외에 대해서는 사전에 서면으로 협의되지 않는 한 어떠한 책임도 지지 않습니다.

### 검증의 고유 한계

비재무적 성과 정보는 재무적 정보보다 검증 대상의 성격과 정보의 산출 방법에서 기인하는 더 많은 고유 한계가 있습니다. 인용할 수 있는 확립된 기준의 부재로 인하여 적용 가능한 다른 측정 방법의 선택이 가능하며 이로 인하여 측정결과에 중요한 차이가 발생할 수 있고 비교가능성에 영향을 줄 수 있습니다. 서로 다른 측정 방법의 정확도는 다양할 수 있습니다. 또한, 측정 기준 및 그 정확도뿐 만 아니라 검증대상의 성격과 그 측정 방법은 시간에 따라 변동될 수 있습니다. 그러므로 검증 대상 정보는 회사의 온실가스 인벤토리 가이드라인과 함께 이해되어야 합니다.

제한적 확신의 업무는 합리적 확신을 제공하는 검증업무와 비교하여 검증범위가 제한되어 있습니다. 따라서, 적절한 증거를 수집하기 위한 검증절차의 성격, 시기 및 범위가 합리적 확신의 검증업무보다 낮은 확신을 제공하도록 계획되어 있습니다.

- 검증업무의 범위는 2014 년 성과에 한정되어 있습니다. 그 이전 데이터는 본 검증인의 검증대상에서 제외됩니다.



## 검증인의 의견

본 검증인이 수행한 검증 결과에 따라 본 검증인의 의견으로는 하기 표시된 회사의 2014 년 8 개 사업장의 직접 (Scope 1), 간접 (Scope 2), 기타 온실가스 배출량과 에너지 사용량 및 26 개 협력사의 직접 (Scope 1), 간접 (Scope 2) 온실가스 배출량은 중요성의 관점에서 회사의 온실가스 인벤토리 가이드라인에 위배되어 작성되었다는 점이 발견되지 아니하였습니다.

- 코웨이(주)의 8개사업장(유구공장, 인천공장, 포천공장, 환경기술연구소, 화장품연구소, 서울사무소, 물류센터(유구), 물환경사업부) 온실가스 배출량

(단위: tCO<sub>2</sub>eq)

구분		환경기술연구소	물환경사업부	유구공장	인천공장
직접배출	고정연소	1.3	63.3	82.2	23.4
	이동연소	-	-	-	-
	소계	1.3	63.3	82.2	23.4
간접배출	구매전력	1,535.9	91.4	1,837.8	610.4
	구매스팀	-	-	-	-
	소계	1,535.9	91.4	1,837.8	610.4
기타배출	탈루배출	-	-	341.6	228.8
	이동연소	-	-	-	31.9
	소계	-	-	341.6	260.7
합계		1,537.2	154.7	2,261.6	894.5

구분		포천공장	물류센터(유구)	서울사무소	화장품연구소
직접배출	고정연소	7.5	-	-	-
	이동연소	18.8	-	-	-
	소계	26.3	-	-	-
간접배출	구매전력	335.1	412.8	398.3	163.1
	구매스팀	-	-	-	-
	소계	335.1	412.8	398.3	163.1
기타배출	탈루배출	10,828.5	-	-	-
	이동연소	17.4	-	-	-
	소계	10,845.9	-	-	-
합계		11,207.3	412.8	398.3	163.1

구분	2014년
직접 (Scope 1)	196.5
간접 (Scope 2)	5,384.8
기타배출	11,448.2
<b>합계</b>	<b>17,029.5</b>

<sup>(1)</sup> 목표관리제 지침에 따라 6대 온실가스에 해당하는 냉매 R-134a의 2014년 탈루배출은 11,399tCO<sub>2</sub>eq 임

● 코웨이(주)의 에너지 사용량

종류	단위	사용량	환산량(GJ)	환산량(MWh)
부탄	Kg	160	7	1
LPG	m <sup>3</sup>	762	44	5
경유	L	7,069	250	28
LNG	m <sup>3</sup>	39,770	1,567	174
등유	L	5,978	209	23
프로판	m <sup>3</sup>	24,508	1,135	126
전력	MWh	11,549	103,944	11,549
<b>합계</b>			<b>107,155</b>	<b>11,906</b>

- 26 개 협력사(EPS Korea(주), (주)정양 SG, (주)제성, (주)동일엔프라스, (주)한독크린텍, 케이제이전자(주), (주)세명하이트, (주)신원튜브, 알비코리아(주), (주)위피온, (주)은성산업, 은성화학(주), (주)이랜시스, (주)첨단기술산업, (주)큐비에스, (주)광산, (주)아이디시스템, (주)해인전자, (주)삼강테크, 신원전자, 대림금속공업사, (주)스톰테크, (주)신우엠테크, 유남전기(주), 울진프라임(주), (주)씨에스이)의 온실가스 배출량

(단위: tCO<sub>2</sub>eq)

협력사	2012	2013	2014
(주)세명하이트	390	424	449
(주)신원튜브	401	568	609
알비코리아(주)	585	624	699
(주)위피온	150	255	658
(주)은성산업	321	268	106
은성화학(주)	124	117	109
(주)이랜시스	901	609	519
(주)첨단기술산업	155	124	114
케이제이전자(주)	1,412	1,522	1,606
(주)큐비에스	115	176	207
EPS Korea(주)	24,146	30,750	26,246
(주)광산	2,029	1,999	2,089
(주)동일엔프라스	1,872	1,722	1,906
(주)제성	2,288	2,967	3,113
(주)정양 SG	2,060	2,196	2,608

협력사	2012	2013	2014
(주)한독크린텍	1,363	1,594	1,436
(주)아이디시스템	141	114	228
(주)해인전자	41	318	315
(주)삼강테크	73	70	81
신원전자	26	25	28
대림금속공업사	75	75	78
(주)스툼테크	237	273	326
(주)신우엠테크	228	244	251
유남전기(주)	358	363	359
울진프라임(주)	148	124	108
(주)씨에스이	439	289	236
<b>합계(26 개사)</b>	<b>40,079</b>	<b>47,806</b>	<b>44,485</b>

2015 년 3 월 31 일

삼 일 회 계 법 인

대 표 이 사 안 경 태





## 독립된 검증인의 검증보고서

코웨이 주식회사 경영자 귀중

본 검증인은 코웨이 주식회사 (이하 "회사")의 2015 지속가능경영웹보고서(이하 "보고서")에서 다음에 해당하는 내용에 대한 확신을 제공하기 위해 독립적 검증절차를 수행하였습니다.

### 검증범위 및 검증대상

2015년 12월 31일로 종료되는 기간의 정보에 대해 제한적 확신을 제공하는 대상은 다음과 같습니다.

- AA1000 AccountAbility Principles Standard 2008(이하 "AA1000APS")의 3가지 원칙, 즉 포괄성·중요성·대응성 적용 여부
- 웹보고서 GRI(Global Reporting Initiative, 이하 "GRI") G4 Index 부분에 외부검증 대상으로 표시된 검증 대상 비재무정보(이하 "지속가능경영 데이터")가 GRI G4 핵심적 부합방법을 적용한 회사의 보고서 작성 원칙에 의거하여 작성되었는지 여부

본 검증인은 보고서에 포함된 다른 정보들이, 검증대상정보와 일관성을 유지하는지 검토하였으며, 보고서에서 명백한 오류나 중요한 불일치 사항이 발견된 경우에는 동 사항이 검증보고서에 미치는 영향을 고려하였습니다. 그러나 우리의 책임은 검증 대상 이외의 다른 정보로 확대되지 않습니다.

### 수행한 검증 업무

본 검증인은 ISAE 3000<sup>(1)</sup>과 AA1000AS<sup>(2)</sup>에 근거하여 검증을 수행하였습니다.

ISAE 3000의 제한적 검증은 AA1000AS(2008)에서 정의된 검증의 중간수준(Moderate level)과 일치합니다. 본 검증인의 검증업무는 AA1000AS(2008)에서 Type2로 정의된 검증업무입니다.

(1) International Standard on Assurance Engagements 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by International Auditing and Assurance Standards Board

(2) AA1000 Assurance Standard(2008), issued by AccountAbility

본 검증인의 업무는 다음의 내용을 포함하고 있습니다.

1. AA1000APS의 3가지 원칙, 즉 포괄성, 중요성, 대응성에 대한 접근방법을 파악하기 위해 회사의 지속가능 경영 데이터 내부보고 및 데이터 집계에 책임을 지고 있는 담당자 인터뷰
2. 유구 본사 및 서울사무소를 직접 방문하여 지속가능경영데이터를 관리하고 보고하는 시스템과 프로세스의 이해
3. 위험평가 프로세스의 결과, 지속가능경영 관련 정책 및 기준, 지속가능경영 중요성 평가 매트릭스, 이해관계자 참여활동 등과 관련된 문서 검토
4. 보고기간의 지속가능경영 데이터 관리 및 보고를 위한 주요 프로세스와 통제활동의 설계 및 운영의 적합성 평가
5. 질문과 분석적 검토를 기본으로 검증대상 데이터에 대한 제한된 검증 수행
6. 보고기간 중 회사의 지속가능경영 이슈가 언급된 미디어 자료 조사

### 경영진과 검증인의 책임

지속가능경영 데이터 산출 및 AA1000APS 3가지 원칙의 준수를 위한 작성 기준의 설정, 동 작성 기준에 따른 성과측정 및 이를 보고서에 보고하는 책임은 경영진에게 있습니다.

본 검증인의 책임은 수행한 검증절차에 따라 경영진에게 결론을 제공하는 것입니다.

이 검증보고서는 회사의 지속가능경영성과 및 활동에 대한 경영진의 보고를 위해 작성되었습니다. 법에서 정하는 최대한의 한도 안에서, 본 검증인은 수행한 업무 또는 검증보고서에 대해 경영진 이외에 대해서는 사전에 서면으로 협의되지 않는 한 어떠한 책임도 지지 않습니다.

### 검증의 고유한계

비재무적 성과 정보는 재무적 정보 보다 검증 대상의 성격과 정보의 결정에 대한 산출 방법에서 기인하는 더 많은 고유 한계가 있습니다. 데이터에 대한 관련성, 중요성 그리고 정확성에 대한 질적인 해석은 경영진이 적용한 추정과 판단에 따라 달라질 수 있습니다. ISAE 3000에 따르면 제한적 확신의 업무는 합리적 확신을 제공하는 검증업무와 비교하여 검증범위가 제한되어 있습니다. 따라서, 적절한 증거를 수집하기 위한 검증절차의 성격, 시기 및 범위가 합리적 확신의 검증업무보다 낮은 확신을 제공하도록 계획되었습니다.

- 본 검증인은 이해관계자 참여활동에 참여하지 않았습니다. 그러므로 우리의 결론은 회사의 담당자와 인터뷰한 내용 및 회사가 제공한 관련문서의 검토를 통해 이루어졌습니다.

- 검증업무의 범위는 2015년 성과에 한정되어 있습니다. 그 이전 데이터는 본 검증인의 검증대상에서 제외됩니다.

## 검증인의 의견

이 검증보고서에 기술된 본 검증인의 수행업무와 제시된 작성 기준에 따라, 본 검증인의 검증의견은 다음과 같습니다.

- AA1000APS 원칙 적용에 대한 검증의견은 아래와 같습니다.
  - 포괄성
    - 회사는 이해관계자 커뮤니케이션 채널을 통해 고객 및 파트너, 주주, 지역사회와 임직원의 주요 관심 사항과 의견을 수렴하였습니다.
    - 본 검증인은 회사의 이해관계자 커뮤니케이션 채널을 통한 이슈를 수렴하는 절차에서 누락된 중요한 이해관계자 그룹을 발견하지 못하였습니다.
  - 중요성
    - 회사는 이슈 도출 프로세스를 통해 지속가능경영 주요 이슈를 확정하였습니다.
    - 본 검증인은 회사의 이슈 도출 프로세스상 누락된 중요한 이슈를 발견하지 못하였습니다.
  - 대응성
    - 회사는 이슈 도출 프로세스를 통해 파악된 지속가능경영 주요 이슈에 대한 대응활동 및 지속가능경영 성과를 보고서에 포함시켰습니다.
    - 본 검증인은 중요성의 관점에서 보고서상 지속가능경영 주요 이슈에 대한 대응활동 및 지속가능경영 성과가 대응성의 원칙을 위배하였다는 점을 발견하지 못하였습니다.
- 본 검증인은 2015년 검증대상 데이터가 중요성의 관점에서 GRI G4 핵심적 부합방법을 적용한 회사의 보고서 작성 기준을 위배하였다는 점을 발견하지 못하였습니다.



## 검증인의 권고사항

검증의견에는 영향을 미치지 않으나 동 검증보고서에서 명시하고 있는 검증절차를 수행한 결과, 본 검증인은 하기 사항을 권고하였습니다.

- 회사가 지속가능경영 전략을 효과적으로 추진하고 지속가능경영 이슈의 실질적인 개선을 전사적으로 유도하기 위해 회사 각 부문의 성과평가와 연계된 지속가능경영 성과 관리항목의 확대를 권고합니다
- 회사가 지속가능경영 이슈에 대해 전사적으로 관리하고, 대내외적으로 커뮤니케이션을 효율적으로 진행하여 경영의사결정 시 신속히 검토·반영될 수 있도록 지속가능경영 거버넌스의 강화를 권고합니다.

2016 년 6 월 13 일  
서울특별시 용산구 한강대로 92  
삼일회계법인  
대표이사 안경태