



### Material Issue

Strengthening Product Safety and Reliability	Innovative Products and services	Creation of Trust-based On-site Culture	Creating Value with Society
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#### Our Approach

“Coway’s products handle water and air, and they are used in everyday life over a long period of time. This is why the safety and enhanced performance of our products are particularly important.”

Coway focuses all business processes and activities were realigned to enable quality management from a “customer-oriented” and “broad” perspective. The Trust and Quality Assurance (TQA) Center, newly established as our control tower for quality management, has carried out efforts to enhance product safety and quality, including strengthening our chemical substance management system and improving service quality from the customers’ point of view.

#### Our Activities



Strengthen management system for chemical substances in products



Apply technologies and product structure for higher safety



Enhance quality of service from customers’ point of view

#### Card News

Quality management organization called **TQA center** was newly established in Coway. Let's find out more and check out!





Since initiating water purifier rental service for the first time in the world, we have driven innovation and led the market...

[More](#)



Contact Us



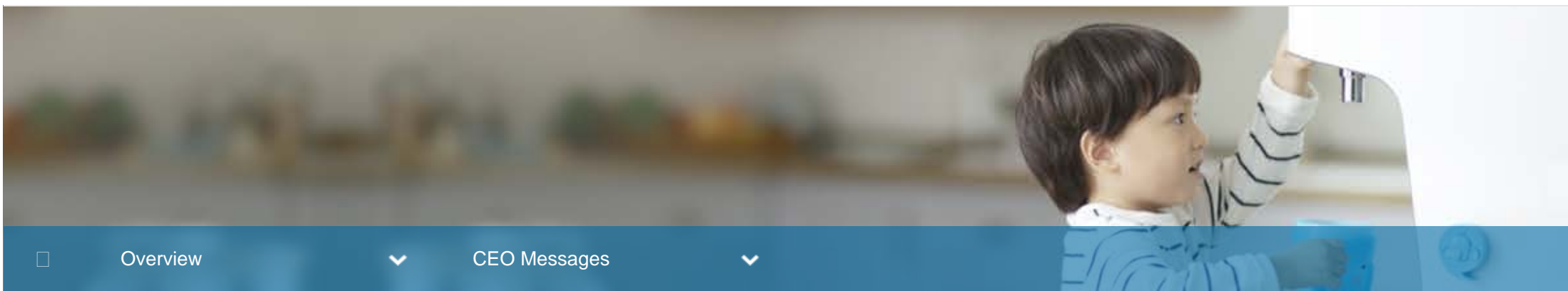
Social Media Service



Major Business Performance



Brand Management



GRI Indicator

## CEO Messages

*Coway is making the world a better place  
by pursuing the value of "trust."*

June 2017  
President of Coway

이 해 선



Clean water and air are essential to daily life in Korea, and it's very common now to have air and water purifiers in our homes. Our customers value health and happiness highly, and with your support, we have continued to grow and overcome all challenges since our establishment in 1989.

As an industry leader, Coway realizes the value of a healthy life and has developed a wide range of innovative products—from household appliances such as water purifiers, air purifiers, and bidets, to mattresses, cosmetics, and convenience appliances.

Coway is also considered a marketing innovator, especially because of its rental service. Through rentals, more people can use expensive water purifiers at a low cost. Coway was also the first in the industry to cultivate professionally trained service specialists, or "Codys". These Codys have gained the trust and respect of our customers by sharing their expertise in our products and caring for their health.

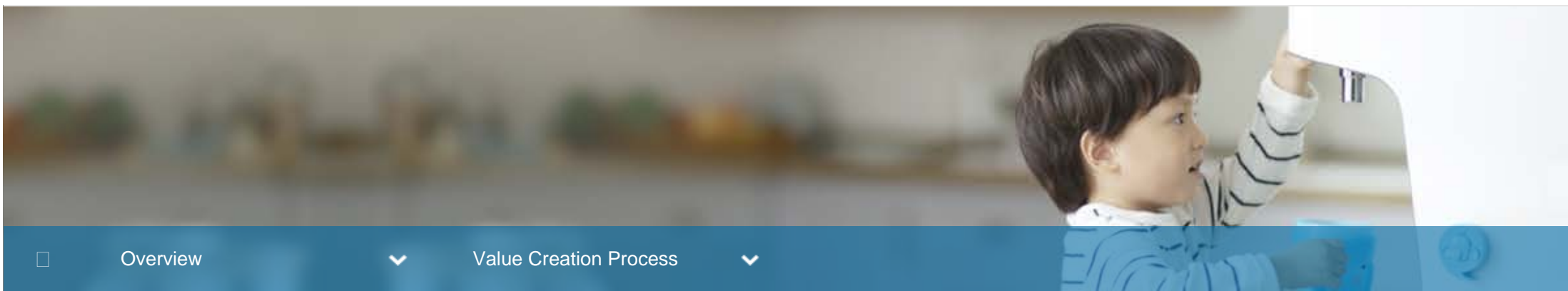
Coway is already positioned as a leader in the market, but we are always striving to improve customer satisfaction. We venture out of our comfort zone to confront new challenges, take on new projects, and develop innovative products to better our customers' lives. Our products and services have evolved to the extent that they are available 24/7 through the use of the IoT (Internet of Things) and big data. Our insight and novel way of thinking have enabled Coway to maintain first place in market share, brand power, and sales rates. I believe our dedication and commitment to providing the highest-quality products and services have made Coway the company it is today.

Coway grows as we improve the quality of the water you drink and the air you breathe. Providing clean water and air is what Coway does best—it's the reason we exist.

Building "Coway Trust" among our customers is our first priority in all our business activities including product development, design, quality, and service. We work with a strong sense of duty in realizing people's desire for healthier living, and we proactively solve problems for our customers as they occur. Coway will continue to improve our customers' daily lives through our products and heartfelt customer service.

Coway makes meaningful contributions to society as we fulfill our corporate social responsibility. We will share the value of clean water—Coway's core competence—by providing water purifiers domestically and clean and safe drinking water overseas. We are also committed to helping our community. One way that we do this is the "Coway Wi School," a program designed to support one-man start-ups and guided by Coway's experience in cultivating one-man businesses called Codys.

Please join us on our journey to make the world a better place.



Overview

Value Creation Process

GRI Indicator

## Value Creation Process

### Business Model

Coway introduced a CODY system in 1998 and has a differentiated business model combined with rental. We have built a structure that allows users to rent home wellness appliances an early stage and maintains the value of their products through regular care services. Based on this, Coway has secured 5.7 million account customers, making it the driving force for sustainable growth and creating stable cash flow.

By expanding the value of Coway's core competence, we offer water, air, body, slip care, and home care products that provide customers with peace of mind in all aspects of life, including water. We are trying to enjoy.

In addition, we are developing 'IoCare (Internet of Care)', a new customized solution by combining IoT technology with 'Care' service, and developing it into future competitiveness. Coway will continue to strive to create value and distribute to stakeholders through this differentiated DNA of innovation.

### Business Value Chain

All of Coway's products and brands ultimately aim to create values that make the "environment healthier and people happier."

With a view toward sustainability management throughout the entire supply chain from procurement of materials and parts to product sales, the input of economic, social, and environmental values lead to the output of social values by which customers can become happier and the environment healthier.



INPUT

Cash Available for Production(Capital, liabilities, etc.)

- Capital : KRW 1,468,848 million
- Assets :KRW 1,967,707 million

OUTPUT

- Sales : KRW 2,3763 billion
- Operating profit : KRW 338.8 billion



INPUT

Tangible assets for production such as buildings, devices, etc.

- Investment into production facilities : KRW 669,403 million
- Expenses for raw material purchase : KRW 3,687 billion

OUTPUT

- A total of 22,322,000 units of products (Products: 2,571,000/Filters: 19,750,000) were manufactured in 2016, recording working ratio of 76.1%.



**Human Capital**

INPUT

**Employees' abilities, experience, commitment, etc.**

- Investment into employee education : KRW **1,082,251**
- Investment into sales and service education : **96**hours

OUTPUT

- Coway won the Grand Prize at GWP Korea's "Top 100 Great Korean Workplaces 2016" for **6** consecutive years



**Intellectual Capital**

INPUT

**Intangible assets such as brands, patents, know-how, etc.**

- R&D expense : KRW **36.5** billion
- Number of R&D personnel : **358**
- Number of government projects: **7**

OUTPUT

- Intellectual properties : **3,940** cases (Patents: 718, Utility models : 182, Brands : 2,244. Designs : 796)
- Won the 2017 Consumer Electronics Show(CES) Product Innovation Award at the World's Largest Appliances Exhibition : **3** parts



**Social Capital**

INPUT

**Relationships with stockholders such as local communities, partners, etc.**

- Number of employee volunteers : **1,412**
- Social contribution and donation : KRW **6.3**billion
- Purchase from local community partners : KRW **5,903**billion

OUTPUT

- In 2016, volunteer work time per employee was **20** hours.
- **17** technical support and protective activities were carried out for suppliers.



**Natural Capital**

INPUT

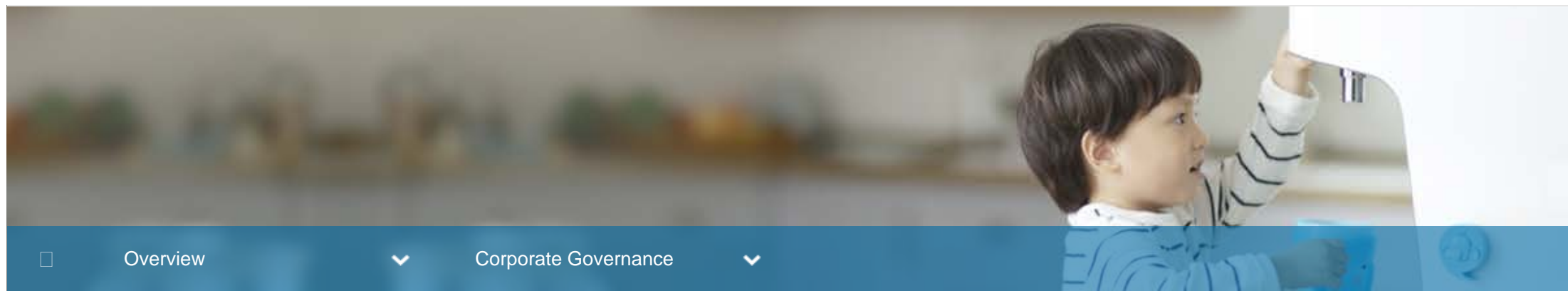
**Natural environment, resources, ecosystem, etc.**

- Investment for environment : **107,854**GJ
- Raw material consumption : **80,369**tons
- Energy consumption : **17,448**tons

OUTPUT

- In 2016, **6,902** tons of plastic waste were collected and recycled.
- Result of yogu plant LED introduction : reduction 300 tons of greenhouse gas emissions.
- Coway and partner introduced solar power generation: reduction 118 tons of greenhouse gas emissions.

※ The Framework of the International Integrated Reporting Council was applied.



Related Links

GRI Indicator

## Corporate Governance

### Organizational Structure of the BOD

As of March 2017, Coway's Board of Directors (BOD) is composed of 8 directors: 2 internal directors, 4 non-executive directors, and 2 external directors. There is one subcommittee—the Management Committee—under the BOD. Board members are elected among directors who have expertise in each area at a general meeting of stockholders in accordance with relevant regulations.

Board composition (As of May 2017)

Classification	Name	Position	Tenure
Chairman	Hae-Sun Lee	CEO, Coway (Current)	7 months
Internal Director	Jong-Ha James Yoon	Partner, MBK Partners (Current)	4 years and 7 months
Non-Standing Director	Jay H. Bu	Partner, MBK Partners (Current)	4 years and 7 months
Non-Standing Director	Kwang Il Kim	Partner, MBK Partners (Current)	8 months
Non-Standing Director	Tae Hyun Park	Partner, MBK Partners (Current)	4 years and 7 months
Non-Standing Director	Yon Sog Choi	Director, MBK Partners (Current)	1 years and 2 months
Independent Director	Joongseek Lee	Associate Professor, Graduate School of Convergence Science and Technology, Seoul National University (Current)	2 years and 8 months
Independent Director	Joonho Lee	Head of Korea, L.E.K. Consulting (Current)	4 years and 7 months

### Operation of the BOD in 2016

The Board of Directors decides on matters prescribed by laws and regulations or the articles of association, matters delegated by the general meeting of shareholders, and important matters related to the company's basic management policies and business management. It then supervises directors on the execution of their managerial duties. Regular meetings of directors are held quarterly in principle, and special meetings may be held when necessary. The Board's resolutions shall be made with a majority of directors in attendance and a majority vote of the attending directors. The voting right of any director with special interest in the agenda shall be limited. In 2016, ten meetings of directors were held, in which decisions were made on 37 major agendas including the annual business plan and budget, branch establishment, and appointment of Chairman of the Board.

### Major Agedas

- Establish annual business plan and budget for 2016
- Compliance support person re-election
- Report on progress of ice water purifier issue
- Appointment of CEO
- Appointment of new board of directors and chairman of general shareholders' meeting

### A Level

2016 Korea Corporate Governance Service ESG Evaluation Level

### Evaluation and Compensation

Every year, directors are evaluated in areas including expertise in business and technology and activities within the BOD. Later, the results are discussed at the BOD meeting. Compensation for Board activity is calculated based on the standards for short-term performance-based pay reflecting annual KPI, which is reported through a business report after adjustment by the CEO and resolution in the general meeting of shareholders.

	No. of persons	Total compensation to BOD (Unit: 1,000 KRW)	Average compensation per person (Unit: 1,000 KRW)
<b>Registered directors</b> 1)	2	2,850,172	1,425,086
<b>Independent directors</b> 2)	2	56,400	28,200
<b>Auditor</b>	1	368,495	368,495

1) Excludes external directors and members of the Audit Committee. On October 31, 2016, CEO Dong-hyeon Kim resigned and Hae-Sun Lee was newly appointed. Accordingly, compensation for the outgoing CEO is included.  
2) Excludes members of the Audit Committee.

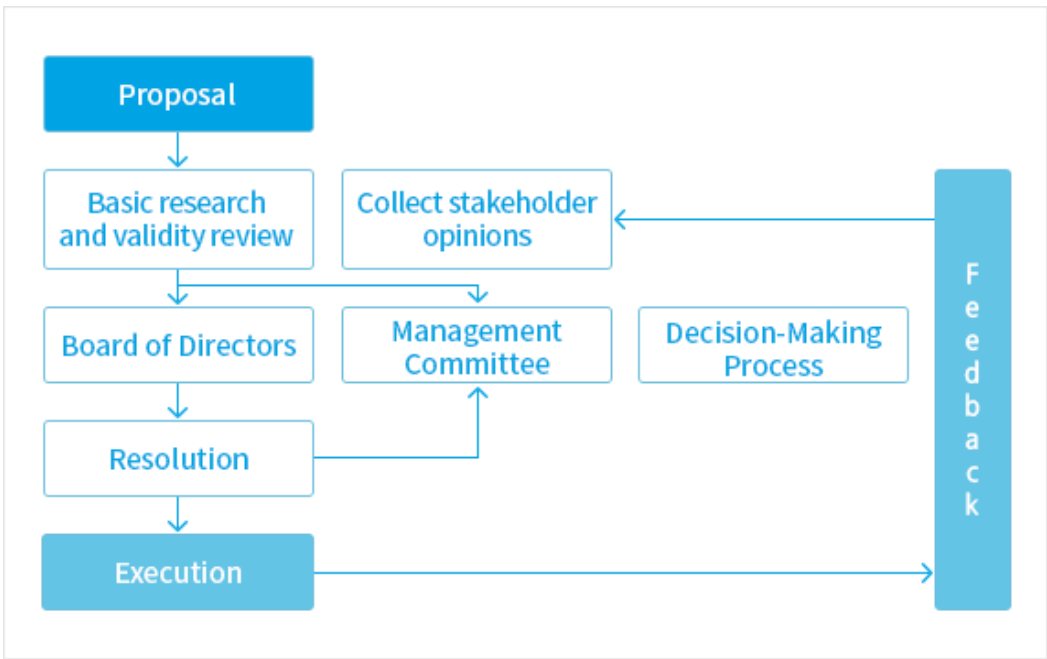
**Subcommittee within the BOD**

**Management Committee**

The Management Committee, which operates under the supervision of the CEO, is a decision-making body for handling issues such as small-scale investments for efficient business operation and prompt decision-making. It consists of three members, including the CEO and those who are appointed by the Board of Directors (one standing and two non-standing directors). In 2016, approximately 27 agendas on management, compensation, finance, and investment were approved, including important business strategies such as the undertaking of new projects, development and launch of new products or services, technical introduction or transfer, salary increase including bonus payments, and important changes in working conditions.

Name of Committee	Composition	Members
<b>Management Committee</b>	One standing director, Two non-standing directors	Hae-Sun Lee, Jay H. Bu, Tae Hyun Park

**Major Decision-Making Process**



**Independence of the BOD**

**Transparency of Director Appointment Process**

Although Coway does not operate a separate nominating committee for independent directors, directors are appointed by the BOD's recommendation and resolution of the general meeting of shareholders to secure fairness and independence. If a director candidate is decided prior to notification of the next meeting of shareholders, then the shareholders are notified with the candidate's information, such as name and profile.

**Independence of the Audit Committee**

Although Coway does not operate a separate Audit Committee, one auditor appointed by the resolution of the general meeting of shareholders carries out audit work. The auditor can attend board meetings and supervise directors' performance of duties independently. When necessary, the auditor may request a department to submit relevant books and documents, ask the company to report on business-related matters, and access business information through appropriate means.

**BOD Industry Experience**

Coway appoints those with a wealth of expertise or experience in areas such as business management, economy, law, and related technologies as independent directors. A support organization within the company provides support so that external directors can carry out professional duties in the BOD. Reference materials are provided prior to meetings of directors so that each director can fully review the agendas beforehand. When necessary, a separate presentation may be given, and additional information on other major issues of the company is also provided.





Data Disclosure

Economic

Related Links

GRI Indicator

## Economic

### Organizational Scope

### Financial Data

Summary of Consolidated Financial Statements(based on K-IFRS) (Unit : KRW Won)

Category	2014	2015	2016
<b>Non-current assets</b>	1,024,838,930,313	1,122,079,124,795	1,234,573,817,352
<b>Current assets</b>	596,810,515,755	653,318,017,710	733,134,075,994
<b>Total Assets</b>	1,621,649,446,068	1,775,397,142,505	1,967,707,893,346
<b>Share capital</b>	40,662,398,000	40,662,398,000	40,662,398,000
<b>Share premium</b>	97,773,449,148	97,773,449,148	97,773,449,148
<b>Retained earnings</b>	985,875,249,525	1,177,049,753,285	1,179,735,672,647
<b>Other equity items</b>	-85,768,352,752	-78,122,382,059	-135,356,489,548
<b>Non-controlling interest</b>	892,285,334	864,612,421	528,728,310
<b>Total shareholders' equity</b>	1,039,435,029,255	1,238,227,830,795	1,183,343,758,557
<b>Non-current liabilities</b>	56,173,184,972	64,287,230,555	48,973,368,952
<b>Current liabilities</b>	526,041,231,841	472,882,081,155	735,390,765,837
<b>Total liability</b>	582,214,416,813	537,169,311,710	784,364,134,789

Summary of Income Statement(based on K-IFRS) (Unit : KRW Won)

Category	2014	2015	2016
<b>Sales</b>	2,160,315,530,683	2,315,242,282,662	2,376,328,167,259
<b>Cost of sales</b>	726,567,159,312	728,843,092,565	812,176,526,166
<b>Gross income</b>	1,433,748,371,371	1,586,399,190,097	1,564,151,641,093
<b>Selling and administrative expenses</b>	1,069,319,801,501	1,123,060,003,421	1,225,354,188,064
<b>Operating income</b>	364,428,569,870	463,339,186,676	338,797,453,029
<b>Other gains</b>	17,610,070,502	24,447,251,232	28,737,581,966
<b>Other expenses</b>	40,697,496,626	30,407,140,043	38,890,265,528
<b>Finance income</b>	2,703,459,518	1,423,176,277	1,212,324,916
<b>Finance costs</b>	11,598,016,713	4,339,055,128	6,103,169,863
<b>Net income before income tax</b>	332,446,586,551	454,463,419,014	323,753,924,520
<b>Income tax</b>	82,778,174,443	111,343,034,229	80,442,692,413
<b>Net income</b>	249,668,412,108	343,120,384,785	243,311,232,107
<b>Other comprehensive income</b>	-8,567,485,642	-8,832,592,426	-804,069,601
<b>Total comprehensive income for the year</b>	241,100,926,466	334,287,792,359	242,507,162,506

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

Category	2014	2015	2016	
<b>New Employee Monthly Wages Compared to the Legal Minimum</b>	Legal Minimum Wage(monthly, KRW 10,000)	108.8	116.6	126.0
	New Employee Wages(monthly, KRW 10,000)	307.5	316.7	316.7

### 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.

### Coway's Supply Chain



	KRW 10,000)			
	Rate(%)	282	272	251

#### Research and Development Status

Category	Unit	2014	2015	2016
R&D Expense	KRW million	31,775	34,029	36,520
R&D Cost Proportion (vs Sales)		1.47%	1.47%	1.54%

Coway engages in trade with a total of 273 suppliers in order to procure raw materials and parts for manufacturing products. In 2016, Coway purchased approximately KRW 50.90 billion worth of parts and materials for production.

Category		2014	2015	2016
No. of Suppliers	Total	224	288	273
	Tier 1 suppliers	151	193	178
	Tier 2 suppliers	73	95	95

#### Intellectual properties (2016)

Total	Patents	Utility models	Brands (Including overseas)	Designs (Including overseas)
3,940	718	182	2,244	796

#### Economic Performance Creation and Distribution (2016)

Total (KRW ten million)	Government	Shareholder	Employees	Communities	Suppliers
98,952	Income taxes	Dividends	Wages, bonuses, employee benefits, etc.	Social contribution expenses	Purchase cost of raw materials
	8,044	20,803	33,168	63	36,874



Data Disclosure

Social

Related Links

GRI Indicator

## Social

### Employment Indicators

#### Business Sites and No. of Employees

Category		2014	2015	2016
<b>Domestic</b>				
<b>Total No. of Employees</b>		4,768	4,780	4,771
<b>No. of Employees by Business Area</b>	Production	249	250	249
	Sales	3,344	3,331	3,358
	R&D	354	368	358
	Clerical work	796	805	779
	Others	25	26	27
<b>No. of Employees by Employment Type</b>	Regular	3,898	3,936	3,920
	Temporary	870	844	851
<b>No. of Gender</b>	Male	1,535 (32.2%)	1,572 (32.9%)	1,588 (33.3%)
	Female	3,233 (67.8%)	3,208 (67.1%)	3,183 (66.7%)
<b>No. of minority group*</b>	Foreigner	-	-	6
	Disabled	-	-	44
<b>Overseas</b>				
<b>Total No. of Employees</b>		991	1,292	1,631
<b>No. of Employees by Employment Type</b>	Overseas dispatch	17	15	13
	Local recruitment	974	1,277	1,618

\* Systematically manage and report the data from 2016

#### 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.

Category	2014	2015	2016
<b>No. of New Employees</b>	645	643	668
<b>Rate of New Recruitment(%)</b>	16.5	13.4	14.0
<b>No. of Retirees</b>	655	628	677
<b>Turnover Rate(%)</b>	13.6	13.1	14.1
<b>Average year of service</b>	6.0	6.5	6.8

### Diversity Indicators

#### Employees by Gender and Age

#### Basic Remuneration Comparison between Men and Women

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

Category(Unit:Persons)	Gender	2014	2015	2016
Aged 30-50	Male	14	12	14
	Female	2	2	1
Over 50 years of age	Male	11	11	11
	Female	-	1	1
Under 30 years of age	Male	74	69	64
	Female	295	252	248
Aged 30-50	Male	1,421	1,465	1,462
	Female	2,374	2,448	2,352
Over 50 years of age	Male	42	38	37
	Female	562	508	581

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:Persons)	2014	2015	2016
Basic annual salary for a new male employee	36,908,592	38,000,000	38,000,000
Basic annual salary for a new female employee	36,908,592	38,000,000	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 2016, Coway had no industrial accident case.

Category	Remark
Safety & Health Certification	Yugu Plant ▪ OSHAS 18001: 2007(2011.07.14~2014.07.13) ▪ KOSHA 18001
	Incheon Plant ▪ KOSHA 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.

Category	2014	2015	2016
No. of Council Meetings	5	7	5
No. of Agenda Issues Discussed	9	10	8
No. of Agenda Issues	9	10	8

### Operation of the Grievance Counseling Program

Category	2014	2015	2016
No. of Grievances Submitted	61	51	28
No. of Grievances Handled	61	51	28
Handling Rate	100	100	100
Major Grievances	HR, Sales, Job, Private Matters		

## Anti-corruption Related Indicators

### Anti-corruption Training

Category	2014	2015	2016
Anti-corruption Training(Ethics Management, Proper Business Practices)	65	40	39

### Corruption-related Monitoring and Responses

Category	2014	2015	2016	
Analysis of Corruption Risks	Measures against Corruption Cases	7	7	7
No. of inspected				

## 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	2014	2015	2016
No. of Volunteer Groups	1,495	1,189	1,412
Volunteer Hours per Employee	20.0	19.7	20.0
Social Contribution Costs & Donations(unit: KRW 100 million)	13.4	15.2	6.3

<b>business sites</b>	Suspension with pay and other measures	50	54	40
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Data Disclosure

Environmental

Related Links

GRI Indicator

## Environmental

### Natural Resources Used in Business Activities

#### Use of Materials(Unit: tons)

Category		2014	2015	2016
Non Renewable Raw Materials	Plastics <sup>1)</sup>	8,724	9,185	10,017
	Metal	4,056	4,332	5,096
	Theoretical weight applied <sup>2)</sup>	1,983	2,266	2,335
Renewable Raw Materials		-	-	-
Total		14,763	15,783	17,448

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 2016

#### 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	2014	2015	2016
Direct	Butane(GJ)	7	2	0.4
	LPG(GJ)	44	-	-
	Diesel(GJ)	250	268	265
	LNG(GJ)	1,567	1,601	402
	Kerosene(GJ)	209	267	250
	Propane(GJ)	1,135	4,126	5,394
Direct Total(GJ)		3,212	6,264	6,311

#### Water Use(Unit: tons)

According to features of manufacturing facility that operates the product assembly-oriented and inspection processes, 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	2014	2015	2016
Yugu Plant	31,221	30,916	40,083
Incheon Plant	12,151	16,603	16,711
Pocheon Plant	340	235	146
Environmental Technology Institute(R&D Center)	19,995	15,104	19,358
Logistics Center(Yugu)	2,340	3,386	4,071
Total	66,047	66,244	80,369

In 2016, water use increased due to the increase in the production amount of Yugu factory and strengthened test by water purifier.

Category	Energy Source	2014	2015	2016
Energy Use per Unit (GJ/KRW 100 million)		5.32	5.08	4.54
Total energy use(GJ)/Total sales(KRW 100 million)				
Adoption of Renewable Energy	installation costs(KRW 100 million) <sup>1)</sup>	2.0	1.7	11.9
	Reduction in power consumption(kw) <sup>2)</sup>	71,528	189,457	900,435

■ 2013 - Pocheon plant → Solar energy generation

■ 2014 - Yugu Factory, 1 Supplier → Solar energy generation

■ 2015 - Incheon Plant, 1 Supplier → Solar energy generation

■ 2016 - Yugu Factory → Installation ESS, Yugu Factory, Logistics Center → Installation LED

- Comparison of LEDs in the logistics center around 1 year [From 2016.03 to 2017.02] = 562,190KWh /

<b>Indirect</b>	<b>Electricity(GJ)</b>	103,944	103,640	101,543
<b>Indirect Total(GJ)</b>		103,944	103,640	101,543
<b>Total(GJ)</b>		107,155	109,903	107,854

- JoongAng Ilbo Building (Seoul Office), Seoul National University Environmental Technology Research Institute, Cosmetics Research Center, Yugu Logistics Center, Production Plant(Yugu, Incheon, Pocheon)\_Excluding water environment division according to company division
- LPG is classified as propane according to the verification of the GHG target management standard.
- 2016 Verification Standard: [Scope1 + 2] x 115,175GJ. At the time of external verification, Data are presented based on the previous year's coefficient of application for comparison with the previous year

## 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 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)	2014	2015	2016
<b>Direct Emissions(Scope1)</b>	196	391	401
<b>Indirect Emissions(Scope2)</b>	5,385	5,369	5,261
<b>Indirect Emissions(Scope1+2)</b>	5,581	5,760	5,662
<b>Yugu Plant</b>	1,919	2,015	2,165
<b>Incheon Plant</b>	634	658	677
<b>Pocheon Plant</b>	361	349	387
<b>Environmental Technology Institute(R&amp;D Center)</b>	1,537	1,565	1,588
<b>Cosmetics Research Institute</b>	163	174	183
<b>Seoul Office(JoongAng Daily Building)</b>	399	390	382
<b>Logistics Center(Yugu)</b>	413	464	328
<b>Net Emissions(CO<sub>2</sub> e/KRW100)</b>	0.277	0.266	0.257
<b>Domestic Logistics and Transport(Scope 3)</b>	4,025	4,514	4,795
<b>Commuting Vehicles(Scope 3)</b>	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) and external verification.

### Waste Generation Amount

Category	2014	2015	2016
<b>Products</b>	12,808	13,263	14,024
<b>Business Site:</b>			
<b>General</b>	1,028	1,023	1,619
<b>Business Site:</b>			
<b>Designated</b>	26	27	38
<b>Services</b>	7,024	8,501	9,095

year

- Yugu Factory (32-17W) x3,200EAx8hx220 days = 84,480KWh / year
- ESS [including government subsidies], LED [total investment cost of investment company]
- 1) Amount of reduction of renewable energy facilities in the year
- Solar energy generation by 2016 : 174,709 (Coway) +79,056 (Supplier) = 253,765KWh / year

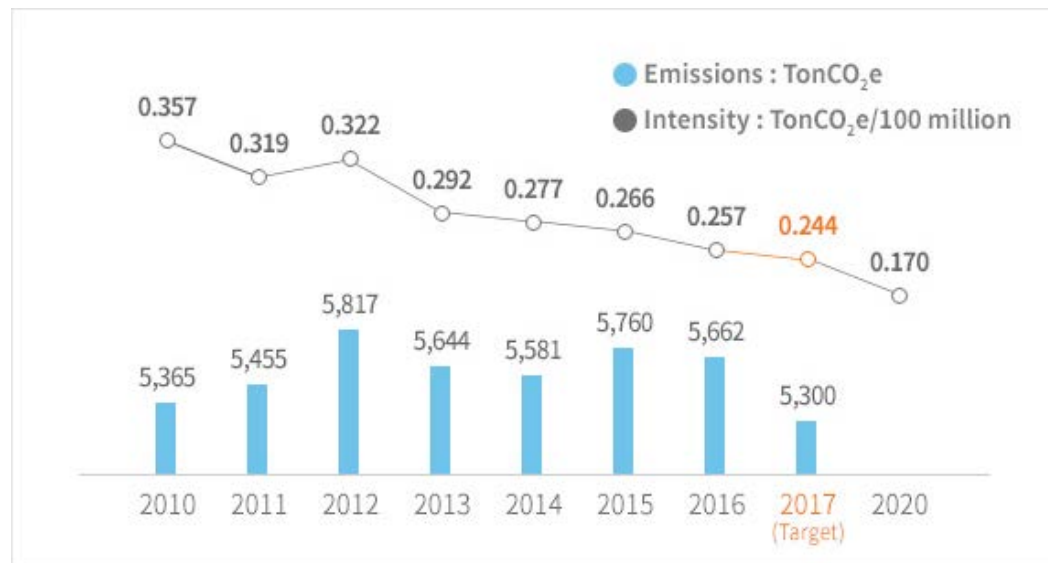
### GHG Emissions from the Use of Refrigerants

In order to minimize the environmental pollution caused by the refrigerant used in the product, it switching to environmentally friendly refrigerants. Refrigerant (R-134a) used in existing products is handled through a company designated by Ministry of Environment.

Category	R-134a <sup>1)</sup>		
	2014	2015	2016
<b>Use of Refrigerants in Product Manufacturing(kg)</b>	43,867	50,238	52,340
<b>Use of Refrigerants in Product Disposal(Kg)</b>	13,558	15,562	20,188
<b>GHG Emissions Caused by Refrigerants from Waste Products(tCO<sub>2</sub>e)</b>	14,073	16,185	20,996
<b>Use of Eco-friendly Refrigerants in Product Manufacturing(kg)</b>	R-600a, R-436B		
	2,440	651	950

1) R-134a is a substance that has lower global warming potential (GWP) than R-12

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



### Sales of Refurbished Products

For customers who purchase new products and dispose of existing ones, Coway collects the used products free of charge. The recollected 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)	2014	2015	2016
<b>Water Filtration Appliances</b>	12,061	13,492	9,165
<b>Air Purifiers</b>	2,672	4,508	6,584

<b>Total (Unit: tons)</b>	20,886	22,814	24,776
<b>Amount of Waste Recycled (Unit: tons)</b>	12,228	12,837	13,559
<b>Waste Recycling Rate (%)</b>	59	56	55

■ The recycling rate decreased year-on-year due to increased waste from the process and waste product return

### 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	2014	2015	2016
<b>Output(tons) <sup>1)</sup></b>	8,724	9,185	10,017
<b>Amount Recycled(tons) <sup>2)</sup></b>	6,198	6,353	6,902
<b>Recycling Rate (%) <sup>3)</sup></b>	71.1	69	69

■ 1) filter, water purifier, purifier, bidet, water softener, food processor

■ 2) Recycling rate: (waste product / waste filter) Plastic recycling amount / (product / filter) Plastic delivery amount

■ 3) The recycling rate is stagnant due to the continuous increase in product and maintenance service accounts.

## Activities to Reduce Coway's Environmental Impact

### Environmental Investments

In order to reduce the environmental impact of the business activities, Coway is striving to strengthen environment-friendly investments in facilities and systems and to comply with environmental laws and regulations. As a result of these efforts, there have been no cases of environmental regulations violations in 2016.

Category(Unit: KRW million)	2014	2015	2016
<b>Facility Operations</b>	186.5	71.3	322.1
<b>System Operations</b>	66.5	119.9	95.9
<b>Communication</b>	616.0	373.7	181.5
<b>New Environmental Businesses</b>	59.0	149.2	-
<b>Total</b>	928.0	714	599.4

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

### Certification Status

ISO 14001

ISO 9001

OHSAS 18001

## 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	2014	2015	2016
<b>Suppliers Certified with Coway's Green Partnership Certificate</b>	55	55	100

<b>Water Softeners</b>	366	49	1
<b>Bidets</b>	3,454	3,486	5,362
<b>Food Waste Treatment Appliances</b>	30	-	-
<b>Total</b>	28,123	18,583	21,112

### Eco-friendly Product

Category (Unit: KRW 100 million)	2014	2015	2016
<b>Sales</b>	6,034	5,972	6,292

### 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: %)	2014	2015	2016
<b>Response Rate to Parts Containing Hazardous Substances</b>	100	100	100

### Support for Carbon Partnerships

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	2014	2015	2016
<b>GHG Emissions(tCO<sub>2</sub>e)</b>	44,445	36,181	40,994
<b>Emissions per Unit(tCO<sub>2</sub>e/KRW 100 million)</b>	10.56	8.46	8.02

Suppliers' GHG Emissions

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	May ~ September 2016	Diagnosis of energy issues at business sites(Encourage investment)





## 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 Korea Management Registration(KMR).

[Assurance Statement Download](#)



SR Library



GRI G4 Index



## GRI G4 Index

### General Standard Disclosure

The 2016 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.

Index Download

### Specific Standard Disclosure

Of the 34 Aspects included in the Specific Standard Disclosure of the GRI G4 Guidelines, this report classified 7 Aspects related to 2015 material issues 'customer safety& health, marketing communication, products and services, 'waste water and waste', 'energy', 'environmental products and services','supplier Environmental / Labor / social impact assessment'. 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 management approach and indicators.

Index Download



<b>About This Report</b>	Contact Us
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## About This Report

### Reporting Overview

#### Reporting Features

The 12th 'Coway 2016 Sustainability Report' for this year is the Second 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 TRSUT REPORT. 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 15, 2017 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

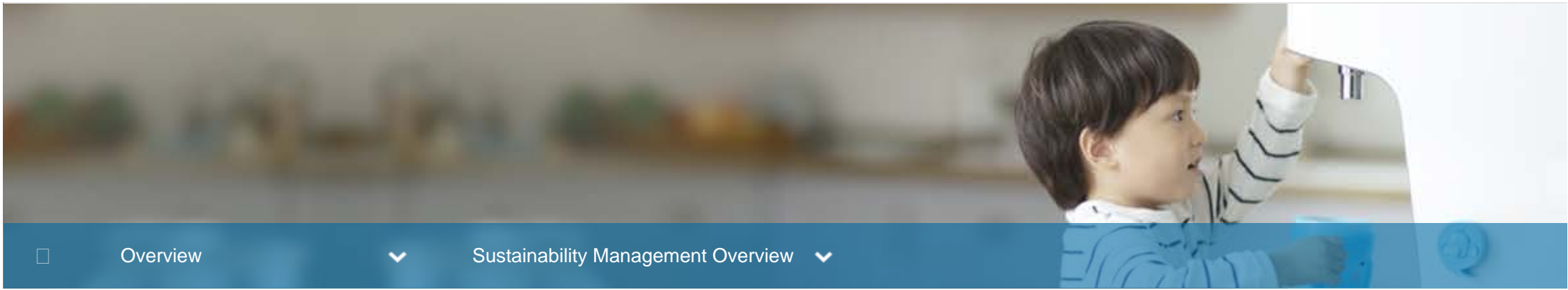
Jan. 1, 2016 - Dec. 31, 2016 To ensure there is enough data to provide comparable referencing, three years' worth (in some case five years' worth) of data was disclosed. In the case of quantitative activities related to core issues, activities conducted until 2017 were included.

#### 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 Korea Management Registration(KMR).



Overview



Sustainability Management Overview



Sustainability Management Strategy

Sustainability Management Issues

Stakeholder Engagement

Related Links

## Sustainability Management Strategy

### Strategy

"Putting the 'Goodness' philosophy into action for a better world" is our vision that we pursue in our sustainability management. Since our business deals with water, air, sound sleep, and beauty, we deeply recognize the impact of our work on people's lives. As a life care company, we wish to add value and make life better for all stakeholders throughout all stages of our business activities.



### Philosophy

"We cheerfully pursue unexplored paths together, believing that all of our actions can help create a better world."

### Mission

## Healthy Environment Happy People

### Vision

## Cordial Life Care Science & Solution Company

## Core Values



## Sustainability Management Structure

Coway has set up the Infinite Responsibility Committee with the CEO as Chairman to realize our vision of sustainability management and strengthen responsible management for our stakeholders. The Committee convenes once a week to strengthen customer trust.

The Sustainability Management CFT—which is made up of the heads and persons in charge of the CSV Team, Ethics Management Office, HR Development Team, Environmental Management Team, and Win-win Cooperation Team—focuses on monitoring various sustainability management issues. It also conducts internal assessments, establishes improvement measures, and reports their results.

Issues that are identified to have potentially critical influence are reported to the Infinite Responsibility Committee and the Management Committee under the Board of Directors. The improvement measures are then implemented accordingly.

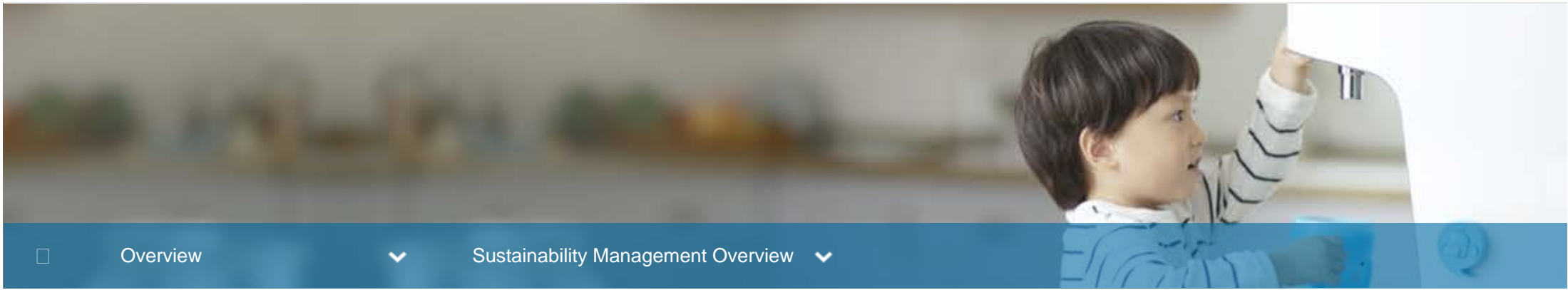
The Environmental Management Committee, Occupational Safety and Health Committee, and Goodness Council (a consultative body of partners) also convene each quarter.



## Secure Sustainability Management Leadership



Coway has been consistently named in DJSI Asia-Pacific since 2013 and has been newly added to the DJSI World index in 2016. In particular, Coway was highly acclaimed for responsible activities such as environmental policies and systems, occupational safety & health activities, and community contributions.



Overview



Sustainability Management Overview



Sustainability Management Strategy	<b>Sustainability Management Issues</b>	Stakeholder Engagement
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Related Links

GRI Indicator

### Identification of Sustainability Management Issues

Coway conducted materiality tests based on international standard analysis, global benchmarking, media research, and stakeholder surveys.

Major issues identified by the tests were reported in the form of the [COWAY TRUST REPORT](#), which was prepared in accordance with the GRI G4 guidelines, thus securing the report's objectivity.

#### Step1 Development of a Pool of Issues

International standard analysis, global benchmarking, internal document assessments, stakeholder interviews, and media research were used to identify 34 issues.



#### Step2 Conduct Materiality Tests

Based on the 34 issues identified, materiality tests were conducted in consideration of "business relevance analysis" and "stakeholder impact analysis."



##### BUSINESS RELEVANCE ANALYSIS

Confirm business directions through analysis of internal documents including in-house newsletters



##### STAKEHOLDER IMPACT ANALYSIS

Conduct online and offline surveys on opinion leaders among Coway employees, investors, expert groups, and stakeholders

#### Step3 Identify Key Material Issues

Based on the level of impact on business and degree of concern to stakeholders, a total of 11 major issues were identified, including the 3 most important issues in Coway's sustainability management. The business relevance

of each issue, major activities, and results thereof were also reported.

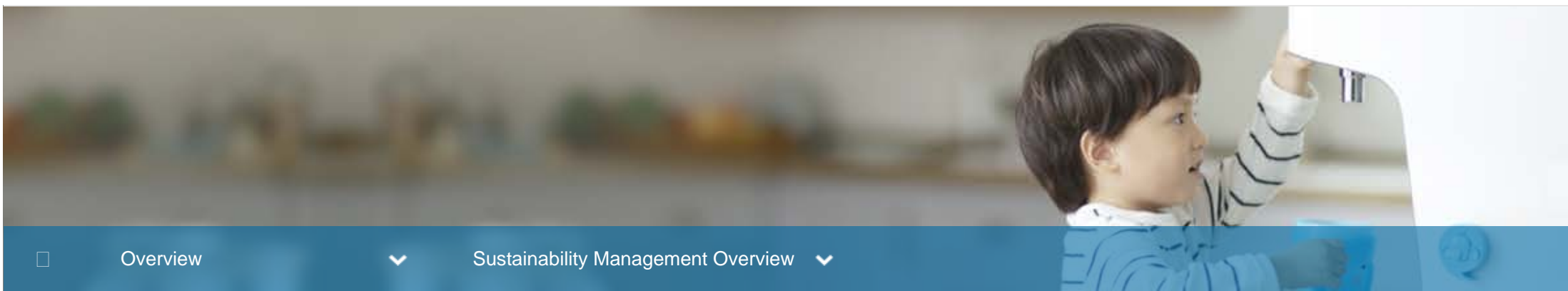


- 1 Reinforce product safety and reliability
- 2 Develop eco-friendly products and services
- 3 Strengthen brand credibility
- 4 Develop innovative products and customer-oriented services
- 5 Build system for suppliers CSR
- 6 Strengthen after-sales when a product defect or accident occurs
- 7 Securing opportunity new business and market
- 8 Human resource development and retention
- 9 Increase product accessibility
- 10 Build capacity of sales and service partners
- 11 Manage chemical substances
- 12 Enhancement customer satisfaction
- 13 Minimizing the environmental impact of products life cycle perspective
- 14 Flexible and family-friendly corporate culture
- 15 Responsible advertising and marketing
- 16 Efficient resource management
- 17 Climate Change Response
- 18 Managing economic · social · environmental risks
- 19 Compliance with human rights and labor principles
- 20 Strengthening market leadership
- 21 Strengthening privacy and information security
- 22 Strategic social contribution activities
- 23 Respect for diversity and prohibition of discrimination
- 24 Employee Health and Safety Management
- 25 Improved product recyclability
- 26 Creating sound sales culture
- 27 Energy management
- 28 Respect for sales and service partners human rights
- 29 Enhancement ethical management
- 30 Water resources management
- 31 Strengthening community self-vitality
- 32 Responsible Procurement
- 33 Establishment of fair trade culture
- 34 Biodiversity protection

	Material Issues	Business Cases	Impact Assessment	Subject of Impact	GRI Aspects	Report Page
1	Reinforce product safety and reliability	<ul style="list-style-type: none"> <li>Establishment of the Infinite Responsibility Committee</li> <li>Organization of TQA Center</li> </ul>	<input type="checkbox"/> Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Risk	Customers	Customer Health and Safety (PR 1,2)	<a href="#">More</a>
2	Develop eco-friendly products and services	<ul style="list-style-type: none"> <li>Improve energy efficiency</li> <li>Product development to reduce water use</li> </ul>	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Risk	Community, Shareholders & Investors	Energy/ Products and Services (EN 27)	<a href="#">More</a>
3	Strengthen brand credibility	<ul style="list-style-type: none"> <li>Setting brand direction</li> </ul>	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Risk	Customers	-	<a href="#">More</a>
4	Develop innovative products and customer-oriented services	<ul style="list-style-type: none"> <li>IoCare product development</li> <li>Providing customized solutions</li> </ul>	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Risk	Customers, Shareholders & Investors	Product and Service Labeling (PR 3,4)	<a href="#">More</a>
5	Build system for suppliers CSR	<ul style="list-style-type: none"> <li>Conduct CSR evaluation of suppliers</li> <li>Operation of supporting program for suppliers</li> </ul>	<input type="checkbox"/> Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Risk	Suppliers	Supplier Assessment for Environmental, Labor Practices, Impacts on Society (EN32, EN33, LA14, LA15, SO9, SO10)	<a href="#">More</a>
6	Strengthen after-sales when a product defect or accident occurs	<ul style="list-style-type: none"> <li>Response to Recall of Ice Water Purifiers</li> </ul>	<input type="checkbox"/> Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Risk	Customers, Shareholders & Investors	Marketing Communications (PR 6,7)	<a href="#">More</a>
7	Securing opportunity new business and market	<ul style="list-style-type: none"> <li>Implementation of differentiated regional strategy</li> </ul>	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Risk	Shareholders & Investors	Economic Performance(EC1)	<a href="#">More</a>
8	Human resource development and retention	<ul style="list-style-type: none"> <li>Operation of human resource development program</li> </ul>	<input checked="" type="checkbox"/> Cost <input type="checkbox"/> Revenue <input type="checkbox"/> Risk	Employees	Training and Education (LA9)	<a href="#">More</a>
9	Increase product accessibility	<ul style="list-style-type: none"> <li>Strengthening customer-friendly IT service</li> </ul>	<input checked="" type="checkbox"/> Cost <input type="checkbox"/> Revenue <input type="checkbox"/> Risk	Customers	-	<a href="#">More</a>
10	Build capacity of sales and service partners	<ul style="list-style-type: none"> <li>Strengthening sales site vision</li> <li>Holding 3C meetings</li> </ul>	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Risk	Customers, Sales & Service Partners	-	<a href="#">More</a>
11	Manage chemical substances	<ul style="list-style-type: none"> <li>Re-establishment of chemical substance management system</li> </ul>	<input type="checkbox"/> Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Risk	Community	Effluents and Waste (EN 24)	<a href="#">More</a>







Overview



Sustainability Management Overview



Sustainability Management Strategy	Sustainability Management Issues	<b>Stakeholder Engagement</b>
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GRI Indicator

## Stakeholder Engagement

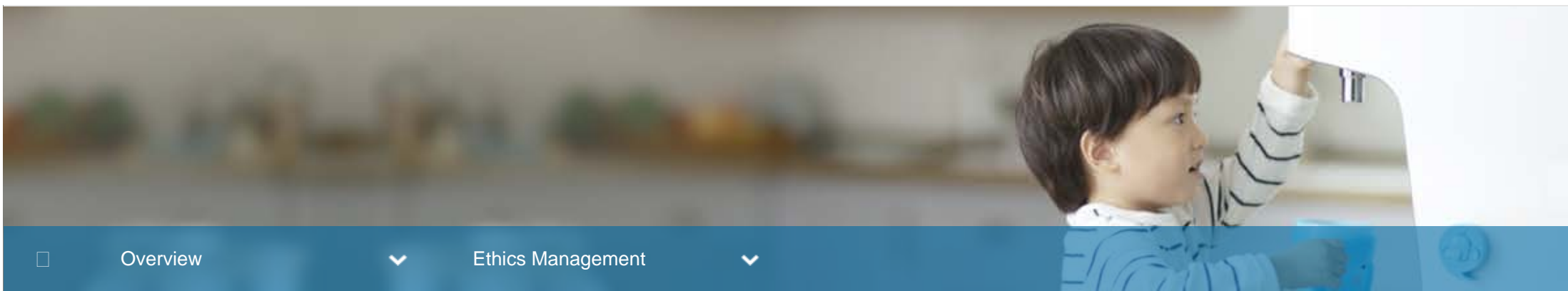
### Stakeholder Definitions and Channels

Coway Operates diverse communication channels and classified them into seven group to reflect the varying issues raised by stakeholders in our business operations. We believe in the importance of stakeholder communication and view it as an essential component of a successful sustainability management structure.

Category	Definition of stakeholders	Main concerns
	Communication channels	Main activities
Customers	Customers is not merely limited to consumers who purchase our products and services.	Efforts to improve customer satisfaction, differentiated customer service, systematic customer feedback management, handling customer complaints, and thorough customer information protection
	Website VOC / call center	New Heart Service Established the Infinite Responsibility Committee
Shareholders and investors	Shareholders and investors both as those who make indirect/non-financial investments	Profitability improvement, dividend policy, sound corporate governance, business opportunity and risk management
	Year-round ir meetings IR briefings	Roadshow Management Disclosure
Governments	Governments as any organization or group that exercises its state sovereign power over coway	Tax payment, social contribution activities
	Government Agencies Council corporate disclosures	public-private partner-ships seminars
Academia and Media	Academia and media as surrounding groups that represent various stakeholders	Transparent disclosure of corporate information
	Corporate disclosures Press Releases	Management Activities Disclosure Press Release Distribution
Suppliers	Organizations and individuals who provide us with raw materials and related services.	Financial / technical / education support for partners, support for environment / ethical management of partners, improvement of working environment for partners
	Supplier Council Win-win portal	Technology supporting and funding Performance sharing
Employees	Our core assets and who develop their own potential to reach their individual goals for the betterment of the company.	Fair evaluation and compensation, competency development, family-friendly management, etc.
	Labor-Management Council Grievance System Human Resources Committee	Beyond Coway Coway Day
	Local communities mean much more than mere geographical and administrative zones that	Communication with local communities, disclosure of ethical management performance,

<b>Local communities</b>	impact our business	various social contribution and volunteer activities
	Local council NGO Meeting	Happy well digging Hanppyum Sharing

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Related Links GRI Indicator

## Ethics Management

### Ethics Management Strategy

Based on the 3C (Code of Conduct, Compliance Check Organization, Consensus by Ethics Education), Coway builds a transparent corporate culture called "Clean Coway."

#### Vision

## VISION

Ethics Management Culture *Clean Coway*

Strategy



#### Organization



## Ethics Management Program

### Establishment of Corporate Code of Ethics

In order to expand the "Clean Coway" culture throughout the organization, Coway has established detailed guidelines including the Ethical Charter, Ethical Regulations, and Ethical Guidelines.

[View Ethical Charter](#) [View Ethical Regulations](#)

[View Ethical Guidelines](#)

### Internalization of Ethics Management

To internalize and expand the "Clean Coway" culture, Coway reinforces a sense of ethics by promoting ethics management to all employees and suppliers. Coway also monitors employee behavior. Coway provides regular ethics training to improve the understanding of ethics management and strengthening the will to put it into practice within the company.

#### Ethics Programs

Training & Promotional Activities	
Training	Poster

### Operation of the Ethical Report Center

The Ethical Report Center prevents unethical behavior by regulating the process and stage-by-stage activities regarding the receipt, investigation, deliberation, and notification of matters in violation of ethics management.

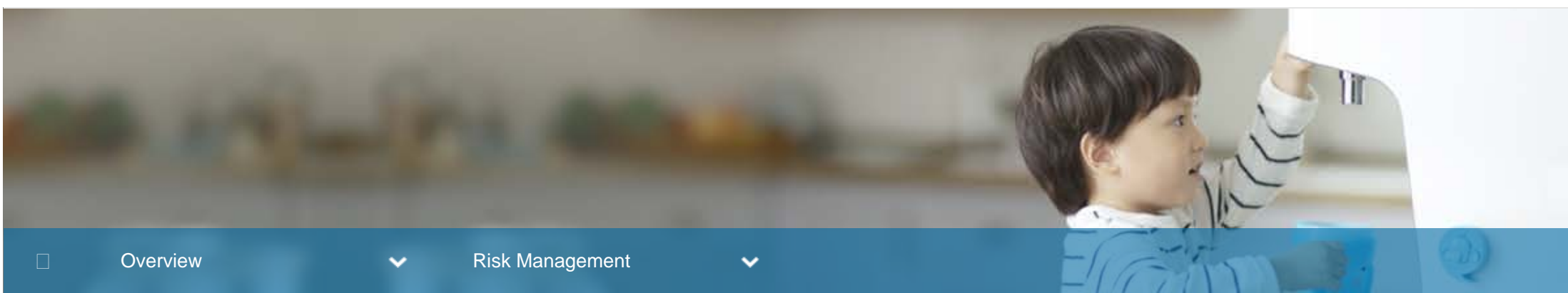
[Visit the Ethical Report Center](#)

**Operation Process of the Ethical Report Center**

Coway receives customer reports via mail, fax, and online. Once reports are received, the Ethics Management Office conducts an investigation, the results of which are deliberated and decided by the Ethics Committee and delivered to the reporter. Cases are shared to prevent repeated misconduct and display exemplary cases.

Conduct ethics management training throughout the company Training results in 2016: To be updated	Put up promotional posters and notify via online pop-up messages
--	--

Consultation and Monitoring	
<b>Regular Consultation</b> Hold ethics management consultation sessions twice a year throughout the company	<b>Monitoring</b> Monitor illegal sales activity through mystery shoppers



Overview

Risk Management

Related Links

GRI Indicator

## Risk Management

### Risk Management Structure

Coway analyzes and manages risks that may arise in its business activities by operating the Risk Management Committee. Discussions are held in groups to draw solution measures and directions for risks that may consistently arise in the company.

#### Organizational Chart



### Major Risks and Response

Each division of Coway proactively manages major risks relating to its business activities. Financial risks, including market, credit, and liquidity risks, and non-financial risks, including compliance and policy risks, are actively managed.

### Risk Management process

In response to the risk management policy approved by the Crisis Management Committee, specific activities are carried out through each business unit. It identifies, evaluates, and prevents risks under mutual cooperation. When risks are found, the relevant information and risk level are analyzed, and a Crisis Response Team and Correspondent Organization Team It is monitored continuously even after the crisis is resolved.

#### Process

Step	Actions Taken	Responsible Organization
Gather data	Gathering information in real time in each department/ convening risk assessment meetings	Respective departments
Impact analysis	Analyzing relevant information, assessing risk levels, issuing risk alerts	Risk assessment meeting
Establish a responsible organization	Defining response directions and major guidelines as the highest-level responsible organization	Risk management committee
Develop countermeasures	Developing countermeasures	Risk management committee Risk management team Risk management support team
Take countermeasure	Taking action based on response plans	Risk management team, Risk management support team
Progress report	Reporting the progress of risks and outcomes of countermeasures	Risk management committee
Monitoring and feedback	Continued monitoring and feedback	Risk management team

## BUSINESS STORY




### Emerging Risk Management

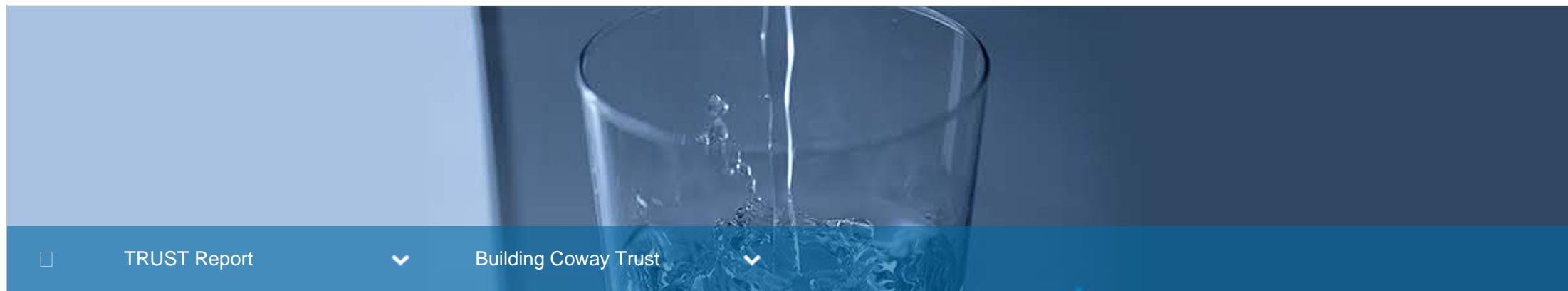
In implementing sustainability management, Coway proactively identifies and regularly monitors emerging risks factors.

Risk Factors

Risk Impacts

Mitigation Actions

(Risk Factors)	(Risk Impacts)	(Mitigation Actions)
 <p>Supply Chain Risk</p>	<p>Supply network risk management is an essential part of our management activities because we need to maintain strong relationships with our suppliers who provide various materials and components that are necessary for producing our products and services. Moreover, there is heightened social awareness of fair trade and shared growth, as well as a strong demand to extend the scope of sustainable management to suppliers. Against this backdrop, the importance of strengthening supply network capacity and managing CSR to secure long-term corporate competitiveness is now stronger than ever.</p>	<p>Select and manage fair and transparent supplier □</p>
 <p>Customer Information Protection Risk</p>	<p>Given the nature of the rental business, we collect personal information from our customers. It is, therefore, strongly demanded of us that we protect our customers' personal information and take precautionary measures to proactively manage risks related to information leakage and security incidents. New products and services enabled by the adoption of IoT (Internet of Things) and other technologies have increased security risks. Moreover, we are required to strengthen our privacy protection activities as we collect and use our customers' personal information when providing our goods and services.</p>	<p>Strengthen information protection activities □</p>
 <p>Demographic Change Risk</p>	<p>Demographic changes including an aging population and low birth rates are transforming our society. Currently, the number of one-person households in Korea is rising at a rapid speed. According to Statistics Korea, one-person households will account for as much as 34.3% of the total Korean population by 2035. As we respond to the various demands posed by demographic changes, we must develop products and services that meet the needs of one-person households.</p>	<p>Analyze customers based on CMI and Big Data □</p>



TRUST Report



Building Coway Trust



Building COWAY TRUST

Response to Recall of Ice Water Purifiers

## Building COWAY TRUST

### Implementation of Customer Trust Management

Determined to make 2017 the year of regaining customer trust and taking a new leap forward, Coway has selected "Coway TRUST" as the keyword for its business direction in 2017. Coway TRUST signifies our determination and commitment as a life care company to carry out all business activities to restore customer trust. The reason we exist as a company is to take responsibility for the everyday life of our customers by giving them clean water, clean air, sound sleep, and beauty. For us to continue pursuing this value, people's trust and confidence in Coway must stand strong.

With customer trust as our top priority in all our business activities, Coway will continue its efforts to be a part of your daily life through clean water, clean air, sound sleep, and beauty.



Promise to regain customer trust

Carry out business with customer trust as most important value

Make customers feel safe, even with just one glass of water and one breath of air

2017

2018

2019

Recover Trust



Recover customer trust and brand leadership

Enhance Reliability



Strengthen position as representative product and service brand

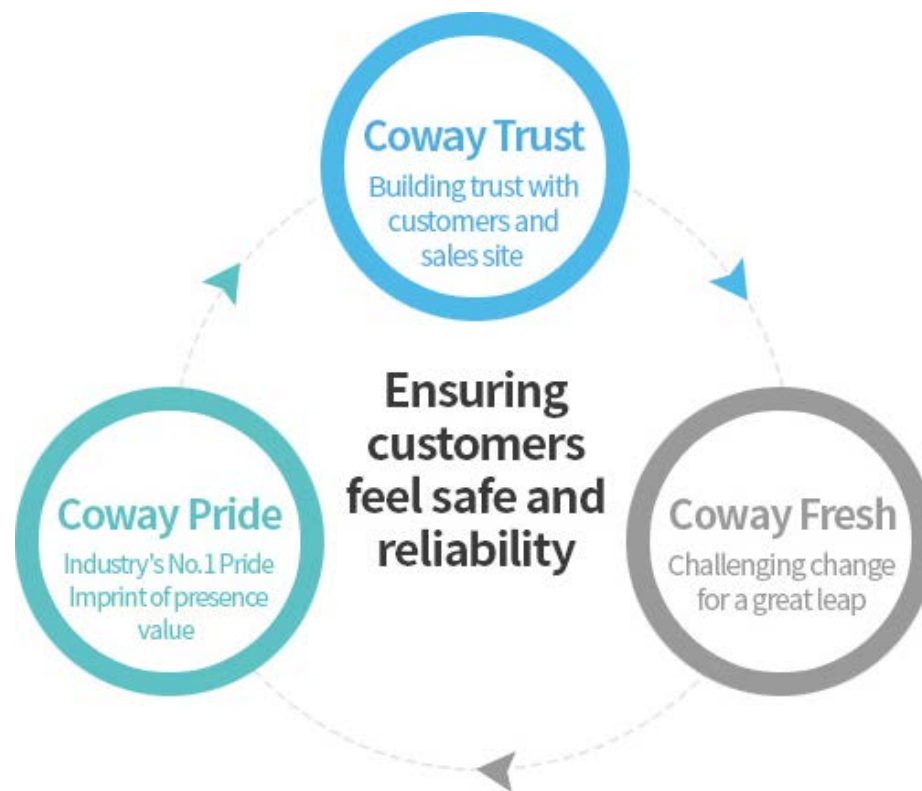
Expand Reliability



Become a global brand leading healthy lifestyles

### Establish a TRUST-based management direction

In 2017, we established the management direction as 'Coway TRUST'. Based on the core values of Coway TRUST, Coway PRIDE, and Coway FRESH and we are actively conducting management activities to restore trust with stakeholders and to achieve this goal.



Stable growth of home wellness appliances business by building trust with customer and Field

Securing growth engine through market leading innovation products and technology

Expansion of global business, Changing of the cosmetic business

### Establishment of the Infinite Responsibility Committee

Coway has established the Infinite Responsibility Committee to comprehensively review and proactively improve issues of product safety and customer trust so that customers feel safe using our products. Recovery of customer trust is highly important for Coway's longevity and continued growth.

Support for “Infinite Responsibility Quality Management”

The Infinite Responsibility Committee is a consultative body under the direct control of the CEO. Its main areas of concern are product safety and customer trust. For prompt decision-making, the Committee convenes once a week, bringing together all executives and Committee members to share the agenda. Diverse perspectives based on cooperation among headquarters are brought to the table, leading to dynamic discussion and exchange of opinions. Matters discussed at the Committee are directly applied to the business process, allowing for prompt solution of problems and ultimately the strengthening of customer trust.

Infinite Responsibility Communication





Coway has created the “Infinite Responsibility Committee” website to share Coway’s various activities for the recovery of customer trust with stakeholders through real-time communication. Through photos, videos, and other media, the website shows Coway’s innovative efforts to secure product safety and reliability.

Infinite Responsibility □

Major Agendas(2016)

- Oct**
  - Policy for refund, exchange, and collection of ice water purifiers
- Nov**
  - Active solutions for customer complaints
  - Organization of TQA Center for enhancing product reliability
  - (Higher product quality) Recurrence prevention measures
    - Stronger management system for harmful substances
    - Measures to verify product reliability and enhance durability
- Dec**
  - Measures to support health consultation for users with recalled products and support dermatitis treatment expense
  - (Higher service quality) Recurrence prevention measures
    - Measures to strengthen service quality standards and monitoring
    - Measures to improve service-related evaluation index
  - (Better process) Recurrence prevention measures
    - Measures to improve VOC management system
    - Measures to improve recurrent prevention process

Main content

<p><b>About Infinite Responsibility Committee (IRC)</b> Intro</p> 	<p><b>Infinite Responsibility NEWS</b> Read about IRC news</p> 
<p><b>Infinite Responsibility LAB</b> Find out about IRC's activities through webtoons</p> 	<p><b>Infinite Imagination FACTORY</b> Share your ideas on safe products and services with us</p> 

 BUSINESS STORY

Establishment of “TQA Center” for Reinforced Implementation of Quality Innovation

Coway has established the Trust and Quality Assurance Center (TQA Center) as center for product and service innovation for restoring trust and ensuring that customers feel safe using our products and services. The TQA Center is an independent body combining former quality verification divisions, such as the R&D Center and Production Operation Division. The Center focuses on minimizing inconvenience to customers by finding and proactively responding to potential quality-related issues.

Organization

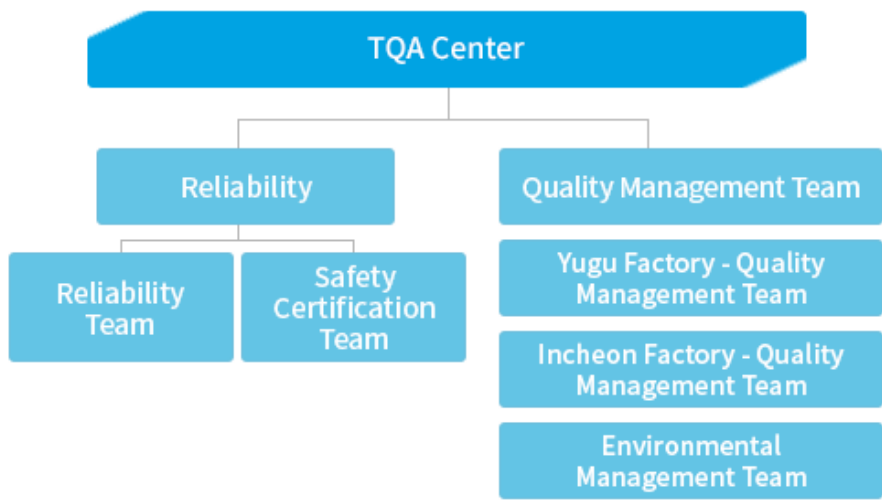
 INTERVIEW

“We will provide safe and high-quality products through quality management in the broad sense from the customers’ point of view.”

The Trust & Quality Assurance (TQA) Center is the control tower for ensuring the quality of all Coway products and services. From the perspective of customer trust, quality is of the utmost importance in operating the Center. We focus on fulfilling our responsibility to ensure product quality and safety by securing the Center's independence to oversee quality functions. In 2016, the Center prepared the grounds for implementing quality management from the customers' point of view. This work was done through capacity-building efforts such as establishing and operating the quality assurance system and assigning experts on hazardous substances. In 2017, we will secure world-class quality competitiveness by restoring customer trust and ensuring product quality. I ask for your interest and support as our sincere and diverse efforts in “infinite responsibility” activities continue.

TQA Center’s Vision and Strategy





**Mission** | Trust & Quality Assurance for Customer Satisfaction and Value Creation

**Vision** | Do things the right way from the customers' point of view  
Customer trust is central to quality

**Strategy**



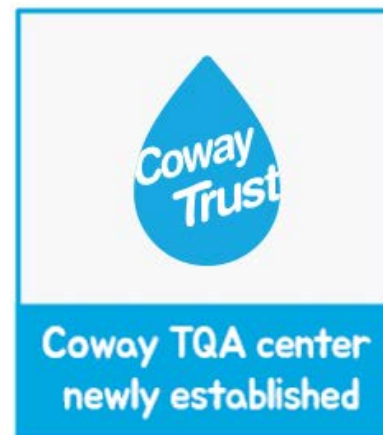
- Product quality innovation centered on customer values
- Product assurance from customers' point of view
- Develop/Verify service-oriented and convenient new products

- Operate quality assurance system
- Innovate Q-DR process for new products
- Establish first-class quality assurance system of global top companies
- Upgrade system for overseas quality assurance

- Operate mandatory quality-related training
- Secure quality/reliability experts
- Operate programs for improving of quality capacity

**Card News**

Quality management organization called **TQA center** was newly established in Coway.  
Let's find out more and check out!





☰ TRUST Report ▾ Building Coway Trust ▾

Building COWAY TRUST

Response to Recall of Ice Water Purifiers

Related Links

GRI Indicator

## Response to Recall of Ice Water Purifiers

### COWAY's Commitment

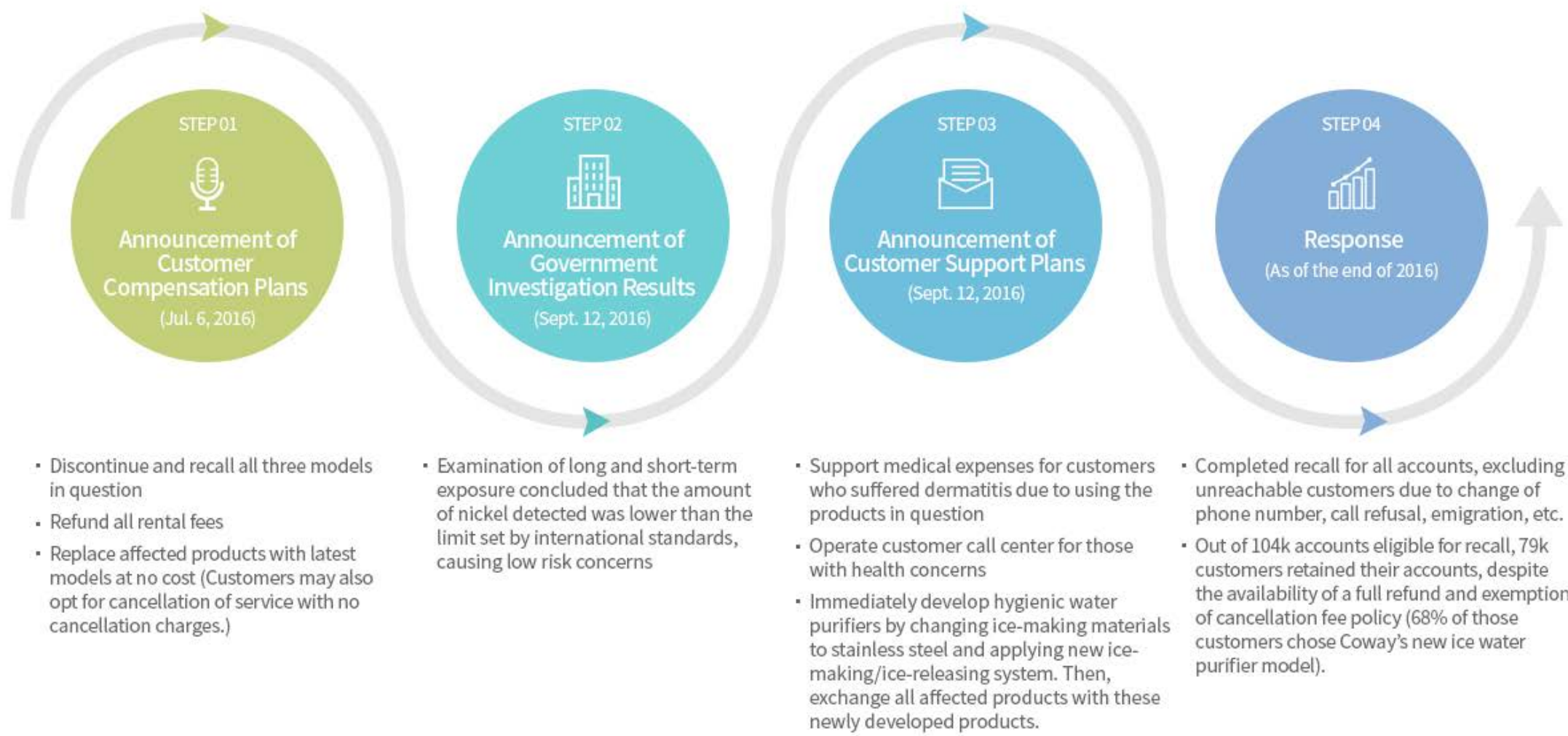
Since the recall of our ice water purifiers, Coway places the utmost priority on "restoring customer trust" in all our business activities. Such efforts include reorganizing our organization, products, and services not from a company-oriented but from a customer-oriented perspective. As part of this work, we are actively implementing customer compensation and support policy. We hereby once again promise to take full responsibility to satisfy our customers and society.



### Reasons for Recall

A government investigation found that in three models (CHPI-380N/CPI-380N, CHPCI-430N, CPSI-370N) of Coway's ice water purifiers, nickel particles coming off of a nickel-coated evaporator dropped into the cold water tank under it. This was caused by damage to the nickel coating in the course of assembling the cooling structure in which the evaporator is placed. The investigation tentatively concluded that Coway's ice water purifiers—other than the three affected models—did not have the same problem since they have different structures. To investigate the harmfulness of nickel, an examination of long- and short-term exposure to nickel was carried out in consideration of the actual time of product use, which found that the amount of nickel found in the products in question was lower than the limit set by international standards, causing low risk concerns. Nevertheless, it was recommended that customers with affected products that had not been collected stopped using them. This was because continued use of these products without taking any measures may cause dermatitis for those sensitive to nickel.

### Order of Events



## Recurrence Prevention Measures

Coway places customer trust recovery as our top priority and is striving to enhance product safety in all business stages.



### Higher Product Quality

- Establish measures to verify reliability and strengthen durability
- Establish management system for chemical substances in products (and establish proactive prevention system)
- Reinforce customer feedback management system
- Develop innovative products



### Higher Service Standard

- Enhance service management by re-establishing service inspection standards
- Expand special services (e.g. Free replacement of major parts)
- Newly establish monitoring body directly under CEO



### Brand Communication

- Make customers feel safe through Coway TRUST
- Step 1. Beginning of Change** : - Announce recovery of customer trust by operating the Infinite Responsibility Committee (visit IRC website)
- Step 2. Internal Change** : - Implement diverse improvement measures for enhanced product quality and service standard
- Step 3. External Change** : - Build customer empathy through brand campaigning centered on social responsibility activities and customer experience programs



TRUST Report



Product Safety and Reliability



Our Approach to the Issue

Strengthening Management System for Chemical Substances in Products

Applying Technologies and Product Structure for Higher Safety

Enhancing Quality of Customer-oriented Service

Related Links

GRI Indicator

Our Approach to the Issue



Business Relevance & Our Approach

The importance of product safety is gaining attention amid rising concerns over the harmfulness of various household supplies and home appliances. In this light, consumers' interest in wellness\* care beyond well-being is increasing. When choosing products, consumers consider whether it is harmless to health, helpful to healthcare, and environmentally friendly. Such tendencies are bringing changes not only into the food and cosmetics industry, but also to the home appliances and electronics industry.

Coway's products handle water and air, and they are used in everyday life over a long period of time. This is why the safety and enhanced performance of our products are particularly important. "Quality management" pursued by Coway is a process in which we actively take responsibility for our products so that they are safe and harmless and continue to function well throughout the course of their use by our customers.

Coway focuses its capacity in each stage of its activities for quality planning, quality management, quality assurance, and quality improvement. When developing products, reliability and safety verification is carried out at each stage in accordance with relevant regulations. In 2016, all business processes and activities were realigned to enable quality management from a "customer-oriented" and "broad" perspective. The Trust and Quality Assurance (TQA) Center, newly established as our control tower for quality management, has carried out efforts to enhance product safety and quality, including strengthening our chemical substance management system and improving service quality from the customers' point of view.

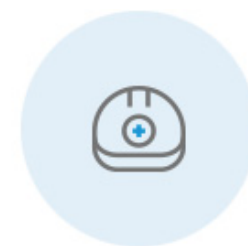
Business Case

- Proactive research on chemical substances
- Providing special care service

Activities



Strengthen management system for chemical substances in products



Apply technologies and product structure for higher safety



Enhance quality of service from customers' point of view

Performance

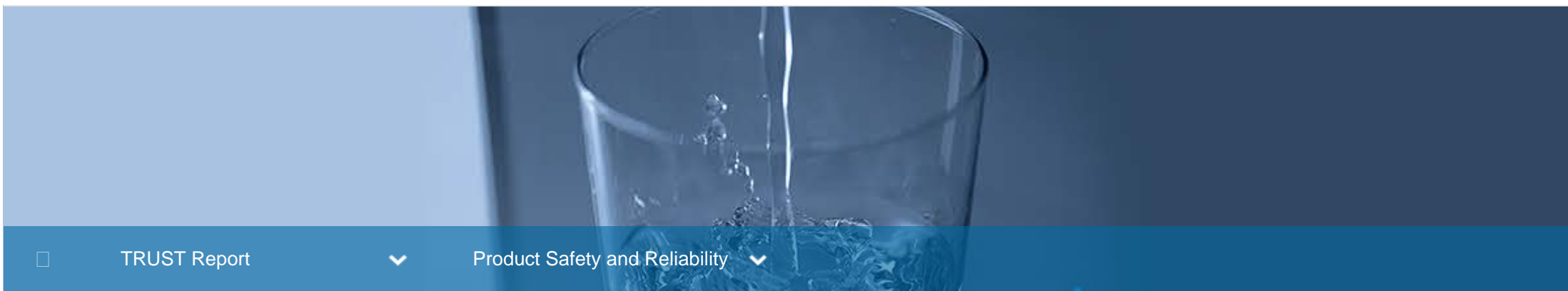
Wellness : It is a compound word of well-being and happiness and fitness, which means a healthy state as well as body and mind.

**114**cases

Number of consumer  
goods electrical  
safety certification

**15**places

Number of official  
testing lab licenses under  
the International Safety  
Certification Center



TRUST Report Product Safety and Reliability

Our Approach to the Issue	<b>Strengthening Management System for Chemical Substances in Products</b>	Applying Technologies and Product Structure for Higher Safety	Enhancing Quality of Customer-oriented Service
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GRI Indicator

## Strengthening Management System for Chemical Substances in Products

Coway strengthens its capacity for managing hazardous substances through various means, such as strengthening standards and processes for managing the safety of chemical substances, clearly assigning the manager in charge, hiring experts, and receiving external consultations.



### Establishment of Chemical Substance Review and Management System

#### Re-establishment of Chemical Substance Management System

Having acquired the Hazardous Substances Processing Management (HSPM) certification, Coway strengthens chemical substance management following the cycle of planning, execution, review and continuous improvement of the HSPM system. Since 2010, Coway voluntarily applies the EU/K-RoHS standard to all parts used and has their conformity verified. In 2015, Coway expanded K-RoHS response by registering 100% of service part codes and having the conformity of all products verified.

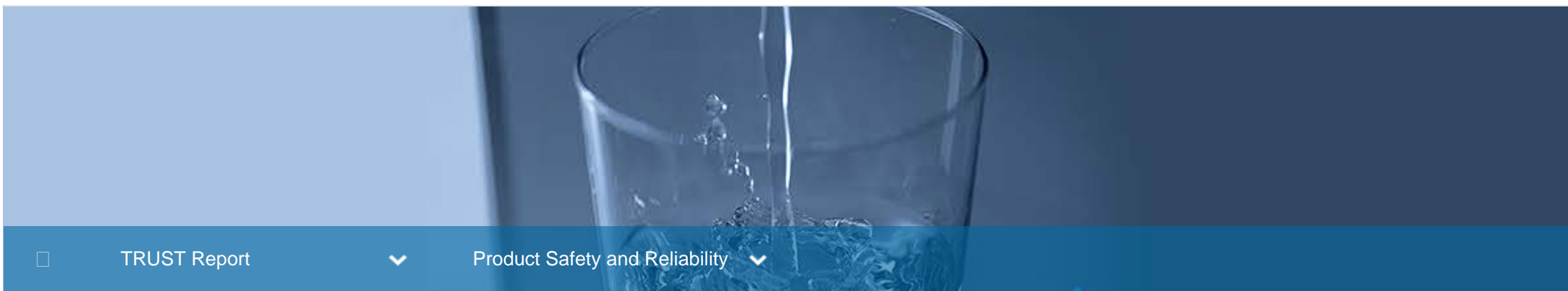
In 2016, Coway built a database to examine and inspect the use of chemical substances at business sites. The company also expanded the existing database on domestic and international laws and regulations. In 2017, Coway will expand the subject of chemical substance management from business sites to products, and actively respond to demands regarding global environmental regulations and use of chemical substances by client companies.

### BUSINESS STORY

#### Proactive Research on Chemical Substances: Proactive Response to Safety Regulation

The United States Environmental Protection Agency (EPA) recently announced that it will include five Nitrosamine compounds on its list of regulated contaminants. Coway has confirmed that the substances in question brought no harmful effects to its products.

Coway is currently conducting research on developing a technology that will not only detect but also remove certain substances in products. As a standard deliberation committee member of the National Sanitation Foundation (NSF), Coway has requested preliminary research and testing of the actual removal performance of carbon filters beyond EPA standards for index material Nitrosodimethylamin (NDMA), as well as discussion on adding a claim for removal performance within NSF standards.



TRUST Report Product Safety and Reliability


Our Approach to the Issue	Strengthening Management System for Chemical Substances in Products	<b>Applying Technologies and Product Structure for Higher Safety</b>	Enhancing Quality of Customer-oriented Service
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GRI Indicator

## Applying Technologies and Product Structure for Higher Safety

### Strengthening Values of Hygiene and Safety through Technological Innovation

Coway makes continuous efforts to secure hygiene and safety from the product planning stage. A detachable cork, which can be easily cleaned and replaced for hygiene management, has been applied to all models. Water purifier parts have different maintenance and life cycles depending on the customers' lifestyle patterns. To meet those needs, Coway is developing technologies that will enable "customized customer care service."


**Introducing New Materials for Higher Safety**

- Develop and apply product materials so harmful substances are absolutely not used
- Notable outcome: Developed HEPA and humidifier filter material, as well as original technology for tankless instant cooling with ice thermal storage



**Designing Standard Module for Easy Replacement of Parts**

- Use of detachable cork in all water purifier products to enable easy cleaning and replacement for hygiene management
- Complete care service through easy to regularly clean and replace internal parts



**Developing Smart Signaling Service Technology**

- Sound alarm at each service stage
- Apply hygiene monitoring and warning system: Apply technology that shows warning signals on products at regular intervals for maintenance
- Provide information on product conditions, water quality before and after filter change, and product usage patterns by applying IoT technology







TRUST Report > Product Safety and Reliability

Our Approach to the Issue	Strengthening Management System for Chemical Substances in Products	Applying Technologies and Product Structure for Higher Safety	Enhancing Quality of Customer-oriented Service
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Related Links

## Enhancing Quality of Customer-oriented Service



### Proactive Hygiene Care

Coway seeks to give customers a feeling of safety by re-establishing service maintenance standards, examining products, and handling hygienic risks in advance. Coway further enhances product hygiene by making it possible to clean and replace more parts.

### Special Care Service

Through the "Special Care Service," Coway replaces all major hygiene-related parts in water purifiers free of charge for customers who have rented water purifier products for 29 months. In addition to Coway's regular maintenance service every 2 - 4 months, both the inside and outside of water purifiers are sterilized and major hygiene-related parts (water level controller, corks) and flow channels (silicone, connection line, etc.) are replaced.

- ✓ Provide value through product inspection and prior examination of hygiene risks
- ✓ Strengthen product hygiene by making it possible to clean and replace more parts

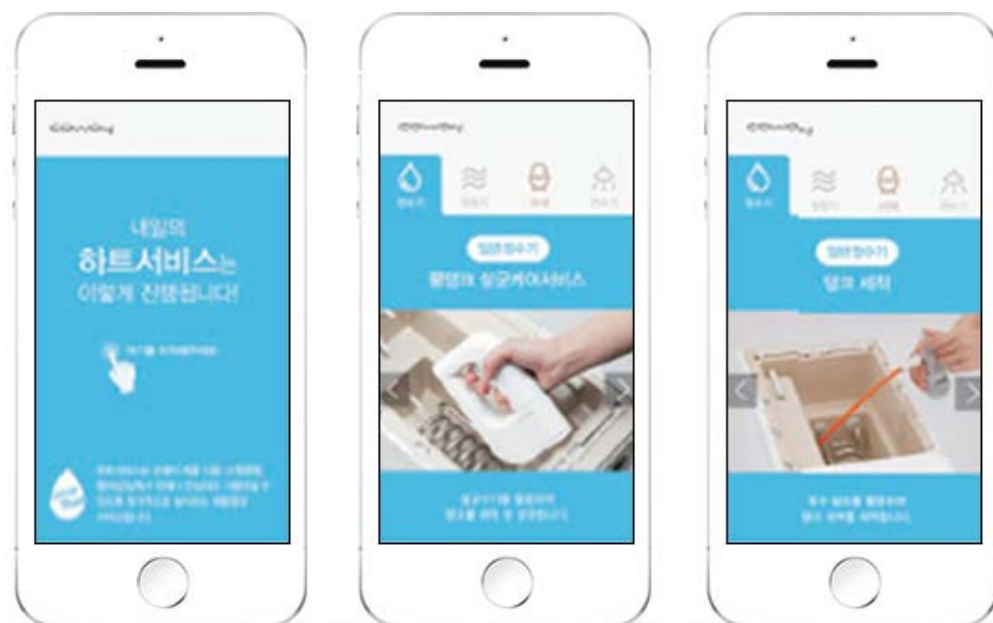
#### Special Service Process



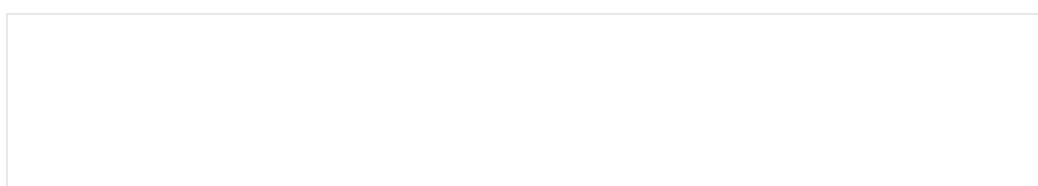
### Visualization of Service

Coway enhances customer trust by visually explaining its services through stage-by-stage images. These images are categorized into 13 product groups (ice, coffee, dehumidifier/humidifier, etc.). Customers can feel safe using their products through images that show each stage of maintenance service.

Major Contents (Detailed)

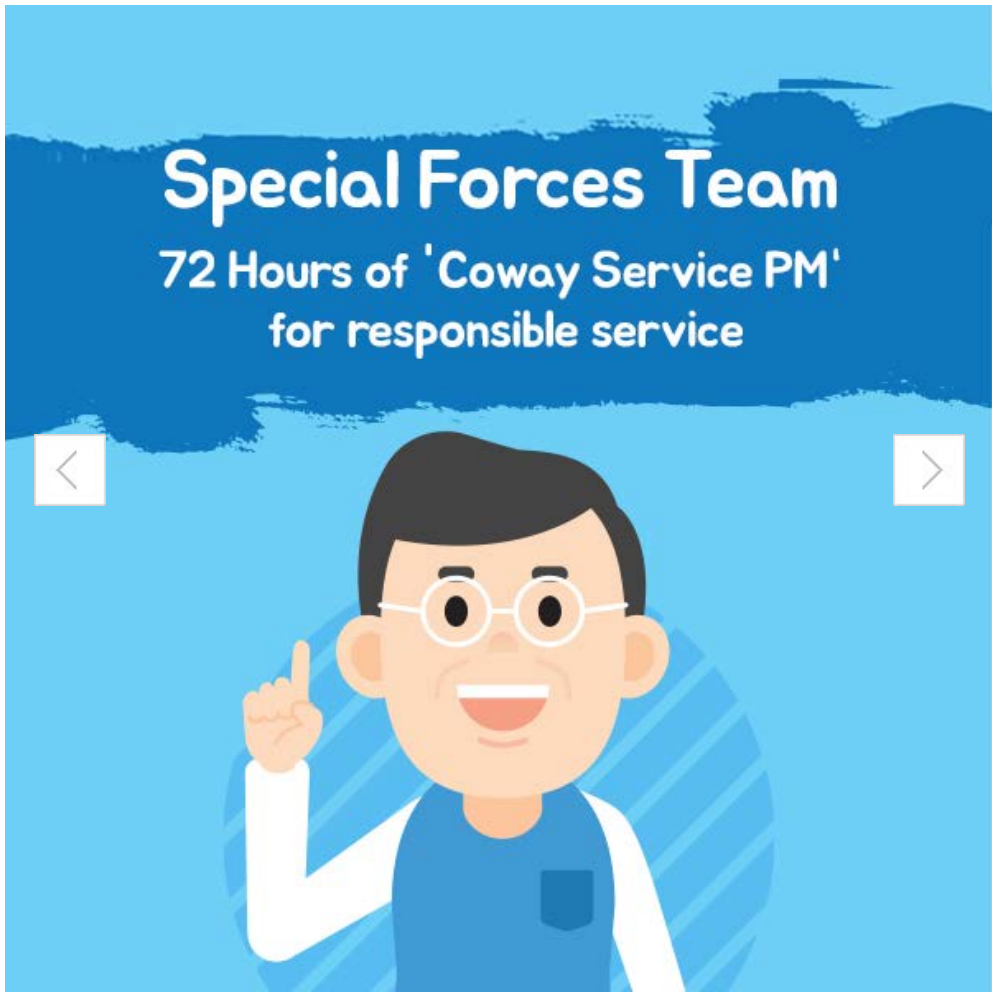


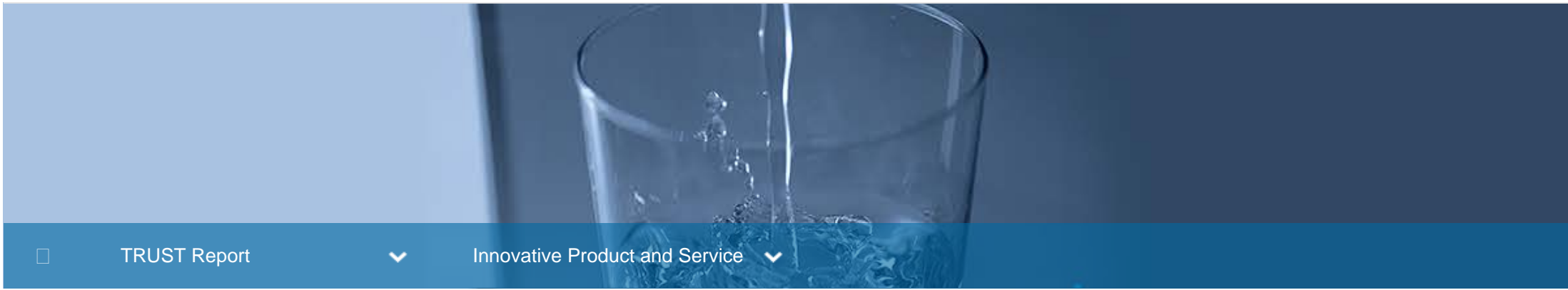
### Card News



Water Quality Inspection Service

Coway actively provides a "water quality inspection service" so that our customers can feel safe using their water purifiers. Water collected from the customer's water purifier is sent to Coway Environmental Technology R&D Center, a government-certified water research institute, where it is analyzed by professional researchers. The results are then delivered to the customer by Cody.





☐ TRUST Report ▾ Innovative Product and Service ▾

<b>Business Relevance &amp; Approach</b>	Securing Product and Technology Competitiveness	Providing Tailored Solutions
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Related Links

## Business Relevance & Approach



### Business Relevance & Approach

In the era of the 4th Industrial Revolution, the words virtual reality (VR), artificial intelligence (AI), and Internet of Things (IoT) have rapidly changed the trend of industry innovation and become part of our everyday lives. In the course of these changes and innovations, Coway is quickly transforming its strategy to pursue future growth.

IoCare is a new service created by combining our core competencies based on the Internet of Things (IoT). Through this, we are adding new value to Coway's expertise in water and air, and care services.

In 2016, Coway concentrated on developing innovative products, placing the utmost importance on restoring customer trust. New values were added by applying IoT technologies to the functions and services of our main products such as water and air purifiers and bidets. Various convenience home appliances were newly launched, and service innovation efforts were made to increase customer satisfaction.

### Business Case

- Adding 'Safety' and 'Innovation' to Your Everyday Life, Coway participates in CES 2017
- Coway provides tailored customer service through digitalizing

### Activities



Develop innovative products and secure technology competitiveness



Provide tailored customer service

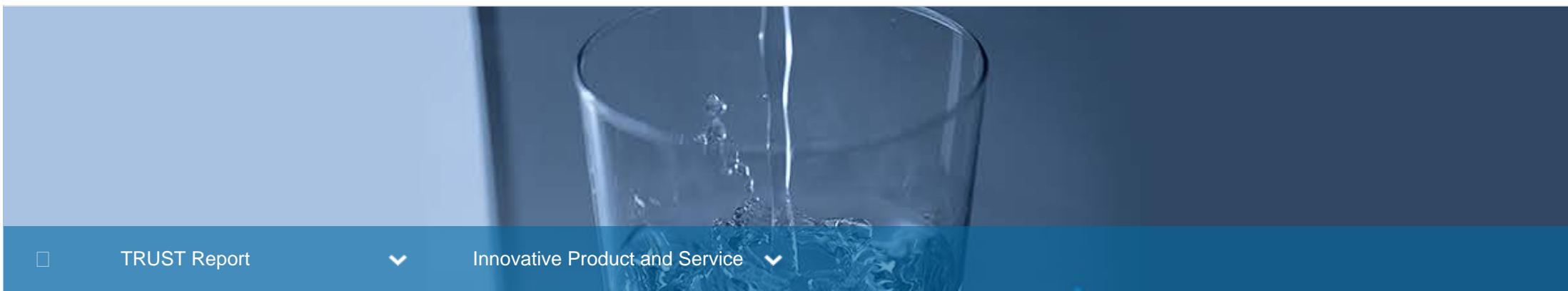
### Performance



2017 CES Innovation Award  
(2 consecutive years) Hosted by the American  
Consumer Products Association (CTA)



2016 Korea Innovation Grand Prize - 13th  
New Technology Innovation Award  
Hosted by Korea Standards Association



TRUST Report



Innovative Product and Service

- Business Relevance & Approach
- Securing Product and Technology Competitiveness**
- Providing Tailored Solutions

Related Links

## Securing Product and Technology Competitiveness

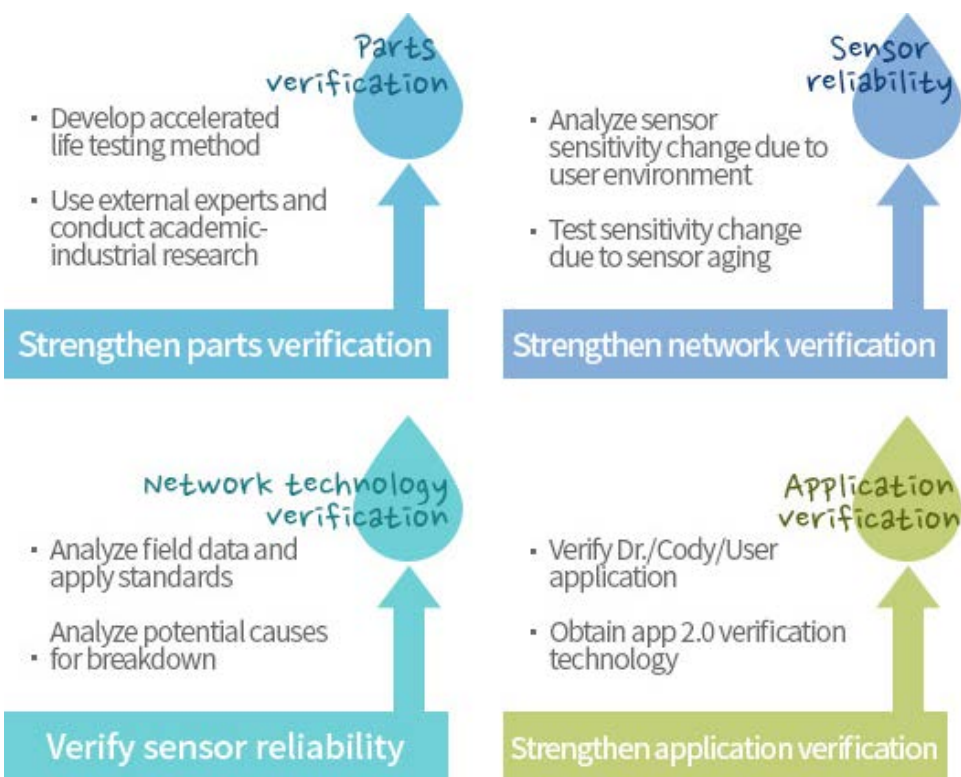
### Establishment of New Division to Expedite IoCare Development

In November 2016, Coway newly established the "ICT Strategy Division" and brought in experts to create new value in customer-based IoT service and strengthen its role as a care solution. Through IoCare, Coway seeks not only to provide differentiated customer care solution using easy and convenient IT technology but also to share information such as quality of indoor/outdoor air quality, weather, and amount of water intake through environmental home appliances. Coway also plans to apply IoCare solution to our cosmetics business.

### Strengthen Reliability of IoCare Products

As more IoT-based products are developed, Coway expands infrastructure, such as test facilities and equipment to verify the reliability of IoT-related technologies, and strengthens verification activities. Coway will reinforce the reliability of its IoCARE products by improving its capacity to respond to the demands for development of various products using IoT technologies.

#### Key activities



### Launch of IoCare Products

Coway continues to launch IoT-based products with better convenience, hygiene and energy efficiency. "Coway HANDSPAN Water Purifier IoCare," for instance, monitors water-purifying performance and water usage 24 hours a day. It self-sterilizes the inside of the product, so that customers can drink clean water at any time. In 2017, Coway plans to apply Wi-fi technology for real-time connection to products and introduce the "Digital Mirror"\* for our cosmetics brand Re:NK.

Mirror using IoT technology. Sensor reliability When a customer looks at the mirror, it shows skin moisture index, uv index and makeup tips for the day

#### IoCare main products



Coway MyHANDSPAN Water Purifier IoCare



Coway Air purifier IoCare

## "Adding 'Safety' and 'Innovation' to Your Everyday Life"

### Coway Participates in CES 2017"

Coway provides value to customers' experience by introducing its groundbreaking, innovative products and care service—based on customer safety and trust—to the global market. In 2016, it showcased various innovative products at CES 2017, the world's largest consumer technology show, proving its potential as a global hidden champion. Coway's motto at the CES was "Coway connective collaboration," meaning expansion of its competitiveness and business platform through active collaboration with top companies in their respective fields such as Amazon and Google.



#### Evolution of Newer and Better Care

Coway's exhibition booth included the "big data zone," where visitors could experience tailored solutions and big data analysis through water map, air map and sleep map. "care consulting zone," where visitors could experience consulting by professional life care groups affiliated with Coway, "care zone" for each of 5 core product groups, e.g., air care, water care, sleep care, skin care, and body care, and "overseas sales zone," where we shared Coway's values of care with booth visitors.

#### A New World of Life Care with Robots and AI



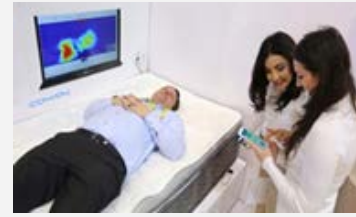
#### Finding Polluted Air around the House "Robot Air Purifier"

- Finds and cleans polluted air around the house
- Monitors real-time indoor air quality in rooms, living room, and kitchen, then moves to polluted areas to purify air



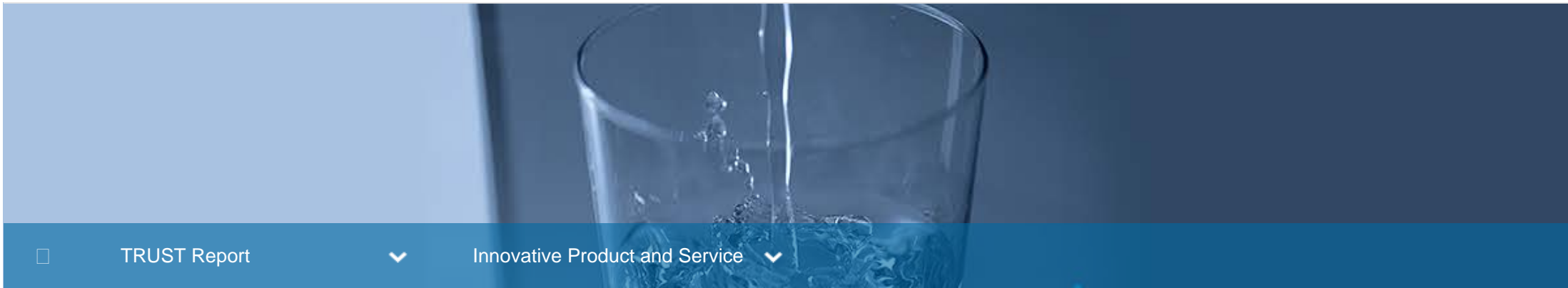
#### Voice Recognition Air Purifier "Air Mega"

- First air purifier in the world to use an artificial intelligence (AI) voice recognition platform
- Operates product and provides information instantly through voice control



#### Detecting Body Type and Snoring "Coway Air Mattress"

- Offers superior sleep experience and tailored care through analysis of user's body type/pressure and sleep patterns
- Enhances quality of life by correcting wrong sleeping habits and alleviating snoring



TRUST Report Innovative Product and Service

Business Relevance & Approach	Securing Product and Technology Competitiveness	<b>Providing Tailored Solutions</b>
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Related Links

## Providing Customized Solutions

### Strengthening Customer-friendly IT Service

Coway's IoCare products seek to provide real-time care, connected to our customers anytime, anywhere. Moving beyond simply connecting devices to IoT and having control over remote devices, our products provide customized solutions to customers by collecting, storing, and managing existing information, and then analyzing big data. In 2017, we will continue our efforts in Intelligence Wellbeing Care service using voice recognition and AI service based on an evolved service platform that will enable connection among independent devices.



### Strengthening Smart Control Function

Coway's products are equipped with smart control functions, enabling customers to control their devices with their smartphones anytime, anywhere. They also detect air quality and sound a yellow dust/ventilation alert, as well as provide electricity consumption reports. Other functions include monitoring and analysis of indoor/outdoor air quality, provision of information on water tank sterilization and self-humidifier cleaning service. Customers can also check the services they have received including customized care service.

#### **IoCare Air Quality Diagnosis Service**

Coway's IoCare Air Quality Diagnosis Service is a unique service that integrates IoT technology to provide customers with care solutions by diagnosing and analyzing indoor/outdoor air quality. After one week of monitoring and real-time checking of air quality, consultants deliver the results of their diagnosis to customers.

### BUSINESS STORY

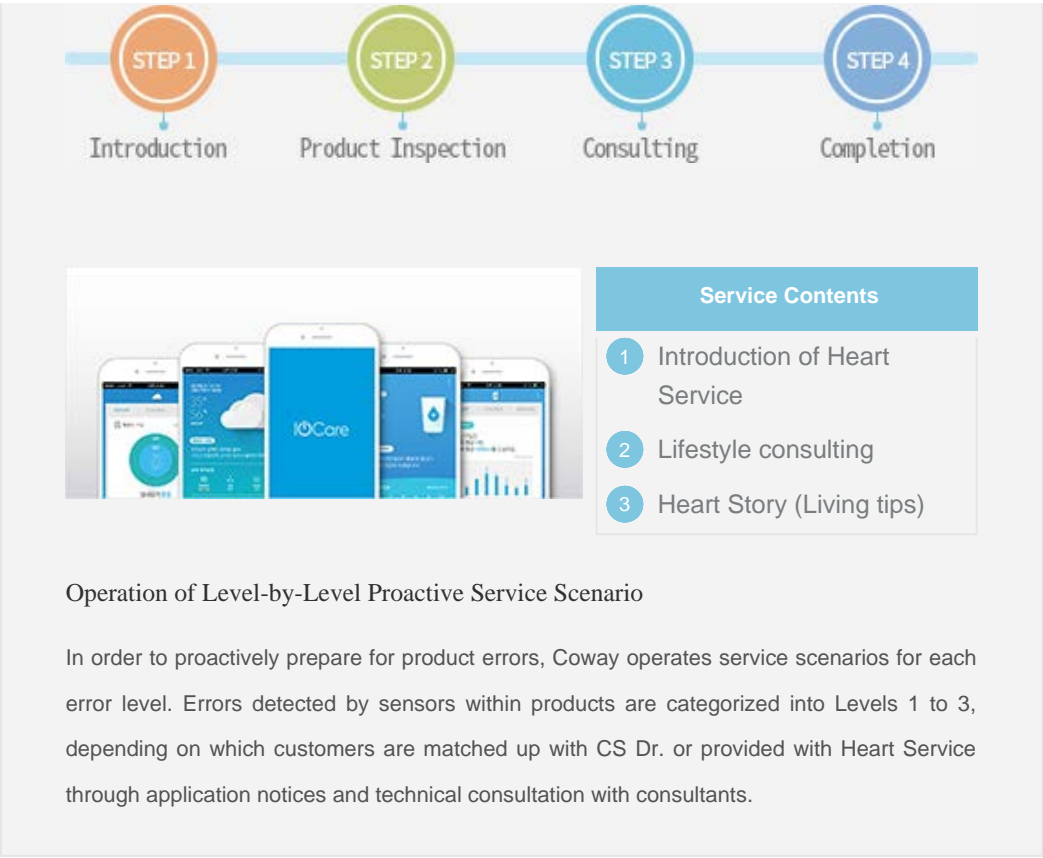
#### **Coway Provides Customized Customer Service through Digitalizing**

##### IoCare Service Design

Coway strengthens customer service through its IoCare service design, regularly providing customized content for each customer's home, as well as information through three core messages and three-minute communication.

o Providing Big Data-based Customized Solution

Coway provides big data-based customized solutions to customers using the IoCare Platform. Based on collected data on the amount of water intake through water purifiers, indoor/outdoor air quality through air purifiers, and sleep patterns through mattresses, Coway's care solution helps customers to form healthy habits.







TRUST Report



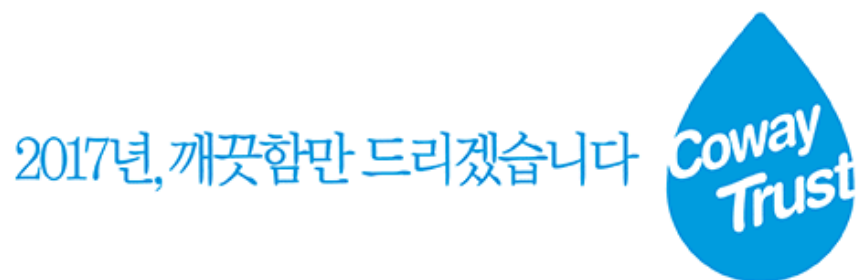
Creating Trust-based Site Culture



Business Relevance & Approach	Strengthening Sales Site Vision	Understanding On-site Culture through VOC
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Related Links

## Business Relevance & Approach



새로운 기술을 개발할 때, 제품을 만들 때, 케어할 때  
그리고 당신이 사용하는 그 순간까지 살피고 또 살피겠습니다  
모두 깨끗함을 지켜 코웨이 트러스트를 만들어 가겠습니다



### Business Relevance & Approach

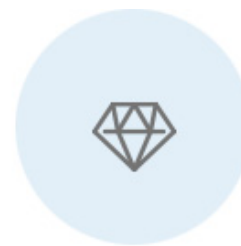
As services for customers diversify and more sales channels are developed, the importance of close communication with the sale site is increasingly highlighted for better understanding of customers. The site is where Coway is rooted and has its core base, since that is where we build customer trust and provide optimum service close at hand with our customers. We believe that increasing income on the site by strengthening professionalism of the site workers and establishing a reasonable compensation structure is essential for Coway's continued growth.

Accordingly, Coway actively listens to the voice of consumer (VOC) for a better understanding of customers and the site, and supports professional and stable service and sales activities by providing partners with systematic training and settlement support. In 2016, efforts were made to better understand and improve communication between the sales site and customers by holding "3C Meetings" and running the "Heart Trust Companion" program. Along with these efforts, we try to provide better service by identifying matters for improvement and carrying out improvement activities. Coway also held the "Dongchimi Festival" with participation of Coway employees and on-site partners to create a dynamic on-site culture.

### Business Case

- Improvement outcomes through VOC on site
- The 'Heart Trust Accompany' for understanding the on site and customers

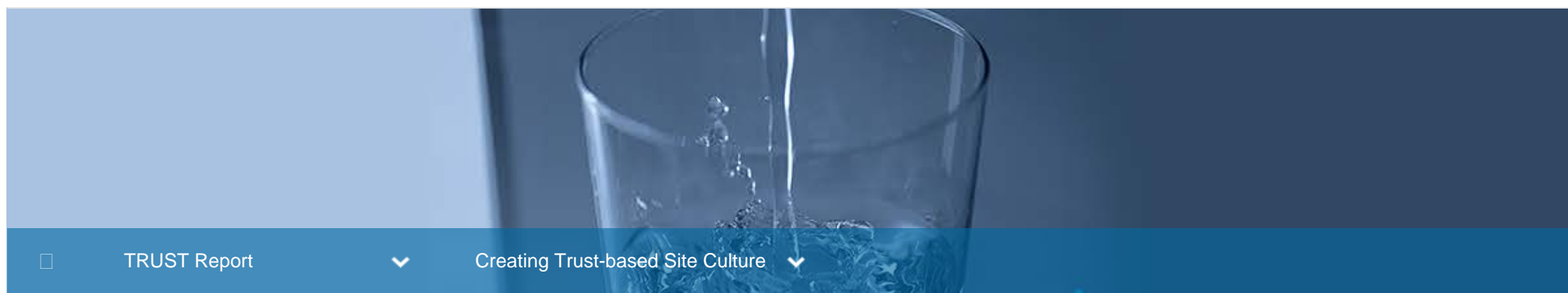
### Activities



Strengthening sales site vision and professionalism



Understanding on-site culture through VOC



TRUST Report



Creating Trust-based Site Culture



Business Relevance & Approach

**Strengthening Sales Site Vision**

Understanding On-site Culture through VOC

Related Links

## Strengthening Sales Site Vision

### Creation of Long-term Sales Environment for Partners

Coway seeks to create a stable on-site sales environment and boost the morale of its partners. Coway also maintains a healthy relationship with its partners, based on mutual trust that will endure various changes in business environment, by enhancing their professionalism through systematic training and strengthening vision of the sales site. In this reason, Coway seeks to create a stable environment in which our partners such as Cody and CS Dr. can carry out long-term sales activities and services. For instance, Coway has created a performance and ability-driven organizational structure to enhance partners' productivity and potential for promotion, and established a reasonable compensation structure to encourage partners to earn higher income. In addition, Coway supports systematic training and mentoring programs for newly hired Cody members to smoothly settle into their job and carry out sales activities.

More on Coway's Support for Partners



### Smart Sales System using Big Data

Coway has developed a 'Smart Sales System' that can analyze big data at the local level by utilizing internal information accumulated over 30 years and external information by region. Internal information is about customer such as customer status of Coway, product usage, household penetration rate. External information is about the local environment such as population density by region, housing and household status, climate, etc. The Smart Sales System is used by the Coway's sales organization and will be utilized in identifying new customer and existing customer management.

### On-site Morale Boosting Program

#### Dongchimi Festival of Love and Sharing

Coway boosts on-site morale and adds the value of sharing love with our neighbors through events attended by the headquarters, divisions, and on-site partners. The "Dongchimi Festival," first held in 2016, is an event in which Coway's employees and partners make Dongchimi, or water-based kimchi, using water filtered with Coway's water purifiers. In 2016, approximately 250 employees and partners participated in the Dongchimi Festival, making some 14,000 liters of Dongchimi. Some of it was donated to social welfare organizations, and some of it was given to on-site partners in appreciation for their efforts throughout the year. Coway will continue its efforts to create a dynamic on-site culture through encouragement and morale-boosting programs.





**Internal information**

- Customer status
- Product Usage
- Household penetration rate

**External information**

- Population density by region
- Housing and household status
- Climate

**Smart Sales**

- Analysis of regional environment
- identify new customer
- Customized CODY Coaching
- Existing Customer Service / Product Suggestion



TRUST Report Creating Trust-based Site Culture

Business Relevance & Approach	Strengthening Sales Site Vision	<b>Understanding On-site Culture through VOC</b>
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Related Links

## Understanding On-site Culture through VOC



### Conducting of 3C Meeting

Through site-oriented management of VOC, Coway shares VOC collected on site throughout the company. Coway makes an effort to resolve conflicting problems that may arise among Cody who directly deal with customers and to create an environment where each group can concentrate on their areas of work such as sales and service. In 2016, Coway organized the "3C Meeting", a regularly held meeting of representatives of Cody, CS Dr., and call center agents, providing the participants with an opportunity to better communicate and understand each other's role and working environment. In 2016, through the 3C Meeting, a total of xx tasks were drawn from 9 categories including product, A/S, and training. Improvement was made in xx tasks through improvement activities in cooperation with the relevant departments. In addition, the effectiveness of improvements made were analyzed through further monitoring and issue re-analysis.

### Improvement Activity Process through 3C Meetings

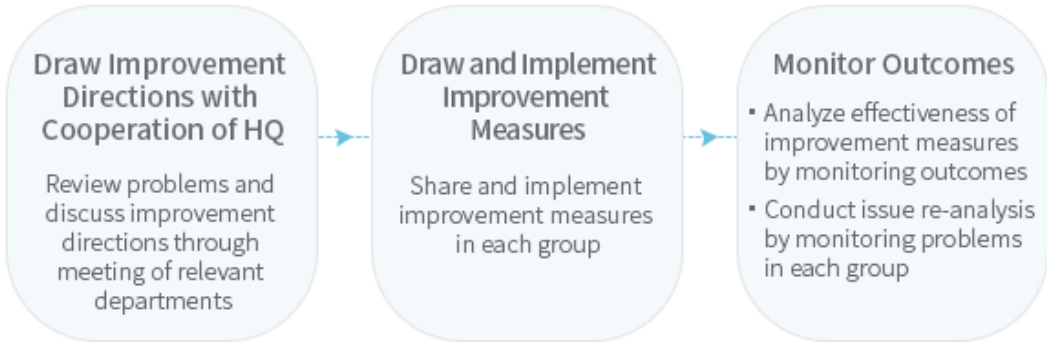
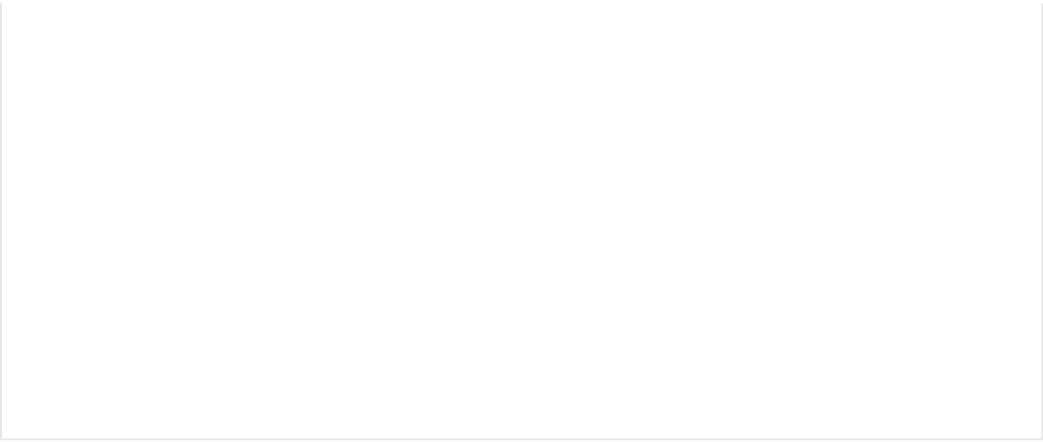
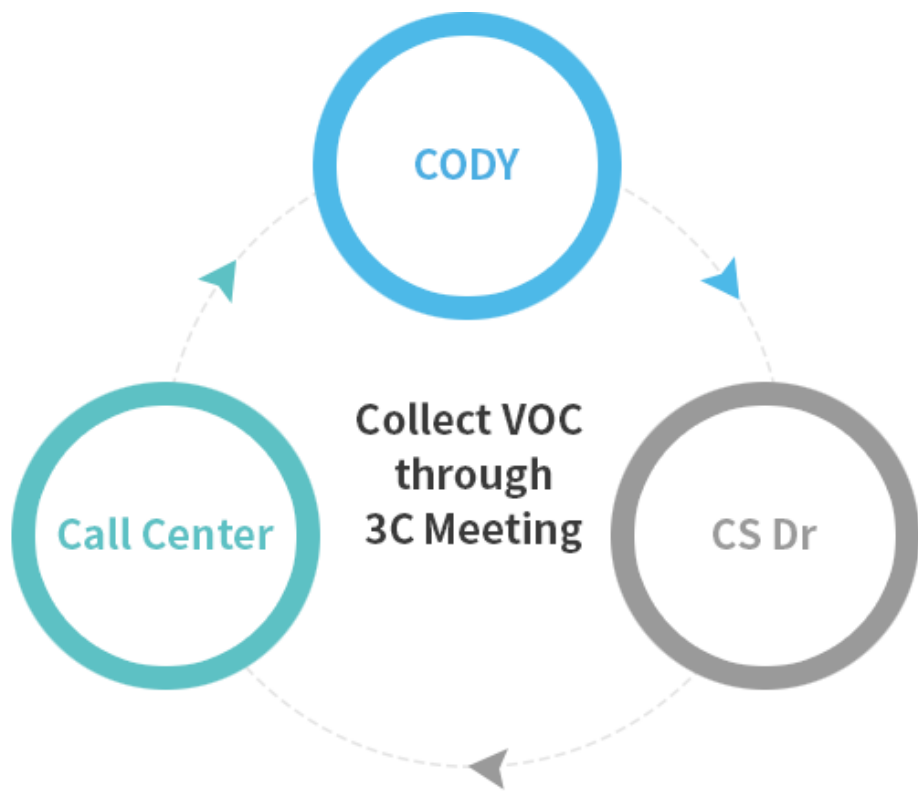
## BUSINESS STORY

### Activities to Better Understand the Site and Customers

#### Heart Trust Companion

Coway operates the "Heart Trust Companion" experience program to promote a proper understanding of the site and clients by all our employees. Based on this, we can enhance customer trust by developing customer-centered services and products. In this program, one employee and one Cody pair up and visit customers' homes, where they provide Heart Service (regular product maintenance, etc.) and identify matters that need improvement by listening to the customers' opinions. After the program, the participating Cody is interviewed, identifying matters that require improvement on site to enhance product and service quality.







TRUST Report Creating Value with Society

<b>Business Relevance &amp; Approach</b>	Sharing Value through Water and Air	Value-sharing toward People
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Related Links GRI Indicator

## Business Relevance & Approach



### Business Relevance & Approach

Today, companies are required to actively fulfill their social responsibility by using their core competencies and carry out social activities as a responsible member of the community. Coway's business is based on water and air, basic elements of life, as we seek to provide everyone with clean water and air through our products. For this reason, we carry a high sense of responsibility for our work. As a company growing together with other members of the community, we make various efforts to build a healthier world for them by demonstrating our care for their lives and the environment.

With this view in mind, Coway supports the establishment and settlement of a corporate culture where all employees voluntarily participate in social contribution activities and contribute to the development of their community. Through our CSV activities, we pursue both Coway's values and our social responsibility by doing what we do best where it is most needed.

### Business Case

- Support for water-purifying facilities in Cambodia

### Activities



Sharing value through water and air



Value-sharing toward people



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## Sharing Value through Water and Air

### Research on Water and Air

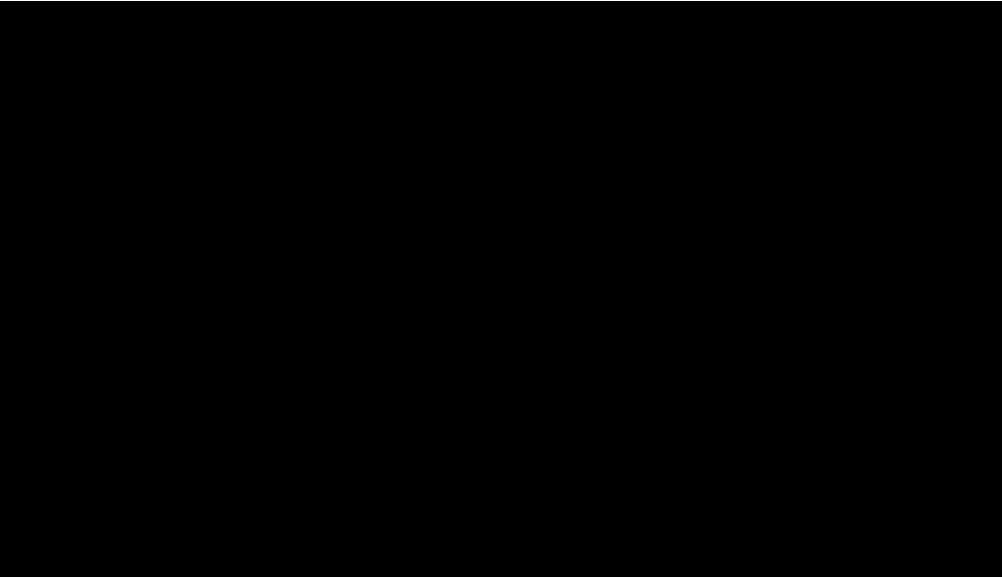
Coway conducts research on water and air, carrying both heavy responsibility and pride that our business helps provide the fundamental elements of life. With the Environment Analysis Center playing a central role, Coway has established a database of global water and air quality. Based on this database, we can provide clean water and air anytime, anywhere and under any circumstances. We have created the World Water Map using our own data from collecting and analyzing water from over 40 countries worldwide. This enables us to respond to different geographical or environmental conditions affecting water quality.

In dealing with rising concerns over micro dust and differing air quality in different spaces, Coway conducts IAQ (Indoor Air Quality) field tests, where we visit our customers' actual living space and analyze air quality so that they can enjoy clean air anywhere. The IAQ field test is an important research activity where we study the indoor air quality of where we actually spend time, as opposed to the controlled environment of a laboratory. The 16 air quality index—developed from over 100 million data items on air quality we collected from approximately 1,300 households—enables us to measure the effect of pollutants on health and provide our customers with optimum customized filters. Moreover, we provide care solutions by diagnosing and analyzing indoor and outdoor air quality based on the data collected.

Water map project



Air map project



### Card News



# Unstoppable effort of Coway for clean water

Coway Water Specialist & Water Map Project



## Improvement Activities for Quality of Local Drinking Water

### Support for Enhanced Water Welfare in Community

As Korea's representative water company, Coway continues to work closely with government agencies to enhance the local community's water welfare.



#### **Nanum (Sharing) Water Purifier Pilot Research Project**

Since 2013, Coway has worked in cooperation with the Ministry of Environment. Through this project, approximately 200 small water purifiers capable of removing uranium, nitric nitrogen, and colon bacillus in underground water were distributed. Regular inspection of water quality and water purifier performance tests were also conducted in cooperation with the Ministry of Environment.



#### **Safe Underground Water Project**

Coway has continued to cooperate with government agencies to enhance the local community's water welfare. In 2015, Coway signed an agreement with the Ministry of Environment to provide water purifiers to 500 households in agricultural region with polluted underground water and has carried out technical support and research for improving the quality of underground water. In 2016, vulnerable households were selected, and we provided an additional 150 water purifiers. Coway will continue to lead the way in making efforts to solve drinking water problems in the community.



#### **Water Welfare Project**

Coway is striving to improve the welfare of water supply areas in Chungcheongnam-do. Representatively, about 600 water purifiers equipped with reverse osmosis filters will be distributed to vulnerable groups by 2020. Furthermore, we will be provide with free 5-year regular maintenance services.

## Spreading the Value of Water to the Global Community through Clean Water

As a member of the global community, Coway participates in solving global water issues by providing rainwater supply devices in overseas communities with a poor water environment due to polluted water resources and water shortage, continuing the Cambodia well-digging project, and supporting water-purifying facilities.

### Providing Rainwater Supply Devices in Malaysia

Coway provides rainwater supply devices in regions with low water access in Malaysia for sustainable water supply. For this pilot project, undertaken in 2016 jointly with a local company in Malaysia, one village comprising 17 households and 73 families was selected. By providing a rainwater harvesting and purifying device in this village, Coway was able to provide water for 327 people. In 2017, we plan to continue our value-sharing efforts overseas by increasing the number of beneficiaries through medium and long-term planning and supporting continuous monitoring.

### Well Digging in Cambodia

Since 2006, Coway has built 1,000 pump wells in Cambodia, providing over 50,000 of its people in 14 states with clean and safe water through a 10-year-long well-digging project. In addition, Coway works in cooperation with the World Wildlife Fund (WWF) for the maintenance of the wells, aiming to fundamentally improve the water environment in Cambodia and help its people access safe drinking water. Coway will continue to share with the world the value of clean water through its global philanthropic activities based on trust and sincerity.







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Business Relevance & Approach	Sharing Value through Water and Air	<b>Value-sharing toward People</b>
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GRI Indicator

## Value-sharing toward People

### Coway Wi (What is Start Up) School

Coway works to realize growth together with society by providing societal support through Coway's business and competence development activities and demonstrating care for their lives. Representatively "Wi School" is a new Creating Shared Value (CSV) project in an effort to solve the youth unemployment issue, which is an issue of growing concern in Korean society. Through the Wi School program, Coway provides mentoring to participants who are considering and preparing for one-man startups, shares Coway's know-how gained through operating the Cody (one-man business) network, and arranges lectures of experts in various fields such as business start-ups, marketing, and investment. The program provides effective training to its participants by supporting management consulting for start-ups and providing useful ideas and insight on establishing a business model, marketing strategy, and business presentation. In 2016, 100 young future business owners were selected as participants of the First Wi School, learning the basics of entrepreneurship and gaining confidence for successfully starting a business. By running and improving the Wi School program, Coway will continue to share Coway's experience and business capacity with the young generation, who are preparing to create one-man start-ups, as a way of contributing to solving the youth unemployment problem.



### Card News





## INTERVIEW

### Coway's CSV Project to Solve Youth Unemployment.

Coway shares its know-how as a "company of one-man businesses" with youth considering and preparing for one-man and small-scale start-ups.

Many young founder(one-man and small-scale start-ups) face a variety of challenges due to their lack of experience and skills in the process of founding. I also saw the curriculum of Coway Wi School, which was included as a lecturer by experts who wanted to listen to the usual lectures while struggling.

Especially, in the lecture of Wi School, it is reminiscent of the lecturer who said, "Failure to start a business in its 50s is hard to recover, but if you start a business when you are young, you can keep it or start a new business again.

Also, I got the comfort of "I did not go wrong with the way I chose to start a business" and made a promise to work harder. We hope that you will continue to run the Wi School program so that we can become a company that grows with society in the future.

In addition, I got the comfort of "I did not go wrong with choosing a business" and made a commitment to work harder. I hope that Coway will continue to run the Wi School program so that we can become a company that grows with society in the future.

Program participant. **Jeong Woon**

## Coway-Kachumwa School of Hope

Coway built the "Coway-Kachumwa School of Hope" in Malawi, Africa, by using employees' donation. This project started in April 2016 and was completed in February 2017. Malawi is one of representative impoverished areas in Africa with severe educational disadvantage. The "Coway-Kachumwa School of Hope" is the second of its kind following the Mabuepande Tumaini Women's Boarding High School completed in 2014. Coway also donated educational equipment such as desk and chair which is necessary for school operation. The company plans to support the school's quarterly operation committee to help the school be maintained for a long time.

## Card News







Sustainability Management Creating Economic Value

Business Area	Performance	Tax Strategy
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Related Links GRI Indicator

### Business Area

#### Home Wellness Appliances Business

Our Home Wellness Appliances Business has grown from the goodness that 'expensive water purifiers are rented for a small amount of fee to allow many people to enjoy clean water every day'. Since initiating water purifier rental service for the first time in the world, we have driven innovation and led the market by expanding our rental business and coordinator service (called cody service) to cover air purifiers, bidets, water softeners and mattresses.

Business Area View

#### Overseas Business

Coway's overseas business is based on taking different approaches region by region. In 2016, we maintained our strategic partnership with ODM partners and signed new contracts. We also established a strategic partnership structure for three product groups. We will actively target overseas markets in China and the United States in 2017.

Overseas Business View

#### Implementation of Differentiated Regional Strategy

We set our sights on the overseas market based on our world's top-notch water and air R&D infrastructure. Our main products are home wellness appliances, including air purifiers, water purifiers, bidets and juicers. Based on our internationally integrated brand 'Coway', we are accelerating our overseas business through active cooperation for sales with global home appliances manufacturers. Currently, with operations in the US, Malaysia, China and Thailand, we are developing products and services and implementing marketing strategies to meet the local needs, thereby achieving a sustainable growth.





### **Set the basis for growth through expansion of portfolio**

- 1) Expand partner business
  - Established a strategic partner system for each product line of water purifier, air purifier, bidet
- 2) Expand subsidiary business
  - Expand business to large online stores, and discover agents in 5 major areas



### **Establish growth foundation of U.S. subsidiary**

- 1) Strengthen product lineup for door-to-door sales
  - Renew cold and hot water purifier, and include Air-Mega retail model in direct sales items
- 2) Expand retail sales into mainstream market
- 3) Target local customers



### **Expand growth of Malaysia subsidiary**

- 1) Expand accounts
- 2) Increase sales and profitability in unexplored regions
- 3) Strengthen internal infrastructure for increased service quality
- 4) Strengthen marketing activities regarding "Water Specialists"

## **Cosmetics Business**

After establishing the cosmetics institute, we entered the cosmetics market in earnest in 2010 to deliver healthy beauty to customers by focusing on the development of high-functional premium products. We initiated door-to-door sales and secured the customer base through home wellness appliance business. Since then, we have expanded distribution channels to home shopping, department stores, and online malls, thereby continuing to achieve sustainable development. We meet constantly evolving health and beauty needs of our customers by providing 'Re:NK', an anti-aging cosmetics brand, 'Allvit', a fermented oriental herbal cosmetics brand, and 'Healthygru:', a functional healthy food brand.

Cosmetics Business View



Sustainability Management ▼ Creating Economic Value ▼

Business Area

Performance

Tax Strategy

Related Links

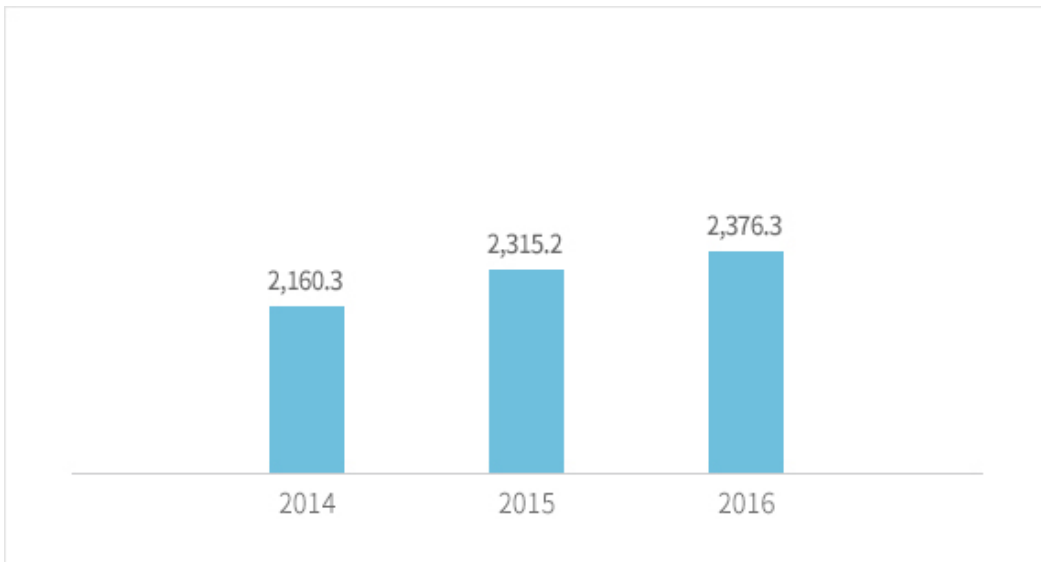
GRI Indicator

## Performance

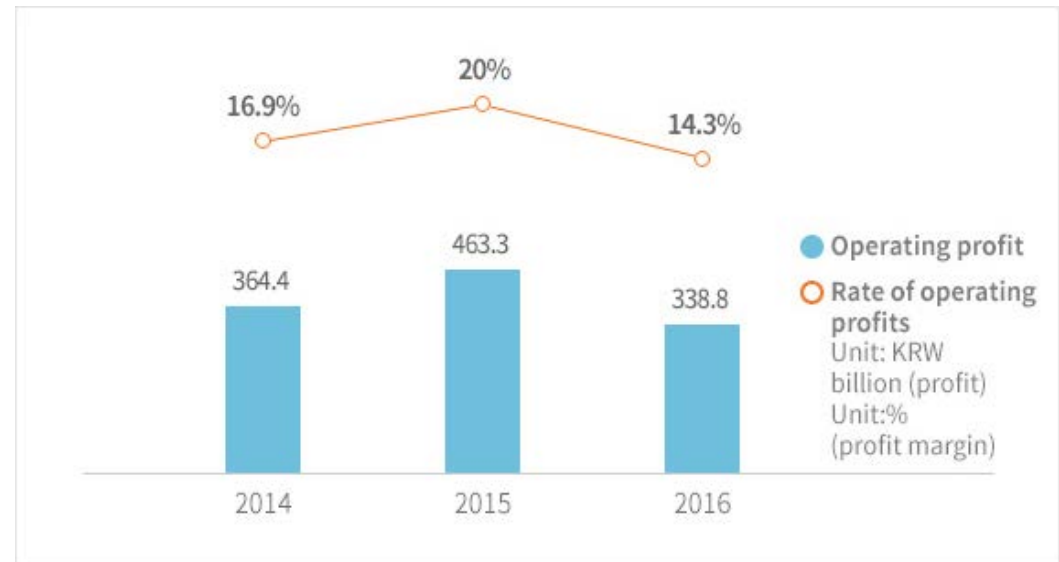
Coway promotes continuous and stable growth by creating new profits while maintaining its market share in the environment home appliance business. We are continuing to expand our lineup of products including water and air purifiers, bidets, and mattresses, and are making efforts to provide customized service.

As of the end of 2016, Coway's revenue was KRW 2,376.3 billion, with an operating profit KRW 338.8 billion. Coway also has a strong sales and service organization of some 18,000 personnel and some 5,700,000 rental users and membership holders.

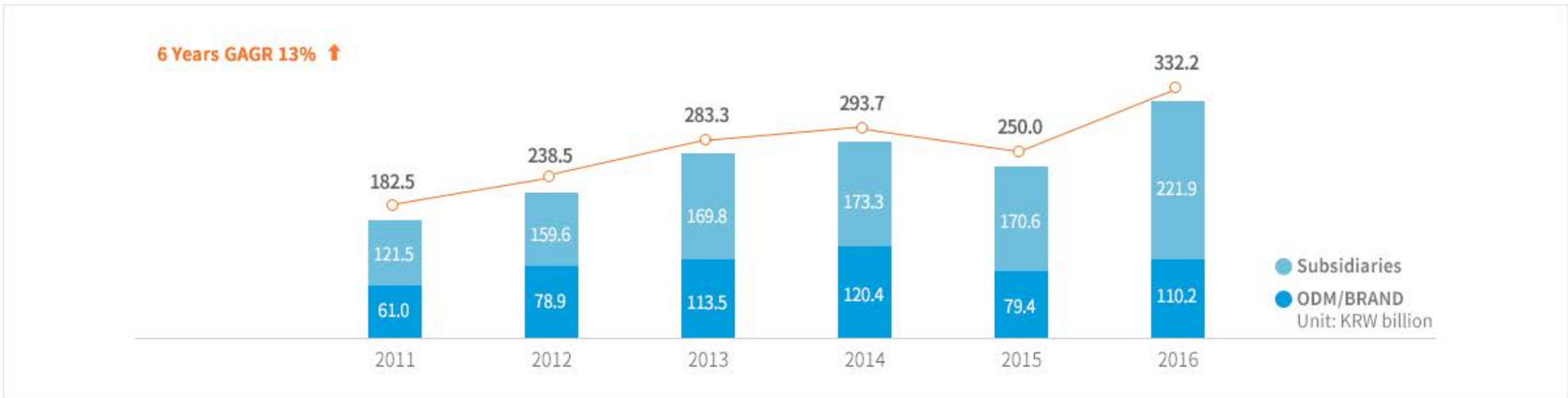
Sales (K-IFRS consolidated basis, KRW billion)



Operating profit and margin (K-IFRS consolidated basis)



Overseas business sales (K-IFRS consolidated basis)









Sustainability Management Creating Economic Value

Business Area	Performance	<b>Tax Strategy</b>
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Related Links

GRI Indicator

## Tax Strategy

### Tax Strategy

Coway faithfully fulfills its tax obligations based on a rational tax strategy.

- Establish and comply with tax reporting and taxation policies.
- The Board shall provide documented policies on overall risk management as well as specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivatives and non-derivative financial instruments and investments in excess of liquidity do.
- Information related to corporate tax is disclosed through the Audit Report and the Sustainability Report on the Electronic Disclosure System of the Financial Supervisory Service.

### Coverage

Coway contributes to creating a virtuous cycle structure by increasing the tax revenue and public service of the government and maximizing shareholder profit by faithfully fulfilling the duty of the corporation not only in domestic but also overseas. Coway has subsidiary in Malaysia, the United States, and China, etc. We comply with the applicable national tax laws and OECD pricing guidelines for international transactions with overseas corporations and fulfill local taxation obligations.

### Tax Reporting

In order to fulfill its duty to pay sincerely, Coway transparently discloses the tax information specified by the tax law (<http://dart.fss.or.kr/>). We also ensure transparency and objectivity through external audits. In the financial statements and notes in the audit report, information such as tax base cost calculation standard, deferred tax asset and liability, income tax expense structure and tax rate can be checked.

### Taxation Governance & Risks

Coway continuously monitors tax regulations and governmental policies in order to understand and manage tax risks. Risk management is carried out by the finance department according to the policy approved by the board of directors. The Funds Department works closely with the consolidation companies to identify, assess and avoid financial risks. The Board provides documented policies on overall risk management, as well as documented policies on specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivatives and non-derivative financial instruments and investments in excess of liquidity. On the other hand, as the National Tax Service recently responds strictly to the tax evasion of the off-shore tax evasion and the international trade use tax evasion, and encourages the support of good faith reporting related to international transactions.

### Domestic and Overseas Tax Payment (Consolidated)

Domestic (Unit: One Thousand Won)

Category	2014	2015	2016
<b>Income tax paid <sup>1)</sup></b>	82,065,881	107,454,861	97,024,176
<b>Deferred tax changes due to a temporary difference <sup>2)</sup></b>	(1,921,753)	3,045,843	(16,505,349)
<b>Income tax expenses directly included in capital</b>	2,634,047	842,330	(76,135)
<b>Income tax <sup>3)</sup></b>	82,778,174	111,343,034	80,442,692

1) Income tax paid : Current corporate taxes

2) Deferred tax : Expected amount of deferred tax changes due to a temporary difference between accounting income and taxable income

3) Income tax expenses : Current income taxes + Deferred income tax

Overseas (Unit: One Thousand Won)

The amount of tax payment at overseas sites is as follows.

Category	2014	2015	2016
<b>Asia</b>	(603,557)	142,607	(938,054)
<b>The Americas</b>	4,529	4,865	13,574
<b>Other Areas</b>	466,439	31,442	0



Sustainability Management Customers

Strategy & Structure

Strengthening Customer Satisfaction

Implementing Customer-oriented Quality Management

Maintaining Optimization of Information Protection Management

Related Links

## Strategy & Structure

### Customer Ethical Norms and Implementation Organization

Based on Coway's self-established customer ethical norms, we seek to provide our customers with satisfaction exceeding their expectation so they can lead healthier and happier lives.

#### Customer Ethical Norms



- Always pay attention to customers' opinions. Customers' genuine requests are always right. Customer satisfaction comes first in all decisions and actions.



- Tell customers only the truth, and always keep your promises to customers.
- Provide best quality products and service and respond promptly and accurately to customers' fair requests.



- Never use customers' information or assets without their approval.

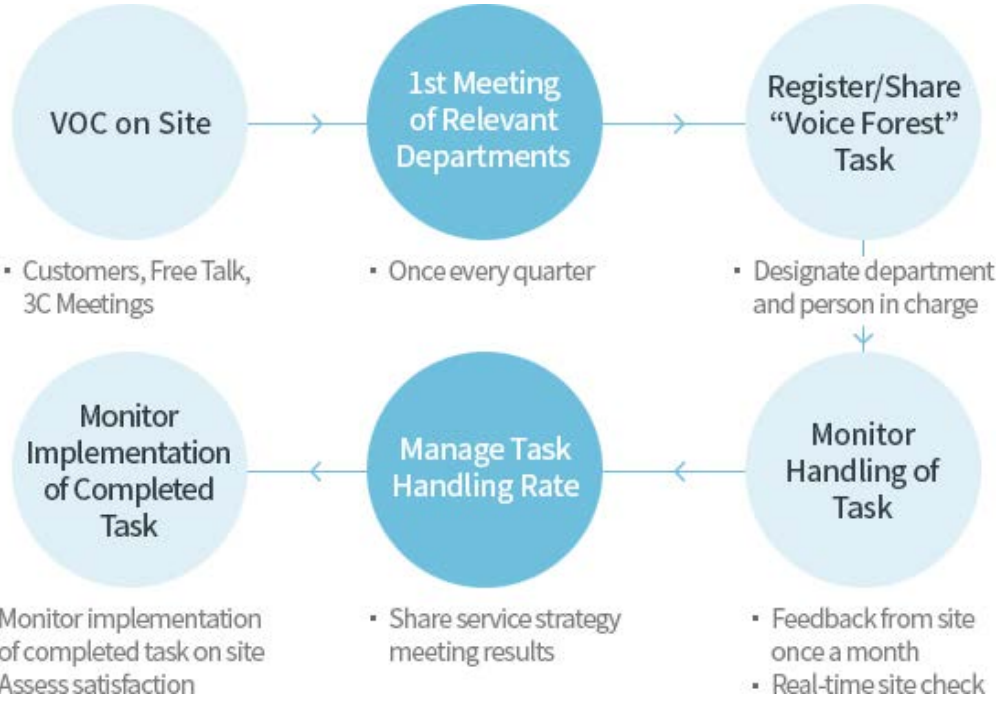
### Comprehensive VOC Management

For systematic and efficient VOC management, Coway has combined various VOC channels across the company into a single channel. By combining internal/external VOC channels such as customers, on-site, and lectures into one, we can proactively respond to issues that may arise through effective VOC management including identification of improvement tasks through VOC, accumulating data, and managing the solution process. Systematic improvement activities, such as regular monitoring and management of task handling rate, are undertaken for tasks identified through the VOC channel. For completed tasks, the implementation of improvement measures on site is monitored and satisfaction assessment is conducted. This is done so that post-improvement effects can be regularly monitored.

#### Combining VOC Channels into a Single Channel

#### VOC Handling Process

## Proactive Response to Issues



## Customer Centered Management

Coway strives to realize customer satisfaction by paying close attention to the voices of consumers. To provide better values to our customers, Coway ensures that all business activities are customer-centered, while strengthening quality management and our responsibility for our products. As a result of our customer-centered business activities, Coway was able to receive the CCM certification mark from the Fair Trade Commission for the first time in 2007, and we earned the mark for the fifth consecutive time in 2015.



Sustainability Management Customers

Strategy & Structure

**Strengthening Customer Satisfaction**

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Related Links

## Strengthening Customer Satisfaction

### Analyze Customers and Market based on CMI and Big Data

Coway's customer-centered management starts from the data analysis of customers and market. To flexibly respond to rapid changes in the market and diverse customer needs, we analyze customer data, needs, life stages, and purchasing behavior based on Customer & Market Insights (CMI). We then classify customer segments and establish response strategies for each customer group.

### Study Customer Sentiment

Coway runs the "Customer Sentiment Lab" within its R&D Center, where customers can use products in an environment similar to an actual home and provide feedback so that it can be reflected in developing new products. We also strive to improve customer convenience in various ways, such as revamping the product UI through the Design Lab, as part of our effort to give customers more satisfaction in using our products.



### Strengthening Customer Experience through Customer Experience Zone

In September 2016, Coway opened the "Coway Care Station," a space for customer experience. The Care Station consists of five care zones including the IoCare zone, water care zone, and air care zone. Customers can experience Coway's products and get consulting from Cody and salespeople.

Coway also distributes the "Space Marketing Guideline" for consistent operation of the Care Zone, providing guidelines on the purpose, role, structure, and size of each zone. We plan to expand the Care Station and expand opportunities for a better, more customized customer experience.













Strategy & Structure	Strengthening Customer Satisfaction	<b>Implementing Customer-oriented Quality Management</b>	Maintaining Optimization of Information Protection Management
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Related Links

## Implementing Customer-oriented Quality Management

### Quality Management Program

In order to secure product safety, Coway internalizes quality management activities throughout the product lifecycle, from product development and sales to disposal.

 <p><b>Daily Quality Network</b></p> <p>On-site related data such as customer service and returns are analyzed daily and monitored in real time at the analysis center. This enables us to promptly and accurately carry out quality improvement activities.</p>	 <p><b>QS7 (Quality Solution 7 Days)</b></p> <p>In case of quality issues, an "emergency permanent task force team (TFT)" is formed. The TFT improves and solves the given issue within 7 days, thus improving customer satisfaction.</p>
 <p><b>Quality VOC Council</b></p> <p>Unification the main quality VOC reception channels that are generated in the field, so that they can be improved applied quickly and accurately through regular consultation with related departments.</p>	 <p><b>Improvement Responsibility System &amp; Prevention Responsibility System</b></p> <p>Our improvement responsibility system identifies and improves product defects. The prevention responsibility system prevents potential defects and helps us reduce the factors that cause them.</p>
 <p><b>Quality Improvement Progress Management</b></p> <p>Improvement progress is managed in real-time through our computer system, shortening the time for improvement processing. Cases of failure recorded in our database for continued quality improvement.</p>	 <p><b>Quality Forecast System</b></p> <p>Risks that may influence the quality of manufactured products are prevented according to weekly production plans.</p>

### Strengthening Verification in Product Lifecycle

Coway conducts verification of products from the view of lifecycle assessment. Stricter verification standards are applied, considering not only product safety, harmfulness, and hygiene but the environment where customers use the products.

#### Adopting Pre-Design Review

In order to enhance our products' level of completeness and product quality, Coway conducts Pre Design Review (PDR) in the product development process, from product development to design, DPP and LPP, thus proactively managing risk factors. We work with external professionals in strengthening quality by identifying quality-related risks and new ways to improve the review system.

#### Expanding Reliability Test Plan Evaluation Meeting

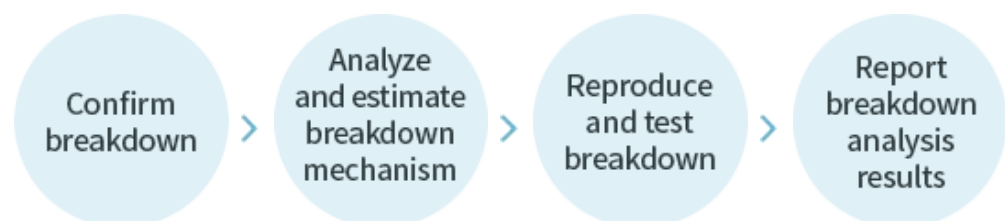
Coway holds evaluation meetings that involve relevant personnel in development, reliability, and quality for an in-depth analysis of the reliability of new products, parts, and functions. At the kick-off meeting, the overall direction is set so as to decrease variability among test laboratories and evaluate all risk factors. At the completion meeting, improvement issues regarding testing standards and evaluation process are identified. Cases of failure are registered on the Stress-Strength Model (SSM) system and shared across the company.

#### Strengthening Verification of Debris Reliability

Coway conducts verification of potential debris in water and air purifiers and has developed testing methods. Causes for debris are categorized into corrosion, external contamination, etc., and analyzed accordingly. In 2016, 25 cases of debris in hot water tanks and corrosion were analyzed, and the safety of service goods was also examined.

#### Upgrading Verification of Breakdown and Defect

In order to analyze and prevent potential breakdown or defect during product use, Coway has established a verification process and conducts verification using state-of-the-art equipment. In 2016, 571 cases of broken PL were examined. The causes of breakdown in these cases were analyzed, and solution measures were prepared.



## Upgrading Verification on Premium Products

Coway's premium products are tested under very strict standards so that we can provide highly safe products to our customers. With the expansion of IoCare product development, we have secured professional test equipment and personnel, enabling us to evaluate the standard safety of our products and verify susceptibility to electromagnetic waves and electromagnetic field (EMF) safety from the customer's point of view.

### Operation of IoCare Quality Assurance System

We develop our IoCare products from the customer's point of view, from product development to design, to strengthen our product quality. In 2016, we developed and operated our own shipment inspection and control system. We also analyzed patterns of sterilization duration and cycle, as well as patterns of product usage time. Furthermore, we improved the quality of our products by designing a smartphone application and establishing verification standards.

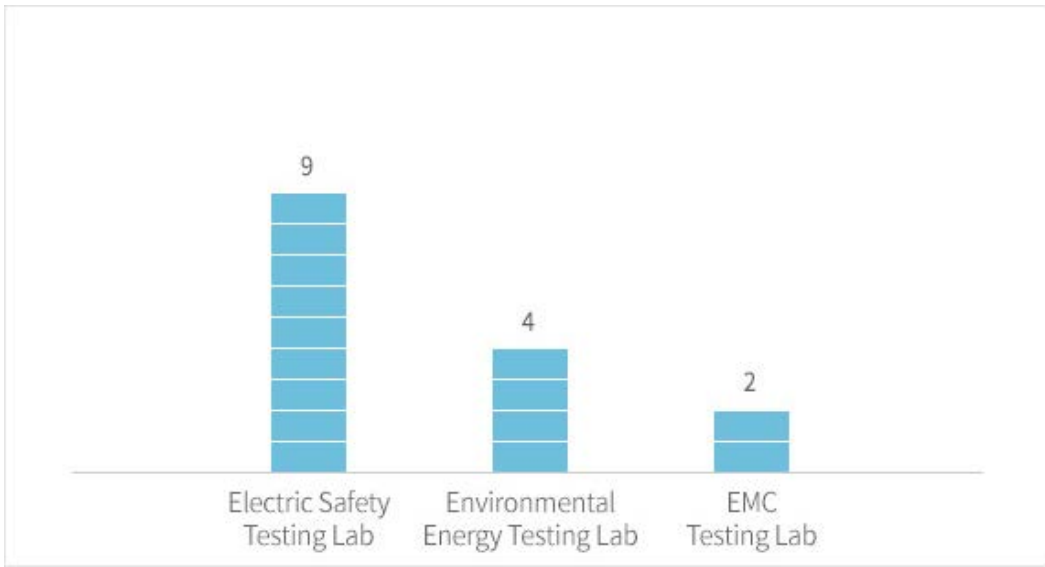
### Strengthening IoCare Quality Assurance System



## Acquisition of Certifications

Coway develops products conforming to various standards in different countries, and acquires certifications accordingly. In 2017, we expect to be designated as a CQC (China Quality Certification) authorized testing lab.

### Number of Authorized Testing Lab Certifications



### Status of Certifications

#### Water Purifiers



Granted by the Korea Water Purifier Industry Cooperative to products that meet its standards and requirements, this certification has been earned for all of Coway's water purifier products.

#### Air Purifiers



The CA Mark, a quality certification granted to products that meet the standards of the Korea Air Cleaning Association, has been earned for all of Coway's air purifiers. The HH Mark and the HD Mark have been earned for all products with humidifying and dehumidifying functions.

#### Clean Washers



Removing not only rust and residual chlorine but also hazardous substances from water, the product safety of Coway's Clean Washer (BD01) has been proved by obtaining the WQA Certification from the International Water Quality Association. It has also obtained the Atopy Safe Mark from the Korea Atopy Association, so that it can be used safely by atopy patients.







Sustainability Management Customers

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GRI Indicator

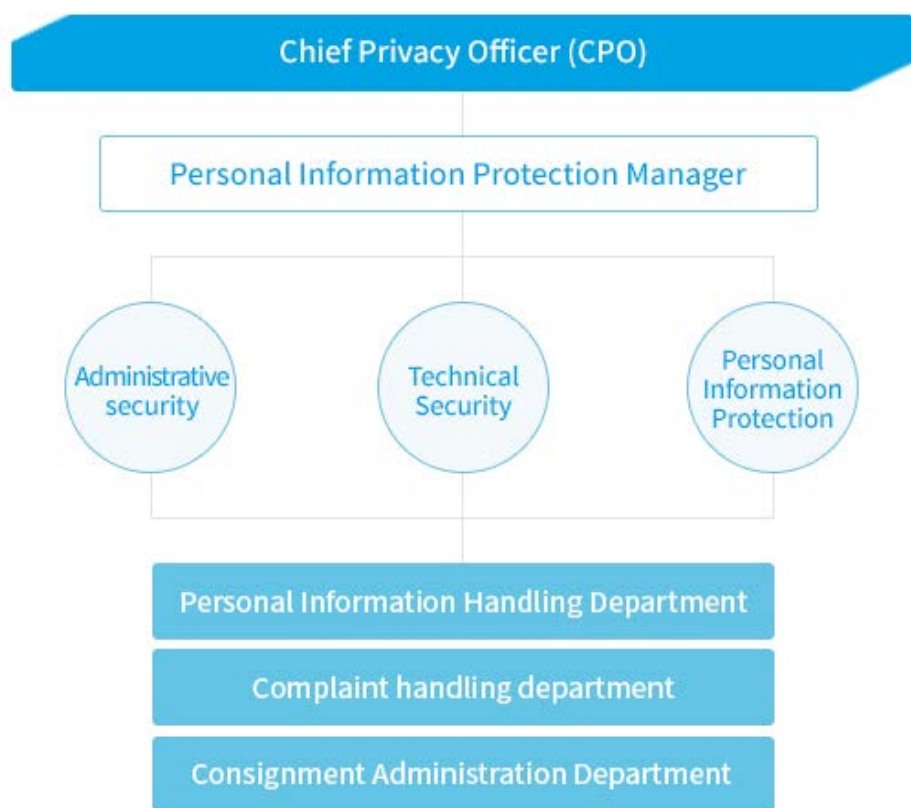
## Optimization of Information Protection Management

### Organizational Structure for Information Protection

We collect personal information from our customers, given the nature of Coway's rental business. As online sales channels diversify, we are increasingly required to establish an information protection system suitable for the various channels of inflow and handling of customer information. The Chief Privacy Officer (CPO) and the ICT Strategy Division play a central role in the organization of personal information protection.

In order to provide our customers with the service and value they expect from an ultimate care solution, Coway has newly established the ICT Strategy Division by combining the Information Management Team and the Platform Strategy Team. In doing so, we seek to promote service quality by combining product information and inspection service, while making information protection and management more effective by establishing a comprehensive information management structure.

Organization chart



### Information Protection Structure



#### Collect customer information

- Pursuant to the prohibition of collecting resident registration numbers, switch to a substitute key (date of birth, gender, etc.)



#### Store and utilize information

- Store encoded personal information within database
- Prohibit storage of original copy of personal information file on employees' PCs



#### Dispose of customer information

- Conduct online training on information protection for all employees
- Carry out document disposal process through external company

### Strengthening Information Management Infrastructure

#### Establish a Comprehensive Security Control System

In order to handle customers' personal information more safely, Coway has established a comprehensive security control system that collects logs for the entire system through IDC\*. This system has enabled effective control and supervision of personal information. Vulnerabilities were also identified and improved by examining the weaknesses of the IDB server system and devising improvement measures.

#### Reorganize Personal Information Handling Process and Strengthen Control

Coway blocks any leakage of important information by establishing VDI in customer information handling companies and suppliers, ensuring all information handling is done through VDI. Vulnerabilities in the sales information system, such as the web and smartphone app, are examined to minimize exposure of personal information within the sales information system and remove unnecessary information. Coway also operates our Mobile Device Management (MDM) solution to block information leakage while performing service through mobile devices. Through these measures, Coway can effectively respond to viruses or the loss/theft of mobile devices. We hold mock hacking training twice a year and information leakage response training once a year so that employees can better understand the security risks of information protection and management process, as well as enhance our response capability in the event of information leakage.

1) IDC(Internet Data Center)

2) VDI(Virtual Desktop Infrastructure) : A solution providing each user with a virtual desktop and data storage space using the resources of a virtual central server. It is safe from hacking risks and can block data leakage.

## Current State of Information Protection Management

Category	Content	Activities in 2017
Information Protection Management System	<ul style="list-style-type: none"> <li>Operate information protection management system</li> </ul>	<ul style="list-style-type: none"> <li>Continue personal information management system control activities and renew certification</li> </ul>
IDC	<ul style="list-style-type: none"> <li>Operate IDC security solution</li> <li>Mock hacking (twice a year) and information leakage (once a year) response training</li> </ul>	<ul style="list-style-type: none"> <li>Establish account/authority management system</li> <li>Expand participation in mock hacking and response training</li> </ul>
DB	<ul style="list-style-type: none"> <li>Encode personal information</li> <li>DB data control management</li> </ul>	<ul style="list-style-type: none"> <li>Re-establish DB encoding</li> <li>SAP data equipment (personal information)</li> </ul>
Personal Information	<ul style="list-style-type: none"> <li>Strengthen personal information security</li> </ul>	<ul style="list-style-type: none"> <li>Implement personal information retention period system</li> </ul>
Paper Documents	<ul style="list-style-type: none"> <li>Implement on-site document storage policy and install/operate shredders on all sites</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen security functions of multifunction printers</li> </ul>
Strengthen security functions of multifunction printers	<ul style="list-style-type: none"> <li>Operate PC security system</li> </ul>	<ul style="list-style-type: none"> <li>Adopt digital rights management(DRM) solution</li> <li>Adopt document centralization solution</li> </ul>
Mobile	<ul style="list-style-type: none"> <li>Operate mobile device management(MDM)</li> </ul>	<ul style="list-style-type: none"> <li>Improve MDM solution functions</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Conduct training and diagnosis on information protection</li> </ul>	<ul style="list-style-type: none"> <li>Expand subjects of training and diagnosis</li> <li>Conduct mock malicious email training</li> </ul>

## Promote Security Awareness among Employees

### Information Protection Training

Coway strengthens information security by reinforcing our technical capability in information protection and promoting security awareness among employees. In 2016, Coway carried out training on the company's information protection regulations, case studies on document/personal information protection, and cases/response measures reflecting recent trends in information protection. Online training content for each job category was subdivided into more relevant topics, enhancing the overall effectiveness of the training. We plan to adopt an evaluation system to further increase participation in online learning.

Category	Subject	No. of People who Completed Training	Completion Rate	Note
Online Training	Entry level - Division heads (Including sales personnel)	3,973명	100%	Completed by all employees
	Resident consignment workers	105	100%	-
Offline Training	Executives	24	100%	Division heads or of higher rank
	Newly hired employees (New/Experienced)	69명	100%	Security education within training program
	New CL* Team heads and staff	392	98%	
	New BB* team heads/td>	40	100%	

### Information Protection Diagnosis

Coway's information protection diagnosis is divided into permanent, regular, and system diagnosis. Personal information stored in PCs and personal information handling system login records are regularly monitored. Considering the different work environment of each business site, information protection diagnosis is carried out on personal and shared office spaces in the headquarters and R&D center. Personal information management and technical/physical diagnoses are carried out in branch offices. Following the closing of the call center, the state of information protection was diagnosed, and measures were taken in response to the vulnerabilities identified at the site. In 2017, we will expand the subject and number of information protection diagnosis. This will further enhance Coway's compliance with information protection regulations and processes, and strengthen information protection control.



Sustainability Management Employees

Strategy and Organization	Strengthening the Securing and Management of Top Talent	Strengthening Capacity Development for Human Resources	Human-centered Corporate Culture	Human Right Management
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Related Links GRI Indicator

## Strategy and Organization

### Talent Management Strategy

Securing a pool of talented people with diverse skills and a corporate culture where they can freely show them is an important element for strengthening corporate competitiveness. Coway recognizes that its employees are the fundamental driving force behind the company's growth. This is why Coway operates a transparent employment process to select talented people that personify Coway's core values. Coway allocates employees to different positions by considering their qualifications and choices early on from the hiring process and helps them adapt through corporate culture programs. In addition, training and welfare programs in connection with employees' life cycles help them continuously develop their capability and find a balance between life and work. We also strive to promote employee satisfaction by creating a human-centered corporate culture of communication and participation, as well as operating the Evaluation Committee for fair compensation.





Sustainability Management

Employees

Strategy and Organization	<b>Strengthening the Securing and Management of Top Talent</b>	Strengthening Capacity Development for Human Resources	Human-centered Corporate Culture	Human Right Management
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GRI Indicator

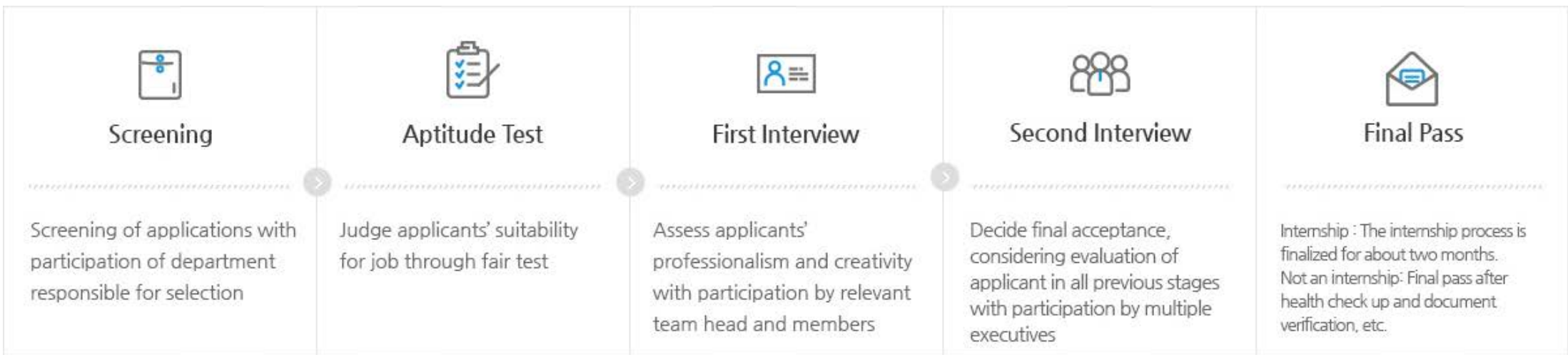
## Strengthening the Securing and Management of Top Talent

### Fair Hiring Process

To secure transparency and fairness in the hiring process, Coway hires employees irrespective of their socio-economic background. The hiring process is mainly operated by the departments responsible for on-site work. These departments screen applications to find potentially valuable candidates, even if their talents are not yet refined, as well as select candidates whose qualifications match the values and character traits we look for in our employees.

Unlike other companies that hire based on job categories and decide placement from the interview stage, Coway provides detailed job descriptions and qualifications required at the stage when we announce job openings. This allows applicants to apply for jobs that they believe are suitable for them, and they can do the work they actually want to do.

#### Hiring Process



### Fair Performance Evaluation and Compensation

#### Talent Committee

Coway operates the Talent Committee to minimize any unfairness in performance evaluation. By having the Human Resources Team participate in performance evaluation, Coway minimizes any partiality or misjudgment that may occur when the most senior manager of the division conducts the evaluation alone. We also prevent any potential discrimination or disadvantage due to maternity leave or change of duty/division.

#### Compensation for Performance

Coway evaluates its employees' individual performance and competence, differentiating them from compensation and year-end incentives, and applies a different income increase rate according to the evaluation grade. When employees apply for patents, we compensate them according to the number and level of difficulty. We also run programs for 'Master's and Doctoral Support Programs' to maintain excellent personnel.



Sustainability Management



Employees



Strategy and Organization

Strengthening the Securing and Management of Top Talent

**Strengthening Capacity Development for Human Resources**

Human-centered Corporate Culture

Human Right Management

GRI Indicator

## Strengthening Capacity Development for Human Resources

### Talent Fostering Program

We believe that people who put "belief in goodness" into action are the right people for Coway. Based on this belief, we establish policies to foster talent and train skilled people to realize the "good growth" of our employees. Through our systematic training programs that cover corporate culture, work and leadership, and character, Coway helps employees' character development and strengthens their work capability and expertise.

### Self-teaching & Education Plan (STEP) System

The STEP system is Coway's annually operated education system for enhancing employees' work competency. Either a mandatory course or an autonomous learning course is offered, depending on the participant. The mandatory course covers the company's management strategy and relevant knowledge and values that participants should know as Coway employees. Participants in the autonomous learning course individually sign up for the lectures they need for self-development.

#### Cultivating Next Generation Leaders

Coway systematically manages employees to help them grow into next-generation leaders who will lead Coway's future business. By offering step-by-step training courses for each rank, such as team members, team heads, and executives, the company offers opportunities to its employees to systematically develop leadership skills required at each stage of the company hierarchy. These courses also promote both the individual's and the company's growth.

#### Global Talent Management

Coway operates a systematic training program to cultivate global talent who will lead our business overseas by strengthening their global work capability and promoting an understanding of the local culture where they work. Beginner, intermediate, and advanced language courses are offered to all employees. In addition, the one-on-one intensive language course for expat candidates strengthens their overseas business competency, such as global business skills and understanding of different cultures. This language and culture training is essential for Coway to expand to the global market.

#### New Employee Training

Coway helps new employees settle in their work lives through training programs that promote their understanding of the company's policies, company culture, and work of each department. New employees are placed in departments of their choice in consideration of their work capability to help them adapt to their new jobs. Based on our corporate culture of mentoring and open communication, the settlement rate of new employees into Coway in the past three years stands at 97%.



Sustainability Management

Employees

Strategy and Organization	Strengthening the Securing and Management of Top Talent	Strengthening Capacity Development for Human Resources	<b>Human-centered Corporate Culture</b>	Human Right Management
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GRI Indicator

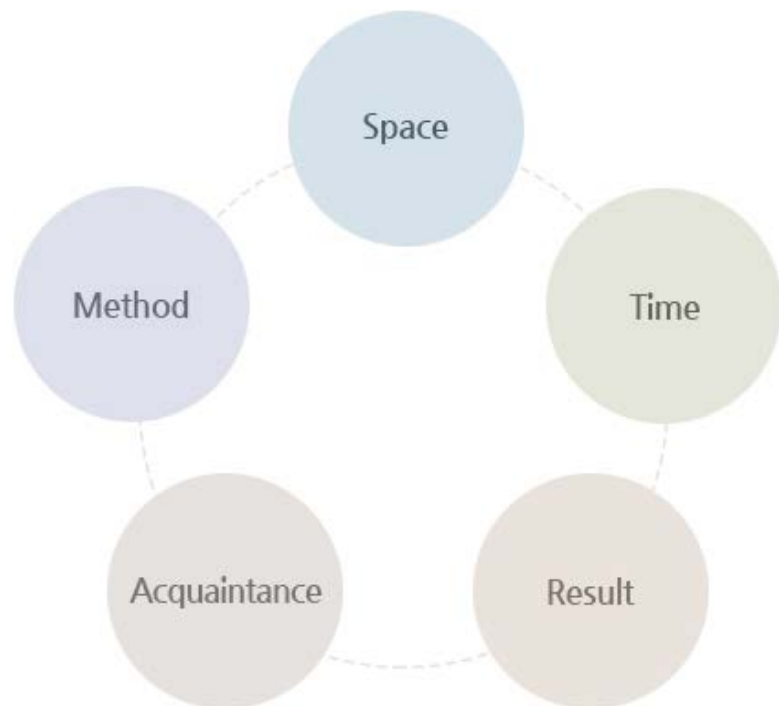
## Human-centered Corporate Culture

### The Way We Work

#### WORK SMART Campaign

Through the Work Smart Campaign, Coway pursues the essence of our work and innovates the way we do things. By creating a reasonable and efficient work environment, we eliminate counterproductive meetings and reporting practices as well as simple repetitive work. This way, we increase the level of employee satisfaction through efficient use of work space and time.

#### \* Five Areas of WORK SMART



	<b>Space</b> Efficient use of space for “concentration on work and consideration for others”
	<b>Time</b> Efficient use of time for “responsible etiquette”
	<b>Result</b> Process review for “efficiency of work method”
	<b>Acquaintance</b> Establishment of corporate culture assessment model for “stable settlement of corporate culture”
	<b>Method</b> Process review for “working efficiency”

#### Beyond Coway

Beyond Coway is a two-day vision training course offered to employees to help them understand Coway’s business philosophy of “belief in goodness” and internalize its core values. Employees are able to gain insight in a new space away from their usual office environment. This helps them consider ways through which both they and the company can grow together. In 2016, Coway shared the “belief in goodness” experienced on the field with 572 branch managers and studied cases of success at a “talk concert.”

#### Strengthening Value Leadership Capacity

Coway carries out various activities to strengthen value leadership capability so that a culture of positive communication is built among executives and team heads—the leaders in developing corporate culture—and their team members. Leaders are encouraged to better understand one another and set a consistent direction. Activities in 2016 include the “Leader Coaching Clinic” with corporate culture experts and “Healing Camp for Team Heads.”

### Employee Communication Programs

#### Book Club with CEO (Dadok Dadok)

CEO and newly-hired employees freely share values and bond together.

### Finding Balance between Work and Life

#### Coway Happy Farm

Coway has operated the “Coway Happy Farm” for the past 10 years, where employees



o High-Ting

Experience-oriented communication program for each division to openly share issues and suggest ideas through new experiences outside the office



o Good Morning Coway

Each month at Coway, newly-hired employees have an opportunity to introduce themselves in front of all other employees. This helps them build a sense of belonging and work in a more comfortable environment.

o Grievance Handling Channels

Promote labor-management communication by holding regular labor-management meetings and workshops.

Handle grievances via "Pine Tree Bakery," the in-house online consultation channel.

o Create a safe and healthy workplace

o Health & Safety Management System

Coway has established a health and safety management system to prevent accidents through effective management and continuous improvement activities. In addition, we are striving to improve the health and quality of life of our employees and stakeholders by cooperating with business sites and suppliers providing safety & health education materials and evaluating them. We have established an advanced system in two domestic factories(Yugu, Incheon factory) and acquired and maintained the health & safety management system certification (OHSAS / KOSHA 18001).

o Occupational Safety and Health Committee

As an overall consultation and consensus on health and safety, the Occupational Safety and Health Committee, which consists of the same number of labor and management, is operating quarterly. The committee is responsible for the establishment of an industrial accident prevention plan, the preparation and revision of the health & safety management regulations, the safety of workers, and issues concerning health education.

o Voluntary safety and health activities

Coway operates a 'Keeping happiness activities' that consists of managers, representatives of employees to prevent and improve safety and health-related issues. Keeping happiness activities are held twice a month, and 32 out of 56 improvements (57.1%) have been improved through inspections and improvements are continuing on unfinished items. In addition, we checked the safety status of the suppliers and maintenance status of the forklift trucks, fire-fighting facilities, and use of dangerous machinery. We will continue to provide a healthy working environment and create an autonomous safety culture.

o Health Promotion Program Operation

In order to promote the health promotion of our employees, we support the advance

and their families build family harmony by cultivating and harvesting various crops together.

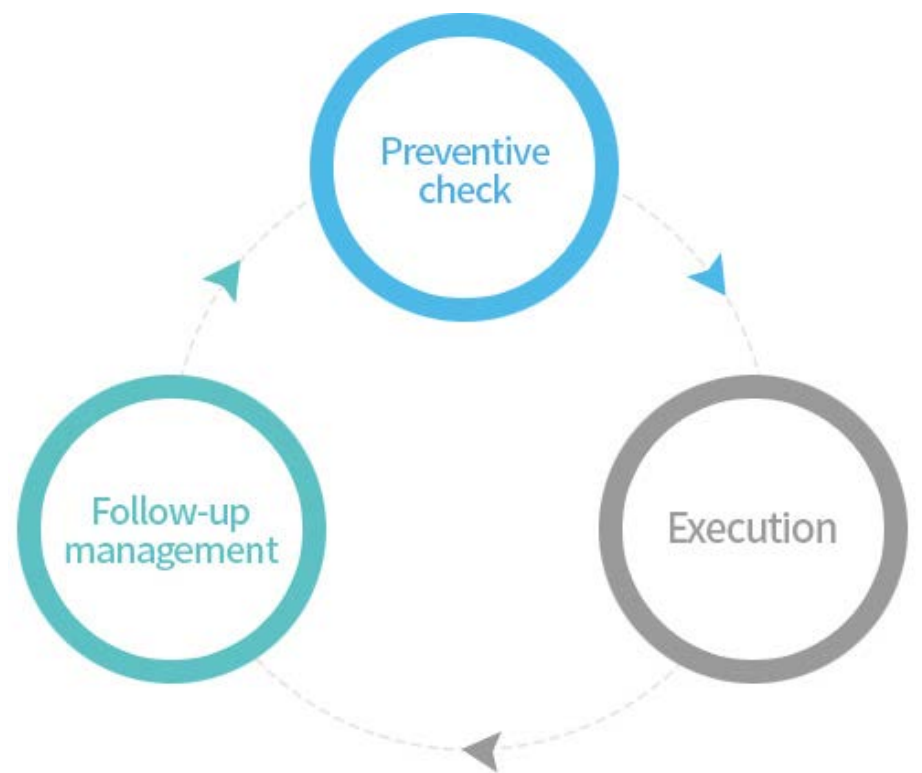


o Family Day

Every first and third Wednesday is a "Family Day," on which employees are encouraged to leave work on time and spend time with their families.

o Reduced Hours during Pregnancy

For pregnant employees at Coway, working hours are reduced by two hours in the early and late stages of pregnancy. When they need to take a day off for medical examination, they can receive half-day paid leave.



<ul style="list-style-type: none"> <li>▪ <b>Keeping happiness activities (twice a month)</b> <ul style="list-style-type: none"> <li>- Manager, representative, employee representative</li> </ul> </li> <li>▪ <b>Safety meeting by site</b> <ul style="list-style-type: none"> <li>- Provide feedback on safety issues</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Sharing Improvement Cases</b> <ul style="list-style-type: none"> <li>- Promotion of employee representative zone</li> </ul> </li> <li>▪ <b>Designation monitoring point</b> <ul style="list-style-type: none"> <li>- Worker's Representative, site representative weekly activities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Study of improvement proposal</b> <ul style="list-style-type: none"> <li>- Suggestion of solution rather than simple requirement</li> </ul> </li> <li>▪ <b>Safety immediate action</b> <ul style="list-style-type: none"> <li>- Immediate improvement of safety issues</li> </ul> </li> </ul>
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diagnosis of high-risk disadvantaged people, strengthen post management, and provide exercise therapy programs for the prevention of cardiovascular diseases and musculoskeletal diseases. In addition, we strive to improve employee fitness through lifestyle improvement programs such as weight control events and low-salt diet management.





Sustainability Management Employees

Strategy and Organization	Strengthening the Securing and Management of Top Talent	Strengthening Capacity Development for Human Resources	Human-centered Corporate Culture	<b>Human Right Management</b>
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GRI Indicator

## Human Right Management

### Our Approach

Approach to human rights management. Globally interest in human rights such as discrimination prevention and respect for diversity, and human rights regulations and guidelines are being strengthened. Many companies have adopted human rights management as a basic principle to ensure sustainability. Coway also commitment to respect human rights based on the corporate philosophy of "good faith" and implement human rights management.

[Coway Trust Guideline](#)

### Human Rights Coverage

Coway complies with the labor, human rights and working conditions standards of all countries and regions in which we operate. Coway's human rights policy applies not only to employees but also to all stakeholders, including customers, suppliers, sales and service partners, and the community.

#### Coverage



#### Human Rights Due Diligence and Assessment

Coway periodically conduct an assessment of potential human rights issues to eliminate human rights violations and minimize human rights risks.

##### Human Rights Due Diligence Process



##### Identification of vulnerable groups

Coway identifies vulnerable groups that are potentially at risk of human rights abuses and at risk. Inside the company, employees who responsible for customer complaints, CODY/CS Dr. who sells and services the products directly to the customer, and a call center staff who responds to customer call.

##### Mitigation actions

#### Employees

- Maternity care program (Childcare and maternity leave, spouse maternity leave, reduction of work hours during pregnancy, and paid check-up leave)
- Operate Grievance channel 'communication room'
- Running a psychological counseling program 'Happy mind'
- Operate 'Refresh Zone' to relieve stress and fatigue
- Operate 'Healthcare Program' which provides professional massage service and massage chair



Sales and  
service partners

- Conduct regular meetings with sales and service partners
- Grievance handling channels to gather opinions on human rights
- Support for improvement of work environment and welfare program

## Human Rights Disclosure

Coway publicly disclose human rights activities, achievements, and related issues in a transparent manner through in this site. In addition, through continuous communication and information disclosure, we figure out the main concerns and expectations of stakeholders regarding human rights.

### BUSINESS STORY

#### Coway signed an MOU to jointly diffuse a corporate consumption culture to support emotional workers

Coway signed an MOU to jointly diffuse a corporate consumption culture to support emotional workers with Seoul City and Green Consumer Network in Korea on October in 2015. Emotion work is a requirement of a job that employees display required emotions toward customers or others with the control of their feelings. In accordance with this agreement, Coway, together with Seoul City and Green Consumer Network in Korea, will hold meetings to figure out their grievances and solutions. And then, the Company plans to take the lead in training them about customer reception techniques and product information, providing healing programs, and improving work environment. In particular, Coway determined to adopt various programs for supporting call center staff to care their mentality and relieve stress.

##### Major activities and achievements

- Oct. 8, 2015 : Signed MOU with Emotional Workers to Promote Corporate Consumption Culture
- October 29, 2015 : Announcing Company Best Practices and Plan for Emotional Workers
- October, 2016 : Counselor Execute external lecturer education for happy work life and improve stress management through workshop
- Dec. 2016 : Visiting Call Center of CEO CEO and Conducting a Consultation Meeting
- Dec. 2016 : Call center construction of rest space for improvement of office environment and support for products such as massage chair



Sustainability Management Suppliers

<b>Strategy and Organization</b>	Supplier Management System	Supplier Support Programs	Expanding Win-win Culture of Communication
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GRI Indicator

## Strategy and Organization

### Win-win Growth Policy and Organization

The recent competition structure among companies is expanding to competition among supply chains, including suppliers. In consideration of the supply chain, it is increasingly important for companies to fulfill their social responsibility. Coway considers suppliers as important partners who play the role of producing and supplying products and services in our value chain. As our suppliers' competitiveness grows, so does Coway's. For this reason, we consider our suppliers' issues as our own as well.

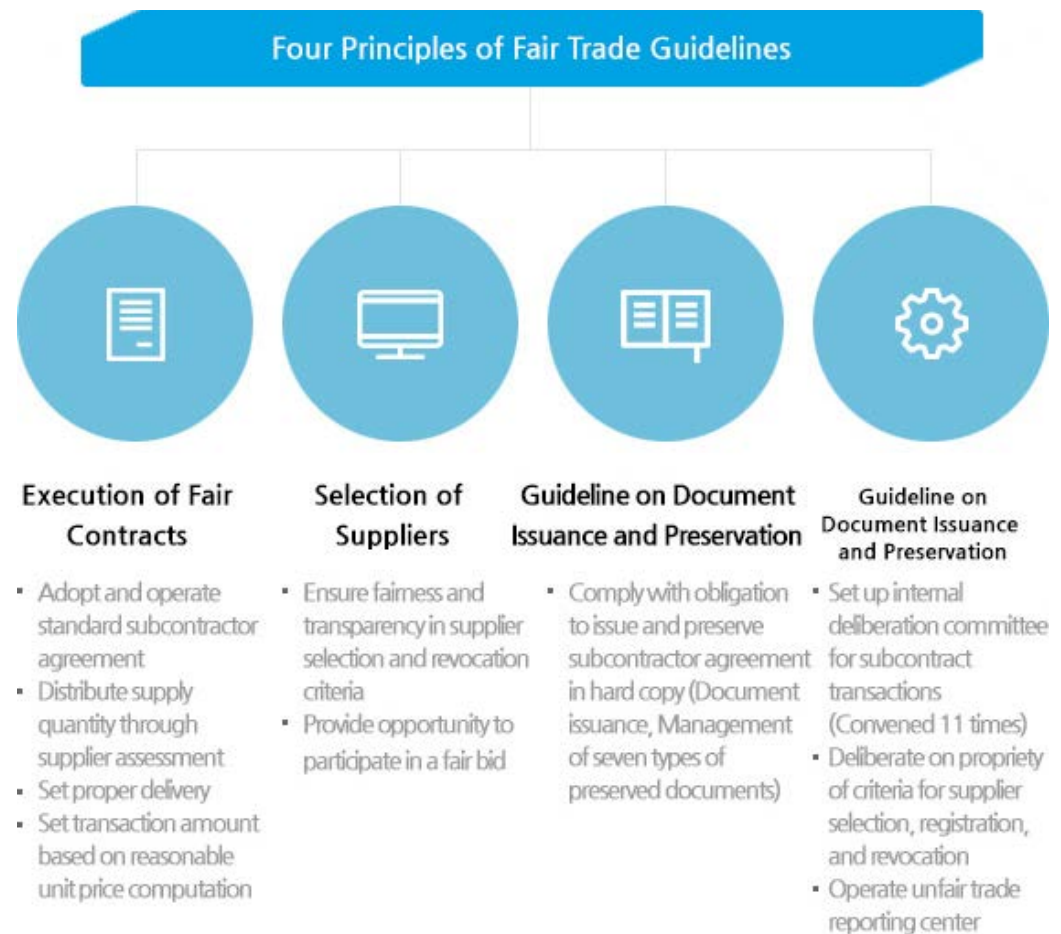
Under the "CO-WAY (Cooperation + Global Way)" vision, Coway helps its suppliers grow into small giants through our effectiveness-oriented win-win policy. Coway also operates a separate organization in charge of realizing the core values of our win-win growth vision, as well as planning, operating, evaluating, and improving supplier support projects.

### Win-win Growth Load Map

Settlement of Win-win Culture (~2015)	Expansion of Win-win Culture (2016)	Establishment of Sustainability (~2017)
<p><b>Strengthening win-win cooperation</b></p> <ul style="list-style-type: none"> <li>Settle win-win policy and culture</li> <li>Support innovation of manufacturing sites</li> <li>Establish infrastructure for growth competency</li> </ul>	<p><b>Expand effectiveness-oriented policy</b></p> <ul style="list-style-type: none"> <li>Strengthen technical innovation</li> <li>Settle fair trade order</li> <li>Expand support policy</li> </ul>	<p><b>Foster small giants</b></p> <ul style="list-style-type: none"> <li>Accelerate technical innovation</li> <li>Secure global manufacturing competitiveness</li> <li>Expand support policy</li> </ul>

### Standardization of Fair Trade Guideline

Coway operates the Fair Trade Guideline for win-win cooperation to fairly reflect the rights and interests of the suppliers in our transactions with them and to prevent abuse of our superior negotiation power as the primary company.





Sustainability Management Suppliers

Strategy and Organization	<b>Supplier Management System</b>	Supplier Support Programs	Expanding Win-win Culture of Communication
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GRI Indicator

## Supplier Management System

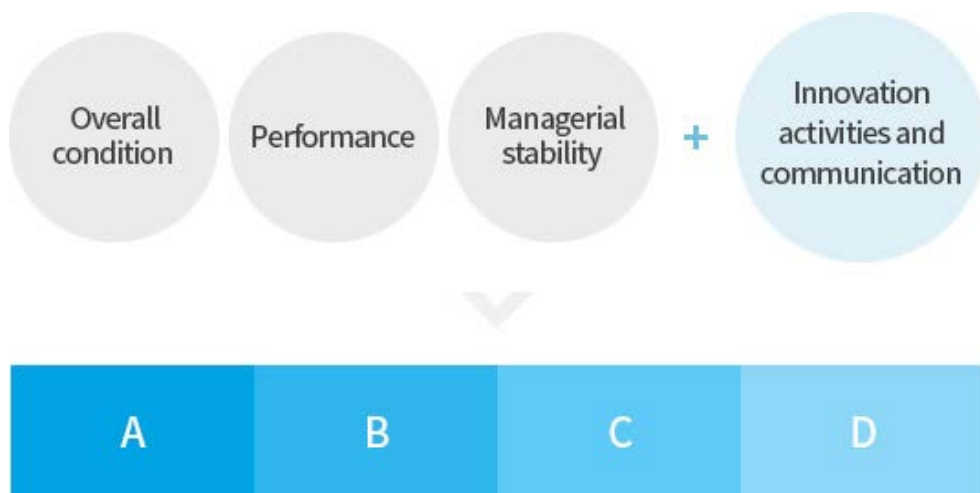
### Supplier Evaluation

Under the shared growth principle of "fostering small giants by strengthening the competitiveness of suppliers," Coway annually conducts a comprehensive evaluation of suppliers.

Supplier Code of Conduct

#### Supplier Evaluation Process

Coway's supplier evaluation assesses the supplier's overall condition, performance, and managerial stability. Additional points are given to those suppliers that demonstrate excellent innovation activities and communication. Assessment results are classified into grades A to D. For strong suppliers (grades A and B), Coway increases the order quantity and grants them rights as executive members of consultative bodies. For weak suppliers (grades C and D), penalties such as restricted development and quantity reduction are given. Coway halts dealings with any supplier that receives a grade of D for two consecutive years.



### Supplier CSR Management

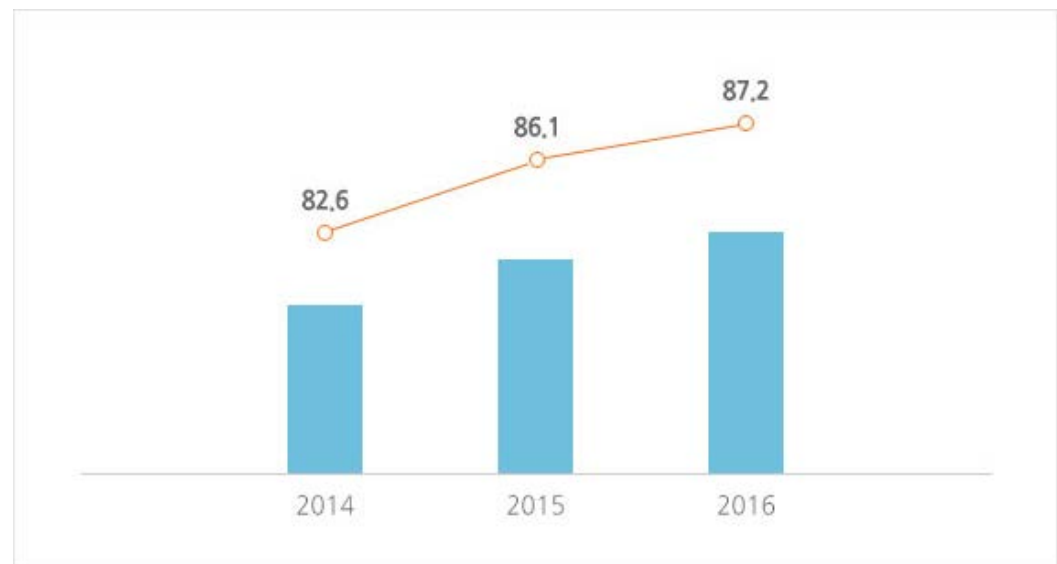
When conducting supplier evaluation, Coway also assesses the suppliers' CSR performance, based on which we identify vulnerabilities and carry out activities to improve them. In 2016, we conducted a comprehensive evaluation of the suppliers' sustainability management by focusing more on the aspects of law and society, ethics, environment, and compliance management. As a result, we were able to identify weaknesses in compliance with ethics management, environmental management, and energy reduction. In response, we plan to offer CSR education to all suppliers to enhance their perception of CSR and their CSR level, while encouraging mainly C and D-grade suppliers to improve in high-risk areas.

Category	Contents	Weaknesses and Improvement Activities
Human Rights/Labor	No child labor/overtime/discrimination	

#### Supplier Evaluation Results

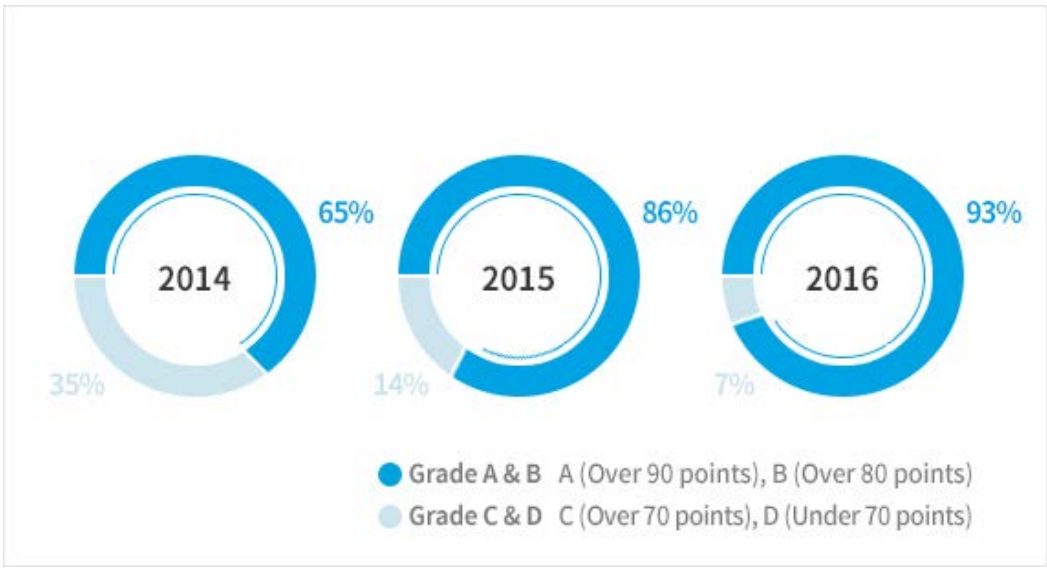
In 2016, Coway conducted a comprehensive evaluation of 71 suppliers. The results showed that the average score of the suppliers was 87.2 points, a 1.1 point increase from the previous year. The ratio of suppliers that received grades A and B was 93%, increasing by 7% from the previous year. Notably, the number of weak suppliers decreased from 10 in 2015 to 5 in 2016.

Average Score



Supplier Grade Distribution

<b>Ethics Management</b>	Ethics management and anti-corruption	Identify weaknesses in new evaluation items, including anti-corruption system, ethics management, environmental regulations, and energy reduction ■ CSR education to all suppliers for enhanced perception of CSR ■ Encourage improvement of high-risk areas by weak suppliers
	Emergency response system, etc.	
<b>Response to Emergency/Safety</b>	Safety system and training of hazardous installations	
	Pollutant/environment management	
<b>Environmental Management</b>	Hazardous substance/energy reduction	



### Supplier Satisfaction

Coway biennially conducts a satisfaction survey targeting all of our suppliers. Since 2011, the level of supplier satisfaction has continually increased. In the latest survey taken in 2015, Coway scored 91.5 points. In 2016, we improved the Coway supplier win-win cooperation structure and our support for improving suppliers' management environment and innovation by reinforcing supplier CSR and shared growth programs such as support for participation in overseas exhibitions and the Excellent Supplier Awards.



Sustainability Management ▾ Suppliers ▾

Strategy and Organization	Supplier Management System	<b>Supplier Support Programs</b>	Expanding Win-win Culture of Communication
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Related Links

## Supplier Support Programs

### Strengthening the Foundation for Managerial Stability

To promote our suppliers' managerial stability, Coway provides financial support and other forms of support, including participation in overseas exhibitions.

<b>Fund Support</b>	Operate fund support system of KRW 20 billion for win-win fund and no-interest fund with an upper limit of KRW 3 billion
<b>Payment of Amounts</b>	Pay 100% of amounts due in cash within 10 days upon delivery
<b>Adjustment of Delivery Unit Price</b>	Adjust delivery unit price reflecting increase of raw material price within 30 days upon supplier's request
<b>Payment Method</b>	Cash (cashable) payment ratio 100%
<b>Expansion of Sales</b>	Support joint marketing, participation in overseas exhibitions, etc.

#### Performance in 2016

- Support fund : KRW 12.4 billion
- Improvement of payment conditions: 10days
- Payment method : 100%(Cash)
- Overseas exhibitions : 3 times
- Purchase consultations : 3 times

### Support of Infrastructure for Growth

For the continuous growth of its suppliers, Coway carries out various activities to strengthen its management infrastructure, such as training, technical support and hiring of talented people.

<b>Training Support</b>	Operate training courses for fostering talent working for suppliers according to their class and competency
<b>Technical Support and Protection</b>	Provide technical support and operate technical protection programs to secure technical competitiveness of suppliers
<b>Job Fair</b>	Support participation in job fairs, manpower fostering programs, etc.
<b>Carbon Partnership</b>	Establish green partnership to support reduction of carbon emission
<b>Reliability Technical Support</b>	Provide reliability-related technical support such as part test, breakdown analysis, etc.

#### Performance in 2016

- Total trainees : 880 people
- Joint development : 15 cases
- Total support amount : KRW 2.9 million
- Technology protection : 17 cases
- Productivity : improved 225%



Sustainability Management ▾ Suppliers ▾

Strategy and Organization	Supplier Management System	Supplier Support Programs	<b>Expanding Win-win Culture of Communication</b>
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Related Links

## Expanding Win-win Culture of Communication

### Operating Supplier Communication System

Since 2011, Coway has operated the "Belief in Goodness Consultative Group" to promote autonomous communication among suppliers and increase their competitiveness through mutual comparison and analysis. The Consultative Group is a representative win-win program in which over 100 of Coway's Tier 1 and Tier 2 suppliers participate, facilitating communication among themselves. In 2016, Coway established the "Belief in Goodness Consultative Group 2.0" to move beyond its existing role as a communication channel and encourage suppliers' voluntary innovation. The Belief in Goodness Consultative Group 2.0, composed of the Smart Factory training course, Win-win Renovation course, Win-win guidance of primary and secondary suppliers, etc., contributes to suppliers' voluntary innovation and capacity-building, and establishes a new culture of shared growth among suppliers.



Belief in Goodness Consultative Group 2.0  
**Major Programs and Outcomes**

- Operate supplier CEO MBA (Completed by XXX persons)
- Coway executives - supplier CEO lectures
- Solve problems and share know-how through properties meeting
- Smart factory training
- Win-win renovation course
- Win-win guidance among Tier 1, Tier 2 suppliers
- Support innovation activities in manufacturing process (xx suppliers in 2016)
- Participate in overseas exhibitions and benchmarking of small giants working overseas (Supported 6 suppliers' participation in exhibitions and booth operation)

 Trust Partners Day

Trust Partners Day is a program for sharing the outcomes of win-win cooperation among suppliers and promoting continuous shared growth. In an event for reflecting on the outcomes achieved in 2016, we announced “Coway Trust with Partners” as the slogan for shared growth in 2017. We also reaffirmed our intent to put the “Coway Trust” motto into action with our suppliers. We signed fair trade agreements for building and settling a sustainable manufacturing ecosystem with 150 Tier 1 and Tier 2 suppliers.







Sustainability Management Partners

Strategy and Organization

Education for Partners

Win-win for Partners

## Strategy and Organization

### Organization

Codys, the driving force of Coway's sales activities, manage customers who use our environmental home appliances and other products. Through their services, they provide support to our customers and play the role of increasing customers' satisfaction of Coway, both as a brand and a company. For this reason, Coway spares no effort in supporting our partners as they carry out their on-site sales and service activities.

Advance Service	<b>Cody</b>	Inspect environmental home appliances such as water purifiers and air purifiers and provide hygiene services by visiting customers' homes More <a href="#">→</a>
	<b>Homecare Doctor</b>	Provide regular mattress hygiene management service for care service members More <a href="#">→</a>
A/S Service	<b>CS Doctor</b>	Maximize customer satisfaction by providing services including product installation, transfer, disassembly, and A/S More <a href="#">→</a>
Sales	<b>HP, GHP</b>	Deliver product information to customers on the company's behalf and carry out sales activities ▪ Collect information and ideas on the site More <a href="#">→</a>



Sustainability Management

Partners

Strategy and Organization

Education for Partners

Win-win for Partners

Related Links

## Education for Partners

### Strengthening On-site Professionalism through Systematic Training

Coway provides systematic training and education programs to secure customer trust by strengthening our sales and service partners' competence. Coway's competence-building programs are offered to our sales and service partners, including Cody, CS Dr. and HP/GHP, to enhance their professionalism. This training is required so that they can provide customers with satisfactory on-site service and carry out sales activities.

### Training for New Cody (CA Start Training)

Coway strengthens the on-site professionalism of Codys through systematic training. The orientation course for those taking on the challenge of becoming a Cody is a 19-day course composed of technology training and service training, teaching them what they must know as a Cody.

#### Technology Training

##### Basics of Inspection

Understanding the points of difference of Coway's services

##### Mastering the Heart Service

Introducing products, practicing skills, team competition

##### Understanding IoCare and Practicing Skills

Learning strong points of products and practicing inspection methods

The technology training helps trainees learn about all of Coway's products and master the process and methods of providing Heart Service to customers. Trainees can practice the skills learned in the course, so even those who are dealing with Coway's products for the first time can get used to their work without difficulty.

#### Service Training

##### Understanding Cody Work

Motivation and mind education

##### Business Manners

Why business manners matter, order of inspection, training

##### Service Mindset

Neat appearance and attire, manners, posture

The service training helps trainees build basic competency in addition to learning product information. Trainees learn communication skills, such as how to respond to different customer types and questions. Basic sales training helps trainees deal with customers confidently as Codys.

### Intensive Course for New Codys (0 - 3 Months)

Coway helps those who have just begun working as Codys and those in their third month of work settle into their work by offering an intensive course. Professional lecturers from 18 training institutions nationwide provide intensive, systematic training on products, standard service skills, and sales.

#### Intensive Course for New Cody

18 Professional Training Institutions Nationwide

Product Education

Standard Service Skills Education

Sales Education

### Field-centered Training (4 Months or more)

Field-centered training is offered on a regular basis to those who have worked as a Cody for at least 3 months and have become familiarized with their work. This regular training program prepares them for field-oriented issues, teaching information about new products and instructions on how to use smartphone applications. When additional support is required, intensive training is offered so as to enhance Codys' work competency.

#### Field-centered Training

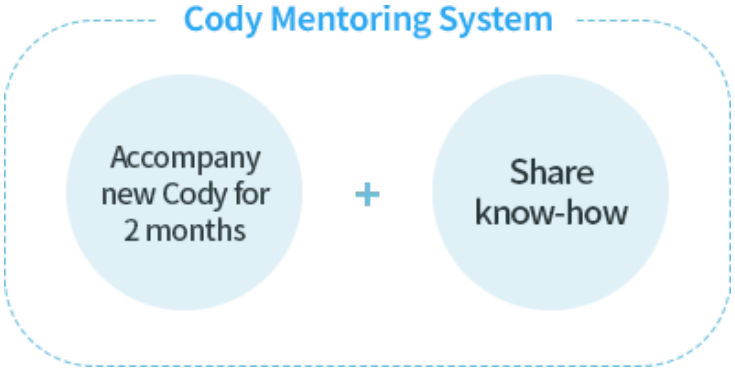
Field-oriented issues

Customized training for head offices and branch offices

Theme-by-theme video training

## Cody Mentoring System

The Cody mentoring system offers new Codys the opportunity to pair up with a senior Cody and work as a team for two months so that they can experience on-site work and learn know-how from their seniors. By participating in this program, new Codys can greatly benefit from their seniors' guidance in solving problems and sharing their experiences.



## INTERVIEW

### Coway's training program nurtures professionalism as a CODY.



Coway provides regular training programs for newcomer Cody to adapt to their work. Especially, new product introduction session and communication know-how program offered twice a month is very helpful. Also it is very helpful when we are actually working. The best part of working as a CODY, I feel that I become a professional through various education like this. I am proud of myself as a CODY, because of this high level of professionalism. I look forward to continuing these educational programs and expanding mutual growth culture.

Wolgok Branch's CODY. **Song-Min**



Sustainability Management Partners

Strategy and Organization

Education for Partners

Win-win for Partners

Related Links

## Win-win for Partners

### Performance Sharing Program

The performance sharing program is a compensation system for field performance, designed for the purpose of creating a "culture of field-oriented service level management." Launched in 2015, the performance sharing program selects tasks for improving on-site service quality and pays incentives according to the degree of contribution when a task is solved, and the results of actual performance. In 2016, the scope of the program and divisions subject to the program were expanded, which resulted in the execution of four tasks, reducing KRW ~ in quality-related costs and paying KRW ~ to xx divisions.

#### Major Concepts in Performance Sharing Program

Key Word	Content
Positive Campaign	<ul style="list-style-type: none"> <li>More Benefit, Less Penalty</li> <li>No set management targets / Promotion support</li> </ul>
Distribution of Business Performance	<ul style="list-style-type: none"> <li>Compensation system for on-site performance</li> <li>Acknowledgment of and compensation for contribution to growth</li> </ul>



Goal

Setting a Culture of Service Level Management through Voluntary Participation

#### Operation Direction of Performance Sharing Program

Item	2015	2016
Number of Tasks	<p>3 tasks</p> <p>Targeting Cody: 2 tasks</p> <p>Targeting CS Dr.: 1 task</p>	<p>4 tasks</p> <p>Targeting Cody: 2 tasks</p> <p>Targeting CS Dr.: 2 tasks</p>
Scope	KRW 75.46 billion	KRW 92.65 billion
Supported Activities	Monthly promotion activities for 2 tasks	Monthly/Quarterly promotion activities for 4 tasks
Scope of Performance Sharing	50% of the cost reduced compared to planned cost per task	50% of the cost reduced compared to planned cost at company level



Sustainability Management Environment

Strategy and Organization	Response to Climate Change	Activation of resource circulation	Enhancing Eco-friendliness of Products
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GRI Indicator

## Strategy and Organization

### Environmental Management 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.

#### 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

Strategy



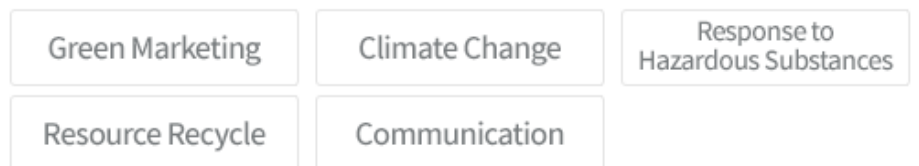
#### Environmental Management Organization

**Environmental Management Committee**

Environmental Management Team

- Convened : quarterly
- Performance in environmental management activities: quarterly
- Discussion of major issues : year-round as issues arise
- Decision-making : quarterly (decisions proposed to the BOD)

Ecoway Council





Sustainability Management Environment

- Strategy and Organization
- Response to Climate Change**
- Activation of resource circulation
- Enhancing Eco-friendliness of Products

Related Links GRI Indicator

## Response to Climate Change

### Introduction of New Renewable Energy

In 2016, Coway launched the Smart Factory to reduce greenhouse gas (GHG) emissions from work sites and increase corporate management efficiency. Facilities for solar power, which is a new renewable energy, were installed and operated in the Yugu Factory (49.5KWh), Incheon Factory (39KWh), and Pocheon Factory (45KWh), through which 174,709KW of electrical power was generated and self-consumed in 2016. This is equivalent to a reduction of 81 tons of GHG. Furthermore, the adoption of the energy storage system (ESS) in the Yugu Factory was completed, reducing approximately KRW 70 million in energy costs. Through ESS, KRW 140 million in energy costs is expected to be reduced in 2017. LED lighting was also installed in the Yugu Factory and warehouses, improving the working environment (illumination intensity) of work areas, reducing over KRW 100 million in energy costs and creating an effect of roughly 300 tons of GHG reduction.

### Greenhouse Gas and Energy Management

Although Coway is not subject to greenhouse gas (GHG) and energy target management in Korea, we have established mid and long-term GHG reduction goals and implemented relevant activities in an effort to actively take part in responding to the challenges of climate change. Every year, we undergo voluntary third-party inspection and publicly disclose the results. Our goal is to reduce GHG intensity, compared to 2010, by 50% by 2020. In 2016, Coway's net GHG emissions decreased by 1.70% compared to 2015 (provided that it increased by approximately 0.82% prior to the physical division of Coway EnTech), and GHG emissions intensity decreased by 3.62%.

#### Greenhouse Gas Emissions

Type	Unit	2014	2015	2016
<b>Direct Emissions (Scope 1)</b>	tCO <sub>2</sub> e	196	391	401
<b>Indirect Emissions (Scope 2)</b>		5,385	5,369	5,261
<b>Net Emissions (Scope 1 + 2)</b>		5,581	5,760	5,662
<b>Net Emissions Intensity</b>	Net emissions (tCO <sub>2</sub> e)/ Sales (KRW 100 million)	0.277	0.266	0.257

### Operation of Carbon Partnership

Coway strives to strengthen the capabilities of its suppliers to respond to climate change. Through our continuous support of carbon partnership suppliers, their energy competitiveness is enhanced by suppressing energy consumption against sales increase as much as possible. Through these efforts, Coway seeks to prevent supplier risks caused by climate change.



**Carbon Partnership**

- Build GHG inventory
- Change perception of suppliers

**Large, Medium and Small Enterprise Win-win Energy Companion Project**

- Energy diagnosis Find potential cutback items

**Inter-company Integrated Energy Management System**

- Quantify energy data
- Support decision-making
- Pilot cutback project

**Inter-company Energy Win-Win Partnership**










- Expand parent company-supplier energy management system and cutbacks

**Sustainable Win-win Management Partnership**

- Establish sustainable industry structure

Major Accomplishments

Coway aims to offset greenhouse gas emissions by introducing new models of photovoltaic power generation at its Pocheon factory in 2013 and by introducing renewable energy by 2020. By installation ESS in 2016, we reduced energy costs as well as improved the working conditions.

	2013	2014	2015	2016	2017	2018 - 2020
<b>Coway</b>	 45kW	 49kW	 39kW	 Yugu Factory, 1MW LED[Yugu Site]	 Incheon Factory LED Warehouse Solar Lighting	 Continuous Expansion of New Renewable Energy
<b>Supplier</b>		 29.7kW	 29.4kW	 Monitoring System		



Sustainability Management Environment

- Strategy and Organization
- Response to Climate Change
- Activation of resource circulation**
- Enhancing Eco-friendliness of Products

Related Links

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## Activation of resource circulation

### Setting up A Virtuous Cycle of Resources

Coway makes continuous efforts to establish a virtuous cycle of resources in the life cycle assessment (LCA), from product development to sales, collection, and recycling of products. Following the inclusion of Coway's products in the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles in 2014, Coway has established a collection and recycling system of waste resources and complies with the relevant regulations (including voluntary agreements on plastic waste collection and recycling).

### Card News

Coway's resource circulation story that creates eco-friendly value



#### Operation of Product Refurbishment System

Product refurbishment, Coway's representative recycling system, not only satisfies our reasonable and thrifty consumers, but also minimizes environmental problems through the recycling of resources. In 2015, Coway produced 21,535 refurbished products.

	2014	2015	2016
<b>Sum</b>	28,123	18,583	21,112

#### Refrigerant Take-back and Recycling

The R-134a refrigerant used for the cooling functions of Coway's water purifiers has a GWP (Global Warming Potential) value of 1,300 waste products and emits greenhouse gas when disposed. In an effort to reduce greenhouse gas emission, Coway operates refrigerant collection facilities in the Pocheon Factory.

#### Plastic Waste Recycling

Although Coway's products do not fall under the Extended Producer Responsibility (EPR)



o Service Waste Management

Coway expands the scope of waste management from product waste to service waste.

system, we are an environmentally conscious company that makes refurbished goods. We also take back all electronic waste we produce and voluntarily recycle it. Through these efforts, we have indirectly reduced 8,132 tCO<sub>2</sub>e of greenhouse gases in the Pocheon Factory in 2016.

	2014	2015	2016
<b>Recycled amount(Ton)</b>	6,198	6,353	6,902
<b>Recycling rate(%)</b>	71.1	69	69



Sustainability Management Environment

Strategy and Organization	Response to Climate Change	Activation of resource circulation	<b>Enhancing Eco-friendliness of Products</b>
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## Enhancing Eco-friendliness of Products

When consumers use Coway's products, energy is consumed and water is used. This has an environmental impact. Coway therefore develops products with enhanced energy efficiency and reduced water usage to minimize our products' impact on the environment.

### Development of Products with Enhanced Energy Efficiency

Coway develops and applies vacuum insulation material application technology to products for the enhanced energy efficiency of hot and cold-water purifiers. We also increase energy efficiency in innovative ways by launching products using instant heating and semiconductor cooling technology.

Energy-efficient product development

### Water Purifiers (Model: CHP-480L)

- ① Energy consumption efficiency grade: **1st grade**
- ② Improvement
  - Apply inverter compressor → Reduce energy consumption by 65% compared to existing reciprocating compressors
  - Application of three-stage hot water control technology (85 °C, 70 °C, 45 °C)




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Energy-efficient product development

### Air Purifiers (AP-1515D)

- ① Energy consumption efficiency grade: **1st grade**
- ② Improvements compared to existing ones
  - Application of double suction flow design technology: 50% energy saving compared to existing single suction flow



Reducing packaging weight and applying eco-friendly packaging

### Reduced weight of packaging material

- ① Reduction of AP-1013F : Change of packaging box (double → single)
- ② Reduction of AP-3008FH : Change of cushion foaming magnification and weight reduction
- ③ AP-1015A, AP-1016P, AP-1016A : Reduction of package cushion size and weight, change of package box and size reduction

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Eco-friendly packaging

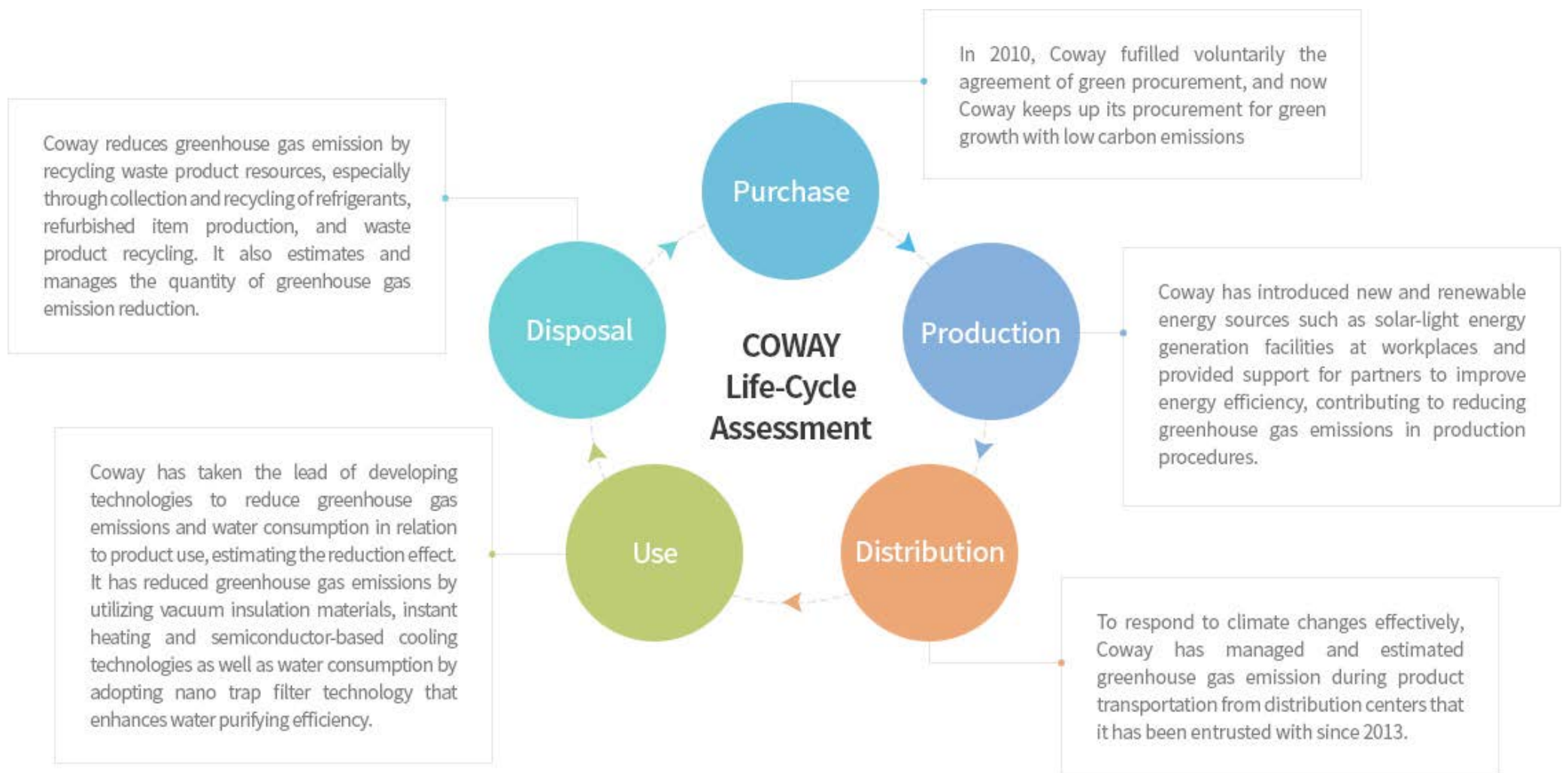
### Eco-friendly packaging

- ① Acquired GP certification for green packaging  
Model : AP-1016A, AP-1016P  
Improvement : Compact design of cleaner packing cushion
- ② Acquired GP certification for environmental friendly packaging for water purifier  
Model : P-350N  
Improvement : Compact design of water purifier packing cushion



### 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.



## Eco-friendly Certification

In order to minimize environmental impact through customers' use of our products, Coway continuously develops technologies and gets its products certified by authorized agencies and other stakeholders to ensure reduced energy consumption and carbon emission. In 2016, Coway obtained two carbon balloon certifications, a first in the global water purifier industry.

	2014	2015	2016
<b>Low Carbon Product Certification</b>	1	-	-
<b>Carbon Emission Certification</b>	3	4	-
<b>Environmental Certification Mark</b>	1	7	4
<b>Water Footprint<sup>1)</sup></b>	-	1	-
<b>Carbon Neutral Product Certification<sup>2)</sup></b>	-	1	-
<b>* Carbon Balloon<sup>3)</sup></b>	-	-	2

\*NEW

- 1) Water footprint : Measures the total amount of water directly and indirectly used to produce the goods and services we use, over the entire lifecycle from the acquisition of raw materials to production, distribution, use, and disposal. The water footprint is assessed according to the requirements of ISO 14046 of the International Organization for Standardization.
- 2) Carbon neutral product certification: Granted to products whose company has purchased carbon credits equivalent to the amount of greenhouse gasses emitted throughout the products' lifecycle, from the acquisition of raw materials to their production, distribution, use, and disposal, or products that have achieved zero (0) carbon emission by greenhouse gas reduction activities.
- 3) Carbon Balloon : While the Carbon Reduction Label calculates the carbon footprint of a product over its entire lifecycle based on certification standards in Korea, the Carbon Balloon is an international carbon reduction label certification granted by calculating carbon emission over the lifecycle of a product. It is based on stricter ISO14044 & PAS 2050 standards.



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Strategy and Organization

CSR the Coway Way

Expanding the Culture of Sharing

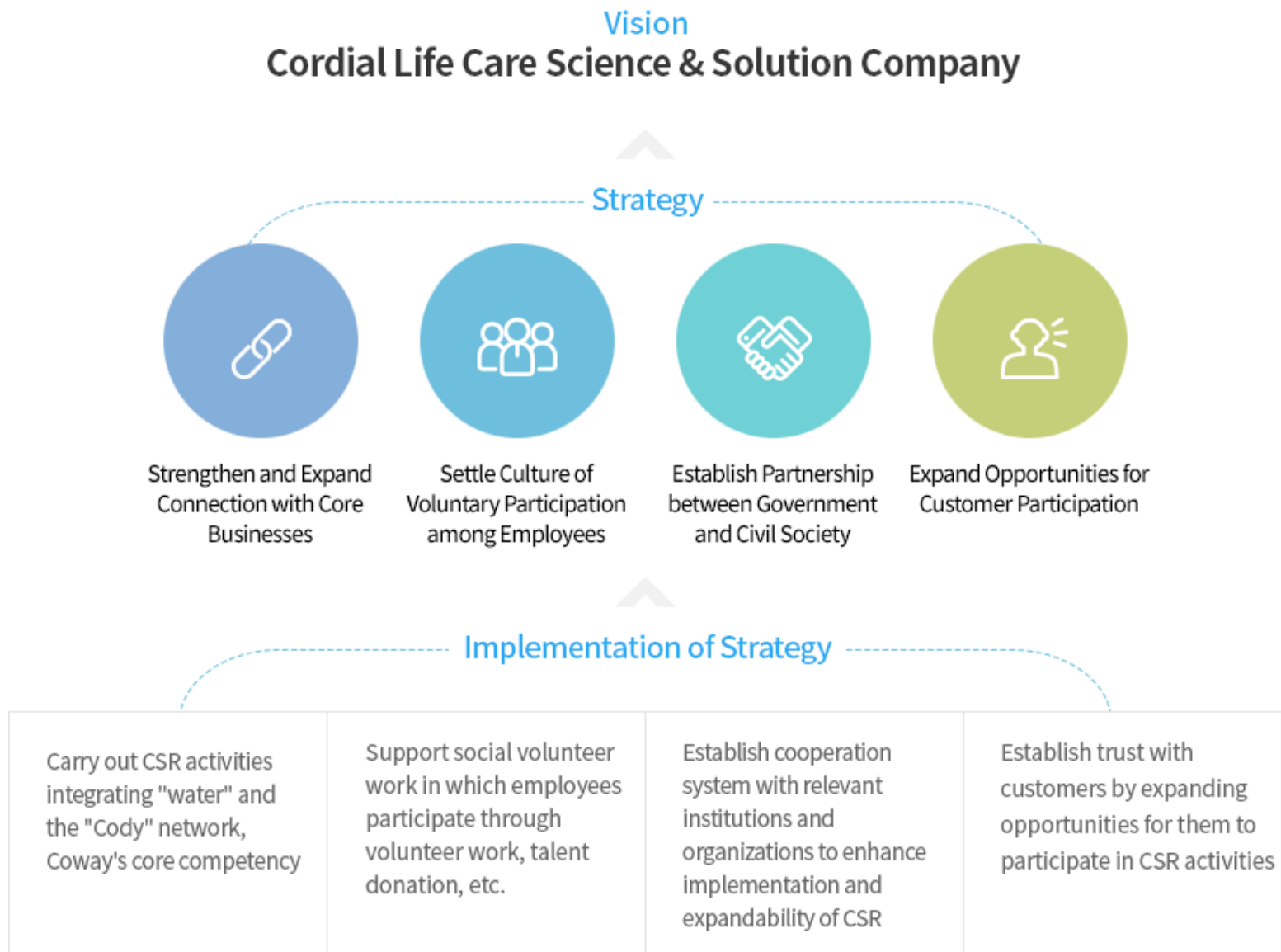
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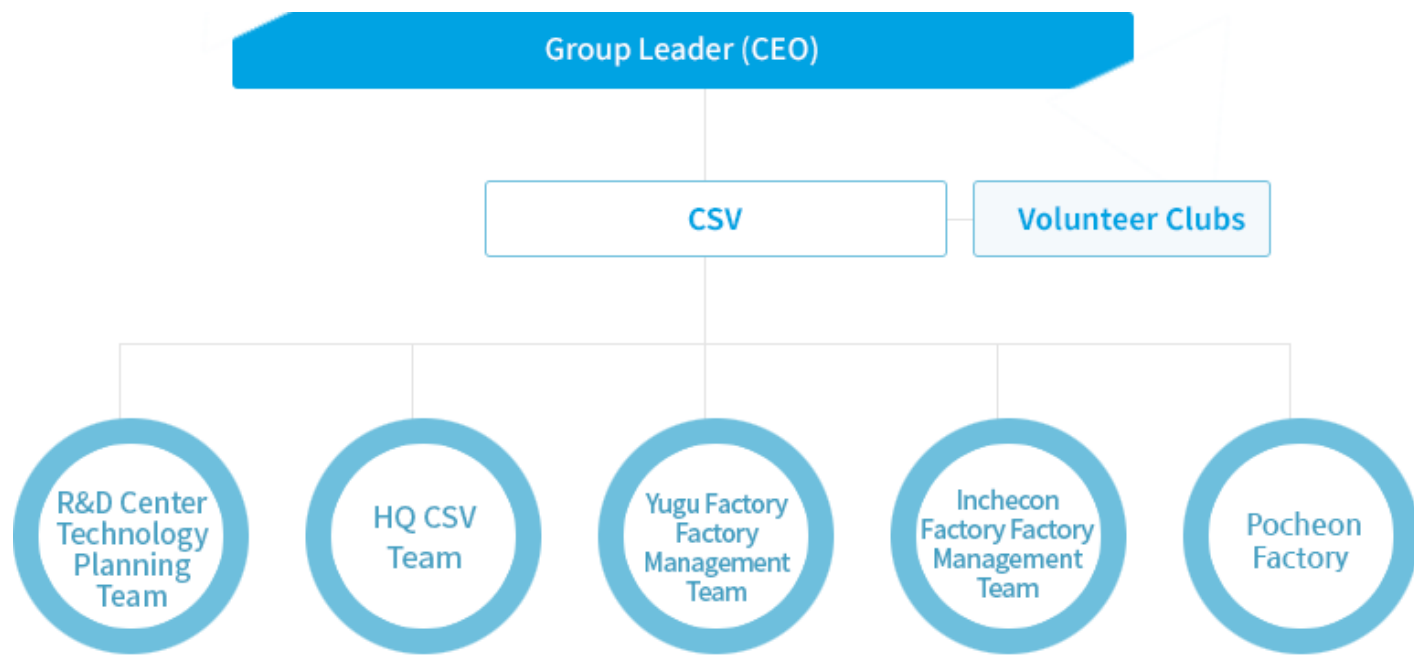
## Strategy and Organization

### Vision

Based on our "belief in goodness," the belief that we can make the world a better place by doing what we do, Coway practices corporate social responsibility for the sake of all people and the environment. We push forward "corporate social responsibility the Coway way" by doing what we do best, wherever we are most needed.



### Coway Volunteer Group





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Strategy and Organization

CSR the Coway Way

Expanding the Culture of Sharing

Related Links

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## Contributing to Society the Coway Way

### Coway's Activities for Creating Social Values

Coway endeavors to fulfill its role as a responsible corporate citizen and contribute to the positive development of society through its core business. By doing what we do best, Coway shares the value of clean water and air for society's growth. Coway also carries out many CSR activities "the Coway way," including the Clean Water campaign and talent donation.

Coway conducts research on water and air, fundamental elements for healthy living, and carries out many activities to promote water welfare in both domestic and global communities. Our ultimate goal is to give everyone access to clean water and air. Through "Wi School," a program to help young entrepreneurs build start-up companies, Coway helps members of our society grow and find success.

#### Clean Water Campaign

World Water Day, designated by the United Nations, is celebrated annually on March 22. In celebration of World Water Day, Coway held the "Water Christmas in March Campaign" to share the importance of water. The campaign aims to deliver information on water drinking and stress the value of clean water. For this campaign, a "clean water tree" was made using Coway Trust water bottles. Coway's employees dressed up as Santa Claus to give out water bottles and cards with information on water.



#### Providing Rainwater Supply Devices in Malaysia

Coway provides rainwater supply devices in regions with low water access in Malaysia for sustainable water supply. For this pilot project, undertaken in 2016 jointly with a local company in Malaysia, one village comprising 17 households and 73 families was selected. We plan to continue our value-sharing efforts overseas by increasing the number of beneficiaries through medium and long-term planning and supporting continuous monitoring.

#### Well Digging in Cambodia

Since 2006, Coway has built 1,000 pump wells in Cambodia, providing over 50,000 of its people in 14 states with clean and safe water through a 10-year-long well-digging project. In addition, Coway works in cooperation with the World Wildlife Fund (WWF) for the maintenance of the wells, aiming to fundamentally improve the water environment in Cambodia and help its people access safe drinking water.

#### Coway Wi(What is Start Up) School

Coway provides mentoring to participants who are considering and preparing for one-man startups, shares Coway's know-how gained through operating the Cody (one-man business) network, and arranges lectures of experts in various fields such as business start-ups, marketing, and investment. In 2016, 100 young future business owners were selected as participants of the First Wi School, learning the basics of entrepreneurship and gaining confidence for successfully starting a business.



Sustainability Management Community

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Expanding the Culture of Sharing

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## Expanding Our Culture of Sharing

### Hanppyum Sharing - Regular Small Donation Program

As part of Coway's sharing activities, our employees make regular small donations. "Hanppyum (handspan) Sharing" is Coway's goodness-sharing culture. We spare a small amount, just a handspan, of what we have, and share it with others to share our love for our neighbors. Employees can choose among Coway's major CSR projects—support for abandoned children, bringing drinking water to water-scarce countries, and building schools in Africa—and make monthly donations of KRW 1,000. Coway makes an additional donation at the company level, of the total amount donated by our employees.

#### Hanppyum Sharing Participation Status



#### Donation Status by Support Project

(October 2015 ~ September 2016, Unit: KRW)

	Support for Abandoned Children	Support of Drinking Water in Cambodia	Building Schools in Africa	Total
Executive-level Donation(Deducted from Salary)	40,138,000	19,998,000	27,721,000	87,857,000
Corporate Matching Funds/Support Funds Included	80,276,000	40,541,000	700,000,000	190,817,000

#### Hanppyum Sharing - Talent donation activity

Coway 'Hanppyum Love' is a representative social contribution project of Coway that goes one step closer to the neighbors and carries out love through volunteer service and talent donation. All employees of Coway are participating in Hanppyum Love for not only our employees but also sales and service partners. In 2016, Homecare DR. helped to raise the quality of life for our neighbors and help them to live in clean house. Coway continue to fulfill our social responsibility and take the lead in spreading sharing culture throughout the society.





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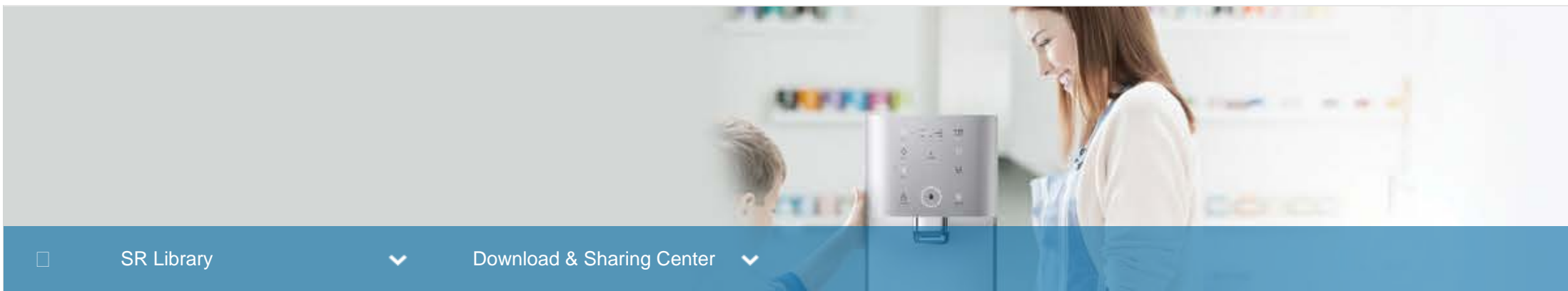
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### Contact Us

#### Report Inquiry

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<b>Department</b>	CSV Team
<b>e-Mail</b>	sustainability@coway.co.kr





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## 이해관계자 참여

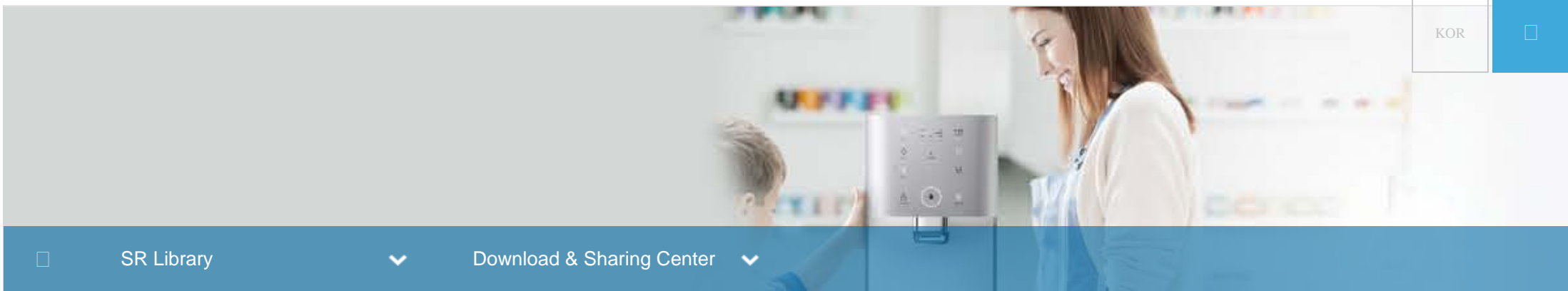
### 주요 이해관계자 정의 및 소통 채널

코웨이는 기업 활동에 대해 영향을 주고 받는 조직 내·외부의 주체를 이해관계자로 정의하고 이를 7개 그룹으로 분류하였습니다.

또한 각 이해관계자와의 커뮤니케이션을 지속가능경영의 성공적 추진을 위한 필수적인 요소로서 인식하고, 다양한 소통채널을 운영하고 있습니다.

구분	정의	주요 관심사
	소통채널	소통활동
고객	제품·서비스의 구매자뿐 아니라, 코웨이와 가치를 공유하는 모든 주체를 의미합니다.	고객 만족도 향상 노력, 차별화된 고객 서비스, 체계적인 고객 피드백 관리, 고객 불만 처리, 철저한 고객정보보호
	웹사이트 VOC/콜센터	뉴 하트서비스 무한책임위원회 신설 및 사이트 운영
주주·투자자	자본 투자자는 물론, 간접적·비재무적 투자자까지 모두 포괄하는 의미입니다.	수익성 개선, 배당정책, 건전한 기업지배구조, 사업 기회 및 위험 관리
	수시 IR미팅 주주총회	기업설명회 경영정보공시
정부	영업하는 국가를 대변하여 통치권을 행사하는 모든 기관·단체를 의미합니다.	법인세 등 세금 납부, 사회공헌 활동 전개
	정부산하기관 협의회 기업공시	민관 협력 파트너십 구축 세미나 개최
학계·언론	코웨이와 다른 이해관계자들이 소통할 수 있도록 정보를 생산·전달하는 주체입니다.	기업 정보의 투명한 공개
	기업공시 보도자료	경영정보 공시 보도자료 배포
파트너	고객에게 제품·서비스를 제공할 수 있도록 자재와 서비스를 공급하는 모든 주체입니다.	협력사 재무/기술/교육 지원, 협력사 환경/윤리경영 지원, 협력사 근무환경 개선
	협력사협의회 상생포털	기술 및 자금 지원 성과 공유제
임직원	코웨이와 함께 성장하는 핵심 자원으로, 지속적 능력 개발을 통해 회사와 개인의 비전을 달성하는 사람들입니다.	공정한 평가보상, 교육 및 역량 개발, 가족친화경영, 고용현황 공개
	노사협의회 고충처리제도 인사 위원회	Beyond Coway 코웨이데이
지역사회	사업 수행에 영향을 미치는 지리·행정 구역을 의미하며, 나아가 코웨이와 이해관계자가 살아가는 사회를 모두 포괄합니다.	지역사회와의 소통, 윤리경영 성과 공개, 다양한 사회공헌 및 자원봉사 활동
	지역협의회 NGO미팅	행복한 우물파기 한뼘사랑

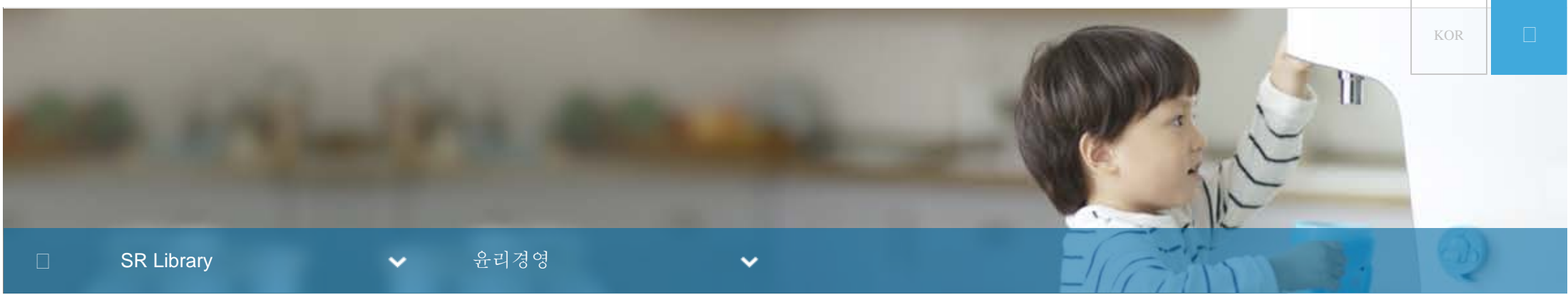




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No.	Subject	Date
16	코웨이, 'Wi School'로 청년 창업지원 나선다 ..	2016.12.08
15	코웨이, 정수기 위생관리 서비스 혁신한다	2016.10.31
14	코웨이, CDP '탄소경영 섹터 아너스' 8년 연속 선정..	2016.10.31
13	코웨이, 2016 다우존스지속가능경영 월드지수에 편입	2016.09.19
12	3년 연속 동반성장지수 '최우수 등급' 획득	2016.08.01
11	[정보공개] 2015 Carbon Report	2016.07.27
10	코웨이 탐퍼교체 매트리스 3중, 환경표지인증 획득	2016.07.27
9	코웨이, 친환경 포장으로 'GP마크' 획득	2016.05.12
8	코웨이 신입사원, 봉사활동으로 사회생활 '첫 발'	2016.04.15
7	코웨이 정수기 필터, 국내 최초 녹조 대응 인증 획득	2016.04.08



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### Sustainability News

Subject	3년 연속 동반성장지수 '최우수 등급' 획득
Date	2016.08.01

라이프케어기업 코웨이가 지난 6월 30일 동반성장위원회가 발표한 동반성장지수 평가'에서 3년 연속 최고 등급인 '최우수 등급'을 획득했으며, 최우수 명예기업으로도 선정됐다고 밝혔다.

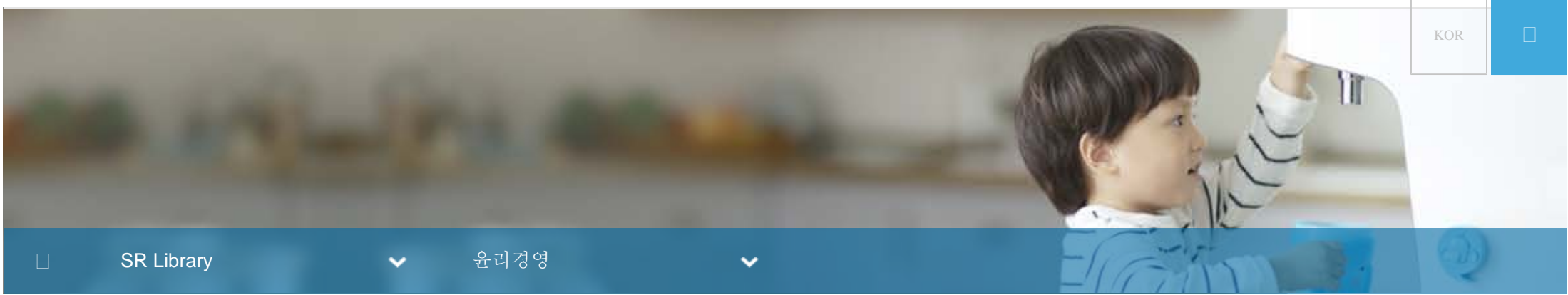
동반성장지수 평가는 동반성장위원회가 기업의 동반성장 수준을 계량화한 지표로 매년 평가를 통해 4개 등급(최우수우수양호보통)으로 발표하고 있다. 올해는 133개 기업을 대상으로 동반성장지수를 평가했으며, ▲25개사가 최우수 등급 ▲41개사가 우수 등급 ▲46개사가 양호 등급 ▲21개사가 보통 등급을 받았다. 특히 3년 이상 동반성장지수 최우수등급을 받은 최우수 명예기업으로 코웨이, 삼성전자(5년 이상), SK종합화학, SK텔레콤(4년 이상), 기아자동차, 현대자동차 등 6개사가 선정되었다.

최우수 명예기업으로 선정된 코웨이의 이번 수상은 협력사와의 동반성장 관계 구축을 위한 ▲공정거래 문화 확립 ▲협력사와의 소통 강화 ▲협력사 경쟁력 강화 ▲동반성장 지원 프로그램 진행 ▲1/2차 협력사 간 상생문화 유도 프로그램 등을 지속적으로 전개해 온 점을 인정받았다는 평가다.

최영진 코웨이 SCM 부문장은 "그동안 협력업체 경쟁력 향상을 위해 상생협력 범위를 넓히고 현장 인재육성에 적극 힘쓴 점을 인정받아 좋은 성과를 거뒀다"며 "앞으로도 협력사의 경쟁력이 곧 코웨이의 경쟁력이라는 신념을 바탕으로 실효성 있는 투자와 지원을 아끼지 않고 확대해 나갈 계획이다"라고 말했다.

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### Sustainability News

<b>Subject</b>	코웨이 정수기 필터, 국내 최초 녹조 대응 인증 획득
<b>Date</b>	2016.04.08

환경가전서비스기업 코웨이 정수기 필터가 미국위생협회(NSF International)로부터 먹는 물 관련 새로운 표준 NSF P477을 인증 받았다.

미국 국가표준인 'NSF P477'은 2016년에 제정된 규격으로, 정수 장치의 '마이크로시스틴' 제거 성능 관련 인증이다. 마이크로시스틴은 남세균에 의해 생성되는 독소 종류로, 녹조 발생 시 대량 생성되며 식수 및 관개용수 공급의 주요한 위협으로 제기되고 있는 물질로 알려져 있다.

코웨이 '플러스이노센스필터'는 마이크로시스틴 제거 성능에 대한 검사를 통과하며 미국위생협회로부터 위 인증을 획득했다. 코웨이는 녹조 이슈 확대에 따른 먹는 물에 대한 소비자들의 불안감이 점차 커짐에 따라 정수기 물을 안심하고 마실 수 있도록 이번 인증을 획득했다.

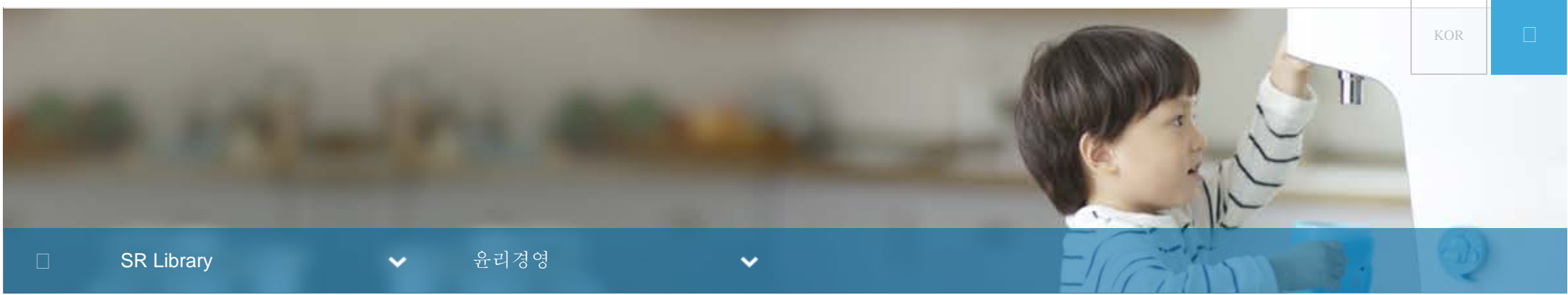
이선용 코웨이 환경기술연구소장은 "소비자들이 안심하고 물을 마실 수 있도록 공신력 있는 해외 인증을 취득했다"며 "이번 인증 취득으로 제품에 대한 안전성 확보는 물론 회사에 대한 신뢰도까지 함께 증대할 것으로 기대한다"고 말했다.

\*NSF International은 1944년에 설립되어 공중 보건 및 환경 분야의 표준 개발, 제품 인증, 시험 등을 수행하는 기관으로, 세계보건기구(WHO)가 음용수 및 정수기에 관한 실험기관으로 공식 지정한 법인이다.



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### Sustainability News

<b>Subject</b>	[정보공개] 2015 Carbon Report
<b>Date</b>	2016.07.27

1. 보고서 목적

2015 Carbon Report는 투자자 및 소비자에게 코웨이의 기업활동으로 인해 발생하는 온실가스의 배출과 저감활동에 대해 투명하게 정보를 제공하는데 있습니다.

2. 보고 기간

2015년 1월 1일부터 12월 31일까지입니다. 그러나 이해를 돕기 위해 일부 항목은 이전 연도의 실적을 함께 수록하였습니다.

3. 보고 범위

코웨이 생산공장(유구/인천/포천), 물류센터, 환경기술연구소(서울대연구공원), 화장품연구소, 중앙일보빌딩(서울사무소) 및 물환경사업부의 성과를 중심으로 기술하였으며, 국내 현장 영업점과 협력회사에 대한 정보도 일부 포함하였습니다.

4. 보고 기준

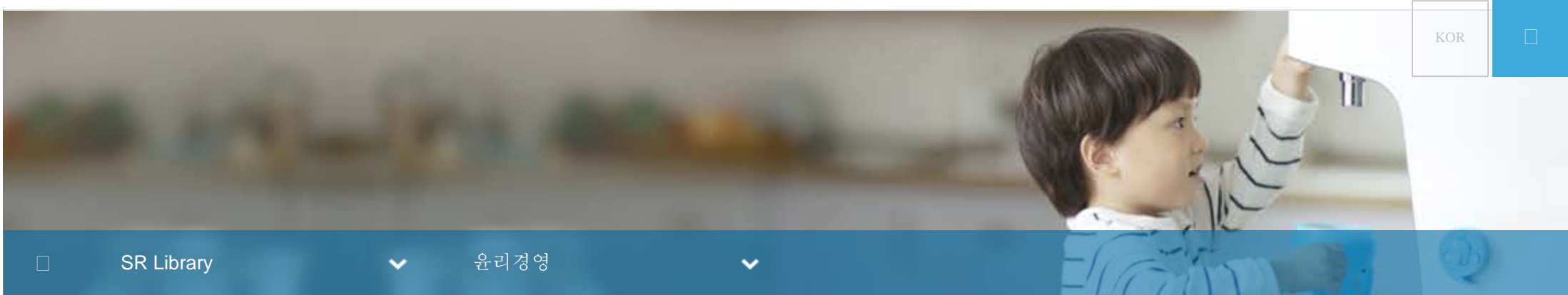
보고서 작성 기준은 <대한민국 온실가스·에너지 목표관리 운영 등에 관한 지침>, <탄소정보공개프로젝트(Carbon Disclosure Project, CDP) 2015>와 GRI(Global Reporting Initiative) G4 가이드 라인>의 경제, 환경지표를 기준으로 작성되었습니다.

5. 보고서 검증

2015년 코웨이 Carbon Report는 별도의 검증을 받지 않았으며, 온실가스 배출량 제3자 검증 결과를 기준으로 탄소 관련 정보를 세부적으로 공개하는 데 목적이 있습니다.

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## Sustainability News

<b>Subject</b>	코웨이, CDP '탄소경영 섹터 아너스' 8년 연속 선정
<b>Date</b>	2016.10.31

라이프케어기업 코웨이가 CDP 한국위원회로부터 기후변화 대응이 우수함을 인정받아 선택소비재 부문 '탄소경영 섹터 아너스'에 8년 연속 선정됐다.

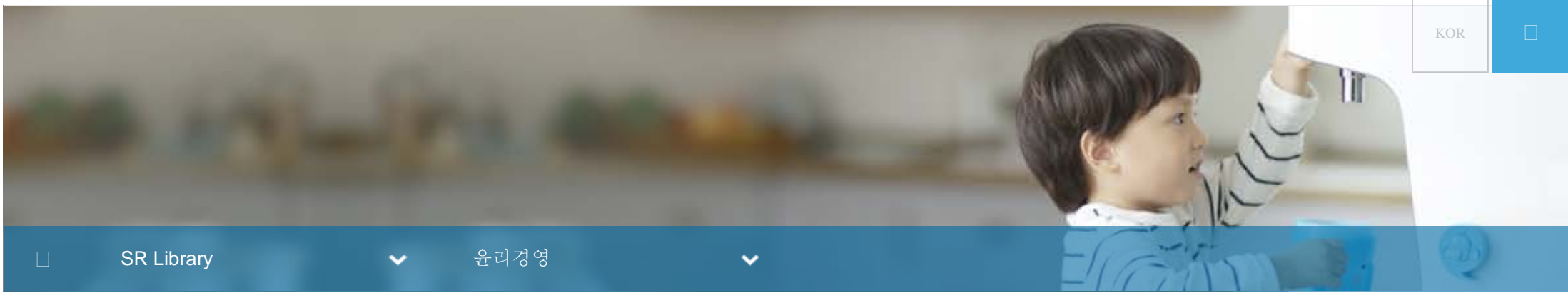
CDP는 전세계 금융투자기관의 위임을 받아 각국의 주요 상장기업을 대상으로 기후변화, 물, 삼림자원 등 글로벌한 환경이슈 대응과 관련한 경영정보를 요청하는 글로벌 프로젝트명이자 국제적인 비영리기관명이다. 수집된 정보는 매년 보고서로 발표되어 전세계 금융기관의 투자지침서로 활용된다. 국내 평가는 CDP 한국위원회가 국내 상장기업 중 시가총액 상위 200대 기업에 기후변화 경영 관련 정보를 요청해 분석한 결과이다.

코웨이는 태양광 발전 시범 도입, 사업장 내 LED 설치를 통한 에너지 사용 저감, 친환경 기술 개발 등의 활동을 인정받아 '탄소경영 섹터 아너스'에 선정됐다.

신광식 코웨이 환경품질연구소장은 "코웨이는 제품이 생산되고, 사용되는 과정에서 발생하는 환경에 대한 영향을 최소화하기 위해 노력하고 있다"며 "앞으로도 다양한 친환경 기업 활동을 통해 소비자와 기업, 환경 모두를 만족시키는 기업이 될 것이다"고 말했다.

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Sustainability News

Subject	고용노동부 '남녀고용평등 장관 표창' 수상
Date	2017.06.09

라이프케어기업 코웨이(대표 이해선, www.coway.co.kr)가 5월 31일 고용노동부가 주관하는 2017년 남녀고용평등 우수기업 시상식에서 장관표창을 수상했다고 밝혔다.

'남녀고용평등 우수기업'은 고용노동부가 매년 남녀가 동등하게 일할 수 있는 고용환경 조성에 앞장 선 우수기업을 종합적으로 평가해 시상하는 제도이다.

코웨이는 전체 근로자 중 여성근로자의 비율이 높고 남녀고용평등을 위한 다양한 제도를 운영하고 있다. 육아휴직을 남녀의 구분 없이 자유롭게 사용하고 있으며, 육아휴직자의 평가 및 승진에 대한 불이익이 발생하지 않도록 모니터링 하는 등 여성 고용 촉진과 일·가정 양립 지원을 위한 실효성 있는 제도들을 시행한 점을 높이 평가 받았다.

이 밖에도 출산휴가 및 육아휴직 중인 직원의 편의를 위해 모바일 그룹웨어를 개발하였으며, 직원가족의 회사방문과 힐링여행을 지원하는 코웨이데이, 코웨이 행복농장 분양, 리프레쉬휴가제도 등 다양한 가족친화적인 복리후생제도를 운영하고 있다.

이와 같은 제도운영으로 2016년 일하기 좋은 100대기업 6년연속 대상(GWP코리아 주관)을 수상하였으며, 2017년에는 2013년에 이어 남녀고용평등우수기업 장관표창을 수상하게 되었다.

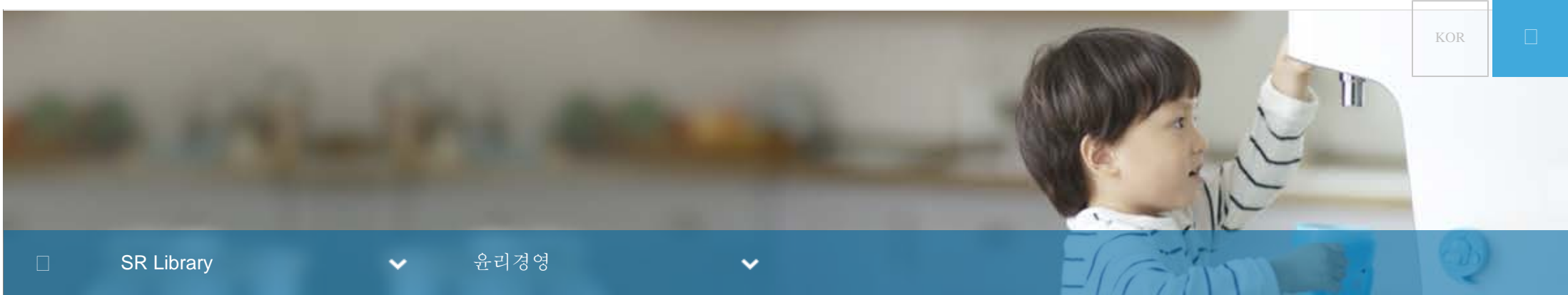
이재호 코웨이 경영관리본부장은 "남녀고용평등을 넘어 일하기 좋은 환경을 구축하기 위한 지속적인 개선활동이 무엇보다 중요하다"며 "직원들과의 친근한 소통을 통해 다방면에서 지원을 아끼지 않을 것"이라고 수상 소감을 전했다.



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## Sustainability News

Subject	코웨이, 친환경 포장으로 'GP마크' 획득
Date	2016.05.12

라이프케어기업 코웨이가 공기청정기(5, 10, 15, 20, 25평형) 포장에 대해 친환경 포장 인증 마크인 'GP마크'를 획득했다고 12일 밝혔다.

환경부가 후원하고, 한국환경포장진흥원이 주관하는 GP마크(Green Packaging Mark)는 제품 포장재의 소재, 제조 방법, 디자인 등에 대해 친환경성, 품질 우수성, 경제성 등을 종합적으로 평가해 인증하는 제도다.

이번에 GP마크를 획득한 코웨이 공기청정기 포장재는 낙하 충격 해석 시뮬레이션을 적용해 운송 중에도 안전하게 제품을 보호할 수 있으며 포장재 최소화 설계를 바탕으로 기존 대비 약 31%의 포장재 절감 효과도 볼 수 있는 것이 특징이다.

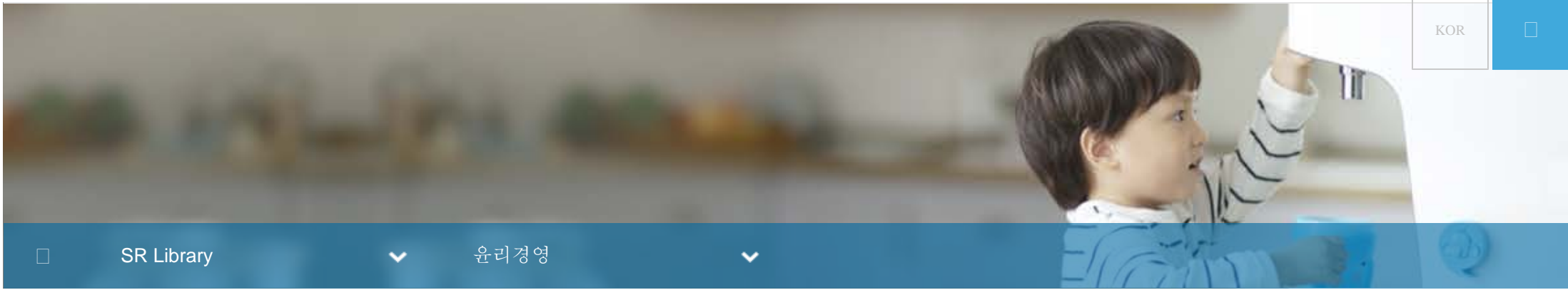
이선용 코웨이 환경기술연구소장은 "코웨이는 제품이 생산되고, 사용되는 과정에서 발생하는 환경에 대한 영향을 최소화하기 위해 노력하고 있다"며 "앞으로도 코웨이는 GP마크 획득 외에도 다양한 친환경 기업 활동을 통해 소비자 및 기업, 환경 모두를 만족시키는 기업이 될 것이다"라고 소감을 전했다.

한편, 코웨이는 환경보호를 목적으로 지구가 쉴 수 있도록 1년에 60분 동안 전등을 소등하는 참여형 캠페인 'Earth Hour'에 동참하고 있으며 친환경 생산 프로세스 운영을 통한 전력 사용과 온실가스 배출 절감 등 다양한 환경친화 활동을 진행하고 있다.



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Sustainability News

Subject	코웨이 신입사원, 봉사활동으로 사회생활 '첫 발'
Date	2016.04.15

환경가전서비스기업 코웨이(대표 김동현, www.coway.co.kr ) 신입사원들은 지난 15일 서울시 종로구에 위치한 아름다운가게 안국점을 찾아 '코웨이 신입사원과 함께하는 일일가게' 봉사활동을 펼치며, 나눔의 마음을 실천했다.

코웨이는 경영정신인 '착한 믿음'을 기반으로 나눔 가치를 실천하기 위해 매년 신입사원 연수 기간 동안 신입사원 봉사활동을 진행하고 있다.

이 날 봉사활동에는 김동현 코웨이 대표이사와 함께 신입사원 21명이 참여했으며, 코웨이 임직원들이 기증한 도서 및 의류, 가전 등을 분류하고, 직접 판매 하는 등의 봉사활동을 펼쳤다. 임직원 기증 제품의 판매 수익금은 아름다운가게에 기부를 통한 어려운 이웃을 위해 사용될 예정이다.

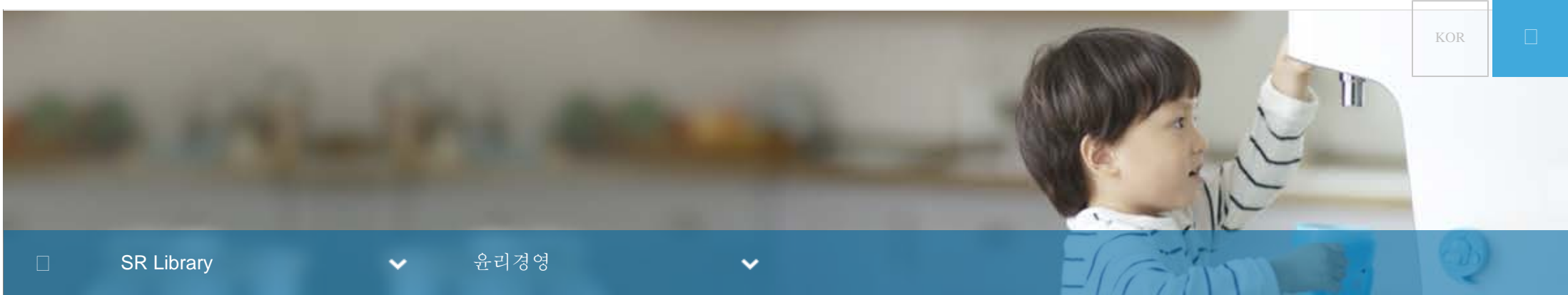
봉사활동에 참여한 이원호 코웨이 신입사원은 "사회생활의 첫 시작을 동료들과 함께 어려운 이웃에게 작은 행복을 전달할 수 있어 뜻 깊은 시간이었다"라고 말했다.

김동현 코웨이 대표이사는 "이번 봉사활동은 신입사원들과 함께 경영정신인 착한믿음을 함께 실천하는 좋은 시간이었다"며 "앞으로도 사회적 책임을 다하고 나눔 문화가 사회 전역에 확대될 수 있도록 진정성 있는 봉사활동에 앞장서겠다"고 말했다.



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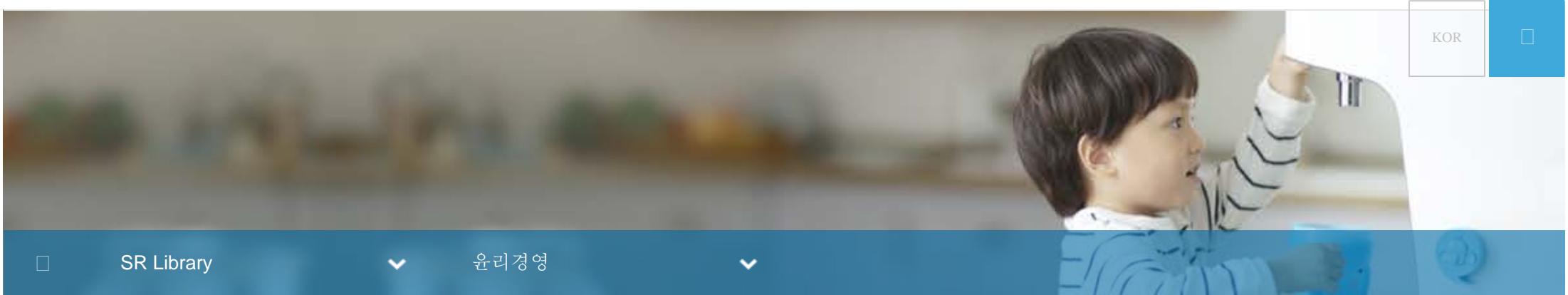
### Sustainability News

<b>Subject</b>	코웨이, 2016 다우존스지속가능경영 월드지수에 편입
<b>Date</b>	2016.09.19

코웨이가 2016 다우존스 지속가능경영 월드지수에 처음으로 편입됐다. 2015년까지 3년 연속으로 아시아퍼시픽 지수에 편입됐던 코웨이가 올해는 월드, 아시아퍼시픽, 코리아 지수에 모두 편입되었다. 시가 총액 기준으로 전 세계 상위 2,535개 기업 중 317개 기업이 다우존스 지속가능경영 월드지수에 편입됐다. 한국에서는 코웨이를 비롯해 엘지전자, 삼성증권, SK텔레콤, 에쓰오일, KT, 포스코 등 21개 기업이 월드지수에 이름을 올렸다. 다우존스 지속가능경영지수는 경제, 사회, 환경적 측면을 고려해 기업의 지속가능성을 평가하는 글로벌 지수로, S&P 다우존스 인덱스와 지속가능성 투자기관인 로베코셈이 공동 개발해 발표하고 있다.

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### Sustainability News

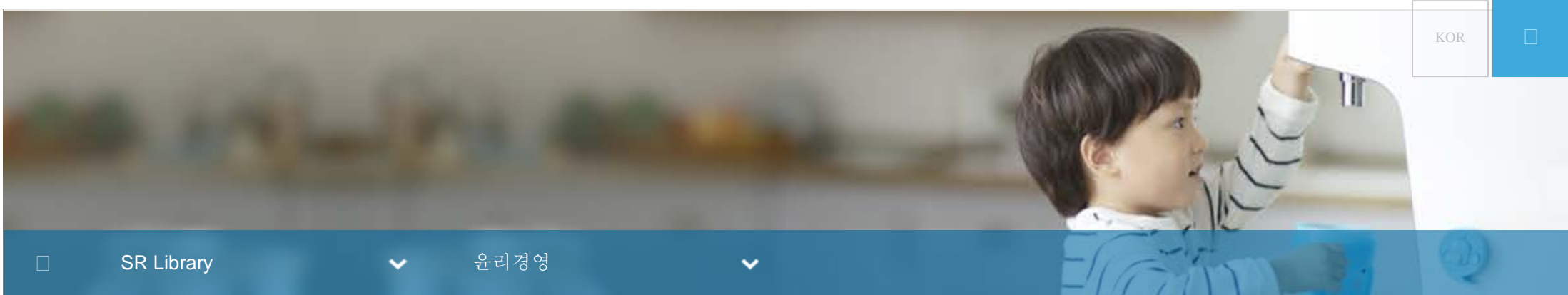
<b>Subject</b>	세계 환경의 날 기념 '코웨이 런(Coway Run)' 개최
<b>Date</b>	2017.06.21

코웨이는 지난 6월 5일 세계 환경의 날을 맞아 마라톤 기부 행사 '코웨이 런' 행사를 개최했다. 환경과 깨끗한 물의 소중한 가치를 전하기 위해 마련된 이날 행사에는 코웨이 고객과 임직원 2천 5백여명이 참여했다. 코웨이는 5km 코스를 완주한 참가자 수에 맞춰 환경보호기금을 조성해 환경재단에 기부했다.



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## Sustainability News

Subject	코웨이, '얼음' 시대에서 '아.이.스' 시대로
Date	2017.06.22

라이프케어기업 코웨이는 정수기 시장의 패러다임을 바꾸기 위한 목적으로 개발한 2017년 전략제품 &lsquo아이스 AIS&rsquo를 출시한다고 19일 밝혔다.

### I(Ice) &rsquo액티브쿨링 시스템&rsquo으로 끊임없이 자라나는 새로운 아이스 제공

코웨이 아이스 AIS는 증발기 없이 얼음을 만드는 &lsquo액티브쿨링 시스템&rsquo을 탑재했다. 액티브쿨링 시스템은 증발기에서 고드름이 생기듯 천천히 얼음이 맺혀 떨어지는 기존 제빙 방식과 달리 정수가 차가운 관을 지나면서 얼음이 되고, 아래에서 위로 자라 나오는 신개념 제빙 방식이다. 이 방식은 기존 방식 대비 제빙이 빠르고 풍부하며 깨물어 먹기 편한 원통 모양의 아이스틱(아이스+스틱 합성어)을 만들어낸다. 특히 제빙 과정 상 물과 얼음이 닿는 부분을 스테인리스 재질로 만들어 위생성을 높였다. 또한 아이스 AIS는 내부 탱크를 투명 재질로 만들어 물과 얼음의 깨끗함을 눈으로 직접 확인할 수 있도록 했다.

### A(Aqua pure)&rsquoCIROO 필터 시스템&rsquo 탑재로 더 깨끗한 물 제공

아이스 AIS는 코웨이의 특별한 필터 기술이 집약된 &lsquoCIROO(Coway Intensive Reverse Osmosis) 필터 시스템&rsquo을 탑재했다. CIROO 필터 시스템은 핵심 필터인 CIROO 필터와 C9 카본블록 필터로 구성됐다. CIROO 필터는 머리카락 수만 분의 1 이온물질까지 제거하는 얇고 조밀한 인텐시브 멤브레인 소재를 기존 RO 멤브레인 필터 대비 최대 24 더 촘촘하게 감아 고성능의 정수 성능을 유지하면서도 풍부하게 물을 추출할 수 있다. C9

카본블록 필터는 코웨이 자체 기술로 제작한 3단계 레이어 구조를 적용해 정수 성능을 강화했다.

아이스 AIS는 제품 스스로 순환살균 및 순환배수를 진행한다. 이 정수기는 전기분해 살균수로 물탱크, 유로, 파우셋 등 정수기 속 물이 닿는 부분을 스스로 살균해 더욱 안심하고 사용할 수 있다. 또한 24시간 동안 물 사용량이 적으면 정수기에 담겨 있던 물을 배출하고, 신선한 물을 채워주는 순환배수 기능을 적용했다.

### S(Sparkling)&rsquo직수 탄산 시스템&rsquo으로 더욱 간편하게 탄산수 추출 가능

아이스 AIS는 전용 용기에 물을 먼저 받고, 탄산을 주입하는 기존 방식과 달리 탄산수를 바로 추출할 수 있는 &lsquo직수 탄산 시스템&rsquo을 적용했으며 탄산 강도를 3단계로 조절할 수 있어 가정에서 편리하게 탄산수를 즐길 수 있다. 또한 정량 추출 기능을 적용해 반 컵(120ml), 한 컵(250ml), 두 컵(500ml) 중 사용자가 원하는 용량의 탄산수를 이용할 수 있다.

이 외에도 아이스 AIS는 3단 맞춤 온도(45°C · 70°C · 85°C) 시스템을 적용해 상황과 용도에 따라 편리하게 사용할 수 있으며 순간온수 시스템과 순환냉각 냉수 시스템 적용으로 사용 전기량을 최소화해 에너지소비효율 1등급을 획득했다.

이해선 코웨이 대표이사는 &ldquo아이스 AIS는 &lsquo더 깨끗한 콜드워터(Aqua pure)&rsquo, &lsquo더 빠르고 풍부한 아이스(Ice)&rsquo, &lsquo더 짜릿해진 스파클링(Sparkling)&rsquo을 하나의 제품으로 모두 경험할 수 있는 혁신적인 제품이다&rdquo며 &ldquo이 제품의 출시로 정수기 시장에서 얼음, 탄산, 물의 개념이 완전히 바뀌게 될 것이다&rdquo고 말했다.



# AIS

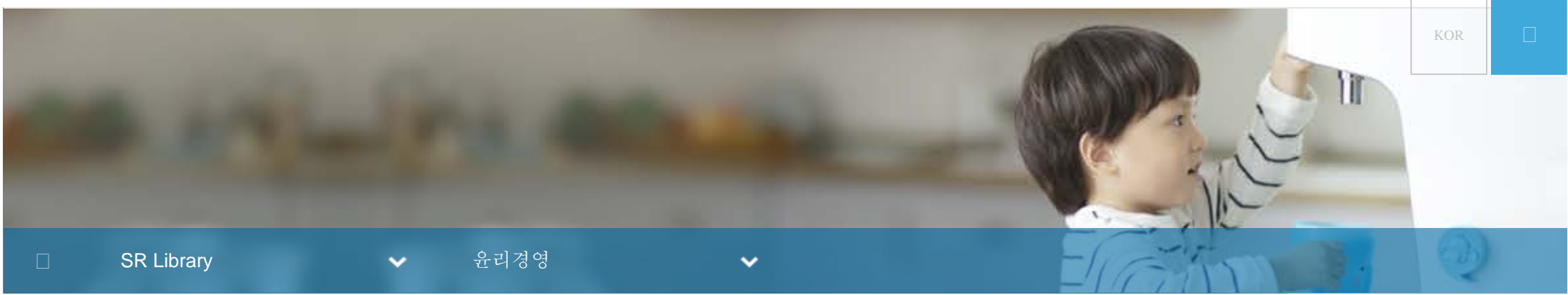
AQUA pure  
ICE  
SPARKLING



File

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### Sustainability News

<b>Subject</b>	코웨이, 'Wi School'로 청년 창업지원 나선다
<b>Date</b>	2016.12.08

라이프케어기업 코웨이는 청년들의 성공적인 창업을 돕기 위해 체계적인 맞춤 창업 교육을 제공하는 새로운 공유가치창출 (CSV · Creating Shared Value) 프로그램인 ‘코웨이 Wi School’을 실시한다. 지난 3일 서울시 중구 코웨이 본사에서는 ‘제1회 Wi School’ 발대식과 함께 이해선 코웨이 대표이사의 강연을 진행했다.

‘코웨이 Wi School(What is Start up)’은 최근 사회적 이슈가 되고 있는 청년 실업 문제 지원을 목적으로 코웨이만의 특화된 비즈니스 역량인 1인 기업 육성 노하우를 바탕으로 기획한 신규 공유가치창출 프로그램이다. 현재 코웨이에는 서비스 전문가인 코디(Coway lady) · 젊은 세일즈 전문가인 파랑새 등 약 2만 여명의 1인 기업이 있다.

코웨이 제1회 Wi School은 온라인 접수로 선발된 약 100 여명의 예비 청년 창업가를 대상으로 진행됐으며, 내년 5월 20일까지 월 2회 진행된다.

이번 코웨이 Wi School에서는 창업 · 마케팅 · 투자 등 각 분야에서 활약 중인 전문가들의 강연을 통해 비즈니스 모델 수립 · 마케팅 전략 · 사업 프레젠테이션 등 창업에 필요한 참신한 아이디어 및 인사이트를 제공하는 교육이 진행된다.

주요 강사진은 이해선 코웨이 대표이사를 포함해 고영하 고벤처포럼회장(왜 창업을 하는가), 조성주 카이스트 경영대학 교수(실패 확률을 줄이는 스타트업 전략) 등 각 분야의 전문가로 구성된다.

제1회 Wi School의 첫 번째 강연자로 나선 이해선 코웨이 대표이사는 ‘새로운 경제, 새로운 기업가 정신’이라는 주제로 기업가 정신의 필요성에 대한 열띤 강연을 펼쳐 예비 청년 창업가들로부터 큰 호응을 얻었다.

또한 코웨이는 맞춤 창업 교육과 더불어 참가자들을 대상으로 창업 전문가와 연계한 멘토링 프로그램도 함께 진행하며 1인 창업에 필요한 경영 전반의 컨설팅을 지원할 예정이다.

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## Sustainability News

<b>Subject</b>	코웨이 Wi School, 청년 창업지원 나선다
<b>Date</b>	2017.05.25

라이프케어기업 코웨이는 청년들의 성공적인 창업을 돕기 위해 체계적인 맞춤형 창업 교육을 제공하는 새로운 공유가치창출 (CSV · Creating Shared Value) 프로그램인 '코웨이 Wi School'을 실시한다. 지난 2016년 11월, 서울시 중구 코웨이 본사에서는 '제1회 Wi School 발대식과 함께 이해선 코웨이 대표이사의 강연을 진행했다.

코웨이 Wi School(What is Start up)은 최근 사회적 이슈가 되고 있는 청년 실업 문제 지원을 목적으로 코웨이만의 특화된 비즈니스 역량인 1인 기업 육성 노하우를 바탕으로 기획한 신규 공유가치창출 프로그램이다. 현재 코웨이에는 서비스 전문가인 코디(Coway lady) · 젊은 세일즈 전문가인 파랑새 등 약 2만 여명의 1인 기업이 있다.

코웨이 제1회 Wi School은 온라인 접수로 선발된 약 100 여명의 예비 청년 창업가를 대상으로 진행됐으며, 17년 5월 20일까지 월 2회 진행된다.

이번 코웨이 Wi School에서는 창업 · 마케팅 · 투자 등 각 분야에서 활약 중인 전문가들의 강연을 통해 비즈니스 모델 수립 · 마케팅 전략 · 사업 프레젠테이션 등 창업에 필요한 참신한 아이디어 및 인사이트를 제공하는 교육이 진행된다.

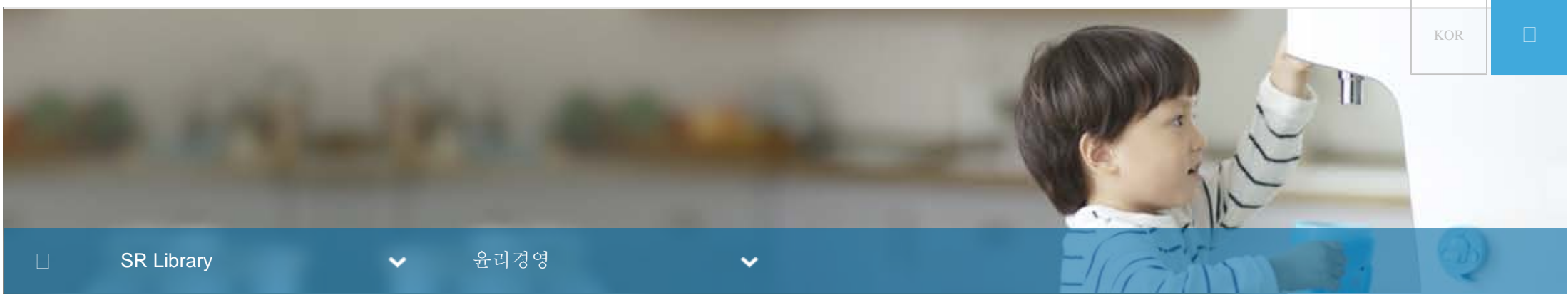
주요 강사진은 이해선 코웨이 대표이사를 포함해 고영하 고벤처포럼회장(왜 창업을 하는가), 조성주 카이스트 경영대학 교수(실패 확률을 줄이는 스타트업 전략) 등 각 분야의 전문가로 구성된다.

제1회 Wi School의 첫 번째 강연자로 나선 이해선 코웨이 대표이사는 '새로운 경제, 새로운 기업가 정신'이라는 주제로 기업가 정신의 필요성에 대한 열띤 강연을 펼쳐 예비 청년 창업가들로부터 큰 호응을 얻었다.

또한 코웨이는 맞춤형 창업 교육과 더불어 참가자들을 대상으로 창업 전문가와 연계한 멘토링 프로그램도 함께 진행하며 1인 창업에 필요한 경영 전반의 컨설팅을 지원할 예정이다.







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### Sustainability News

<b>Subject</b>	코웨이 탑퍼교체 매트리스 3종, 환경표지인증 획득
<b>Date</b>	2016.07.27

#### 코웨이 탑퍼교체 매트리스 3종, 환경표지인증 획득

라이프케어기업 코웨이(대표 김동현, www.coway.co.kr)는 탑퍼교체 매트리스 3종(CMK-S02, CMQ-S02, CMSS-S02)에 대해 환경표지인증을 획득했다고 22일 밝혔다.

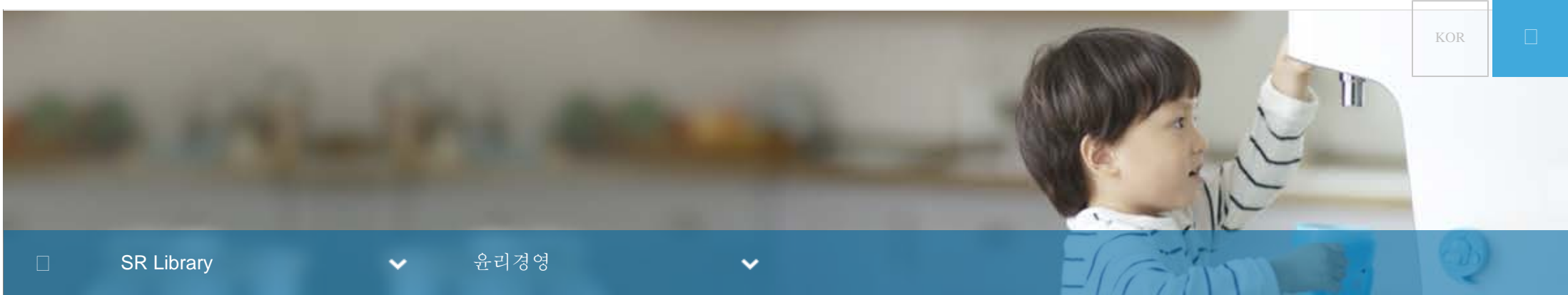
환경표지인증 제도는 생산 및 소비 과정에서 환경영향, 자원 및 에너지 소모를 제품에 ‘환경표지’를 표시해 소비자에게 친환경 제품에 대한 정보를 제공하고, 기업으로 하여금 소비자 니즈에 부합하는 친환경 제품을 개발·생산하도록 장려하는 제도로, 환경부 산하 한국환경산업기술원이 1992년부터 시행하고 있다.

탑퍼교체 매트리스 3종은 친환경 자재를 사용한 점을 인정받아 환경표지인증을 획득했다. 코웨이 탑퍼교체 매트리스 3종은 제품 수명주기를 고려해 고객들의 건강과 위생에 초점을 맞춘 제품이다. 본 매트리스를 렌탈하는 고객들은 3년(6년 렌탈 기준)에 한 번 탑퍼를 무료로 교체 받을 수 있으며 렌탈 기간 동안 위생적으로 매트리스를 사용할 수 있다.

코웨이는 환경표지인증을 획득한 매트리스 3개 제품뿐 아니라 현재 렌탈 및 판매 중인 매트리스를 대상으로 환경표지인증을 확대해나갈 계획이다. 백주현 코웨이 기술부문장은 “코웨이는 제품이 생산되고, 사용되는 과정에서 발생하는 환경에 대한 영향을 최소화하기 위해 노력하고 있다”며 “앞으로도 코웨이는 환경표지인증 획득 외에도 다양한 친환경 기업 활동을 통해 소비자와 기업, 환경 모두를 만족시키는 기업이 될 것이다”고 말했다.

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<b>Subject</b>	코웨이, 정수기 위생관리 서비스 혁신한다
<b>Date</b>	2016.10.31

- 장기 사용고객 부품교체 서비스 강화 등.. 고객 신뢰 회복 위해 철저한 위생 관리로 서비스 품질 개선

라이프케어기업 코웨이([www.coway.co.kr](http://www.coway.co.kr))는 최근 방송 보도 등을 통해 알려진 정수기 위생문제와 관련, 고객의 소중한 신뢰를 회복하기 위해 제품 품질 및 서비스 혁신에 최선을 다하겠다고 지난 25일 밝혔다.

코웨이는 정수기 위생 문제에 대비해, 지난해 5월부터 29개월차 렌탈 사용 고객들에게 주요 위생 부품을 교체해주는 스페셜 서비스를 제공해왔다. 스페셜 서비스는 기존에 정수기 관리 전문가인 코디들이 2~4개월마다 정기적으로 관리하는 서비스 외에 추가로 정수기 내/외부 살균 서비스와 위생 관리 주요 부품(수위제어장치, 코크) 및 유로(실리콘, 연결선 등)를 전면 교체해주는 서비스를 말한다.

고객들이 장기간 사용 시에도 안심하고 사용할 수 있도록 모니터링을 강화하는 한편, 스페셜 서비스를 더욱 확대할 계획이다. 스페셜 서비스 대상 여부 및 관련 문의는 콜센터(1588-5200)를 통해 확인 가능하다.

또한, 제품 자체의 위생성 강화를 위해 ▲정수기 모든 제품에 청소와 교체가 용이한 분리형 코크 연결팁 적용 ▲상품 기획단계부터 사후 관리와 부품교체가 용이하도록 프로세스 절차 재정비 ▲IoT 기술을 확대 적용하여 제품상태 및 필터 전후 수질에 대한 정보, 고객의 정수기 사용패턴 등에 따른 차별화된 관리정보 제공을 계획하고 있다. 만약 정기적인 관리서비스를 받지 않는 고객의 경우라도 점검주기가 되면 제품에 대한 안전성 경고 알람이 표시되는 기술도 적용할 예정이다.

한편, 정수기 서비스와 설치, A/S를 담당하는 전국 16개 시도별 1만3천여 명의 코디와 1천6백여 명 서비스닥터들을 통한 제품관리와 서비스 경쟁력을 높이고 고객 평가 접수 채널을 확대해 모니터링을 강화해 나갈 계획이다. 특히 9월부터 전국 서비스지점에서 제품의 위생상태를 점검하여 즉각 공유하는 모니터링 시스템을 가동하고 있다.

윤현정 코웨이 전략혁신본부장은 "고객의 신뢰 회복을 최우선으로 삼아 앞으로도 코웨이만의 차별화된 서비스를 고객들이 직접 체감할 수 있도록 서비스 혁신에 최선을 다하겠다"고 밝혔다.

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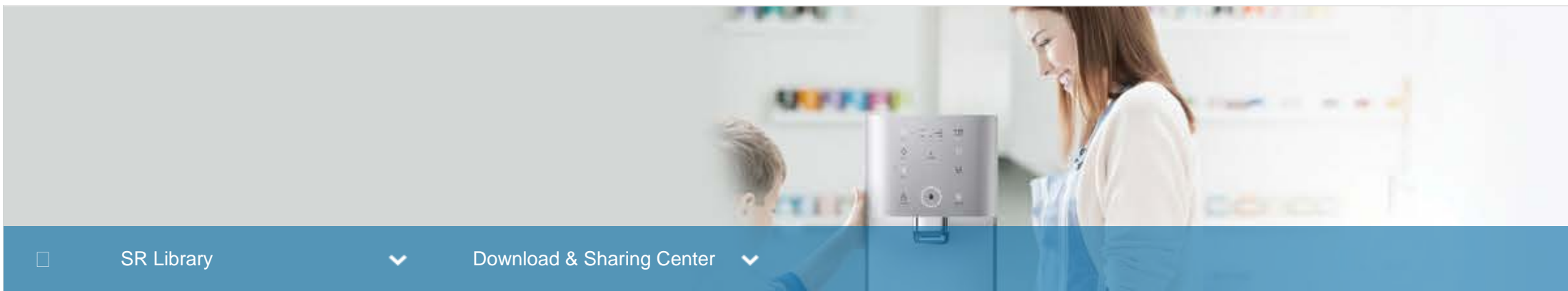
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### Verification Statement

2016 GHG Emissions, Energy Consumption, Solar Power Generation	
2016 Water usage	



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## Support for Global Initiatives



### 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.



### Selected as the Carbon Management Sector Honors

Coway was selected as the Carbon Management Sector Honors by the CDP (Carbon Disclosure Project) Korea for eight consecutive years in recognition of its excellence in response to climate change.



### 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.



### Listed as the Dow Jones Sustainability Indices(DJSI) World

Coway has been consistently named in DJSI Asia-Pacific since 2013 and has been newly added to the DJSI World index in 2016. In particular, Coway was highly acclaimed for responsible activities such as environmental policies and systems, occupational safety & health activities, and community contributions.



### Sustainable Development Goals (SDGs) Implementation Declaration

Following the adoption of the United Nations Sustainable Development Goals (SDGs) that are replacing the Millennium Development Goals (MDGs), we will endeavor to develop and implement solutions to attain the SDGs\*, exploring new opportunities for sustainable growth.

\* SDGs (Sustainable Development Goals) are a U.N. global initiative to be implemented from 2016 to 2030. It consists of 17 goals, pertaining to climate change, economic growth, and gender equality, and 169 targets.



**Review SDGs and Select Priority Goals**

- Decide priorities in SDGs response and select goals based on Coway's business activities in the past three years



**Internal/External Environment Analysis for Each Goal**

- Conduct in-depth research for implementation of the selected SDGs
  - Review goals and major activities in industries in the same sectors
  - Confirm suggested level of commitment
  - Confirm quantitative goals, future plans, etc.



**Implementation and Monitoring**

- Carry out activities to attain goals and reflect on corporate strategy and business activities
- Monitor activities once a year and report through the sustainability management report

**SDGs Response: Priorities and Plans**



**Goal 3.**

**Ensure good health and well-being for all at all ages**

Coway's business itself cares for healthier lives of consumers

- Conduct "Water Comma Campaign" to help form water-drinking habits
- Improve water-drinking and sleeping habits using big data
- Conduct "Good Water Purifier Campaign" to provide the disadvantaged with clean water

**Goal 4.**

**Achieve gender equality and empower all women**

- Implement gender equality policies
- Build capacity of female employees and strengthen female leadership
- \* Support programs for women on career breaks

**Goal 6.**

**Ensure clean water and sanitation for all**

- Carry out "Water Map Project"
- Enhance water welfare for the vulnerable in areas with no water supply
- Carry out "Happy Well Project" in Cambodia
- Conduct waterless test in production process
- Develop filter technology for reducing domestic water collected through water purifiers

**Goal 12.**

**Ensure sustainable consumption and production patterns**

- Launch products with high energy efficiency
- Conduct regular risk assessment on suppliers
- Promote refurbished products and apply eco-design, etc.
- Obtain environmental certifications

**Goal 13.**

**Take urgent action to combat climate change and its effects**

- Promote Smart Factory
- Operate carbon partnership with suppliers (Establish energy management system)
- Establish and implement climate change response strategy and goals



**Goal 16.**

**Promote peaceful and inclusive societies, provide access to justice for all, and build inclusive institutions**

- Establish supplier norms of behavior—Respond to conflict minerals
- Establish global human rights and CSR guidelines

