Code of Ethics

Coway Co., Ltd.

Code of Ethics

Chapter 1. General Provisions

1. Purpose

This guideline stipulates regulations and related reporting procedures necessary for regulating the acceptance of money and goods, entertainment, wine and dine, convenience, and other economic benefits, including wrongful acts, etc., using jobs or positions, in accordance with paragraph 3.3. of the Regulations of Ethics.

2. Definitions

- 1) The term "money and other valuables" means any of the following:
 - a. Any and all financial interests, including money, securities, real estate, articles, complimentary accommodations, memberships to clubs and facilities, admission tickets for venues and performances, invitation tickets, entertainment tickets, or licenses and permissions to use real estate;
 - b. The term "entertainment/wine and dine" means the receipt of food, alcoholic beverages, rounds of golf, games, enjoyment, tourism, etc.
 - c. The term "convenience" means support for transportation, lodging, tourist guide, or event support, other than money, goods, entertainment, or wine and dine.
 - d. "Other economic benefits" include all tangible and intangible benefits sufficient to satisfy people's needs and desires, such as canceling debts, offering jobs, or granting rights and interests.
- ② The term "guarantee for the future" means promises such as employment or recruitment after retirement, or promises to arrange or conclude a business contract.
- ③ "Whistleblowers" refer to all executives and employees who are obligated to report the receipt of money, etc., and the recognition of such acts committed by others.
- «Stakeholders" refer to all natural persons, juridical persons, and other organizations, including
 internal and external business partnership companies (partners), whose rights and interests are
 affected by the actions or decision-making of the executives and employees related to work
- ⑤ "Public servants" refer to the following persons who belong to a public institution, etc. as stipulated in subparagraph 1 of Article 2 of the Improper Solicitation and Graft Act.
 - a. Public officials specified by the State Public Officials Act or the Local Public Officials Act and persons recognized by other Acts as public officials in their qualification, appointment, educational training, service, remuneration, the guarantee of status, etc.;
 - b. Heads, executive officers, and employees of organizations related to public service as set forth in Article 3-2 of the Public Service Ethics Act or institutions set forth in Article 4 of the Act on the Management of Public Institutions;
 - c. Heads and faculty members of schools of each level established under the Elementary and Secondary Education Act, the Higher Education Act, the Early Childhood Education Act, or any other statute and executive officers and employees of educational foundations established under the Private School Act;

- d. Representatives, executive officers, and employees of press organizations under subparagraph 12 of Article 2 of the Act on Press Arbitration and Remedies, etc. For Damage Caused by Press Reports;
- 6 "Private persons performing official duties" refer to any of the following persons as listed in each subparagraph of Article 11 (1) of the Improper Solicitation and Graft Act.
 - a. A member, who is not a public servant, of any committee established under statutes;
 - b. A juridical person or an organization, an organ thereof, or an individual to which authority has been delegated or entrusted by a public institution under statutes;
 - c. An individual dispatched from the private sector to a public institution in order to perform public duties;
 - d. An individual, a juridical person, or an organization that conducts deliberation or assessment in relation to public duties in accordance with statutes.
- ① Improper solicitation, which is concerned with the duties of public institutions listed in Article 5 (1) of the Improper Solicitation and Graft Act, refers to the act of requesting that the relevant business be handled in violation of statutes, requesting that public servants exercise a matter outside of their positions and authorities granted under statutes, requesting that public servants exercise a matter that does not fall under their authority, or requesting to be able to sell/use, etc., goods and services produced and supplied by public institutions beyond normal trading practices. However, the following do not fall under improper solicitation:
 - a. Where requesting something under the procedures set by statutes/standards;
 - b. Where publicly requesting a specific behavior;
 - c. Where requesting a public institution to process its duties within a statutory period or where inquiring about the progress and results of measures;
 - d. Where requesting the confirmation or proof of duties or legal relationship;
 - e. Act of requesting an explanation or translation on the statute, system, procedure, etc., of duties;
 - f. Any other acts recognized as not in violation of social norms.

If it is unclear whether a matter is an improper solicitation, contact the Ethical Compliance Supervisory Organization before proceeding with acts requiring something from public servants.

3. Interpretation Criteria

If there is no provision stipulated in the Code of Ethics or there is a dispute over interpretation, the interpretation and decision made by the Ethical Compliance Supervisory Organization considering the code of ethics of each division, the Employment Regulations, the Personnel Regulations, or the Personnel Committee Regulations shall be complied with.

4. Relationship with Internal Other Regulations

This Code of Ethics shall take precedence over other regulations in the Company other than the Regulations of Ethics.

Chapter 2. Criteria for Money and Goods

1. Basic Principles

- ① Money or gifts provided by a partner or stakeholder in connection with work should not be received under any circumstances.
- ② The receipt by one's family members, relatives, and acquaintances shall be deemed as the act of themselves.
- ③ In principle, an act of delivering money and goods or gifts to each other in relation to promotion, promotional transference, inauguration, holidays, etc., for the purpose of promoting the interests of each employee and the department concerned shall be prohibited, but within the following categories, exceptions shall be allowed in consideration of good and laudable customs:
 - a. When one employee alone or jointly with other employees makes a gift to a supervisor in any name, the value of the item can be up to 30,000 won per gift in the case of being made by an employee alone and up to 50,000 won per one time in the case of a joint gift, and the value of gifts received by one executive or employee shall be allowed up to 100,000 won in total per year.
 - b. The gift given to the relevant team members for organizational revitalization by a supervisor or the head of an organization or the money and goods (limited to congratulatory or condolence money) provided between executives and employees in connection with congratulations and condolences shall be allowed within the scope recognized by social norms.
 - c. When an executive or employee visits his/her supervisor's house on a holiday, he/she must notify the supervisor in advance and visit in groups of three or more people.
- When it is inevitably necessary to make a gift to a partner, it shall be a basic principle to utilize Company products. For non-Company products, the gift must be reported to the Ethical Compliance Supervisory Organization within three working days of making the gift (ex-ante or expost).
- (5) Congratulations and condolences shall be limited to the person, spouse, or lineal ascendants or descendants, and an act of informing partners, etc. multiple times of such events or putting a burden on the other party shall be forbidden.
- © Even when a subordinate voluntarily notifies partners, etc. of such events, that person shall be responsible for it.
- ⑦ In cases where executives or employees inevitably receive money for congratulations or condolences from a partner or stakeholder, it is recommended that the value not exceed 50,000 won, and when an executive or employee receives money for such events exceeding 100,000 won, such recipient must report it to the head of the relevant department.
- ® Money for congratulations or condolences in excess of 100,000 won shall be returned after reporting to the head of the department, and the department head must report the return to the Ethical Compliance Supervisory Organization.

2. Objects to be Reported

Securities and gifts such as cash, gift certificates, vehicle tickets, and entertainment tickets that are unavoidably received from a partner or stakeholder in connection with work must be reported.

When money or a gift that is unavoidably received from a partner or stakeholder in connection with work must be reported, the receiver must report it to the Ethical Compliance Supervisory Organization after reporting it to the recipient's supervisor or sub-supervisor within three working days from the date of receipt regardless of whether such gift has been returned.

4. Treatment Method for Gift Receipt

In the case of receipt under unavoidable circumstances, such as ignorance of the fact that a gift has been delivered from a partner or stakeholder, or that refusal is believed to be rude, the receiver must report the received money and goods to the Ethical Compliance Supervisory Organization after reporting to the recipient's supervisor or sub-supervisor, and the Ethical Compliance Supervisory Organization shall collect the money and goods, politely apologize to the gift giver, and then return it immediately. (within up to 10 days)

Chapter 3. Criteria for Entertainment or Wine and Dine

1. Basic Principles

- ① Executives and employees must not receive any kind of entertainment or wine and dine provided by a partner or stakeholder in connection with work and must politely decline every such offer. However, in the case of unavoidably using an outside restaurant for smooth business cooperation and consultation, exceptions shall be made in cases where meals costing less than 10,000 won per person and less than 100,000 won in total are provided.
- ② Executives and employees shall avoid meetings and meals outside with business partners, and it shall be considered standard to hold such meetings on the Company's premises. However, in the case of inevitably meeting and eating outside in the course of work, executives and employees shall follow the basic principles of paragraph 3.1.1.
- ③ Even in exceptional cases that are not subject to reporting, if it is believed that its nature is likely to be transformed into entertainment or wine and dine, executives and employees must immediately refrain from accepting such invitation or otherwise taking steps to avoid such meeting.
- 4 The receipt by one's family member, relative, or acquaintance shall be also regarded as receipt by oneself, and the amount shall follow the basic principle of paragraph 3.1.1.

2. Objects to be Reported

- ① Benefits such as meals, drinking, sports (golf, etc.), games, and enjoyment that are unavoidably received from a partner or stakeholder in connection with work must be reported.
- ② The receipt of entertainment in luxury and decadent establishments such as room salons, karaoke bars, golf courses, casinos, Turkish baths, and massage parlors must be reported.

When an executive or employee has unavoidably received entertainment or wine and dine from a partner or stakeholder in connection with work, such receipt must be reported to the Ethical Compliance Supervisory Organization after reporting it to the recipient's supervisor or subsupervisor within three working days from the date of receipt.

Chapter 4. Criteria for Capital Gains

1. Basic Principles

- ① Any executive or employee who has acquired undisclosed information of Coway before it is made public shall not disclose such information to others or use or trade on such information in any way unrelated to work.
- ② Executives and employees must not engage in any unfair trade activities governed by disclosure information-related regulations related to capital gains or the relevant laws.
- ③ The act under paragraph 3.1.1. by one's family members, relatives, or acquaintances shall be regarded as committing the act oneself.

2. Reporting Procedure

If an executive or employee violates the basic principles in paragraph ①, such person must report such violation to the Ethical Compliance Supervisory Organization within three working days from the date of occurrence.

3. Treatment Method

- ① The Ethical Compliance Supervisory Organization shall arrange the report and related data for delivery to the Personnel Committee, and the Personnel Committee shall handle it in accordance with internal regulations and relevant statutes.
- ② The Ethical Compliance Supervisory Organization may take legal action in accordance with civil, criminal, or administrative procedures for violations of the current relevant statutes.

Chapter 5. Criteria for Wrongful Act through the Provision of Convenience or Job and Position

1. Basic Principles

- 1 Provision or receipt of convenience
 - a. Executives and employees must not receive any convenience provided by a partner or stakeholder in connection with work and must politely decline such convenience when offered. However, exceptions shall be made in cases where the same facilities, meals, and transportation are provided to trainees when participating in a program such as formal education and events hosted by a stakeholder.
 - b. In the case where an executive or employee has unavoidably received convenience during the performance of work, that person must pay a fair amount in consideration of such convenience and report it.
 - c. The receipt by one's family members, relatives, or acquaintances shall be also regarded as receiving such convenience oneself.

- d. Executives and employees must not receive any supporting donation from any stakeholder when holding an event that the Company supports, such as events by department or club activities.
- e. Convenience such as vehicles, places, and services required for an event shall also be considered as the receipt of a supporting donation.
- f. If an executive or employee inevitably receives support for an event, such receipt must be reported to the head of the relevant department (the head of the department in charge), and the head of the relevant department must report to the Ethical Compliance Supervisory Organization.

2) Debt repayment and receipt of warranty

- a. Any payment or repayment of a credit card bill, credited price, or loan made by a stakeholder to an executive or employee in connection with work shall be regarded as the receipt of money.
- b. This shall include any share in property and loan guarantee provided by a stakeholder in connection with work and the receipt of movable property, real estate, securities, a business right, membership, etc., of a stakeholder.
- c. The receipt by one's family members, relatives, or acquaintances shall be also regarded as the act of oneself.

(3) Borrowing of movable property or real estate

- a. Borrowing money from a partner or stakeholder related to work shall be regarded as the receipt of money. However, this shall not apply if an executive or employee borrows money in accordance with legitimate methods and procedures from a financial institution recognized by the State and governed by relevant laws.
- b. Executives and employees must not rent assets or receive collateral for personal convenience or profit from a partner or stakeholder in connection with work.
- c. In the case where an executive or employee obtains a real profit by purchasing movable property or real estate at a price lower than the normal price from a partner or stakeholder in connection with work, the difference shall be deemed to have been received.
- d. The borrowing by one's family members, relatives, and acquaintances shall be deemed as the act of oneself.

(4) Guarantee for the Future

Executives and employees must not receive any guarantee for training, employment arrangement, the conclusion of a trading contract, etc., provided by a partner or stakeholder in connection with work.

Receipt by a member of one's family, relatives, or acquaintances shall be regarded as the act of the person oneself.

2. Objects to be Reported

In the case where an executive or employee receives any guarantee for the future, such as the receipt of convenience, repayment of debts, receipt of guarantees, borrowing of movable property or real estate, job-related education, and job arrangement from a partner or stakeholder in any case in connection with work, he/she must report it.

In the case where an executive or employee has inevitably received any guarantee for the future, such as the receipt of convenience, repayment of debts, receipt of guarantees, borrowing of movable property or real estate, job-related education, and job arrangement from a partner or stakeholder in any case in connection with work, he/she must report it to the Ethical Compliance Supervisory Organization after reporting it to his/her supervisor or sub-supervisor within three working days from the date of receipt.

4. Treatment Method for the Receipt of Convenience and Wrongful Acts

In the case where an executive or employee has inevitably received convenience and wrongful acts from a partner or stakeholder in connection with work, the Ethical Compliance Supervisory Organization shall collect them based on the reported details depending on the details and amount of each receipt, politely apologize to the provider, and then return it immediately (within up to 10 days).

Chapter 6. Prohibition of Improper Solicitation and Graft to Public Servants

1. Prohibition of Improper Solicitation

- ① Executives and employees must not make improper solicitations to public servants directly or through a third party.
- ② Executives and employees must not make improper solicitations to private persons performing public duties directly or through a third party.
- 3 Improper solicitation to public servants or private persons performing public duties shall be prohibited even if money and other valuables are not provided accompanying it.
- 4 Even though an act does not fall under the types of improper solicitation listed in the Improper Solicitation and Graft Act, any act that may raise public doubts in relation to public servants or private persons performing public duties who are the counterpart to a solicitation shall be prohibited. If it is difficult to judge such acts, executives and employees must contact the Ethical Compliance Supervisory Organization.
- (5) When contacting a public servant or private person performing public duties who are related to the Company for business, executives and employees must report this to the Ethical Compliance Supervisory Organization in advance. If an executive or employee did not report it inevitably, he/she must report it ex-post.

2. Prohibition of the Provision of Money and Other Valuables

- ① (1) The provision of money and other valuables that are recognized quid pro quo with the duties of public servants and (2) the provision of money and other valuables exceeding KRW 1,000,000 at a time to a public servant or KRW 3,000,000 to a public institution as of each fiscal year shall be strictly prohibited.
- ② The provision of money and other valuables, in connection with the public duties, exceeding KRW 1,000,000 at a time to a private person performing public duties or KRW 3,000,000 to a public institution as of each fiscal year shall be prohibited.
- ③ The provision of money and other valuables in connection with the duties of public servants shall be prohibited even though it is less than the amount specified in paragraph 1.
- When several executives and employees intend to provide money and other valuables to the same public servant at the Company's expense, this must be reported and approved in advance by the Ethical Compliance Supervisory Organization.

3. Provision of Money and Other Valuables for Social and Ceremonial Purposes

- ① Food and beverages not exceeding KRW 30,000, congratulatory or condolence money not exceeding KRW 50,000, and gifts not exceeding KRW 50,000 provided for the purpose of smooth performance of jobs, a social or ceremonial purpose, or assistance may be provided to a public servant.
 - However, congratulatory or condolence money shall be reduced to KRW 50,000 by subdividing the value range for congratulations and condolences, whereas wreaths and flowers shall be maintained at KRW 100,000.
- ② In the case of providing food and gifts at the same time, the combined amount must be less than KRW 50,000, and each value must also meet the requirements of paragraph 1. However, in the case of providing agricultural and fishery products or processed products with other gifts, the total value may be up to KRW 100,000.
- ③ If a wreath, flowers, and a gift are provided at the same time among congratulatory and condolence expenses, the total amount must be less than KRW 100,000, and each value must also meet the requirements of paragraphs 1 and 2.
- 4 A gift is any item other than food and congratulatory and condolence expenses, from which securities such as money and gift certificates and entertainment/dine and wine, such as golf, shall be excluded.
- © Congratulations and condolences refer to the marriage of a public servant himself/herself or his lineal descendants, and the funeral of a public servant himself/herself, his/her spouse, his/her or his/her spouse's lineal ascendants or descendants, and in addition to these, a birthday, first birthday, 60th birthday, housewarming, promotion, transference, retirement, and publication ceremony shall not be included in congratulations or condolences.
- ⑥ Food, congratulatory or condolence expenses, gifts, etc., shall not be provided to the same public servant more than three times a month.

4. Provision of Money and Other Valuables under Legitimate Titles

- ① The provision of money and other valuables with legitimate titles, such as the fulfillment of obligation caused by private transactions, shall be allowed.
- ② For the title in paragraph 1, the procedure for concluding the title must be legal in accordance with the relevant statutes or the internal standards of the parties, and the title must be premised on the receipt of a reward corresponding to the content and scope of the money and other valuables provided.
- ③ The provision of gifts, interest-free loans of consumption, and money and other valuables that are recognized for disproportionate consideration shall be prohibited.
- 4 In the case of intending to enter into a contract with a public servant and provide money and other valuables, this must be reported and approved in advance by the Ethical Compliance Supervisory Organization.

5. Provision of Money and Other Valuables at Official Events

- ① Transportation, lodging, and food provided uniformly within the normal range to attendees at official events may be provided.
- ② An official event means only an event that is directly related to the Company's business performance and where the number of attendees is not limited to a few persons.

- ③ In addition to transportation, lodging, and food, which are essential for the progress of an event, it shall not be allowed to offer any money and other valuables, such as gifts, at official events.
- 4 In the case of intending to hold an official event, it must be reported and approved in advance by the Ethical Compliance Supervisory Organization.

6. Provision of Souvenirs and Promotional Items, etc.

- ① Provision of souvenirs or promotional items for distribution to many unspecified people or rewards or prizes in contests, draws, etc., to public servants shall not be allowed.
- ② Souvenirs or promotional items must be marked with the Company's logo, and their value must not exceed KRW 50,000.
- ③ A contest or draw means an event in which qualifications to participate in the contest or draw are granted to a large number of unspecified persons.
- 4 In the case of providing a souvenir and promotional item to a public servant, this must be reported and approved in advance by the Ethical Compliance Supervisory Organization.

7. Limits to External Lecture Fees

① In the case where a public servant is invited to deliver opinions and knowledge to a large number of people or to give lectures in the form of a conference, its consideration shall be paid based on the following criteria:

Descriptions	Upper Limit (one hour or one contribution)	Remarks
Public officials and heads, executive officers, and employees of organizations related to public service and public institutions	KRW 400,000	 No more than 150% of the upper limit for lectures exceeding one hour Includes any compensation provided regardless of the title, such as lecture fees, manuscript fees, and performance fees (However, transportation, lodging, and food expenses provided for actual expenses are excluded.)
Heads and faculty members of schools of each level, executive officers and employees of educational foundations, and representatives, executive officers, and employees of press organizations	KRW 1,000,000	■ Includes any compensation provided regardless of the title, such as lecture fees, manuscript fees, and performance fees (However, transportation, lodging, and food provided for actual expenses are excluded)

② In the case where a public servant who gave a lecture has not been paid for travel expenses such as transportation, lodging, and meals by his/her institution, it is possible to provide support at the level of actual expenses within the criteria of the travel expense regulations of his/her institution.

- ① A person who is aware of the improper solicitation or provision of money and other valuables in violation of the Improper Solicitation and Graft Act and this Code of Ethics must report it to the Ethical Compliance Supervisory Organization within three days from the date of recognition.
- ② Any discriminatory treatment on the ground of reporting the acts in paragraph 1 shall be prohibited, and a whistleblower shall be granted anonymity.
- 3 Any person who discriminates against a whistleblower on the grounds of reporting the acts in paragraph 1 shall be subject to disciplinary action, including dismissal.

9. Treatment Method

- ① When a report of violations of the Improper Solicitation and Graft Act and this Code of Ethics is received or is recognized, the Ethical Compliance Supervisory Organization must immediately initiate an investigation, such as interviewing the relevant persons and examining documents.
- ② If the Ethical Compliance Supervisory Organization determined that there was a violation of laws as a result of the investigation, it must report it to the Anti-Corruption and Civil Rights Commission, the Board of Audit and Inspection of Korea, or an investigation agency.
- ③ With the report in paragraph 2, the Ethical Compliance Supervisory Organization may simultaneously initiate disciplinary procedures against the relevant executive and employee.

Chapter 7. Criteria for Asset and Information

1. Basic Principles

- ① Executives and employees shall not engage in any wrongdoing acts that reduce the value of the Company's tangible assets (various tangible objects such as facilities and products), such as unauthorized use, shipping out, or sale and loss and damage to the assets due to managerial negligence.
- ② Executives and employees shall access and use company intangible assets (various intangible objects such as technology and information) depending on their authority and shall not engage in any fraudulent acts that reduce the Company's property value, such as fraudulent use, unauthorized shipping out, fraudulent handling, illegal distribution, etc., of the assets.
- ③ Since the information (various information such as customer's personal information, transaction information, etc.) on a customer is the most important asset, it must not be unfairly and fraudulently related in any way to violations of the Code of Ethics as well as the relevant statutes.

2. Reporting Procedure

When an executive or employee has violated the basic principles of paragraph 7.1. or witnessed its violation, he/she must report to the Ethical Compliance Supervisory Organization within three working days.

3. Treatment Method

- ① The Ethical Compliance Supervisory Organization shall arrange the report and related data and deliver them to the Personnel Committee and related supporting divisions, and the Personnel Committee and related supporting divisions shall handle them in accordance with internal regulations and the relevant statutes.
- ② The Ethical Compliance Supervisory Organization may take legal action in accordance with civil, criminal, or administrative procedures for violations of the current relevant statutes.

Chapter 8. Criteria for the Prevention of Sexual Harassment on the Job

1. Basic Principles

- ① Executives and employees shall not engage in acts such as contacting the body or touching certain body parts.
- ② Executives and employees shall not engage in obscene jokes or verbal acts such as the coercion of serving at a table at a dining place.
- ③ Executives and employees shall not post or show obscene materials (photos, drawings, books, etc.).
- 4 Executives and employees shall not engage in acts that cause sexual humiliation under other social norms.
- (5) Sexual harassment reported anonymously shall also be thoroughly investigated to prevent a recurrence.
- ⑤ In the event of sexual harassment, the relevant executives and employees must objectively understand the truth and ensure that the victim is not disadvantaged, and the offender must be treated in accordance with the Company's regulations and procedures.

2. Reporting Procedure

When an executive or employee has been offended against the basic principles of paragraph 8.1. or has witnessed their violation, he/she must report to the personnel department within three working days.

3. Treatment Method for Sexual Harassment

- ① The personnel department shall arrange the report and related data and deliver them to the Personnel Committee, and the Personnel Committee shall handle it in accordance with the internal regulations and the relevant statutes.
- ② The personnel department may take legal action in accordance with civil, criminal, or administrative procedures for violations of the current relevant statutes.

Addenda

1. Enforcement Date

- 1) This rule of ethics shall enter into force on March 1, 2001.
- (2) This rule of ethics shall be revised and enter into force on September 1, 2003.
- 3 This rule of ethics shall be revised and enter into force on July 1, 2009.
- 4 This rule of ethics shall be revised and enter into force on June 1, 2013.
- 5 This rule of ethics shall be revised and enter into force on November 18, 2016.
- ⑥ This rule of ethics shall be revised and enter into force on April 23, 2018.
- 7 This rule of ethics shall be revised and enter into force on April 4, 2019.
- ® This rule of ethics shall be revised and enter into force on February 7, 2020.

Reported Cases on Ethics

The following may be a problem:

- Where a stakeholder provides a meal, entertainment, etc., to one of Coway executives and employees
- Where a stakeholder provides congratulatory or condolence money for the congratulation or condolence of one of Coway executives and employees
- Where a stakeholder provides a lecture fee, meal, performance ticket, etc., to one of Coway executives and employees in the name of education, a rally to strengthen the unity, a cultural event, etc.
- Where a stakeholder provides convenience such as vehicles, lodging expenses, tour guides, etc., accompanying one of Coway executives and employees for the purpose of business
- Where a stakeholder provides convenience in a way of prizes, special discounts, etc., to one of Coway executives and employees

Think about the following:

- If I were not one of Coway executives and employees, would the stakeholder provide me with money and goods, entertainment, and convenience?
- · Isn't what I'm doing following a bad old practice?
- · Doesn't the work I'm doing violate the philosophy and criteria that the Code of Ethics pursues?
- Can I disclose the details I received from a stakeholder to my supervisor or co-workers without hesitation?