

Guidelines on Whistleblower Protection and Reward

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1. Purpose

The purpose of these Guidelines is to prevent any harm that may be experienced by whistleblowers of unethical acts, incongruities, corruption, or misconduct, both before and after the disclosure is made, in accordance with Section 3.1.4. of the Code of Ethics. It also aims to reward whistleblowers, with approval from the Ethical Compliance Supervisory Organization("the ECSO"), in cases where information provided by a whistleblower is of proven credibility and contributes qualitatively or quantitatively to Coway("the Company")'s financial condition and/or the establishment of a more ethical workplace culture.

2. Scope

These Guidelines apply to whistleblowers who have made a disclosure about "unethical acts, incongruities, corruption, or misconduct against the Company's interests"(hereinafter collectively referred to as "the reported corruption").

However, these Guidelines do not apply to the following cases:

- 2.1. Leaking information of the reported corruption to an external organization for personal gain without the intention to reform the problem internally;
- 2.2. Making a disclosure about an individual's private life that does not concern the Company;
- 2.3. Making a disclosure that has been manipulated with malicious intent and is not based on facts;
- 2.4. Where a disclosure is made anonymously and the identity of the whistleblower is unclear;
- 2.5. Where a whistleblower has exposed his or her own identity.

3. Principles of Whistleblower Protection

3.1. Status Protection

3.1.1. Where a whistle-blow is done by an executive or an employee of the Company, the whistleblower shall not be subject to any disciplinary action, loss of status, or discriminatory working conditions on the grounds of making a disclosure or associated statement or submitting other information, etc.

3.1.2. Where a whistleblower has suffered any disadvantage of status on the grounds of making a disclosure, he or she may request the ECSO for a recovery of the status loss, reassignment, or other status protection measures.

3.1.3. In relation of the previous paragraph, where the whistleblower raises a claim a default of status protection measures, the ECSO shall conduct an investigation thoroughly and, in case the claim is deemed reasonable, the ECSO may request the whistleblower's head of department to take the appropriate status protection measures. In such cases, the head of department shall comply with the request of the ECSO unless otherwise justified, and fulfillment of the request shall be checked by the ECSO.

3.2. Identity Protection

3.2.1. The ECSO shall guarantee the confidentiality of whistleblowers and disclosures, and shall take all possible actions and efforts to protect whistleblowers from any adverse action.

3.2.2. When dealing with the reported corruption, the ECSO shall not reveal or imply the identity of the whistleblower without his or her consent. Any disclosure shall be processed anonymously and in confidence internally without revealing the identity of the whistleblower. However, the identity may be revealed with consent from the informant when deemed necessary for the purpose of investigation.

3.2.3. Respondents, affiliated departments of respondents, and employees of other associated departments shall not ask for the identity of a whistleblower, nor make any try to reveal the identity of a whistleblower, including but not limited, conducting a direct or indirect inquiry investigation.

3.2.4. Where the identity of a whistleblower has been revealed, the circumstances thereof shall be investigated and where an investigation finds that the whistleblower has suffered a disadvantage of status, any employee responsible for the identity disclosure may be subject to disciplinary action or other necessary measures.

3.2.5. Where a whistleblower has suffered psychologically or physically from any member of the Company on the grounds of making a disclosure, the whistleblower may request the ECSO to protect his or her identity and, when deemed necessary, paid (special) leave or other measures may be taken to protect the whistleblower.

3.3. Prohibition of Retaliation

3.3.1. Where a whistleblower receives retaliatory treatment from a respondent or associated third party, he or she shall notify the ECSO without delay.

3.3.2. The ECSO shall investigate any notification made under the clause 3.3.1 without delay, and may reprimand the employees associated with the retaliatory action in accordance with relevant regulations.

3.4. Supporter Protection

Measures shall be taken to protect the status and identity of any supporter who is not a whistleblower but has provided a statement in regards to finding the reported corruption or has cooperated with an audit or investigation on the reported corruption by submitting information, etc.

3.5. Reduction of Liability

Where a disclosure of a whistleblower leads to the discovery of negligence or other wrongdoing committed by either the whistleblower or any relevant supporter, disciplinary action on the whistleblower or the supporter may be reduced or waived.

3.6. False Reports

3.6.1. Any whistleblower who has knowingly made a false report for the purpose of harming another person or has made a report deliberately under other person's name is not protected under these Guidelines.

3.6.2. Any whistleblower who is an employee and who has made a report in breach of the above paragraph may be subject to disciplinary action and other necessary measures.

4. Reward Criteria (Requirements) and Payment (Administration) Decisions

4.1. Reward Requirements

4.1.1. Where a disclosure brings financial gain to the Company, prevents a loss, or contributes to the establishment of a more ethical workplace culture, the ECSO may deliberate and decide on a reward for the whistleblower in accordance with the reward criteria set forth in this chapter.

4.1.2. Where a disclosure restores or increases Company income or reduces expenses, the whistleblower may apply for the payment of a monetary reward in accordance with criteria set forth by the ECSO.

4.1.3. Monetary rewards may be reduced or not paid for any report made by a whistleblower in regards to his or her own duties.

4.2. Reward Criteria

4.2.1. Where the Company's increased financial gain, cost reduction, or other quantitative amount brought by a disclosure can be determined, the ECSO shall deliberate and decide on a reward amount, which will not exceed 10% of the annual increase or decrease led by the disclosure. The maximum compensation is 50 million KRW.

4.2.2. Where a disclosure results in increased gain or cost reduction that cannot be quantitatively determined, the ECSO shall deliberate and decide on a monetary reward level from "Minor," "Moderate," and "Major" in accordance with the following whistleblower reward criteria:

[Whistleblower Reward Criteria]

Disciplinary action	Reward amount	Remarks
Minor	Up to 500,000 KRW	- Where the disclosure is of proven credibility and disciplinary action has been taken against the respondent, proceed with deliberation.
Moderate	Up to 1 million KRW	- Where it is not possible to calculate the increased gain or cost reduction, proceed with deliberation based on qualitative outcomes.
Major	Up to 2 million KRW	

5. Delegation of Authority

The Ethical Compliance Supervision Unit may delegate the authority specified in these Guidelines to the Human Resources Committee, HQ Ethics Committee, or similar.

6. Relationship with Other Regulations

6.1. Whistleblower protection and reward criteria set forth in these Guidelines take priority over other regulations when handling in-house disclosures.

6.2. Any monetary reward paid under these Guidelines takes priority over monetary rewards paid under other regulations. Where a monetary reward for a disclosure has already been received under other regulations, the reward may be waived or reduced depending on the circumstances.

6.3. Matters concerning reward levels under the reward criteria in 4.2 above are deliberated and decided on in conjunction with whistleblower reward criteria.

ADDENDUM

1. Enforcement Date

- ① These Guidelines shall enter into force on September 1, 2003.
- ② These amended Guidelines shall be revised and enter into force on July 1, 2009.
- ③ These amended Guidelines shall be revised and enter into force on June 1, 2013.
- ④ These amended Guidelines shall be revised and enter into force on April 4, 2019.
- ⑤ These amended Guidelines shall be revised and enter into force on February 7, 2020.