

## INDEPENDENT ASSURANCE REPORT

### To the management of Coway

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

### Scope and subject matter

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

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

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

### Assurance work performed

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

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

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

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



Our work involved the following activities:

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

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

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

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

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

### **Inherent limitations**

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

assumptions and judgments.

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

In particular:

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

## **Conclusion**

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

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



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

## **Recommendations**

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

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

June, 2016  
Samil PricewaterhouseCoopers  
Seoul, Korea