coupang

ESG Spotlight

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The information noted within covers Coupang, Inc.'s sustainable management activities and performance from Jan 1, 2022 - December 31, 2022, and contains financial and non-financial data from Coupang, Inc., and its subsidiaries.

Contact Information | For additional inquiries, please contact us using the information below. We look forward to hearing from you.

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Our ESG Philosophy

Since our founding in 2010, we have held to our guiding principle that the customer lies at the heart of everything we do. This includes ensuring that our business improves not just the lives of our customers, but also the world we inhabit. In the same way we strive to innovate and eliminate trade-offs so that customers can enjoy amazing service, low prices, and broad selection, we work so that the value we create for customers comes hand-in-hand with greater sustainable value for our communities, our employees, and our planet. In other words, as we grow, so does everyone around us.

Because we have built our own end-to-end fulfillment and logistics infrastructure from the ground up, we can pursue sustainable, collective growth at an unmatched scale. The same nationwide network that enables us to deliver millions of items to customers in a matter of hours also allows us to deploy eco-friendly innovations such as our reusable Fresh eco-bags, boxless delivery, and closed-loop recycling. And we believe the billions of dollars we have invested into building this infrastructure over the years can be effortlessly leveraged by small businesses in Korea, the U.S., and beyond to help supercharge their growth.

We are proud of what we've built, but this is just the beginning. We will continue to innovate to set the global example for how commerce can make the world a better place.

In this inaugural publication, we share with you our progress in reimagining ESG practices through our unique commerce model to create lasting value for society and our environment. While we have achieved only a fraction of all we eventually hope to accomplish, we are excited about our progress and the incredible possibilities ahead of us. Until then, we remain as invigorated as ever to create a world where everyone wonders, "How did we ever live without Coupang?"

About Coupang

Coupang, Inc., a Fortune 200 company*, is headquartered in the United States with operations and support services in South Korea, Taiwan, Singapore, China, and India**. We are one of the largest retailers in Asia, offering a vast array of products, from electronics to personal care, fresh groceries, and more. Our many service offerings are centered around low prices, broad assortment, fast delivery and frictionless returns, all to facilitate customer convenience.

Coupang's offerings include **Rocket Delivery**- millions of items available for delivery within hours, **Rocket Fresh**- vast selection of fresh groceries delivered to customers' doorsteps as early as 7am the next day, and **Coupang Eats**- our food delivery service that delivers within 15-20 minutes.

Our rapid growth has led to large-scale job creation. We are proud to directly employ over 60,000 employees globally, making us the third largest employer in Korea.

Global Operations Around the World

Headquartered in Seattle, WA

*Coupang debuted at #195 on the U.S. Fortune 500 list in 2023.
**Coupang opened its India office in 2023.

ESG Highlights

70%

70% of Coupang sellers are small and medium sized enterprises (SMEs)

85%

85% of deliveries in Korea are delivered without additional box packaging

7,000

7,000 companies on Coupang have grown beyond the small business threshold

50%

Women represent 50% of our office workers in Korea

Our People and Communities

Coupang is on a mission to revolutionize the lives of our customers, employees, and partners. At the same time, we bring our communities together to innovate and build the future of commerce. We strive to create a world where people wonder, “How did we ever live without Coupang?”

Investing in Our People

At Coupang, we have a profound appreciation for the well-being and growth of our employees. We recognize that investing in our workforce not only fosters a positive and productive work environment but also enables the personal development of our incredible talent. The following insights represent just the beginning of the journey we are on as a company, as we strive to support excellence in all aspects of our employees' professional lives and pave the way for a thriving future.

Employee Health and Safety

"Nothing is more important than employee safety," is Coupang's safety mantra and is embedded in all that we do. Our safety strategy encompasses safety management, risk mitigation, capacity building, and policies that promote healthy and safe working environments across our global network of fulfillment and logistics centers. Coupang manages safety-related risks through work environment assessments to systematically evaluate risks within our operations. Our global team of Health & Safety (H&S) professionals are united in their work with a four-pillar strategy to ensure best in class performance:

Four-pillar strategy

Safety system

Maintaining a continuous safety management system through the development of H&S standards suitable for the applicable business environment

Risk management

Continuously assessing risks and eliminating physical hazards in line with changing environments

Strengthening safety capabilities

Enhancing the safety capabilities of employees and managers by providing H&S education

Continuous improvement of safety culture

Creating a culture of ongoing communication regarding safety

Case Study

Coupang Care

Coupang prioritizes the health, safety, and wellness of our employees and contractors. For example, in Korea, we have established a Coupang Care Center that is open to all our employees where they can receive a check-up from an in-house nurse, along with personalized advice for a healthier life. These free health services are a first for the Korean logistics industry.

We also provide health and wellness services specific to our delivery employees. For example, we provide a network of healthcare centers for delivery workers throughout Korea where they can access a customized workout program based on one-on-one ergonomic diagnoses. Additionally, through Coupang Care, they can also receive paid leave to take time off and focus on personal health.

Diversity, Equity, and Inclusion

Coupang employees thrive on openness, celebrating differences, and bringing diverse people together to foster curiosity and learning. We welcome diverse backgrounds and nurture differing perspectives to revolutionize careers, customer experience, and the world. We also work to encourage awareness regarding diversity, equity, and inclusion, while also providing career and leadership development opportunities.

Our commitment to diversity is evident in our board of directors, with five out of our seven members being racially diverse, showcasing our dedication to cultivating a wide range of perspectives at the highest level of decision-making. Furthermore, 85% of our U.S. employees and more than 90% of our global employees who self-identified are racially diverse, highlighting the diversity within our workforce.

Supporting Women

Coupang and its subsidiaries are actively promoting gender diversity and inclusivity in the workplace. In Korea, we are proud to report that nearly 50% of our office employees and 48% of our fulfillment and logistics center employees are women, highlighting our dedication to creating and ensuring gender diversity across all levels of employment. Our efforts have also resulted in significant female representation in Taiwan, with 64% of full-time workers being women.

Coupang has developed programs to foster career growth for female employees. These programs include mentorship, professional development, employee resource groups, and various learning and development opportunities.

For example, our Coupang Rocket Engagement for Women (CREW) council is a global women's group of voluntary participants set up to increase diversity and inclusivity in Coupang's work culture.

Through this program employees help each other develop their careers through support from our executives. In celebration of International Women's Day in March 2022, CREW held a #BreakTheBias campaign and online event.

Internal and external speakers were invited and shared stories of overcoming biases and stereotypes, creating a collaborative forum for employees to connect through open dialogue.

Other initiatives include a communication channel exclusive to female drivers to ensure their safety while on the job, as well as access to Coupang executive leaders for other female employees to support their career development.

"I was pleasantly surprised as there were many women already working as forklift drivers and fire safety managers, in what is commonly a male-dominated environment. We are working proudly and passionately to create a safer working environment for employees."

Caley - Environmental, Health & Safety

Supporting Persons with Disabilities

Coupang has also created employment positions specifically focused on hiring more persons with disabilities — many of whom are often excluded from the job market. These efforts to hire and promote social inclusion are bolstered in coordination with inclusion management teams that are dedicated to hiring, assessing, training, developing, and managing employees with disabilities. Today, Coupang is proud to have over 1,000 employees with disabilities across the globe.

"Coupang saw my potential and provided me with the opportunity to thrive. I am grateful for the support given to me as a "team member" rather than an "employee with a disability," and because of this, I'm able to advance in my field and grow professionally."

Miza - Inclusion Management

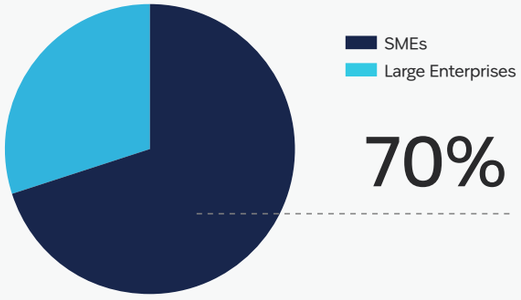
Supporting Our Communities

We deeply understand the significance of our services in fostering growth and prosperity for communities and small businesses. To that end, we believe in channeling our resources and leveraging our business strength to make positive changes in the regions in which we operate. We are dedicated to amplifying the voices of those we support and using our influence to create a more inclusive and prosperous environment. Together with our valued partners, we are driven to shape a future of boundless possibilities and enduring impact.

Strengthening Local Businesses

Small and medium-sized enterprises (SMEs) from across the world form an essential part of our business and the communities in which we operate. Nearly 70% of Coupang sellers are SMEs, with the ability to leverage our fulfillment and logistics infrastructure to connect with millions of customers. We are committed to supporting these SMEs, helping them with a range of activities from marketing, to fulfillment and logistics, to customer service. We also develop new ways for SMEs to unlock growth with Coupang through programs like Coupang Private Label Brands, in which we work with SMEs to develop and market high quality products, providing tremendous value to our customers. For U.S. small businesses who have unique challenges exporting products into Korea and Taiwan, we also provide unparalleled information and assistance to grow their sales through exports, often for the first time. This effort provides our customers with greater selection and access to thousands of U.S. brands that are difficult to find in Korea or Taiwan. We also launched our Rocket Delivery and Rocket Overseas services to customers in Taiwan, empowering SME partners in Korea to grow their sales to customers outside of Korea.

Nearly 70% of Coupang sellers are SMEs*



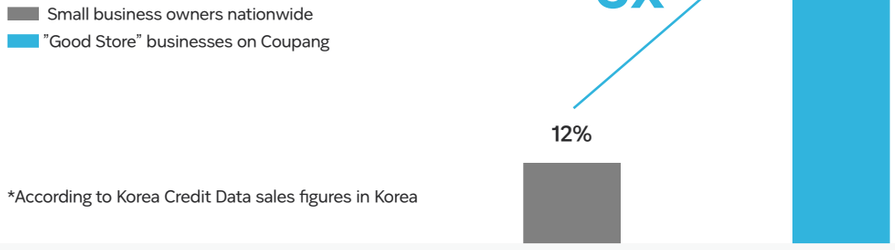
*Coupang defines small and medium-sized enterprises (SMEs) as businesses with up to USD 2.3 million per year in sales.

Case Study

Promotion of Small Businesses - Good Store

In August 2022, in collaboration with various government agencies and local authorities and associations, Coupang launched the “Good Store” webpage to offer products that advance our social impact agenda, focusing on livestock and fisheries, startups, women-led businesses, and social enterprises. While these businesses historically struggle with online sales, their sales increased by 40% year-over-year in 2022, representing over 3x growth compared to SME sales figures over the same period.*

Sales increased by 3x for SMEs



*According to Korea Credit Data sales figures in Korea

Case Study

Supporting SMEs in Seattle

With over $80 billion in trade over the last 10 years between Korea and the Seattle, Washington region, Korea has long been one of Seattle's largest trading partners, representing a major growth opportunity for small businesses in Seattle and the rest of Washington. Coupang, in particular, has been working to actively strengthen this relationship by fostering hundreds of jobs in the state and generating significant economic output.*

To support small businesses in Seattle, Coupang co-hosted a conference in September 2022 in collaboration with Greater Seattle Partners, the Washington Department of Commerce, Port of Seattle, and Amazon. This conference targeted SME owners and entrepreneurs in Seattle who were either already engaged in the South Korean market or interested in entering it. The conference covered a broad range of topics, including insights into the foreign and local export market, guidance on entering the South Korean marketplace, and providing resources for small business exporters.

"The recent Small Business Growth Conference focused on exporting to South Korea hosted by the Port of Seattle and sponsored by Coupang is just one example of how their presence is bringing new economic opportunities to the diaspora communities and overall region," said Port of Seattle Commissioner Sam Cho.

Coupang remains committed to creating avenues for local SMEs in Seattle to connect to millions of customers in Korea, serving as the bridge between the city and the one of the largest retail markets in the world, and looks forward to further strengthening these ties in the future.

*Coupang News

Community Engagement

Community and social welfare

We actively engage in various community outreach activities wherever we operate around the world, tailoring them to specific regions and communities in need of natural disaster response, food instability, and support for seniors, veterans, and other specific communities.

For example, in California, the Coupang Riverside Fulfillment Center has partnered with various nonprofit organizations to donate food, home products, and volunteer services to military veterans, seniors, and families. Our partnerships include the following nonprofit organizations:

- MilVet: helping enrich the lives of veterans, seniors, and families in the community. Coupang is proud to be a sustaining contributor by providing snacks, supplements, and hygiene items for MilVet's Military Care Packages.
- Circle of Care: providing assistance to families and individuals in need with everyday necessities. Coupang contributes food items to Circle of Care.
- Warrior Built Foundation: honoring the service and sacrifice of combat veterans and wounded service members by providing vocational and recreational opportunities. Coupang offers various supplements and protein products to support the group's mission.

In 2022, in response to typhoons and heavy rains in Korea, Coupang employees donated and provided daily necessities to households in Seoul affected by flooding. Coupang also regularly donates supplies to those struggling with access to basic necessities, such as those who are energy-vulnerable, elderly, and other populations who have lost access to welfare centers due to facility closures during COVID-19 and beyond.

"I cannot express enough how much of a difference the food and household donations from Coupang have made for our nonprofit. MilVet serves thousands of deployed military members overseas and countless veterans in our community. The contributions from Coupang have allowed us to not only provide critical supplies to those serving our country but also support our veteran families by offering essential household items and support."

Raven Hilden - Founder/CEO, MilVet- Military & Veteran Support Services

Sustainable Growth of Small Businesses and Promotion of Local Communities

We are helping small businesses grow beyond the USD 2.3 million a year* SME sales threshold, at which point they are no longer considered small businesses. Within the past three years, nearly 7,000 companies worldwide on Coupang have outgrown that threshold and continue to contribute more and more to local economic growth. As a result, these small businesses create a cycle of co-prosperity in local communities in the US, Korea, Taiwan, and beyond.

*Amounts are converted from the applicable currency to U.S. Dollars using the one-year average exchange rate for that calendar year, consistent with our financial and accounting practices

No. of companies that have grown beyond the small business threshold

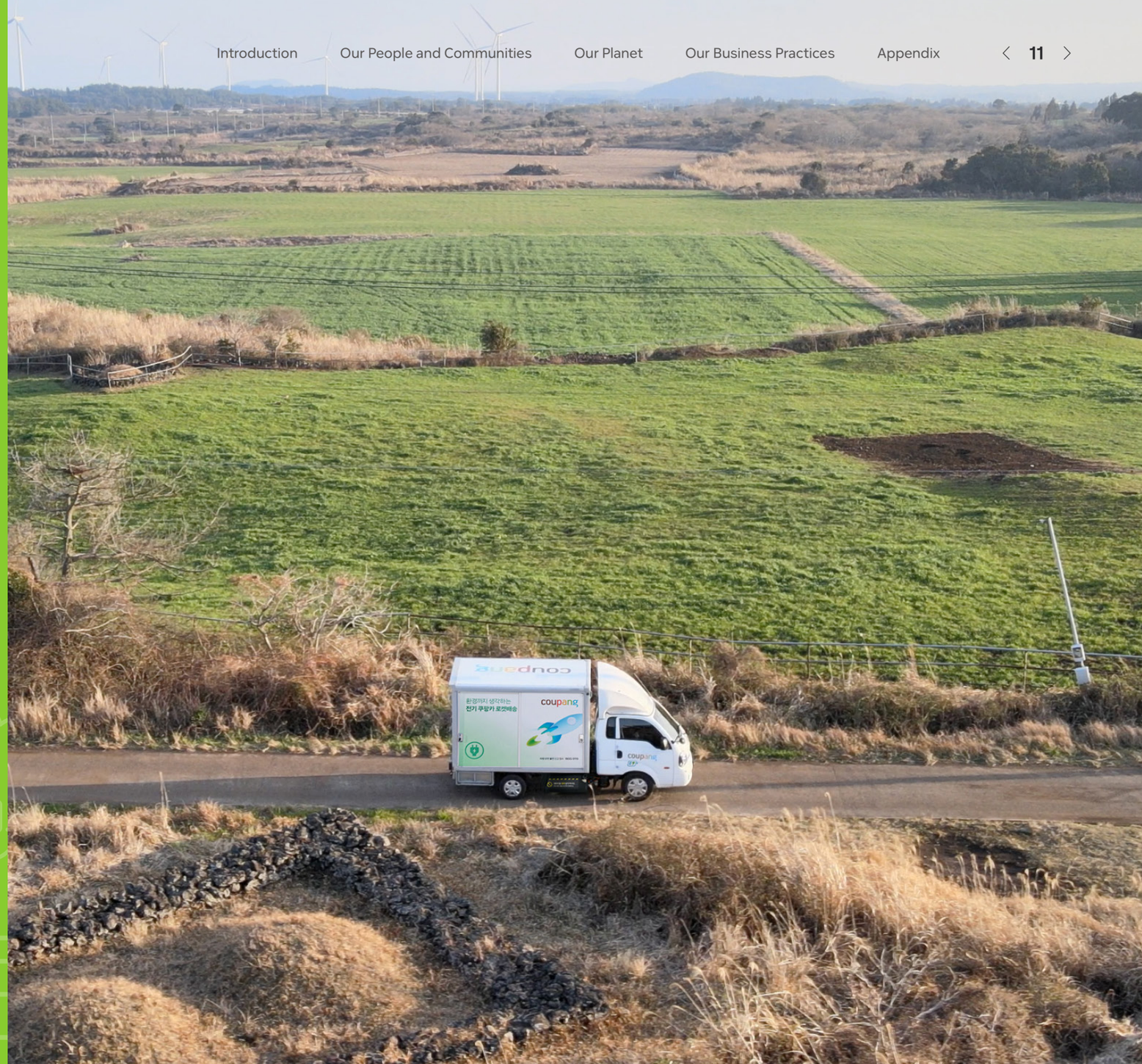
7,000 companies

Sales revenue from small businesses that we have helped contribute to

$16B+ USD

Our Planet

Our end-to-end fulfillment and logistics infrastructure was built from the ground up to empower sustainability throughout our value chain - from product procurement to product delivery - enabling environmentally sustainable growth at an unmatched scale.



Sustainable Packaging

Coupang deploys innovation to minimize packaging waste without compromising product protection during delivery. We continuously optimize our packaging, carefully considering material content, reusability, and recyclability.

Because we directly manage every step of the fulfillment and logistics processes, we have eliminated unnecessary travel and hand-offs between intermediary parties. The following provides a glimpse into our ongoing efforts, but it only scratches the surface of our comprehensive commitment. We strive to pursue new packaging practices through collaboration and innovation, reflecting our commitment to an integrated world where environmental stewardship is even more fully integrated into our business practices.

The majority of fresh products were delivered in Fresh eco-bags replacing over 310,000 polystyrene boxes per day in 2022.

310,000 polystyrene boxes

85% of Rocket deliveries in Korea were delivered without additional box packaging, equivalent to saving 9 million trees in 2022.

9 million trees

Closed-loop Recycling

Powered by our Fresh eco-bags

In Korea, Coupang utilizes Fresh eco-bags, or reusable cooling bags, to make delivery more eco-friendly. Coupang deploys millions of Fresh eco-bags to deliver groceries and fresh foods to customers' homes, who then leave their empty bags outside their doorsteps to be picked up by Coupang's drivers on their next delivery. The drivers then bring these bags to our centers to be cleaned and sterilized for reuse. Since their introduction in 2020, we believe our Fresh eco-bags have successfully reduced the environmental impact associated with disposable packaging. These eco-bags ensure reusability while simultaneously enhancing cooling performance and maximizing convenience.

Following the launch of Fresh eco-bags, we now deliver seven out of ten fresh products in a Fresh eco-bag, replacing over 310,000 polystyrene boxes per day on average. Our closed-loop model for Fresh eco-bags also provides us with the opportunity to directly collect plastic waste from customers. In September 2021, Coupang signed an agreement with LG Chem to launch a pilot program to promote closed-loop recycling. Under the program, Coupang collects plastic waste, such as plastic bags and wraps placed by customers in the Fresh eco-bag at their doorstep. That waste is then collected and upcycled as raw packaging material. We are excited to see the program in action, giving customers the ability to directly participate in a circular economy.

Our Business Practices

At Coupang, we are committed to implementing governance practices anchored in ethical and responsible behavior, ensuring the long-term success and stability of our business.

By adhering to the highest standards of corporate governance, we are able to build trust with our customers and create a strong foundation for sustainable growth.

Risk Management & Oversight

Leadership Oversight

Our Board provides oversight of risk management, while the Chief Executive Officer (CEO) and senior management assess and manage financial, regulatory, technological, competitive, and operational risks that we may face in executing our business plans. For more information, including the roles and responsibilities of each of our Board committees, please visit our website.

Global Security Operations Center

In 2022, we launched the pilot of our Global Security Operations Center (GSOC) to consolidate communication and information from stakeholders into a single channel to globally protect Coupang's employees, assets, operations, and brand from various threats and to ensure a timely response to safety incidents. The GSOC's primary responsibilities are to collect and analyze information, provide rapid response, assign clear roles and responsibilities, and manage large scale incidents. From weather-related events to travel security, the GSOC is equipped to handle a wide range of environmental, social, and security challenges.

Ethical Management

Coupang is committed to conducting business in an ethical, transparent, and professional manner, and ensuring compliance with laws, regulations, and internal policies. This commitment applies to relationships within the company and with our customers, suppliers, and other third parties. For example, we have various "Speak-up Channels" in place where our employees can anonymously report any unfair practices or ethical issues they may observe. Additionally, all employees of Coupang and its subsidiaries receive communication on our anti- corruption policies.

Privacy Notice

Coupang has established and publicized its Privacy Notice to ensure the transparent processing of the personal information of customers, sellers, suppliers, and employees. We strive to guarantee the data subjects' rights promptly and effectively in accordance with all applicable regulations and laws, and make data privacy a priority.

Forward-Looking Statement

This ESG Spotlight does not cover all information about our business, and inclusion of information therein is not an indication that the subject or information is material to our business or operating results for purposes of U.S. securities laws and regulations. Statements other than statements of historical or current facts, including statements and images about our ESG targets, goals, initiatives, commitments and programs, and other business plans, initiatives, and objectives are forward-looking statements and are based on Coupang management's current assumptions and expectations. These statements are typically accompanied by the words "aim," "believe," "can," "commit," "ensure," "estimate," "hope," "may," "plan," "strive," "will," or other similar words. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from our projected results as the result of a variety of factors, including, but not limited to, changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors, many of which are outside of our control. Such risks, uncertainties and factors include the risk factors discussed in Item 1A of our most recent Annual Report on Form 10-K and in subsequent filings with the Securities and Exchange Commission (SEC).

We urge you to consider all of the risks, uncertainties, and factors identified above or discussed in this ESG Spotlight carefully in evaluating the forward-looking statements therein. Coupang cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. Unless expressly stated otherwise, the forward-looking statements in this ESG Spotlight are made as of the date identified in the document, and we undertake no obligation to update or revise these forward-looking statements to reflect subsequent events or circumstances. Standards of measurement and performance made in reference to the goals, aspirations, and objectives referred to in this ESG Spotlight are developing and based on protocols, processes, and assumptions that continue to evolve and are subject to change in the future, and no assurances can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this ESG Spotlight can or will be achieved.

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