2023

coupang

ESG Spotlight

About Coupang

Coupang is a technology and Fortune 200 company listed on the New York Stock Exchange (NYSE: CPNG) that provides retail, restaurant delivery, video streaming, and fintech services to customers around the world under brands that include Coupang, Coupang Eats, Coupang Play and Farfetch.

Our rapid and sustained growth has led to large-scale job creation. We are proud to directly employ approximately 78,000 employees originating from over 40 countries around the globe as of December 31, 2023.

1
Introduction
2 About Coupang
3 Letter from Management
4 ESG Highlights

2
Our People and Communities
6 Investing in Our People
9 Supporting Our Communities

3
Our Planet
12 Sustainable Transportation
13 Responsible Waste Management

4
Our Business Practices
16 Risk Management & Oversight

5
Appendix
18 Forward-Looking Statement

The information noted within covers Coupang, Inc.'s sustainable management activities and performance from Jan 1, 2023 - December 31, 2023, 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.
Contact: ESG Team | e-mail: esg@coupang.com

Letter from Management

At Coupang, the customer lies at the heart of everything we do. The principle extends beyond providing exceptional service — it encompasses our commitment to improving the world we inhabit. Our efforts to "wow" our customers are inextricably linked with creating sustainable value for our communities, our employees, and our planet. As Coupang grows, so does the positive impact we have on everyone and everything around us.

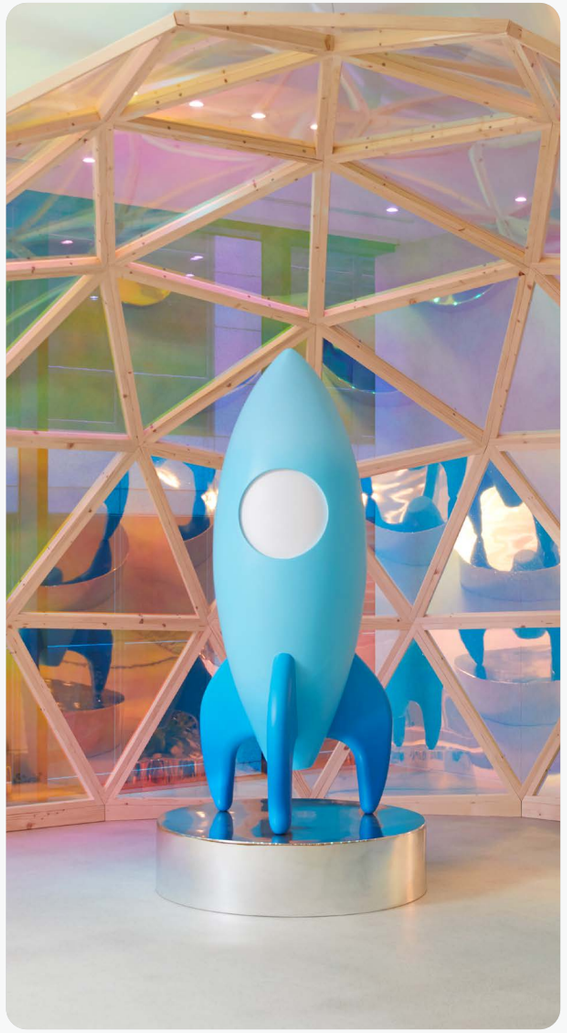
Our commitment to sustainability stems in part from our belief that we can play a leading role in driving positive changes across our industry that are better for the environment, as is evidenced by our efforts in sustainable packaging and transportation. Since our inception in 2010, we have been working diligently in building an end-to-end fulfillment and logistics infrastructure in South Korea that not only enables us to deliver millions of items within hours but also fosters eco-friendly innovations. Our nationwide network supports initiatives like reusable Fresh eco-bags, parcel deliveries without additional box packaging, and closed-loop recycling — all part of our vision to make commerce a catalyst for a better world. As one of the first companies to establish integrated electric vehicle (EV) logistics centers in South Korea, we also take great pride in leading our industry in sustainable transportation.

Our corporate responsibility efforts are rooted in a comprehensive approach that prioritizes the health and safety of our employees, evidenced by our many programs and achievements, including our ISO45001 certifications. We are also committed to cultivating a diverse and inclusive workplace where every employee can thrive through their different backgrounds and abilities.

In the communities we serve, we remain dedicated to supporting local businesses and entrepreneurs, contributing to the economic vitality of these regions. As a rapidly expanding global retailer, we are a growth engine for small businesses in the regions where we operate. For example, we were instrumental in supporting the growth of PURA D'OR, a small, family-owned business in California that sought to expand in international markets. After transitioning to a fully direct relationship with the business in 2023, Coupang has supported the brand's 300% year-over-year growth. Furthermore, within one year of our entry into Taiwan, we enabled over 14,000 small and medium-sized enterprises (SMEs)[1] in South Korea to export their products into the country. In South Korea, where we cover more than 70% of the population with our Rocket Delivery service, we are investing over $2 billion over the next three years to expand our reach. By 2027, we plan to cover 100% of the country, as part of our efforts to ensure that even more customers can experience the convenience and speed that Coupang offers, as well as amazing products from SMEs across the world.

We remain excited about the opportunities to further "wow" our customers and drive progress towards a more sustainable and equitable future. In our dedication towards innovating to give our customers unparalleled convenience, fast delivery, and a seamless end-to-end experience tailored to their needs, we hope to build on our achievements and set new standards for excellence in our industry — always with the goal of creating a world where everyone wonders, "How did I ever live without Coupang?"

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



2023 ESG Highlights

40+
nationalities represented among Coupang employees

20+%
increase in hiring of employees with disabilities from 2022 to 2023

100%
of all fulfillment and logistics centers in South Korea are ISO45001 certified

180%
increase in electric vehicle (EV) chargers since 2022

85+%
of parcels in South Korea delivered without additional box packaging

90+%
of suppliers in the Coupang Private Label Brand program are small and medium-sized manufacturers

Our People and Communities

Coupang is deeply invested in the well-being of both our employees and our communities. We champion initiatives that not only elevate workplace standards but also strengthen local businesses and social welfare. Our vision is to be an integral part of a world where our collective efforts drive innovation and enrich everyday life.

Investing in Our People

Employee Health and Safety

We have an aspirational goal that the life of every Coupang employee is better because of their work here, and we seek to ensure that each team member benefits and grows professionally in a supportive and uplifting environment. Through proactive measures and ongoing education, we aim to enhance the quality of life for our team members, making Coupang a place where safety and well-being are integral to our identity and daily practice.

Achieving ISO Health and Safety Certification

Reaffirming our commitment to employee safety, we are pleased to announce that all our fulfillment and logistics centers in South Korea have earned the ISO45001 certification — a voluntary, internationally recognized standard focused on occupational health and safety management systems. This certification underscores our efforts to enhance safety, minimize workplace risks, and promote health and well-being for our employees. Beyond this certification, we will continue to uphold our steadfast commitment to improving safety standards.

Case Study

Health and Safety Efforts for our Drivers

With a deep commitment to the safety of our employees and the smooth operation of our delivery network, we recognized an opportunity to further enhance our safety protocols. To this end, we entered into a collaborative partnership with a government safety authority to provide our traffic safety managers with specialized training.

The training included realistic simulations of driving in heavy rain and other hazardous conditions, equipping our managers with the knowledge to better support and guide our drivers. Through the collaboration, we also leveraged traffic accident statistics to actively promote our practices. We expect that our efforts will help elevate traffic safety management expertise and disseminate best practices throughout the distribution and logistics industry, particularly in preventing traffic accidents involving trucks. The initiative reflects our ongoing dedication to creating a safer working environment for our drivers and contributing to the broader goal of traffic safety.

Our proactive approach to employee health and safety is also embraced by our logistics division.

We provide a standardized, dynamic guide to safety excellence that is updated quarterly and distributed thereafter to employees across all logistics centers. Our accident prevention program focuses on strategic spatial planning, routine equipment updates, evolving safety protocols to instill a culture of continuous improvement, and establishing safety as a critical priority for our drivers. Together, these measures form the crux of Coupang's forward-looking health and safety strategy, cementing our dedication to sustaining a secure and reliable work environment today and into the future.

Diversity, Equity, and Inclusion

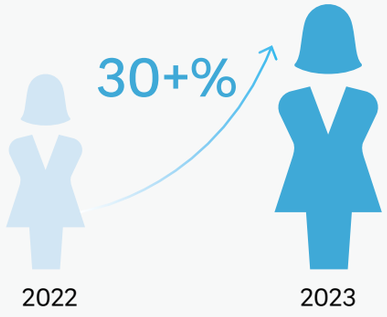
We understand that embracing diversity and inclusion is more than a value. Embracing and celebrating our diversity makes our business better. We are committed to fostering a workplace environment where every employee can bring their whole selves to work, as it enables us to better understand and connect with our rapidly growing customer base.

Gender Diversity

At Coupang, we strive to create an inclusive environment that supports female professionals, particularly in traditionally male-dominated fields such as software engineering, data science, and logistics. We have committed over $40 million across Asia in 2024 for the recruitment, employment, and professional development of women. Additionally, we plan to invest more than $130 million over the next three years to ensure their crucial roles in the advancement of our industry.

As part of our efforts towards empowering women, we partnered with the Korea Women Inventors Association to host a seminar in entrepreneurship and intellectual property rights. The event hosted professionals across diverse industries, facilitating panels that not only addressed the unique challenges faced by women in these areas but also offered actionable strategies to overcome them. The discussions emphasized the critical role of women in driving innovation and the collective efforts needed to bridge the gender gap, aligning with our commitment to fostering an inclusive environment that champions equality and creativity.

Number of Coupang female leaders



Our efforts to support women in the workplace have resulted in tangible achievements. In 2023, the number of Coupang female leaders in executive roles globally increased 30+% compared to the previous year. Furthermore, we are proud to see our employees leveraging our work-life balance offerings, with a fourfold increase in the share of female drivers taking parental leave in 2023, compared to two years prior.

Case Study

Biannual Inventors Meetup

Coupang continues to foster a culture of innovation, as evidenced by our employees' inventions resulting in over 1,800 patents across 14 countries by the end of 2023.

To build on this momentum, we began initiating a biannual Inventors Meetup, providing a stage to celebrate and foster fresh, innovative thinking. At our November 2023 gathering, we invited more than 150 employees who had significantly contributed to patent filings and presented the 'Rocket Inventor Awards' to recognize those with the highest number of patent filings as inventors. Notably, over 70% of the awardees were women, underscoring our commitment to empowering female talent in a sector where they are traditionally underrepresented. Inspired by this success, we plan to continue to promote innovation at all levels, reinforcing our dedication to an environment where diverse perspectives lead to meaningful solutions.

Ability Diversity

Coupang's recognition of the value of a diverse work environment also extends to hiring and empowering individuals with disabilities. Coupang has created dedicated teams, including the Inclusion Management team, focused on nurturing the professional growth of employees with disabilities. These teams play a vital role in building employment strategies that respect and leverage the unique capabilities of the individual, with the broader goal of shifting societal perceptions on disabilities.

Embracing a proactive approach, we design roles specifically tailored for individuals with disabilities, enabling them not just to participate in our workforce, but to thrive and become mentors to others. In fact, during 2023, we saw more than a 20% increase in the number of employees with disabilities across the globe over the previous year.

Talent Acquisition and Development

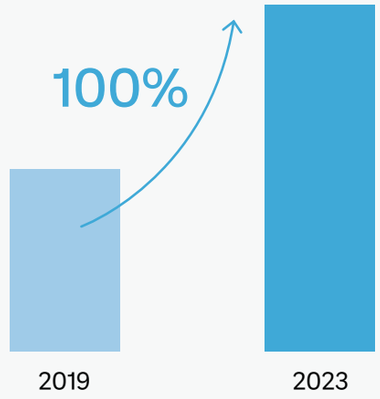
Our dedication to nurturing our community and people's talent is inclusive and comprehensive, extending opportunities to people from diverse backgrounds and experiences.

Building on our commitment to diversity, Coupang is helping to advance the careers of young professionals. We have signed business agreements with universities in South Korea, taking the lead in fostering local talent. Through initiatives such as creating curriculum and majors within the universities, as well as offering courses on Coupang's logistics business taught by our employees, our industry-academia partnerships lay the groundwork for a robust talent pipeline that provides students valuable internships and full-time employment opportunities.

Beyond recruitment, we place a strong emphasis on empowering our team through continuous upskilling, facilitated by our e-learning initiatives. We have partnered with Udemy, a leading provider of online courses, to offer our employees a broad range of educational resources. These courses cover essential job-specific, leadership, and soft skills, and are available in multiple languages to also accommodate our global team members in the U.S., China, Indonesia, and Singapore. Since its inception in 2021, we have seen more than a 60% increase in Coupang employees participating in the program. Looking ahead, we plan to expand the scope of this initiative, increasing the number of licenses to extend learning opportunities to additional employees, including those in Taiwan, Hong Kong, and India.

In addition to our global efforts, we have a targeted approach to upskilling within our employees. Since 2019, we have partnered with five online universities, offering our employees the opportunity to strengthen their job competencies across a wide array of disciplines in higher education. By offering benefits such as tuition discounts and fee waivers, we provide our employees the opportunity to pursue their professional aspirations in a more cost-effective manner. Since the program's introduction, we have increased the number of enrollees by nearly 100%. By prioritizing upskilling programs across our global offices, we are nurturing our talent on a worldwide scale and ensuring that our employees have the resources they need to thrive in their careers.

Number of enrollees in online universities



Supporting Our Communities

Coupang recognizes the role our services play in promoting development and success for both local communities and small enterprises. From fostering collaborative business partnerships to supporting the welfare of our communities, we are directing our resources and harnessing the power of our business to drive meaningful progress in the areas where we work.

Strengthening Local Businesses

Support for Local Economic Development

Coupang is committed to the empowerment of local communities and businesses. Through our Coupang Private Label Brand (CPLB), we have fostered partnerships with small and medium-sized manufacturers, which constitute over 90% of all our vendors in South Korea. These collaborations have resulted in the estimated employment of over 23,000 people for the manufacturing and supplying of CPLB products. Our relationships have generated tangible outcomes, with CPLB seeing a nearly 390% increase in the number of items supplied by small and medium-sized manufacturers in 2023, compared to two years prior. Additionally, over 80% of the small and medium-sized CPLB manufacturers are located outside of Seoul, underlining our strategic commitment to geographical economic diversification. These relationships not only support regional economic growth but also offer our partners with a solid foundation to navigate economic challenges.

90+%
of our CPLB vendors are small and medium sized manufacturers in South Korea

23,000
employed for the manufacturing and supplying of CPLB products

390%
increase in the number of items supplied by SMEs

80%
of SME manufacturers are located outside of Seoul

Support for Underrepresented Entrepreneurs

Coupang is also empowering SMEs, recognizing the unique challenges they encounter in today's competitive marketplace. At the heart of this endeavor is our 'Good Store[2]' initiative, which recently achieved a milestone of over $750 million in cumulative sales since its inception less than two years ago. Designed specifically for SMEs, the Good Store prominently features their products within the Coupang app, enhancing their visibility and market reach. Furthermore, through our collaborative efforts—with entities in South Korea such as the Ministry of SMEs and Startups and the Korea Federation of SMEs—we seek to further foster an environment where our SME partners can grow and thrive through our services and offerings.

Collaborative Partnerships for Market Access

Coupang's dedication to fostering global trade and providing SMEs with access to international markets is evident in our strategic collaboration with the U.S. Department of Commerce, U.S. Small Business Administration, and other partners. These efforts aim to augment export opportunities for American companies by offering an international channel to expand their market presence. Through innovative public-private partnerships, workshops, and conferences, we are excited to facilitate the entry of U.S. businesses into the South Korean and Taiwanese markets.

[2] 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.

Community Engagement

Community and Social Welfare

At Coupang, our efforts extend beyond business operations, as we look to contribute meaningfully to the communities in which we operate. Over the past two years, our U.S. entities have contributed over $4 million worth of food donations within local communities. Our outreach extends further, encompassing blood drives, cleanup activities, and donations of essential goods to vulnerable communities across the globe. Through collaborations with local organizations, such as non-profits and hospitals, we aim to foster the well-being of those we serve.

Our Planet

Coupang supports sustainability from procurement to delivery, reflecting our commitment to environmental stewardship through clean vehicle infrastructure, sustainable packaging innovations, and responsible waste management.

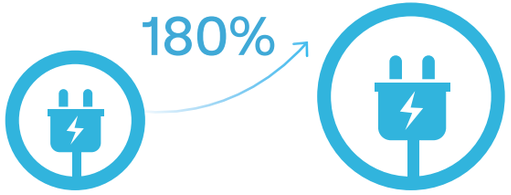
Sustainable Transportation

Coupang is actively advancing its commitment to sustainability by focusing on reducing its carbon footprint through the adoption of electric and hydrogen fuel cell vehicles for product delivery. In South Korea, we have established one of the country's first integrated electric vehicle (EV) logistics centers. The facilities are equipped with a customized ceiling charging system that not only enhances safety by reducing collision risks but also improves efficiency by optimizing floor space for the charging and loading of trucks. The systems support Rocket Delivery's use of electric vehicles enhancing our operational efficiency.

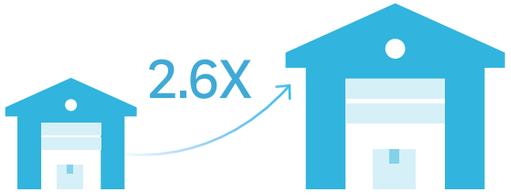
These centers are a testament to our dedication to expanding our low-carbon delivery infrastructure. Our EVs are specially designed to prioritize driver safety and improve the customer experience by operating quietly and efficiently, which is ideal for residential deliveries. By providing these eco-friendly delivery solutions, we aim to reduce our environmental impact while benefiting our employees and customers.

To support this initiative, we have significantly invested in our clean vehicle infrastructure. Over the past year, we have increased the number of chargers at our facilities by more than 180%. Additionally, we have installed EV chargers for Coupang employees and expanded our EV logistics centers 2.6 times since 2022. As we look to the future, we are committed to further enhancing our sustainable delivery capabilities through the expansion of our EV infrastructure.

Number of chargers in our facilities



Expansion of EV logistics centers



Responsible Waste Management

Waste management is a critical aspect of our sustainability efforts. Guided by the "Reduce, Reuse, Recycle" philosophy, we continuously seek innovative ways to minimize waste in our operations.

Sustainable Packaging

At Coupang, our investment in environmental sustainability is evident through our strategic approaches to packaging. Our commitment to reducing packaging waste is anchored by our delivery system which uses custom trucks equipped with protective bins to allow us to deliver over 85% of our parcels in South Korea without additional box packaging.

To ensure the complete lifecycle of our packaging materials is sustainable, we have a comprehensive recycling program across our global fulfillment centers in which cardboard boxes are responsibly recycled. In 2023, we also made strides in enhancing the efficiency of our packaging methods at our U.S. Fulfillment Center, leading to a nearly 35% reduction in box usage. This was achieved by increasing the usage of our poly bags, which offer benefits in packaging speed, shipping costs, and space utilization. This shift enabled us to pack more items in one container, thereby reducing the overall number of deliveries required.

In our pursuit to reduce downstream packaging waste, we have also focused on material reduction and the substitution of unsustainable products. Our operations in South Korea have seen the successful implementation of bags that are 10% lighter, which has conserved approximately 920 metric tons of plastic packaging from 2021 through 2023. Additionally, we introduced label-free water bottles in our CPLB business; with 50 million label-free bottles sold over the past three years, this initiative has saved the equivalent of over 270 metric tons of plastic labels. Moreover, we shifted from plastic to paper packaging for more than 30 of our meal kit products - which constituted 65% of our meal products - resulting in 170 metric tons of plastic saved in 2023 alone.

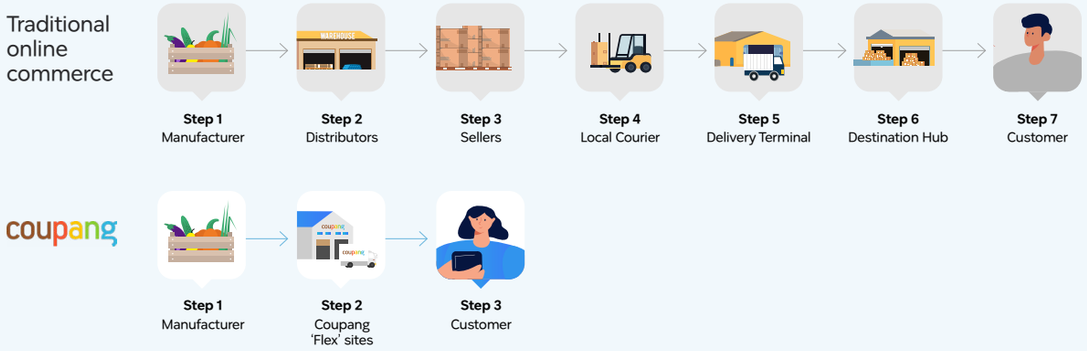
35%
Reduction in box usage from packaging efficiency improvement

920 tons
Plastic packaging conserved by using lighter bags

Case Study

Flex Facilities at Coupang

Coupang has redefined the online commerce landscape by implementing an innovative and eco-friendly end-to-end process that stands out from the conventional models employed by other players in the industry. Traditionally, online commerce involves a seven-step journey from manufacturing to delivery, but Coupang has successfully condensed this process to just four steps: purchasing directly from manufacturers, storing products in fulfillment centers, transporting products to logistic centers, and delivering to customers. For certain cases, we have even reduced this to only three steps. By purchasing directly from manufacturers and utilizing specialized "Flex" sites for certain high-volume or locally sourced items, Coupang eliminates another step in the delivery process to enable direct, rapid delivery to our customers' doorsteps. This innovative approach not only accelerates logistics but also significantly reduces packaging waste, transportation distances, and carbon emissions, demonstrating Coupang's commitment to eco-friendly practices and setting a new benchmark for environmentally responsible online commerce.



Food Waste

Our waste minimization efforts extend to agricultural communities where we strive to mitigate not only the challenges of reducing food waste, but also the financial hardships faced by farmers due to unpredictable climate. For example, in 2023, we purchased over 680 metric tons of fruits and vegetables impacted by adverse weather conditions, which, while still meeting our high-quality standard, were at risk of being discarded or sold at a significant loss by farmers. By integrating these at-risk food supplies into our supply chain, we offered consumers access to fresh produce at a reduced cost, whilst simultaneously supporting community livelihoods and reinforcing our commitment to reducing waste.

Fruits and Vegetables

At risk of being discarded or sold at a significant loss

Farmers	coupang	Customers
Facing financial hardships due to unpredictable climate	Purchased over 680 metric tons of fruits and vegetables impacted by adverse weather conditions	Having access to fresh product at a reduced cost, while simultaneously supporting community livelihoods

Our Business Practices

At Coupang, we prioritize responsible governance practices as fundamental components of our business operations. We aim to meet the highest standards of integrity and compliance, which are critical for the long-term stability and success of our company.

Risk Management and 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.

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 and business partners can anonymously report any unfair practices or ethical issues they may observe. Additionally, all Coupang employees receive periodic training on our Code of Business Conduct and Ethics, and other compliance policies including Anti-Corruption.

Cybersecurity

Coupang recognizes the critical importance of cybersecurity in protecting the personal information of our employees and customers. To this end, we have established a comprehensive risk management framework that diligently assesses, identifies, and manages cyber threats. This framework is rigorously enforced through regular audits, vulnerability scans, and penetration testing. Our commitment to international security standards is demonstrated by our attainment of ISO 27001, K-ISMS-P, and ISO 27701 certifications. To further enhance our information protection capabilities, we are on track to add Cross Border Privacy Rule and ISO 27017 certifications to our portfolio in 2024. By investing nearly $50 million in 2023 towards a dedicated team of security and privacy experts, we ensure that cybersecurity is not just a policy, but a cornerstone of our daily operations, under the oversight of our Board of Directors and Audit Committee.

Global Security Operations Center

Since its pilot launch in 2022, Coupang's Global Security Operations Center (GSOC) has undergone significant advancements. Initially established to streamline communications and safeguard Coupang's employees, assets, and brand, the GSOC has broadened its services by emphasizing rapid and effective crisis response across our global operations. The center has enhanced its crisis management protocols, instilling a culture of continuous improvement. With the launch of the Intelligence Analysis and Travel Security programs, the GSOC has taken a proactive stance in assessing and addressing risks. Through our intelligence analysis program, we collect and analyze a diverse range of data on potential security issues to inform strategic decision making and mitigate risks to our employees, products, assets, and reputation. The travel security program includes risk assessments, real-time threat monitoring, and emergency response protocols to ensure the safety and security of employees traveling for business. With these initiatives, we are reinforcing Coupang's commitment to leading-edge security practices and the safety of its employees worldwide.

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.

Appendix

HJ Tower
21
20
19
18
17
16
15
14
12
coupang
로켓연구소
Rocket Laboratory

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.

coupang