SUSTAINABILITY REPORT 2020
ABOUT THIS REPORT

OVERVIEW
Every year, CJ CheilJedang discloses its sustainability management goals and performance through an annual sustainability report, which serves as a window for transparent stakeholder communication. We will continue to share our progress in creating shared value with all stakeholders through our sustainability reports.

REPORTING PERIOD AND SCOPE
This report covers our activities and performance from January 1st to December 31st, 2020. It includes some information from the first four months of 2021 to assist stakeholders in understanding the report. The scope of the report encompasses all of CJ CheilJedang's domestic and overseas businesses, excluding our logistics business. The economic performance category includes data for all domestic and overseas businesses. The social and environmental performance category is focused on domestic businesses that can be verified by an external agency. However, data that include overseas performances are supported with footnotes and additional descriptions.

REPORTING PRINCIPLES
This report was prepared in accordance with the Core Option of the GRI (Global Reporting Initiative) Standards.

EXTERNAL ASSURANCE
This report underwent a third-party assurance process by an independent agency, Lloyd to ensure the accuracy and credibility of the contents herein. Please refer to pages 72-73 for details and feedback related to the assurance.

CONTACT
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EMAIL. sustainability@cj.net
DATE OF ISSU. June 2021

EXTERNAL APPROVAL OF SUSTAINABILITY MANAGEMENT

INCLUDED IN THE DJSI FOR SIX CONSECUTIVE YEARS
CJ CheilJedang is the first Korean food company to be included for six consecutive years in the DJSI (Dow Jones Sustainability Indices) Asia-Pacific Index, which was created by S&P Dow Jones a global sustainability rating agency and investor. We are recognized for having an outstanding grasp of the significance of the UN SDGs and emphasizing their importance to the company. Furthermore, we received excellent ratings in the GMO (environment), safety and health (society), and code of conduct (economy) categories.

‘BEST’ GRADE IN THE SHARED GROWTH INDEX FOR FIVE CONSECUTIVE YEARS
CJ CheilJedang continues to maintain its status as the only company to receive the designation of Most Honorable in Shared Growth in the Korean food industry. We received the highest rating in the Shared Growth Index, which aims to promote shared growth between large corporations and SMEs. CJ CheilJedang is running various programs to strengthen our fair trade structure and shared growth based on the company’s philosophy of “contributing to the national economy” and the consensus of all our staff. Going forward, we will be the leader in fair trade practices and continue to spread the culture of shared growth.

ACHEIVED GRADE A IN THE COMPREHENSIVE ESG EVALUATION BY KCGS
CJ CheilJedang has been awarded Grade A+ for the Social Category in the ESG evaluation conducted by the KCGS (Korea Corporate Governance Service). This evaluation aims to promote a healthy capital market by identifying companies with excellent performance in terms of improvements to corporate governance, social responsibility, and green management, and announcing their grades in each category. We have earned Grade A in governance, environment, and ESG integration. We received excellent ratings in the areas of response to stakeholders (environment), consumers (society), and shareholder rights protection (economy). Through the continuous improvement of our ESG performance and the clear disclosure of information, we hope to lay the groundwork for transforming into a top-of-the-line global company.

ACQUIRED A RATING FROM THE MSCI ESG ASSESSMENT
CJ CheilJedang acquired the A rating from MSCI (Morgan Stanley Capital International) ESG assessment. The assessment allows investors to inspect ESG risks and opportunities and integrate them into management process. In particular, CJ CheilJedang received excellent ratings in product packaging, management of food safety risks, providing healthy foods, and etc.
CONTENTS

1. OVERVIEW
06 OnlyOne CJ
08 Global CJ
09 Our Business

2. SUSTAINABLE IMPACT
12 Sustainability Management Strategy
14 UN SDGs Commitment
15 Communication with Stakeholders
16 Materiality Assessment
18 Sustainable Highlights
20 Messages from the Top Management
22 Special Page

3. MATERIAL ISSUES
28 Issue 1. Health and Safety
32 Issue 2. Sustainable Environment
38 Issue 3. Expansion of Market Competitiveness

4. ESG FACTBOOK
42 Environmental Performance
47 Social Performance
55 Economic Performance
58 Governance Structure

5. APPENDIX
66 Financial Information
67 GRI Standards Index
71 SASB Balance Sheet
72 Independent Assurance Statement
74 External Awards
Greetings,

My name is Eun-seok Choi, and I am the CEO of CJ CheilJedang.

The world is passing through the long, dark tunnel of the COVID-19 pandemic that none of us foresaw. Our daily lives have changed, and the stakes of the crisis are ever higher. Slow adapters in the business field face the threat of collapse.

Amid these difficulties, the topic of sustainability has arisen as a key to overcoming the crisis. To this end, CJ CheilJedang pursues the goal of becoming a global company to ensure its survival. We will commit to creating environmental, social, and economic value to achieve sustainable management.

CJ CheilJedang has set 2021 as the year for sustainability management. From this moment forward, we will do our utmost to achieve the virtuous cycle of Nature to Nature in which we obtain resources from nature, provide food to consumers, and then return those resources to nature. This is our sustainability purpose.

First, we will be a reliable company to consumers, shareholders, and stakeholders based on our new sustainability management system.

CJ CheilJedang has established its Corporate Sustainability Committee as the highest corporate sustainability governance body within the board of directors. The committee aims to effectively review the strategy and direction of sustainability management. Corporate Sustainability Council operates under the committee. The Sustainability Team acts as a task force to support its operation. We will identify key environmental, social, and governance elements to implement more systematic and strategic sustainability management.

Second, we will realize honest sustainability management to improve health and safety and build a sustainable environment.

Health and safety

CJ CheilJedang aims to provide reliable food to our customers. To this end, CJ CheilJedang has been establishing a supply chain that puts health and safety first. All the foods and services we develop prioritize the health and nutrition of consumers above all else. We further aim to build an integrated food safety system and enhance our supply chain management system with an emphasis on traceability and transparency to secure safe quality across all processes of raw materials purchasing, production, and sales.

Sustainable environment

In step with the ever-increasing consumer awareness in eco-friendliness, CJ CheilJedang aims to lead the preservation and protection of the planet by building a ‘sustainable environment’ system. To this end, we will address climate change by using eco-friendly energy and realizing carbon neutrality. Also, we will continuously review our strategies for plastic reduction, waste resource circulation and developing biodegradable technology and pursue them as one of our mid-to long-term tasks.

Third, we will put more effort into bringing innovation and growth to solidify our foundation for sustainability management.

We will work to minimize the impact of unexpected situations such as climate change, threats on cyber security, and infectious diseases on the company and build a legal and ethical risk management system to take preemptive actions against such occurrences. In addition, we will foster a global human rights culture by protecting and improving the human rights of our staff, our subsidiaries, and suppliers. We will also cultivate a flexible and creative organizational culture based on diversity and inclusiveness, manage performances in a fair way, and systematically develop talent.

As we prepare for the next hundred years, CJ CheilJedang will always be there as your friendly neighbor. We would very much appreciate your sincere support and interest in our innovative journey toward sustainability management.

Thank you.
1. OVERVIEW

- OnlyOne CJ
- Global CJ
- Our Business
**CJ MANAGEMENT PHILOSOPHY**

CJ CheilJedang is a top global Food and Bio company. We strive to win the hearts of our customers with the transformation and innovation embedded in our DNA. We act with integrity, passion, creativity, and respect in pursuing our core values—OnlyOne, talent, and shared growth. Based on this, we share new values for daily life with more people around the world. We are proactively spreading CJ’s culture of a healthy, happy, and convenient lifestyle across the world while striving to create sustainable lives and promote the health of the planet. At the same time, we aim to contribute to the communities by creating top value through our OnlyOne products and services.

**MISSION**

Contributing to the global community by providing the best value with our OnlyOne products and services

**VISION**

Global lifestyle company inspiring a new life of health, happiness, and convenience

**CORE VALUES**

- Integrity
- Passion
- Creativity
- Respect

**TALENT**

- Exceptional Talent
- Strong & Adaptive Culture

**SHARED GROWTH**

- Building Ecosystems
- Shared Value

**PRINCIPLE**

- First
- Best
- Different
The first sugar manufacturer in Korea and now a lifestyle company of the 21st century, CJ CheilJedang has expanded into various business areas and made continuous growth over the last half century. In 2020, we achieved our best performance since the company’s foundation, solidifying our position and growing as the market leader in our areas of business. Our Food business unit has realized growth in its core products by following domestic and global HMR (Home Meal Replacement) trends. It also experienced profit-oriented qualitative growth while continuing to expand our global food business in the U.S., China, Japan, and more. In addition, the Bio business unit established a stable profitability model by securing unrivaled dominance over our competitors based on the enhanced structural competitiveness of our amino acid products. We are also accelerating our growth engines in step with the global megatrends of natural and eco-friendly products. In 2021, we will prepare for the future through strategic M&A, fostering new future business, innovation of existing business and product to achieve our vision of ‘Global No.1 Food & Bio Company’. Furthermore, we will accelerate the momentum of our growth by securing unrivaled talent.

INTRODUCTION TO CJ CHEILJEDANG

Company Name: CJ CheilJedang Corporation
Type of Business: Food, Bio
Headquarters Address: CJ CheilJedang Center, 330 Dongho-ro, Jung-gu, Seoul, Korea
Date of Establishment: Nov. 5, 1953
CEO: Kyung Shik Sohn, Eun Seok Choi
Staff members: 6,844
Total Assets (Consolidated): KRW 25.6 trillion
Total Equities (Consolidated): KRW 10.2 trillion
Sales (Consolidated): KRW 24.2 trillion
Operating Profit (Consolidated): KRW 1,359.6 billion
Credit Rating: Commercial paper: A1, Corporate bonds: AA

As of December 31, 2020

* Headquarter criteria other than financial performance
CJ CheilJedang has broken past the boundaries of the domestic market and produces and sells products around the world. The company’s staff of 20,000 strives to create better value in its business locations in Asian markets such as China and Vietnam as well as other regions including the U.S., Germany, Australia, and Brazil.
OUR BUSINESS

CJ CheilJedang’s Food Business Unit introduces products with excellent flavor and outstanding quality, reflecting the social trends that pursue health and convenience and customer needs following lifestyle changes. We are gaining momentum for growth from our premium brands such as Gourmet and Hetbahn, based on this, we are raising awareness in K-food culture by developing Bibigo into an integrated global brand.

FOOD

HMR (Home Meal Replacement)

BIBIGO
Bibigo is the global No. 1 Korean cuisine brand that makes Korean food with devotion and shares its value with consumers around the world. Through the new brand ‘The bibigo’, bibigo introduced healthier Korean meal options based on even better ingredients and nutritional balance.

GOURMET
At Gourmet we aim to serve memorable experiences rather than just special dishes. With flavorful meals that anyone can prepare and set up beautifully, Gourmet goes beyond food and creates wonderful moments that will bring happiness and variety to your everyday table.

HETBAHN
Hetbahn was created so that anyone can enjoy a warm bowl of rice anytime! Hetbahn is transforming the lives of Korean people based on the OnlyOne spirit and advanced technology of CJ CheilJedang.

FOOD INGREDIENTS

BEKSUL
Beksul introduced necessities for the cooking, such as sugar, flour, and marinade and it is a must-have home-cooking brand that has achieved high customer satisfaction.

HAPPY BEAN
"Delight via Soy" Happy Bean wants to introduce healthy and delicious soy products to your table. Enjoy soybean’s plant protein through a variety of tasty Happy Bean’s product.

HASEONJEONG
Based on our more than 60 years of experience with fermentation technology, we continue to bring you the flavors of Korea with kimchi, various side dishes, crushed garlic, and fish sauce.

THE HEALTHY
With the delicious ham products of TheHealthy, we are introducing small joys into your daily lives.

SPAM
Spam is the best side dish of everyday life, a delightful present for sharing one’s mind and delicious canned-ham that has been loved for a long time.

HAECHANDLE
Haechandle products are made with hand-picked ingredients and using special methods that preserve the traditional value of Korea’s fermented food culture. Specializing in soy bean paste and red pepper paste, Haechandle has become a leading brand in the paste market.

DASIDA
It is the representative taste of the Korean table and the number one brand that has been loved for more than 40 years.

PETITZEL
To make your everyday life just a little bit happier, your day just a little sweeter, and to refresh your life every day, we made the Petitzel dessert brand for you.

HANPPURI
Hangppuri is a leading brand in the ginseng market and differentiates itself by specializing in black ginseng (rather than red ginseng). It invigorates you and helps you live a healthy life.

DESERTS AND HEALTH FUNCTIONAL FOOD

PETITZEL
ByOs goal is to improve your immune system and that is why we continuously research and develop plant-derived functional lactobacilli.

RETURNUP
Returnup is a functional health food brand that specializes in ‘smart aging’ in response to health needs for people in their 40s to 60s.

APPENDIX
BIO

The philosophy of CJ Cheiljedang’s Bio business unit is to create sustainable lifestyles and a healthy planet through the sustainable technology of nature to nature. The market is currently undergoing a turbulent time. Uncertainty is growing due to ASF (African Swine Fever) and COVID-19, and core consumer values and competition are rapidly changing due to global megatrends (e.g., health, safety, eco-friendliness). Amid this market condition, CJ CheilJedang is striving to take preemptive action in the market and become a top global Bio company by providing quality functional amino acids and nucleic acids based on our R&D competency. By doing so, we aim to offer nutritional and healthy lifestyle to all global citizens and animals.

FEED AMINO ACID BUSINESS

With the development of new technology and processes, we are now producing amino acids for feed using the world’s first eco-friendly bio-fermentation technology. By continuously developing new products, we can ensure that we have the best to offer and that our position in the global market remains unrivaled.

FOOD AMINO ACID · FLAVOR ENHANCER BUSINESS

CJ CheilJedang develops flavor enhancers that have the same components as natural foods based on its technology in fermentation. We are expanding our portfolio of fermented amino acids by developing eco-friendly products based on our R&D technology.

**AMINATURE**

Aminature®, made with safe ingredients using our unique fermentation technology, is the fermented amino acid brand for food that leads the trend of eco-friendliness and healthy food. It can be a versatile ingredient for anti-oxidating and immune-boosting foods, sports products for fast recovery, and beauty products for skin regeneration and hair care.

**TASTENRICH**

TastenRich is a Clean Label cooking solution that contains no artificial additives. Made with natural flavor enhancers derived from fermented plant-based ingredients, it adds flavor depth to various dishes. We contribute to the health and safety of customers with healthier and more reliable products by using natural ingredients and focus on sustainability.

**FlavorNrich™**

FlavorNrich™ is an eco-friendly and functional amino acid by using fermentation method. It is the world’s first natural vegan product, and it enhances the healthy flavors of food by making complete taste profiles such as in halal and vegan foods.

**BESTAMINO**

BESTAMINO, created by CJ CheilJedang’s fermentation technology, is the only L-type amino acid product in the world. It boasts higher bioavailability than D-type amino acids. Amino acids made with natural ingredients contribute to the sustainability. The product comes in powder and granule form, ensuring convenience for users.

- Amino acids play a role in creating proteins and controlling metabolic energy. They also improve growth and intestinal health, enhancing the nutritional condition of livestock.

**SOYTIDE**

SOYTIDE produces high-protein ingredients with excellent digestibility compared to other feeds, improving digestion for various livestock including swine, fish, and poultry. It delivers an innovative solution for enhancing the nutritional conditions of livestock.

**X • SOY**

X • SOY is a soy feed based on high-protein components that helps improve the digestive systems of livestock. This product helps the digestive health of livestock and offers customized solutions by the type, age, and animal breeding system. X • SOY has the No.1 market share.

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2. SUSTAINABLE IMPACT

- Sustainability Management Strategy
- UN SDGs Commitment
- Communication with Stakeholders
- Materiality Assessment
- Sustainable Highlights
- Messages from the Top Management
- Special Page
SUSTAINABILITY MANAGEMENT STRATEGY

It is CJ CheilJedang’s goal to become a global company that survives into the future. To achieve this, CJ CheilJedang pursues two core values, health and safety, and sustainable environment, across the purchase of raw materials, production, consumption, and disposal. Therefore, we aim to achieve the virtuous cycle of Nature to Nature in which we obtain resources from nature, provide food to consumers, and return the resources to nature.
**KEY STRATEGIC TASKS**

The key strategic tasks are linked to our core values, sustainable environment, Health and Safety. We selected tasks as follows, based on their external priority and impact on business.

<table>
<thead>
<tr>
<th>Core Values</th>
<th>Category</th>
<th>Goals</th>
<th>Strategic Tasks</th>
<th>Task Details</th>
<th>UN SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUSTAINABLE ENVIRONMENT</strong></td>
<td>Environment</td>
<td>Minimizing Environmental Impact</td>
<td>Responding to Climate Change</td>
<td>Respond to climate change risks and achieve carbon neutrality by 2050</td>
<td>🌍 🌐 🌱</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Procurement Of Sustainable Materials</td>
<td>Increase sourcing of material with enhanced traceability and transparency</td>
<td>🌱 🌐 🌳</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Eco-Friendly Packaging</td>
<td>Develop reusable·recyclable packaging material and reduce waste</td>
<td>🌐 🌳 🌵</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Development Of Eco-Friendly Materials Solution</td>
<td>Develop large-scale solutions including PHA using a variety of White Bio technologies</td>
<td>🌱 🌐 🌳</td>
</tr>
<tr>
<td><strong>HEALTH AND SAFETY</strong></td>
<td>Social</td>
<td>Securing Social Leadership</td>
<td>Zero Human Rights Risk</td>
<td>Preemptively manage stakeholder human rights risks</td>
<td>🌍 🌐 🌳</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Organizational Culture based on DEI*</td>
<td>Establish organizational culture based on Diversity, Equity, Inclusion</td>
<td>🌐 🌳 🌵</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>Governance</td>
<td>Achieving top-tier capability</td>
<td>Enhancement Of Health And Nutrition</td>
<td>Establish CJ Nutrient Policy and expand portfolio of health-oriented products</td>
<td>🌐 🌳 🌵</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sustainable Supply Chain</td>
<td>Identify and manage ESG risks of suppliers at an early stage</td>
<td>🌐 🌳 🌵</td>
</tr>
</tbody>
</table>

*DEI: Diversity, Equity, Inclusion

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**CORPORATE SUSTAINABILITY GOVERNANCE**

We established corporate sustainability governance to secure our ability to implement consistent and comprehensive sustainability management and preemptive risk management. In this way, we aim to facilitate timely ESG-related decision-making. For this reason, we established the Corporate Sustainability Committee under the board of directors, the highest decision-making body of the company. Meanwhile, we also established the Corporate Sustainability Council (chaired by the CEO), the Sustainability Team, and the ESG agenda-based council.

- **The highest decision-making body**
  - Corporate Sustainability Committee
    - Deliberation and Resolution of Strategy and Agenda
    - Review and Submission of Agenda

- **Management-level council**
  - Corporate Sustainability Council (chaired by the CEO)

- **Dedicated organization**
  - Sustainability Team
    - Identification of Agenda and Issue Discussion
    - Performance Review and Improvements

- **Working-level council**
  - Working-level Council for Corporate Sustainability
    - Establishment of the Core ESG Agenda Council

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**SUSTAINABLE IMPACT**

- Sustainability Management Strategy
- UN SDGs Commitment
- Communication with Stakeholders
- Materiality Assessment
- Sustainable Highlights
- Messages from the Top Management
- Special Page

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**MATERIAL ISSUES**

**ESG FACTBOOK**

**APPENDIX**
In 2016, our amino acid R&D and products were recognized as a UN SDGs implementation model and met SMART standards.

UN SDGs’ COMMITMENT

CJ CheilJedang is committed to the UN SDGs (Sustainable Development Goals) for mutually sustainable development and growth. To achieve the 17 goals set by the UN SDGs, we carry out relevant businesses and projects that are based on the core SDG strategies across our value chain. Through these efforts, we address issues and explore new opportunities.
COMMUNICATION WITH STAKEHOLDERS

CJ CheilJedang recognizes the importance of communication with stakeholders in sustainability management. We identify the stakeholders whom we mutually influence and collect stakeholders’ opinions through various internal and external communication channels. When major issues arise, we will take stakeholders into account in preparing response plans and setting business directions. We continue to be actively committed to communicating with diverse stakeholders.

1. CUSTOMER

MAJOR ISSUES
- Customer relations management
- Customer personal information protection
- Product and service quality
- Transparent communication

COMMUNICATION CHANNELS
- CJ CheilJedang official website
- CJ CheilJedang SNS
- Customer Relations Center
- T.O.P Trend Opinion Panel
- Talk Talk Housewives Evaluation Group

2. SHAREHOLDERS AND INVESTORS

MAJOR ISSUES
- Economic performance including share price
- Governance stability and transparency
- ESG issues

COMMUNICATION CHANNELS
- General shareholders’ meeting
- Disclosure
- Quarterly, annual IR activities
- Sustainability report

3. EXECUTIVES AND EMPLOYEES

MAJOR ISSUES
- Securing and developing human resources
- Addressing staff grievances
- Maintaining work-life balance
- Managing labor-management relations
- Managing safety and health
- Implementing fair performance evaluation

COMMUNICATION CHANNELS
- Recruitment fair
- Open Council (Once a quarter)
- Channel C
- Channel Blossom
- Internet anonymous discussion room
- Online reports
- Café La Mer (psychological counseling/ CEO Letter)
- Meetings/ demand

4. MEDIA

MAJOR ISSUES
- Clear and timely disclosure of information

COMMUNICATION CHANNELS
- Press release
- CJ CheilJedang official website
- CJ CheilJedang SNS
- Shohan YouTube Channel

5. LOCAL COMMUNITIES

MAJOR ISSUES
- Strategic social contributions
- Environmental preservation in local communities
- Fulfilling corporate social responsibility
- Support for industrial ecosystems

COMMUNICATION CHANNELS
- CJ Donors Camp
- Community Chest of Korea
- Korean National Council on Social Welfare (food bank)
- Local Volunteer Center
- Social Creative Economy Innovation Center
- Cooperation with NGO
- Agro-healing Cooperative
- Healing Gardening Center

6. SUPPLY CHAIN

MAJOR ISSUES
- Reinforce Communication
- Fair trade and shared growth
- Supplier selection and management
- Supporting suppliers and farms

COMMUNICATION CHANNELS
- Shared Growth Portal
- CJ Partners Club
- Mutual Cooperation Center for Food Safety
- CJ Partners Meeting
- Win-win VOC
- Happy Companion
- CJ Breeding Corp.

7. ACADEMY AND EXPERTS

MAJOR ISSUES
- Academy-industry cooperation
- R&D

COMMUNICATION CHANNELS
- Joint research
- Technical advice
MATERIALITY ASSESSMENT

CJ CheilJedang conducted a materiality assessment to decide on the details and composition of the Sustainability Report and to identify core sustainability topics that must be tracked and managed. We identified a total of 39 sustainability management issues based on the analysis of current internal and external conditions and issues. After surveying and assessing internal and external stakeholders’ opinions, we finally selected three core topics.

**Materiality Assessment Process**

**Establishment of Sustainability Management Issue Pool**

**STEP 01**

- International standards and indices for sustainability management (GRI Standards, ISO26000, UN SDGs)
- Analyze industrial issues
- Analyze external environment
  - Media research (1,661 cases analyzed during 2020.01~2020.12)
  - Benchmarking (select 8 major competitors)
- Review internal sustainability management issues

**STEP 02**

Materiality Assessment

1. **Business impact**
   - Survey for internal stakeholders (2021.02.08 ~ 2021.02.17)
   - Apply expert assessments results in point scores

2. **Social interest**
   - Survey for external stakeholders (2021.02.08 ~ 2021.02.17)
   - Industrial benchmarking and utilization of media research results in point scores

**STEP 03**

Selection of Core Topics

1. Selection of Core Reporting Issues
2. A detailed list of core issues based on GRI Standards
## Materiality Assessment Result

<table>
<thead>
<tr>
<th>Priority</th>
<th>Category</th>
<th>Issue</th>
<th>GRI Standards Topic</th>
<th>Relevant UN SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>①</td>
<td>Economy and general business management</td>
<td>Diversification of economic value</td>
<td>GRI 201-1</td>
<td>SDGs 8,9</td>
</tr>
<tr>
<td>②</td>
<td>Customers</td>
<td>Development of products and services with consideration for the health of customers</td>
<td>GRI 201-1</td>
<td>SDGs 8,9</td>
</tr>
<tr>
<td>③</td>
<td>Environment</td>
<td>Development of ecosystem for eco-friendly packaging</td>
<td>GRI 416-1</td>
<td>SDGs 2,3</td>
</tr>
<tr>
<td>④</td>
<td>Executives and employees</td>
<td>Fair performance evaluation and remuneration</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
</tr>
<tr>
<td>⑤</td>
<td>Local communities</td>
<td>Investment support in social infrastructure</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
</tr>
<tr>
<td>⑥</td>
<td>Local communities</td>
<td>Social contribution activities leveraging the business characteristics</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
</tr>
<tr>
<td>⑦</td>
<td>Economy and general business management</td>
<td>Reinforcement of governance transparency</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
</tr>
<tr>
<td>⑧</td>
<td>Customers</td>
<td>Efforts to ensure product safety</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
</tr>
<tr>
<td>⑨</td>
<td>Local communities</td>
<td>Contribution to boosting local economies</td>
<td>GRI 301-2</td>
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<td>⑩</td>
<td>Customers</td>
<td>Building trust through customer relationship management</td>
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<td>SDGs 3,12</td>
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<td>⑪</td>
<td>Economy and general business management</td>
<td>Entrance expansion to the global market and attraction of overseas investment</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
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<tr>
<td>⑫</td>
<td>Executives and employees</td>
<td>Implementation of human rights management</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
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<tr>
<td>⑬</td>
<td>Executives and employees</td>
<td>Maintenance of work-life balance</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
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<td>⑭</td>
<td>Environment</td>
<td>Management of energy consumption</td>
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<td>SDGs 3,12</td>
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<td>⑮</td>
<td>Executives and employees</td>
<td>Support for upgrading staff skills</td>
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<td>SDGs 3,12</td>
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<td>Environment</td>
<td>Management of GHG emissions</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
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<td>⑰</td>
<td>Environment</td>
<td>Response to climate change</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
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<td>Environment</td>
<td>Establishment of a resource cycle system</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
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<tr>
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<td>Supply chain</td>
<td>Compliance with fair trade principles</td>
<td>GRI 301-2</td>
<td>SDGs 3,12</td>
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### Core Topics

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<th>No.</th>
<th>Core Topics</th>
<th>Impact</th>
<th>Material Issue</th>
<th>GRI Standards Topic</th>
<th>Relevant UN SDGs</th>
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<tr>
<td>1</td>
<td>Diversification of economic value</td>
<td>Cost</td>
<td>Revenue Risk</td>
<td>Issue 03: Expansion of Market Competitiveness</td>
<td>GRI 201-1</td>
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<td>Development of products and services with consideration for the health of customers</td>
<td>Cost</td>
<td>Revenue Risk</td>
<td>Issue 01: Health and safety</td>
<td>GRI 416-1</td>
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<td>3</td>
<td>Development of ecosystem for eco-friendly packaging</td>
<td>Cost</td>
<td>Revenue Risk</td>
<td>Issue 02: Sustainable environment</td>
<td>GRI 301-2</td>
</tr>
</tbody>
</table>
# SUSTAINABLE HIGHLIGHTS

## PERFORMANCE OVERVIEW

See below for CJ CheilJedang’s key performance figures in sustainability management.

### ECONOMY

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td>SALES</td>
<td>24.2</td>
<td>22.4</td>
<td>18.7</td>
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<tr>
<td>OPERATING PROFIT</td>
<td>13,596</td>
<td>9,969</td>
<td>8,327</td>
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### CUSTOMERS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER SATISFACTION</td>
<td>92.1</td>
<td>91.9</td>
<td>94.9</td>
</tr>
</tbody>
</table>

### STAFF

- **RATIO OF FEMALE EXECUTIVES**
  - 2020: 21.8%
  - 2019: 18.7%
  - 2018: 16.3%

- **STAFF SATISFACTION**
  - 2020: 80.1 points
  - 2019: 81.8 points
  - 2018: 78.7 points

### SUPPLY CHAIN

- **Win-Win Fund as Financial Support for Suppliers**
  - 2020: 518 KRW 100 million
  - 2019: 518 KRW 100 million
  - 2018: 512 KRW 100 million

- **Employment Stability Support for Supplier with Naeil Chaeum**
  - 2020: 61 person
  - 2019: 46 person
  - 2018: 25 person

### ENVIRONMENT

- **Technical Support for Suppliers**
  - 2020: 252 cases
  - 2019: 195 cases
  - 2018: 195 cases

- **Reduction in GHG Emissions**
  - 2020: 86,521 tCO2eq
  - 2019: 79,257 tCO2eq
  - 2018: 75,428 tCO2eq

### LOCAL COMMUNITIES

- **Charity and Philanthropy**
  - 2020: 23 KRW 100 million
  - 2019: 16 KRW 100 million
  - 2018: 8 KRW 100 million

### LOCAL COMMUNITIES

- **Use of Recycled Packaging Materials**
  - 2020: 47,891 tonne
  - 2019: 40,240 tonne
  - 2018: 40,893 tonne

### LOCAL COMMUNITIES

- **Reduction in GHG Emissions**
  - 2020: 86,521 tCO2eq
  - 2019: 79,257 tCO2eq
  - 2018: 75,428 tCO2eq
2020 ESG HIGHLIGHTS

1 ENVIRONMENTAL

CJ SELECTA’S DECLARATION OF DEFORESTATION-FREE

CJ CheilJedang protects the Amazon environment, which is also known as ‘the lungs of the Earth’. CJ Selecta, an SPC (soy protein concentrate) manufacturer in Brazil, declared its plan to do business in a “Deforestation-free” way. This declaration aims to prevent the ecocide and protect the environment from procurement of raw materials by indiscriminate deforestation or cultivation of plants for soybean production. Accordingly, we are planning to cease the purchase of soybeans produced in the Amazon Biome region by 2024.

2 SOCIAL

ESTABLISHMENT OF THE HUMAN RIGHTS MANAGEMENT SYSTEM

CJ CheilJedang is establishing a Human Rights Management System as a major strategic task in sustainability management. Recognizing the importance of human rights management, we proclaimed the Human Rights Declaration in 2017. The Human Rights Management TF was promoted in 2020 to preemptively identify and address human rights risks of stakeholders including CJ staff, subsidiaries, and suppliers. The TF’s task will focus on fully integrating human rights management in our business. To achieve this, we will establish basic human rights principles, educate and promote compliance management, assess human rights impact, and improve the violation relief process. Going forward, we will establish an advanced culture of respect for human rights.

3 GOVERNANCE

ESTABLISHMENT OF THE CORPORATE SUSTAINABILITY COMMITTEE

CJ CheilJedang established a Corporate Sustainability Committee within the board of directors to accelerate sustainability management. It identifies various issues related to the environment, society, and governance areas and examines the company’s sustainability management strategy and direction. Also, the committee reviews related performances and approves improvements related to issues. With the launch of the committee, we are one step closer to achieving our sustainability purpose, Nature to Nature.
MESSAGES FROM THE TOP MANAGEMENT

Implementation of sustainability management

COMMUNICATION DIVISION JEONG GIL-GEUN

It is increasingly important for companies to create non-financial performance such as environmental and social values as well as financial performances to achieve growth. To this end, the Communication Division, the overseer of sustainability management, analyzes the stakeholder demands and their impact to carry out the balanced sustainability management. We conduct preemptive risk management and identify business opportunities through the analysis of core ESG issues for the future. We will strive to successfully implement our key ESG tasks by lending our ears to stakeholder opinions.

Sustainable Environment

FOOD PRODUCTION & MANUFACTURING DEPARTMENT KIM KEUN-YOUNG

All companies are bound to leave negative environmental impacts in the process of creating economic value due to their structures. Therefore, they have a responsibility to minimize these impacts. CJ CheilJedang implements carbon neutrality measures across the entire value chains in the product design, purchasing, production, sales, and collection stages. By doing so, we aim to become a global lifestyle company and offer the greatest value we can provide with our OnlyOne products and services in order to contribute to the nation, society, and the global environment.

BIO ENGINEERING DIVISION LEE JUN-WON

Public concerns about the environment have been rising rapidly. In step with this megatrend, we aim to become a leader that creates new value. Through proactive investments and changes, we will build global eco-friendly bio production sites that are equipped with recycling systems and have low carbon footprints. By doing so, we will achieve sustainable development, which will lead us to become a respected company that fulfills its responsibilities to the environment and the lives of people.

PACKAGING DIVISION KIM GRACE

CJ CheilJedang actively invests in R&D for sustainable packaging, with ambitious goals and standards for eco-friendliness. By doing so, we are building a better global environment. We will make a positive impact on society by cooperating with internal and external partners with whom we share mutual interest. Working together, we will achieve our goals as a responsible company and realize circular economy. We will move forward one step at a time!

WHITE BIO CIC LEE SEUNG-JIN

Plastics are causing great environmental issues, and this is directly impacting the survival of humankind. Without changing our behavior the problem will only get worse for the next generation. To overcome this issue, we need a material that can replace petroleum-derived plastics. As the OnlyOne bio solution partner, White Bio CIC (Company in Company) will create sustainable future values through bio-based eco-friendly bio plastic solution business.
Health and safety

**BIO PROCUREMENT DIVISION KIM SU-CHEOL**

We will create a sustainable supply chain with CJ Bi’s global suppliers so that we can maximize the ESG values for our customers. In addition, we are building an ecosystem for sustainable supplies in the areas where we source ingredients. We also purchase non-Amazon soybeans that are cultivated without destroying Amazon rainforests. We will build a sustainable supply chain to increase the procurement of raw materials that leave positive environmental impacts, creating an eco-friendly and transparent industrial ecosystem.

**GRAIN PROCUREMENT DIVISION YUN DAE-JIN**

We aim to partner with suppliers who recognize sustainability management as a social responsibility that must be fulfilled by socially influential companies, and share our concern over the need for sustainable raw material procurement plans. We will expand purchases that minimize environmental risks based on human rights including the prevention of child exploitation. Through these efforts, we will enhance transparency in supply chain management systems by evaluating suppliers of sustainable raw materials. In addition, we will include weather variables in the decision-making process and make preemptive procurement decisions so as to minimize the risks.

**FOOD PROCUREMENT DIVISION PARK TAE-JUN**

To provide sustainable products for our customers we will establish and practice a procedure through which we purchase traceable ingredients, have minimal environmental impacts, and are mutually beneficial for local communities. As the first step to realizing this goal, we will share the necessity of building a ‘sustainable supply chain’ with our suppliers. By communicating for mutual development, we will lay a solid foundation for growth.

**SCIENCE & TECHNOLOGY DIVISION YOON HYO-JUNG**

We believe that it is our role and responsibility to make wholesome products so that our consumer can sustain healthy lifestyles without suffering from any deficiency or excess, even if they only consume our products for breakfast, lunch, and dinner. To achieve this, we are building a foundation for a health and nutritional system by collecting the opinions of nutritionists and establishing the CJ Nutrition Criteria. Furthermore, we will continue to establish mid-to long-term nutritional policies and expand our health-focused product portfolio to improve the diets and lifestyles of consumers.

**LEGAL DIVISION KIM JU-SEOK**

The recent changes in the management environment demand values that set themselves apart from the past. In this trend, the need for the establishment of a global-standard compliance system for the maximization of corporate value, as well as related stakeholder demands, is also on the rise. To this end, CJ CheilJedang established the “Promise of the CJ People” and launched the Compliance Committee. In addition, we acquired ISO 37301 (Compliance management system) as the first instance for corporate Korea. Furthermore, we are enhancing our compliance management system to proactively respond to the changing regulatory environment and strive to establish and expand a culture of compliance.
We are facing new and unprecedented challenges from the COVID-19 pandemic that swept across the world in 2020. As social distancing measures reduced points of communication, we had to make the necessary changes to continue our sustainable business activities while keeping everyone safe and healthy. By implementing quick and effective response measures that comply with the government’s quarantine guidelines, we were able to innovate our working methods.

Healthy and Safe Value for our Employees

CJ CheilJedang drafted and distributed the Employee Safety Guidelines to reassure employees and offer them a safe environment amid the spread of COVID-19. The guidelines recommend employees to utilize remote work, time-lag work schedule, and care’s leave. In addition, we offer the “Mindfulness Program” to alleviate psychological anxieties caused by the prolonged COVID-19 crisis. Through these efforts, we are doing our best to promote the mental health of our employees.

Safe Remote Working

CJ CheilJedang provides a safer working environment. With the establishment of a remote work system, our employees can now work at home, just as they would work at their offices. We have distributed a remote work manual that stipulates approval for and sharing of remote work, setting up a remote work environment, and basic rules and regulations for remote work. We also introduced IT infrastructure to facilitate smooth work processes. In this way, we are endeavoring to provide safe and effective working environments for all our employees.

Responses of Manufacturing Sites with the Principle of Safety First

CJ CheilJedang’s production sites operate a preventative task force to minimize the risks of COVID-19. The task force swiftly evaluates situations and implements response measures through a real-time situation sharing channel. We implement daily quarantine activities such as thorough fumigation by independent agencies. We also regularly ventilate areas where more than five people work at all times, while all vehicles visiting our plants undergo disinfection processes. Lastly, we strengthened monitoring of visitors and business site operation for visiting subcontractors, prioritizing the health and safety of our employees and stakeholders.
DESIRE TO CONNECT

SINCE THE SPREAD OF COVID-19, WE ARE HOLDING FEWER FACE-TO-FACE MEETINGS BUT USING MORE NON-FACE-TO-FACE COMMUNICATION. AS THE NON-FACE-TO-FACE TRENDS ACCELERATE, WE ARE EXPERIENCING LARGE CHANGES IN HOW PEOPLE INTERACT WITH EACH OTHER – AND EVEN HOW THEY ENJOY CULTURAL ACTIVITIES. TO THIS END, CJ CHEILJEDANG HAS LAUNCHED A VARIETY OF ONLINE PROGRAMS AND CREATED A PLACE OF HEARTFELT COMMUNICATION WHERE PEOPLE CAN SHARE THEIR TASTES AND LEARN NEW THINGS.

DELIVERING WARM THOUGHTS ONLINE

DESIRE TO CONNECT

ENHANCEMENT OF ONLINE SERVICES WITH THE “VALUE OF GOODNESS”

CJ THE MARKET’S “GOOD WEEK” AND “GOOD AGRICULTURAL PRODUCT SALES”

We spend more time at home due to social distancing measures such as remote work and online schooling. Seeing this as an opportunity, CJ CheilJedang ran the “Good Week” activity that promote cooking and eating at home. By providing coupon promotions under the slogan of “value shopping know-how,” this activity spread through the customer grapevine and quickly led to new purchase trends. In addition, we held a special event where eco-friendly produce, which could not be delivered for school lunches due to continuing delays to school start dates, was offered at reduced prices.

DIVERSE COOKING EXPERIENCES

Cooking is evolving into a fun play and leisure activity that people share with their families and friends. To offer these kinds of cooking experiences, we continue to provide online cooking classes that were previously provided offline. We are transferring the offline CJ Cooking Studios to digital spaces, aiming to enhance the accessibility of such content by utilizing digital spaces as YouTube/Blog content studios.

DELIVERING WARM THOUGHTS ONLINE

DEVELOPMENT OF CULTURAL TALENT FOR CHILDREN AND YOUTH

Despite COVID-19, CJ CheilJedang continues to nurture cultural talent. As a cultural dream keeper that helps children and youth to realize their dreams, CJ Donors Camp ran the “Youth Cultural Group”. In this group, we offer mentoring services from top industry experts, CJ employees, and university students to encourage the youth to develop their talent in the cultural areas where they wish to excel. Although we faced some difficulties in gathering due to COVID-19, we were able to make creative artwork through virtual cultural experiences, such as KCON:TACT Digital Culture Experience. Moreover, we successfully conducted an online showcase to present these works of art.

VIRTUAL CULTURE SCHOOL

As more and more students face neglect due to COVID-19, CJ Donors Camp has directed its focus toward the most vulnerable, providing cultural education to local children’s centers through the Virtual Culture School program. This program is based on comprehensive creative cultural activities such as watching films and listening to music. Using online platforms, participants are able to enjoy well-made films, documentaries, and music, followed by discussions and creative activities – thereby promoting children’s creativity, thinking, communication, and a spirit of cooperation.

DIVERSE COOKING EXPERIENCES

Cooking is evolving into a fun play and leisure activity that people share with their families and friends. To offer these kinds of cooking experiences, we continue to provide online cooking classes that were previously provided offline. We are transferring the offline CJ Cooking Studios to digital spaces, aiming to enhance the accessibility of such content by utilizing digital spaces as YouTube/Blog content studios.
According to an announcement by Brazil’s INPE (National Institute for Space Research), the Amazon rainforest, which is also known as the lungs of the Earth, suffered the worst destruction in 2020 since the great Amazon fire of 2008. CJ Selecta, an SPC (soy protein concentrate) manufacturer in Brazil, has recognized the business-related impacts caused by deforestation in Brazil and declared its plan to do deforestation-free business. It continues to carry out relevant activities, such as avoiding irresponsible deforestation and slash-and-burn farming, to stop deforestation in the Amazon.

**STRIVE FOR DEFORESTATION-FREE**

**Low-Carbon Activities to Prevent Global Warming**
We have increased the use of clean energy throughout the entire production process for SPC, and are recycling wastewater to reduce our environmental impact. We are also using more eco-friendly fertilizers and have reduced carbon emissions generated in the process of harvesting raw materials, processing/storing, and distribution, by using woodchips instead of coal. As a result, we produced one third of the average GHG emissions of our three Brazilian competitors.

**Use of Amazon-Free Soybeans**
Under the “Stop the Deforestation” declaration, CJ Selecta purchases soybeans produced in regions other than the Amazon Biome and has formed a council with major SPC manufacturers in Brazil. The council is carrying out the Seed Project through which members supply seeds to Brazilian farmers who cultivate their produce in non-Amazon regions, provide financial support, and purchase all of the harvested soybeans. We will completely move away from purchasing soybeans produced in the Amazon region by 2024.

**Declaration of Sustainability Management by CJ Selecta**
In 2020, CJ Selecta announced its New Sustainability Plan, which comprises six goals to solidify our efforts to achieve sustainability (e.g., eradication of deforestation).
INNOVATE TO REDUCE FOOD LOSS & WASTE

FOOD IS ESSENTIAL TO HUMAN SURVIVAL, BUT FOOD INEQUALITY PERSISTS. WHILE EDIBLE FOOD IS DISCARDED, MANY ARE STARVING DUE TO A LACK OF FOOD. TO REALIZE EQUALITY IN FOOD SUPPLY AND DEMAND, CJ CHEILJEDANG STRIVES TO ADDRESS THE ISSUE OF FOOD DISPOSAL AND LOSS BY IMPROVING PROCESSES (E.G., PRODUCTION, PROCESS, DISTRIBUTION, AND CONSUMPTION) ACROSS THE ENTIRE VALUE CHAIN OF THE FOOD INDUSTRY, AND BY RAISING CONSUMER AWARENESS.

1. PRODUCTION OF RAW INGREDIENTS
   We have reduced waste in the rice processing stage and improved our refining and selection processes to increase yields. By doing so, we have reduced waste generation through the reduction of inedible rice byproducts.

2. STORAGE AND DELIVERY
   To improve the cabbage storage process and minimizing waste, we control the storage environment and maintain an appropriate quality level through storage environment management.

3. MANUFACTURING PROCESS
   We manage an appropriate production volume and raw/subsidiary material inventory status through "Smart SCM," a precise demand and supply management process. Based on this, we have diversified the usage process per product with remaining shelf life, improving the loss rate from 0.85% in 2019 to 0.69% in 2020.

4. DISTRIBUTION AND SALES
   To discover the value of using Eatable Food, we collaborated with "Last Order," a discount sales platform. Further, we continue to share with the Food Bank to increase food donations and with the "Goodwill Store" to create jobs for the disabled.
   - Eatable Food: A new term introduced by CJ CheilJedang, referring to food that is near expiration but still has value as edible food.

5. CONSUMPTION OF WASTE
   To raise consumer awareness, we provide shelf life and expiration date information and life tips to reduce food waste. In addition, we have also introduced ways to use eatable foods through online cooking shows that have received great positive responses from many consumers.
FOCUS ON HUMAN RIGHT

HUMAN RIGHTS MANAGEMENT POLICY
In 2017, we first established our Human Rights Declaration, a human rights policy that ensures respect for the human rights of various stakeholders, not only staff but also customers, suppliers, local communities, etc. We continue to amend Human Rights Declaration, reflecting external requirements.

HUMAN RIGHTS MANAGEMENT HISTORY
CJ CheilJedang recognizes the importance of enhancing human rights and thereby implements the following human rights management tasks.

2017
- Disclosed the Human Rights Declaration
- (Supply Chain Code of Conduct)

2019–2020
- Amended the Human Rights Declaration
- Established a taskforce to introduce human rights management
- Implemented a human rights impact assessment

2021
- Established human rights governance
- Established a human rights management implementation plan

OUR APPROACH TO RESPECTING HUMAN RIGHTS
① We will conduct business activities with consideration for human rights impacts across the entire value chain.
② We will establish a top decision-making body and a work group to implement systematic human rights management.
③ We will operate a relief process for human rights violations concerning employees and stakeholders.
④ We will enhance employee training and promotion to solidify a company-wide culture that respects human rights.
⑤ We will clearly disclose our progress and efforts.

INTERNATIONAL STANDARDS AND PRINCIPLES (GUIDING PRINCIPLES)
- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- UN Convention on the Rights of the Child

Respect for human rights is an uncompromisable element in our business activities. At CJ CheilJedang, we recognize the importance of practicing the principle of “respect” across all our global businesses, to this end, we preemptively identify and improve potential human rights violations against various stakeholders and local communities to practice respect for human rights. Celebrating 2021 as the “International Year for the Elimination of Child Labour”, we are sending our wholehearted support to this cause and will do our utmost to stop human rights violations – including child labor.
3. MATERIAL ISSUES

- Issue 1. Health and safety
- Issue 2. Sustainable Environment
- Issue 3. Expansion of Market Competitiveness
HOW WE MANAGE

CJ CheilJedang uses healthier ingredients to deliver safe and reassuring products to customers and promotes consumer’s health through the operation of a systematic and integrated food safety system.

Furthermore, we constantly ask ourselves the following questions:

How can we provide sufficient nutrients through only processed foods?

What should we consider first at the raw material procurement stage to contribute to delivering healthy finished products?

How can we implement our stringent integrated food safety system globally?

In searching for the answers, we have found ways to offer healthier and safer products.

Going forward, CJ CheilJedang will continue our endeavors to create safe and healthy products and deliver them to you from nature.

2020 KEY FACTS & FIGURES

SETTING HEALTHY NUTRIENT STANDARDS

BUILDING A HEALTHY HMR BRAND

LAUNCHED THE BIBIGO

SALES OF NATURAL FLAVOR ENHANCER ‘TASTE N RICH®’

SECURED THE WORLD’S FIRST NATURAL MASS-PRODUCTION TECHNOLOGY FOR CYSTEINE THAT DOESN’T USE ELECTROLYSIS

ESTABLISHMENT OF THE CJ NUTRITION CRITERIA

LAUNCHING 12 NEW PRODUCTS

SUPPLIED TO APPROX. 100 COMPANIES IN 31 COUNTRIES

$5 BILLION
DEVELOPING DIFFERENTIATED PRODUCTS
CONSIDER HEALTH AND NUTRITION

ESTABLISHMENT OF SYSTEMATIC NUTRITION GUIDELINES

ESTABLISHMENT OF THE CJ NUTRITION CRITERIA
CJ CheilJedang established the CJ Nutrition Criteria, a set of nutritional standards for each product category, to provide healthy processed foods and improve consumers’ dietary habits. The CJ Nutrition Criteria identified major categories from our product portfolio. Based on this, we established the upper limit for energy (calories) and the five nutrients that, saturated fat, trans fat, sugar, and sodium), for which excessive consumption may be unhealthy.

We will not only continuously assess the nutritional quality of our products based on these guidelines, but we also use them for designing nutritional structures when developing new products for the future. Furthermore, we intend to establish and implement a strategy for improving the nutritional quality of products and thereby contribute to consumer health. We remain committed to fulfilling our social responsibility.

OPERATION OF THE KNS-AFFILIATED EXTERNAL ADVISORY COMMITTEE
CJ CheilJedang has established and operates its External Advisory Committee in affiliation with the KNS (The Korean Nutrition Society) to set fair nutrition criteria and policies for the company. KNS is a domestic organization with reliable authority in nutritional science. The External Advisory Committee began operation in 2019. It annually selects meeting agendas and hosts three regular meetings, as well as lower-level meetings for specific areas. CJ CheilJedang strives to collect various opinions from external experts to implement them in our health and nutritional strategies. In doing so, we aim to ensure objectivity and build consumer trust.

LAUNCH OF THE BIBIGO, A HEALTHY HMR BRAND
CJ CheilJedang launched twelve new products under The bibigo, a new HMR brand, based on our unmatched R&D competitiveness and business specialty. The bibigo is a healthy HMR brand based on our R&D competency that adds advanced health and nutritional value to conventional HMR (home meal replacement) products. It offers enhanced nutritional balance, excellent flavors, and the authentic texture of natural ingredients. Furthermore, we provide meal suggestions using our The bibigo products to help customers create balanced meals for healthy lifestyles. We will keep expanding the product portfolio of The bibigo, and delivering accurate health and nutritional information to our consumers to support their healthy lifestyles.
DEVELOPMENT OF HEALTHY PRODUCTS BASED ON OUR DIFFERENTIATED FERMENTATION CAPABILITIES

PLANT-DERIVED FERMENTED FLAVOR ENHANCER TASTE:NRICH®

TasteNrich®, a differentiated future-oriented flavor enhancer, is based on 60 years of experience in CJ Bio research in fermentation technology and its R&D capabilities. Using only plant-derived ingredients through a fermentation process with no additives or chemical treatments, TasteNrich® meets the “Clean Label” requirements. Also, processed foods using TasteNrich® can be certified as “Clean Label Foods”. More than 100 companies from 31 countries, such as large spice sauce companies and food companies in North America, are using TasteNrich®. Domestically, it is used in SPAM Mild, which has 25% less sodium content than the original product, and several bibigo products.

FlavorNrich™ Master C, the World’s First Natural Cysteine Produced without Electrolysis

FlavorNrich™ Master C is the first natural vegan cysteine, born to meet the “naturalistic” trend in the food industry. Cysteine is a functional amino acid with anti-oxidation, detoxing, and skin regenerating effects. It is widely used in functional foods, pharmaceutical ingredients, additives for animal feeds, and as part of ingredients that add meat flavor. While most companies that produce cysteine extract it from animal fur or Electrolysis technology, CJ CheilJedang is the only company that successfully manufactures 3rd-generation cysteine using a microbe fermentation method. FlavorNrich™ Master C is the only product made with a natural process that meets the requirements of the USDA Organic standard. Going forward, we will expand its usage to halal food, vegan food, as well as future foods including alternative meat.

A FEED ENZYME THAT PROMOTES LIVESTOCK NUTRITION

BIOTECTOR, the Feed Additive that Eliminates Harmful Bacteria in Livestock

BIOTECTOR is the world’s first bacteriophage cocktail feed additive that helps remove harmful bacteria from the digestive systems of livestock. It prevents contamination and infection from Salmonella, controlling livestock disease and promoting the healthy and safe growth of animals. We have improved the product for more powerful prevention against bacterial diseases. Through continuous R&D, we’ve replaced antibiotics while reducing infections of diseases.

Features and applications of TasteNrich®

Features

- Natural ingredients
- Plant-based
- low-sodium

Clean Label

- NO additives, Non-GMO
- Allergens-free

Maximizes the savory and natural flavors of the ingredients

SAFETY

- Vegan, Animal-free
- Halal, Kosher

Applications

PREMIUM FOOD

- No Additives
- Noodles, processed meats, sauces, condiments, snacks, etc.

HEALTH FOOD

- Organic ingredients
- ‘A tasty health food’

INNOVATIVE FUTURE PRODUCTS

- Alternative plant-based meat
- (natural flavor)
- Meal kit (full of flavor, with no additives)

Issue 1. Health and Safety
Issue 2. Sustainable Environment
Issue 3. Expansion of Market Competitiveness

ESG FACTBOOK
APPENDIX
EFFORTS FOR SAFE FOOD

ENHANCEMENT OF THE FOOD SAFETY MANAGEMENT SYSTEM

SYSTEMATIZATION OF THE CJ GLOBAL QUALITY AND SAFETY SYSTEM

CJ CheilJedang operates its CJQMS (Food Safety and Quality Management System) to deliver reliable products to our customers. Through this system, we preemptively prevent and control possible quality issues across the value chain, including R&D, production, and sales. CJ CheilJedang’s integrated Food Safety System runs in five countries to promote the systemized quality safety system on a global scale. The CJ Global Quality Safety System pursues three criteria: fulfillment of quality philosophy and principles, localization of the Integrated Food Safety System, and obtaining of GFSI™ Certification at overseas production facilities. Complying with these world-class standards, we carry out the best food safety practices.

- CJQMS (Quality Management System)
- GFSI certification refers to food safety certificates such as FSSC22K, BRC, SQF, and IFS, that are recognized under the global food safety requirements defined by the GFSI (Global Food Safety Initiative). GFSI certification is granted following vigorous reviews of production facilities that have implemented transparent and consistent food safety systems and is recognized worldwide.

CJ Global Quality and Safety System

QUALITY PHILOSOPHY

We value safety of our customers, consumers and employees by placing the “Only-One-safety-first-culture” as top priority of our business.

FIVE PRINCIPLES

CUSTOMERS / CONSUMER SATISFACTION
We attentively listen to our customers and consumers’ voice and put their safety first.

COMPLIANCE FIRST
We conduct management activities based on the CJ Quality Management System (CJQMS); we strive to exceed the legal standards for safety of our customers/consumers.

EVOLUTION AND INNOVATION
We continuously strive to improve and lead evolution and innovation based on the Only-One-spirit for the safety of our customers/consumers.

PREVENTIVE MANAGEMENT
We establish a strict quality risk management/crisis prevention system to ensure the safety of our customers/consumers.

SALES
We strive to create shared value with our business partners to build a win-win ecosystem.

GLOBAL QMS & CERTIFICATION

GFSI Food Safety System certification in overseas production facilities

CJ CheilJedang Value Chain

R&D
Product quality R&D

PROCUREMENT
Supplier selection and quality evaluation

PRODUCTION
Inspection of production facilities and defect control

SALES
Safety management for product distribution

Our Efforts on GMO Management

CJ CheilJedang is well aware of the concerns surrounding the impact of GMO crops and ingredients on the human body and the environment. To address these concerns, we established Food Safety Center in each country to strictly comply with local laws and regulations. We manage all products (both processed foods and health functional foods), manufactured and sold by the company, by following Internal Label Management Guide of GMO analysis and CJ QMS. We are capable of observing analysis of all GMO events for the approved GMO produce, and we enhance analysis management via a regular monitoring process of raw materials and finished products.

To manage whether all our domestically sourced and imported ingredients are genetically modified, we examine the supporting documents such as IPID (Identity Preserved handling certificates), Government certificates, Manufacturer’s declarations, and test reports. Furthermore, we established a designated analysis method for untraceable and unapproved soybeans, corns, and wheat to control potential food safety risks. In 2021, the Ministry of Food and Drug Safety issued an administrative notice. It states that disclosure standard for GMO food products will be modified to address the unintentional inclusion of such ingredients to promote non-GMO marks. We will actively provide information, reflecting consumer needs as per the revised disclosure standard. In addition, we are fully prepared for the US National Bioengineered Food Disclosure Standard that will come into effect in 2022, and will be able to furnish evidence of raw materials.

* Genetically Modified Organism
CJ CheilJedang is aware of the potential environmental impact of our products and strives to minimize them across the entire product development process.

Can we make bio-degradable ingredients? How can we reduce packaging? Is there a more efficient way to recycle waste materials?

We ceaselessly ask ourselves these questions, look for solutions and apply them to production to enhance eco-friendliness. Until the day CJ CheilJedang fully realizes a complete cycle of Nature to Nature, we will keep coming up with new questions.

**2020 KEY FACTS & FIGURES**

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amount of Waste Reduction</td>
<td>5,577 tonnes</td>
</tr>
<tr>
<td>Reduction of Potential Waste Obtained Certification for Resource Circulation</td>
<td></td>
</tr>
<tr>
<td>The Only Company in the World to Generate Nine Major Amino Acids</td>
<td></td>
</tr>
<tr>
<td>Reduction in CO₂ Emissions for Packaging Improvement</td>
<td>1,527 tonnes</td>
</tr>
<tr>
<td>Achievements in Eco-Friendly Packaging</td>
<td></td>
</tr>
</tbody>
</table>

**COMMERCIALIZATION OF BIODEGRADABLE PLASTIC (PHA)**

The only company in the world
IMPLEMENTATION OF SUSTAINABLE ENVIRONMENTAL MANAGEMENT

ESTABLISHMENT OF A SUSTAINABLE ENVIRONMENT SYSTEM

IMPLEMENTATION STRATEGY

CJ CheilJedang is establishing mid- to long-term sustainable environmental goals and strategies to minimize environmental impact. Aiming to be carbon neutral in 2050, we will gradually implement targeted actions such as reducing carbon emissions, eco-friendly energy, plastic reduction, waste resource circulation, and commercialization of biodegradable technology in the procurement-production-sales-recovery process. To accelerate this process, we are setting up a task force to establish a sustainable environmental management system. This system will serve to minimize environmental impacts caused by GHG emissions, energy, water usage, and help us organize action against climate change risks. We will re-establish our environmental management principles, set mid-to-long-term goals, and enact an implementation system to publish a special report within this year.

ORGANIZATIONAL STRUCTURE

CJ CheilJedang maintains an environmental safety management organization and makes efforts to minimize the environmental impact of its products and services.

ENVIRONMENTAL SAFETY MANAGEMENT PROCESS

Under the slogan of “Create an OnlyOne safety-first culture that puts the safety of customers and employees first in all business activities,” we have established a step-by-step environmental safety strategy. This plan encompasses environmental safety & risk awareness, improvement, prevention, response, and diagnosis. In this way, we can preemptively identify and address core environmental issues such as chemical spillage and malodor.

Waste Reduction Activities

CJ CheilJedang endeavors to minimize waste generated in its production processes and increase recycling rates. We are seeking ways to reduce waste and create new value by turning waste into resources. In 2020, we reduced waste by eliminating stickers on frankfurter packaging, reducing the weight of ssamjang and bibigo porridge containers, and making the banding wrap on dumplings products smaller. In addition, the residual plant materials (rice bran and broken rice) and compressed paper waste generated at Jincheon BC were approved as resource circulation by the government.

Carbon Footprint Certified Products

We implement carbon labeling on several products to control GHG emissions across all our production processes. In 2020, a total of seven products maintained their certification.

---

CJ CheilJedang Sustainability Report 2020
TECHNOLOGY AND PRODUCTION PROCESS DEVELOPMENT FOR SUSTAINABLE ENVIRONMENTAL MANAGEMENT

ECO-FRIENDLY FERMENTATION PROCESSES

CJ CheilJedang produces amino acids through differentiated fermentation processes that use Corynebacterium and raw grains. This eco-friendly fermentation method significantly reduces the volume of wastewater or gas generated during the amino acids production. In addition, byproducts from fermentation can be recycled and reused as fertilizers to boost growth of crop. We also reduced feed consumption and nitrogen generated by livestock excrement by developing a highly digestible product, thereby realizing greater sustainability.

PRODUCTION OF THE NINE ESSENTIAL AMINO ACIDS

With six decades of expertise in microbial fermentation R&D and state-of-the-art technology, CJ CheilJedang has successfully manufactured the nine major amino acids using eco-friendly processes. CJ CheilJedang is the only company in the world that produces more than five essential amino acids in this manner. In 2020, CJ CheilJedang secured the technology to mass-produce Leucine, the ninth essential amino acid we manufacture, using an eco-friendly process. Amino acids are components of proteins, and livestock intake essential amino acids through feed additives. CJ CheilJedang will complete a healthy cycle that connects feed (with essential amino acids added) → livestock → food → humans with our eco-friendly essential amino acid manufacturing processes.

Amino Acids in Production with Eco-Friendly Fermentation Method

<table>
<thead>
<tr>
<th>KEY FEATURES</th>
<th>Lysine</th>
<th>L-Methionine</th>
<th>Threonine</th>
<th>Tryptophan</th>
<th>Valine</th>
<th>Arginine</th>
<th>Histidine</th>
<th>Isoleucine</th>
<th>Leucine</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Protein synthesis and muscle formation</td>
<td>Top priority essential amino acid for chicken, fish</td>
<td>Improvement · maintenance of gut health</td>
<td>Livestock stress control · Improved productivity of swine · milk · chicken eggs</td>
<td>Muscle protein synthesis · Increased feed intake and growth</td>
<td>Boost blood health · immunity · Essential for chickens · Fish</td>
<td>Homeostasis control · Prevention of cataracts in salmon · Fatigue relief · muscle improvement</td>
<td>Muscle protein synthesis · Increased feed intake · growth</td>
<td>Blood sugar control · muscle growth · Hormone · energy production</td>
</tr>
</tbody>
</table>
PRODUCTION WITH LOW ENVIRONMENTAL IMPACTS

PRODUCTION OF ECO-FRIENDLY LYSINE AT CJ BIO PIRACICABA, BRAZIL

CJ Bio Piracicaba in Brazil, our South American base, produces lysine. We produce about 100,000 tonnes of lysine a year for swine feed at this plant. The CJ Bio Piracicaba business site not only actively carries out eco-friendly production with our green fermentation method, but also proactively reduces environmental impacts in its production processes. We successfully reduced CO₂ emissions by 88,600 tCO₂ by switching our energy source from LNG to biomass. Going forward, we will continue our efforts to reduce our environmental impact.

Expanded Use of Wood Chip Fuel and Bagasse Fuel

CJ CheilJedang switched the production fuel used at its business site in Piracicaba, Brazil, from natural gas to biomass fuels (wood chips and bagasse). Wood chips are produced from construction work or come from the unusable roots and branches of trees that have been broken into pieces for easy combustion. Bagasse is made by squeezing sugar from sugar cane and grinding sugar cane or cane stalks with leftover residue. Biomass fuels are not only economic but also more eco-friendly since they create fewer GHG emissions such as carbon dioxide, sulfur oxides, nitrogen oxides, etc., than petroleum or LNG.
EFFORTS TO ESTABLISH A SUSTAINABLE RESOURCE CYCLING SYSTEM

ESTABLISHING A SUSTAINABLE PACKAGING STRATEGY

CJ CheilJedang is establishing a resource cycling system in step with global environmental trends that demand reduced packaging waste and care for nature and society. Our sustainable packaging strategies are 'minimize the plastic', 'educate the consumer', and 'expand the collaboration'. We reduced plastic use by a total of 1,019 tonnes through technology development, enhanced customer communication, and mutual cooperation. Furthermore, CJ CheilJedang is striving to establish a sustainable resource circulation economy by reducing plastic packaging and developing alternative materials.

MINIMIZE THE PLASTIC
TECHNOLOGY
3R (Redesign, Recover, Recycle) Policy-based reduction in plastic consumption

EDUCATE THE CONSUMER
COMMUNICATION
Providing packaging disposal information to consumers

INCREASE THE COLLABORATION
COLLABORATION
Building a mutual relationship and network to realize a circular economy across the value chain including the fields of education and industry

Enhanced Recyclability of Premium Oil
We have made waste separation easier for households by using water-soluble adhesives for containers of Beksul premium oil. We also lightened the weight of lids and PET bottles, eliminated PVC materials from tech bands, and started using transparent PET to enhance recyclability.

Minimized Use of Plastics in Gift Boxes
We produced the tray for gift set, one of our major products, with 40% recycled plastic to minimize plastic usage while applying an optimal design. We also recycled the residual plastic pieces that remained after the production to minimize plastic use. The all-paper design also allows easy separate discharging and increases recyclability. Furthermore, for the first time in Korea, we launched a gift set without using any plastic caps.

Global How2Recycle Label
Our How2Recycle label is a standardized system that informs the public of recycling methods. It is applied to products made by Schwan's and CJ Food USA.

Hetbahn Container Collection·Upcycling Campaign
As one of our resource cycling activities, we implemented a Hetbahn container collection·upcycling program for our staff. Through this program, we installed Hetbahn container collection boxes at workplaces, collected containers, and then upcycled them into reflective cards, which were donated to local children's centers.

Efforts to Build a Circular Economic System
We have collaborated with domestic and international value chains and participated in academic conferences and non-profit organizations to build a circular economy. In 2020, we participated in Swiss-Korean Innovation Week, which was hosted by the Swiss Embassy in South Korea. In the same year, we also joined the 'SP4CE' online community, an eco-friendly packaging community hosted by SK Global Chemical, and attended Global Packaging Seminar.

CJ CheilJedang will set challenging goals to reduce plastic consumption, maximize recyclability, and develop alternative materials for plastics in the second half of 2020. To accomplish them, we will establish detailed action plans for 2021.
SUSTAINABLE PACKAGING PERFORMANCE

CJ CHEILJEDANG’S EFFORTS FOR ECO-FRIENDLY PACKAGING

Since our establishment in 1953, CJ CheilJedang has launched the following products as part of its continuous efforts to realize eco-friendly packaging.

2004
SPAM
The first such instance in South Korea for consumer convenience

2016
LAUNCH OF CURBAIN
Eco-friendly packaging to replace the Hetbahn container cap

2015
LAUNCH OF HETBahn
Hettbahn
Development of gas discharge & keep plates that combine tradition and science

2013
ADOPTED ALUMINUM CAN FOR SPAM
The first such instance in South Korea for consumer convenience

1996
LAUNCHING HETBahn
Achieving a long shelf life at room temperature by completely removing oxygen from the packaging

2018
GOURMET “SUSCEPTOR” PIZZA
Development of a self-heating pad

2020
ECO-FRIENDLY LOGISTICS PACKAGING FOR CJ THE MARKET
An eco-friendly packaging solution developed to meet the increasing demand for cold storage logistics due to the online market expansion

REDUCTIONS IN PLASTIC RAW MATERIALS AND GHG EMISSIONS

In 2020, CJ CheilJedang reduced plastic usage by 1,019 tonnes through its sustainable packaging strategy. This is equivalent to about 62.9 million 500 ml water bottles. That’s the amount of bottled water consumed by approximately 660,000 Korean people every year.

* Calculating the environmental effect, we saved 1,527 tonnes of GHG emission by reducing the plastic usage

Effect of reductions in plastic raw materials

| 2018 | Premium Oil | 48.5 million Mineral Water Bottles |
| 2019 | Gift Sets   | 48.5 million Mineral Water Bottles |
| 2020 | Pastes/Sea-sonings | 1.23 million Mineral Water Bottles |
| 2021 | Other       | 2.13 million Mineral Water Bottles |

Effect of reductions in plastic raw materials

| Gift Sets | 48.5 million Mineral Water Bottles |
| Premium Oil | 9.88 million Mineral Water Bottles |
| Hettbahn | 1.16 million Mineral Water Bottles |
| Pastes/Sea-sonings | 1.23 million Mineral Water Bottles |
| Other | 2.13 million Mineral Water Bottles |

COMMERCIALIZATION OF BIODEGRADABLE PLASTIC (PHA*)

CJ CheilJedang has successfully developed a biodegradable PHA and commercialized it. This technology is the result of collaboration with three domestic companies. CJ CheilJedang contributed PHA mass-production and packaging development technology, SKC provided the PLA film production infrastructure, and Woosung Chemical contributed their compounding capability to mix and process more than two bio-degradable materials. Together, we were able to introduce this new product. Going forward, we will gradually replace our disposable packaging materials with biodegradable PHA.

* PHA is the only bioplastic material that is biodegradable in soil as well as in the ocean. In February 2021, it acquired four types of TUV biodegradability certification, which is highly regarded in Europe and North America.

CJ CheilJedang Sustainability Report 2020

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Tel: +82-2-6740-1114 / www.cj.co.kr
HOW WE MANAGE

CJ CheilJedang strives to secure its market position by creating economic values and carrying out various activities that reflect rapidly changing trends.

How do we secure the resilience to overcome crisis and take further leaps forward in this time of gargantuan changes?

What consensus should we forge with our customers from diverse backgrounds, and what kinds of products should we focus on to achieve global expansion?

Based on ‘global expansion’ and changes brought about the ‘contactless age’, we will develop localized foods that appeal to international customers, expand our presence in the online market, and develop new technologies to create economic performance and communicate with wider customer groups.

2020 KEY FACTS & FIGURES

| PROPORTION OF GLOBAL SALES IN TOTAL SALES | 60% |
| SALES OF BIBIGO MANDU | KRW1 TRILLION |
| SALES OF FRUIT VINEGAR FOR DRINKS IN THE JAPANESE MARKET | KRW100 BILLION |
| CJ THE MARKET SALES HAS INCREASED 60% FROM LAST YEAR |
INCREASED INFLUENCE IN THE GLOBAL MARKET

SECURED GLOBAL COMPETITIVENESS

RECORD-HIGH PERFORMANCE IN MAJOR GLOBAL PRODUCTS

CJ CheilJedang's global sales take up 60% of its entire sales. By now, we’ve established ourselves as a global company. In particular, we saw outstanding growth for our major products in the global market, thanks to our preemptive response to the COVID-19 crisis. In the U.S., our mandu products achieved over KRW 300 billion in sales. In China, we realized top online market share performance, reaching sales figures that were double compared to the previous year. We also achieved continued growth of Fruit Vinegar for Drinks in the Japanese market, achieving staggering sales of KRW 100 billion in one year. In addition, we are diversifying our portfolio with K-Food kits with a focus on bibimbap and jjim. We strive for sustainable growth in the global market through expanded procurement routes and the development of new products.

IDENTIFICATION OF THE ‘NEXT-GENERATION K-FOOD’ THROUGH PREEMPTIVE EXPANSION OF PRODUCTION INFRASTRUCTURE

Last year, the annual sales of bibigo mandu surpassed KRW 1 trillion. To respond to this explosive increase in demand, CJ CheilJedang established a new production plant in Beaumont, California, and began production in 2020. In addition to mandu, we expanded our room-temperature production line for products such as fried rice, layer, and noodle products. With the support of the government of South Dakota, a midwestern U.S. state, we secured 561,983 ㎡ of land in Sioux Falls to establish a production plant. By securing a stable production infrastructure in the western, eastern, and central regions of the U.S., we are preparing for a future surge in demand.

U.S. – BIBIGO TO-GO RESTAURANT

In 2020, Schwan’s Company saw an increase in the sales of high-profit products such as Red Baron Pizza. It also achieved incredible growth through groundbreaking cost reduction and improved profitability. In particular, the market share of pizza continued to rise and achieved triumphant performance of 22%. This is especially noteworthy since other major competitors’ sales performance has been falling. Also, we achieved 29% growth in the B2C frozen food sales through expanding our supply of mandu products to groceries, while solidifying our market presence in major categories including Asian snacks.

GROWTH OF SCHWAN’S COMPANY IN THE U.S.

Identification of the ‘Next-Generation K-Food’ through Preemptive Expansion of Production Infrastructure

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CHINA - BIBIGO TRUCK

CHINA - BIBIGO ZONE

INCREASED BIBIGO BRAND AWARENESS IN THE GLOBAL MARKET

Bibigo To-Go – Pop-up Store in New York

CJ CheilJedang ran a bibigo pop-up store in the Concourse at Rockefeller Center in Manhattan, New York, where they sold bibigo HMR products, merchandise, lunch boxes and snacks. The pop-up store provided a to-go service for 7 types of Korean snacks, 6 types of Korean lunch meals/kimbaps, and 4 types of beverages. It was a great opportunity to not only expand distribution channels but to expose the main frozen and shelf-stable products by selling finger foods and other special products at the same time. The food products received positive feedback not only for their flavor but also for their variety and novelty. Through a fun pre-open event and cooperation with popular influencers, bibigo also succeeded at attracting viral social media attention.

Bibigo Day in Shanghai

CJ CheilJedang hosted the bibigo Day in Shanghai which was an on/offline event designed to provide an opportunity to experience the bibigo brand. Under the slogan of “bibigo is different (必有不同),” bibigo ran games and free gift events. Bibigo also went on a food truck tour, visiting Jing’An Temple, Kerry Centre, People’s Square, and major spots in the Bund/Waitan to increase brand exposure. A total of 6 digital media outlets in China featured bibigo Day, and the Shanghai Dragon Television news channel broadcasted bibigo Day during prime time, raising the brand’s status through the successful event.
PROVIDING PRODUCTS AND SERVICES FOR THE NON–FACE–TO–FACE MARKET

ENHANCED ONLINE SERVICES

CJ THE MARKET SALES INCREASE THROUGH DIVERSIFYING CONSUMER CONTACT POINTS

In step with the increased online demand for CJ The Market, CJ CheilJedang has diversified customer contact points in the digital environment, and increased viral marketing with customized recommendation promotions. As a result, CJ CheilJedang has attracted about one million new members. We have enhanced performance marketing activities that use data, such as digital purchase route analysis and potential customer targeting. We also increased the click-to-purchase rate from last year by 0.7\% through brand analysis and potential customer targeting. We also increased the marketing activities that use data, such as digital purchase route analysis and potential customer targeting.

FORECAST ACCURACY IMPROVEMENT USING CJCHEILJEANG AI® PLATFORM

CJ CheilJedang has built an AI platform capable of carrying out data analysis activities. The platform can take data from the data lake™ that collects the internal AI data and external data (e.g., Bloomberg) when it is needed. We strive to provide high-quality products with the help of this platform. It can forecast the prices of various raw materials and detect possible contamination and its extent early, before it can become a problem.

DEVELOPMENT OF A HEALTH-RELATED APPLICATION

DEVELOPMENT OF DIETARY MONITORING APP FOR NEPHRITIS PATIENTS

Due to the rapidly aging population and westernized dietary habits, the metabolic syndrome is on the rise. CJ CheilJedang recognizes this health issue and the importance of dietary control for chronic patients in daily life. To this end, we collaborated with Seoul National University Hospital and Huraypositive, a digital healthcare startup, and developed Foodsee, a dietary monitoring application for nephritis patients. The effectiveness of this application is being verified through clinical trials conducted in kidney patients at Seoul National University Hospital. Based on the data collected by the app, key dietary control factors will be analyzed. As the application further develops, we plan to provide dietary control and food solutions customized to the user. We believe this will contribute to health standard enhancement for patients and underprivileged social groups.

DEVELOPMENT OF THE PERSONALIZED HEALTH AND LIFESTYLE MANAGEMENT PLATFORM

CJ CheilJedang has developed The Balance, a personalized health and lifestyle management application. It provides personalized content through health plans based on the user’s body, history of illness, and lifestyle. It also monitors the user’s lifestyle to help them realize their personal standards. Users can check records of their meals and activities (walking and exercise), as well as health indicators (weight, blood sugar level, blood pressure). We did a trial run with CJ CheilJedang staff and will reflect their feedback. We also plan to contribute to promote healthy dietary culture and consumer habits in other ways.

<table>
<thead>
<tr>
<th>[Nutritional Condition Screen]</th>
<th>[Nutritional Analysis Screen]</th>
</tr>
</thead>
</table>

**Daily Nutritional Analysis**

- **Calorie**
  - 1,367 kcal (51%)
- **Protein**
  - 48 g (71 g)
- **Sodium**
  - 4220 mg
- **Calcium**
  - 382 mg
- **Potassium**
  - 1790 mg
- **Phosphorus**
  - 676 mg

Take a moderate amount of potassium. You have achieved 60% intake of your daily average potassium goal.

**Daily Nutritional Analysis**

- **Calorie**
  - 1,421 kcal (50%)
- **The ratio of the three major nutrients**
  - The recommended ratio of the three macronutrients by the Korean Nutrition Society is 50% carbohydrates, 20% protein, and 30% fat.
4. ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure
ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL MANAGEMENT

IMPLEMENTATION OF ENVIRONMENTAL MANAGEMENT

CJ CheilJedang has established a step-by-step environmental safety strategy that encompasses environmental risk awareness, improvement, prevention, response, and diagnosis. This allows us to preemptively identify and address core environmental issues such as chemical spillage and odors. In addition, we maintain eighteen environmental certifications, including carbon footprint certification and the Green Management System Certification, for our business sites. Furthermore, all our places of business have acquired SSC 22000, HACCP, etc. for our business sites. Furthermore, all our places of business have acquired FSSC 22000, HACCP, etc.

EXTERNAL RECOGNITION FOR ENVIRONMENTAL MANAGEMENT

CJ CheilJedang has won four commendations and awards from external agencies for its environmental management activities throughout the year. CJ CheilJedang has acquired FSSC 22000, HACCP, etc. for our business sites. Furthermore, all our places of business have obtained RTRS (Round Table on Responsible Soy), US Responsible Palm Oil (RSPO), etc.

RAW MATERIAL MANAGEMENT

Sustainable raw material sourcing policy

PROCUREMENT OF ECO-FRIENDLY RAW MATERIALS

As a major Korean food company, CJ CheilJedang strives to fulfill its social and environmental responsibilities in the procurement of raw materials for its products. To this end, we are continuing in our efforts to reduce environmental impacts in procuring raw materials such as sugar, soybeans, and palm oil. We have also established and are striving to comply with our Sustainable Raw Material Procurement Policy to enhance animal welfare.

PURCHASE OF SUSTAINABLE PALM OIL

In 2017, CJ CheilJedang joined the RSPO (Roundtable on Sustainable Palm Oil) in an effort to address the issues of environmental destruction and labor rights violations in palm oil-producing areas. As an RSPO member, we purchase legally produced palm oil only. In 2020, we established a basic system for mass balance and client communication and a new registration model in a move to adopt an enhanced method of procuring sustainable palm oil. Going forward, we intend to consistently increase the proportion of sustainable palm oil procured through this enhanced method.

USE OF SUSTAINABLE SOYBEANS

As the global population grows, the demand for protein and soybeans is expected to rise as well. Soybeans are an essential ingredient for soybean oil, SPC (soy protein concentrate), tofu, etc. To prevent the devastation of forests and the loss of natural vegetation in tropical rainforests due to reckless soybean harvesting, CJ CheilJedang uses sustainably sourced soybeans and always strives to expand the procurement of such. Some of the soybeans we use have obtained RTRS (Round Table on Responsible Soy), US Responsible Soy, and ProTerra certification.

CONTRIBUTIONS TO ANIMAL WELFARE

CJ CheilJedang has established animal welfare principles as a part of its eco-friendly raw materials procurement policy. Under these principles, we avoid using genetically modified or cloned animals and procure raw materials that are produced under certain animal welfare principles. By doing so, we meet our customer's expectations and provide safe foods. We aim to contribute to animal welfare through the use of humanely farmed eggs produced by healthy hens raised in pleasant environments, the use of non-antibiotic pork that minimized the use of antibiotics in their feed, as well as by growing and harvesting hormones.

RAW MATERIAL CONSUMPTION MANAGEMENT

In 2020, CJ CheilJedang consumed 6,157 thousand tonnes of raw materials, a decrease from the previous year.

Appendix

Animal welfare principles
PRESCRIPTION OF BIODIVERSITY

CJ CheilJedang acknowledges the value of biodiversity and its sustainable use. In particular, we recognize the need for the reduction of natural habitat losses, genetic diversity preservation, sustainable agriculture, aquacultures/forests management, and sustainable fishery resources management. And we do our best in various ways.

CLIMATE CHANGE RESPONSE

ENHANCED RESPONSES TO CLIMATE CHANGE

The Environmental Safety Team of CJ CheilJedang manages GHG emissions and energy consumption to deal with climate change. We also have designated employees in charge of GHG affairs at different business sites. In this way, we are able to swiftly handle and report issues related to the reduction of GHG emissions and climate change.

PERFORMANCE EVALUATIONS BASED ON CLIMATE CHANGE MANAGEMENT OUTCOMES

We work to manage and alleviate climate change risks by reflecting climate change management outcomes in the performance evaluations of employees in charge of climate change affairs. Performance in managing GHG emissions and energy consumption takes up a significant portion of the performance appraisal of the staff at the head office. Performance appraisal outcomes are also reflected in promotion and incentive decisions. Furthermore, we include climate change management tasks in the assessments of those in charge of each business site so that such tasks are directly linked to performance appraisals.

CLIMATE CHANGE RISK MANAGEMENT

In order to mitigate the impact of climate change on business and the environment, CJ CheilJedang has defined and proactively manages domestic GHG emissions, storms and floods as major risk factors. We have also expanded the scope of risk management to include the GHG emission risks of our suppliers.

Climate Change Risk Management

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>DEFINITION OF RISKS</th>
<th>ACTIVITIES AND PERFORMANCE</th>
</tr>
</thead>
</table>
| Domestic GHG emissions risk | Management of GHG emissions as the carbon credit scheme comes under government regulation                                                                                                                       | - Estimate and report domestic GHG emissions and forecast reductions  
- Generated financial performance from the sales of carbon credit                                                                                                                  |
| Storm and flood risk       | The need to alleviate damage to crops caused by El Niño, cold waves, storms, and floods to stabilize the demand and supply of raw materials                                                                 | - Assess the impacts of heat waves and torrential rains  
- Achieve zero storm and flood-related accidents and reduce insurance premiums                                                                                                 |
| GHG emissions risk of suppliers | Management of the GHG emissions of suppliers according to the implementation of GHG trading scheme                                                                                                               | - Calculate and monitor emissions for 30 suppliers  
- Identify the sources of emissions generated by suppliers                                                                                                                      |

GHG EMISSIONS MANAGEMENT

Our GHG emissions in 2020 were 405,879 tCO₂eq, a decrease from 420,070 tCO₂eq in 2019. GHG emissions intensity in 2020 was 0.142 tCO₂eq/tonne, which is an increase from 0.121 tCO₂eq/tonne in 2019. These changes were influenced by the stabilization of Jincheon BC, which was newly established in 2019, as well as by the establishment and execution of our GHG emissions reduction plan. In 2021, we are continuing to put efforts into the consistent reduction of GHG emissions and intensity improvements.

Statistics of GHG Emissions

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct emissions (Scope1)</td>
<td>tCO₂eq</td>
<td>183,930</td>
<td>200,770</td>
<td>198,610</td>
</tr>
<tr>
<td>Indirect emissions (Scope2)</td>
<td>tCO₂eq</td>
<td>210,361</td>
<td>219,320</td>
<td>207,286</td>
</tr>
<tr>
<td>Total emissions</td>
<td>tCO₂eq</td>
<td>394,291</td>
<td>420,070</td>
<td>405,879</td>
</tr>
<tr>
<td>GHG emissions intensity</td>
<td>tCO₂eq/ Tonne</td>
<td>0.108</td>
<td>0.121</td>
<td>0.142</td>
</tr>
<tr>
<td>Reduction in GHG emissions (Accumulated)</td>
<td>tCO₂eq</td>
<td>75,428</td>
<td>79,257</td>
<td>86,521</td>
</tr>
<tr>
<td>GHG emissions reduction cases (Accumulated)</td>
<td>Cases</td>
<td>111</td>
<td>147</td>
<td>187</td>
</tr>
</tbody>
</table>

Calculation Standard: Guidelines for Emissions Reports and Verification Under the GHG Emission Credit Trading Scheme

The calculation of total emissions may differ from the sum of each emission by cutting to decimal places.
TCFD FRAMEWORK

Humankind is now facing the climate crisis of global warming. It is not a regional crisis but a global climate catastrophe that threatens all of humanity. To this end, the international society is resolved to implement global efforts to address the issue of climate change. The Financial Stability Board (FSB), an international financial organization, established the Task Force on Climate related Financial Disclosure (TCFD) and presented global standards for the effort. CJ CheilJedang seeks to join the trend of the global response to climate change. We will strive to implement the recommendations by TCFD by reducing GHG emissions and increasing the use of renewable energy to enhance national sustainability.

We have established the Corporate Sustainability Committee, which identifies major issues of sustainability, including climate change and environmental management, and reviews and approves related performances and improvements. Furthermore, the committee organizes the Sustainable Environment Management Council, which is chaired by the CEO, to execute and manage climate change and environmental management-related strategies approved by the board of directors.

In the short term, we will establish and manage reduction targets for GHG emissions and energy consumption to eliminate financial impacts caused by the overuse of GHG emissions and energy. In addition, we are implementing a sustainable environmental management project to establish mid- to long-term environmental management strategies and implementation systems. We plan to increase the use of renewable energy and introduce bio-energy as well as additional solar energy.

To alleviate business and environmental impacts caused by climate change and respond preemptively, we monitor GHG emissions and energy consumption. CJ CheilJedang has defined and proactively manages domestic GHG emissions, storms and floods as major risk factors. We have also expanded our scope of risk management to include the GHG emissions risks of our suppliers.

To report GHG emissions under the Act on the Allocation and Trading of Greenhouse-Gas Emissions Permits (Emissions Trading Act), we set a goal of reducing emissions by 33% compared to BAU by 2030 based on the 2030 National GHG Emissions Reduction Roadmap and past data (GHG emissions, emissions intensity, and production volume). To realize the virtuous cycle of Nature to Nature, CJ CheilJedang’s sustainability purpose goal, in which we obtain resources from nature, provide food to consumers, and return the resources to nature. CJ CheilJedang has implemented its Sustainable Environmental Management Project. Through this project, we will identify sustainable environmental strategies, goals and implementation systems and deliberate on them at meetings of the Corporate Sustainability Committee.

We will plan to re-establish our mid- to long-term goals to be achieved by 2030 and 2050 to contribute to achieving the targets of the Paris Agreement and minimize environmental impacts through the Sustainable Environment Management Project. In addition, we will measure scope 3 emissions, in both the upstream and downstream sectors, and flesh out detailed strategies to achieve mid- to long-term goals within the next three years.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>LIMIT 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct emissions tCO2eq</td>
<td>198.6 t</td>
</tr>
<tr>
<td>Indirect emissions tCO2eq</td>
<td>207.28 t</td>
</tr>
<tr>
<td>Total emissions tCO2eq</td>
<td>405.87 t</td>
</tr>
</tbody>
</table>

* Business As Usual

Corporate Sustainability Committee
CEO

CJ CheilJedang Center, 330, Dongho-ro, Jung-gu, Seoul, Korea
Tel +82-2-6740-1114 / www.cj.co.kr

APPENDIX

LETTER FROM CEO
OVERVIEW
SUSTAINABLE IMPACT
MATERIAL ISSUES
ESG FACTBOOK

Environmental Performance
Social Performance
Economic Performance
Governance Structure

APPENDIX
**REVIEW OF REDUCTIONS IN ENERGY CONSUMPTION AND THE INTRODUCTION OF RENEWABLE ENERGY**

**OPERATION OF THE ENERGY CONSUMPTION COMMITTEE**

CJ CheilJedang operates its Energy Consumption Committee to pursue efficient use at its business sites. The committee disseminates energy reduction targets and directions to energy innovation committee members at each business site. Then, as a way of organically managing energy consumption, each committee member reports back their target achievement rates.

**ENERGY CONSUMPTION MANAGEMENT**

In 2020, CJ CheilJedang consumed 9,252 TJ of energy, which was a decrease from 2019. This was due to the spin-off of the Feed and Care business in 2019 and the stabilization of Jincheon BC operations in 2020. We saved 146.01 TJ of energy in 2020.

Statistics of Energy Consumption*

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>LIMIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel consumption</td>
<td>TJ</td>
<td>3.642</td>
<td>4.002</td>
<td>3.946</td>
</tr>
<tr>
<td>Electricity consumption</td>
<td>TJ</td>
<td>4.331</td>
<td>4.410</td>
<td>4.206</td>
</tr>
<tr>
<td>Steam consumption</td>
<td>TJ</td>
<td>1.255</td>
<td>1.270</td>
<td>1.116</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>TJ</td>
<td>9.228</td>
<td>9.660</td>
<td>9.252</td>
</tr>
<tr>
<td>Energy consumption intensity</td>
<td>T/Tonne</td>
<td>0.003</td>
<td>0.003</td>
<td>0.003</td>
</tr>
<tr>
<td>No. of business sites that introduced renewable energy</td>
<td>Accumulated Locations</td>
<td>4 5 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewable energy consumption</td>
<td>TJ</td>
<td>1.108</td>
<td>1.193</td>
<td>1.061</td>
</tr>
<tr>
<td>Percentage of renewable energy consumption</td>
<td>%</td>
<td>12.01</td>
<td>12.24</td>
<td>11.47</td>
</tr>
</tbody>
</table>

* The calculation of total energy consumption may differ from the sum of each category due to cutting to decimal places.

**WATER RESOURCE MANAGEMENT**

**WATER RESOURCE RISK MANAGEMENT**

As water is used in the process of cleaning and sterilizing products, CJ CheilJedang manages water resource risks. We implement stringent water resource management regulations and comply with wastewater-related laws and regulations. As we keenly recognize that it is highly likely that the wastewater issues will have negative impact on local communities, we apply even more stringent standards for its management. In the case that a production facility site slated for construction or expansion lies downstream from a protected water resource zone, we relocate it to an area that is safe from water pollution risks, bearing inevitable additional costs or logistical difficulties. In addition, we are preemptively responding to water resource risks such as increased supply costs and changes in government policies by increasing investments in the wastewater recycling systems. None of CJ CheilJedang’s domestic business sites source their water from critical water-stressed regions.

Statistics of Water Consumption

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>LIMIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>Thousand tonnes</td>
<td>5,170</td>
<td>6,136</td>
<td>6,105</td>
</tr>
<tr>
<td>Groundwater consumption</td>
<td>Thousand tonnes</td>
<td>63</td>
<td>23</td>
<td>51</td>
</tr>
<tr>
<td>Total water consumption</td>
<td>Thousand tonnes</td>
<td>5,233</td>
<td>6,159</td>
<td>6,156</td>
</tr>
<tr>
<td>Water consumption intensity</td>
<td>Tonne/product-tonne</td>
<td>1.433</td>
<td>1.774</td>
<td>2.160</td>
</tr>
</tbody>
</table>

**WASTEWATER MANAGEMENT**

In 2020, CJ CheilJedang discharged a total of 4,039 thousand tonnes (intensity: 1.417 tonnes/product-tonne) of wastewater from its domestic business sites. This was an increase from 2019 which was 3,757 thousand tonnes (intensity: 1.082 tonnes/product-tonne) of wastewater was discharged, and can be attributed to the increased operational activities at Jincheon BC. Because of this, Jincheon BC has been working to reduce wastewater discharged in its production processes. Key activities include checking the logic tree for water consumption by process, improving production processes, implementing process optimization, and preventing simple losses. In the long term, we will continue to implement water-saving activities to reduce wastewater discharge.

Eight of our business sites discharge wastewater within the 30% of the legal criteria, and the discharged wastewater undergoes additional treatment at local sewage treatment facilities or wastewater treatment facilities. Four sites (Nonsan, Gongju, Jincheon, Namwon) directly discharge wastewater into nearby streams. The concentration of discharged wastewater remains within 50% of the legal criteria and causes no environmental impact.

Statistics of Discharged Wastewater

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>LIMIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of discharged wastewater</td>
<td>Thousand tonnes</td>
<td>3,703</td>
<td>3,757</td>
<td>4,039</td>
</tr>
<tr>
<td>Wastewater discharge intensity</td>
<td>Tonne/product-tonne</td>
<td>1.014</td>
<td>1.082</td>
<td>1.417</td>
</tr>
</tbody>
</table>
**WASTE MANAGEMENT**

**MANAGEMENT OF WASTE GENERATION**

In 2020, CJ CheilJedang generated a total of 54,115 tonnes of waste (intensity: 0.0190 tonnes/product-tonne), which is a decrease from 59,014 tonnes in 2019 (intensity: 0.0170 tonnes/product-tonne). To reduce waste, we are expanding the resource circulation. In 2020, we recycled compressed paper waste from Jincheon Plant and plant-derived residual materials from Jincheon BC, thereby extending the resource circulation cycle. For these efforts, we obtained certification for resource recycling. Going forward, we will continue to implement resource circulation activities to carry out sustainable waste management. Under our internal waste management regulations, we process all generated waste through a legally licensed company. Pursuant to our internal contract procedures, we conduct pre-contract document assessment and carry out on-site inspections when necessary to ensure that we only enter into contracts with companies that meet our standards. We dispose of all waste in compliance with the Waste Control Act.

Statistics of Waste Discharge

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Designated waste</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycled</td>
<td>Tonne</td>
<td>109</td>
<td>115</td>
<td>155</td>
</tr>
<tr>
<td>Incinerated</td>
<td>Tonne</td>
<td>31</td>
<td>27</td>
<td>19</td>
</tr>
<tr>
<td>Landfilled</td>
<td>Tonne</td>
<td>20</td>
<td>26</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>Tonne</td>
<td>4</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Sum</td>
<td>Tonne</td>
<td>164</td>
<td>168</td>
<td>197</td>
</tr>
<tr>
<td><strong>General waste</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycled</td>
<td>Tonne</td>
<td>50,399</td>
<td>50,698</td>
<td>45,861</td>
</tr>
<tr>
<td>Incinerated</td>
<td>Tonne</td>
<td>6,751</td>
<td>7,975</td>
<td>7,836</td>
</tr>
<tr>
<td>Landfilled</td>
<td>Tonne</td>
<td>278</td>
<td>353</td>
<td>221</td>
</tr>
<tr>
<td>Other</td>
<td>Tonne</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Sum</td>
<td>Tonne</td>
<td>57,428</td>
<td>58,846</td>
<td>53,918</td>
</tr>
<tr>
<td>Total</td>
<td>Tonne</td>
<td>67,911</td>
<td>69,541</td>
<td>64,115</td>
</tr>
<tr>
<td>Waste intensity</td>
<td>Tonne/product-tonne</td>
<td>0.0157</td>
<td>0.0170</td>
<td>0.0190</td>
</tr>
</tbody>
</table>

**SETTING OF WASTE TARGETS**

Although we have implemented waste reduction activities (e.g., resource circulation), our waste volume and intensity have increased due to the operation of Jincheon BC and we expect the volume of waste generated to rise due to decreased recyclability. To address this issue, CJ CheilJedang is considering building recycling infrastructure, reviewing and implementing technology - facilities to reduce waste, and applying optimal waste disposal methods for each type of waste as key tasks planned for 2021.

**EFFORTS TO REDUCE FOOD LOSS AND WASTE**

In order to reduce food waste, we manage each step from the establishment of supply and sales plan to inventory management, and check the risk of food loss in advance by utilizing integrated data such as inventory status. In particular, we operate date of production precise-management process for integrated data such as inventory status. In particular, we operate date of production precise-management process for each product group to make the overstock valuable.

Disposal Performance by year

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Air Pollutant Management at Domestic Business Sites</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOx (nitrogen oxide)</td>
<td>Tonne</td>
<td>66</td>
<td>83.2</td>
<td>87.4</td>
</tr>
<tr>
<td>SOx (sulfur oxide)</td>
<td>Tonne</td>
<td>2</td>
<td>2.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Dust</td>
<td>Tonne</td>
<td>48</td>
<td>52.8</td>
<td>42.7</td>
</tr>
<tr>
<td>Total</td>
<td>Tonne</td>
<td>116</td>
<td>138.4</td>
<td>133.5</td>
</tr>
</tbody>
</table>

**AIR POLLUTANT MANAGEMENT AT OVERSEAS BUSINESS SITES**

Following the announcement of the Ultra-Low Emissions Standards for Air Pollution by China’s Ministry of Environmental Protection, we have invested in environmental facilities at our Bio business sites in Shenyang and Liaocheng, China. As a result, we have reduced the amount of air pollutants (nitrogen oxide, sulfur oxide, dust, etc.) discharged by more than half since 2018.

**INT INTEGRATED ENVIRONMENTAL MONITORING SYSTEM**

With the establishment of its Integrated Environmental Monitoring System, CJ CheilJedang now monitors and manages water pollution indicators such as COD (chemical oxygen demand), air pollutants such as nitrogen oxides, and the extent of odors that may harm areas near our business sites in real time. Our around-the-clock monitoring system allows for quick responses to accidents or abnormalities so that we can minimize impacts on areas around our business sites.

**MANAGEMENT OF OTHER ENVIRONMENTAL AFFAIRS**

**AIR POLLUTANT MANAGEMENT AT DOMESTIC BUSINESS SITES**

The total air pollution generated at our domestic business sites in 2020 was 133.5 tonnes, consisting of 87.4 tonnes of NOx, 3.4 tonnes of SOx, and 42.7 tonnes of dust, a decrease from 138.4 tonnes in 2019. CJ CheilJedang maintains its air pollutant discharge density below 1% of the legal standard.
SAFETY AND HEALTH

SAFETY MANAGEMENT SYSTEM

CJ CheilJedang strives to create a healthy workplace and prevent safety incidents through a safety management system that is installed across all our business sites. To maintain a safe working environment for our staffs and enhance stability in the areas where our business sites are located, we take preemptive measures to raise safety risk awareness and carry out emergency drills and diagnostics.

Safety Management Process

1. RECOGNITION OF SAFETY RISKS
   - Top 10 risks: Identification of current status and accidents
   - Identification of fundamental causes: Risk assessment

2. IMPROVEMENTS TO SAFETY RISKS
   - RM DAY: Decision-making process
   - Risk history management: Connection with mid- to long-term investments

3. PREVENTION OF SAFETY RISKS
   - Preliminary safety assessment
   - Establishment of inspection/diagnosis system
   - Establishment of expert networks: Enhancement of technical capacity

4. RESPONSES TO SAFETY RISKS
   - PSM (Process Safety Management): A safety management system with a focus on preventing serious accidents
   - Connection with mid-to long-term investments
   - Risk history management
   - Emergency scenarios: Strengthening of emergency handling capacity
   - Disaster prevention education and training: Systematic management of indicators
   - Application to business plans

5. DIAGNOSIS OF SAFETY RISKS
   - Safety audit and evaluation: Systematic management of indicators
   - Quantification of target management: Application to business plans

SAFETY MANAGEMENT ACTIVITIES

ENVIRONMENTAL SAFETY RISK MANAGEMENT DAY

The Environmental Safety RM Day is a unique on-site activity of CJ CheilJedang aimed at eliminating serious accidents related to three business site risks (environment and safety, food safety, and organizational culture). In 2020, we selected machinery-related accidents as a priority risk for the occasion of Environmental Safety RM Day. To address this risk, we focused on preventative activities including facility improvements and the installation of safety guidelines. In addition, we are creating a safe and reliable work environment through preventative management for large-scale fires, the re-establishment of COVID-19 response processes, the selection of company-wide horizontal improvement tasks, etc.

Improvement Activities for Core Environmental Safety Risks

<table>
<thead>
<tr>
<th>CORE RISK</th>
<th>2019</th>
<th>2020</th>
<th>TARGET IN 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discovery of machinery-related malpractice risks and identify improvements</td>
<td>1,307</td>
<td>1,575</td>
<td>1,957</td>
</tr>
<tr>
<td>Installation of automatic firefighting facilities</td>
<td>965</td>
<td>1,199</td>
<td>1,581</td>
</tr>
<tr>
<td>Improvement rate</td>
<td>74%</td>
<td>76%</td>
<td>81%</td>
</tr>
<tr>
<td>Improvement rate</td>
<td>55%</td>
<td>70%</td>
<td>89%</td>
</tr>
</tbody>
</table>

NON-FACE-TO-FACE SAFETY MANAGEMENT COUNCIL

In 2020, we launched the Non-Face-To-Face Consultative Council to promote consensus and communication for company-wide safety and health activities. We carried out monthly video meetings for the Council composed of safety and health officers and achieved smooth decision-making and communication. Meanwhile, we also inspected the safety status of business sites and selected and carried out focused improvement tasks that could lead to investment decisions for safety risk control, depending on the outcome. In 2020, we held six meetings of the PSM Council and ten meetings each of the Electricity, Health, and Task councils. With more than 30 meetings in total, we laid the groundwork for focused improvements.

Social Performance and Health Education and Training

CJ CheilJedang conducts emergency drills at each business site, as well as systematic safety training tailored for all types of work. These activities help raise safety awareness among staffs and prevent potential risks.

Major Health and Safety Training and Emergency Drills

- Safety training before work
- Regular safety training
- Training for managers and supervisors
- Training for new and transferred employees
- Fire drills
- Harmful substance leakage drills
- Emergency evacuation drills
- High-pressure gas leakage drills
- Confined space rescue drills
RECOGNITION OF HEALTH AND SAFETY MANAGEMENT

CJ CheilJedang won a commendation and award of excellence from external institutions in recognition of the safety and health activities we carried out throughout the year.

Safety and Health-Related Awards

<table>
<thead>
<tr>
<th>BUSINESS SITE</th>
<th>MONTH</th>
<th>NAME</th>
<th>HOST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incheon Frozen</td>
<td>2018</td>
<td>A business site with excellent electrical accident prevention measures and an excellent electricity safety culture</td>
<td>Korea Electrical Safety Corporation</td>
</tr>
</tbody>
</table>

NUMBER OF INDUSTRIAL ACCIDENTS

CJ CheilJedang had nine cases of work-related injuries and zero fatalities in 2020. We offer regular health check-ups and health promotion programs, and provide protective gear for on-site workers to prevent major accidents and illnesses. We will continue promotion programs, and provide protective gear for on-site workers to prevent major accidents and illnesses. We will continue

* Working loss days decreased by 534 days compared to the previous year (1,300 days in 2019 and 766 days in 2020).

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffs</td>
<td>No. of work-related injuries</td>
<td>Case</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Rate of work-related injuries</td>
<td>%</td>
<td>0.193</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No. of Occupational Illness</td>
<td>Case</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Lost Time Injury Rate</td>
<td>n/2 hundred thousand hours worked</td>
<td>0.16</td>
<td>0.25</td>
<td>0.27</td>
</tr>
<tr>
<td>Contractors</td>
<td>No. of work-related injuries</td>
<td>Case</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Rate of work-related injuries</td>
<td>%</td>
<td>0.049</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No. of Occupational Illness</td>
<td>Case</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Lost Time Injury Rate</td>
<td>n/2 hundred thousand hours worked</td>
<td>0.04</td>
<td>0.14</td>
<td>0.16</td>
</tr>
</tbody>
</table>

In addition, we are leading human rights protection in our value chains through the establishment of our Suppliers Code of Conduct and Guidelines. Furthermore, we are developing human rights guidelines that take government policies (e.g., the anti-workplace bullying act) into consideration and enhancing human rights policies.

CJ CheilJedang has established a system to prevent human rights violation issues among our staffs, subsidiaries, and suppliers, and to raise awareness of human rights and improve related capabilities as a way of implementing advanced human rights management. For the first step, we established a human rights policy, governance, and management system. The second step will involve establishing a working-level council to implement improvement tasks and enhancing the human rights management of each value chain. To carry out human rights management, we conducted human rights impact assessments for all our staffs as well as inspections of our business sites and subsidiaries. The inspections used a checklist based on the UN Human Rights Protection Guidelines and OECD Guidelines for Multinational Enterprises. Through this, we identified the current status of CJ CheilJedang and potential human rights violation issues. Going forward, we will take proactive actions to resolve the identified issues.

HUMAN RIGHTS MANAGEMENT SYSTEM

CJ CheilJedang respects the human rights of all its staffs and complies with the relevant international standards and labor regulations. These include the principles of the UN Universal Declaration of Human Rights and the labor laws of individual countries. To declare our intent to protect human rights, we established the CJ CheilJedang Declaration of Human Rights and are raising staffs awareness through various training programs on work ethics, awareness of the disabled, and the prevention of sexual harassment. In addition, we are leading human rights protection in our value chains through the establishment of our Suppliers Code of Conduct and Guidelines. Furthermore, we are developing human rights guidelines that take government policies (e.g., the anti-workplace bullying act) into consideration and enhancing human rights policies.

CJ CheilJedang conducts the following process-based human rights impact assessments.

**STAFFS**

**CJ CHEILJEDANG HUMAN RIGHTS MANAGEMENT SYSTEM**

CJ CheilJedang has established a system to prevent human rights violation issues among our staffs, subsidiaries, and suppliers, and to raise awareness of human rights and improve related capabilities as a way of implementing advanced human rights management. For the first step, we established a human rights policy, governance, and management system. The second step will involve establishing a working-level council to implement improvement tasks and enhancing the human rights management of each value chain. To carry out human rights management, we conducted human rights impact assessments for all our staffs as well as inspections of our business sites and subsidiaries. The inspections used a checklist based on the UN Human Rights Protection Guidelines and OECD Guidelines for Multinational Enterprises. Through this, we identified the current status of CJ CheilJedang and potential human rights violation issues. Going forward, we will take proactive actions to resolve the identified issues.

**PROTECTION OF HUMAN RIGHTS**

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**CJ CHEILJEDANG HUMAN RIGHTS IMPACT ASSESSMENT**

CJ CheilJedang conducts the following process-based human rights impact assessments.

**HUMAN RIGHTS MANAGEMENT SYSTEM**

CJ CheilJedang has established a system to prevent human rights violation issues among our staffs, subsidiaries, and suppliers, and to raise awareness of human rights and improve related capabilities as a way of implementing advanced human rights management. For the first step, we established a human rights policy, governance, and management system. The second step will involve establishing a working-level council to implement improvement tasks and enhancing the human rights management of each value chain. To carry out human rights management, we conducted human rights impact assessments for all our staffs as well as inspections of our business sites and subsidiaries. The inspections used a checklist based on the UN Human Rights Protection Guidelines and OECD Guidelines for Multinational Enterprises. Through this, we identified the current status of CJ CheilJedang and potential human rights violation issues. Going forward, we will take proactive actions to resolve the identified issues.

**STAFFS**

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of work-related injuries</td>
<td>%</td>
<td>0.193</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No. of Occupational Illness</td>
<td>Case</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Lost Time Injury Rate</td>
<td>n/2 hundred thousand hours worked</td>
<td>0.16</td>
<td>0.25</td>
<td>0.27</td>
</tr>
</tbody>
</table>

**HUMAN RIGHTS RISK ASSESSMENT**

CJ CheilJedang conducts the following process-based human rights impact assessments.

**HUMAN RIGHTS INSPECTION**

CJ CheilJedang conducts the following process-based human rights impact assessments.

**IMPROVEMENTS AND MANAGEMENT**

CJ CheilJedang conducts the following process-based human rights impact assessments.

**REVIEW OF THE HUMAN RIGHTS IMPACT ASSESSMENTS**

CJ CheilJedang conducts the following process-based human rights impact assessments.

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of work-related injuries</td>
<td>%</td>
<td>0.049</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No. of Occupational Illness</td>
<td>Case</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Lost Time Injury Rate</td>
<td>n/2 hundred thousand hours worked</td>
<td>0.04</td>
<td>0.14</td>
<td>0.16</td>
</tr>
</tbody>
</table>

We identified the establishment of a human rights management system, freedom of association, forced labor, responsible supply chain management, and human rights protection for local residents as major human rights issues that require improvements. We will address human rights issues with the establishment of a human rights system and supervision and implementation of improvements through council.
Respect for Diversity

CJ CheilJedang ensures its recruitment and promotion processes are free of discrimination based on nationality, race, gender, and academic background etc. To this end, we hire diverse talent including people with disabilities and veterans every year. In 2020, we hired a total of 549 socially disadvantaged persons as new recruits, including persons with disabilities and veterans.

Female Staffs

In line with CJ CheilJedang’s diversity-respecting human resource management, the proportion of female executives and managers has continuously increased. In 2020, the proportion of female executives and female employees in sales-generating departments also increased.

Ratio of female Staffs

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Target in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ratio of female Staffs</strong></td>
<td>%</td>
<td>22.1</td>
<td>25.1</td>
<td>27.5</td>
<td>28.9</td>
</tr>
<tr>
<td><strong>Female Executive Ratio (in the 2 levels below CEO)</strong></td>
<td>%</td>
<td>16.3</td>
<td>18.7</td>
<td>21.8</td>
<td>22.9</td>
</tr>
<tr>
<td><strong>Ratio of female employees in Managerial positions</strong></td>
<td>%</td>
<td>15.6</td>
<td>18.0</td>
<td>19.0</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Ratio of female employees in Junior Managerial positions</strong></td>
<td>%</td>
<td>17.3</td>
<td>19.7</td>
<td>21.9</td>
<td>23.0</td>
</tr>
<tr>
<td><strong>Ratio of female employees in revenue-generating departments</strong></td>
<td>%</td>
<td>8.8</td>
<td>10.3</td>
<td>12.6</td>
<td>13.2</td>
</tr>
<tr>
<td><strong>Share of women in STEM-related positions</strong></td>
<td>%</td>
<td>29.1</td>
<td>31.5</td>
<td>31.8</td>
<td>33.4</td>
</tr>
</tbody>
</table>

+ Revenue-generating departments: production, sales, marketing
+ STEM: Science, Tech, Engineering, Math

Reinforcement of Female Leadership

Instead of setting for simple gender equity with increased female recruitment, CJ CheilJedang takes a step further and runs a female leadership reinforcement program so that our female staffs can reach their full potential. In addition, we appointed Kim So-Young as an internal director of the board of directors in March 2021. We remain committed to creating a non-discriminating and open organizational culture by developing female managers and placing female employees in key roles.

Human Resources

CJ CheilJedang hires regular and temporary workers. The total number of our Staffs in 2020 is 6,844, an increase from 6,615 from the previous year. In 2020, female Staffs made up 27% of the entire workforce, an increase from the previous year. As of 2020, we have 65 short-term and temporary employees. The proportion of regular employees continues to increase. Non-employee workers assist production and manufacture processes, and there are a total of 1,441 of them.

Employment Status

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total No. of Staffs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>Person</td>
<td>5,045</td>
<td>4,901</td>
<td>4,960</td>
</tr>
<tr>
<td>Female</td>
<td>Person</td>
<td>1,505</td>
<td>1,714</td>
<td>1,841</td>
</tr>
<tr>
<td>Total</td>
<td>Person</td>
<td>6,550</td>
<td>6,615</td>
<td>6,804</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>Person</td>
<td>4,999</td>
<td>4,850</td>
<td>4,938</td>
</tr>
<tr>
<td>Female</td>
<td>Person</td>
<td>1,452</td>
<td>1,674</td>
<td>1,841</td>
</tr>
<tr>
<td>Total</td>
<td>Person</td>
<td>6,451</td>
<td>6,524</td>
<td>6,779</td>
</tr>
<tr>
<td><strong>Short-term·Temporary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>Person</td>
<td>46</td>
<td>51</td>
<td>22</td>
</tr>
<tr>
<td>Female</td>
<td>Person</td>
<td>53</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td>Total</td>
<td>Person</td>
<td>99</td>
<td>91</td>
<td>65</td>
</tr>
</tbody>
</table>

Ratio of staffs age group

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under age 30</td>
<td>40.1</td>
<td>39.3</td>
<td>37.6</td>
</tr>
<tr>
<td>Aged 30-50</td>
<td>53.7</td>
<td>54.9</td>
<td>55.0</td>
</tr>
<tr>
<td>Over age 50</td>
<td>6.1</td>
<td>5.8</td>
<td>7.4</td>
</tr>
</tbody>
</table>

Labor-Management Council

CJ CheilJedang protects freedom of association pursuant to the ILO International Labor Organization agreement and domestic labor laws. As of 2020, 71.7% of our staffs were members of the Labor–Management Council. We conduct quarterly and monthly meetings, organizational invigoration and organizational culture improvement activities, and grievance handling through open council at the headquarters, Blossom Park, each production site, and the sales unit. All decisions made by the Labor–Management Council are applied equally to all staff members, while some individual matters are applied to relevant persons.

Ratio of Staffs as Members of Labor-managenment Council

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of Staffs participating in the Labor-Management Council</td>
<td>%</td>
<td>73.1</td>
<td>73.0</td>
</tr>
</tbody>
</table>

Employment Status of Overseas Business Sites

In 2020, our overseas business sites employed 19,905 persons. We have 282 expatriates and 19,623 local staffs. In 2020, we hired 5,371 overseas staffs, helping to revitalize local communities.

Employment at Overseas Subsidiaries

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas staffs</td>
<td>Person</td>
<td>19,086</td>
<td>20,698</td>
</tr>
<tr>
<td>Expatriates</td>
<td>Person</td>
<td>322</td>
<td>277</td>
</tr>
<tr>
<td>Local staffs</td>
<td>Person</td>
<td>18,764</td>
<td>20,421</td>
</tr>
<tr>
<td>Ratio of local recruits</td>
<td>%</td>
<td>98.3</td>
<td>98.7</td>
</tr>
<tr>
<td>New staffs at overseas</td>
<td>Person</td>
<td>2,396</td>
<td>5,590</td>
</tr>
</tbody>
</table>
TALENT RECRUITMENT AND TURNOVER

CJ CheilJedang recruits staffs based on their individual capabilities in accordance with our principle of fair equality of opportunity. In 2020, we newly recruited a total of 782 staffs. Despite the challenging business environment, we continue to hire a large number of recruits. The total turnover in 2020 was 503 staffs, which was a decrease from the previous year.

New Staffs

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of staff</td>
<td>Person</td>
<td>1,559</td>
<td>1,122</td>
<td>782</td>
</tr>
<tr>
<td>New staffs of each age group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under age 30</td>
<td>Person</td>
<td>1,147</td>
<td>685</td>
<td>440</td>
</tr>
<tr>
<td>Aged 30-50</td>
<td>Person</td>
<td>403</td>
<td>432</td>
<td>237</td>
</tr>
<tr>
<td>Over age 50</td>
<td>Person</td>
<td>9</td>
<td>5</td>
<td>105</td>
</tr>
<tr>
<td>New staffs of each gender group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>Person</td>
<td>1,204</td>
<td>656</td>
<td>445</td>
</tr>
<tr>
<td>Female</td>
<td>Person</td>
<td>355</td>
<td>466</td>
<td>337</td>
</tr>
<tr>
<td>Percentage of open positions filled by internal candidates (internal hired)</td>
<td>%</td>
<td>52.7</td>
<td>57.7</td>
<td>68.5</td>
</tr>
</tbody>
</table>

*732 junior managers, 43 senior managers, and 7 executives.

Turnover and Retirement

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of staffs</td>
<td>Person</td>
<td>538</td>
<td>623</td>
<td>503</td>
</tr>
<tr>
<td>Staffs of each age group who moved to other companies or retired</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under age 30</td>
<td>Person</td>
<td>329</td>
<td>321</td>
<td>221</td>
</tr>
<tr>
<td>Aged 30-50</td>
<td>Person</td>
<td>182</td>
<td>247</td>
<td>226</td>
</tr>
<tr>
<td>Over age 50</td>
<td>Person</td>
<td>27</td>
<td>55</td>
<td>56</td>
</tr>
<tr>
<td>Staffs of each gender group who moved to other companies or retired</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>Person</td>
<td>424</td>
<td>440</td>
<td>346</td>
</tr>
<tr>
<td>Female</td>
<td>Person</td>
<td>114</td>
<td>183</td>
<td>157</td>
</tr>
</tbody>
</table>

STAFFS EVALUATION AND REMUNERATION

To reinforce the objectivity and fairness of the evaluation process, CJ CheilJedang has renewed its performance management system. We changed the system to facilitate employee development with constant performance management supports and the introduction of multi-faceted feedback, emphasizing our leaders’ awareness in their performance management responsibilities. We restructure our staffs based on fair performance evaluations. Also, we operate an incentive system for short-term and long-term performance of companies and individuals. CJ CheilJedang pays its staffs and non-employee workers at a higher rate than the legal minimum wage. At CJ CheilJedang, we do not pay discriminative wages based on staffs’ gender or region. All new recruits are paid the same wages.

Remuneration for Staffs

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal minimum wage</td>
<td>KRW</td>
<td>7,530</td>
<td>8,350</td>
<td>8,590</td>
</tr>
<tr>
<td>New recruits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>KRW</td>
<td>9,756</td>
<td>10,490</td>
<td>11,043</td>
</tr>
<tr>
<td>Female</td>
<td>KRW</td>
<td>9,756</td>
<td>10,490</td>
<td>11,043</td>
</tr>
<tr>
<td>Ratio</td>
<td>%</td>
<td>130</td>
<td>126</td>
<td>129</td>
</tr>
<tr>
<td>Management of the retirement pension fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of the retirement pension fund</td>
<td>KRW 100 million</td>
<td>3,196</td>
<td>2,885</td>
<td>3,765</td>
</tr>
<tr>
<td>Subscription</td>
<td>person</td>
<td>6,066</td>
<td>6,260</td>
<td>6,858</td>
</tr>
</tbody>
</table>

MATERNITY AND PARENTAL LEAVE

CJ CheilJedang provides childcare centers at work as well as the Mom–Cheil Program for pregnant women to reduce the burden of childbirth and child-rearing for our staffs. In the Mom–Cheil program, we provide pregnant staffs with special ID cards, electromagnetic wave-shielding blankets and nutritional supplements. We also offer shortened working hours during the high-risk pregnancy period and paternity leave to care for expectant staffs’ health and minimize the burden of childbirth. After childbirth, we provide shortened working hours for newborn care, school admission, and emergency child care to create a more pleasant work environment.

Staffs on Maternity and Parental Leave

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of target staffs for parental leave</td>
<td>Person</td>
<td>238</td>
<td>211</td>
<td>209</td>
</tr>
<tr>
<td>No. of staffs on parental leave</td>
<td>Person</td>
<td>21</td>
<td>18</td>
<td>15</td>
</tr>
</tbody>
</table>

- 13 persons/14 persons
- 65 persons/68 persons
- 16 persons/18 persons
- 72 persons/77 persons

Attendance and Leave

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of staffs who returned from parental leave</td>
<td>%</td>
<td>100</td>
<td>81</td>
<td>93</td>
</tr>
<tr>
<td>Ratio of staffs who worked for more than 12 months after returning from parental leave</td>
<td>%</td>
<td>100</td>
<td>92</td>
<td>89</td>
</tr>
</tbody>
</table>

**Notes:**
- 6 persons/7 persons
- 7 persons/8 persons
- 16 persons/18 persons
- 6 persons/7 persons

ESG FACTBOOK

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

APPENDIX
Advanced Organizational Culture

CJ CheilJedang is committed to building an exceptional corporate culture and achieving its vision of becoming the global No.1 Food and Bio company. To this end, we have established a diverse awards systems to foster our staffs and encourage them to take on challenges. On top of this, we have introduced a remote work system to innovate our work methods and build an effective environment for communication and cooperation through an online cooperation tool. All these efforts are carried out through two-way communication with management, both on and offline. Furthermore, we run various flexible work schedules to foster a flexible and effective working environment. Creative Challenge is another way of improving working conditions and helping our employees maintain their work-life balance and enhance their focus. As a result of these efforts, we scored 80.1 points in the 2020 staffs satisfaction survey.

Communication and Grievance Handling

Based on staffs grievances and opinions, CJ CheilJedang runs the Open Council, a labor-management council dedicated to enhancing the welfare of staffs and contributing to the growth of the company. Employee representatives are elected by all assistant managers and staff members at each business site. Currently, nearly 120 employee council members are actively handling relevant tasks at their respective business sites. The employee representatives discuss improvements to the work environment, improved benefits and welfare, enhanced productivity and work concentration, organizational revitalization, and enhanced communication with the management at quarterly meetings. In June 2020, we operated the Anonymous Grievance Filing Bulletin, delivered the filed grievances to relevant departments, and discussed appropriate improvement measures. In addition, our Staff Counseling Center provides various counseling services and has been well received by employees, with high satisfaction ratings. In addition to the above, we have reorganized ‘Channel Blossom’, our in-house broadcast channel, for better communication, promoted leave to establish a work-life balance, and hosted events to boost employee morale.

Result of Staffs’ Satisfaction Level Survey

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffs Satisfaction Survey Results</td>
<td>Points</td>
<td>81.8</td>
<td>78.7</td>
<td>80.1</td>
</tr>
</tbody>
</table>

Work Efficiency Improvement Support Programs

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>ACTIVITIES AND PERFORMANCE</th>
</tr>
</thead>
</table>
| Flexible and efficient working system | - A flexible time system with adjustable hours for efficient and focused work  
- Flexible working hours to handle changes in the workload during certain periods  
- Remote work system for COVID-19 prevention and work efficiency |
| Work–life balance            | - 4 weeks of creative leave for every five years of service (mandatory leave for 2 weeks and personal leaves for 2 weeks) for self-development and personal refreshment  
- We provide various support programs, including shortened work hours for pregnant staffs, paternity leave of absence, shortened work hours for newborn care, shortened work hours for school admission, leave of absence, and shortened work hours for family care |
**TALENT DEVELOPMENT**

CJ CheilJedang runs a variety of training programs to cultivate top-class talents for all members from newcomers to management. In particular, in step with the accelerating global trend of digital transformation, we are actively developing and running programs tailored to all the different levels and needs of our staff members. In 2020, we allotted a total of 46.5 hours to each staff. This translates to about KRW 400,000.

### Talent Development Programs

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellence Strategy</td>
<td>Draw business insights from case studies for strategic management</td>
</tr>
<tr>
<td>Innovation Challenge</td>
<td>Develop trend analysis and strategic thinking capability through action learning</td>
</tr>
<tr>
<td>Trend Incubator</td>
<td>Expand business insight in the field through the development of trend-catching capabilities</td>
</tr>
<tr>
<td>Leadership program (Set up - Check up - Build up)</td>
<td>Develop leadership capabilities through leadership preparation (role checking), diagnosis &amp; reflection, and improvement processes</td>
</tr>
<tr>
<td>Leadership Vision-up</td>
<td>Establish a vision and action plan for developing leaders</td>
</tr>
<tr>
<td>Job training course</td>
<td>Capability development program for each individual work type (e.g., R&amp;D, technical, marketing, sales)</td>
</tr>
<tr>
<td>Promotion course</td>
<td>A course for the internalization of management philosophy and enhancement of leadership capability in preparation for role expansion following promotion</td>
</tr>
<tr>
<td>Induction of new employees</td>
<td>Onboarding training with a focus on management philosophy and organizational understanding studies</td>
</tr>
</tbody>
</table>

### Digital Capability Enhancement Program

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Python programming course</td>
<td>Programming language training for program development - use</td>
</tr>
<tr>
<td>AI, Big data Intermediate course</td>
<td>Understanding of data-based machine - deep learning processes and provision of support for AI tasks</td>
</tr>
<tr>
<td>Tableau basic - advanced course</td>
<td>Development of data visualization capabilities through data pattern analysis and structuralization studies</td>
</tr>
<tr>
<td>RPA basic - advanced course</td>
<td>Programming education for automation of simple repetitive tasks</td>
</tr>
<tr>
<td>Special lecture by V/C</td>
<td>Special lectures for digital transformation through R&amp;D, technical, and marketing work</td>
</tr>
</tbody>
</table>

---

**Training for Human Rights At Work**

We enhance our staffs’ awareness of workplace ethics by providing them with training for sexual harassment prevention, awareness about the disabled, and the prevention of workplace bullying.

### Human Rights Training Status

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sexual harassment prevention program</td>
<td></td>
<td>No. of sessions</td>
<td>Time</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of target staffs</td>
<td>Person</td>
<td>6,726</td>
</tr>
<tr>
<td>Disability awareness-raising program</td>
<td></td>
<td>No. of sessions</td>
<td>Time</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of target staffs</td>
<td>Person</td>
<td>6,649</td>
</tr>
<tr>
<td>Workplace bullying prevention program</td>
<td></td>
<td>No. of sessions</td>
<td>Time</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of target staffs</td>
<td>Person</td>
<td>-</td>
</tr>
</tbody>
</table>

*Training hours for each staff member: 51.7h for junior managers, 36.1h for senior managers, 37.6h for executives.*

---

APPENDIX

**ESG FACTBOOK**

- **OVERVIEW**
- **SUSTAINABLE IMPACT**
- **MATERIAL ISSUES**
- **ECONOMIC PERFORMANCE**
- **Governance Structure**
Social Contributions

Social Contribution Strategy

Since the establishment of the industry’s first dedicated social contribution department in 1999, CJ CheilJedang has consistently engaged in social contribution activities in areas that require social attention and in which we excel. We have continued our Food Bank project through which we have been sharing food for 23 years now, starting in 1998. In 2019, we focused on the core values of health, safety, and a sustainable environment, and carried out relevant social contribution activities. Furthermore, in 2020, the qualitative reorganization of the program has set the stage for launching core value and job-linked programs and growing into representative programs. By making this one of our major programs, we are preparing for a leap forward to achieve greater growth.

Social Contributions of Staff Members

CJ CheilJedang is striving to contribute to local communities by leading volunteer activities through its business capacity and resources. In doing so, we will practice the CJ management philosophy and fulfill our social responsibility as a corporate citizen. In 2020, 1,510 staffs completed 7,200 hours of volunteer activities. This is a decrease from the previous year, attributable to social distancing regulations imposed to prevent the spread of COVID-19.

Corporate Citizenship/Philanthropic Activities

In 2020, CJ CheilJedang donated KRW 2.29 billion to charity, an increased KRW 720 million from 2019. We also made investments in local communities and other commercial investments. Detailed figures can be found below.

Corporate citizenship/philanthropic activities

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable Donation</td>
<td>KRW 100 million</td>
<td>7.6</td>
<td>15.7</td>
<td>22.9</td>
</tr>
<tr>
<td>Community Investment</td>
<td>KRW 100 million</td>
<td>136.1</td>
<td>177.5</td>
<td>152.2</td>
</tr>
<tr>
<td>Commercial Investment</td>
<td>KRW 100 million</td>
<td>5.5</td>
<td>7.0</td>
<td>11.2</td>
</tr>
<tr>
<td>Total</td>
<td>KRW 100 million</td>
<td>149.2</td>
<td>200.2</td>
<td>186.3</td>
</tr>
</tbody>
</table>

Payment for Relevant Association

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lobbying · Interest Group</td>
<td>KRW million</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Political Campaign</td>
<td>KRW million</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Relevant Associations</td>
<td>KRW million</td>
<td>1,550</td>
<td>1,567</td>
</tr>
<tr>
<td>Others</td>
<td>KRW million</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Details of Expenditures for Major Relevant Associations

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Federation of Korean Industries</td>
<td>KRW million</td>
<td>305</td>
<td>305</td>
</tr>
<tr>
<td>Korea Flour Mills Industrial Association</td>
<td>KRW million</td>
<td>262</td>
<td>262</td>
</tr>
<tr>
<td>The Korea Soybean Processing Association</td>
<td>KRW million</td>
<td>254</td>
<td>254</td>
</tr>
<tr>
<td>The Korea Chamber of Commerce and Industry</td>
<td>KRW million</td>
<td>103</td>
<td>103</td>
</tr>
<tr>
<td>The Korea Enterprises Federation</td>
<td>KRW million</td>
<td>77</td>
<td>77</td>
</tr>
</tbody>
</table>
A LEADING FOOD COMPANY THAT HAS TAKEN UP THE CHALLENGE OF A ZERO WASTE AND ZERO HUNGER CAMPAIGN WITHIN THE INDUSTRIAL VALUE CHAIN

WISE DIETARY LIFESTYLE PROGRAM
CJ CheilJedang, GoodWill Store from Miral Welfare Foundation and UN WFP World Food Program host the Wise Dietary Lifestyle Campaign to overcome global food issues and resolve the environmental and famine issues under the UN SDGs. We raised awareness of best-before and use-by dates and provided diverse information to enhance the use of food through social media. In October 2020, we introduced a new concept, ‘EAT-able Food’, through an online cooking show. With a hashtag challenge event, we spread the concept and promoted ‘EAT-able Food’, within the Industrial Value Chain.

Lifestyle Campaign to overcome global food issues and resolve the environmental and famine issues under the UN SDGs. We raised awareness of best-before and use-by dates and provided diverse information to enhance the use of food through social media. In October 2020, we introduced a new concept, ‘EAT-able Food’, through an online cooking show. With a hashtag challenge event, we spread the concept and promoted ‘EAT-able Food’, within the Industrial Value Chain.

Core Area 2, Sustainable Environment

Identification of Best Practices for Plastic Recycling
CJ CheilJedang recognized its responsibility for the increasing volume of Hetbahn container waste due to its increasing sales. To this end, we planned a differentiated collection of recycling program. In September 2020, we celebrated Recycling Day, during which we hosted a four-month-long waste collection campaign for our staff and a volunteer program to produce and distribute high-quality upcycling products.

Hetbahn Gardening – Extending the Recycling Life Cycle of Plastic Waste
We run the Hetbahn Gardening program which is a donation activity to the local children’s community centers. With the discharged Hetbahn containers collected by staff members and wooden pallets, we upcycle them into indoor vertical gardens, and finally deliver them to the centers.

Core Area 1, Health and Safety

Qualitative Transformation Through Programs that Contribute to Health

Hope Food Pack Program
CJ CheilJedang carried out the Hope Food Pack to prevent meal-skippping and promote a healthy lifestyle for underprivileged children by providing food bundles, BYO, and health check-ups and healthy lifestyle programs. From May to November, we provided food bundles and BYO a total of 10 times. In addition, we also offered digestive health check-ups and health check-up meters to 100 children at six local children’s community centers. The centers were selected among those who applied for the program.

A Mentoring Group Consisting of CJ Experts to Carry out Collaborative Tasks
Names of the selected company/business

<table>
<thead>
<tr>
<th>NAME</th>
<th>BUSINESS AND TECHNOLOGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery lab Co., Ltd.</td>
<td>Food price comparison and logistics platform</td>
</tr>
<tr>
<td>Music plat</td>
<td>AI-based automatic BGM-matching service</td>
</tr>
<tr>
<td>Saige research Co., Ltd.</td>
<td>Smart factory machine vision solution</td>
</tr>
<tr>
<td>Sanghwa</td>
<td>New media augmented content production</td>
</tr>
<tr>
<td>L Fin</td>
<td>Location recognition service</td>
</tr>
</tbody>
</table>

Benefits for the Selected Startups

Financial Support to Test Technology, Commercial Viability

Provision of Group Infrastructure (Promotion, Marketing, Field-Test Environment, etc.)
Voice of Customers (VOC)

CJ CheilJedang does not simply handle VOCs collected through various channels to resolve inquiries and complaints. We go beyond this and use them to improve the fundamental sources of customer grievances. To address the unmet needs of our customers, relevant departments listen to VOCs from diverse perspectives and set clear directions for improvements. Through these efforts, we are committed to enhancing customer satisfaction.

Communication Channels Diversification

CJ CheilJedang's Customer Relations Center explores various ways to communicate with customers. We do not remain at original channels, such as telephone calls, websites, and SNS (Facebook). In step with the recent trends, we also offer text message consultations and have expanded sign language service channels for hearing impaired customers. Our online shopping mall will add additional one-on-one chat consultations following the AI-based chat-bot service introduced in 2021.

Tailored Communication for Customer Satisfaction

For more active communication with customers over the phone, CJ CheilJedang runs consultation groups that have expert knowledge in each business unit and offers participants field trips to manufacturing plants, cooking classes, and knowledge forums. In the case of new products and products with high VOCs, to better understand the challenges consumers may face and adequately respond to inquiries or complaints, customer service consultants cook the products themselves. Through its knowledge forum, the company strives to learn about customer issues and interests so that we can form a consensus with our customers and understand their perspective.

CJ Fansumer Awards

The CJ Fansumer Awards is an event where CJ CheilJedang expresses its gratitude to customers who propose ideas of improving original products or launching new products. This event encourages customer's involvement in making a better product with the company and to act as a voluntary ambassador of the firm by providing excellent feedbacks. We value customer's active participation and interaction. Therefore, we will keep on reinforcing the system.

Maintenance of CCM (Customer-Centered Management) Certification

CJ CheilJedang received CCM (customer-centered management) certification for the first time in 2015 and was re-certified in 2017 attributed to consistent VOC management and the excellent customer complaint handling system. Moreover, we received a best-practice citation. Based on these competencies, we are supporting our suppliers in obtaining CCM certification themselves. In 2020, we received a citation for merit in customer VOC management innovation, digital transformation of VOC, and cultural dissipation through CCM shared growth with SMEs. Thanks to these various efforts to promote and protect consumer rights and subsequent contributions to the development of the country and society, we received the Grand Prize Presidential Citation of CCM of the Year at the 25th Consumer Rights Day awards ceremony hosted by the Fair Trade Commission.

INTERNALIZATION OF CCM

We distribute and disclose monthly CCM-related content to cultivate customer-centered management and provide continuous training to the overall staffs. In addition, we designated December 3rd as CCM Day. On this day, we run CCM activities such as online quizzes for customers and reminder training for our staffs to raise CCM awareness.

CJ CheilJedang CCM Certificate

(C) CJ CheilJedang CCM Certificate
**SUPPLY CHAIN MANAGEMENT**

**ESTABLISHMENT OF A SUSTAINABLE SUPPLY CHAIN MANAGEMENT SYSTEM**

The scope of management for the CJ CheilJedang supply chain is categorized into raw materials, processed materials, products, equipment, and packaging. CJ CheilJedang strives to provide economically, socially, and environmentally responsible products to consumers to ensure the sustainability of the food industry. To this end, we aim to track and clearly disclose all social and environmental issues that occur across the entire supply chain. In 2020, CJ CheilJedang has come up with a priority task. The tasks were drawn from the goal of sustainable supply chain that is to increase traceability and transparency in the supply chain to minimize environmental impact and secure customer health and safety. As of 2021, we are establishing mid- to long-term goals and a step-by-step roadmap.

Associated with the project, CJ CheilJedang established the CJSRM, a procurement information system, and connected it in real time with internal networks to automatically issue documents recommended by the Fair Trade Commission, such as order placements to suppliers, supplier receipts, and test results. We also added the subcontract transactions document management system (document register) which allows us to digitally adjust, decide, and sign price agreements with suppliers.

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**ASSESSMENT AND DIAGNOSIS OF SUPPLIER SUSTAINABILITY**

CJ CheilJedang includes sustainability criteria in its supplier assessment and selection process. Details are stipulated in our standard contract. Not only the issues of quality, safety, and financial stability but also content of Supplier Code of Conduct which we regularly revisit, such as human rights, environmental, and anti-corruption aspects, are included in contracts. (539 companies, 87% under contract to comply with the Supplier Code of Conduct)

**FAIR TRADE PRACTICES**

CJ CheilJedang is aware that fair transactions and compliance with fair practices are the foundations of the sustainable growth of the company. To this end, we strive to ensure fair trade practices. In 2019, we revised our policy for handling supplier wrongdoings to reinforce the prevention of unfair practices such as bribery and collusion and to specify detailed standards for handling unfair practices. In 2020, we continue to strengthen fair trade practices by reviewing and amending relevant regulations and guidelines (e.g., procurement management regulation).

**DELIBERATION COMMITTEE FOR SUBCONTRACTOR TRANSACTIONS**

At CJ CheilJedang, we make monthly reports on major agenda and activities related to suppliers through the Deliberation Committee. The Deliberation Committee is attended by the Legal Compliance Team and under the supervision of the executive of the Food Procurement Division. All relevant departments including the Finance Division, Sustainability Team, and Food SCM, are eligible to participate, depending on the agenda of the meeting.

CJ CheilJedang Deliberation Committee for Transactions with Subcontractors

**ESTABLISHMENT OF A FAIR TRADE SYSTEM**

CJ CheilJedang established the CJ CheilJedang Center, 330, Dongho-ro, Jung-gu, Seoul, Korea, 04560. Tel: +82-2-6740-1114 / www.cj.co.kr

CJ CheilJedang Deliberation Committee for Transactions with Subcontractors

**CODE OF CONDUCT FOR SUPPLIERS**

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CJ CheilJedang Deliberation Committee for Transactions with Subcontractors

**SUPPLIER SELECTION AND KEY SUPPLIER MANAGEMENT**

CJ CheilJedang manages raw material suppliers through on-site inspection and regular audit by Quality Safety division. Suppliers evaluated to be inadequate are given penalties depending on the severity and frequency of the relevant issue. Considering the continuity of our business, we categorize key suppliers based on the volume of annual transaction, irreplaceability of the supplies, and sustainability.

**LOCAL PURCHASES**

CJ CheilJedang spent KRW 3.2 trillion on local suppliers which accounted for 88% of total procurement.
**EFFORTS FOR SHARED GROWTH**

**SHARED FOR WIN-WIN GROWTH**

Under the philosophy of shared growth with the CJ Group, CJ CheilJedang is promoting shared growth to enhance supply chain capacity. Through this, we aim to provide healthy and safe food. We are constantly seeking to reinforce shared growth with our supply chain, such as with the introduction of Happy Companion in 2011 and the establishment of CJ Breeding Corporation in 2015. We include the major performances of shared growth in our CEO evaluation to maximize business growth and shared value. Instead of providing only simple support, such as financial or technical support, we aim to contribute to the nation and society by establishing a win-win model from which the company and supply chain can benefit.

**CJ PARTNERS CLUB**

Through the spirit of co-existence and co-prosperity, the founding philosophy of CJ Group, CJ Partners Club aims to forge healthy relationships between CJ CheilJedang and its suppliers. In addition, it promotes mutual benefits and sound development through joint technology development projects. Having begun under the name of “Cooperative Group” after the foundation of CJ CheilJedang, it changed its name to the current CJ Partners Club. For more effective operation, it runs in separate groups by division. Each Quarter a CJ Partners Club meeting is hosted to listen to SME suppliers’ grievances and identify improvements.

**SHARED GROWTH SUPPORT PROGRAM FOR SME SUPPLIERS**

CJ CheilJedang offers a variety of shared growth programs that are practical and helpful for SME suppliers. We provide assistance for quality and hygiene management, as well as education, training, funding, and technical support. In 2017, we became the first private company to introduce the Naeil Chaeum Deduction System, which buttresses employment stability and alleviates the wage gap between SME suppliers and large companies. We also provide our suppliers with low-interest-rate loans, expanded Naeil Chaeum Deduction benefits, and welfare benefits for supplier employees through joint agreement with the “movement to alleviate wage gap between large corporations and SMEs through shared growth.”

**OTHER ECONOMIC PERFORMANCE**

**INTELLECTUAL PROPERTY RIGHTS MANAGEMENT**

We filed a total of 787 new intellectual property right applications in 2020, 144 of which were filed in Korea. Intellectual Property Rights Owned by CJ CheilJedang

**STATUS OF CREATION AND DISTRIBUTION OF ECONOMIC VALUES**

CJ CheilJedang created and shared economic value in 2020 as follows:

Generation and Distribution of Economic Values

**APPENDIX**

**CJ CheilJedang Sustainability Report 2020**

CJ CheilJedang Center, 330 Dongho-ro, Jung-gu, Seoul, Korea, 04560
Tel +82-2-6740-1114 / www.cj.co.kr
GOVERNANCE

ETHICAL MANAGEMENT

CJ PEOPLE’S PROMISE

In 2020, we established the CJ People’s Promise, which stipulates the direction and principles of the essential promises of CJ in its relationship with diverse stakeholders including customers, shareholders, staffs, partners, and global communities. In addition, we translated the publication into five languages and distributed it to overseas business sites, thereby laying the foundation for global ethical management.

CJ People’s Promise

Operates a group-wide ethical management system based on honesty, one of the core values of the CJ management philosophy, as well as a culture of compliance. Our CEO reaffirmed the company’s will to practice ethical management with the establishment of the Compliance Committee in 2019, and reported items and agenda are being actively discussed.

Communication of Ethical Management

CJ CheilJedang utilizes a wide range of communication channels to spread ethical practices to our staffs and those of our suppliers as well as to internal and external stakeholders. With our CEO’s unwavering commitment to compliance management, we present directions for our ethical management. In addition, we are striving to cultivate a natural culture of ethical management through employee-friendly methods such as compliance newsletters, webtoons, quizzes, and videos. In 2020, we launched a webpage dedicated to compliance management within the official website of CJ CheilJedang. In doing so, we clarified our commitment to ethical management by disclosing the CJ People’s Promise and ethical management policies to internal and external stakeholders.

Portray a background image of the ethical management team or the ethical management committee to reflect an actual situation.

OPERATION OF THE CJ CHEILJEDANG COMPLIANCE COMMITTEE

CJ CheilJedang has operated a group-wide ethical management system based on honesty, one of the core values of the CJ management philosophy, as well as a culture of compliance. Our CEO reaffirmed the company’s will to practice ethical management with the establishment of the Compliance Committee in 2019, and reported items and agenda are being actively discussed.

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ETHICAL MANAGEMENT TRAINING

We provide all our staffs with an ethical management training program to encourage their compliance with regulations in work processes and raise ethical awareness. In 2020, we provided compliance training to 6,099 domestic and overseas staffs. For high-risk areas such as the Fair Transactions in Subcontracting Act, we offer more focused education with separate training courses. Furthermore, we have established an ethical management training system which consists of 16 courses in five fields and is based on the CJ People’s Promise. Through this system, we have put a focus on company-wide legal risk management and strengthening the compliance and ethical mindset of our staffs. We prevent the risk of corruption by conducting Self-Audits and providing opportunities for individuals to reflect on themselves to see whether or not they comply with the minimum standards, principles, and processes that all staffs must adhere to.

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STATUS OF THE BOARD OF DIRECTORS

The board of directors at CJ CheilJedang represents diverse stakeholders, including shareholders, and supervises and votes on major management agenda for the company’s long-term growth. The board of directors consists of three internal directors and four independent directors. To enhance the board of directors’ strategic decision-making capability, the directors are appointed to ensure their diversity in gender, race, religion, nationality, cultural background, etc., as well as their independence. Directors are guaranteed a 3-year term, and reappointment is decided based on their performance evaluations.

BOARD OF DIRECTORS DECISION-MAKING SYSTEM

The board of directors is chaired by the CEO to ensure an efficient operating process. The target ratio of independent directors in the board of directors is more than 51%, complying with Article 542(8) of the Commercial Act, “Appointment of Independent Directors”. To ensure fairness and objectivity, all directors have equal opportunities to present opinions. In addition, the board of directors collects opinions from diverse stakeholders through internal and external communication channels to identify major issues of the company, thereby contributing to a balanced and objective decision-making process.

Composition of the Board of Directors

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Role</th>
<th>Field of expertise</th>
<th>Gender</th>
<th>Initial Appointment Date</th>
<th>Committee under the Board of Directors</th>
<th>Audit Committee</th>
<th>Independent Director Candidate Recommendation Committee</th>
<th>Internal Transaction Committee</th>
<th>Remuneration Committee</th>
<th>Corporate Sustainability Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Director</td>
<td>Kyung Shik Sohn</td>
<td>CEO, CJ CheilJedang</td>
<td>Management</td>
<td>Male</td>
<td>2007.9</td>
<td>⚫</td>
<td></td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td></td>
<td>Eun Seok Choi</td>
<td>CEO, CJ CheilJedang and Head of Food Business Unit, CJ CheilJedang</td>
<td>Management</td>
<td>Male</td>
<td>2020.3</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td></td>
<td>Sa Young Kim</td>
<td>Nutrition Business Division at CJ CheilJedang</td>
<td>R&amp;D</td>
<td>Female</td>
<td>2021.3</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Jong Chang Kim</td>
<td>Professor, College of Business at KAIST</td>
<td>Finance</td>
<td>Male</td>
<td>2019.3</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td></td>
<td>Tae Yoon Kim</td>
<td>Professor, Department of Public Administration at Hanyang University</td>
<td>Policy</td>
<td>Male</td>
<td>2019.3</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td></td>
<td>Si Won Lee</td>
<td>Professor, KDI School of Public Policy and Management</td>
<td>International commerce</td>
<td>Male</td>
<td>2019.3</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td></td>
<td>Jeong Hwan Yun</td>
<td>Professor, Department of Internal Medicine, Seoul National University</td>
<td>Biotechnology and Life science</td>
<td>Male</td>
<td>2020.3</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
</tbody>
</table>

THE EXPERTISE OF INDEPENDENT DIRECTORS

Directors must be equipped with expertise for strategic decision-making in the rapidly changing management environment. To this end, to build an expert talent pool, CJ CheilJedang appoints its independent directors from among experts in various fields who have first-hand experience. In this way, we ensure that independent directors contribute to the management with objective monitoring, revision, and advice. Independent directors are experts in their respective fields.

INDEPENDENCE OF INDEPENDENT DIRECTORS

Candidates for independent directors are considered by the Independent Director Candidate Recommendation Committee which consists only of independent director. After approval by the Independent Director Candidate Recommendation Committee and board of directors, it shall be presented as an individual agenda item for each shareholders’ meeting. Independent directors are finally elected through the resolution of the general meeting of shareholders. It is possible for independent directors to supervise and support the management of the company in an independent position by verifying whether the relevant laws and articles of association require, such as the independence judgment standard under Article 382 of the Commercial Act. The Audit Committee and the Internal Transaction Committee also consist of only independent directors. CJ CheilJedang limits the number of other mandates for non-executive to no more than two in compliance with legal requirements, and checks the status of third-party concurrent positions through the ‘External Director Qualification Confirmation’.

Independence Criteria for Independent Directors

(Disqualification Regarding Independence, Article 382 of Commercial Act)

1. A person who has not been engaged in employment relations – as an executive or an employee – with the company or its subsidiaries for the past five years.
2. A person who is not the spouse, lineal ascendant, or lineal descendant of the largest shareholders.
3. A person who is not engaged in employment relations – as an executive or an employee – with any entity related to the largest shareholders.
4. A person who is not the spouse, lineal ascendant, or lineal descendant of an executive or an employee of the company.
5. A person who is not an executive or an employee of a subsidiary of the company.
6. A person who is not an executive or an employee of any entity with a major interest in the company, including business relations.
7. A person who is not an executive or an employee of any entity where the company’s executive or employee serves as an executive or an employee.
COMMITTEE UNDER THE BOARD OF DIRECTORS

CJ CheilJedang’s board of directors operates the Audit Committee, the Independent Director Candidate Recommendation Committee, the Remuneration Committee, the Internal Transaction Committee, and the Corporate Sustainability Committee to ensure independence, transparency, and fairness in corporate governance. The Corporate Sustainability Committee was organized in April 2021 to secure consistent and integrated capability to implement sustainability management.

Composition of Sub-Committees of Board of Directors

BOARD OF DIRECTORS

| AUDIT COMMITTEE |
| Ensures accounting legitimacy, transparency, and business fairness for accounting and audits, asset investigations, and appointments or replacements of independent auditors. |

| INDEPENDENT DIRECTOR CANDIDATE RECOMMENDATION COMMITTEE |
| Recommends qualified candidates for independent director positions in accordance with laws, the Articles of Association, and the rules of the board of directors. Ensures independence of the committee by consisting only of independent directors. |

| INTERNAL TRANSACTION COMMITTEE |
| Ensures transparency in the transactions of subsidiaries and affiliated persons by deliberating on and approving the transactions of subsidiaries and affiliated persons in accordance with the Fair Trade Act and Commercial Act. |

| REMUNERATION COMMITTEE |
| Ensures fairness in remuneration policy and long-term incentives for executives, applying an indicator-based performance assessment system. |

| CORPORATE SUSTAINABILITY COMMITTEE |
| Reviews the company’s strategy and direction for sustainability management related to the areas of E (environment), S (social), and G (governance-economy), approves the relevant performance and improvements and secures implementation capabilities of sustainability management, e.g., sustainability report publications. |

OPERATION OF THE BOARD OF DIRECTORS

Board of directors meetings are held on a regular basis per the annual operating plan. Temporary meetings are held when necessary. In 2020, a total of eight board of directors meetings were held to discuss 24 agendas. The attendance rate of independent directors was 100%. For more details, please see our business report or official website.

Board of Directors’ Activities

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of board of directors meetings</td>
<td>Time</td>
<td>11</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>No. of agendas discussed</td>
<td>Case</td>
<td>34</td>
<td>26</td>
<td>24</td>
</tr>
</tbody>
</table>

Attendance rate

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance rate of internal directors</td>
<td>%</td>
<td>87.9</td>
<td>93.9</td>
<td>95.8</td>
</tr>
<tr>
<td>Attendance rate of independent directors</td>
<td>%</td>
<td>100</td>
<td>95.1</td>
<td>100</td>
</tr>
</tbody>
</table>

* Required attendance rate is 75%

SHARES OWNED BY THE BOARD OF DIRECTORS

As of 2020, a total of two internal directors hold shares in CJ CheilJedang. Details on these directors and the shares held are provided below.

Shares Owned by Board of Director As of December 31, 2020

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors holding shares of CJ CheilJedang (Internal director)</td>
<td>Kyung Shik, Sohn</td>
</tr>
<tr>
<td></td>
<td>5,500</td>
</tr>
</tbody>
</table>

EVALUATION OF THE BOARD OF DIRECTORS

Independent directors are subject to comprehensive and fair assessments that include board of directors attendance, independence, expertise, and the extent of contribution across their management activities. The assessment results are reflected in their reappointment decisions. The board of directors designs the remuneration policy for the management to conform to the long-term interests of shareholders and makes transparent public disclosures. The activities of internal directors in the board of directors are comprehensively assessed based on quantitative (sales, business profit, etc.) and qualitative (leadership, core competency, contribution to the company, etc.) indicators.

BOARD OF DIRECTORS REMUNERATION

As of the end of 2020, the total remuneration for the seven members of the board of directors of CJ CheilJedang amounted to KRW 12.84 billion.

Remuneration for Board of Directors in 2020

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>UNIT</th>
<th>INTERNAL DIRECTORS</th>
<th>INDEPENDENT DIRECTORS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of directors</td>
<td>Person</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Total remuneration</td>
<td>KRW million</td>
<td>12,560</td>
<td>284</td>
<td>12,844</td>
</tr>
</tbody>
</table>

Shares Owned of CJ CheilJedang

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury shares</td>
<td>23.4%</td>
</tr>
<tr>
<td>Foreign investor</td>
<td>10.43%</td>
</tr>
<tr>
<td>CJ corporation affiliated persons</td>
<td>4.6%</td>
</tr>
<tr>
<td>National Pension Service</td>
<td>44.6%</td>
</tr>
<tr>
<td>Others</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

*Required attendance rate is 75%
RISK MANAGEMENT

PREEMPTIVE RISK MANAGEMENT

Establishment of the ‘Compliance Management System (CMS 2.0)’

CJ CheilJedang established its CMS (Compliance Management System) 2.0 to forecast risks and take effective measures against them. To enhance existing compliance management, the new system identifies and categorizes potential risks that may occur in each organization. It establishes control measures for each risk and clarifies the R&R of the department in charge (designing, managing, and supervising essential control activities for each risk) and the lead department (conducting activities according to the design of the department in charge) so that the Compliance Team can act as the company-wide risk control tower to organically manage risk across the executive departments, departments in charge, as well as the board of directors and its committees.

Establishment of a Global Compliance Communication Process

By re-establishing a global communication process among our overseas subsidiaries, regional divisions, headquarters, and domestic headquarters, CJ CheilJedang is building a practical work–sharing and cooperative system between legal and compliance officers to strengthen its global risk management.

RISK RESPONSE DIVISION

CJ CheilJedang takes a three-step approach to potential risks in 16 categories, covering the environment (including climate change), industrial safety, quality, and processes, according to severity. We operate a company-wide risk management system to swiftly report and take countermeasures, within 24 hours, through the Risk Response Division whenever a risk is determined to be a major risk. In addition, we utilize an integrated risk management process to prevent any potential confusion or delays that may arise from a risk occurrence, initial recognition of the risk, or response measures.

APPENDIX

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

Environmental Performance
Social Performance
Economic Performance
Governance Structure

10 MAJOR RISK AREAS

Management of Potential Risks

CJ CheilJedang not only identifies potential financial and non-financial risks related to current management activities but also defines potential risks that could have a major impact on its business in the future. Based on these definitions, we identify potential risks across all our business sites, and our management team thoroughly analyzes them and takes appropriate measures to minimize their impact.

Definition and Management of Potential Risks

<table>
<thead>
<tr>
<th>Potential Risk</th>
<th>Definition and Impact</th>
<th>Management Group</th>
<th>Management Policy</th>
</tr>
</thead>
</table>
| Sudden fluctuation in raw material prices | Sudden changes in the prices of key raw materials may cause supply and cost risks, impacting profit and loss. | Grain Procurement Division Food Procurement Division Bio Procurement Division | - Establish a system to monitor the price of raw materials and ingredients  
- Monitor quantitative indicators  
- Monitor qualitative developments |
| Exchange rate management                   | Exchange rate fluctuations may cause increased uncertainty and changes to profit and loss. | Financial Strategy Division                          | - Alleviate foreign exchange risk by first reducing exchange rate exposure through matching  
- Hedge residual exposure through derivatives, such as forward exchange, in accordance with internal foreign exchange control regulations  
- Strictly prohibit foreign exchange management for speculative purposes |
| Changes in environmental safety regulations and policies | Inadequate responses to changes in environmental and safety regulations and policies at business sites may cause legal risks, affecting business operations. | Safety Management Team Food Production & Manufacturing Department Bio Engineering Division | - Establish a company-wide system for monitoring regulations  
- Verify all new and revised regulations that will apply to the company at the pre-announcement stage to prepare advanced application and response measures. |
| Business site safety                        | Environmental disasters, fire, industrial severe accidents, health hazards, and electricity-related factors are defined as the five major risks that may occur at manufacturing sites. These may affect the credibility of the company among both staffs and society. | Safety Management Team Food Production & Manufacturing Department Bio Engineering Division | - Establish a Risk-Top management system at each business site focusing on major accidents  
- Strengthen the operation of the SDR (safety design review) process  
- Establish rules for a safe code of conduct ("No Stop? No Touch!")  
- Implement step-by-step infectious disease prevention measures |
| Demographic changes                         | Changing demographics, such as the increase in single-person households and female workers, have an impact across the entire food business. New products need to meet these changing trends and customer needs. | Marketing                                              | - Develop new HMR products that reflect the trend of pursuing health and convenience  
- Implement strategies for creating premium HMR products  
- Upgrade HMR products to the next level based on trend forecasts |
| Management of business continuity amidst natural disasters | Business continuity management risk may occur due to natural disasters or pandemics such as COVID-19. It may affect profit and loss as well as the work patterns of staffs. | Safety Management Team Food Administration Team Bio Administration Team | - Establish an emergency response system  
- Monitor global emergency situations  
- Strengthen safety & health management training for staffs |
| Climate change risks                        | Physical risks due to increased natural disasters caused by climate change and implementation risks arising from the process to address climate change can make business and financial impacts. | Sustainability Team Food Production & Manufacturing Department Bio Engineering Division | - Manage domestic GHG emissions  
- Assess the impacts of storm and flood damage  
- Calculate and monitor GHG emissions for suppliers |
In the amended Act on the Promotion of Information and Communications Network Utilization and Information Protection, we designated a CISO (Chief Information Security Officer) and reported this to the Ministry of Science and ICT. Furthermore, we continue to operate a task force under the direct supervision of the CEO to establish an information protection management system and for its management and operation. CISO makes annual reviews and evaluations of information security activities.

Organizational Chart of the Information Protection Group

CEO
  ↓
CISO
  ↓
Information Protection Committee
  ↓
Information Protection Supervisor
  ↓
Personal Information Protection Committee
  ↓
Information Protection Taskforce
  ↓
Company-Wide Information Security Manager
  ↓
Collaborative Information Security Manager
  ↓
IT Operation Manager/person in charge
  ↓
Personal Information Management Manager/person in charge

Information Security Policy

CJ CheilJedang has its Information Security Policy in place to protect critical information and build customer trust. In addition, we established the Global Information Security Policy in 2020. Under this policy, we provide overseas staffs with key announcements and training on information security. We also actively carry out activities related to information security regulations in various countries, including the China Network Security Act and Europe’s GDPR (General Data Protection Regulation).

Information Security Risk Management

With cybersecurity threats increasing, the importance of information security to protect the personal information of consumers and corporate data is growing. In this regard, CJ CheilJedang has established an information security management system to carry out information security activities that meet domestic and international standards. In addition, we designated staff in charge of security for each business division to diagnose vulnerabilities and build security solutions, thereby ensuring robust security.

Example of an Information Security Awareness Enhancement Program

To raise staff members’ security awareness and promote voluntary information security activities, CJ CheilJedang offers information security training and programs. In 2020, we provided preventative measures for ransomware and e-mail hacking attempts. Through this, we inform and propagate security regulations, activities, and cautions to staffs in an easy-to-understand manner. We will continue our campaign to enhance staffs understanding of security and prevent information security risks.

Information Security Risk Management System Certification

CJ CheilJedang is striving to acquire ISMS (information security management system) certification to enhance its information protection management. With initial certification granted in 2016, we also acquired ISMS-P certification that expands its boundaries to the personal information management system in 2020. In 2021, we are preparing for a follow-up review of ISMS-P for our external services.

Information Security Risk Management System

A system in which a company or an organization undergoes an evaluation by the national certification agency to guarantee that it manages corporate information, personal information, and infrastructure assets in a safe and reliable way.

Information Security Awareness Campaign

To raise staff members’ security awareness and promote voluntary information security activities, CJ CheilJedang offers information security training and programs. In 2020, we provided preventative measures for ransomware and e-mail hacking attempts. Through this, we inform and propagate security regulations, activities, and cautions to staffs in an easy-to-understand manner. We will continue our campaign to enhance staffs understanding of security and prevent information security risks.

Information Security Risk Management System

CJ CheilJedang’s Information Security Management System

Protecting the company’s critical information assets

Ensuring the efficiency, effectiveness, stability, and reliability of information security

Building global competitiveness and customer trust

Information Security Policy

CJ CheilJedang has its Information Security Policy in place to protect critical information and build customer trust. In addition, we established the Global Information Security Policy in 2020. Under this policy, we provide overseas staffs with key announcements and training on information security. We also actively carry out activities related to information security regulations in various countries, including the China Network Security Act and Europe’s GDPR (General Data Protection Regulation).
Fulfillment of Tax Obligations

Beyond the domestic market, CJ CheilJedang operates its business in diverse nations such as the U.S., Vietnam, Indonesia. CJ CheilJedang reports and pays an accurate amount of tax, fully complying with local tax laws. In addition, to ensure tax payment transparency, we disclose the details of corporate tax, deferred corporate tax, and effective tax rates in our audit reports, which are available on DART (Data Analysis, Retrieval, and Transfer System). In particular, we give detailed descriptions of the temporary variances that occur due to the difference between accounting and tax principles for assets and liabilities. CJ CheilJedang’s non-consolidated corporate tax amounted to KRW 260.6 billion in 2020. Please see the table below for details on corporate tax expenses for each country of operation.

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales</th>
<th>Pre-Tax Profit</th>
<th>Income Tax Payable</th>
<th>Income Tax Expenses</th>
<th>Tax Rate Effectiveness Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Korea</td>
<td>56,904</td>
<td>56,573</td>
<td>-331</td>
<td>-630</td>
<td>4,612</td>
</tr>
<tr>
<td>Indonesia</td>
<td>8,558</td>
<td>8,239</td>
<td>-319</td>
<td>-516</td>
<td>9 15 6 151 46 -105 25% 23% N/A</td>
</tr>
<tr>
<td>U.S.</td>
<td>30,001</td>
<td>36,952</td>
<td>6,951</td>
<td>4,235</td>
<td>1,999 -2,236 116 463 347 171 206 35 21% 4% 10%</td>
</tr>
<tr>
<td>China</td>
<td>10,463</td>
<td>11,834</td>
<td>1,371</td>
<td>1,338</td>
<td>1,775 437 5 53 48 268 388 120 25% 20% 22%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>7,127</td>
<td>9,789</td>
<td>2,662</td>
<td>2,395</td>
<td>9 78 69 4 333 329 20% 7% 14%</td>
</tr>
<tr>
<td>Other</td>
<td>14,614</td>
<td>18,250</td>
<td>3,636</td>
<td>140</td>
<td>612 472 27 64 37 166 109 -57 - 119% 18%</td>
</tr>
<tr>
<td>Total</td>
<td>127,667</td>
<td>141,637</td>
<td>13,970</td>
<td>5,208</td>
<td>11,002 5,793 747 2,587 1,840 821 2,606 1,785 - 16% 24%</td>
</tr>
</tbody>
</table>

* Including domestic subsidiaries.
** Total tax paid in 2019 (CJ CheilJedang, non-consolidated): KRW 60.1 billion
*** Total tax paid in 2020 (CJ CheilJedang, non-consolidated): KRW 165.9 billion
**** The effective tax rate is not specified here as corporate tax expenses are incurred even with a negative pre-tax profit margin under the South Korean tax jurisdiction.
***** Pre-tax profit, income tax payable, and income tax expenses excluding sales (consolidated) are based on a simple sum of separate financial statements for each entity.
5. APPENDIX

- Financial Information
- GRI Standards Index
- SASB Balance Sheet
- Independent Assurance Statement
- External Awards
## FINANCIAL INFORMATION

### Consolidated Statements of Comprehensive Income

<table>
<thead>
<tr>
<th>SUBJECT UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue/Sales</td>
<td>KRW 1,000</td>
<td>KRW 1,000</td>
<td>KRW 1,000</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>18,670,059,989</td>
<td>15,126,473,806</td>
<td>15,210,709,680</td>
</tr>
<tr>
<td>Gross profit</td>
<td>3,543,586,183</td>
<td>4,283,178,775</td>
<td>5,186,413,282</td>
</tr>
<tr>
<td>Selling general administrative expenses</td>
<td>2,710,676,553</td>
<td>3,386,320,905</td>
<td>3,826,861,842</td>
</tr>
<tr>
<td>Operating profit</td>
<td>832,709,680</td>
<td>896,657,812</td>
<td>1,359,551,440</td>
</tr>
<tr>
<td>Other income</td>
<td>719,523,533</td>
<td>-213,134,022</td>
<td>141,417,863</td>
</tr>
<tr>
<td>Finance income</td>
<td>240,115,302</td>
<td>304,234,107</td>
<td>805,193,567</td>
</tr>
<tr>
<td>Finance cost</td>
<td>492,701,318</td>
<td>666,692,923</td>
<td>17,820,394</td>
</tr>
<tr>
<td>Income of associates and jointly controlled entities</td>
<td>-5,461,144</td>
<td>17,526,474</td>
<td>1,178,500,191</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>1,294,186,053</td>
<td>338,791,509</td>
<td>392,074,653</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>368,797,428</td>
<td>147,763,206</td>
<td>786,425,538</td>
</tr>
<tr>
<td>Profit</td>
<td>925,388,625</td>
<td>191,028,303</td>
<td>-320,649,623</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-36,329,758</td>
<td>-165,218,166</td>
<td>465,775,915</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>889,058,867</td>
<td>356,246,469</td>
<td>356,246,469</td>
</tr>
</tbody>
</table>

### Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>SUBJECT UNIT</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>KRW 1,000</td>
<td>KRW 1,000</td>
<td>KRW 1,000</td>
</tr>
<tr>
<td>Assets of disposal group held for sale</td>
<td>5,520,191,585</td>
<td>7,433,652,034</td>
<td>465,775,915</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>2,245,917</td>
<td>529,387,147</td>
<td>38,533,070</td>
</tr>
<tr>
<td>Total assets</td>
<td>13,974,585,382</td>
<td>18,337,993,130</td>
<td>18,141,978,711</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>19,497,022,884</td>
<td>26,280,632,351</td>
<td>25,611,892,185</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>6,680,407,860</td>
<td>8,202,238,119</td>
<td>7,082,673,561</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>12,188,810,794</td>
<td>16,799,151,931</td>
<td>15,445,453,188</td>
</tr>
<tr>
<td>Equity attributable to owners of the parent entity</td>
<td>4,782,822,965</td>
<td>4,880,879,268</td>
<td>5,274,392,419</td>
</tr>
<tr>
<td>Current capital</td>
<td>81,908,095</td>
<td>81,908,095</td>
<td>81,908,095</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>1,540,967,319</td>
<td>1,540,967,319</td>
<td>1,540,967,319</td>
</tr>
<tr>
<td>Other reserves</td>
<td>-534,397,639</td>
<td>-528,981,781</td>
<td>-755,277,691</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>3,694,325,190</td>
<td>3,786,365,635</td>
<td>4,892,046,578</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>2,525,389,125</td>
<td>4,600,611,152</td>
<td>10,146,438,997</td>
</tr>
<tr>
<td>Total equity</td>
<td>7,308,212,090</td>
<td>9,481,480,420</td>
<td>9,481,480,420</td>
</tr>
</tbody>
</table>
# GRI STANDARDS INDEX

## UNIVERSAL STANDARDS (GRI 100)

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Disclosure</th>
<th>Page</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102: General Disclosures 2016</td>
<td><strong>Organizational Profile</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>102-1</td>
<td>Name of the organization</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>7~10</td>
</tr>
<tr>
<td></td>
<td>102-3</td>
<td>Location of headquarters</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>102-4</td>
<td>Location of operations</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>102-6</td>
<td>Markets served</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>102-7</td>
<td>Scale of the organization</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>7,49</td>
</tr>
<tr>
<td></td>
<td>102-9</td>
<td>Supply chain</td>
<td>156</td>
</tr>
<tr>
<td></td>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>102-12</td>
<td>External initiatives</td>
<td>13~14</td>
</tr>
<tr>
<td></td>
<td>102-13</td>
<td>Membership of associations</td>
<td>34</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
<td>4</td>
</tr>
<tr>
<td><strong>Ethics and Integrity</strong></td>
<td>102-15</td>
<td>Key impacts, risks, and opportunities</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>102-16</td>
<td>Values, principles, standards, and norms of behavior</td>
<td>6,58</td>
</tr>
<tr>
<td></td>
<td>102-17</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td>11,58</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>102-18</td>
<td>Governance structure</td>
<td>13,59~60</td>
</tr>
<tr>
<td></td>
<td>102-22</td>
<td>Composition of the highest governance body and its committees</td>
<td>59~60</td>
</tr>
<tr>
<td></td>
<td>102-23</td>
<td>Chair of the highest governance body</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>102-24</td>
<td>Nominating and selecting the highest governance body</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>102-28</td>
<td>Evaluating the highest governance body's performance</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>102-32</td>
<td>Highest governance body's role in sustainability reporting</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>102-33</td>
<td>Communicating critical concerns</td>
<td>13,59~60</td>
</tr>
<tr>
<td></td>
<td>102-36</td>
<td>Process for determining remuneration</td>
<td>50</td>
</tr>
<tr>
<td><strong>Stakeholder Engagement</strong></td>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>15~17</td>
</tr>
</tbody>
</table>
### ECONOMIC PERFORMANCE (GRI 201)

#### GRI Standards

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>DISCLOSURE</th>
<th>PAGE</th>
<th>NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach</td>
<td>50–57</td>
<td></td>
</tr>
<tr>
<td>GRI 201: Economic Performance 2016</td>
<td>201-1 Direct economic value generated and distributed</td>
<td>8, 39, 50, 57</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach</td>
<td>50–57</td>
<td></td>
</tr>
<tr>
<td>GRI 202: Market Presence 2016</td>
<td>202-1 Ratios of standard entry level wage by gender compared to local minimum wage</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach</td>
<td>53–57</td>
<td></td>
</tr>
<tr>
<td>GRI 203: Indirect Economic Impacts 2016</td>
<td>203-1 Infrastructure investments and services supported</td>
<td>53–54, 57</td>
<td></td>
</tr>
<tr>
<td></td>
<td>203-2 Significant indirect economic impacts</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach</td>
<td>50–57</td>
<td></td>
</tr>
<tr>
<td>GRI 204: Procurement Practices 2016</td>
<td>204-1 Proportion of spending on local suppliers</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach</td>
<td>56–58</td>
<td></td>
</tr>
<tr>
<td>GRI 205: Anti-corruption 2016</td>
<td>205-1 Operations assessed for risks related to corruption</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td></td>
<td>205-2 Communication and training about anti-corruption policies and procedures</td>
<td>56, 58</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach</td>
<td>56–58</td>
<td></td>
</tr>
<tr>
<td>GRI 206: Anti-competitive Behavior 2016</td>
<td>206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>GRI Standards</td>
<td>DISCLOSURE</td>
<td>PAGE</td>
<td>NOTE</td>
</tr>
<tr>
<td>---------------</td>
<td>------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components, Evaluation of the management approach</td>
<td>42-46</td>
<td></td>
</tr>
<tr>
<td>GRI 301: Materials 2016</td>
<td>301-1 Materials used by weight or volume</td>
<td>36-42</td>
<td></td>
</tr>
<tr>
<td></td>
<td>301-2 Recycled input materials used</td>
<td>18,36-37</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components, Evaluation of the management approach</td>
<td>42-46</td>
<td></td>
</tr>
<tr>
<td>GRI 302: Energy 2016</td>
<td>302-1 Energy consumption within the organization</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>302-3 Energy intensity</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>302-4 Reduction of energy consumption</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components, Evaluation of the management approach</td>
<td>42-46</td>
<td></td>
</tr>
<tr>
<td>GRI 303: Water 2018</td>
<td>303-1 Interactions with water as a shared resource</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>303-2 Management of water discharge-related impacts</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>303-3 Water withdrawal</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>303-4 Water discharge</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>303-5 Water consumption</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components, Evaluation of the management approach</td>
<td>42-46</td>
<td></td>
</tr>
<tr>
<td>GRI 305: Emissions 2016</td>
<td>305-1 Direct (Scope 1) GHG emissions</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td></td>
<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td></td>
<td>305-4 GHG emissions intensity</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td></td>
<td>305-5 Reduction of GHG emissions</td>
<td>43-44</td>
<td></td>
</tr>
<tr>
<td></td>
<td>305-6 Emissions of ozone-depleting substances (CFCs)</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td></td>
<td>305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components, Evaluation of the management approach</td>
<td>42-46</td>
<td></td>
</tr>
<tr>
<td>GRI 306: Effluents and Waste 2020</td>
<td>306-1 Waste generation and significant waste-related impacts</td>
<td>33,37,46</td>
<td></td>
</tr>
<tr>
<td></td>
<td>306-2 Management of significant waste-related impacts</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td></td>
<td>306-3 Waste generated</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td></td>
<td>306-4 Waste diverted from disposal</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td></td>
<td>306-5 Waste directed to disposal</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components, Evaluation of the management approach</td>
<td>42-46</td>
<td></td>
</tr>
<tr>
<td>GRI 308: Supplier Environmental Assessment</td>
<td>308-1 New suppliers that were screened using environmental criteria</td>
<td>56</td>
<td></td>
</tr>
</tbody>
</table>
## SOCIAL PERFORMANCE (GRI 400)

<table>
<thead>
<tr>
<th>GRI Standards</th>
<th>Social Performance</th>
<th>PAGE NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 401: Employment 2016</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>401-1 New employee hires and employee turnover</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>401-3 Parental leave</td>
<td>20</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 402: Labor/Management Relations 2016</td>
<td>402-1 Minimum notice periods regarding operational changes</td>
<td>21</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 402: Occupational Health and Safety 2018</td>
<td>402-1 Minimum notice periods regarding operational changes</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>403-2 Hazard identification, risk assessment, and incident investigation</td>
<td>47-48</td>
</tr>
<tr>
<td></td>
<td>403-3 Occupational health services</td>
<td>47-48</td>
</tr>
<tr>
<td></td>
<td>403-4 Worker participation, consultation, and communication on occupational health and safety</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>403-5 Worker training on occupational health and safety</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>403-6 Promotion of worker health</td>
<td>47-48</td>
</tr>
<tr>
<td></td>
<td>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>403-9 Work-related illnesses</td>
<td>47-48</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 405: Diversity and Equal Opportunity 2016</td>
<td>405-1 Diversity of governance bodies and employees</td>
<td>48-49</td>
</tr>
<tr>
<td></td>
<td>405-2 Programs for upgrading employee skills and transition assistance programs</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>405-3 Percentage of employees receiving regular performance and career development reviews</td>
<td>30</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 406: Diversity and Equal Opportunity 2016</td>
<td>406-1 Average hours of training per year per employee</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>406-2 Programs for upgrading employee skills and transition assistance programs</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>406-3 Percentage of employees receiving regular performance and career development reviews</td>
<td>30</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 412: Human Rights Assessment 2016</td>
<td>412-2 Employee training on human rights policies or procedures</td>
<td>48-52</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 413: Local Communities 2016</td>
<td>413-1 Operations with local community engagement, impact assessments, and development programs</td>
<td>33-54</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 416: Customer Health and Safety 2016</td>
<td>416-1 Assessment of the health and safety impacts of product and service categories</td>
<td>11,33</td>
</tr>
<tr>
<td></td>
<td>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>None</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 417: Marketing and Labeling 2016</td>
<td>417-1 Requirements for product and service information and labeling</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>417-2 Incidents of non-compliance concerning product and service information and labeling</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>417-3 Incidents of non-compliance concerning marketing communications</td>
<td>None</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 418: Customer Privacy 2016</td>
<td>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
<td>None</td>
</tr>
<tr>
<td>GRI 103: Management Approach 2016</td>
<td>103-1,2,3 Explanation of the material topic and its Boundary. The management approach and its components. Evaluation of the management approach</td>
<td>47-54</td>
</tr>
<tr>
<td>GRI 419: Compliance 2016</td>
<td>419-1 Non-compliance with laws and regulations in the social and economic area</td>
<td>None</td>
</tr>
</tbody>
</table>

## APPENDIX

<table>
<thead>
<tr>
<th>ESG FACTBOOK</th>
<th>Social Performance</th>
<th>PAGE NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI Standards</td>
<td>Disclosure (Food Processing)</td>
<td>32</td>
</tr>
<tr>
<td>Animal Welfare</td>
<td>P110 Policies and practices, by species and breed type, related to physical alterations and the use of an anesthetic</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>P112 Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type</td>
<td>32</td>
</tr>
<tr>
<td>Customer Health and Safety</td>
<td>58 Percentage of production volume manufactured by sites certified to internationally recognized food safety management systems</td>
<td>32</td>
</tr>
</tbody>
</table>
## SASB INDEX

Sustainability Disclosure Topics & Accounting Metrics

CJ CheilJedang released indicators in its report that correspond to the Food & Beverage business area in accordance with SASB Industry standards.

<table>
<thead>
<tr>
<th>Processed Foods</th>
<th>Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Page</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Management</td>
<td></td>
<td>FB-PF-130a.1</td>
<td>Total energy consumed, percentage grid electricity and percentage renewable</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Water Management</td>
<td></td>
<td>FB-PF-140a.1</td>
<td>Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FB-PF-140a.2</td>
<td>Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FB-PF-140a.3</td>
<td>Description of water management risks and discussion of strategies and practices to mitigate those risks</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Health &amp; Nutrition</td>
<td></td>
<td>FB-PF-260a.1</td>
<td>Revenue from products labeled and/or marketed to promote health and nutrition attributes</td>
<td>29</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FB-PF-260a.2</td>
<td>Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Packaging Lifecycle Management</td>
<td></td>
<td>FB-PF-410a.1</td>
<td>Total weight of packaging, percentage made from recycled and/or renewable materials, and percentage that is recyclable, reusable, and/or compostable</td>
<td>36,37</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FB-PF-410a.2</td>
<td>Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Ingredient Sourcing</td>
<td></td>
<td>FB-PF-440a.1</td>
<td>Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress</td>
<td>43,62</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FB-PF-440a.2</td>
<td>List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations</td>
<td>43,62</td>
<td></td>
</tr>
</tbody>
</table>
INDEPENDENT ASSURANCE STATEMENT

LR INDEPENDENT ASSURANCE STATEMENT
RELATING TO CJ CHEILJEDANG CORPORATION’S SUSTAINABILITY REPORT
FOR THE 2020 CALENDAR YEAR

This Assurance Statement has been prepared for CJ CheilJedang Corporation in accordance with our contract but is intended for the readers of this Report.

TERMS OF ENGAGEMENT
Lloyd’s Register Quality Assurance Limited (LR) was commissioned by CJ CheilJedang Corporation to provide independent assurance on its ‘2020 CJ CheilJedang Sustainability Report’ (“the report”) against the assurance criteria below to a “moderate level of assurance and materiality” using “Accountability’s AA1000AS v3”, where the scope was a Type 2 engagement.

Our assurance engagement covered the operations and activities of CJ CheilJedang Corporation in Korea and specifically the following requirements:

• Evaluating adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact
• Confirming that the report is in accordance with GRI Standards and core option
• Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Water data (GRI disclosures: 303-3, 303-4, 303-5)
  - Work-related injuries and ill health data (GRI disclosures: 403-9, 403-10)

Our assurance engagement excluded the data and information of CJ CheilJedang Corporation’s suppliers, contractors and any third-parties mentioned in the report.

LR’s responsibility is only to CJ CheilJedang Corporation. LR dismisses any liability or responsibility to others as explained in the end footnote. CJ CheilJedang Corporation’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of CJ CheilJedang Corporation.

LR’S OPINION
Based on LR’s approach nothing has come to our attention that would cause us to believe that CJ CheilJedang Corporation has not, in all material respects:

• Met the requirements above
• Disclosed accurate and reliable performance data and information as all errors or omissions identified during the assurance engagement were corrected
• Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.

LR’s approach
LR’s assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

• Assessing CJ CheilJedang Corporation’s approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
• Reviewing CJ CheilJedang Corporation’s process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by CJ CheilJedang Corporation and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether CJ CheilJedang Corporation makes informed business decisions that may create opportunities that contribute towards sustainable development.
• Auditing CJ CheilJedang Corporation’s data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
• Reviewing additional evidence made available by CJ CheilJedang Corporation at its head office in Seoul.

1 https://www.accountability.org
2 https://www.globalreporting.org
Observations
Further observations and findings, made during the assurance engagement, are:

- Inclusivity:
  We are not aware of any key stakeholder groups that have been excluded from CJ CheilJedang Corporation’s stakeholder engagement process.

- Materiality:
  We are not aware of any material issues concerning CJ CheilJedang Corporation’s sustainability performance that have been excluded from the report. It should be noted that CJ CheilJedang Corporation has established extensive criteria for determining which issue/aspect is material and that these criteria are not biased to the companies’ management.

- Responsiveness:
  CJ CheilJedang Corporation established long-term ESG strategies. It is expected that progress against the strategic objectives will be reported in the future.

- Impact:
  CJ CheilJedang is in the stage of developing its own process for human rights impact assessment. It is expected that CJ CheilJedang integrates identified impacts into organizational strategies, goals, performance management process and operation process in order to effectively address human rights impacts through all value chains.

- Reliability:
  CJ CheilJedang Corporation has reliable data management systems for the indicators in the report. However, for more systematic performance data management, CJ CheilJedang should control data compiling process as documented information for some ESG data.

LR’s Standards, Competence and Independence
LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LR is CJ CheilJedang Corporation’s certification body for FSSC 22000 and ISO 37301. We also provide CJ CheilJedang Corporation with a range of training services related to management systems. The verification and certification assessments, together with the training, are the only work undertaken by LR for CJ CheilJedang Corporation and as such does not compromise our independence or impartiality.

Tae-Kyoung Kim  LR Lead Verifier
On behalf of Lloyd’s Register Quality Assurance Limited
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LR reference: SEO00080767

Dated: 5th June 2021

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Lloyds Register Group Limited, 17th Floor, Sinsong Building, 67 Yeouinaru-ro, Yeongdeungpo-gu, Seoul, Korea
LR reference: SEO00080767

Financial Information
GRI Standards Index
SASB Balance Sheet
Independent Assurance Statement
External Awards

### EXTERNAL AWARDS

<table>
<thead>
<tr>
<th>MONTH &amp; YEAR</th>
<th>AWARD</th>
<th>AWARDING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.20</td>
<td>Awards For New Digital Award (CJ CheilJedang’s website)</td>
<td>Korea Digital Enterprise Association</td>
</tr>
<tr>
<td>Jan.20</td>
<td>Gold Prize in the Packaging Innovation Awards (‘bibigo kimchi’)</td>
<td>Dow</td>
</tr>
<tr>
<td>Jun.20</td>
<td>Commendation for World Environment Day Merit (Ha Kyung Eun)</td>
<td>Incheon Metropolitan City</td>
</tr>
<tr>
<td>Jul.20</td>
<td>A business site with excellent electrical accident prevention measures and an excellent electricity safety culture (Incheon Frozen Transport)</td>
<td>Korea Electrical Safety Corporation</td>
</tr>
<tr>
<td>Sep.20</td>
<td>Brands &amp; Communication Design (‘bibigo kimchi’ traditional shape jar’)</td>
<td>RedDot Award</td>
</tr>
<tr>
<td>Sep.20</td>
<td>The designation of Most Honorable in Shared Growth (‘Best’ Grade for Five Consecutive Years for the first time in the Korean food industry)</td>
<td>Korea Commission for Corporate Partnership</td>
</tr>
<tr>
<td>Sep.20</td>
<td>Excellent workplaces for employee health promotion (Incheon Frozen Transport)</td>
<td>Ministry of Employment and Labor</td>
</tr>
<tr>
<td>Oct.20</td>
<td>Presidential Award for Design Management (Design Center)</td>
<td>Korea Design Award</td>
</tr>
<tr>
<td>Oct.20</td>
<td>Good Design Award (‘Beksul Pre-Mix’)</td>
<td>Korea Institute of Design Promotion</td>
</tr>
<tr>
<td>Oct.20</td>
<td>Good Design Award (‘Beksul premium oil/set’)</td>
<td>Korea Institute of Design Promotion</td>
</tr>
<tr>
<td>Nov.20</td>
<td>Korea PACK STAR Award in 2020 (Korea Package Design (‘bibigo kimchi’ traditional shape jar’)</td>
<td>Korea Package Design Association</td>
</tr>
<tr>
<td>Nov.20</td>
<td>Grand Prize in the Marketing Innovation Category at Social i-Awards (‘bibigo’)</td>
<td>i-Awards Korea</td>
</tr>
<tr>
<td>Nov.20</td>
<td>Grand Prize in the Food Facebook Account Category at Social i-Awards (CJ CheilJedang)</td>
<td>i-Awards Korea</td>
</tr>
<tr>
<td>Nov.20</td>
<td>Grand Prize in the Food information Instagram Category at Social i-Awards (‘Gourmet’)</td>
<td>i-Awards Korea</td>
</tr>
<tr>
<td>Nov.20</td>
<td>Grand Prize in the Food Blog Category at Social i-Awards (CJ THE KITCHEN)</td>
<td>i-Awards Korea</td>
</tr>
<tr>
<td>Nov.20</td>
<td>Grand Prize in the HMR brand Instagram Category at Social i-Awards (CJ THE KITCHEN)</td>
<td>i-Awards Korea</td>
</tr>
<tr>
<td>Nov.20</td>
<td>Grand Prize in the HMR brand Instagram Category at Social i-Awards (‘Gourmet’)</td>
<td>i-Awards Korea</td>
</tr>
<tr>
<td>Nov.20</td>
<td>Best Prize in the HMR brand Instagram Category at Social i-Awards (‘Hetbahn’)</td>
<td>i-Awards Korea</td>
</tr>
<tr>
<td>Dec.20</td>
<td>It-I Award (‘Beksul premium oil’).</td>
<td>i-Awards Korea</td>
</tr>
<tr>
<td>Dec.20</td>
<td>Grand Prize Presidential Citation of CCM of the Year (CJ CheilJedang)</td>
<td>Fair Trade Commission</td>
</tr>
<tr>
<td>Dec.20</td>
<td>Commendation for Excellence in alleviating odors in the local environment (Lee Seung Kyul)</td>
<td>Incheon Metropolitan City</td>
</tr>
<tr>
<td>Dec.20</td>
<td>Job Creation Merit (packaging industry)</td>
<td>Ministry of Employment and Labor</td>
</tr>
<tr>
<td>Dec.20</td>
<td>Commendation for Environmental Conservation Merit (Jung Kyu Saeng)</td>
<td>Ministry of Environment</td>
</tr>
</tbody>
</table>