

REPORT OVERVIEW

CJ CheilJedang Sustainability Report 2013

This report is the first report published by CJ CheilJedang after receiving external assurance following the publication of a report internally published in 2009. CJ CheilJedang plans to publish Sustainability Report(SR Report) every year in the future to unveil the company's efforts and accomplishments to achieve sustainable management and to communicate with various stakeholders.

Reporting Period and Scope

The reporting period of this report is based on the 2012 fiscal year(January 1, 2012~December 31, 2012). In order to ensure better understanding for our stakeholders, some categories of this report cover information of the past three years(2010~2012). The reporting scope of this report covers economic, social and environmental achievements of all business units of CJ CheilJedang with significant information concerning some of our overseas business units. Besides, when the reporting scope is different, it is specified in respective content.

Reporting Principles

This report was created based on the GRI(Global Reporting Initiative)'s G3.1 Guidelines. It applied the AA1000APS(2008) criteria for the three principles of inclusivity, materiality and responsiveness. Financial information in this report was created on the basis of Korean International Financial Reporting Standards(K-IFRS). The currency unit is based on Korean Won(₩).

Assurance

This report is intended to enhance credibility of its reporting data and content through external assurance by an independent, third-party institution.

Additional Information

This report is published in Korean and English . It is distributed among stakeholders of CJ CheilJedang at home and abroad. Korean and English versions of this report can be downloaded from the homepage of CJ CheilJedang in PDF format. For any comments on this report, please contact us via the information provided on the final page of this report.

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ONLYONE

CEO



“CJ CHEILJEDANG will become a global lifestyle company that advances healthy, happy and convenient lifestyles by promoting corporate sustainability management through fulfillment of our economic, environmental and social responsibilities”

Greetings to our valued stakeholders,

The year 2012 was a challenging year in terms of the business environment at home and abroad amidst difficult global and domestic economic conditions. Despite such demanding management conditions, CJ CheilJedang achieved meaningful results for sustainable management thanks to the support and interest of our stakeholders.

Global No.1 Food & Bio Company

With increases in sales in all business areas, CJ CheilJedang achieved sales of KRW 7.1 trillion and operating income of KRW 501.1 billion in 2012, up 8.7% and 9% from the previous year, respectively excluding CJ Korea Express. In the global market, the company further consolidated market dominance in the bio business sector, while earning 65% of the feed and livestock's revenue in overseas markets. On the domestic front, CJ CheilJedang further solidified our market share in leading processed food products, while enhancing profitability in the foodstuffs business and our pharma division achieved the highest level of sales growth in the industry.

Global Lifestyle Company Leading Environmental Management

Since it was designated in 1995 as a “green company”(formerly known as an “eco-friendly company”) for the first time as a food and beverage company in Korea, CJ CheilJedang has introduced a green management system and implemented it throughout the business units of the company. In order to respond to the issue of global climate change, the company operates the energy innovation committee, participates in carbon information disclosure programs and carbon labelling system, and develops eco-friendly packaging materials. In addition, CJ CheilJedang was the nation's first food company to participate in green partnership among large, medium and small enterprises, thereby supporting partner companies' energy innovation activities and their establishment of a carbon management system. Meanwhile, the company continues its efforts to reduce environmental pollution implementing internal standards, more stringent than those required by the government regulations.

Joy of growing together with Stakeholders

Based on the three principles of sincerity, continuity and practical assistance, CJ CheilJedang is engaged in win-win management activities for our stakeholders, including customers(companies), suppliers, the local community and employees. Launching a collaborative product brand “Joy of growing together” in late 2011, the company has continuously explored small and medium-sized food companies with local and regional significance and supported for R&D, quality control, brands and new markets for locally-based SMEs. Furthermore, we signed MOUs on shared growth with 68 suppliers in 2012, actively engaging in various activities to support our partner companies.

With such outcomes, we intend to fulfill our social responsibility and push ahead with a wide range of activities aimed at sustainable management. We look forward to receiving the continued interest and support of our stakeholders.

CEO of CJ CheilJedang

Chul-ha Kim

- > Company Overview
- > 2012 Highlights
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OVERVIEW



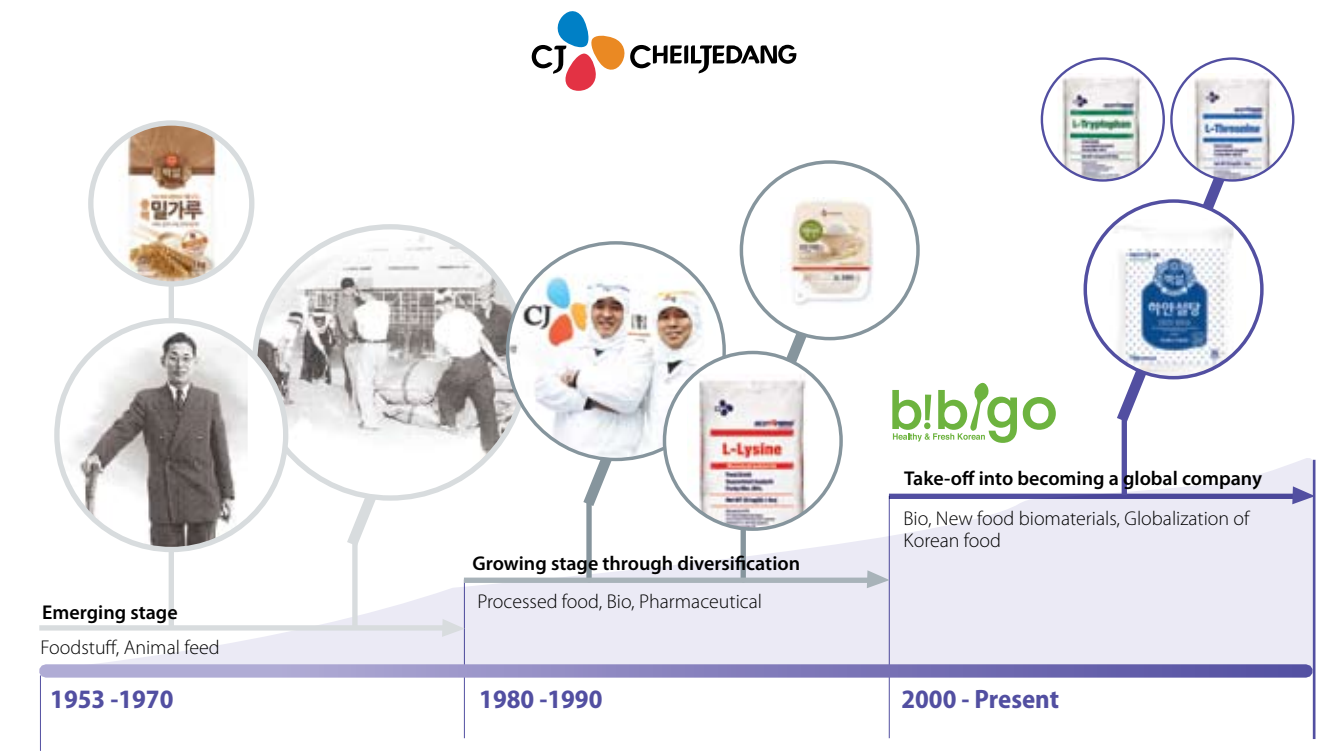
Company Overview

CJ CheilJedang is one of the leading affiliates of CJ Group in charge of food and bioscience businesses. It is Korea's No.1 general food company that has not only led the development of the nation's food industry, but also contributed to the advancement of the bio engineering industry over the past 60 years. Starting as CheilJedang Co., Ltd. in 1953, CJ CheilJedang has expanded its business areas from foodstuff to processed food. Since its spin-off from CJ Co., Ltd. in 2007, the company has concentrated on food and bioscience businesses. CJ CheilJedang has achieved not only quantitative, but also qualitative growth in processed food and foodstuff businesses in the food business unit and bio, feed & livestock, and pharmaceuticals businesses in the Bio Business Unit. The company strives to become a leader in the global market, going beyond the nation's No.1 position in various business areas. In particular, in the green bio market based on fermentation technology, CJ CheilJedang is ranked No.1 in the world not only for nucleotide, but also for lysine and tryptophan among amino acids used in animal feed. Through enforcing the **ONLYONE** spirit, CJ CheilJedang hopes to become a global lifestyle company with strong growth and continuing advancement in the food and bio industries.

Company Overview

Company name	CJ CheilJedang was established through spin-off of the manufacturing business division from CJ Co., Ltd. on Sep. 1, 2007
No. of shares & shareholder structure (as of Dec.31, 2012)	Outstanding shares: 14,412,466(13,085,033 common shares, 1,327,433 preferred shares) Number of shareholders: 20,432(Largest shareholder CJ Corporation and its affiliated persons: 34.53%)
Address	CJ CheilJedang Center, 330, Dongho-ro, Jung-gu, Seoul, Korea
CEO	Kim Chul-ha
No. of employees	6,105(as of Dec. 31, 2012)
Major businesses	Food Business Division(processed food, foodstuffs); Bio Business Division (bio, feed & livestock, pharmaceutical)

History



Bio

Business Areas and Major Products

Bio

The bio business of CJ CheilJedang has started with production of MSG since 1964. With expertise in microbiological fermentation technology that has been accumulated over the past five decades, CJ CheilJedang produces lysine, threonine, tryptophan, nucleic acid and MSG in its five overseas locations. As of 2013, the company is ranked No.1 in the global market shares of lysine, tryptophan, and nucleotide. In particular, the company's nucleotide account for 45% of the global market, playing a pivotal role in the global businesses of CJ Group.



Processed Food

As a leader in the industry, the processed food business of CJ CheilJedang has launched products reflecting social trends and customers' needs of pursuing health and convenience. The company has cemented its position as Korea's No.1 general food producer, based on the outstanding favor, differentiated quality and strong brand power through its premium brands. The company's major products, including Korean pastes, SPAM(canned ham) and instant cooked rice Hetbahn are ranked No.1 in market share, generating stable profits, while fresh food products such as processed meat exhibit steady growth in sales. Furthermore, the company is in the works of developing "bibigo" into an integrated global brand, leading the efforts to globalize Korean food.

Processed Food



Food ingredients

CJ CheilJedang started out as a foodstuff company. In addition to leading the market basic ingredients such as sugar, flour and cooking oil, food ingredients business of CJ CheilJedang is also expanding its business to include advanced materials based on formulation technology, and specialty products utilizing bio enzyme technology. The company is now promoting business opportunities abroad based on accumulated know-how in the domestic foodstuff industry.

Food ingredients



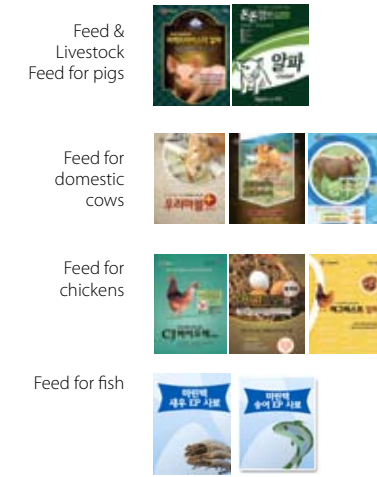
Feed & Livestock

Since its launch in Korea in 1973, the animal feed business unit of CJ CheilJedang has been manufacturing and selling a wide range of products, including animal feed for pigs, chickens and fish farming in 18 plants in five countries(Korea, China, Vietnam, Indonesia, and the Philippines), expanding its overseas distribution networks. Furthermore, the feed & livestock business is vigorously exploring new growth engines such as livestock and breeding, while tapping into new markets with high growth potential such as India and Myanmar.

Pharmaceuticals

Established in 1984, CJ CheilJedang's pharma business has solidified its position as one of the nation's leading pharmaceutical companies following the successful localization of a hepatitis vaccine "Hepaxin-B". CJ CheilJedang increased its competitive advantage in R&D after taking over Hanil Pharmaceuticals in 2005 and in 2010 completed the cGMP plant within the Osong Industrial complex, equipped to manufacture drugs meeting the global standards to compete in the overseas market.

Feed & Livestock



Pharmaceuticals



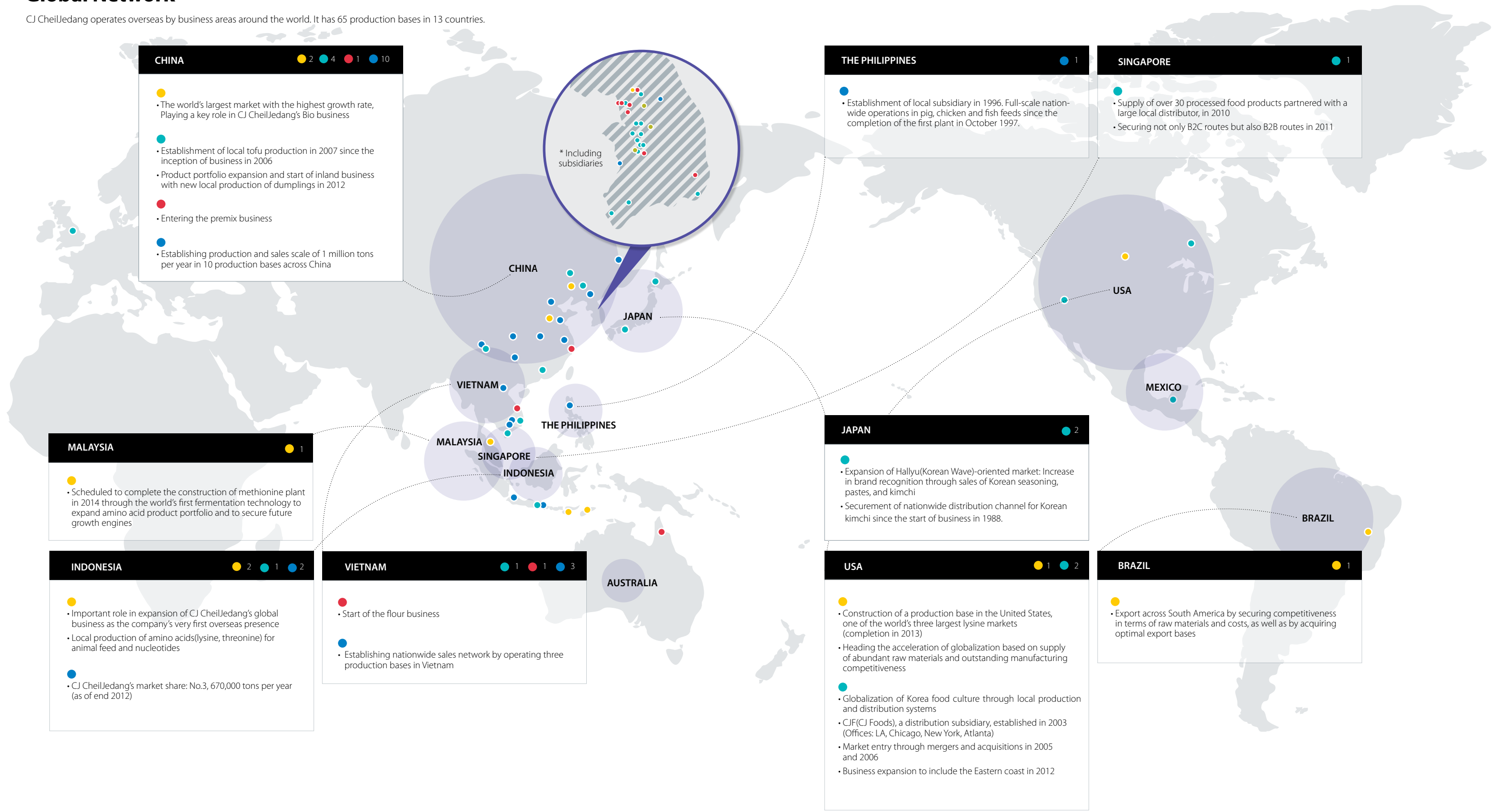
Major Brands

<p>Beksul Accumulated culinary expertise since 1953</p>	<p>Hasunjung Premium Korean Food Hasunjung</p>	<p>innerb Edible moisture treatment, inner b</p>
<p>Fresian Delicious naturalism</p>	<p>Happy Soy Tofu Happy soy with popularity of tofu</p>	<p>Fat Down Good body shape created by drinking, rather than inborn body shape</p>
<p>Hetbahn Even tastier than normal cooked rice: Hetbahn</p>	<p>SPAM A piece of SPAM ham with hot cooked rice</p>	<p>H.O.P.E. Super Food Anti-oxidant multi-super food, Hope of health! H.O.P.E Super Food</p>
<p>Haechandle In line with nature's time table, Haechandle</p>	<p>Heritage of 5,000 years 100% natural sea salt from Sinan</p>	<p>Hanppuri Strong energy, Hanppuri</p>
<p>Dasida Yes, this taste is it! Dasida</p>	<p>Joy of growing together-Collaborative products CJ CheilJedang grows together with good quality local specialty foods</p>	<p>Eyesian Confident choice for clean and clear vision</p>
<p>100% original taste Sandlae Producing the original taste without chemical ingredients</p>	<p>Matbam 100% natural, well-being chestnut food Matbam</p>	<p>Hutgae Condition Relieving hangover fast before or after alcohol drinking</p>
<p>Babirang Making cooked rice even tastier! Babirang</p>	<p>Dr. Nutri Reasonable choice for tailored healthcare</p>	<p>Condition Hutgaesoo To quench thirst the next day of alcohol drinking, Condition & Hutgaesoo</p>
<p>Dadam A delicious secret, Dadam</p>	<p>Petitzel It dessert, Petitzel</p>	<p>CJ Jeollipso Accelerating the urination speed! Korea's first product to contain saw palmetto! The nation's No.1 brand Jeollipso Saw Palmetto</p>

Global Network

● Bio ● Processed Food ● Foodstuff ● Feed & Livestock ● Pharmaceuticals

CJ CheilJedang operates overseas by business areas around the world. It has 65 production bases in 13 countries.



CHINA ● 2 ● 4 ● 1 ● 10

- The world's largest market with the highest growth rate, Playing a key role in CJ CheilJedang's Bio business
- Establishment of local tofu production in 2007 since the inception of business in 2006
- Product portfolio expansion and start of inland business with new local production of dumplings in 2012
- Entering the premix business
- Establishing production and sales scale of 1 million tons per year in 10 production bases across China

THE PHILIPPINES ● 1

- Establishment of local subsidiary in 1996. Full-scale nationwide operations in pig, chicken and fish feeds since the completion of the first plant in October 1997.

SINGAPORE ● 1

- Supply of over 30 processed food products partnered with a large local distributor, in 2010
- Securing not only B2C routes but also B2B routes in 2011

MALAYSIA ● 1

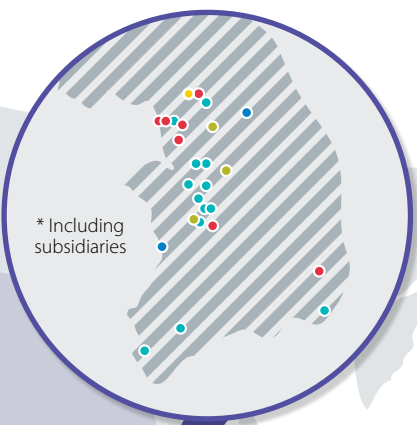
- Scheduled to complete the construction of methionine plant in 2014 through the world's first fermentation technology to expand amino acid product portfolio and to secure future growth engines

INDONESIA ● 2 ● 1 ● 2

- Important role in expansion of CJ CheilJedang's global business as the company's very first overseas presence
- Local production of amino acids(lysine, threonine) for animal feed and nucleotides
- CJ CheilJedang's market share: No.3, 670,000 tons per year (as of end 2012)

VIETNAM ● 1 ● 1 ● 3

- Start of the flour business
- Establishing nationwide sales network by operating three production bases in Vietnam



JAPAN ● 2

- Expansion of Hallyu(Korean Wave)-oriented market: Increase in brand recognition through sales of Korean seasoning, pastes, and kimchi
- Securement of nationwide distribution channel for Korean kimchi since the start of business in 1988.

USA ● 1 ● 2

- Construction of a production base in the United States, one of the world's three largest lysine markets (completion in 2013)
- Heading the acceleration of globalization based on supply of abundant raw materials and outstanding manufacturing competitiveness
- Globalization of Korea food culture through local production and distribution systems
- CJF(CJ Foods), a distribution subsidiary, established in 2003 (Offices: LA, Chicago, New York, Atlanta)
- Market entry through mergers and acquisitions in 2005 and 2006
- Business expansion to include the Eastern coast in 2012

BRAZIL ● 1

- Export across South America by securing competitiveness in terms of raw materials and costs, as well as by acquiring optimal export bases



Economic Achievements

70%

Dominant No.1 in the nation's food market

market share as high as CJ CheilJedang, the first company to exceed revenue of KRW 7 trillion in the food industry in 2012, is the largest supplier of foodstuff and processed food company in Korea. In 2012, both foodstuff and processed food businesses strengthened their positioning as the unrivaled leader in their respective markets. Signature products such as household sugar, Dasida and Hetbahn continue to grow market presence and now occupy market share as high as 70% with strong brand positioning at No.1.



35%

Taking a giant leap towards global CJ

As of 2012, global sales share of CJ CheilJedang achieved global sales share of 35%(total sales KRW 7.1 trillion), expanding global production bases in each business division units and laying the groundwork for making inroads into overseas markets. In particular, the market shares of nucleotides, lysine and tryptophan in the Bio business has ranked No.1 in the world, with a strong-market dominance. The company operates a global platform with the newest local production in Shenyang, China and in addition to existing plants in Indonesia, China, and Brazil and now looks forward to completion of productions in the United States (completion in 2013) and Malaysia (scheduled for completion in 2014).

2012 HIGHLIGHTS

The nation's first food company to acquire formal certification of the Green Management System

CJ CheilJedang participated in a pilot project on the Green Management System¹ introduced by the government for the first time to promote green management in business installations. In November 2011, the company acquired formal certification of the Green Management System for the first time in the food and beverage industry in Korea. Propelled by the move, CJ CheilJedang is expanding efforts to acquire certification in Busan Plant and Incheon No.1 Plant.

¹ Green Management System
The Green Management System includes both the Green Management Certification and ISO 14001. It is a certification awarded to business installations that have either established systematic systems to respond to energy and climate change or showed outstanding efforts to save energy in addition to the existing environmental management activities.

Re-designated as Green Company(formerly "Eco-Friendly Company")

Since its designation as an eco-friendly company for the first time in the food and beverage industry in 1995, four business installations of CJ CheilJedang(Incheon Plant 1, Incheon Plant 2, Busan Plant and Incheon Frozen Food) have been designated as the "Green Company" as of 2013. Among them, Incheon Plant 1 and Incheon Plant 2 have been re-designated as Green Company for three years starting from November 2012 in accordance with relevant regulations of the "Support for Environmental Technology and Environmental Industry Act" of the Ministry of Environment. This is expected to expand and reinforce green management in business installations as the importance of green management has been added to the existing designated categories for the Eco-Friendly Company.

Shared growth collaboration

In 2012, CJ CheilJedang signed MOUs on shared growth with 68 partner companies and since then, it has been planning and operating a wide range of collaborative partnership programs. It operates a shared growth fund worth KRW 30 billion, while loading funds worth KRW 27.1 billion at low interest rates to 41 partner companies. In addition, CJ CheilJedang held "Shared Growth Academy," an education program customized to partner companies, on eight sessions for 107 employees of 43 partner companies. It also offered support for establishment of the Collaboration IT Support System to partner companies, enabling IT-based systematic management in the areas of manufacturing, inventory and sales management.

Joy of growing together

CJ CheilJedang's win-win management activities were carried out in full swing with the launch of a brand called "Joy of growing together" in late 2011. The company launched collaborative products by providing support for R&D, quality control, brands and market developments for small and medium-sized enterprises(SMEs). In 2012, CJ CheilJedang continued to explore small and medium-sized food companies with local and regional significance and offered support for sales, market development and brands worth KRW 3.2 billion with "Joy of growing together" collaborative products.



Support for product development and sales of partner companies

CJ CheilJedang has identified a problem with excessive consumption of packaging materials and plastic bags due to fast turnover given the characteristics of the food industry and has carried out collaborative activities with partner companies to resolve the problem. With product expertise, CJ CheilJedang, jointly with partner companies developed packaging materials and plastic bags with heightened content of biomass. As a result, in 2012, CJ CheilJedang has successfully began supplying eco-friendly plastic bags and trays TOUS les JOURS bakeries. The company now supports this market worth KRW 2 billion annually, including KRW 1.2 billion for eco-friendly plastic bags and KRW 0.8 billion for gift set trays.

In 2012, as the nation's top-tier lifestyle company, business units of CJ CheilJedang reaped various accomplishments in domestic and overseas markets with global competitiveness.

Green Partnership among large, medium and small-sized enterprises for shared green growth

CJ CheilJedang participated in the Green Partnership among large, medium and small-sized enterprises organized by the Ministry of Trade, Industry and Energy(MOTIE; formerly the Ministry of Knowledge Economy) in November 2012 for the first time in the food and beverage industry. It signed a "voluntary agreement" to pledge the spread of collaborative growth among large, medium and small-sized companies with the MOTIE. In order to jointly push ahead with projects for the first year from November 2012 to October 2013, CJ CheilJedang signed MOUs with the Korea Industrial Consulting Center and 11 partner companies of CJ CheilJedang.

3 Voluntary carbon information disclosure for three consecutive years

CJ CheilJedang participated in the Carbon Disclosure Project(CDP) organized by the Korea Sustainability Investing Forum for three years from 2010 to 2012, voluntarily disclosing greenhouse gas emissions and emission targets to stakeholders.



Acquiring the Resource Circulation Certification

CJ CheilJedang's MINEWATER 1.6 liter, bottled deep-sea drinking water, acquired resource circulation certification from a pilot project to improve packaging material structure, run by the Ministry of Environment. The certified labelling of the MINEWATER bottles, is designed to be easily separated in the water during the recycling process. The certification carries significance as it is the first case applying eco-friendly labelling developed the nation's SMEs by improving a problem with the existing labelling that was difficult to remove once stuck to the bottle damaging the quality of final recycled product.



Social Achievements



Environmental Achievements

Stakeholder Communication

CJ CheilJedang pursues sustainable management based on mutual understanding of various stakeholders through proactive communication with our stakeholders. It has accurately identified all stakeholder groups by business units that reciprocate direct or indirect influence on its management activities. CJ CheilJedang has classified those stakeholders into customers(companies), partner companies, shareholders, the local community and employees, establishing communication channels and methods by stakeholder groups. This year, in order to expand stakeholder engagement and reflect opinions of our stakeholders on sustainable management, the company conducted a survey among our stakeholders prior to the publication of the Sustainability Report. CJ CheilJedang will continue to realize values of various stakeholders by collecting opinions of our stakeholders and actively responding to them.

Stakeholder Communication Channels

	Expectations & Activities	Communication Channels
Customers & Customer Companies 	<ul style="list-style-type: none"> Enhancing customer-participatory activities to launch customer-oriented products. (Inspection of labelling statement, product sensory evaluation, cooking convenience, etc.) <p>➔ 67-71p</p>	<ul style="list-style-type: none"> Customer Service Center(telephone, Internet bulletin board, Twitter, Facebook), housewife monitors (U-Monitor), product labelling inspection group
Partner Companies 	<ul style="list-style-type: none"> Taking the lead in realizing the value of shared growth through fair transactions, various collaborative activities and support for self-reliance of partner companies <p>➔ 62-66p</p>	<ul style="list-style-type: none"> Partners' Club Shared growth workshops Quality workshops
Shareholders 	<ul style="list-style-type: none"> Seeking maximization of shareholder value through transparent and efficient management activities <p>➔ 23-24p</p>	<ul style="list-style-type: none"> Shareholders meeting, quarterly and annual IR activities, notifications
Local Community 	<ul style="list-style-type: none"> Carrying out a wide range of social contribution activities to fulfill a role of a company as a member of society and striving for shared growth and development with the local community <p>➔ 77-79p</p>	<ul style="list-style-type: none"> Doners Camp, Food Bank volunteer activities, operation of volunteers club(Jincheon, Jeongseonghoe), Kong Kong Camp, Clean Day(environment cleaning activities in the local community) and quarterly visit to local welfare facilities by respective business installations
Employees 	<ul style="list-style-type: none"> Providing support for employees to grow together with development of the organization through ongoing capability development based on a young and strong organizational culture <p>➔ 72-76p</p>	<ul style="list-style-type: none"> Open Council Meeting, Channel CJ, group newsletter, Intranet Discussion Room

Surveys among stakeholders

CJ CheilJedang conducts surveys every year among key stakeholders including customers(companies), partner companies, shareholders, the local community and employees, to identify expectations and major concerns on corporate sustainability management(CSM) of CJ CheilJedang.

In a survey taken online among a total of 657 stakeholders, including not only domestic stakeholder groups, but also customer companies among overseas stakeholder groups, on May 2-20, 2013, the level of sustainability management activities of CJ CheilJedang and the degree of interest by issues were evaluated and surveyed. The most important category differed by respondent groups- consumers(customer companies) pinpointed product responsibility, partner companies shared growth, employees technology/product development, and the local community sustainable use of resources. Key issues of interest among internal and external stakeholders of CJ CheilJedang included product responsibility, technology/product development and ethics management.

Based on the survey results, CJ CheilJedang will endeavor to carry out sustainability management activities for areas of key interests in a more proactive manner and faithfully report related activities.

Results of Stakeholder Survey



Key SR Issues of CJ CheilJedang

Materiality Analysis

In an effort to effectively implement sustainability management, CJ CheilJedang has established and implemented materiality analysis process to identify expectations and needs of various stakeholders and reflect them in our management activities. Materiality analysis refers to a process involving analysis of issues concerning sustainability management identified by stakeholders inside and outside the company in terms of stakeholder interest and their business impacts and drawing up priorities of the issues based on the analysis results. Key issues concerning sustainability management of CJ CheilJedang identified in the analysis are not only reflected in selecting core reporting content for the 2013 CJ CheilJedang Sustainability Report, but also used in diagnosing the current status of sustainability management activities and identifying potential risk factors.

Materiality Analysis Process

The materiality analysis process to identify key issues concerning sustainability management of CJ CheilJedang comprises six analysis processes of three stages. For the materiality analysis of the reporting period, CJ CheilJedang formed issue pools and conducted the following tests. During the process, it conducted a survey to sufficiently reflect perspectives of stakeholders. The test results were classified into two aspects and key issues concerning corporate sustainability management in consideration of stakeholder interest and business impact were identified.

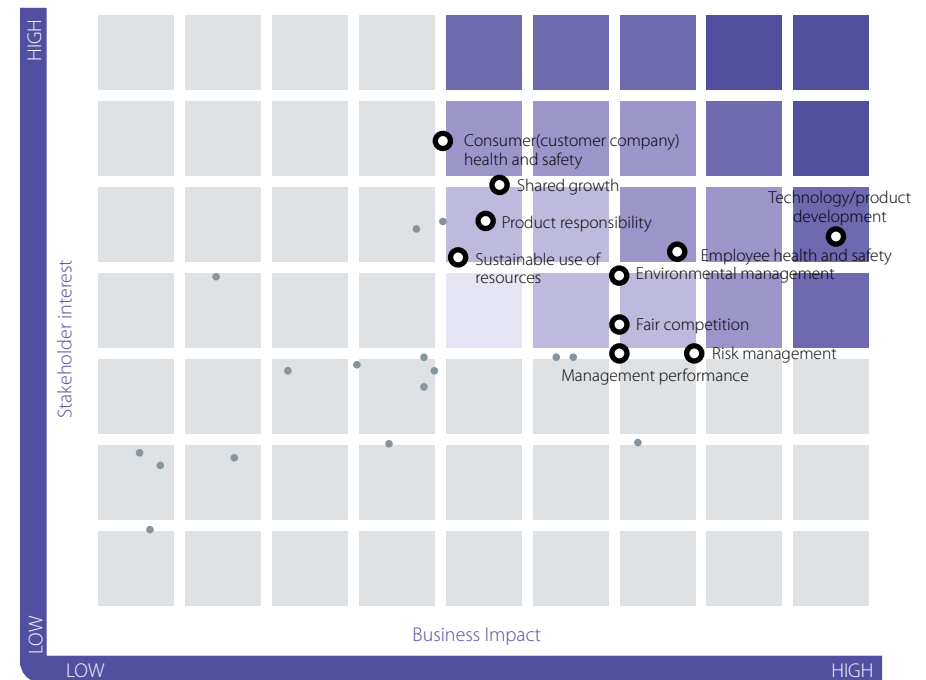
Materiality analysis process

Stakeholder Interest	Test 1 Media Analysis Analysis of domestic media exposure of key SR issues of CJ CheilJedang	Test 2 Peer Review Analysis of SR issues of food companies with outstanding SR records at domestic and abroad	Business Impact	Test 5 Analysis of Company Policy Identifying SR issues which are under intensive internal management by analyzing management strategy, implementation tasks and KPIs at CJ CheilJedang.
	Test 3 Norm & Standard Analysis Analysis of global CSR standards (GRI guidelines, ISO 26000, etc.)	Test 4 Survey among Stakeholders Identifying stakeholder interest through a survey taken among major stakeholders of CJ CheilJedang		Test 6 Survey on Perceptions of Employees Identifying internal perceptions by conducting a survey taken among employees, who are internal stakeholders of CJ CheilJedang
Identifying key SR issues of CJ CheilJedang				

Materiality Analysis Results

The SR materiality analysis results showed that ten SR issues, including sustainable use of resources, environmental management, fair competition, shared growth, employee health and safety, product responsibility, consumer(customer company) health and safety, management performance, technology/product development and risk management were identified as key issues whose impacts were high in terms of both stakeholder interest and business impact. Key issues concerning CJ CheilJedang evenly included economic, environmental and social issues, while high expectations and interest of stakeholders were reflected including interest in environmental management for the food industry and sustainable use of resources, collaboration between large enterprises and partner companies and issues on shared growth, as well as interest in CJ CheilJedang's growth as a global company through ongoing efforts to produce economic achievements. Based on the key SR issues identified, CJ CheilJedang is dealing with activities and achievements in 2012 concerning issues with high stakeholder interest. CJ CheilJedang will continue to identify key SR issues by collecting opinions of stakeholders in the future and actively reflect them in management activities, thereby further advancing its corporate sustainability management.

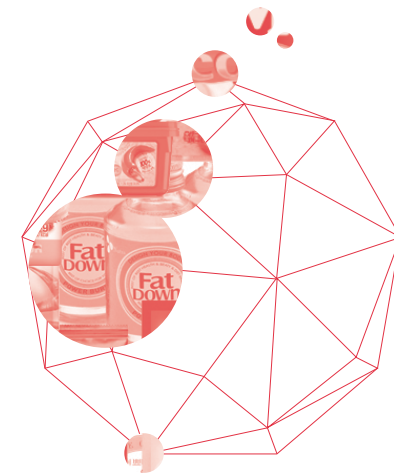
Materiality Analysis Result



Key Issues	Page reported	Key Issues	Page reported
Technology/product development	35-37	Risk management	28-29
Consumer(customer company) health & safety	70-71	Environmental management	41-59
Shared growth	62-66	Fair competition	25-27
Employee health and safety	73, 76	Management performance	31-39
Product responsibility	67-71	Sustainable use of resources	53-54, 56-59



01 SUSTAINABLE CJ



- > Vision and Management Philosophy
- > Corporate Sustainability Management System
- > Corporate Governance
- > Integrity Management
- > Risk Management

...The Most Trustworthy Company, Maekyung K-Turst
Maeil Business Newspaper

...2012 Most Admired Company in Korea
Ranking No. 1 for 9 consecutive years in the food industry
Korea Management Association(KMAC)

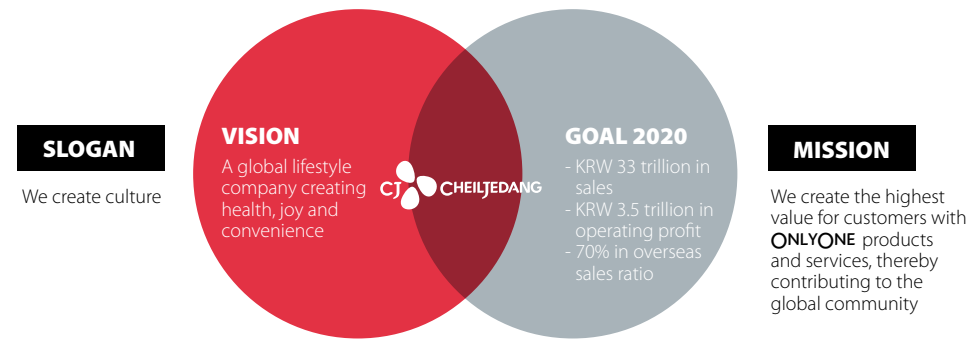
...The Best Brand Awards Selected by Female Consumers in 2012
-Grand Prize
Brand Awards Committee/ Korea Research



Vision & Management Philosophy

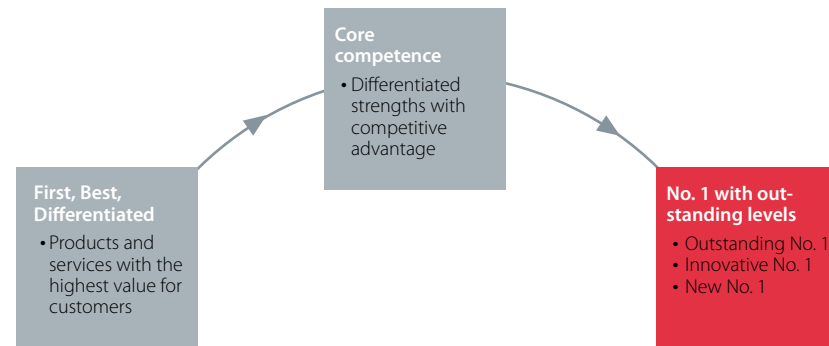
Vision & Mission

With its vision of becoming a “global lifestyle company creating healthy, happy and convenient lifestyles,” CJ CheilJedang is seeking to contribute to the society through sustainable growth. To this end, the company has set “Goal 2020” which aims to achieve its targets of KRW 33 trillion in sales, KRW 3.5 trillion in operating profit and overseas sales ratio of 70% by 2020. CJ CheilJedang will mark the year 2013 as the first year of its innovation drive and will endeavor to boost profitability through innovation of business structure, while solidifying its position as a global company. CJ CheilJedang is also seeking to fulfill its corporate social responsibility through collaboration and shared growth with stakeholders.



Management Philosophy

Management philosophy of CJ CheilJedang is to achieve No.1 with core competence, incorporating the **ONLYONE** principle: First, Best, Differentiated.



Core Values

“Integrity, Passion and Creativity” are corporate core values shared by all employees of CJ CheilJedang.

The values are internalized as standards for decision-making and way of thinking among the members of the company, serving as the basis for their actions and behaviors.

Integrity	Integrity refers to not allowing inefficiency and corruption, but making sincere decisions.
Passion	Passion refers to not being complacent with current conditions, but tenaciously achieving the goal which one has set with a do-or-die attitude and a spirit of challenge.
Creativity	Creativity follows naturally if one practices integrity and passion. When one does his or her best in anything, all ideas, as well as novel ideas come naturally.

CJ CheilJedang’s drive for sustainable growth originates from its founding philosophy of “saeopboguk(creating of a stronger nation through business prosperity)”. More specifically, the philosophy refers to contributing to national economic development and promotion of quality of life for citizens through business prosperity, as well as contributing to and serving the human society. It is the best virtue indicating the rationale of existence of CJ CheilJedang. To this end, CJ CheilJedang is doing its utmost to supply a wide range of food products to meet the demands and needs of our customers by offering health, joy and convenience to the tables of our customers. Furthermore, CJ CheilJedang is engaged in various activities, including “Joy of growing together” aimed to create an industrial ecosystem of co-existence and co-prosperity, job creation, and providing education opportunities and offer food products to low-income families through the CJ Nanum Foundation. By doing so, CJ CheilJedang is seeking ways to create win-win values as a member of society, taking consideration of society, partner companies, and our employees, not trying to create value only for the company.

Achievements of Sustainability Management

Activities

CJ CheilJedang has been promoting customer satisfaction management and environmentally-friendly management, while acquiring green company certification and environmental management certification by business installations, thereby being engaged in management activities as a responsible member of the local community. The company is also engaged in regional environmental activities such as environmental protection activities via regional environment councils, “one company, one stream protection” campaign, and support for regional environmental mentoring service. The company also provide key environmental information to the stakeholders through notification system or external assessment institutions. In order to support “green lifestyle” in the local community, CJ CheilJedang has signed MOUs on facilitating green lifestyle campaigns and implemented related activities in respective regional business installations, while introducing the “green point system” to promote green consumption by expanding certification of products with low carbon emissions in collaboration with related organizations. The company has also developed eco-friendly packaging materials by utilizing by-products of manufacturing processes, striving to respond to climate change and reduce greenhouse gas emissions.

In addition, CJ CheilJedang has been continuously participating in the Seoul City Environment Climate Change Committee to maintain close cooperation with climate change-related organizations, while providing expertise of developing eco-friendly packaging materials to SMEs to actively implement and disseminate eco-friendly policy of CJ CheilJedang. Meanwhile, we have been engaged in UNICEF water supply campaign for African children who suffer from climate change in connection with related companies.

External evaluation

<p>AAA</p> <p>The highest grade for outstanding company with sustainability management</p> <p>/ Eco-Frontier</p> <p>2012.08</p>	<p>The Most Trustworthy Company Korea Trust Management Index(K-Trust)</p> <p>/ Maeil Business Newspaper, GWP Korea</p> <p>2012.10</p>
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Corporate Sustainability Management System

Awards

Awards	Organizer	Date
The 15th Environment Day Korea Environmental Preservation Association President Award	Korea Environment Corporation	2010
The 4th Korea Star Awards(corporate sector), a government award for the new technology of future packaging	The Ministry of Knowledge Economy	2010
Korea Star Awards(Sesame oil and SPAM Gift Sets), a government award for the new technology of future packaging	Korea Association of Professional Packaging Engineers, Korea Institute of Industrial Technology	2010
Grand prize at the 28th Incheon Commerce and Industry Awards(environmental management category)	Incheon Chamber of Commerce and Industry	2010
Prime Minister Award for contribution to low-carbon, green growth(Group-level)	The Ministry of Security and Public Administration	2010
Carbon Disclosure Project-essential consumer goods category(Carbon Management Industrial Leader)	CDP Korea Committee	2010
Energy Winner Award	Consumers Korea, Research Institute of Sustainable Consumption and Production	2010
Knowledge Economy Minister Award(energy category)	The Ministry of Knowledge Economy	2010
Environment Minister Award for Outstanding Green Company Business Sites	The Ministry of Environment	2011
The 5th Korea Star Awards, a government award for the new technology of future packaging: Grand Prize for the general category	The Ministry of Knowledge Economy	2011
The 1st Green Packaging Competition: Grand Prize	The Ministry of Environment, Korea Environment Packaging Promotion Institute	2011
The 2012 Most Admired Company in Korea: No.1 in the food company category(for 9 consecutive years)	Korea Management Association Consulting(KMAC)	2012
The 6th Korea Star Awards, a government award for the new technology of future packaging (corporate category)	The Ministry of Knowledge Economy	2012
Environment Ministry Award at the Green Company Council general meeting	The Ministry of Environment, Green Company Council	2012
The 17th Environment Day Incheon Mayor Award	Incheon City Hall	2012
Cannes Lions International Festival of Creativity, Bronze Lions Award in the Direct Lions category	Cannes Lions Awards	2012
Busan International Advertising Festival: Grand Prix in the innovation category(Barcodrop Campaign)	Busan International Advertising Festival	2012
The Most Trustworthy Company - Maekyung Korea Trust Management Index(Maekyung K-Turst): the food safety system category	Maeil Business Newspaper	2012
SIAL(Salon International De Lalimentation) 2012 - Top 200 SIAL Innovations(SIAL: one of the world's leading food exhibition)	SIAL	2012
Gold Pentaward 2012 · Design category main award(Inner b) · Design category award(Eyesian) · Design category award(Petitzel)	Pentawards	2012
Early reduction of greenhouse gas emissions	The Ministry of Food, Agriculture, Forestry and Fisheries	2012
The 2012 Best Brands Selected by Female Consumers(kimchi category)	Brand Awards Committee, Korea Research	2012

Formation and operation of the Board of Directors(BOD)

CJ CheilJedang creates efficiency and synergistic effects of business management through the establishment of a transparent corporate governance structure. The company operates an independent board of directors to protect rights of shareholders and maximize shareholder value. In order to faithfully fulfill functions as the highest decision-making body that determines key issues of the company management, directors are appointed based on expertise on areas of CJ CheilJedang at shareholders' general meetings for the formation of BOD members. As of 2013, CJ CheilJedang's Board of Directors is comprised of three internal directors and four outside directors who faithfully fulfill their roles of managerial supervision monitoring and control of business executions during their term. In 2012, nine board of directors meetings were held to deliberate, vote and report 18 agenda items. During the period concerned, the average attendance rate of the board of directors stood at 83%. Remuneration for directors is issued based on the parameters approved during shareholders' meetings in compliance with related regulations. Evaluation of management members and executives is conducted throughout the year. Impartial evaluation on whether they have set and achieved challenging goals, whether they have achieved business goals consisting of quantitative and non-quantitative factors and their business capabilities is conducted in a comprehensive manner and appropriate levels of remuneration are decided based on the evaluation results.

Corporate Governance

Board of Directors



* Three outside directors of Ki Su Lee, Jeong-pyo Choi and Kap Soon Kim were newly appointed at the shareholders' meeting held in March 2013. Three directors Sun Hoe Choo, Chang Kin Moon and Dae Dong Park retired with term expiration.

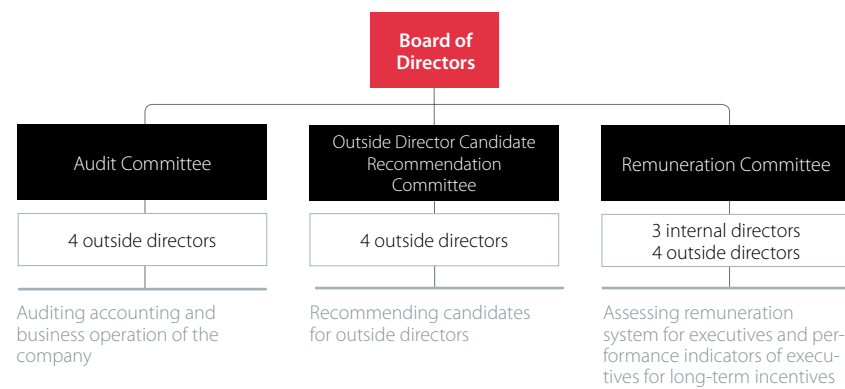
Operation of the Board of Directors in 2012

Order of Meeting	Date	Agenda Items	Approval status
1	12.02.16	Approval of the 5th Financial Statements and Annual Report and two other agenda items	Approved & Reported
2	12.03.12	Convocation of the 5th Regular General Stockholders Meeting and one other agenda items	Approved & Reported
3	12.03.13	Disposal of treasury stocks and the 14th exchange bond issuance	Approved
4	12.05.14	Revision of Board of Directors regulations and three other agenda items	Approved
5	12.07.10	Approval of "CJ" brand royalty payment contract with CJ Corporation	Approved
6	12.08.13	Report of business performance for the first half of 2012 on consolidated basis	Reported
7	12.09.24	Disposal of treasury bond	Approved
8	12.11.12	Report of 3Q business performance in 2012 on consolidated basis	Reported
9	12.12.10	Approval of transactions with stakeholders and three other agenda items	Approved

BOD Committees

CJ CheilJedang operates three committees under its Board of Directors which are the Audit Committee, Outside Director Candidate Recommendation Committee and Remuneration Committee. Both the Audit Committee and the Outside Director Candidate Recommendation Committee are comprised of outside directors, ensuring the independence of BOD. The Audit Committee is a permanent organization of the BOD and all members are elected at the General Stockholders' Meeting. The Audit Committee plays a supervising and monitoring role to enhance lawfulness and transparency of the company's accounting operation and to secure impartiality of business management. According to the CJ CheilJedang's Audit Committee Regulations, the Audit Committee votes on three agendas, which are matters relating to the General Stockholders' Meeting, matters relating to directors and BOD, and matters relating to audit. The Outside Director Candidate Recommendation Committee selects candidates qualified to be outside directors and recommends them as outside directors. The Remuneration Committee assesses remuneration policy for executives and performance indicators of executives for their long-term incentives to secure impartiality. The Remuneration Committee of CJ CheilJedang consists of all the BOD members.

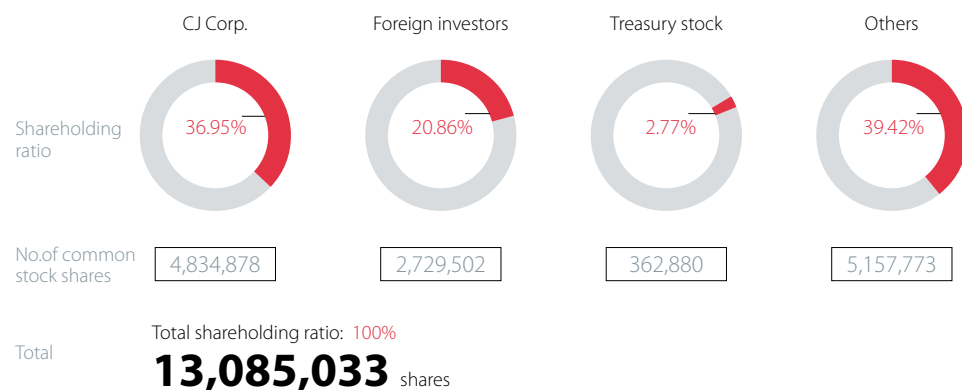
BOD Status



Shareholder Overview

CJ CheilJedang issued a total of 14,412,466 shares(13,085,033 shares of common stock and 1,327,433 shares of preferred stock) as of December 2012. The largest shareholder is CJ Corporation, the holding company of CJ CheilJedang, holding 36.9%(4,834,878 shares of common stock) in terms of common stock shareholding ratio. At annual general shareholders meetings, the BOD chairman shares management performance and future vision with shareholders and listen to opinions of shareholders for matters requiring decision-making. Shareholders exercise their voting rights at shareholders meetings and opinions and proposals on business management of the company presented by shareholders undergo in-depth review by management and BOD and then are reflected in the establishment and operation of company policy.

Shareholder Structure



CJ CheilJedang considers "integrity management" a value of top priority in business competitiveness. The company has declared such principles as compliance with the Fair Transactions Act and shared growth with partner companies, motivating employees to voluntarily participate in integrity management.

Integrity Management

Integrity Management Implementation System

CJ CheilJedang's integrity management starts with CJ Group's unique value system called "CJ WAY". CJ CheilJedang operate education programs for all employees to help them understand and implement "integrity," one of core values of the Group, by internalizing it. The company has also established guidelines on employee behaviors to build a healthy CJ and promote the value of integrity and they are shared across the company.

CJ WAY Education

In an effort to realize a transparent and healthy corporate culture, CJ CheilJedang is disseminating "CJ WAY", which is a way of working, as well as a value for CJ Group members. The CJ WAY embodies CJ's management philosophy and value system and CJ CheilJedang provides ongoing education such as orientation session for new employees, annual online education, and offline education offered at the time of promotion. In particular, the company places particular emphasis on "integrity", among the CJ Group's core values(integrity, passion and creativity).

Integrity Education Completion Rate(2012)

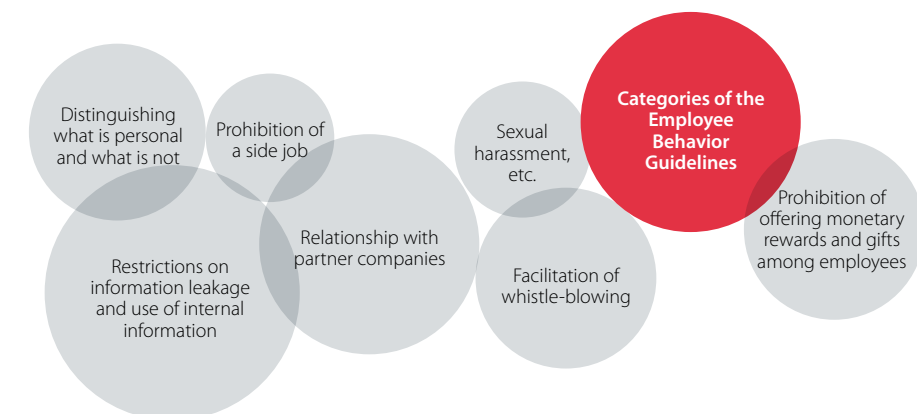


* Executives, employees who are temporarily on leave, and some of employees working at production lines are excluded. Integrity education for some of employees at production lines is replaced by collective education.

Employee Behavior Guidelines

CJ CheilJedang has drawn up the Employee Behavior Guidelines to internalize integrity management in daily lives of its employees. All employees of CJ CheilJedang regard the Employee Behavior Guidelines as a standard for their conduct of business and are making the company's management environment more transparent and sound by abiding by the guidelines.

Categories of the Employee Behavior Guidelines



Operation of the Cyber Audit Center

In order to provide support for integrity management, CJ CheilJedang operates the Cyber Audit Center to receive inside information on employees' unfair conduct of business, employees' unfair demands using their position or irregularities and to handle them in a closed manner. Inside information on employees' irregularities, unfair conduct of business, disadvantages related to transactions, unjust equity participation in unlisted companies with transactions of CJ CheilJedang, engagement in other business or double employment, sexual harassment, and corruption of public morals is received online and the audit team investigates into such cases and share the investigation results with related departments and those who have provided the information.



Cyber Audit Center

Transparent management Anti-corruption Activities

Disciplinary actions on internal accidents such as irregularities and poor management are determined by the internal personnel committee. The number of irregularities decreased by 50% in 2012, compared to 2010, as a result of ongoing improvement in organizational culture and integrity education.

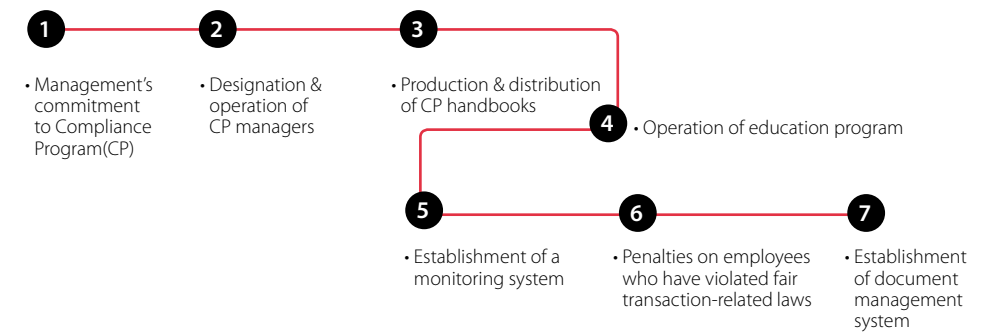
Internal Accidents Status Unit: Number of cases



Operation of the Fair Transaction Compliance Program(CP)

CJ CheilJedang has introduced and operated the Fair Transaction Compliance Program(CP) since 2002. The company prevents any possibility of violation of the Fair Transaction Act through ongoing education and improvement of legal process to further enhance lawful management. As a result, there has been no case of violation of laws on fair transactions and imposition of penalties in 2012. In addition, CJ CheilJedang has all seven elements of the Fair Transaction Compliance Program in place and has designated heads of food, pharmaceutical and purchase departments as CP managers and responsible for CP activities.

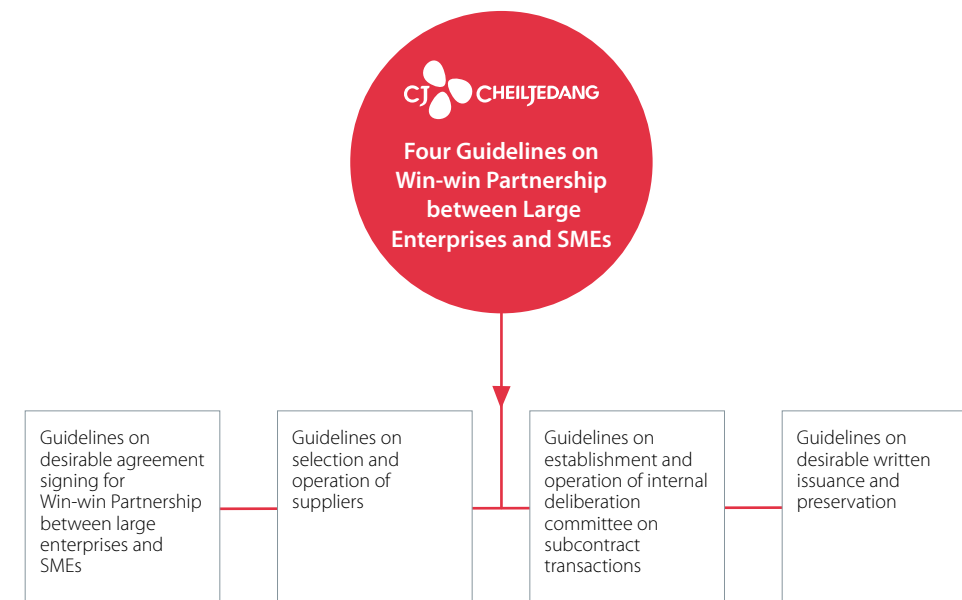
Seven Elements



Support for Fair Transactions with Suppliers

CJ CheilJedang is striving to spread ethics management among its suppliers to establish a fair transaction relationship with suppliers, who are one of our stakeholders, and to help its ethics management firmly take root. CJ CheilJedang's Purchase Ethics Management Guidelines state that CJ CheilJedang pursues shared growth and coexistence with suppliers through joint endeavor for creation of a clean and transparent climate for transactions and maintenance of a fair transaction order. The company has also established the Supplier Relationship Management (SRM) which includes ethics and corporate culture of suppliers as management indicator categories from the stage of supplier selection and reflects them in the evaluation of suppliers. In an effort to create a fair climate for transactions between large enterprises and SMEs, the company has introduced the "Four Guidelines on Win-win Partnership between Large Enterprises and SMEs" drawn up and revised by the Fair Trade Commission and included it in company regulations to use it as a guideline for transactions with all suppliers. CJ CheilJedang also uses the Standard Subcontract Agreement recommended by the Fair Trade Commission.

Four Guidelines on Win-win Partnership between Large Enterprises and SMEs



Risk Management

In a bid to prevent confusion and delay in risk management process through efficient response to possible occurrences of risks, CJ CheilJedang has established a speedy report and response system, thereby making every effort to prevent risks in advance.

Financial Risks

Financial Risk Management Policy

As a company with global operation, CJ CheilJedang's management activities are influenced by various external factors. In order to identify and manage risk factors in advance, the company has established internal risk management policy while conducting ongoing monitoring of changes in foreign exchange rates, interest rates and international commodity prices for market risk management.

Financial Risk Management System

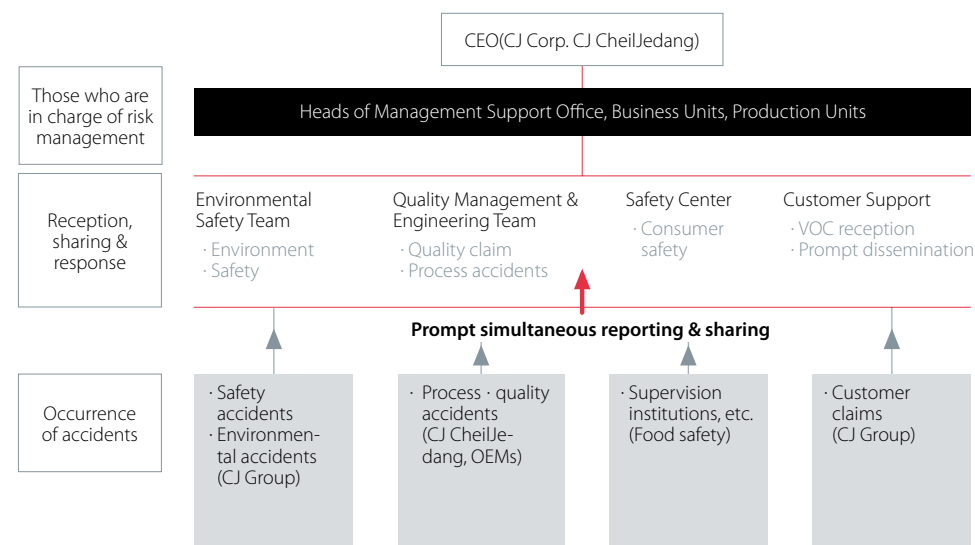
CJ CheilJedang's financial management system is divided into market risk management activities and transaction confirmation activities. Market risk management activities include measurement, management, analysis, reporting of market risks, market situation reporting for various market risk management activities, as well as execution of financial transactions. Meanwhile, transaction confirmation activities include inspection of compliance with management principles related to financial transaction execution and confirmation of financial transaction details through contract confirmation by banks. In addition, the Finance team and relevant teams responsible for purchasing commodities operate a monthly foreign exchange and derivatives committee(risk committee) presided over executives from the Management Support Office and in charge of food ingredients and bio business units, thereby building an advance warning system on exchange rate risks and commodity price risks.

Manufacturing Process Risk

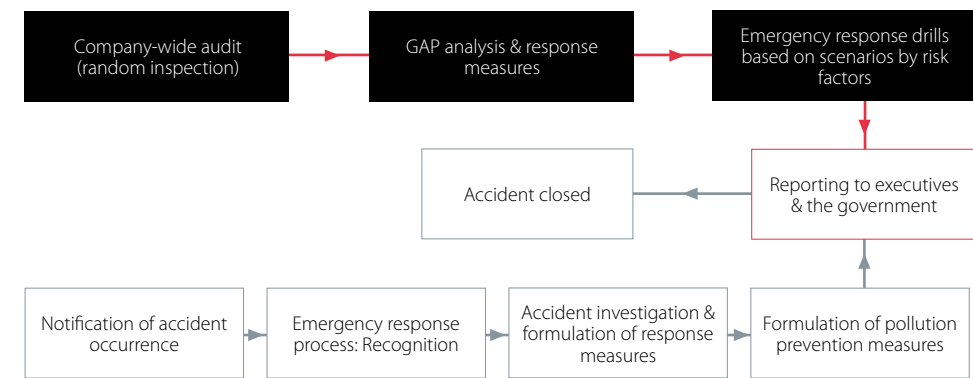
Manufacturing Process Risk Prevention Activities

CJ CheilJedang is reinforcing efforts for prevention and management of manufacturing process risks by establishing manufacturing risk response process at the headquarters and business installations and drawing up additional guidelines on hazardous, dangerous materials. Through such process, the company ensures the safety of employees and minimizes the impact on the local community and the environment by promptly responding to possible accidents at major business installations.

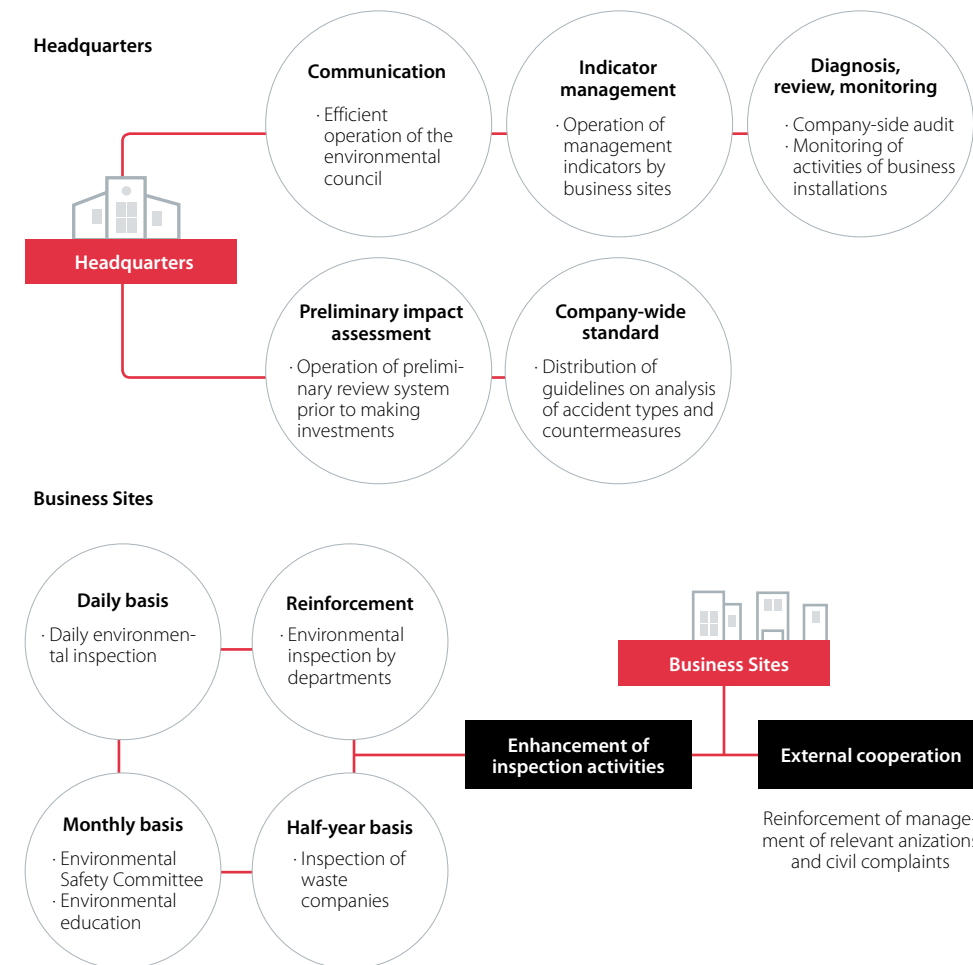
Manufacturing Process Risk Response Process



Emergency Response Process



Manufacturing Risk Management Activities





02 COMPETITIVE CJ

...Breaking the KRW 7 trillion mark for the first time in Korea's food industry (2012)

KRW 7 TRILLION



...Job creation(2012)

14,597 PEOPLE

...Launch of new projects(2012)

250 PRODUCTS

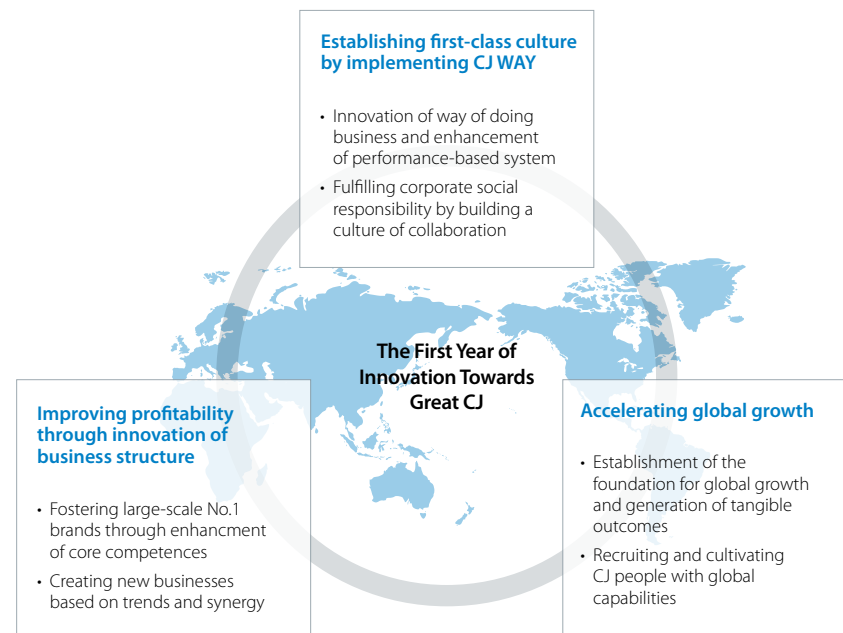
- > Management Policy
- > Main Performance
- > Innovation Management



Management Policy

CJ CheilJedang started out as a manufacturer of sugar, one of the basic food ingredients, in 1953. The company has expanded its business areas to include processed food, animal feed, bio and pharmaceutical businesses and awaits the 60th anniversary of its founding in 2013. The founding philosophy and spirit have been handed down to today, serving as the foundation for CJ CheilJedang's **ONLYONE** spirit. It will also play a pivotal role in the company's efforts to achieve its vision of creating a new culture by taking a giant leap towards becoming "Global CJ" and "Great CJ".

Management Policy for 2013



CJ CheilJedang has set its management policy for 2013 as "The First Year of Innovation towards Great CJ" and established three implementation tasks.

Improving profitability through innovation of business structure

CJ CheilJedang intends to respond to global economic slowdown with future-oriented business structure and profitability-oriented management.

Accelerating global growth

CJ CheilJedang intends to secure competitiveness as a truly global company by strengthening its infrastructure through recruitment and cultivation of competent global talents.

Establishing first-class culture by implementing CJ WAY

CJ CheilJedang will create a great workplace by innovating the way of doing business and establishing performance-based system, while building a culture of collaboration to fulfill corporate social responsibility.

Main Performance

CJ CheilJedang is the first company to exceed the sales of KRW 7 trillion in 2012 in the nation's food industry, creating outcomes with highest value through achievement of steady growth momentum. The company shares such achievements of economic value creation with various stakeholder groups, including customers(companies), partner companies, shareholders, local community and employees.

Creation of Economic Value

CJ CheilJedang's sales in 2012 stood at KRW 7.1 trillion(excluding sales of CJ Korea Express), up by 8.7% from a year ago, while its operating profit grew by 9%. This achievement is attributable to investment in R&D, advancement into overseas markets and exploration of new business areas, which are conducted annually in all business units. It is also a result of accumulated outcomes such as enhanced core competencies by business units and continuous reinforcement of global competitiveness. CJ CheilJedang will strive to enhance global competitiveness and become the global No.1 food company through ongoing management innovation.

Financial Achievements

Unit: KRW 100 million

	2010	2011	2012	2012(Excluding CJ Korea Express)
Sales	57,778	65,382	98,775	71,075
Operating profit	4,539	4,599	6,155	5,011
Net income	6,598	3,140	3,107	2,555
Total asset	60,026	113,395	123,639	88,809
Total liability	33,310	66,430	71,429	56,610
Total equity	26,716	46,965	52,210	32,199

*With acquisition of stocks(26.35%) of CJ Korea Express on December 30, 2011, the financial statements were produced on consolidated basis with the performance of CJ Korea Express starting from 2012.

Distribution of Economic Value

CJ CheilJedang distributes its economic value to stakeholders as follows.

Distribution of Economic Value

Unit: KRW 100 million

	2010	2011	2012	2012(Excluding CJ Korea Express)
Shareholders	556	249	254	254
Employees (wages & welfare*)	4,886	4,851	8,665	5,951
Government(Taxes**)	2,661	1,704	1,437	1,038
Creditors(Interest)	722	731	1,647	1,280
Local community (donation)	527	297	347	250
Suppliers (Purchasing cost***)	28,683	35,885	39,248	39,054

* Total sum of wages, retirement pay, fringe benefits which are included in sales cost and sales management expenses.

** Total sum of corporate tax, tax and public imposts

*** Total sum of raw materials and outsourcing cost

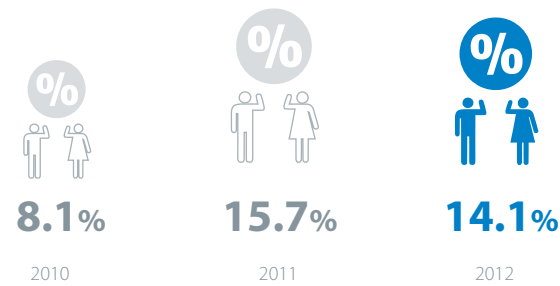
Shareholder Return

CJ CheilJedang distributes dividends through decisions made at board of directors meetings and general stockholders' meetings based on its Articles of Incorporation. We decide on appropriate dividend rate in consideration of sustainable growth of the company within the scope of available profit for dividend.

Dividend Analysis

Unit: %

Dividend Payout Ratio



Job Creation at Home and Abroad

CJ CheilJedang has strived to create jobs at home and abroad. The company has contributed to job creation for the local communities at home and abroad by increasing the number of jobs through expansion of the existing business and launching of new businesses.

Number of Employees in 2010 ~2012

Unit: people



CJ CheilJedang is doing its utmost to enhance its global competitiveness by continuously exploring new businesses and new products, which will serve as future growth engines, enhancing quality innovation and R&D capabilities, and improving corporate brand value on an ongoing basis. In addition, the company carries out its innovation management in our daily lives by operating a suggestion system that encourages CJ employees' active involvement. By opening up a venue for free exchange of ideas on various topics, ranging from suggestions for improving organizational culture to business-related ideas such as products and services of CJ CheilJedang, the company encourages all of its employees to have a sense of ownership and share their ideas on growth of CJ CheilJedang.

Innovation Management

Future New Growth Engines

In order to achieve sustainable growth and fulfill the social responsibility, the company must protect natural resources and clean environment for the future generations and provide them with strong foundation for future growth. CJ CheilJedang regards the conviction above as its mission and obligation and strives to lay the foundation for sustainable growth and build global competitiveness based on core competencies in each business areas.

Bio¹ Based on competitiveness as the global No.1 position established through improvement of R&D technology capabilities and expansion of business, the bio business will grow into a global bio industry leader by advancing into eco-friendly bio business areas, including manufacturing of the world's first L-form methionine based on innovative bio technology, launch of healthy and functional amino acids, manufacturing of non-edible biomass and bio plastic.

Global Expansion



Completion of production facilities in Shenyang, China (Lysine, threonine, nucleotide)



Production facilities in Malaysia under construction(Methionine)



Production facilities in Iowa, USA under construction(Lysine)

Development of New Products



BIO-CHEMICAL¹ Bio-chemical business(raw materials for bio plastic and bio chemicals)



Non Edible Biomass



Global Expansion Development of New Products



- Acquisition of TMI, a U.S. foodmaker (Dec.2012), Expansion of global brand "bibigo" into 9 countries
- ** Awarded for "Low-protein rice Hetbahn" by SIAL Innovation 2012

Processed Food | The Processed Food Business has acquired TMI, a U.S. ethnic food manufacturer, in a bid to strengthen its brand power in the global market, securing an important base for business expansion in the eastern United States. In addition, it is expanding currently operating businesses such as advancement of its global integrated brand "bibigo" into nine countries. Meanwhile, as a result of efforts to build differentiated brands through development of innovative new products, the "Low-Protein Rice Hetbahn" was selected among top 200 SIAL Innovation products at the 2012 SIAL(Salon International De L'alimentation) held in Paris, one of the world's top three food exhibitions.

Food Ingredients | For years, the food ingredient business of CJ CheilJedang has launched functional and advanced products tailored to the needs of customers at the forefront of the changing market. With years of research and accumulated expertise, the company has advanced towards becoming a leader in the global market. Also it is pressing ahead with crop plantation business to directly secure stable supply of resources on a long-term basis to ensure the company's sustainable growth and every year, CJ CheilJedang has developed innovative products based on the formulation technology for processed ingredients and bio-fermentation technology for new ingredients. In 2012, the company's "Tagatose", a low-calorie sweetener, was selected as one of the World Class Products of Korea selected by the Ministry of Knowledge Economy.

Global Expansion

Basic food ingredients: Expansion to Southeast Asia starting with a flour mill plant in Vietnam Processed food ingredients: Expansion to new markets with pre-mix plant in China serving as a platform



Flour mill plant under construction in Vietnam CJ Yihai Plant for Pre-Mix product in China

Specialty Products

Tagatose: A natural sweetener with functions of suppressing blood glucose after meals (Low GI and calories)



Plantation

Cassava plantation in Australia

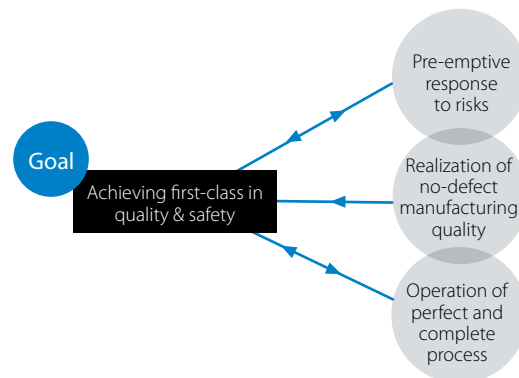


Animal Feed & Pharma | The feed and livestock business continues with regional expansion in the fast-growing market of Southeast Asia and China, where the company added two new production bases in Changchun and Liaocheng in 2012. The company has recorded a double-digit sales growth in the recent years while enhancing the profitability by vertically integrating feed and livestock businesses. The pharma business has secured a mid to long-term growth driver from new digestive drugs and bio medicines centering on second-generation protein and on near-term basis, has focused on R&D for new drugs using compound and natural ingredients.

Quality Innovation

CJ CheilJedang places top priority on securing safety of food supplied to our customers. We support healthy food lifestyles for our customers and strive to be positively involved in the lifestyles of consumers. CJ CheilJedang will do its utmost to eliminate any concerns of consumers on food safety and to build a consumer safety and assurance system for the entire value chain ranging from raw materials to manufacturing, distribution and consumption stages. Furthermore, the company will achieve the global top-tier position in terms of food safety competitiveness through fundamental and technological approach in the food industry, while supporting the dissemination of Korean food culture on the world stage.

Achieving global top position in food safety competitiveness



Feed & Livestock Business Unit, Two production bases in China (Changchun and Liaocheng)

Improvement of Food Hygiene and Safety Standards

CJ CheilJedang's global quality safety management system is aimed not merely at acquiring FSSC 22000 certification(food safety management system certification), which is an approval standard of the Global Food Safety Initiative(GFSI), but also at improving capabilities to operate the quality safety systems at business sites in Korea by internalizing global-level requirements. To this end, the company has acquired HACCP(Hazard Analysis Critical Control Point), a food safety management certification, and FSSC 22000, a global food safety certification, while securing expertise through diagnosis and improvement of manufacturing sites. By doing so, CJ CheilJedang is enhancing quality innovation in all areas through cultivation of global core talents and boosting of implementation capabilities for food hygiene and safety.

Quality Improvement through Technological Approach to the Food Industry

For processed food products, securing preliminary safety in consideration of distribution and consumption stages after manufacturing is an important element. To this end, CJ CheilJedang is conducting microbial predictive design, robust packaging design for product protection during the manufacturing and distribution process, while developing food technology to realize best taste and top quality through optimization of the sterilization and cooling process, developing new methods and applying latest manufacturing technology.

Operation of Global Quality Safety System

CJ CheilJedang has established a pre-emptive response system for possible food safety risks in its export destinations to promote the globalization of Korean food. We not only comply with local food-related laws in other countries, but also conduct analysis of legal obligatory categories(basic standards), as well as analysis of potential risk factors including raw materials, which go beyond the required level, thereby consolidating the foundation for global food safety. Furthermore, the company has launched a task force(TF) aimed to become a global top-tier company in terms of quality safety in a bid to improve quality capabilities of overseas business sites and to exceed the level of global competitors. Through the TF activities, CJ CheilJedang is not only achieving the global top-tier quality, but also contributing to the spread of Korea's outstanding food culture.

R&D

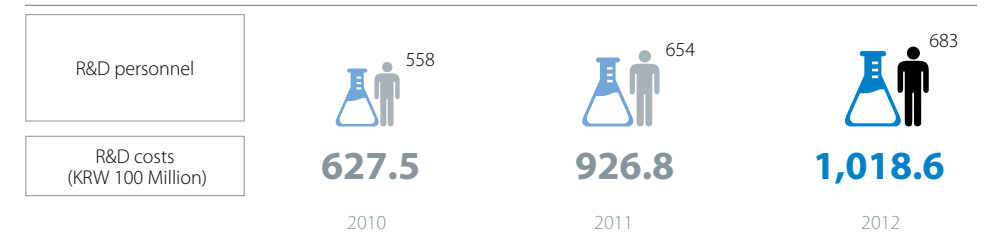
In securing corporate core competences, CJ CheilJedang places top priority on boosting competitiveness in the R&D sector. To this end, the company is expanding R&D activities through bold investments related to R&D, recruitment and cultivation of core talents, and application of cutting-edge technology, while scoring impressive achievements on an ongoing basis.

Launch of New Products

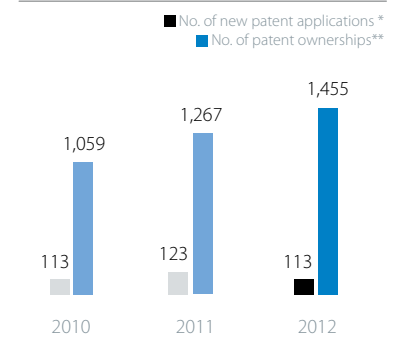
	2010	2011	2012
Bio	1	1	2
Feed & Livestock	8	10	22
Pharma*	8	10	10
Food Ingredients	3	53	70
Food	113	137	146
Total	133	211	250

* Including introduced products

R&D Costs & R&D Personnel



Intellectual Property Rights (Patents & New Patent Applications) Status



* The number of new patent applications refers to the number of patents received at the Korean Intellectual Property Office in the relevant year.

**The number of patent ownerships refers to the sum of the number of the existing effective patents and the number of new patents whose registration has been completed.

Boosting Brand Value

In 2012, CJ CheilJedang strengthened brand familiarity and trust for CJ CheilJedang's brands such as Fresian, Haechandle, bibigo and Petitzel by forming consensus among consumers on its products and brands through vigorous consumer communication activities. The company strives to boost brand value from the mid-to-long term perspective by linking various brand-related activities such as diverse PR activities, including media advertising, events and promotions, combination with cultural contents, formation of global brands and setting unique visions and core themes for individual brands with overall management activities.

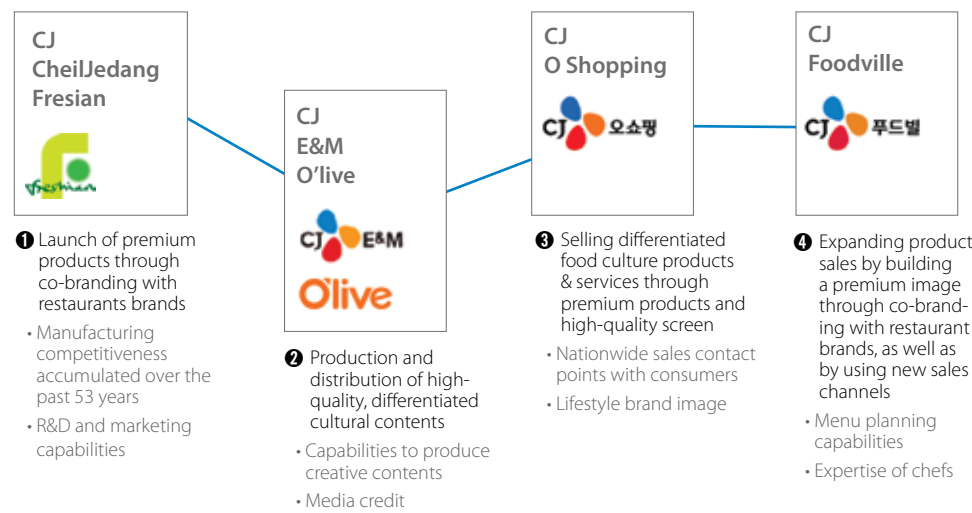
Fresian

Based on its slogan "Delicious Naturalism", the Fresian brand has been conducting advertising campaigns through media to expand its brand perception and form consensus, while providing various online and offline events and promotions to boost brand familiarity and trust. In addition, various activities to facilitate communication with consumers are also taking place such as the Fresian cooking classes, offering consumers opportunities to experience the brand. Also, Fresian is building a leading premium brand image by offering a new food culture which combines products, services and cultural contents. Fresian is endeavoring to provide differentiated value as a premium fresh food brand to consumers by maximizing synergistic effects generated through combination of manufacturing capabilities of Fresian, content production capabilities of CJ Group and expertise of the Group's restaurants business.



Fresian Blog

Process to establish premium food culture



Haechandle

As the No.1 brand leading Korea's fermented sauce market, Haechandle has solidified its leadership position in the fermented sauce market by strengthening brand value and product core capabilities, while vigorously pushing ahead with globalization, as well as strategic communication. Its strategic brand advertising and product advertising campaigns have emphasized among consumers that Haechandle is a familiar and trustworthy brand. CJ CheilJedang has delivered Haechandle's brand slogan "Running on the timetable of nature" with emotional touch, while operating consumer participation programs such as a soybean planting event, Haechandle cooking classes and factory tours.

- Soybean planting event
- ** Factory tours



bibigo

"bibigo" is a global hansik(Korean cuisine) brand launched to share with the world the healthy Korean food culture dubbed as hansik, which has been created by people and nature by adapting to the passage of seasons. Starting with three countries, namely, the United States, Japan and China, the bibigo brand has advanced into nine countries around the globe, including the United Kingdom, Russia, Australia, Singapore, Hong Kong, and Taiwan, as of 2012. The bibigo brand organizes and sponsors events aimed to globalize Korean food culture such as sponsoring Bibimbap Backpackers and hosting Korean Food Dinner for VIPS of Victoria and Albert(V&A) Museum. It is also engaged in activities to promote Korean food and Korean culture on the global stage, including activities in connection with local cultures or K-POP which leads the Korean Wave.

Petitzel

Since 2000, with the aim of "creating a lifestyle of leisure and enjoyment through desserts" for consumers, CJ CheilJedang has continuously publicized the Petitzel brand through mass media, culture-linked marketing activities and SNS. In particular, the Petitzel Theater, which is operated as part of Mecenat activities, has been planned and produced to provide total experience on the brand based on "love", a core theme of the Petitzel brand communication, becoming one of landmarks in the Daehakno district.



* Official sponsor of Bibimbap Backpackers ** Operating food trucks *** K-Food event at MAMA ****K-Food event at K-CON
 ** Digital marketing using new media *** Petitzel Theater

Company-wide Employee Participatory Programs

IDEA to BIZ Group Suggestion Room	Ace Group
<p>Participants Individual employees</p> <p>Purpose To create Group Suggestion Room to create an organizational culture characterized by creativity and spirit of challenge, thereby encouraging all the Group employees to freely suggest and share new ideas, which will lead to business achievements in the future.</p> <p>Description When Group employees post ideas, comments and replies can be freely posted on the ideas. The ideas are evaluated based on the five-point scale and employees posting best ideas are chosen and awarded every month.</p>	<p>Participants Employee groups</p> <p>Purpose In order to identify new business models for the company and explore creative ideas, employee groups operate knowledge clubs, encouraging members to freely suggest ideas.</p> <p>Description Voluntary research groups where employees research and study themes related on future growth engines and new products and services</p> <p>Operation status 30 teams, 193 members, 17 teams on food & food services, 8 teams on bio engineering, 5 teams on other themes.</p> <p>Research themes Establishment of platform for food social commerce, development of mobile test analysis request applications, review of operation methods for livestock specialization plants, premium silver town, hands-on experience leisure programs for pre-school children, etc.</p>



03 GREEN CJ



FOR NATURE. ECO FRIENDLY PLASTIC

동반성장 R&D 사업

신원 일대 석탄 자원을 기반으로 석탄화석 - 석탄 - 석유를 원료로 하는 석유화학 제품을 대체하기 위해 친환경 플라스틱을 개발하고, 석탄화석 - 석탄 - 석유를 원료로 하는 석유화학 제품을 대체하기 위해 친환경 플라스틱을 개발하고, 석탄화석 - 석탄 - 석유를 원료로 하는 석유화학 제품을 대체하기 위해 친환경 플라스틱을 개발하고...

친환경 플라스틱
 BIO-MASS 함량 **25% 이상**
 매립 시 폐기기간 단축
 친환경 플라스틱 봉투
 두레주르 친환경 봉투
 친환경 선물세트 트레이

SHARED GROWTH R&D MODEL



...Voluntary disclosure of carbon information for three consecutive years (2010~2012)

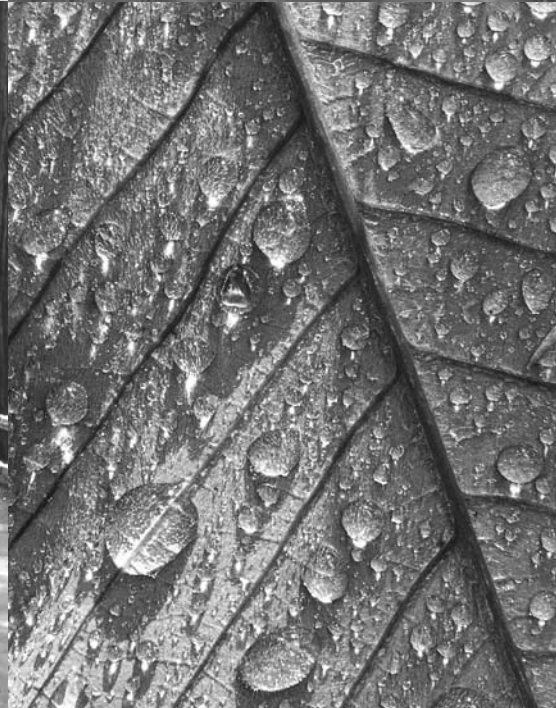
...Saving energy cost
KRW 27.6 BILLION

...Greenhouse gas reductions
19,413tonCO₂eq

...Waste recycling rate
70%

... 100% recycling of Fermentation residues(Overseas Bio Business)

- > Environmental Management
- > Response to Climate Change
- > Environmental Monitoring
- > Eco-Friendly Business
- > Green Office

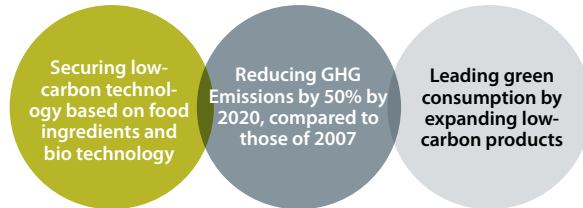


Environmental Management

Vision and Strategy for Environmental Management

Vision of Environmental Management

CJ CheilJedang has announced its vision of becoming a "Global Lifestyle Culture Company Leading Green Management" in its bid to become a global food & bio company. It is systematically pushing ahead with environmental management by establishing environmental management strategies based on sustainable initiatives. CJ CheilJedang has formulated mid- to long-term objectives aimed to boost competitiveness through establishment of the foundation for eco-friendly management, prior occupation of green good and low-carbon food markets, and introduction of new-renewable energy. The objectives will not only contribute to achieving the vision of the Group, "2020 Great CJ", but also help the company grow into a global green company.



Mid-to-Long Term Objective for Green Environment To secure competitiveness and boost its image as a global green company by proactively responding to climate change		
Priority 1 Reducing legal risks and leading an eco-friendly campaign by securing professionals and proactively responding to the local community	Priority 2 Creating financial achievements and increasing energy independence by introducing renewable energy resources and cutting down on environmental disposal costs	Priority 3 Taking the lead in green consumption by expanding Green Management and low-carbon certification

Environmental Management Strategies

CJ CheilJedang has established environmental management strategies and Environment, Safety and Health(ESH) Policy² to actively implement Environmental Management at all business sites of the company. Its Environmental Management activities include expansion of the Environmental Management System at all business sites at home and abroad, partial introduction and implementation of environmental accounting, establishment of the environmental performance system and expansion of low-carbon product certification. CJ CheilJedang will strive to fulfill its environmental responsibility to the local community by implementing the Environmental Management strategies, while seeking win-win management through such initiatives as Green Partnership between large enterprises and SMEs.

- First, we will reduce GHG (greenhouse gas) intensity by 50% by 2020, compared to that of 2007, by pursuing Green Management at all business sites.**
 - Operating an innovation committee on energy intensity saving
 - Saving energy and reducing GHG emissions by expanding the use of new and renewable energy resources
- First, we will protect the environment and proactively respond to climate change through expansion of low-carbon products and sustainable management.**
 - Carbon reduction labelling and expansion of low-carbon products through the Cleaner Production System
 - Systematic management through expansion of Environmental Management and Green Management System Certification
- First, we will become a responsible eco-friendly company for the local community by reducing pollutant emissions and taking the lead in applying new technology and methods.**
 - Seeking to become eco-friendly business sites through the "Three No Policy(No Discharge (waste water), No Emissions(waste), and No Use(hazardous substances))"
 - Fulfilling responsibility for the local community through environmental conservation activities
- First, we will be equipped with a global system leading green growth through expansion of investment and R&D in the green-bio sector.**
 - Boosting efficiency and creating food for the future through global green-bio business
 - Securing technology competitiveness through ongoing large-scale investments
- First, we will implement win-win management through shared growth between large enterprises and SMEs and creation of shared value.**
 - Providing cooperation for suppliers' implementation of energy and Environmental Management through Green Partnership activities between large enterprises and SMEs
 - Implementing management activities through Joy of growing together, which is a management of shared growth and cooperation to all interested parties.

2. Environment, Health and Safety Policy

CJ CheilJedang implement the first, the best, differentiated spirit based on **ONLYONE** philosophy throughout the entire business activities to minimize undesirable impacts from local business site to the earth and protect our employees from potential risks by conducting environmental health & safety management steadily.

1. Achieve Non-Injury Business Record through Risk Management and Practices, which Covering Entire Business Sectors (by pro-active and preventive actions).

- Minimize environmental impacts and risks by introducing environmental and safety assessment from design of products, development and manufacturing to transportation.
- Acquire business continuity management based on zero-loss, pollution-free, non-injury, zero-defects throughout all of business site activities.

2. Take a leap to Global Eco-friendly Company by Leading against Climate Change.

- Minimize discharge of CO₂ through entire business sectors, and achieve progressive operation performance by low-carbon products manufacturing and supply to the market.
- Conduct green management by introducing eco-friendly packaging, energy innovation, eco-design operations and new-renewable energy to the sites.

3. Practice Corporate Social Responsibility by Sustainable Development to Meet the Global Environment Needs.

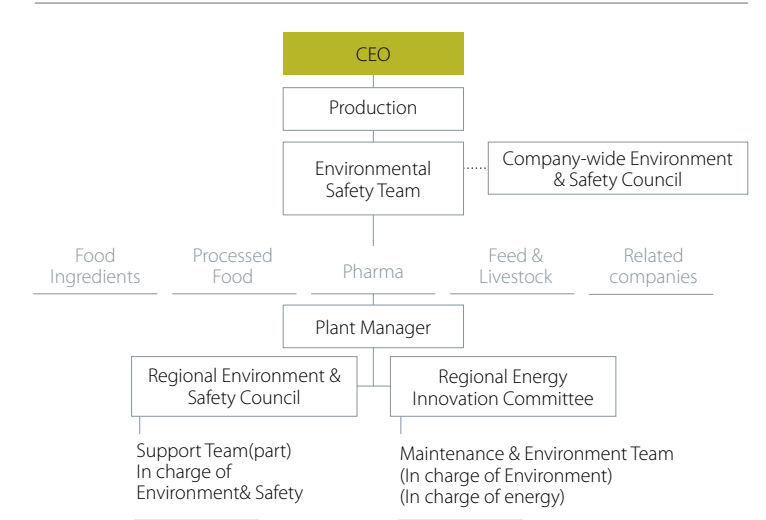
- Comply with Global Agreement and Standards for environmental, health and safety needs by setting more strict regulations and other requirements than local ones.
- Establish target and goal of environment health & safety and continue the efforts in improving and make public for management performances to all interested parties.

Environmental Management Implementation System

Environmental Management Organization

In order to systematically implement Environmental Management, CJ CheilJedang has company-wide organization for Environmental Management encompassing whole business units. The company manages 23 production sites in Korea through integrated computerization system and plans to apply the system to overseas production sites in the future.

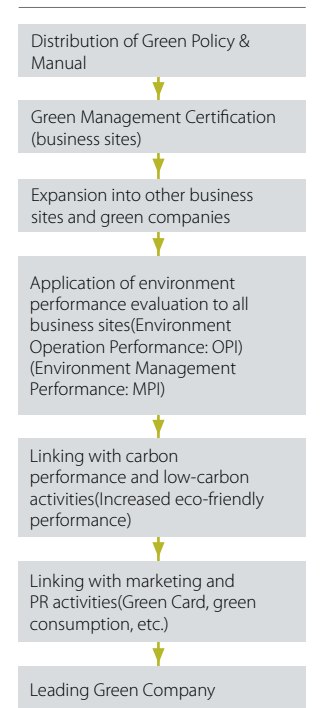
Environmental Management Organization



Establishment of the Environmental Management System

Following the introduction of the Green Management System in 2010, CJ CheilJedang acquired the Green Management System certification for the first time in the nation's food and beverage industry in 2011 and has been expanding it into new business sites. Based on the ISO 14001(Environmental Management System), the company has established a company-wide document system, while building a common document system to be applied to other business sites since 2012. The period between 2011 and 2012 was a stage to build the management performance system on the Green Management System Roadmap. During the period, CJ CheilJedang developed and utilized the Operation Performance Index(OPI) and the Management Performance Index(MPI) mainly for business sites with the Green Management System.

Direction for Implementation



Achievements of Environmental Management

CJ CheilJedang is striving to secure competitiveness through pre-emptive response to climate change and to play a leading role in the industry as a global green company by establishing the mid-to-long term Green Management plan. Since the implementation of the ECO-Project in 2008, the company has been fulfilling its social and environmental responsibilities through certification of carbon reduction labels for the first time in the nation's food and beverage industry, the Green Management System certification and collaborative activities with SMEs through the development of eco-friendly packaging materials.

Mid- to Long-Term Targets and Implementation of the Green Management 2020 Initiative (Environmental Management-Related Certifications)

Reduction Targets	Unit: 1000 tons CO ₂ e/eq							Remarks
	2011-12	2013	2014	2015	2016-17	2018-20	Accumulative Total	
Total reductions	20	15	12	21	82	92	242	
Reductions from renewable energy	11	11	3	7	64	56	151	62.6

ECO-Project

Submitted tasks in 2008		Completed tasks as of late 2012	
R&D tasks	Development of eco-friendly packaging materials	Rice bran trays (For gift set packaging: 2010~) Plastic bags (For Tous les Jours: late 2012~)	
Purchasing tasks	Purchase of low-carbon raw materials	Performance reports on MOUs on green purchase (2010~)	
Production tasks	Establishment of new & renewable energy inventory		New & renewable energy rate: 0%(2010) → 8%(2010) (Inventory establishment: 2010~)
Sales & Marketing tasks	Introduction of carbon labelling		Carbon labelling certification (1 type in 2009 → 15 types in 2012)



Green Company Certification

Since 1995, CJ CheilJedang has continued to acquire Green Company certifications(formerly, Eco-Friendly Company certification) awarded by the Ministry of Environment. As of 2012, the company's four business sites in Incheon and Busan has acquired certification. Production at business sites in Gimpo and Icheon have been relocated overseas and other sites.

Re-designated as Green Company

Green Management System(GMS) Certification

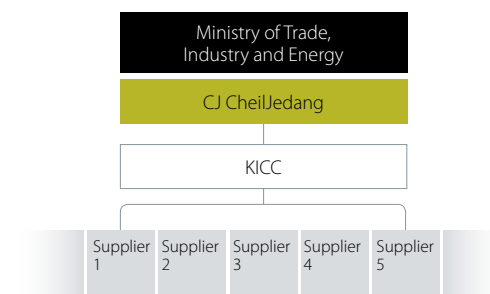
In 2011, CJ CheilJedang acquired the Green Management System(GMS) certification for the first time in the nation's food and beverage industry. The GMS certification is a system to certify companies that have minimized greenhouse gas emissions and environmental pollution by efficiently using resources and energy. It was first introduced in 2011. The GMS certification is significant in that it evaluates the GMS requirements and essential elements in addition to the ISO 14001(Environment Management System). As of 2012, CJ CheilJedang's Busan Plant and Incheon No.1 Plant acquired GMS certification and the company plans to expand the scope of the GMS certification to all of its business sites.

Environmental Management Certification Status

Name of certification	Organization in charge	Business sites concerned	Year of Implementation	Effects
Green Company	Ministry of Environment	Incheon No.1, Incheon No.2, Incheon Frozen Food, Busan	1995 Renewed in 2012 (Incheon No.1, No.2)	Securing an image of eco-friendly business sites at home and abroad and reducing risks due to exemption of government inspections
Self-Monitoring Companies	Local governments	Daeso, Seafood	2006~	Reducing risks due to exemption of regular inspections by local governments
Green Management System (GMS)	Ministry of Trade, Industry & Energy, The Korea Accreditation Board	Busan, Incheon No.1	2011~	Encouraging business sites to fulfill their social and ethical responsibilities by minimizing greenhouse gas emissions and generation of environmental pollution through the process approach method
Environmental Management System(ISO 14001)	Ministry of Trade, Industry & Energy, The Korea Accreditation Board	Busan, Incheon No.1	2011~	Encouraging business sites to utilize the Environmental Management System by adopting the process approach method
Energy Management System (ISO 50001)	Korea Energy Management Corp.	Incheon 1 pilot project	2011~	Conserving the environment and improving cost structure by saving energy and improving efficiency
Carbon Disclosure Project(CDP)	CDP Korea Committee	Company-wide	2008~	Securing an image as a green company
Carbon labelling system/Low-carbon product certification	Ministry of Environment The Korea Environmental Industry and Technology Institute (KEITI)	Incheon No.1, Incheon No.2, Jincheon, Busan, Yangsan	2009~	Securing image of low-carbon, eco-friendly products

*The company is re-designated for all certifications and its certifications are renewed.

Green Partnership between Large Companies and SMEs



Support for Its Suppliers' Environmental Management

CJ CheilJedang launched Green Partnership initiative for the first time in local food industry, which was designed to support small suppliers to establish environmental management system such as energy innovation activities and carbon management system. In the first year, November 2012, 11 suppliers participated in the project and a total of 16 suppliers are participating in the project. More suppliers will be expected to participate the program through the collaborative projects aimed for shared growth.



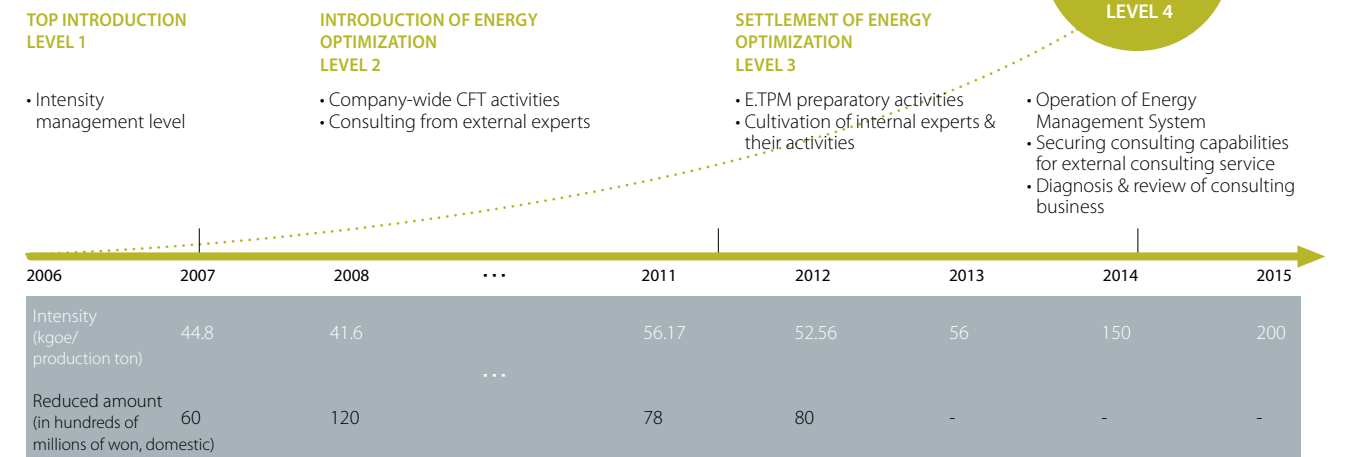
Here is the successful example. CJ CheilJedang has developed eco-friendly plastic bags made from wheat bran and transferred this technology to the small packaging companies, and one supplier developed bio-degradable bag adopting CJ's technology. The bag is being used again in CJ's bakery shop, Tous les Jours. This suggests the new model to create shared value based on the green growth.

Climate Change Response System Phased Roadmap

In order to respond to climate change, CJ CheilJedang has established a goal to become the world's best energy-efficient company and formulated a phased roadmap in its bid to implement Environmental Management. We have upgraded our energy management system by introducing and internalizing advanced energy optimization methods and plan to challenge the goal of "zero energy loss" after 2015.

Phased Roadmap

Energy costs in 2012: KRW 271 billion
In Korea: KRW 112.6 billion, Overseas Bio: KRW 158.4 billion (applied with exchange rate of KRW 1,090 per \$1)



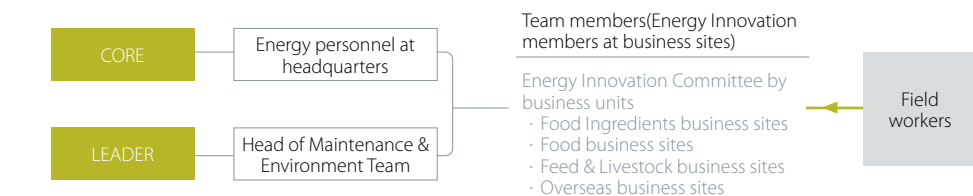
Formation and Operation of Company-level Energy Innovation Committee

CJ CheilJedang has formed the company-wide Energy Innovation Committee to establish a system enabling efficient implementation through close collaboration between the headquarters and key business sites in Korea. Members of the Energy Innovation Committee at each business site inspect its goal achievement status by schedules based on actual on-site conditions under the leadership of the head of the Maintenance and Environment Team, while those who are in charge of energy affairs at the headquarters establish the company-wide direction and explore and share exemplary case studies showing outstanding improvements, striving to facilitate energy innovation activities.



A meeting designed to improve factory energy diagnosis

Energy Innovation Committee's Organizational Chart



Participation in the Carbon Disclosure Project(CDP)

Since 2010, CJ CheilJedang has been participating in the Carbon Disclosure Project(CDP) annually to disclose its carbon emissions information in a transparent manner, thereby making ongoing efforts to reduce greenhouse gas emissions. Since 2010 when the company was selected as an exemplary case of carbon disclosure in the essential consumer goods category, CJ CheilJedang has voluntarily disclosed its carbon information for three consecutive years up to 2012.

Response to Climate Change



- Operation of Energy Management System
- Securing consulting capabilities for external consulting service
- Diagnosis & review of consulting business

Voluntary carbon disclosure for

3 CONSECUTIVE YEARS (2010~2012)

Energy-Saving Activities

CJ CheilJedang has classified energy-saving activities for energy-saving innovation into management categories depending on energy efficiency grades by business sites, implementing activities to save marginal energy intensities.

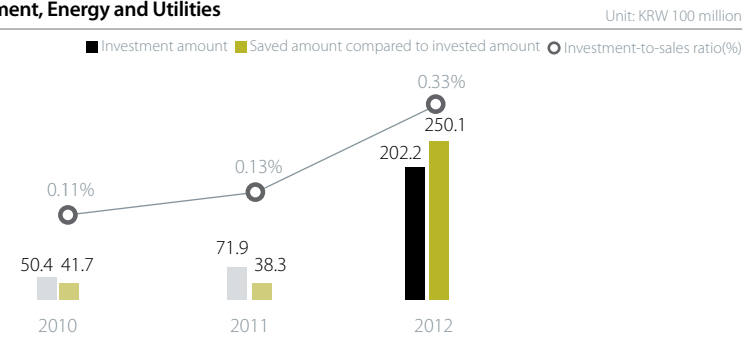
Improving Energy Efficiency

CJ CheilJedang has identified and implemented tasks requiring improvement through efficiency analysis by energy sources and GAP analysis by calculating energy marginal intensities. We have tried to save energy costs by carrying out phased improvement activities after establishing energy management objectives. In 2012, energy saving achievements were valued at as much as KRW 7.86 billion, including proactive investment and ideas on process improvement.

Investment on Energy Saving

CJ CheilJedang is formulating measures to save energy by ongoing operation of the Energy Innovation Committee at business sites, while continuously achieving energy-saving outcomes by making investment in energy and utilities. In 2012, the company saved energy costs worth KRW 27.6 billion(including saved amounts at home and abroad and savings deriving from ideas), and the saved amount is gradually increasing with ongoing investments and improved saving outcomes. Investments are on the rise due to construction of new eco-friendly business sites abroad, compared to domestic business sites.

Investment on Environment, Energy and Utilities



Use of New & Renewable Energy

CJ CheilJedang plans to replace the amount of fossil fuel used with new-renewable energy by 60% by 2015 and by 100% by 2030. To this end, the company has been gradually expanding the ratio of using new-renewable energy. In 2012, four business sites of CJ CheilJedang introduced and used new-renewable energy, including Busan, Gunsan, Incheon No.2 and Jincheon plants. The company plans to gradually expand the application of renewable energy sources into other business sites. The ratio of using new-renewable energy stood at 8.07% as of 2012, which was a considerably high level, and the company expects that it will achieve the targets as planned with expansion of business sites introducing such energy. In 2012, the Energy Innovation Committee replaced low-efficiency energy equipment, as indicated by installation of heat exchanger at Osong Plant and installation of heat pump at Jincheon Plant. In addition, Jincheon Plant has introduced pellet boiler, which is considered eco-friendly renewable energy, and it is expected that energy-cost savings will be more than 15%(KRW 220 million annually), compared to LNG.



Pellet boiler

Company-wide introduction and use of new & renewable energy

	2010	2011	2012
Greenhouse gas intensity reduction	106.96 kgCO ₂ eq/Product ton	116.14 kgCO ₂ eq/Product ton	107.27kgCO ₂ eq/Product ton
Total No. of business sites introducing new & renewable energy	2(Busan, Gunsan)	3(Incheon No.2)	4(Jincheon)
Ratio of new& renewable energy utilization(%)	5.67%	5.83%	8.07%

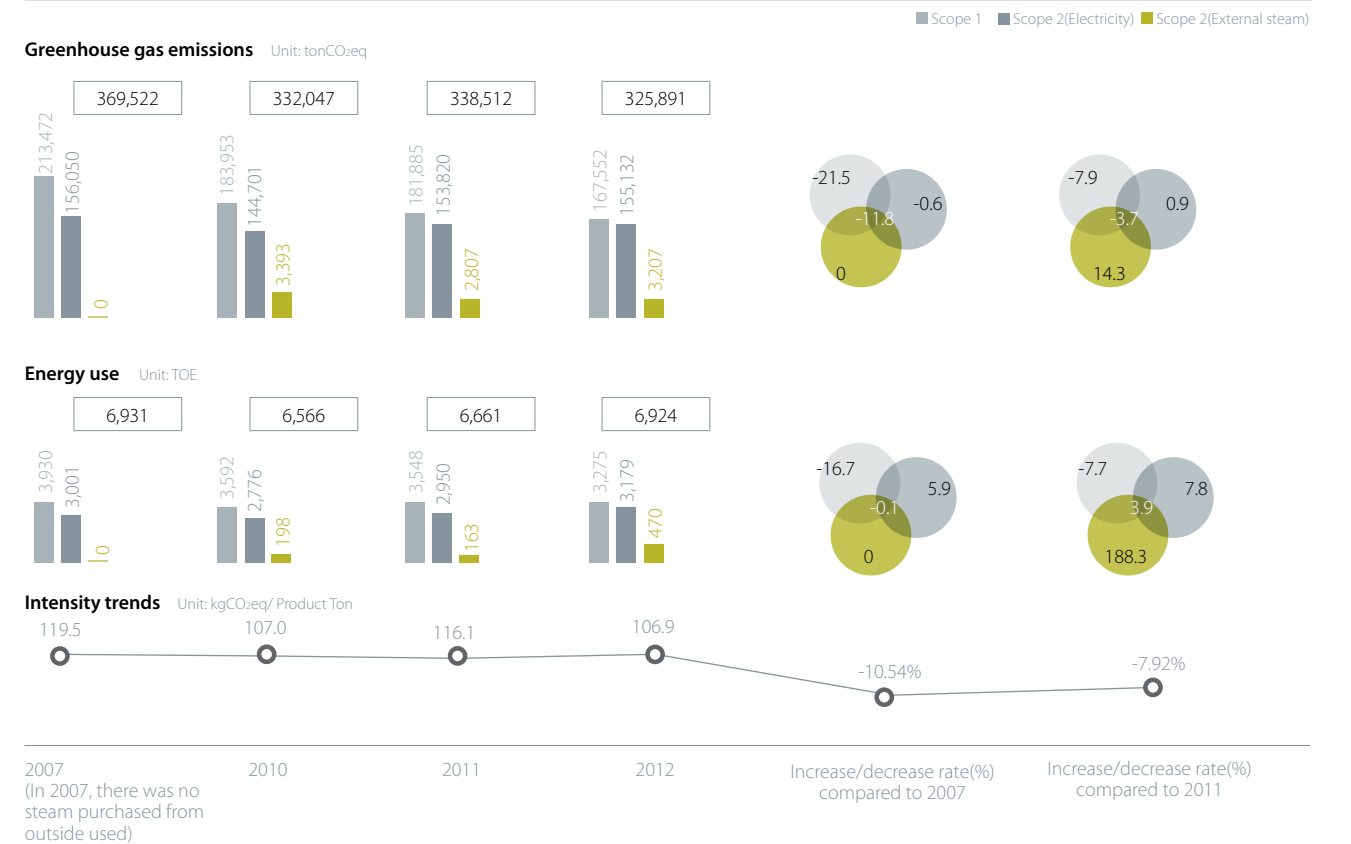
Activities to Reduce Greenhouse Gas Emissions

In order to proactively respond to climate change, CJ CheilJedang has set a target of reducing greenhouse gas emission intensity by 50% by 2020 and has been engaged in various activities to cut back on greenhouse gas emissions. As a result of active activities, three cases of early reduction of greenhouse gas emissions were registered in 2011 and 2012. In 2012, eco-friendly process improvements were made such as installation of heat pumps and heat exchangers at business sites with a goal of reducing greenhouse gas emissions of 20,000tCO₂eq per year and actually reduced 19,413tCO₂eq of greenhouse gas emissions in the year.



Greenhouse gas emissions verification certificate

Greenhouse Gas Emissions and Reduction Status

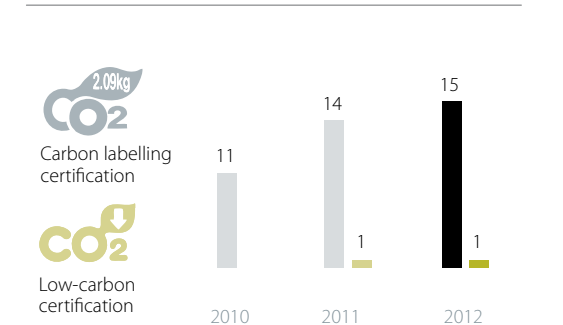


GHG Emission Reduction Status (2012, excluding business sites emitting small amounts of GHG emissions)

	Unit	Fuel saving	Electricity saving	Total
Government reduction target	tonCO ₂ eq			3,053
Actual reductions	tonCO ₂ eq	15,959	3,454	19,413
Target-exceeding reductions	tonCO ₂ eq			16,360

* Business sites subject to the Greenhouse Gas Target Management System: 18 business sites (excluding the headquarters building)
 * Calculation standard: In accordance with the National Greenhouse Gas Target Management System
 * Verification status: A third-party verification has been completed for domestic business sites.(2007~2010): Samil PwC, 2011: Korea Quality Assurance, 2012: EQAICC(Environment & Quality Assurance International Certification Center)
 * GHG emission reduction amounts have been reported to the government. However, a third-party verification has not been made and thus there is a possibility for change.

Carbon Labelling • Low-Carbon Certification Status

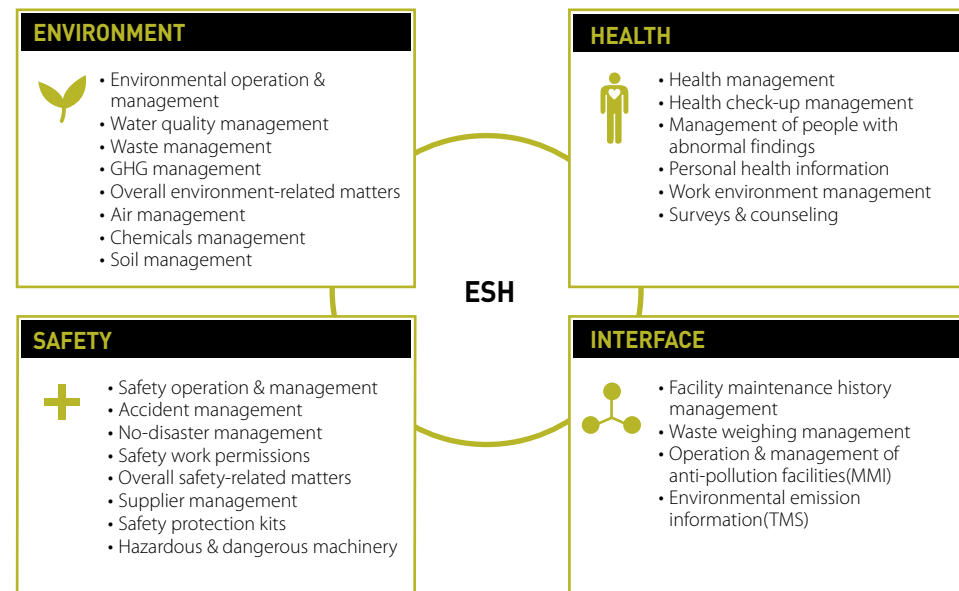


Environmental Monitoring

Establishment of Environmental Pollutant Management and Monitoring System

CJ CheilJedang has established the CJ ESH System, an integrated system on environment and safety for all business sites, systematically managing the overall process ranging from implementation status in compliance with internal policy to inspection and performance management. The CJ ESH System enables management and monitoring of environmental pollutants on a daily, monthly and yearly basis and preventive response is made possible through real-time reporting system. As a result, there has been no single incident of violating regulation on environmental pollutants since 2008. In 2010, the company received a single case of improvement order on odor in terms of environmental regulations. However, the company improved the potential issues by making investment in reducing foul odor. Other than that, there has been no incidence of receiving fines or penalties.

CJ ESH System



Response to Environmental Regulations

CJ CheilJedang restricts emissions of environmental pollutants affecting water quality and air to one-third of legally permissible levels. Concerning strengthening or revision of modified laws and regulations, the company presents opinions of the industry in collaboration with organizations concerned(Korea Chamber of Commerce and Industry, etc.), while presenting opinions collected from business sites at the Business Council on Environmental Policy prior to the passage of revised bills to make the government review the current status of the industry in advance.

Environmental Pollution Management Risk Response Process

CJ CheilJedang has internally established a company-level emergency response system to help employees promptly respond to emergencies. The company offers regular education and training on potential issues, including emergency response training, on a yearly basis.

Emergency Response System



Environmental Management Activities and Achievements³

Reuse and Recycling of Water

Food and beverage plants of CJ CheilJedang's Food Business Unit mainly use water to rinse materials for sterilization. With the toughening of food safety management, the use of water has steadily risen over the past three years. In 2012, water-use intensity per product ton was 1.52 m³, slightly up from that of 2011. However, water reuse rate has been steadily rising through recycling such as reuse of water in the process and using water for miscellaneous purposes. For water intake, waterworks and groundwater are mainly used. Due to food safety, possible pollution and depletion of groundwater, the use of waterworks has been on the rise. Manufacturing facilities are saving water through process improvement, while using recycled water for cleaning nearby streets through the utilization of wastewater reclamation and reusing system.

³ Environmental Management Activities and Achievements
Environmental Management activities and achievements at domestic business sites are reported. (Environmental achievements at overseas business sites: pp. 55-59)

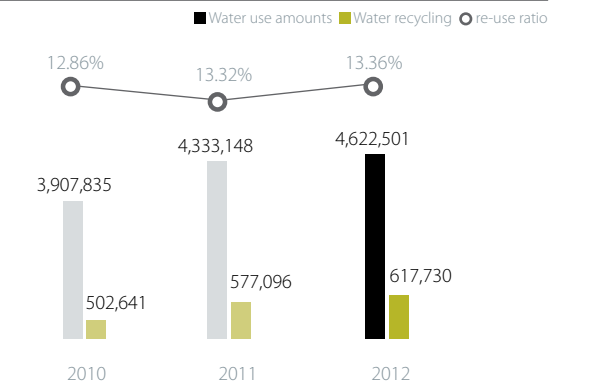
Water Use by Year

Unit: Water Ton/Product Ton



Water Reuse Ratio by Year

Unit: Ton

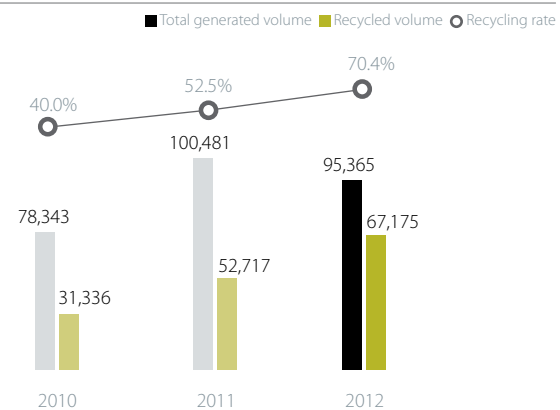


Waste

CJ CheilJedang strives to minimize waste generated at the product manufacturing stage and increase recycling volume. With the increase in the use of by-products and supplementary products, the recycled volume is steadily on the rise.

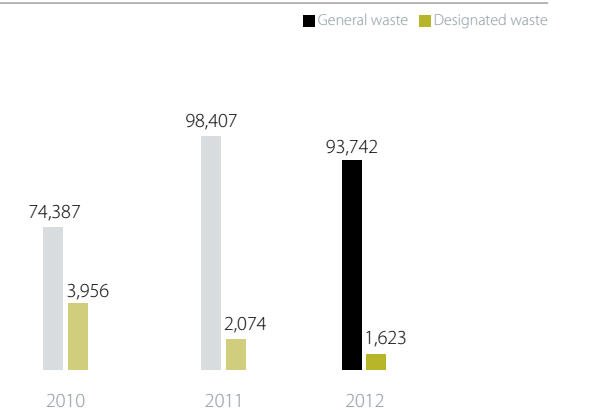
Waste Recycling Rate by Year

Unit: Ton, %



General and Designated Waste Volume by Year

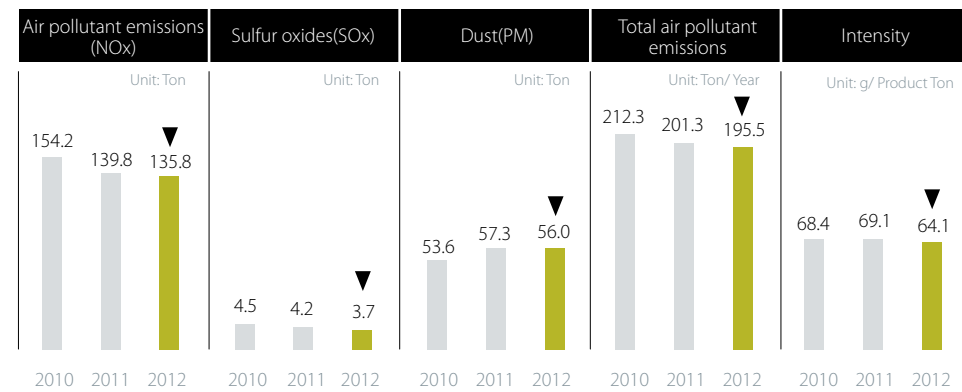
Unit: Ton



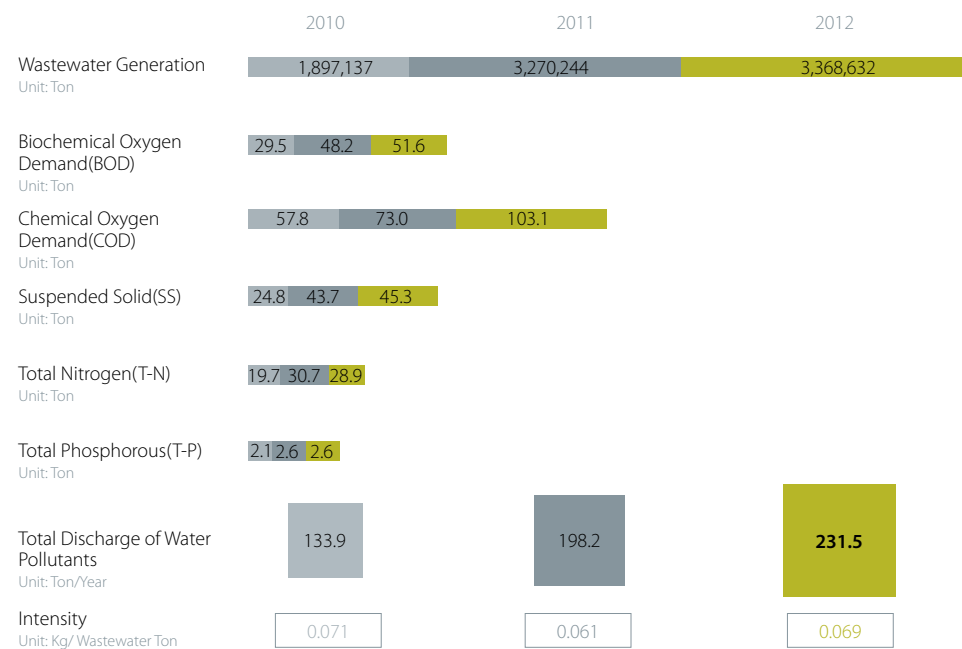
Pollutants

CJ CheilJedang utilizes TMS equipment to create clean and eco-friendly plants. In order to create pleasant plants and a happy local community by preventing the generation of odors in the vicinity of its business sites, the company either operates ozone deodorization devices or installs unmanned automatic odor samplers along the boundaries of business sites and conducts analysis on a regular basis. Furthermore, CJ CheilJedang is endeavoring to reduce the generation of waste at its source, while cutting back on the use of chemicals. It is also trying to come up with internal measures to recycle sludge at waste treatment facilities.

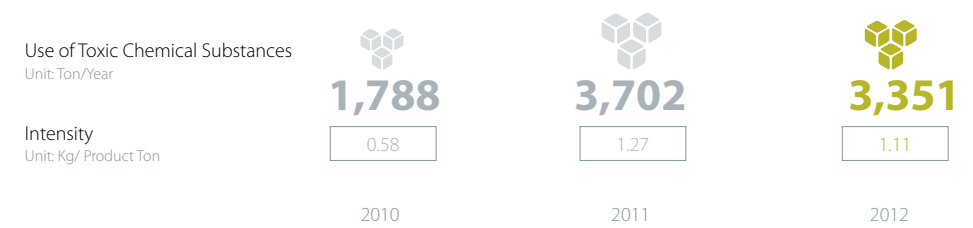
Air Pollutants



Wastewater



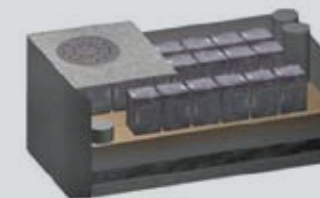
Toxic Chemical Substances



Case Study Eco-Friendly Activities at Jincheon Factory

Jincheon Factory of CJ CheilJedang is saving electricity by installing photovoltaic street lamps, while preventing pollution at streams in the vicinity of the factory by setting up nonpoint pollution control facilities. It has also installed facilities to prevent noise and odor, being vigorously involved in activities to prevent environmental pollution at the factory and the nearby local community.

Nonpoint Pollution Control Facility



Discharging facility Outer periphery of the factory site
Prevention facility capacity No.1: 60.1m²
 No.2: 160.4m²
Treatment concentration Reducing BOD and SS by **60-70%**

Noise Reduction Facilities



Discharging facility Factory machinery sound
Prevention facility capacity 40m x 7.5m
Treatment concentration Before installation 59.5dB → **50dB ▼**

Odor Prevention Facilities



Discharging facility Wastewater treatment facilities
Prevention facility capacity 100 CPM (Ozone generator-200mg)
Treatment concentration 650-folds → **20 ▼** (Legally permissible limit: 500)

Odor detection measurement device

Odor prevention cover

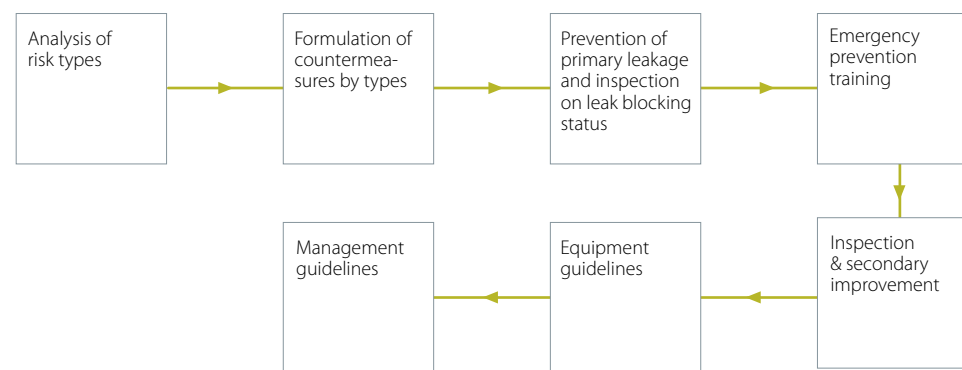
Hazardous Substances

CJ CheilJedang is doing its utmost to prevent accidents through stringent management on safety measures related to hazardous or dangerous substances. Given the characteristics of the business, the company has no factories that handle large quantities of toxic substances that may cause serious disasters such as hydrofluoric acid. However, in the case of business sites that handle some toxic or inflammatory substances or liquids, company-wide environment and safety staff conduct special inspections in daily operations and report the inspection results to management. Thanks to such ongoing efforts to ensure safety management, CJ CheilJedang complied with all legal standards for the past three years from 2010 to 2012 and no accidents were reported during the period.

Efforts to Reduce Environmental Impact on the Local Community and Outcomes

In order to reduce environmental impact on the local community such as leakage of pollutants, CJ CheilJedang preemptively identified predictable risks, came up with management measures, as well as guidelines. Overseas business sites are also striving to minimize environmental effect by conducting environment impact assessment for local surveys of environmental impacts from the stage of manufacturing facility construction. In addition, CJ CheilJedang is actively involved in environment-related initiatives at home and abroad and applies standards which are more stringent than local legal standards based on latest technology and new methods.

Guidelines on Preliminary Management of Environmental Risks



Conservation of Ecosystem

CJ CheilJedang is pressing ahead with a variety of eco-friendly activities centering on areas located in the vicinity of its business sites. Business sites selected as Green Companies are engaged in regional ecosystem conservation activities through regional councils. Incheon and Ansan factories carry out pollution elimination activities such as cleaning up and eliminating weeds at streams in the vicinity and planting trees and plants through the “one business site-one stream conservation campaign”.



* One business site-One stream conservation campaign ** Ecosystem protection activities in areas near CJ CheilJedang factories

CJ CheilJedang is seeking Environmental Management, while expanding the scope of eco-friendly business areas, including eco-friendly green bio business.

Development of Eco-Friendly Products

CJ CheilJedang’s efforts to develop eco-friendly products are made across all business units of the company and various attempts are being made to minimize environmental impacts in the entire value chains of products.

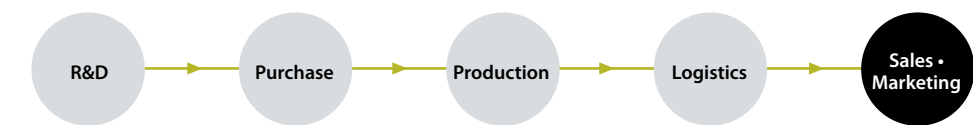
Acquiring Carbon Labelling and Low-Carbon Certifications

CJ CheilJedang’s “Hetbahn” is the world’s first product to have acquired low-carbon certification. It has reduced carbon emissions by 27.4%, showing the best carbon-emission reduction among low-carbon products. Hetbahn participated in a carbon labelling pilot project in 2008 and acquired carbon labelling certification, followed by its acquisition of low-carbon certification in 2011. As of 2013, five products of CJ CheilJedang, including Hetbahn, have met carbon labelling certification standards for stage 2, receiving certification for low-carbon products. As of 2012, there were 14 products undergoing the process of acquiring Stage 1 certification and one product was in the process of acquiring Stage 2 certification.

Eco-Friendliness Management for Entire Cycle of a Product

CJ CheilJedang takes into account environmental impacts in the entire process of a product and places importance on eco-friendliness in all stages ranging from manufacturing, distribution, and use to disposal. Since the launch of the ECO-Project team in 2008, the company has been carrying out innovation activities in consideration of environmental aspects throughout the entire cycle ranging from purchase, to production, logistics, and sales and marketing.

ECO-Project Process



Implementation Tasks

- R&D**
 - Development of eco-friendly packaging materials
 - Saving packaging materials
 - Development of eco-friendly raw materials
- Purchase**
 - Purchase of low-carbon, low-energy raw materials
- Production**
 - Establishment of inventory for new & renewable energy
 - Reduction of waste generation
 - Implementation of energy innovation activities
 - Enhancement of productivity
- Logistics**
 - Optimization of transportation distance
 - Shift to low-carbon, high-efficiency fuel friendly raw materials
- Sales • Marketing**
 - Introduction of carbon labelling system
 - Distribution channel management materials

MINEWATER Applies Recyclable Packaging

In order to promote eco-friendliness of product packaging materials, CJ CheilJedang either uses eco-friendly raw materials or uses recycled raw materials. Water-separable eco-friendly labelling has been applied to the transparent PET bottle of MINEWATER 1.6 liter product, facilitating recycling. The MINEWATER bottle acquired resource circulation certification(Ministry of Environment) in 2012.

Development of Eco-Friendly, Wellbeing Packaging Materials by Recycling By-products

CJ CheilJedang has developed packaging materials* containing rice bran and flour bran by recycling by-products generated in the manufacturing process and produced trays for gift sets with the packaging material. Developed in 2012, the packaging materials have been applied to gift sets for Lunar New Year’s Day, reducing costs by 3% through the recycling of by-products.

Eco-Friendly Business



* The Hetbahn product acquired low-carbon product certification in 2011, while four different types of sugar acquired the certification in January 2013.



* Resource-circulation type packaging certificate
** Eco-friendly packaging material: Tray for gift sets

4_ Packaging Materials
Acquiring Green Certification from the Korea Institute for Advancement of Technology



Completion of CJ Research Farm specializing in R&D on livestock business

R&D on Low-Carbon, High-Efficiency Animal Feed

Since signing an MOU with the Rural Development Administration, CJ CheilJedang has been conducting researches on reducing greenhouse gas emissions in the livestock business, while developing animal feed and feeding and management programs for eco-friendly livestock production, as well as technology to boost livestock competitiveness by improving livestock productivity. In 2011, the company established the CJ Research Farm designed not only to provide overall assessment of animal feed raw materials and products, but also to conduct comprehensive research and development on livestock products which are functional, safe and eco-friendly. Since the launch of the first eco-friendly feed product, CJ Bio-tech, in the feed market, CJ CheilJedang will contribute to supplying safe and eco-friendly livestock projects by focusing on developing low-carbon, high-efficiency feed from the mid- to long-term perspective and achieving global standardization of feed products and boosting quality competitiveness through ongoing investments.

Green Purchasing

Since signing a voluntary MOU on Green Purchasing of the industry with the Ministry of Environment in 2010, CJ CheilJedang has been vigorously engaged in Green Purchasing by establishing and operating the Green Purchasing System, while providing education on Green Purchasing to purchase personnel and employees as a whole. In 2012, the company toughened up qualifications of suppliers that supply green products, thereby making it possible to manage and improve environmental aspects of supplied products on an ongoing basis. What's more, the company publicized and provided education on Green Purchasing activities to its 11 suppliers which are participating together in the Green Partnership for shared Growth between large companies and SMEs, striving to disseminate Green Purchasing among its suppliers.

Green Purchasing Performance

		2010		2011		2012		Remarks
		No. of items	Amount*	No. of items	Amount*	No. of items	Amount*	
Government-certified green products	Environment mark certified products	20	40	4	133	5	118	MRO products
	GR Mark certified products	2	5	3	11	4	6	Recycled products
Other eco-friendly products	Products with carbon labelling (including low-carbon labelling)			2	236	6	307	Including internal purchase
	Products with energy saving mark	9	224	24	888	9	70	High-efficiency pumps, etc.
	Products reducing harmful substances	5	7	2	8	3	86	Chemicals reducing harmful effects, etc.
	Products reducing waste			4	4	1	0	
	Foreign environment mark certified products							
	Others	10	2,688	20	9,289	19	9,902	Including investment amount (Investment in energy & environment)
Total		46	2,964	59	10,569	47	10,488	

Green Investment Unit: KRW 100 million

Domestic Business Sites	2010	2011	2012
Total Investment	23	54	44
- Energy, utilities	11	33	35
- Environmental facilities	12	21	9
Direct investment saving	7	9	25

Green Investment

CJ CheilJedang is striving to implement Green Management from the production stage by efficiently reusing heat energy generated by factory facilities. The company is saving energy use at such plants as Ansan and Incheon No.1 by using the MVR(Mechanical Vapor Recompression) system, a facility to reuse waste steam through recompression, while saving fuel consumption at such plants as(Incheon No.1, No.2, Ansan, Busan, Incheon Frozen Food, Jincheon by using heat pumps. In particular, the Busan Plant invested KRW 600 million to transform steam produced at nearby heat regenerators into high-quality steam, starting from April 2011. The

Hetbahn production line uses the regenerated steam. Domestic business sites of CJ CheilJedang invest more than KRW 3 billion in energy and utilities and KRW 1 billion to KRW 2 billion in environmental facilities annually. Although annual energy costs are rising partly due to rising oil prices, the company is saving costs worth KRW 7 billion to 7.5 billion annually by introducing high-efficiency equipment and adopting innovative ideas.

Sharing Low-Carbon Culture

As part of the Green Office initiative, CJ CheilJedang has set and managed standards on air conditioning and heating temperatures inside the company. We aim to maintain temperatures at 18~20°C when heating is on, while maintaining 26~28°C when air-conditioning is provided. We also strive to boost energy efficiency by regularly cleaning heaters and air-conditioners. Moreover, employees at CJ CheilJedang share low-carbon lifestyle and culture such as using energy-saving lighting fixtures, managing illumination at appropriate levels and turning off computer monitors.

No Loss of Everyday Electricity Campaign

As part of the "4 No" Energy Loss Campaign, CJ CheilJedang carries out such activities as temperature management, lighting management, and domestic water management to save everyday electricity.

Green Office Activities for No Loss of Everyday Electricity

Temperature Management	Lighting Management	Domestic Water Management
<ul style="list-style-type: none"> Appointing personnel in charge of heating/air conditioning equipment Heating temperatures: 18~20°C Air-conditioned temperatures: 26~28°C Lowering temperature by 1°C Regular cleaning of heaters/air-conditioners 	<ul style="list-style-type: none"> Appointing personnel in charge of lighting S/W Installing S/W layout plant S/W segmentation Use of energy-saving lighting fixtures Illumination management at appropriate levels Turning off computer monitors 	<ul style="list-style-type: none"> Restraining water cleaning Use of water-saving devices

Eco Campaigns

CJ CheilJedang presses ahead with eco-campaigns organized by the Open Council at the headquarters. In 2012, the mug-cup sharing event was held to encourage the use of mugs instead of disposable paper cups. On March 30, the Open Council distributed the Eco Cup with CJ logo imprinted among employees at the headquarters.

Eco-Friendly Communication

In an effort to publicize the efforts and achievements of eco-friendly activities, which start from the product development stage, among consumers and various stakeholders, CJ CheilJedang has been engaged in communication in diverse formats. In 2011, the company introduced its green, low-carbon activities by sponsoring the "365 Days Eco-Life Public Campaign" designed to encourage green lifestyles. It is a public campaign organized by the Eco Mom Korea, an environmental NGO group. CJ CheilJedang produced 20 episodes of public advertising from August to December 2011 and launched the campaign via mass media such as YTN.



* Public campaign ** Eco Cup

Overseas Bio Business Unit

Environmental Management

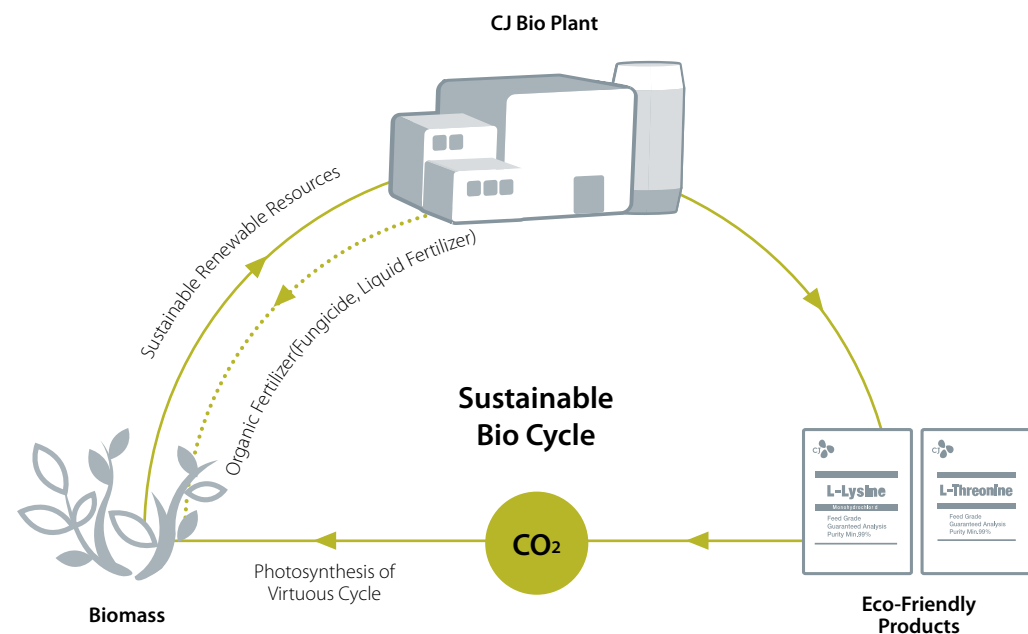
Vision and Mission of Environmental Management

In order to squarely confront the urgency of depletion of resources and environmental destruction and to proactively respond to global environmental issues, the Bio Business Unit of CJ CheilJedang announced the vision of the new business unit "Beyond BIO, Renew the Earth." The mission and obligation of the Bio BU is to build the foundation and ecological environment for sustainable growth and to hand down a harmonious Earth to future generations. The bio business is an eco-friendly business based on microbial fermentation technology. It is a business that most efficiently produces amino acids, which are essential to animals and humans, by using sugar as raw materials and inducing biochemical conversion of microbes. CJ CheilJedang is conserving the environment and proactively responding to climate change by boosting the efficiency of sugar utilization by microbes, reducing greenhouse gas emissions, saving water and improving energy efficiency through development of innovative technologies.

Sustainable BIO Cycle

In a bid to create a harmonious eco-system on the planet, the Bio BU has introduced the concept of "Sustainable Bio Cycle". The Sustainable Bio Cycle presents an eco-friendly solution by building a sustainable growth model with a virtuous cycle in which eco-friendly bio products are produced by using renewable resources such as biomass and greenhouse gases and by-products generated in the manufacturing process are absorbed through the biomass. CJ CheilJedang will consolidate capabilities of the Bio BU through the Sustainable Bio Cycle, further striving to create a sustainable future.

Sustainable Bio Cycle



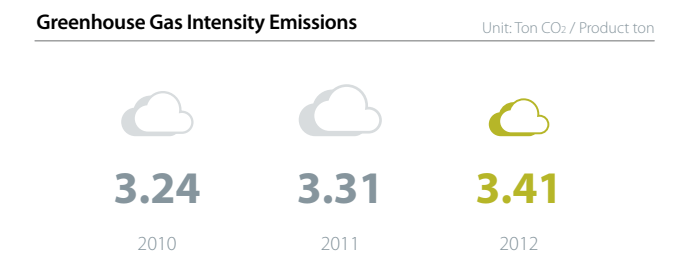
Response to Climate Change

Greenhouse Gas Emissions and Reduction

The Bio BU's greenhouse gas emissions at overseas business sites located in China(Liaocheng), Indonesia(Pasuruan, Jombang), and Brazil (Piracicaba) in 2012 increased by 27.5%, compared to those of 2011. This is attributable to increase in product output due to expansion of overseas business sites and launch of a variety of new products, which led to increases in direct and indirect greenhouse gas emissions. The Bio BU is undertaking proactive greenhouse gas emission reduction projects such as recovery of waste heat, enhancement of recycling processes for various sub-materials, and efficient operation of utilities equipment. The Bio BU will make ongoing efforts to reduce greenhouse gas emissions by improving yield rates of fermentation processes and unit productivity.

Greenhouse Gas Emissions Unit: 1,000tons CO₂

	2010	2011	2012
Scope1	904	1,057	1,360
Scope2	285	326	405
Total	1,189	1,383	1,765



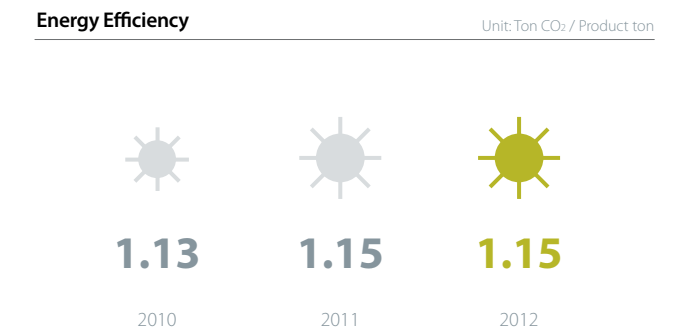
* Calculation method in accordance with the Korean GHG and energy target management system has been applied.

Energy Saving

With increase in production output at overseas bio business sites, the total energy use in 2012 increased. However, the bio business sites of CJ CheilJedang are doing their utmost to save energy by implementing process innovation activities, which involves reduction of electricity consumption through efficient operation of utilities equipment and operation of steam absorption chillers, energy saving through development of pressurized alternative dryers, and recovery of waste heat. CJ CheilJedang will continue to save energy through development of innovative processes and equipment investment to achieve energy efficiency.

Energy Use Unit: Total energy use(TOE)

	2010	2011	2012
Electricity	135,609	155,311	191,424
Coal	137,466	155,207	272,391
Gas	139,828	165,462	128,223
Diesel oil	120	4,220	5,057
B/C oil	361	787	721
Total	413,385	480,987	597,817



* The energy sources have been converted to TOE (Ton of Oil Equivalent).

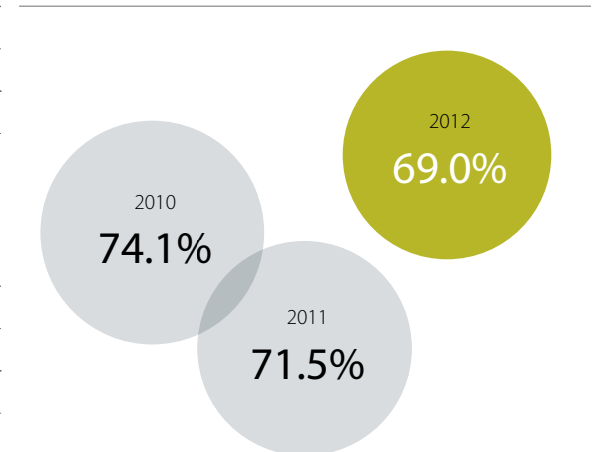
Environmental Monitoring

Water Resource Management

Water resources are gaining importance as one of the most challenging global environmental issues, as the number of regions suffering from chronic drinking water shortages have been rising amid escalating downpours and drought caused by rapid industrialization, large development projects and global warming. It is forecasted that regions covering two-thirds of the Earth's surface, including China, North America, Australia and India will experience water shortages by 2025. Against this backdrop, CJ CheilJedang's bio business sites located around the globe are making efforts for water resource management. In 2012, total water use increased owing to increases in product output at overseas bio plants. However, the company is carrying out activities to save water through such projects as improvement of process efficiency, water-saving at production lines and recycling of water. In addition, wastewater discharge, compared to water use, is showing downward trends year by year. In particular, the Liaocheng plant in China is endeavoring to reduce wastewater discharge by establishing a wastewater reuse process.

Water Use	* Unit: Water Ton/Product Ton		
	2010	2011	2012
Water Use(1000 tons)	19,687	23,918	30,878
Water Use Intensity*	53.62	57.20	59.58

Wastewater Discharge Compared to Water Use



Wastewater Discharge	* Unit: Wastewater Ton/Product Ton		
	2010	2011	2012
Discharge(1000 tons)	14,602	17,106	21,332
Intensity discharge*	39.77	40.91	41.16

Discharge Minimization Project

Water resources are essential in the fermentation process of the Bio BU of CJ CheilJedang. In the case of China, which is one of key bases for overseas business, water resource is insufficient. Therefore, CJ CheilJedang is taking the lead in proactive water resource management through large-scale investments to secure water resource on a stable basis. The Bio BU is currently pressing ahead with a project with epoch-making goals of not only securing water resource on a stable basis, but also reducing water use and wastewater discharge by more than 50% by making large-scale investments worth US\$3.6 million in the Liaocheng Plant in China by developing innovative water and wastewater recycling process. The discharge minimization project will be applied to the Liaocheng Plant in China at the end of 2013 and to the Shenyang Plant in China in 2014.

By-Product Emissions and Recycling

Unit: 1,000 tons



Fermented By-Products Fully Recycled as Organic Fertilizer

Fermented by-products are generated in the amino acid product manufacturing process of the Bio BU of CJ CheilJedang. By-product emissions increased with the rise in annual production output and in 2012 by-product emissions increased by 29%, compared to those of 2011. However, CJ CheilJedang fully recycles fermented by-products as organic fertilizer. The Bio BU of CJ CheilJedang offers quality organic fertilizer to local farmhouses and agricultural produce companies by recycling by-products generated during the fermentation process of

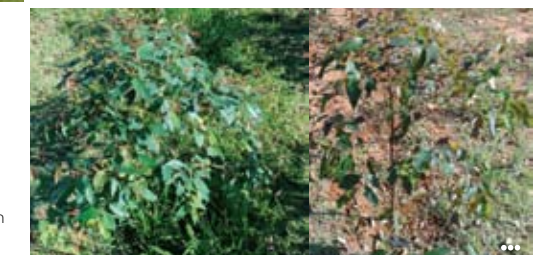
amino acids and nucleotides for animal feed. Fermented by-products from amino acids and nucleotides are rich in inorganic nutrients such as minerals, as well as organic nutrients such as organic acid and amino acid, acting as quality organic fertilizer that accelerates the growth of agricultural produce and plants and boosts resistance from diseases, thereby improving productivity of agricultural products. Fermented by-products generated in overseas bio plants in Indonesia, China and Brazil were recycled 100% as organic fertilizer in 2012. Recycled organic fertilizer is applicable to all crops, including soybean, sugar cane, sugar beet, and cassava and is mainly used for local key crops overseas. In addition, in order to supply the fertilizer in liquid form, we have procured tanks and liquid fertilizer transportation system, supplying it to large farms and small farmland. As there have been confirmed cases showing accelerated growth of crops and improved productivity with the use of liquid fertilizer, liquid fertilizer not only revitalizes local economy through acceleration of crop production, but also creates new, eco-friendly added value through recycling of by-products.



• Transportation of liquid fertilizer using tanks(Brazil)



•• Application of liquid fertilizer(soybean)
••• Liquid fertilizer application effects



Fertilizer application No fertilizer application



04 RESPONSIBLE CJ

- ...Signing MOUs on shared growth and collaboration with 68 SMEs
- ...Operating a housewives' consumer panel for 10 consecutive years
- ...Supporting education & training expenses per person

KRW 1.65 MILLION

- ...Operating the CJ Kids-Ville

101 KIDS

- ...Donation

KRW 25 BILLION



- > Shared Growth & Win-Win Management
- > Customer Satisfaction Management
- > Great Workplace
- > Together with Local Communities

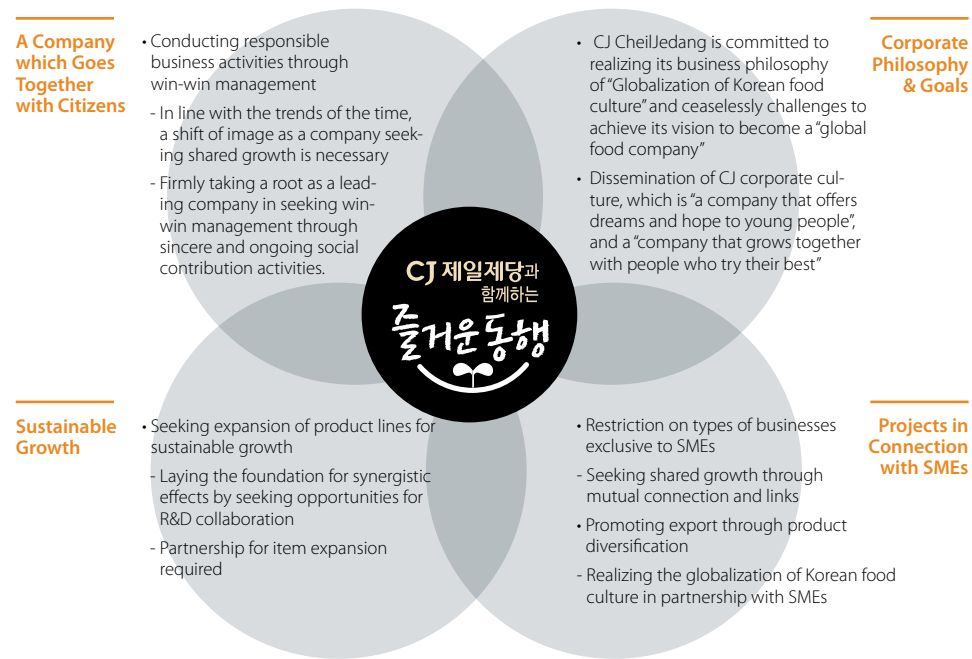


Shared Growth & Win-Win Management

Shared Growth and Win-win Management Strategies

Based on its founding philosophy and corporate culture, CJ CheilJedang deeply recognizes the need for win-win partnership with its suppliers and considers it as a prerequisite for boosting corporate competitiveness. In an effort to provide ongoing and practical assistance to management activities of its suppliers, CJ CheilJedang is engaged in win-win management based on sincerity, seeking shared growth and co-prosperity with them.

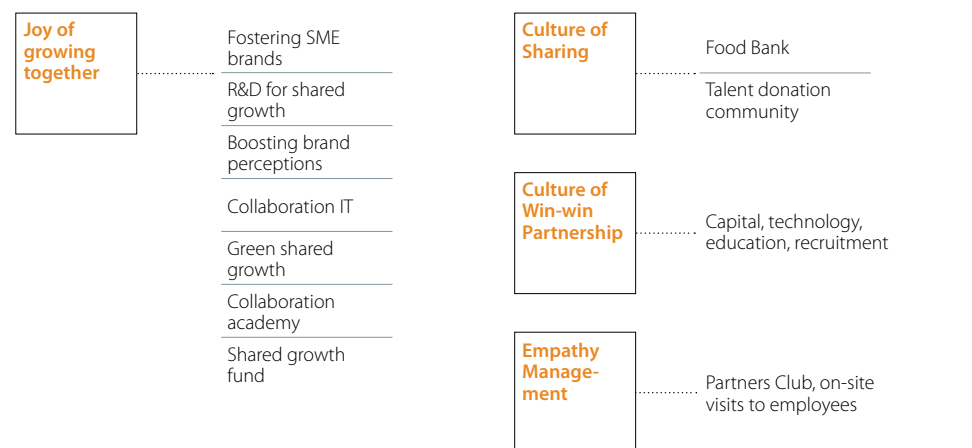
Shared Growth Strategy



Roadmap for Shared Growth and Win-Win Management

- "Joy of growing together" which supports SMEs in terms of brand cultivation, market exploration and capability improvement.
- "Culture of Sharing" that fulfills social responsibility through donation of goods and talents
- CJ CheilJedang spreads the "culture of win-win partnership" which supports the most difficult areas of suppliers, while seeking "empathy management" through communication.

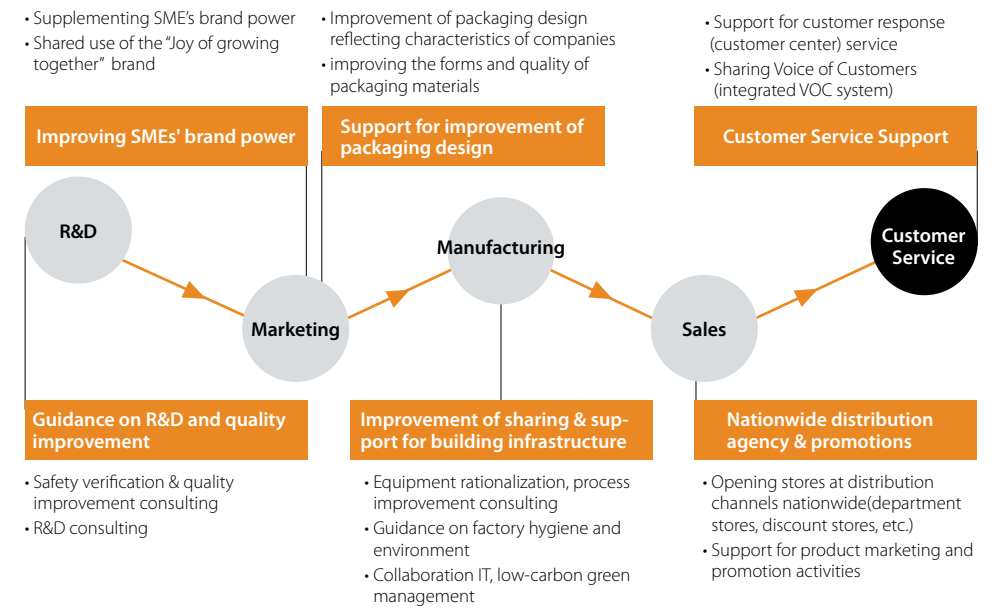
Roadmap for Shared Growth



Shared Growth and Win-Win Management Model

- Support for fostering SME's own brands and exploring markets nationwide
- Support for various activities designed to improve product capabilities (design, quality guidance, customer service support, R&D, Shared growth IT, green shared growth, etc.)

Shared Growth Model



Joy of growing together

Given that its main suppliers are SMEs, CJ CheilJedang is inducing enhancement of their competitiveness by supporting enhancement of capabilities of our business partners, while working together to become global top-tier companies based on mutual trust. In particular, given the characteristics of food companies, CJ CheilJedang is operating the "Joy of growing together" program to ensure shared growth with its partner companies which are mainly local food companies and small-and-medium-sized food manufacturers. "Joy of growing together" is CJ CheilJedang's shared growth brand which aims to make the ecosystem of Korea's food industry healthier by supporting the growth of SMEs. It is a new type of shared growth model that provides small-and-medium-sized food companies with opportunities for business growth and offers CJ CheilJedang opportunities to expand its business portfolio and to participate in new markets.

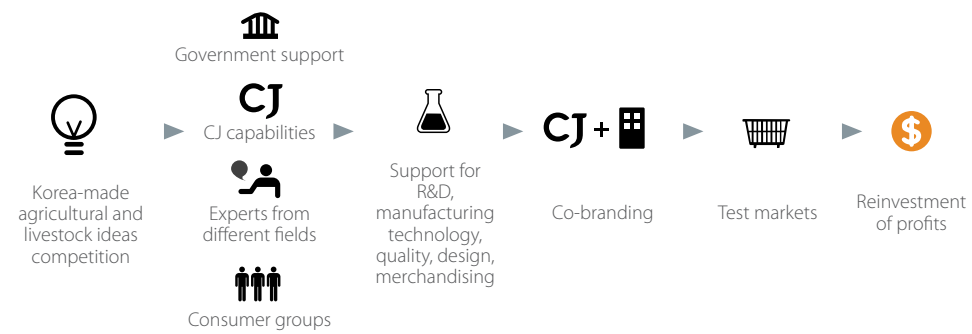
MOUs on Shared Growth and Collaboration

In 2012, CJ CheilJedang signed MOUs on shared growth and collaboration with 68 promising food SMEs from different regions. Based on the MOUs, the company has been vigorously providing support for shared growth encompassing support for sales of local brand products, support for operating funds, and guidance on quality improvement.

Joy of growing together between CJ and the Ministry of Agriculture, Food and Rural Affairs

Based on expertise accumulated over the past six decades, CJ CheilJedang has identified traditional foods and local native foods through the brand of "Joy of growing together-Collaborative products" and has been engaged in various collaboration activities, including nationwide distribution, marketing, R&D, and quality inspection. In 2012, CJ CheilJedang launched 28 collaborative products and 30 people's food products under the brand of "Joy of growing together", sharing the joy of shared growth with local food companies, small-and-medium-sized food companies and consumers. Furthermore, the company intends not only to expand purchase of Korea-made agricultural and livestock products, but also to explore SMEs, which use Korea-made agricultural and livestock products, and to support their capability improvement.

“Joy of growing together”, Win-win Management Program



CJ CheilJedang’s “Joy of growing together-Collaborative Products” use SME’s own brands, thereby enhancing SMEs’ brand perceptions among consumers and enhancing their self-reliance. The company is producing products in partnership with local traditional food companies that have preserved Korea’s traditional taste on top of CJ CheilJedang’s accumulated expertise. In 2012, CJ CheilJedang jointly launched Joy of growing together collaborative products such as mustard leaf kimchi, red pepper paste, mulberry leaves tea and makgeolli(rice wine) in partnership with nine regional traditional food companies. Based on success stories of Joy of growing together such as its 10-fold growth in sales in the case of “Upo’s Morning Makgeolli” of Changnyeong, South Gyeongsang Province and export of “Maisan Kimchi” produced by Bugwi Nonghyup(Korean agricultural cooperative) in Jinan, North Jeolla Province to Japan, CJ CheilJedang will continue to explore and expand collaboration possibilities for Joy of growing together in the future.

Joy of growing together_ Collaborative Products

- Gangwon Province Baekdudaegan Tofu made with finely ground, nutritional Korean soybean
- Yeosu Dolsan Mustard Leaf Kimchi with rich taste and deep aroma made with mustard leaves cultivated and made by Yeosu farmers in sea breeze
- Andong Jebiwon Traditional Soybean Paste, the taste of tradition handed down by eldest daughter-in-laws of prestigious head families
- Sunchang Seol Dong Sun Red Pepper Paste, which fully retains the taste of famous grandmother Seol Dong-sun in the Sunchang region renowned for outstanding flavor of traditional sauces
- Mulberry Leaf Tea made with 100% organic mulberry leaves in Naju, South Jeolla Province
- Jeonju Saeng(Fresh) Makgeolli, the taste of 1,000 years, the taste of nature recognized by the world
- Upo’s Morning Makgeolli made with Korean rice featuring cool, gentle, yet tangent taste

In 2012, CJ CheilJedang’s Joy of growing together was further expanded with the launch of the so-called “People’s Food Products”. The “Joy of growing together-People’s Food Products” comprise 30 products in five categories of soybean sprout, noodle, kalguksu(handmade, knife-cut noodle), cellophane noodle and sweet radish pickle. Consumer prices of these products are lowered by 10% on average, while supply prices of suppliers are maintained intact and the profits of CJ CheilJedang are eliminated, thereby increasing the profits for small-and-medium-sized food companies. Through the products, CJ CheilJedang offers economic benefits to consumers with inexpensive products, while providing benefits of profits and business stability to SMEs.



Local Purchase ⁵

CJ CheilJedang pursues a local purchase policy not only to seek shared growth with partner companies, but also to promote shared growth with local communities. The majority of “Joy of growing together” brand products are manufactured in collaboration with locally-based food companies and raw materials of local specialty products are locally procured, contributing to the development of local farm houses. “Joy of growing together-Mulberry Leaf Tea” is a tea beverage utilizing mulberry leaves, a specialty of Naju City, South Jeolla Province. It is made from mulberry leaves that are grown locally with eco-friendly farming methods, using no pesticides. Increased sales of the product are leading to rising demand for mulberry leaves, contributing to invigoration of the local economy.

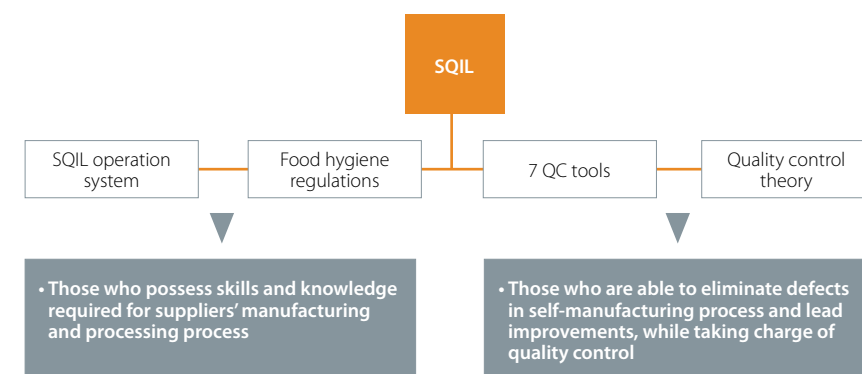
⁵ Local Purchase
Go to Overseas Units’ Local Purchase(p.80)

Collaboration Academy

CJ CheilJedang operates the Collaboration Academy to share its expertise accumulated over the past six decades, to communicate with its suppliers and to provide practical assistance to their skills improvement. In 2012, a total of eight courses were offered and 107 employees 43 from supplier companies participated in the education programs offered by the Collaboration Academy. The Collaboration Academy offers education that selects and cultivates Supplier Quality Innovation Leaders(SQIL) on an ongoing basis to help suppliers build independent quality control capabilities. The program is producing such effects as substantial improvement of suppliers’ manufacturing capabilities and preliminary product quality control for CJ CheilJedang. In addition to external instructors, quality practice experts by division from CJ CheilJedang also act as instructors, offering education which is applicable to actual practice.

Besides, CJ CheilJedang has operated a department in charge of quality support for suppliers(Collaboration Team) to improve quality and hygiene management levels starting from 2011. Personnel in charge visit production fields of respective suppliers to provide guidance, while encouraging quality personnel of suppliers to attend the Collaboration Academy. In 2012, education was offered to 68 suppliers and 34% of supplier employees participated in the education programs.

SQIL(Supplier Quality Innovation Leaders) Education



Technical guidance for Joy of growing together suppliers
Technical guidance on Baekdudaegan Tofu production

Collaboration IT

CJ CheilJedang is seeking to boost competitiveness by supporting the establishment of IT infrastructure for SME partners. It has reduced inventory management costs, disposal costs, and personnel operation costs through system improvement and management computerization. The company will continue to provide education on change management aimed to facilitate the use of systems in the future, thereby helping suppliers use their IT system on an efficient and stable basis.

Shared Growth Fund

CJ CheilJedang provides practical assistance to its suppliers by providing financial support to partner companies in their effort to secure liquidity. The company has created shared growth fund worth KRW 30 billion and has loaned KRW 27.17 billion to 41 suppliers at interest rates lower than market rates. It plans to increase the amount of the shared growth fund and to shorten the duration of payment date, while expanding the scope of beneficiaries of the fund to include suppliers participating in Shared Growth R&D projects.

Communication with Suppliers

CJ CheilJedang is communicating with its suppliers through diverse communication channels via the Strategic Purchase Team, Collaboration Team and Sales Team, which act as contact points with suppliers. The company operates an online channel for all the suppliers at all times, while operating the Partners Club, shared growth workshops, and quality workshops as communication channels for major partner companies, authorized dealers and OEM companies to communicate with them on a regular basis and identify pending issues on the partner companies. In particular, the "Partners Club" and the "Shared Growth Workshop" in which the CEO listens to difficulties of partner companies on a regular basis to promote mutual communication are major channels that strengthen mutual communication between CJ CheilJedang and its suppliers. CJ CheilJedang will continue to expand and further develop mutual communication with partner companies in the future.

Communication Channels with Partner Companies

	For all the partner companies of CJ CheilJedang	For major partner companies of CJ CheilJedang	For authorized dealers of CJ CheilJedang	For OEM companies of CJ CheilJedang
Communication Channels	http://www.cjpis.co.kr	CJ CheilJedang Partners Club	Shared Growth Workshop	Quality Workshop
Description	<ul style="list-style-type: none"> Operated throughout the year Guidance on transactions Q&A on various inquiries on transactions In charge: Strategic Purchase Team 	<ul style="list-style-type: none"> Operated once per month by subdivisions Listening to suggestions by subdivisions Meeting with the CEO In charge: Strategic Purchase Team 	<ul style="list-style-type: none"> Operated twice a year Discussion on collaboration with authorized dealers Maintaining strategic partnership Evaluation and prize-awarding of outstanding authorized dealers In charge: Sales Strategy Team 	<ul style="list-style-type: none"> Operated twice a year Sharing production management techniques with OEM companies Collecting and sharing ideas on areas of improvement in the production process In charge: Collaboration Team under Production Unit



* Shared Growth Workshop ** Partners Club

Enhancing Customer Satisfaction

CJ CheilJedang is making concerted efforts to enhance customer satisfaction by providing products meeting the needs of customers based on its technological edge through aggressive R&D activities and collecting customers' opinions and reflecting them in management activities.

Customers' Window

CJ CheilJedang is engaged in a wide range of activities to listen to voices of all the customers and actively reflect them in its management activities. Employees unreservedly deliver suggestions or assessment on matters related to CJ CheilJedang from the perspective of customers via an Intranet system called "Customers' Window" and departments in charge reply within D+24 hours based on business day concerning the review results and actual reflection of the suggestions.

Customer Suggestion Improvement Responsibility System

In appreciation for suggestions from voices of customers(VOC: complaints, suggestions, etc.) received via the Customer Center or online, CJ CheilJedang sends an upgraded product to the customers who have submitted suggestions on product improvement. In the future, the company plans to display the name of the customer and suggestion on the package of the improvement product upon receiving the consent of the customer to publicize that the product has been improved thanks to customers' suggestions, thereby inducing participation of greater numbers of customers.

A case of product improvement upon customer suggestion **Katsuya Pork Cutlet (Ms. Sohn Customer)**

Customer Suggestion

I really wanted to try the Katsudong sauce. There was only one pack of sauce, but the port cutlet was for four servings. I only needed to eat a single serving, but I had to use the sauce for the whole serving.

맛글 | 역인글 | 공감

Detailed description

Jan. 2012
Request for dividing the sauce of Katsuya Pork Cutlet into small packets


Apr. 2012
The sauce has been packed into a single serving and is now on sale in the market

Customer Response

• No. of complaints received through MD1 Site in 2012 after improvement
29 cases → 0 case

After receiving the improved product, the customer posted the review on the blog

"About a year ago, I bought Katsuya pork cutlet and posted a review on the blog. A few days ago, I got a call from CJ CheilJedang Customer Happiness Center. They told me that they improved the sauce packaging and would send a box of the product. I even received a thank-you card. I would like to thank the company too."



CX(Customer eXperience) Verification

In order to depart from passive response to VOC, proactively listen to VOC and improve services from the viewpoint of customers, CJ CheilJedang introduced the Proactive VOC Management Activities starting from 2012, conducting customer experience(CX) surveys. Concerning customers who repeatedly experience failures in the process of cooking CJ CheilJedang's brand products and facilitate the understanding of the global market, the company is visiting such customers to listen to their opinions. By doing so, CJ CheilJedang forecasts potential demand, while linking such activities to actual product improvements.

Customer Satisfaction Management

Verification of Product Labelling

In 2012, in order to improve product information labels from the perspective of customers meeting the needs of consumers, CJ CheilJedang has established a collaboration system with departments in charge and formulated inspection standards. Based on the inspection standards, the "Product Labelling Verification Group" consisting of 60 consumers from all walks of life, including office workers, students and housewives, conducts preliminary verification of product labelling prior to the launch of new products. Areas pinpointed during the verification process are reflected and modified accordingly.



Product labelling inspection team

Customer Communication

CJ CheilJedang is utilizing various channels to facilitate communication with its customers and is making concerted efforts to promptly respond to opinions of customers. Our call center and homepage is accessible at all times to collect opinions of customers, while interactive communication is also available by utilizing SNS such as twitter (@cjcheiljedang) and facebook. CJ CheilJedang will continue to expand customer communication channels to facilitate access to customers, while proactively responding to opinions of customers in the future.

Customer Satisfaction Survey

CJ CheilJedang is continuously checking on customer satisfaction through which it is pursuing improvement of MOT(Moment of Truth) service quality. As part of efforts to make improvements based on survey results, the company has shortened the waiting time of customers until they are connected to customer service representatives by modifying ARS announcement and logic and thus has made it more efficient. As part of the CJ WOW Project, which is aimed to ensure customer satisfaction, CJ CheilJedang has expanded the customer service representative real-name system and refrigerated delivery service for customer gifts, striving to enhance customer satisfaction.

CJ Customer Happiness Center

CJ CheilJedang operates the CJ Customer Happiness Center in the categories of general food, health food, pharmaceuticals and animal feeds to help customers have a proper understanding of various products manufactured by different business units and use them accordingly. Consumers can make inquiries, requests or lodge complaints on products and receive consultations by phone through the Customer Happiness Center. The company continuously offers education to customer service representatives at the call center to enable accurate and speedy response to relevant information, helping customers acquire information.

Voice of the Customer

In an effort to listen to ideas and various opinions suggested by consumers using products, CJ CheilJedang has opened the "Voice of the Customer(VOC)" bulletin board at its homepage. In 2012, a total of 104,741 VOCs were received and departments in charge reviewed 456 cases among them and some of them have been reflected in product improvements.

TalkTalk Housewife Consumer Panel

CJ CheilJedang has operated the housewife consumer panel for 10 years to actively collect opinions of housewife consumers, who are major customers, from the product development stage. The company has launched new products such as the Hasunjung "Crunchy Kimchi" and Fresian's "Healthier Fish Cake" which reflected opinions of housewife consumers. Fresian's "Healthier Fish Cake" has been developed as less salty, non-frying fish cake by reflecting opinions of the Talk Talk Housewife Reviewers, satisfying the needs of customers and boosting reliability of the product.

U-monitour Consumer Panel

By 2012, a total of 600 consumers had participated as U-Monitours and currently the 7th U-monitour Panel is under operation. U-monitour is a word combining "Ubiquitous", "Monitor" and "Tour" and refers to a consumer panel that is accessible anywhere and at any time. U-monitour consumer panel participates in response survey through new product sampling and presents their opinions, while conducting various online or offline consumer surveys on products and services and touring factories. It plans to act as "Mystery Shoppers" in the future, which is expected to enhance the quality of services offered at CJ CheilJedang's brand shops.

CJ THE KITCHEN

CJ The Kitchen members experience products ahead of new product launch and share reviews with other consumers, while providing information such as various recipes on CJ CheilJedang's products. In addition, the company offers opportunities for consumers who are interested in CJ CheilJedang and its products to participate in cooking classes where they can taste food using CJ CheilJedang's products and learn cooking recipes on the menus from professional instructors. In 2012, CJ CheilJedang won the first prize in the 2012 Web Award Korea for exploring various consumer experience events and promotions and proactively communicating with consumers.

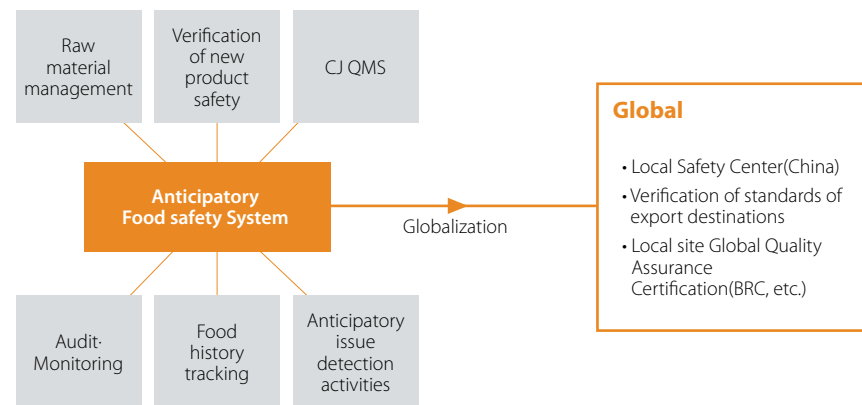
Customer Information Protection

CJ CheilJedang has drawn up stringent internal regulations on protection of customers' personal information (policy on protection of consumers' personal information and compensation in the case of information leakage), requiring all the employees to comply with them. In 2012, there has not been a single case of violations. The company also operates education courses on information security on the CJ online campus, while all employees learn action plans related to the company's information protection every year and receive education on the concept and importance of personal information protection.

Product Safety Management

CJ CheilJedang places a top priority on health and safety of consumers throughout the product cycle from development, production, distribution and consumption stages. With such efforts, the company works to build up strong relationship with consumers based on trust.

Anticipatory Food Safety System



Categories of CJ QMS

Development (9)	Packaging development, design review, new product verification, etc.
Purchase(3)	Supplier management, purchase management, approval of suppliers' quality
Manufacturing (10)	Worker certification, line stop, traceability, facility management, etc.
Logistics(3)	Logistics quality control, distributed product safety management, etc.
Common(11)	Standards operation, education & training, audit operation, etc.

Operation of CJ QMS(Quality Management System)

CJ CheilJedang has established the CJ QMS(Quality Management System) as an internal policy, while using it as global standards for all business sites at home and abroad. The CJ QMS is applied by stages involving development, purchase, manufacturing and logistics and is composed of 36 categories, including the commonly applied category. All employees of CJ CheilJedang are endeavoring to secure food safety at all stages by regarding food safety as the most fundamental and essential element.

Operation of the CJ Food Safety Center

In 1997, for the first time in the industry, CJ CheilJedang opened the Food Safety Center, a specialized organization that systematically conducts food safety management.

The Food Safety Center manages the safety of CJ CheilJedang's all products by operating a safety verification system to ensure food safety, conducting preliminary confirmation and management of harmful substances based on global standards, and operating internal food safety guidelines which are more stringent than standards presented by the Ministry of Food and Drug Safety.

Compliance with Food Safety Management Standards by Global Markets

CJ CheilJedang ensures anticipatory food safety management by utilizing diverse food safety management tools. The company manages food safety levels of its products tailored to countries with business presence and complies with standards required by respective countries. Examples of such efforts include the operation of food safety centers in China, food safety standard verification on exported products in the local countries, and reflecting overseas safety standards such as BRC. In addition, CJ CheilJedang signed a technology alliance agreement with Silliker® of the United States in 2002 to come up with food safety diagnosis system of global standards and introduced GMP⁷(Good Manufacturing Practice).

6_SILLIKER

Silliker offers audit service with branches in 49 regions(Asia-Pacific, Europe, North America, Latin America) in 15 countries. It is a global audit company that assesses the overall food safety systems(quality system, building/workplace, work processes, pest control, worker hygiene, storage/delivery, food defense, etc.) based on advanced GMP management regulations.

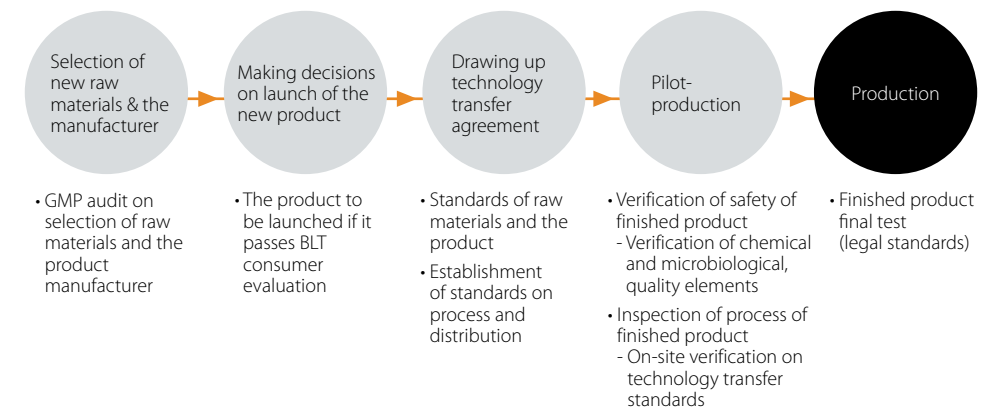
7_GMP(Good Manufacturing Practice)

• Overall management requirements for manufacturing of products with good quality
 • Standards that stipulate rules on manufacturing and quality management ranging from all process management to shipment, including structure, equipment of business sites, purchase of ingredients of food products, manufacturing and packaging to manufacture products with quality assurance.

Application of Safety Verification Process

CJ CheilJedang operates a new product safety verification process aimed to verify the safety of a product in advance by reviewing chemically or microbiologically harmful elements, which may be generated in raw materials, processes and finished products, prior to the launch of new products. This process is applied not only to products manufactured by CJ CheilJedang, but also to OEM products, as well as new gifts to be offered to consumers, test marketing products and promotional products.

Safety Verification Process



Guidelines on Healthy Processed Food

CJ CheilJedang has released "Guidelines on Healthy Processed Food" which are guidelines on seven nutritional elements, including energy, fat, saturated fat, trans fat, sugar, sodium, cholesterol that may affect health of consumers. The CJ CheilJedang Foods R&D Center and the Korean Nutrition Society jointly conducted a research that sets upper limits by products on these seven nutrients that may be harmful to health of consumers, striving to provide healthier food products to consumers.

Providing Accurate Labelling Information Product Labelling

CJ CheilJedang cross-checks all products before and after their launch to deliver proper information that consumers wish to acquire or that are necessary for consumers. In an effort to prevent false or exaggerated information, the company checks on packaging materials and advertising for all products in advance, while making efforts to deliver accurate information to consumers in an easy-to-understand manner in connection with departments in charge of product launch such as marketing, technology departments and quality safety center. In addition, CJ CheilJedang has been conducting regular inspection on products and advertising even after product launch, pressing ahead with post-monitoring procedures. In 2012, the company complied with all the regulations related to responsible provision of information to consumers and there has been not a single case of violations.

CJ Finder & Product Information Q&A

CJ CheilJedang's homepage operates the CJ Finder and Product information Q&A to help consumers obtain product information. The company discloses information on products consumers have purchased, including ingredients, nutrition facts, features, cooking recipes and how to use, and storage methods, along with product pictures. In the Q&A section, frequently asked questions on CJ CheilJedang's products are posted, allowing consumers to obtain information more promptly.



CJ Finder

Great Workplace

Talent Management

Based on its founding philosophy of placing top priority on people, CJ CheilJedang offers a wide range of capability enhancement education courses to foster its employees. The company offers various education programs, including orientation, on-the-job training, specialized education to foster core talents, and global capability enhancement education, providing opportunities for employees of CJ CheilJedang to grow together in tandem with the company's growth.

Education & Training Cost Per Employee Per Year

Unit: KRW 1,000

* Based on office workers



Talent Cultivation through various education programs and opportunities

Orientation

CJ CheilJedang offers different types of orientation education programs for new employees, depending on the work scope and recruitment types. Orientation program for new employees who have graduated from universities comprise CJ Group orientation, **ONLYONE** Fair, **ONLYONE** Camp(which is offered one year after the new employees join the company. Orientation program for new manufacturing employees consists of CJ CheilJedang orientation, the New Start course and the Vision Camp which is offered one year after they join the company. Meanwhile, orientation process for employees with experience consists of programs that help them create results early through understanding of business and organization and soft-land in the organization through ongoing interest and communication. Employees with experience participate in CK Group orientation, CJ CheilJedang orientation, as well as works held 3 months and 9 months after they join the company, a meeting offered 6 months after they join the company, and the **ONLYONE** Camp offered one year after they join the company.

Fostering Core Talents

CJ CheilJedang operates mentoring and coaching systems to identify and foster talents at early stage. Expert courses such as mini-MBA and CFO courses in consideration of characteristics of work duties are offered to selected talents, helping them become core talents specialized for specific work duties.

On-the-Job Training

CJ CheilJedang offers specialized OJT(on-the-job) training to new employees working for food & pharmaceuticals sales department, food, food ingredients, bio marketing departments to boost their expertise and to assist them to create results early. In addition, phased capability enhancement programs, including the "Marketing Academy," "Sales Basic & Advanced" depending on work capability levels, are also available to cultivate industry experts.

Enhancement of Global Capabilities

CJ CheilJedang has set languages of countries with business operation as strategic languages and offers internal language courses online and offline, seeking to improve employees' global capabilities. It also operates intensive languages courses designed for those who will be assigned overseas to help them adapt to local conditions. It also selects Global Experts(GE) through an internal competition and offer them opportunities to experience foreign cultures and explore new business opportunities overseas, fostering them as global experts specializing in specific regions.

Leadership Education

CJ CheilJedang offers leadership education differentiated by roles for promoted personnel to help all employees grow into leaders suiting CJ's leadership model and exert leadership. For managers, such programs as "Working with Members" and "Coaching Skill Improvement Course" are offered, while preliminary manager courses are also offered to cultivate talents who will become managers in the future.

Development of Career Path

CJ CheilJedang organizes capability development planning interviews between department heads and employees annually to create an environment where employees realize their vision and achieve self-realization, while receiving the support from the company. In addition, the company offers job rotation opportunities through competitions on the company and Group level to offer chances for employees to build their career in areas they desire.

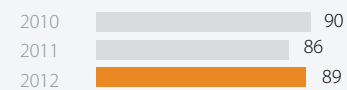


* PMDS(Performance Management & Development System)

CJ CheilJedang performs PMDS for all employees(Yet, employees who have been employed less than 3 months are excluded).

PMDS participation ratio

Unit: %



Balance Between Work and Life

CJ CheilJedang has systematically established the CJ Total Rewards System to help all members enjoy more stable life and do their best in conducting their duties and operates various customized incentive systems by job duties. In addition, the company has developed welfare and benefit systems suiting the spirit of **ONLYONE** to help employees achieve balance between work and life, while endeavoring to create a corporate culture which is friendly to family and women.

Support for Employees' Refreshment

CJ CheilJedang provides support for various types of accommodation facilities including condominiums, pensions and hotels(156 accommodation facilities nationwide) as part of its choice-based welfare system to promote refreshment and leisure life of its employees. The company operates cafeteria welfare points for which employees can make direct application at the time of overseas trips. Furthermore, CJ CheilJedang operates 20 clubs in various fields and supports long service leave to strengthen unity among employees and help them enjoy sound leisure and hobby activities.

Great Workplace for Women

In 2009, CJ CheilJedang signed an MOU on dissemination of women-friendly corporate culture with the Ministry of Gender Equality in 2009, pledging to carry out such activities as expanded recruitment of female talents, prevention of career interruptions due to childbirth and child care, and cultivation of women leadership. In 2010, the company was selected as a company with gender equality in employment and a family-friendly company by the Ministry of Labor in recognition of its accomplishments in the area.

CJ CheilJedang operates "flexible work time", "CJ Kids-ville", "working from home" and "working hour reduction system for child care". The CJ Kids-ville, a workplace child care center recruits only certified teachers. In 2012, it offered comfortable and safe facilities to 101 kids(capacity: 120), reducing employees' burden of child care and thus helping them concentrate on work. Meanwhile, the company also operates a welfare system that provides fertility treatment expenses to employees and their spouses if infertile couples without children are diagnosed with artificial insemination or in vitro fertilization treatments. Starting from 2013, the company plans to implement the "CJ Returnship Program" to provide reemployment opportunities to women whose career interruption period has exceed two years due to marriage and childcare, recruiting female personnel in the new food product development area.

Voyage System

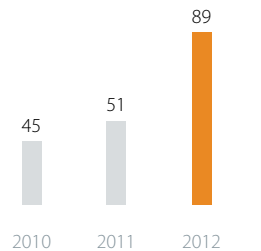
CJ CheilJedang operates the CJ Contents Voyage System to help employees experience first-hand the vision of the Group and get immersed in work with passion and enjoyment. Selected employees, voted on a monthly basis were invited to attend the Group's cultural events such as Ansan Rock Festival, Musical Broadway 42nd Street, "Rude Miss Young Ae" and the "Three Musketeers".

CJ Lifestyle Campaign

CJ CheilJedang recommends such activities as quitting smoking, exerting moderation in drinking alcohol, cultural get-togethers, Family Day and encouraging the use of annual leave through the CJ Lifestyle Campaign. In particular, the company implements weekly working hour management system by restricting weekly working hours to 52 hours and operating a signal light system to improve working environment for employees at manufacturing facilities. In 2012, the company recruited 200 new employees to be mobilized for shift work system to improve the practice of long-hour work and it plans to recruit new employees on a continuous basis.

Use of Child Care Leave by Gender

Unit: People



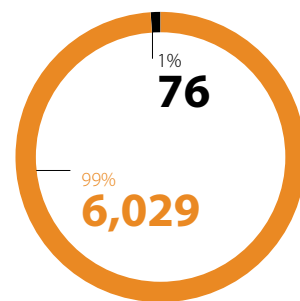
Culture Respecting Diversity

Respect for Human Rights

CJ CheilJedang respects human rights of all stakeholders, including its employees. The company has included the principle of prohibiting discrimination based on gender, education, and career in the employment rules and has complied with it, while institutionally prohibiting discrimination on employment, promotion, remuneration and retirement for such reasons as races, gender and physical impairment. Moreover, CJ CheilJedang has established the job grade system, performance management system, basic annual pay system and incentive system to evaluate performance based on identical systems and criteria.

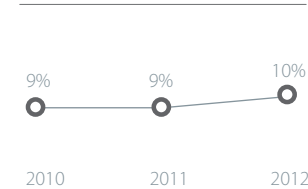
Employment Type

■ Workers without fixed-term contract
■ Workers with fixed-term contract



Total: 100%
6,105 employees

Retirement Rate



Employment Status

As of late 2012, the number of employees at CJ CheilJedang stood at 6,105. In order to prevent unjustified discrimination the company reviews compliance status with the Labor Standards Act and other labor-related laws, and conducts labor relations diagnosis on a regular basis to monitor the status at least once a year at headquarters and manufacturing facilities. As a result of efforts to address discrimination against workers with fixed-term contract, there were no violations in terms of discriminatory treatment against non-regular workers over the past three years. The company has minimized the employment of non-regular workers, maintaining their ratio of 1% out of total employees who are mostly contract workers going through capability verification period prior to regular recruitment. In terms of welfare and benefits, the same conditions apply except for some areas, including home loan to encourage long service.

Open Recruitment

In an effort to expand employment of socially underprivileged people, CJ CheilJedang has received consulting service on the development of jobs undertaken by disabled persons in partnership with the Korea Employment Agency for the Disabled and has been expanding the recruitment of disabled persons depending on work areas on an ongoing basis. As of 2012, the company's disabled person recruitment ratio stood at 1.5%. Meanwhile, in order to implement the policy of expanding employment of elderly people, which has emerged as one of the major social issues, CJ CheilJedang operates the CJ Meister's Club(CMC) aimed to extend employment of employees whose retirement age is imminent. The CMC system has such effects as accumulation of expertise, turning manufacturing technology into assets and transfer of work expertise, contributing to generating corporate achievements.

Prohibition of Child Labor and Forced Labor

CJ CheilJedang abides by the Labor Standards Acts on Child Labor. Only in the case of Meister High School students, the standard on workers of 18 years of age applies. The company has internally monitored forced labor possibilities during annual labor inspection and no violation has been made. The company prohibits forced labor in any form and pays them more than standards set by the Labor Standards Act by adding 150% of statutory holiday pay.

Sexual Harassment Prevention Education for Employees

CJ CheilJedang has included matters on prevention of sexual harassment in the Employment Rules and details are written in personnel regulations and operation guidelines for compliance. In addition, the company offers education on prevention of sexual harassment and creation of a safe working environment for all employees at least once a year. The education contents on sexual harassment are produced in connection with a specialized education institution(Samsung e-Campus) and compulsory online and collective education is offered. During the education sessions, not only general matters, but also the owner's policy on prevention of sexual harassment, victim remedy methods and measures against perpetrators are delivered in detail.

Open Labor-Management Culture

Open Council

CJ CheilJedang's Open Council refers to a labor-management council in accordance with the Act on the Promotion of Worker Participation and Cooperation. Instead of using the term "labor-management council" which distinguishes workers from the employer, CJ uses the term "Open Council" to convey open communication between labor and management as well as open management. The Open Council held every quarter is independently operated at the headquarters and business sites. The Open Council at the headquarters consists of 10 members from the employer side and 10 members from the workers side and its agenda implementation rate is approximately 90%. In 2012, there were a total of 10 agenda items and internal company events and welfare programs for employees were mainly discussed at the Open Council.

Among the Open Council regulations, there are regulations on complaints. Members in charge of complaints receive complaints orally or in written form and handle the complaints within 10 days from the day of receiving the complaint based on unanimous agreement. The complaint handling measure or result is notified to the individual who has lodged the complaint and employees' complaints which are not dealt with by the members in charge of complaints or other important matters are transferred to the next or ad hoc council.



- CJ logoshop Bazaar
- Youth Concert
- Company-wide event
- Venue for Exerting Passion-JSA

Major Activities

Agenda Name	Agenda Description
CJ logo shop Bazaar	The bazaar is designed to encourage use of the company's products and instill love for the company and the proceeds will be donated to the Nanum Foundation, contributing to activities of sharing campaigns.
Youth Concert	Concerts in the form of lectures or dialogue by company executives are organized to provide a venue for dialogue between employees and executives.
Company-wide event	Company outing participated by all employees to realize a fun and vibrant organizational culture.
Venue for Exerting Passion	Introduction of clubs; Operation of the "JSA", a photograph contest at CJ CheilJedang .
Operation of "Rest Day"	The company supports the use of leave to ensure employees' reconciliation between work and family and encourages the use of annual leave during the sandwiched holiday periods.
Dress Code	Dress code for summer has been eased to business casual, launching "No Jacket, No Tie" campaign.
Expanded volunteer activities by employees	Employees establish and implement volunteer activity plan(Kimjang, Food Bank, volunteer activities at Junggu District Office).
Fun Day	Internal game contests and quiz contests are organized to boost the spirit of the organization.
CJ Lifestyle Campaign	Business etiquette, post-production and internal awareness campaign designed to encourage quitting smoking and moderation in consumption of alcohol.

Surveys on Group Culture Diagnosis

CJ CheilJedang conducts a survey on group culture diagnosis once a year to diagnose the communication facilitation level to self-inspect and improve organizational communication. The diagnosis result is reflected in improving organizational culture.

Use of Honorific Suffix "-nim"

In an effort to facilitate communication in the company and create a horizontal organizational culture, employees at CJ CheilJedang has used honorific suffix "-nim" instead of position titles since 1999. All employees from management to staff are addressed "-nim", creating an atmosphere where creative and flexible communication is possible, unique to CJ.

CEO's Message

Employees at CJ CheilJedang receive a weekly e-mail titled "CEO's Message". CEO Kim Chul-ha communicates with employees regarding personal opinions and commitment on weekly key management issues via e-mail, which contributes to boosting morale of employees.



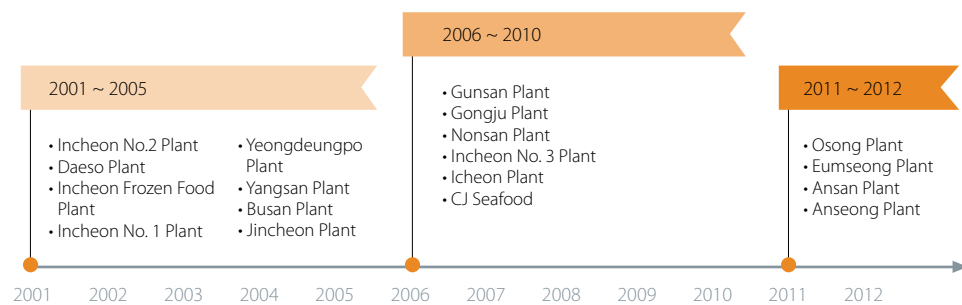
Fun Day

Employee Health and Safety

Occupational Health and Safety Management System

CJ CheilJedang has established the Occupational Health and Safety Management System(KOSHA 18001) at all domestic business sites and operates systemic management on occupational health and safety through external certifications and periodic post-evaluation. All matters related to industrial safety and health are managed through the Occupational Health and Safety Management System and the company strives to internalize occupational health and safety activities as organizational culture through establishment of annual health and safety objectives, activities to achieve the objectives, systematic risk assessment, education & training, and internal and external deliberations. Business sites are obligated to offer education for eight days for new employees, as well as online/offline industrial safety education more than four times per year.

Occupational Health and Safety Management System Certifications



Operation of Safety and Health Councils

In an effort to ensure that all employees work in a pleasant and safe environment, CJ CheilJedang has established standards on industrial safety and health and operates councils that discuss, vote and improve important pending issues on safety and health by business sites, company-wide level and zones.



Operation of Safety and Health Council

Industrial Safety&Health Committee	Company-wide Safety Council	Safety Council by Zone
It is a council comprised of the same number of members from management and labor at a business site. It is operated as a means of communication to build "No Disaster" business sites.	It is operated to exchange company-wide work implementation strategies, educate advanced technology information and effectively exchange information(Organized by the headquarters and participated by safety managers from all business sites)	All business sites are divided into five zones and the safety council by zones is operated with a purpose of upgrading and leveling safety management levels by zone and preventing safety-related accidents.

Enhancement of Health Promotion Activities

CJ CheilJedang offers customized health checkup programs, as well as health programs in consideration of characteristics of respective business sites(quitting smoking, moderation in drinking alcohol, exercise, stress from work, etc.) organized by health managers in collaboration with regional health-related organization, preventing occupational diseases and health-related diseases in advance.

Enhancement of Risk Management Activities

Under the goal of realizing "no disaster business sites", all business sites of CJ CheilJedang implement meticulous management in the safety and health sector, while conducting activities to prevent serious industrial accidents. Key activities include measures to keep equipment safe, concentrated management on health risk groups through cerebral and cardiovascular disease incidence risk assessment undertaken among all employees, prevention of serious industrial accidents such as fire, explosion and leakage and natural disasters such as torrential rain, typhoon, and heavy snow, diagnosis on potential risks by specialized institutions and mid-to-long term tasks to minimize damages. In addition, as part of comprehensive risk management, the company has formulated and enhanced the Business Continuity Plan(BCP) at all business sites.

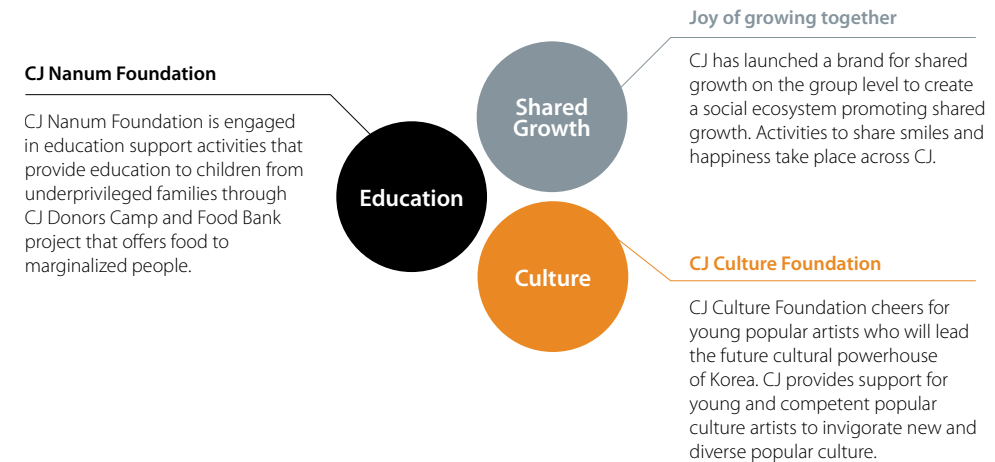
Safety Accident Status - Incidence rate per 1000 employees(%)

	Food manufacturing industry	CJ CheilJedang
2010	12.53	0.19(2cases)
2011	10.66	0.18(1case)
2012	-	0.16(2cases)

Corporate Social Responsibility Strategy

As a global lifestyle culture company which affects everyday life of consumers, CJ CheilJedang has selected three core areas of health, education and culture and has been making strenuous efforts to improve the quality of life for underprivileged people in Korean society.

CJ CSR Strategy



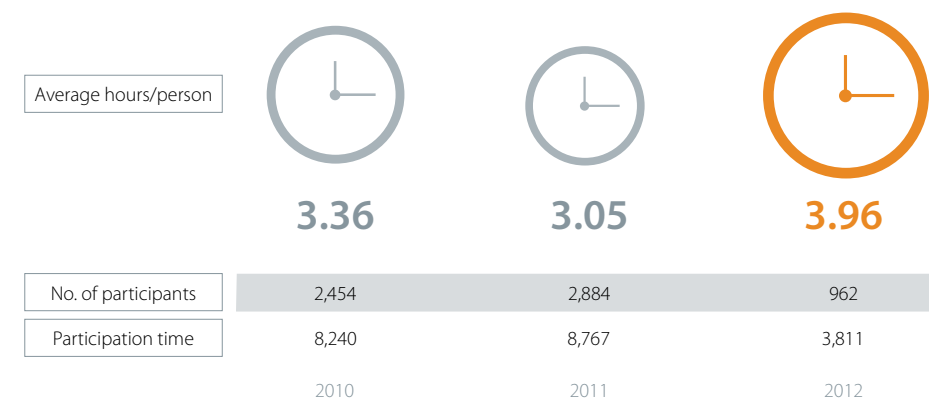
Social Contribution to Local Communities

Employees' Activities of Nanum(Sharing)

CJ CheilJedang's employees have been voluntarily engaged in volunteer activities, taking the lead in implementing corporate social responsibility. In addition to donation of food to Food Bank of the Korea National Council on Social Welfare since 1999, the company has participated in "Joy of growing together Food Bank Hope Sharing Volunteer Service Campaign" since 2011. Furthermore, employees at CJ CheilJedang designate part of their monthly salaries as donation to the CJ Donors Camp and participate in various volunteer activities such as kimjang-making at the end of the year, regular meal service by business sites, and environment cleaning-up activities. In 2012, 278 employees participated in kimjang volunteer service and distributed kimchi they made to children from local community study centers supported by the CJ Donors Camp and needy neighbors.

In 2010 and 2011, CJ CheilJedang offered online education on the concept and understanding of volunteer service to expand employee participation in CSR(corporate social responsibility) activities. In 2012, the online education was not offered, but stead on-site volunteer activities were carried out. Although total participation time and number of participants decreased from a year ago, average volunteer service time per person increased by 18%, compared to that of 2010.

Employees' Volunteer Service Results



Together with Local Communities



CJ Donors Camp-Kimjang



Haechandle Kong Kong Camp

Nanum(Sharing Activities) in Local Communities

Haechandle “Kong Kong Camp” ¹ The Nonsan Haechandle plant of CJ CheilJedang operates a factory tour program for children from neighboring local community study centers. The tour program features a factory tour course, which invites children to the factory to show them the history of Korean traditional sauces and manufacturing methods, as well as a cooking class in which children learn how to cook by using red pepper paste and soybean paste. In 2012, 275 children from 11 local children’s centers in Chungcheong Province participated in the program.

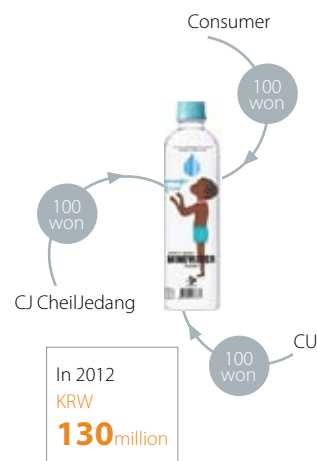
Hutgae Condition Support for Children Victims of Parents' Drinking ¹ CJ CheilJedang supports children who are victimized by their parents’ alcohol drinking by donating profits from sale of “Hutgae Condition”, a hangover-curing beverage, and prize money from the company’s various awards. In 2011, the company donated KRW 20 million, to provide support for children victims of alcohol drinking for their in the areas of education and medical needs. In 2012, the first prize money for the **ONLYONE** Awards was fully donated to support children victims of alcohol drinking.

Signing an MOU on contract cultivation of processing-type rice with Asan City ¹ CJ CheilJedang signed an MOU on contract cultivation and supply of 3,000 tons of Asan rice with Asan City, South Chungcheong Province. The MOU allows the company to secure stable supply of while local communities in Asan and local farmers are able to secure stable markets and increased income.

“Happy Soy Happier Sharing” donation campaign ¹ The “Happy Soy Happier Sharing” donation campaign took place at CJ Foodville stores, Vips, bibigo, Tous les Jours and The Steak House in December 2011. Proceeds from sales of Happy Soy menu during the campaign were spent on purchasing 20,000 pieces of tofu which were delivered to CJ Donors Camp community study centers from February to April 2012.

MINEWATER Barcodrop Campaign ¹ The “MINEWATER Barcodrop Campaign”, a donation campaign for African children whose lives are threatened due to water shortages, has been launched to encourage consumers to easily participate in donation by scanning the barcode on the MINEWATER bottles. Donation is delivered to Africa, to help children drink clean water. It is a new concept campaign in which CJ CheilJedang, the manufacturer, the distributor and consumers can all participate. If a consumer wishes to donate when purchasing a bottle of MINE WATER, the consumer pays KRW 100 more for donation. Whenever a consumer donates, CJ CheilJedang and the convenient store chain, CU additionally donate KRW 100 each to accumulate a total of KRW 300 per bottle. In 2012, a total of KRW130 million was raised through the donation by consumers, Olive Young, CU and CJ CheilJedang and the fund was delivered in the form of clean water for African children through UNICEF.

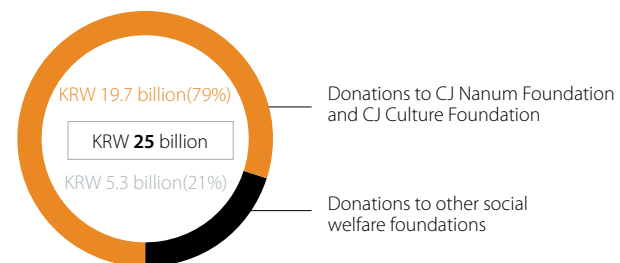
MINEWATER Donation Campaign



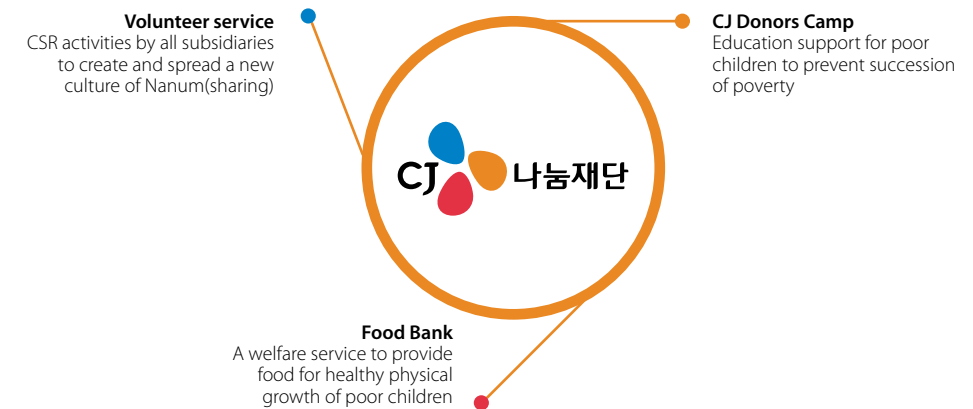
CJ Nanum Foundation

CJ Group established the CJ Nanum Foundation in July 2005 to fulfill corporate social responsibility. The establishment of the foundation enabled the group to carry out CSR activities in systematic and proactive manner. The CJ Nanum Foundation shares love and hope through the “Food Bank”, which provides food to needy neighbors, the “CJ Donors Camp”, which provide high-quality education opportunities to children and youth from underprivileged families, and “volunteer service programs” with the participation of employees from all CJ Group’s subsidiaries, including CJ CheilJedang.

Donation Status



CJ Nanum Foundation Philosophy



CJ Donors Camp

The CJ Donors Camp provides various education programs and activities for children and teenagers from low-income families to provide them with opportunities and bring up future leaders of the society. The program is operated in a transparent manner and has adapted an online Nanum(sharing) system. When the teachers from local community centers and regional branch schools post volunteer recruitment notices or extracurricular proposals on the homepage, anyone with interest can volunteer to donate their knowledge to help the students in need or can make a monetary donation of their choice that is matched equally by the CJ Nanum Foundation. As of 2012, the CJ Donors Camp sponsors 2,600 community study centers across the nation and 260,000 donors have since joined the Donors Camp. In addition, the CJ Donors Camp vigorously operates various programs, including the “Dream Cultivation Camp” which helps children from the community study centers explore their career paths. It also operates a two-way support program through which it provides teachers to the community study centers by dispatching university student mentors, while providing scholarships to university students. The CJ Donors Camp also carries out activities to enhance the quality of education for children from low-income families through providing training opportunities for teachers at the community study centers.

Food Bank

The CJ Donors Bank operates the “Food Bank” program which provides food to the underprivileged people. Since the launch of the Food Bank in 1998, CJ CheilJedang has been actively involved in activities to support the program in a systematic and effective fashion, ranging from product donation to employees’ volunteer service. Starting from 2012, the company introduced a concept of product manufacturing for the sake of donation and additionally produced the most essential household food items, including sugar, red pepper paste, flour and oil and donated them in the form of “Joy of growing together Food Bank Hope Nanum gift sets”. In 2012, 291 employees assembled 18,000 Hope Nanum gift sets which were delivered to needy neighbors through the mobile food market program.



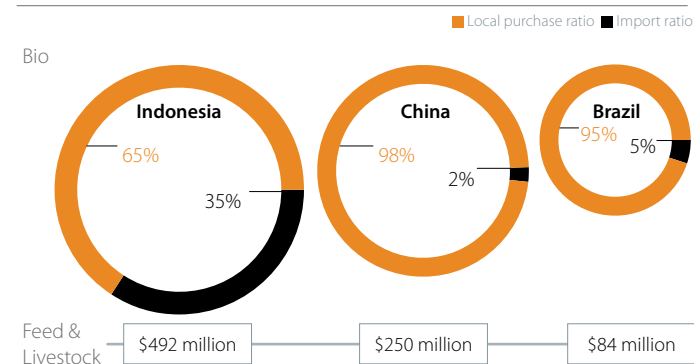
¹ CJ Donors Camp blog ² CJ Donors Camp Facebook ³ CJ CheilJedang employees’ volunteer activities at Food Bank ⁴ Food Bank Hope Nanum gift set

Local Purchase by Overseas Bio and Feed & Livestock Business Units

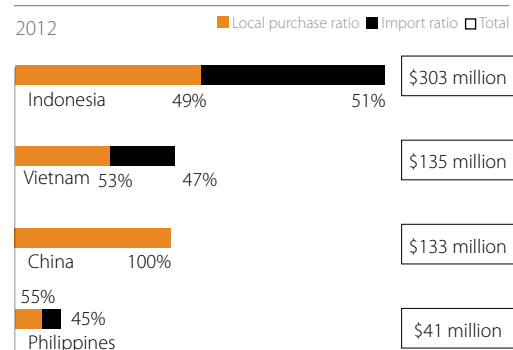
Local Purchase Status in Overseas Local Communities



Local Purchase Ratio and Raw Material Purchase Amounts by Business Sites

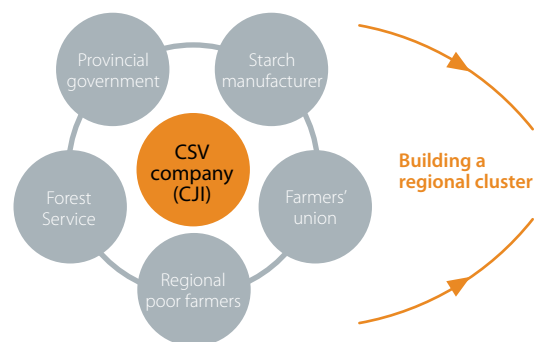


Local Purchase Ratio and Raw Material Purchase Amounts by Business Sites



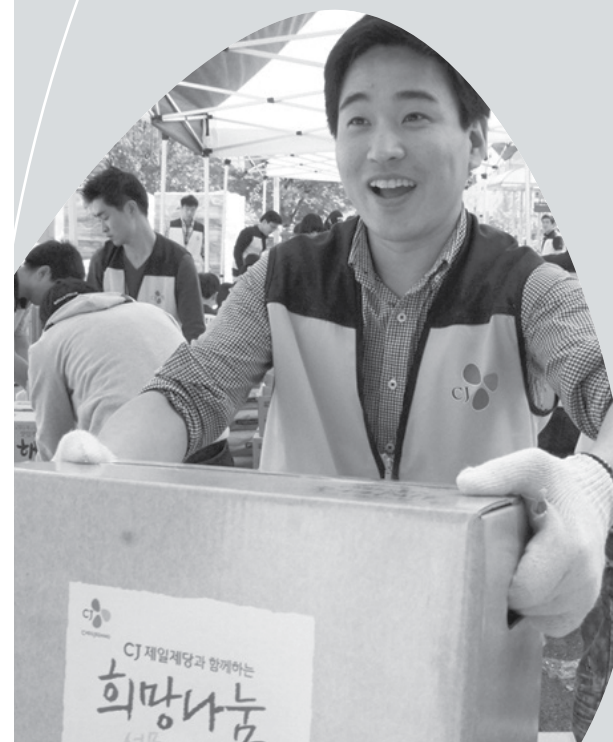
In 2012, PT CheilJedang Indonesia the Indonesian subsidiary of CJ CheilJedang's Bio BU established a strategic agreement on the supply of tapioca starch with the East Java provincial government. Collaboration with the local government is expected to create stable jobs for the local farmers and provide steady profits with bulk purchase.

Strategic win-win partnership model of the Bio BU



- **Quantitative effect:** Securing stable local source of raw materials
 - 5-10% of the volume used(400,000 tons)
 - (Purchasing amount: US\$20 million)
- **Qualitative effect:** Improvement of corporate awareness (Collaboration model with the local government)
 - Job creation for farmland covering 5,000 hectare, etc.

CJ CheilJedang's Feed and Livestock BU continues its efforts to fulfill corporate social responsibility by returning profits to the local community through collaboration with local farmers. The company seeks many supportive ways to create profits and jobs as well as to activate the local community.



APPENDIX

- > Third-Party Assurance Statement
- > GRI INDEX

Independent Assurance Report



To the management of CJ CheilJedang

We have been engaged by CJ CheilJedang(the “Company”) to perform an independent assurance engagement in regard to the following aspects of CJ CheilJedang’s Sustainability Report 2013(the “Report”).

Scope and subject matter

The information for the year ended December 31, 2012(hereinafter, collectively referred to as the “Sustainability Information”) on which we provide limited assurance consists of:

- The Company’s conclusion on meeting the principles of Inclusivity, Materiality and Responsiveness in the AA1000 AccountAbility Principles Standard 2008(“AA1000APS”);
- The following selected information in the Report(the “Sustainability Data”) which is based on the reporting principles set out on “Reporting Overview”(the “Reporting Principles”).
- The average attendance rate of the board of directors and Shareholder Structure data in the Corporate Governance section(pages 23~24)
- Articles of Code of Business, Operation process of the Cyber Audit Center and Internal Accidents Status data in the Integrity Management section(page 26)
- Status of the Supplier Relationship Management in the Support for Fair Transactions with Suppliers section(page 27)
- Distribution of Economic Value data in the Main Performance section(page 33)
- R&D Costs & R&D Personnel and Intellectual Property Rights Status data in the Innovation section(page 37)
- Environmental Management Certification Status in the Environmental Management section(page 44)
- Investment on Environment, Energy and Utilities and Company-wide introduction and use of renewable energy data, and Carbon Labelling-Low-Carbon Certification Status in the Response to Climate Change section(pages 46~47)
- Reuse and Recycling of Water, Waste Recycling Rate by Year, Air Pollutants, Wastewater and Toxic Chemical Substances data in the Environmental Management Activities and Achievements section(pages 49~51)
- Green Purchasing Performance data in the Eco-Friendly Business section (page 54)
- Greenhouse Gas Emission, Energy Consumption, Water Consumption, Wastewater Discharge and By-Product Emissions and Recycling data in the Overseas Bio Business Unit section(pages 56~59)
- MOUs on Shared Growth and Collaboration and Collaborative products and people’s food products launching data in the Joy of growing together section(page 63)
- Education program participation data in the Collaboration Academy section (page 65)
- Created and loaned amount of Shared fund in the Shared Growth Fund section(page 66)

- Enhancing Customer Satisfaction activities and Customer Information Protection violation data in the Customer Satisfaction Management section(pages 67~69)
- Education & Training Cost Per Employee Per Year data, Employee welfare system, labor-management council activities and Occupational Health and Safety Management System data in the Great Workplace section (pages 72~76)
- Haechandle “Kong Kong Camp” participation, MINEWATER Donation Campaign and Donation Status data in the Together With Local Communities section(page 78)

With regard to the financial data(page 33) and Greenhouse gas emissions Scope 1 & Scope 2 and Energy use data(page 47), our procedures were limited to verifying that they were correctly derived from the Company’s audited consolidated financial statements and verified statement of the quantities of greenhouse gases emitted and energy consumed respectively.

We read the other information included in the Report and consider whether it is consistent with the Sustainability Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Sustainability Information. Our responsibilities do not extend to any other information.

Assurance work performed

We conducted our engagement in accordance with ISAE 3000¹ and AA1000AS². The term ‘moderate assurance’ used in AA1000AS(2008) is designed to be consistent with ‘limited assurance’ as articulated in ISAE 3000. Our assurance is a Type II assurance engagement as defined in the Guidance for AA1000AS(2008).

(1)International Standard on Assurance Engagement 3000 (Revised) – ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by International Auditing and Assurance Standards Board
(2)AA1000 Assurance Standard(2008), issued by AccountAbility

Our work involved the following activities:

- Interviews with the Company personnel responsible for internal reporting and data collection to discuss their approach to stakeholder inclusivity, materiality and responsiveness.
- Visits to the Company’ headquarters and two domestic offices: to under-

stand the systems and processes in place for managing and reporting the Sustainability Data.

- Review of a sample of internal documents relevant to output from the risk assessment process, sustainability-related policies and standards, the sustainability Materiality Assessment Matrix and other documents from stakeholder engagement activities.
- Evaluating the design and implementation of the key processes and controls for managing and reporting the Sustainability Data.
- Limited testing, through inquiry and analytical review procedures, of the preparation and collation of the Sustainability Data.

Respective responsibilities of the management of the Company and Samil PricewaterhouseCoopers

The management of the Company is responsible for establishing assessment criteria that meets the principles of Inclusivity, Materiality and Responsiveness in the AA1000APS, measuring performance based on the “Assessment Criteria”, and reporting this performance in the Report.

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

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

Inherent limitations

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

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

- We did not attend any stakeholder engagement activities. Therefore our conclusions are based on our discussions with management and staff of the Company and our review of selected documents provided to us by the Company.
- The scope of our work was restricted to 2012 performance only, as set out in the scope and subject matter section above. Information relating to the year ended December 31, 2011 and earlier periods have not been subject to assurance by us.

Conclusion

Based on the results of the assurance work performed and the Assessment Criteria, our conclusion is as follows:

On the AA1000APS principles;

Inclusivity

- **The Company has collected concerns and opinion through stakeholder communication channels that include customers, partner companies, stockholders/investors, local community, and employees.**
- **Nothing has come to our attention to suggest that material stakeholder groups were excluded in these channels.**

Materiality

- **The Company has identified most relevant and significant sustainability issues through process for identifying material issues.**
- **Nothing has come to our attention to suggest that material issues were omitted in this process.**

Responsiveness

- **The Company has included in the Report its response to the material sustainability issues which are defined through process for identifying material issues.**
- **Nothing has come to our attention to suggest that there were material deficiencies in the issue management system.**

Nothing has come to our attention that causes us to believe that Sustainability Data for the year ended December 31, 2012 are not fairly stated, in all material respects, in accordance with the Reporting Principles.

Recommendations

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

- It is advised to establish a dedicated team responsible for the management of company-wide sustainability issues and effective communication with internal and external stakeholders.
- In order to achieve its strategic sustainability goals, the Company will need to further formalize standards of performance management with regard to key indicators of each sustainability sector and consistently improve sustainability performances through establishment of targets.
- Economic performance mainly has been reported at company level including overseas offices/subsidiaries, while some of areas in sustainability performance are reported mainly at domestic level. We recommend that the Company expand its scope of reporting to include foreign operations and main suppliers.

Samil PricewaterhouseCoopers

Seoul, Korea
November, 2013



● Reported ◐ Partially Reported ○ Not Reported

G 3.1		Reported	Page
1. Strategy and Analysis			
Profile Disclosure			
1.1	Statement from the most senior decision-maker of the organization.	●	4-5
1.2	Description of key impacts, risks, and opportunities.	●	4-5
2. Organizational Profile			
Profile Disclosure			
2.1	Name of the organization.	●	7
2.2	Primary brands, products, and/or services.	●	8-9
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	7-9
2.4	Location of organization's headquarters.	●	7
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	10-11
2.6	Nature of ownership and legal form.	●	7, 23
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	10-11
2.8	Scale of the reporting organization.	●	7, 33-34
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	12-13
2.10	Awards received in the reporting period.	●	22
3. Report Parameters			
Profile Disclosure			
3.1	Reporting period(e.g., fiscal/calendar year) for information provided.	●	2
3.2	Date of most recent previous report(if any).	●	2
3.3	Reporting cycle(annual, biennial, etc.)	●	2
3.4	Contact point for questions regarding the report or its contents.	●	2
3.5	Process for defining report content.	●	16-17
3.6	Boundary of the report(e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	2
3.7	State any specific limitations on the scope or boundary of the report(see completeness principle for explanation of scope).	●	2
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	2
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	2
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	2
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	2
3.12	Table identifying the location of the Standard Disclosures in the report.	●	84-86
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	82-83

G 3.1		Reported	Page
4. Governance, Commitments, and Engagement			
Profile Disclosure			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	23-24
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	23
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	23
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	23-24
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance(including social and environmental performance).	●	23
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	23-24
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	●	23
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	20, 42
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	21, 23
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	◐	23-24
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	28-29
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	44
4.13	Memberships in associations(such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	86
4.14	List of stakeholder groups engaged by the organization.	●	14
4.15	Basis for identification and selection of stakeholders with whom to engage.	●	14
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	14-15
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	16-17
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	33-34
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	5, 45-47
EC3	Coverage of the organization's defined benefit plan obligations.	○	

G 3.1		Reported	Page
EC4	Significant financial assistance received from government.	○	
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	○	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	65, 80
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	◐	80
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	33, 77-79
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	33-34
Environment performance			
EN1	Materials used by weight or volume.	◐	49, 57
EN2	Percentage of materials used that are recycled input materials.	●	49, 59
EN3	Direct energy consumption by primary energy source.	●	47, 57
EN4	Indirect energy consumption by primary source.	●	47, 57
EN5	Energy saved due to conservation and efficiency improvements.	●	43-47, 57
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	46-47, 53-54
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	47, 55
EN8	Total water withdrawal by source.	●	49, 58
EN9	Water sources significantly affected by withdrawal of water.	●	N/A
EN10	Percentage and total volume of water recycled and reused.	●	49, 58
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	●	52
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	●	52
EN13	Habitats protected or restored.	●	52
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	◐	52
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	●	N/A
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	47, 57
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	47, 57
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	43, 47
EN19	Emissions of ozone-depleting substances by weight.	●	N/A
EN20	NOx, SOx, and other significant air emissions by type and weight.	●	50
EN21	Total water discharge by quality and destination.	●	50, 58
EN22	Total weight of waste by type and disposal method.	●	49, 59
EN23	Total number and volume of significant spills.	●	52
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	No such regulated toxic waste is generated
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	●	52
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	52-54
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	◐	53
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	48, 52

G 3.1		Reported	Page
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	◐	53
EN30	Total environmental protection expenditures and investments by type.	●	46, 54
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	●	34, 74
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	●	74
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	73
LA15	Return to work and retention rates after parental leave, by gender.	●	73 Return rate of employees using child-care leave 4.44%(2010), 8.16%(2011), 54.5%(2012)
Labor • management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	◐	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	75
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	76
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	●	76
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	76
LA9	Health and safety topics covered in formal agreements with trade unions.	●	76
LA10	Average hours of training per year per employee by gender, and by employee category.	●	25, 72
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	72-74
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	●	72
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	23
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	○	
Diversity and equal opportunity			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	●	26-27
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	◐	26-27
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	◐	25, 72
HR4	Total number of incidents of discrimination and corrective actions taken.	●	74
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	◐	26
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	●	74
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	●	74

G 3.1		Reported	Page
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	○	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	28, 52
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	●	74
HR11	*Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms*.	●	75
Local Community			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	14, 28
SO9	Operations with significant potential or actual negative impacts on local communities.	●	28-29, 52
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	●	28-29, 52
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SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	○	
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	26-27
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	26-27
Customer health and safety			
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FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard	●	54, 65, 80
FP3	Percentage of working time lost due to industrial disputes, strikes and/or lock-outs, by country.	○	
FP4	Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote access to healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need.	●	78-79
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FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic.	●	70-71
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Memberships

- Korea Environmental Industry and Technology Institute
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- Business Institute for Sustainable Development
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- Korea Corporate Governance Service

- Korea CSR Research Service (Korean partner company of EIRIS of the U.K.)
- Korea Metal Can Resources Association
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Address CJ CheilJedang Strategic and Planning Department (100-400), (CJ CheilJedang Center 20th floor, Ssanglim-dong), 330, Dongho-ro, Jung-gu, Seoul, Korea

E-mail cjcjsr@cj.net

Tel/Fax 02-6704-1114, 02-6740-3113



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