

CJ CHEILJEDANG
SUSTAINABILITY
REPORT 2019



NATURE TO NATURE.

ABOUT THIS REPORT

OVERVIEW

Every year, CJ CheilJedang discloses its sustainability management goals and performance through an annual sustainability report, which serves as a channel to transparently communicate with our stakeholders. Moving forward, we will continue to publish sustainability reports to share our progress in creating shared values with all stakeholders.

REPORTING PERIOD AND SCOPE

This report covers activities and performances from January 1st to December 31st, 2019, and includes some information from the first four months of 2020 to enhance our stakeholders' understanding of the report contents. The scope of the report encompasses all of CJ CheilJedang's domestic and overseas businesses, excluding its logistics business. The economic performance category includes data for all domestic and overseas businesses. The social and environmental performance category is focused on domestic businesses that are verifiable by an external agency. Data including overseas performance are specified in footnotes or with additional descriptions concerning the scope of data.

REPORTING PRINCIPLES

This report was prepared in accordance with the GRI (Global Reporting Initiative) Standards' Core option.

EXTERNAL ASSURANCE

This report underwent a third-party verification process by an independent agency, DNV GL, to improve the accuracy and credibility of the contents herein. Please refer to pages 63-64 for details and the assurance provider's feedback.

CONTACT

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DATE, Published June 2020



The future that CJ CheilJedang aims of building is a virtuous cycle we call 'Nature to Nature'. The goal is for us to obtain resources from nature, provide food to consumers, and then what we took back to nature. Our commitment to establishing this system is expressed in key messages, which are symbolized using typography.

EXTERNAL APPROVAL OF SUSTAINABLE MANAGEMENT

INCLUDED IN DJSI FOR FIVE CONSECUTIVE YEARS



CJ CheilJedang is the first Korean food company that has been included for five consecutive years in the DJSI (Dow Jones Sustainability Indices) Asia-Pacific Index, which was created by S&P Dow Jones Indices, the global sustainability rating agency and investor. CJ CheilJedang has been described as grasping the significance of the UN SDGs (Sustainable Development Goals) and emphasizing its importance in the company. Compared to last year, we have been rated as excellent in packaging (environment), human rights (society), and supply chain management (economy).

'BEST' GRADE IN THE SHARED GROWTH INDEX FOR FOUR CONSECUTIVE YEARS



In another first for a food company, we have been named the 'Most Honorable in Shared Growth' by the Shared Growth Index for four consecutive years. The Index jointly designed by the Fair Trade Commission and the Korea Commission for Corporate Partnership assess the performance in shared growth to establish fair trade practices and promote shared growth between large companies and SMEs. Based on its management philosophy, CJ CheilJedang will steadily increase its support for SME suppliers in promoting shared growth, leading the effort to create a symbiotic industrial ecosystem that encourages growth with all stakeholders.

ACHIEVED A GRADE IN THE ESG EVALUATION BY KCGS(INTEGRATED CATEGORY)



CJ CheilJedang has been awarded Grade A+ in the category of board of directors in the ESG Evaluation conducted by the Korea Corporate Governance Service (KCGS). The evaluation aims to promote a healthy capital market by identifying companies with excellent performance in improvement of corporate governance, social responsibility, and green management and announcing their grades in each category. The company has earned Grade A in governance, environment, and ESG integration, and scored highest in its business category in the specific categories of responding to stakeholders (environment), consumers (society), and protecting shareholder rights (economy). Through the continuous improvement of our ESG performance and by the transparent disclosure of relevant information, we hope to lay the groundwork for our push to become a leading global company.



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This report is available as a printed copy and a PDF file.

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→ LETTER FROM CEO

Letter from CEO

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LETTER FROM CEO



CJ CHEILJEDANG AIMS OF A FUTURE TO ACHIEVE A VIRTUOUS CYCLE OF 'NATURE TO NATURE', IN WHICH WE OBTAIN RESOURCES FROM NATURE, PROVIDE FOOD TO CONSUMERS, AND FINALLY RETURN RESOURCES TO NATURE.

Sin Ho Kang, CEO of CJ CheilJedang

Greetings to our valued stakeholders, I am Sin Ho Kang, CEO of CJ CheilJedang.

We are faced with unprecedented difficulties due to the COVID-19 pandemic, the growing uncertainty in the global economy, the slump in consumption in the domestic market, and declining exports and employment. During these hard times when everyone struggles and suffers, sustainable growth is still a major aim. It requires attention and efforts from across the globe, and social and environmental responsibilities that enterprises have to bear are on the rise.

Last year, CJ CheilJedang carried out the CBP (Challenge Beyond Possibility) Project, our unique methodology and culture code for survival in the future. As part of this project, we identified the goals for sustainable management and formed a consensus between all employees.

Fulfilling the virtuous cycle of 'Nature to Nature' that transfers resources from nature to dining tables, and then, back to nature, is the future that CJ CheilJedang aims of. To this end, we have placed a high priority on creating two shared values — health and safety and sustainable environment. These two areas are where we excel and through which we contribute to society.

Recently, CJ CheilJedang made stable outcomes with a focus on innovative growth by increasing profitability despite the global crisis. This has resulted from the concerted, passionate effort of all staff with the aim of achieving our business goals of remarkable growth through global operations, acquiring super-gap capability, attaining the uncontested position in the market through evolution and innovation, and solidifying the management philosophy eyeing OnlyOne.

TAKING THE GLOBAL CRISIS AS AN OPPORTUNITY FOR GROWTH THROUGH INNOVATION, CJ CHEILJEDANG WILL LEAD A PARADIGM SHIFT TO SURVIVE IN THE GLOBAL MARKET BY MAKING THE FOLLOWING EFFORTS IN 2020.

FIRST, WE WILL BUILD UNRIVALED CAPABILITY FOR THE GLOBAL MARKET AND ACHIEVE QUALITATIVE GROWTH THROUGH INNOVATION.

We will move ahead of others to acquire its unique innovative technology and future viability that will work in the global market, while effecting qualitative growth with strategic investment in our major business fields. We will work to become a true global company that delivers the greatest achievements in the food business with taste and quality competitiveness based on world leading R&D and in the bio business with world-class technology and cost competitiveness.

SECOND, WE WILL BUILD A SUSTAINABLE SUPPLY CHAIN TO SECURE CONSUMER HEALTH AND SAFETY.

We will establish a process that places a high priority on consumer health and safety through the life cycle from acquisition of raw materials to product development, production, sale, and disposal. We will thoroughly check and prevent economic, social, and environmental risks that may arise from the entire supply chain as well as within the company.

THIRD, WE WILL ESTABLISH A SYSTEM FOR SUSTAINABLE ENVIRONMENTAL MANAGEMENT.

We will be mindful that making and using products may have an impact on the environment and fulfill our responsibilities in this light. We will build a unique environmental management system of CJ CheilJedang that creates environmental values by establishing a Circular economy system for plastic, reducing carbon emissions, and reducing food waste.

We look forward to your continued supportive attention to CJ CheilJedang's efforts and initiatives for sustainability management.

Thank you.



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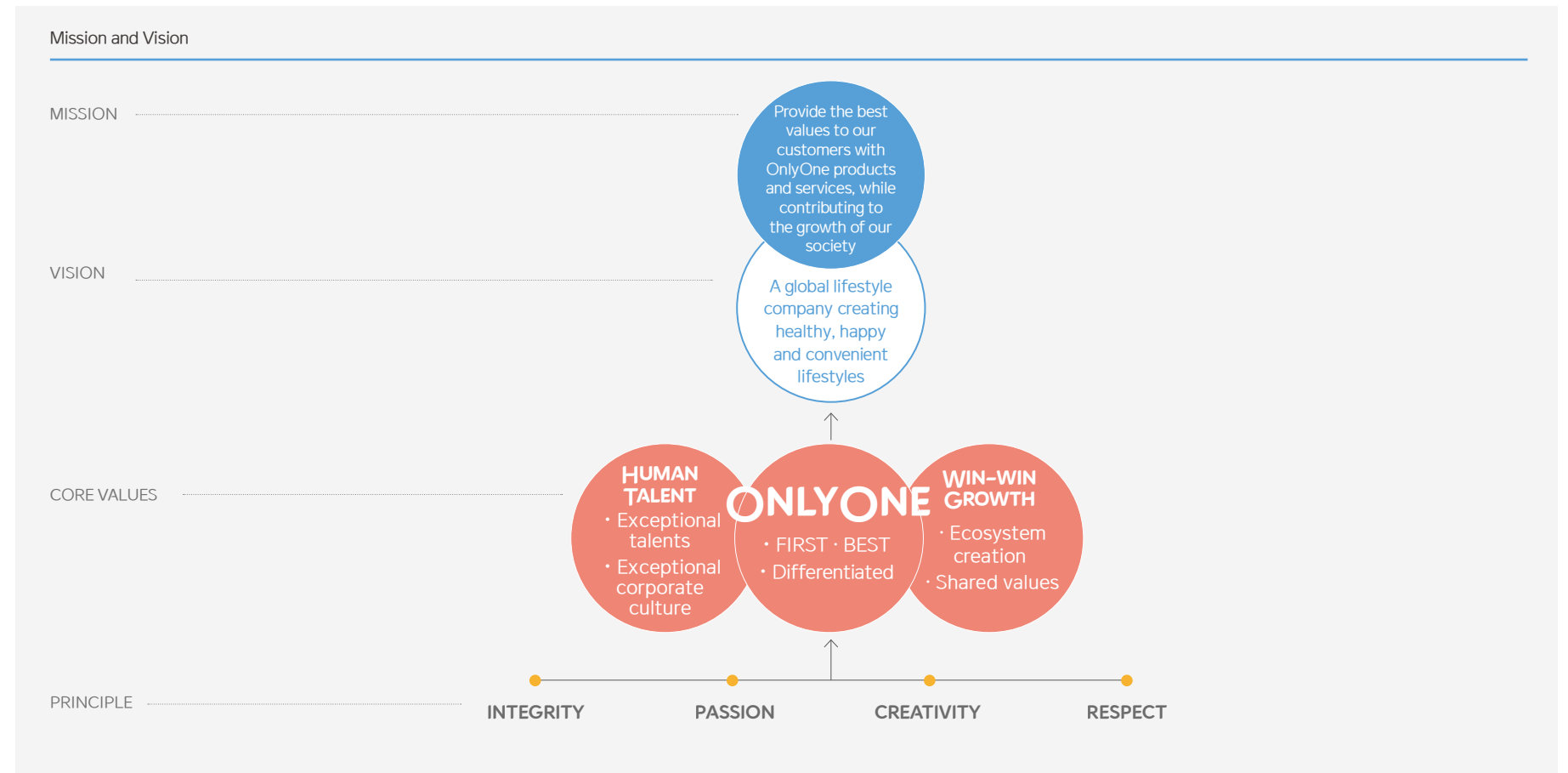
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ONLYONE CJ

CJ MANAGEMENT PHILOSOPHY

CJ CheilJedang is a global lifestyle company that endeavors to win the hearts of customers by creating health, joy, and convenience. Transformation and innovation are in our DNA. We are proactively spreading CJ's culture across the world, presenting new values to help people lead healthier, more pleasant, and convenient lives. We act based on integrity, passion, creativity, and respect in pursuing our core values — OnlyOne, talent, and win-win growth — to provide the best value with CJ's OnlyOne products and services and contribute to the country and society. We will continue our global efforts to share a healthy and convenient lifestyle based on CJ's culture, as well as promoting a sustainable way of living for the health of our planet.



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INTRODUCTION OF CJ CHEILJEDANG

CJ CheilJedang was established in 1953 as a manufacturer of sugar, one of the most basic ingredients in our daily lives. Since our foundation, we have solidified our position as a market leader in the business fields in which we operate. Our Food business unit has expanded its global business and strengthened our market power with the development of strategic and new major products, the acquisition of Schwan's, a U.S. company, and the expansion of infrastructure for our domestic and overseas businesses. Meanwhile, our Bio business unit has leveraged its outstanding R&D capabilities and cost competitiveness to lay the foundations for strong market growth, pioneering new markets through the launch of new, high-profit products. In 2020, to pursue CJ CheilJedang's vision of becoming the 'Global No.1 Food & Bio Company', we plan to accelerate 'innovation-based qualitative growth' and secure 'world-class, peerless capabilities.'

Company Profile

December 31, 2019

Company Name	CJ CheilJedang Co., Ltd.
Type of Business	Food, Bio
Address	CJ CheilJedang, 330, Dongho-ro, Jung-gu, Seoul, Korea
Date Established	Nov. 5, 1953
CEO	Sin Ho Kang
Employees	6,615
Total Assets (Consolidated)	KRW 26.3 trillion
Total Equities (Consolidated)	KRW 9.5 trillion
Sales (Consolidated)	KRW 22.4 trillion
Operating Profit (Consolidated)	KRW 896.8 billion
Credit Rating	Commercial paper: A1, Corporate bonds: AA



As a pioneer of 'K-Food' culture, we are creating a new sector in the global food culture that reaches beyond Korea.



With state-of-the-art technologies, we provide a wide range of products and solutions in the fields of nutrition and health.

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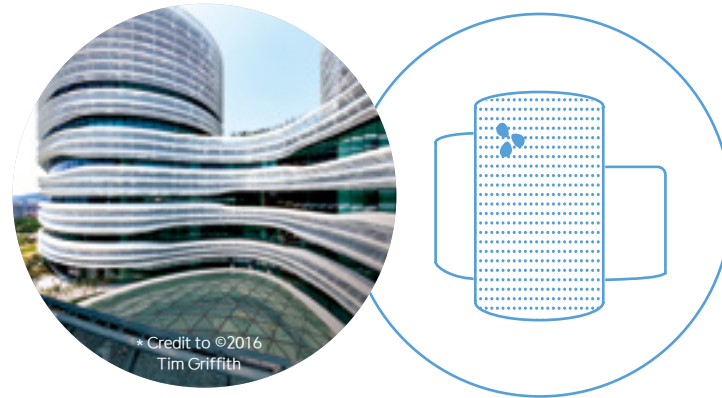
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CJ BLOSSOM PARK (FOOD AND BIO R&D CENTER)



CJ Blossom Park is the largest food and bio convergence research institute in South Korea. It creates great synergy by collaborating food, bio and advanced technology. CJ Blossom Park represents the starting point for the company’s growth into a global corporation that creates newness through open communication.

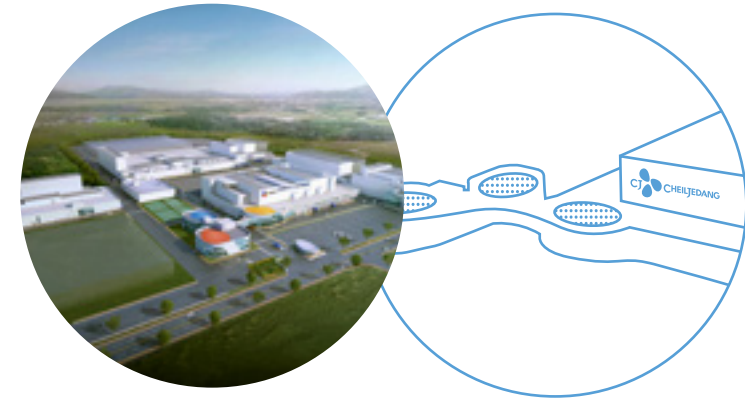
INSTITUTE OF FOOD R&D

CJ CheilJedang’s Institute of Food R&D, created in 1978, is equipped with the nation’s best research professionals and cutting-edge facilities, constituting an organic system that leverages R&D to commercialize our products and technologies. Using distinctive processing technology, we strive to develop health- and convenience-focused hit products and lead culinary trends through the globalization of K-Food.

INSTITUTE OF BIO R&D (Institute of Biotechnology, Institute of Bio-based Chemicals)

Institute of BIO R&D develops the production of high value-added products for nutrition & health of animals, plants, and humans through the microorganism fermentation and refining technology accumulated for more than 50 years. We are leading the innovative future of bio industry and opening up the Green BIO Era across the world with world-class biotechnology and an assortment of cell factories.

CJ BLOSSOM CAMPUS (INTEGRATED FOOD PRODUCTION COMPLEX)



CJ Blossom Campus is a smart factory that transforms R&D results from CJ Blossom Park into innovative products. It oversees the production of globally popular brands such as ‘Hetbahn’ and ‘bibigo’. Various products as the bellwether of K-Food are born through CJ Blossom Park’s R&D and produced in CJ Blossom Campus.

ECO-FRIENDLY, ADVANCED TECHNOLOGY

CJ Blossom Campus is an integrated food production base that boasts unique, world-class competitiveness and advanced eco-friendly technology across approximately 165,000m² of land. Leveraging state-of-the-art digital technology, CJ Blossom Campus encompasses all business operations from production to logistics and will serve as a foundation for our future business and global expansion.

CJ BLOSSOM CAMPUS TOUR AND HETBAHN MUSEUM

Through the CJ Blossom Campus Tour, visitors can use all five senses to learn about the CJ CheilJedang brands that are leading the globalization of K Food. The tour program consists of visits to the ‘History Theater’, where visitors can see the past, present, and future of CJ CheilJedang. Also it includes the ‘Hetbahn Museum’, which describes the history of rice and the food culture innovation made possible by ‘Hetbahn’, and ‘Technology Hall’, which provides digital content about our HMR(Home Meal Replacement) brands.

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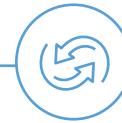
CBP (CHALLENGE BEYOND POSSIBILITY), CJ CHEILJEDANG'S CORPORATE INNOVATIVE FRAMEWORK

The CBP represents CJ CheilJedang's own methodology and cultural code. To survive the rapidly-changing business environment, we will establish a world leading system and infrastructure. In doing so, we will reform our corporate culture and realize change for the company's continued growth.

CBP PROJECT, FUTURE-ORIENTED INNOVATION

Pursuing a Fundamental Change to improve Corporate Character

We carry out innovative activities that fundamentally change corporate culture, which are long-term commitments, that are not limited to one-time events or strategies. This includes policies and systems (ways of working and thinking).



Long-term and Constant Activities

CJ CheilJedang conducts projects with a long-term perspective, spanning a period of over a decade. We select tasks that take at least three years to complete and improve our innate characteristics to find future investment funds for innovation.



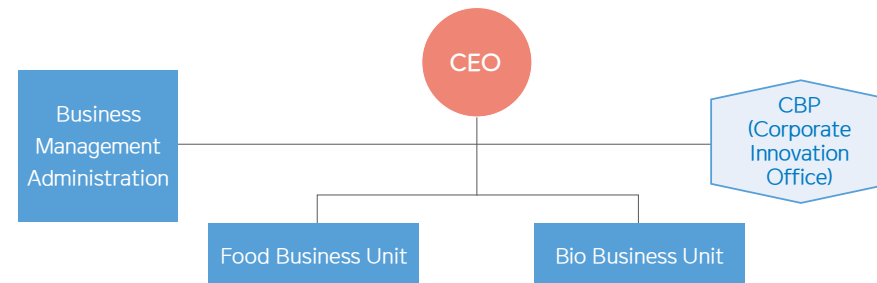
Creative Reform

Beyond simple enhancement, we pursue reform to create something out of nothing. Rather than just improving what already exists, we stimulate change by finding the best solutions in consideration of the nature of our business from a company-wide perspective.

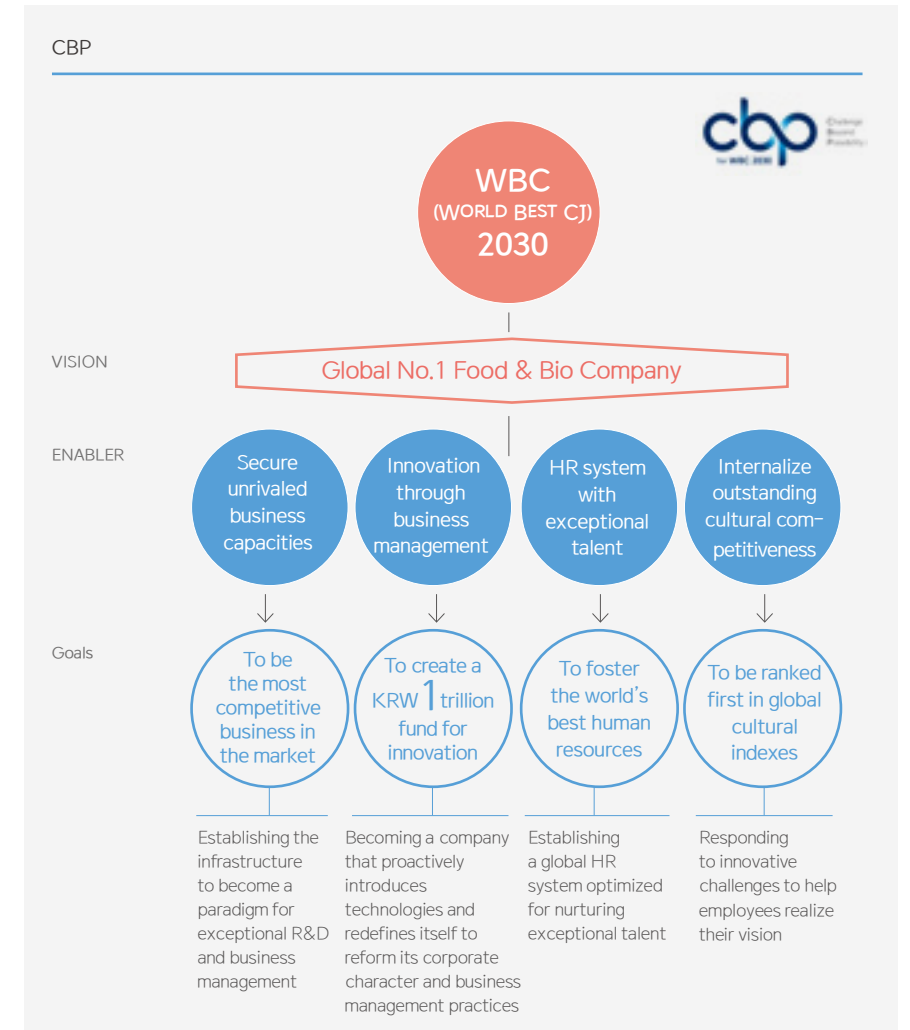


ORGANIZATIONAL CHART FOR THE CBP

We conduct the CBP Project through company-wide discussions and organize an exclusive task force under the direct supervision of the CEO.



CBP FRAMEWORK



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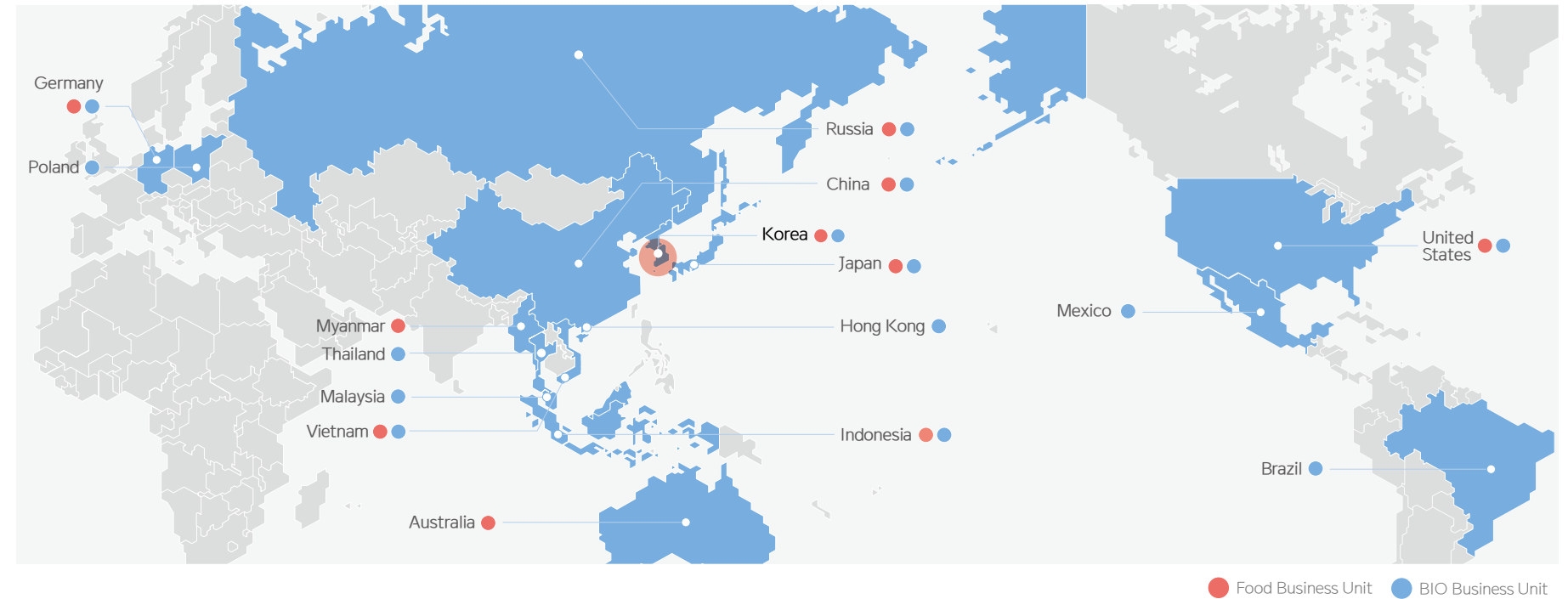
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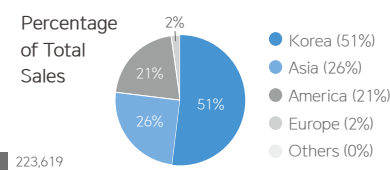
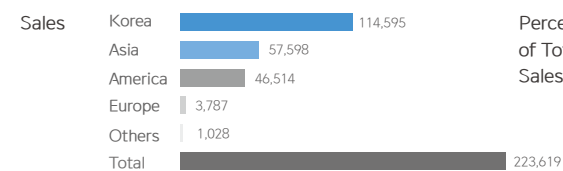
GLOBAL CJ

GLOBAL STATUS

CJ CheilJedang produces and sells products in markets beyond the borders of Korea. We have business sites around the world, including the United States, Germany, Australia and Brazil, as well as Asian markets in China and Vietnam. More than 20,000 of our employees are always striving to create better values.



Regional Sales in 2019



(based on consolidated figures)

Overseas Business Locations

Country	China	United States	Indonesia	Japan	Vietnam	Brazil	Germany	Russia	Malaysia	Australia	Mexico	Myanmar	Thailand	Poland	Hong Kong	Total
Unit	Locations															
Food Business	4	4	1	3	2	0	1	1	0	2	0	1	0	0	0	19
Bio Business	7	4	3	1	1	3	1	1	2	0	1	0	1	1	1	27

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OUR BUSINESS

FOOD

Under the slogan of 'Nature to Table', we are committed to providing healthy pleasure to customers. CJ CheilJedang's food business division reflects social trends and customer needs that seek health and convenience and come up with products with distinctive quality and excellent taste. Our food business registers steady growth, driven by premium brands such as 'Hetbahn', 'Gourmet', 'The Healthy', and 'Beksul'. We lead the globalization of Korean food by developing 'bibigo' into a global brand.



HOME MEAL REPLACEMENT(HMR) 1

'Hetbahn', which maintains the freshness of rice through a daily polishing system, is a representative OnlyOne brand that opened up the cooked rice product market in Korea. We have also been introducing a wide range of other products, particularly those of 'Bibigo', that keep up with the rapidly-changing lifestyle of modern people.

PROCESSED MEAT & FROZEN FOOD 2

'The Healthy' is a brand of processed meat products, which are made from quality ingredients. They include no food additives that may raise consumers' concerns. We have also established a diverse product line-up consisting of dumplings, frozen rice, Korean and Western side dishes, pizza, gourmet pork cutlet, and other snacks. Our brands include 'Bibigo,' a leader in K-Food, and 'Gourmet,' which combines chefs' expertise with recipes from all around the world to pursue new gourmet food. These brands will enable us to pioneer the domestic and overseas' frozen food market.



FRESH FOOD 3

Kimchi is an iconic, traditional Korean food and CJ CheilJedang is leading the expansion of 'K-Food' culture through its kimchi production business. We are leading the growth of the domestic Kimchi market with 'Bibigo Kimchi', a range of kimchi products made with quality ingredients. In addition, we provide 'Bibigo Grilled Fish' to help people cook fish simply using just a microwave. With these products, we are contributing to the convenient and healthy dietary lifestyle of consumers.



SEASONING 4

'Haechandle', which inherits the value of traditional Korean fermentation culture, offers products made from carefully selected natural ingredients and preserves the tradition of Korean food. It leads the traditional paste brand market. 'DASIDA', which represents the flavor of homemade Korean meals, is a unique brand that has been embraced by Korean consumers for over four decades. It easily enriches the flavor of food and completes their favorite dishes.



SEAWEED, DESSERT, SNACK & HEALTH-FUNCTIONAL FOOD 5

Every effort is made to preserve the unique flavor of seaweed in our 'Bibigo seaweed' products. 'Petitzel' is a brand loved for its wide range of dessert products, including gummies, jellies, puddings, and cakes. Moreover, we have launched 'BYO' probiotics, a brand featuring plant-based lactobacillus found in fermented Korean food, 'Hanppuri', a line of products made using low-temperature enrichment technology via centrifugal force for the first time in Korea, and 'Returnup', a brand dedicated to health balance management, with particular focus on older people. These represent our continued efforts to help consumers lead healthier lifestyles.

SWEETENERS 6

CJ CheilJedang, the first sugar manufacturer in Korea, offers a wide range of sweetener products. These include Oligosaccharide, a fiber-rich sweetener, Xylose Sugar, a sweetener that reduces sugar levels in our bodies, and Allulose, a sweetener with zero calories. Based on our sugar expertise, we are also expanding our portfolio of specialty ingredients, such as flavored syrup.



FLOUR 7

We have pioneered a new category of business by paying considerable attention to trends in convenient foods, including pancake products. We are leading the market with our healthy, premium products, such as natural and organic pancake mixes and home-baking mixes. In the B2B market, we are expanding our scope and providing unique solutions with high-value-added products that meet the needs of customers.

EDIBLE OIL 8

CJ CheilJedang is revolutionizing the domestic cooking oil market by launching products in line with current consumer trends. These include premium oil products like olive, grape seed and canola, as well as flavored oil products such as green onion and garlic. In the B2B market, our introduction of differentiated oil products tailored to customer needs is receiving positive feedback.



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BIO

CJ CheilJedang's BIO business division safely provides R&D based high quality products such as functional amino acids, nucleotides, etc. to help people all around world live healthier. It follows our slogan of 'Nature to Nature' returning to nature what we've taken from it. We have introduced innovative products such as L-Methionine through continuous investment in R&D and we are increasing the number of overseas production bases and expanding sales & marketing networks. Also, we are expanding into new research areas. These include amino acids for food and healthcare, plant nutrition, eco-friendly bio-resources, biological disease control, and enzymes. In this way, we are becoming a firm leader in the world bio industry.



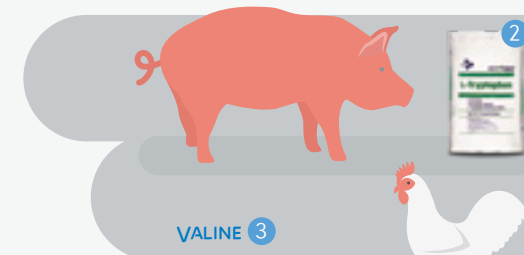
ANIMAL NUTRITION & HEALTH 1

CJ CheilJedang holds an unrivaled position in the global market by developing new technologies and processes based on R&D. We have developed 5 major amino acids (Lysine, Threonine, Tryptophan, Valine, and Methionine) using the world's first eco-friendly bio fermentation process, as well as new products including Arginine and Histidine.

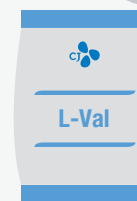


TRYPTOPHAN 2

Tryptophan, one of the 5 major essential amino acids having the largest market share in the world, helps animals maintain their balance of amino acids and growth. It also boosts their immune systems by strengthening antibody production. It is generally used to reduce stress levels and improve growth potential for pigs.



VALINE 3

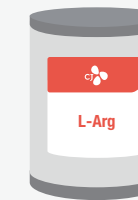


Valine, one of the 5 major essential amino acids having the largest market share in the world, accelerates the physical growth of animals. It is also used Leucine and Isoleucine for the muscular development of livestock with. We develop a new market in the poultry industry through technology marketing power, even though past market was mostly focused on the market in the pig industry. Now we are focusing on maximizing demand and sales.



LYSINE 4

Lysine is well known to improve immunity and maintain livestock's nutritional balance. It is added to feed for pigs and poultry for their health. CJ CheilJedang is providing various forms of Lysine products, including powder, granule, liquid and so on.



HUMAN NUTRITION & HEALTH 5

We developed a flavor enhancer containing the same ingredients present in the natural environment by using a production system based on microorganism fermentation. Also, we are expanding our product portfolio to natural flavor and amino acids for food ingredients (Arginine, Citrulline, Naturally fermented Cysteine) through the effort of future-oriented products development.



NUCLEOTIDES 6



We are ranked first in terms of the global market share for nucleotide, a type of food flavor enhancer. In addition, we are continuously trying to take an unrivaled position in the premium flavor enhancer market as well by launching natural flavor products.

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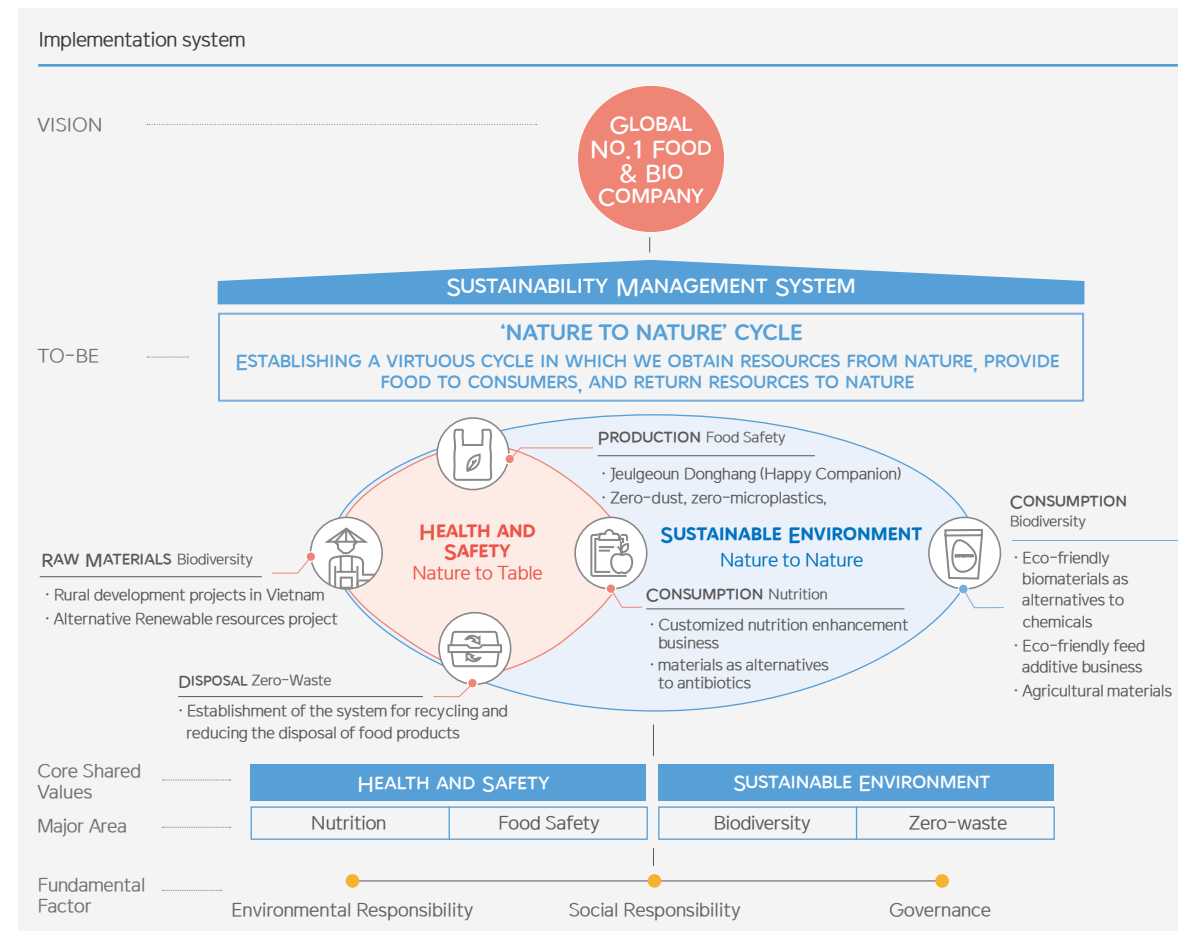
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SUSTAINABILITY MANAGEMENT STRATEGY

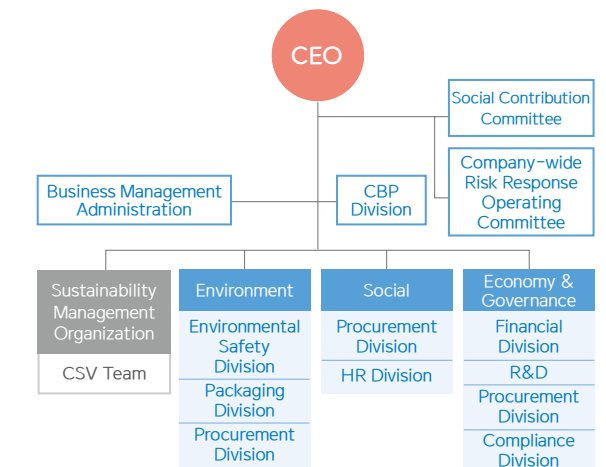
GOALS

CJ CheilJedang pursues sustainable growth under the CJ Group's founding philosophy of 'Contributing to the country and the community through business.' To upgrade the company's sustainability, we aim to fulfill the virtuous cycle of 'Nature to Nature' that transfers resources from nature to dining tables, and then, back to nature. To this end, we have placed a high priority on 'Health and Safety' and 'Sustainable Environment'. These two areas are where we excel and contribute to the community. We will fulfill these goals across our entire value chain.



BUSINESS DEPARTMENT FOR SUSTAINABILITY MANAGEMENT

To promote systematic sustainability management, we have established a committee to propose policies and discuss relevant issues, with co-operating departments and the dedicated department that integrates the former.



JOINT DISCUSSION FOR SOCIAL CONTRIBUTION

CJ CheilJedang implements company-wide joint discussion for each agenda to enhance its sustainability. In 2018, we established the Social Contribution Committee to ensure the transparency of purposes and processes of donations and contributions. The committee members include the CEO, CFO, compliance officer and CSR director. Under the Company-wide Risk Response Operating Committee, we run a company-wide risk system to promptly take measures for major risks.

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UN SDGs¹⁾ COMMITMENT

CJ CheilJedang upholds the UN SDGs (Sustainable Development Goals) for joint sustainable development and growth. To achieve all 17 goals defined by the UN SDGs, we operate relevant businesses and projects throughout the entire value chain by linking with our core strategies. Through these efforts, we address issues and explore new opportunities.

UN SDGs	MAJOR GOALS	RELEVANT PROGRAMS
1 NO POVERTY  NO POVERTY	· End poverty in all its forms everywhere	· CSV project for rural development in Vietnam · Food Bank · CJ Breeding Corp. · CJ Donors Camp · Chan Chan Chan Project
2 ZERO HUNGER  ZERO HUNGER	· End hunger, achieve food security and improved nutrition and promote sustainable agriculture	· CSV project for rural development in Vietnam · Food Bank · CJ Breeding Corp. · CJ Donors Camp · Development of amino acids using eco-friendly fermentation method ²⁾
3 GOOD HEALTH AND WELL-BEING  GOOD HEALTH AND WELL-BEING	· Ensure healthy lives and promote well-being for all at all ages	· CSV project for rural development in Vietnam · Food Bank · CJ Breeding Corp. · Development of products for good health ('Hetbahn' low-protein rice, BYO) · Healthy Sweet Flavor Project · Development of amino acids using eco-friendly fermentation methods
4 QUALITY EDUCATION  QUALITY EDUCATION	· Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	· CSV project for rural development in Vietnam · CJ-UNESCO Girl's Education
5 GENDER EQUALITY  GENDER EQUALITY	· Achieve gender equality and empower all women and girls	· CJ-UNESCO Girl's Education
6 CLEAN WATER AND SANITATION  CLEAN WATER AND SANITATION	· Ensure availability and sustainable management of water and sanitation for all	-
7 AFFORDABLE AND CLEAN ENERGY  AFFORDABLE AND CLEAN ENERGY	· Ensure access to affordable, reliable, sustainable and modern energy for all	· Use of new and renewable energy resources (fermented soybean meal, woodchips, etc.)
8 DECENT WORK AND ECONOMIC GROWTH  DECENT WORK AND ECONOMIC GROWTH	· Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	· CSV project for rural development in Vietnam · Win-Win Academy · Naeil Chaeum Deduction System · Happy Companion · Mutual Cooperation Center for Food Safety · Hetbahn Gardening (upcycling)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  INDUSTRY, INNOVATION, AND INFRASTRUCTURE	· Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	· CSV project for rural development in Vietnam · Win-Win Academy
10 REDUCED INEQUALITIES  REDUCED INEQUALITIES	· Reduce inequality within and among countries	· Development of halal food
11 SUSTAINABLE CITIES AND COMMUNITIES  SUSTAINABLE CITIES AND COMMUNITIES	· Make cities and human settlements inclusive, safe, resilient and sustainable	· Cultural Heritage Custodian activities · Hetbahn Gardening (upcycling)
12 RESPONSIBLE CONSUMPTION AND PRODUCTION  RESPONSIBLE CONSUMPTION AND PRODUCTION	· Ensure sustainable consumption and production patterns	· CSV project for rural development in Vietnam · Mutual Cooperation Center for Food Safety · Development of amino acids using eco-friendly fermentation method · Sustainable packaging · Hetbahn Gardening (upcycling)
13 CLIMATE ACTION  CLIMATE ACTION	· Take urgent action to combat climate change and its impacts	· Sustainable packaging · Development of low-carbon, highly efficient feed · Use of new and renewable energy resources (fermented soybean meal, woodchips, etc.)
14 LIFE BELOW WATER  LIFE BELOW WATER	· Conserve and sustainably use the oceans, seas and marine resources for sustainable development	· Development of PHA
15 LIFE ON LAND  LIFE ON LAND	· Protect, restore and promote sustainable use of terrestrial ecosystems	· Development of low-carbon, highly efficient feed · CJ Breeding Corp.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS  PEACE, JUSTICE AND STRONG INSTITUTIONS	· Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	· Expanding ethical management · Sustainability management education for employees and suppliers · Joining the UN Global Compact
17 PARTNERSHIPS FOR THE GOALS  PARTNERSHIPS FOR THE GOALS	· Strengthen the means of implementation and revitalize the global partnership for sustainable development	· CSV project for rural development in Vietnam · Development of amino acids using eco-friendly fermentation method

1) UN SDGs: Sustainable development targets consisting of 17 targets and 169 objectives that all member countries must achieve for sustainable development and environmental, economic and social integration.

2) In 2016, amino acid R&D and products were officially authorized as the UN SDGs implementation model and met SMART standards.

SUSTAINABLE IMPACT

LETTER FROM CEO

1. OVERVIEW

2. SUSTAINABLE IMPACT

Sustainability Management Strategy

UN SDGs Commitment

→ Communication with Stakeholders

Materiality Assessment

Sustainability Highlights

3. MATERIAL ISSUES

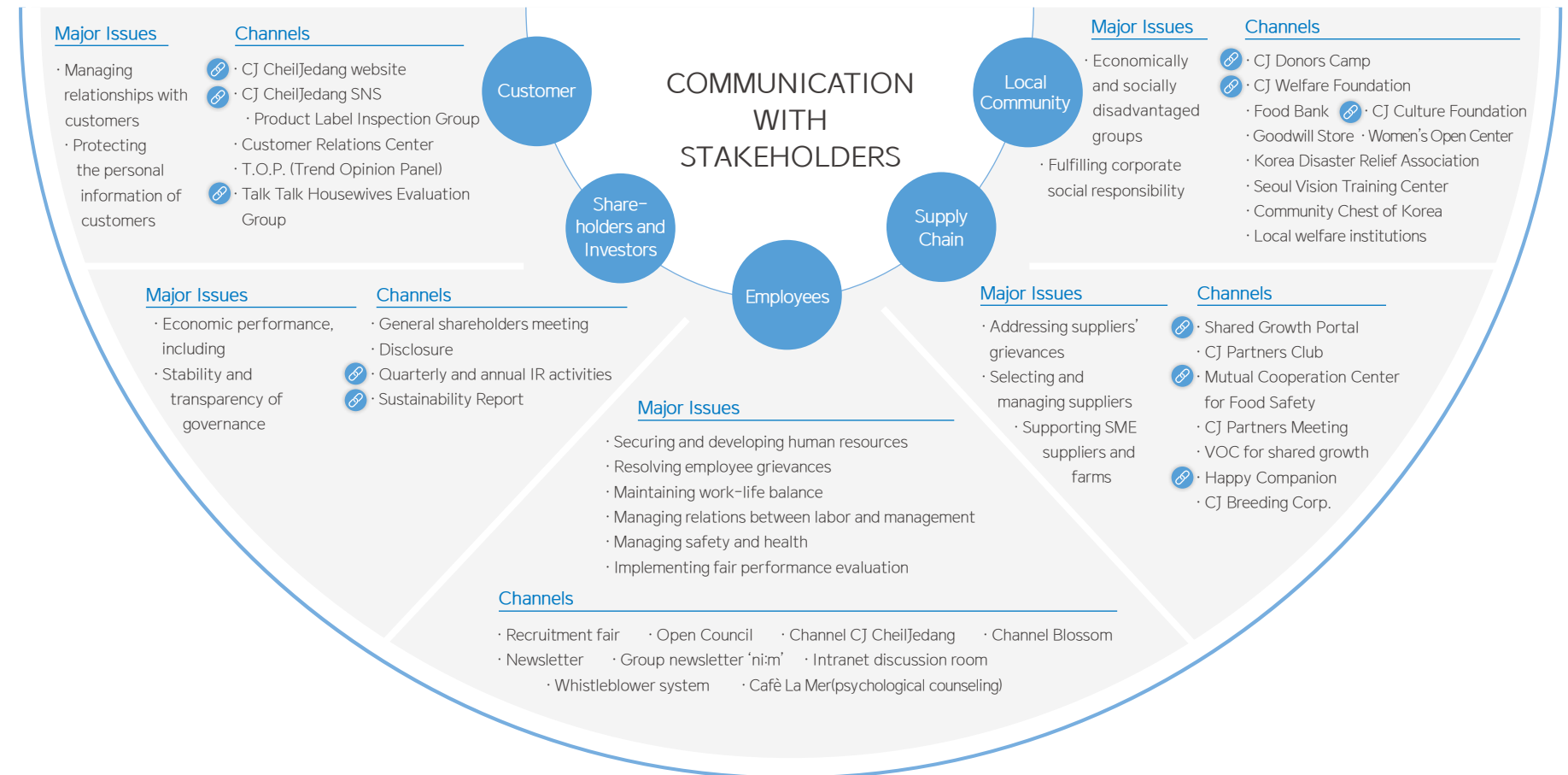
4. ESG FACTBOOK

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COMMUNICATION WITH STAKEHOLDERS

STAKEHOLDER ENGAGEMENT SYSTEM

CJ CheilJedang considers customers, shareholders and investors, employees, supply chains, and local communities to be major stakeholder groups in promoting sustainability management. We encourage stakeholders' participation through various communication channels in and outside of the company. Then, we provide feedback by establishing response plans for major issues.



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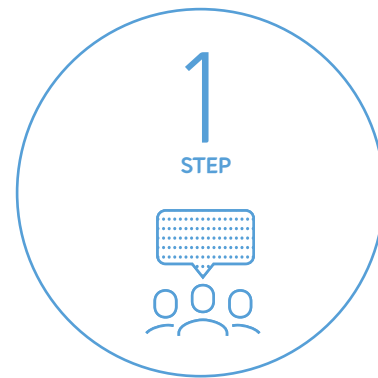
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MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT PROCESS

CJ CheilJedang analyzed the current conditions and issues inside and outside of the company. In the analysis, we identified 36 sustainability issues from which a pool of sustainability management issues could be derived. We then conducted surveys to solicit the opinions of internal and external stakeholders, as well as expert assessments. Ultimately, three core issues were selected.



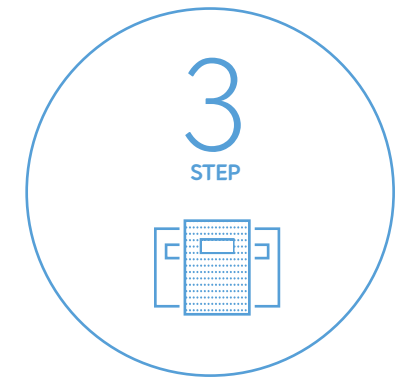
ESTABLISHMENT OF ISSUE POOL

- 1 International standards and indices regarding sustainability management (GRI Standards, ISO26000, UN SDGs)
- 2 Industrial issue analysis
- 3 External environment analysis (media research, benchmarking)
- 4 Review of internal sustainability management issues



CONDUCT SIGNIFICANCE ASSESSMENT

- 1 Impact on business
 - Survey of internal stakeholders
 - Apply results of expert assessments
- 2 Social interest
 - Survey for external stakeholders
 - Apply results of industrial benchmarking and media research



SELECTION OF CORE ISSUES TO BE REPORTED

- 1 Selection of core issues
- 2 A detailed list of core issues in accordance with GRI report principles

SUSTAINABLE IMPACT

LETTER FROM CEO

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2. SUSTAINABLE IMPACT

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UN SDGs Commitment

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→ Materiality Assessment

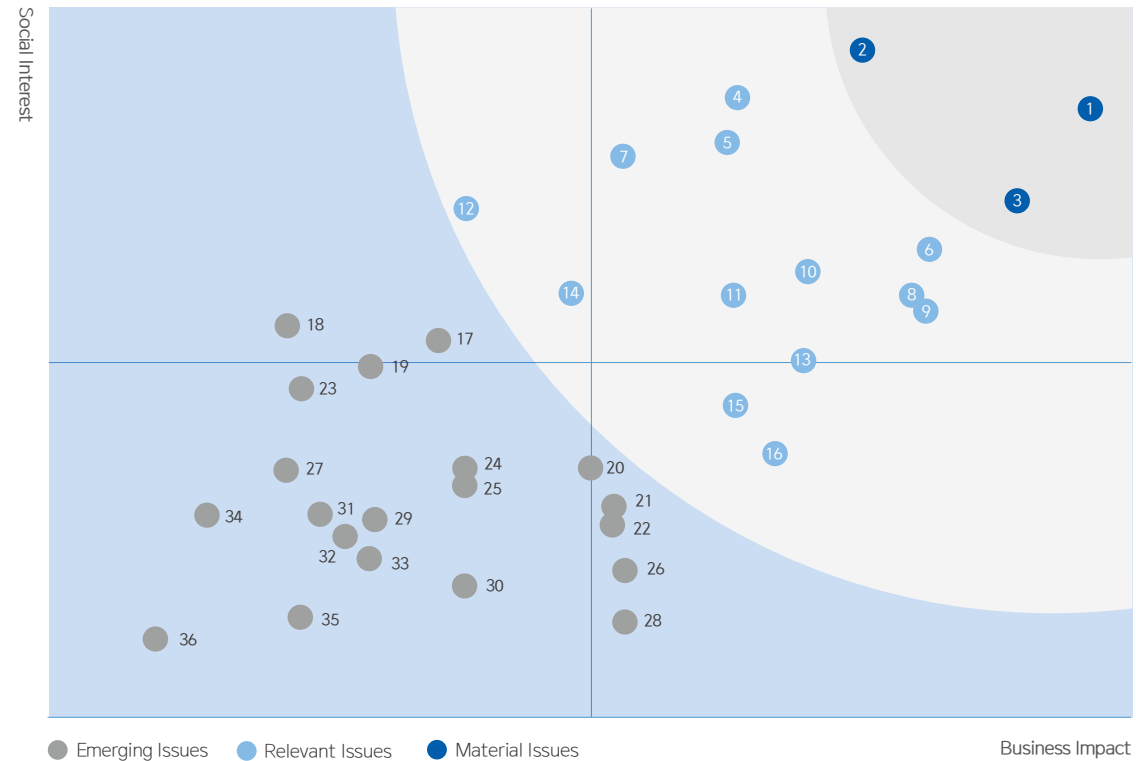
Sustainability Highlights

3. MATERIAL ISSUES

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MATERIALITY ASSESSMENT RESULT



● Emerging Issues ● Relevant Issues ● Material Issues

NO.	CATEGORY	ISSUE
1	Environment	Development of an ecosystem for eco-friendly packaging
2	Economy and general business management	Diversified generation of economic value
3	Customers	Development of products and services considering the health of customers
4	Customers	Efforts to enhance product safety
5	Local community	Social contribution activities leveraging the unique characteristics of the business
6	Supply chain	Selection of suppliers with consideration of sustainability
7	Environment	Measures for climate change
8	Economy and general business management	Expansion of communication with stakeholders
9	Local community	Win-win supply chain
10	Local community	Contribution to boosting local economies
11	Supply chain	Increased sustainability of the supply chain
12	Employees	Fair performance evaluation and remuneration
13	Customers	Support for investment in social infrastructure
14	Supply chain	Compliance with fair trade principles
15	Employees	Work-life balance
16	Customers	Strengthening service responsibility

DEFINITION OF CORE ISSUES TO BE REPORTED

NO.	CORE ISSUE	IMPACT			MATERIAL ISSUE	RELEVANT GRI TOPICS	RELEVANT UN SDGs
1	Development of products and services considering the health of customers	Cost	Revenue	Risk	Issue 01. Health and Safety	GRI 416-1	SDGs 2, 3
2	Development of the ecosystem for eco-friendly packaging	Cost	Revenue	Risk	Issue 02. Sustainable Environment	GRI 301-2	SDGs 12, 13
3	Diversified generation of economic value	Cost	Revenue	Risk	Issue 03. Global Competitiveness Improvement	GRI 201-1	SDGs 8, 9

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SUSTAINABILITY HIGHLIGHTS

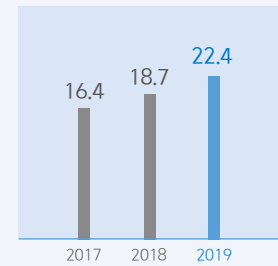
PERFORMANCE OVERVIEW

The following figures illustrate CJ CheilJedang's major achievements related to sustainability management.

ECONOMY

SALES Consolidated

22.4 Unit: KRW trillion



OPERATING PROFIT Consolidated

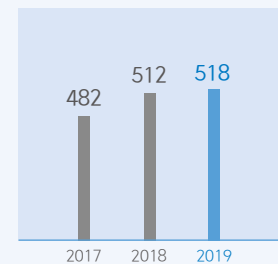
8,969 Unit: KRW 100 million



SUPPLY CHAIN

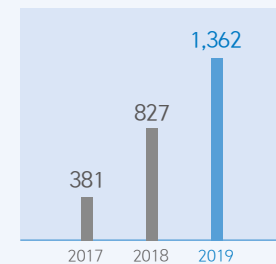
FINANCIAL SUPPORT FOR SME SUPPLIERS Win-Win Fund

518 Unit: KRW 100 million



FARMING AREA UNDER CULTIVATION CONTRACT

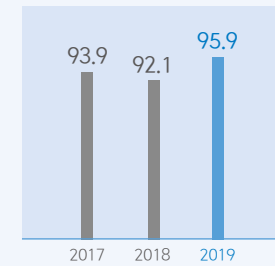
1,362 Unit: ha



CUSTOMERS

CUSTOMER SATISFACTION INDEX

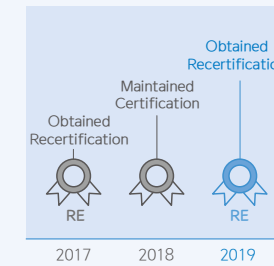
95.9 Unit: Point



* Result of the satisfaction level survey by a third-party agency

CONSUMER-CENTERED MANAGEMENT CERTIFICATION

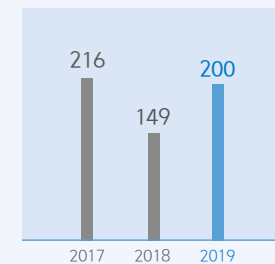
OBTAINED RECERTIFICATION



LOCAL COMMUNITIES

CORPORATE CITIZENSHIP AND PHILANTHROPY

200 Unit: KRW 100 million



NUMBER OF VOLUNTEERS

4,907 Unit: Person



EMPLOYEES

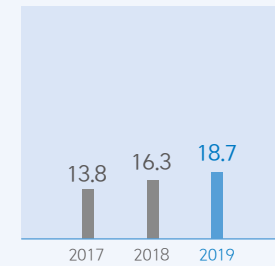
NEW EMPLOYEES

1,122 Unit: Person



FEMALE EXECUTIVES RATIO

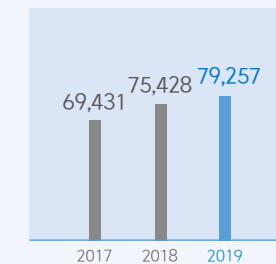
18.7 Unit: %



ENVIRONMENT

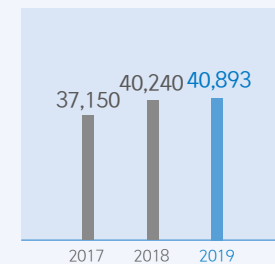
REDUCTION IN GHG (GREENHOUSE GAS) EMISSIONS Accumulated

79,257 Unit: tCO₂e



USE OF RECYCLED PACKAGING MATERIALS

40,893 Unit: ton



SUSTAINABLE IMPACT

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2019 ESG HIGHLIGHTS



Plastic Packaging Materials and Eco-friendliness Forum (2019.11)

1. ENVIRONMENT ECO-FRIENDLY PACKAGING ECOSYSTEM

CJ CheilJedang established the 'Sustainable Packaging 3R Policy' in 2016. Since then, it has reduced waste from packaging materials and to protect the environment. In November 2019, CJ CheilJedang attended the Plastic Packaging Materials and Sustainability Forum to share the company's advanced packaging technologies and major achievements. The participants jointly pledged to create circular economy system for plastic packaging materials.



2. SOCIAL DECLARATION OF SUPPORT FOR WOMEN'S EMPOWERMENT PRINCIPLES (WEPS)

CJ CheilJedang addresses gender discrimination issues and gender equality within the company. In October 2019, we officially declared support for the WEPS initiative. This was launched by the UNGC and UN Women to promote gender equality. We provide fair and equal opportunities to all employees. CJ CheilJedang's percentage of female executives is currently 18.7% and is on a steady rise, with the percentage of women among all new employees reaching 42% in 2019. We are also contributing to boosting the employment of senior workers, working moms, and women with career breaks.



Statement of Support for WEPS

3. GOVERNANCE CJ CHEILJEDANG COMPLIANCE PROCLAMATION CEREMONY

Compliance Management Proclamation Ceremony



In October 2019, CJ CheilJedang's Compliance Committee held a declaration ceremony for compliance-based business management with the CEO and executive directors. The CEO demonstrated his commitment to pursue compliance management by presenting a new compliance program for employees and expressing support for ethical management. Executives and employees have signed a compliance pledge to comply with local and foreign laws and the company regulations.



3

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- 22. Health and Safety
- 26. Sustainable Environment
- 30. Global Competitiveness Improvement

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ISSUE 1. Health and Safety



HOW WE MANAGE

CJ CheilJedang is a global food and bio company that puts product safety and customer health first. We have established the 'Integrated Food Safety and Quality Management System' from product development to distribution in South Korea and in all the countries where we operate to ensure food safety for our customers at home and abroad. In addition, we provide functional bio-products for the nutrition and health of animals, contributing to animal welfare and greater viability for farms. The operation is expanding to cover humans and plants as well. Implementing 'Nature to Table', CJ CheilJedang continues its work to provide safe and healthy food to customers.

2019 KEY FACTS & FIGURES

USE OF ECO-FRIENDLY INGREDIENTS



600,000
TONS
PROCURED
INGREDIENTS

SALES OF HEALTHY PRODUCTS



KRW 100 BILLION
HEALTHY PRODUCT BUSINESS

MARKET SHARE IN THE NUTRITIONAL ENHANCEMENT PRODUCT MARKET



NO. 1 IN THE GLOBAL MARKET

LYSINE, TRYPTOPHAN, NUCLEOTIDE, VALINE, SPC*

* SPC(Soy Protein Concentrate)



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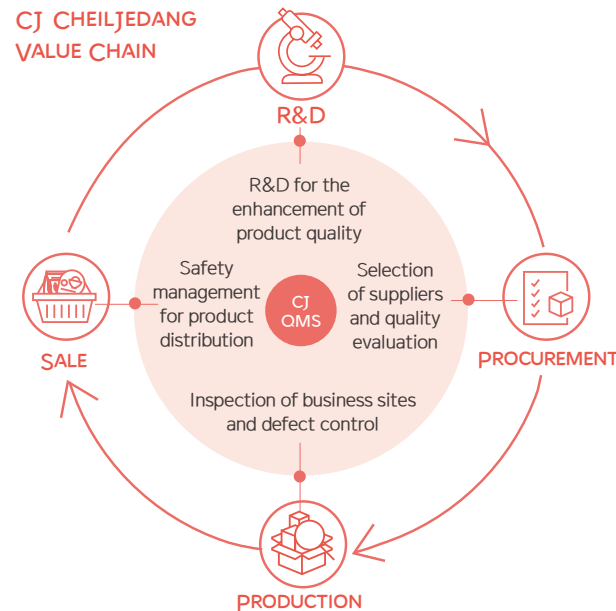
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PROMOTING CULTURE FOR FOOD SAFETY

ESTABLISHMENT OF INTEGRATED FOOD SAFETY AND QUALITY MANAGEMENT SYSTEM

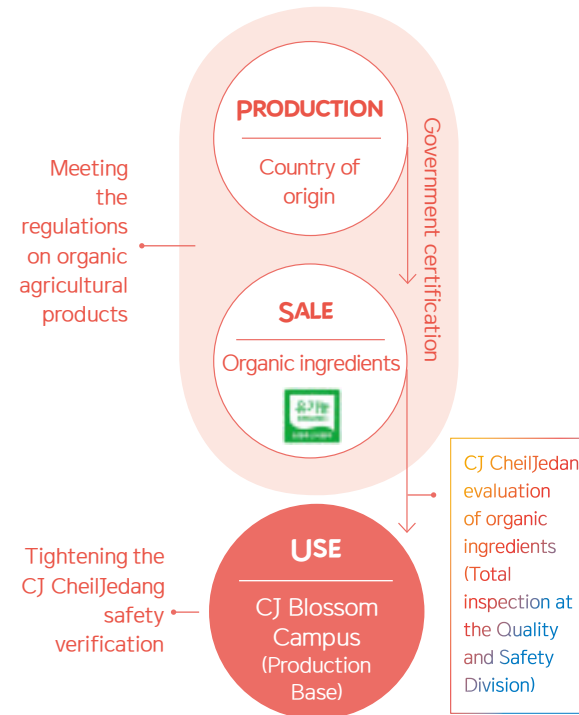
CJ CheilJedang conducts food safety assessments of all products and operates an integrated Food Safety and Quality Management System (CJQMS) in Korea and all global business sites (China, Vietnam, United States, Germany, Japan). As a result, we provide food products that our customers can consume without any worry. Our CJQMS system helps the company proactively prevent and control quality issues that may occur across the value chain, including R&D, production and sale.

* CJQMS(CJ Quality Management System): An integrated system for food safety



MANAGEMENT OF INGREDIENT'S FOOD SAFETY

CJ CheilJedang recognizes that the use of safe ingredients is essential in producing food that everyone can consume without concern. With this in mind, we carefully choose organic ingredients. Although our products are certified organic by the government, we manage our food ingredients by independently carrying out additional evaluations. Our own standards are even stricter than the relevant laws and regulations for improved product safety.



ENHANCING COMMUNICATION FOR CUSTOMERS SAFETY AND SECURITY

We provide information on products, particularly addressing any potential misconceptions, to customers through culturally appropriate videos. In this way, we communicate with our customers to help them use our products without concern.



Sample video: "Get to Know Hetbahn"

OUR EFFORTS ABOUT GMO MANAGERMENTS

CJ CheilJedang is well aware of the concerns surrounding the impact of GMO crops and ingredients on the human body and the environment. As such, we manage the IP (Identity Preserved) handling certificates, government certificates, notarized certificates, and test reports of imported agricultural products, including beans and corns, based on the GMO regulation by the Ministry of Food and Drug Safety (MFDS). We run a food safety center in each country to strictly comply with local law and regulations. We also conduct analyses and following Internal Label management guide of GM ingredients based on Our CJQMS. CJ CheilJedang is capable of analyzing all GM events of GM Crops approved by government. We are also tightening analysis management through regular monitoring of raw materials and finished products. Moreover, we have an analysis method of unapproved soybeans, corns and wheats that are unknown in Korea, thus controlling potential food safety risks. In 2019, we participated in the social consultative group for the full GMO disclosure, hosted by the MFDS. In this group, we actively provided cooperation to devise improvement plans to be applied in Korea. We then achieve a social consensus by leveraging our expertise and objective perspectives.

* GMO(Genetically Modified Organism)

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DEVELOPMENT OF HEALTH PRODUCTS 「 Enhancement for Customer's Nutrition 」

‘BALANCE MEAL’, A HOME MEAL REPLACEMENT FOR CONSIDERING THE NUTRITIONAL BALANCE OF CONSUMERS

CJ CheilJedang is committed to developing products with balanced nutritional content. In 2019, we launched ‘Balance Meal’, a simple but nutritious product developed by considering the optimal amount of daily consumption of nutrients. Our ‘Balance Meal’ (sweet potato, oat, nut) products are nutritious food whose protein content is over 30% higher than the daily nutrient requirement.



HEALTH

1. USING 6 WHOLE GRAINS

2. NO SYNTHETIC FLAVORS

NUTRITION

Protein

Dietary fiber

CONTAINING 30% OR MORE OF PROTEIN

Folic acid

Vitamin B₆,C,E

Calcium

Based on the reference amount of daily nutrient intakes

‘RETURNUP’, NEUTRAL VITAMIN MADE BY FERMENTATION TECHNOLOGY

Based on fermentation and processing technologies refined over 65 years, CJ CheilJedang launched Returnup, a fermented multi-vitamin product, in Korea in 2019. By applying our globally patented tablet technology (compressing medicines into regular shapes), we are able to exclusively use vegetable ingredients, extracted from seaweed and exclude synthetic substances. In addition, we provide care solutions that are customized for the physical differences between different age groups.



HEALTH

TABLETS MADE WITH VEGETABLE INGREDIENTS

(None of the nine major food additives is used)

NUTRITION

1. INCREASED NUTRIENTS WITH FERMENTED YEAST

2. 2.5 TIMES* HIGHER ABSORPTION RATE

* Based on the absorption rate of selenium compared to non-fermented vitamin products

CJ CHEILJEDANG'S EFFORTS FOR CUSTOMERS

Since our foundation in 1953, CJ CheilJedang has constantly explored how to improve the health of our customers and provide better nutrition. We have developed the following products to improve customers' health.

<p>HETBAHN Low-protein Rice for Patients with Metabolic Diseases</p> <p>Low-protein rice for patients with congenital metabolic diseases who must limit their consumption of protein</p>	2009	
<p>THE HEALTHY Processed Food with No Additives</p> <p>Processed food with four major additives excluded that consumers can eat without concern</p>	2010	
<p>BEKSUL Functional Sugar</p> <p>A lower absorption rate and healthy sweet flavor with a lower absorption rate</p>	2011	
<p>BYO Lactobacillus for Skin Condition</p> <p>The world's first lactobacillus that helps improve skin condition</p>	2013	
<p>BEKSUL Cooking Oil for Health</p> <p>Cooking oil for balanced fatty acids considering changes in dietary habits</p>	2014	
<p>BYO Intestinal Lactobacillus</p> <p>Lactobacillus for improving the health of the intestines</p>	2015	
<p>'Balance Meal' and 'Returnup'</p> <p>A home meal replacement product for consumers' health, and a healthy vitamin product developed using fermentation technology</p>	2019	

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DEVELOPMENT OF PRODUCTS FOR LIVESTOCK HEALTH

「 Nutritional Enhancement of Livestock 」

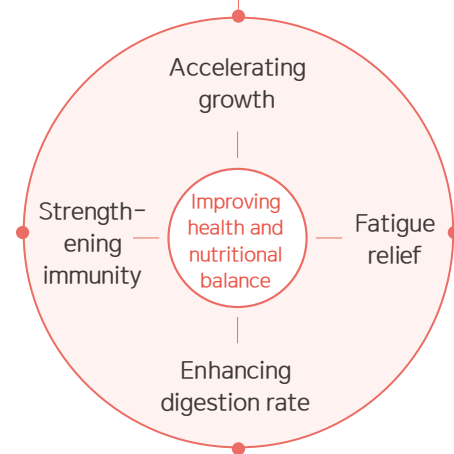
DEVELOPMENT OF FUNCTIONAL ADDITIVES AND FLAVORS FOR NUTRITION & HEALTH

CJ CheilJedang develops high-quality functional amino acids, improving the nutritional balance of animals, plants and human beings, through its own microorganism technologies. We also develop biological disease control products for improving immunity such as probiotics, and natural, healthy flavors. We are contributing to enhance health and nutritional balance of animals, plants, and human beings.



NO. 1 IN THE GLOBAL MARKET SHARE IN 2019*

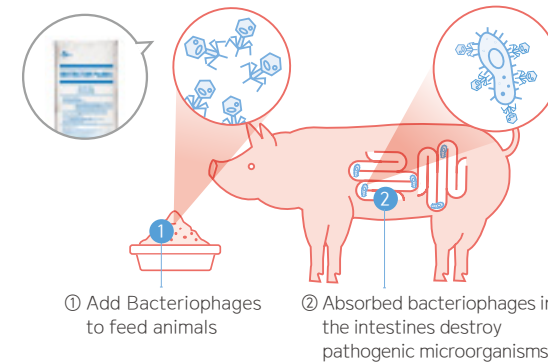
* Based on Lysine, Tryptophan, Valine, Nucleotide and SPC



DEVELOPMENT OF BIOLOGICAL DISEASE CONTROL TO PREVENT ANIMAL DISEASES BY BOOSTING IMMUNITY

BIOTECTOR® is a bacteriophage* used as a feed additive. This animal disease prevention product selectively destroys bacteria that may cause diseases, including salmonella, pathogenic coliform bacillus, and clostridium botulinum. We improved its efficacy compared to previous products to prevent the worst bacterial diseases (fowl typhoid, pullorum). We are continuously developing relevant technologies for reducing and preventing animal diseases by providing alternatives to antibiotics.

* Bacteriophages: Since they are naturally designed to target specific bacteria, they selectively destroy harmful pathogens while leaving useful bacteria behind. They can also be used as an alternative to antibiotics, which also contributes to reducing the incidence of antibiotic resistance and super bacteria.

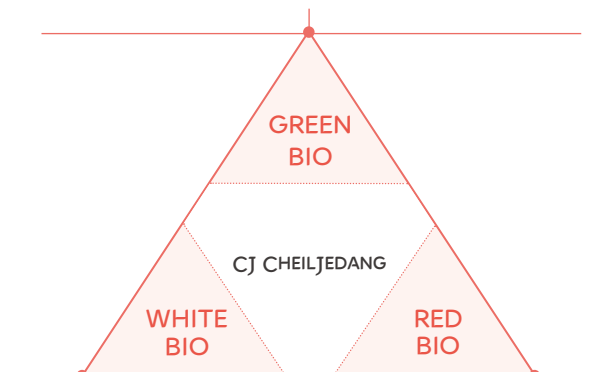


- 740 types of pathogenic microorganism
- 95% effectiveness
- 100% bio contents (Harmless to human and livestock)
- Alternative to antibiotics in animal feed

GLOBAL NO. 1 BIO-TECHNOLOGY

CJ CheilJedang is focusing its R&D capacity on Green BIO industry, including animal feed additives, natural flavors, and so on. We are expanding our business areas to new markets by developing new products such as immune boosters and enzymes. We've actively set our strategy to cover all bio sectors: Green, White and Red BIO, so that we are aiming at sustainable R&D to improve the health and nutritional balance of animals, plants, and human beings.

- Agricultural and food area
- Bio-based additives and functional ingredients area



- Environmental and energy area
- Bio-based energy and plastics area
- Medical and pharmaceutical area
- Bio medicines and disease prevention healthcare service area

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ISSUE 2. Sustainable Environment



HOW WE MANAGE

CJ CheilJedang, which understands that product manufacturing activities may exert direct and indirect influences on the environment, focuses its implementation of environment management on a dedicated group. This group manages overall environmental risk factors including energy efficiency improvements and reduction of GHG emissions and waste. Beyond merely reducing emissions and waste, we work to realize a virtuous cycle that transfers resources from nature to dining tables, and then, back to nature. This cycles covers eco-friendly packaging and the manufacturing of bio products through eco-friendly fermentation.

2019 KEY FACTS & FIGURES

PRODUCTS WITH CARBON FOOTPRINT CERTIFICATION



REDUCTION IN WASTE BY RESOURCE CIRCULATION METHODS*



* These data indicate annual reduction by resource circulation methods only.

REDUCTION IN CO₂ AS A PACKAGING IMPROVEMENT TASK



BIODEGRADABLE PLASTICS



MATERIAL ISSUES

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REINFORCEMENT OF ENVIRONMENTAL MANAGEMENT 「Promotion of Environmental Management」

ENVIRONMENTAL MANAGEMENT STRATEGIES

CJ CheilJedang has established a sustainable environmental management system, presenting a vision of becoming a world-class, green management company. We have established environmental safety strategies for all stages, from recognition of environmental risks to improvement, prevention, countermeasures, and diagnosis. We detect key environmental risks such as chemical leaks and odors in advance and preemptively deal with such issues.

CJ CHEILJEDANG'S ENVIRONMENTAL MANAGEMENT STRATEGIES

Stage	Recognition	Improvement	Prevention	Counter measure	Diagnosis
Description	Select key environmental risks	Check business sites with risk factors and invest in improvement	Control the spreading of risk factors and check compliance with laws and regulations	Establish an emergency response system	Conduct regular diagnosis and ongoing improvement efforts
System	Risk Top 10	RM (Risk Management) DAY	Conduct safety design review	Build a swift report system and conduct regular training	Diagnose environmental risks and evaluate the conformity of construction

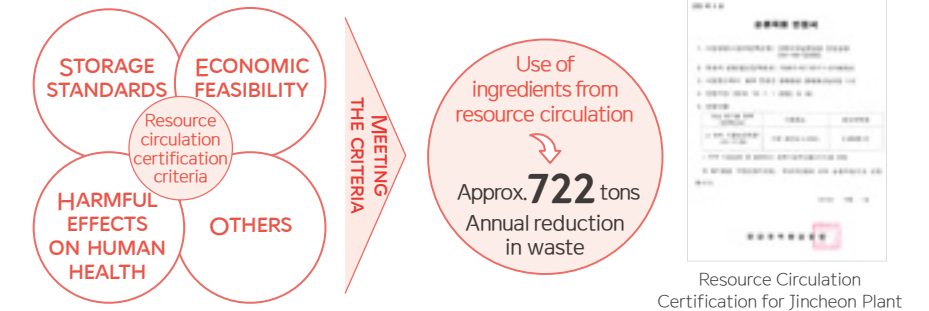
ENVIRONMENTAL MANAGEMENT GROUP SYSTEM

In order to minimize the environmental impact of our products and services, we have in place environmental management groups at headquarters and business sites in and outside Korea.



WASTE RESOURCE CIRCULATION ACTIVITIES

All corporate business management activities inevitably generate waste. CJ CheilJedang not only reduces waste, but also turns it into other resources to create new value. In 2019, at our plant in Jincheon, we improved the management of by-products and waste by using pureed soybean from the tofu-making process. This use of by-products and waste was certified by the government as resources circulation.



EXPANDING TARGET PRODUCTS FOR PURSUING CARBON FOOTPRINT CERTIFICATION

To control GHG emissions throughout the whole production process, we are pursuing carbon footprint certification for some of our products. In 2019, we achieved certifications for nine products, including 'Hetbahn', soybean oil, white sugar and brown sugar products.



CJ CheilJedang Products Certified by Carbon Footprint

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SUSTAINABILITY-BASED DEVELOPMENT OF PRODUCTS

「 Sustainability-based Development of Technologies and Products 」

ECO-FRIENDLY PACKAGING

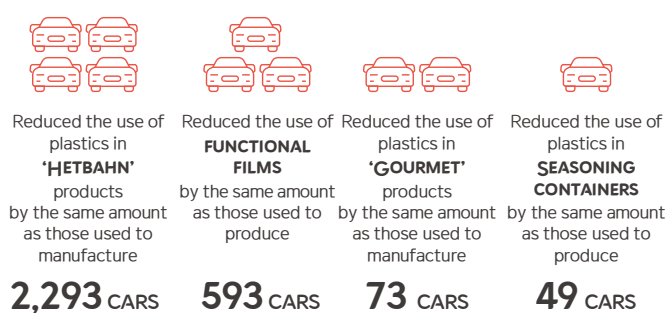
CJ CheilJedang adopted the 'Sustainable Packaging 3R Policy' to reduce waste from packaging materials and promote a sustainable environment. We are striving to achieve a circular economy by developing packaging structures and materials to control non-recyclable materials and minimize plastic. With such technologies developed for our major products, we have reduced our plastic raw materials waste by about 551 tons in 2019. This is equivalent to the amount of plastics used to manufacture approximately 3,673 vehicles.



Effect of reduction in plastic raw materials*

* The number of vehicles that can be manufactured using the amount of plastics as our reduction (150 kg per car)

Reference: NHTSA (National Highway Traffic Safety Administration in the United States)



Effect of reduction in GHG emissions*

*Area of a forest with 30-year-old pine trees that can absorb as much GHG emissions as our annual reduction (10.8 tons per ha)

Reference: National Institute of Forest Science in Korea

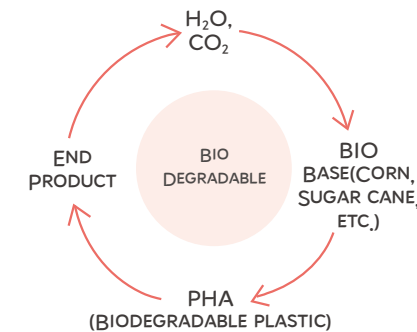


DEVELOPMENT OF BIODEGRADABLE PLASTICS (CJ BIO PHA*)

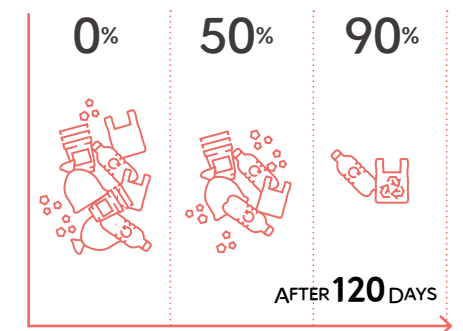
CJ CheilJedang is committed to developing eco-friendly materials using its biotech capacity. For example, the new plastic material developed by CJ CheilJedang (CJ BIO PHA) is a type of synthetic resin used in plastic bags, food packaging, and coated papers. We used only 100% bio-based raw materials, which are biodegradable in the sea. This eco-friendly bioplastic is made with 100% renewable raw materials and is also biodegradable in the ocean.

* PHA: Polyhydroxyalkanoates

PHA BIODEGRADATION CYCLE



BIODEGRADATION IN OCEAN



CASE SUSTAINABLE PACKAGING PRACTICE

We have reduced the size for gift set by 19% and made tray including 40% recycled material. As a result, the use of plastic reduced by 80 ton in 2019. Furthermore, we have reduced total plastic weight of Hetbahn container by 344 ton in the same year.



Improvement of the recycling rate of gift set packaging materials



Optimization of containers and lid films for 'Hetbahn' products



Reduction of the thickness of packaging materials for 'Bibigo' pouch HMR



CJ THE MARKET Using Only Water for Ice Packs

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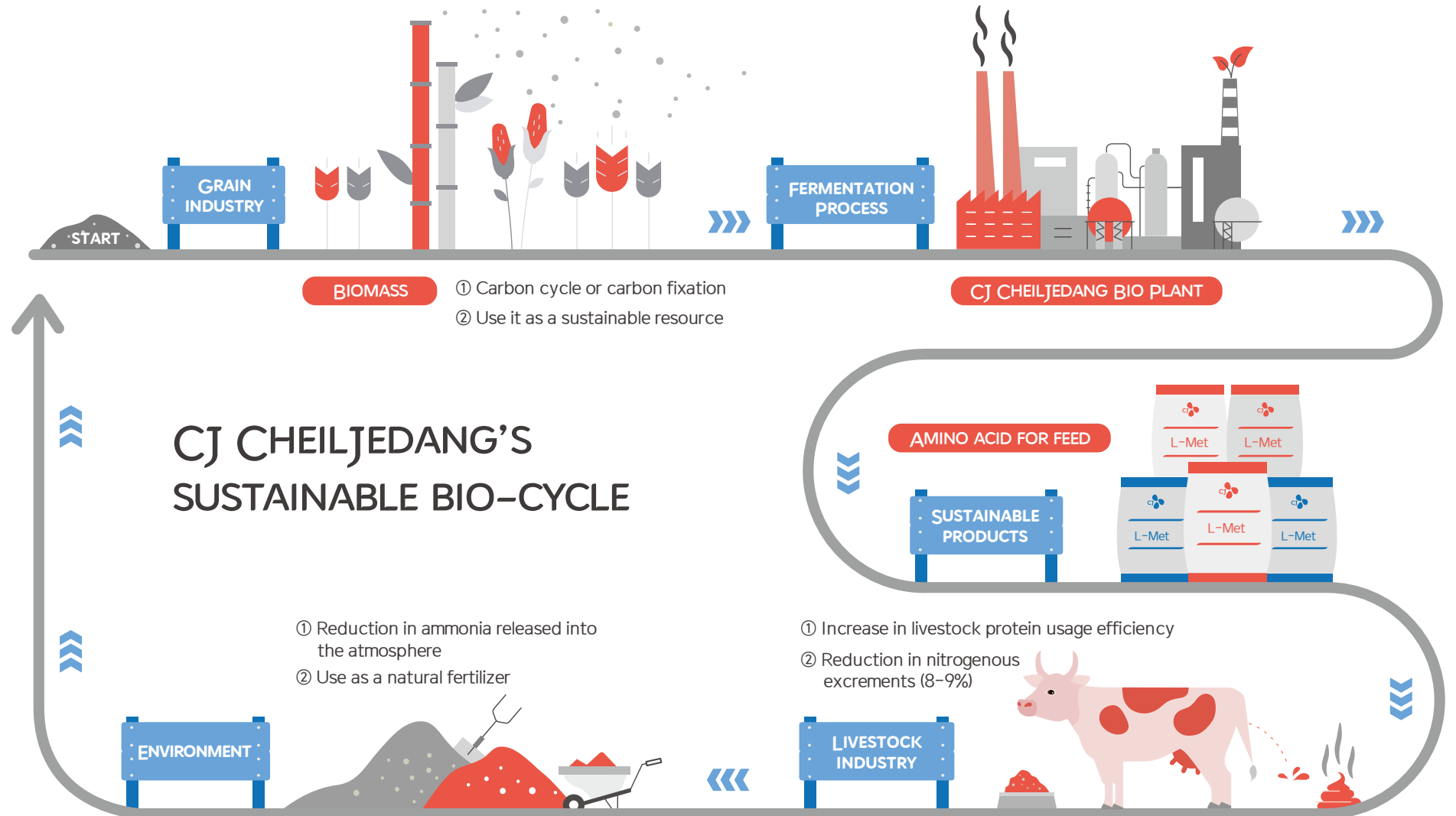
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ECO-FRIENDLY BIO-FERMENTATION AND REFINING TECHNOLOGIES

CJ CheilJedang has achieved a sustainable bio-cycle, which obtains resources from nature and returns to nature, through its eco-friendly fermentation and refining technology. We contribute environmental sustainability by reducing the environmental impact incurred while manufacturing products using natural ingredients and consuming and disposing of them.



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ISSUE 3. Global Competitiveness Improvement



HOW WE MANAGE

Companies should strengthen their global competitiveness to achieve their inherent objectives of creating economic value and securing a strong market position. At the same time, they should implement sustainable management practices by minimizing their social and environmental impact and fulfilling their social responsibility in corporate operations such as R&D and production. Operating with its unique technology and global footholds, CJ CheilJedang leads the global bio market and is deepening the penetration of its food business through product localization.

2019 KEY FACTS & FIGURES

GLOBAL BIO PRODUCTION BASES



LAUNCH OF CJ THE MARKET

CJ CHEILJEDANG ONLINE SHOPPING MALL

HMR*
PRODUCTS IN
2019



KRW 2 TRILLION
ACCUMULATED SALES

* HMR
: Home Meal Replacement



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STRENGTHENING OUR FOUNDATION FOR GLOBAL COMPETITIVENESS

「 Activities to Build Global Competitiveness 」

PROMOTING GROWTH FOR FUTURE INNOVATION

CJ CheilJedang has been establishing an efficient work infrastructure and expanding global businesses to cope with changes in the business environment. This will enable us to realize innovation and rise above the global competition. The integrated global system will help us share the standardized management information of overseas subsidiaries in real time and remarkably improve the speed and accuracy of decision making.

INVESTMENT INCREASE IN GLOBAL BIO INDUSTRY

CJ CheilJedang is focusing its investment on Green BIO and White BIO industries, which use various microbial cell factories to mass-produce a wide range of useful substances. In 2019, we invested about KRW 80 billion in R&D to strengthen our existing R&D capacity and expand the scope of research to new areas, including plant nutrition, immunity improvement materials, enzymes, and biodegradable plastics.

CJ CheilJedang's Global Bio Production Bases

Country	Location	Product
China	ShenYang	Lysine, nucleotide, arginine, etc.
	Liaocheng	Lysine, nucleotide, etc.
	Ningbo	Functional Amino Acid
	Foshan	Fermented
Vietnam	Vung Tau	Fermented soybean meal, etc.
Malaysia	Kerteh	L-Methionine, etc.
Indonesia	Pasuruan	Lysine, tryptophan, etc.
	Jombang	Nucleotide, natural food ingredients, etc.
Brazil	Goiias	Soy Protein Concentrate
	Piracicaba	Lysine, etc.
United States	Iowa	Lysine, threonine, etc.

ESTABLISHMENT OF INNOVATION HUB

Innovation Hub is an innovation center that integrates our R&D, marketing, design, and packaging centers into one location in each country where we operate overseas subsidiaries to maximize work efficiency. The hubs have helped us secure global competitiveness, as we are able to swiftly develop products and operate in overseas markets as efficiently as we do in Korea. We currently operate Innovation Hubs in China (from 2018) and Vietnam (from 2019). We will create new synergy by connecting these innovation hubs.



Innovation Hub in Vietnam

CASE ACQUISITION OF SCHWAN'S COMPANY IN THE UNITED STATES

In 2019, CJ CheilJedang acquired Schwan's Company, a leading frozen food company in the United States. Schwan's Company is a major player in the frozen foods (pizza, pie, Asian appetizers, etc.) market, with production and logistics infrastructure and R&D capabilities across the United States. It owns major brands including 'Red Baron', 'Tony's', 'Edwards' and 'PAGODA'. Combining our capacity for R&D, production and marketing with Schwan's Company, CJ CheilJedang will create outstanding synergy to accelerate K-Food globalization.

CASE ACQUISITION OF YOUTELL IN CHINA

CJ CheilJedang signed an agreement to acquire Youtell in China, a company equipped with enzyme technologies in various fields including animal feed, fiber, food and paper manufacturing. In doing so, we gained momentum in the global enzyme business. Youtell provides bio-engineering, increasing feed efficiency, new energy-reducing products, and technologies based on enzyme products. We are committed to R&D of technologies related to fermentation, analysis and protein refining to achieve our vision of becoming one of the world's top bio company obtaining enzyme technology.

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PRODUCT DEVELOPMENT REFLECTING MEGA TRENDS

「 Product Development Considering Demographic Changes and Mega Trends 」

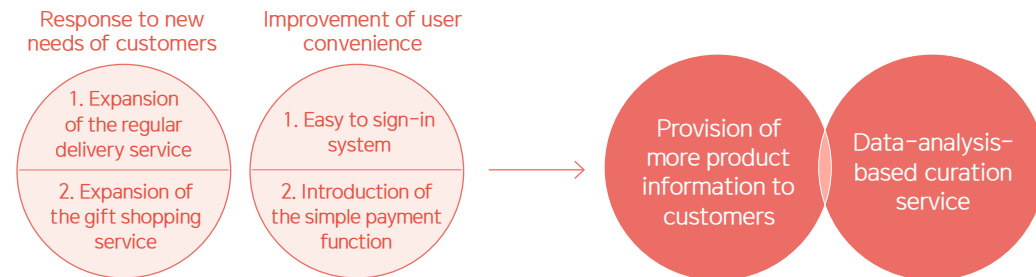
Considering the rapidly changing global mega-trend, we are securing capabilities for product development and establishing infrastructure. Through these efforts, we will strengthen our global competitiveness.

MEGA TREND: INCREASE IN SINGLE-PERSON HOUSEHOLDS AND DIGITAL INNOVATION

With changes in the digital-based social environment and the growing number of single-person households, online grocery shopping is now a major trend. In light of this, CJ THE MARKET began providing a new product trial experience service. We've also strengthened product suggestions based on TPO (Time, Place, Occasion), with a focus on HMR products. We expanded services such as regular delivery and gift shopping to deal with these new customer needs. We also improved convenience for customers by introducing simple sign-in and payment functions. Considering changes in customer demands, particularly for younger people, CJ THE MARKET will provide more content-based product information and improve its data-analysis-based curation service.

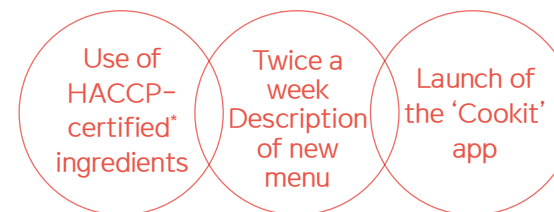


CJ THE MARKET website



LAUNCH OF 「CHEF'S COOK KIT 'COOKIT」, AN ONLINE MEAL KIT BRAND

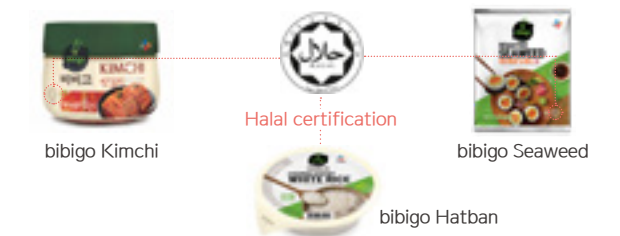
As the 52-hour workweek system has recently expanded, the importance of sharing dinner with family is growing. Consumers want to try new things, such as new dishes, to better enjoy their daily lives. However, it's not easy for our busy customers to prepare meals at home every day. To address this, CJ CheilJedang launched 'Cookit,' an online meal kit brand that helps customers easily cook meals and enjoy delicious food with their families.



* Hazard Analysis and Critical Control Points

DEVELOPMENT OF CUSTOMIZED PRODUCTS FOR GLOBAL MARKETS

As part of the globalization of K-Food led by CJ CheilJedang, we develop products that are customized for each country using specialized ingredients and content. We developed halal K-Food certified by well-known certification groups (JAKIM, MUI) to accommodate religious preferences. We now export these products to Muslim countries such as Singapore and Malaysia.



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ENVIRONMENTAL PERFORMANCE

Environmental Management

IMPLEMENTATION OF ENVIRONMENTAL MANAGEMENT

We promote environmental management to minimize the impact of our production and business management activities on the environment. We manage water and raw materials, essential resources for food business, and control GHG emissions and waste across the entire production process. CJ CheilJedang maintains 16 environmental certifications, including the carbon footprint certification for products and the Green Company Certification and the Green Management System Certification for business sites.

Environment-related Awards and Certification

Name	Carbon Footprint	Green Company	Green Management System	Exemplary Company for Environment Management & Self-audit Business
Number of Certifications	9	2	2	3

RECOGNITION OF ENVIRONMENTAL MANAGEMENT

CJ CheilJedang won four commendations and awards, granted by external agencies, for its environmental management activities throughout the year.

Environmental Management-related Awards

Business Site	Month	Name	Awarding Agency
Incheon 2	'19.06	Exemplary business site in the evaluation of voluntary agreement implementation for management of the total amount of air pollutants	Metropolitan Air Quality Management Office
Jincheon BC	'19.06	Commendation from the local government at the Environment Merit Awards	Chungcheongbuk-do Office
Nonsan	'19.12	Commendation from the local government at the Environment Merit Awards	Nonsan City Government
Busan	'19.12	Commendation from the local government at the Environment Merit Awards	Nakdong River Basin Environmental Office

Raw Material Management

Sustainable raw material procurement policy

PROCUREMENT OF ECO-FRIENDLY RAW MATERIALS

CJ CheilJedang strives to fulfill its role as a corporate citizen in the procurement of raw materials for its products. Regarding the purchase of raw materials such as raw sugar and corn, we reduce our environmental impact and comply with the sustainable raw material procurement policy that we established to enhance animal welfare.

PURCHASE OF SUSTAINABLE PALM OIL

In 2017, in an effort to purchase sustainably-produced palm oil, CJ CheilJedang joined RSPO(Roundtable on Sustainable Palm Oil), an association that aims to address issues such as environmental destruction in palm oil-producing areas and labor rights violations. In 2019, we purchased 790 tons of sustainable palm oil, and we are planning to increase the purchase ratio of palm oil in the total raw materials.

USE OF SUSTAINABLE SOYBEAN

Along with the growing global population and securing protein resources, the demand for soybean is expected to rise as well. Soybean is an essential ingredient in the production of our products such as soybean milk, tofu, and paste, but the reckless harvest of soybeans may devastate forests and cause damage to natural vegetation in tropical rainforests. To prevent such a tragedy, we use soybeans produced by sustainable methods and try to increase the share of sustainable soybeans in the total ingredients used in our products. Some of the soybeans we use obtained the European RTRS (Round Table on Responsible Soy) and US Responsible Soy certifications.

CONTRIBUTION TO ANIMAL WELFARE

CJ CheilJedang has established animal welfare principles as part of our eco-friendly raw material procurement policy procured materials that do not use genetically modified or cloned animals to meet consumers' expectations and provide safe food. In particular, we have been contributing to animal welfare through eggs, which were born by healthy chickens in a pleasant environment, and non-antibiotic pork that did not use growth stimulants or hormones and did not use antibiotics or antibacterial agents with feed.

Eco-friendly Raw Material Procurement Performance

Raw Materials	Unit	2019
Organic sugar	Ton	125
Organic flour	Ton	273
Sweetener (SMETA*)	Ton	6,910
Soybean (RTRS)	Ton	598,793
Palm oil (RSPO)	Ton	790

*SMETA: Sedex Members Ethical Trade Audit

RAW MATERIAL CONSUMPTION MANAGEMENT

The amount of raw materials and ingredients used in CJ CheilJedang products in 2019 reached about 6,917 thousand tons, up from 2018, due to the increased consumption of raw materials

Production Volume

Raw Materials and Ingredients	Unit	2017	2018	2019
Food business	Thousand tons	2,808	2,910	3,105
Bio business	Thousand tons	3,515	3,766	3,812
Total amount of raw materials and ingredients used	Thousand tons	6,323	6,676	6,917

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Climate Change Measures

REINFORCEMENT OF CLIMATE CHANGE MEASURES

Our Environmental Safety Team controls GHG emissions and energy consumption to deal with climate change. We also have designated employees in charge of GHG affairs at different business sites. With these measures, we are able to swiftly handle and report issues regarding the reduction of GHG emissions and climate change.

PERFORMANCE EVALUATION BASED ON CLIMATE CHANGE MANAGEMENT OUTCOME

We work to manage and alleviate climate change risks by reflecting the climate change management outcomes in the performance evaluation of employees in charge of climate change affairs. Performance in managing GHG emissions and energy consumption takes up a significant portion of the performance evaluation of the staff at the head office. Employee evaluation results are considered in making promotion and incentive decisions.

CLIMATE CHANGE RISK MANAGEMENT

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

Climate Change Risk Management

Category	Definition of Risks	Activities and Performance
Domestic GHG emissions risk	Need to manage GHG emissions as the government legislated the management of emissions credits	· Estimated and reported GHG emissions and the expected reduction in Korea · Traded GHG emissions credits and generated financial outcome
Storm and flood risk	Need to alleviate damage to crops caused by El Niño, cold waves, storms and floods to stabilize the demand and supply of raw materials	· Conducted an impact evaluation of heatwaves and heavy rain · Achieved a zero-accident rate of storms and floods and reduced the insurance premium rate
GHG emissions risk of suppliers	Need to manage GHG emissions of suppliers as the emissions trading system has been implemented	· Estimated the emissions of over 30 suppliers and conducted monitoring · Identified the emission sources of suppliers

GHG EMISSIONS MANAGEMENT

Our GHG emissions in 2019 were 420,070 tCO₂e (intensity: 0.121 tCO₂e/product-ton), an increase from 394,291 tCO₂e (intensity: 0.108 tCO₂e /ton) in 2018. With the completion of Jincheon BC, greenhouse gas emissions have increased; and we are striving to stabilize operations in 2020. CJ CheilJedang has established a GHG emissions reduction plan and is reducing GHG emissions in practice. In 2019, we reduced a total of 3,829 tCO₂e through 36 GHG emissions reduction programs.

Statistics of GHG Emissions

Category	Unit	2017	2018	2019
Direct emissions (Scope 1)	tCO ₂	171,734	183,930	200,770
Indirect emissions (Scope 2)	tCO ₂	192,225	210,361	219,320
Total emissions	tCO ₂	363,942	394,291	420,070
GHG emissions intensity	tCO ₂ /ton	0.102	0.108	0.121
Reduction in GHG emissions	Accumulated tCO ₂	69,431	75,428	79,257
GHG emissions reduction cases	Accumulated Case	90	111	147

Reduction of Energy Consumption

ENERGY CONSUMPTION COMMITTEE

The Energy Consumption Committee disseminates headquarters' energy reduction targets and directions to energy innovation committee members at each business site. These members report their target achievement rate and manage energy consumption in a systematic way.

ENERGY CONSUMPTION MANAGEMENT

Our energy consumption in 2019 was 9,660 TJ (intensity: 0.003 TJ/product-ton), an increase from 2018. With the completion of Jincheon BC, energy consumption has increased; and we are striving to stabilize operations in 2020. In order to reduce energy consumption, we utilized new renewable energy in five business sites in 2019, including our plants in Busan, Incheon and Jincheon. This is one more than the previous year.

Statistics of Energy Consumption

Category	Unit	2017	2018	2019
Fuel consumption	TJ	3,436	3,642	4,002
Electricity consumption	TJ	3,802	4,331	4,410
Steam consumption	TJ	1,165	1,255	1,270
Total energy consumption	TJ	8,383	9,228	9,660
Energy consumption intensity	TJ/ton	0.002	0.003	0.003
Number of business sites that introduced renewable energy	(Accumulated) Locations	3	4	5
Renewable energy consumption	TJ	1,075	1,108	1,193
Percentage of renewable energy consumption	%	12.79	12.01	12.24

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Water Resource Management

WATER RESOURCE RISK MANAGEMENT

As our business characteristically requires water supply in the cleaning and sterilization process, we manage water resource risks. We strictly follow not only the water sources management regulations, but also the laws and regulations on wastewater. Recognizing that wastewater issues are likely to have negative impact on local communities, we apply stricter wastewater management standards. In case a site for the construction or expansion of our production facilities lies downstream from a water resource protection zone, we select a region safe from water pollution risk, even if this induces increased costs and logistical difficulties. We have also increased investment in the wastewater reuse system in preparation for water resource-related risks, such as increased water supply costs and restricted water supply according to government policy.

WATER CONSUMPTION MANAGEMENT

Our water consumption in 2019 was 6,159 thousand tons (intensity: 1.774 tons/product-ton) which has slightly increased from 2018. This increase can be attributed to the operation of Jincheon BC and the increased production of items that require a large amount of water resources, including 'Hetbahn', dumplings and kimchi products and we are striving to stabilize operations in 2020.

Statistics of Water Consumption

Category	Unit	2017	2018	2019
Water consumption (for industrial and residential uses)	Thousand Tons	4,812	5,170	6,136
Groundwater consumption	Thousand Tons	54	63	23
Total water consumption	Thousand Tons	4,866	5,296	6,159
Water consumption intensity	Ton/product-ton	1.359	1.451	1.774

REUSE AND RECYCLING OF WATER RESOURCES

Our consumption of reused and recycled water resources in 2019 was 349 thousand tons (recycling rate: 5.7%), which is a slight decline from 397 thousand tons (recycling rate: 7.6%) in 2018. We will strive to further increase our use of reused and recycled water resources.

Statistics of Reused and Recycled Water Resources

Category	Unit	2017	2018	2019
Total amount of reused and recycled water resources	Thousand Tons	297	397	349
Water recycling rate	%	6.1	7.6	5.7

WASTEWATER MANAGEMENT

The amount of discharged wastewater in 2019 was 3,757 thousand tons (intensity: 1.082 tons/product-ton), an increase from 3,703 thousand tons (intensity: 1.014 tons/product-ton) in 2018. This can be attributed to the operation of Jincheon BC. Wastewater from our business sites is processed at our wastewater disposal facilities first and then discharged, not directly to nearby rivers or streams, but to local sewage treatment plants. The final discharged wastewater shall be within 30% of the legal criteria. Wastewater treatment water, which is directly discharged to nearby rivers or streams, shall also be within 30% of the legal criteria to avoid major impact on the environment.

Statistics of Discharged Wastewater

Category	Unit	2017	2018	2019
Amount of discharged wastewater	Thousand tons	3,280	3,703	3,757
Wastewater discharge intensity	Ton/product-ton	0.916	1.014	1.082

Waste Management

WASTE MANAGEMENT

The amount of waste discharged in 2019 was 59,014 tons (intensity: 0.0170 ton/product-ton), up from 57,591 tons (intensity: 0.0157 tons/product-ton) in 2018. With the completion of Jincheon BC, the amount of waste discharged has increased; and we are striving to stabilize operations in 2020.

Statistics of Waste Discharge

Category	Unit	2017	2018	2019	
Designated waste	Recycled	Ton	100	109	115
	Incinerated	Ton	25	31	27
	Buried	Ton	20	20	26
	Others	Ton	8	4	0
	Subtotal	Ton	153	163	168
General waste	Recycled	Ton	48,161	50,399	50,698
	Incinerated	Ton	5,800	6,751	7,795
	Buried	Ton	229	278	353
	Others	Ton	-	-	-
	Subtotal	Ton	54,190	57,428	58,845
Total	Ton	54,343	57,591	59,014	
Waste intensity	Ton/product-ton	0.0152	0.0157	0.017	

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Management of Other Environmental Affairs

AIR POLLUTANT MANAGEMENT

The amount of air pollutants generated in our domestic business sites in 2019 was 138.4 tons in total, consisting of 83.2 tons of NOx, 2.4 tons of SOx, and 52.8 tons of dust, an increase from 116 tons in 2018. With the completion of Jincheon BC, the amount of waste discharged has increased; and we are striving to stabilize operations in 2020.

Statistics of Air Pollutants

Category	Unit	2017	2018	2019
NOx (nitrogen oxide)	Ton	228	66	83.2
SOx (sulfur oxide)	Ton	3	2	2.4
Dust	Ton	59	48	52.8
Total	Ton	290	116	138.4

AIR POLLUTANT MANAGEMENT AT OVERSEAS BUSINESS SITES

As a result of The Ministry of Environmental Protection in China announcing 'the standards of ultra low emission for air pollution', we have invested in environmental facilities at our Bio business sites in Shenyang and Liaocheng, China. Since 2018, we have significantly reduced the amount of discharged air pollutants such as nitrogen oxide, sulfur oxide and dust.

Air Pollutant Emissions at the Business Sites in China (Liaocheng, Shenyang)

Category	Unit	2017	2018	2019
NOx (nitrogen oxide)	Ton	329.4	236.3	118.6
SOx (sulfur oxide)	Ton	159.9	76.8	22.9
Dust	Ton	31.1	16.6	8.9
Total	Ton	520.4	329.7	150.4

CENTRAL ENVIRONMENTAL MANAGEMENT SYSTEM

CJ CheilJedang established the central environmental management system to control pollutants and foul odors from the production processes. This system monitors and manages, in real time water pollution indicators such as COD (Chemical Oxygen Demand), air pollutants such as nitrogen oxides, and odors that may affect nearby areas. We have also built an information sharing and cooperation network with relevant organizations to minimize the impact of environmental accidents on local communities.

CJ'S SUSTAINABLE PACKAGING STRATEGY

CJ CheilJedang has established sustainable packaging strategies as part of our policy on reducing waste from packaging materials and promoting a sustainable environment. Through this, we intend to increase the eco-friendly packaging materials and reduce non-recycling packaging to minimize resource waste and contribute to the expansion of the eco-friendly economy of win-win growth.



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SOCIAL PERFORMANCE

Safety and Health

SAFETY MANAGEMENT SYSTEM

CJ CheilJedang excels in safety and health management to prevent negligent accidents and create a healthy working environment. To maintain a safe environment for employees and local communities, we take preemptive measures against workplace hazards such as increasing awareness of safety risks and conducting emergency drills and diagnosis.

Safety Management Process



*AMS: Accident Management System

SAFETY MANAGEMENT ACTIVITIES (ENVIRONMENTAL SAFETY RISK MANAGEMENT DAY)

In 2019, on the occasion of Environmental Safety RM Day, we selected machinery-related bodily injuries as a priority issue. To address this issue, we improved workplace facilities and installed safety guides to prevent such negligent accidents. Environmental Safety RM Day is an on-site activity of CJ CheilJedang, aimed at eradicating major accidents at our business sites in three risk categories: environmental safety, food safety and corporate culture.

We installed automatic fire extinguishing facilities and removed asbestos-containing sites to create a safe working environment where our employees can work without concern.

2019 Improvement Activities for Core Environmental Safety Risks

Core Risk		Performance in 2019	Target in 2020
Prevention of accidents caused when body parts are trapped by machinery	(Accumulated) Number of targets	1,307	1,307
	(Accumulated) Number of Improvement	965	1,307
	Improvement rate	74%	100%
Installation of automatic fire extinguishing facilities	(Accumulated) Number of targets	104	104
	(Accumulated) Number of Improvement	57	104
	Improvement rate	55%	100%
Removal of asbestos-containing sites	(Accumulated) Number of targets	23,067	23,067
	(Accumulated) Number of Improvement	19,210	20,760
	Improvement rate	83%	90%

CJ GROUP'S SAFETY DAY

CJ CheilJedang makes an investment of over KRW 10 billion each year to eliminate safety-related hazard-

factors. This is part of our safety management activities, in which the CEO and directors visit our business sites to check the current state of safety and make decisions for investment, preventing safety risks based on the inspection results. In 2019, we conducted this activity six times and invested KRW 3.3 billion in implementing safety risk prevention measures across 12 cases, thereby contributing to the establishment of safe business sites.

Scale and Number of Cases of Decision Making through CJ Group's Safety Day Activities

Category	Unit	2017	2018	2019
Total amount of investment in safety risks	KRW 100 million	142.1	145.5	102
Amount of investment determined through CJ Group's Safety Day activities	KRW 100 million	34.9	108.4	33
Decisions Made	Case	9	14	12

TRAINING AND DRILLS FOR SAFETY AND HEALTH MANAGEMENT

CJ CheilJedang conducts emergency drills in preparation for real situations at each business site, as well as systematic safety training customized for work sites. These activities help increase awareness of safety among employees and prevent potential risks.

Major Health and Safety Training and Emergency Drills

Health and Safety Training	Emergency Drills
<ul style="list-style-type: none"> · Safety training prior to works · Regular safety training · Training for managers and supervisors · Training for new and transferred employees 	<ul style="list-style-type: none"> · Fire drill · Harmful substance leakage drill · Emergency evacuation drill · High-pressure gas leakage drill · Confined space rescue drill

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RECOGNITION OF HEALTH AND SAFETY MANAGEMENT

CJ CheilJedang won four commendations and awards, granted by external agencies, for its various health and safety management activities throughout the year.

Health and Safety-related Awards

Business Site	Month	Name	Awarding Agency
Incheon 2	'19.11	Commendation for fire accident management	National Fire Agency
Incheon 2	'19.11	Award at the presentation contest of exemplary smoking-quitting cases at business sites	Korea Health Promotion Institute
Jincheon BC	'19.11	Commendation for contribution to fire prevention and strengthening of fire administration	Chungcheong-buk-do
Busan	'19.11	Commendation for contribution to fire prevention and strengthening of fire administration	Busan Metropolitan City

NUMBER OF INDUSTRIAL ACCIDENTS

A total of eight cases of work-related injuries occurred across our business sites in 2019. The rate of accidents with labor loss remained low (0.2%), but we will continue our safety management activities with the aim of achieving zero work-related injuries, diseases and fatal accidents across all business sites.

Statistics of Industrial Accidents of Employees and Contractors

Category	Unit	Unit	2017	2018	2019
Employees	Number of work-related injuries	Case	3	7	8
	Rate of work-related injuries	%	0.141	0.193	-
	Occupational Illness Frequency Rate	%	0	0	0
	Lost Time Injury Frequency Rate	%	-	-	0.25
Contractors	Number of work-related injuries	Case	2	1	3
	Rate of work-related injuries	%	0.115	0.049	-
	Lost Time Injury Frequency Rate	%	-	-	0.143

* Starting from 2019, data collection and calculation method have been changed to comply with global standards

Employees

PROTECTION OF HUMAN RIGHTS

🔗 Declaration of Human Rights

CJ CheilJedang respects the human rights of all employees and complies with the relevant international standards and labor regulations, including implementation of the principles of the UN Universal Declaration of Human Rights and the labor laws of each country. Reflecting our willingness to protect human rights, we established the CJ CheilJedang Declaration of Human Rights. We encourage our employees to join the effort to protect human rights by conducting a wide range of training programs, such as ethics at work, awareness of the disabled, and prevention of sexual harassment. In addition, we have published the Suppliers Code of Conduct and related guidelines to protect human rights in the supply chain. We plan to further advance human rights-related policies and develop human rights guidelines in consideration of government policies, such as the legislation of prohibition of harassment at work.

INTRODUCTION OF HUMAN-RIGHTS-BASED BUSINESS MANAGEMENT

CJ CheilJedang recognizes the significance of human rights risks in our headquarters, as well as in our subsidiaries and suppliers, and is striving to improve the capability to implement human-rights-based business management. To introduce such a system, we conducted a human rights impact assessment for all employees and preliminary on-site inspections for our business sites and subsidiaries. This inspection used checklists prepared in accordance with international guidelines, including those of the UN and OECD. Through this, we identified the current status of

human rights management and potential issues. Based on the results, we will endeavor to build an implementation system to expand human-rights-based business management.

RESPECT FOR DIVERSITY

CJ CheilJedang ensures no discrimination in the recruitment and promotion process for employees based on nationality, race, gender and academic background. We hire employees of diverse backgrounds, including people with disabilities and veterans. In 2019, the proportion of employees from socially vulnerable groups, including those with disabilities and veterans, increased by 5.6% compared to 2018.

FEMALE EMPLOYEES

In line with CJ CheilJedang's diversity-respecting human resource management, the proportion of female executives and managers has continuously increased. In 2019, the proportion of female employees above the manager rank increased to 18%, up from 3.6% in 2018. Further, the proportion of female executives and employees in sales-generating departments also increased in 2019.

Female Employees

Category	Unit	2017	2018	2019
Ratio of female executives	%	13.8	16.3	18.7
Ratio of female managers (G5) or higher-ranking employees	%	13.3	15.6	18.0
Ratio of female employees in sales-generating departments*	%	10.1	8.8	10.3

* Sales-generating departments: Production, sales and marketing departments

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REINFORCEMENT OF FEMALE LEADERSHIP

Beyond simply promoting gender equality by hiring more female applicants, we operate the female leadership reinforcement program to help female employees perform to their full capacity and grow their competencies. We plan to work further to create an open corporate culture without discrimination, including by cultivating female managers and placing female employees in key roles.

CASE

TALK CONCERT WITH GLOBAL FEMALE LEADER

In 2019, as part of our efforts to reinforce female leadership, we invited Helen Clark, former New Zealand Prime Minister and UNDP Administrator, to hold a Talk Concert with a Global Female Leader. More than 200 external participants and our female employees attended the event and, through discussions with Clark, learned about how to build female leadership.



Event Poster

STATUS OF HUMAN RESOURCES

Our total number of employees is one of the most essential indicators in demonstrating CJ CheilJedang's current status of business management and job creation. Our employees consist of regular and temporary workers. The total number of employees in 2019 was 6,615, up from 6,550 in the previous year. Among them, the number of regular workers was 6,524, a slight increase from 6,451 in the previous year. The proportion of female employees was 25% in 2019, higher than 3% in the previous year. The number of short-term and temporary employees was 91 in 2019, and the proportion of regular workers continues to increase.

Employment Status

Category		Unit	2017	2018	2019
Total number of employees	Male	Person	4,429	5,045	4,901
	Female	Person	1,164	1,505	1,714
	Total	Person	5,593	6,550	6,615
Regular employees	Male	Person	4,381	4,999	4,850
	Female	Person	1,080	1,452	1,674
	Total	Person	5,461	6,451	6,524
Short-term and temporary employees	Male	Person	48	46	51
	Female	Person	84	53	40
	Total	Person	132	99	91

COLLECTIVE AGREEMENTS

CJ CheilJedang protects freedom of association in accordance with the International Labour Organization (ILO) agreement and domestic labor laws. As of 2019, 73% of our employees have joined the labor-management council. Through council activities, we are striving to address employee concerns and encouraging them to actively express their opinions on their work environment and welfare. In doing so, we hope to invigorate our workforce and organization.

Ratio of Employees as Members of Labor-management Council

Category	Unit	2017	2018	2019
Ratio of employees participating in the labor-management council	%	69.0	73.1	73.0

EMPLOYMENT STATUS AT OVERSEAS SUBSIDIARIES

In 2019, our overseas subsidiaries employed 20,698 employees, of whom 227 were expatriates and 20,421 (98.7%) were locally hired.

Employment at Overseas Subsidiaries

Category		Unit	2017	2018	2019
Local employees	Overseas workers	Person	17,350	19,086	20,698
	Employees dispatched overseas (expatriates)	Person	285	322	277
	Local recruits	Person	17,065	18,764	20,421
Ratio of local recruits		%	98.4	98.3	98.7
New employees at overseas		Person	3,817	2,396	5,590

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TALENT RECRUITMENT AND TURNOVER

CJ CheilJedang recruits employees based on individual capacity and in line with our policy on providing fair and equal opportunities. In 2019, the number of new employees was 1,122 and we are constantly hiring a lot of people despite difficult external conditions. The total number of turnovers in 2019 was 623, slightly increased compared to 2018.

New Employees

Category	Unit	2017	2018	2019	
Total	Person	942	1,559	1,122	
New employees of each age group	Under 30	Person	751	1,147	685
	30 to 50	Person	188	403	432
	Over 50	Person	3	9	5
New employees of each gender group	Male	Person	707	1,204	656
	Female	Person	235	355	466

Turnover and Retirement

Category	Unit	2017	2018	2019	
Total	Person	445	538	623	
Employees of each age group who moved to other companies or retired	Under 30	Person	196	329	321
	30 to 50	Person	220	182	247
	Over 50	Person	29	27	55
Employees of each gender group who moved to other companies or retired	Male	Person	318	424	440
	Female	Person	127	114	183

EVALUATION AND REMUNERATION FOR EMPLOYEES

CJ CheilJedang employees are paid more than the legal minimum wage (per hour). In 2019, the wage was 126% of the legal minimum wage, and the average remuneration for employees was KRW 56 million. At CJ CheilJedang, we avoid gender and region-based payment discrimination. All new hires receive the same wage.

Remuneration for Employees

Category	Unit	2017	2018	2019	
Legal minimum wage	KRW	6,470	7,530	8,350	
Wage for new employees	Male	KRW	8,175	9,756	10,490
	Female	KRW	8,175	9,756	10,490
Ratio compared to the legal minimum wage	Male	%	126	130	126
	Female	%	126	130	126

Retirement Pension System

Category	Unit	2017	2018	2019
Amount of the retirement pension fund	KRW 100 million	2,507	3,196	2,885
Subscription	Person	5,390	6,066	6,260

MATERNITY AND PARENTAL LEAVE

CJ CheilJedang provides childcare centers at work and the 'Mom-Cheil' Program for pregnant women to reduce the burdens of childbirth and child-rearing for our employees. We provide pregnant employees with special ID cards, electromagnetic wave-shielding blankets and nutritional supplements. We support the health care of employees and minimize the burden of childbirth by allowing pregnant employees to work for shortened hours during the high-risk period of pregnancy. We also provide paternity leave. Even after childbirth, we support our employees' child rearing through various measures, including shortened working hours for newborn care, shortened working hours or time off for school admission, and shortened working hours for emergency child care.

Employees on Maternity and Parental Leave

Category	Unit	2017	2018	2019	
Number of target employees of parental leave	Male	Person	198	238	211
	Female	Person	82	96	85
Number of employees on parental leave	Male	Person	16	21	18
	Female	Person	68	71	77

Ratio of employees who returned from parental leave and the ratio of employees who worked for a certain period after returning from parental leave

Category	Unit	2019	
Ratio of employees who returned from parental leave	Male	%	81
	Female	%	94
Ratio of employees who worked for more than 12 months after returning from parental leave	Male	%	92
	Female	%	95

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TRAINING FOR ETHICS AT WORK

We improve the awareness of work ethics among our employees by providing them with training regarding the prevention of sexual harassment, awareness of the disabled, and prohibition of harassment at work.

Participants Education Programs

Category	Unit	2017	2018	2019	
Sexual harassment prevention program	Number of sessions	Number of sessions	1	1	1
	Number of target employees	Person	5,705	6,726	6,299
	Number of employees who completed the education course	Person	5,695	6,649	6,197
Program for improvement of awareness of the disabled	Number of sessions	Number of sessions	-	1	1
	Number of target employees	Person	-	6,591	7,210
	Number of employees who completed the education course	Person	-	6,532	7,130
Program for prevention of harassment at work	Number of sessions	Number of sessions			1
	Number of target employees	Person			6,957
	Number of employees who completed the education course	Person			6,858

RATIO OF EMPLOYEES WHO UNDERWENT REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW

All CJ CheilJedang's employees receive performance and career development review on a regular basis.

Ratio of Target Employees of Regular Performance Evaluation

Category	Unit	2017	2018	2019	
Ratio of employees who underwent regular performance evaluation	Male	%	100	100	100
	Female	%	100	100	100

ADVANCED ORGANIZATIONAL CULTURE

CJ CheilJedang has adopted RPA (Robotic Process Automation) to improve the work environment for employees and establish an advanced organizational culture. RPA aims to automate repetitive manual tasks, thereby enabling employees to concentrate on core tasks. In 2019, we stably implemented over 100 tasks that we had derived in 2018 and also explored 20 tasks for work efficiency, by automating the work processes, and improving efficiency through RPA. We also operate the work assistance Chatbot (AI-based automated answering system) to reduce counseling time in dealing with employees' simple and repetitive inquiries. We also foster a flexible work environment, whereby employees can adapt their working hours in order to more effectively focus on their work, as well as creativity leave so that employees can enhance their talents and refresh themselves. As a result of these efforts, we achieved 78.7 points in the employee satisfaction level survey in 2019.

Result of Employees' Satisfaction Level Survey

Category	Unit	2017	2018	2019
Result of employees' satisfaction level survey	Point	79.5	81.8	78.7

Work Efficiency Improvement Support Programs

Program Name	Description
Flexible Working System	<ul style="list-style-type: none"> Flexible Time System to adjust the time to come to work and leave the office individually to efficiently focus on work Flexible Working System to flexibly deal with changes in workload for a certain period Discretionary Working System to operate working hours autonomously based on job characteristics
Creativity Leave	<ul style="list-style-type: none"> Mandatory two-week leave and two-week personal leave to all employees every five years, and recommendation that employees use this opportunity to develop their talent and refresh themselves

COMMUNICATION AND GRIEVANCE HANDLING

CJ CheilJedang operates the Open Council, a labor-management council dedicated to enhancing the welfare of employees and contributing to the growth of the company. This is done through cooperation between employees and management, and the sharing of grievances and suggestions reported by employees. The members of the council are elected by all of the assistant managers and staff members at each business site. Currently, about a hundred members of the committee are handling relevant work at their business sites. In a quarterly committee meeting with the management, members discuss how to improve work environments, welfare, productivity, and the concentration of employees, as well as how to invigorate the organization and enhance communication between employees and management. We work to facilitate communication and build a consensus by providing opportunities for discussion, such as CEO Live Talk and inter-departmental workshops. In addition to Golden Bridge and Golden Week, we commenced Refresh-Day and Leader-free Day to promote a better work-life balance. We also run a counseling channel to swiftly handle grievances and harassment issues.

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TALENT CULTIVATION

CJ CheilJedang operates a variety of training programs to nurture all employees – ranging from newcomers to executive directors – in developing top-notch capabilities. In particular, we are actively implementing the Global Growth Support Program to facilitate the global mobility of our core talent. In 2019, we dedicated 52.2 training hours – worth approximately KRW 1.3 million – to each employee.

Average Training Hours per Employee

Category	Unit	2017	2018	2019
Total training hours	Hour	394,867	622,289	390,214
Training hours per employee	Hour/person	72.3	90.6	52.2
Total training cost	KRW million	5,836	11,150	9,995
Training cost per employee	KRW million/person	1.1	1.6	1.3

Talent Development Programs

Program	Description
Excellence Strategy	Learn about business management strategy cases and obtain insights
Innovation Challenge	Action learning for exploration of future-oriented business insights
Value Plus Mentoring	Support assistant managers in designing their growth visions within the organization
Growth vision workshop	Diagnose individual capacity for growing into a leader and make action plans
Manager leadership build-up	Provide a leadership skill-building opportunity after the provision of multi-aspect feedback and debriefing regarding leadership
Job training course	Provide capacity building programs for each job position, including R&D, technology, marketing, and sales
Training for new employees	On-boarding training program with a focus on understanding and learning about the business management philosophy and organization

Global Talent Development Programs

Program	Description
Global Voyage	Overseas training program for new group leaders in major countries where our business sites are located
Global Knock	Support for employees who design and put their own plans into practice for overseas language learning programs and global job training, experience
Global Expert	Program for research into untapped strategic countries and regions
Global Leadership Course	Business management capacity building program for local leaders at overseas business sites (Fudan University in China)
e-AMP	Online MBA program for employees dispatched overseas
Others	Internal language learning course, OPIc intensive course, pre-dispatch intensive language course, pre-training course before dispatch, etc.

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Social Contribution

SOCIAL CONTRIBUTION STRATEGY

Since 1999, when the company established the industry's first-ever social contribution department, CJ CheilJedang has continuously carried out social contribution activities focusing on areas of societal need and company expertise. For example, leveraging the characteristics of our business, we have shared food through a Food Bank project every year for 22 years (since 1998). We also founded the CJ Welfare Foundation and CJ Cultural Foundation to support children and teenagers in achieving their dreams and to develop cultural human resources. In 2019, we decided to focus on the challenge of creating shared values of health, safety and sustainable environment and carried out relevant social contribution activities.

Major Challenges of Social Contribution



EMPLOYEES' PARTICIPATION IN SOCIAL CONTRIBUTION

CJ CheilJedang aims to contribute to local communities by participating in volunteer activities using its capacity and resources. In doing so, we will put into practice the business management philosophy of CJ and fulfilling our social responsibility as a corporate citizen. In 2019, 4,907 employees participated in volunteer activities for a total of approximately 34,000 hours. In 2020, we plan to focus on sharing-focused volunteer programs linked with our business, including 'Hetbahn' Gardening and the Chan Chan Chan project.

Volunteer Activities

Category	Unit	2017	2018	2019
Hours of volunteer activities	Hour	38,824	40,501	34,097
Number of employees who participated in volunteer activities	Person	4,763	5,521	4,907
Hours of volunteer activities per employee	Hour/person	8.2	7.3	6.9
Participation rate	%	85	86	74

CHARITY ACTIVITIES AS A CORPORATE CITIZEN

In 2019, CJ CheilJedang's donated KRW 15.7 million, an increase from KRW 760 million in 2018. In addition, we invested in local communities and made commercial investments. The detailed figures are shown below.

Charity Activities as a Corporate Citizen

Category	Unit	2017	2018	2019
Charity and donation	KRW 100 million	48.7	7.6	15.7
Investment in local communities	KRW 100 million	151.4	136.1	177.5
Commercial investment	KRW 100 million	16	5.5	7.0
Total	KRW 100 million	216.1	149.2	200.2
Compared to the operating profit	%	9	5	10

COMPANY-WIDE SYSTEM REGARDING POLICY CONTRIBUTION

CJ CheilJedang strictly complies with Article 31 of Chapter VI of the Political Funds Act (Restrictions on Contributions), under which any corporation or organization shall be prohibited from contributing to any political funds. We do not provide funds for any political purpose, election, political parties or lobbying activities that may directly affect legislation. We aim to contribute to the growth of the local community and industry by supporting associations that guarantee political neutrality. In 2019, our support for associations amounted to about KRW 1.55 billion. We are also engaged in the Korea Soybean Processing Association and the Korea Milling Industry Association to receive consultation related to the stable supply of processed soybeans and the trend of new milling technologies. In 2018, we strengthened the contribution process by organizing the Social Contribution Committee along with CJ Group's Social Contribution Council, thereby increasing our fairness and transparency in spending.

Details of expenditure for major relevant associations

Category	Unit	2019
Federation of Korean Industries	KRW million	305
Korea Milling Industry Association	KRW million	262
Korea Soybean Processing Association	KRW million	254
Korea Chamber of Commerce and Industry	KRW million	103
Korea Enterprises Federation	KRW million	77

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HEALTH AND SAFETY

Chan Chan Chan Project



We operate the Chan Chan Chan Project, which supports the self-reliance of single-parent households and helps children to grow healthy and strong.

We conduct the Chan Chan Chan Project to provide unmarried single-parent households with nutritious side dishes prepared with love and care by our employees using our products. About 180 employees participated in this project and delivered food to over 600 single parents' households.

Supporting Emergency Aid Food



We support people hit by disasters by providing them with emergency aid packages consisting of our nutritious food products. We built an emergency support system in cooperation with the Korea Disaster Relief Association to swiftly deliver support goods to damaged areas. In 2019, we provided emergency food aid amounting to KRW 50 million to people affected by the fire in Gangwon-do.

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Programs for Children's Health



We carry out activities for children with atopic dermatitis by using our BYO products that help alleviate the skin disease. At our Atopy Camp, where participants spend two days and one night, we provide BYO products and help children enhance their physical and mental immunity and enjoy interacting with their family. We plan to expand the scope of the event for socially underprivileged children.

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CJ Food Sharing Fridge



We have launched a new food sharing program, which is called 'CJ Food Sharing Fridge' in order to resolve the meal skipping and nutritional deficiencies present in food vulnerable groups. By donating our products to independent homeless support centers and operating fridges, we have been supporting self-reliant homeless people, enabling them to have stable and healthy meals. Through this project, we have contributed to the prevention of hunger as well as the promotion of independence.

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SUSTAINABLE ENVIRONMENT

'Hetbahn' Gardening – Extension of Resource Circulation Cycle of Plastic Waste



We run the social contribution program titled 'Hetbahn Gardening', where employees participate in recycling (upcycling) the containers of 'Hetbahn' products and wooden pallets. Using these recycled resources, participants make an indoor vertical garden (flowerpot) and donate them to local children centers. In 2019, 772 employees participated in this program, creating and donating 135 indoor vertical garden structures, and thereby contributing to environmental improvement.

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CJ the Sharing Market



We donate products that cannot be sold in the market but still have value as food to welfare facilities, thus reducing the environmental impact of our business. In particular, we contribute to increasing the self-reliance of those with disabilities by providing these products to the Goodwill Store, which creates jobs for the disabled. In 2019, we donated products amounting to KRW 1.6 billion, which helped us reduce 314 tons of waste from food products and stabilize the employment of over 120 people with disabilities.

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ECONOMIC PERFORMANCE

Customer

MANAGEMENT OF VOICE OF CUSTOMERS (VOC)

CJ CheilJedang's 'Customer Suggestions and Improvement Responsibility System' goes beyond typical customer management – that is, collecting customer opinions – by also providing feedback on customers' suggestions. We identify areas for improvement by analyzing customers' suggestions received through VOC, develop ways to improve, and then close the loop by providing feedback to customers.

DIVERSIFIED COMMUNICATION CHANNELS

CJ CheilJedang Customer Relations Center explores methods of active communication with customers. We do not limit the methodology to phone calls, website, and SNS (Facebook). We also operate more convenient and satisfactory communication channels, including a chat-bot for online customer service and field trips to Blossom Campus. We are currently discussing the expansion of communication channels to other SNS platforms (KakaoTalk and YouTube) to keep up with new trends.

CUSTOMIZED COMMUNICATION FOR CUSTOMER SATISFACTION

In order to more actively communicate with customers, CJ CheilJedang operates consultation groups with expertise in each business division to maintain customized communications with our customers, including through visits to manufacturing plants, cooking classes, and knowledge forums. For new products and those with many complaints detected through VOC, our employees try to understand customer perspectives by cooking the relevant items themselves. They then add practical improvements after having experienced

those difficulties firsthand. They then add practical improvements after having experienced those difficulties firsthand. Through the knowledge forum, the company strives to learn about consumer issues and understand how consumers feel when using our products.

CUSTOMER SATISFACTION MANAGEMENT

In order to improve the quality of customer service, CJ CheilJedang regularly conducts Customer Satisfaction Index (CSI) assessments, using both internal and external evaluators. We analyze customers' complaints and address any issues to manage the quality of our customer service. In 2019, we achieved 95.9 points, the highest score ever, in the customer satisfaction survey conducted by an external agency. However, we will not simply rest on our laurels. Rather, we will continue to strive to enhance customer satisfaction and resolve customer complaints.

Results of Customer Satisfaction Survey (Unit: Point)

Category	2017	2018	2019
Customer satisfaction survey by KMAC	93.3	92.1	95.9
Customer satisfaction survey by CJ Telenix	92.9	91.9	94.9
Percentage of customers who said that they are 'satisfied' or better with the company	97%	94%	100%

CONSUMER VOC EXPERIENCE FOR EMPLOYEES

'Consumer VOC experience for employees' is a program started in 2015 as part of our efforts to enhance consumer-centered business management. Under this program, our employees listen to the voices of cus-

tomers and participate in in-person customer consultations. In particular, we find it useful for employees to listen to the voices of customers in their own fields of work. They are able to identify and address customer needs more accurately. In 2019, we expanded the scope of participants to include even executive directors and online business staff, while subdividing the program into onboarding and intensive courses as customized consumer VOC experience activities.

RECERTIFICATION OF CONSUMER-CENTERED MANAGEMENT (CCM)

CJ CheilJedang received the CCM (Customer-Centered Management) certification for the first time in 2015. The company received the certification again in 2017 for our stable VOC management. Our customer complaint handling system has been recognized for its excellence and cited as a best practice. Thus, we lead and support our suppliers to achieve CCM certification. We retained CCM certification in 2019 and are planning to support suppliers to receive the certification.

INTERNALIZATION OF CCM

We distribute and display CCM-related content on a monthly basis to cultivate a customer-centered mindset among all executives and employees and encourage them to constantly stay customer-focused. We designated December 3rd as CCM-Day, and on this day we conduct CCM activities, such as an online quiz event for consumers and a refresher training program for our employees.



CJ CheilJedang's CCM Certificate

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Supply Chain Management

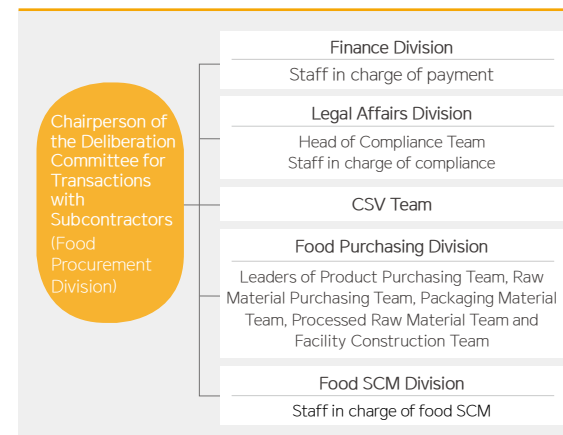
FAIR TRADE PRACTICES

CJ CheilJedang recognizes that fair transactions and practices are the cornerstone of sustainable growth for the company and works to ensure fair trade practices. In 2019, we revised our policy for handling supplier wrongdoings in order to strengthen prevention of unfair practices such as bribery and collusion, and to specify the detailed standards for handling unfair practices. In 2020, we will review and amend the procurement management policy and instructions to constantly improve the fair trade system.

DELIBERATION COMMITTEE FOR TRANSACTIONS WITH SUBCONTRACTORS

We report major issues and activities relating to suppliers on a monthly basis to the Deliberation Committee. Under the leadership of the executive director of the Food Procurement Division, the committee is comprised of employees from relevant divisions: finance, legal affairs, food SCM (Supply Chain Management) and CSV.

CJ CheilJedang's Deliberation Committee for Transactions with Subcontractors



ORGANIZATION OF SUPPLIER DELIBERATION COMMITTEE

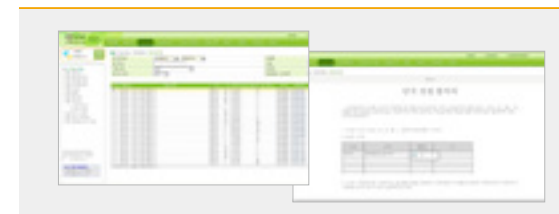
In January 2020, we adopted the Operation Guidelines for the Supplier Deliberation Committee to establish objective and fair procedures for deliberation and contract cessation due to unfair trade practices of suppliers. When any unfair practice is detected, we call a meeting of the Supplier Deliberation Committee chaired by the executive director of the Food Procurement Division. In this meeting, participants confirm fair trade regulation violations by suppliers, determine the penalties, and decide whether or not to suspend trade.

ESTABLISHMENT OF FAIR TRADE SYSTEM

CJ CheilJedang developed CJSRM*, a procurement information system which is connected to the internal database network in real time. CJSRM automatically issues documents regarding placing orders with suppliers, receipt of supplies, and test results notice as recommended by the Fair Trade Commission. We also added the function of subcontract transaction document management (document management register). This enables us to sign contracts with supplier electronically and manage price adjustment and decision agreement documents.

*SRM: Supplier Relationship Management

Document Management System for Transactions with Subcontractors



SPREADING THE SUPPLIERS CODE OF CONDUCT



To spread the culture of sustainability management to suppliers and prevent relevant risks, we enacted the Suppliers Code of Conduct and published related guidelines. The Suppliers Code of Conduct covers ethics, human rights, safety, and the environment. It is available to all stakeholders on our official website and the CJ Procurement Information System.

SUPPLIER SELECTION AND KEY SUPPLIER MANAGEMENT

CJ CheilJedang carefully chooses suppliers for raw materials and ingredients based on the result of field inspections by the Quality and Safety Division. Suppliers evaluated to be inadequate are given penalties depending on the severity and frequency of the relevant issue. Considering the continuity of our business, we categorize key suppliers based on the annual transaction volume, irreplaceability of the supplies, and sustainability.

EVALUATION AND DIAGNOSIS OF SUPPLIERS' SUSTAINABILITY

CJ CheilJedang considers sustainability-related factors in the supplier selection and evaluation process, which is specified in detail in the standard agreement document. We regularly manage major factors in supplying food ingredients, such as quality, safety, and financial stability. We also manage ethical factors for complying with fair trade practices and building an ethical corporate culture. As part of our strategic challenges, we will establish an adequate system to ensure the sustainability of our supply chain.

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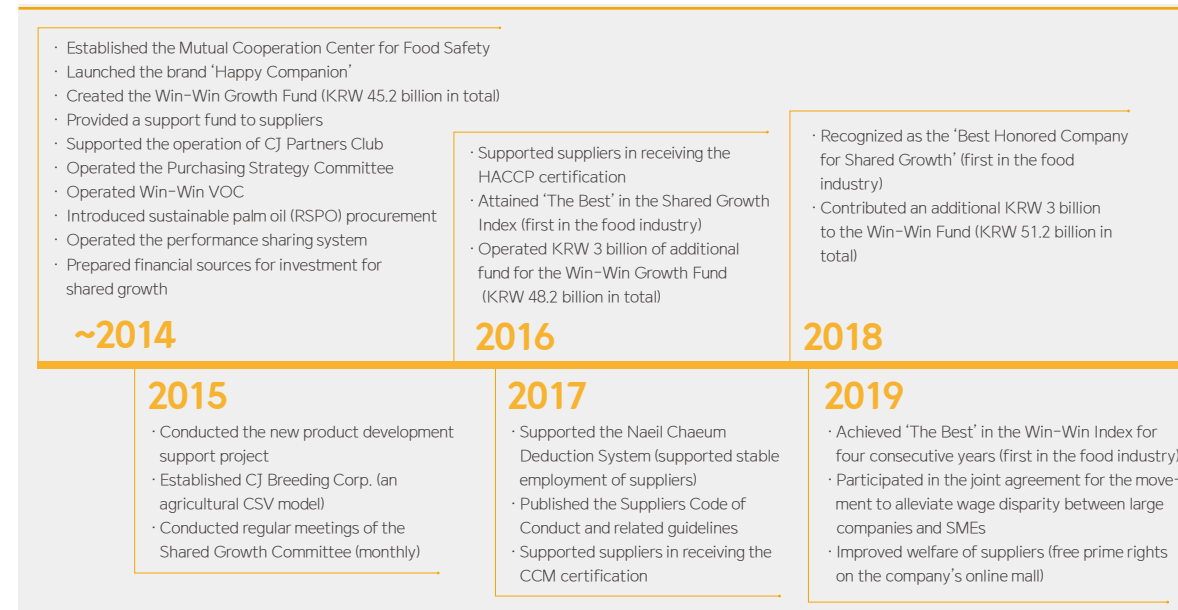
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Shared Growth

EFFORTS FOR WIN-WIN GROWTH

Based on CJ Group's shared growth philosophy, CJ CheilJedang promotes win-win growth to strengthen the capacity of its supply chain. We aim to create value in providing health and food safety. With the introduction of Happy Companion in 2011 and the establishment of CJ Breeding Corp. in 2015, we have constantly been exploring methods for Win-Win growth with our supply chain. The major Win-Win growth performance is considered in the evaluation of the CEO to facilitate the growth of our business and maximize shared values. Beyond simply providing financial and technological support, we aim to contribute to the country and community by establishing a Win-Win business model for our company and all suppliers.

History of CJ CheilJedang's Efforts for Win-Win Growth



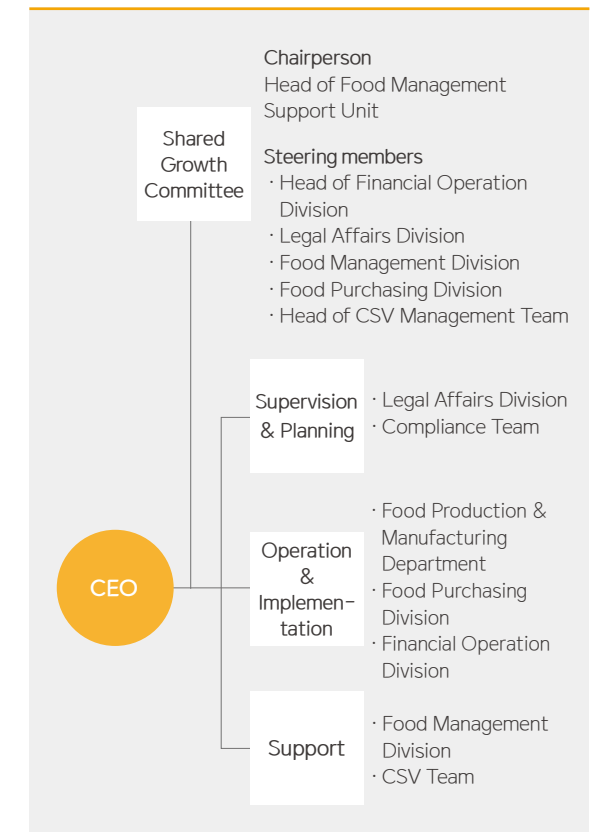
CJ PARTNERS CLUB

CJ Partners Club aims for smooth, cooperative relationships between the company and suppliers on the basis of co-existence and co-prosperity, the founding philosophy of CJ Group. It also promotes mutual benefit and facilitates sound growth through joint technology development. The Club was first organized as 'Hyeopdanghoe' after the foundation of the company and obtained the current name in 1989. It consists of several sectors for efficient operation.

SHARED GROWTH COMMITTEE

CJ CheilJedang runs the Shared Growth Committee, which is led by the CEO and the directors of the divisions of procurement, finance, legal affairs, and manufacture. The committee handles major issues related to shared growth and convenes CJ Partners Club meetings to address the grievances of SME suppliers and identify any aspects for improvement.

Organizational Chart of the Shared Growth Committee



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SHARED GROWTH SUPPORT PROGRAM FOR SME SUPPLIERS

CJ CheilJedang operates a variety of shared growth programs that are practical and helpful for SME suppliers. We provide assistance for quality and hygiene management, as well as education, training, funds and technical support. In 2017, We introduced the Naeil Chaeum Deduction System to contribute to stabilizing the employment of SME suppliers and narrowing the wage gap. It is in the first ever such initiative by a large enterprise. We also signed a joint agreement for the movement to alleviate wage disparity through win-win efforts and cooperation between large companies and SMEs. We plan to provide our suppliers with low-interest-rate loans, welfare benefits and enlarge Naeil Chaeum Deduction System.

Shared Growth Support Program for SMEs

Program	Description	Unit	2017	2018	2019
Training & Education	Provide basic theoretical education related to production pany cost, quality, food safety, environment, and laws and regulations	Com-pany	443	437	417
Finance	Operate the Win-Win Fund by providing loans at an interest rate of 1-1.5%, much lower than the general interest rate	KRW 100 million	482	512	518
Technical Support	Transfer CJ CheilJedang's technologies to launch and renew products with SME suppliers	Case	313	336	195
Quality and Hygiene	Visit SME suppliers on a regular basis, conduct on-site audits, support receipt and renewal of suppliers' HACCP certification, and carry out on-site management to improve supplier capacity	Hour	6,416	3,560	3,432
Employment Stabilization	Enlarge the Naeil Chaeum Deduction System, to address issues regarding stable employment of SME suppliers and the wage gap	Com-pany (Per-sons)	5 (10)	15 (25)	20 (46)

* Provided support worth KRW 100 million to 10% of our Suppliers through CJ Partners Club for Five Years

Medium·long-term KPI of the supply chain

KPI of the supply chain	Unit	Performance in 2019	Medium·long-term goals
Management in connection with credit rating agencies	Company	789	2020: 1,000 2022: 1,500
Provide the Naeil Chaeum Deduction System	Person	44	2020: 71 2022: 125
Provide consultations for safe business management	Company	14	2020: 14 2022: 16

SHARED GROWTH SUPPORT FOR FARMS

CJ CheilJedang established a specialized seed company CJ Breeding Corp to address the problems of farmers facing low growth and aging. With the vision of advancing the future life science industry, the company carries out innovative agricultural business projects, such as the development of quality seeds, contract cultivation, training, and post-harvest management. The company tackles a range of issues to share growth, including the decreasing population in rural areas, the aging population, and a low growth rate.

AGRICULTURAL PRODUCTION TRAINING

CJ CheilJedang runs a production training program for farmers with the aim of sharing practical and professional information for cultivation and farming efficiency. We visit farms to check crop growing conditions, share expertise, listen to grievances of farmers, and provide networking opportunities.

Shared Growth Support Program for Farms

Program	Description	Unit	2017	2018	2019
Seed development	Contribute to increasing the potential of developing high-quality products in the future and creating social values through seed development	(Accu-mulated) Seed type	3	5	5
On-site training	Visit farms to provide collective and individual training programs annually or half-yearly in each region	Hour	1,920	2,540	2,000
Contract cultivation	Secure the market for farms and stabilize sales	ha	381	827	1,362

Other Economic Performances

INTELLECTUAL PROPERTY RIGHTS MANAGEMENT

We filed a total of 922 new applications of intellectual property rights in 2019, 149 of which were filed in Korea.

Intellectual Property Rights Owned by CJ CheilJedang

Category	Unit	2017	2018	2019
New applications	Case (Domestic)	527 (171)	738 (168)	922 (149)
Patents owned	Case (Domestic)	2,448 (666)	3,149 (747)	3,825 (783)

SPENDING ON LOCAL SUPPLIERS

The spending on local suppliers amounts to KRW 2,8084 trillion, which takes up 84% of the total amount of procurement.

CREATION AND DISTRIBUTION OF ECONOMIC VALUES

CJ CheilJedang created and distributed economic values in 2019 as follows.

Generation and Distribution of Economic Values

Category	Unit	2017	2018	2019
Shareholders	KRW 100 million	425	561	561
Employees (wage and welfare)	KRW 100 million	8,456	9,041	10,306
Government (tax)	KRW 100 million	1,917	4,024	1,474
Local community (donation)	KRW 100 million	585	830	269
Suppliers (spending)	KRW 100 million	53,996	50,348	70,311

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Ethical Management

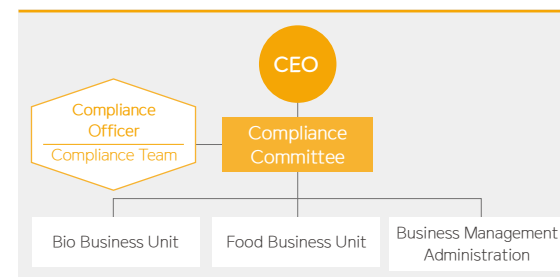
CJ CHEILJEDANG ETHICAL MANAGEMENT SYSTEM

CJ CheilJedang has established and implemented a group-level ethical management system based on compliance culture and integrity, one of the core values of CJ Group's Management Philosophy. In 2019, CJ CheilJedang has set up a practical ethical management system by establishing the Compliance Committee, appointing the Compliance Officer, and conducting the ceremony for strengthening the Compliance Coordinators. We have strengthened the ethical management system by implementing the Compliance Management System that provides regulatory related information to employees for work, and also provides guidelines and manuals for risk management.

REORGANIZATION OF CJ GROUP'S ETHICAL MANAGEMENT SYSTEM

In 2020, CJ Group established the Code of Best Business Conduct which requires the executives of legal and compliance departments in eight affiliates including CJ CheilJedang to be aware of their responsibilities and ensure the implementation of CJ Group's ethical management. Accordingly, their performance on such management is evaluated, and the Code of Ethics is revised so it is consistent with CJ Group's Directions.

CJ CheilJedang Compliance Committee



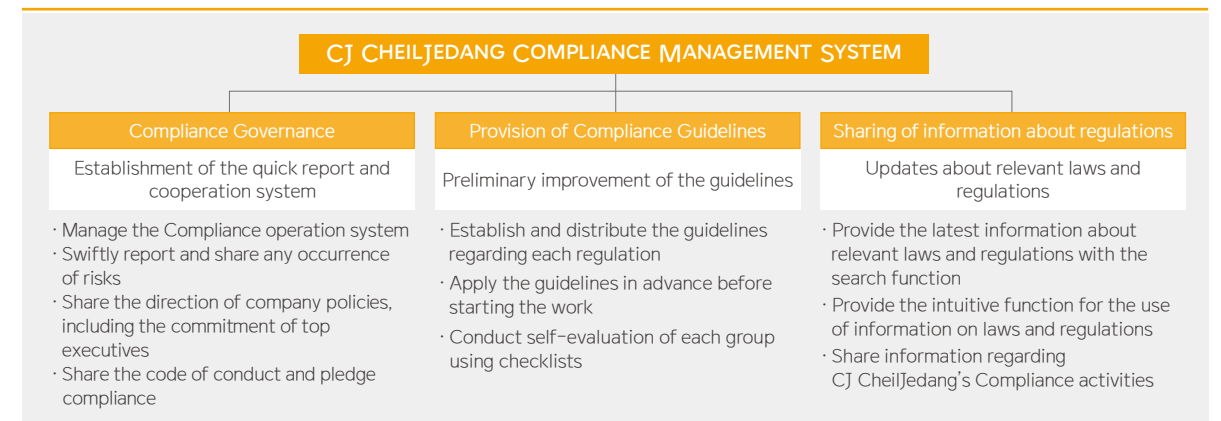
COMPLIANCE COORDINATORS

The Compliance Coordinators are a basis of self-compliance culture as the employees from each department of CJ CheilJedang are appointed through a special training. The Compliance Coordinators' roles and responsibilities are to disseminate compliance guidelines and make corrective measures by conducting self-assessment. In 2019, CJ CheilJedang has also implemented the culture of ethical management by establishing a process for compliance regulatory trends as well as compliance training.

ETHICAL MANAGEMENT CHECKLIST

We provide a self-evaluation checklist to eradicate unfair transaction practices, focusing on risks that may occur in working with stakeholders. We categorized compliance risks across the entire value chain by considering the essential characteristics of our business, conducting significance evaluation of each risk factor, and matching target departments to manage compliance-related risks. Compliance risks will be continuously assessed and updated.

Compliance Management System



BUSINESS SITES

We regularly conduct management assessment on domestic and overseas business sites to monitor the current state of ethical management and identify major issues such as regulations or laws related to information security for any control measures. In 2019, we have conducted on-site assessments on regulatory compliance and management status of the food business operating facilities, online business divisions, Bio business units, and subsidiaries in Europe and China (Liaocheng). We have evaluated and analyzed the major issues and implemented control measures to prevent recurrence of the issues.

EVALUATION OF COMPLIANCE TEAM

The Compliance team of CJ CheilJedang has been evaluated in six areas including its planning, leadership, organizational structure, risk management, training, and performance. Through this evaluation process, we have identified the current status of CJ CheilJedang's ethical management from an objective perspective, implemented control measures, and established the systematic ethical management system.

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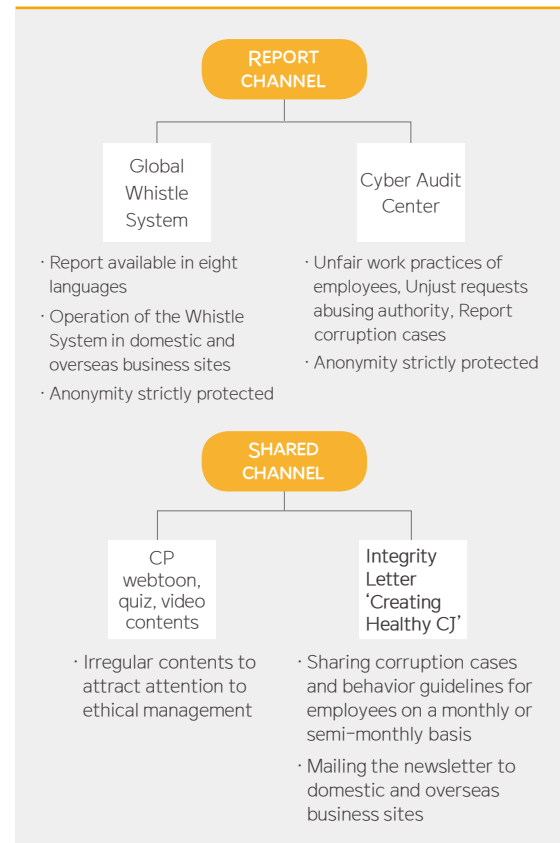
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ETHICAL MANAGEMENT COMMUNICATION

CJ CheilJedang uses diverse communication channels to disseminate ethical practices to all employees of CJ CheilJedang and its business partners as well as internal and external stakeholders. With CJ CheilJedang CEO's strong commitment to compliance management, we present the directions of ethical management to every part of the company and implement culture of the ethical management by using familiar methods such as compliance newsletters, webtoons, compliance quizzes and video contents.

Ethical Management Communication Channel



Diversified Communication with Employees for Ethical Management



1. Compliance quiz for employees



2. Compliance webtoon



3. In-house broadcasting (Compliance Committee)



4. Compliance training

ETHICAL MANAGEMENT TRAINING IN 2019

We provide all our employees with an ethical management training program to encourage them to comply with the relevant regulations in their work process and increase their awareness of the ethical management. In 2019, about 7,900 employees in our domestic and overseas business sites took the ethical management training program. We focus on providing a special training program for some issues with a high-risk potential, such as the Fair Transactions in Subcontracting Act(FTSA). Further, we have conducted a training program for the Compliance Coordinator of each department regarding the FTSA and the Fair Agency Transactions Act, to encourage them to disseminate information about the relevant regulations to their departments.

Ethical Management Training in 2019

Category	Description	Participants
Compliance training in domestic and overseas business sites	<ul style="list-style-type: none"> Online compliance training program for all employees Training program for subsidiaries in Europe Training program for the subsidiary in Liaocheng, China 	<ul style="list-style-type: none"> 6,970 persons 45 persons 20 persons
Training regarding the Monopoly Regulation and Fair Trade Act	<ul style="list-style-type: none"> Training program for new and transferred employees regarding the Monopoly Regulation and Fair Trade Act and unfair support practices Training program for subsidiaries regarding unfair support practices between affiliated companies Training program for experienced new employees regarding the Monopoly Regulation and Fair Trade Act and relevant regulations managed by the Fair Trade Commission 	39 persons
Training regarding the Fair Transactions in Subcontracting Act	<ul style="list-style-type: none"> Training program for employees in charge of procurement regarding the Fair Transactions in Subcontracting Act Training program for R&D centers regarding regulations on technology extortion and technology-related data management Training program for business sites and employees in charge of facilities and development regarding cautions against technology extortion in the new facility development process 	801 persons
Compliance Coordinator training program	<ul style="list-style-type: none"> Training program regarding violations of the Fair Transactions in Subcontracting Act, the Fair Agency Transactions Act and the delivering information of regulations 	27 persons

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Board of Directors

STATUS OF THE BOARD OF DIRECTORS (BOD)

Corporate Governance Report

CJ CheilJedang's BOD represents our stakeholders, including shareholders, and supervises and makes decisions for major management issues for the long-term growth of the company. The BOD is comprised of a total of seven directors, including three internal directors and four independent directors. The directors are appointed in consideration of independence and diversity, including gender, race, religion, nationality, and cultural background. The directors are guaranteed a 3-year term, and whether they retain their position after the initial term will be decided by performance evaluation.

BOD DECISION MAKING SYSTEM

Independent directors take up a majority of seats under the Commercial Act, and fair opportunities to present opinions are given to all directors to ensure objectivity. For efficient operational process, the BOD is chaired by the CEO. The BOD embraces the opinions of stakeholders through internal and external communication channels to identify major issues of the company and contribute to the object and balanced decision-making process.

Composition of BOD

(As of April 2020, ●: Chair, ○: Member)

Category	Name	Position	Gender	Initial Appointment Date	BOD Committee			
					Audit Committee	Independent Director Candidate Recommendation Committee	Internal Transaction Committee	Remuneration Committee
Internal Director	Kyung Shik Sohn	Chairman, CJ Corp.	Male	2007.9.				●
	Sin Ho Kang	CEO, CJ CheilJedang	Male	2018.3.				○
	Eun Seok Choe	Senior Vice President for Business Management Strategy Supervision, CJ Corp.	Male	2020.3.				○
Independent Director	Jong Chang Kim	Professor, College of Business at KAIST	Male	2019.3.	●	○	○	○
	Tae Yoon Kim	Professor, Department of Public Administration of Hanyang University	Male	2019.3.	○	●	○	○
	Si Wook Lee	Professor, KDI School of Public Policy and Management	Male	2019.3.	○	○	●	○
	Jeong Hwan Yun	Professor, Department of Internal Medicine, Seoul National University Hospital	Male	2020.3	○	○	○	○

INDEPENDENCE OF INDEPENDENT DIRECTORS

The selection of independent directors is considered at general meetings. Only candidate(s) recommended and chosen by the BOD and the Independent Director Candidate Recommendation Committee can be considered as candidates for independent directors. The Independent Director Candidate Recommendation Committee consists of the four independent directors, who hold a majority. The independent directors meet the criteria of independence specified in Article 382 of the Commercial Act. The Audit and the Internal Transaction Committee also consist only of independent directors.

Independence Criteria for Independent Directors

(Disqualification regarding Independence, Article 382 of the Commercial Act)

- A person who has not been engaged in employment relations – as an executive or an employee – with the company or its subsidiaries for the past five years
- A person who is not the spouse, lineal ascendant or lineal descendant of the largest shareholders
- A person who is not engaged in employment relations – as an executive or an employee – with any entity related to the largest shareholders
- A person who is not the spouse, lineal ascendant or lineal descendant of an executive or an employee of the company
- A person who is not an executive or an employee of a subsidiary of the company
- A person who is not an executive or an employee of any entity with a major interest in the company, including business relations
- A person who is not an executive or an employee of any entity where the company's executive or employee serves as an executive or an employee

EXPERTISE OF INDEPENDENT DIRECTORS

Under rapidly changing business environment, we need the expertise of the BOD to make strategic decisions. CJ CheilJedang comprehensively considers expertise and experience in various fields in appointing independent directors, so that they can monitor, review major issues and provide consultation from an objective perspective.

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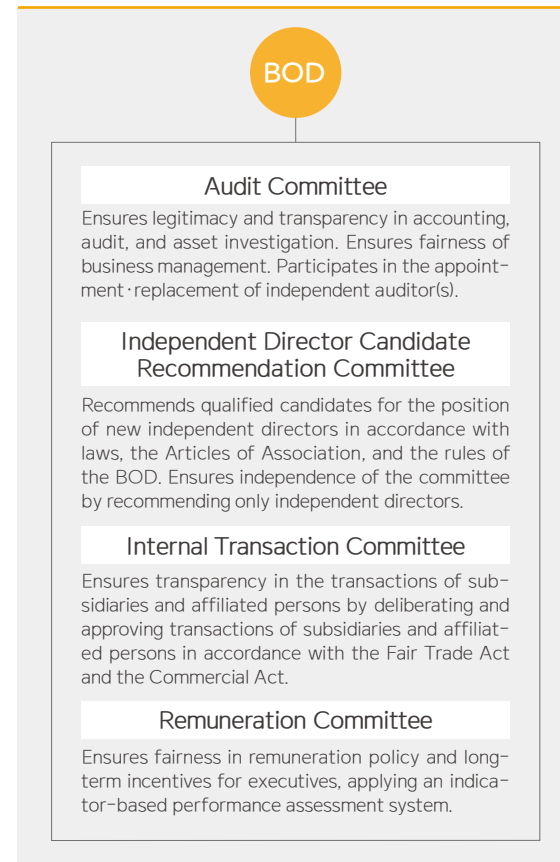
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BOD COMMITTEES

CJ CheilJedang's BOD operates the Audit Committee, the Independent Director Candidate Recommendation Committee, the Remuneration Committee, and the Internal Transaction Committee to ensure independence, transparency and fairness in our corporate governance. The Internal Transaction Committee was organized in 2019 to improve the transparency of corporate business management and ensure the fulfillment of corporate social responsibility.

Composition of Sub-committees of BOD



BOD OPERATION

BOD meetings are held on a regular basis in accordance with the annual operating plan, while temporary meetings can be conducted if necessary. In 2019, a total of 11 BOD meetings were carried out to discuss 26 agenda items. The BOD meeting attendance rate of independent directors reached 95.12% in this period. Further details are disclosed in our [business report](#) and on our official [website](#).

BOD Activities

Category	Unit	2017	2018	2019
Total number of BOD meetings	Number	9	11	11
Agenda items considered	Case	27	34	26

Attendance Rate

Category	Unit	2017	2018	2019
Attendance rate of internal directors	%	85.2	87.9	93.9
Attendance rate of independent directors	%	94.5	100	95.1

※ Required attendance rate 51.0%

SHARES OWNED BY BOD

As of 2020, a total of three internal directors own shares in CJ CheilJedang. Details on these directors and shares are provided below.

Shares Owned by BOD (As of April 2020)

Category	Name
Internal directors who own shares in CJ CheilJedang	Kyung Shik Sohn 5,500 shares
	Sin Ho Kang 300 shares
	Eun Seok Choe -

BOD EVALUATION

Remuneration for independent directors is calculated using a fair method based on individual performance, with the result used to decide the remuneration level and reappointment. The BOD designs the remuneration policy for management to conform to the long-term interests of shareholders and discloses the policy to the public transparently. The assessment of the management and executive directors is conducted in accordance with objective and comprehensive criteria based on quantitative (sales, business profits, etc.) and qualitative (leadership, core competency level, other contributions to the company, etc.) measurements.

BOD REMUNERATION

As of the end of 2019, the total remuneration for the seven members of BOD of CJ CheilJedang amounts to KRW 5.73 billion.

Remuneration for BOD in 2019

Category	Unit	Internal Directors	Independent Directors	Total
Number of directors	Person	3	4	7
Total remuneration	KRW million	5,470	262	5,732

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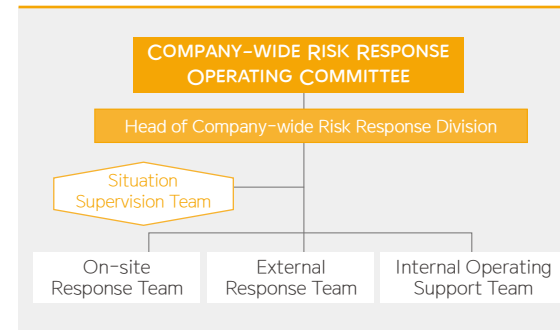
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Risk Management

COMPANY-WIDE RISK MANAGEMENT

CJ CheilJedang classifies potential risks in 16 categories, including environment, industrial safety, quality, and process, into three levels depending on severity. We have a comprehensive risk management system, whereby all major risks are reported within 24 hours. These are then handled promptly by a company-wide risk response division.

Company-wide Risk Response Division



RISK MANAGEMENT PROCESS

With the integrated risk management process, CJ CheilJedang strives to prevent confusion and delays in detecting reporting, and responding to risks. This proactive approach enables us to minimize risk-related losses.

Risk Management System

1. Initially recognize the occurrence of risk	2. Share information about the risk and swiftly report it	3. Identify the risk and analyze relevant information
4. Decide whether the risk is a major or minor issue	5. Organize the response team and find a solution	6. Take proper measures and monitor progress

EMERGING RISK MANAGEMENT

CJ CheilJedang not only identifies potential financial and non-financial risks related to current management activities, but also defines potential risks that are expected to have a major impact on our business in the future. Once we identify potential risks across all business sites, the Management Team analyzes them thoroughly and takes appropriate actions to minimize their impact.

Definition and Management of Emerging Risks

Emerging risk	Definition and Impact	Management Group	Management Policy
Risk of rapid changes in the price of raw materials	Supply and cost risks may arise due to sudden changes in the price of major raw materials and ingredients, which may have an impact on profit and loss.	Food Procurement Department Global Procurement Strategy Division	<ul style="list-style-type: none"> Establish a system to monitor the price of raw materials and ingredients Monitor quantitative indicators Monitor qualitative developments
Foreign exchange risk management	Exchange rate fluctuations may result in increased uncertainty and changes in profit and loss.	Financial Strategy Division	<ul style="list-style-type: none"> Alleviate foreign exchange risk by first reducing exchange rate exposure through matching Hedge residual exposure through derivatives, such as forward exchange, in accordance with internal foreign exchange control regulations Strictly prohibit foreign exchange management for speculative purposes
Risk of changes in environmental safety regulations and policies	Inadequate response to changes in environmental and safety regulations and policies that apply to our business sites may cause legal risks, affecting the operation of business sites.	Safety Management Team Food Production & Manufacturing Department BIO Engineering Division	<ul style="list-style-type: none"> Establish a company-wide system for monitoring regulations Take proper measures to comply with new and revised regulations that apply to the company, including consideration of proactive application of upcoming (not yet adopted) regulations
Business site safety risk	Environmental disasters, fire, industrial (severe) accidents, health hazards, and electricity-related factors are defined as the five major risks that may occur in manufacturing sites. These accidents may affect the credibility of the company among employees and the community.	Safety Management Team Food Production & Manufacturing Department BIO Engineering Division	<ul style="list-style-type: none"> Establish a Risk-Top risk management at each business site focusing on major accidents Strengthen the operation of SDR (Safety Design Review) Establish rules for safe code of conduct ('No Stop? No Touch!') Implement infectious disease prevention and management in phases
Demographic changes	Changes in the population structure, such as an increase in single-person households and female workers, affect the overall food business and require the introduction of new products that reflect customer needs based on changing trends.	Food Brand Marketing Division	<ul style="list-style-type: none"> Develop new HMR products that reflect the trend of pursuit of health and convenience Implement strategies for making premium HMR products Upgrade HMR products to the next level based on the trend forecast

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Information Security Risk Management

INFORMATION SECURITY RISK MANAGEMENT

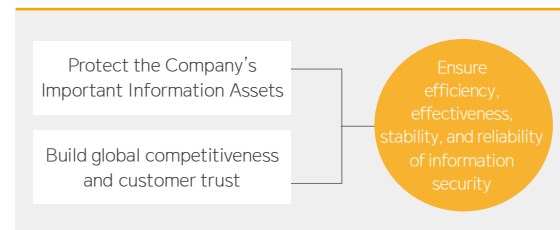
As cybersecurity becomes one of the critical threat, the significance of information security to protect the personal information of consumers and corporate information is growing. We have established an information security management system to conduct protection activities that conform to domestic and overseas standards. We have also designated staff in charge of security for the overall company and business division. These staff diagnoses vulnerabilities and develop solutions to ensure robust information security.

INFORMATION SECURITY MANAGEMENT SYSTEM CERTIFICATION

In 2016, because its sales exceeded KRW 10 billion, CJ THE MARKET became subject to a requirement making it necessary to obtain ISMS (Information Security Management System) Certification. Thus, we obtained initial certification in 2016 and retained it in 2017 and 2018, leveraging our own information security capacity. As the ISMS Certification recently expired in 2019, we obtained the ISMS-P* Certification.

* ISMS-P (Personal Information & Information Security Management System): A system in which a company or an organization undergoes evaluation by the national certification agency to guarantee that it manages corporate information, personal information, and infrastructure assets in a safe and reliable way.

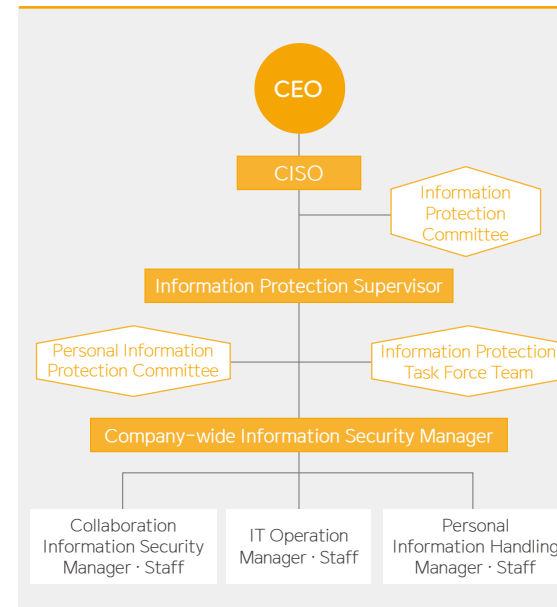
CJ CheilJedang's Information Security Management System



ORGANIZATION OF INFORMATION PROTECTION GROUP

In accordance with the amended Act on the Promotion of Information and Communications Network Utilization and Information Protection, we designated a CISO (Chief Information Security Officer) and reported this to the Ministry of Science and ICT in June 2019. We also created an information security group under the direct supervision of the CEO, who establishes, manages and operates the information protection and management system.

Organizational Chart of the Information Protection Group



INFORMATION SECURITY AWARENESS ENHANCEMENT CAMPAIGN

CJ CheilJedang aims to improve employee awareness of and attention to information security by conducting training and awareness enhancement programs. Through such programs, we disseminate information protection regulations and measures to employees in easily understandable formats. We will continue these activities to prevent information security risks by helping our employees achieve a higher awareness of security.

Example of an Information Security Awareness Enhancement Program



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Tax Risk Management

TAX RISK MANAGEMENT 🔗 Tax Policy

CJ CheilJedang complies with tax regulations and systems and proactively manages relevant tax risks. We established and strictly observe the CJ CheilJedang Tax Policy, which is compliant with official tax policy and regulations. We have also appointed a government-certified professional manager to ensure compliance with all tax policies and regulations.

TAX RISK MANAGEMENT PROCESS

CJ CheilJedang has an internal assessment process for identifying tax regulations and other relevant information in each country to proactively manage tax risks. Our internal process helps us to understand the differences in tax codes between countries, and maintain close communications with tax authorities to prevent risks.

Tax Risk Management Process



FULFILLMENT OF TAX OBLIGATIONS

CJ CheilJedang operates its business in many countries, including Korea, the United States, China, Vietnam, and Indonesia. In each of these countries, we sincerely fulfill the duties of filing and paying taxes in accordance with local tax laws. To ensure transparency of tax payment, we disclose the details of the corporate tax, deferred corporate tax and effective tax rate in our audit report, which is available through DART (Data Analysis, Retrieval, and Transfer System). We also provide a detailed description of the temporary differences caused by the accounting and tax differences of assets and liabilities. The following table shows the corporate tax we paid in each country in 2019, and CJ CheilJedang non-consolidated corporate tax amounted KRW 80.9billion.

CORPORATE TAX IN EACH COUNTRY IN 2019

(Unit: KRW 100 million)

Category	Pre-tax Profit			After-tax Profit			Tax Rate	Effective Tax Rate	
	2018	2019	Gap	2018	2019	Gap		2018	2019
Korea ¹⁾	12,491	-567	-13,058	3,141 ²⁾	60 ³⁾	-3,081	27.5%	25%	N/A ⁴⁾
Indonesia	416	67	-349	206	153	-53	25%	50%	228%
United States	99	608	509	-10	180	190	21%	-10%	30%
China	785	1,334	549	142	256	114	25%	18%	19%
Vietnam	280	25	-255	40	-4	-44	20%	14%	-16%
Others	62	136	74	91	164	73	-	147%	121%
Total ⁵⁾	14,133	1,603	-12,530	3,610	809	-2,801	-	26%	50%

1) Including domestic subsidiaries

2) The amount of tax paid in 2018 (CJ CheilJedang, non-consolidated): KRW 269.2 billion

3) The amount of tax paid in 2019 (CJ CheilJedang, non-consolidated): KRW 60.1 billion

4) The effective tax rate is not specified here since the corporate tax expense applies even for a negative pre-tax profit margin in Korea.

5) Since this figure combines the pre-tax profit and corporate tax specified in the report of each local subsidiary, it may be different from the amount of pre-tax profit and corporate tax specified in CJ CheilJedang's business report, which is based on consolidated figures.

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Consolidated Statements of Comprehensive Income

SUBJECT	UNIT	2017	2018	2019
Revenue(Sales)	KRW 1,000	16,477,174,023	18,670,059,989	22,352,462,296
Cost of sales	KRW 1,000	12,922,488,246	15,126,473,806	18,069,283,521
Gross profit	KRW 1,000	3,554,685,777	3,543,586,183	4,283,178,775
Selling general administrative expenses	KRW 1,000	2,778,110,536	2,710,876,503	3,386,320,902
Operating profit	KRW 1,000	776,575,241	832,709,680	896,857,873
Other income	KRW 1,000	-254,398,401	719,523,533	-213,134,022
Finance income	KRW 1,000	535,861,443	240,115,302	304,234,107
Finance cost	KRW 1,000	469,101,848	492,701,318	666,692,923
Income of associates and jointly controlled entities	KRW 1,000	-4,607,686	-5,461,144	17,526,474
Profit before tax	KRW 1,000	584,328,749	1,294,186,053	338,791,509
Income tax expense	KRW 1,000	171,531,006	368,797,428	147,763,206
Profit	KRW 1,000	412,797,743	925,388,625	191,028,303
Other comprehensive income	KRW 1,000	-465,141,292	-36,329,758	-165,218,166
Total comprehensive income	KRW 1,000	-52,343,549	889,058,867	356,246,469

Consolidated Balance Sheet

SUBJECT	UNIT	2017	2018	2019
Current assets	KRW 1,000	4,959,963,993	5,520,191,585	7,433,652,074
Assets of disposal group held for sale	KRW 1,000	3,504,356	2,245,917	509,387,147
Non-current assets	KRW 1,000	11,904,655,546	13,974,585,382	18,337,593,130
Total assets	KRW 1,000	16,868,123,895	19,497,022,884	26,280,632,351
Current liabilities	KRW 1,000	5,496,914,149	6,680,407,860	8,202,238,119
Non-current liabilities	KRW 1,000	5,227,356,411	5,508,402,934	8,596,913,812
Total liabilities	KRW 1,000	10,724,270,560	12,188,810,794	16,799,151,931
Equity attributable to owners of the parent entity	KRW 1,000	3,374,920,309	4,782,822,965	4,880,879,268
Current capital	KRW 1,000	72,520,905	81,908,095	81,908,095
Capital surplus	KRW 1,000	925,143,916	1,540,987,319	1,540,987,319
Other reserves	KRW 1,000	-526,166,831	-534,397,639	-528,381,781
Retained earnings	KRW 1,000	2,903,422,319	3,694,325,190	3,786,365,635
Non-controlling interests	KRW 1,000	2,768,933,026	2,525,389,125	4,600,601,152
Total equity	KRW 1,000	6,143,853,335	7,308,212,090	9,481,480,420

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GRI STANDARDS INDEX

UNIVERSAL STANDARDS (GRI 100)					
GRI STANDARDS	DISCLOSURE		PAGE	NOTE	
Organizational Profile	102-1	Name of the organization	7		
	102-2	Activities, brands, products, and services	7, 8, 11, 12		
	102-3	Location of headquarters	7		
	102-4	Location of operations	10		
	102-5	Ownership and legal form	-	CJ CheilJedang's Homepage	
	102-6	Markets served	10		
	102-7	Scale of the organization	7		
	102-8	Information on employees and other workers	7, 51		
	102-9	Supply chain	11, 12		
	102-10	Significant changes to the organization and its supply chain	11, 12		
	102-11	Precautionary Principle or approach	54, 55, 56		
	102-12	External initiatives	15, 20, 64		
	102-13	Membership of associations	65		
Strategy	102-14	Statement from senior decision-maker	4		
	102-15	Key impacts, risks, and opportunities	4		
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	6, 9, 14		
	102-17	Mechanisms for advice and concerns about ethics	42, 50, 51		
Governance	102-18	Governance structure	14, 52, 53		
	102-22	Composition of the highest governance body and its committees	52, 53		
	102-23	Chair of the highest governance body	52, 53		
	102-24	Nominating and selecting the highest governance body	52, 53		
	102-28	Evaluating the highest governance body's performance	52, 53		
	102-32	Highest governance body's role in sustainability reporting	14		
	102-33	Communicating critical concerns	14, 52, 53		
	102-35	Remuneration policies	52, 53		
	102-36	Process for determining remuneration	52, 53		
	Stakeholder Engagement	102-40	List of stakeholder groups	16	
		102-41	Collective bargaining agreements	40	
102-42		Identifying and selecting stakeholders	16		
102-43		Approach to stakeholder engagement	16, 17		
102-44		Key topics and concerns raised	16, 17, 18		

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GRI STANDARDS	DISCLOSURE		PAGE	NOTE
Reporting Practice	102-45	Entities included in the consolidated financial statements	-	Annual report
	102-46	Defining report content and topic Boundaries	2	
	102-47	List of material topics	17, 18	
	102-48	Restatements of information	-	None
	102-49	Changes in reporting	2	
	102-50	Reporting period	2	
	102-51	Date of most recent report	2	
	102-52	Reporting cycle	2	
	102-53	Contact point for questions regarding the report	2	
	102-54	Claims of reporting in accordance with the GRI Standards	2	
	102-55	GRI content index	59, 60, 61, 62	
	102-56	External assurance	63	
Management Approach	103-1	Explanation of the material topic and its Boundary	22, 26, 30	
	103-2	The management approach and its components	22, 26, 30	
	103-3	Evaluation of the management approach	22, 26, 30	

ECONOMIC PERFORMANCE (GRI 200)

GRI STANDARDS	DISCLOSURE		PAGE	NOTE
Economic Performance	201-1	Direct economic value generated and distributed	10, 49, 56	
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	41	
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	44, 45, 48, 49	
	203-2	Significant indirect economic impacts	44, 45	
Procurement Practices	204-1	Proportion of spending on local suppliers	49	
Anti-corruption	205-1	Operations assessed for risks related to corruption	50, 51	
	205-2	Communication and training about anti-corruption policies and procedures	50, 51	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	None

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ENVIRONMENTAL PERFORMANCE (GRI 300)

GRI STANDARDS	DISCLOSURE	PAGE	NOTE	
Materials	301-1	Materials used by weight or volume	34	
	301-2	Recycled input materials used	28	
Energy	302-1	Energy consumption within the organization	35	
	302-3	Energy intensity	35	
	302-4	Reduction of energy consumption	35	
Water	303-1	Interactions with water as a shared resource	36	
	303-2	Management of water discharge-related impacts	36	
	303-3	Water withdrawal	36	
	303-4	Water discharge	36	
	303-5	Water consumption	36	
Emissions	305-1	Direct(Scope 1) GHG emissions	35	
	305-2	Energy indirect(Scope 2) GHG emissions	35	
	305-4	GHG emissions intensity	35	
	305-5	Reduction of GHG emissions	28, 35	
	305-6	Emissions of ozone-depleting substances(ODS)	-	None
	305-7	Nitrogen oxides(NOx), sulfur oxides(SOx), and other significant air emissions	37	
Effluents and Waste	306-1	Water discharge by quality and destination	36	
	306-2	Waste by type and disposal method	36	
	306-3	Significant spills	-	None
	306-4	Transport of hazardous waste	-	None
Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	-	None

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SOCIAL PERFORMANCE (GRI 400)				
GRI STANDARDS	DISCLOSURE		PAGE	NOTE
Employment	401-1	New employee hires and employee turnover	41	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	42	
	401-3	Parental leave	41	
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	40	
Occupational Health and Safety	403-1	Occupational health and safety management system	38	
	403-4	Occupational health services	38	
	403-5	Worker participation, consultation, and communication on occupational health and safety	38, 39	
	403-6	Promotion of worker health	39	
	403-9	Work-related injuries	38, 39	
	403-10	Work-related ill health	38, 39	
Training and Education	404-1	Average hours of training per year per employee	43	
	404-2	Programs for upgrading employee skills and transition assistance programs	43	
	404-3	Percentage of employees receiving regular performance and career development reviews	42	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	39, 40	
	405-2	Ratio of basic salary and remuneration of women to men	41	
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	39, 42	
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	44, 45	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	23	100%
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	None
Marketing and Labeling	417-1	Requirements for product and service information and labeling	23, 26, 27, 28	CJ CheilJedang's Homepage
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	None
	417-3	Incidents of non-compliance concerning marketing communications	-	None
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	None
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	-	None

G4 SECTOR DISCLOSURE (FOOD PROCESSING)				
GRI STANDARDS	DISCLOSURE		PAGE	NOTE
Procurement/Sourcing Practices	FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	47	
Animal Welfare	FP10	Policies and practices, by species and breed type, related to physical alterations and the use of an aesthetic	34	Sustainable Raw Material Sourcing Policy
	FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	34	Sustainable Raw Material Sourcing Policy
Customer Health and Safety	FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	23	
	FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	24	
	FP7	Percentage of total sales volume of consumer products, by product category, that contain increased nutrients ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives	24, 25	

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INDEPENDENT ASSURANCE STATEMENT

INTRODUCTION

CJ CheilJedang Corporation (“CJ CheilJedang”) commissioned DNV GL Business Assurance Korea Ltd. (“DNV GL”), part of DNV GL Group, to undertake independent assurance of the Sustainability Report 2019 (the “Report”). The directors of CJ CheilJedang have sole responsibility for the preparation of the Report. The responsibility of DNV GL in performing the assurance work is to the management of CJ CheilJedang in accordance with the terms of reference. DNV GL’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith.

SCOPE AND BASIS OF ASSURANCE

Based on non-financial data and sustainability activities and performance data of 2019 generated from CJ CheilJedang excluding logistics business, we have evaluated the adherence to AA1000 Accountability Principles (AP) 2018 and assessed the quality of sustainability performance information. We have reviewed that the topic-specific disclosures of GRI Standards which are identified in the process for defining report content:

NO.	MATERIAL TOPIC	GRI DISCLOSURE
1	Development of products and services considering the health of customers	416-1
2	Development of the ecosystem for eco-friendly packaging	301-2
3	Diversified generation of economic value	201-1

We performed our work using AA1000 Assurance Standard (AA1000AS, 2008) with 2018 Addendum and DNV GL’s assurance methodology VeriSustain™¹⁾ (Version 5) which is based on our professional experience, international assurance best practices. DNV GL provides Type 1 and the moderate level of assurance and we applied the Type 2 for the selected sustainability data. The assurance was carried out from March and till May 2020. The site visits were made to headquarters of CJ CheilJedang in Seoul, Korea. We undertook the following activities as part of the assurance process:

- challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls;
- interviewed representatives from the various departments;

- conducted document reviews, data sampling and interrogation of supporting databases and associated reporting system as they relate to selected content and performance data;
- reviewed the materiality assessment report

1) The VeriSustain protocol is available upon request at DNV GL Website (www.dnvgl.com)

LIMITATIONS

The engagement excludes the sustainability management, performance and reporting practices of CJ CheilJedang’s subsidiaries, suppliers, contractors and any third parties mentioned in the Report. DNV GL did not interview external stakeholders as part of this Assurance Engagement. Economic performance based on the financial data is cross-checked with internal documents, the audited consolidated financial statements and the announcement disclosed at the website of Korea Financial Supervisory Service (<http://dart.fss.or.kr>) as well as CJ CheilJedang’s website (www.cj.co.kr). These documents, financial statements and the announcements are not included in this Assurance Engagement. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. The baseline data for environmental and social performance are not verified, while the aggregated data at the corporate level are used for the verification. DNV GL expressly disclaims any liability or coresponsibility for any decision a person or an entity may make based on this Assurance Statement.

CONCLUSION

On the basis of the work undertaken, nothing comes to our attention to suggest that the reported data and information disclosed in the Report do not give a fair representation of CJ CheilJedang related sustainability performance. Further opinions with regards to the adherence to the Principles are made below:

The Principle of Inclusivity

CJ CheilJedang has identified internal and external stakeholder groups such as customers, shareholders and investors, employees, suppliers, and local communities. CJ CheilJedang engages with the stakeholders at the company and business unit levels through various channels. Through these channels, key issues for each stakeholder are identified and related business units are conducting a wide range of activities to analyze the effectiveness, result, and

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impact of activities related to the issues. In addition, by designating responsible departments for each issue, stakeholder engagement and shared value creation activities are managed and operated to lead to the improvement of overall management of CJ CheilJedang.

The Principle of Materiality

CJ CheilJedang has conducted the materiality assessment to prepare the Report. 36 sustainability issues have been derived by analysing the topics covered in various global initiatives and standards, industry peer review, articles on CJ CheilJedang in mass media, and internal management goals review. Based on the issue pools, CJ CheilJedang prioritized 3 material topics by evaluating the business impact and social interest through internal and external stakeholder surveys and expert evaluation. CJ CheilJedang links 7 management items to the material topics and presents a management approach and key achievements. The management’s emphasis, industrial issues, and internally considered risks were reflected in the materiality assessment process.

The Principle of Responsiveness

The Report presents CJ CheilJedang’s sustainability strategy which includes management goals and core shared values. And the Report discloses CJ CheilJedang’s management approach, key performance and activities for sustainability issues during the reporting period. In particular, CJ CheilJedang introduced “Challenge Beyond Possibility (CBP)”, a management innovation activity since January 2019, to strengthen management of ESG factors. The Report is prepared in a comparable, comprehensive, and accurate way using the reporting principles.

The Principle of Impact

CJ CheilJedang identifies the impact of products and services and their decision-making, and it is linked to the company’s strategic tasks. However, it is recommended that the quantitative performance disclosure on the impact of products and services be expanded to complement the balance of impact assessment on stakeholders and organizations.

Reliability of Specific sustainability performance information

DNV GL has evaluated the adherence to 4 principles in the AA1000 Accountability Principles(AP)2018 as described above by applying Type 1 methodology. The reliability of the selected data including water consumption, waste volume, and accident frequency rate are tested with Type 2 methodology. DNV GL has interviewed the data owners in

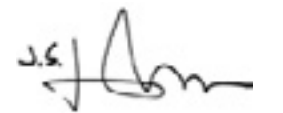
order to figure out the data control process and verified the selected data against the relevant documents and records. Data owners in CJ CheilJedang can explain the source of data and data handling process and demonstrate to trace the consolidated data back to the raw data set in a reliable manner. The assurance team has not noted any intentional error or misstatement regarding the selected data.

COMPETENCE AND INDEPENDENCE

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 – Conformity assessment requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV GL Code of Conduct²⁾ during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV GL was not involved in the preparation of statements or data included in the Report except for this Assurance Statement. DNV GL maintains complete impartiality toward stakeholders interviewed during the assurance process. DNV GL have no other contract with CJ CheilJedang and did not provide any services to CJ CheilJedang in 2020 that could compromise the independence or impartiality of our work.

2) DNV GL Code of Conduct is available from DNV GL website (www.dnvgl.com)

June 2020
Seoul, Korea



Jang Sup Lee

Country Representative
DNV GL Business Assurance Korea Ltd.



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EXTERNAL ACCREDITATION

Month & Year	Award	Awarding Agency
Jan.19	2019 Asia Economy Consumer Awards (Minister of Trade, Industry and Energy Prize)	Ministry of Trade, Industry and Energy
Jun.19	Attained 'the Best' in the Shared Growth Index for four consecutive years	Korea Commission for Corporate Partnership
Jun.19	Exemplary business site in the evaluation of voluntary agreement implementation for management of the total amount of air pollutants (Incheon Plant 2)	Metropolitan Air Quality Management Office
Jun.19	Commendation from the local government at the Environment Merit Awards (Jincheon BC)	Chungcheongbuk-do Provincial Government
Jul.19	Listed in the Top 100 Companies and Brands in the Most Sustainable Global Companies and Brands (CJ CheilJedang, 'bibigo')	UN SDGs
Jul.19	Selected as Korea's Best Company for Job Creation	Ministry of Employment and Labor
Sep.19	Appreciation plaque for creating jobs for veterans	Ministry of Patriots and Veterans Affairs
Oct.19	4th Asia women index awards (Minister of Employment and Labor Prize)	Ministry of Employment and Labor
Oct.19	Grand Prize in the Sustainability Management Category at Global Standard Management Awards, GSMA	Korea Management Registrar
Oct.19	Selected as the Best Group by the UN SDG BI (Sustainable Development Goals Business Index)	UN SDGs
Oct.19	Grand Prize in the Instagram Innovation Category at Social i-Awards (CJ CheilJedang)	i-Awards Korea
Oct.19	Grand Prize in the Marketing Innovation Category at Social i-Awards ('bibigo')	i-Awards Korea
Oct.19	Grand Prize in the Company Facebook Account Category at Social i-Awards (CJ CheilJedang)	i-Awards Korea
Oct.19	Grand Prize in the Instagram Category at Social i-Awards ('Gourmet')	i-Awards Korea
Oct.19	Best Prize in the Instagram Category at Social i-Awards ('Petitzel')	i-Awards Korea
Oct.19	Best Prize in the Instagram Category at Social i-Awards (CJ Kitchen Diary)	i-Awards Korea
Nov.19	Won the KSA Chairperson's Prize at the Most Loved Companies in Korea	Ministry of Trade, Industry and Energy, Ministry of SMEs and Startups
Nov.19	Commendation for fire accident management (Incheon Plant 2)	National Fire Agency
Nov.19	Award at the presentation contest of exemplary smoking-quitting cases at business sites (Incheon Plant 2)	Korea Health Promotion Institute
Nov.19	Commendation for contribution to fire prevention and strengthening of fire administration (Jincheon BC)	Chungcheongbuk-do Provincial Government
Nov.19	Commendation for contribution to fire prevention and strengthening of fire administration (Busan Plant)	Busan Metropolitan City
Nov.19	Best Prize at the 9th Green Packaging Award (Bibigo Pouch)	Korea Environment Packaging Promotion Institute
Nov.19	Commendation for contribution to voluntary win-win growth and cooperation	Ministry of SMEs and Startups
Dec.19	Commendation from the local government at the Environment Merit Awards (Nonsan)	Geum River Basin Environmental Office
Dec.19	Commendation from the local government at the Environment Merit Awards (Busan Plant)	Nakdong River Basin Environmental Office
Dec.19	Grand Prize in the Service Innovation Category at Web Award Korea	i-Awards Korea
Dec.19	Commendation for contribution to shared growth	Korea Commission for Corporate Partnership
Dec.19	Commendation for the best company and individual in fair trade agreement implementation	Fair Trade Commission
Jan. 20	Major Company, Grand Prix at &Award	Korea Digital Enterprise Association