



# CJ CHEILJEDANG

## SUSTAINABILITY REPORT 2020



# ABOUT THIS REPORT

## OVERVIEW

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

## REPORTING PERIOD AND SCOPE

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

## REPORTING PRINCIPLES

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

## EXTERNAL ASSURANCE

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

## CONTACT

For further information or inquiries regarding this report, please contact us using the following information.

### CJ CHEILJEDANG

ADDRESS, CJ CheilJedang, 330 Dongho-ro, Jung-gu, Seoul

PHONE, +82-2-6740-1114

EMAIL, sustainability@cj.net

DATE OF ISSUE, June 2021



## COVER STORY

It represents the virtuous cycle that carries on from nature to consumers, and then back to nature

## EXTERNAL APPROVAL OF SUSTAINABILITY MANAGEMENT

### INCLUDED IN THE DJSI FOR SIX CONSECUTIVE YEARS



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

### 'BEST' GRADE IN THE SHARED GROWTH INDEX FOR FIVE CONSECUTIVE YEARS

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

### ACHIEVED GRADE A+ IN THE COMPREHENSIVE ESG EVALUATION BY KCGS



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

### ACQUIRED A RATING FROM THE MSCI ESG ASSESSMENT



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



# CONTENTS

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

## LETTER FROM CEO

04 Letter from CEO



### 1. OVERVIEW

- 06 OnlyOne CJ
- 08 Global CJ
- 09 Our Business



### 2. SUSTAINABLE IMPACT

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



### 3. MATERIAL ISSUES

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

### 4. ESG FACTBOOK

- 42 Environmental Performance
- 47 Social Performance
- 55 Economic Performance
- 58 Governance Structure

### 5. APPENDIX

- 66 Financial Information
- 67 GRI Standards Index
- 71 SASB Balance Sheet
- 72 Independent Assurance Statement
- 74 External Awards



Web Link

#### INTERACTIVE PDF

This report is published as an interactive PDF containing web links to the relevant pages on our website.



Print



PDF

#### FORMATS

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

# LETTER FROM CEO



CJ CheilJedang practices customer-centered management to maximize customer satisfaction with the evolution and innovation that are embedded in our DNA. We promise to hold firm to our commitment to becoming the best global lifestyle company that creates health, happiness, and convenience.

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

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

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

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

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

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

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

## Health and safety

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

## Sustainable environment

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

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

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

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

Thank you.

CEO EUN-SEOK CHOI

## LETTER FROM CEO

● Letter from CEO

## OVERVIEW

## SUSTAINABLE IMPACT

## MATERIAL ISSUES

## ESG FACTBOOK

## APPENDIX





LETTER FROM CEO

**OVERVIEW**

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX



# 1. OVERVIEW

- OnlyOne CJ
- Global CJ
- Our Business



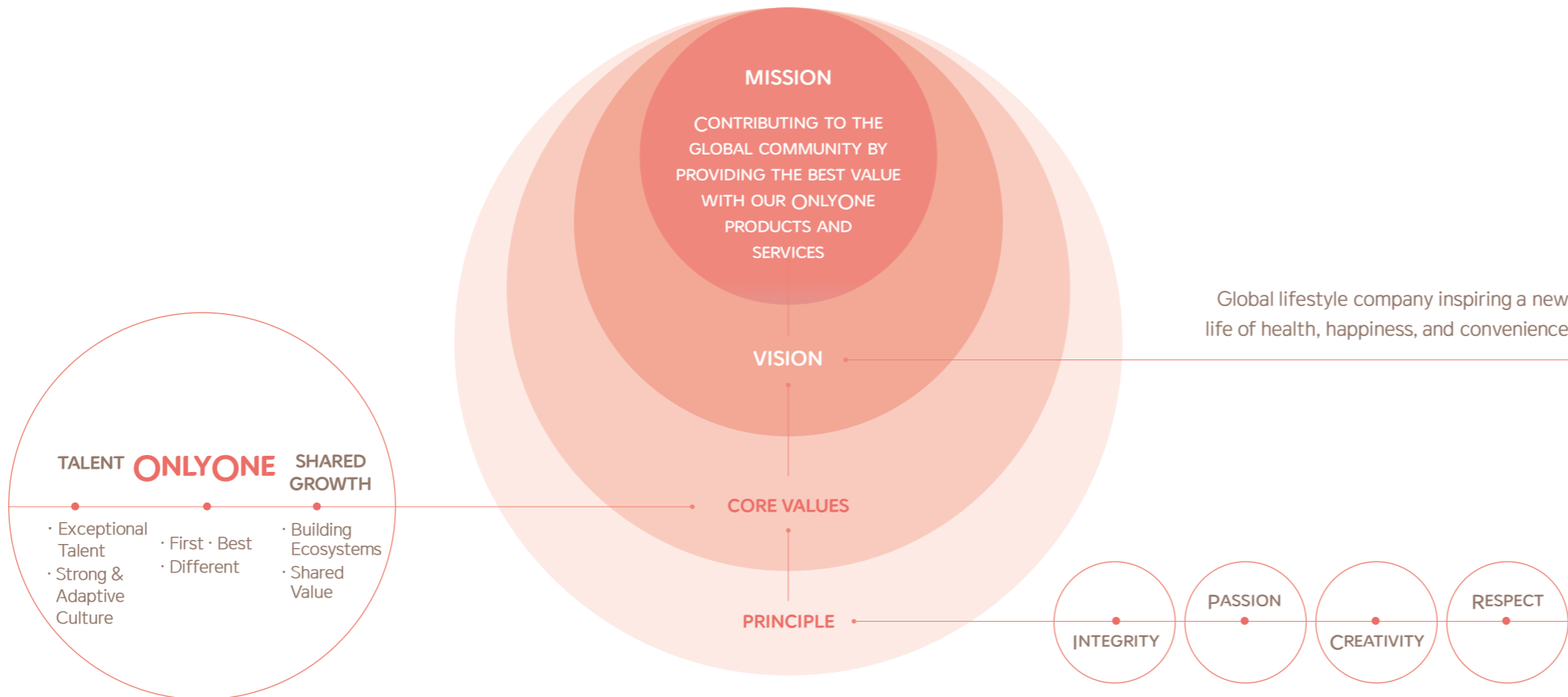


# ONLYONE CJ

## CJ MANAGEMENT PHILOSOPHY

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

Mission and Vision



LETTER FROM CEO

OVERVIEW

- OnlyOne CJ
- Global CJ
- Our Business

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX



## INTRODUCTION TO CJ CHEILJEDANG

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



We will lead the K-Food culture by spreading excellent Korean food.



We will lead the Nutrition & Health field with the world's best environmental Bio technology and solutions.

### Company Profile

As of December 31, 2020

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

\* Headquarter criteria other than financial performance

### LETTER FROM CEO

#### OVERVIEW

- OnlyOne CJ
- Global CJ
- Our Business

#### SUSTAINABLE IMPACT

#### MATERIAL ISSUES

#### ESG FACTBOOK

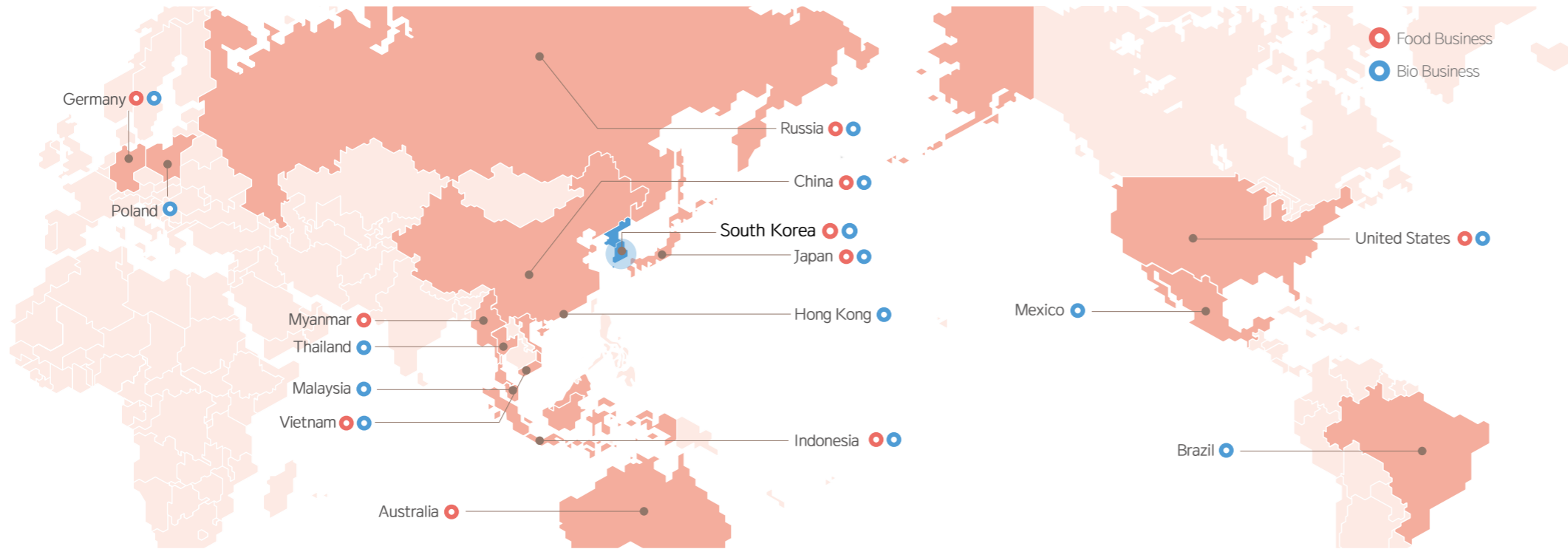
#### APPENDIX



# GLOBAL CJ

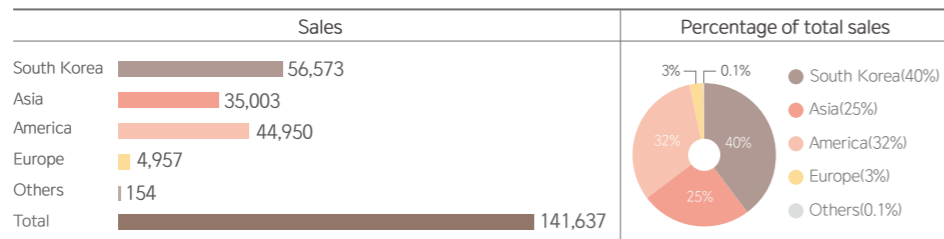
## GLOBAL BUSINESS PORTFOLIO

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



Regional sales in 2020

Based on consolidated figures (unit: 100 million)



Overseas Business Locations

Countries	CHINA	UNITED STATES	INDONESIA	JAPAN	VIETNAM	BRAZIL	GERMANY	RUSSIA	MALAYSIA	AUSTRALIA	MEXICO	MYANMAR	THAILAND	PO- LAND	HONG KONG	TOTAL
<b>Food Business</b>	3	2	1	3	2	0	1	1	0	1	0	1	0	0	0	15
<b>Bio Business</b>	10	5	3	1	1	3	1	1	2	0	1	0	1	1	1	31

LETTER FROM CEO

OVERVIEW

- OnlyOne CJ
- Global CJ
- Our Business

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX



# OUR BUSINESS

## FOOD

CJ CHEILJEDANG'S FOOD BUSINESS UNIT INTRODUCES PRODUCTS WITH EXCELLENT FLAVOR AND OUTSTANDING QUALITY, REFLECTING THE SOCIAL TRENDS THAT PURSUE HEALTH AND CONVENIENCE AND CUSTOMER NEEDS FOLLOWING LIFESTYLE CHANGES. WE ARE GAINING MOMENTUM FOR GROWTH FROM OUR PREMIUM BRANDS SUCH AS GOURMET AND HETBAHN. BASED ON THIS, WE ARE RAISING AWARENESS IN K-FOOD CULTURE BY DEVELOPING BIBIGO INTO AN INTEGRATED GLOBAL BRAND.



### HMR (Home Meal Replacement)

**BIBIGO**

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

**GOURMET**

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

**HETBAHN**

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

## FOOD INGREDIENTS



**BEKSUL**

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

**HAPPY BEAN**

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

**HASEONJEONG**

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

**THE HEALTHY**

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

**SPAM**

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

**DADAM**

Dadam is a condiment brand that transforms your meals into chef-level dishes without any additional sauces or professional cooking knowledge.

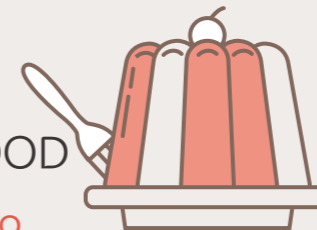
**DASIDA**

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

**HAECHANDLE**

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

## DESERTS AND HEALTH FUNCTIONAL FOOD



**PETITZEL**

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

**HANPPURI**

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

**BYO**

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

**RETURNUP**

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

LETTER FROM CEO

OVERVIEW

- OnlyOne CJ
- Global CJ
- Our Business

SUSTAINABLE IMPACT

MATERIAL ISSUES

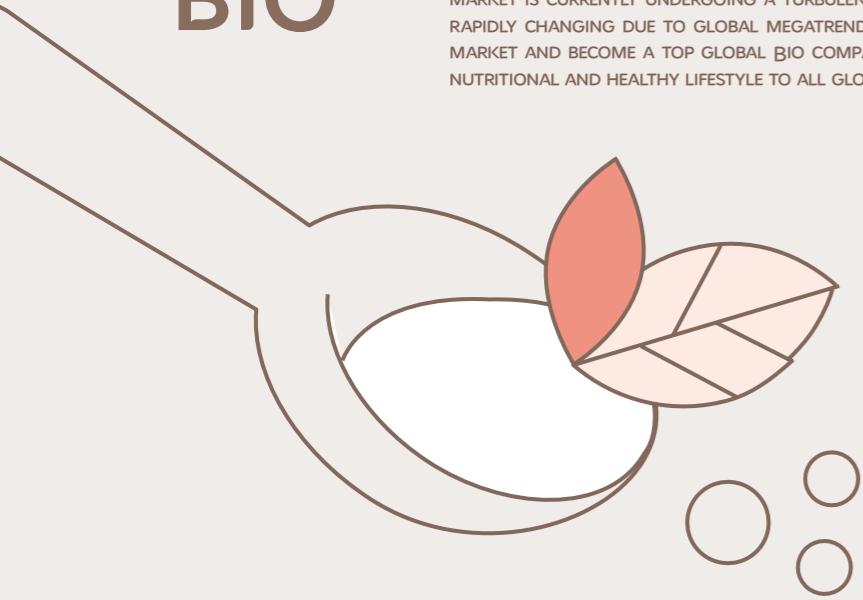
ESG FACTBOOK

APPENDIX



# BIO

THE PHILOSOPHY OF CJ CHEILJEDANG'S BIO BUSINESS UNIT IS TO CREATE SUSTAINABLE LIFESTYLES AND A HEALTHY PLANET THROUGH THE SUSTAINABLE TECHNOLOGY OF NATURE TO NATURE. THE MARKET IS CURRENTLY UNDERGOING A TURBULENT TIME. UNCERTAINTY IS GROWING DUE TO ASF (AFRICAN SWINE FEVER) AND COVID-19, AND CORE CONSUMER VALUES AND COMPETITION ARE RAPIDLY CHANGING DUE TO GLOBAL MEGATRENDS (E.G., HEALTH, SAFETY, ECO-FRIENDLINESS). AMID THIS MARKET CONDITION, CJ CHEILJEDANG IS STRIVING TO TAKE PREEMPTIVE ACTION IN THE MARKET AND BECOME A TOP GLOBAL BIO COMPANY BY PROVIDING QUALITY FUNCTIONAL AMINO ACIDS AND NUCLEIC ACIDS BASED ON OUR R&D COMPETENCY. BY DOING SO, WE AIM TO OFFER NUTRITIONAL AND HEALTHY LIFESTYLE TO ALL GLOBAL CITIZENS AND ANIMALS.



## FOOD AMINO ACID · FLAVOR ENHANCER BUSINESS

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

### FLAVORNICH™

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



### AMINATURE®

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



### TASTENRICH®

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



## FEED AMINO ACID BUSINESS

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

### BESTAMINO

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

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



### SOYTIDE

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



### X · SOY

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



## LETTER FROM CEO

### OVERVIEW

- OnlyOne CJ
- Global CJ
- Our Business

### SUSTAINABLE IMPACT

### MATERIAL ISSUES

### ESG FACTBOOK

### APPENDIX





# 2. SUSTAINABLE IMPACT

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



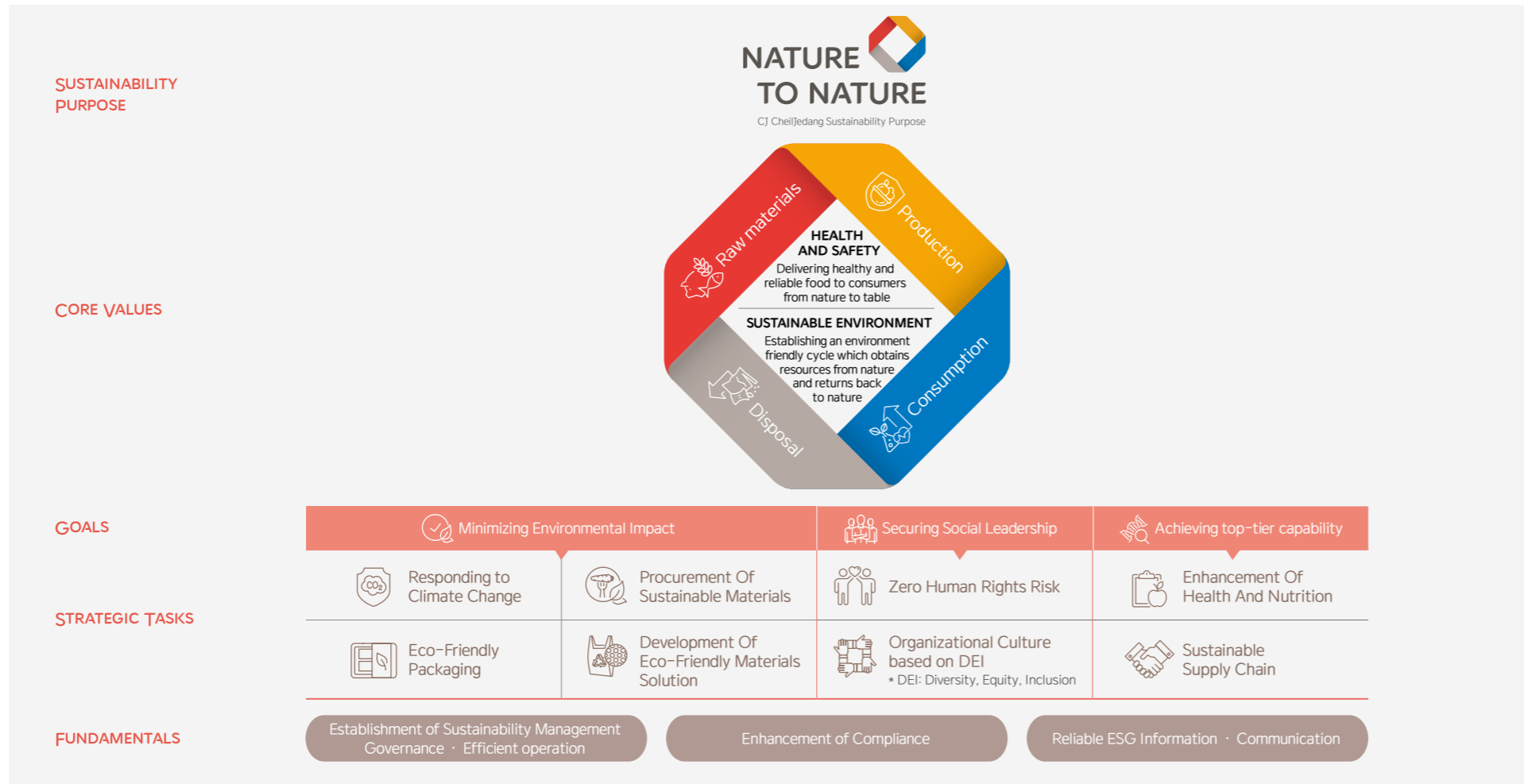


# SUSTAINABILITY MANAGEMENT STRATEGY

## SUSTAINABILITY PURPOSE

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

## IMPLEMENTATION STRATEGY



LETTER FROM CEO

OVERVIEW

**SUSTAINABLE IMPACT**

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

**KEY STRATEGIC TASKS**

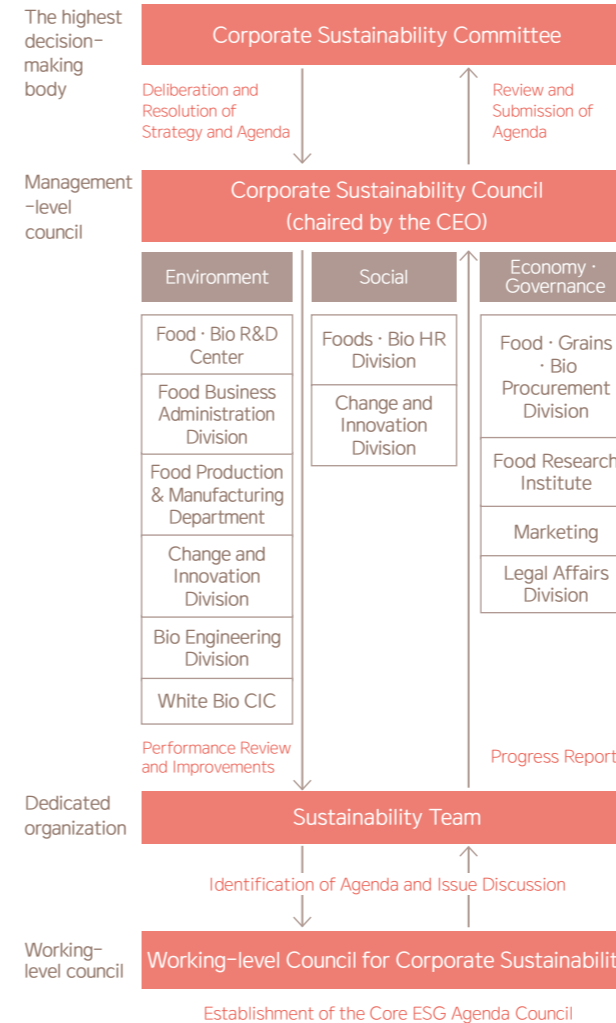
The key strategic tasks are linked to our core values, sustainable environment, Health and Safety. We selected tasks as follows, based on their external priority and impact on business.

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

\* DEI: Diversity, Equity, Inclusion

**CORPORATE SUSTAINABILITY GOVERNANCE**

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



LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX



# UN SDGs\* COMMITMENT

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

<b>1 NO POVERTY</b> 	<b>2 ZERO HUNGER</b> 	<b>3 GOOD HEALTH AND WELL-BEING</b> 	<b>4 QUALITY EDUCATION</b> 	<b>5 GENDER EQUALITY</b> 	<b>6 CLEAN WATER AND SANITATION</b> 
<p><b>MAJOR GOALS</b> End poverty in all its forms everywhere</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CSV project for rural development in Vietnam</li> <li>· Food Bank</li> <li>· CJ Breeding Corp.</li> </ul>	<p><b>MAJOR GOALS</b> End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CSV project for rural development in Vietnam</li> <li>· Food Bank · CJ Breeding Corp.</li> <li>· Development of amino acids using eco-friendly fermentation method**</li> </ul>	<p><b>MAJOR GOALS</b> Ensure healthy lives and promote well-being for all at all ages</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CSV project for rural development in Vietnam</li> <li>· Food Bank · CJ Breeding Corp.</li> <li>· Development of products for good health ('Hetbahn' with low-protein rice, BYO, etc.)</li> </ul>	<p><b>MAJOR GOALS</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CSV project for rural development in Vietnam</li> <li>· CJ-UNESCO Girls' Education campaign</li> </ul>	<p><b>MAJOR GOALS</b> Achieve gender equality and empower all women and girls</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CJ-UNESCO Girls' Education campaign</li> <li>· Joining the TGE(Target Gender Equality) initiatives</li> </ul>	<p><b>MAJOR GOALS</b> Ensure availability and sustainable management of water and sanitation for all</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· Water Resource Risk Management</li> </ul>
<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 	<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> 	<b>10 REDUCED INEQUALITIES</b> 	<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 
<p><b>MAJOR GOALS</b> Ensure access to affordable, reliable, sustainable, and modern energy for all.</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· Use of new and renewable energy resources (fermented soybean meal, woodchips, etc.)</li> </ul>	<p><b>MAJOR GOALS</b> Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CSV project for rural development in Vietnam · Win-Win Academy</li> <li>· Naeil Chaem Deduction System</li> <li>· Happy Companion</li> <li>· Mutual Cooperation Center for Food Safety</li> </ul>	<p><b>MAJOR GOALS</b> Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CSV project for rural development in Vietnam</li> <li>· Win-Win Academy</li> </ul>	<p><b>MAJOR GOALS</b> Reduce inequality within and among countries</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· Development of halal food</li> </ul>	<p><b>MAJOR GOALS</b> Make cities and human settlements inclusive, safe, resilient, and sustainable</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· Hetbahn Gardening (upcycling)</li> </ul>	<p><b>MAJOR GOALS</b> Ensure sustainable consumption and production patterns</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CSV project for rural development in Vietnam</li> <li>· Mutual Cooperation Center for Food Safety</li> <li>· Development of an eco-friendly fermentation process</li> <li>· Use of Eco-Friendly Packaging</li> <li>· Development of PHAs (polyhydroxyalkanoates)</li> <li>· Hetbahn gardening (upcycling)</li> </ul>
<b>13 CLIMATE ACTION</b> 	<b>14 LIFE BELOW WATER</b> 	<b>15 LIFE ON LAND</b> 	<b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b> 	<b>17 PARTNERSHIPS FOR THE GOALS</b> 	<p><b>SDGs BEST PRACTICE: UNESCO GIRLS' EDUCATION CAMPAIGN WITH CONSUMERS</b></p>  <p>To celebrate the UN-designated 'International Day of the Girl Child' on October 11th, CJ CheilJedang hosted the CJ-UNESCO Girls' Education Campaign. This is a global public project promoted by UNESCO (the United Nations Educational, Scientific and Cultural Organization) to improve the educational environments for girls and strengthen the educational capabilities, especially those in developing countries. To bring them a brighter future, CJ CheilJedang hosted the InnerB x Girls' Education Edition Promotion Event at the CJ The Market online mall with InnerB, a Brand that promotes healthy beauty. Special InnerB Aqua Rich UNESCO Edition packages with the UNESCO logo and a message from the Girls' Education Campaign were sold at the event. A portion of the profits was donated to the education improvement project for Vietnamese minority girls who have poor access to education.</p>
<p><b>MAJOR GOALS</b> Take urgent action to deal with climate change and its impacts</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· Sustainable packaging</li> <li>· Development of low-carbon, highly efficient feed</li> </ul>	<p><b>MAJOR GOALS</b> Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· Development of PHAs (polyhydroxyalkanoates)</li> </ul>	<p><b>MAJOR GOALS</b> Protect, restore and promote sustainable use of terrestrial ecosystems</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· Development of low-carbon, highly efficient feed</li> <li>· CJ Breeding Corp.</li> </ul>	<p><b>MAJOR GOALS</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· Expansion of ethical management</li> <li>· Sustainability management education for staff and suppliers</li> <li>· Joining the UN Global Compact</li> </ul>	<p><b>MAJOR GOALS</b> Strengthen the means of implementation and revitalize the global partnership for sustainable development</p> <p><b>RELEVANT BUSINESS AND PROGRAMS</b></p> <ul style="list-style-type: none"> <li>· CSV project for rural development in Vietnam</li> <li>· CJ-UNESCO Girls' Education campaign</li> <li>· Development of amino acids using an eco-friendly fermentation method</li> </ul>	

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

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX



# COMMUNICATION WITH STAKEHOLDERS

## STAKEHOLDER ENGAGEMENT SYSTEM

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

### 1. CUSTOMER

MAJOR ISSUES	COMMUNICATION CHANNELS
<ul style="list-style-type: none"> <li>Customer relations management</li> <li>Customer personal information protection</li> <li>Product and service quality</li> <li>Transparent communication</li> </ul>	<ul style="list-style-type: none"> <li>CJ CheilJedang official website</li> <li>CJ CheilJedang SNS</li> <li>Customer Relations Center</li> <li>T.O.P(Trend Opinion Panel)</li> <li>Talk Talk Housewives Evaluation Group</li> </ul>

### 2. SHAREHOLDERS AND INVESTORS

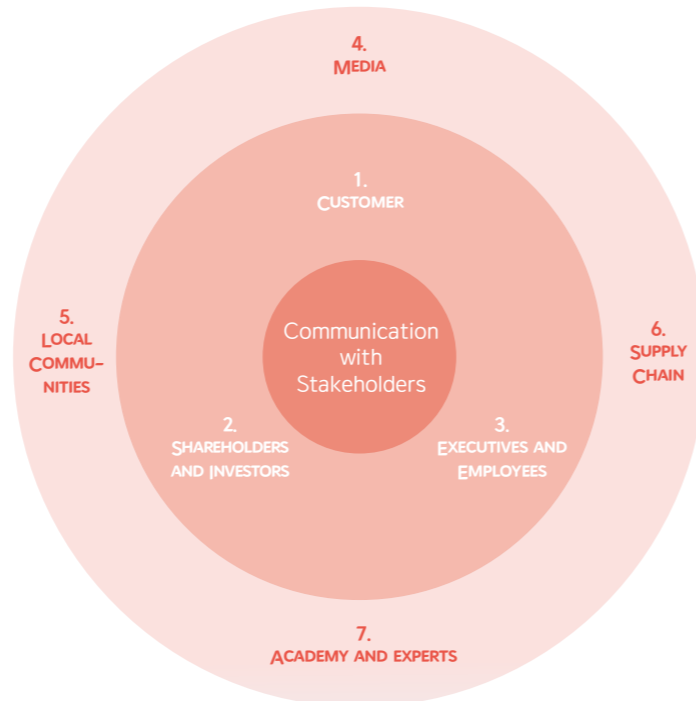
MAJOR ISSUES	COMMUNICATION CHANNELS
<ul style="list-style-type: none"> <li>Economic performance including share price</li> <li>Governance stability and transparency</li> <li>ESG issues</li> </ul>	<ul style="list-style-type: none"> <li>General shareholders' meeting</li> <li>Disclosure</li> <li>Quarterly, annual IR activities</li> <li>Sustainability report</li> </ul>

### 3. EXECUTIVES AND EMPLOYEES

MAJOR ISSUES	COMMUNICATION CHANNELS
<ul style="list-style-type: none"> <li>Securing and developing human resources</li> <li>Addressing staff grievances</li> <li>Maintaining work-life balance</li> <li>Managing labor-management relations</li> <li>Managing safety and health</li> <li>Implementing fair performance evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment fair</li> <li>Open Council(Once a quarter)</li> <li>Channel CJ</li> <li>Channel Blossom</li> <li>Group newsletter Ni:m</li> <li>Intranet anonymous discussion room</li> <li>Online reports</li> <li>Café La Mer(psychological counseling)</li> <li>CEO Letter</li> <li>Meetings(on demand)</li> </ul>

### 4. MEDIA

MAJOR ISSUES	COMMUNICATION CHANNELS
<ul style="list-style-type: none"> <li>Clear and timely disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>Press release</li> <li>CJ CheilJedang official website</li> <li>CJ CheilJedang SNS (Jedang Shuman YouTube Channel)</li> </ul>



### 5. LOCAL COMMUNITIES

MAJOR ISSUES	COMMUNICATION CHANNELS
<ul style="list-style-type: none"> <li>Strategic social contributions</li> <li>Environmental preservation in local communities</li> <li>Fulfilling corporate social responsibility</li> <li>Support for industrial ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>CJ Donors Camp</li> <li>CJ Welfare Foundation</li> <li>CJ Cultural Foundation</li> <li>Community Chest of Korea</li> <li>Korea National Council on Social Welfare (food bank)</li> <li>Korea Disaster Relief Association</li> <li>UN World Food Program Korea</li> <li>Miral Welfare Foundation (goodwill store)</li> <li>Local Volunteer Center</li> <li>Seoul Creative Economy Innovation Center</li> <li>Cooperation with NGO</li> <li>Agro-healing Cooperative Healing Gardening Center</li> </ul>

### 6. SUPPLY CHAIN

MAJOR ISSUES	COMMUNICATION CHANNELS
<ul style="list-style-type: none"> <li>Reinforce Communication</li> <li>Fair trade and shared growth</li> <li>Supplier selection and management</li> <li>Supporting suppliers and farms</li> </ul>	<ul style="list-style-type: none"> <li>Shared Growth Portal</li> <li>CJ Partners Club</li> <li>Mutual Cooperation Center for Food Safety</li> <li>CJ Partners Meeting</li> <li>Win-win VOC</li> <li>Happy Companion</li> <li>CJ Breeding Corp.</li> </ul>

### 7. ACADEMY AND EXPERTS

MAJOR ISSUES	COMMUNICATION CHANNELS
<ul style="list-style-type: none"> <li>Academy-industry cooperation</li> <li>R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>Joint research</li> <li>Technical advice</li> </ul>

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

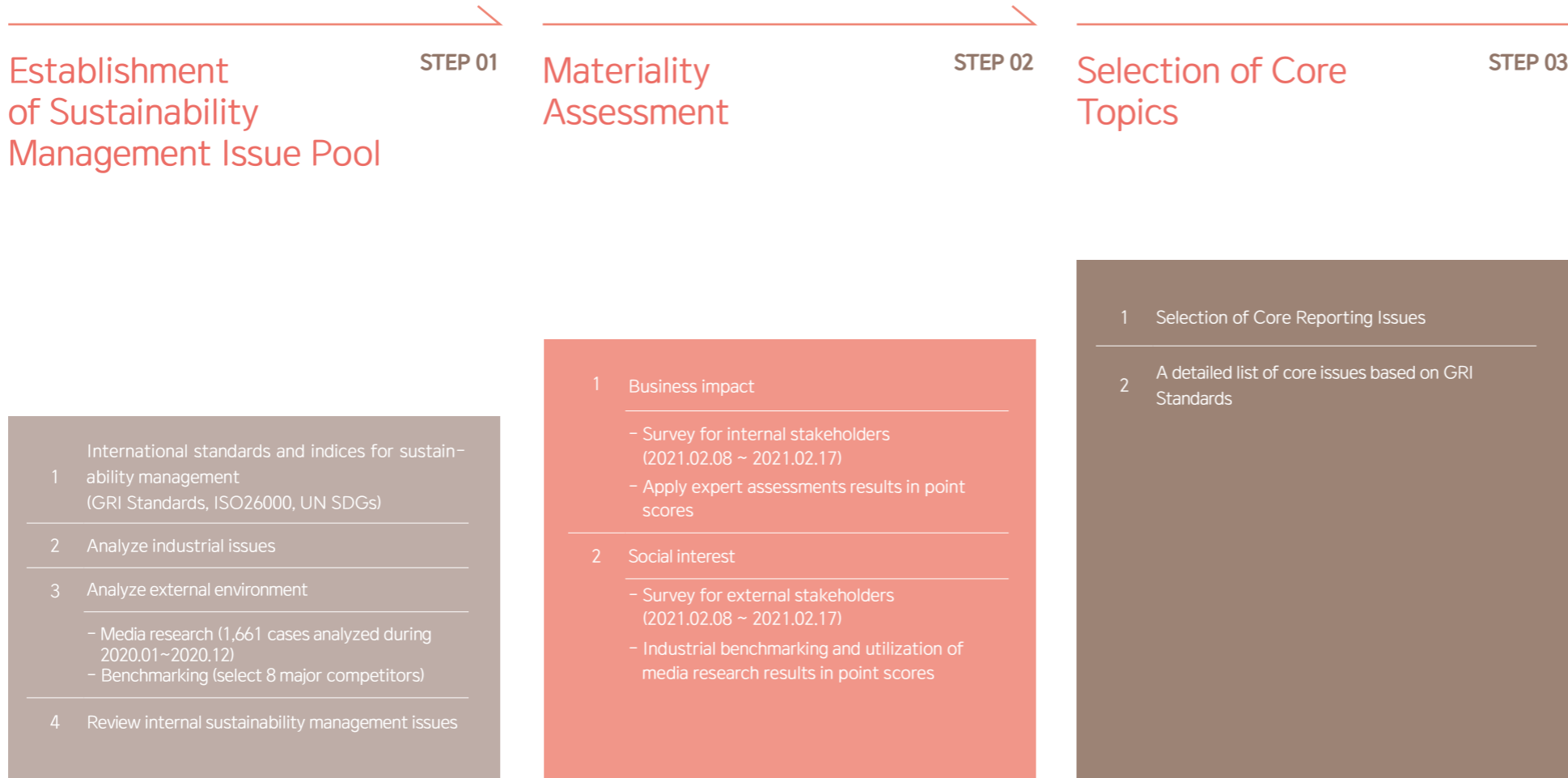
APPENDIX



# MATERIALITY ASSESSMENT

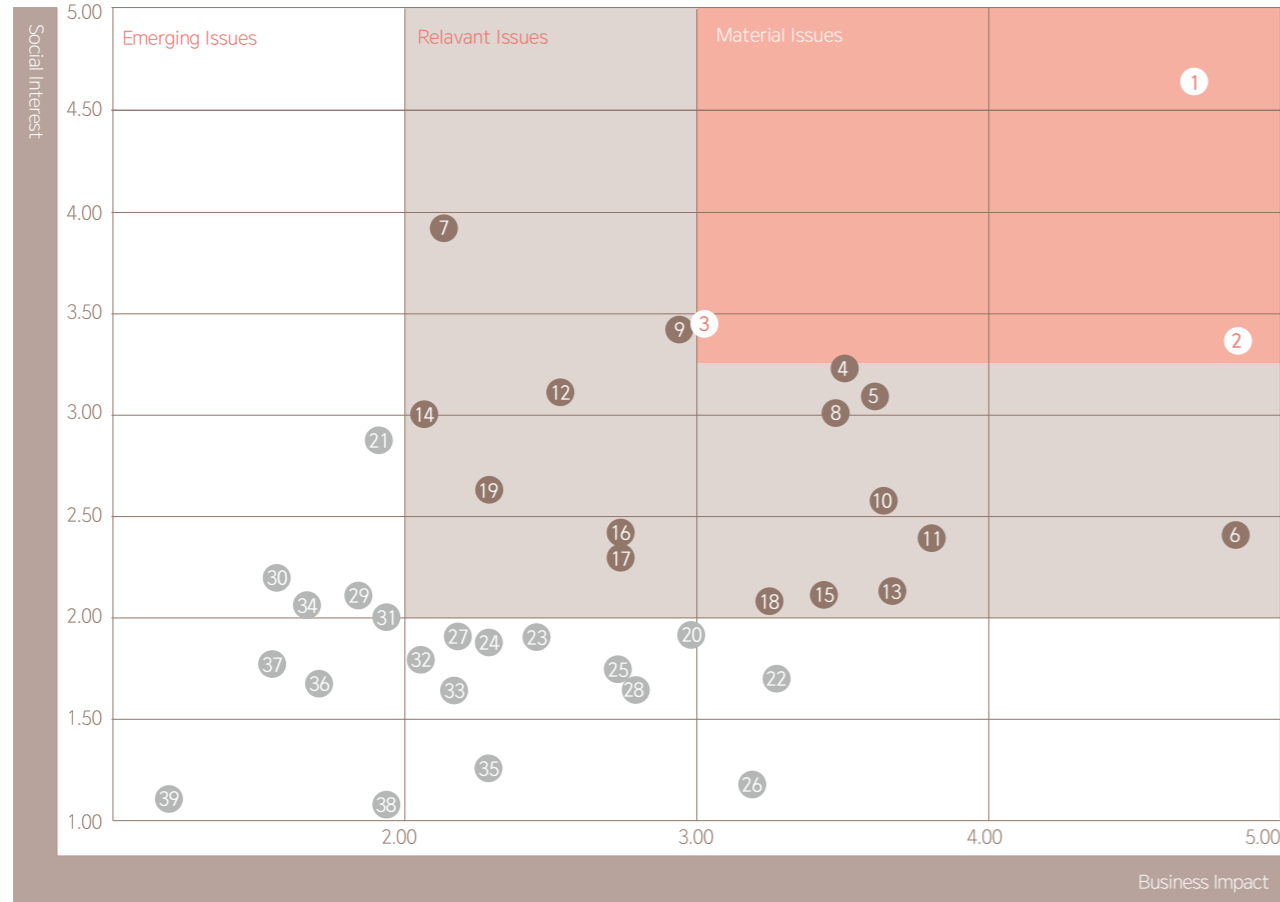
## MATERIALITY ASSESSMENT PROCESS

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



- LETTER FROM CEO
- OVERVIEW
- SUSTAINABLE IMPACT**
  - Sustainability Management Strategy
  - UN SDGs Commitment
  - Communication with Stakeholders
  - Materiality Assessment
  - Sustainable Highlights
  - Messages from the Top Management
  - Special Page
- MATERIAL ISSUES
- ESG FACTBOOK
- APPENDIX

**MATERIALITY ASSESSMENT RESULT**



PRIORITY	CATEGORY	ISSUE
①	Economy and general business management	Diversification of economic value
②	Customers	Development of products and services with consideration for the health of customers
③	Environment	Development of ecosystem for eco-friendly packaging
④	Executives and employees	Fair performance evaluation and remuneration
⑤	Local communities	Investment support in social infrastructure
⑥	Local communities	Social contribution activities leveraging the business characteristics
⑦	Economy and general business management	Reinforcement of governance transparency
⑧	Customers	Efforts to enhance product safety
⑨	Local communities	Contribution to boosting local economies
⑩	Customers	Building trust through customer relationship management
⑪	Economy and general business management	Entrance · expansion to the global market and attraction of overseas investment
⑫	Executives and employees	Implementation of human rights management
⑬	Executives and employees	Maintenance of work-life balance
⑭	Environment	Management of energy consumption
⑮	Executives and employees	Support for upgrading staff skills
⑯	Environment	Management of GHG emissions
⑰	Environment	Response to climate change
⑱	Environment	Establishment of a resource cycle system
⑲	Supply chain	Compliance with fair trade principles

**CORE TOPICS**

NO.	CORE TOPICS	IMPACT			MATERIAL ISSUE	GRI STANDARDS TOPIC	RELEVANT UN SDGs
1	Diversification of economic value	Cost	Revenue	Risk	Issue 03. Expansion of Market Competitiveness	GRI 201-1	SDGs 8,9
2	Development of products and services with consideration for the health of customers	Cost	Revenue	Risk	Issue 01. Health and safety	GRI 416-1	SDGs 2,3
3	Development of ecosystem for eco-friendly packaging	Cost	Revenue	Risk	Issue 02. Sustainable environment	GRI 301-2	SDGs 12,13

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX



# SUSTAINABLE HIGHLIGHTS

LETTER FROM CEO

OVERVIEW

**SUSTAINABLE IMPACT**

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

MATERIAL ISSUES

ESG FACTBOOK

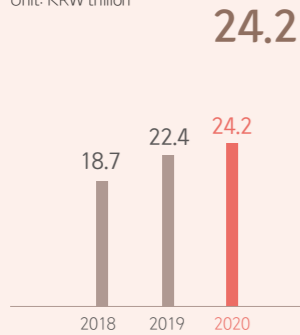
APPENDIX

## PERFORMANCE OVERVIEW

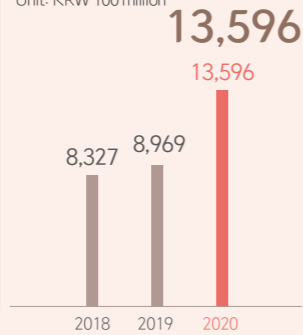
See below for CJ CheilJedang's key performance figures in sustainability management

### ECONOMY

**SALES Consolidated**  
Unit: KRW trillion

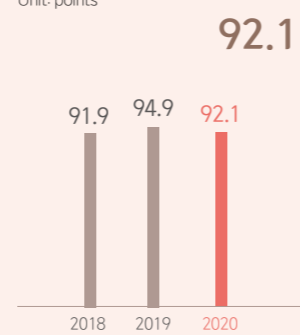


**OPERATING PROFIT Consolidated**  
Unit: KRW 100 million



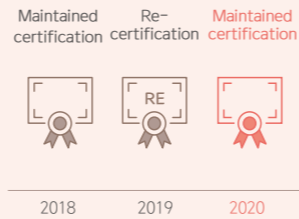
### CUSTOMERS

**CUSTOMER SATISFACTION**  
Unit: points



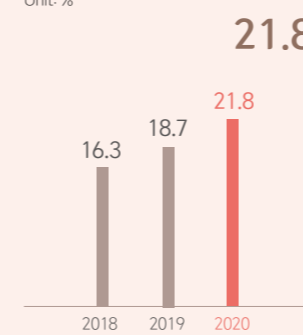
\* Results of a satisfaction survey conducted by CJ Telenix

**CUSTOMER-CENTERED MANAGEMENT CERTIFICATION**  
MAINTAINED CERTIFICATION

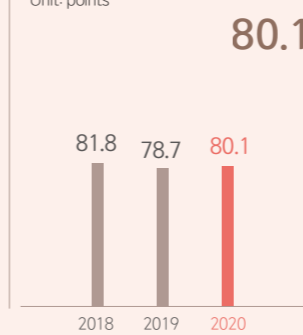


### STAFF

**RATIO OF FEMALE EXECUTIVES**  
Unit: %

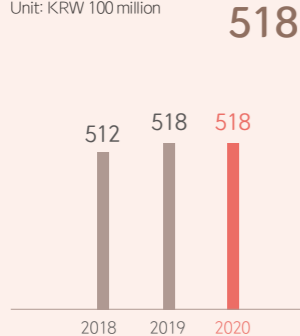


**STAFF SATISFACTION**  
Unit: points

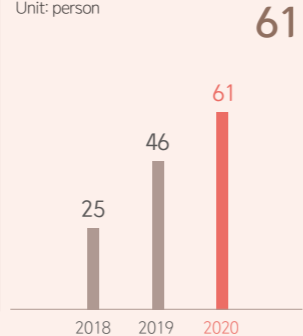


### SUPPLY CHAIN

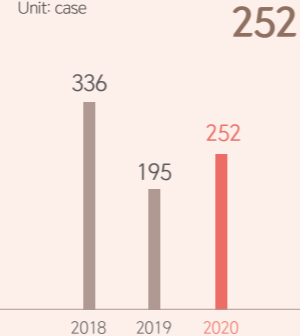
**WIN-WIN FUND AS FINANCIAL SUPPORT FOR SUPPLIERS**  
Unit: KRW 100 million



**EMPLOYMENT STABILITY SUPPORT FOR SUPPLIER with Naeil Chaem**  
Unit: person

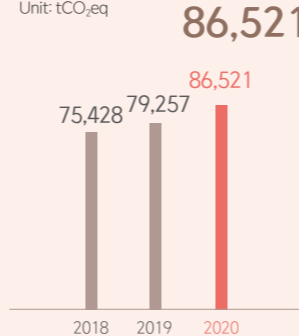


**TECHNICAL SUPPORT FOR SUPPLIERS**  
Unit: case

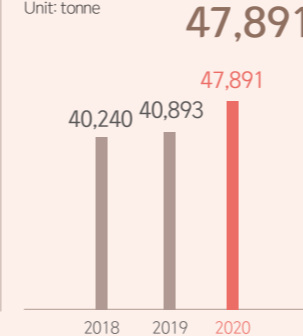


### ENVIRONMENT

**REDUCTION IN GHG EMISSIONS cumulative**  
Unit: tCO<sub>2</sub>e

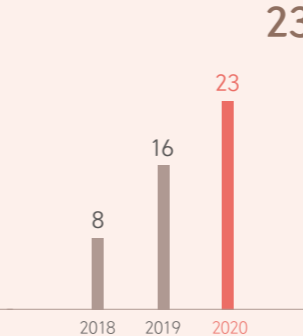


**USE OF RECYCLED PACKAGING MATERIALS**  
Unit: tonne



### LOCAL COMMUNITIES

**CHARITY AND PHILANTHROPY**  
Unit: KRW 100 million





2020 ESG HIGHLIGHTS

1

ENVIRONMENTAL

CJ SELECTA'S DECLARATION OF DEFORESTATION-FREE

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

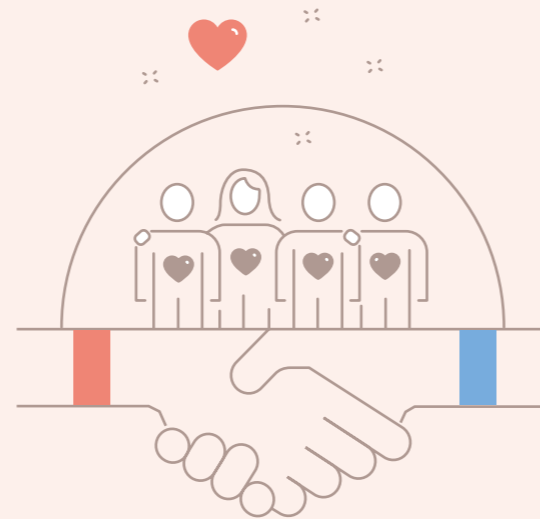


2

SOCIAL

ESTABLISHMENT OF THE HUMAN RIGHTS MANAGEMENT SYSTEM

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

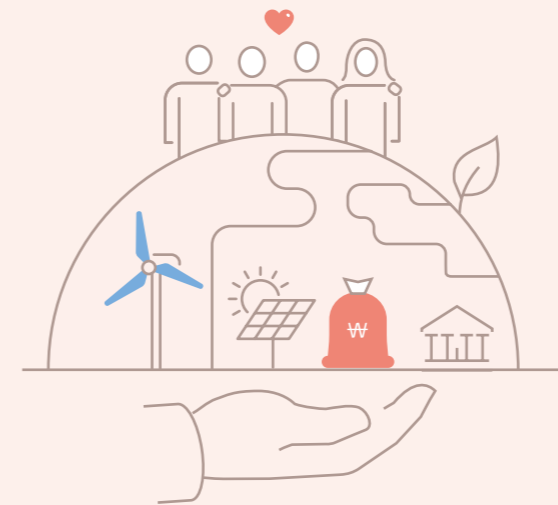


3

GOVERNANCE

ESTABLISHMENT OF THE CORPORATE SUSTAINABILITY COMMITTEE

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



LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

# MESSAGES FROM THE TOP MANAGEMENT

## Implementation of sustainability management



COMMUNICATION DIVISION JEONG GIL-GEUN

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

## Sustainable Environment

FOOD PRODUCTION & MANUFACTURING DEPARTMENT  
KIM KEUN-YOUNG

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



BIO ENGINEERING DIVISION LEE JUN-WON

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



PACKAGING DIVISION KIM GRACE

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



WHITE BIO CIC LEE SEUNG-JIN

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX



# Health and safety



**BIO PROCUREMENT DIVISION KIM SU-CHEOL**

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



**FOOD PROCUREMENT DIVISION PARK TAE-JUN**

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

**GRAIN PROCUREMENT DIVISION YUN DAE-JIN**

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



**SCIENCE & TECHNOLOGY DIVISION 1 YOON HYO-JUNG**

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



**CHANGE AND INNOVATION DIVISION KIM SEUNG-KYU**

CJ CheilJedang values the human rights of all stakeholders and seeks ways to protect them. To this end, we comply with the relevant domestic and international human rights standards. In addition, we will strive to prevent any potential human rights risks that may arise from the development of products to their distribution. We strive to establish a system to implement human rights activities. We will establish human rights policies, improve potential human rights violations through human rights assessments, and review the relief procedures for human rights violations. We appreciate your attention as CJ CheilJedang realizes improvements in human rights situations in our field.



**LEGAL DIVISION KIM JU-SEOK**

The recent changes in the management environment demand values that set themselves apart from the past. In this trend, the need for the establishment of a global-standard compliance system for the maximization of corporate value, as well as related stakeholder demands, is also on the rise. To this end, CJ CheilJedang established the "Promise of the CJ People" and launched the Compliance Committee. In addition, we acquired ISO 37301 (compliance management system) as the first instance for corporate Korea. Furthermore, we are enhancing our compliance management system to proactively respond to the changing regulatory environment and strive to establish and expand a culture of compliance.

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX



# SPECIAL PAGE



LETTER FROM CEO

OVERVIEW

**SUSTAINABLE IMPACT**

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

## RESPOND TO THE CHANGE

WE ARE FACING NEW AND UNPRECEDENTED CHALLENGES FROM THE COVID-19 PANDEMIC THAT SWEEPED ACROSS THE WORLD IN 2020. AS SOCIAL DISTANCING MEASURES REDUCED POINTS OF COMMUNICATION, WE HAD TO MAKE THE NECESSARY CHANGES TO CONTINUE OUR SUSTAINABLE BUSINESS ACTIVITIES WHILE KEEPING EVERYONE SAFE AND HEALTHY. BY IMPLEMENTING QUICK AND EFFECTIVE RESPONSE MEASURES THAT COMPLY WITH THE GOVERNMENT'S QUARANTINE GUIDELINES, WE WERE ABLE TO INNOVATE OUR WORKING METHODS.

### HEALTHY AND SAFE VALUE FOR OUR EMPLOYEES

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

### SAFE REMOTE WORKING

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

### RESPONSES OF MANUFACTURING SITES WITH THE PRINCIPLE OF SAFETY FIRST

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



LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

# DESIRE TO CONNECT

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

## ENHANCEMENT OF ONLINE SERVICES WITH THE “VALUE OF GOODNESS”

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

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

### DIVERSE COOKING EXPERIENCES

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

## DELIVERING WARM THOUGHTS ONLINE

### DEVELOPMENT OF CULTURAL TALENT FOR CHILDREN AND YOUTH

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

### VIRTUAL CULTURE SCHOOL

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





LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

# STRIVE FOR DEFORESTATION-FREE

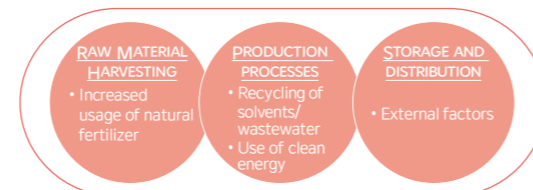
ACCORDING TO AN ANNOUNCEMENT BY BRAZIL'S INPE (NATIONAL INSTITUTE FOR SPACE RESEARCH), THE AMAZON RAINFOREST, WHICH IS ALSO KNOWN AS THE LUNGS OF THE EARTH, SUFFERED THE WORST DESTRUCTION IN 2020 SINCE THE GREAT AMAZON FIRE OF 2008. CJ SELECTA, AN SPC (SOY PROTEIN CONCENTRATE) MANUFACTURER IN BRAZIL, HAS RECOGNIZED THE BUSINESS-RELATED IMPACTS CAUSED BY DEFORESTATION IN BRAZIL AND DECLARED ITS PLAN TO DO DEFORESTATION-FREE BUSINESS. IT CONTINUES TO CARRY OUT RELEVANT ACTIVITIES, SUCH AS AVOIDING IRRESPONSIBLE DEFORESTATION AND SLASH-AND-BURN FARMING, TO STOP DEFORESTATION IN THE AMAZON.

## USE OF AMAZON-FREE SOYBEANS

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

## LOW-CARBON ACTIVITIES TO PREVENT GLOBAL WARMING

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



## DECLARATION OF SUSTAINABILITY MANAGEMENT BY CJ SELECTA

In 2020, CJ Selecta announced its New Sustainability Plan, which comprises six goals to solidify our efforts to achieve sustainability (e.g., eradication of deforestation).





LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

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

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

# INNOVATE TO REDUCE FOOD LOSS & WASTE

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

## REDUCED FOOD LOSS AND DISPOSAL

### 1. PRODUCTION OF RAW INGREDIENTS

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

### 2. STORAGE AND DELIVERY

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

### 3. MANUFACTURING PROCESS

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

### 4. DISTRIBUTION AND SALES

To discover the value of using Eatable Food\*, we collaborated with "Last Order", a discount sales platform. Further, we continue to share with the Food Bank to increase food donations and with the "Goodwill Store" to create jobs for the disabled.

\* Eatable Food : A new term introduced by CJ CheilJedang, referring to food that is near expiration but still has value as edible food.

### 5. CONSUMPTION OF WASTE

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







- LETTER FROM CEO
- OVERVIEW
- SUSTAINABLE IMPACT
  - Sustainability Management Strategy
  - UN SDGs Commitment
  - Communication with Stakeholders
  - Materiality Assessment
  - Sustainable Highlights
  - Messages from the Top Management
  - Special Page
- MATERIAL ISSUES
- ESG FACTBOOK
- APPENDIX

# FOCUS ON HUMAN RIGHT

RESPECT FOR HUMAN RIGHTS IS AN UNCOMPROMISABLE ELEMENT IN OUR BUSINESS ACTIVITIES. AT CJ CHEILJEDANG, WE RECOGNIZE THE IMPORTANCE OF PRACTICING THE PRINCIPLE OF “RESPECT” ACROSS ALL OUR GLOBAL BUSINESSES. TO THIS END, WE PREEMPTIVELY IDENTIFY AND IMPROVE POTENTIAL HUMAN RIGHTS VIOLATIONS AGAINST VARIOUS STAKEHOLDERS AND LOCAL COMMUNITIES TO PRACTICE RESPECT FOR HUMAN RIGHTS. CELEBRATING 2021 AS THE “INTERNATIONAL YEAR FOR THE ELIMINATION OF CHILD LABOUR”, WE ARE SENDING OUR WHOLEHEARTED SUPPORT TO THIS CAUSE AND WILL DO OUR UTMOST TO STOP HUMAN RIGHTS VIOLATIONS – INCLUDING CHILD LABOR.

## OUR APPROACH TO RESPECTING HUMAN RIGHTS

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

### — [INTERNATIONAL STANDARDS AND PRINCIPLES(GUIDING PRINCIPLES)] —



## HUMAN RIGHTS MANAGEMENT POLICY

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



## HUMAN RIGHTS MANAGEMENT HISTORY

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





- LETTER FROM CEO
- OVERVIEW
- SUSTAINABLE IMPACT
- MATERIAL ISSUES**
- ESG FACTBOOK
- APPENDIX



# 3. MATERIAL ISSUES

- Issue 1\_Health and safety
- Issue 2\_Sustainable Environment
- Issue 3\_Expansion of Market Competitiveness





- LETTER FROM CEO
- OVERVIEW
- SUSTAINABLE IMPACT
- MATERIAL ISSUES**
  - Issue 1. Health and Safety
  - Issue 2. Sustainable Environment
  - Issue 3. Expansion of Market Competitiveness
- ESG FACTBOOK
- APPENDIX



ISSUE 1.

# HEALTH AND SAFETY

## HOW WE MANAGE

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

Furthermore, we constantly ask ourselves the following questions:

- How can we provide sufficient nutrients through only processed foods?
- What should we consider first at the raw material procurement stage to contribute to delivering healthy finished products?
- How can we implement our stringent integrated food safety system globally?

In searching for the answers, we have found ways to offer healthier and safer products. Going forward, CJ CheilJedang will continue our endeavors to create safe and healthy products and deliver them to you from nature.

## 2020 KEY FACTS & FIGURES

<p>SETTING HEALTHY NUTRIENT STANDARDS</p>	<p><b>ESTABLISHMENT OF THE CJ NUTRITION CRITERIA</b></p>
<p>BUILDING A HEALTHY HMR BRAND</p>	<p><b>LAUNCHED THE BIBIGO</b> LAUNCHING 12 NEW PRODUCTS</p>
<p>SALES OF NATURAL FLAVOR ENHANCER "TASTENRICH®"</p>	<p><b>KRW 5 BILLION</b> SUPPLIED TO APPROX. 100 COMPANIES IN 31 COUNTRIES</p>

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

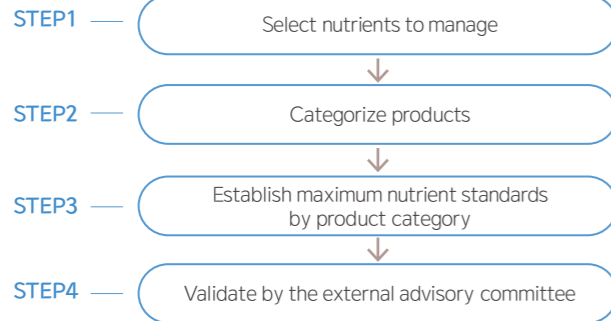
# DEVELOPING DIFFERENTIATED PRODUCTS CONSIDER HEALTH AND NUTRITION


## ESTABLISHMENT OF SYSTEMATIC NUTRITION GUIDELINES

### ESTABLISHMENT OF THE CJ NUTRITION CRITERIA

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

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





**Example. RICE-BASED DISH**

Energy: ≤ 30% of Daily Value  
 Saturated fat: ≤ 10% of Energy  
 Trans fat: 0g from PHO  
 Total sugars: ≤ 10% of Energy  
 Sodium: ≤ 35% of Daily Value  
 (per 1 serving size)

[Guideline Design Process and Example]

### OPERATION OF THE KNS-AFFILIATED EXTERNAL ADVISORY COMMITTEE

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



[External Advisory Panel]



[Operation of the Advisory Committee]

### LAUNCH OF THE BIBIGO, A HEALTHY HMR BRAND

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



LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX





## DEVELOPMENT OF HEALTHY PRODUCTS BASED ON OUR DIFFERENTIATED FERMENTATION CAPABILITIES

### PLANT-DERIVED FERMENTED FLAVOR ENHANCER TASTE NRICH®

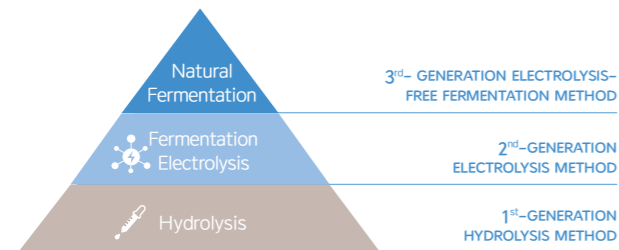
TasteNrich®, a differentiated future-oriented flavor enhancer, is based on 60 years of experience in CJ Bio research in fermentation technology and its R&D capabilities. Using only plant-derived ingredients through a fermentation process with no additives or chemical treatments, TasteNrich® meets the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

\* Clean Label: Used to indicate foods or ingredients with characteristics such as no artificial additives, minimal processing, and non-GMO, Allergens-free, natural ingredients, etc.



### FLAVOR NRICH™ MASTER C, THE WORLD'S FIRST NATURAL CYSTEINE PRODUCED WITHOUT ELECTROLYSIS

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



[The Evolution of the Cysteine Method]

### BIOTECTOR, THE FEED ADDITIVE THAT ELIMINATES HARMFUL BACTERIA IN LIVESTOCK

BIOTECTOR is the world's first bacteriophage cocktail feed additive that helps remove harmful bacteria from the digestive systems of livestock. It prevents contamination and infection from Salmonella, controlling livestock disease and promoting the healthy and safe growth of animals.

We have improved the product for more powerful prevention against bacterial diseases. Through continuous R&D, we've replaced antibiotics while reducing infections of diseases.



[BIOTECTOR]

### A FEED ENZYME THAT PROMOTES LIVESTOCK NUTRITION

Feed enzymes enhance the digestibility of livestock and benefits to growth of bacteria for animals. Owing to increased meat consumption and increased demand for feed, feed enzymes are in the spotlight not only for improving livestock health but also for their potential for reducing production costs. CJ CheilJedang acquired Youtell in 2019 and combined CJ know-how in bacterial strains and fermentation technology with Youtell's enzyme technology. To strengthen our competitiveness for future enzyme products, and expand our sales into APAC and other target regions, we are actively researching product improvement and formulation.



[Feed enzyme]

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX



# EFFORTS FOR SAFE FOOD

## ENHANCEMENT OF THE FOOD SAFETY MANAGEMENT SYSTEM

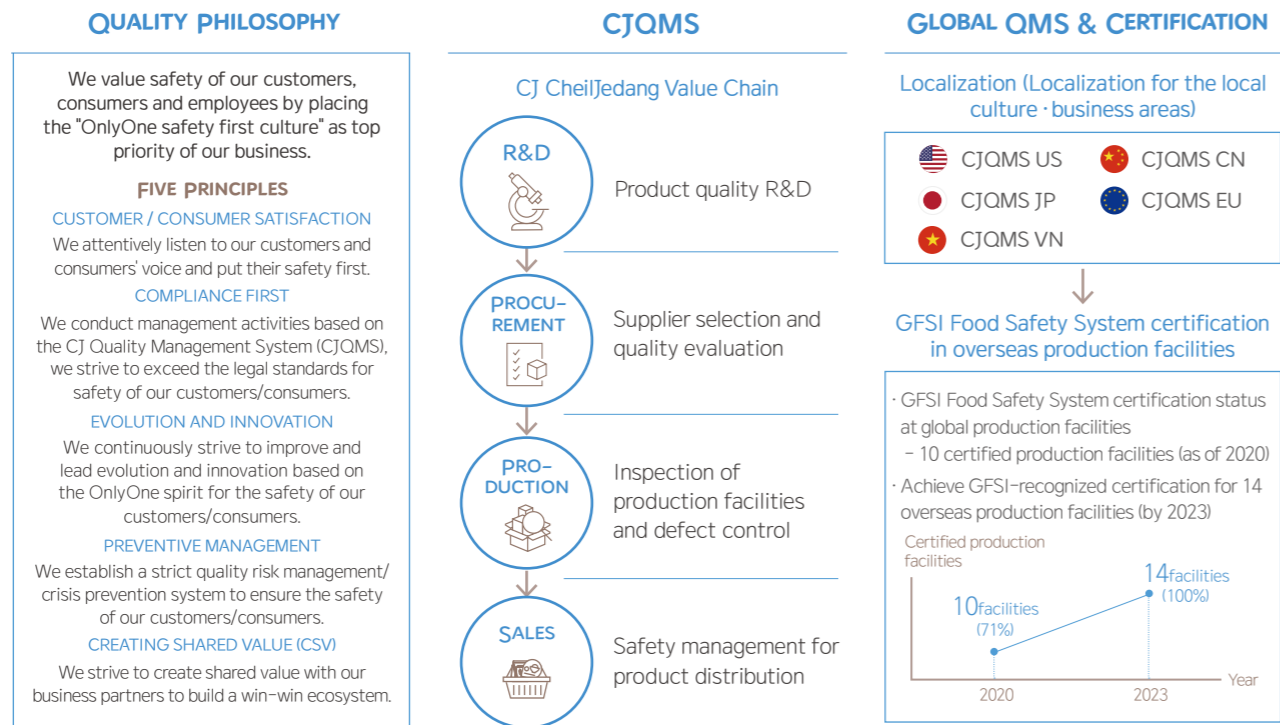
### SYSTEMATIZATION OF THE CJ GLOBAL QUALITY AND SAFETY SYSTEM

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

\* CJQMS(CJ Quality Management System)

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

CJ Global Quality and Safety System



### Our Efforts on GMO\* Management

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

To manage whether all our domestically sourced and imported ingredients are genetically modified, we examine the supporting documents such as IP(Identity Preserved) handling certificates, Government certificates, Manufacturer's declarations, and test reports. Furthermore, we established a designated analysis method for untraceable and unapproved soybeans, corns, and wheat to control potential food safety risks.

In 2021, the Ministry of Food and Drug Safety issued an administrative notice. It states that disclosure standard for GMO food products will be modified to address the unintentional inclusion of such ingredients to promote non-GMO marks. We will actively provide information, reflecting consumer needs as per the revised disclosure standard. In addition, we are fully prepared for the US National Bioengineered Food Disclosure Standard that will come into effect in 2022, and will be able to furnish evidence of raw materials.

\* Genetically Modified Organism

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX





ISSUE 2.

# SUSTAINABLE ENVIRONMENT

## HOW WE MANAGE

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

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

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

## 2020 KEY FACTS & FIGURES

**TOTAL AMOUNT OF WASTE REDUCTION** **5,577 TONNES** **REDUCTION OF POTENTIAL WASTE OBTAINED CERTIFICATION FOR RESOURCE CIRCULATION**

**THE ONLY COMPANY IN THE WORLD** **GENERATE NINE MAJOR AMINO ACIDS** **WITH ECO-FRIENDLY MASS PRODUCTION METHOD**

**REDUCTION IN CO<sub>2</sub> EMISSIONS FOR PACKAGING IMPROVEMENT** **1,527 TONNES** **ACHIEVEMENTS IN ECO-FRIENDLY PACKAGING**

## COMMERCIALIZATION OF BIODEGRADABLE PLASTIC (PHA)

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

**MATERIAL ISSUES**

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

ESG FACTBOOK

APPENDIX



# IMPLEMENTATION OF SUSTAINABLE ENVIRONMENTAL MANAGEMENT

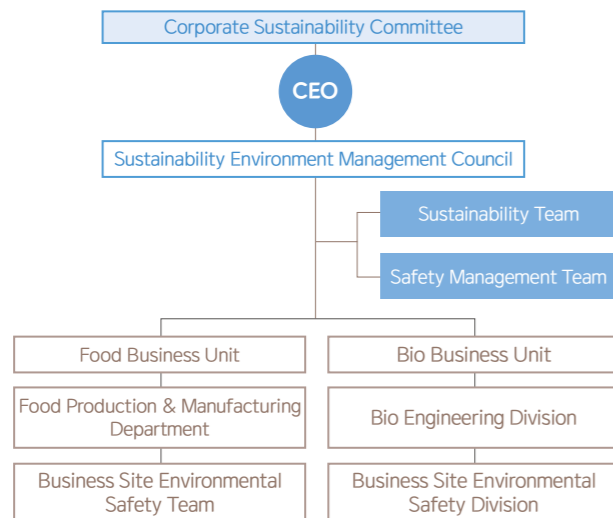
## ESTABLISHMENT OF A SUSTAINABLE ENVIRONMENT SYSTEM

### IMPLEMENTATION STRATEGY

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

### ORGANIZATIONAL STRUCTURE

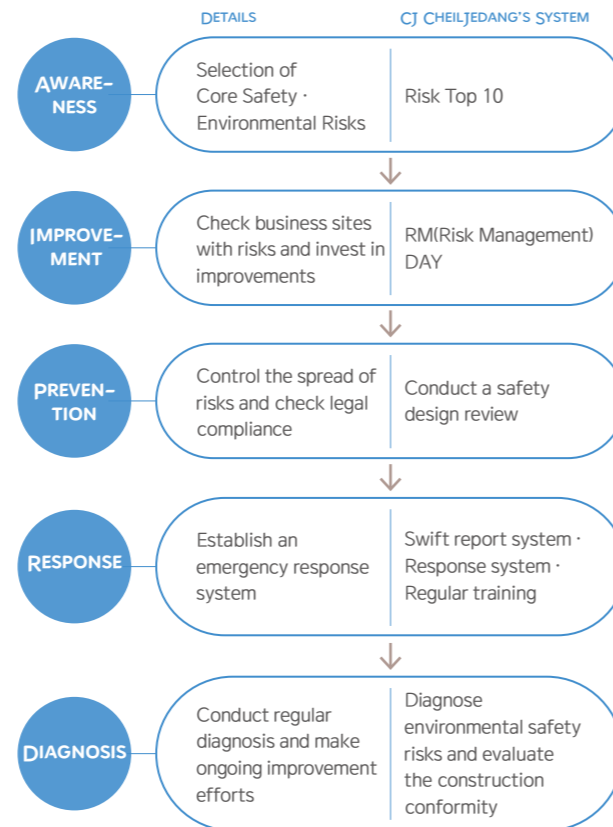
CJ CheilJedang maintains an environmental safety management organization and makes efforts to minimize the environmental impact of its products and services.



[Environmental Safety Management Organization System]

### ENVIRONMENTAL SAFETY MANAGEMENT PROCESS

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



[CJ CheilJedang's Environmental Safety Management Process]

### Waste Reduction Activities

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



[Removal of SPAM cap]



[Change of bibigo Mandu's banding wraps]

### Carbon Footprint Certified Products

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX



# TECHNOLOGY AND PRODUCTION PROCESS DEVELOPMENT FOR SUSTAINABLE ENVIRONMENTAL MANAGEMENT

## ECO-FRIENDLY FERMENTATION PROCESSES

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

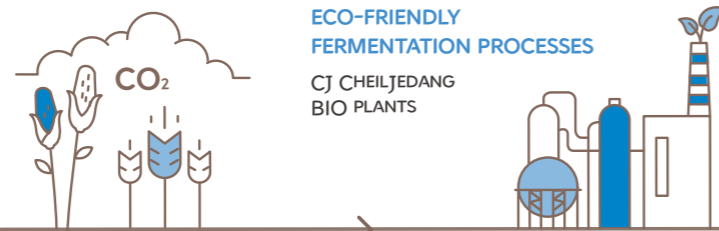
### PRODUCTION OF THE NINE ESSENTIAL AMINO ACIDS

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

#### GRAIN INDUSTRY

##### BIOMASS

1. Virtuous cycle through photosynthesis
2. Sustainable resources



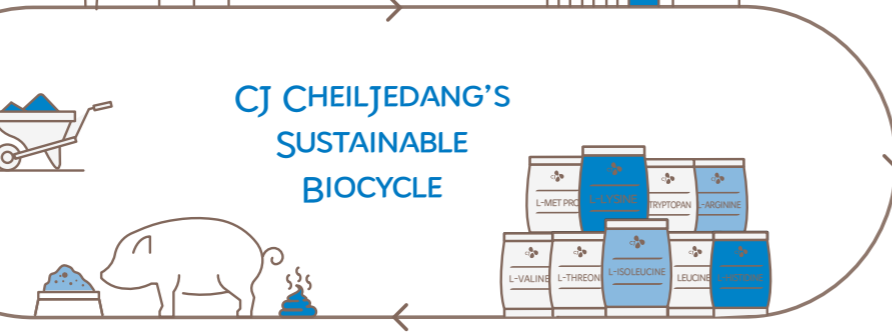
### CJ CHEILJEDANG'S SUSTAINABLE BIOCYCLE

#### ENVIRONMENT

1. Less ammonia release into the atmosphere
2. Usage as a natural fertilizer

#### LIVESTOCK INDUSTRY

1. Increased protein uptake efficiency for livestock
2. Reduced nitrogenous excrements (8-9%)



#### SUSTAINABLE PRODUCTS

1. Amino acids for feed
2. Amino acids for food

### Amino Acids in Production with Eco-Friendly Fermentation Method

KEY FEATURES	
Lysine	· Protein synthesis and muscle formation
L-Methionine	· Anti-oxidation effect inside cells · Top priority essential amino acid for chicken, fish
Threonine	· Improvement · maintenance of gut health · Immune cells vitalization and production of antibodies
Tryptophan	· Livestock stress control · Improved productivity of swine milk · chicken eggs
Valine	· Muscle protein synthesis · Increased feed intake and growth
Arginine	· Boost blood health · immunity · Essential for chickens · fish
Histidine	· Homeostasis control · Prevention of cataracts in salmon · Fatigue relief · muscle improvement
Isoleucine	· Muscle protein synthesis · Increased feed intake · growth
Leucine	· Blood sugar control · muscle growth · Hormone · energy production

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

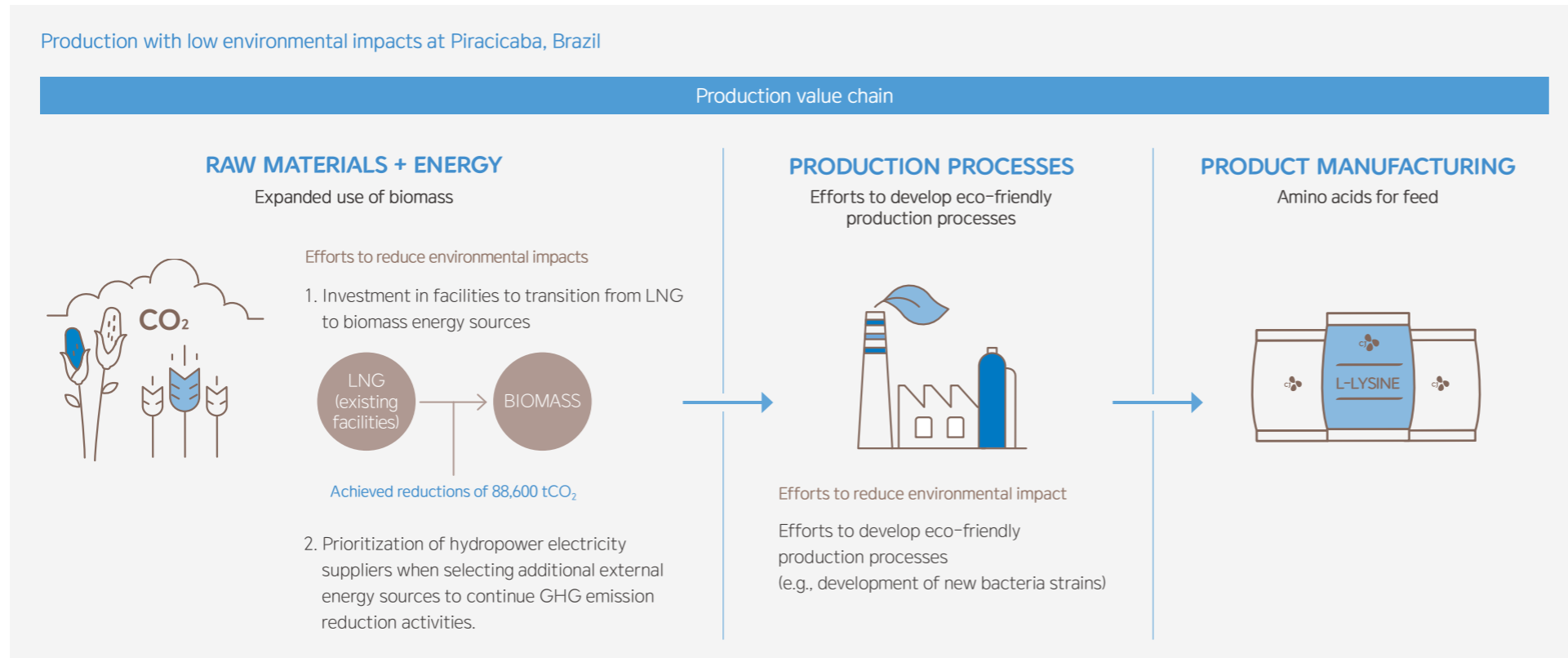
APPENDIX



## PRODUCTION WITH LOW ENVIRONMENTAL IMPACTS

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

CJ Bio Piracicaba in Brazil, our South American base, produces lysine. We produce about 100,000 tonnes of lysine a year for swine feed at this plant. The CJ Bio Piracicaba business site not only actively carries out eco-friendly production with our green fermentation method, but also proactively reduces environmental impacts in its production processes. We successfully reduced CO<sub>2</sub> emissions by 88,600 tCO<sub>2</sub> by switching our energy source from LNG to biomass. Going forward, we will continue our efforts to reduce our environmental impact.



### EXPANDED USE OF WOOD CHIP FUEL AND BAGASSE FUEL

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX

# EFFORTS TO ESTABLISH A SUSTAINABLE RESOURCE CYCLING SYSTEM

## ESTABLISHING A SUSTAINABLE PACKAGING STRATEGY

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



### TECHNOLOGY

3R (Redesign, Recover, Recycle) Policy-based reduction in plastic consumption



### COMMUNICATION

Providing packaging disposal information to consumers



### COLLABORATION

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

#### Enhanced Recyclability of Premium Oil

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

\* PVC is unrecyclable material that accounts for 0.4% of the entire plastic packaging used by CJ CheilJedang

#### Minimized Use of Plastics in Gift Boxes

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

#### Global How2Recycle Label

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



#### Education on Domestic Packaging Disposal

From 2022, CJ CheilJedang will develop training content to raise consumer awareness about the correct way to recycle.

#### Hetbahn Container Collection · Upcycling Campaign

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

#### Efforts to Build a Circular Economic System

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

## FUTURE PLANS

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX

## SUSTAINABLE PACKAGING PERFORMANCE

### CJ CHEILJEDANG'S EFFORTS FOR ECO-FRIENDLY PACKAGING

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



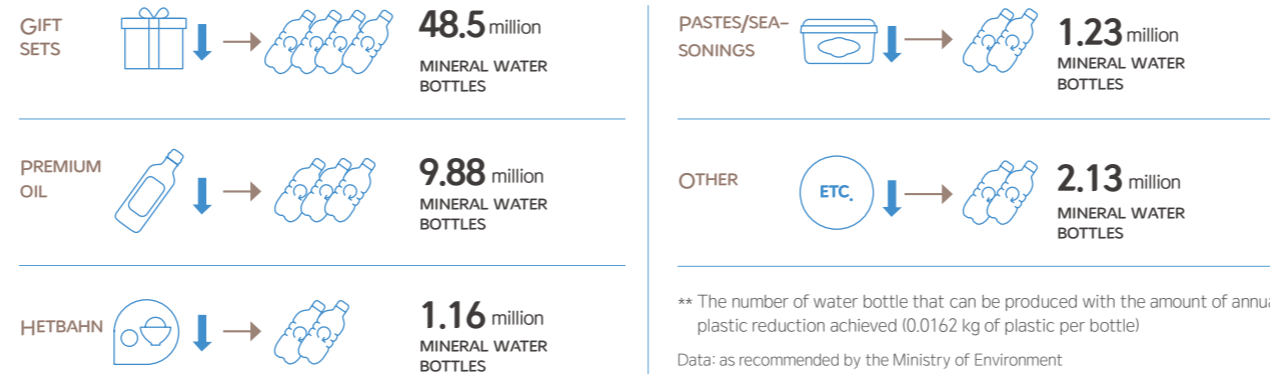
\* Susceptor: Enhance baking effect

### REDUCTIONS IN PLASTIC RAW MATERIALS AND GHG EMISSIONS

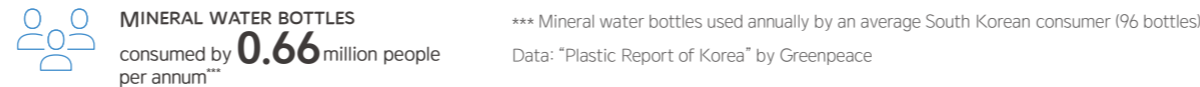
In 2020, CJ CheilJedang reduced plastic usage by 1,019 tonnes through its sustainable packaging strategy\*. This is equivalent to about 62.9 million 500 ml water bottles. That's the amount of bottled water consumed by approximately 660,000 Korean people every year.

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

Effect of reductions in plastic raw materials\*\*



Equivalents



### COMMERCIALIZATION OF BIODEGRADABLE PLASTIC (PHA\*)

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

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX







ISSUE 3.

# EXPANSION OF MARKET COMPETITIVENESS

## HOW WE MANAGE

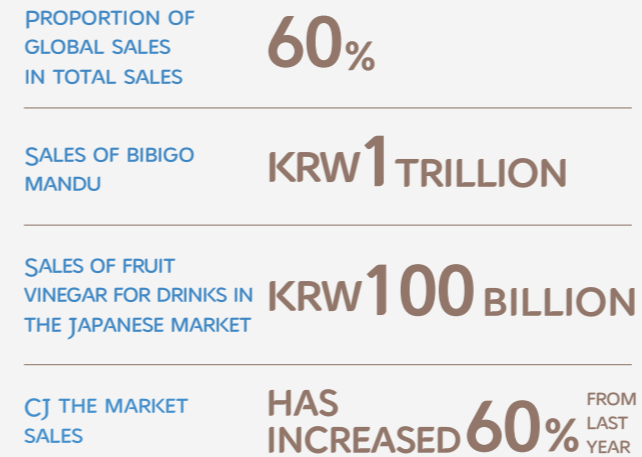
CJ CheilJedang strives to secure its market position by creating economic values and carrying out various activities that reflect rapidly changing trends.

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

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

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

## 2020 KEY FACTS & FIGURES



- LETTER FROM CEO
- OVERVIEW
- SUSTAINABLE IMPACT
- MATERIAL ISSUES
  - Issue 1. Health and Safety
  - Issue 2. Sustainable Environment
  - Issue 3. Expansion of Market Competitiveness
- ESG FACTBOOK
- APPENDIX



# INCREASED INFLUENCE IN THE GLOBAL MARKET

## SECURED GLOBAL COMPETITIVENESS

### RECORD-HIGH PERFORMANCE IN MAJOR GLOBAL PRODUCTS

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

### IDENTIFICATION OF THE 'NEXT-GENERATION K-FOOD' THROUGH PREEMPTIVE EXPANSION OF PRODUCTION INFRASTRUCTURE

Last year, the annual sales of bibigo mandu surpassed KRW 1 trillion. To respond to this explosive increase in demand, CJ CheilJedang established a new production plant in Beaumont, California, and began production in 2020. In addition to mandu, we expanded our room-temperature production line for products such as fried rice, laver, and noodle products. With the support of the government of South Dakota, a midwestern U.S. state, we secured 561,983 m<sup>2</sup> of land in Sioux Falls to establish a production plant. By securing a stable production infrastructure in the western, eastern, and central regions of the U.S., we are preparing for a future surge in demand.

### GROWTH OF SCHWAN'S COMPANY IN THE U.S.

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX

## INCREASED BIBIGO BRAND AWARENESS IN THE GLOBAL MARKET

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

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

### Bibigo Day in Shanghai

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



U.S. - BIBIGO TO-GO RESTAURANT



CHINA - BIBIGO ZONE



CHINA - BIBIGO TRUCK



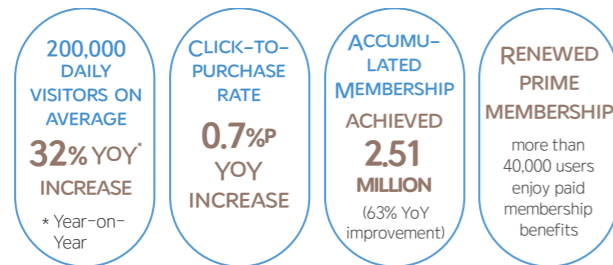


# PROVIDING PRODUCTS AND SERVICES FOR THE NON-FACE-TO-FACE MARKET

## ENHANCED ONLINE SERVICES

### CJ THE MARKET SALES INCREASE THROUGH DIVERSIFYING CONSUMER CONTACT POINTS

In step with the increased online demand for CJ The Market, CJ CheilJedang has diversified customer contact points in the digital environment, and increased viral marketing with customized recommendation promotions. As a result, CJ CheilJedang has attracted about one million new members. We have enhanced performance marketing activities that use data, such as digital purchase route analysis and potential customer targeting. We also increased the click-to-purchase rate from last year by 0.7%p through brand exhibition and curation services. For our content curation services, we developed themes with a focus on popular products, such as Heat-bhan, grilled fish, pork cutlets, and soup dishes in our online channels.



[Results of CJ The Market Service Provision]

### FORECAST ACCURACY IMPROVEMENT USING CJCHEILJEDANG AI\* PLATFORM

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

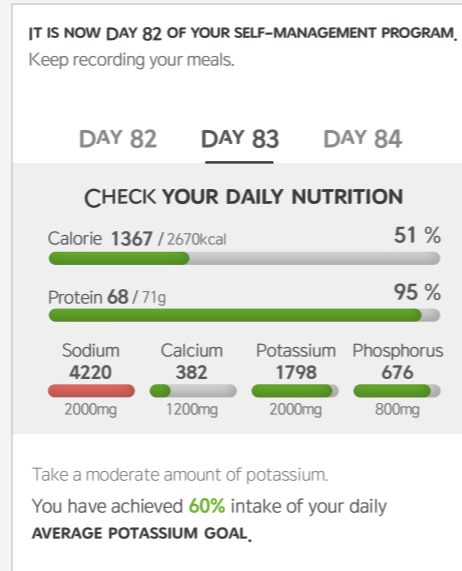
\* AI : Artificial Intelligence

\*\* Data lake: A repository where raw data is gathered

## DEVELOPMENT OF A HEALTH-RELATED APPLICATION

### DEVELOPMENT OF DIETARY MONITORING APP FOR NEPHRITIS PATIENTS

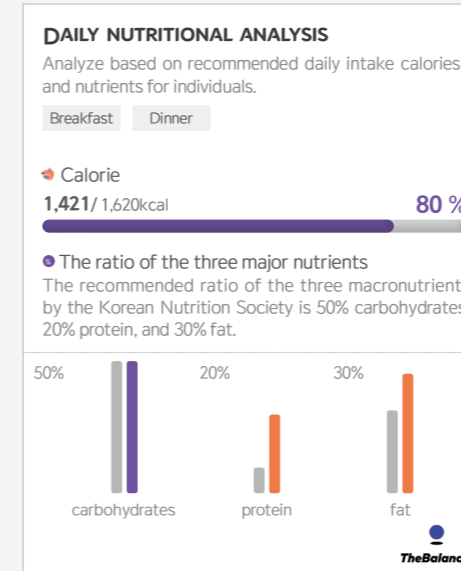
Due to the rapidly aging population and westernized dietary habits, the metabolic syndrome is on the rise. CJ CheilJedang recognizes this health issue and the importance of dietary control for chronic patients in daily life. To this end, we collaborated with Seoul National University Hospital and Huraypositive,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



[Nutritional Condition Screen]

### DEVELOPMENT OF THE PERSONALIZED HEALTH AND LIFESTYLE MANAGEMENT PLATFORM

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



[Nutritional Analysis Screen]

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

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

ESG FACTBOOK

APPENDIX





- LETTER FROM CEO
- OVERVIEW
- SUSTAINABLE IMPACT
- MATERIAL ISSUES
- ESG FACTBOOK**
- APPENDIX

# 4. ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure



# ENVIRONMENTAL PERFORMANCE

## ● ENVIRONMENTAL MANAGEMENT

### IMPLEMENTATION OF ENVIRONMENTAL MANAGEMENT

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

Environment-Related Awards and Certification

Name of Certification	Carbon Footprint	Green Company	Green Management System	Exemplary Company for Environment Management & Self-Audit Business
Number of Certifications	7	4	2	5

### EXTERNAL RECOGNITION FOR ENVIRONMENTAL MANAGEMENT

CJ CheilJedang has won four commendations and awards from external agencies for its environmental management activities throughout the year.

Environmental Management-related Awards

BUSINESS SITE	HONOR	DATE OF AWARD	AWARDING AGENCY
Incheon 2	Merit for World Environment Day	6/5	Incheon City
Incheon Freezer	Award of Excellence for the development of the Green Company Policy and the creation of an eco-friendly corporate management environment	9/25	Ministry of Environment
Incheon Freezer	Award of Excellence for alleviating odors in the local environment	12/31	Incheon City
Gongju	Commendation for Environmental Conservation Merit	12/31	Ministry of Environment



## ● RAW MATERIAL MANAGEMENT



### PROCUREMENT OF ECO-FRIENDLY RAW MATERIALS

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

### PURCHASE OF SUSTAINABLE PALM OIL

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

\* Mass balance: A supply chain model that manages distribution and approval of RSPO-approved palm oil and common palm oil in the RSPO supply system

### USE OF SUSTAINABLE SOYBEANS

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



## CONTRIBUTIONS TO ANIMAL WELFARE

CJ CheilJedang has established animal welfare principles as a part of its eco-friendly raw materials procurement policy. Under these principles, we avoid using genetically modified or cloned animals and procure raw materials that are produced under certain animal welfare principles. By doing so, we meet our customer's expectations and provide safe foods. We aim to contribute to animal welfare through the use of humanely fertilized eggs produced by healthy hens raised in pleasant environments, the use of non-antibiotic pork that minimized the use of antibiotics in their feed, no use of growth agents and hormone shots.

Eco-Friendly Raw Material Procurement Performance

INGREDIENTS	UNIT	2020
Organic sugar	Tonne	174
Organic flour	Tonne	170
Organic rice	Tonne	121
Sweetener (SMETA*)	Tonne	4,316
Soybean (RTRS)	Tonne	283,602
Soybean (Pro Terra**)	Tonne	295,569
Soybean (US Responsible Soy)	Tonne	1,459

\* SMETA: Sedex Members Ethical Trade Audit

\*\* Pro Terra: A global standard certification that requires sustainability and traceability on the basis of compliance with ten principles, including legal compliance, respect for human rights, preservation of biodiversity, environmental waste policy, non-usage of GMOs, etc.

## RAW MATERIAL CONSUMPTION MANAGEMENT

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

Track record in using raw materials

INGREDIENTS	UNIT	2018	2019	2020
Food business	Thousand Tonnes	2,910	3,105	2,612
Bio business	Thousand Tonnes	3,766	3,812	3,545
Total amount of raw materials consumed	Thousand Tonnes	6,676	6,917	6,157

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX





● **PRESERVATION OF BIODIVERSITY**



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

● **CLIMATE CHANGE RESPONSE**

**ENHANCED RESPONSES TO CLIMATE CHANGE**

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

**PERFORMANCE EVALUATIONS BASED ON CLIMATE CHANGE MANAGEMENT OUTCOMES**

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

**CLIMATE CHANGE RISK MANAGEMENT**

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

Climate Change Risk Management

CATEGORY	DEFINITION OF RISKS	ACTIVITIES AND PERFORMANCE
Domestic GHG emissions risk	Management of GHG emissions as the carbon credit scheme comes under government regulation	<ul style="list-style-type: none"> <li>Estimate and report domestic GHG emissions and forecast reductions</li> <li>Generated financial performance from the sales of carbon credit</li> </ul>
Storm and flood risk	The need to alleviate damage to crops caused by El Niño, cold waves, storms, and floods to stabilize the demand and supply of raw materials	<ul style="list-style-type: none"> <li>Assess the impacts of heat waves and torrential rains</li> <li>Achieve zero storm and flood-related accidents and reduce insurance premiums</li> </ul>
GHG emissions risk of suppliers	Management of the GHG emissions of suppliers according to the implementation of GHG trading scheme	<ul style="list-style-type: none"> <li>Calculate and monitor emissions for 30 suppliers</li> <li>Identify the sources of emissions generated by suppliers</li> </ul>

**GHG EMISSIONS MANAGEMENT**

Our GHG emissions in 2020 were 405,879 tCO<sub>2</sub>eq, a decrease from 420,070 tCO<sub>2</sub>eq in 2019. GHG emissions intensity in 2020 was 0.142 tCO<sub>2</sub>eq/tonne, which is an increase from 0.121tCO<sub>2</sub>eq/tonne in 2019. These changes were influenced by the stabilization of Jincheon BC, which was newly established in 2019, as well as by the establishment and execution of our GHG emissions reduction plan. In 2021, we are continuing to put efforts into the consistent reduction of GHG emissions and intensity improvements.

Statistics of GHG Emissions\*

CATEGORY	UNIT	2018	2019	2020
Direct emissions (Scope1)	tCO <sub>2</sub> eq	183,930	200,770	198,610
Indirect emissions (Scope2)	tCO <sub>2</sub> eq	210,361	219,320	207,286
Total emissions	tCO <sub>2</sub> eq	394,291	420,070	405,879
GHG emissions intensity	tCO <sub>2</sub> eq/Tonne	0.108	0.121	0.142
Reduction in GHG emissions	(Accumulated) tCO <sub>2</sub> eq	75,428	79,257	86,521
GHG emissions reduction cases	(Accumulated) Cases	111	147	187

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

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX



## TCFD FRAMEWORK

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



	STATUS	PLAN												
<p>Governance</p>	<p>We have established the Corporate Sustainability Committee, which identifies major issues of sustainability, including climate change and environmental management, and reviews and approves related performances and improvements. Furthermore, the committee organizes the Sustainable Environment Management Council, which is chaired by the CEO, to execute and manage climate change and environmental management-related strategies approved by the board of directors.</p>	<p>To realize the virtuous cycle of Nature to Nature, CJ CheilJedang's sustainability purpose goal, in which we obtain resources from nature, provide food to consumers, and return the resources to nature, CJ CheilJedang has implemented its Sustainable Environmental Management Project. Through this project, we will identify sustainable environmental strategies · goals and implementation systems and deliberate on them at meetings of the Corporate Sustainability Committee.</p>												
<p>Strategy</p>	<p>In the short term, we will establish and manage reduction targets for GHG emissions and energy consumption to eliminate financial impacts caused by the overuse of GHG emissions allocations. In addition, we are implementing a sustainable environmental management project to establish mid- to long-term environmental management strategies and implementation systems. We plan to increase the use of renewable energy and introduce bio-energy as well as additional solar energy.</p>	<p>We will publish the environmental (climate change) policies and strategies as well as the mid- to long-term goals approved by the board of directors in a special report on our climate change response at the end of 2021. By developing a prototype for a climate change risk cost calculation model, CJ CheilJedang will quantitatively and qualitatively identify risks and opportunities in consideration of climate change scenarios and reflect them in our future management strategies within the next three years.</p>												
<p>Risk Management</p>	<p>To alleviate business and environmental impacts caused by climate change and respond preemptively, we monitor GHG emissions and energy consumption. CJ CheilJedang has defined and proactively manages domestic GHG emissions, storms and floods as major risk factors. We have also expanded our scope of risk management to include the GHG emissions risks of our suppliers.</p>	<p>We will quantitatively and qualitatively identify risks and opportunities with consideration for climate change scenarios and establish integrated management with a company-wide risk management process within the next three years.</p>												
<p>Indicators and Reduction Targets</p>	<p>To report GHG emissions under the Act on the Allocation and Trading of Greenhouse-Gas Emissions Permits (Emissions Trading Act), we set a goal of reducing emissions by 33% compared to BAU* by 2030 based on the 2030 National GHG Emissions Reduction Roadmap and past data (GHG emissions, emissions intensity, and production volume).</p> <table border="1"> <thead> <tr> <th>CATEGORY</th> <th>UNIT</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Direct emissions</td> <td>tCO<sub>2</sub>eq</td> <td>198,610</td> </tr> <tr> <td>Indirect emissions</td> <td>tCO<sub>2</sub>eq</td> <td>207,286</td> </tr> <tr> <td>Total emissions</td> <td>tCO<sub>2</sub>eq</td> <td>405,879</td> </tr> </tbody> </table> <p>* Business As Usual</p>	CATEGORY	UNIT	2020	Direct emissions	tCO <sub>2</sub> eq	198,610	Indirect emissions	tCO <sub>2</sub> eq	207,286	Total emissions	tCO <sub>2</sub> eq	405,879	<p>We plan to re-establish our mid- to long-term goals (to be achieved by 2030 and 2050) to contribute to achieving the targets of the Paris Agreement and minimize environmental impacts through the Sustainable Environment Management Project.</p> <p>In addition, we will measure scope 3 emissions, in both the upstream and downstream sectors, and flesh out detailed strategies to achieve mid- to long-term goals within the next three years.</p>
CATEGORY	UNIT	2020												
Direct emissions	tCO <sub>2</sub> eq	198,610												
Indirect emissions	tCO <sub>2</sub> eq	207,286												
Total emissions	tCO <sub>2</sub> eq	405,879												

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX



## ● REVIEW OF REDUCTIONS IN ENERGY CONSUMPTION AND THE INTRODUCTION OF RENEWABLE ENERGY

### OPERATION OF THE ENERGY CONSUMPTION COMMITTEE

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

### ENERGY CONSUMPTION MANAGEMENT

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

Statistics of Energy Consumption\*

CATEGORY	UNIT	2018	2019	2020
Fuel consumption	TJ	3,642	4,002	3,946
Electricity consumption	TJ	4,331	4,410	4,206
Steam consumption	TJ	1,255	1,270	1,116
Total energy consumption	TJ	9,228	9,660	9,252
Energy consumption intensity	TJ/tonne	0.003	0.003	0.003
No. of business sites that introduced renewable energy	(Accumulated) Locations	4	5	5
Renewable energy consumption	TJ	1,108	1,193	1,061
Percentage of renewable energy consumption	%	12.01	12.24	11.47

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

### REVIEW OF THE INTRODUCTION OF RENEWABLE BIOENERGY

With a view to reducing environmental impact, CJ CheilJedang is performing a review on the replacement of LNG, a fossil fuel, with bioenergy (wood, etc.). In 2020, we set up the Technology Assessment Committee to select a suitable bioenergy supplier company. Currently, in 2021, we are in the process of screening for priority candidates. In 2021-2022, we will carry out environmental impact assessments simultaneously with amendments to the Basic Management Plan for Industrial Complexes, which we will implement with the aim of supplying external steam from bioenergy by 2023.

### REVIEW OF THE EXPANDED INTRODUCTION OF RENEWABLE SOLAR ENERGY

CJ CheilJedang is considering expanding the use of solar power energy to generate eco-friendly electricity. In 2020, we assessed the viability of a rooftop solar power panel lease project and are reviewing its introduction. The solar power energy generator will be installed at Yangsan Plant and Incheon 2 Plant after different places of business complete their individual reviews

## ● WATER RESOURCE MANAGEMENT

### WATER RESOURCE RISK MANAGEMENT

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

### WATER CONSUMPTION MANAGEMENT

In 2020, CJ CheilJedang consumed a total of 6,156 thousand tonnes (intensity: 2.160 tonnes/product-tonne) of water, a decrease from 2019 in which 6,159 thousand tonnes (intensity: 1.774 tonnes/product-tonne). We continue to reduce water consumption through water-saving activities.

Statistics of Water Consumption

CATEGORY	UNIT	2018	2019	2020
Water consumption (for industrial and residential uses)	Thousand tonnes	5,170	6,136	6,105
Groundwater consumption	Thousand tonnes	63	23	51
Total water consumption	Thousand tonnes	5,233	6,159	6,156
Water consumption intensity	Tonne/product-tonne	1.433	1.774	2.160

### REUSE AND RECYCLING OF WATER RESOURCES

The total consumption of reused and recycled water resources in 2020 was 233 thousand tonnes (recycling rate: 3.8%). This was a slight decrease from 349 thousand tonnes (recycling rate: 5.7%) in 2019. Going forward, we will continue to use more reused and recycled water.

Statistics of Reused and Recycled Water Resources

CATEGORY	UNIT	2018	2019	2020
Total amount of reused and recycled water resources	Thousand tonnes	397	349	233
Water recycling rate	%	7.6	5.7	3.8

### WASTEWATER MANAGEMENT

In 2020, CJ CheilJedang discharged a total of 4,039 thousand tonnes (intensity: 1.417 tonnes/product-tonne) of wastewater from its domestic business sites. This was an increase from 2019, when 3,757 thousand tonnes (intensity: 1.082 tonnes/product-tonne) of wastewater was discharged, and can be attributed to the increased operational activities at Jincheon BC. Because of this, Jincheon BC has been working to reduce wastewater discharged in its production processes. Key activities include checking the logic tree for water consumption by process, improving production processes, implementing process optimization, and preventing simple losses. In the long term, we will continue to implement water-saving activities to reduce wastewater discharge. Eight of our business sites discharge wastewater within the 30% of the legal criteria, and the discharged wastewater undergoes additional treatment at local sewage treatment facilities or wastewater treatment facilities. Four sites (Nonsan, Gongju, Jinan, Namwon) directly discharge wastewater into nearby streams. The concentration of discharged wastewater remains within 50% of the legal criteria and causes no environmental impact.

Statistics of Discharged Wastewater

CATEGORY	UNIT	2018	2019	2020
Amount of discharged wastewater	Thousand tonnes	3,703	3,757	4,039
Wastewater discharge intensity	Tonne/product-tonne	1.014	1.082	1.417

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX





● WASTE MANAGEMENT

MANAGEMENT OF WASTE GENERATION

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

Statistics of Waste Discharge

CATEGORY		UNIT	2018	2019	2020
Designated waste	Recycled	Tonne	109	115	155
	Incinerated	Tonne	31	27	19
	Landfilled	Tonne	20	26	16
	Other	Tonne	4	0	7
	Sum	Tonne	164	168	197
General waste	Recycled	Tonne	50,399	50,698	45,861
	Incinerated	Tonne	6,751	7,795	7,836
	Landfilled	Tonne	278	353	221
	Other	Tonne	-	-	0
	Sum	Tonne	57,428	58,846	53,918
Total	Tonne	57,591	59,014	54,115	
Waste intensity	Tonne/product-tonne	0.0157	0.0170	0.0190	

Management of resource circulation

BUSINESS SITE	NAME OF CERTIFICATION	CERTIFICATION PERIOD
Jincheon BC	Other plant-derived residuals (Rice bran and broken rice)	'20.07.24.~'23.07.23.
	Waste paper	'21.01.12.~'24.01.11.
Jincheon	Other plant-derived residuals (Bean-curd refuse)	'19.10.01.~'22.09.30.
	Waste paper	'20.03.10.~'23.03.09.

SETTING OF WASTE TARGETS

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

EFFORTS TO REDUCE FOOD LOSS AND WASTE

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

Disposal Performance by year

CATEGORY	UNIT	2018	2019	2020
Total amount of food loss and waste	Tonne	7,241	8,066	8,495
Substitute use before disposal	Tonne	2,946	2,956	2,527
Total waste generated	Tonne	4,295	5,110	5,968
Percentage of disposal	%	0.6	0.7	0.7

● MANAGEMENT OF OTHER ENVIRONMENTAL AFFAIRS

AIR POLLUTANT MANAGEMENT AT DOMESTIC BUSINESS SITES

The total air pollution generated at our domestic business sites in 2020 was 133.5 tonnes, consisting of 87.4 tonnes of NOx, 3.4 tonnes of SOx, and 42.7 tonnes of dust, a decrease from 138.4 tonnes in 2019. CJ CheilJedang maintains its air pollutant discharge density (based on dust discharge) under 30% of the legal standard.

Statistics of Air Pollutant

CATEGORY	UNIT	2018	2019	2020
NOx (nitrogen oxide)	Tonne	66	83.2	87.4
SOx (sulfur oxide)	Tonne	2	2.4	3.4
Dust	Tonne	48	52.8	42.7
Total	Tonne	116	138.4	133.5

AIR POLLUTANT MANAGEMENT AT OVERSEAS BUSINESS SITES

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

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

CATEGORY	UNIT	2018	2019	2020
NOx (nitrogen oxide)	Tonne	236.3	118.6	110.5
SOx (sulfur oxide)	Tonne	76.8	22.9	17.1
Dust	Tonne	16.6	8.9	5.3
Total	Tonne	329.7	150.4	132.9

INTEGRATED ENVIRONMENTAL MONITORING SYSTEM

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX



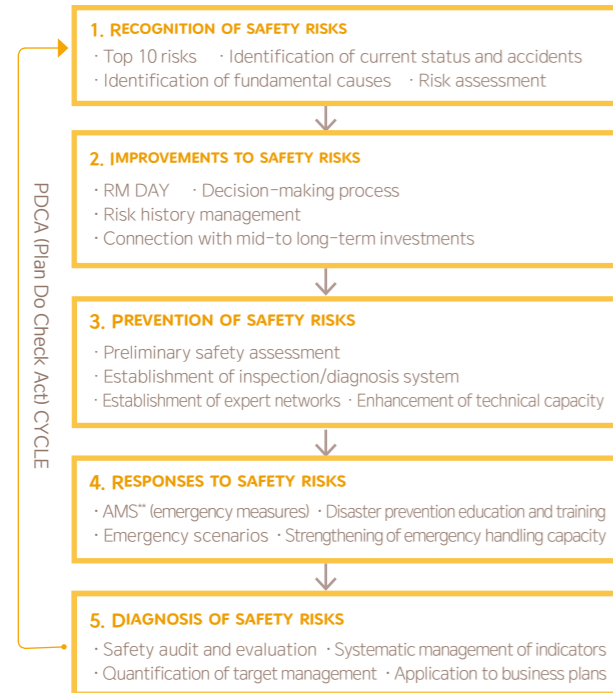
# SOCIAL PERFORMANCE

## ● SAFETY AND HEALTH

### SAFETY MANAGEMENT SYSTEM

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

Safety Management Process



\* Eight sites are certified with KOSHA 18001, and three of these will switch to ISO 45001 certification.

\*\* AMS: Accident Management System

### SAFETY MANAGEMENT ACTIVITIES (ENVIRONMENTAL SAFETY RISK MANAGEMENT DAY)

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

Improvement Activities for Core Environmental Safety Risks

CORE RISK		2019	2020	TARGET IN 2021
Discovery of machinery-related malpractice risks and identify improvements	(Accumulated) No. of targets	1,307	1,575	1,957
	(Accumulated) No. of improvements	965	1,199	1,581
Installation of automatic fire-fighting facilities	Improvement rate	74%	76%	81%
	(Accumulated) No. of targets	104	112	112
	(Accumulated) No. of improvements	57	78	100
	Improvement rate	55%	70%	89%

### NON-FACE-TO-FACE SAFETY MANAGEMENT COUNCIL

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

\* PSM (Process Safety Management): A safety management system with a focus on preventing major industrial accidents

Non-face-to-face council meetings held so far

CATEGORY	UNIT	PERFORMANCE IN 2020	SCHEDULED FOR 2021
No. of council meetings	Times	36	48

### SAFETY AND HEALTH EDUCATION AND TRAINING

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

Major Health and Safety Training and Emergency Drills

<b>HEALTH AND SAFETY TRAINING</b>	<ul style="list-style-type: none"> <li>· Safety training before work · Regular safety training</li> <li>· Training for managers and supervisors</li> <li>· Training for new and transferred employees</li> </ul>
<b>EMERGENCY DRILLS</b>	<ul style="list-style-type: none"> <li>· Fire drills · Harmful substance leakage drills</li> <li>· Emergency evacuation drills · High-pressure gas leakage drills</li> <li>· Confined space rescue drills</li> </ul>

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX



## RECOGNITION OF HEALTH AND SAFETY MANAGEMENT

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

### Safety and Health-Related Awards

BUSINESS SITE	MONTH	NAME	HOST
Incheon Frozen	'20.06.	A business site with excellent electrical accident prevention measures and an excellent electricity safety culture	Korea Electrical Safety Corporation

## NUMBER OF INDUSTRIAL ACCIDENTS

CJ CheilJedang had nine cases of work-related injuries and zero fatalities in 2020. We offer regular health check-ups and health promotion programs, and provide protective gear for on-site workers to prevent major accidents and illnesses. We will continue our safety management activities to achieve zero work-related injuries, illnesses, and fatal accidents across all our business sites.

Statistics of Industrial Accidents/Illnesses of Staffs and Contractors

	CATEGORY	UNIT	2018	2019	2020
Staffs	No. of work-related injuries	Case	7	8	9
	Rate of work-related injuries	%	0.193	-	-
	No. of Occupational Illness	Case	-	-	0
	Lost Time Injury Rate	n/2 hundred thousand hours worked	0.16	0.25	0.27
Contractors	No. of work-related injuries	Case	1	3	3
	Rate of work-related injuries	%	0.049	-	-
	No. of Occupational Illness	Case	-	-	0
	Lost Time Injury Rate	n/2 hundred thousand hours worked	0.04	0.14	0.16

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

## STAFFS

### CJ CHEILJEDANG HUMAN RIGHTS MANAGEMENT SYSTEM

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

#### Human Rights Management Governance



## Declaration of Human Rights

### PROTECTION OF HUMAN RIGHTS

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

### CJ CHEILJEDANG HUMAN RIGHTS IMPACT ASSESSMENT

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

#### Process

- IDENTIFICATION OF HUMAN RIGHTS RISKS**
  - Staffs
  - Domestic business sites (Jincheon BC)
  - Subsidiary (Wonji)
- HUMAN RIGHTS RISK ASSESSMENT**
  - International standards
  - Set indicators
- HUMAN RIGHTS INSPECTION**
  - Survey
  - On-site inspection
- IMPROVEMENTS AND MANAGEMENT**
  - Monitoring correction requests, training, etc.

#### REVIEW OF THE HUMAN RIGHTS IMPACT ASSESSMENTS

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

- LETTER FROM CEO
- OVERVIEW
- SUSTAINABLE IMPACT
- MATERIAL ISSUES
- ESG FACTBOOK
  - Environmental Performance
  - Social Performance**
  - Economic Performance
  - Governance Structure
- APPENDIX



## RESPECT FOR DIVERSITY

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

### FEMALE STAFFS

In line with CJ CheilJedang's diversity-respecting human resource management, the proportion of female executives and managers has continuously increased. In 2020, the proportion of female employees in the managerial rank increased to 19%, which is a 1% increase from the previous year. The proportion of female executives and female employees in sales-generating departments also increased.

Ratio of female Staffs

CATEGORY	UNIT	2018	2019	2020	TARGET IN 2021
Ratio of female Staffs	%	22.1	25.1	27.5	28.9
Female Executive Ratio (in the 2 levels below CEO)	%	16.3	18.7	21.8	22.9
Ratio of female employees in Managerial positions	%	15.6	18.0	19.0	20.0
Ratio of female employees in Junior Managerial positions	%	17.3	19.7	21.9	23.0
Ratio of female employees in revenue-generating departments*	%	8.8	10.3	12.6	13.2
Share of women in STEM-related positions**	%	29.1	31.5	31.8	33.4

\* Revenue-generating departments: production, sales, marketing

\*\* STEM: Science, Tech, Engineering, Math

## REINFORCEMENT OF FEMALE LEADERSHIP

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

### UN GLOBAL COMPACT TGE PROGRAM FOR REINFORCING FEMALE LEADERSHIP

On May 28, 2020, CJ CheilJedang attended the annual meeting of the UNGC (UN Global Compact) in Korea and participated in the TGE (Target Gender Equality) program. Since its declaration of WEPS (Women Empowerment Principles) in 2019, we have participated in TGE as a follow-up activity, striving to increase our proportion of female executives and improve our HR diversity. Currently, we run all our HR systems, including remuneration, appraisals, and wages, based on gender equality principles.

## HUMAN RESOURCES

CJ CheilJedang hires regular and temporary workers the total number of our Staffs in 2020 is 6,844, an increase from 6,615 from the previous year. In 2020, female Staffs made up 27% of the entire workforce, up 2% from the previous year. As of 2020, we have 65 short-term and temporary employees. The proportion of regular employees continues to increase. Non-employee workers assist production and manufacture processes, and there are a total of 1,441 of these.

Employment Status

CATEGORY	UNIT	2018	2019	2020	
Total No. of staffs	Male	Person	5,045	4,901	4,960
	Female	Person	1,505	1,714	1,884
	Total	Person	6,550	6,615	6,844
Regular	Male	Person	4,999	4,850	4,938
	Female	Person	1,452	1,674	1,841
	Total	Person	6,451	6,524	6,779
Short-term · Temporary	Male	Person	46	51	22
	Female	Person	53	40	43
	Total	Person	99	91	65

Ratio of staffs age group

CATEGORY	UNIT	2018	2019	2020
Under age 30	%	40.1	39.3	37.6
Aged 30-50	%	53.7	54.9	55.0
Over age 50	%	6.1	5.8	7.4

## LABOR-MANAGEMENT COUNCIL

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

Ratio of Staffs as Members of Labor-management Council

CATEGORY	UNIT	2018	2019	2020
Ratio of Staffs participating in the Labor-Management Council	%	73.1	73.0	71.7

## EMPLOYMENT STATUS OF OVERSEAS BUSINESS SITES

In 2020, our overseas business sites employed 19,905 persons. We have 282 expatriates and 19,623 local staffs (accounts for 98.6%). In 2020, we hired 5,566 new overseas staffs, helping to revitalize local communities.

Employment at Overseas Subsidiaries

CATEGORY	UNIT	2018	2019	2020	
Local staffs	Overseas staffs	Person	19,086	20,698	19,905
	Expatriates	Person	322	277	282
	Local recruits	Person	18,764	20,421	19,623
	Ratio of local recruits	%	98.3	98.7	98.6
New staffs at overseas	Person	2,396	5,590	5,566	

## TALENT RECRUITMENT AND TURNOVER

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

### New Staffs

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

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

### Turnover and Retirement

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

## STAFFS EVALUATION AND REMUNERATION

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

### Remuneration for Staffs

CATEGORY		UNIT	2018	2019	2020
Legal minimum wage		KRW	7,530	8,350	8,590
New recruits	Male	KRW	9,756	10,490	11,043
	Female	KRW	9,756	10,490	11,043
Ratio	Male	%	130	126	129
	Female	%	130	126	129

### Management of the retirement pension fund

CATEGORY		UNIT	2018	2019	2020
Amount of the retirement pension fund		KRW 100 million	3,196	2,885	3,765
Subscription		person	6,066	6,260	6,858

## RATIO OF STAFFS WHO UNDERWENT REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW

All staffs of CJ CheilJedang undergo regular performance and career development reviews.

### Ratio of target employees of regular performance evaluation

CATEGORY		UNIT	2018	2019	2020
Ratio of staffs who underwent regular performance evaluations	Male	%	100	100	100
	Female	%	100	100	100

## MATERNITY AND PARENTAL LEAVE

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

### Staffs on Maternity and Parental Leave

CATEGORY		UNIT	2018	2019	2020
No. of target staffs for parental leave	Male	Person	238	211	209
	Female	Person	96	85	79
No. of staffs on parental leave	Male	Person	21	18	15
	Female	Person	71	77	85

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

CATEGORY		UNIT	2018	2019	2020
Ratio of staffs who returned from parental leave	Male	%	100	81	93*
	Female	%	88	94	96**
Ratio of staffs who worked for more than 12 months after returning from parental leave	Male	%	100	92	89***
	Female	%	97	95	94****

\* 13 persons/ 14 persons

\*\* 65 persons/ 68 persons

\*\*\* 16 persons/ 18 persons

\*\*\*\* 72 persons/ 77 persons

## LETTER FROM CEO

## OVERVIEW

## SUSTAINABLE IMPACT

## MATERIAL ISSUES

## ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

## APPENDIX

## ADVANCED ORGANIZATIONAL CULTURE

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

Result of Staffs' Satisfaction Level Survey

CATEGORY	UNIT	2018	2019	2020
Staffs Satisfaction Survey Results	Point	81.8	78.7	80.1

Work Efficiency Improvement Support Programs

PROGRAM	ACTIVITIES AND PERFORMANCE
Flexible and efficient working system	<ul style="list-style-type: none"> <li>· A flexible time system with adjustable hours for efficient and focused work</li> <li>· Flexible working hours to handle changes in the workload during certain periods</li> <li>· Remote work system for COVID-19 prevention and work efficiency</li> </ul>
Work-life balance	<ul style="list-style-type: none"> <li>· 4 weeks of creative leave for every five years of service (mandatory leave for 2 weeks and personal leaves for 2 weeks) for self-development and personal refreshment</li> <li>· We provide various support programs, including shortened work hours for pregnant staffs, paternity leave of absence, shortened work hours for newborn care, shortened work hours for school admission, leave of absence or shortened work hours for childcare, leave of absence, and shortened work hours for family care</li> </ul>

## COMMUNICATION AND GRIEVANCE HANDLING

Based on staffs grievances and opinions, CJ CheilJedang runs the Open Council, a labor-management council dedicated to enhancing the welfare of staffs and contributing to the growth of the company. Employee representatives are elected by all assistant managers and staff members at each business site. Currently, nearly 120 employee council members are actively handling relevant tasks at their respective business sites. The employee representatives discuss improvements to the work environment, improved benefits and welfare, enhanced productivity and work concentration, organizational revitalization, and enhanced communication with the management at quarterly meetings.

In June 2020, we operated the Anonymous Grievance Filing Bulletin, delivered the filed grievances to relevant departments, and discussed appropriate improvement measures. In addition, our Staff Counseling Center provides various counseling services and has been well received by employees, with high satisfaction ratings. In addition to the above, we have reorganized 'Channel Blossom', our in-house broadcast channel, for better communication, promoted leave to establish a work-life balance, and hosted events to boost employee morale.

## IMPORTANT ANNOUNCEMENTS

CJ CheilJedang proceeds process after listening to the opinions of open council and staffs in advance and holds briefing sessions through various channels when employment rules (which affect working conditions of staffs) are changed.

### LETTER FROM CEO

### OVERVIEW

### SUSTAINABLE IMPACT

### MATERIAL ISSUES

### ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

### APPENDIX



## TALENT DEVELOPMENT

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

### Talent Development Programs

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

### Digital Capability Enhancement Program

PROGRAM NAME	DESCRIPTION
Python programming course	Programming language training for program development · use
AI, Big data Intermediate course	Understanding of data-based machine · deep learning processes and provision of support for AI tasks
Tableau basic · advanced course	Development of data visualization capabilities through data pattern analysis and structuralization studies
RPA basic · advanced course	Programming education for automation of simple repetitive tasks
Special lecture by V/C	Special lectures for digital transformation through R&D, technical, and marketing work

### Staff Training Status

CATEGORY	UNIT	2018	2019	2020
Total training hours	Hour	622,289	390,214	329,921
Training hours per person	Hour/ person	90.6	52.2	46.5
Total training cost	KRW million	11,150	9,995	3,158
Training cost per person	KRW million/person	1.6	1.3	0.4

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

## TRAINING FOR HUMAN RIGHTS AT WORK

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

### Human Rights Training Status

CATEGORY	UNIT	2018	2019	2020	
Sexual harassment prevention program	No. of sessions	Time	1	1	1
	No. of target staffs	Person	6,726	6,299	7,157
	No. of participants	Person	6,649	6,197	7,079
Disability awareness-raising program	No. of sessions	Time	1	1	1
	No. of target staffs	Person	6,591	7,210	7,099
	No. of participants	Person	6,532	7,130	7,022
Workplace bullying prevention program	No. of sessions	Time	-	1	1
	No. of target staffs	Person	-	6,957	7,192
	No. of participants	Person	-	6,858	7,098

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX

● SOCIAL CONTRIBUTIONS

SOCIAL CONTRIBUTION STRATEGY

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

Core Areas of Social Contribution



SOCIAL CONTRIBUTIONS OF STAFF MEMBERS

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

Volunteer Activities

CATEGORY	UNIT	2018	2019	2020
Hours of volunteer activities	Hour	40,501	34,097	7,200
No. of staffs participating	Person	5,521	4,907	1,510
Hours of participation per person	Hour/person	7.3	6.9	4.8
Participation rate	%	86	74	21.3

CORPORATE CITIZENSHIP/PHILANTHROPIC ACTIVITIES

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

Corporate citizenship/philanthropic activities

CATEGORY	UNIT	2018	2019	2020
Charitable Donation	KRW 100 million	7.6	15.7	22.9
Community Investment	KRW 100 million	136.1	177.5	152.2
Commercial Investment	KRW 100 million	5.5	7.0	11.2
Total	KRW 100 million	149.2	200.2	186.3

Type of Social Contributions

CATEGORY	UNIT	2018	2019	2020
Cash Contributions	KRW 100 million	68.8	55.8	86.8
In-kind giving	KRW 100 million	80.5	144.5	99.5
Management overhead	KRW 100 million	2.6	2.2	1.9

COMPANY-WIDE SYSTEM FOR POLICY CONTRIBUTIONS

CJ CheilJedang strictly abides by Article 31 of Chapter VI of the Political Funds Act (Restrictions on Contributions), under which all corporations and organizations are prohibited from contributing to any political funds. We do not provide funds for any political purpose, election, political party, or lobbying activity that may directly influence the policymaking process. However, we aim to contribute to the development of local communities and industries through support for politically independent associations. In 2020, we provided about KRW 1.567 billion to such associations. In line with our business characteristics, we are engaged with the Korea Soybean Processing Association and the Korea Flour Mills Industry Association to identify and obtain advice on new trends in milling technology.

Details of Expenditures for Major Relevant Associations

CATEGORY	UNIT	2019	2020
The Federation of Korean Industries	KRW million	305	305
Korea Flour Mills Industrial Association	KRW million	262	296
The Korea Soybean Processing Association	KRW million	254	262
The Korea Chamber of Commerce and Industry	KRW million	103	103
The Korea Enterprises Federation	KRW million	77	77

Payment for Relevant Association

CATEGORY	UNIT	2019	2020
Lobbying · Interest Group	KRW million	0	0
Political Campaign	KRW million	0	0
Relevant Associations	KRW million	1,550	1,567
Others	KRW million	0	0

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX



**CORE AREA 1. HEALTH AND SAFETY**

QUALITATIVE TRANSFORMATION THROUGH PROGRAMS THAT CONTRIBUTE TO HEALTH

**HOPE FOOD PACK PROGRAM**

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

A LEADING FOOD COMPANY THAT HAS TAKEN UP THE CHALLENGE OF A ZERO WASTE AND ZERO HUNGER CAMPAIGN WITHIN THE INDUSTRIAL VALUE CHAIN

**WISE DIETARY LIFESTYLE PROGRAM**

CJ CheilJedang, GoodWill Store from Miral Welfare Foundation and UN WFP(World Food Program) host the Wise Dietary Lifestyle Campaign to overcome global food issues and resolve the environmental and famine issues under the UN SDGs. We raised awareness of best-before and use-by dates and provided diverse information to enhance the use of food through social media. In October 2020, we introduced a new concept, 'EAT-able Food', through an online cooking show. With a hashtag challenge event, we spread the concept and promoted awareness and practical use of food ingredients. In 2021, we will carry out a campaign to promote zero-waste practices and raise public awareness.



**CORE AREA 2. SUSTAINABLE ENVIRONMENT**

IDENTIFICATION OF BEST PRACTICES FOR PLASTIC RECYCLING

**COLLECTION AND UPCYCLING\* OF HETBAHN CONTAINERS**

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



\* Upcycling : The process of making the product higher quality or more valuable by using recyclables

**HETBAHN GARDENING - EXTENDING THE RECYCLING LIFE CYCLE OF PLASTIC WASTE**

We run the Hetbahn Gardening program which is a donation activity to the local children's community centers. With the discharged Hetbahn containers collected by staff members and wooden pallets, we upcycle them into indoor vertical gardens, and finally deliver them to the centers.



**CREATION OF AN ECOSYSTEM WITH LOCAL COMMUNITIES**

**LOCAL COMMUNITY STARTUP SUPPORT PROGRAM(CJ O!VENTUS)**

CJ CheilJedang contributes to and supports the development of startup businesses and the vitalization of the industrial ecosystem through "CJ O!VentUs". In 2020, with the Seoul Creative Economy Innovation Center, we identified new startup businesses among the nationwide startup companies equipped with differentiated and innovative technology. Currently, there are twenty-two startups receiving support, six of which are making preparations to collaborate with CJ companies. In addition, we aim to increase follow-up investments, sales growth, and collaboration with large companies through step-by-step mentoring support for startups at each stage of their development. Through O!VentUs program, the company value of startup participants has increased by 143% on average. With the staggering achievement, we are making a significant contribution to the innovative startup ecosystem.

Benefits for the Selected Startups

- PROVISION OF GROUP INFRASTRUCTURE (PROMOTION · MARKETING · FIELD-TEST ENVIRONMENT, ETC.)
- FINANCIAL SUPPORT TO TEST TECHNOLOGY · COMMERCIAL VIABILITY
- A MENTOR GROUP CONSISTING OF CJ EXPERTS TO CARRY OUT COLLABORATIVE TASKS

Names of the selected company/business

NAME	BUSINESS AND TECHNOLOGY
The great trading company, Ltd.	Shared kitchen intermediary platform
Delivery lab Co., Ltd.	Food price comparison and logistics platform
Music plat	AI-based automatic BGM-matching service
Saige research Co., Ltd.	Smart factory machine vision solution
Sanghwa	New media augmented content production
L Fin	Location recognition service

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX





# ECONOMIC PERFORMANCE

## ● CUSTOMER

### VOICE OF CUSTOMERS (VOC)

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

### COMMUNICATION CHANNELS DIVERSIFICATION

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

### TAILORED COMMUNICATION FOR CUSTOMER SATISFACTION

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

### CJ FANSUMER AWARDS

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

### MAINTENANCE OF CCM (CUSTOMER-CENTERED MANAGEMENT) CERTIFICATION

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

### INTERNALIZATION OF CCM

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



소비자중심경영 | 공정거래위원회



[CJ CheilJedang CCM Certificate]

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

Environmental Performance

Social Performance

● Economic Performance

Governance Structure

APPENDIX

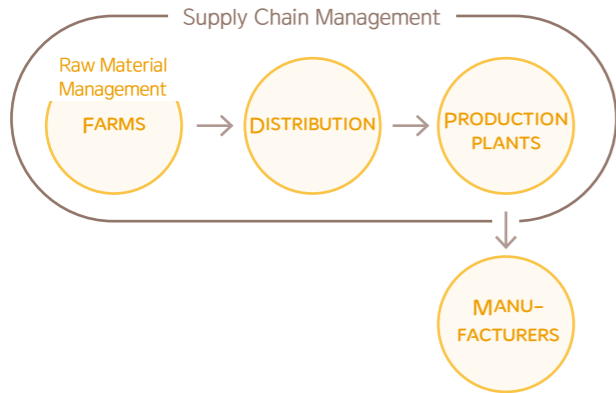


● **SUPPLY CHAIN MANAGEMENT**

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

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

Sustainable Supply Chain Management



**ASSESSMENT AND DIAGNOSIS OF SUPPLIER SUSTAINABILITY**

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

Code of Conduct for Suppliers

**FAIR TRADE PRACTICES**

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

**DELIBERATION COMMITTEE FOR SUBCONTRACTOR TRANSACTIONS**

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

CJ CheilJedang Deliberation Committee for Transactions with Subcontractors



**ESTABLISHMENT OF A FAIR TRADE SYSTEM**

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

**SUPPLIER SELECTION AND KEY SUPPLIER MANAGEMENT**

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

**LOCAL PURCHASES**

CJ CheilJedang spent KRW 3.2 trillion on local suppliers which accounted for 88% of total procurement.

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX



## ● EFFORTS FOR SHARED GROWTH

### SHARED FOR WIN-WIN GROWTH

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

### CJ PARTNERS CLUB

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

### SHARED GROWTH SUPPORT PROGRAM FOR SME SUPPLIERS

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

#### Shared Growth Support Program for SMEs

PROGRAMS	DETAILS	UNIT	2018	2019	2020
Training & Education	Provision of basic theoretical education on production costs, quality, food safety, the environment, and laws and regulations	Person	437	417	188
Finance	Management of the Win-Win Fund, which provides loans at an interest rate of 1-1.5%, much lower than the general interest rate	KRW 100 million	512	518	518
Technical Support	Sharing of CJ CheilJedang’s technologies with SME suppliers for the launch and renewal of products	Case	336	195	252
Quality and Hygiene Support	Regular visits · on-site diagnosis management, adoption, and renewal of HACCP on-site management, etc.	Case	276	245	348
Employment Stabilization	The first private company to introduce the Neil Chaeum Deduction System to alleviate employment instability and the wage gap with suppliers	Company (person)	15 (25)	20 (46)	22 (61)

#### Mid-to long-term KPI of the supply chain

DETAILS	UNIT	2020 PERFORMANCE	MID-TO LONG-TERM GOAL
Supply Chain Management in Connection with Credit Rating Agency	Company	552	2022 : 1,500
Naeil Chaeum Deduction Support	Person	61	2021 : 88 2022 : 125
Sustainable Supply Chain Management Included in the contract in “Supplier Code of Conduct”	Company	539	2021: above 90%

## ● OTHER ECONOMIC PERFORMANCE

### INTELLECTUAL PROPERTY RIGHTS MANAGEMENT

We filed a total of 787 new intellectual property right applications in 2020, 144 of which were filed in Korea.

#### Intellectual Property Rights Owned by CJ CheilJedang

DETAILS	UNIT	2018	2019	2020
New applications	Case (domestic)	738(168)	922(149)	787(144)
No. of patents owned	Case (domestic)	3,149(747)	3,825(783)	4,714(902)

### STATUS OF CREATION AND DISTRIBUTION OF ECONOMIC VALUES

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

#### Generation and Distribution of Economic Values

DETAILS	UNIT	2018	2019	2020
Shareholders	KRW 100 million	561	561	642
Staffs (wages and welfare)	KRW 100 million	9,041	10,306	12,814
Government (tax)	KRW 100 million	4,024	1,474	3,346
Local communities (donations)	KRW 100 million	830	269	439
Suppliers (spending)	KRW 100 million	50,348	70,311	10,855

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

Environmental Performance

Social Performance

● Economic Performance

Governance Structure

APPENDIX



# GOVERNANCE

## ● ETHICAL MANAGEMENT

### CJ PEOPLE'S PROMISE

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

CJ People's Promise

COMPONENTS	DESCRIPTION	CJ MANAGEMENT PHILOSOPHY KEYWORDS
Our promise to customers	<ul style="list-style-type: none"> <li>Provide OnlyOne products and services</li> <li>Ethical marketing and honest sales</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to the national economy</li> <li>OnlyOne</li> </ul>
Our promise to shareholders and investors	<ul style="list-style-type: none"> <li>Comply with the notice principles and insider information control</li> <li>Protect company secrets</li> </ul>	<ul style="list-style-type: none"> <li>Pursuit of rationality</li> </ul>
Our promise to fellow CJ employees	<ul style="list-style-type: none"> <li>Conduct honest and legitimate businesses</li> <li>Separate work and private life</li> </ul>	<ul style="list-style-type: none"> <li>Talent (exceptional talent and strong &amp; adaptive culture)</li> <li>Principles of conduct (integrity, passion, creativity, and respect)</li> </ul>
Our promise to fellow players in the market	<ul style="list-style-type: none"> <li>Practice fair competition</li> <li>Forge partnerships with suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to the national economy</li> <li>Shared growth</li> </ul>
Our promise to the global community	<ul style="list-style-type: none"> <li>Create social value (human rights and environmental preservation)</li> <li>Practice anti-corruption and anti-graft</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to the national economy, Co-existence and co-prosperity</li> <li>Global Management</li> </ul>

### CJ ETHICAL MANAGEMENT POLICY

By establishing practical guidelines that reflect domestic and global regulatory trends, CJ CheilJedang ensures compliance in all its business activities. Not one violation case of ethical management policy (code of conduct) occurred in 2020.

#### CJ Global Anti-Corruption Policy

To this end, we prevent corruption in all countries and regions of operation and comply with local anti-corruption laws and regulations.

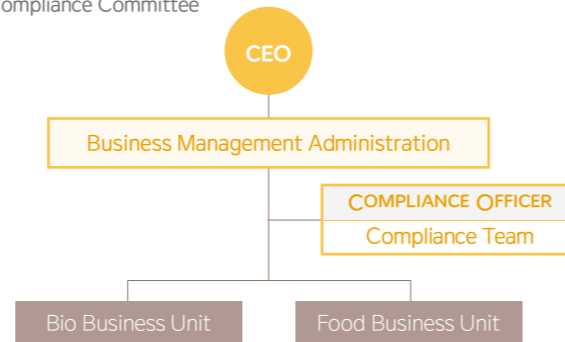
#### CJ Global Fair Trade Policy

In addition, we strive to comply with anti-monopoly and competition laws and regulations in all of our countries of operation.

### OPERATION OF THE CJ CHEILJEDANG COMPLIANCE COMMITTEE

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

Compliance Committee



### COMMUNICATION OF ETHICAL MANAGEMENT

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

### ETHICAL MANAGEMENT TRAINING

We provide all our staffs with an ethical management training program to encourage their compliance with regulations in work processes and raise ethical awareness. In 2020, we provided compliance training to 6,059 domestic and overseas staffs. For high-risk areas such as the Fair Transactions in Subcontracting Act, we offer more focused education with separate training courses. Furthermore, we have established an ethical management training system which consists of 16 courses in five fields and is based on the CJ People's Promise. Through this system, we have put a focus on company-wide legal risk management and strengthening the compliance and ethical mindset of our staffs. We prevent the risk of corruption by conducting Self-Audits and providing opportunities for individuals to reflect on themselves to see whether or not they comply with the minimum standards, principles, and processes that all staffs must adhere to.

#### THE INDUSTRY'S FIRST ACQUISITION OF THE ISO/DIS37301 CERTIFICATION (COMPLIANCE MANAGEMENT SYSTEM)

In December 2020, CJ CheilJedang obtained the standardized ISO37301 (compliance management systems) certification. Our compliance management system is set according to the international standards stipulated by ISO that verify the compliance of companies in the global market where there are various legal risks. CJ CheilJedang established its Compliance Team in 2018 and hosts an annual compliance committee, remaining committed to setting and operating its compliance system. In 2020, we newly established the Ethical Management section of the official website of CJ CheilJedang. Going forward, we will strengthen compliance culture to enhance our compliance management system.



[[ISO37301 certificate]]

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX



● **BOARD OF DIRECTORS**

**STATUS OF THE BOARD OF DIRECTORS**



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

**BOARD OF DIRECTORS DECISION-MAKING SYSTEM**

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

Composition of the Board of Directors (As of April, 2021, ●: Board of Directors, ○: Member)

Category	Name	Role	Field of expertise	Gender	Initial Appointment Date	Committee under the Board of Directors				
						Audit Committee	Independent Director Candidate Recommendation Committee	Internal Transaction Committee	Remuneration Committee	Corporate Sustainability Committee
Internal Director	Kyung Shik Sohn	CEO, CJ CheilJedang	Management	Male	2007.9.				●	
	Eun Seok Choi	CEO, CJ CheilJedang and Head of Food Business Unit, CJ CheilJedang	Management	Male	2020.3.				○	○
	So Young Kim	Head of Bio Animal Nutrition Business Division at CJ CheilJedang	R&D	Female	2021.3.				○	
Independent Director	Jong Chang Kim	Professor, College of Business at KAIST	Finance	Male	2019.3.	●	○	○	○	○
	Tae Yoon Kim	Professor, Department of Public Administration at Hanyang University	Policy	Male	2019.3.	○	●	○	○	○
	Si Wook Lee	Professor, KDI School of Public Policy and Management	International commerce	Male	2019.3.	○	○	●	○	○
	Jeong Hwan Yun	Professor, Department of Internal Medicine, Seoul National University Hospital	Biotechnology and life science	Male	2020.3.	○	○	○	○	●

**INDEPENDENCE OF INDEPENDENT DIRECTORS**

Candidates for independent directors are considered by the Independent Director Candidate Recommendation Committee which consists only of independent director. After approval by the Independent Director Candidate Recommendation Committee and board of directors, it shall be presented as an individual agenda item for each stakeholders' meeting. Independent directors are finally elected through the resolution of the general meeting of shareholders. It is possible for independent directors to supervise and support the management of the company in an independent position by verifying whether the relevant laws and articles of association require, such as the independence judgment standard under Article 382 of the Commercial Act. The Audit Committee and the Internal Transaction Committee also consist of only of independent directors.

CJ CheilJedang limits the number of other mandates for non-executive to no more than two in compliance with legal requirements, and checks the status of third-party concurrent positions through the 'External Director Qualification Confirmation'.

**Independence Criteria for Independent Directors**

(Disqualification Regarding Independence, Article 382 of Commercial Act)

- 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

**THE EXPERTISE OF INDEPENDENT DIRECTORS**

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX



### COMMITTEE UNDER THE BOARD OF DIRECTORS

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

Composition of Sub-Committees of Board of Directors



### OPERATION OF THE BOARD OF DIRECTORS

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

Board of Directors Activities

CATEGORY	UNIT	2018	2019	2020
Total no. of board of directors meetings	Time	11	11	8
No. of agendas discussed	Case	34	26	24

Attendance rate

CATEGORY	UNIT	2018	2019	2020
Attendance rate of internal directors	%	87.9	93.9	95.8
Attendance rate of independent directors	%	100	95.1	100

\* Required attendance rate is 75%

### SHARES OWNED BY THE BOARD OF DIRECTORS

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

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

CATEGORY	NAME	
Directors holding shares of CJ CheilJedang (Internal director)	Kyung Shik, Sohn 5,500	Sin Ho, Kang 300

### EVALUATION OF THE BOARD OF DIRECTORS

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

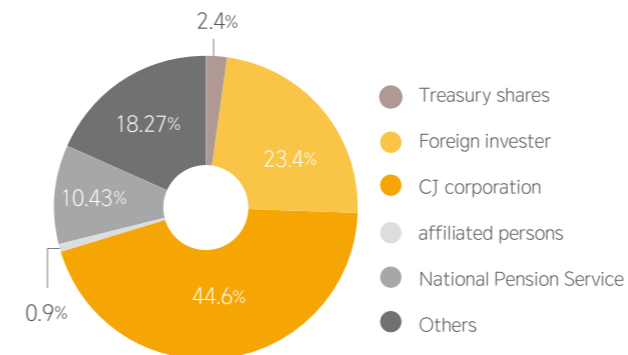
### BOARD OF DIRECTORS REMUNERATION

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

Remuneration for Board of Directors in 2020

CATEGORY	UNIT	INTERNAL DIRECTORS	INDEPENDENT DIRECTORS	TOTAL
No. of directors	Person	3	4	7
Total remuneration	KRW million	12,560	284	12,844

Shares Owned of CJ CheilJedang



- LETTER FROM CEO
- OVERVIEW
- SUSTAINABLE IMPACT
- MATERIAL ISSUES
- ESG FACTBOOK
  - Environmental Performance
  - Social Performance
  - Economic Performance
  - Governance Structure
- APPENDIX

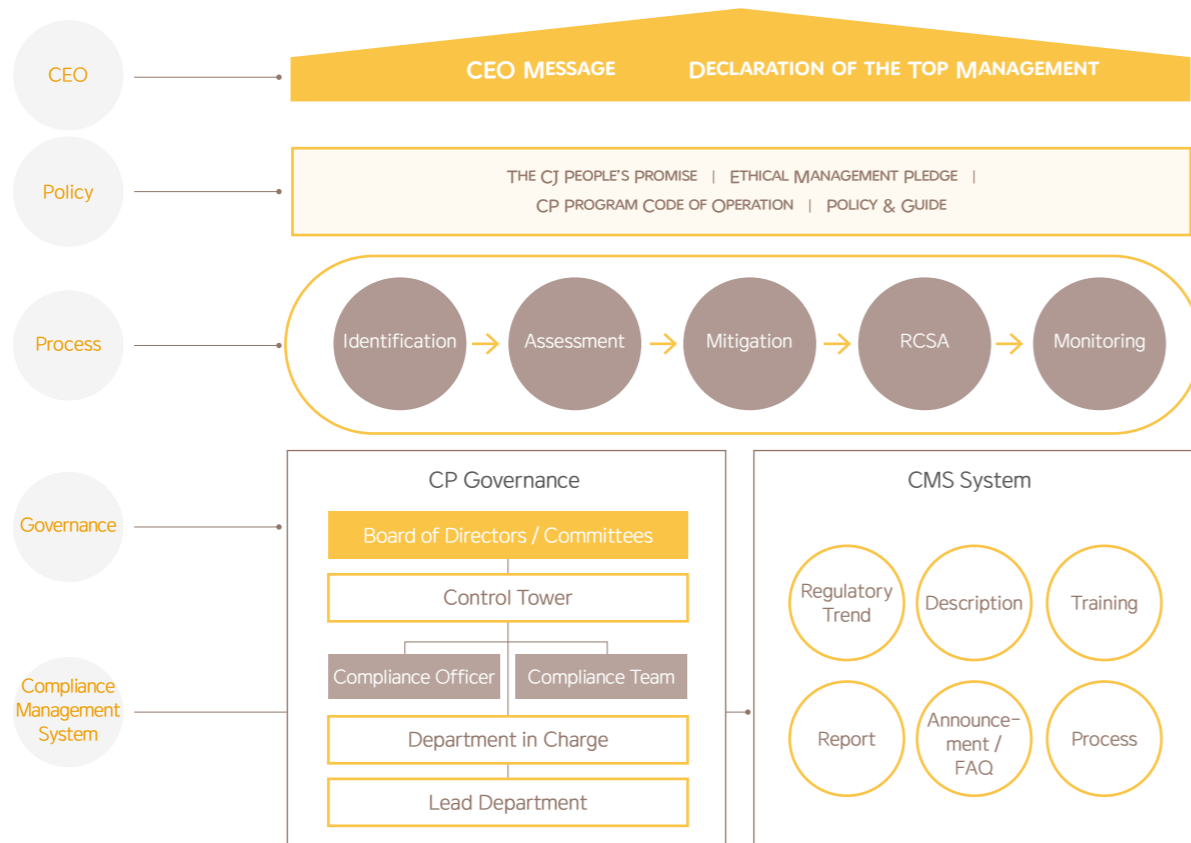


● RISK MANAGEMENT

PREEMPTIVE RISK MANAGEMENT

Establishment of the 'Compliance Management System (CMS 2.0)'

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



10 MAJOR RISK AREAS

Fair Trade. Quality Safety. Labor Rights. Environmental Safety (including the climate change). Consumer Protection. Industrial Safety, Resource Preservation. Anti-Corruption. Property Rights Protection. Privacy Protection

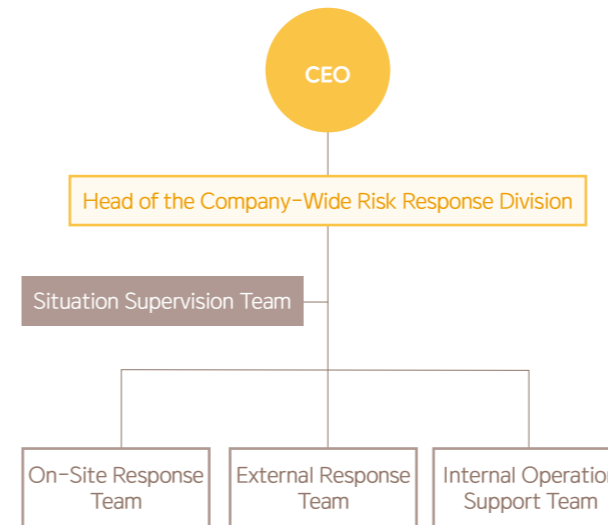
ESTABLISHMENT OF A GLOBAL COMPLIANCE COMMUNICATION PROCESS

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

RISK RESPONSE DIVISION

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

Company-Wide Risk Response Division



LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

Environmental Performance

Social Performance

Economic Performance

● Governance Structure

APPENDIX

## MANAGEMENT OF POTENTIAL RISKS

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

### Definition and Management of Potential Risks

Potential Risk	Definition and Impact	Management Group	Management Policy
Sudden fluctuation in raw material prices	Sudden changes in the prices of key raw materials may cause supply and cost risks, impacting profit and loss.	Grain Procurement Division Food Procurement Division Bio Procurement Division	<ul style="list-style-type: none"> <li>Establish a system to monitor the price of raw materials and ingredients</li> <li>Monitor quantitative indicators</li> <li>Monitor qualitative developments</li> </ul>
Exchange rate management	Exchange rate fluctuations may cause increased uncertainty and changes to profit and loss.	Financial Strategy Division	<ul style="list-style-type: none"> <li>Alleviate foreign exchange risk by first reducing exchange rate exposure through matching</li> <li>Hedge residual exposure through derivatives, such as forward exchange, in accordance with internal foreign exchange control regulations</li> <li>Strictly prohibit foreign exchange management for speculative purposes</li> </ul>
Changes in environmental safety regulations and policies	Inadequate responses to changes in environmental and safety regulations and policies at business sites may cause legal risks, affecting business operations.	Safety Management Team Food Production & Manufacturing Department Bio Engineering Division	<ul style="list-style-type: none"> <li>Establish a company-wide system for monitoring regulations</li> <li>Verify all new and revised regulations that will apply to the company at the pre-announcement stage to prepare advanced application and response measures.</li> </ul>
Business site safety	Environmental disasters, fire, industrial (severe) accidents, health hazards, and electricity-related factors are defined as the five major risks that may occur at manufacturing sites. These may affect the credibility of the company among both staffs and society.	Safety Management Team Food Production & Manufacturing Department Bio Engineering Division	<ul style="list-style-type: none"> <li>Establish a Risk-Top management system at each business site focusing on major accidents</li> <li>Strengthen the operation of the SDR (safety design review) process</li> <li>Establish rules for a safe code of conduct ("No Stop? No Touch!")</li> <li>Implement step-by-step infectious disease prevention measures</li> </ul>
Demographic changes	Changing demographics, such as the increase in single-person households and female workers, have an impact across the entire food business. New products need to meet these changing trends and customer needs.	Marketing	<ul style="list-style-type: none"> <li>Develop new HMR products that reflect the trend of pursuing health and convenience</li> <li>Implement strategies for creating premium HMR products</li> <li>Upgrade HMR products to the next level based on trend forecasts</li> </ul>
Management of business continuity amidst natural disasters	Business continuity management risk may occur due to natural disasters or pandemics such as COVID-19. It may affect profit and loss as well as the work patterns of staffs.	Safety Management Team Food Administration Team Bio Administration Team	<ul style="list-style-type: none"> <li>Establish an emergency response system</li> <li>Monitor global emergency situations</li> <li>Strengthen safety &amp; health management training for staffs</li> </ul>
Climate change risks	Physical risks due to increased natural disasters caused by climate change and implementation risks arising from the process to address climate change can make business and financial impacts.	Sustainability Team Safety Management Team Food Production & Manufacturing Department Bio Engineering Division	<ul style="list-style-type: none"> <li>Manage domestic GHG emissions</li> <li>Assess the impacts of storm and flood damage</li> <li>Calculate and monitor GHG emissions for suppliers</li> </ul>

### LETTER FROM CEO

### OVERVIEW

### SUSTAINABLE IMPACT

### MATERIAL ISSUES

### ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

### APPENDIX

● INFORMATION SECURITY RISK MANAGEMENT

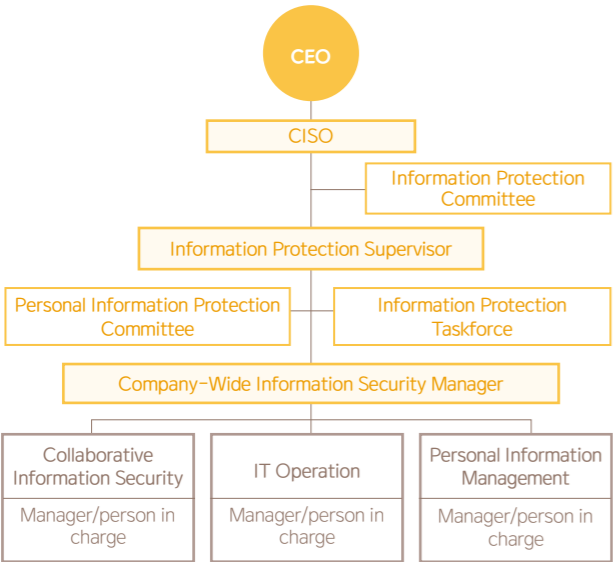
INFORMATION SECURITY RISK MANAGEMENT

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

ORGANIZATION OF THE INFORMATION PROTECTION GROUP

Under the amended Act on the Promotion of Information and Communications Network Utilization and Information Protection, we designated a CISO (Chief Information Security Officer) and reported this to the Ministry of Science and ICT. Furthermore, we continue to operate a task force under the direct supervision of the CEO to establish an information protection management system and for its management and operation. CISO makes annual reviews and evaluations of information security activities.

Organizational Chart of the Information Protection Group



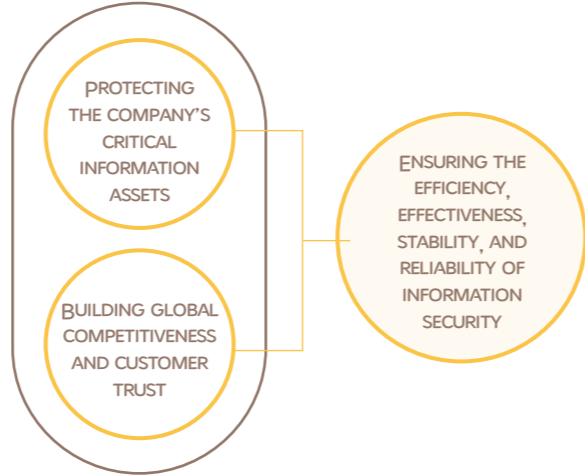
INFORMATION SECURITY MANAGEMENT SYSTEM CERTIFICATION

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

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



CJ CheilJedang's Information Security Management System



INFORMATION SECURITY POLICY

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

INFORMATION SECURITY AWARENESS CAMPAIGN

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

Example of an Information Security Awareness Enhancement Program

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
Social Performance
Economic Performance
Governance Structure

APPENDIX





**TAX RISK MANAGEMENT**

**TAX RISK MANAGEMENT**

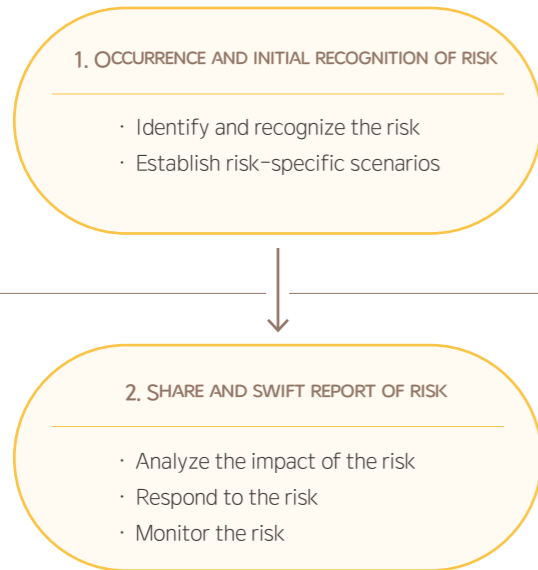


CJ CheilJedang complies with tax regulations and systems and proactively manages relevant tax risks. We established and strictly observe the CJ CheilJedang Tax Policy under which we comply with official tax policies and regulations. Furthermore, we have appointed government-certified professionals to ensure compliance with all tax policies and regulations.

**TAX RISK MANAGEMENT PROCESS**

CJ CheilJedang has an internal assessment process that identifies tax regulations and other relevant information in each country of operation for preemptive tax risk management. To this end, we recognize the varying tax laws and regulations of each country and closely interact with relevant taxation authorities to prevent potential risks.

Tax Risk Management Process



**FULFILLMENT OF TAX OBLIGATIONS**

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

Corporate Tax in Each Country in 2020

(Unit: 100 million)

Category	Sales			Pre-Tax Profit			Income Tax Payable			Income Tax Expenses			Tax Rate	Effective Tax Rate****	
	2019	2020	Gap	2019	2020	Gap	2019	2020	Gap	2019	2020	Gap		2019	2020
South Korea*	56,904	56,573	-331	-630	4,612	5,241	581	1,914	1,333	61**	1,524***	1,463	25%	N/A	33%
Indonesia	8,558	8,239	-319	64	-452	-516	9	15	6	151	46	-105	25%	236%	N/A
U.S.	30,001	36,952	6,951	4,235	1,999	-2,236	116	463	347	171	206	35	21%	4%	10%
China	10,463	11,834	1,371	1,338	1,775	437	5	53	48	268	388	120	25%	20%	22%
Vietnam	7,127	9,789	2,662	61	2,456	2,395	9	78	69	4	333	329	20%	7%	14%
Other	14,614	18,250	3,636	140	612	472	27	64	37	166	109	-57	-	119%	18%
<b>Total*****</b>	<b>127,667</b>	<b>141,637</b>	<b>13,970</b>	<b>5,208</b>	<b>11,002</b>	<b>5,793</b>	<b>747</b>	<b>2,587</b>	<b>1,840</b>	<b>821</b>	<b>2,606</b>	<b>1,785</b>	<b>-</b>	<b>16%</b>	<b>24%</b>

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

- Environmental Performance
- Social Performance
- Economic Performance
- Governance Structure

APPENDIX







# 5. APPENDIX

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



# FINANCIAL INFORMATION

## Consolidated Statements of Comprehensive Income

SUBJECT	UNIT	2018	2019	2020
Revenue (Sales)	KRW 1,000	18,670,059,989	22,352,462,296	24,245,725,654
Cost of sales	KRW 1,000	15,126,473,806	18,069,283,521	19,059,312,372
Gross profit	KRW 1,000	3,543,586,183	4,283,178,775	5,186,413,282
Selling general administrative expenses	KRW 1,000	2,710,876,503	3,386,320,902	3,826,861,842
Operating profit	KRW 1,000	832,709,680	896,857,873	1,359,551,440
Other income	KRW 1,000	719,523,533	-213,134,022	141,417,863
Finance income	KRW 1,000	240,115,302	304,234,107	805,193,567
Finance cost	KRW 1,000	492,701,318	666,692,923	17,820,394
Income of associates and jointly controlled entities	KRW 1,000	-5,461,144	17,526,474	1,178,500,191
Profit before tax	KRW 1,000	1,294,186,053	338,791,509	392,074,653
Income tax expense	KRW 1,000	368,797,428	147,763,206	786,425,538
Profit	KRW 1,000	925,388,625	191,028,303	-320,649,623
Other comprehensive income	KRW 1,000	-36,329,758	-165,218,166	465,775,915
Total comprehensive income	KRW 1,000	889,058,867	356,246,469	356,246,469

## Consolidated Balance Sheet

SUBJECT	UNIT	2018	2019	2020
Current assets	KRW 1,000	5,520,191,585	7,433,652,074	465,775,915
Assets of disposal group held for sale	KRW 1,000	2,245,917	509,387,147	38,533,070
Non-current assets	KRW 1,000	13,974,585,382	18,337,593,130	18,141,978,711
Total assets	KRW 1,000	19,497,022,884	26,280,632,351	25,611,892,185
Current liabilities	KRW 1,000	6,680,407,860	8,202,238,119	7,082,673,561
Non-current liabilities	KRW 1,000	5,508,402,934	8,596,913,812	8,362,779,627
Total liabilities	KRW 1,000	12,188,810,794	16,799,151,931	15,445,453,188
Equity attributable to owners of the parent entity	KRW 1,000	4,782,822,965	4,880,879,268	5,274,392,419
Current capital	KRW 1,000	81,908,095	81,908,095	81,908,095
Capital surplus	KRW 1,000	1,540,987,319	1,540,987,319	1,540,987,319
Other reserves	KRW 1,000	-534,397,639	-528,381,781	-755,277,691
Retained earnings	KRW 1,000	3,694,325,190	3,786,365,635	4,892,046,578
Non-controlling interests	KRW 1,000	2,525,389,125	4,600,601,152	10,166,438,997
Total equity	KRW 1,000	7,308,212,090	9,481,480,420	9,481,480,420

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

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



# GRI STANDARDS INDEX

 Annual report

UNIVERSAL STANDARDS (GRI 100)					
GRI Standards		DISCLOSURE		PAGE	NOTE
GRI 102: General Disclosures 2016	Organizational Profile	102-1	Name of the organization	7	
		102-2	Activities, brands, products, and services	7~10	
		102-3	Location of headquarters	7	
		102-4	Location of operations	8	
		102-5	Ownership and legal form	-	Annual report p.3
		102-6	Markets served	8	
		102-7	Scale of the organization	7	
		102-8	Information on employees and other workers	7,49	
		102-9	Supply chain	56	
		102-10	Significant changes to the organization and its supply chain	-	No significant organizational and supply chain changes
		102-11	Precautionary Principle or approach	31	
		102-12	External initiatives	13~14	
		102-13	Membership of associations	74	
	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	6,58	
		102-17	Mechanisms for advice and concerns about ethics	51,58	
	Governance	102-18	Governance structure	13,59~60	
		102-22	Composition of the highest governance body and its committees	59~60	Annual report p.322
		102-23	Chair of the highest governance body	59	
		102-24	Nominating and selecting the highest governance body	59	
		102-28	Evaluating the highest governance body's performance	60	
		102-32	Highest governance body's role in sustainability reporting	60	
		102-33	Communicating critical concerns	13,59~60	
		102-36	Process for determining remuneration	50	
	Stakeholder Engagement	102-40	List of stakeholder groups	15	
		102-41	Collective bargaining agreements	49	
		102-42	Identifying and selecting stakeholders	15	
		102-43	Approach to stakeholder engagement	15	
		102-44	Key topics and concerns raised	15~17	

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

**APPENDIX**

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



GRI Standards		DISCLOSURE	PAGE	NOTE	
GRI 102: General Disclosures 2016	Reporting Practice	102-45	Entities included in the consolidated financial statements	-	Annual report p.3-4
		102-46	Defining report content and topic Boundaries	2,17,28,32,38	
		102-47	List of material topics	16~17	
		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	67~70	
		102-56	External assurance	72~73	

**ECONOMIC PERFORMANCE (GRI 200)**

GRI Standards		DISCLOSURE	PAGE	NOTE
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	55~57	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	8,39,50,57	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	50~57	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	50	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	53~57	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	53~54,57	
	203-2	Significant indirect economic impacts	54	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	55~57	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	56	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	56~58	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	58	
	205-2	Communication and training about anti-corruption policies and procedures	56,58	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	56~58	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	None

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

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

Environmental Performance (GRI 300)				
GRI Standards	DISCLOSURE		PAGE	NOTE
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	42~46	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	36,42	
	301-2	Recycled input materials used	18,36~37	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	42~46	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	45	
	302-3	Energy intensity	45	
	302-4	Reduction of energy consumption	45	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	42~46	
GRI 303: Water 2018	303-1	Interactions with water as a shared resource	45	
	303-2	Management of water discharge-related impacts	45	
	303-3	Water withdrawal	45	
	303-4	Water discharge	45	
	303-5	Water consumption	45	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	42~46	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	43	
	305-2	Energy indirect (Scope 2) GHG emissions	43	
	305-4	GHG emissions intensity	43	
	305-5	Reduction of GHG emissions	43~44	
	305-6	Emissions of ozone-depleting substances (ODS)	-	None
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	46	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	42~46	
GRI 306: Effluents and Waste 2020	306-1	Waste generation and significant waste-related impacts	33,37,46	
	306-2	Management of significant waste-related impacts	46	
	306-3	Waste generated	46	
	306-4	Waste diverted from disposal	46	
	306-5	Waste directed to disposal	46	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	42~46	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	56	

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

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





SOCIAL PERFORMANCE (GRI 400)				
GRI Standards	DISCLOSURE		PAGE	NOTE
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	50	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	50	
	401-3	Parental leave	50	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	51	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 402: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	47	
	403-2	Hazard identification, risk assessment, and incident investigation	47-48	
	403-3	Occupational health services	47-48	
	403-4	Worker participation, consultation, and communication on occupational health and safety	47	
	403-5	Worker training on occupational health and safety	47	
	403-6	Promotion of worker health	47-48	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56	
	403-9	Work-related injuries	47-48	
	403-10	Work-related ill health	47-48	
	GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	52	
	404-2	Programs for upgrading employee skills and transition assistance programs	52	
	404-3	Percentage of employees receiving regular performance and career development reviews	50	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	48-49	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	48,52	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	53-54	
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	31,33	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	None
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	33	
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	None
	417-3	Incidents of non-compliance concerning marketing communications	-	None
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	None
GRI 103: Management Approach 2016	103-1,2,3	Explanation of the material topic and its Boundary, The management approach and its components, Evaluation of the management approach	47-54	
GRI 419: Compliance 2016	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
Animal Welfare	FP10	Policies and practices, by species and breed type, related to physical alterations and the use of an aesthetic	42	
	FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	42	
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	42	

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

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



# SASB BALANCE SHEET

## SASB INDEX

Sustainability Disclosure Topics & Accounting Metrics

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

### PROCESSED FOODS

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

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

**APPENDIX**

Financial Information

GRI Standards Index

- SASB Balance Sheet
- Independent Assurance Statement
- External Awards

# INDEPENDENT ASSURANCE STATEMENT



## LR INDEPENDENT ASSURANCE STATEMENT

### RELATING TO CJ CHEILJEDANG CORPORATION'S SUSTAINABILITY REPORT FOR THE 2020 CALENDAR YEAR

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

#### TERMS OF ENGAGEMENT

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

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

- Evaluating adherence to the AA1000 AccountAbility Principles<sup>1</sup> of Inclusivity, Materiality, Responsiveness and Impact
- Confirming that the report is in accordance with GRI Standards<sup>2</sup> and core option
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Water data (GRI disclosures: 303-3, 303-4, 303-5)
  - Waste data (GRI disclosures: 306-3, 306-4, 306-5)
  - Work-related injuries and ill health data (GRI disclosures: 403-9, 403-10)

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

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

#### LR'S OPINION

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

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

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

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

#### LR'S APPROACH

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

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

<sup>1</sup> <https://www.accountability.org>

<sup>2</sup> <https://www.globalreporting.org>



LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

Financial Information

GRI Standards Index

SASB Balance Sheet

● Independent Assurance Statement

External Awards







**OBSERVATIONS**

Further observations and findings, made during the assurance engagement, are:

- **Inclusivity:**  
We are not aware of any key stakeholder groups that have been excluded from CJ CheilJedang Corporation's stakeholder engagement process.
- **Materiality:**  
We are not aware of any material issues concerning CJ CheilJedang Corporation's sustainability performance that have been excluded from the report. It should be noted that CJ CheilJedang Corporation has established extensive criteria for determining which issue/aspect is material and that these criteria are not biased to the companies' management.
- **Responsiveness:**  
CJ CheilJedang Corporation established long-term ESG strategies. It is expected that progress against the strategic objectives will be reported in the future.
- **Impact:**  
CJ CheilJedang is in the stage of developing its own process for human rights impact assessment. It is expected that CJ CheilJedang integrates identified impacts into organizational strategies, goals, performance management process and operation process in order to effectively address human rights impacts through all value chains.
- **Reliability:**  
CJ CheilJedang Corporation has reliable data management systems for the indicators in the report. However, for more systematic performance data management, CJ CheilJedang should control data compiling process as documented information for some ESG data.

**LR'S STANDARDS, COMPETENCE AND INDEPENDENCE**

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

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

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

Dated: 5th June 2021

**Tae-Kyoung Kim** LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited  
17th Floor, Sinsong Building, 67 Yeouinaru-ro, Yeongdeungpo-gu, Seoul, Korea

LR reference: SEO00000767



Lloyd's Register Group Limited, its affiliates and subsidiaries, including Lloyd's Register Quality Assurance Limited (LRQA), and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'Lloyd's Register'. Lloyd's Register assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. Lloyd's Register Group Limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © Lloyd's Register Quality Assurance Limited, 2021. A member of the Lloyd's Register Group.

LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

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



# EXTERNAL AWARDS

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



LETTER FROM CEO

OVERVIEW

SUSTAINABLE IMPACT

MATERIAL ISSUES

ESG FACTBOOK

APPENDIX

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



