

**CJ CHEILJEDANG
SUPPLIER CODE OF CONDUCT**



Introduction

CJ CheilJedang has a goal for the sustainable growth based on the founding ideology of 'Saaeopboguk' (building a stronger nation through business prosperity), which is to contribute to national economic development and improvement of people's lives through business, and furthermore, to contribute to human society'. Especially, based on four areas of ethics, human right, safety and environment, CJ CheilJedang leads the industrial ecosystem of mutual growth and tries to be born again to a global lifestyle company creating the health, pleasure and convenience. Accordingly, CJ CheilJedang has recognized our partnership companies as an important business partner to make an ecosystem of successful mutual growth through the fair and transparent supply chain management. In order to help not only our staffs and employees but also those in our partnership companies to implement their duties according to the ethical standard and to perform fair and sustainable activity, CJ CheilJedang has instituted the 「Code of Conduct for Partnership Companies of CJ CheilJedang」 (Here in after, 'Code of Conduct'). The corresponding Code of Conduct consists of an integrity management, a human right management, a safety management and an environmental management. CJ CheilJedang encourages all suppliers to respect and comply with the Code of Conduct and faithfully carry out data requests for CJ CheilJedang's sustainability risk assessment. They should also ask their partnership companies with whom they do business to comply with this Code of Conduct. If this code conflicts with the local laws and regulations, stricter standard shall be applied in priority but the local laws are also respected.

Main Text

[Integrity Management]

Partnership companies should recognize the importance of the Integrity Management for the sustainable growth and observe all local laws and regulations. In order for the ethical decision making and judgment by all staffs and employees, they should prepare and improve the regulation, instruction and guideline, and implement regular monitoring.

① Integrity and Anti-corruption

Partnership companies should maintain the highest level of integrity regarding the transaction with all enterprises. They should not engage any illegal actions such as any types of corruption, extortion, embezzlement, allegation, bribery, and gift offering including other types of misconduct such as the offering of money and valuables to a relevant person for the purpose of influencing the decision making. They should neither offer nor receive other means to acquire the unlawful and improper benefit. They should ensure the voluntary compliance on the anti-corruption laws by implementing surveillance and controlling procedure for these illegal actions. In addition, they should not engage in unfair practices by using superior positions to partner companies, and should not engage in collusion such as price increases, market division, or

shipment control for the purpose of avoiding competition.

② Information Disclosure

Partnership companies should record and disclose information regarding managerial activity and performance, financial structure, etc., based on the information disclosure laws, regulations and industrial practices. The forgery and incomplete note of records regarding actual condition and practice in supply chain is not allowable

③ Intellectual Property Protection

Protection of Intellectual Property Partnership companies should respect the intellectual property right, and the transfer of technology and knowhow should be done by guaranteeing the protection of the corresponding right. In addition, they should protect the information of CJ CheilJedang safely.

④ Personal Information Protection

Partnership companies should protect the personal information of all people (partnership companies, customers, consumers, and staffs & employees included) related to the management in enterprise in a reasonable level. They should establish the management system for overall storage, handling, transmission and share to observe and monitor the protection laws of personal information regarding the handling and utilization of personal information.

⑤ Safety Management in Quality

Partnership companies should have a goal to create the customer's value with the safe assuring product. Accordingly, they should establish and maintain the system to accomplish the policy and goal for the quality management. Especially, those partnership companies who deal with foods directly should think of customers in first priority and strictly observe the standard of laws and regulations of quality & safety such as the domestic and overseas standard for hazardous substances regarding quality & safety and the local food sanitation laws. In order to provide customers with safe products, they should implement diverse management activities for quality and safety from the handling of raw materials to the ship-out of products. They should be able to operate diverse certification institutes for the safety management in foods or implement the preventive activity for quality & safety through the investment in facility and the education for workers.

⑥ Identity Protection and No Retaliation

Partnership companies should operate identity protection procedures that can guarantee confidentiality such as anonymity for whistleblowers guaranteed by law to prevent any disadvantages due to whistleblowing.

[Human Right Management]

To a level being used in the international situation, partnership companies should guarantee the dignity and protect the human rights of laborers of every type such as contract workers, temporary laborers, interns, etc. They also should put an effort to improve labor conditions for such purpose on a regular basis. In addition, laborers should be guaranteed of a lawful labor and a right protection according to the local laws and regulations and should be able to request corrections in case of infringement.

① Voluntary Labor

Partnership companies should not use forced labor, exploitative labor, human trafficking or non-voluntary labor. Every labor should be done voluntarily. They should not demand the transfer of ID, passport, and worker's visa issued by the government as a condition for the employment. It is exceptional if it is required by the laws and regulations. In addition, they should create the documentation with the understandable language of laborers. They should not demand the application fee occurred at the time of employment to the laborers.

② Labor Hours

Partnership companies should not exceed the days and hours of labor specified by the laws and regulations. Except the emergency state and special situation in and out of the company, weekly labor hours should not exceed 60 hours weekly including the extended hours. In addition, they should allow at least one day off in every seven days.

③ Child Laborer

Partnership companies should not hire child laborer for any type of manufacturing process. "Child" means the person below the highest age of any of the following: Age 15, the age at which compulsory education ends, and the minimum age for legal employment under local ordinances. They may hire youth laborers who are older than the minimum age for the legal employment, but laborers of less than 18 years old should not carry out dangerous works (overtime, night time works, etc) in respect of safety and health.

④ Wages and Welfare

Partnership companies should observe all corresponding relevant laws including the minimum wage that is paid to the laborer, the compensation for the excessive hours of labor, and the welfare determined by the law. For overtime work, they must be paid overtime pay that is higher than the hourly rate applied for regular working hours. In addition, the standard of laborer's wage should be provided through the payment statement or similar document at the proper period. They should provide with the readable payment statement at the proper period whenever the wage is paid to verify if the correct compensation for the labor has been done for the laborer.

⑤ Humanitarian Treatment

Partnership companies should respect every laborer, and should not conduct non humanitarian treatment against laborers such as sexual harassment, sexual abuse, corporal punishment, mental/physical pressure, verbal abuse, and unreasonable restriction in the working places. For such purpose, they should clearly regulate and implement the reasonable disciplinary procedure and notify it to the laborers.

⑥ Diversity

Partnership companies should put an effort to exclude illegal discrimination against ethnicity, nationality, skin color, age, gender, sexual tendency, disability, pregnancy, religion, political tendency, and current marital status from the employment practices such as promotion, compensation, and education/training. Besides the local laws or the cases demanded for the safety of work space, they cannot demand a laborer or a candidate for employment of a medical test that can be used for the ground for discrimination

[Safety Management]

Partnership companies should establish a safe and healthy working environment to maintain the quality continuously and to increase the efficiency of production. They should recognize the necessary activity to guarantee the safety & health of laborers and put an effort to settle the safety-first culture and improve the elements of potential danger continuously by cooperating with the main contractor according to the local laws and regulations.

① Industrial Safety

Partnership companies should remove the elements of potential danger in advance and make provisions to prevent the industrial disaster and occupational disease. Through the assessment on the dangerousness, they should identify, evaluate, and manage the degree of chemical, biological and physical danger. They should evaluate the safety hazards in other production facilities to establish and implement the improvement measure accordingly. Safety hazards should be controlled through managerial improvement such as the engineered improvement through design, engineering, and preventive maintenance, the procedure for safe work, the continuous training and education for safety, and the supply of suitable protective gear.

② Emergency Preparedness

Partnership companies should minimize the damage by fulfilling the response procedure for each type of emergency. In addition, they should establish and implement the measure to prevent its recurrence through the identification and assessment as a countermeasure. They should always possess the response competency for emergency state through regular education and training.

③ Control over Physically Demanding Labor

Types of work that physically overloads laborers including manual, heavy lifting or repetitive lifting work; long standing work, highly repetitive or physically demanding assembly tasks must be identified, evaluated and controlled.

④ Industrial Disaster and Disease Management

Partnership companies should establish the procedure and system to prevent, manage, trace and report the industrial disaster and occupational disease. This should include regulations to take a corrective measure in order to encourage the report about the physical abnormality of an employee, to classify and record the cases of injury and disease, to provide necessary medical treatment, to remove the cause, and to promote the returning of the employee to his work. In addition, in order to prevent the occurrence of industrial disaster and occupational disease due to physical labor and working environment, it is recommended to implement fair improvement or proper rest, stretching, and the arrangement of manpower.

⑤ Provision of Sanitation and Facilities

Partnership companies shall provide employees with clean restroom, drinking water, and sanitary food preparation, storage, and restaurant facilities. In addition, dormitories for workers must be kept clean and safe with an appropriate environment including appropriate emergency exits and firefighting facilities, heating and ventilation systems, adequate personal space, and reasonable access rights.

⑥ Safety and Health Education

Partnership companies shall conduct appropriate safety and health education for workers. In addition, health and safety-related information must be posted in a conspicuous place within the premises. All this information must be in the worker's native language or in a language understandable (by the worker).

[Environmental Management]

Partnership companies must recognize their responsibility to the environment and strive to minimize the negative impact on the environment that may occur in all business activities (the entire production process including operation, sourcing, manufacturing, and distribution). We must comply with environmental laws and regulations, including chemical and waste management and disposal, recycling, industrial water management and reuse, and control of greenhouse gases and air emissions. In addition, partnership companies must establish, document, and implement an environmental management system based on international standards such as ISO 14001 to identify, control, and reduce significant environmental issues resulting from business activities.

① Environmental Licensing and Reporting

Partnership companies must acquire and maintain mandatory environmental licensing requirements (eg, installation/operation/change report of emission/prevention facilities) and reflect the latest revisions at all times. They must also comply with the operational and reporting requirements required for the licensing process.

② Environmental pollution prevention and Resource use reduction

Partnership companies shall reduce pollutants such as wastewater and wastes and increase the efficiency of using resources and water (service water, rainwater, etc.)

③ Hazardous Chemicals Management

Partnership companies shall establish and operate a safety management system at all stages from purchase to use, storage, and disposal of chemical substances to prevent health or environmental harm caused by hazardous substances. They must also comply with local laws and regulations that prohibit or regulate the use, handling, or use of certain substances.

④ Waste and Wastewater Management

Partnership companies shall identify, monitor, control, and treat wastes and wastewater generated from industrial processes and sanitation facilities before discharging them, and take measures to reduce the generation of waste and wastewater, if necessary under relevant laws and regulations. In addition, it is necessary to constantly monitor the treatment efficiency of the wastewater treatment process.

⑤ Air Pollution Management

Partnership companies must identify, monitor, and control the characteristics of volatile organic compounds, aerosols, caustic agents, particulate powders, ozone-depleting substances, and combustion by-products generated during the manufacturing process, if necessary under the relevant laws and regulations, before they are emitted. They must be managed and disposed of in accordance with local laws and regulations before being discharged.

⑥ Regulation and Labeling of Substances Contained in Products

Partnership companies shall comply with applicable laws and regulations regarding the prohibition or restriction of certain substances, including the labeling of recycling and disposal.

⑦ Energy Consumption and GHG Emission Management

Partnership companies must understand energy consumption and greenhouse gas emissions on a company-wide and business site level in a step-by-step manner. also need to find effective ways to increase energy efficiency while minimizing energy consumption and greenhouse gas emissions.

⑧ Sustainable Raw Material Procurement

Partnership companies must reduce the environmental impact in the process of procuring food raw materials and procurement more safely and stably. Natural resources, such as forests and water resources, are essential for maintaining the ecosystem, so it is necessary to recognize the impact on the environment and minimize them when conducting business.

Practical Method

Partnership companies shall conduct a self-evaluation of the operation of the Code of Cooperation and check if there are policies, procedures, and processes that can satisfy and implement the requirements of the Code. CJ CheilJedang will work together to solve any issues when partnership companies implementing the Code of Conduct.

- Express the will to observe and improve with the Code of Conduct in accordance with internal policies and guidelines
- Establish the performance goal and action plans to improve social and environmental performance
- Proceed with a periodic self-evaluation to internalize cooperation norms and establish a process for corrective actions
- Educate the Code of Conducts for all staffs and employments to assign responsibility.

[References]. The cooperation standard has been enacted based on the following references.

Reference	Link
ILO International Labor Standards	http://www.ilo.org/global/standards/lang--en/index.htm
ILO Code of Practice in Safety and Health	www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf
OECD Guidelines for Multinational Enterprises	https://mneguidelines.oecd.org/
OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas	http://www.oecd.org/investment/mne/mining.htm
United Nations Global Compact	www.unglobalcompact.org
Universal Declaration of Human Rights	https://www.un.org/en/about-us/universal-declaration-of-human-rights
ISO 14001 / 26000	www.iso.org
SA8000 and SAI(Social accountability international)	http://www.sa-intl.org/

[Attachment. Document Summary]

Category	Description
Version	2.1
Date of initial establishment	May, 2019
Date of latest revision	Sep, 2022
Management Organization	ESG Center
Managed by / Reviewed and approved by	ESG Center Manager / Corporate Sustainability Committee under the Board of Directors of CJ CheilJedang
Revised contents	Addition of recommendation
Contact	sustainability@cj.net
Policy Reference No.	20220719-00000143