



# WE MAKE A FRESH WAY FOR TOMORROW

CJ FRESHWAY ESG REPORT 2022



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# ABOUT THIS REPORT

## Report Overview

This CJ Freshway's second ESG report was published on June 30 with the goal of connecting with our stakeholders and being transparent about our ESG management strategies, achievements, and future goals. We will continue to publish an ESG report to communicate our accomplishments and goals for ESG management.

## Report Period and Scope

The reporting period for this report is from January 1, 2022 through December 31, 2022, and some sections contain information of the first half of 2023.

The reporting scope is limited to the performance and activities of CJ Freshway's business sites. In the case of quantitative data, any changes in the scope of data collection or newly added data items from FY 2021 data are specified in footnotes or through additional explanations.

## Report Principles

This report adheres to the Global Reporting Initiative Standard 2021 (GRI 2021), an internationally recognized sustainability reporting guideline. Financial results are prepared in compliance with Korean International Financial Reporting Standards (K-IFRS) and are aligned with SASB industry standards and TCFD disclosure recommendations.

## External Assurance

This report underwent an independent assurance process by a third-party institution, DNV, to ensure the accuracy and credibility of the contents herein. Please refer to page 88 for details of the assurance.

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## Inquiries of the Report

Please contact us if you have any questions or need any further information about the report.

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# MESSAGE FROM CHAIR OF ESG COMMITTEE

“ We are determined to establish a corporate structure that benefits the company, society, and the planet as well through various activities for sustainability in which everyone can participate. ”

**Hello, everyone. I'm Eun-sook Jeon, chair of the ESG Committee at CJ Freshway.**

It is with great pleasure that we announce the publication of our second ESG report. I would like to begin by expressing my deepest gratitude to our customers, shareholders, employees, and partners for your support towards our mission. Your encouragement and support have been a pillar of our strength as we strive to create the future of healthy food culture and sustainable distribution.

As a food materials distributor and food service provider, CJ Freshway provides safe and reliable food materials for our customers throughout their lifecycle. We also assist our clients to leap forward with their restaurant business while also encouraging them to work together with us toward sustainability.

To that end, CJ Freshway launched the ESG committee under the board of directors in 2021 with the goal of promoting sustainable management, and as a top decision-making body, the committee has deliberated and decided on the following ESG management agenda:

Firstly, we announced our ESG strategy that demonstrates our commitment to generating sustainable values for healthy society and the safe environment, as well as aligned the strategy with our business vision, which is to grow as a “food business partner”. We also promised to manage the whole process of assisting our customers’ success in a transparent and responsible manner while benefiting our society and the environment.

To keep this promise, CJ Freshway strengthened the role of the ESG committee last year. To give our sustainable management a boost, we encouraged our board members to engage more in the ESG committee activities. With board of members seasoned in various fields taking part in the committee, we were able to gain momentum to systematically implement the strategies for sustainable management. The committee also collaborated in reviewing the implementation of tasks related to the materiality assessment and provided advice on its direction.

Furthermore, CJ Freshway established three core strategic principles of “eco-friendly distribution environment,” “healthy food culture,” and “mutual prosperity with society” to evolve as a healthy company that reciprocates the benefits we receive from nature and the support of our shareholders.

Building on our previous endeavor, CJ Freshway aspires to be a model of ESG management. We are also determined to establish a corporate structure that benefits the company, society, and the planet as well through various activities for sustainability in which everyone can participate. I hope you will all join us on our journey of change, where our dream begins.



June, 2023  
Chair of ESG Committee Eun-sook Jeon

전 은 숙



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# CEO MESSAGE

“ CJ Freshway is moving forward as a company that practices eco-friendly management, social responsibility, and transparent governance for sustainable management. ”

**Greetings! I am Seong-Pil Jeong, the CEO of CJ Freshway.**

I would like to begin by expressing my gratitude to you all for your unwavering support and interests in CJ Freshway, a company that is growing as a “Food Business Partner”.

The year 2022 presented both challenges and opportunities for the world. The post-COVID era of heightened uncertainty due to the global economic downturn is requiring businesses to transform themselves and realize the values of health and safety for our society.

In the whirlwind of these changes, CJ Freshway has strived to solidify our structural competitiveness in preparation for the transition towards the endemic phase. We also expanded the scope of solutions for our customers’ success in their business, while endeavoring to emerge as a company that benefits all stakeholders. As a result, our lifecycle-based brands in food materials distribution business have increased its market share, and our food service business has also improved its performance through service diversification.

CJ Freshway is moving forward as a company that practices eco-friendly management, social responsibility, and transparent governance for sustainable management. We believe that a company capable of making a positive impact on the society and the environment is one that customers can trust and choose continuously. In pursuit of this goal, we promise to make relentless efforts fulfilling the following commitments.

**First, we will take the lead in creating a sustainable distribution ecosystem by building a resource circulation system.**

CJ Freshway has set a target of reducing greenhouse gas emissions by 50% by 2030. To achieve this, we will increase the adoption of zero-emission electronic trucks, establish eco-friendly RDCs to minimize carbon emissions, expand our portfolio of eco-friendly products and services, and implement a waste recycling system, for the purpose of reorganizing our entire value chain into a sustainable one.

**Second, we will foster a healthy food culture that aligns with the different stages of our customers’ lives.**

CJ Freshway will actively promote healthy eating habits and lifestyles, accompanying customers from early childhood to old age. We will expand sustainable product operations and create a wide range of engaging food culture content, to produce life cycle-based business solutions. We will spare no effort in providing products and services that empower customers to lead a sustainable daily life.

**Third, we will create a society where all individuals can thrive together.**

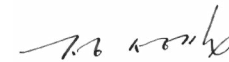
CJ Freshway will take the initiative to empower people in envisioning a fulfilling life in a society that values peace, justice, and inclusion. We will implement systematic human rights management with the goal of zero human rights violations, enhance diversity within our organization, and prioritize employee satisfaction, creating a workplace that nurtures the growth of talented individuals. Additionally, we will share the joy of mutual growth by providing support to the vulnerable and cooperation with local communities.

Last year, CJ Freshway published its first ESG report, which allowed us to reflect on our ESG efforts and business accomplishments. Through this report, we will continuously showcase our commitment to sustainable management and our ESG performance through reports. Additionally, the report will serve as a platform to engage with diverse stakeholders, helping us to pay heed to their valuable feedback and incorporate it actively to guide CJ Freshway in the right direction.

We warmly invite you to join us on our quest to build a more prosperous society.

Thank you.

June, 2023  
CEO of CJ Freshway **Seong-Pil Jeong**




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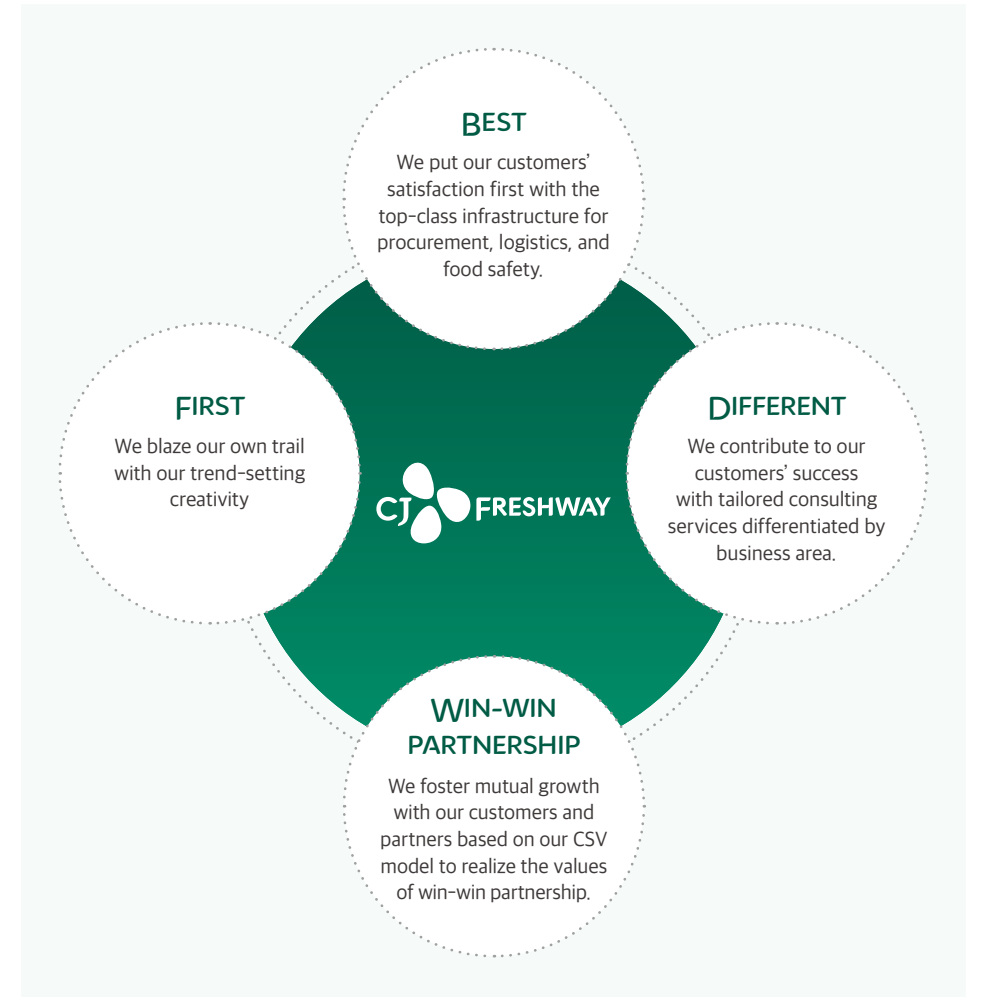
# COMPANY PROFILE & HISTORY

## Company Overview

CJ Freshway, as an “ONLYONE” food solution provider that assists our customers’ success, leads the innovation in food materials distribution and food service. Since our beginning as the first conglomerate affiliate that pioneered the B2B food materials distribution, we have built the country’s largest distribution network and the most advanced logistics system based on big data, providing our customers with fresh food products. Better yet, we’ve also been offering customized products and consulting services to our customers through meal and business solutions that leverage our capacity to source approximately 24,000 products at home and abroad, as well as our infrastructure and employees’ expertise. As a result, we’re embarking on a new path towards our vision of growing as a “Food Business Partner”, actively working with our customers for their success.

Company Name	CJ Freshway Corporation
CEO	Seong-Pil Jeong
Date of Establishment	October, 1988
Headquarter Address	S-city, 25, World Cup buk-ro 54-gil, Mapo-gu, Seoul, Republic of Korea
Main Business	Food materials distribution, food service (institutional food service), manufacture-others
Listing Information	Listed on the KOSDAQ in KRX(Korea Exchange) in July, 2001
Employees (No.)	7,071 (including part-time executives)
Total Assets*	KRW 1.485 trillion
Total Equities*	KRW 404 billion
Revenue*	KRW 2.748 trillion
Operating Profit*	KRW 97.8 billion
Credit Rating	NICE A2, Korea Rating Corporations A2, Korea Investors Service A2

\*Consolidated



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# COMPANY PROFILE & HISTORY

## History

### 2000

#### CJ FRESHWAY, BEGINNING ITS PIONEERING JOURNEY

- Oct. 1988** Founded Samil Agriculture & Fisheries Co
- Jan. 1999** First entered the food materials distribution market as a conglomerate
- Sep. 2000** Acquired the food service business from Cheil Jedang. Changed the company name from Samil Agriculture & Fishery to CJ Food System Co.
- Nov. 2003** First adopted internal HACCP certificate system. Began the food safety research center operation.
- Dec. 2004** Designated as a livestock sanitary inspection agency by the National Veterinary Research and Quarantine Service.
- Oct. 2005** First obtained ISO22000 (Certification for food safety management system) in the industry.
- Jan. 2007** First acquired HACCP for hospital meal service in the country.
- Jul. 2007** Acquired ISO14001 (Environmental management system).
- Oct. 2007** Our food safety center, designated as a variety testing agency for rice and brown rice.
- Aug. 2008** Changed the company name to "CJ Freshway".
- Jul. 2008** First acquired KOSHA18001 (Occupational Safety and Healthy Management System) in the distribution and service sector

### 2010

#### CJ FRESHWAY, EMERGING AS AN INDUSTRY LEADER

- Feb. 2010** Our food safety center became the first private norovirus inspection agency.
- Mar. 2010** Received a presidential award for excellence in food waste reduction.
- Jun. 2011** Developed patient food for foreigners for the first time in the country (in collaboration with Severance hospital).
- Mar. 2012** Obtained AEO(Authorized Economic Operator) certificate for trade safety and facilitation.
- Dec. 2014** Acquired Best Family Friendly Management certificate from the Ministry of Gender Equality and Family.
- May. 2016** Hazardous Goods Sales Block System recommended by the Ministry of Food and Drug Safety.
- Sep. 2016** Won the Presidential Award for Job Creation from the Department of Labor.
- Nov. 2016** Selected as the "Best ESG Company" by the Korea Institute of Corporate Governance and Sustainability (KCGS).
- Jun. 2018** Started the "Greenteria Selection", a smart and high-end food service.
- Jul. 2019** Obtained ISO45001(Safety Management System) certificate.

### 2020

#### CJ FRESHWAY, BLAZING ITS OWN TRAIL

- Feb. 2020** First received AEO AA rating for trade safety and facilitation for the first time in the industry
- Jul. 2020** Received a commendation from the Minister of Employment and Labor for in the promotion of the employment of the disabled.
- Oct. 2020** Named as the Best ESG Company for six straight years for the first time in the industry.
- Sep. 2021** First deployed a fleet of electric trucks in the industry.
- Dec. 2021** Launched the ESG Committee.
- Mar. 2022** Obtained the ASC · MSC CoC certificate.
- Jun. 2022** Published the ESG report.
- Sep. 2022** Received the Best Company award for the senior internship (senior jobs) project. Obtained ISO37301 (Compliance Management System). Won the grand prize at the Korea IR Awards.
- Nov. 2022** Awarded by the Minister of Food and Drug Safety at the Future Happiness Awards.
- Dec. 2022** Received a commendation from the head of Gyeongin Branch of Ministry of Food and Drug Safety for safety management.



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# OUR BUSINESS & BRAND

## Food Materials Distribution Brands

### It's Well



A food distribution brand that provides proactive and customized solutions to meet our customer needs by leveraging data-driven know-how

### I-NURI



A food brand for children that offers not only healthy food products for children, but also sound food culture programs to encourage good eating habits

### HEALTHY-NURI



A food brand that provides a "total food care solution" that is healthier and more sustainable, in addition to food materials and services tailored to senior citizens who desire to live a healthy life

### Teun-Teun School



A food brand that specializes in school meals, providing safe, reliable, high-quality food materials as well as trendy meal solutions

Product Purchasing

Food Safety

Logistics System

Data Solution

Customer Service

PROVIDING THE "ONLYONE" TAILORED SOLUTION BASED ON BUSINESS-SPECIFIC KNOW-HOWS AND INFRASTRUCTURE.

FOOD MATERIALS DISTRIBUTION

FOOD MANUFACTURING

FOOD SERVICE

We deliver the best products to the right place at the right time for our customers, thanks to our domestic/global distribution network, the industry's largest logistics infrastructure, and our world-class quality and hygiene control system.

- Reliable, competitive procurement network based on contract farming, direct trades, and direct sourcing of global products.
- Order & logistics network based on the industry's largest distribution network and highly advanced quality-hygiene control system
- Customized PB developed with our own technologies and expertise.

We develop and offer customized products with great taste, quality and hygienic security through the Central Kitchen and a food manufacturing subsidiary.

- "Central Kitchen", a centralized cooking facility, provides semi-cooked or fully-cooked food products according to our own recipes.
- "Freshplus", a B2B meal solution manufacturer, promotes a healthy food culture and customer convenience through its customized products by pre-processing agricultural produces and manufacturing tailored sauces and seasonings.

Our differentiated food services deliver more than just a meal; it offers menu satisfying customer needs and trends in food culture by leveraging our accumulated data, as well as high-end menu based on culture contents aligned with the group culture.

- Food service operations customized for companies, offices, hospitals, and others with expert consultants for each food service channel.
- Collaboration with chefs, nutritionists, and other experts to develop premium dietary meals that reflect current trends, such as therapeutic diets and diets for foreigners.
- Food service brands optimized for customers' various lifestyles.

## Food Service Brands



### GREENTERIA

A food service brand that delivers healthy and balanced meals made of reliable ingredients through its convenient service



### GOURMET BRIDGE

A premium food-court brand that provides not just high-quality food and beverages, but also a diverse range of cultural and value consumption experiences



### MORNINGHAS

A brand that captures the vigor and energy of every morning, the start of a day, and is easily accessible at anytime for those who want to take a pause for a moment during their daily routine



### SNACKPICK

A take-out food service brand that caters to modern lifestyles



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# MAKING A GREEN WAY FOR TOMORROW



# ESG STRATEGY FRAMEWORK

CJ Freshway has set 3 main strategic directions and mid- to long-term plans, as well as 6 strategic tasks aligned with ESG Vision.

Based on our corporate identity and ESG vision, we developed our ESG strategy framework by considering the priorities and impacts of our ESG issue pools, which reflect major external and internal ESG issues and trends. We will continue to carry out the tasks to achieve our mid- to long-term ESG goals.

## ESG Strategy Framework

ESG VISION

**WE CREATE THE FUTURE WITH HEALTHY FOOD CULTURE AND SUSTAINABLE DISTRIBUTION**  
**WE MAKE A FRESH WAY FOR TOMORROW**

ESG Strategic Directions



We practice waste reduction and carbon neutrality for the clean earth.



We create a healthy food culture that everyone can enjoy.



We support the happy growth of all members of society.

GOAL By 2030

Establishing NET-ZERO distribution system

Leading sustainable products & services

Nurturing the best talent in the industry

ESG 6 Strategic Tasks

Respond to climate change



Eco-friendly distribution & resource circulation



Develop sustainable products and services



Establish a life cycle-based food culture model



Systemize human rights management



Realizing a workplace where talent grows



ESG Infra Tasks

Systemize ESG management

Advance compliance & management system

Expand ESG communication

## Governance for ESG Management

CJ Freshway established ESG governance to promote systematic ESG management. The ESG committee is the highest decision-making body in charge of assessing our ESG management performance and approving tasks for improvement. The committee's decisions are further discussed and turned into key agenda items by the ESG Management Council comprised of executives. In addition, the committee examines and presents agenda items, as well as approves policies based on business strategies. Meanwhile, the ESG Management Council, made up of working-level personnel, is making progress by pushing forward with tasks through effective collaboration. The ESG-dedicated department assists each working group in carrying out their duties faithfully.



# 2022 ESG PERFORMANCE

In 2022, CJ Freshway successfully identified key implementation tasks for establishing the ESG infrastructure, and carried out relevant activities. This led to the stabilization of the governance system, advancement of the system, and expansion of communication with stakeholders for the implementation of ESG management. Based on the ESG infrastructure we built, we will strive to fulfill the 3 strategic directions of “eco-friendly distribution environment,” “healthy food culture,” and “society growing together” as well as 6 strategic tasks aligned with them.

ESG  
Infra Tasks

2022  
Achievements  
by Tasks

## SYSTEMIZE ESG MANAGEMENT

## ADVANCE COMPLIANCE & MANAGEMENT SYSTEM

## EXPAND ESG COMMUNICATION



### Promoted ESG governance operations

Conducted 7 Audit Committee meetings, 1 Outside Director Candidate Recommendation Committee meeting, 1 Remuneration Committee meeting and 2 ESG Committee meetings.



### Received the Grand Prize in Korea IR Awards 2022

The first Grand Prize in the KOSDAQ-listed companies category as the wholesale food distributor.



### Acquired the certificate for Compliance Management System (ISO37301)

Operated ISO-certified systems for compliance, environmental management, food safety, and occupational health and safety.



### Received the highest score in the Food Analysis Performance Assessment Scheme

Obtained the highest ratings in all categories of microorganisms and physico-chemistry.



### Moved forward with the brand solution business

“Bob and Dong”, our client of the brand solution service, opened the 100th location.



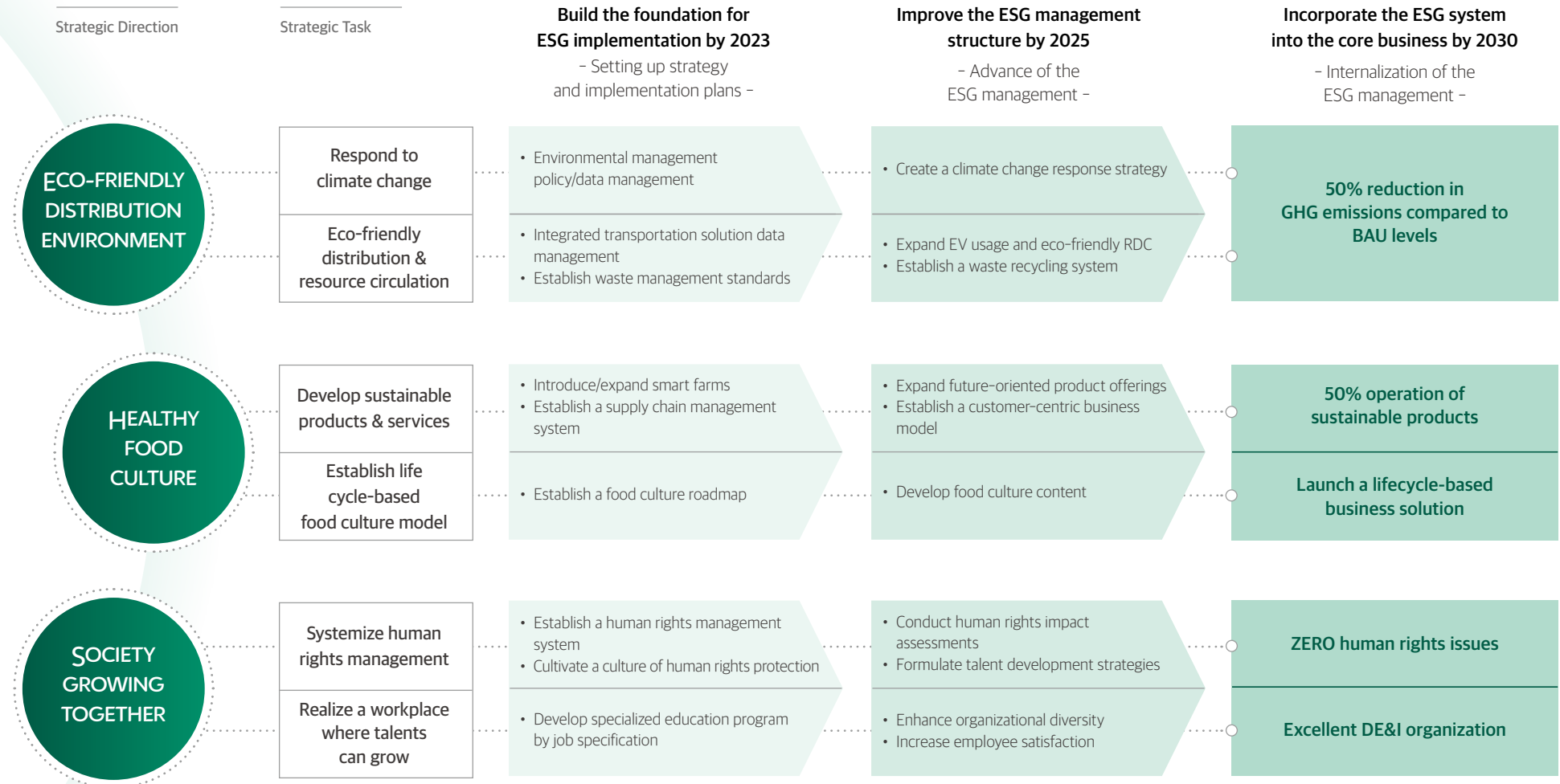
### Established a public-private collaborative model for resource circulation

Collaborated with the Korea Environment Corporation, local governments, and social enterprises to turn domestic waste into resources.



# ESG IMPLEMENTATION ROADMAP

CJ Freshway has designed a roadmap based on the ESG strategy system to thoroughly implement and integrate our ESG management across the company. With the establishment of the basis of ESG implementation by 2023, the roadmap demonstrates our goal of completing a sustainable business structure by transforming our core businesses to be ESG system-based by 2030. We will continue to disclose the roadmap's development through our next ESG reports.

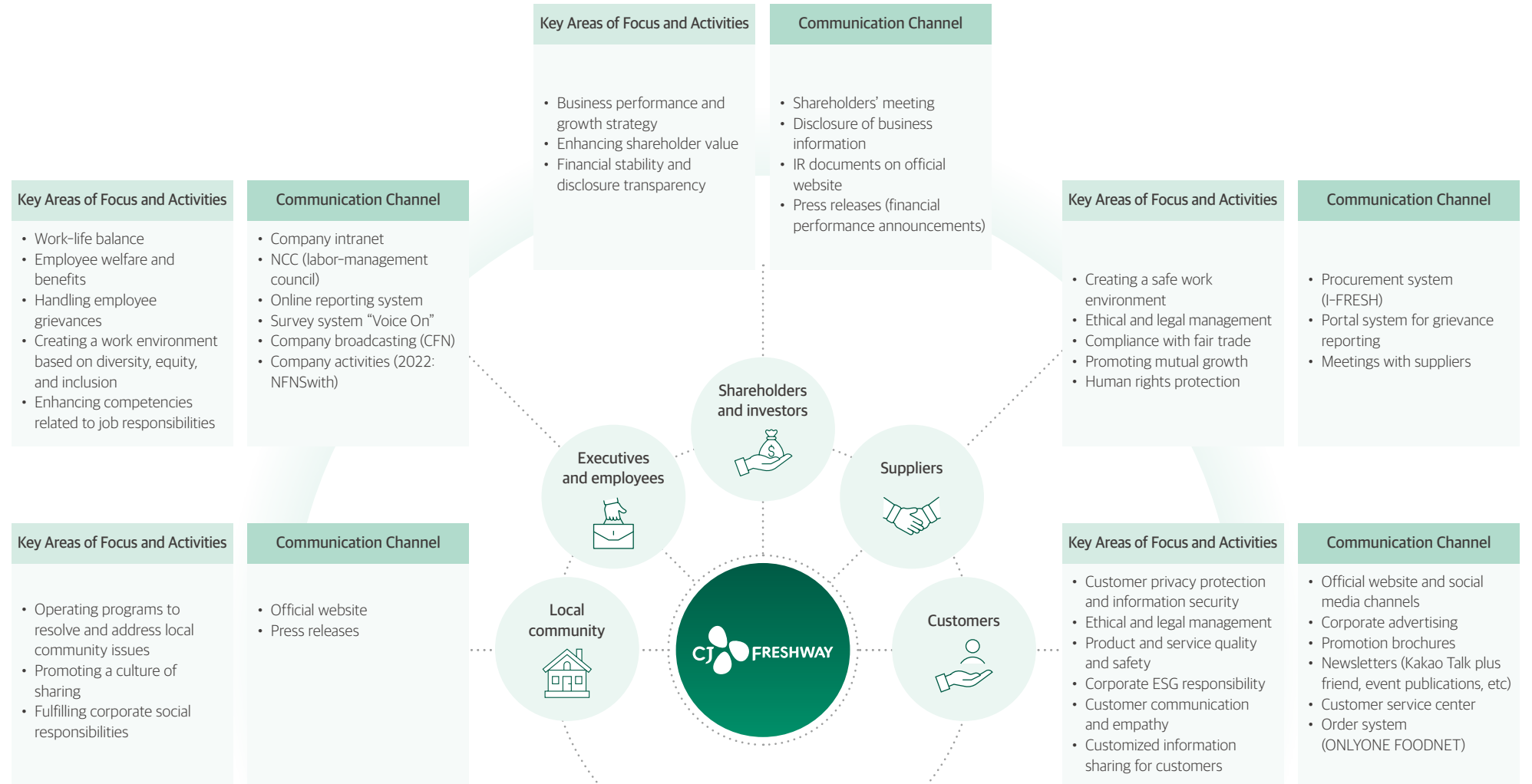




# STAKEHOLDER COMMUNICATION

CJ Freshway acknowledges the importance of identifying key stakeholders who influence and are affected by our business activities and strives to actively communicate with them.

We operate dedicated communication channels for each group, including executives and employees, customers, and suppliers, collecting opinions from stakeholders and implementing various activities that reflect their opinions.



# MATERIALITY ASSESSMENT

As much as business activities influence the environment and society, changes in the environment and society impact the business environment.

CJ Freshway conducted the materiality assessment based on the concept of “Double Materiality”, which considers not only the environmental and social impacts of business activities but also their potential external impact on the enterprise value and financial status. As a result, “Food Safety” and “Waste Management” were selected as material issues for two years in a row, while new material issues including “creating a healthy food culture”, “customer satisfaction”, “responsible sourcing of raw materials”, and “information security and privacy protection” were identified.

**STEP 1. ESG Issue Pool Creation**

- Created 22 Issue Pools specific to CJ Freshway based on the global disclosure/evaluation initiatives, disclosure standards, analysis for companies of the same industry and global leading companies.

**STEP 2. Analysis of Environmental-Social Impacts**

- Analyzed companies of the same industry and global leading companies for benchmarking purposes.
- Examined economic/environmental/social achievements & media reports on ESG issues.
- Assessing the results of a survey conducting of internal/external stakeholders\* (Feb. 22, 2023 ~ Feb. 27, 2023, \*employees and external experts)

**STEP 2. Analysis of Financial Impacts**

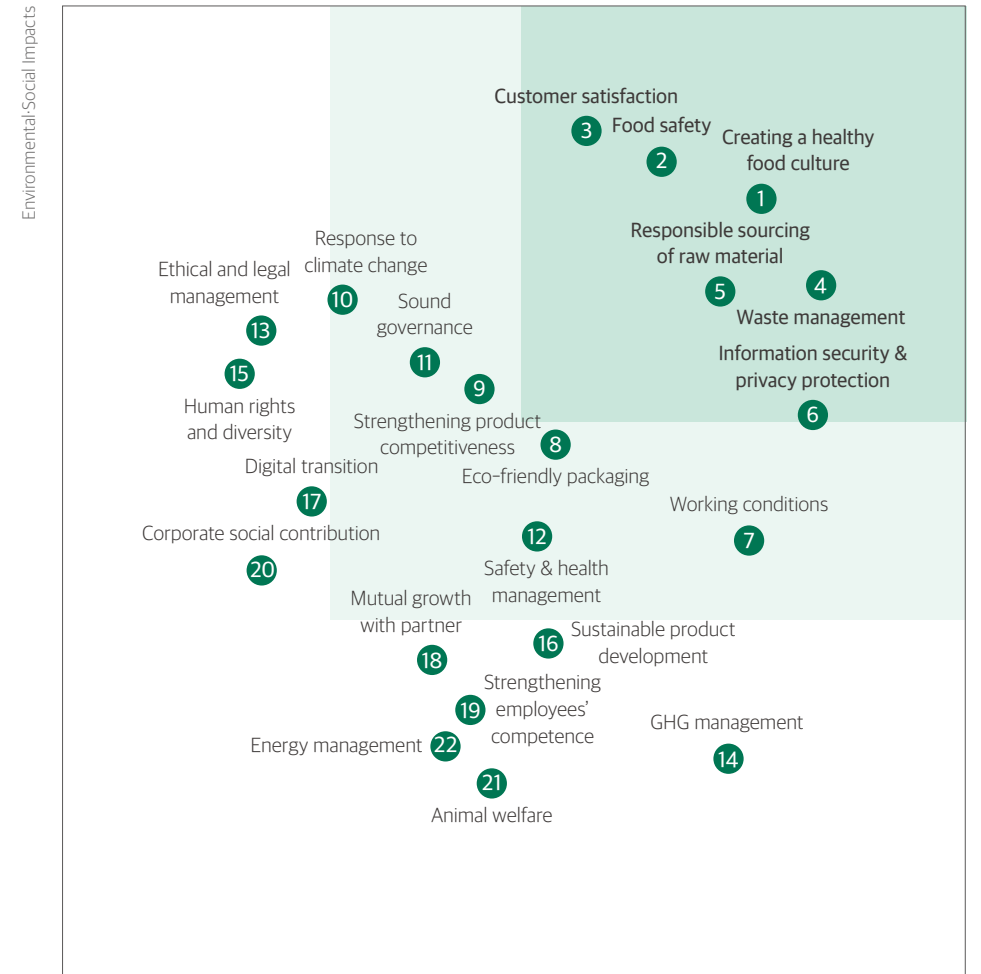
- Analyzed and reflected international standard indices, including MSCI and SASB.
- Examined corporate ESG strategies.
- Assessing the results of a survey conducting of internal stakeholders\* (Feb. 22, 2023 ~ Feb. 27, 2023, \*employees in finance)

**STEP 3. Validity Review & Issue Selection**

- Quantified environmental-social-financial impacts by issue, conducted a comprehensive assessment, and identified six material issues.
- Reviewed the six issues internally and selected the final material issues.

Ranking	Area	Issues	Page No.
1	S	Creating a healthy food culture	23~25
2	S	Food safety	38~39
3	S	Customer satisfaction	17~19
4	E	Waste management	35
5	E	Responsible sourcing of raw material	20~22
6	G	Information security & privacy protection	68~69
7	S	Working conditions	54~56
8	E	Eco-friendly packaging	21
9	G	Strengthening product competitiveness	8
10	E	Response to climate change	32~35
11	G	Sound governance	58~61
12	S	Safety & health management	40~42
13	G	Ethical and legal management	63~64
14	E	GHG management	32
15	S	Human rights and diversity	46~47
16	E	Sustainable product development	20~22
17	G	Digital transition	18
18	S	Mutual growth with partner	43~44
19	S	Strengthening employees' competence	50~53
20	S	Corporate social contribution	48~49
21	S	Animal welfare	21
22	E	Energy management	32

■ 2023 Material issues  
 E: Environmental, S: Social, G: Governance















# MATERIALITY ASSESSMENT

## Material Issue Management

The following table shows how CJ Freshway is responding to six ESG material issues selected through the materiality assessment.

Further details and activities that were carried out are also elaborated in this report as follows. We will also continue to work hard to advance our ESG management system.

● High ● Mid ● Low

Material Issue	Environmental-Social Impacts	Financial Impacts	Management Status	Pages	Relevant UN SDGs
Creating a healthy food culture	●	●	CJ Freshway created a life cycle-based food culture model that caters to lead healthy lives of all age groups, spanning from infants to seniors. We promote healthy food culture by offering customized products for each age group through our tailored brand portfolio, as well as a variety of education programs.	• Path 3. Healthy Food Culture (23~25p)	 
Food Safety	●	●	CJ Freshway controls potential food hazards at business sites based on the international standard food safety management system (ISO22000). We operate an authorized testing and inspection agency and are constantly improving our food safety expertise and analytic skills. Meanwhile, we take the initiative in ensuring food safety by delivering tailored solutions for products, stores, and partners based on our system and capabilities.	• Food Safety (38~39p)	  
Customer Satisfaction	●	●	CJ Freshway identifies issues our customers encounter and services they need during their business operations to offer customized solutions. We're evolving into a sustainable brand powered by the win-win partnership with our clients by providing a variety of digital-based solutions for store management, operation consulting, menu development, workforce support, as well as others.	• Path 1. Customized ONLYONE Solution (17~19p)	
Waste Management	●	●	CJ Freshway manages environmental hazards such as waste by establishing an international standard environmental management system (ISO14001). We reduce waste by operating our management processes based on discharge source and type. Furthermore, we work with key stakeholders such as local governments and our customers to convert waste into resources, thereby creating new environmental and social values.	• Path 4. Resource Circulation (26~28p) • Environmental Management (35p)	  
Responsible Sourcing of Raw Materials	●	●	CJ Freshway strives to expand the development and distribution of sustainable products by establishing standards for sustainable products including eco-friendly products. We also provide our partners with self-compliance guidelines for responsible production so that they can fulfill their social responsibilities.	• Path 2. Sustainable Product Development (20~22p)	  
Information Security & Privacy protection	●	●	The information protection steering committee at CJ Freshway has been working hard to improve privacy policies and guidelines under the leadership of CISO and CPO. We also provide information security training to our employees so that we can strengthen information security and prevent data breaches, while expanding investment in information protection year after year.	• Information Security (68~69p)	

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CUSTOMIZED  
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SUSTAINABLE  
PRODUCT  
DEVELOPMENT

23

PATH 3.  
HEALTHY FOOD  
CULTURE

26

PATH 4.  
RESOURCE  
CIRCULATION

# PATH 1. CUSTOMIZED ONLYONE SOLUTION FOR ALL STAKEHOLDERS, REALIZING MUTUAL PROSPERITY THROUGH BUSINESS



## ISSUE IMPORTANCE

In response to global crises such as climate change and COVID 19, corporate roles are evolving to improve the lives of all stakeholders, including future generations and all people on the planet, rather than just the consumers. CJ Freshway ensures that the values of sustainability are deeply ingrained in our business goals, strategies, and branding directions, while providing products and services aimed at improving the lives of our stakeholders. We offer total solutions for various stakeholders who are struggling with their business, such as small- and medium-sized businesses, client companies and their employees, as well as local communities. In that process, we actively take responsibility for environmental and social issues, emerging as a sustainable brand that promotes mutual prosperity with our customers.

## KEY PERFORMANCE

Mutual growth through  
brand consulting

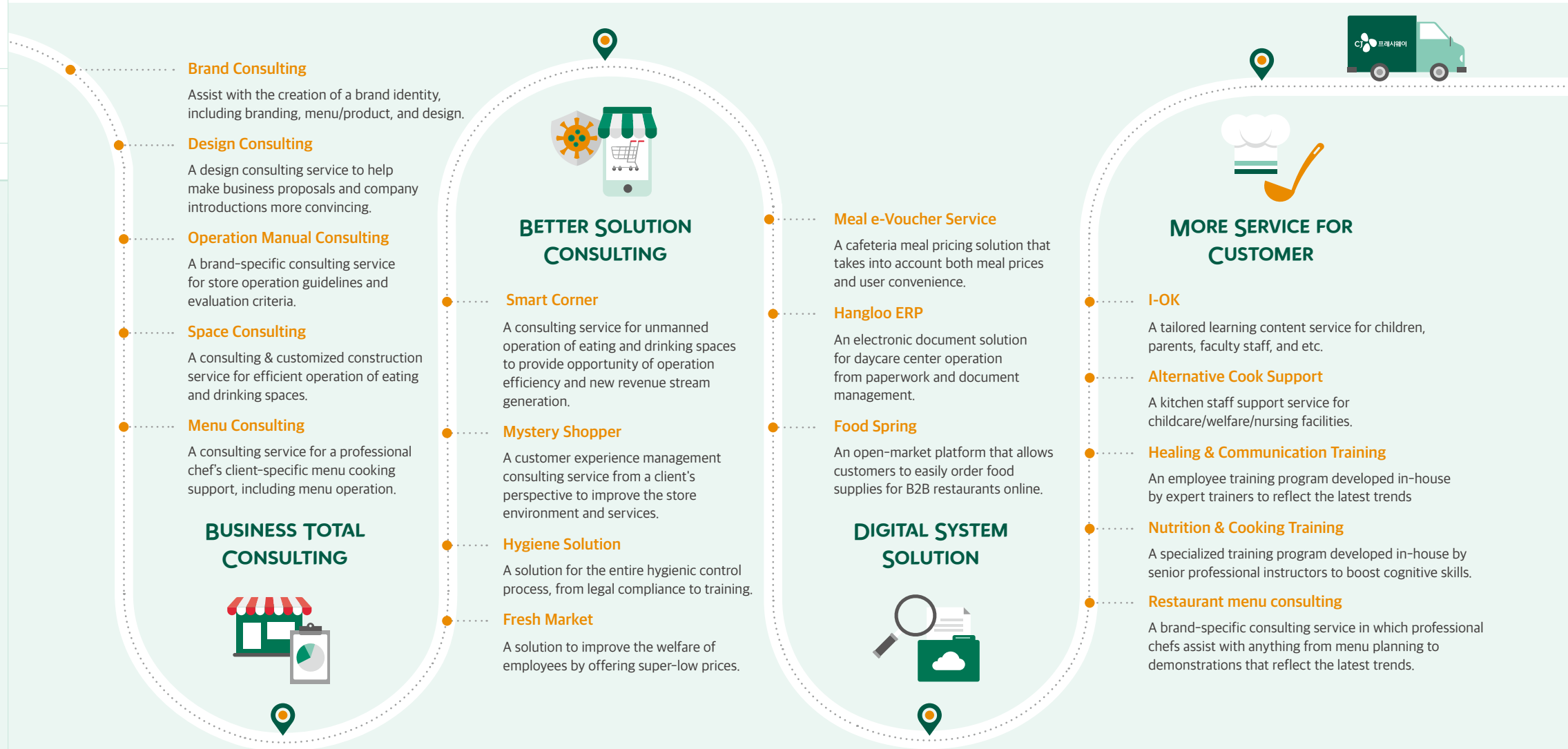
Assisted the launch of "Bob and Dong",  
a brand of Doogaji Company  
Opening of the 100th location  
of "Ddeum", a franchise brand

Service consulting to help  
strengthen customer competence

"Mystery Shopper"  
has consulted 1,450 franchise stores in total  
(2011~2022)

# OUR SOLUTION

CJ Freshway, equipped with expertise in food materials distribution and food service, provides a diverse range of clients with optimized, total solutions that address concerns and difficulties they may encounter throughout the entire stages of their business from beginning to end.





# STAKEHOLDER INTERVIEW

Thanks to CJ Freshway, 'Bob and Dong' opened its **100th location** in just less than six months of the brand's inception.



**Hyun-Sik Kim**  
CEO of Doogaji Company

## Q.1

**Could you please introduce yourself and your company "Doogaji Company"?**

Hello, My name is Hyun-Sik Kim, and I'm the CEO of Doogaji Company. Doogaji Company began in 2019 as a tteokbokki restaurant franchise business called Twodduk, and it is currently engaged in franchise business and marketing consulting for franchise headquarters. The first brand, Twodduk, inaugurated its 101st store, while Bob and Dong, a fried rice and udon delivery brand, opened its 102nd. We're now getting ready to introduce a third brand.

## Q.2

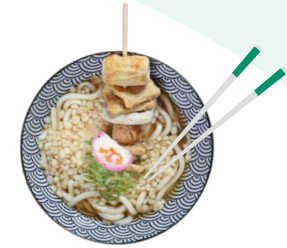
**What brought you to CJ Freshway's solution for your restaurant business?**

The Twodduk business, our first brand, began to slow in the first half of 2002. To create new revenue sources, we needed a new brand. The new business should be simple enough to adapt to the current kitchen conditions, so we won't have to spend a lot of money up front and can get started quickly. That was how we came up with the idea of this fried rice and udon brand. At the same time, CJ Freshway made a proposal for brand consulting, which we accepted as we needed advise on menu creation as well as a more effective food materials distribution and logistics system.

## Q.3

**Which of CJ Freshway's solutions did you use? Has the solution made any difference?**

CJ Freshway collaborated with us throughout the whole solution process, from ideation to overall branding, to develop the delivery-only fried rice and udon brand concept. Based on the concept, we received menu consulting from CJ Freshway and were able to complete the menu lineup of Spam & Kimchi fried rice, udon with fish cake, and so on, as well as recipes for them. With the menu developed in such a short period of time, we were able to get our brand off the ground and open stores swiftly. The solution also helped boost the franchise revenue significantly. The Bob and Dong Juan branch, a franchisor-owned outlet, achieved the monthly sales of as much as 70 million won. Better still, this brand's Shop-in-Shop concept, which requires no additional investment in facilities, allowed us to open 100 locations in just 6 months. Thanks to its success, I was invited to a CJ Freshway in-house broadcast program and received a lot of media coverage as well. I'm honored to be in such a spotlight.



"Udon with fishcake",  
Bob and Dong Menu Co-developed with CJ Freshway

## Q.4

**Was there anything different about CJ Freshway that you noticed while working on the solution, and is there anything you would like to request from CJ Freshway as a 'food business partner'?**

The manager of this project at CJ Freshway was both action-oriented and deeply experienced in this field. He understood everything about other restaurant brands, providing us with as much information as possible so that our brand can keep up with the latest developments in the restaurant sector and delivery market. His excellent communication skills and prompt feedback allowed us to launch the Bob and Dong brand earlier than planned, which was the most significant accomplishment. We're also collaborating with CJ Freshway to launch a third brand. This time, it's a soup brand. I'm hoping that the menu development and food ingredient preparation processes go as smoothly as they did for the Bob and Dong brand, so that it's a win-win situation for both of us.



"Spam & Kimchi fried rice",  
Bob and Dong Menu Co-developed with CJ Freshway

# PATH 2. SUSTAINABLE PRODUCT DEVELOPMENT THAT CAN COEXIST WITH THE PLANET



## ISSUE IMPORTANCE

Food products are highly interconnected with nature in that they are greatly influenced by natural surroundings like soil and water resources around their production site while contributing to carbon emissions from transportation and packaging materials. In this light, the “sustainable food products” have come into spotlight as a solution to minimize pollution and its impact across the food production and disposal processes.

CJ Freshway is committed to developing sustainable products that minimize the impact of the food production on the natural environment, including the sea and soil, while minimizing or reducing the discharge of pollutants such as dirty or waste water during the distribution and disposal processes. We're also working toward sustainability by increasing eco-certified products and eco-friendly packaging materials to minimize negative impacts and resource consumption across product life-cycles.

## KEY PERFORMANCE

### Promotion of smart-farm products

Adopted the open-field **smart farming technology** for contract farming partners (Potatoes, 2022)

### Implementation of ASC·MSC seafood distribution

Acquired the **ASC-MSC CoC certificate** (2022)

### Expansion of the distributing Animal-friendly livestock products

Increased the purchase amount of the product **14-fold** year on year. (2022)



# CJ FRESHWAY'S SUSTAINABLE PRODUCTS

CJ Freshway defines "sustainable products" as products that minimize impact on the environment and resource consumption throughout the product lifecycle, as well as eco-certified products. We are taking the lead in expanding the distribution of such products.



**SMART FARM PRODUCTS**

- Organic products
- Pesticide-free products
- GAP-certified products
- Low-carbon products
- Smart farm products



**CERTIFIED SEAFOOD PRODUCTS FOR SUSTAINABILITY**

- Seafood Quality Certification
- ASC Certification
- MSC Certification



**ANIMAL-WELFARE LIVESTOCK PRODUCTS**

- Animal-welfare livestock products
- Antibiotic-free livestock products



**PROCESSED FOOD PRODUCTS FOR ECOSYSTEM**

- Antibiotic-free livestock processed products
- Organically processed products
- Organic livestock products
- Animal-friendly processed products
- Pesticide-free processed products
- Alternative meat processed products
- Eco-friendly packaging products

By partnering with a company that has the open-field smart farm technology, we secured a cultivation solution based on trial cultivation with our contract farms. Going forward, we intend to apply this technology to the contract farms as well. We also serve our personnel with ultra-fresh salad made up of veggies harvested every day from the smart farm for leafy greens installed at our headquarters.

\*Smart farms maintain a sustainable agricultural environment by minimizing the impacts of sunlight, rainfall, blight, and insects while utilizing ICT technologies.

CJ Freshway obtained an ASC ·MSC CoC (Chain of Custody) to distribute seafood collected or farmed using environmentally friendly fishing methods. We will continue to expand the distribution of certified shrimp, salmon, lobster, and other seafood products and promote their usage in products and menu in order to take the lead in distributing sustainable seafood products.

CJ Freshway is expanding its animal-welfare and antibiotic-free certified livestock products in order to provide ethical and safe livestock products. We will lead the effort towards creating a sustainable value consumption culture that protects animals and the environment.

We pay keen attention to various environmental impacts when developing our products to respond to climate change and meet our customer needs. We not just develop products that can replace processed meat, but also increase recycling efficiency by improving the product packaging materials. In the case of packaging materials, in particular, we have used paper packaging and changed the adhesive composition for a total of 19 types of products since 2021, which resulted in a better grade in the packaging material structure evaluation than moderate.

# STAKEHOLDER INTERVIEW

How can I turn the most common food ingredients into sustainable products? That was my question.



**Hwan-Jae Lee**  
Seafood product team at CJ Freshway

## Q.1

**Please introduce yourself and your team.**

I am Hwan-Jae, Lee, an MD at the Seafood product team. I'm responsible for analyzing domestic and international trends in distribution to align them with our ESG management strategies, as well as developing, planning, and managing products tailored to each sales channel. Recently, I proposed the idea of acquiring the ASC · MSC CoC, which allows for the distribution of sustainable aquaculture and fishery products, as well as led the project of related product development. I also promote our PB brand "It's Well" products to our customers by attaching the "ASC Certified" label to the products.

## Q.2

**Which of CJ Freshway's sustainable products developed over the past year has been the most popular?**

That is the ASC-certified It's Well shrimp product. The ASC(Aquaculture Stewardship Council) certificate is issued to certify sustainable seafood produced through environment-friendly aquaculture and fishing. As a domestic food materials distribution market leader, we believed that associating such international certificates with our products would be highly helpful in promoting these rather unfamiliar certificates for sustainable fisheries to our customers. That is how we acquired the ASC certificate for shrimp, one of the most consumed and widely used seafood in many recipes in Korea, successfully promoting such certificates as a result. This outstanding effort has not only increased brand awareness but has also had a positive impact on society and the environment.



ASC-certified It's Well shrimp

## Q.3

**What is the CJ Freshway's focus when it comes to the development of sustainable products?**

To maintain our qualification for the international certificates for sustainable seafood and others, we put our priority on the value chain inspection. To ensure that no issues arise from the moment a product is supplied by a manufacturer to the point when it finally becomes available to consumers, the fresh quality team and SCM management team collaborate to track the product history at each distribution stage. It is also important to promote certified PB products. As consumers may still not be familiar with certified products, our communication and market teams are actively promoting safe and reliable seafood products.

## Q.4

**How can the development of sustainable products benefit our society and the environment?**

Sustainable products are now a must, not a choice. Indeed, the majority of companies participating in the world's top three seafood expos from countries around the world have been acquiring certificates related to "eco-friendly" or "sustainable" products. These certification systems for sustainable products have detailed assessment criteria in terms of wastewater treatment, workers' human rights, raw material quality management, etc., during the manufacture and disposal of a product. These factors might be invisible to consumers, yet they undoubtedly have the biggest impact on future food products. As shown by the concerns surrounding the issue of releasing Fukushima radioactive water, for example, sustainable food products will garner more interest and trust from people as safe, reliable food.



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# PATH 3. HEALTHY FOOD CULTURE, OUR COMMITMENT TO HEALTHY LIFE



## ISSUE IMPORTANCE

Eating habits are formed in early childhood at home and are reinforced through social interactions in preschools and schools and dining experiences a person goes through his or her life. Once ingrained, changing eating habits in adulthood can be challenging. As we age and experience changes in our occupation and lifecycle, healthy eating habits can often be disrupted, leading to irregular eating patterns and imbalanced nutrition.

CJ Freshway offers a diverse range of products and services to help customers experience healthy food culture throughout every stage of their lives. We provide sustainable products with balanced nutrition and proper processing to promote healthy lifestyles for all age groups, including early childhood, adolescents, and seniors. Additionally, we offer customized programs such as cooking classes and nutrition education tailored to each specific life stage.

## KEY PERFORMANCE

Providing customized brand for each age group

I-NURI and HEALTHY-NURI exceeded 200 billion KRW in sales in 2022

Expanding food culture education for the health of all generations

Offered 1,072 eating habit-nutrition training sessions (2018 ~ 2022)

Providing education on healthy eating habits

Conducted 2,146 cooking classes for children (2019 ~ 2022)



# LIFE CYCLE-BASED FOOD CULTURE MODEL

As part of our endeavor to promote a healthy and sustainable food culture, CJ Freshway strives to create a food culture model for all phases of lifecycle and develop products and services accordingly. We offer customized PBs to each age group, from infants to seniors, as well as healthy and trendy food culture programs.

<p>Early Childhood</p> <p><b>JOYFUL FOOD CULTURE</b></p>	<p>Adolescence</p> <p><b>TRENDY FOOD CULTURE</b></p>	<p>Seniorhood</p> <p><b>HEALTHY FOOD CULTURE</b></p>
<p>For children's tomorrow</p>  <ol style="list-style-type: none"> <li>1 Provide product that value nutrition and health</li> <li>2 Offer eating habit training and cooking classes in which parents and school faculty can also participate</li> <li>3 Provide character-themed education programs</li> <li>4 Run "Let's Eat Naturally" campaign to promote healthy eating habits</li> </ol>	<p>For healthy growth of adolescents</p>  <ol style="list-style-type: none"> <li>1 Use social media to promote events, communicate with customers, and provide educational contents</li> <li>2 Run eating habit campaigns like "No Leftover on Wednesday"</li> <li>3 Develop and suggest low-carbon and vegan menu</li> <li>4 Develop anniversary-themed special menu with more nutrition</li> </ol>	<p>For healthy life of seniors</p>  <ol style="list-style-type: none"> <li>1 Provide senior-friendly products with balanced nutrition that are easy to digest.</li> <li>2 Offer a customized diet consulting of a professional nutritionist for each facility</li> <li>3 Conduct one-on-one nutritional counseling for seniors to provide customized eating habits coaching.</li> </ol>
 <p>I-Nuri cooking class with "Carrie"</p>	 <p>Vegetarian diet menu for meal services</p>	 <p>"Sodam Hansang", a healthy-nuri care food HMR.</p>



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# STAKEHOLDER INTERVIEW

Isn't education that makes children laugh and have fun truly an education for healthy eating habits?



**Ji-Hye Shin**  
from I-NURI department

## Q.1

**Please introduce yourself and your team.**

My name is Ji-Hye Shin, a nutritionist responsible for delivering nutritional education to parents and young children of our clients as well as developing our own educational content related to nutrition. Since 2019, my team has been providing education to teachers and staff of childcare facilities to promote healthy eating habits of young children under the business agreement of the National Child Care Support Center. The goal of the I-NURI department is to establish regular interaction with children, our ultimate consumers, by providing more education to promote healthy eating habits.

## Q.2

**What are the main initiatives of CJ Freshway in promoting a healthy food culture?**

We are putting in extra efforts in offering unique food ingredients for young children and a range of content that stimulates their fine motor skills and five senses. Our self-developed cooking classes, such as “I-NURI Vegetable School” and “Delicious Five Senses School” encourage children to foster healthy eating habits by exposing children to unfamiliar ingredients and helping them to overcome their aversion to vegetables. We also believe that a healthy food culture encompasses environmental protection, which is why we actively pursue initiatives in this regard as well. CJ Freshway entered into a business agreement with Korea Resource Circulation Service Agency, Sejong City in 2021, and Hwaseong City in 2022 to implement a trash separation project for paper cartons. In part of this endeavor, we created fairy tales and videos specifically designed for young children. These content were shared with childcare facilities such as daycare centers and kindergartens to promote environmental awareness of young children. Furthermore, recycling bins to collect paper cartons were installed, providing opportunities for children to participate in environmental-friendly activities. We believe that empowering children to actively engage in practices like healthy eating and separating trashes holds significant value.



“I-NURI”, “Love Your Veggies” Contest Poster

## Q.3

**What are some of the most memorable programs you’ve implemented over the past year to promote a healthy food culture?**

One of the most memorable programs was “Let’s Eat Naturally” campaign held with Seoul Child Edu-Care Center Association, which promoted healthy food culture while highlighting CJ Freshway’s commitment to ESG practices. With a shared goal of exercising low-carbon practices and fostering eco-friendly eating habits, we provided free “soy meat making kits” to inspire innovative ideas in participants, helping them to explore alternative meat options. Another notable program was “Finish Everything with No Leftovers” education, which was about eating the right amount of food without being picky to minimize food waste. It was truly rewarding to educate children about the environmental impact of food waste and empower them to participate in protecting the planet by adopting healthy eating habits.

## Q.4

**Does CJ Freshway have any additional programs in the pipeline to promote a healthy food culture?**

Building upon our initiatives in 2022, we have been actively working on developing various educational programs. One notable example is “Love Your Veggies” contest, which promotes eco-friendly eating habits and allows children to learn about the significance of healthy eating habits and environmental protection while enjoying their meals and having fun. Another program, “Please Find My Place” raises awareness about the environmental impact of food waste in children’s daily lives and encourages them to properly separate food waste. Looking ahead, we aim to continue developing eco-friendly educational initiatives like “I’m the Earth Keeper” program, which teaches children the importance of recycling, to integrate eco-friendly practices into their daily routines.



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# PATH 4. RESOURCE CIRCULATION, OUR PATH TO SUSTAINABILITY



## ISSUE IMPORTANCE

The generation of waste through the consumption of goods has detrimental effects on the environment, causing environmental pollution and destroying ecosystems. When waste is incinerated or buried, instead of being recycled, significant amounts of greenhouse gases are generated, which can lead to climate change and the depletion of resources. To address waste generation and encourage the reuse of resources, the international community is proposing a “transition to a circular economy”. Global companies playing a leading role in promoting the circular economy efficiently use resources across the entire process of production, distribution, and consumption of goods to reduce waste and encourage resource circulation. Embracing this global trend, CJ Freshway has made it a priority to establish a system that minimizes waste and fosters resource circulation throughout the value chain of food distribution as part of its ESG initiatives. We are actively engaging in eco-friendly activities, both internally and externally, while working towards the goal of creating a healthy food culture that values a sustainable environment, fulfilling our corporate social responsibility.

## KEY PERFORMANCE

Preventing microplastics  
by reuse of discarded  
ice packs

**Reused 75,700**  
ice packs

Preventing plastic waste  
by recycling of  
sneeze guards

**Recycled 1.6 tons**  
of plastic sneeze guards

Preventing plastic waste  
by provision of  
paper-packaged water

**Provided 337,842**  
paper-packaged water



# RESOURCE CIRCULATION

CJ Freshway creates new environmental and social values by recycling waste from business and society in cooperation with customers, local governments, and social enterprises.

● Environmental value creation ● Social value creation

- Microplastics reduction
- Cost savings through incineration expense reduction

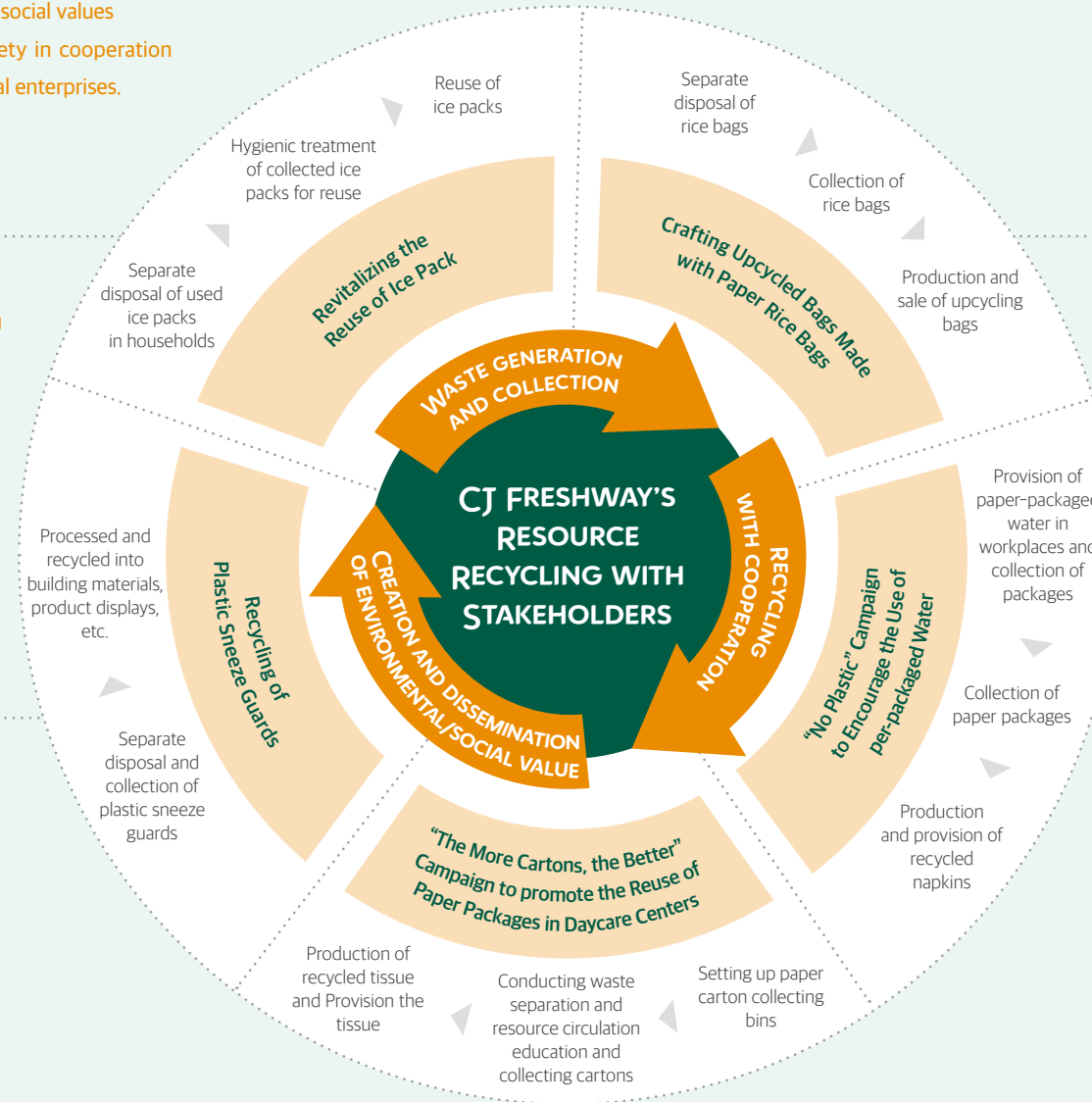
- Plastic waste reduction
- Reducing cost of importing plastic materials

- Raising the recycling rates of paper packages

- Promoting environmental protection awareness to children

- Waste reduction
- Creating elderly employment

- Plastic waste reduction



# STAKEHOLDER INTERVIEW

1 million tons of paper rice bags that are thrown away every year, are reborn into upcycled bags at the hands of seniors.



**Woo-Jin Ki**  
CEO of Lovely Paper

## Q.1

**Please introduce yourself and Lovely Paper.**

Hi, I'm Woo-Jin Ki, the CEO of Lovely Paper. Lovely Paper is a social enterprise dedicated to supporting elderly waste paper collectors. We purchase waste paper at a competitive price, utilize it for upcycling purposes, and sell upcycled products. The proceeds from our sales are reinvested to enhance the welfare and employment opportunities of elderly waste paper collectors. Our product lineup includes items such as canvas, paper leather, and paper photo frames, all crafted from upcycled paper. Additionally, we provide vocational training to seniors, equipping them with the skills needed to produce these goods, and offer them full-time employment opportunities. The overarching goal of Lovely Paper is to create a better world by improving the welfare, living conditions, and environment for seniors.

## Q.2

**Please describe the activities you are carrying out with CJ Freshway.**

In January 2022, we signed a business agreement with CJ Freshway to repurpose paper rice bags from cafeterias and upcycle them into bags. The revenue generated from the sale of these upcycled bags, made from CJ Freshway's paper rice bags, is utilized to improve the welfare and employment opportunities for elderly waste paper collectors. Through this project, we have successfully created jobs for elderly individuals collecting waste paper, and a significant portion of the sales proceeds was allocated as salaries for these individuals. Moreover, our efforts in transforming discarded paper rice bags into upcycled bags promoted the practice of upcycling while making a positive impact on environmental conservation.

## Q.3

**How did you link job creation for seniors with upcycling among various ESG projects?**

Considering that waste paper collectors are mostly elderly individuals who often face challenges in finding jobs, I recognized the need to create jobs for them. During my deliberation, I discovered that approximately 1 million tons of paper rice bags are discarded annually in cafeterias. This realization sparked the idea of recycling these paper rice bags, which presented me a dual opportunity of creating employment for seniors while engaging in upcycling activities. Most paper rice bags are incinerated or end up in landfills, resulting in significant carbon dioxide emissions. By transforming these rice bags into upcycled bags, we could substantially reduce the amount that goes to landfill or incineration while helping the livelihoods of seniors by offering them jobs. In 2022, we upcycled 7,669 discarded paper rice bags, making a positive impact on both seniors population and the environment by reducing waste.



Upcycled bags made with paper rice bags

## Q.4

**What other specific roles do you expect from CJ Freshway in fostering a better society in the coming years?**

While working on the business agreement with CJ Freshway, I came to realize the multitude of potential that the company holds. I primarily associated CJ Freshway with its food distribution operations, so I was truly amazed by its commitment toward upcycling, encompassing not only its product components but also distribution processes. This leads me to believe that by fostering collaborations with various social enterprises, CJ Freshway has the ability to create numerous employment opportunities while simultaneously protecting the environment. Additionally, I envision CJ Freshway playing a crucial role in promoting social development by actively engaging with and communicating with local communities. I hope that CJ Freshway can contribute to building a better society through its diverse range of activities.





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# WAY TO HEALTHIER PLANET



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**Product & Culture**

Food Safety

Safety and Health Management

Mutual Growth-Supply Chain

**People**

Human Rights Management

Social Contribution

Capacity Building of Executives and Employees

Creating a Company Culture

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# ENVIRONMENTAL MANAGEMENT

A sustainable food system can serve as a starting point to move towards the planet for all. To this end, CJ Freshway has established a management system that does not destroy nature while minimizing the energy consumption across our production, consumption and processing of food ingredients. We are committed to responding to climate change preemptively, with the goal of reducing greenhouse gas emissions in half by 2050 and joining the global initiatives.

## Environmental Management System

### Environmental Management Policies

CJ Freshway pursues “environmental management that complies with environmental policies and fulfills social responsibilities”. That is how the environmental management principles were established, in which our commitment to environmental management policies, goals, as well as our roles as a company are specified. All stakeholders must follow the CJ Freshway’s environmental management principles, participating in the effort to minimize environmental pollution that can be caused by corporate activities. We will continue to improve the environmental management system to proactively identify and respond to various factors that affect the environment.

**Environmental Management Principles**

**VISION**

**A company that prioritizes environmental management to comply with environmental policies and fulfill social responsibilities"**

**Environmental Management Principles**

- ① We fulfill our role as an environment-friendly company by operating a environmental management system that reflects the management’s commitment towards its Environmental management policies.
- ② We make our Environmental Management Principles available to all customers and stakeholders and build cooperative partnerships with them.
- ③ We take the initiative in minimizing environmental pollution by continuously reducing the amount of resources and energy consumed in corporate activities, as well as developing eco-friendly products.
- ④ We continue to enhance our environmental management system by proactively identifying factors that impact the environment and implementing objectives that we established.

### Implementation of Environmental Management System (ISO14001)

CJ Freshway implements the environmental management system (ISO14001) in the areas of food supply, design, development, cooking and service provision for its cafeteria and restaurant operations. This system is the international standard for environmental management, and we first obtained the ISO14001 certification in 2007. Since then, we have maintained the certified status by being evaluated as appropriate in post- and renewal inspections. We also strive to execute systemic environmental management by laying out preventive and improvement measures to address concerns identified through the environmental impact assessment.



Environmental Management System(ISO14001) Certificate

### Organization in charge of Environmental Management

CJ Freshway has an organization dedicated to environmental safety management in place for systemic environmental management across the business operations. The safety management department, which reports directly to the CEO, oversees the company’s environmental management tasks, as an organization in charge of of environmental management. The industrial safety team, a working-level team within the safety management group, works on environmental management tasks in business areas including management support, purchasing, meal service/sales, and SCM.



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# ENVIRONMENTAL MANAGEMENT

## Responses to Climate Change

### Establishment of the GHG Inventory

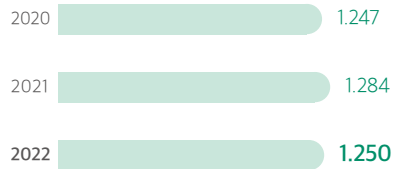
CJ Freshway monitors the status of GHG emissions and energy consumption in our business sites according to the “GHG Inventory”. The GHG emission facilities have been designated based on “organizational boundaries”, the scope of GHG emissions to be calculated and reported, while the GHG emission business sites are divided into the headquarter, logistics centers, FS operation sites, and the central kitchen for the GHG emission measurement. We strive to understand the emission status accurately by using the inventory to minimize over/underestimation errors. We also use the inventory data to set up GHG reduction targets, as well as reflect it in our ESG activities by incorporating it in the scope of risk management for integrated climate change management. Furthermore, we would like to improve the efficiency of our GHG inventory management system by receiving an audit from a third-party.

### Energy Consumption

CJ Freshway complies with the energy consumption standards within the organizational boundaries from the GHG inventory. We measured energy consumption including LNG, LPG, diesel, heat/steam, etc. For manufacturing sites in particular, we display emission facilities by energy source through energy flow charts. We also conducted a third-party audit on our energy usage based on data by energy source of three years between 2020 and 2022 for more active energy management. Based on verified energy consumption data, we plan to establish energy consumption targets to reduce the use of non-renewable energy and increase the proportion of renewable energy for more efficient and lower energy consumption.

#### GHG emission intensity (Scope 1+2)

(Unit: tCO<sub>2</sub>-eq/100M KRW)



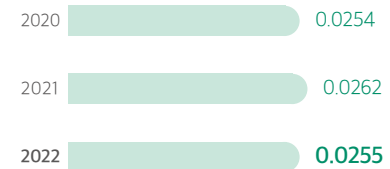
#### Direct & Indirect GHG emissions (Scope 1+2)

(Unit: tCO<sub>2</sub>-eq)



#### Energy Consumption Intensity

(Unit: TJ/100M KRW)



#### Energy Consumption

(Unit: TJ)



# ENVIRONMENTAL MANAGEMENT

## Air Pollutant Management

### Air Pollutant Prevention & Management

CJ Freshway endeavors to reduce pollutant emissions in accordance with the Standards for Permissible Air Pollutant Emissions. For example, instead of general burners, we use two low NOx burners to minimize any harm caused by air pollutants, such as fine dust, to local communities. Furthermore, in compliance with Article 39 of the Clean Air Conservation Act, we have a measuring agency perform a measurement twice a year and the results are retained without any modification. As such, we actively manage our emissions to be lower than the permitted limit in order to help to prevent air pollution.

\*Low NOx burner: A high-performance burner that controls flame temperatures and oxygen concentration during combustion (it has an effect to reduce NOx, a source of fine dust, by 77.4%)

### NOx concentration

(Unit: ppm)



62.4  
2020

56.4  
2021

45.9  
2022

### SOx concentration

(Unit: ppm)



0  
2020

1.3  
2021

0  
2022

### Dust concentration

(Unit: ppm)



0  
2020

0.0037  
2021

0  
2022

### Adoption & Operation of Zero-Emission Vehicles

In 2021, CJ Freshway became the first company in the industry to operate an electric truck fleet. Since signing an MOU with KIA Motors on Cooperation on PBV(Purpose-Built Vehicles) Development and Supply for Innovation in food materials distribution, we have been deploying electric PBVs of KIA as our distribution vehicles for more efficient delivery and preemptive management of carbon emissions.

### Number of Zero-Emission Vehicles



MOU signing on Cooperation on PBV Development and Supply for Innovation in food materials distribution

# ENVIRONMENTAL MANAGEMENT

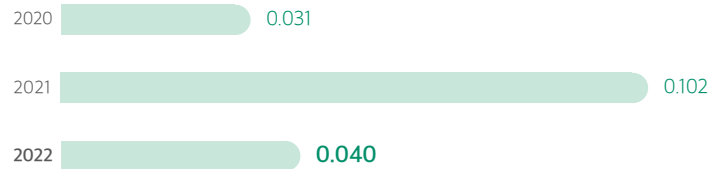
## Water Pollutant Management

### Management of Water Pollutant Discharge

Most of water pollutants from CJ Freshway are generated in the central kitchen and the food safety center, and are controlled based on the total discharge amount in accordance with the Water Environment Conservation Act. To comply with the legal standards for water pollutant discharge, we conduct quarterly checkups to inspect and improve the operation of wastewater discharge facilities. We also monitor water pollutants through an external monitoring agency to keep them below the permitted limit and prevent harmful effects. Internally, we apply and manage an even lower discharge limit than the legal one in order to go beyond simply complying with the applicable laws and reduce the overall environmental damage.

### Total Organic Carbon

Unit: Ton (m<sup>3</sup>)



### Management of Special Protection Areas for Water Quality Preservation

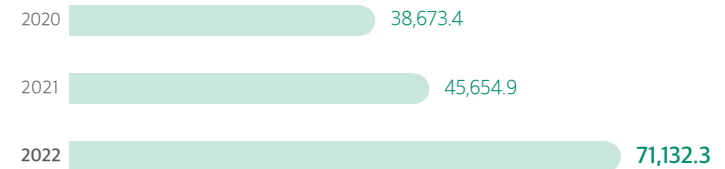
CJ Freshway's Food Safety Center is located in Majang-myeon, Icheon city, Gyeonggi province, a special protection area for water quality preservation where rigorous standards for water pollutant discharge are applied. While a contractor handles the entire wastewater discharge, specific water pollutants, such as copper and dichloromethane, are managed meticulously to ensure that their discharge amount is below the limit of quantitation to prevent water contamination. The entire process of wastewater discharge, transportation, and treatment is operated transparently in real time through the 'Mulbaro System', a system that retains wastewater handover history.

### Water Saving Activities

CJ Freshway's central kitchen launched a "Water Saving Campaign" to reduce our water consumption. It is critical as it allows us to save water resources and minimize wastewater. As a result, we installed water-saving nozzles and established a water-saving target per ton of production, which enabled us to make progress in reducing wasteful water consumption.

### Total Amount of Water Intake

(Unit: Ton (m<sup>3</sup>))

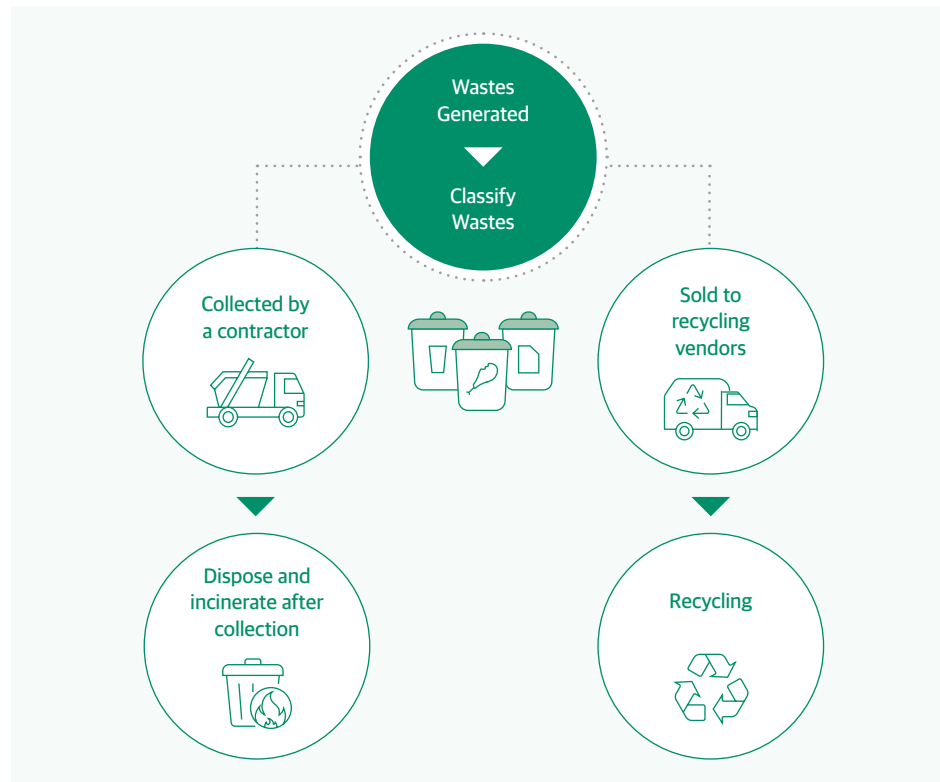


# ENVIRONMENTAL MANAGEMENT

## Waste Management

### Waste Disposal Management

CJ Freshway strives to minimize waste generation to mitigate its impact on the environment as much as possible. All wastes generated in accordance with the waste management guidelines are handled by a licensed contractor. To prevent environmental pollution caused by waste dumping and incineration, reusable waste, such as wastepaper, waste oil and waste plastic, are handed over to recycling vendors for resource circulation.

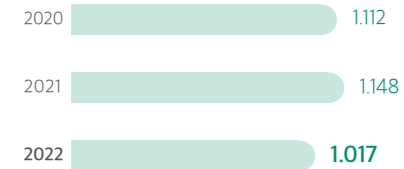


### Waste Reduction Activities

To minimize waste, we develop separate plans to exhaust products that are nearing their expiration date or are not selling well during the food materials distribution process. We also examine food service operational data, such as drinking water and menu preferences, to reduce food waste as much as possible. Furthermore, edible oil and fat that have leaked due to container damage or waste oil generated from our customers' stores (cafeteria, etc.) are collected by a contractor and recycled as biodiesel, industrial raw materials, recycled soap, etc., for resource circulation.

#### Waste generation intensity

(Unit: Ton/KRW 100M)



#### Total amount of wastes generated

(Unit: Ton)



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# ENVIRONMENTAL MANAGEMENT

## Cultivate a Culture of Environmental Protection

### Environmental Protection Training for Employees

As part of our efforts to promote awareness about the importance of environmental management, we provide our employees with training that is relevant to their work and corporate culture. Since 2019, we have delivered many training programs on corporate sustainability in the face of climate change, best practices in environmental management, ESG success strategies, practical knowledges of ESG, and others through CJ Campus, our online education platform. In 2022, five training sessions were offered, with 4,222 employees completing the course. We plan to expand our environmental protection training as needed.

### Internal Campaign on Environmental Protection

We conduct a variety of environmental protection campaigns that foster our employees' sense of efficacy and ownership of environmental protection. For example, the "New Product Idea Plant" is a campaign in which we collect employee ideas of eco-friendly items and turn them into actual products. Another campaign, "NFNS with," promotes agenda items such as minimizing the use of disposables and plogging, and encourages employees to participate. Furthermore, we are running a number of campaigns including "good-cycling," which promotes environmental protection by donating goods in collaboration with Goodwill Store, "Hetbahn (instant rice) Container UP," which encourages recycling of Hetbahn containers, and "Paperless," which aims to reduce digital carbon footprint.



Posters for Internal Campaigns on Environmental Protection

Posters for Monthly ESG Campaigns

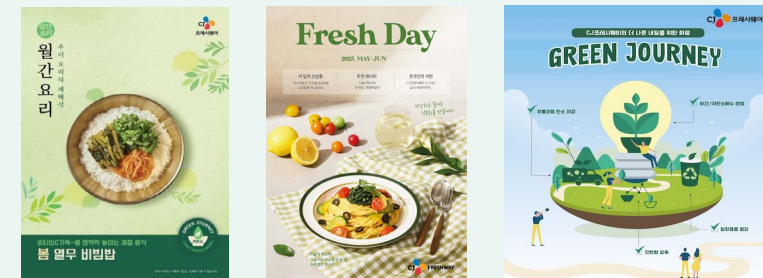
### Environmental Protection Campaigns for Customers

#### Food Materials Distribution Service

CJ Freshway suggests various activities to its customers so that they can also join through in our environmental protection efforts. For school meal clients, we recommend vegan diet menu for school meals in our monthly publication, while also asking them to actively engage in the "No Leftover on Wednesday" campaign, which aims to reduce leftovers. In addition, our bimonthly meal service magazine provides information on eco-friendly products and environmental protection campaigns on the use of multiple-use containers, etc. For kids, we host the I-Nuri contest, which features eco-friendly products, offer education on eating habit without leftovers, and so on. All of this to say, we provide our customers with the opportunities to not only take our own action for environmental protection, but also lead the way by encouraging our customers to do the same.

#### Food Service

CJ Freshway is promoting the Green Journey campaign for our customers to reduce carbon emissions and waste. Every month, we distribute posters to our customers that illustrate our various environmental protection activities and provide vegan menu recommendations. We also urge them to engage in CJ Freshway's environmental protection efforts by planning and launching various initiatives, including the plastic shield collection project with Korea Environment Corporation and the "No Plastic" campaign with Nature Dream.



"Cuisine Monthly"

meal service magazine "FRESHDAY"

Green Journey Poster



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# FOOD SAFETY

“Food Safety” is a value, as well as a standard, that cannot be compromised across CJ Freshway’s business operations. Since the acquisition of the certificate for food safety management system (ISO22000) in 2005, we have been leading the future of food safety.

## Food Safety Framework

### Food Safety Policy

As a food business partner, we established our food safety management to live up to our mission of providing high-quality food and services to our customers. The principles specify roles and responsibilities of individual employees, as well as rules that must be followed, for more efficient operation of the quality and food safety management system.

### Operation of Food Safety Management System (ISO22000)

CJ Freshway has been implementing a food safety management system for our food materials distribution and institutional meal service operations in order to provide our customers with reliable products and services. The food safety management system is an international standard that specifies food safety requirements for the entire food value chain with a goal of preventing and managing food hazards. We acquired the certificate for food safety management system in 2005 and have since been recognized as “eligible” in the annual surveillance audits and the renewal audits, ensuring food safety across our food distribution chain.

Food Safety Management Principles

**VISION**

Food Business Partner Creating the Success Way

**Principles for Quality and Food Safety Management**

- ① Provide our customers with safe products through rigorous food material quality management.
- ② Ensure customer satisfaction with healthy diets, clean manufacturing process management, as well as differentiated services.
- ③ Maintain the highest quality of food materials and food services through a systemic food safety system operation.
- ④ Offer a customized total solution for food safety for internal and external customers.



Certificate for Food Safety Management System (ISO22000)

### No. of Food Safety Regulation Violations

Thanks to our effort to keep track of the violation ratio of food safety regulations and implement proactive measures rigorously, we recorded zero product & service recalls, as well as zero recalls per unit. Furthermore, for three straight years from 2020 through 2022, there were no safety accidents involving our products, and we did not violate any laws and regulations relevant to marketing and labelling while maintaining a 0% ratio of high-risk food regulation violations.

#### 2020-2022 No. of product safety accidents



0 for three years in a row

#### 2020-2022 No. of violations of laws & regulations relevant to marketing and labelling



0 for three years in a row

#### 2020-2022 Violation ratio of high-risk food safety regulations



0% for three years in a row

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# FOOD SAFETY

## Food Safety Infrastructure & Competence

### Food Safety Center

Equipped with the top-class expertise in food safety in the industry, CJ Freshway's food safety center analyzes the largest set of items (microorganisms, residual pesticides, heavy metals, radioactive substances, etc.) in the industry. In addition, we run an authorized inspection agency designated by the Ministry of Food and Drug Safety and the National Agricultural Products Quality Management Service, which proves the reliability of our analytical capabilities. Furthermore, we also operate the hazardous product sales blocking system to promptly prevent any hazardous product from being circulated as we prioritize providing customers with safe products.

To prove the reliability of our analytical competence, we participate in the Food Analysis Performance Assessment Scheme(FAPAS) every year, an annual assessment administered by the British Department for Environment, Food and Rural Affairs. In the 2022 assessment, our food analysis competence was recognized both at home and abroad as highest level in all areas of microbiology and physio-chemistry.

### Certificates acquired by Food Safety Center



Inspection agency authorization

Livestock Testing & Inspection Agency

Rice & Brown Rice Variety Authentication Agency

Hazardous Goods Sales Block System

### Food Safety Solution

CJ Freshway offers food safety solutions not just for products but also for stores to ensure food safety through stringent quality and hygiene management by business area. In addition, we also provide a systemically coordinated training program for our partners in order to improve our fundamental food safety management competency.

- Audit partner companies & inspect raw materials.
- Analyze legal spec of products & hazardous substances.
- Improve quality by inspecting partner companies and analyzing their practices.
- Investigate the cause of any claim promptly and meticulously.
- Inspect foreign manufacturers and analyze their products on a regular basis.



- Manage hazards of each cooking process intensely in accordance with the HACCP standards.
- Provide training on foreign substance prevention and management.
- Conduct a customized hygiene consulting for each store type.
- Provide hands-on training on microbial and physico-chemical substances.
- Provide cooking employees with hygiene management training to improve their hygiene expertise.
- Provide training on on-site quality management practices for manufacturing.

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# SAFETY & HEALTH MANAGEMENT

CJ Freshway adheres to strict safety and health management to guarantee a safe environment for all stakeholders, including customers and employees.

## Safety & Health System

### Safety & Health Policy

We are committed to creating the ONLYONE safety-first culture, which prioritizes safety and health of our customers and employees. To this end, the safety & health management principles established to reflect our management directions, objectives and commitment to improve performance are disclosed to all stakeholders. We also established the safety and health management regulations, which are applied across our business sites and partner companies.

**Safety & Health Management Principles**

**VISION**

We create the ONLY ONE Safety-First culture in which the safety of our customers and employees is our top priority

**Principles of Safety & Health Management**

- ① Prioritize safety and proactively carry out activities to create a safe and healthy environment.
- ② Maintain a safe working environment by continually identifying and improving hazards that threaten employees' health, as well as other risks.
- ③ Prevent safety and public health incidents by providing strict safety training.
- ④ Comply with laws and regulations, as well as social requirements, relevant to safety and health, in a faithful manner
- ⑤ Create a win-win partnership to develop a future-oriented safety collaboration system.

### Operation of Occupational Health and Safety System (ISO45001)

Since 2019, CJ Freshway has implemented the occupational health and safety management system (ISO45001) based on the occupational health and safety regulations. With the PDCA\* model-based system in place, we will continue to proactively manage our occupational health and safety, ranging from support, management, risk detection and prevention activities.

\*PDCA model: A process to continuously improve organizational and business activities by repeating the following 4 steps: Plan - Do - Check - Action.



Certificate for Occupational Health and Safety System (ISO45001)

### Safety & Health Management Roadmap

CJ Freshway has established a roadmap for safety and health management to secure safety and health management capabilities and fulfill safety and health management requirements set forth in the Serious Accident Punishment Act, among others.

Process	Establishment of Safety Management System → Securing Execution Power of the Safety Management System → Promoting Safety Management System and Safety Culture		
Year	2023	2024	2025
Objective	Establishment of Safety Management System Base	Solidification of Safety Management system	Leap toward Safety Management Culture
Tasks	Organize the ISO45001 system	Operate the safety management system (at the headquarters and business sites)	Evaluate the effectiveness of the safety management system operation.
	Discover adverse risk factors	Create measures to improve the adverse risk factors and implement the measures	Monitor the activities to improve adverse risk factors and asses their activities
	Encourage safety meetings to raise awareness about safety	Form an organization for safety management and rebuild R&R	Run campaigns for safety culture to take root in our company and to leap forward

### Safety & Health Management Organization

We have safety & health management organizations in place at both the headquarter and business sites; the CEO, the safety & health management department and supervisors at headquarters, as well as the FS business department, logistics center, FO subsidiary and so on at the business sites. The safety management department, which reports directly to the CEO, controls the company's safety and health duties and plays the role of safety and health manager. Each business site appoints a safety and health manager\* (director\*\*), along with a safety officer, a health officer, and a supervisor in order to foster a safe environment.

\*Safety and health manager: responsible for overseeing worksites with 100+ employees

\*\*safety and health director: responsible for overseeing worksites with 100+ employees and contractors



# SAFETY & HEALTH MANAGEMENT

## Management Planning for Safety & Health

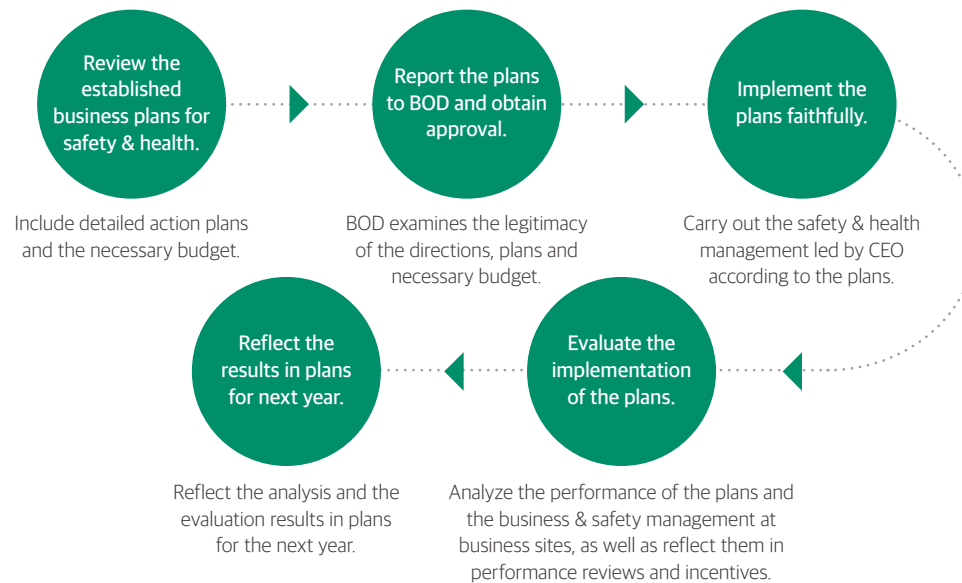
### Safety & Health Management Planning System

CJ Freshway operates the “Safety & Health Management Planning System” in order to establish a business system centered on safety and health with the goal of preventing industrial incidents. The safety and health management planning system aims to improve the effectiveness of safety and health measures by planning the budget, facility, and workforce related to occupational safety and health, as well as reporting to and obtaining approval from the board of directors, in accordance with Article 14 Report to and Approval of Board of Directors of the Occupational Safety and Health Act and Article 13 Companies Subject to Approval of Board of Directors of its enforcement ordinance.

### Key Details of Safety & Health Management Plans

- Business principles on safety & health management
- The structure and members of the safety and health management organization, as well as their roles
- The status of budget and facilities related to the safety and health management.
- The performance of the previous year’s activities to promote safety and health, as well as plans for next year.

### Procedure to Establish & Implement Business Plans for Safety & Health



## Safety & Health Management Activities

### Activities for Management of Safety and Health guidelines & Risks

CJ Freshway implements the safety & health management guidelines established in order to maintain and improve the safety and health of our employees by preventing industrial incidents and creating pleasant working environment.

### Safety Management Activities

We define the term “Safety Management” as continued activities to prevent industrial incidents by improving on the potential hazards in accordance with the occupational health and safety system (ISO45001) operation standards. To this end, we identify and improve on safety risks through the annual risk assessment, the monthly “Day of Safety” event, the quarterly issue check-up, the field management departments’ self-inspection, the multi-purpose facility inspection, as well as others. In addition, we also hold the “safety meeting” mainly with business site managers and on-site employees to our own safety culture.

### Health Management Activities

We define the term “Health Management” as activities to pre-screen and take care of employee’s health through institutions related to pre-medical care with a goal of maintaining and improving the health of employees while preventing occupational diseases. In this regard, we provide our employees with physical and mental healthcare support by conducting annual medical check-ups, managing emergency medications, installing defibrillators and providing training on how to use them to respond to any cardiac arrest situations at all business sites, among others.

### Regular Council for Safety & Health

We also offer support for our partner and customer companies to mitigate their safety and health risks. We have had a regular council on safety and health with Freshone, one of our subsidiaries, since 2015, as well a regular council on the implementation of safety and health with our partner companies to resolve grievances on our safety and health management and make on-site improvements.

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# SAFETY & HEALTH MANAGEMENT

## Safety & Health Management Activities

### Occupational Health & Safety Training

CJ Freshway provides a variety of occupational health and safety training programs, including regular programs, new hire training courses, special training, on-the-job training, MSDS training, and so on. Every year, supervisors must attend a 16-hour training, while new hires must complete an 8-hour training. In addition, every month, a 2-hour regular training is provided. In 2022, the average number of hours spent on occupational safety training per person reached 27.7. Furthermore, in 2022, we secured healthcare professionals and nurses to manage emergency medical supplies to protect the safety and health of our employees. We've also installed defibrillators and provided CPR training in order to be prepared for any cardiac arrest situations and to address any health hazards that arise outside of work.

**No. of hours spent on safety & health training per person In 2022**

27.7 hours



### Industrial Accident Status & No. of Grievances Submitted on Safety & Health

As a result of our proactive effort to detect and manage occupational safety risks, we've seen 0 serious disasters at CJ Freshway for three straight years. We will not be complacent with this achievement and will continue to make all-out effort to solidify our advanced safety culture so that we can reduce industrial disasters both for our employees and partner companies.

**No. of Serious Disasters between 2020 and 2022**

0 for three years in a row



**No. of grievances reported on safety management and safety accidents between 2020 and 2022**

0 for three years in a row



### Training Programs on Safety & Health

Programs	Programs Regular Training		Training for New Hires	Special Training	MSDS Training	On-the-job Training	Training for Fire Safety Managers
Employees to be trained	Office/sales/field employees	Supervisors	New temporary/regular employees	Forklift operators	Employees who handle chemical substances	Persons in Charge of Safety and Health Management, Safety/health Officers	Employees at multi-purpose facilities and logistics centers
Details	<ul style="list-style-type: none"> <li>• Occupational safety &amp; accident prevention</li> <li>• Occupational health &amp; occupational disease prevention</li> <li>• Hazardous-dangerous work environment management</li> <li>• The Occupational Safety and Health Act &amp; industrial accident compensation insurance institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Supervisors' roles &amp; responsibilities</li> <li>• Hazards-risks in manufacturing process &amp; disaster prevention measures</li> <li>• Standard safety operation methods &amp; guidelines for teaching</li> </ul>	<ul style="list-style-type: none"> <li>• Danger of handling machines-equipment, operation sequence &amp; movement route</li> <li>• Things to check prior to operations</li> <li>• Emergency measures to take in the event of an accident</li> <li>• Details of material safety data sheets</li> <li>• Occupational safety &amp; accident prevention</li> <li>• Occupational health &amp; occupational disease prevention</li> <li>• The Occupational Safety and Health Act &amp; industrial accident compensation insurance institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Precautions for forklift operations</li> </ul>	<ul style="list-style-type: none"> <li>• Names of target chemical substances</li> <li>• Physical risks &amp; health hazards</li> <li>• Precautions for handling</li> <li>• Proper protection equipment</li> <li>• First aid tips &amp; how to respond to accidents</li> <li>• Material safety data sheets &amp; warning signs</li> </ul>	<ul style="list-style-type: none"> <li>• Training through an institution specialized in safety &amp; health.</li> </ul>	<ul style="list-style-type: none"> <li>• Online training program registered at Korea Fire Safety Association</li> </ul>



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# MUTUAL GROWTH AND SUPPLY CHAIN MANAGEMENT

CJ Freshway believes that fostering a win-win relationship and cooperation is the key to creating a virtuous cycle in society.

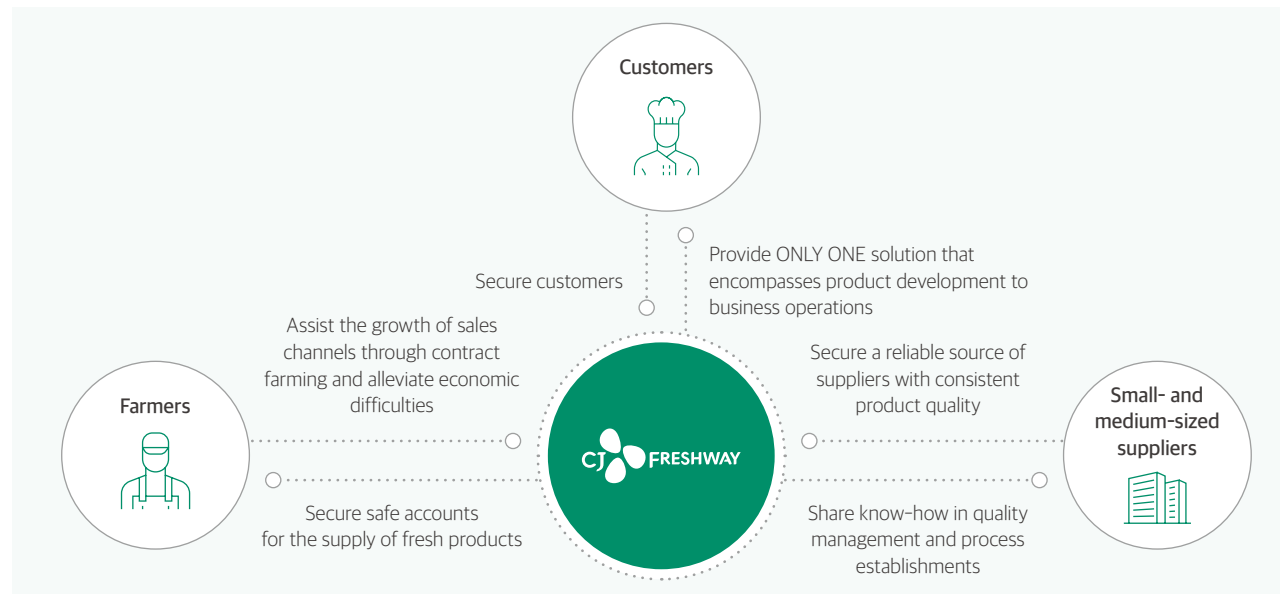
We aim to share our infrastructure and know-how with consumers, customers, suppliers, and communities in an ethical manner with the goal of promoting the value of mutual growth.

## Managing Mutual Growth

### Mutual growth system for a win-win relationship

CJ Freshway is dedicated to promoting sustainable and mutual growth among various stakeholders, including customers, suppliers, and local communities. In pursuit of this goal, we have implemented a “win-win management model” based on CSV (creating shared value), envisioning a future where farmers, small and medium-sized enterprises, and restaurants can thrive together. All of our endeavors, such as streamlining the distribution process to ensure the effective distribution of fresh and safe agricultural products, providing technical support and collaboration to help small and medium-sized enterprises enhance their quality control and operational processes, and delivering comprehensive food safety services to support our customers’ business success, reflect our commitment for a win-win relationship. Going forward, CJ Freshway will continue to expand our ecosystem of mutual growth and evolve into a “food business partner” that generates greater value for social growth.

\*CSV refers to a business approach where companies aim to generate social value through their activities while simultaneously pursuing economic profitability, rather than solely engaging in social contribution activities after generating profits.



### Status and Management of Procurement from Suppliers

CJ Freshway has ensured a competitive edge in sourcing various product categories with its suppliers. As of 2022, we have partnered with 1,832 suppliers, and all of our suppliers adhere to strict standards and collectively offer a diverse selection of over 24,000 items, encompassing fresh, processed, and non-food items. Moreover, to enhance our global competitiveness and meet the diverse needs of consumers, we have provided unique products at competitive prices through global partners around the world.

No. of CJ Freshway suppliers in 2022

1,832



### Supplier Code of Conduct

CJ Freshway provides our suppliers with “Supplier Autonomous Compliance Guide,” along with contractual obligations for compliance. This guide outlines the supplier code of conduct, including ethics, human rights, safety, and environmental practices. By adhering to the guide, suppliers can conduct their business in a lawful and ethical manner, ensuring sustainability and competitiveness in their operations.

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# MUTUAL GROWTH AND SUPPLY CHAIN MANAGEMENT

## Mutual Growth Program

### Contract Farming that Saves Farmers

CJ Freshway has implemented a win-win model that creates shared value among local governments, large companies, and farmers through contract farming. Farmers play a vital role in driving the local economy and maintaining standards for high-quality agricultural products. By engaging in contract farming with farmers across the nation, we aim to address various challenges faced by farmers, such as difficulties in expanding sales channels, economic instability caused by price fluctuations, and lack of storage facilities and workshops so that they can concentrate on harvesting and improving product quality. In 2022, we successfully purchased brown rice, onions, and garlic from key producing regions like Chungcheongnam-do, Chungcheongbuk-do, Gyeongsangbuk-do, and Jeollabuk-do Province through contract farming. This year, we have contracts covering an area of 5,577 hectares, with approximately 50,072 tons of products valued at around 71.7 billion KRW acquired from farmers. In addition, we provide advance payments based on production costs to support farmers' financial stability. Moving forward, we are planning to gradually introduce smart farms within our contract farming operations, beginning in 2023.

### Advance Payment

In 2022, CJ Freshway practices a win-win relationship with our suppliers by offering early payment of fees before Chuseok. We paid approximately 30 billion KRW in payments 1 month earlier than the usual payment date, alleviating the financial burden on small and medium-sized suppliers impacted by the economic downturn and the increase in global commodity prices. This initiative also facilitated smooth payments for second and third-tier suppliers. CJ Freshway remains committed to supporting suppliers and implementing programs for a win-win relationship.

### Reduce partners' costs and increase customer satisfaction through digital transition

CJ Freshway provides partner companies with demand information of each product by accelerating the digital transition of our partners system. With this system, our partners can secure inventory and adjust their supply ahead of time depending on the remaining inventory status, preventing defects, and reducing costs. Furthermore, when the product supply is not stable, we inform our customers of alternative products in advance, increasing our customers' satisfaction. Going forward, CJ Freshway will continue to discover external business solution providers to make things easier for our partners, while carrying out the activities for our win-win partnership to increase convenience and satisfaction of partner companies and customers.

### Win-Win Cooperation Academy for the Self-sustaining of Small and Medium-Sized Suppliers

Since 2015, CJ Freshway has been running "Win-Win Cooperation Academy" for small and medium-sized suppliers. This program provides training to boost their food safety capabilities, enabling them to establish their own quality management processes. Over the course of 8 years, approximately 430 suppliers have participated in the program. The training is conducted by the Food Safety Center, a dedicated department for food safety management, and includes both online and on-site sessions. These sessions offer valuable training in quality improvement training and microbial analysis. Since 2022 when COVID-19 died down, we have offered face-to-face consulting services to our partners by visiting them in person, immediately followed by on-site environment improvement activities. We would like to take this as an opportunity to provide them with systematic training on the complex food quality and hygiene control processes so they can learn from our infrastructure and know-how. That way, we hope to create a virtuous cycle of win-win partnership.



Online Session of 2022 Win-Win Cooperation Academy

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# HUMAN RIGHTS MANAGEMENT

The primary principle of CJ Freshway revolves around the preservation of human rights across the entire spectrum of operations. We are committed to following and endorsing international standards such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. By implementing responsible management practices, we promise to cultivate an environment that respects human rights throughout our domestic and international business locations, subsidiaries, and business partners, as well as our customers and local communities.

## Declaration of Human Rights Management and Implementation System

### Enactment of Human Rights Declaration

CJ Freshway has enacted a “Human Rights Declaration” to explicitly demonstrate the commitment to upholding human rights. The Human Rights Declaration is shared both internally and externally and outlines the principles of human rights management, the scope or responsibilities, action plans for implementation, and channels for reporting human rights violations. CJ Freshway’s Human Rights Declaration can be found on the official website. [🔗](#)

### Implementation System of Human Rights Management

CJ Freshway has developed the human rights policy based on the principles of peace, justice, and inclusivity. To advance this policy, CJ Freshway has established a governance structure comprised of a management organization and two dedicated entities. We conduct redress procedures and provide human rights education to foster a culture of human rights management within the organization. Furthermore, we aim to implement a comprehensive human rights management involving all stakeholders, including suppliers, to mitigate potential human rights violations and ensure human rights across all business sites.



### Governance of Human Rights Management

CJ Freshway discusses human rights management policies, plans, and areas for improvement related to human rights with the ESG Committee, which operates under the Board of Directors. The ESG Committee deliberates on important human rights issues and oversees the development of strategic policies. The ESG Council plays a crucial role in integrating and coordinating human rights matters within the organization. The council discusses human rights-related issues, reviews them for submission to the committee, and approves management strategies and policies.

The Human Rights Management Council is responsible for implementing human rights initiatives. This council, composed of decision-makers from various departments such as sales, product marketing, SCM, and human resources, focuses on diagnosing human rights risks among stakeholders and identifying areas for improvement in human rights management.

### Human Rights Management Roadmap

CJ Freshway has established the human rights management roadmap that divides the human rights management into three stages and includes tasks for each stage, with a goal of strengthening our human rights management system gradually.

Process	Establishment of Governance	Creation of Policies	Establishment of Operating System	Due Diligence on Business Sites & Supply Chain	Stakeholder Communication
Year	2023		2024	2025~	
Objective	Start operation of the human rights management system	Implement the human rights management in full scale	Advance the upholding human rights culture		
Tasks	Establish governance	Establish an operating system	Perform due diligence on business sites & supply chain		
	Establish policies	Due Diligence on Business Sites & Supply Chain	Stakeholder communication		

# HUMAN RIGHTS MANAGEMENT

## Human Rights Risk Management

### Operation of Grievance Handling Channels

CJ Freshway utilizes three channels to effectively address human rights-related grievances from employees and stakeholders. Firstly, the Grievance Committee is established under the NCC (New Culture Creator) to collect and address various grievances, including labor and welfare concerns. Secondly, an employee from human resource department is designated to handle workplace bullying and sexual harassment, ensuring confidentiality and initiating internal investigations in line with established regulations. Lastly, CJ Freshway independently manages reported irregularities from employees and external stakeholders through an online reporting channel.

Channel	Details
Grievance Committee	<ul style="list-style-type: none"> <li>Appoint Grievance Committee members among the employee representatives of NCC (1 male, 1 female)</li> <li>Gather and handle employee grievances</li> </ul>
Person in Charge of Handling Sexual Harassment and Workplace Bullying	<ul style="list-style-type: none"> <li>Designate a person in charge of handling workplace sexual harassment and workplace bullying from the HR department</li> <li>Post information about the grievance handling personnel within the company's intranet and worksites</li> </ul>
Online reporting	<ul style="list-style-type: none"> <li>Employees and external stakeholders can report through the internal system and the third-party organization, ensuring strict confidentiality of the reporter's identity in all channels</li> </ul>

### Mitigation and Remedial Actions for Human Rights Violations

CJ Freshway ensures a thorough investigation into reported human rights violations, with the involvement of department heads and the human resources manager to assess the level of risk associated with the incident. Upon completion of the investigation, victims of such violations are provided with appropriate remedies under internal regulations, such as the rules of employment. As of May 2023, there have been no unresolved incidents. However, should there be any future cases of unrecoverable human rights violations, CJ Freshway will follow established procedures and internal guidelines to seek monetary compensation and relief for the damages caused.

### Remedial Procedure for Workplace Bullying

CJ Freshway specifies "Measures in case of workplace bullying" in Article 61 of the rules of employment. Upon receiving a report or becoming aware of a bullying incident, we promptly conduct an objective verification and investigation to establish the facts. If necessary, appropriate actions such as relocating the affected employee or granting paid leave are taken. We strongly prohibit any retaliatory actions against the reporter or the victim and do not disclose the bullying incident to other employees without the victim's consent. When the Human Resources Department, the department responsible for handling workplace bullying incidents, acknowledges the negative impact such issues can have on the organizational culture, the department conducts internal investigations and, if required, escalates the matter to the Human Resources Committee in compliance with penalty regulations to develop and implement necessary measures.

### Training to Improve Human Rights

CJ Freshway conducts annual training sessions for all employees to prevent sexual harassment and workplace bullying, and to promote disability awareness. Additionally, we are planning to establish and carry out new training programs using human rights-related content.

#### 2022 Human Rights Training Programs

Sexual harassment prevention	No. of employees completed the training	2,992 ppl	Promotion of disability awareness	No. of employees completed the training	2,681 ppl
	Completion rate	98.1%		Completion rate	93.3%

#### Human Rights Reports and Handling in 2022\*

9 cases



\*Number of valid reports



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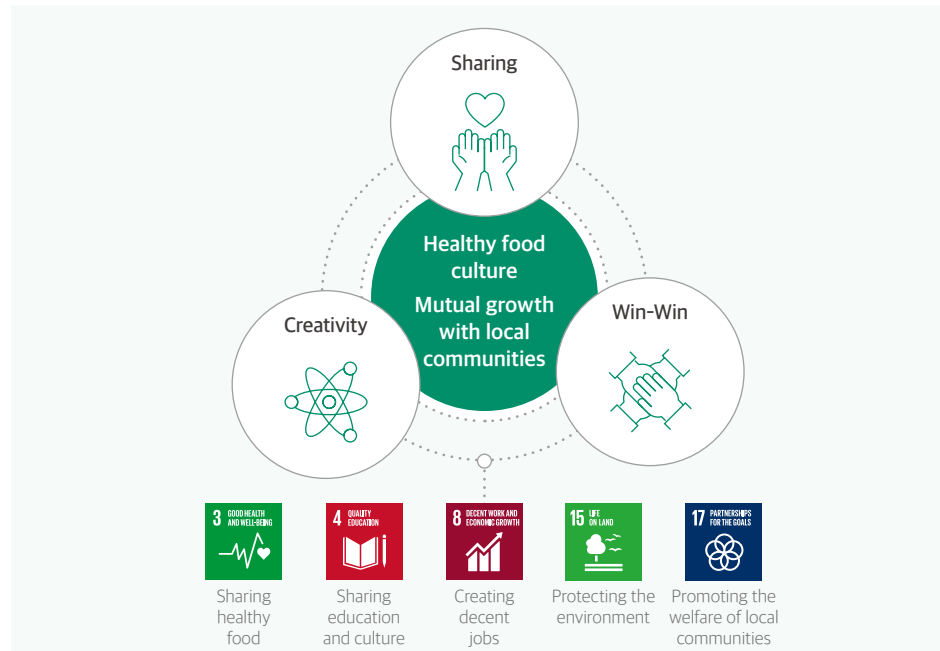
# SOCIAL CONTRIBUTION

CJ Freshway is committed to creating shared value and promoting a sustainable industrial ecosystem across the business activities. Our social contribution activities are centered around realizing the goals of the UN SDGs and tackling social problems based on creative management, win-win management, and sharing management. Furthermore, CJ Freshway actively contributes to the growth of local communities with donations, investments, and has established the Social Contribution Committee to enhance operational efficiency.

## Realizing the Goals of Social Contribution

### Creativity, Win-Win, and Sharing

CJ Freshway is practicing “sharing management” to support healthy food culture for vulnerable groups such as children and seniors, “creative management” to create a sustainable value for the local community, and “win-win management” with self-directed volunteer activities to grow with the local community. We carry out food-sharing initiatives at childcare centers and senior welfare centers while also promoting job creation and participating in campaigns that support the economic independence of vulnerable groups.



### The Social Contribution Committee

CJ Freshway has implemented a transparent framework for executing donations by conducting thorough reviews of matters necessary for social contribution through the Social Contribution Committee. The committee is responsible for approving social contribution activities and decides on the donation amounts based on predefined evaluation criteria, ensuring transparency in the donation process. Moreover, the committee holds ad-hoc meetings when urgent community matters arise, such as providing emergency relief in the aftermath of natural disasters.

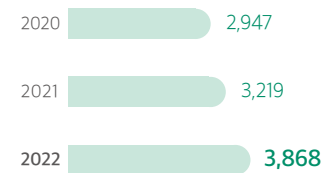
### 2022 Donation by CJ Freshway

(Unit: 100M KRW)

Investment in local communities	Donations	Investment in commercial initiatives
39.1	1.0	0.4

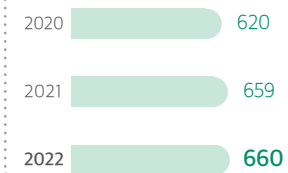
### Volunteering hours of employees

(unit: hours)



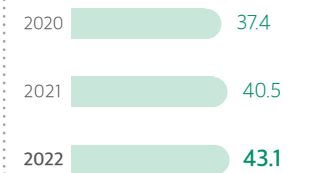
### Number of participants

(unit: ppl)



### Monetary value of the volunteering activities of employees\*

(unit: million KRW)



\* Monetary value of the volunteering activities of employees = Volunteering hours \* Average hourly wage of employees

# SOCIAL CONTRIBUTION

## Social Contribution Programs

No. of beneficiaries in 2022

182 ppl



### “Let’s Eat Naturally,” Kids Food Culture Sharing Volunteer Service

CJ Freshway organized a cooking class for 55 children from childcare centers in Mapo-gu and Seodaemun-gu. This event aimed to educate children about healthy eating habits and nutrition with CJ Freshway’s online kids education program “EyeOnTact”. During the class, the children created their own menu using fruits and vegetables, fostering a natural understanding of healthy food culture. CJ Freshway’s expert instructors, specialized in kids’ nutrition, provided valuable insights into the nutritional value and importance of each ingredient, tailored to the perspective of the children. Additionally, 182 children received personalized snacks and drinks from CJ Freshway’s kids’ food brand, “I-NURI.” We are planning to conduct social contribution activities every year, leveraging the high-quality products educational services of I-NURI to promote a healthy food culture for children.

No. of beneficiaries in 2022

501 ppl



### Filial Piety Pack Sharing Volunteer Service

CJ Freshway has been sharing healthy lunchboxes and handwritten letters to senior citizens living alone. These lunch boxes are carefully prepared based on the “HEALTHY-NURI table setting” concept, consists of a selection of 12 side dishes and rice, including three-colored vegetable pancake, Korean-style meatball, braised fish, deep-fried shrimps, and stir-fried mushrooms. In collaboration with elderly welfare organizations, we delivered lunch boxes and handwritten letters to elderly individuals living alone in the city. In 2022, over 500 employees of CJ Freshway actively participated in this voluntary activity, which was carried out through a one-to-one matching grant. Going forward, CJ Freshway remains committed to leveraging our expertise in senior care food to promote healthy eating habits and improve meals for elderly individuals.

No. of graduates in 2022

59 ppl



### Dream Academy

Since 2017, CJ Freshway has selected young people from the underprivileged class who want to become experts in group catering or food-related jobs, providing them with systematic education and job opportunities. These young individuals are enrolled in a training program focused on the food service sector, where they receive theoretical and practical training, as well as hands-on experience through on-the-job training at CJ affiliates for a maximum of 4 months. Moreover, graduates of the program are offered job positions as chefs and café managers within CJ Freshway’s cafeterias. The education fee is fully supported by the company, and educational support allowances such as living allowances are also provided. In 2022, a total of 40 young individuals successfully completed the training program. Looking ahead, CJ Freshway aims to continue its commitment to empowering young people by providing them with high-quality employment opportunities in the food service industry with Dream Academy.

Amount of donation in 2022

2.115 million KRW



### Goodwill Store Donation

CJ Freshway participates in the “Good Cycling” campaign by delivering donated items from our executives and employees to the “Mirial Welfare Foundation Goodwill Store.” The Goodwill Store accepts reusable items and utilizes the proceeds from their sales to create job opportunities for individuals with developmental disabilities, while also carrying out Good Cycling campaign that practices environmental protection through resource recycling. CJ Freshway has been continuously involved in this campaign, and in 2022, we donated a total of 750 items, marking a 50% increase compared to the previous year. The donated items from CJ Freshway, including clothing, books, and various miscellaneous goods, are sold alongside other donated items at Goodwill Store. All the funds generated from the sales are used as salaries for employees with disabilities.

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# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

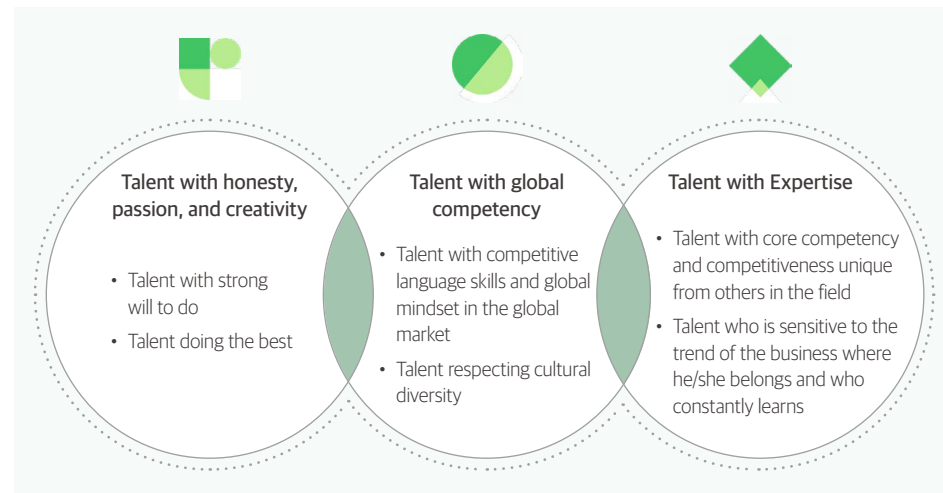
CJ Freshway believes that a company's competitiveness comes from the growth of its executives and employees. We support all of our members in fulfilling their roles and responsibilities and offer appropriate compensation and rewards based on a fair evaluation. Moreover, we implement systematic programs to help them grow into industry-leading experts in their respective fields so that the company and employees can grow together.

## Talent Acquisition and Retention

### Personnel System

CJ Freshway has implemented a performance and competency-based personnel system, departing from traditional seniority-based approaches, in an effort to remain competitive in the global era. Rather than expecting good performance from employees unilaterally, we are focusing on helping them grow by creating a positive employee experience in workplaces.

Accordingly, we manage employees through a comprehensive personnel evaluation system and offer diverse benefits and compensation systems with a sense of responsibility across the entire employee lifecycle, from recruitment to onboarding, working, and retirement. With a robust personnel system in place, CJ Freshway aims to create an environment where employees can work with confidence and unleash their potential, contributing to the advancement of the industry, local communities, and the nation.



### Recruitment and Retention

In response to the rapidly evolving food culture trends and the diverse demands of consumers and businesses, incorporating the perspective of diverse groups is necessary. To attract a broad range of talents, we operate C-Level external network program and internal referral system, while also utilizing recruitment platforms and headhunters for recruiting. Recruitment marketing efforts, such as using a distinct recruitment brand and diverse social media channels, are also employed to effectively reach out to young talents. On our website, a dedicated section named "CJ Freshway IN-SIDE" provides a detailed job description, required competencies, and interviews with current working-level employees, creating a positive experience in the recruitment process for prospective candidates.

### Securing the Diversity of Executives and Employees

CJ Freshway strictly prohibits discrimination based on disability, gender, nationality, region, status, education, age, and position in recruitment, promotion, career development, and performance compensation. We actively seek to achieve a gender-balanced and diverse workforce by recruiting individuals from various backgrounds, including individuals with disabilities, national veterans, and foreigners. Recognizing the value of diverse perspectives and roles, CJ Freshway believes that such diversity enables talented individuals to challenge themselves, develop their skills, and thrive in a positive and competitive environment. As of 2022, CJ Freshway has hired 154 individuals from social minority groups, including people with disabilities and veterans, maintaining a ratio of 3.6%.

#### 2022 Employees from social minorities

Number of employees with disabilities	Number of employees entitled to veterans benefits
138 <sub>ppl</sub>	16 <sub>ppl</sub>

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# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

## Talent Nurturing

### Talent Training

CJ Freshway offers a diverse range of training programs designed to nurture talented individuals with integrity, global competency, leadership skills, and expertise. To this end, we have established a “self-led growth system” that offers employees with personalized career paths tied with their specific job responsibilities.

The talent training encompasses various components, including onboarding training to equip new employees with essential skills, leadership training to cultivate future leaders and managers by providing targeted support aligned with talent pipelines for each position, global training to enhance competencies required for global leadership, and job-specific training to systematically develop competencies of talents for the qualitative growth of CJ Freshway.

### Training Status for Employees

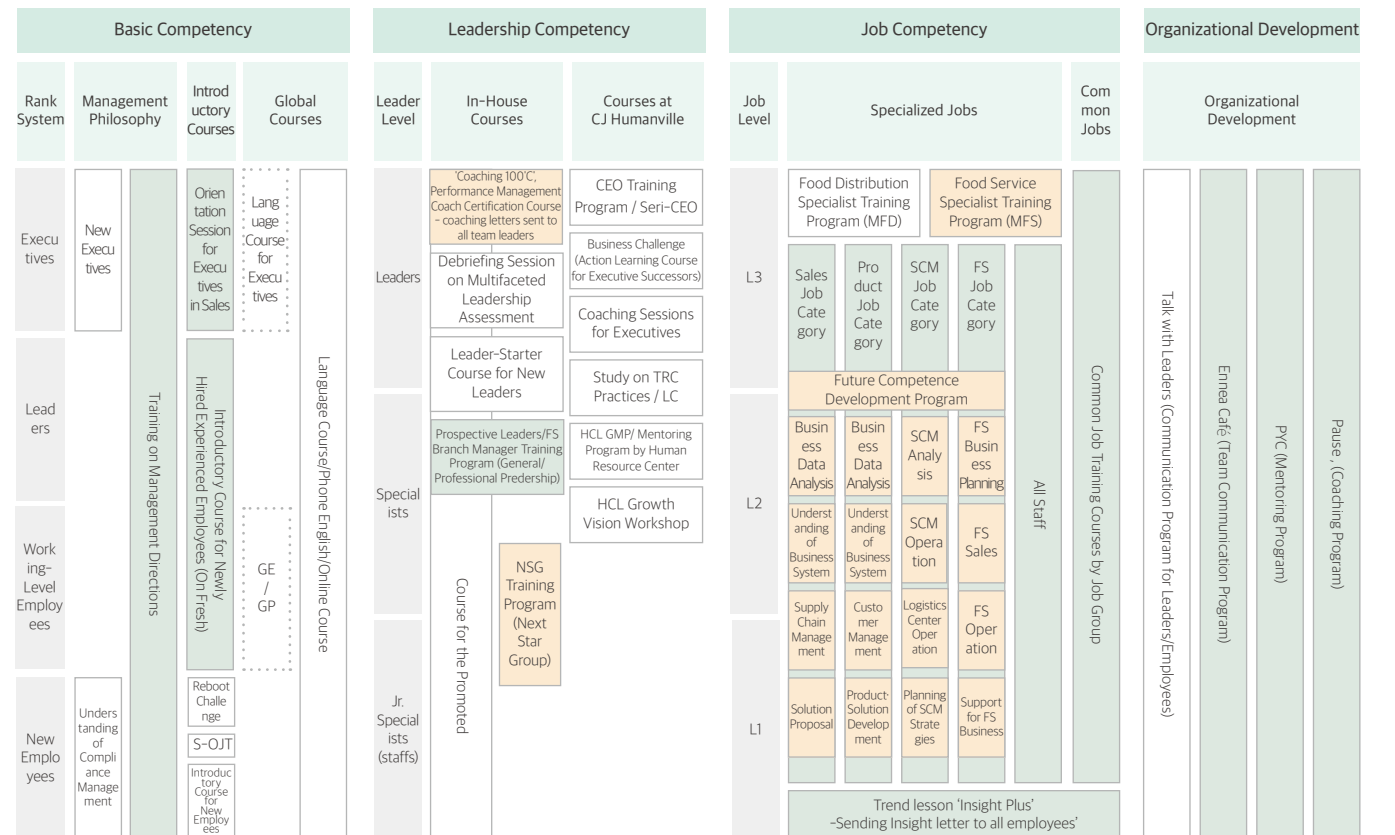
CJ Freshway is expanding customized and specialized training for employees by developing future competency enhancement programs in accordance with internal policies. In 2022, each employee received an average of 59.3 hours of training, with a total training cost of 1.421 billion KRW, equivalent to approximately 1.123 million KRW per employee.

<b>2022 Training hours per employee</b>	<b>2022 Training cost per employee</b>
59.3 hours	1.123 million KRW

### Talent-Nurturing Program

CJ Freshway offers talent-nurturing programs to foster and serves as a business partner of the company’s management in shaping its direction and achieving qualitative growth. As part of these efforts, a job competency model based on a talent-nurturing system has been established, allowing employees to enhance their core competencies while participating in programs focused on building fundamental skills, leadership skills, management skills, job-specific skills, and organizational development skills.

Temporarily Suspended Courses (Dotted Circle) Courses (White Circle) Revised Courses (Grey Circle) New Courses (Orange Circle)



# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

## Talent Nurturing

### Master of Food Distribution (MFD) Course

In 2021, CJ Freshway introduced Korea's first university-industry collaboration MFD (Master of Food Distribution) course to nurture highly skilled professionals in the field of food distribution for CJ Freshway's value chain. The course, which takes place every two years, mirrors the curriculum of a graduate school and covers a total of 20 subjects along with practical project execution, encompassing the entire food distribution industry such as product sourcing, marketing, logistics, sales, finance, accounting, and strategy. With this course, we provide support to employees in developing the essential skills required to succeed as competent managers.



### Master of Food Service (MFS) Course

In 2022, CJ Freshway redefined its future competencies and established a customized Individual Development Plan (IDP). As part of this initiative, we launched the Master of Food Service (MFS), which follows the industry-academia collaboration model, similar to the MFD course, offering a total of 24 programs that include specialized subjects tailored to each job such as nutritionist, chef, customer service and trends, as well as common subjects like ESG and business. To nurture top talents in the food business, CJ Freshway engages in projects with university faculty members and industry experts, aimed at identifying innovative solutions for the food industry, thereby helping employees develop strong execution skills in their respective fields.



### 2022 Promotion Course

CJ Freshway has organized a training program for its promoters, facilitated through the FW Academy. In 2022, a total of 265 employees completed the program and were offered various levels of training including assistant manager level, Jr.Specialist/Specialist level, and executive level. The training consisted of both online pre-learning and main training sessions. During the pre-learning phase, employees were reminded of CJ's business philosophy, policies, and vision which are essential for all CJ employees to know. The main training focused on providing employees with comprehensive preparation and guidance for their promotion. This included leadership training, meetings with the management, special lectures to enhance communication skills, and tasks aimed at establishing individual visions. We also assess the course and training program through satisfaction surveys by the participants, and incorporate their feedback to enhance the program further. After the training, we analyze the feedback based on the participants' positions, which helps us fine-tune the program and shape its future direction. In 2022, the average satisfaction score for the course was 4.65 out of 5, while the average satisfaction score for the main training stood at 4.5.

### Corporate Venture Program

CJ Freshway has implemented the "Idea Plant," a corporate venture system that aims to foster employee consensus in developing new businesses. The objective is to generate a pool of fundamental ideas and direct efforts toward creating innovative business models based on them. The corporate venture program selects members through an internal competition, fairly assessing their planning and execution capabilities. Once selected, members are provided with independent office space and essential training to concentrate on model development. Successful commercialization is further incentivized with additional rewards. The first round of the corporate venture program resulted in the creation of the F&B funding platform called "Pieat," which is currently operational. Moving forward, CJ Freshway aims to actively support employees in identifying future businesses aligned with their competencies through the corporate venture program, fostering an environment of autonomy.



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# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

## ESG Capacity-Building Program

### The Foodie Club

In 2022, CJ Freshway introduced the Foodie Club program to enable employees to cultivate the necessary competencies to become leaders in food culture. After reviewing the food culture experience plans submitted by applicants, we select Foodies and provide them with activity funds. They have the autonomy to explore food culture independently and share their experiences on the internal bulletin board. In the initial round of the Foodie Club, a total of 30 foodies shared 163 experiences on restaurants, recipes, and food products. As a distinctive ESG initiative of CJ Freshway, the Foodie Club aims to support employees in fostering a healthy food culture while nurturing a deep interest in gastronomy.

Look and Feel

**1. 샌스있는 네이밍, POSITIVE**

포지티브는 'Positive'의 긍정적인 뜻을 담은 의미로, 자를 통해 맑은 이음의 일상에 긍정적인 에너지를 더해 자를 의미하고 다채롭게 만들기를 바란다는 뜻을 담고 있다. 부류기에도 좋고 개성도 담은 개명을 짓는다는 건 참 어려운 일인데, 샌스있는 직명에 티카베의 아이덴티티까지 누가 지었나 궁금해지는 개명이다.

**2. 향으로 기억되는 공간**

포지티브를 들어보지 못한 가장 많은 인사들 받았던 것은 유래내역의 지장이 없던 은들이 향을 맡는 것 같은 기분 여러 방향이 섞여 포지티브만의 시그니처 향을 만들어내는 것 같았다. 포지티브를 방문한 사람이라면 머릿속에 이 향과 이 신기한 기분을 오래오래 기억할 것 같다.

**3. 직접 제배한 것임**

티카베에는 포지티브에 처음 방문한지를 물어보고 포지티브에 대해 설명해주는 데 여러 분장 속에 '직접 제배한 것임'이라는 칸 단어가 귀에 들어왔다. 티를 우려내는 과정은 어느 카페도 갖춰져 있을 법이었는데 직접 제배했다는 말 때문인지 더 건강하고, 신선하고, 차별화된 맛의 느낌.



Examples of sharing food trends after food culture exploration




안녕하세요 ESG 담당자 '아든노'입니다. ESG로 가는 가장 빠른 지름길, ESG 5로 컷에 오늘도 딱 5로만 투자해주세요. (4박)

**ESG 5로 컷**

**내년 목표 세팅? ESG 못잡지**

1. 가장 ESG 통합이 공헌하는 제품 : **음향디자인시 ESG 포그라프 판인 폼**

2. ESG 연관성 높은 제품 개발 우선순위 : **1. ESG 연관성 높은 제품 개발 우선순위**

3. ESG 연관성 높은 제품 개발 우선순위 : **1. ESG 연관성 높은 제품 개발 우선순위**

Examples of incorporating food culture experience into the company's food services

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**S(사회)가 원지 알듯 알듯**

ESG에서 '오는 전략이 무엇일까?' 사회(Coalition)라는 단어를 좀 정밀하게 살펴보면 ESG에 관련된(7)개 항목이 나오네요.

ESG 관련 이슈를 정리해 드립니다. ESG 5로 컷에 오늘도 딱 5로만 투자해주세요. (4박)

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Monthly ESG newsletter

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# CREATING A COMPANY CULTURE

“A workplace where talent grows” starts with decent jobs and positive company culture. We are the first company in Korea to introduce the title “nim” to encourage a culture of horizontal communication. We also offer a range of welfare benefits, flexible work arrangements, and vacation systems that take into account an individual’s work and personal life, as well as family-friendly policies to improve employees’ quality of life. In addition, we strive to create a better work environment by gauging internal satisfaction through surveys and maintaining open communication with employees through the internal labor-management council.

## Company Culture for Employee Satisfaction

### Employee Communication Channels

CJ Freshway is committed to fostering a company culture that encourages employees to actively participate and express their opinions through various communication channels. One such channel is the NCC (New Culture Creator), the internal labor-management council that holds quarterly meetings between the executives and representatives elected by region and job function. They play a vital role in effectively conveying employees’ opinions on the work environment, organizational culture, and communication. Agenda items proposed at the NCC meetings and the results of the discussion are transparently shared on the internal bulletin board. Moreover, we provide additional platforms such as anonymous discussion rooms and communication channels to listen to employees’ opinions, aiming for the mutual development of the company and our employees.

### VOICE ON

In 2022, CJ Group revamped its organizational culture survey as CJ Voice ON with a focus on intergenerational communication. Based on the CJ Voice ON survey results, we identified areas for improvement in terms of the understanding of the group vision, organizational commitment, and working style. Our overall commitment scored 79.5 points in 2022, and each organization has identified improvement tasks and carried out various activities for its members to thrive in a stable working environment.

2022 Employee Engagement Rate

79.5 points



### Welfare Benefits

Based on the belief that the “happiness of employees directly leads to the happiness of CJ Freshway,” CJ Freshway has established various welfare systems. We strive to offer welfare benefits that promote the happiness of both employees and their families, while fostering diverse experiences, cultural enrichment, and a means to achieve work-life balance. To this end, we have organized and operated welfare programs in medical/health, culture/travel, and self-development, as well as exclusive benefits tailored specifically for CJ Freshway employees.

2022 Welfare Expenses

15,479 million KRW



### Major Benefit Programs By Areas

<b>Exclusive for CJ</b>	<ul style="list-style-type: none"> <li>Housing support</li> <li>Congratulations and condolences support</li> </ul>	<ul style="list-style-type: none"> <li>Discounts for CJ affiliates’ services</li> <li>Benefits in using facilities operated by CJ affiliates</li> </ul>
<b>Medical/health</b>	<ul style="list-style-type: none"> <li>Medical support</li> <li>Health support</li> </ul>	<ul style="list-style-type: none"> <li>Support medical expenses</li> <li>Mental health support</li> </ul>
<b>Culture/travel</b>	<ul style="list-style-type: none"> <li>Cultural life support</li> <li>Travel support</li> </ul>	<ul style="list-style-type: none"> <li>FD voucher support</li> </ul>
<b>Self-development</b>	<ul style="list-style-type: none"> <li>Self-development support</li> <li>GLOBAL KNOCK (leave of absence of long-serving employees for overseas training)</li> </ul>	
<b>Children/parenting</b>	<ul style="list-style-type: none"> <li>Support for children’s education</li> <li>Paternity leave for childbirth of the spouse</li> </ul>	<ul style="list-style-type: none"> <li>Reduced working hours for parents in urgent child care situations</li> <li>Parental leave/reduced working hours for parents of school entry age children</li> </ul>




# CREATING A COMPANY CULTURE

## Company Culture for Employee Satisfaction

### Support System for Each Stage of Childbirth, Childcare, and Education

CJ Freshway supports employees' healthy and happy childbirth and parenting. We have implemented a comprehensive life cycle support program that caters to all stages of pregnancy preparation, childbirth, and postpartum care. As a paternity leave, we grant 2 weeks of paid long-term leave for fathers within a month after the birth of their child. Additionally, we provide a flexible reduced working hours system that parents can utilize throughout the childcare process, thereby enhancing the effectiveness of our parental and childcare support system.

### Support Program By Life Cycle

<b>Pregnancy · Childbirth</b> 	<ul style="list-style-type: none"> <li>• Leave for medical examination of fetuses</li> <li>• Support for fertility treatment</li> <li>• Fertility treatment leave</li> <li>• Reduced working hours during high-risk stages of pregnancy</li> <li>• Paternity leave for fathers after the birth of their child</li> <li>• Pregnancy leave</li> <li>• Maternity leave</li> </ul>
<b>Parenting</b> 	<ul style="list-style-type: none"> <li>• Reduced working hours for parents with newborn babies</li> <li>• Reduced working hours for parents in urgent child care situations</li> <li>• Parental leave</li> </ul>
<b>Education</b> 	<ul style="list-style-type: none"> <li>• Reduced working hours for parents of school entry age children</li> <li>• Childcare leave for children's school enrollment</li> <li>• Support for CJ Kidsvill, a childcare center</li> <li>• Full tuition support for children from preschool to university</li> </ul>

### Flexible Work and Vacation System

CJ Freshway has introduced diverse support programs to help employees achieve a healthy work-life balance. To create a workplace that fosters the growth of talented individuals, we offer a wide range of work options that reduce constraints related to time and location, allowing employees to select the work style that suits them best and maximize their performance.

Category	Item	Descriptions
Flexible work system	Flexible commute system	A system that allows employees to adjust their office arrival and departure times based on their lifestyle patterns
	Flexible working hours system	A system that enables employees to flexibly manage their working hours within a designated period
	Deemed working hours system	A flexible work system under the Labor Standards Act for employees performing most of their duty outside the workplace
	PC-OFF system	A work hour management system where employees' access to PC is disabled once they reached their designated work hours
Vacation and leisure system	Creative Week	A system that supports employees' long service and refreshment by providing vacation and allowances based on their years of service
	Hourly vacation system	A flexible vacation system that permits employees to utilize their vacation time in one-hour intervals based on their needs

### Maintaining the Certification of Family-Friendly Company

CJ Freshway has been recognized as "Family-Friendly Company" by the government since 2014. Family-Friendly Certification System is designed to recognize companies and organizations that successfully implement family-friendly policies (such as supporting childbirth and childrearing, implementing flexible work systems, and creating a family-friendly company culture) to support employees in achieving a healthy work-life balance.

### Retiree Support Program

CJ Freshway implements the "Career Move Support Program" to help retirees smoothly transition into their post-retirement lives. This program specifically targets individuals aged 50 or above who have retired involuntarily due to factors like reaching the retirement age. It offers a range of services, including personalized 1:1 consulting, education, and access to information provided by professional consultants.

### Employee Communication Program (NFNS with)

In 2022, CJ Freshway implemented an employee engagement program called "NFNS with" to foster a culture of goal achievement and collective growth through effective communication and synergy among colleagues. A total of 204 employees formed teams of 2 to 4 members to tackle challenges across 4 categories (workout, self-development, ESG practices, and hobbies) and shared content in various ways. During the activity period, the team that achieved their monthly goals was rewarded with a set of Jeong-Peum Jin Korean beef, and the team that showed the best synergy received an award for all team members on a semi-annual basis.

Way to Healthier Planet

Planet  
 Environmental Management

Product & Culture  
 Food Safety

Safety and Health Management  
 Mutual Growth-Supply Chain

People  
 Human Rights Management  
 Social Contribution  
 Capacity Building of Executives and Employees

▶ Creating a Company Culture

Way to Ethical Management

Appendix

# CREATING A COMPANY CULTURE

## Company Culture for Employee Satisfaction

### Employee Engagement Programs

CJ Freshway provides a variety of events and programs to help our employees enjoy and engage in their work. For example, we planned, produced, and aired a company broadcast named “NFNS with On the Block” to highlight our employees’ accomplishments, examples of synergy creation between different departments, and best practices for implementing business initiatives. Furthermore, a company bulletin board called “Compliment Relay” is open throughout the year for our employees to encourage and thank one another.

We also held the “King of the Masked Singers,” a singing competition for employees, in the summer of 2022, with 117 teams participating and enthusiastic employee support. All of these programs were shared with our staff once more during the CEO townhall meeting’s awards ceremony section (Foundation Day, Year-end awards ceremony).



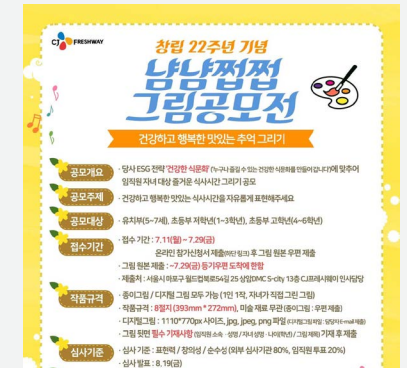
“NFNS with On the Block”, a company broadcast content



“King of the Masked Singers”



Poster for Bungeoppang Challenge



Poster for Bungeoppang Challenge

\*Bungeoppang: A popular Korean snack shaped like a goldfish.

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**Way to Ethical Management**

Appendix

# WAY TO ETHICAL MANAGEMENT





# GOVERNANCE

Sustainable management involves more than the mere protection of stakeholder rights and interest; it also entails enhancing social values.

At CJ Freshway, we firmly believe that this journey starts with sound and transparent governance. CJ Freshway aims to become a company that contributes to the sustainable development of society through independent and transparent operation of Board of Directors (BOD) with expertise, going beyond the realization of shareholder rights and the improvement of corporate value.

## Composition and Status of the BOD

CJ Freshway practices responsible management by organizing the BOD based on independence and objectivity. The company appoints outside directors for a three-year term, allowing up to one consecutive term. To ensure the independence of the BOD, 3 out of 6 members of the board have been appointed as outside directors, representing 50% of the total. The Outside Director Candidate Recommendation Committee and the Audit Committee are composed of outside directors only to ensure the objectivity of the audit process. In March 2022, we appointed a female professional from the Ministry of Food and Drug Safety with expertise in the food sector as a new outside director to ensure the diversity of the BOD members.

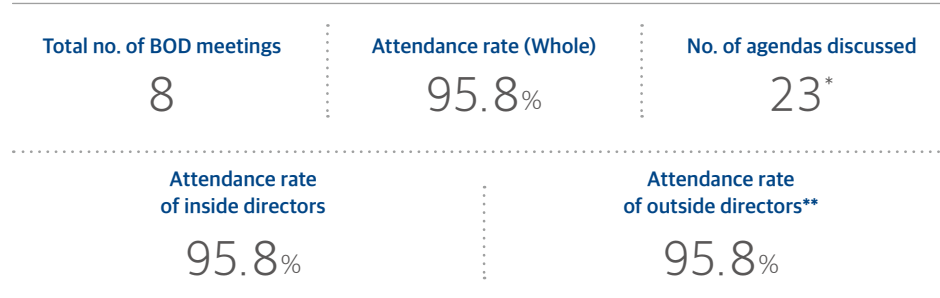
Name	Jeong Seong-Pil	Lee Geon-Il	Choi Seok-Joong	Lee Sang-Do	Kim Yong-Gyun	Jeon Eun-Sook
<b>Classification</b>	Inside director, chairperson of the BOD and CEO	Inside director	Inside director	Outside director	Outside director	Outside director
<b>Term</b>	Mar 29, 2021~ Mar 2024	Mar 27, 2023~Mar 2026	Mar 28, 2022~Mar 2025	Mar 28, 2022~Mar 2025	Mar 29, 2021~Mar 2024	Mar 28, 2022~Mar 2025
<b>Gender</b>	Male	Male	Male	Male	Male	Female
<b>Academic background</b>	Master of Business Administration, Sogang University	Bachelor of Food Biotechnology, Yonsei University	Master of Business, Kyunghee University	Bachelor of Law, Seoul National University	Doctor of Economics, University of London	Doctor of Chemistry, KAIST
<b>Work experience</b>	Current CEO, CJ Freshway Former CEO and Vice President, CJ Foodville Former Head of Domestic Business, CJ CGV	Current Head of Business Management Office 1, CJ Former CFO and Head of Food Management Support Division, CJ CheilJedang	Current CFO, CJ Freshway Former Head of Business Development Team, CJ Vietnam HQ	Current attorney at Logos Former Head of Social Protection and Rehabilitation Bureau, Ministry of Justice Former Prosecutor, Chuncheon District Prosecutors' Office	Current Advisor, Seohyun Accounting Corporation Former Director, Jungbu Regional Tax Office Former Assistant Commissioner for Personal Taxation Bureau, NTS	Current visiting professor of Nutritional Science & Food Management, Ewha Womans University Former Commissioner, Daegu Regional Office of Food and Drug Safety Former Commissioner, Gyeongin Regional Office of Food and Drug Safety
<b>Area of expertise</b>	Business development, business strategy	Business development, business strategy	Business development, business strategy	Law, risk management	Finance	Food nutrition, food safety
<b>Committee participation</b>	Remuneration Committee, ESG Committee	-	-	Audit Committee, Outside Director Candidate Recommendation Committee, Remuneration Committee, ESG Committee	Audit Committee, Outside Director Candidate Recommendation Committee, Remuneration Committee, ESG Committee	Audit Committee, Outside Director Candidate Recommendation Committee, Remuneration Committee, ESG Committee

# GOVERNANCE

## BOD Operation

CJ Freshway holds regular BOD meetings under the annual operating plan, and extraordinary meetings are conducted when necessary. Directors are required to attend BOD meetings with notice of a meeting being sent 7 days prior to the date of the meeting. In 2022, a total of 8 board meetings took place, covering 23 agendas. In regards to ESG management, report on the ISO37301 compliance management system and the appointment of ESG Committee members were done.

### 2022 BOD Operation



\*7 reportings, 16 votes

\*\*One of the outside directors, who tested positive for COVID-19 was absent BOD meeting

### ESG-related Agendas in 2022

Description	Area	Reporting date	Result
Approval of the 2022 Health and Safety Management Plan 	S	2022.02.11	Approved
Appointment of the members of the Outside Director Candidate Recommendation Committee 	G	2022.03.28	Approved
Appointment of the members of the Remuneration Committee 	G	2022.03.28	Approved
Appointment of the members of the ESG Committee 	G	2022.03.28	Approved
Internal audit/management report on ISO37301 compliance management system 	G	2022.08.10	Report
Approval of the amendment to the Audit Committee operating regulations 	G	2022.12.21	Approved

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# GOVERNANCE

## BOD Operation

### Creating a Responsible BOD

CJ Freshway establishes the BOD's authority, responsibility, and scope of its activities based on the Corporate Governance Charter and the Articles of Incorporation. Following these standards, all directors, including executives, are held accountable for their management and oversight roles, aiming to prevent and promptly respond to any accidents that may occur during their duties. Additionally, we take out accountant professional liability insurance every year to cover potential damages to the company or third parties resulting from the directors' management decisions and to ensure the effective pursuit of liability when necessary.

### Support to Strengthen Expertise and Effectiveness of the BOD

CJ Freshway operates support organizations to ensure the expertise of the BOD and conducts training programs to promote the professional development and competence of the board members. To assist outside directors in fulfilling their duties efficiently, we maintain an Audit Committee Secretariat composed of managerial-level staff, who provide support in handling inquiries, discussions on BOD agendas, and analysis of relevant laws and regulations. In 2022, 2 outside directors, Lee Sang-Do and Jeon Eun-Sook, participated in training programs focused on audits and improving the efficiency of their roles as directors.

### Implementation of the of Best Practices

CJ Freshway is dedicated to adhering to the Code of Best Practices for Corporate Governance of Korea Institute of Corporate Governance and Sustainability. The Code of Best Practices provides guidance on board composition, roles, and responsibilities for BOD operations. CJ Freshway is reviewing the Code while implementing feasible recommendations, and the progress of its implementation is disclosed on the company website. [🔗](#)

Recommendations	Implementation details
Requirements for BOD composition	More than half of the directors are composed of outside directors
Introduction of regulations on the operation and roles of BOD committees	Introduced
Disclosure of BOD committees' activities	Disclosed
Composition of the Audit Committee	Composed of 3 outside directors (including 1 finance expert)
Composition of the Outside Director Candidate Recommendation Committee	Composed of 3 outside directors
Composition of the Remuneration Committee	Composed of 1 inside director and 3 outside directors
Cumulative voting	Excluded from Articles of Incorporation
Electronic ballot	Introduced
Professional liability insurance coverage for directors	Taken out at the company's expense
Disclosure of corporate governance rating	Disclosed on the website
Explanation of the gaps from the Code of Best Practices for Corporate Governance	Disclosed on the website

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# GOVERNANCE

## BOD Committees

CJ Freshway's BOD has four sub-committees to improve its operational efficiency of BOD and support the expertise-based decision-making process. The Audit Committee audits accounting and business operations, the Outside Director Candidate Recommendation Committee recommends outside director candidates, the Remuneration Committee decides executive remuneration policies, and the ESG Committee explores ESG-related issues. These sub-committees report their resolutions to the BOD. Please refer to the company website to learn more about these committees, including their regulations and operational status. [🔗](#)

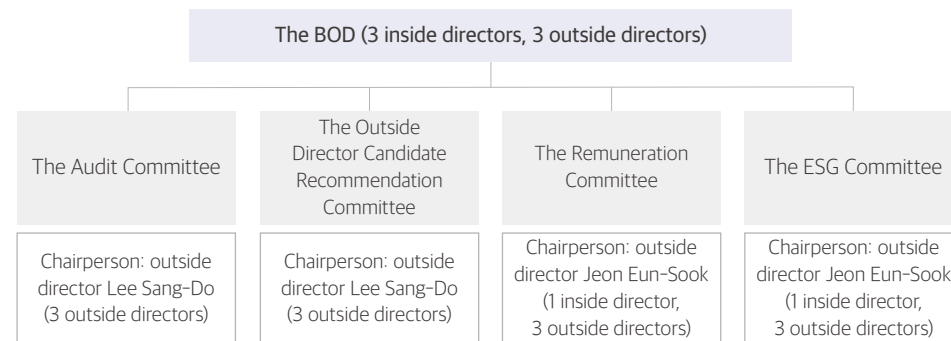
### The Audit Committee

The Audit Committee ensures that major corporate decisions are made based on appropriate standards. The Committee assesses accounting standards and internal accounting control systems and convenes to review and determine the proceeding of matters that require approval and resolution. The members of the Committee oversee the company's overall management activities and report to the BOD if any director is found to have violated or is likely to violate the Articles of Incorporation. The members of the Committee are appointed with the approval of the head of the internal audit department with at least one member being an accounting or finance expert as defined by relevant laws and regulations. The Committee has the authority to appoint, change, and dismiss external auditors in order to ensure fair and specialized audit. It maintains close collaboration with external auditors, utilizing their audit plans, procedures, and findings to faithfully fulfill its auditing duty.

### The Outside Director Candidate Recommendation Committee

CJ Freshway maintains the independence of the Outside Director Candidate Recommendation Committee by organizing the committee exclusively with outside directors. By exercising the right to recommend candidates for outside directors, the Committee realizes the value of initiative and efficiency in general shareholders' meetings. In the process of selecting the candidates, the Committee practices its authority to consider recommendations from shareholders who possess the right to nominate candidates under applicable laws, such as the Commercial Act and the Act on Implementation of Commercial Act.

### BOD Organizational Chart



### The Remuneration Committee

The Remuneration Committee determines the overall structure and details of compensation for executives. The Committee evaluates the appropriateness of the compensation system for executives, to ensure that the fairness of the system is maintained internally while externally maintaining the competitiveness of the compensation range determined by the Committee's resolution. Additionally, it determines long-term incentive payments of executives based on the evaluation of their performance indicators and performs other compensation-related matters delegated by the BOD. In 2023, CJ Freshway further enhanced the Committee's independence by appointing an outside director as the new chairperson, a position formerly held by the CEO.

### The ESG Committee

The ESG Committee at CJ Freshway serves as the primary decision-making body of ESG management. It defines strategic objectives within the ESG realm and evaluates the company's ESG management strategy and direction by identifying and discovering relevant topics and issues. Moreover, the Committee plays a vital role in driving sustainable growth by regularly reviewing and approving performance and improvement measures. In 2022, the Committee considered and decided ESG strategic framework, which is based on the ESG goal and 3 strategic directions. Please refer to page 10 of this report for further information.

# RISK MANAGEMENT

The increase in complexity of industrial risks and interdependency is raising the need to identify and manage various risks both internally and externally. Recognizing the significance of risk management, CJ Freshway redefined the responsibilities of risk management departments and reassessed the risk status and risk-level classification system by accident type in 2022.

## Integrated Risk Management

### Integrated Risk Management System

CJ Freshway manages and controls potential business risks such as food safety, industrial disasters, legal compliance, personal information, and so on, through departments dedicated to each risk. In 2022, we redefined the role of the BRM team, a business management division within the management support organization by assigning it the responsibility to manage corporate-wide risks. Through the clear assignment of responsibilities to each department and sharing of detailed implementation plans, we ensured prompt reporting and response to risks. We also operate an integrated risk management system that encompasses reporting on risk response outcomes and future improvement measures.

### The Risk Committee

The Risk Committee is tasked with the efficient mitigation of risks through prompt response. The Committee, consisting of executives, including the CEO and practitioners of the departments where risks occur, convenes meetings to assess the situation and resolves the risks when risks arise. The Committee then reports on improvement measures to prevent the recurrence of similar risks and implements risk management protocols.

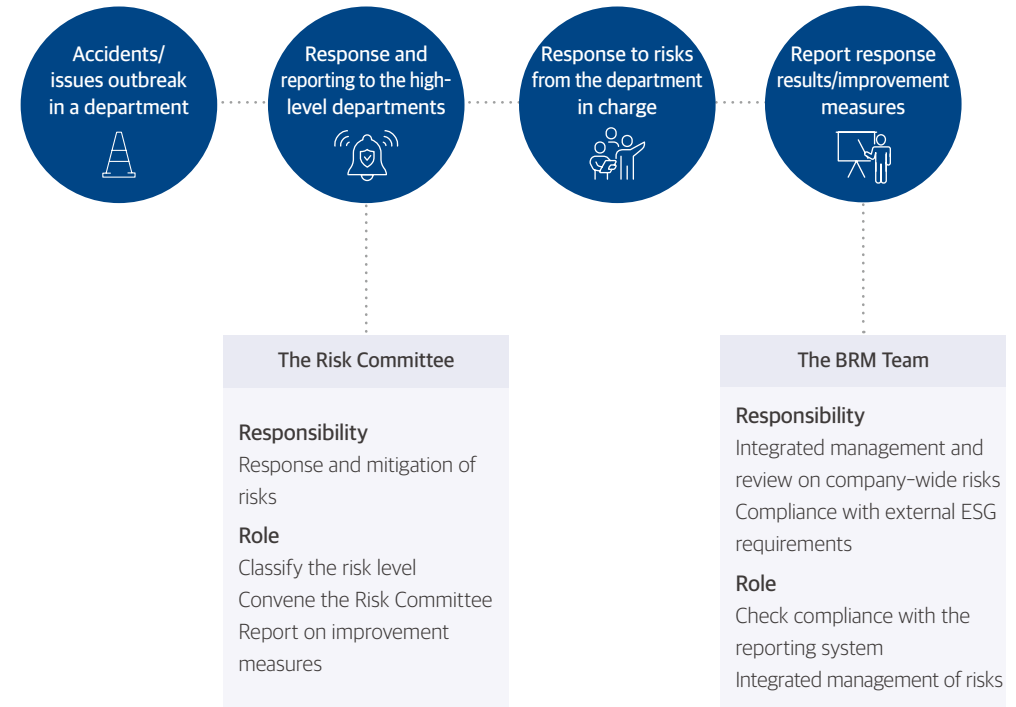
### The BRM Team

The BRM (Business Risk Management) Team acts as a command center that integrates, manages, and checks company-wide risks. The team conducts thorough assessments of risks by examining their status and implementing measures to address them, ensuring compliance with external ESG requirements. When risks occur, the team confirms that prompt reporting and appropriate management are carried out in adherence to established reporting protocols. Additionally, the team reports the outcomes of responses and proposes improvement measures for risks that have occurred more than once a year to the executives and the BOD (the ESG Committee), a consultative body of ESG management, so that they can be reflected in the integrated risk management system.

### Risk Identification and Management

CJ Freshway identifies and categorizes risks by types of accidents with a company-wide, integrated risk management system. The risk categorization provides us a clear recognition of which parties should be informed about the risks and who holds the responsibility for implementing necessary improvements.

### Risk Response Process





# ETHICAL MANAGEMENT

CJ Freshway’s corporate endeavors revolve around the core principle of “ethics.” We firmly believe that corporate profits should be generated through ethical and responsible means. Based on this belief, we actively communicate our Code of Ethics to all employees and provide ongoing training to help them fully embrace the ethical standards.

## Practicing Ethical Management

### The Code of Ethics

The CJ Group has introduced “CJ Code of Business Conduct,” which outlined the management philosophy of CJ and the responsibilities of the corporate members. The CJ Code of Business Conduct serves as a comprehensive policy for ethical and legal compliance that applies to all stakeholders, including customers, shareholders, investors, CJ colleagues, partners, and the global community as well as nations and local communities. All executives and employees of CJ Freshway will comply with the “CJ Code of Business Conduct” and continue to practice ethical management through monitoring.

CJ Freshway promises the following to practice CJ’s management philosophy of contributing to the national economy, valuing talent, and pursuing rational management.

#### 1 Our Promise to Customers

- We provide ONLY ONE products and services to our customers
- We promote and sell our products and services to customers ethically and honestly.
- We take our customers’ feedback seriously, and customer satisfaction is our utmost priority.
- We protect our customers’ personal information in a secure and responsible manner.

#### 2 Our Promise to Shareholders and Investors

- We keep all our records accurately and manage them rigorously.
- We comply with the public disclosure rules and strictly control insider information.
- We protect the Company’s assets with care and use them properly.
- We comply with the Company’s privacy policy and protect its confidential information.

#### 3 Our Promise to Fellow CJ Employees

- We foster an environment where we can work with pride and have fun.
- We foster a healthy and safe working environment.
- We perform our work in an honest and lawful manner and with our best efforts.
- We try to find the right balance between protection of individual privacy and respect for our co-workers.

#### 4 Our Promise to Fellow Players in the Market

- We establish a sound transaction order by competing fairly.
- We create an industrial ecosystem of shared growth by dealing fairly with our business partners.

#### 5 Our Promise to the Global Community

- We create shared value and fulfill our corporate social responsibility.
- We realize social values by respecting human rights and protecting the environment.
- We comply with the anti-corruption and anti-bribery laws from all over the world.
- We respect the international trade order and abide by the laws and regulations of each country.

# ETHICAL MANAGEMENT

## Practicing Ethical Management

### Anti-Bribery and Anti-Corruption Policy

“CJ Code of Business Conduct,” the Code of Ethics of the CJ Group, incorporates anti-bribery and anti-corruption policies that all CJ members must comply with. CJ Code of Business Conduct mandates strict adherence to not only domestic laws but also global anti-corruption laws and regulations, as well as internal rules of the company. Key requirements include “complying with anti-corruption laws and regulations,” “no improper solicitations,” “no bribery,” and “no gifts and hospitality for business.” Detailed information regarding these requirements can be found on pages 68~69 of CJ Code of Business Conduct.

### 4 Action Plans to Comply with Anti-Bribery and Corruption Policy



### Ethical Training

CJ Freshway provides continuous ethical training for all employees to raise ethical awareness and prevent violations of the Code of Ethics. New hires, including those with and without past career experiences, receive introductory compliance training twice a year and all employees complete annual group-wide compliance training once a year. The group-wide compliance training includes crucial contents of the Code of Ethics.

### Ethical Training for Employees in 2022

No. of participants

2,928 ppl



Total hours

7,534 hours



# COMPLIANCE

To ensure transparency and fairness in business activities based on “ethical management”, a compliance system that prevents illegal acts is required. As a result of our continued effort, in 2022, we established a compliance operating system that satisfies the global standards, laying out the groundwork for ethical and sustainable management that goes beyond legal compliance.

## Compliance Operating System

### Compliance Management System (ISO37301)

Our compliance management system forms the company-wide compliance organization structure, while each organization manages potential risks of legal violations in coordination with one another. The Compliance Management Committee, the highest decision-making organization, the Compliance Coordinator, a working group council for compliance management, and the legal compliance team committed to compliance management, are all serving their roles actively in the internal control system. Since the launch of the compliance organization in 2018, we have strived to carry out compliance activities and systemize our compliance management system. As a result of our cumulative efforts, we acquired the ISO37301 certificate for compliance management system from ISO (International Organization for Standardization) in 2022. We will continue to strive for ethical and sustainable management to repay the trust placed in us by our customers, shareholders, and employees.



Certificate for Compliance Management System (ISO37301)

### Compliance Management Committee

Since 2021, CJ Freshway has been operating the Compliance Management Committee as the highest decision-making organization for compliance management. Consisted of CEO, a compliance manager and executives, this committee meets bi-annually to discuss compliance-related initiatives and key agenda, as well as sets the overall direction for compliance management. It also identifies potential compliance risks in various business domains by researching and analyzing compliance regulation trends in order to develop responses to them.



Compliance Management Committee Meeting

# COMPLIANCE

## Compliance Operating System

### Compliance Organization (Legal-Compliance Team)

Compliance Officer investigates all business domains' investment and management practices to identify any risks and violations of applicable laws and regulations, reviews the compliance status of Compliance Control Standards by examining risks and the self-compliance status of Fair-Trade Act in all domains, and reports the results to BOD. By doing so, the officer enables the company to gain social trust from its customers and eliminate reputational risks, preventing losses for the company and its shareholders and assisting employees in performing their duties securely. The officer is not only responsible for ensuring legal compliance, but also for laying the groundwork for ethical/sustainable management.

### Internal Audit based on Compliance Management System

CJ Freshway conducts internal audits based on the compliance management system and reports the results to BOD once a year. In 2022, an internal audit in the form of interview was conducted of 15 risk management teams, which resulted in recommendations that we raise awareness of our process and policies for identifying compliance risks, as well as strengthen activities for risk management and control. To increase awareness of the recommendations, the relevant managers had a meeting and adjusted the process/policies for identifying and monitoring compliance risks.

### Legal Risk Assessment

Since the introduction of the ISO37301 compliance management system, we have conducted an annual assessment of potential legal risks across our business activities in addition to issues related to corruption and fair trade. Based on the assessment results, we set our compliance activity goals. In particular, the items with high residual risks even after having taken the mitigation measures are continuously being managed by setting additional implementation goals.

While we have never faced any legal action for corruption or unfair trade practices, we did receive an on-site audit on potentially illegal conduct. We are making every effort to demonstrate our innocence about the claim.

### 2022 Corruption-related Risk Assessment Results

No. of violations of anti-corruption laws and regulations

0



## Compliance Activities

### Compliance Training

All employees at CJ Freshway are required to complete mandatory compliance training courses on the code of conduct, fair trade. We have set "fair trade" as a core theme of the company-wide mandatory compliance training course, which has a completion ratio of over 90% every year. Also, new hires, including both entry- and senior-level, must complete the introductory course on compliance, while all employees can take intensive job-specific courses on the Subcontracting Act, the Agency Act, and the Server Disaster Penalty Act, among others. Meanwhile, job-specific trainings are offered in tandem, such as the course on the subcontracting act for the product marketing group and the course on the agency act for the sales group. In addition, we intend to expand job-specific training courses as we expand our business scope.

### Whistleblowing System

CJ Group provides a reliable whistleblowing system for all employees and external stakeholders. Through various channels, including e-mail and CJ Whistle, employees can report wrongdoing without any fear of retaliation as protective measures are in place. External stakeholders can also use our internal system, as well as K-Whistle, an external channel, to report any wrongdoing. All data related to reports is encrypted and the reports from K-Whistle are provided by Korea Business Ethics Institute, an external organization. All submitted reports are processed separately by a department in charge at CJ, and all reporters and reports are kept anonymous.

### Report Processing Procedure



# COMPLIANCE

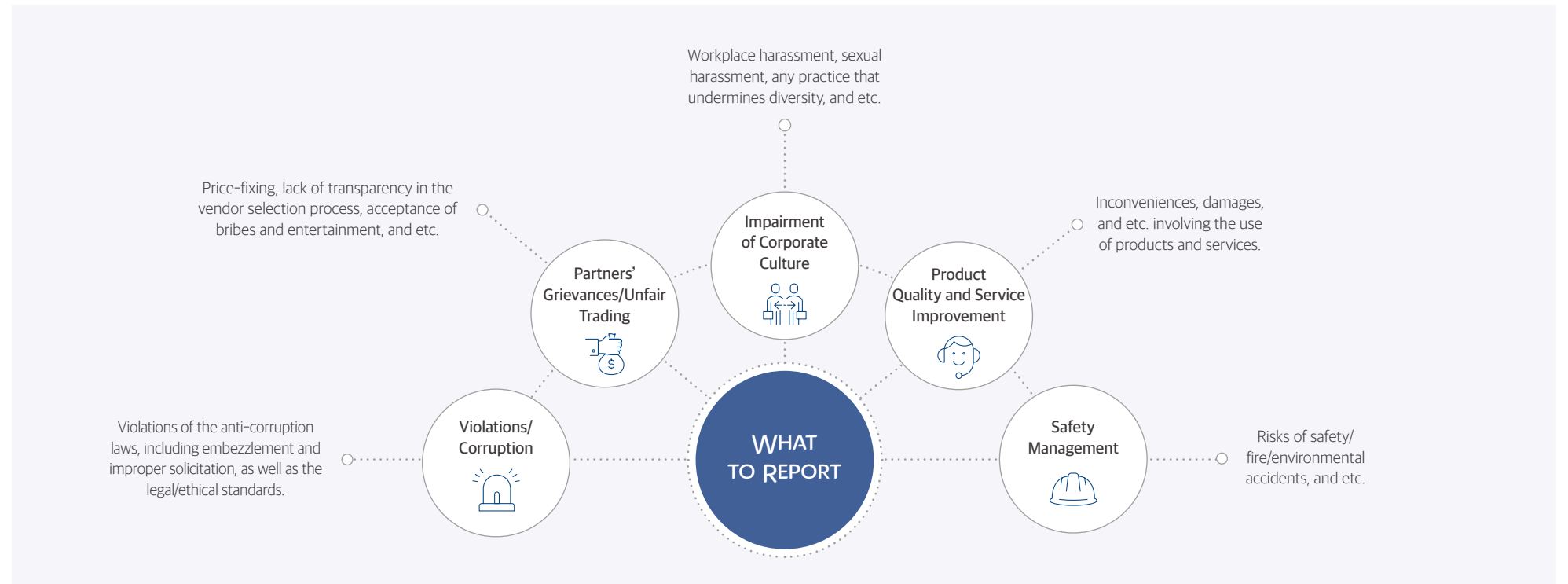
## Compliance Activities

### Cultivate Ethical Management Culture

We sent an email titled “Make CJ Healthier” to inform all our employees of the code of conduct for ethical management and violation examples. The email included the link to CJ Whistle, our online whistleblowing system, to make it easier for reporters to access the system. We are also expanding our activities to nurture a healthy ethical management culture by introducing the “Dictionary on How to Work”, where employees can learn about work processes of the entire organizations and misconduct examples.

### Compliance KPI Management

Heads of departments at CJ Freshway are evaluated in terms of compliance activities. By adding or deducting extra points after reviewing each organization’s compliance activities, we encourage our organizations to actively participate in those activities and raise awareness of compliance management. The basic performance review is focused on the achievement of goals such as annual compliance-related education program/activity development and risk monitoring, which is followed by the calibration process where extra points are added or deducted for criminal cases or administrative punishments on a case-by-case basis.





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# INFORMATION SECURITY

Since CJ Freshway is a food consulting firm that provides customers with a solution, customers give us their personal and trade secrets based on their trust in us. To live up to their expectations, we have established a rigorous security management system and expanded related investments to foster security-oriented culture. As a result, we haven't had any information security issues for the past three years

## Information Security Management

### Information Protection Policies

CJ Freshway follows "CJ Global Privacy Policies" and the internal "Information Protection Guidelines" within <CJ Code of Business Conduct> to protect our customers' personal information, which involves their rights and interests, information of the company and stakeholders, and trade secrets. To that end, we disclose the guidelines to personal information processing, the terms and conditions for use on the CJ Freshway website in accordance with the 7 principles\* of personal information protection, as well as relevant laws and regulations such as the Act on Promotion of Information and Communications Network Utilization and Information Protection.

To safeguard CJ Freshway's critical data and trade secrets, system permissions are monitored on a regular basis in accordance with the company's information protection guidelines to ensure that user permissions are properly assigned. Furthermore, in compliance with Article 8 of our internal guidelines, we have been logging administrator access to personal information systems that are used for services provided via external networks.

\*7 Principles of Personal Information Protection in CJ Global Privacy Policy: Principles of lawfulness, fairness, and transparency; purpose limitation; minimization of personal data processing; accuracy; retention period limitation; integrity and confidentiality; and accountability.

### Information Protection Steering Committee

The Information Protection Steering Committee is a committee for decision-making on information technology section led by CISO and CPO who have expertise in personal information protection and information technology, as well as qualified in terms of relevant requirements specified in the information and network communication act. This committee establishes or revises information protection policies and guidelines on a regular basis to reflect the most recent laws and regulations and trends in rapidly changing IT environments, such as the emergence of the Cloud industry, prevent security incidents, and strengthen implementation capabilities across our response system.

### Cyber Security Incident Prevention/Response

CJ Freshway takes disciplinary action against or punishes anyone who causes a security incident in order to promote awareness of security incidents that threaten individual safety and assets, as well as to prevent and manage such occurrences. The lowest limit of discipline/punishment stated in the company policies is disclosed in the company's portal system, being reviewed for revision once a year.

Employees can investigate any suspicious activity and report it to their department head or information security manager. In addition, our policy includes a provision that allows them to act first before reporting if it is an urgent case that demands immediate action, as we focus on responding quickly and minimizing damage.

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# INFORMATION SECURITY

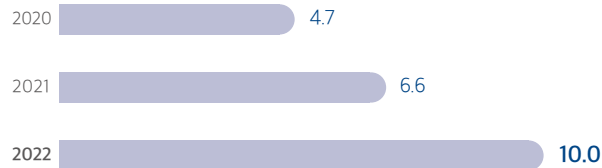
## Information Security Management

### Information Protection & Investment Management

CJ Freshway has been expanding investment in information security every year, which accounted for as much as 10.0% of the entire IT budget in 2022. We've also improved our data management to prevent customers' personal information breaches and losses, which has resulted in zero losses from legal proceedings due to customer information breaches over the last three years. Going forward, relevant policies will be reviewed for revision more than once a year to prevent and notify any information security issue, as well as respond to security incidents.

### Information Protection in Investment as a Percentage of Total IT Budget

(Unit: %)



### No. of Violations of Personal Information Protection Policies

0 for three years in a row



### Information Security Training to Raise Awareness

CJ Freshway requires all workers to complete an annual online training course on (personal) information protection that focuses on trade secret protection, cyber security, personal information protection measures, and so on. In 2022, a total of 2,847 employees received information security training, a 4.67% increase year over year.

Employees also take part in an annual simulated training program to learn how to handle malicious emails in response to cyber threats. To prevent security incidents, any employee who opened such email must take an additional information security training course. New hires must attend a mandatory information security training course to understand the company's and customers' information security standards, as well as practice drills to put the protective measures into action. Following the completion of the training, a training satisfaction survey is conducted, and the results are incorporated into the training program to ensure that workers have no difficulty understanding the procedures for preventing and responding to information security incidents.

# TAX MANAGEMENT

CJ Freshway, as a member of society, is committed to fulfilling tax obligations in accordance with applicable laws and regulations.

We apply strict tax management under “CJ Freshway Tax Payment Policies” to ensure that we do not obtain ill-gotten gains by dodging our responsibilities, but rather, faithfully carry them out.

## Tax Policies and Management

### Tax Policies

CJ Freshway reviews revisions in tax laws and implements follow-up measures bi-annually in strict compliance with CJ Freshway Tax Payment Policies. We adhere to the requirements of each tax item to avoid any tax risks and reduce tax payments, while faithfully fulfilling our responsibilities to report and pay tax to the country and municipalities.

### Tax Management Process

CJ Freshway has a decision-making process that requires approvals from a working-level person in charge, a manager on the accounting team in the business support department, and the CFO. The working-level person in charge implements tax payment management policies in accordance with tax payment principles and attends working-level trainings on the most recent tax audit practices, how to respond to them, and so on.

### Tax Risk Management

CJ Freshway prepares MRCs (Management Review Control), one of the internal accounting management measures, and receives approval on it from the executives to control uncertain tax position risks, as well as reflect the auditor feedback in it.

Furthermore, the accounting team leads our efforts to improve financial soundness and reviews the legitimacy of related activities. When it comes to tax reporting, the team strives not only to reduce tax payments but also to prevent the risks of violating tax laws and regulations by regularly monitoring applicable laws and regulations such as the Fair Trade Act.

### Disclosure of Tax Payments

CJ Freshway submits audit reports in compliance with the Act on External Audit of Stock Companies and discloses our business reports in accordance with the Financial Investment Services and Capital Markets Act. We meet tax filing and payment deadlines for each tax item, including corporate and value-added taxes, while documenting and preserving eligible documented evidence and rationale for decisions related to transactions. In addition, we are having our statement of tax adjustment reviewed by outside professionals, such as a tax preparer.

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# ESG DATA

## Financial Performance

### Condensed Consolidated Statements of Financial Position

Items	Unit	2020	2021	2022
<b>Current assets</b>	KRW 1M	431,141	502,157	673,968
Cash and cash equivalents	KRW 1M	85,566	153,736	188,326
Trade and other receivables	KRW 1M	200,778	216,266	277,882
Other current financial assets	KRW 1M	15,909	12,234	15,661
Other current assets	KRW 1M	8,681	4,727	10,268
Inventories	KRW 1M	120,207	115,194	181,831
<b>Non-current assets</b>	KRW 1M	691,638	714,327	810,759
Financial assets measured at fair value through profit or loss	KRW 1M	850	2,330	44,674
Other comprehensive assets measured at fair value through profit or loss	KRW 1M	5	5	-
Investments in associates and joint ventures	KRW 1M	2	3	3,474
Property, plant and equipment	KRW 1M	359,982	400,645	427,048
Right-of-use assets	KRW 1M	100,819	86,319	99,107
Intangible assets	KRW 1M	85,530	75,901	74,798
Investment property	KRW 1M	93,995	90,875	83,780
Other non-current financial assets	KRW 1M	34,022	52,273	72,894
Other non-current assets	KRW 1M	1,410	1,294	1,192
Deferred tax assets	KRW 1M	15,023	4,682	3,792
<b>Total assets</b>	KRW 1M	1,122,779	1,216,484	1,484,727
<b>Current liabilities</b>	KRW 1M	442,099	607,807	795,630
<b>Non-current liabilities</b>	KRW 1M	394,444	266,042	285,041
<b>Total liabilities</b>	KRW 1M	836,543	873,849	1,080,671

Items	Unit	2020	2021	2022
<b>Owner's equity</b>	KRW 1M	188,037	245,916	307,814
Capital Stock	KRW 1M	11,872	11,872	11,872
Share premium	KRW 1M	90,619	90,619	90,619
Other equity	KRW 1M	91,499	124,370	140,827
Retained earnings	KRW 1M	-5,953	19,055	64,496
<b>Non-controlling interests</b>	KRW 1M	98,199	96,719	96,242
<b>Total equity</b>	KRW 1M	286,236	342,635	404,056

### Condensed Consolidated Income Statement

Items	Unit	2020	2021	2022
<b>Sales revenue</b>	KRW 1M	2,478,529	2,291,434	2,747,692
<b>Operating profit</b>	KRW 1M	-3,546	55,629	97,840
<b>Net Profit</b>	KRW 1M	-42,518	31,105	52,243
Controlling interests	KRW 1M	-39,255	26,653	49,097
Non-controlling interests	KRW 1M	-3,263	4,452	3,146
<b>Other comprehensive income (after income tax)</b>	KRW 1M	535	44,456	20,529
<b>Total comprehensive income</b>	KRW 1M	-41,983	75,561	72,772
<b>Earning Per Share</b>	KRW	-3,307	2,245	4,136
<b>Diluted Earning Per Share</b>	KRW	-3,307	2,109	3,912
<b>No. of consolidated companies</b>	Number	17	14	14





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# ESG DATA

## Environment

### Greenhouse Gas\*

Category	Unit	2020	2021	2022
Direct & Indirect GHG emissions (Scope 1+2)	tCO <sub>2</sub> -eq	24,012	23,888	28,964
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> -eq	8,011.251	7,936.371	9,398.276
Indirect GHG emissions (Scope 2)	tCO <sub>2</sub> -eq	16,001.645	15,952.238	19,566.174
GHG emission intensity (Scope 1+2)	tCO <sub>2</sub> -eq /KRW 100M	1.247	1.284	1.250

\*Compared to the previous year, data from 2020 and 2021 were recalculated according to resetting the organizational boundaries of the workplace.

### Energy\*

Category	Unit	2020	2021	2022
Energy consumption**	TJ	490	487	592
Fuel energy consumption	TJ	157.226	155.528	184.285
Electricity energy consumption***	TJ	333.818	332.051	406.953
Steam energy consumption	TJ	0.767	1.719	2.467
Energy consumption intensity	TJ/KRW 100M	0.0254	0.0262	0.0255

\*Compared to the previous year, data from 2020 and 2021 were recalculated according to resetting the organizational boundaries of the workplace.

\*\*Calculation methodology from the Ministry of Environment was applied in greenhouse gas inventory verifications (There are some differences between the sum of each energy source and the amount of energy used.)

\*\*\*Purchased non-renewable energy

### Water Resource\*

Category	Unit	2020	2021	2022	
Water intake	Ton(m <sup>3</sup> )	38,673.4	45,654.9	71,132.3	
Water discharged	Ton(m <sup>3</sup> )	3,596.7	6,170.4	7,424.0	
Water Stress areas	Percentage of Water intake	%	0.000	0.004	0.005

\*Compared to the previous year, data from 2020 and 2021 were recalculated according to resetting the organizational boundaries of the workplace.

### Pollutants\*

Category	Unit	2020	2021	2022	
Water pollutant emissions	Total organic carbon (TOC)	Ton(m <sup>3</sup> )	0.031	0.102	0.040
	NOx	ppm	62.4	56.4	45.9
Air pollutant emissions	SOx	ppm	0	1.3	0
	Dust	ppm	0	0.0037	0

\*Compared to the previous year, data from 2020 and 2021 were recalculated according to resetting the organizational boundaries of the workplace.

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## Environment

### Waste\*

Category		Unit	2020	2021	2022	
Emission	Total amount of wastes generated	Ton	21,424.6	21,344.9	23,571.5	
	General wastes	Ton	21,411.7	21,336.9	23,563.2	
	Designated wastes (energy not recovered)	Ton	13.0	8.0	8.3	
	Waste generation intensity	Ton/ KRW 100M	1.112	1.148	1.017	
Treatment**	Total amount of wastes treated (Recycled+Incinerated+Land filled)	Ton	33.1	102.8	184.9	
	Recycled	General wastes	Ton	20.3	91.2	126.1
	Incinerated	Designated wastes (energy not recovered)	Ton	12.8	7.8	8.1
	Landfilled	General wastes	Ton	-	3.8	50.7

\*Compared to the previous year, data from 2020 and 2021 were recalculated according to resetting the organizational boundaries of the workplace.

\*\*In the case of wastes treated, only data with evidence related to disposal methods (Recycled/Incinerated/Landfilled, etc.) is reflected.

### Packaging

Category	Unit	2020	2021	2022
Total amount of packaging materials used	Ton	6.162	13.436	19.228
Plastic	Ton	6.162	13.436	19.228

### Environmental Management

Category	Unit	2020	2021	2022
Purchases of sustainable products*	KRW 1M	46,404	56,999	62,476
Sales of sustainable products**	KRW 1M	45,591	57,157	57,268
Investment in eco-friendly infrastructure	KRW 100M	4.5	6.5	5.9

\*Includes the purchase of eco-friendly products (eco-friendly certified products)

\*\*Applicable only to external sales revenue, excluding the internal sales to Food Service Department.

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## Social

### Workforce Status

Category	Unit	2020	2021	2022	
Total number of employees*	ppl	6,659	6,286	7,071	
Composition of employees by employment type	Executives (registered + unregistered)	ppl	9	10	9
	Employees without fixed term contracts	ppl	6,601	6,164	6,752
	Employees with fixed term contracts	ppl	49	112	310
	Full time	ppl	6,650	6,279	7,065
	Part-time	ppl	8	6	5
	Non-guaranteed contract for working hours	ppl	1	1	1
	Composition of employees by gender	Male	ppl	1,970	1,829
Female		ppl	4,689	4,457	5,060
Composition of employees by age group	Under 30	ppl	1,441	1,352	1,451
	Aged 30~50	ppl	2,654	2,512	2,845
	Over 50	ppl	2,564	2,422	2,775
Composition of employees by nationality	Korea	ppl	6,642	6,274	7,064
	United States	ppl	1	0	0
	China	ppl	13	9	6
	Japan	ppl	2	2	0
	New Zealand	ppl	1	1	1

\*Recalculated of three-year data, including the number of executives and employees as of the previous year's report.

### Talent Acquisition and Training

Category	Unit	2020	2021	2022	
Total number of new hires	ppl	2,951	3,006	4,220	
Composition of new hires by gender	Male	ppl	620	527	891
	Female	ppl	2,331	2,479	3,329
Composition of new hires by age group	Under 30	ppl	741	924	1,118
	Aged 30~50	ppl	662	660	1,044
	Over 50	ppl	1,548	1,422	2,058
Turnover rate	Voluntary	%	44.3	47.9	43.7
	Involuntary	%	4.9	5.8	4.9
Employment engagement*	Score	68.7	-	79.5	
Employee training**	Training hours per person	Hour	27.5	81.0	59.3
	Training cost per person	KRW 10,000	58.3	78.0	112.3
Welfare benefit	KRW 1M	10,816	13,569	15,479	
Flexible working system participation ratio***	%	100	100	100	

\*Not implemented due to reorganization in 2021

\*\* Excluded Food Service field training

\*\*\*Calculated those who are eligible for flexible working system

# ESG DATA

## Social

### Diversity, Equity and Inclusion

Category	Unit	2020	2021	2022	
Gender equality	Percentage of female executives	%	13	11	13
	Percentage of female managers	%	65.8	66.1	65.1
	Percentage of female staff in STEM*	%	62.1	69.0	66.0
	Percentage of female managers in STEM	%	33.3	25	33.3
	Female to male wage ratio**	%	61.51	54.85	53.61
Inclusion of social minorities	Number of social minorities among employees	ppl	162	142	154
	Number of employees with disabilities	ppl	148	127	138
	Number of national veterans	ppl	14	15	16
Work-life balance	Number of employees on parental leave	ppl	105	125	156
	Male	ppl	22	27	27
	Female	ppl	83	98	129
	Percentage of employees who returned from parental leave	%	81.3	88.6	89.6
	Male	%	72.2	86.4	77.8
	Female	%	83.1	89.2	92.9
	Retention rate after returning from parental leave (12 months or more)	%	77.8	73.6	69.9
Fair evaluation	Male	%	78.6	69.2	52.6
	Female	%	77.6	74.3	74.3
	Percentage of employees subject to regular evaluation***	%	100	100	100

\*Departments related to science, technology, engineering, and math  
 \*\*Followed the criteria of business report  
 \*\*\*Periodic performance evaluation: MBO, relative evaluation

### Safety and Health

Category	Unit	2020	2021	2022
Number of Process Hazard Analysis performed	Number of times per year	1	1	1
Hours of occupational safety training per person	Hour	276	274	277
Training completion rate	%	100	100	100
Number of employee fatalities	Case	0	0	0
Number of serious accidents	Case	0	0	0

### Human Rights

Category	Unit	2020	2021	2022		
Percentage of employees subject to collective bargaining (based on Labor-Management Council)	%	100	100	100		
Human rights violations	Number of reported cases	Case	6	9	11	
	Number of valid reported cases	Case	6	9	9	
	Percentage of closed cases	%	100	100	100	
Human rights training*	Sexual harassment prevention	Target	ppl	2,812	2,784	3,051
		Completed	ppl	2,812	2,774	2,992
	Disability awareness	Target	ppl	2,974	2,721	2,874
		Completed	ppl	2,974	2,715	2,681

\*Excluded Food Service field training



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### Social Contribution

Category	Unit	2020	2021	2022	
Total cost on social contribution	KRW 100M	36.6	36.0	40.5	
	Donations	KRW 100M	2.2	4.1	1.0
	Local community investment	KRW 100M	33.5	31.5	39.1
	Commercial initiative	KRW 100M	0.9	0.4	0.4
Volunteer activities	Hours	Hour	2,947	3,219	3,868
	Number of Participants	ppl	620	659	660

### Food Safety

Category	Unit	2020	2021	2022
Number of product safety accidents	Case	0	0	0
Percentage of violation on safety regulations of high-risk food	%	0	0	0

### Information Security

Category		Unit	2020	2021	2022
Information security training*	Number of participants	ppl	2,916	2,720	2,847
	Percentage of participation	%	100	99.85	99.86
Information security investment	Percentage of information security investment compared to the overall IT budget	%	4.7	6.6	10.0

\* Excluded Food Service field training

### Supply Chain Management

Category		Unit	2020	2021	2022
Percentage of contracts with supplier code of conduct		%	100	100	100
Total number of suppliers		Number	2,141	1,895	1,832
Resolution of supplier complaints*	Number of complaints received from suppliers	Case	0	4	4
	Number of safety and health complaints received from suppliers	Case	0	0	0
	Percentage of resolved complaints received from suppliers	%	-	100	100

\*No. of reports received through the reporting channel



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## Governance

### BOD and Audit Committee\_Composition

Category		Unit	2020	2021	2022
BOD Composition	BOD	ppl	6	6	6
	Outside director	ppl	3	3	3
	Female directors	ppl	0	0	1
	Financial expert	ppl	1	1	1
Committee composition	Audit Committee	ppl	3	3	3
	Outside Director Candidate Recommendation Committee	ppl	3	3	3
	Remuneration Committee	ppl	6	6	6
	ESG Committee	ppl	4	4	4
	BOD	%	50	50	50
Percentage of outside director in composition	Audit Committee	%	100	100	100
	Outside Director Candidate Recommendation Committee	%	100	100	100
	Remuneration Committee	%	50	50	50
	ESG Committee	%	-	75	75

### BOD and Audit Committee\_Operation

Category		Unit	2020	2021	2022
Number of meetings held	BOD	Meeting	8	7	8
	Audit Committee	Meeting	4	6	7
	Outside Director Candidate Recommendation Committee	Meeting	0	2	2
	Remuneration Committee	Meeting	1	2	1
	ESG Committee	Meeting	-	1	2

Category		Unit	2020	2021	2022	
Number of agenda items in the BOD	Submitted	Total	Item	20	27	23
		Reported	Item	7	7	7
		Voted	Item	13	20	16
	Opposition/amendment of outside directors	Item	0	0	0	
Number of agenda items in the Committee*	Audit Committee	Reported	Item	6	6	8
		Voted	Item	0	1	3
	Outside Director Candidate Recommendation Committee	Reported	Item	-	0	0
		Voted	Item	-	2	2
	Remuneration Committee	Reported	Item	0	0	0
		Voted	Item	1	3	1
	ESG Committee	Reported	Item	-	1	2
		Voted	Item	-	1	3
Director attendance rates**	BOD_Total		%	89.6	88.1	95.8
	Audit Committee_Total		%	100	94.4	95.2
	Outside Director Candidate Recommendation Committee_Total		%	-	100	83.3
	Remuneration Committee_Total		%	83.3	91.7	83.3
	ESG Committee_Total		%	-	100	100
Outside director attendance rates	BOD_Inside director		%	83.3	81	95.8
	BOD_Outside director		%	95.8	95.2	95.8
	Remuneration Committee_Outside director		%	100	100	100
	ESG Committee_Outside director		%	-	100	100

\*During the 2020-2022 period, the number of cases opposed/modified by outside directors was zero

\*\*The Audit Committee and the Outside Director Candidate Recommendation Committee are composed only of outside directors

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## Governance

### BOD and Audit Committee\_Remuneration

Category		Unit	2020	2021	2022
BOD	Inside directors	KRW 1M	595	941	1,403
	Outside directors	KRW 1M	180	180	180
External auditors	Percentage of non-audit service remuneration against audit service remuneration	%	0	0	448

### Remuneration for Employees

Category		Unit	2020	2021	2022
Employee remuneration, excluding the CEO (highest-paid person)*	Average remuneration	KRW	39,952,992	44,485,716	48,044,428
	Median remuneration	KRW	35,763,545	39,219,540	43,474,020
CEO (highest-paid person) remuneration compared to the remuneration of employees	CEO (highest-paid person) remuneration compared to the average remuneration of employees	Times	9	15	22
	CEO (highest-paid person) remuneration compared to the median remuneration of employees	Times	10	17	24

\*Based on year-end employees

### Shareholders

Category		Unit	2020	2021	2022
Ownership share rate	Largest shareholders and related parties	%	58.7	58.7	58.6
	Registered executives excluding the largest shareholders and related parties	%	0	0	0
Dividend payout ratio		%	-	13.4	8.5
Advance notice date for the venue and agendas for regular shareholders' meeting		days in advance	15	19	17

### Ethical and legal management

Category		Unit	2020	2021	2022
Ethical management training*	Hours	Hour	4,051	4,931	7,534
	Number of participants	ppl	2,873	2,741	2,928
Ethical management violations	Total number of reported cases	Case	16	27	31
	Number of valid reported cases	Case	16	21	21

\*Includes group compliance training, honesty training, and bullying prevention training, excludes Food Service field training

### Violations of Regulations

Category		Unit	2020	2021	2022
Legal & regulatory violations	Environment	Case	0	0	0
	Information security	Case	0	0	0
	Fair competition	Case	0	0	0
	Anti-corruption	Case	0	0	0
	Marketing & labeling	Case	0	0	0



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GRI Standard 2021	Disclosure No.	Description	Page	Notes
<b>GRI Standard 2021</b>				
	Statement	CJ Freshway reports data from January 1, 2022 to December 31, 2022 based on the revised GRI Standard 2021 (some data from the first half of 2023 has been included).		
<b>GRI Foundation</b>	Used GRI Standard	GRI Foundation 2021		
	Applicable GRI Sector Standards	As of the reporting date, the GRI Sector Standard guide for the industry CJ Freshway belongs to has not been released.		
<b>General disclosures</b>				
<b>The organization and its reporting practices</b>	2-1	Organizational details	6p	
	2-2	Entities included in the organization's sustainability reporting	2p	
	2-3	Reporting period, frequency and contact point	2p	
	2-4	Restatements of information	72~79p	Revisions from the previous report are explained in the footnotes
	2-5	External assurance	88~89p	
<b>Activities and Workers</b>	2-6	Activities, value chain and other business relationships	8, 43p	
	2-7	Employees	75p	
	2-8	Workers who are not employees	75p	
	2-9	Governance structure and composition	58p	
<b>Governance</b>	2-10	Nomination and selection of the highest governance body	58p	
	2-11	Chair of the highest governance body	58p	
	2-12	Role of the highest governance body in overseeing the management of impacts	58~61p	
	2-13	Delegation of responsibility for managing impacts	58~61p	
	2-14	Role of the highest governance body in sustainability reporting	10, 59~60p	
	2-15	Conflicts of interest	59~60p	
	2-16	Communication of critical concerns	59, 61p	
	2-17	Collective knowledge of the highest governance body	10, 60p	
	2-18	Evaluation of the performance of the highest governance body	61p	
	2-19	Remuneration policies	61p	
	2-20	Process to determine remuneration	61p	
2-21	Annual total compensation ratio	79p		



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GRI Standard 2021	Disclosure No.	Description	Page	Notes
<b>General disclosures</b>				
	2-22	Statement on sustainable development strategy	5p	
	2-23	Policy commitments	31, 38, 40, 46, 63p	
	2-24	Embedding policy commitments		
<b>Strategy, policies and practices</b>	2-25	Processes to remediate negative impacts		62p
	2-26	Mechanisms for seeking advice and raising concerns	66p	
	2-27	Compliance with laws and regulations	79p	
	2-28	Membership associations	87P	
<b>Stakeholder Engagement</b>	2-29	Approach to stakeholder engagement	13p	
	2-30	Collective bargaining agreements	76p	
<b>Material Topics</b>				
	3-1	Process to determine material topics	14p	
<b>GRI 3:Material Topics 2021</b>	3-2	List of material topics	14p	
	3-3	Management of material topics	15p	
<b>Creating a healthy food culture</b>				
<b>GRI 3:Material Topics 2021</b>	3-3	Management of material topics	15p	
<b>NON GRI</b>	-	Sales in CJ Freshway brand for creating healthy food culture	23p	
<b>Food safety</b>				
<b>GRI 3:Material Topics 2021</b>	3-3	Management of material topics	15p	
<b>NON GRI</b>	-	No. of product safety accidents	77p	
<b>Customer satisfaction</b>				
<b>GRI 3:Material Topics 2021</b>	3-3	Management of material topics	15p	
<b>Marketing and Labeling</b>	417-2	Incidents of non-compliance concerning product and service information and labeling	79p	
	417-3	Incidents of non-compliance concerning marketing communications	79p	

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GRI Standard 2021	Disclosure No.	Description	Page	Notes
<b>Waste management</b>				
<b>GRI 3:Material Topics 2021</b>	3-3	Management of material topics	15p	
<b>Waste</b>	306-1	Waste generation and significant waste-related impacts	35p	
	306-2	Management of significant waste-related impacts	35p	
	306-3	Waste generated	74p	
	306-5	Waste diverted from disposal	74p	
<b>Responsible sourcing of raw material</b>				
<b>GRI 3:Material Topics 2021</b>	3-3	Management of material topics	15p	
<b>NON GRI</b>	-	Expansion of animal-welfare livestock products	21p	
	-	Expansion of sustainable, certified seafood products	21p	
<b>Information security &amp; privacy protection</b>				
<b>GRI 3:Material Topics 2021</b>	3-3	Management of material topics	15p	
<b>Customer Privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	79p	
<b>Topic Standard disclosures</b>				
<b>Economic Performances (GRI 200)</b>				
<b>Market Presence</b>	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	76p	
<b>Indirect Economic Impacts</b>	203-2	Significant indirect economic impacts	44p	
<b>Anti-corruption</b>	205-2	Communication and training about anti-corruption policies and procedures	64, 79p	
	205-3	Confirmed incidents of corruption and actions taken	79p	
<b>Environmental Performances (GRI 300)</b>				
<b>Materials</b>	301-1	Materials used by weight or volume	74p	
<b>Energy</b>	302-1	Energy consumption within the organization	73p	
	303-2	Management of water discharge-related impacts	34p	
<b>Water and Effluents</b>	303-4	Water discharge	73p	
	303-5	Water consumption	73p	



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GRI Standard 2021	Disclosure No.	Description	Page	Notes
<b>Emissions</b>	305-1	Direct (Scope 1) GHG emissions	73p	
	305-2	Energy indirect (Scope 2) GHG emissions	73p	
	305-4	GHG emissions intensity	73p	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	73p	
<b>Social Performances (GRI 400)</b>				
<b>Employment</b>	401-1	New employee hires and employee turnover	75p	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	76p	
	401-3	Parental leave	76p	
<b>Occupational Health and Safety</b>	403-1	Occupational health and safety management system	40p	
	403-2	Hazard identification, risk assessment, and incident investigation	41p	
	403-3	Occupational health services	41p	
	403-4	Worker participation, consultation, and communication on occupational health and safety	41p	
	403-5	Worker training on occupational health and safety	42p	
	403-6	Promotion of worker health	41p	
<b>Training and Education</b>	404-1	Average hours of training per year per employee	75p	
	404-2	Programs for upgrading employee skills and transition assistance	51~52p	
	404-3	Percentage of employees receiving regular performance and career development reviews	76p	
<b>Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs	49p	
	413-2	Operations with significant actual and potential negative impacts on local communities	49p	
<b>Customer Health and Safety</b>	416-1	Assessment of the health and safety impacts of product and service categories	38~39p	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	79p	

# TCFD



## Task Force on Climate-related Financial Disclosures

The global temperature has surpassed the pre-industrial level by 1.2°C, leading to the occurrence of extreme weather events described as “the most significant in recorded history.” To respond to the climate crisis, CJ Freshway has published an ESG report that reflects 4 main recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) to transparently disclose climate-related governance, management strategy, risk management, measurement indicators, and reduction targets.

TCFD Recommendations	CJ Freshway’s Response and Plans												
<p><b>Governance</b></p> <p>Board’s oversight of climate-related risks and opportunities</p> <p>Management’s role in assessing and managing climate-related risks and opportunities</p>	<p>CJ Freshway manages performance and improvement plans for sustainable management including decision-making related to the climate change response through the ESG Committee established in 2021. We are focusing on promoting awareness and active involvement in environmental management across the company and conducting systematic environmental management with the organization responsible for environmental safety management, which reports directly to the CEO and is responsible for safety management. The ESG Committee will continue to monitor and supervise environmental issues by implementing major agendas related to climate change to achieve carbon negativity. Moreover, the committee will continuously uphold the environmental management system (ISO14001) certification to mitigate environmental risks.</p>												
<p><b>Strategy</b></p> <p>Climate-related risks and opportunities the organization has identified over the short, medium, and long term</p> <p>Impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning</p> <p>Resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p>CJ Freshway conducts a comprehensive analysis of climate change risks and opportunities throughout our value chain and establishes short-, medium-, and long-term climate change response goals by segmenting environmental policies and building corresponding strategies. In November 2022, we revised the environmental management policy and shared it with all executives and employees. In addition to developing eco-friendly products to reduce environmental impacts, we are planning to further enhance strategies for establishing an eco-friendly logistics system and promoting resource circulation. CJ Freshway is also dedicated to identifying risks and opportunities related to climate change to minimize the impact of climate change on business and finance.</p>												
<p><b>Risk Management</b></p> <p>Organization’s processes for identifying and assessing climate-related risk</p> <p>Organization’s processes for managing climate-related risk</p> <p>How processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management</p>	<p>Organization’s processes for identifying and assessing climate-related risk CJ Freshway tracks greenhouse gas (GHG) emissions and energy consumption at business locations, following the GHG inventory. The establishment of this inventory enables us to proactively manage GHG emissions and emission sources, minimizing errors and accurately assessing the emission status. We maintain our focus on managing GHG emissions in alignment with reduction targets to respond to climate risks. Additionally, climate change risks are incorporated into the integrated risk management framework, reflecting the integration of ESG in management activities. Organization’s processes for managing climate-related risk How processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management</p>												
<p><b>Metrics and Targets</b></p> <p>Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions</p> <p>Targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>CJ Freshway is enhancing the measurement and management of climate change-related risks and opportunities by increasing the disclosure of indicators such as GHG emissions and energy consumption. We have also established a climate change response strategy and aim to achieve a 50% reduction in GHG emissions by 2030 compared to business-as-usual (BAU) scenarios. Going forward, we will continue to implement our climate change response by setting GHG emission reduction targets for each sector within Scope 1&amp;2, and Scope 3.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Unit</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Direct GHG emissions (Scope 1)</td> <td>tCO<sub>2</sub>eq</td> <td>9,398.276</td> </tr> <tr> <td>Indirect GHG emissions (Scope 2)</td> <td>tCO<sub>2</sub>eq</td> <td>19,566.174</td> </tr> <tr> <td>Direct &amp; Indirect GHG emissions (Scope 1+2)</td> <td>tCO<sub>2</sub>eq</td> <td>28,964</td> </tr> </tbody> </table>	Category	Unit	2022	Direct GHG emissions (Scope 1)	tCO <sub>2</sub> eq	9,398.276	Indirect GHG emissions (Scope 2)	tCO <sub>2</sub> eq	19,566.174	Direct & Indirect GHG emissions (Scope 1+2)	tCO <sub>2</sub> eq	28,964
Category	Unit	2022											
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Direct & Indirect GHG emissions (Scope 1+2)	tCO <sub>2</sub> eq	28,964											



**Appendix**



## Sustainability Disclosure Topics & Accounting Metrics

According to the SASB Industry standards, CJ Freshway has disclosed the indicators that apply to the Food Retailers & Distributors business area of the Food & Beverage industry within the report.

Topic	Metric Code	Accounting Metric	Content
Fleet Fuel Management	FB-FR-110a. 1	Fleet fuel consumed, percentage renewable	CJ Freshway aims to enhance mileage efficiency and minimize the usage of diesel fuel by implementing an integrated transportation solution that optimizes delivery vehicle routes.
	FB-FR-110b. 1	Gross global Scope 1 emissions from refrigerants	
Air Emissions from Refrigeration	FB-FR-110b. 2	Percentage of refrigerants consumed with zero ozone-depleting potential	N/A
	FB-FR-110b. 3	Average refrigerant emissions rate	
Energy Management	FB-FR-130a. 1	(1) Operational energy consumed (2) Percentage grid electricity (3) Percentage renewable	Our total energy consumption is 592 TJ, and we are planning to enhance renewable energy consumption management going forward. This information can be found on page 32 of the report.
Food Waste Management	FB-FR-150a. 1	Amount of food waste generated, percentage diverted from the waste stream	Waste generation, including food waste, is managed in an integrated manner, with the total general waste being 23,563.2 Ton. Our commitment lies in exploring alternative applications for food waste to minimize its generation before resorting to disposal. This is detailed on page 35 of the report.
Data Security	FB-FR-230a. 1	(1) Number of data breaches (2) Percentage involving personally identifiable Information (PII)(3) Number of customers affected	There have been zero incidents of data breaches or leaks/violations, including personal information, in the past 3 years. This information can be found on page 69 of the report.
	FB-FR-230a. 2	Description of approach to identifying and addressing data security risks	CJ Freshway identifies and improves information and privacy security risks through its Personal Information Protection policies, as detailed on page 68 of the report.
Food Safety	FB-FR-250a. 1	High-risk food safety violation rate	There have been zero high-risk food safety violations in the past 3 years. This information is disclosed on page 38 of the report.
	FB-FR-250a. 2	(1) Number of recall s(2) Number of units recalled (3) Percentage of units recalled that are private-label products	There have been zero instances of product recalls due to food safety violations. This is detailed on page 38 of the report.



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Topic	Metric Code	Accounting Metric	Content
Product Health & Nutrition	FB-FR-260a. 1	Revenue from products labeled and/or marketed to promote health and nutrition attributes	N/A
	FB-FR-260a. 2	Description of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	CJ Freshway ensures that products distributed by the company comply with supplier evaluation procedures, undergo product safety verification, and adhere to labeling requirements based on internal food safety standards. Furthermore, additional safety and nutrition standards are applied for products targeting children and seniors.
Product Labeling & Marketing	FB-FR-270a. 1	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	There has been zero regulatory violation related to marketing labeling or advertising in the past 3 years. This information is disclosed on page 79 of the report.
	FB-FR-270a. 2	Total amount of monetary losses as a result of legal associated with food marketing and/or labeling practices	There has been no fine or penalty paid for violations of labeling and advertising regulations. This is detailed on page 79 of the report.
	FB-FR-270a. 3	Revenue from products labeled as containing genetically modified organisms (GMOs) and non-GMO	CJ Freshway doesn't introduce GMO products and performs GMO monitoring analysis for retail products to ensure product safety.
Labor Practices	FB-FR-310a. 1	Average hourly wage and percentage of in-store and distribution center employees earning minimum wage, by region	All employees at CJ Freshway receive compensation above the minimum wage.
	FB-FR-310a. 2	Percentage of active workforce covered under collective bargaining agreements	CJ Freshway doesn't have any workers or strike days governed by collective bargaining agreements.
	FB-FR-310a. 3	Number of work stoppages and total days idle	
	FB-FR-310a. 4	Total amount of monetary losses as a result of legal proceedings Amount of legal and regulatory fines and settlements associated with (1) labor law violations and (2) employment discrimination	There are no fines and losses paid by CJ Freshway due to labor law violations or employment discrimination.
Management of Environmental & Social Impacts in the Supply Chain	FB-FR-430a. 1	Revenue from products with third-party certifications to an environmental or social sustainability sourcing standard	CJ Freshway obtained ASC and MSC certifications, demonstrating our commitment to sustainable seafood. Additionally, we acquired ASC/MSC-CoC certification for the distribution of sustainable seafood. Moving forward, we will expand the selection of changes in internal products and services including those with eco-labeling, low-carbon products, and excellent recycling products. Not only that, environmentally certified products such as low-carbon certified products will be expanded. This information can be found on page 21 of the report.
	FB-FR-430a. 2	Percentage of revenue from eggs that originated from a cage-free environment and percentage of pork produced without the use of from gestation crates	CJ Freshway is actively increasing the proportion of livestock products that meet animal welfare standards. We are planning to expand environmental and social risk response strategies, including animal welfare, to our suppliers and incorporate and oversee them in the procurement process. This information is available on page 21 of the report.
	FB-FR-430a. 3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	
	FB-FR-430a. 4	Discussion of strategies to reduce the environmental impact of packaging	CJ Freshway is introducing eco-friendly packaging in "I-NURI" brand to respond to the issue of carbon emissions. Related information can be found on the CJ Freshway website.



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# MEMBERSHIPS

Membership List
KOSDAQ
Korea International Trade Association
Korea Import Association
Korea Foodservice Distributors Association
Korea Food Industry Association
Korea Consignment Meal Associatio
Korea Electric Engineers Association
Korea Integrated Logistics Association

# GHG VERIFICATION STATEMENT

## INDEPENDENT VERIFICATION STATEMENT

### CJ Freshway Co.,Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission (Scope 1&2) of CJ Freshway Co.,Ltd. (hereinafter "the Company") from 2020 to 2022.

#### SCOPE

Verification of places of domestic business and emission facilities under the control of the Company.

#### STANDARDS

- ISO 14064-1:2006, ISO 14064-3:2006
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme
- WRI/WBCSD GHG Protocol

#### LIMITATIONS

The verification has inherent limitations that may arise in the process of applying standards and methods.

#### RESULTS

- GHG verification has been performed to meet the limited assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an "qualified" opinion.

GHG Emission	Direct emission (Scope1)	Indirect emission (Scope2)	Total (tCO <sub>2</sub> -eq)
2022	9,398.276	19,566.174	28,964
2021	7,936.371	15,952.238	23,888
2020	8,011.251	16,001.645	24,012

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2022	184.285	406.953	2.467	592
2021	155.528	332.051	1.719	487
2020	157.226	333.818	0.767	490



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# INDEPENDENT ASSURANCE STATEMENT

CJ Freshway Co., Ltd. (“the Company” or “Freshway”) commissioned DNV Business Assurance Korea, Ltd. (“DNV”, “we” or “us”), part of DNV Group, to undertake independent assurance of the Company’s ESG Report 2022 (the “Report”).



On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Freshway’s adherence to the Assurance Principles described below. In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. We believe that Freshway is reporting in accordance with the GRI Standards.

We have reviewed that the topic-specific disclosures of GRI Sustainability Reporting Standards 2021 which are identified in the process for defining report content;

No.	Material Topic	Topic Standard	No.	Material Topic	Topic Standard
1	Creating a healthy food culture	Non-GRI (Sales in CJ Freshway brand for creating healthy food culture)	4	Waste management	306-2, 3, 5
2	Food safety	Non-GRI (No. of product safety accidents)	5	Responsible sourcing of raw material	Non-GRI (Expansion of animal-welfare livestock products; Expansion of sustainable, certified seafood products)
3	Customer satisfaction	417-2, 3	6	Information security & privacy protection	418-1

Without affecting our assurance opinion, we also provide the following observations:

### The Principle of Inclusivity

Freshway defines customers, partners, shareholders and investors, and local communities and the Company’s employees as their major stakeholder groups and reports on each group’s interests, its communication channel to each group and responses to their interests. Freshway explains well its efforts to strengthen stakeholder engagement and communication, including the implementation of its environmental protection campaign to promote participation of consumers in the food distribution industry. Opinions of internal and external stakeholders based on online surveys have been applied in the materiality assessment process.



### The Principle of Materiality

Based on diverse standards and resources, Freshway has identified a pool of 22 specific issues relevant to the Company. Based on the derived issue pool, a double materiality assessment, taking into consideration the environmental and social(non-financial) impacts and financial impacts and their level of significance, was conducted to identify the 6 most significant material topics to be reported. Moreover, the reported material topics include ‘Creating a healthy food culture’, which is one of the 3 ESG Strategic Directions established to enhance the Company’s ESG values. We have confirmed that Freshway’s activities to manage the material topics identified through the materiality assessment and their connection to the UN SDGs, in the broader context of sustainable development, have been addressed in the report.

### The Principle of Responsiveness

To achieve its ESG goals, Freshway has set 3 ESG Strategic Directions and established 6 ESG Strategic Tasks and its mid- to long-term roadmap accordingly. Moreover, to effectively achieve these strategies and plans, the Company established its ESG Management governance and implemented projects and activities to build its ESG infrastructure. In this regard, in 2022, the Company systemized its ESG management, advanced compliance and management system, and enhanced its ESG communications. Furthermore, Freshway has established a Human Rights Management Governance through the ESG Committee, launched under the Board of Directors (BOD), and operates the Social Contribution Committee to implement social contribution activities centered around realizing the goals of the UN SDGs. In particular, with the BRM (Business Risk Management) Team acting as the command center, the Company monitors internal and external requests and the status of its responses. Regarding risks that have occurred more than once a year, the Team reports the outcomes of responses and proposes improvement measures to the executives and the BOD, with an aim to reflect those issues in the integrated risk management system.

### The Principle of Impact

Freshway discloses in detail the background of the issues selected and progress on the management of material topics that reflect stakeholders’ interests and expectations. In particular, by reporting on the ESG implementation roadmap and current management practices concerning issues of eco-friendly distribution and resource circulation, Freshway supports stakeholder’s understanding on its waste management efforts, which is recognized as an important issue in the food distribution industry. The assurance team confirmed that the material topics selected through the materiality assessment were completely reflected according to the physical and periodic reporting boundaries. It is recommended to set more specific strategic KPIs and to actively utilize performance analysis results of each task in future management planning.





# INDEPENDENT ASSURANCE STATEMENT

## Reliability of Specific Sustainability Performance Information

DNV conducted a review of compliance with the principles of AA1000AP(2018) of the Report as described above (Type 1 verification). In addition, we have reviewed the reliability of the disclosure data (Type 2 verification) - ‘number of product safety accidents’, ‘number of participants in information security training’, and ‘employee welfare benefits’. The assurance team has sampled data and tested accuracy and reliability of the sustainability performance data of the Company and interviewed the responsible for the subject data handling and reviewed the data gathering process with the supporting documents and records. Based on the test, there were no intentional errors or misstatements found. Data owners were able to demonstrate to trace the origin of the data and to interpret the processed data in a reliable manner. The data was identifiable and traceable. The Company reports the sustainability performance of the last three years and can be compared over time. Any errors or unclear expressions found during the verification process were corrected prior to the publication of the Report.

## Scope and Approach

We performed our work using AA1000AS v3, Assurance Standard set for by AccountAbility, and DNV’s assurance methodology VeriSustain™ (Ver. 5.0) which is based on our professional experience, international assurance best practices including the International Standard on Assurance Engagements 3000 (“ISAE 3000”), and the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”). DNV provides Type 1 and the moderate assurance. But some part of performance data has been verified by Type 2 as described above.

The engagement excludes the sustainability management, performance and reporting practices of Freshway’s subsidiaries, associated companies, suppliers, contractors and any third-parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement. Economic performance based on the financial data is cross-checked with internal documents, the audited consolidated financial statements and the announcement disclosed at the website of Korea Financial Supervisory Service (<http://dart.fss.or.kr>) as well as Freshway’s website ([www.cjfreshway.com](http://www.cjfreshway.com)). The review of financial data taken from these sources is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a ‘limited level’ of assurance. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the company were applied. The baseline data for environmental and social performance are not verified, while the aggregated data at the corporate level are used for the verification.

## Basis of our opinion

The assurance was carried out from May to June 2023. We undertook the following activities as part of the assurance process:

- Challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls;
- Site visits to Freshway HQ in Sangam, Korea to review process and system for preparing sustainability data and implementation of sustainability strategy.
- Conducted interviews with representatives from the ESG team;
- Conducted document reviews, data sampling and interrogation of supporting databases and associated reporting system as they relate to selected content and performance data;
- Reviewed the process and the result of materiality assessment.

### Responsibilities of the Directors of Freshway and DNV

The Directors of Freshway have sole responsibility for the preparation of the Report. Our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or coresponsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

### Competence and Independence

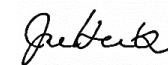
DNV’s established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. This engagement work was carried out by an independent team of sustainability assurance professionals.

### DNV - Business Assurance

DNV Business Assurance Korea Ltd. is part of DNV Group, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

[www.dnv.co.kr/assurance](http://www.dnv.co.kr/assurance)

For and on behalf of DNV Business Assurance  
Korea Ltd. Seoul, Korea  
June 26, 2023



Jae Hee Kim  
Senior Auditor and Lead Auditor



Chang Rok Yun  
Senior Auditor



Sang Yeon Park  
Technical Reviewer



