



# WE MAKE A FRESH WAY FOR TOMORROW

CJ FRESHWAY ESG REPORT 2023



# ABOUT THIS REPORT

## Report Overview

CJ Freshway publishes an annual ESG report to communicate with stakeholders and share our ESG management activities and performance. This is the third ESG report published by CJ Freshway. We will continue to communicate our ESG initiatives and accomplishments through future ESG reports.

## Reporting Period and Scope

The reporting period spans from January 1, 2023, to December 31, 2023, with certain topics extended to include issues up to the first half of 2024. The scope of reporting encompasses the activities and performance of our business sites, including our Logistics Centers. For quantitative performance indicators, data spanning three years, from 2021 to 2023, is provided to facilitate trend analysis. Footnotes are provided for clarity when data with varying reporting scope or changes is used.

## Reporting Principles

This report adheres to the Global Reporting Initiative (GRI) Standards 2021, which are the global guidelines for ESG reporting. Financial information has been consolidated, and reporting criteria and definitions are in accordance with the Korean International Financial Reporting Standards (K IFRS). For industry-specific reporting, we incorporate the Food & Beverage Sectors: Food Retailers & Distributors industry standards set by the Sustainability Accounting Standards Board (SASB). In addition, we adhere to the disclosure recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD).

## External Assurance

The financial data in this report has been independently audited. Non-financial data has been validated by DNV, a third-party verification body, to ensure its objectivity and reliability. The independent assurance statement can be found in the appendix.

## For Inquiries Regarding This Report

### CJ Freshway ESG Team

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# MESSAGE FROM THE CHAIR OF ESG COMMITTEE

## WE AIM TO ENHANCE OUR CORPORATE VALUE BY ENGAGING IN SUSTAINABLE OPERATIONS.

HELLO! THIS IS EUN-SOOK JEON, THE CHAIR OF THE ESG COMMITTEE AT CJ FRESHWAY.

CJ Freshway is proud to present our third ESG report, which outlines our efforts, achievements, and vision in the area of our ESG management practices. We would like to extend our gratitude to our customers, partners, employees, and shareholders for their support and collaboration.

2023 was a significant year for CJ Freshway in promoting sustainable value practices through ESG management. We were honored to be recognized as a Business Owner Excellent in Employing Persons with Disabilities in 2023 by the Korea Employment Agency for Persons with Disabilities based on our DE&I policy, and to receive a commendation from the Minister of Environment for our efforts in waste upcycling and our collaboration with social enterprises to establish a resource circulation system over the past three years.

We also completed preparations to improve our ESG management capabilities. Internally, we have strengthened our climate change response system and human rights management systems, laying a solid foundation for sustainable growth. Looking ahead, we are committed to enhancing our capacity to respond to climate change and fostering a robust culture of human rights management.

Externally, we have established community participation policies and supply chain management standards to embed a comprehensive ESG framework for us and all stakeholders. We remain dedicated to becoming a leading example that closely communicates with a wider range of stakeholders, including customers, partners, and communities, and that puts our core values of ESG management into practice.

The ultimate role of the ESG committee is to ensure that the company fulfills its social responsibilities through sustainable management. We will present the right direction and practical strategy for CJ Freshway to consider sustainability within all corporate processes and strengthen the quality of ESG management.

We kindly ask for your continued interest in CJ Freshway's endeavors to contribute to a better world, and once again would like to express our sincere appreciation to all stakeholders.

2024.06  
Chair of ESG Committee  
**Eun-Sook Jeon**

전 은 숙





# MESSAGE FROM THE CEO

## WE CREATE A FUTURE WITH A HEALTHY FOOD CULTURE AND SUSTAINABLE DISTRIBUTION.

### GREETINGS! I'M GEON-IL LEE, THE CEO OF CJ FRESHWAY.

I would like to extend my heartfelt gratitude to everyone who has been supporting and contributing to CJ Freshway's ESG management initiatives.

2023 was a year that presented numerous challenges for all businesses, marked by economic downturns and rapid market shifts due to the climate crisis and international conflicts. Embracing this period as an opportunity for growth and demonstrating our true capabilities, CJ Freshway has pursued continuous adaptation and innovation to navigate this unpredictable external environment.

As a result, CJ Freshway significantly enhanced its ESG management capabilities last year. At the 2023 Korea Institute of Corporate Governance and Sustainability (KCGS)'s Best Performers Awards, we were honored as one of the "Best Governance Companies" in the KOSDAQ sector, in recognition of our efforts to enhance management transparency and mitigate non-financial risks. Additionally, our Food Safety Center achieved "Certification of Excellent Safety Management Laboratory," bestowed by the Ministry of Science and ICT, showcasing our top-tier capabilities. In addition, we were commended with the "Award for Outstanding Contribution to Types of Business Suitable for Livelihood through Win-win Efforts" by the Minister of Small and Medium Enterprises and Startups for our outstanding contributions to fostering a win-win environment, acknowledgment of our efforts to develop and promote cooperative systems.

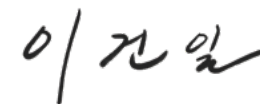
These achievements are a testament to the dedication of our team members, and the unwavering support and trust of our partners and customers. To all of them, I extend my sincerest gratitude.

Moving forward, CJ Freshway is committed to putting our ESG management principles into practice by leveraging various growth opportunities. As a leading company in the food materials distribution industry, we will strive for sustainable growth by leveraging our accumulated resources, infrastructure, and business expertise. We remain steadfast in our commitment to fulfilling our social responsibilities through the establishment of a sustainable business model. In addition, we will remain agile in response to market changes and continue to collaborate closely with our partners and customers.

Please continue to support and encourage CJ Freshway, on our journey to realize sustainable corporate value based on the spirit of "ONLYONE." Thank you.

2024.06

CEO of CJ Freshway

**Geon-Il Lee**

# COMPANY PROFILE AND HISTORY

## COMPANY OVERVIEW

CJ FRESHWAY, FOOD BUSINESS PARTNER CONTRIBUTING TO THE BUSINESS SUCCESS OF CUSTOMERS

CJ Freshway is a leading food materials distribution and food service company in Korea, fostering a healthy food culture and delivering customized food solutions. With the industry's largest logistics infrastructure and advanced quality management systems, we supply over 51,000 diverse products safely and accurately, both domestically and internationally. We offer customized food services and meal solutions that align with customer needs and market trends. Driven by our business philosophy of providing business solutions that contribute to customer success, CJ Freshway is committed to sustainable growth through the establishment of the robust distribution system and win-win solutions that promote the healthy food culture.

Mission

CONTRIBUTE TO THE BUSINESS SUCCESS OF CUSTOMERS BY PROVIDING ONLYONE SOLUTIONS OPTIMIZED FOR FOOD CULTURE TRENDS AND CUSTOMER BUSINESS ENVIRONMENTS

Vision

FOOD BUSINESS PARTNER CREATING THE SUCCESS WAY

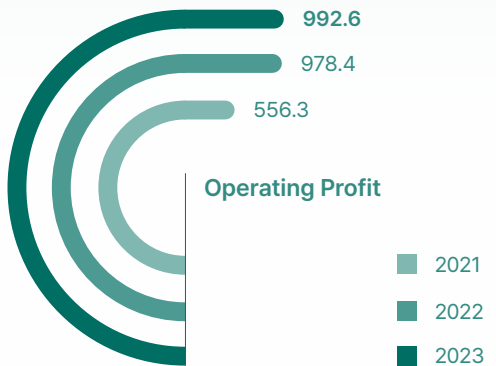
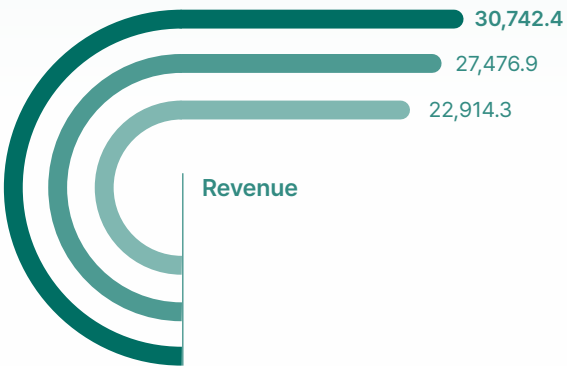
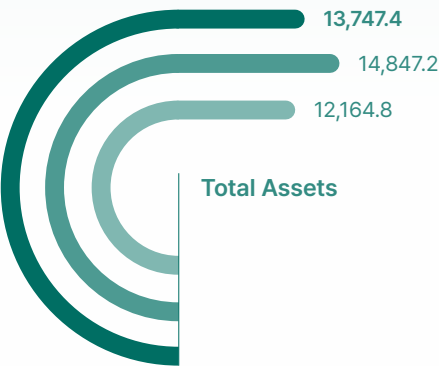
Slogans

CREATE NEW WAY, ENJOY FRESH WAY

## CORPORATE STATUS

|                      |                                                                                                 |
|----------------------|-------------------------------------------------------------------------------------------------|
| Company Name         | CJ FRESHWAY CO., LTD.                                                                           |
| CEO                  | Geon-Il Lee                                                                                     |
| Establishment        | October, 1988                                                                                   |
| Headquarters Address | 25, World Cup buk-ro 54-gil (S-city), Mapo-gu, Seoul, Republic of Korea                         |
| Main Business Areas  | Food materials distribution, food service (institutional food service), manufacturing and other |
| Listing Information  | Listed on the KOSDAQ in KRX (Korea Exchange) in July 2001                                       |
| Employees (No.)      | 7,775                                                                                           |
| Credit Rating        | NICE A2, Korea Rating Corporations A, Korea Investors Service A                                 |

\*Consolidated, KRW 100 million



2021  
2022  
2023

# COMPANY PROFILE AND HISTORY

## HISTORY

SINCE ITS INCEPTION IN 2000, CJ FRESHWAY HAS BEEN DEDICATED TO PROVIDING CUSTOMERS WITH THE BEST PRODUCTS AND SERVICES, LEVERAGING THE NATION'S PREMIER DISTRIBUTION INFRASTRUCTURE AND QUALITY CONTROL STANDARDS, CONTINUOUSLY STRIVING FOR EXCELLENCE AND COMMITTED TO CONTRIBUTING TO SUSTAINABLE GROWTH. CJ FRESHWAY IS ENHANCING ESG MANAGEMENT PRACTICES TO ACHIEVE THE HIGHEST STANDARDS AND PAVE THE WAY TO A BRIGHTER FUTURE.

1988

Oct. | Founded as Samil Agriculture &amp; Fisheries Co.

1999

Jan. | First entered the food materials distribution market as a conglomerate

2000

Sep. | Acquired the food service business from Cheil Jedang  
**Changed the company name to CJ Food System Co.**

### ESTABLISHMENT OF BUSINESS FOUNDATION

1988-2002



2003

Nov. | • First in the industry to adopt internal HACCP certificate system  
 • Began operation of the Food Safety Center

2004

Dec. | Designated as a Livestock sanitary inspection agency

2005

Oct. | First in the industry to obtain ISO 22000 (Food Safety Management System)

2007

Jan. | First acquired HACCP for hospital meal service in Korea  
 Jul. | Acquired ISO 14001 (Environmental Management System)  
 Oct. | Designated as a variety testing agency for rice and brown rice

2008

Mar. | **Renamed to CJ Freshway**

Jul. | First in the distribution and service sector to acquire KOSHA 18001 (Occupational Safety and Health Management System)

2010

Feb. | Designated as the first private norovirus inspection agency

Mar. | Received a Presidential Award for Excellence in Food Waste Reduction

2011

Jun. | Developed hospital menu for foreign patients, for the first time in Korea (in collaboration with Severance Hospital)

### FULL-SCALE BUSINESS AND STRENGTHENING MANAGEMENT FOUNDATION

2003-2015



2012

Mar. | Obtained Authorized Economic Operator (AEO) certificate for trade safety and facilitation

2014

Dec. | Acquired "Best Family Friendly Management" certificate from the Ministry of Gender Equality and Family

2015

Oct. | Selected in ESG evaluation by the KCGS as one of the "Best Governance Companies"

2016

May. | Established Unsafe Product Screening System recommended by the Ministry of Food and Drug Safety

Sept. | Won Presidential Award for "Job Creation" from the Ministry of Employment and Labor

Nov. | Selected as the "Best ESG Company" by the KCGS

2018

Jun. | Launched "Greenteria Selection," a smart and high-end food service

2019

Jul. | Obtained ISO 45001 (Safety and Health Management System) certificate

2021

Sep. | First in the industry to deploy a fleet of electric trucks

Dec. | Launched ESG Committee

2022

Mar. | Obtained ASC-MSC CoC certificate

Jun. | Published first ESG report

Sept. | • Received "Best Company" award for the senior internship (senior jobs) project hosted by the Ministry of Health and Welfare  
 • Obtained ISO 37301 (Compliance Management System)  
 • Won the Korea IR Service's grand prize

Nov. | Awarded by the Minister of Food and Drug Safety at the Future Happiness Awards

### CREATING THE SUSTAINABLE FUTURE TO REALIZE THE HEALTHY FOOD CULTURE AND WIN-WIN SOLUTIONS

2016 – PRESENT

2020

Feb. | Became first in the industry to receive AEO AA rating for trade safety and facilitation

Jul. | Received a commendation from the Minister of Employment and Labor for the promotion of the employment of the disabled

Oct. | Became first in the industry to be selected as one of the "Best ESG Companies" for six straight years

Nov. | Selected as the "Best ESG Company" by the KCGS

2023

Jun. | Received the Minister of Environment Award for contributions to household waste management

Oct. | • Received Certification of Excellent Safety Management Laboratory  
 • Won the Korea IR Service's grand prize  
 • Selected as a Business Owner Excellent in Employing Persons with Disabilities by Korea Employment Agency for Persons with Disabilities

Nov. | • Won the "Excellence Award" at the Food and Drug Data Utilization Contest hosted by the Ministry of Food and Drug Safety  
 • Selected as one of the "Best Governance Companies" by the KCGS  
 • Won "Minister of SMEs and Startups Award" for our efforts to achieve win-win growth with types of businesses suitable for livelihood

Dec. | Won the "Gold Award" at the LACP Spotlight Awards

# BUSINESS AREAS AND BRANDS

## INTRODUCTION TO BUSINESS AREA

CJ FRESHWAY'S BUSINESS AREA IS DIVIDED INTO FOOD MATERIALS DISTRIBUTION, FOOD SERVICE, AND FOOD MANUFACTURING. USING OUR INDUSTRY-LEADING INFRASTRUCTURE AND CAPABILITIES, WE PROVIDE A TO Z CUSTOMIZED SOLUTIONS TAILORED TO CUSTOMERS' NEEDS ACROSS EACH MAJOR BUSINESS ROUTE, FROM COMPETITIVE PRODUCT PURCHASES TO TOP-TIER CUSTOMER SERVICE.

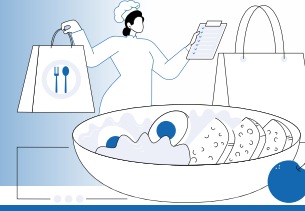
Business area

### FOOD MATERIALS DISTRIBUTION



Specializing in various business sectors such as dining-out, institutional food service, and raw materials, we provide specialized food materials and offer operational and menu consulting services, supporting our customers' success.

### FOOD SERVICE



With over 550 locations nationwide, we develop and supply customized food service that reflects customer needs and the latest trends, segmented by service route.

### FOOD MANUFACTURING



Leveraging "Central Kitchen," our centralized cooking facility, and our specialized infrastructure for pre-processing and processing of agricultural products, we produce customized products and operate an integrated R&D center to pioneer the food culture of the future.

Major business

#### Dining out

- Online
- Franchise
- Distribution agency

#### Meal service

- Kids (I-NURI)
- School (Teun-Teun School)
- Business, military, and other group meal service (Meal solution)
- Elders (HEALTHY-NURI)

#### Raw materials

- CJ affiliates
- Processing and manufacturing plants

#### Group meals

- Industrial enterprises
- Offices
- Hospitals

#### Concessions

- Rest areas
- Food courts
- Wedding halls

#### Leisure

- Golf courses

#### Central Kitchen

- Commercialization of self-developed menus
- Workforce efficiency and quality centralization

#### Fresh Plus (subsidiary)

- Providing B2B-style convenient food production and meal solutions
- Strengthening and internalizing our production capacity in the area of sauces and pre-processed agricultural products

Infrastructure

### PRODUCT PURCHASING

- Managing more than 51,000 domestic and international food material items carefully selected by professional Merchandisers

### FOOD SAFETY

- Holding the "Food Safety Center" designated as a nationally accredited certification and testing agency
- Operating International Organization for Standardization Systems (ISO 22000, ISO 14001, ISO 45001)

### LOGISTICS SYSTEM

- Holding the industry's largest national distribution network
- Operation of a cold chain logistics system

### DATA SOLUTION

- Industry's First "Cloud Native" infrastructure
  - Operating Big Data Platform
- \* Building IT infrastructure in cloud environments

### CUSTOMER SERVICE

- Operation of the Service and Cooking Academy
- Providing business-specific menu consulting
- Operating a customer consultation channel

# BUSINESS AREAS AND BRANDS

## PRIVATE BRAND (PB)

### FOOD MATERIALS DISTRIBUTION BRANDS



As a specialty food brand for kids, it pursues sustainability by utilizing food materials such as eco-friendly agricultural products without synthetic pesticides, seafood that has passed a radiation inspection, and antibiotic-free livestock products. In addition, it uses environmentally friendly packaging and supports local farms through direct trade.



As a food brand specializing in school meals, it is expanding its eco-friendly product line using various plant-based ingredients such as tofu croquettes, vegetable dumplings, and vegan baked goods, as well as no-meat burgers using non-GMO soy protein and vegan hamburger buns.



As a senior-customized food material brand, it makes products that are tailored to seniors, including senior-friendly certification, enhanced nutritional content, and easy-to-chew options. It also manages microplastic detection and offers services such as organic anticancer food made from non-GMO ingredients and health-focused dietary plans.

### DISTRIBUTION SOLUTION BRANDS



A food distribution brand that specializes in providing product solutions to B2B consumers through the utilization of professional expertise and data in the product development process.



Based on professional recipes and customer data, it is a brand specializing in B2B meal solutions that offers convenient cooking and differentiated menu development.

### FOOD SERVICE BRANDS



A brand catering to group meals and food courts, aiming to provide balanced meals and foster a healthy food culture. It emphasizes reliable ingredients, convenient and responsible services, and unique events, featuring a differentiated menu with a focus on "healthy diet" options such as low-sodium meals.



A premium food court brand offering quality food and beverage services, providing a space for diverse cultural experiences and value consumption. It provides tailored menus for a range of business settings, such as rest areas, golf courses, resorts, and hospitals, aiming to deliver a healthy and enjoyable dining experience.



A food service brand tailored to modern lifestyles, offering convenient takeout products. Through unmanned services that take diversifying eating patterns into account, it increases convenience for individual customers and offers products that consider customer preferences by applying product curation through purchase record analysis.



A food service cafe brand dedicated to providing a space for relaxation and energy replenishment in daily life. It offers light meals and coffee beans that are suitable for meal replacements, along with beverages and desserts that reflect the demand for diversifying beverage services.



A mobile "kitchen-less" meal solution brand that provides customized meals and services to customers, even in spaces without kitchen facilities, allowing for flexibility in location while catering to diverse customer needs.



## ESG STRATEGY

# MAKING A GREEN WAY FOR TOMORROW

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# ESG STRATEGY FRAMEWORK

CJ Freshway has established its orientation and vision for ESG management and continues to pursue six strategic tasks. The ESG strategic framework is built on the nature of the industry, the values we aim to achieve, and the priorities and impact of ESG responses. We are committed to the ongoing implementation of ESG goals and addressing key issues.

## ESG STRATEGY OVERVIEW

ESG Orientation

**WE CREATE THE FUTURE WITH HEALTHY FOOD CULTURE AND SUSTAINABLE DISTRIBUTION.**

Vision

**WE MAKE A FRESH WAY FOR TOMORROW**

Strategic Directions

| PLANET                                                                                                                                                                                                                          | PRODUCT & CULTURE                                                                                                                                                                         | PEOPLE                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Eco-friendly distribution environment</b></p> <p>We pursue the goals of waste reduction and carbon neutrality for the clean planet.</p> |  <p><b>Healthy food culture</b></p> <p>We create the healthy food culture that everyone can enjoy.</p> |  <p><b>Society growing together</b></p> <p>We support the happy growth of all members of society.</p> |

GOAL  
By 2030

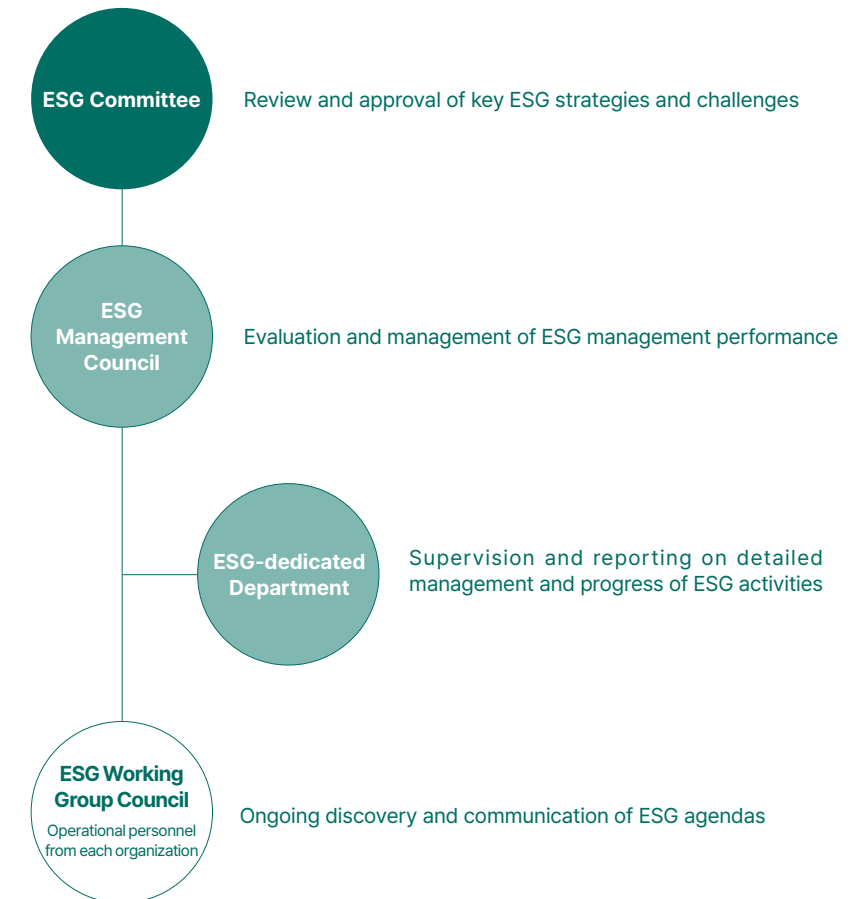
|                                                    |                                                  |                                                  |
|----------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>ESTABLISHING A NET ZERO DISTRIBUTION SYSTEM</b> | <b>LEADING SUSTAINABLE PRODUCTS AND SERVICES</b> | <b>NURTURING THE BEST TALENT IN THE INDUSTRY</b> |
|----------------------------------------------------|--------------------------------------------------|--------------------------------------------------|

6 ESG Strategic Tasks

| Responding to climate change                                                                                                                                                                                                                                 | Developing sustainable products and services                                                                                                                                                                                                                      | Systematizing human rights management                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |    |    |
| Eco-friendly distribution and resource circulation                                                                                                                                                                                                           | Establishing a life cycle-based food culture model                                                                                                                                                                                                                | Realizing a workplace in which talent grows                                                                                                                                                                                                                       |
|                                                                                       |                                                                                         |                                                                                         |

## ESG GOVERNANCE

To establish ESG management system, CJ Freshway is instituting ESG governance and deliberating on ESG strategy directions and plans. The ESG committee, as the highest decision-making body, annually reviews performance in the environmental, social, and governance areas and approves initiatives. ESG initiatives are selected after review and discussion by the ESG Management Council, which consists of the ESG committee and executives, and specific ESG activities are implemented through the ESG-dedicated department. In addition, we continue to discover and improve ESG initiatives through continuous communication with ESG Working Group Council composed of operational personnel from each department.



# 2023 ESG KEY PERFORMANCE

CJ Freshway's key ESG activities and achievements by sector in 2023 are as follows.

## Win-win

### SOCIAL CONTRIBUTION

Selected as a Business Owner Excellent in Employing Persons with Disabilities by the Ministry of Employment and Labor for exceeding the disability employment mandate and fostering a disability-friendly work environment



### ETHICS AND COMPLIANCE MANAGEMENT

Awarded by the Minister of SMEs and Startups for efforts in safeguarding small business owners and contributing to protect types of businesses suitable for livelihood systems



### MUTUAL GROWTH AND COMMUNITIES

Awarded Commendation by the Governor of Gangwon State for contributions to the state and agricultural developments of Gangwon State through enhancements in agricultural product distribution (December 31, 2022)



## Environment

### RESOURCE CIRCULATION

Awarded commendation from the Minister of Environment for contributions to waste management efforts



## Social

### DIGITAL TRANSITION AND FOOD SAFETY

Awarded the Excellence Award in the "Food and Drug Data Utilization Contest" for developing and operating a rapid alert system utilizing public data from the Ministry of Food and Drug Safety



### FOOD SAFETY

Received Certification of Excellent Safety Management Laboratory from the Ministry of Science and ICT in recognition of the outstanding autonomous safety management practices in scientific and technological laboratories



## Governance

### HEALTHY GOVERNANCE

Awarded the Best Governance Company Award by the Korea Institute of Corporate Governance and Sustainability for exemplary governance practices contributing to investor protection and the development of capital markets



### FAIR TRADE AND INVESTOR PROTECTION

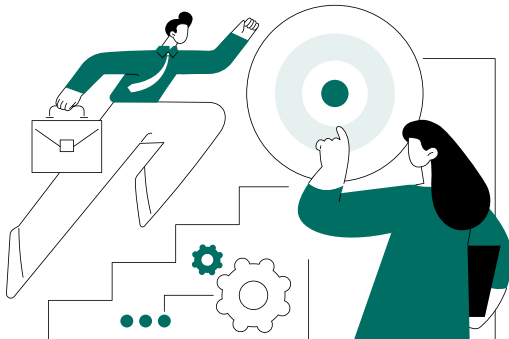
Awarded the Korea IR grand prize from the Korea IR Council for promoting IR culture and fostering the healthy growth of the capital market



## ESG reports

### 2022 ESG REPORT

Awarded the Gold Award at the 2023 Spotlight Awards by the League of American Communications Professionals (LACP)





# ESG STRATEGY IMPLEMENTATION

Based on the ESG strategic framework, CJ Freshway is advancing its efforts to achieve its ESG objectives by internalizing ESG management and implementing strategic tasks to reach the mid- to long-term goals.

## DETAILS OF ESG STRATEGY IMPLEMENTATION

| Strategic directions                      | Strategic tasks                                    | Implementation of related activities                                                                                                                                                                                             | Key achievements in 2023                                                                                                                                                                                                                                                                | Future goals                                                                                                                                                                                                                                | Page number        | UN SDGs                             |
|-------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------|
| <br>Eco-friendly distribution environment | Responding to climate change                       | <ul style="list-style-type: none"> <li>Building Greenhouse Gas Inventory (Scope 1 and 2)</li> <li>Quarterly inspection of manufacturing site environment</li> <li>Establishment of Sustainable Purchasing Guidelines</li> </ul>  | <ul style="list-style-type: none"> <li>Regular monitoring of the status of waste disposal for food service stores</li> <li>Sustainable product sales increased 44% year-on-year</li> </ul>                                                                                              | <ul style="list-style-type: none"> <li>Establishment and management of reduction goals to achieve Net-Zero (Carbon neutral)</li> <li>Establishment of Scope 3 calculation base system</li> <li>Expansion of renewable energy use</li> </ul> | 32-37, 40p         | 7.2            13.1            15.3 |
|                                           | Eco-friendly distribution and resource circulation | <ul style="list-style-type: none"> <li>Establishment of waste management and resource circulation system</li> <li>Utilization of biodegradable packaging</li> <li>Implementing ESG campaigns for stores and customers</li> </ul> | <ul style="list-style-type: none"> <li>Environment Minister's Commendation Award</li> <li>Investigation and improvement measures on the current status of Logistics Center waste operations</li> </ul>                                                                                  | <ul style="list-style-type: none"> <li>Expansion of electric vehicle operation areas</li> <li>Establishment of measures to improve efficiency of inventory</li> <li>Expansion of eco-friendly raw materials and packaging</li> </ul>        | 38-39, 41p         | 6.3            12.3            12.5 |
| <br>Healthy food culture                  | Developing sustainable products and services       | <ul style="list-style-type: none"> <li>Establishment of contract cultivation of open-field smart farms</li> <li>Establishment of Supply chain management system</li> </ul>                                                       | <ul style="list-style-type: none"> <li>First phase of contract cultivation for local governments' smart farms</li> <li>Conducting self-assessment based on Supplier Code of Conduct</li> <li>MOU with the National Federation of Fisheries Cooperatives</li> </ul>                      | <ul style="list-style-type: none"> <li>Advancement of contract cultivation of open-field smart farms</li> <li>Supply chain due diligence</li> </ul>                                                                                         | 21, 40, 63-64p     | 2.4            12.6            14.4 |
|                                           | Establishing a life cycle-based food culture model | <ul style="list-style-type: none"> <li>Hosting the Food Solution Fair</li> <li>Operation of the I-NURI contest</li> </ul>                                                                                                        | <ul style="list-style-type: none"> <li>3,757 total visitors to the Food Solution Fair</li> <li>697 entries in the group category, and 316 entries in the individual category of the I-NURI contest</li> </ul>                                                                           | <ul style="list-style-type: none"> <li>Establishment of a food culture roadmap by life cycle stage</li> <li>Expansion of brand campaigns</li> </ul>                                                                                         | 22-24p             | 2.1            3.d                  |
| <br>Society growing together              | Systematizing human rights management              | <ul style="list-style-type: none"> <li>Establishment of human rights management system and disclosure of human rights declaration</li> <li>Establishment of DE&amp;I policies</li> </ul>                                         | <ul style="list-style-type: none"> <li>Selected as a Business Owner Excellent in Employing Persons with Disabilities</li> <li>Awarded a commendation by the Ministry of Health and Welfare for creating jobs for the elderly</li> <li>Certified as a family-friendly company</li> </ul> | <ul style="list-style-type: none"> <li>Implementation of a human rights survey and response to potential risks</li> </ul>                                                                                                                   | 50-52, 57p         | 5.1            10.2            16.7 |
|                                           | Realizing a workplace in which talent grows        | <ul style="list-style-type: none"> <li>Advancement of professional training programs according to job categories</li> <li>Operation of global training programs</li> <li>Implementation of Tableau Academy</li> </ul>            | <ul style="list-style-type: none"> <li>Excellence award in the Food and Drug Data Utilization Contest</li> <li>Employment support for 50 Dream Career Academy trainees (double the number from the previous year)</li> </ul>                                                            | <ul style="list-style-type: none"> <li>Internalization of self-directed growth culture</li> </ul>                                                                                                                                           | 18, 29, 58-60, 66p | 4.4            8.5                  |

# STAKEHOLDER COMMUNICATION

CJ Freshway has identified key stakeholders by considering their influence, accessibility, and dependence in relation to ESG management activities.  
To reflect the valuable opinions of stakeholders in our management activities, we operate various communication channels tailored to the characteristics of each stakeholder group.

|                                   | <br><b>Executives and employees</b>                                                                                                                                                                        | <br><b>Customers</b>                                                                                                                                                                                                                                               | <br><b>Suppliers</b>                                                                                                                                      | <br><b>Shareholders and investors</b>                                                                                                                                | <br><b>Local community</b>                                                                            |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Communication channels            | <ul style="list-style-type: none"> <li>• Company intranet</li> <li>• NCC (Labor-management council)</li> <li>• Online reporting system</li> <li>• Culture diagnostics “CJ Voice ON”</li> <li>• Company broadcasting (CFN)</li> </ul>                                                        | <ul style="list-style-type: none"> <li>• Order system (ONLYONE FOODNET)</li> <li>• Customer service center</li> <li>• Website</li> <li>• Official social media channels (including YouTube, Instagram, and KakaoTalk)</li> <li>• Food Solution Fair</li> <li>• Press releases</li> </ul>                                                             | <ul style="list-style-type: none"> <li>• Procurement system (I-FRESH)</li> <li>• Grievance reporting system</li> <li>• Meetings with suppliers</li> <li>• Supplier training</li> <li>• Food Solution Fair</li> </ul>                         | <ul style="list-style-type: none"> <li>• Shareholders’ meeting</li> <li>• Financial Supervisory Services electronic disclosure system (DART)</li> <li>• Website (IR data)</li> <li>• Press releases (announcements of financial performance)</li> </ul> | <ul style="list-style-type: none"> <li>• Website</li> <li>• Press releases</li> </ul>                                                                                                    |
| Key areas of focus and activities | <ul style="list-style-type: none"> <li>• Work-life balance</li> <li>• Employee welfare and benefits</li> <li>• Handling employee grievances</li> <li>• Creating a work environment based on DE&amp;I*</li> <li>• Enhancing employee competencies related to job responsibilities</li> </ul> | <ul style="list-style-type: none"> <li>• Customer privacy protection and information security</li> <li>• Ethics and compliance management</li> <li>• Product and service quality and safety</li> <li>• Corporate ESG responsibility</li> <li>• Customer communication and empathy</li> <li>• Customized information sharing for customers</li> </ul> | <ul style="list-style-type: none"> <li>• Creating a safe work environment</li> <li>• Ethics and compliance management</li> <li>• Compliance with fair trade</li> <li>• Promoting mutual growth</li> <li>• Human rights protection</li> </ul> | <ul style="list-style-type: none"> <li>• Business performance and growth strategy</li> <li>• Enhancing shareholder value</li> <li>• Financial stability and disclosure transparency</li> </ul>                                                          | <ul style="list-style-type: none"> <li>• Operating programs to resolve and address local community issues</li> <li>• Promoting a culture of sharing</li> <li>• Fulfilling CSR</li> </ul> |

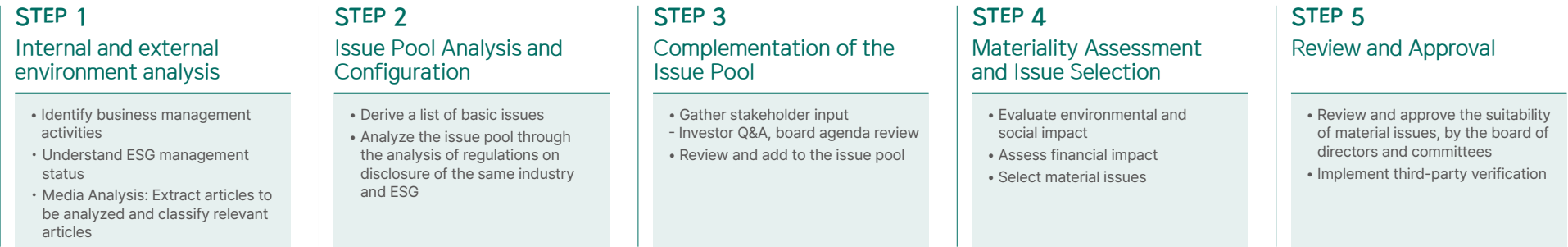
\* DE&I stands for diversity, equity, and inclusion.

# MATERIALITY ASSESSMENT

To consider not only the environmental and social impacts of the company's business activities but also the external environmental and social factors that may affect corporate value and finance, CJ Freshway conducts a materiality assessment using the concept of "dual materiality" to identify the company's material issues. For this materiality evaluation, a pool of 24 sustainability management issues was created through an internal and external environmental analysis that included an analysis of previous reports, international standards, peer industries, ESG evaluation, and initiative items. The importance of these issues was identified by collecting opinions from key internal and external stakeholders.

Through this assessment, "Food safety" and "Waste management" were identified as material issues for the third consecutive year, and "Customer satisfaction" was identified as a material issue for a second consecutive year. Additionally, "Safety and health management," "Working environment" and "Ethical and compliance management" were newly identified as new material issues.

## EVALUATION PROCESS



| 2022 Material Issues |             |                                             | 2023 Material Issues |             |                                   |                      |                          |           |                                             |                               |                                  |  |  |
|----------------------|-------------|---------------------------------------------|----------------------|-------------|-----------------------------------|----------------------|--------------------------|-----------|---------------------------------------------|-------------------------------|----------------------------------|--|--|
| Ranking              | Area        | Material issue                              | Ranking              | Area        | Material issue                    | Year-on-year Ranking | Impact level             |           | Global disclosure framework and initiatives |                               |                                  |  |  |
|                      |             |                                             |                      |             |                                   |                      | Environmental and social | Financial | GRI                                         | SASB                          |                                  |  |  |
| 1                    | Social      | Creating a healthy food culture             | 1                    | Social      | Food safety                       | ▲1                   |                          |           |                                             | 416-1~2                       | FB-FR-260a.1~2<br>FB-FR-250a.1~2 |  |  |
| 2                    | Social      | Food safety                                 | 2                    | Social      | Customer satisfaction             | ▲1                   |                          |           |                                             | 417-1~3                       | FB-FR-270a.1~3                   |  |  |
| 3                    | Social      | Customer satisfaction                       | 3                    | Environment | Waste management                  | ▲1                   |                          |           |                                             | 306-1~5                       | FB-FR-150a.1<br>FB-FR-430a.4     |  |  |
| 4                    | Environment | Waste management                            | 4                    | Social      | Safety and health management      | New                  |                          |           |                                             | 403-1~10                      | -                                |  |  |
| 5                    | Social      | Responsible sourcing of raw materials       | 5                    | Social      | Working environment               | New                  |                          |           |                                             | 2-30, 202-1, 401-1~3, 404-1~3 | FB-FR-310a.1~4                   |  |  |
| 6                    | Governance  | Information security and privacy protection | 6                    | Governance  | Ethical and compliance management | New                  |                          |           |                                             | 205-1~3, 206-1                | -                                |  |  |

# MATERIALITY ASSESSMENT

## MATERIAL ISSUE MANAGEMENT

Through the dual materiality assessment, six material issues have been identified across different areas: "Waste management" in the Environment area, "Food safety," "Working environment," and "Safety and health management" in the Social area, and "Ethical and compliance management" in the Governance area. We have identified and continuously manage key indicators for each issue.

| Importance | Material issue                    | Management activities                                                                                                                                                                                                                                                                             | Key indicators                                                                                                                                                                                                                                                                                                                    | UN SDGs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Page number | Strategic tasks                                    |
|------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------|
| 1          | Food safety                       | <ul style="list-style-type: none"> <li>Quality control conducted by the Food Safety Center with Certification of Excellent Safety Management Laboratory</li> <li>Operation of the Food Safety Management System (ISO 22000)</li> <li>Radioactivity checks on PB seafood products</li> </ul>       | <ul style="list-style-type: none"> <li>Number of product safety accidents</li> <li>Violation of laws and regulations related to marketing and labeling</li> <li>Number of product and service recalls</li> <li>Percentage of high-risk food safety regulatory violations</li> </ul>                                               |  2.1<br> 3.d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 18-21p      | Responding to climate change                       |
| 2          | Customer satisfaction             | <ul style="list-style-type: none"> <li>Expansion of online and offline customer contact channels through hosting of the Food Solution Fair and Business Solution Portal</li> <li>Collection of opinions and supplementation of activities through monitoring</li> </ul>                           | <ul style="list-style-type: none"> <li>Composition, route, and satisfaction of Food Solution Fair visitors</li> <li>Sales and assetization capabilities of the R&amp;D Center</li> <li>Number of registered solutions and subscribed customers on ONLYONE BIZNET</li> <li>Number of participants in the I-NURI contest</li> </ul> |  2.1<br> 2.2<br> 8.2<br> 12.8                                                                                                                                                                                                                                                                                                                                                                                 | 22-24p      | Eco-friendly distribution and resource circulation |
| 3          | Waste management                  | <ul style="list-style-type: none"> <li>Operation of waste management procedures for all business sites and implementation of waste reduction activities</li> <li>Advancement of resource circulation system by promoting recycling and expanding the use of eco-friendly materials</li> </ul>     | <ul style="list-style-type: none"> <li>Waste emission intensity</li> <li>Waste discharge and recycling amounts</li> <li>Resource circulation performance</li> </ul>                                                                                                                                                               |  4.7<br> 6.3<br> 6.b<br> 11.6<br> 12.3<br> 12.4<br> 12.5<br> 14.1 | 38-39p      | Developing sustainable products and services       |
| 4          | Safety and health                 | <ul style="list-style-type: none"> <li>Conduction of precise safety assessment of facilities, including voluntary safety management programs</li> <li>Operation of the Safety and Health Management System (ISO 45001)</li> <li>Implementation of regular occupational safety training</li> </ul> | <ul style="list-style-type: none"> <li>Hours of industrial safety training completed per person</li> <li>Number of serious accident</li> <li>Number of safety accident grievances</li> </ul>                                                                                                                                      |  3.4<br> 3.9<br> 8.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 46-49p      | Establishing a life cycle-based food culture model |
| 5          | Working environment               | <ul style="list-style-type: none"> <li>Collection of opinions from employees through regular organizational culture assessment questionnaire</li> <li>Operation of various welfare systems (e.g. flexible work system) as a family-friendly certified company</li> </ul>                          | <ul style="list-style-type: none"> <li>Employee engagement</li> <li>Welfare expenses</li> </ul>                                                                                                                                                                                                                                   |  5.1<br> 5.4<br> 8.5<br> 8.7                                                                                                                                                                                                                                                                                                                                                                          | 53-56p      | Systematizing human rights management              |
| 6          | Ethical and compliance management | <ul style="list-style-type: none"> <li>Introduction of proactive systems for mutual benefit with suppliers, such as establishing a Subcontract Payment Dispute Resolution Organization</li> <li>Operation of the Compliance Management System (ISO 37301)</li> </ul>                              | <ul style="list-style-type: none"> <li>Hours and number of employees for completing ethics training</li> <li>Number of violations of anti-corruption requirements</li> </ul>                                                                                                                                                      |  16.5<br> 16.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 71-73p      | Realizing a workplace in which talent grows        |



## ESG HIGHLIGHTS

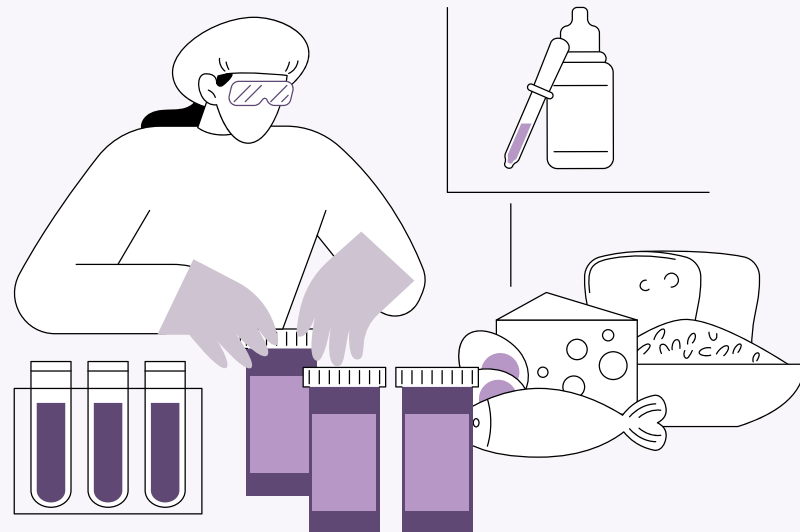
# FRESH WAY TO CREATE A BETTER FUTURE

- 18 Material Topic 1: Food Safety
- 22 Material Topic 2: Customer Satisfaction
- 25 Special Report: Digital Transition



## MATERIAL TOPIC 1

# FOOD SAFETY



## APPROACH

CJ Freshway established its Food Safety Center in 2003 and promoted rigorous food quality hygiene and safety management, introducing the industry's first internal HACCP certification system and achieving ISO 22000 certification. In the field of analysis, we target the largest array of analysis items in the industry, including microorganisms, residual pesticides, antibiotics, heavy metals, and radioactivity. In addition, we manage the "Unsafe Product Screening System" organized by the Korea Chamber of Commerce and Industry, to promptly halt the distribution of hazardous products when a hazard is detected.

We are committed to leading the future of food safety by pursuing comprehensive food safety management. This includes enhancing our food safety expertise to utilize food and drug data and providing solutions and technical advice on food safety to producers and partners.



## KEY PERFORMANCE

### 2023 Food and Drug Data Utilization Contest Excellence Award - Rapid Alert System (CJ RAS)

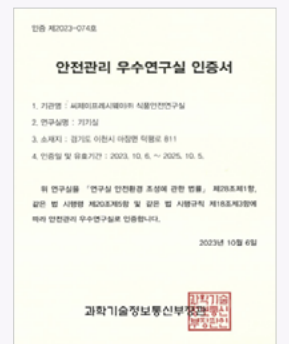
CJ Freshway has operated its safety management rapid alert system since 2022, and had blocked 44 hazardous goods by 2023. The system links public data from the Ministry of Food and Drug Safety with CJ Freshway's product information, performing 24-hour real-time automatic monitoring. When hazard information is detected, it is shared with the relevant departments so that distribution can be blocked. This system earned us the excellence award at the 2023 Food and Drug Data Utilization Contest, hosted by the Ministry of Food and Drug Safety. We aim to further contribute to the safe distribution of imported food by expanding the system's application to import inspections.

### PB Product Development through Collaboration with the National Federation of Fisheries Cooperatives

In October 2023, CJ Freshway signed a MOU with the National Federation of Fisheries Cooperatives to develop PB products for the safe supply of domestic seafood. We will conduct quality inspections in collaboration with the National Federation of Fisheries Cooperatives and CJ Freshway Food Safety Center, including tests for radioactive contamination. We will continue to manage all risks related to radioactive contamination to ensure a high-quality supply of domestic seafood.

### Acquisition of Certification of Excellent Safety Management Laboratory

In October 2023, CJ Freshway Food Safety Center acquired Certification as an Excellent Safety Management Laboratory under the supervision of the Ministry of Science and ICT, recognition of our outstanding safety management capabilities. This certification requires a score of over 80% in evaluations in various fields, including accident-free record within recent two years, safety environment systems, safety environment activity levels, and safety awareness of safety management officials. We will continue to strive to maintain a safe research environment.



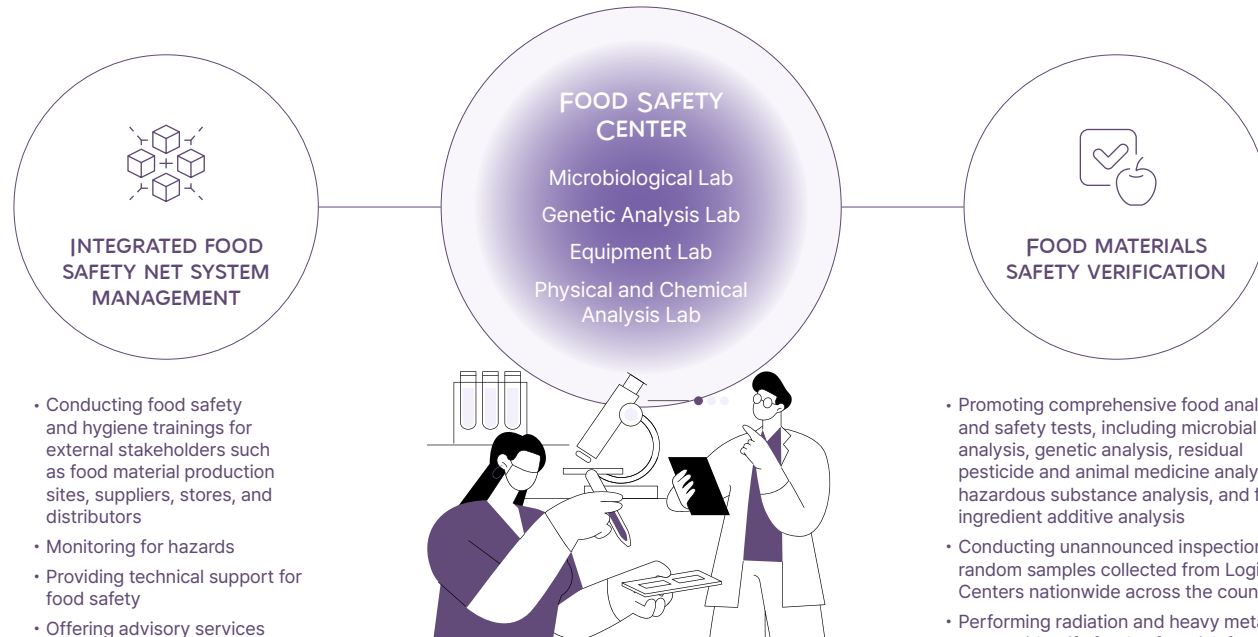
# FOOD SAFETY

## GOVERNANCE

### FOOD SAFETY CENTER

The CJ Freshway Food Safety Center was the first to be established in the industry. Since its establishment in 2003, it has accumulated extensive safety verification data and operates with the highest level of food analysis expertise. In addition, it continues to advance its food safety capabilities by utilizing safety data and identifying the latest trends, including domestic and international hazardous substance information. The center has been designated as an accredited testing and inspection agency for food, livestock products, and agricultural products by the Ministry of Food and Drug Safety and the National Agricultural Products Quality Management Service. In both 2022 and 2023, it received top evaluations in the Food Analysis Performance Assessment Scheme (FAPAS) hosted by the UK Department for Environment, Food and Rural Affairs, being judged as suitable in all categories, including microbiological and physicochemical analyses.

#### FAPAS entry certificate



## STRATEGY

### ESTABLISHMENT OF QUALITY AND FOOD SAFETY MANAGEMENT POLICY

its customers' food business partner. These policies specify the matters to be observed for the efficient operation of quality control and food safety management systems.

#### QUALITY AND FOOD SAFETY MANAGEMENT POLICY

1. We supply safe products to customers by ensuring thorough quality control of food materials.
2. We make customers satisfied with a healthy diet, hygienic process management, and differentiated services.
3. We maintain the best quality of food materials and food services through systematic operation of the food safety system.
4. We provide total food safety solutions tailored to internal and external customers.

### OPERATION OF THE FOOD SAFETY MANAGEMENT SYSTEM (ISO 22000)

CJ Freshway obtained certification of the Food Safety Management System (ISO 22000) in 2005 to prevent and manage various risk factors in food material safety management. This system aims to establish processes for food safety management across the food supply chain, and to improve sanitation management efficiency. CJ Freshway has maintained compliance in its annual post-examinations, ensuring ongoing process improvements to maintain food safety.

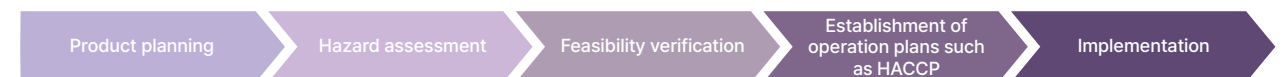
#### Head Office



#### Icheon



#### Food safety management system process



# FOOD SAFETY

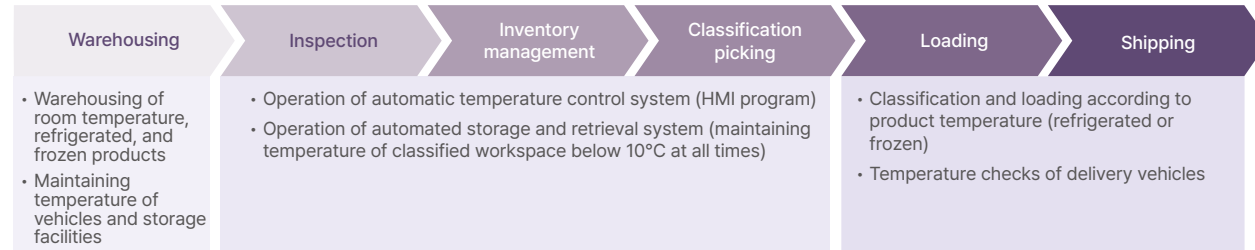
## RISK MANAGEMENT

### ESTABLISHMENT OF FOOD POISONING PREVENTION MEASURES

To prevent food safety accidents such as food poisoning, CJ Freshway has established and operates measures specifically for the summer season. We perform site inspections of stores, conduct quality checks of temperature-sensitive products, monitor the handling of food materials, and strive to raise awareness by distributing training materials. In addition, we will continue to minimize the risk of food poisoning not only through hygiene training improvements by increasing the number of on-site hygiene inspections and auditors, but also through introduction of automated equipment such as chlorine water generators for sterilization.

### COLD CHAIN SYSTEM

CJ Freshway operates the cold chain system to maintain freshness during the distribution of temperature-sensitive food materials.



### STRENGTHENING RADIOACTIVITY SAFETY MANAGEMENT

CJ Freshway does not distribute any Japanese seafood, and ensures safety through radioactivity inspections of PB seafood products and regular radioactivity inspections of products from our seafood partners. Notably, with the introduction of advanced radioactivity analysis devices, we proactively manage safety in order to comply with increasingly stringent government policies and meet consumer needs. We plan to expand our safety management efforts beyond seafood to include agricultural products, ensuring a safe supply of food materials that customers can trust.



### PROVIDING FOOD SAFETY SOLUTIONS

CJ Freshway operates programs to enhance food safety management for suppliers and stores, with the goal of integrated quality and hygiene management. By leveraging our food safety capabilities, we strive to elevate the overall level of food safety by offering integrated solutions tailored to stakeholder needs.

| Food safety solutions       | Solution content                                                                                                                          |                                                                                                                                                                                                   |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product safety management   | <ul style="list-style-type: none"> <li>Conducting safety assessments of suppliers and verify raw materials</li> </ul>                     | <ul style="list-style-type: none"> <li>Analyzing product legal specifications and hazardous substances</li> </ul>                                                                                 |
| Store hygiene management    | <ul style="list-style-type: none"> <li>Managing hazards by cooking process according to HACCP standards</li> </ul>                        | <ul style="list-style-type: none"> <li>Providing hygiene consulting and training for store managers and cooking staffs</li> </ul>                                                                 |
| Win-Win Cooperation Academy | <ul style="list-style-type: none"> <li>Offering online training for more than 30 small and medium-sized manufacturing partners</li> </ul> | <ul style="list-style-type: none"> <li>Enhancing the understanding of food safety among partners through explanations and Q&amp;A sessions on food-related laws, and labeling training</li> </ul> |

## METRICS AND TARGETS

CJ Freshway monitors indicators related to safety accidents, recalls, and violations of the laws. From 2021 to 2023, there were no related incidents or violations. We will continue to rigorously manage our food safety and quality.

| Food safety management indicator                                               | Unit  | 2021 | 2022 | 2023 |
|--------------------------------------------------------------------------------|-------|------|------|------|
| Number of product safety accidents                                             | Cases | 0    | 0    | 0    |
| Number of violations of laws and regulations related to marketing and labeling | Cases | 0    | 0    | 0    |
| Number of product and service recalls                                          | Cases | 0    | 0    | 0    |
| Rates of violation on safety regulations of high-risk food                     | %     | 0    | 0    | 0    |



# FOOD SAFETY

## PROMOTING A HEALTHY AND SAFE FOOD CULTURE

### ACTIVITIES TO PROMOTE THE PRACTICE OF HEALTHY EATING FOR THE PUBLIC

To contribute to the creation of a healthy food culture, CJ Freshway participated in the “3·3 Day” activity, providing a sodium-reduced menu at some of its stores. “3·3 Day” is an event supported by the Ministry of Food and Drug Safety to spread a culture of healthy eating practices. It is held each year on March 3 (March 4 in 2024) and targets children, social welfare organizations, industries, and public institutions. For its pilot operation in 2024, the company actively participated in the promotion by posting press releases and news cards on social media, and provided promotional materials to the stores to support the smooth operation of the event. On the day of the event, eight stores, including those in industries and public institutions, provided a low-sodium menu. To celebrate the first event, the Ministry of Food and Drug Safety participated and held activities such as games and photo sessions at the Osong Health Technology Administration Complex Central Welfare Facility Store. We will continue to strive to fulfill our mission of fostering a healthy food culture.

3·3 Day menu



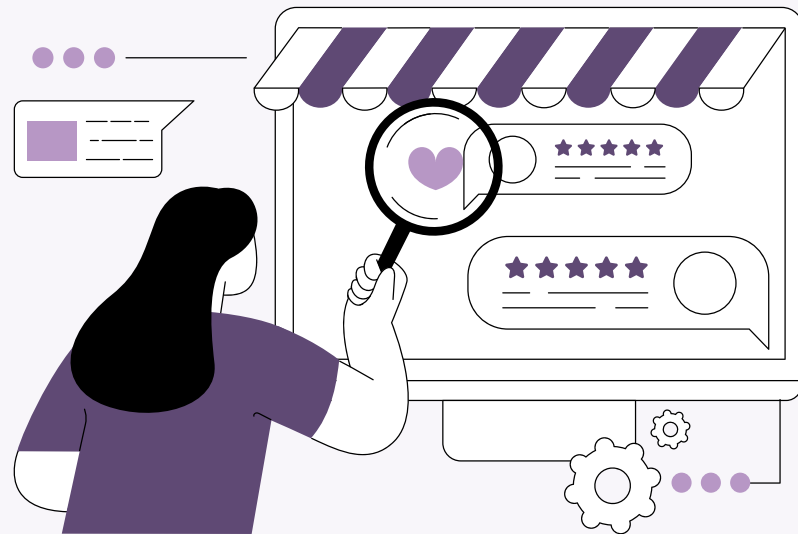
### NATIONAL FEDERATION OF FISHERIES COOPERATIVES MEMORANDUM OF UNDERSTANDING (MOU) AND PB SEAFOOD PRODUCTS DEVELOPMENT

In October 2023, CJ Freshway signed a MOU with the National Federation of Fisheries Cooperatives with the aim of strengthening seafood safety and establishing a win-win system, creating a cooperative system to strengthen the distribution management of seafood. By leveraging the nation's largest food materials distribution network and our industry-leading quality management system, we expect to be able to create synergies with the National Federation of Fisheries Cooperatives' nationwide seafood production and logistics infrastructure. In addition, by incorporating the “Fisheries Food Research Center,” a nationally certified seafood safety inspection agency capable of performing tests and analyses for harmful factors such as radioactivity that operates under the National Fishery Products Quality Management Service, we aim to establish an even stronger seafood safety distribution system. With this MOU, we aim to establish a structure that expands fishing markets for economic activities and sustainable development in fishing areas, as well as the distribution of domestically verified safe seafood. Starting in 2024, we plan to launch more than 20 kinds of seafood in stages with the National Federation of Fisheries Cooperatives. These products will apply both entities' quality management programs to provide consumers with safe products, including popular fish (Squid, Mackerel, Spanish mackerel, etc.) and dried seafood (Kelp, Anchovy, Seaweed, Shrimp, etc.). We will continue to focus on distributing high-quality domestic marine products that consumers can trust, and support the establishment of a win-win ecosystem.

PB seafood products



## MATERIAL TOPIC 2

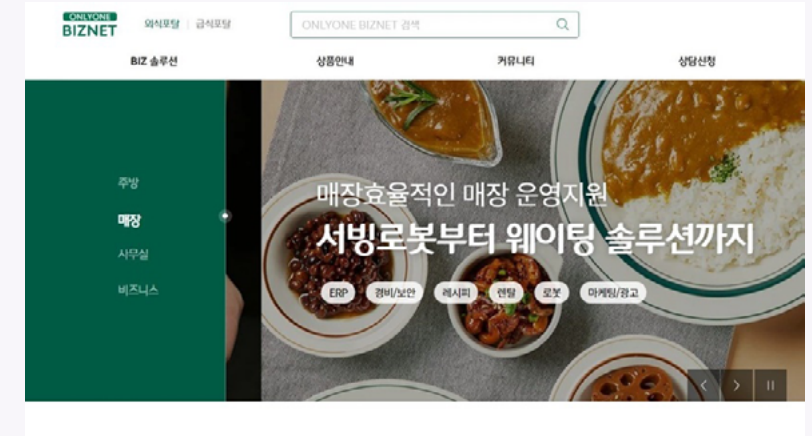
CUSTOMER  
SATISFACTION

## APPROACH



CJ Freshway strives to enhance our environmental, social, and economic values through various products and services. To establish our identity as a solution provider and a food business partner, while providing proactive solutions, we are strengthening our customer engagement by expanding our efforts from online channels, such as the “Love Your Veggies” contest, to offline interactions following the COVID-19 pandemic. Providing consumers with eco-friendly and ethical products, promoting their benefits, and collaborating with the community not only expands our brand’s influence, but also creates sustainable social value. At the same time, we will establish business strategies for economically efficient and long-term growth to promote our sustainable growth.

## KEY PERFORMANCE

**1st Food Solution Fair**

CJ Freshway held its first Food Solution Fair in October 2023 to strengthen its role as an offline solution platform. More than 1,000 companies, including customers and partners, participated in this event and experienced various solutions that we offer.

**Opening of Integrated R&D Center**

CJ Freshway is expanding its role as a solution provider by offering customized services based on assetization data. The Integrated R&D Center aims to provide menu consulting based on its R&D technology, playing a crucial role in streamlining customer menus and offering trend-oriented consulting.

**Launch of ONLYONE BIZNET**

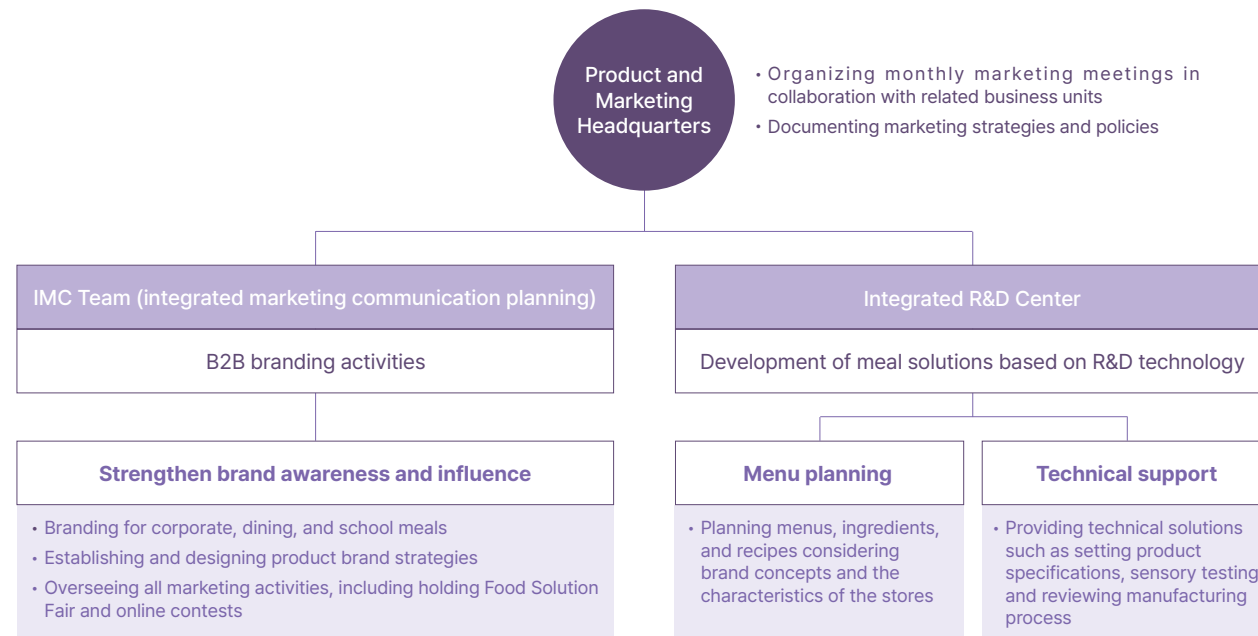
As a solution hub for the food business ecosystem, CJ Freshway has launched “ONLYONE BIZNET”, a business solution portal to create new business opportunities and ensure customer success through partnerships with solution partners. We currently offer 84 solutions to address the challenges faced by our dining and meal service business customers, and plan to expand our range of solutions in the future.

# CUSTOMER SATISFACTION

## GOVERNANCE

### PRODUCT MARKETING AND R&D ORGANIZATION

To address rapidly changing customer preferences and food culture trends, CJ Freshway has expanded its solution business by establishing a strategy to provide meal solutions. To this end, we launched an integrated R&D Center in 2023 that will play a key role in providing solutions through research and development and trend analysis. The R&D Center, in collaboration with the IMC team responsible for B2B branding and marketing, will engage in activities related to customer satisfaction improvement and marketing. The newly launched Integrated R&D Center plans to enhance product development capabilities by internalizing knowledge assets to provide data-driven solutions, thereby enhancing menu and recipe databases. Through the integrated R&D Center and marketing organization, CJ Freshway will strengthen its capabilities as a differentiated solution provider and secure future competitiveness.



## STRATEGY

### OPERATION OF FOOD AND CULTURE CAMPAIGN →

CJ Freshway's specialty brand for kids, I-NURI, is launching the "Love Your Veggies" contest to teach children about healthy eating habits. The second annual I-NURI "Love Your Veggies" contest was held through a partnership with the Korea Edu-care Association and the Nationwide Support Center for Childcare, and was composed of two parts: "Development of healthy eating education programs" for groups to recognize the importance of environmental protection through vegetarianism, and "Vegetable growth diary" for individuals to promote healthy eating habits. Through this campaign, we are working for the benefit of society by providing sustainable products and services to customers and helping children form healthy eating habits early.

| Category                 | Group category (including childcare center)                                               | Individual category (general households)          |
|--------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------|
| Affiliated organizations | Korea Edu-care Association                                                                | Nationwide Support Center for Childcare           |
| Targets                  | National and public daycare centers, social welfare organizations (697 entries submitted) | General households (316 households participating) |
| Participation details    | Self-developed healthy eating program                                                     | Vegetable growth diaries by household             |



### R&D STRATEGY

Based on the R&D vision and strategic direction, the integrated R&D Center establishes a technology development process for data assetization related to menus and recipes, and develops new menu planning and customer solutions. To this end, the R&D Center plans to strengthen its infrastructure by expanding professional facilities and increasing its manpower.





# CUSTOMER SATISFACTION

## STRATEGY

### LAUNCH OF THE BUSINESS SOLUTION PORTAL

In 2023, CJ Freshway launched “ONLYONE BIZNET”, an integrated solution portal, to provide business-related solutions to our restaurant and catering customers and partners. In addition to supporting capabilities such as R&D and business management, we plan to offer consulting services across multiple business areas, including cooking efficiency and food waste management, further strengthening our mutual growth system. In the future, we will utilize the online platform to promote cooperation with customers and expand the provision of sustainable solutions.

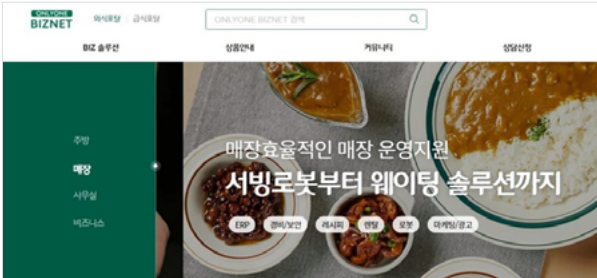
We also operate “Fresh Market,” an e-commerce mall, to provide welfare solutions to our customers and partners. Through Fresh Market, customers and partners can offer welfare benefits to their employees without a separate welfare budget or operating expenses. Moving forward, we will continue to expand the welfare service ecosystem based on “Fresh Market” to contribute to mutual growth.

| Platform       | Role                                                          | Strategic directions                                                                                                                                                                                              |
|----------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ONLYONE BIZNET | Food service and catering business integrated solution portal | <ul style="list-style-type: none"> <li>Addressing customer grievances in the dining and meal service business</li> <li>Providing integrated solutions through the platform</li> </ul>                             |
| Fresh Market   | E-commerce mall providing welfare for customers and partners  | <ul style="list-style-type: none"> <li>Strengthening product competitiveness based on food distribution data</li> <li>Creating synergies and promoting mutual growth through cooperation with partners</li> </ul> |

## RISK MANAGEMENT

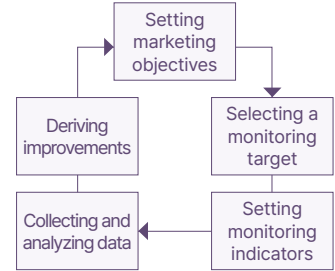
### PROVISION OF SOLUTIONS FOR SUSTAINABILITY

CJ Freshway categorizes the customer solutions it provides through “ONLYONE BIZNET” into the areas of operational efficiency, cost reduction, profit improvement, and insight delivery. Our goal is to provide solutions that consider not only customer profitability but also sustainability in each area. We plan to identify and expand solutions in fields that may have an environmental and social impact across all operational areas, such as waste collection, hygiene and quarantine services, and water quality management.



### SOLUTION QUALITY MANAGEMENT WITH MONITORING

CJ Freshway manages the quality of its online and offline marketing activities through participant satisfaction surveys. We identify improvements through performance analysis and establish supplementary plans. Our first Food Solution Fair, held last year, achieved a customer satisfaction rate of 82.4%. It provided insights into market needs that will support the expansion of eco-friendly, vegan, and silver health foods. We will strive to improve the completeness of and satisfaction level with future Food Solution Fair by reflecting the collected customer opinions. The “Love Your Veggies” contest by I-NURI was initially held only in Seoul but expanded nationwide in 2023, involving more local communities. This year, we plan to share a claim response manual based on the previous year’s performance analysis to systematize operations. We will actively communicate with organizations throughout the entire process, from planning to utilizing award-winning works, in collaboration with the Korea Edu-care Association and iCOOP Natural Dream. This effort aims to expand our contact points with the public and strengthen our collaboration synergies and networks with related organizations.



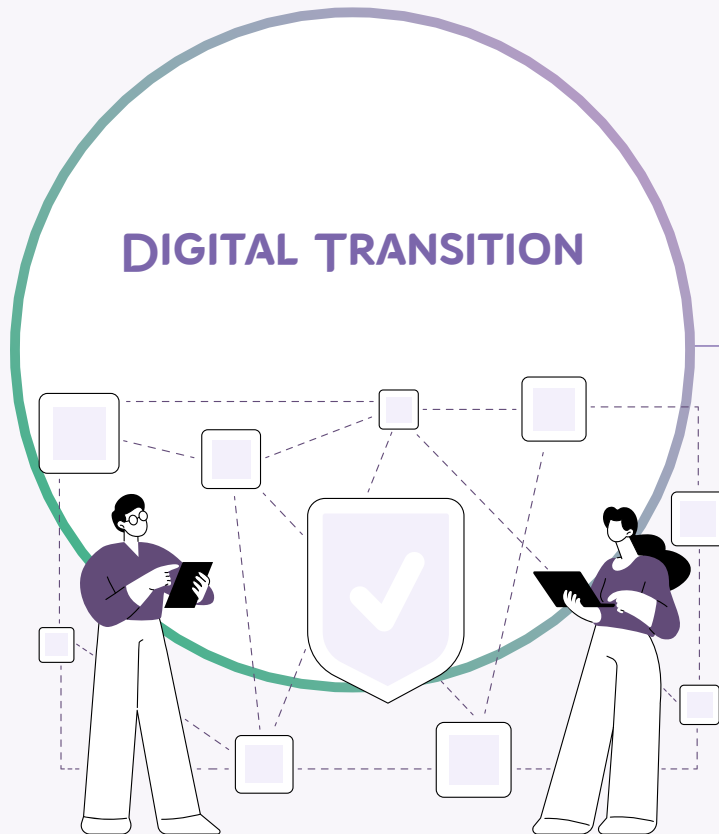
## METRICS AND TARGETS

CJ Freshway monitors indicators according to goals established for each part to improve customer satisfaction.

| Category           | Indicator                                                          | Strategic directions                                                                                                                                                                                                   |
|--------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Food Solution Fair | Visitor composition, walking routes, and satisfaction              | <ul style="list-style-type: none"> <li>Reviewing visitor companies, areas of interest, and participation paths</li> <li>Analyzing satisfaction and areas for improvement</li> </ul>                                    |
| R&D Center         | Sales and assetization capabilities                                | <ul style="list-style-type: none"> <li>Quantitative indicators for assetization of sales and mixing ratio</li> <li>Development of seasoning materials, and securing technology to extend product shelf life</li> </ul> |
| ONLYONE BIZNET     | Registered solutions                                               | <ul style="list-style-type: none"> <li>Number of registered solutions by area, such as dining and meal services</li> <li>Customer inflow and solution application trends</li> </ul>                                    |
| Fresh Market       | Number of subscribers                                              | <ul style="list-style-type: none"> <li>Accumulated number of subscribed customers by year</li> <li>Analysis by subscription channel (subscription by partners, such as food purchase)</li> </ul>                       |
| Love Your Veggies  | Rate of participation in the contest, growth rate of non-customers | <ul style="list-style-type: none"> <li>Participation rate by type, such as national, public, private, and general families</li> <li>Overall and non-customer participation growth</li> </ul>                           |

SPECIAL REPORT

# DIGITAL TRANSITION



## DECLARATION OF DIGITAL MANAGEMENT

In 2021, CJ Freshway declared its digital transition and intent to build a digital management system, and has since been developing the necessary infrastructure to promote data-driven operations. Digital management aims not only to improve work efficiency but also to secure new business opportunities and future growth engines by strengthening data capabilities across the company.



## REDESIGN THE CORE SYSTEM

We have introduced and advanced the ONLYONE FOODNET order system, menu management system, and I-Solution customer relationship management system, which are closely related to major business transactions.



## CREATING A FOUNDATION FOR DATA ACCUMULATION

In addition to system redesign, we are revamping our work processes to standardize and accumulate data, increase user processing capabilities, and enhance communication among system users.



## STRENGTHENING INFORMATION PROTECTION

In 2022, we conducted a comprehensive inspection of our information protection management level. Based on the results, we established a three-year plan to strengthen our information protection capabilities, and are implementing the necessary improvements.



## TABLEAU TRAINING

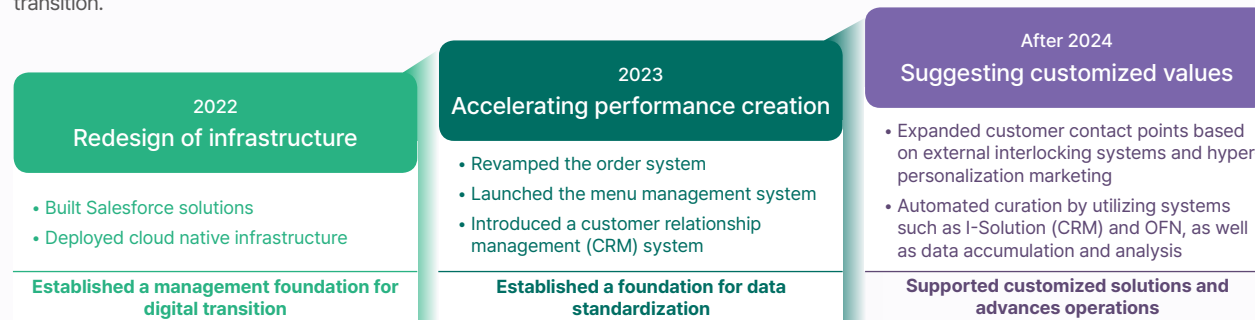
As part of the digital management system support program, we are conducting training on the data analysis program "Tableau" to foster a company-wide culture of data-driven decision-making and enhance our analytical capabilities.

## SPECIAL REPORT

## DIGITAL TRANSITION

## DIGITAL TRANSITION JOURNEY

CJ Freshway declared the digital transition in 2021, and established the data management system to strengthen our foundation for using digital technology. The digital transition project was promoted to secure super-gap capabilities through the completion of the data-driven decision-making system, the establishment and operation of value chain systems, and innovation in work processes based on digital transition.



## ONLYONE FOODNET (OFN) ORDER SYSTEM REDESIGN

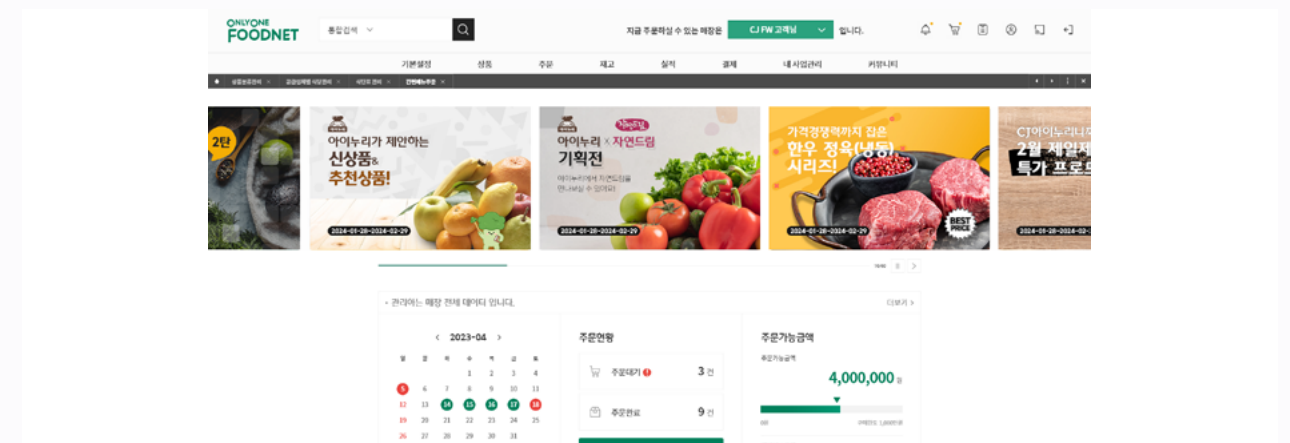
The redesign of the ONLYONE FOODNET order system is designed to strengthen digital marketing through customer behavior data analysis, and to focus the organization's marketing and customer support resources on core tasks by utilizing the self-service capabilities for simple tasks.

## Major Improvements of ONLYONE FOODNET

| Improving ordering convenience                                                                                                      | Digital marketing                                                                                                                                                 | User processing capabilities                                                                                                     | Strengthening customer communication                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>Individual access to dashboard</li><li>Fewer steps in product selection and payment</li></ul> | <ul style="list-style-type: none"><li>Product planning exhibitions and theme exhibition proposals</li><li>Customer analysis and curation implementation</li></ul> | <ul style="list-style-type: none"><li>Document download</li><li>Confirming order adjustment and selecting replacements</li></ul> | <ul style="list-style-type: none"><li>Receipt of claims and subsequent processing</li><li>Improved access to announcements</li></ul> |

In the future, we plan to upgrade our ONLYONE FOODNET ordering system to expand the level of customer response systemization, and strengthen our product and service curation to increase customer purchase value. In addition, we will pursue a participatory system involving customers and partners to create a two-way communication environment.

## ONLYONE FOODNET



## Key features

|                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------|
| Easy ordering of food materials, payment and data inquiry and management                                                     |
| Convenient product ordering (including sorting by lowest price, price per unit, promotion information)                       |
| Providing AI-based customized product curation and solutions                                                                 |
| Providing business operation information such as fresh product market information, administrative, and informative materials |

## Advancement plan after 2024

|                                                                                                                                                                                                             |                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>Increasing Purchase Value for Customers                                                                                                                                                                 | <br>Expanding Customer Coverage                                                                                                                                                                                         |
| <ul style="list-style-type: none"><li>Expanding digital marketing through customer behavior analysis</li><li>Systematizing customer response</li><li>Strengthening curation of goods and services</li></ul> | <ul style="list-style-type: none"><li>Transition to open platform to expand new customers</li><li>Establishing a two-way communication system between customers and suppliers by expanding the relay platform</li></ul> |



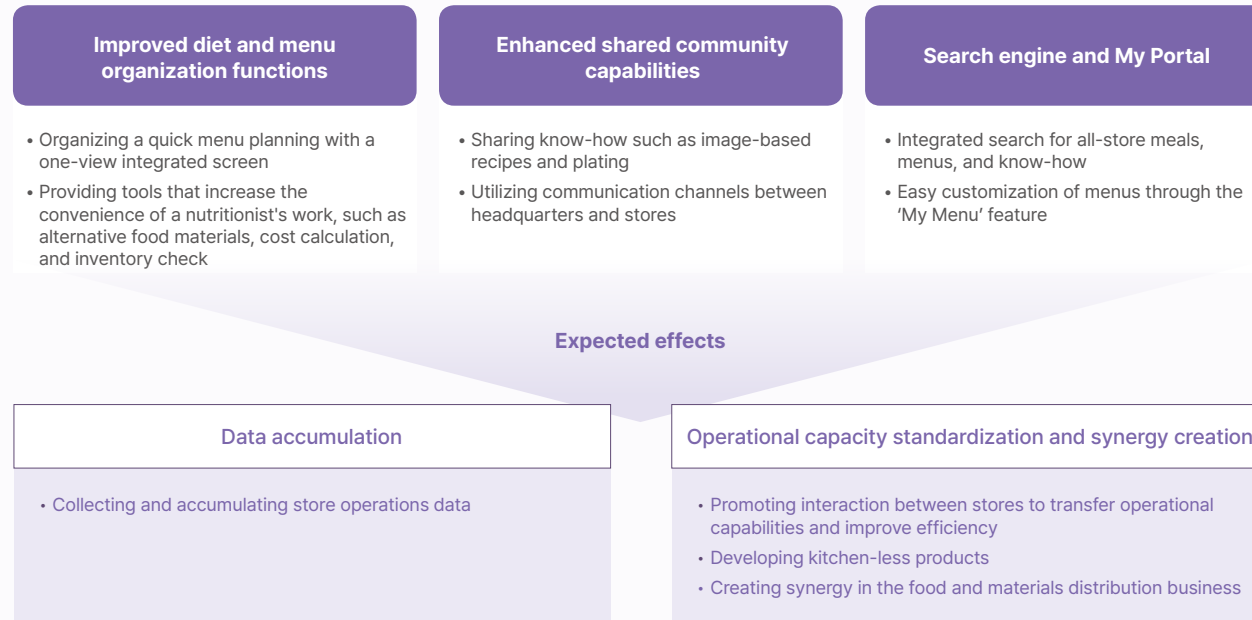
SPECIAL REPORT

# DIGITAL TRANSITION

## DIGITAL TRANSITION BUSINESS

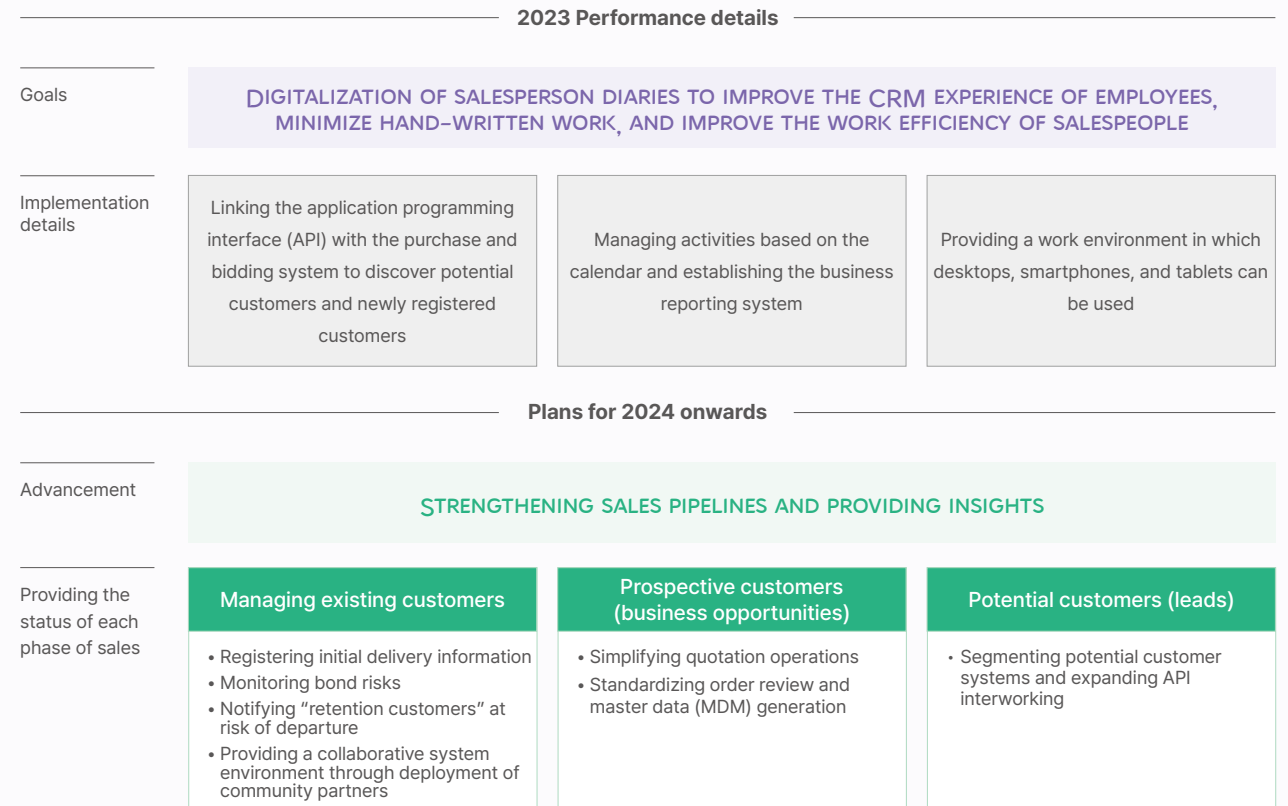
### LAUNCH OF MENU MANAGEMENT SYSTEM

The menu management system is designed to facilitate the sharing of know-how in group meal service through community functions. We aim to accumulate data assets for “representative dishes” by improving the convenience of diet and menu composition and expanding communication with consumers.



### INTRODUCTION OF I-SOLUTION SYSTEMS

The I-Solution system is a customer relationship management (CRM) system that will standardize and provide convenient access to the customer information scattered across individuals and organizations, enabling value to be maximized from the customer's point of view through its use in sales activities.



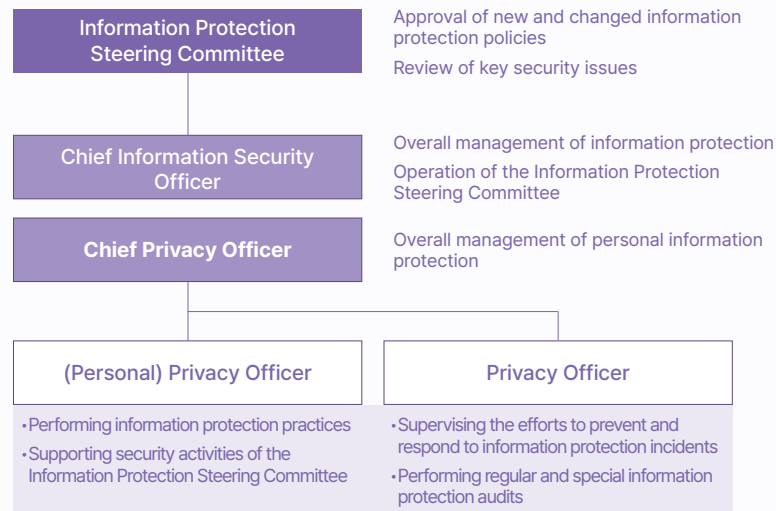
SPECIAL REPORT

# DIGITAL TRANSITION

## STRENGTHENING INFORMATION PROTECTION

### SYSTEM OF OPERATION

CJ Freshway has appointed a Chief Information Security Officer (CISO) and the Chief Privacy Officer (CPO) in accordance with the Act on Promotion of Information and Communications Network Utilization and Information Protection, and holds the Information Protection Steering Committee, a consultative body of the relevant department, once a year to make important decisions on information protection policies and operations.



In 2023, the company enacted its "Information Protection Rules" to establish higher standards for realizing the goal of information protection. By enacting higher-level regulations covering the guidelines previously enacted to effectively implement information protection, we established a grand principle, and made an "Information Protection Declaration" that expresses our commitment to information protection management and to fostering a culture that prioritizes information protection. In addition, related guidelines have been revised based on relevant laws and domestic and international information protection certification standards.

### INFORMATION PROTECTION ENHANCEMENT GOALS

CJ Freshway has established a three-year goal and strengthened its information protection work to address information protection vulnerabilities identified through the inspections conducted in 2022. After 2024, we plan to enhance the management system while addressing the vulnerabilities identified in the previous year.

| 2023                                                                                                                                                                | 2024                                                                                                                                             |  | 2025                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improving vulnerabilities and establishing a company-wide information protection management system                                                                  | Continuous operation and stabilization of the (personal) information protection management system                                                |  | Advanced management system                                                                                                                                                                   |
| <ul style="list-style-type: none"> <li>Monitoring implementation rate of risk measures based on local and international information protection standards</li> </ul> | <ul style="list-style-type: none"> <li>Addressing vulnerabilities (establishment of disaster recovery systems, network control, etc.)</li> </ul> |  | <ul style="list-style-type: none"> <li>Regular technical inspection and vulnerability measures</li> <li>Enhanced cloud security architecture (such as security system operations)</li> </ul> |



## KEY ACHIEVEMENTS AND IMPROVEMENTS

### THIRD-PARTY INFORMATION PROTECTION INTERNAL AUDIT

CJ Freshway had a third-party auditor conduct an internal audit of its information protection to evaluate information protection risks and identify the current status. In this information protection level risk assessment, we found that the implementation rate for risk measures had increased, from 59.3% in the previous year to 87.5%. In addition, 13 risk areas were identified through an internal audit that verifies the effectiveness of the management system's operation in accordance with internal policies and legal requirements. The company will analyze the structural causes of the identified risks while continuing activities to check the implementation details.

### INCREASE IN THE NUMBER OF MALICIOUS MAIL SIMULATION TRAINING AND OFFICE INSPECTIONS

CJ Freshway expanded its malicious email simulation training, which was previously conducted once a year for all employees, to both the first and second half of the year. In the simulation training, fake malicious emails were sent, and the number of clicks and attachments opened was checked. We confirmed that the awareness of reporting for information protection improved through an increase in the number of reports compared to the first half. In addition, we have expanded our information protection awareness improvement activities by conducting quarterly clean desk and awareness improvement campaigns, providing guidelines for non-compliance with information protection.

### REGULAR INFORMATION PROTECTION TRAINING

CJ Freshway regularly holds information protection training sessions. The training is provided as a common course and an in-depth course for all employees depending on their exposure to personal information, and includes content aimed to enhance their understanding of information protection such as cybersecurity, the concept of personal information, and related laws. It is provided through online training via CJ Campus, making it easy to access, and increasing efficiency by differentially managing the training level to match the job.

## SPECIAL REPORT

## DIGITAL TRANSITION

## INFORMATION PROTECTION MANAGEMENT INDICATORS

CJ Freshway is currently working to obtain ISO 27001 (Information Protection Management System) certification in 2024 to enhance its information protection level and management system. We are also managing personal information protection violations and encouraging our related employees to complete information protection training.

## Plans to strengthen information protection in 2024



| Information protection management indicator                | Unit  | 2021 | 2022 | 2023 |
|------------------------------------------------------------|-------|------|------|------|
| Personal information protection violations                 | Cases | 0    | 0    | 0    |
| Percentage of IT budget invested in information protection | %     | 6.6  | 10   | 8.2  |
| Information protection training participation rate         | %     | 99.9 | 99.9 | 100  |

## DATA ANALYSIS TRAINING PROGRAM “TABLEAU ACADEMY”

Since 2022, CJ Freshway has been operating “Tableau Academy” to train its employees the data analysis program “Tableau.” Tableau Academy is designed to nurture in-house data experts and aims to build a company-wide culture of data-driven decision-making that goes beyond merely collecting, analyzing, and utilizing individual employees' work-related data. Employees are selected based on a standard evaluation that considers their motivation for participating, relevance to their work, and future plans. By 2023, a total of 45 employees had participated in and completed the program.

## TRAINING CONTENTS AND FUTURE PLANS

The Tableau Academy is conducted over approximately two months in three stages (Basic, Advanced, and Master). After the curriculum training, participants work on projects that incorporate practical applications, through personal coaching sessions with external experts. The satisfaction level of participants in the second Tableau Academy conducted in 2023 was rated highly, at 4.30 points (out of 5 points). Employees who have completed the training can continue learning through the in-house community and participate in data management activities as CJ Freshway Citizen Developers. CJ Freshway plans to support the acceleration of data management by providing training to enhance the data decision-making capabilities of our employees.





## ESG PERFORMANCE

# FRESH WAY TO SUSTAINABILITY

- 31 Environment
- 45 Social
- 67 Governance



# ENVIRONMENT

Climate Change Response

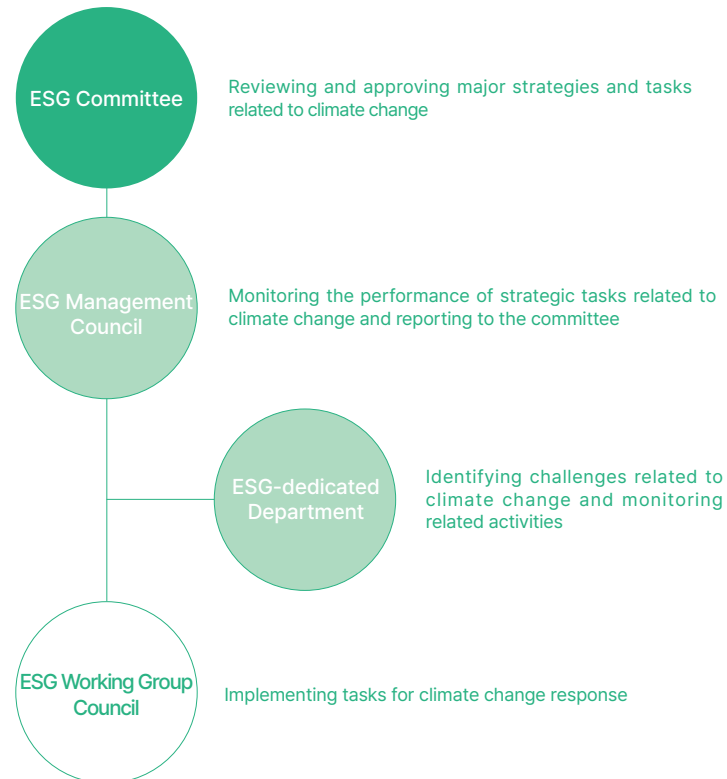
Material Topic 3: Sustainable Distribution

Environmental Management

# CLIMATE CHANGE RESPONSE

## GOVERNANCE

CJ Freshway has established a reporting system under the ESG Committee to systematically address company issues around climate change and biodiversity. This system promotes the development and implementation of policies, strategies, and detailed activities. In addition, we conduct task discovery and monitor related activities through close consultation between ESG-dedicated department and working-level consultative bodies.



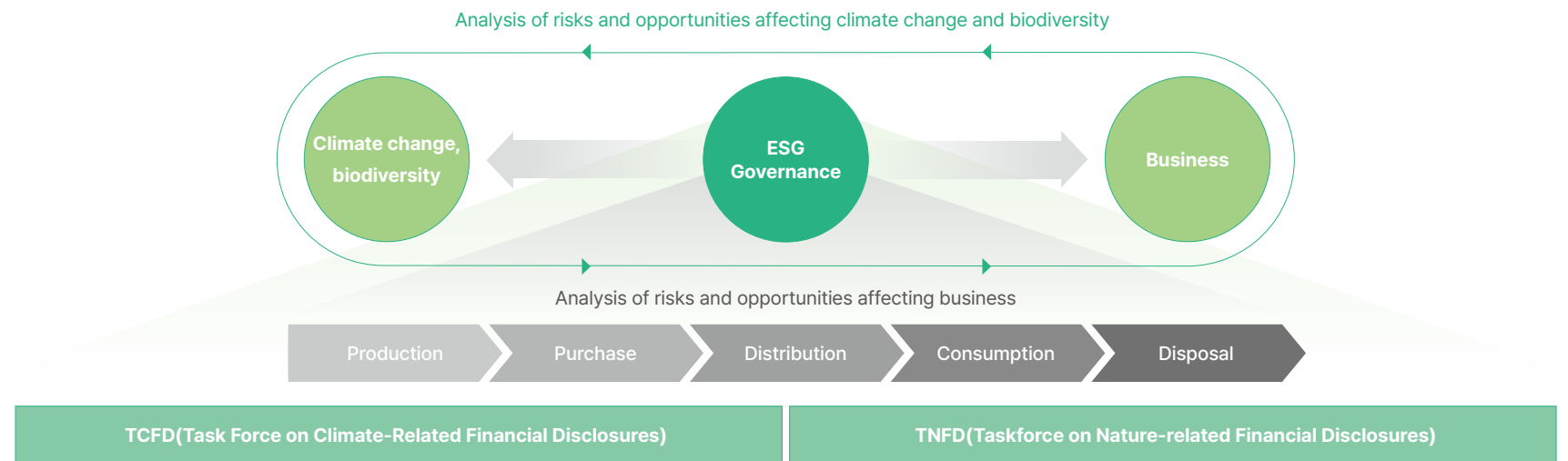
## STRATEGY

CJ Freshway analyzes risks and opportunities related to climate change and biodiversity in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Taskforce on Nature-Related Financial Disclosures (TNFD). This approach helps us to systematically manage the environmental risks we face and develop strategies for sustainable growth. Through specific mid to long-term plans, we aim to reduce greenhouse gas emissions by 50% compared to BAU by 2030, and achieve net-zero by 2050. Furthermore, we intend to identify greenhouse gas emissions within our supply chain and pursue sustainable purchasing strategies. In this TNFD report, we have comprehensively evaluated the risks and opportunities for our major domestic business sites. Moving forward, we will prioritize and assess risks to select sensitive business sites and consider setting targets to reduce negative impacts by quantifying related effects.

|                                |                                                                                         |                                                           |                                                                                                                  |
|--------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>Climate change response</b> | Establishing an eco-friendly distribution chain by introducing electric vehicles        | Expanding eco-friendly campaigns with customer engagement | Providing differentiated food services by incorporating eco-friendly space design and offering low-carbon dishes |
| <b>Biodiversity management</b> | Expanding distribution of sustainable products, such as those certified by ASC and MSC* | Implementing systematic management of pollutants          | Carrying out resource circulation campaigns                                                                      |

\* Aquaculture Stewardship Council (ASC): International certification for sustainable fisheries  
 Marine Stewardship Council (MSC): International certification for sustainable fishing

### | Climate change and biodiversity management in the CJ Freshway business value chain



# CLIMATE CHANGE RESPONSE

## CLIMATE RISKS, OPPORTUNITIES AND COUNTERMEASURES

Changes in the external environment caused by climate change present both risks and opportunities for businesses. CJ Freshway has identified various types of risks and opportunities stemming from climate change, and will construct and implement measures that minimizes the impact of risks, while maximizing opportunities.



|                  |                                                                             | Impact on CJ Freshway                                                                                                                                                                                              | Current status                                                                                                                                                                                                                                  | Future measures                                                                                                                                                                                                                          |
|------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical risks   | Acute<br>(Heatwaves, wildfires, floods)                                     | <ul style="list-style-type: none"> <li>• Production disruptions and loss of business opportunities</li> <li>• Recovery costs due to asset damage</li> <li>• Decreased employee productivity</li> </ul>             | <ul style="list-style-type: none"> <li>• Conducting safety inspection of business sites</li> <li>• Implementing disaster preparedness training</li> </ul>                                                                                       | <ul style="list-style-type: none"> <li>• Site inspections and facility maintenance</li> <li>• Improving disaster response manual</li> </ul>                                                                                              |
|                  | Chronic<br>(Change in weather patterns, rising sea levels, water shortages) | <ul style="list-style-type: none"> <li>• Asset damage and recovery costs</li> <li>• Increased risk of flood damage in coastal areas</li> <li>• Reduced facility utilization rate due to water shortages</li> </ul> | <ul style="list-style-type: none"> <li>• Monitoring chronic risk factors</li> <li>• Managing water shortage indicators</li> </ul>                                                                                                               | <ul style="list-style-type: none"> <li>• Investing in safety facilities for high-risk business sites</li> <li>• Establishing criteria for reviewing the impact of rising sea levels</li> <li>• Improving water use efficiency</li> </ul> |
| Transition risks | Policies and laws                                                           | <ul style="list-style-type: none"> <li>• Increased operating costs due to carbon reduction</li> <li>• Increased investment costs for waste treatment facilities</li> </ul>                                         | <ul style="list-style-type: none"> <li>• Building a greenhouse gas inventory (Scopes 1 and 2)</li> </ul>                                                                                                                                        | <ul style="list-style-type: none"> <li>• Calculation of Scope 3 emissions</li> <li>• Introduction of renewable energy</li> </ul>                                                                                                         |
|                  | Technology                                                                  | <ul style="list-style-type: none"> <li>• Increased investment costs for eco-friendly technology development</li> <li>• Increased investment costs for eco-friendly facilities</li> </ul>                           | <ul style="list-style-type: none"> <li>• Managing facility replacement cycles and facility investments</li> </ul>                                                                                                                               | <ul style="list-style-type: none"> <li>• Introduction of high-efficiency facilities</li> <li>• Expanding green infrastructure deployment</li> </ul>                                                                                      |
|                  | Market and reputation                                                       | <ul style="list-style-type: none"> <li>• Increased customer preference for low carbon products</li> <li>• Reduced competitiveness compared to competitors</li> <li>• Decline in product sales</li> </ul>           | <ul style="list-style-type: none"> <li>• Introducing and advertising low carbon dishes</li> <li>• Developing and expanding sustainable products</li> <li>• Expanding disclosure of ESG data</li> </ul>                                          | <ul style="list-style-type: none"> <li>• Expanding the distribution of low carbon and green products</li> <li>• Strengthening ESG disclosure</li> </ul>                                                                                  |
| Opportunities    | Resource efficiency                                                         | <ul style="list-style-type: none"> <li>• Reduced energy and resource costs</li> </ul>                                                                                                                              | <ul style="list-style-type: none"> <li>• Monitoring energy usage and manage costs</li> </ul>                                                                                                                                                    | <ul style="list-style-type: none"> <li>• Replacement of old facilities and new investment</li> <li>• Establishing energy reduction goals for each business site</li> </ul>                                                               |
|                  | Products and services                                                       | <ul style="list-style-type: none"> <li>• Increase in new business opportunities</li> </ul>                                                                                                                         | <ul style="list-style-type: none"> <li>• Acquiring and expanding eco-friendly product certifications (e.g., Antibiotic-Free, Pesticide-Free, ASC, MSC)</li> <li>• Establishing external partnerships related to resource circulation</li> </ul> | <ul style="list-style-type: none"> <li>• Expanding eco-friendly product categories and certifications</li> <li>• Discovering new business opportunities</li> </ul>                                                                       |



# CLIMATE CHANGE RESPONSE

## POTENTIAL FINANCIAL IMPACTS OF PHYSICAL RISKS: BUSINESS AND SUPPLY CHAIN RISK

### BUSINESS SITE RISKS

Focusing on the Logistics Centers, CJ Freshway's main asset, we conducted a regional physical risk assessment up to 2050 based on the RCP\* 8.5 scenario from the IPCC 5th Assessment Report. We evaluated the likelihood of acute and chronic risks and the exposure of our assets according to logistics throughput in Gyeonggi-do, Gyeongsangnam-do, Incheon-si, Jeollanam-do, where the Logistics Centers are located. Through this assessment, we determined that in Gyeonggi-do, which handles 68% of the total logistics, the risk of changes in precipitation patterns and average temperature changes is higher than the average of 9.61% and 2.15%, indicating that it is exposed to compound risks. Jeollanam-do, which handles 7% of total logistics, has an average temperature change of 2.16%, indicating that it is exposed to the risk of average temperature changes compared to the area average.

\* RCP: Representative Concentration Pathways

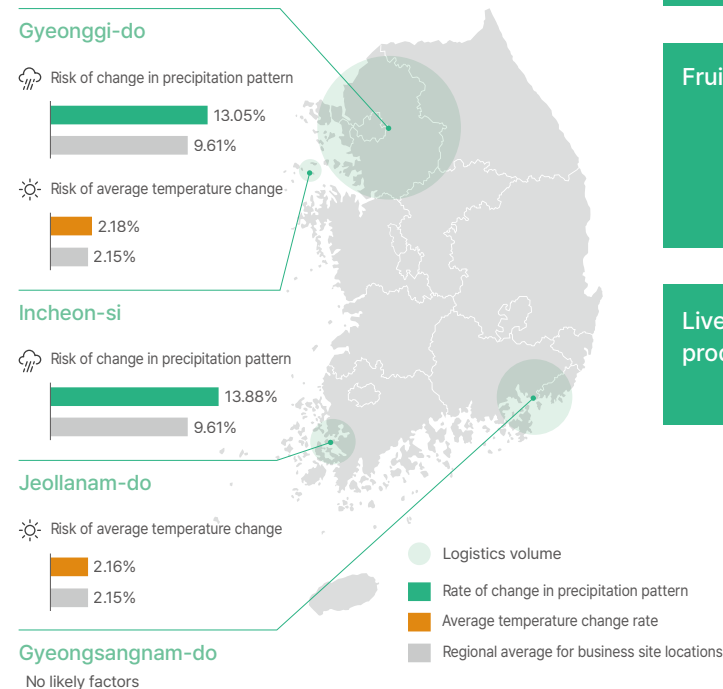
### PHYSICAL RISK ASSESSMENT RESULTS

#### | Risk management of changes in precipitation patterns

Changes in precipitation patterns can cause flood damage in Logistics Centers and surrounding infrastructures, leading to delays or disruptions in distribution. Based on accumulated transportation data, we operate optimized transportation routes that can handle disasters, and monitor the inventory status in the Logistics Centers in real time to secure a distribution network that can respond to emergencies.

#### | Risk management of changes in average temperature

For the main products we handle, changes in temperature can significantly impact product quality. We operate a cold chain in our distribution network to deliver fresh and safe products to customers regardless of changes in external temperature, actively responding to the risk of average temperature changes.



### COMMODITY SUPPLY RISK

Climate change has a significant impact on the supply of food materials, to the extent that the term "climateflation" (a portmanteau of "climate change" and "inflation") has been coined. As the nation's largest food material distributor, we strive to identify domestic and foreign product supply risks caused by climate change up to 2050, and secure stable supply chains for products based on the RCP 8.5 scenario from the IPCC 5th assessment report.

#### Agricultural products



According to the Korea Rural Economic Institute's domestic agricultural output forecast report, the production of rice and barley is expected to decline, while soybean production is expected to increase. We will continue to monitor changes in production of the products we supply, secure substitutes, and build diverse supply chains for the products with decreasing production. For products with increasing output, we will develop new menus in order to minimize the risks associated with production fluctuations and maintain market competitiveness.

#### Fruits



To ensure the smooth distribution of fruits produced domestically and internationally, we monitor changes in production related to climate change, and actively incorporate these into our strategies. According to the Korea Rural Economic Institute's forecast, the cultivation area of domestic apples is expected to decrease, while the cultivation area for pears, peaches, and grapes will increase until 2030, and then decrease. Conversely, the World Business Council for Sustainable Development (WBCSD) analysis predicts that imported fruit production in Asia will continue to increase despite climate change. Reflecting these changes, we will continue to improve the flexibility of our menu composition, our cold chain distribution network, and our logistics system to maintain the stability and optimal freshness of our fruit supplies.

#### Livestock products



A study by the Rural Development Administration found that climate change is expected to increase the risk of mortality in major livestock products, such as pigs, due to hotter and more humid environments. We are responding flexibly to productivity changes by developing and diversifying livestock product menus that are highly adaptable to heat waves, such as chickens. In addition, we will effectively manage our impact on the supply chain by increasing the proportion of livestock products with relatively low greenhouse gas emissions.

# CLIMATE CHANGE RESPONSE

## ENERGY USAGE MANAGEMENT AND REDUCTION ACTIVITIES

CJ Freshway is committed to protecting the environment through diverse energy reduction activities. We monitor the electricity use of all business sites on a monthly basis, and if abnormal increases or decreases in electricity usage compared to the same month last year or the previous month are detected, we analyze the causes, derive improvement plans, and manage them according to the characteristics of each site. In addition, insulation cleaning inside special high-voltage electrical facilities has increased facility efficiency, enhanced the effective power ratio, reduced heat generation, improved the quality of electricity, and reduced electricity use.

In 2023, the Icheon Logistics Center introduced air curtain equipment that forms a barrier preventing the inflow and outflow of cold air into the facility. Air curtains are installed to reduce safety accidents caused by increased electrical energy consumption related to the inflow of hot and humid external air when low-temperature spaces are opened, and to prevent falling water from ceiling condensation caused by temperature differences in room temperature picking facilities. By recycling materials instead of purchasing new equipments, we saved KRW 13.4 million. After installing air curtains, we achieved a 33% improvement in energy efficiency by reducing both daily electricity consumption and condensation, while completely eliminating safety accidents and sorter issues.

### Principle of operation of the air curtain and its application



## ESTABLISHING ENERGY-SAVING GOALS

Taking a strategic approach to energy use management, CJ Freshway has measured its usage of LNG, LPG, diesel, gasoline, electricity, heat, and steam energy, and has established reduction goals. We plan to continue monitoring electricity usage at our sites and provide measures to reduce electricity usage based on the specific characteristics of each site. In addition, the Central Kitchen, which supplies semi-cooked products, has established specific reduction plans for each energy source. Moving forward, we will continue to verify energy usage through third-party audits, reduce our use of non-renewable energy, and promote savings plans such as expanding the use of renewable energy.

| Energy source | Reduction activity plan                                                                                                                                                                                                                  |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Electricity   | Establishment of system of scheduled energy use using external air conditioners and air conditioners for temperature control in summer and winter, consultation on the timing of operation, and compliance with the standard temperature |
|               | Power off facilities, lights, and desktops when not in use                                                                                                                                                                               |
|               | Training and cooperation requests for zone-specific temperature management                                                                                                                                                               |
|               | Preventive maintenance of facilities to improve electrical efficiency and reduce usage                                                                                                                                                   |
| Gas (LPG)     | Reinforcement of boiler maintenance activities, such as the use of cleaning agents and scale dispersants, and inspection of pipes                                                                                                        |
|               | Temporary pause of boiler operation during lunchtime                                                                                                                                                                                     |
|               | Preventive maintenance of steam and gas facilities                                                                                                                                                                                       |

| Energy usage indicator | Unit               | 2021   | 2022   | 2023   |
|------------------------|--------------------|--------|--------|--------|
| Total energy usage*    | TJ                 | 162    | 223    | 289    |
| Energy intensity**     | TJ/KRW 100 million | 0.0087 | 0.0096 | 0.0109 |

\* Organizational boundaries: headquarters, local offices, Logistics Centers, Central Kitchen and R&D Center

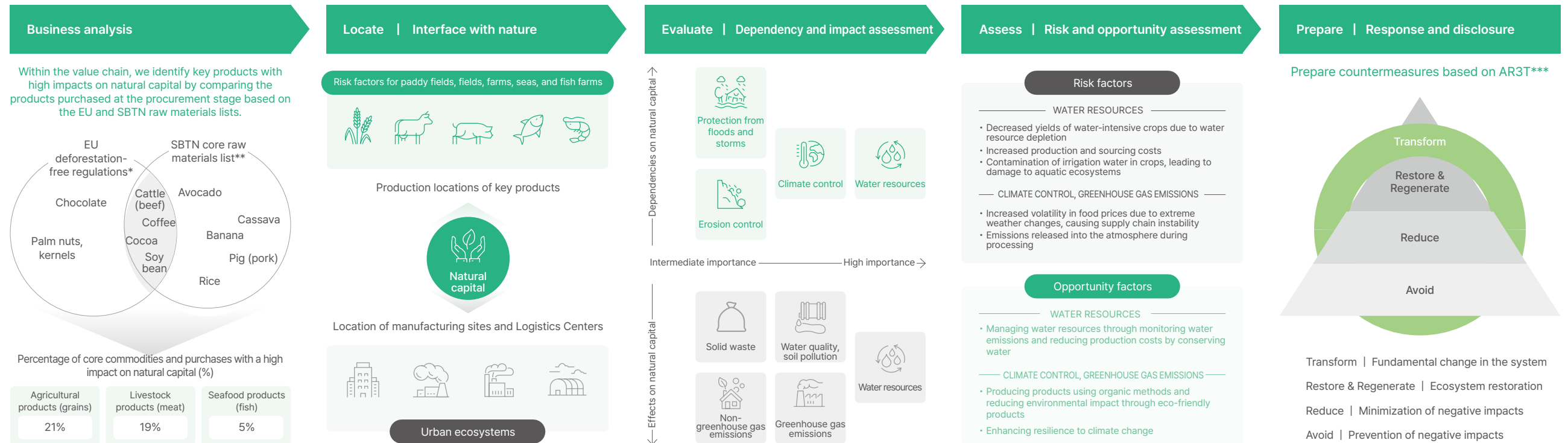
\*\* Total energy usage/annual revenue (Non-consolidated)

# CLIMATE CHANGE RESPONSE

## BIODIVERSITY →

CJ Freshway believes that the foundation of the healthy food culture is built on the healthy natural environment. We aim to strengthen our environmental responsibility by introducing the TNFD framework to analyze our dependence and impact on natural capital, and to integrate this analysis into our corporate strategy and risk management. The LEAP approach recommended by TNFD can establish a foundation for making more responsible decisions by locating the interface with nature, evaluating the dependencies and impacts on natural capital, assessing the associated risks and opportunities, and preparing responses and disclosures.

### | TNFD LEAP approach



\* EU deforestation-free regulation raw materials list

\*\* High impact commodities list established by the Science Based Targets Network (SBTN)

\*\*\* AR3T (Avoid-Reduce-Restore & Regenerate-Transform): SBTN's action framework

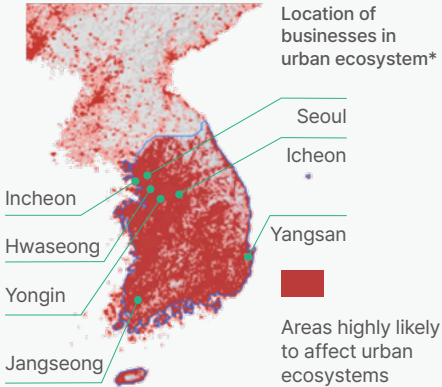


# CLIMATE CHANGE RESPONSE

## BIODIVERSITY

CJ Freshway has revamped its response strategy and established future plans based on the AR3T framework in order to take concrete and effective actions for a sustainable future while systematically managing its dependence and impact on natural capital. Ecosystem services refer to essential benefits such as clean air, water, and food provided by nature. To address the risks to these services, we plan to promote activities that will "Restore and Regenerate." Furthermore, we aim to ensure that the AR3T framework is practically reflected in our operations and strategies by establishing implementation plans, measuring performance, and allocating resources effectively.

### | Impact assessment and biodiversity management plan according to the TNFD framework

| Evaluation of the impact of business activities                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                             | Biodiversity management plan according to AR3T framework       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Negative impact                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                             | AR3T Framework                                                 | Biodiversity management plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  <p>Location of businesses in urban ecosystem*</p> <p>Seoul</p> <p>Icheon</p> <p>Yangsan</p> <p>Incheon</p> <p>Hwaseong</p> <p>Yongin</p> <p>Jangseong</p> <p>Areas highly likely to affect urban ecosystems</p> | <p><b>Habitat destruction risk</b></p> <p>The area is near the habitat of critically endangered and vulnerable wild animals such as the Scaly-sided merganser and the Gold-spotted pond frog.** Establishing manufacturing sites and logistic centers in these areas poses a risk of habitat and ecosystem destruction.</p> | <p><b>Transform</b><br/>Fundamental change in the system</p>   | <p>Smart farm contract cultivation</p> <p>Accumulating data from local farmers to strengthen ecosystem resilience across the value chain</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                   | <p><b>Air, water, and soil pollution</b></p> <p>Chemical substances, dust, etc. emitted during manufacturing may pollute the air, reduce the amount of oxygen in the water due to wastewater discharge, and threaten the survival of aquatic life through the accumulation of harmful substances.</p>                       | <p><b>Restore and Regenerate</b><br/>Ecosystem restoration</p> | <p>Establishment of an eco-friendly distribution network</p> <p>Shortening the distribution stage through contract cultivation and direct transactions in production areas, and minimizing environmental impact through low-emission delivery vehicles</p> <p>Promotion of organic farming</p> <p>Expanding the production of organic and low-carbon certified agricultural products using organic matter and microorganisms</p> <p>Ecological conservation activities</p> <p>Protecting urban ecosystems through major stakeholder participation programs, such as creating green spaces in manufacturing sites, managing water resources by reducing water use and expanding reuse rates, and collecting waste from surrounding rivers</p> |
| <p><b>Need for countermeasures to reduce and mitigate nature-related risks</b></p>                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                             | <p><b>Reduce</b><br/>Minimization of negative impacts</p>      | <p>ASC and MSC certification</p> <p>Expanding the certification of fishery products caught or farmed through environmentally friendly fishing methods</p> <p>Animal welfare livestock products</p> <p>Maintaining the health of ecosystems by expanding animal welfare certification products, and using sustainable resources</p> <p>Sustainable agricultural products</p> <p>Applying organic and pesticide-free farming methods along with smart farm contract cultivation, and distributing sustainable agricultural products such as low-carbon and eco-friendly certified products</p>                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                             | <p><b>Avoid</b><br/>Prevention of negative impacts</p>         | <p>Environmental management</p> <p>Establishing environmental management system, including through the systematic monitoring of pollutants such as air and water quality</p> <p>Establishment of waste management and resource circulation systems</p> <p>Managing waste discharge, engaging in waste reduction activities, and establishing a resource circulation system</p>                                                                                                                                                                                                                                                                                                                                                               |

\*Areas in which ecosystem changes and risks are concentrated due to urbanization and industrial activities.

\*\* On the International Union for Conservation of Nature (IUCN) red list, the Gold-spotted pond frog is classified as "Vulnerable" and the Scaly-sided merganser is classified as "Endangered."

## MATERIAL TOPIC 3

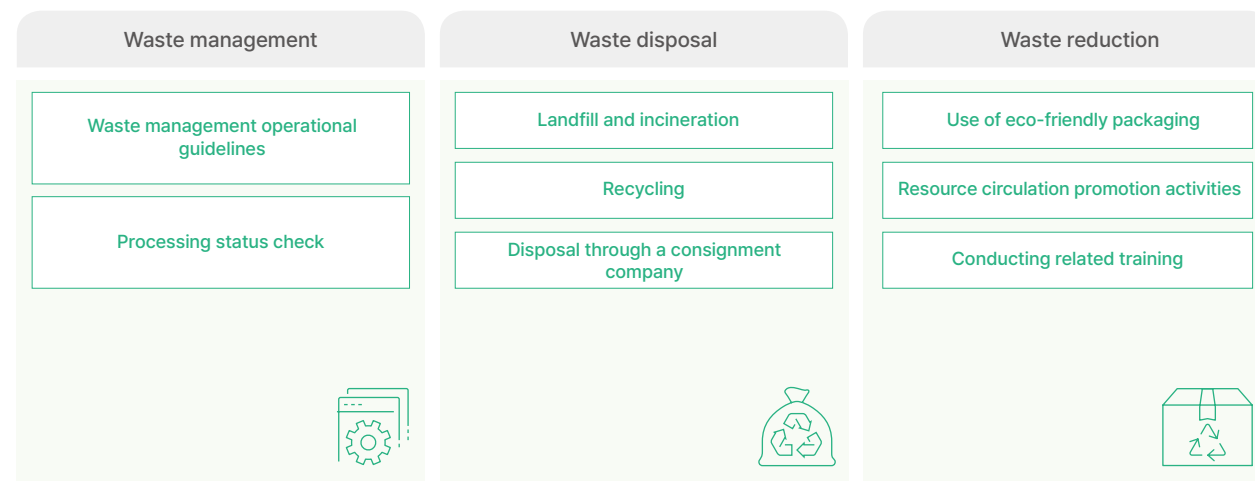
# SUSTAINABLE DISTRIBUTION

## GOVERNANCE

### WASTE MANAGEMENT SYSTEM

CJ Freshway has established guidelines and management systems for systematic waste management. Through these efforts, we aim not only to expand waste recycling but also to fundamentally reduce the amount of waste generated. We manage the status of waste generation at each business site according to our management policies and guidelines, and actively engage in environmental protection campaigns by discovering various practical ideas that employees can implement through company-wide efforts.

| Category             | Details                                                                                                                                                                                                                          |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy establishment | Establishment of waste management operational guidelines for company-wide waste management                                                                                                                                       |
| Scope of control     | Targeting all CJ Freshway business sites                                                                                                                                                                                         |
| Range of waste       | General waste (including food waste, waste oil, sludge, and waste synthetic resin), designated waste                                                                                                                             |
| Waste management     | <ul style="list-style-type: none"> <li>Managing waste recycling, landfill, incineration throughput</li> <li>Disposal and recycling through consignment to specialized companies approved under the Wastes Control Act</li> </ul> |



## STRATEGY

### ESTABLISHMENT OF RESOURCE CIRCULATION SYSTEM

CJ Freshway is establishing a resource circulation system to convert the waste generated from business activities into resources. Since 2021, we have participated in the "Proper Processing and Reuse of Ice Packs" project with local governments such as the Korea Environment Corporation and Hwaseong-si, as the first company in Korea. This initiative was selected by the Ministry of the Interior and Safety as an excellent cooperation case. Since then, we have expanded related activities to achieve an overall waste reduction, pursuing both environmental and social values. In 2023, we were recognized for our efforts over the past three years and received a commendation from the Minister of Environment.

APPROXIMATELY  
**75,700** UNITS RECYCLED

Number of ice packs reused at home through separate discharge

- Approximately 4.5 tons of microplastics reduced
- Reduced waste incineration costs



APPROXIMATELY  
**1.3** TONS RECYCLED

Number of plastic screens recycled

- Approximately 3.6 tons of carbon reduced
- Reduced plastic resources



APPROXIMATELY  
**38,000** UNITS PRODUCED

Number of paper rice bags upcycled

- Contributing to the welfare of the elderly in collaboration with social enterprises
- Approximately 8.25 tons of carbon reduced cumulatively in 2023



APPROXIMATELY  
**120** TRAINING SESSIONS CONDUCTED

Number of training sessions for "The More Cartons, the Better" campaign for young children at daycare centers customers in Hwaseong-si

- Eco-friendly education for young children
- Optimization of raw materials for recycled wastepaper processing



# SUSTAINABLE DISTRIBUTION

## RISK MANAGEMENT

CJ Freshway's Industrial Safety Team conducts waste inspections at manufacturing sites as part of its quarterly sector-specific inspections to manage risks. In addition, through the operation of the Environmental Management System (ISO 14001) at manufacturing sites, we continuously build implementation data, train site managers, and promote waste reduction and resource recycling activities with environmental management procedures established in accordance with ISO 14001. We identify risk factors related to resource circulation among the environmental risks, conduct business site diagnostics to establish a waste management system, and implement measures to reduce waste generation through the operation of food waste reduction devices. In 2023, we checked the status of waste disposal for food service operation stores and completed consultations on improvement points for risk management through on-site management inspections at Logistics Centers. In the future, we plan to systematize our management by establishing waste treatment standards for each business site and expand our response by recycling waste and promoting the use of eco-friendly raw materials.

## REDUCING PRODUCT PACKAGING WASTE

CJ Freshway uses biodegradable packaging for 11 types of leafy vegetables, launched under its kids' specialty food brand I-NURI. Additionally, the "Cherry Tomato Cultivation Kit" supplied to daycare centers and kindergartens is an eco-friendly education product that uses eco-friendly culture soil and packaging materials made from 100% natural ingredients, free of plastic or chemical components.

Leafy vegetables with biodegradable packaging



Eco-friendly cherry tomato cultivation kit



## METRICS AND TARGETS

CJ Freshway is implementing plans to reduce waste and promote resource circulation activities. Consumables such as ice boxes, labels, and tapes used in Logistics Centers are being replaced with eco-friendly materials. Furthermore, we are promoting recycling packaging vinyl, and considering upcycling programs that process damaged and returned food materials into compost and fertilizer to provide to partner farms for the purpose of promoting food waste circulation. We are also monitoring waste emissions and intensity across all operations, and fulfilling our goals by setting reduction targets for 2024 waste emissions from the cooking facility, Central Kitchen.

| Waste material               | 2024 target (compared to 2023) | Action goals                                                              |
|------------------------------|--------------------------------|---------------------------------------------------------------------------|
| Waste synthetic resin        | 6.5% reduction                 | Reducing emissions of office disposables and recycling plastics and vinyl |
| Food waste                   | 3% reduction                   | Improving raw materials and encouraging proper ordering                   |
| Wastewater sediment (sludge) | 6% reduction                   | Removing moisture content through natural drying                          |

| Waste management indicator | Unit                | 2021   | 2022   | 2023   |
|----------------------------|---------------------|--------|--------|--------|
| Waste intensity*           | Ton/KRW 100 million | 0.85   | 0.72   | 0.68   |
| Total waste emissions**    | Ton                 | 15,812 | 16,739 | 17,974 |

\* Total waste emissions/annual revenue (Non-consolidated)  
\*\* Organizational boundaries: Central Kitchen, Food Safety Center, Logistics Centers and food service stores



# SUSTAINABLE DISTRIBUTION

## ACTIVATION OF SUSTAINABLE DISTRIBUTION

### DEVELOPMENT OF SUSTAINABLE PURCHASING GUIDELINES ↷

CJ Freshway has established "Sustainable Purchasing Guidelines" for 2023 to define and encourage sustainable purchasing activities. In these guidelines, sustainable purchasing is defined as "an activity to purchase and develop products that minimize environmental impact, expand operations, and furthermore, to establish a distribution environment that promotes mutual growth with partners." Sustainable products are designated as "products that minimize negative environmental impact and resource consumption, including eco-friendly certified products," and detailed standards for sustainable products were established to clarify the scope. We will strive to expand the distribution of sustainable products in accordance with these purchasing guidelines.

| Sustainable product indicator | Unit          | 2021   | 2022   | 2023   |
|-------------------------------|---------------|--------|--------|--------|
| Sustainable product purchase* | KRW 1 million | 56,999 | 62,476 | 73,961 |
| Sustainable product sales**   | KRW 1 million | 57,157 | 57,268 | 82,696 |

\* Includes eco-friendly certified products within sustainable product standards

\*\* Based on external sales, excluding sales inside food service stores

### SUSTAINABLE PRODUCT DEVELOPMENT

CJ Freshway is leading the distribution of ASC and MSC certified marine products produced using environmentally friendly fishing methods by obtaining ASC and MSC CoC (Chain of Customer) certification in 2022. Our use of certified salmon has been expanded both in online and in retail sales. In addition, through farm development, we are launching products such as low-carbon king oyster mushrooms, organic brown rice, leafy vegetables, eco-friendly sweet pumpkins, and Cheongyang peppers, and are continuously expanding our range of animal welfare products. In 2023, free-range eggs accounted for 4.2% of our total egg sales. In the future, we will continue to discover environmentally friendly raw materials as well as "ugly" produce through cooperation with local farmers to create a healthy food culture. We aim to expand products such as vegan drinks, snacks, and bakeries, and strengthen the development of products that can satisfy the various needs of our customers.

#### ASC certified shrimp meat Product

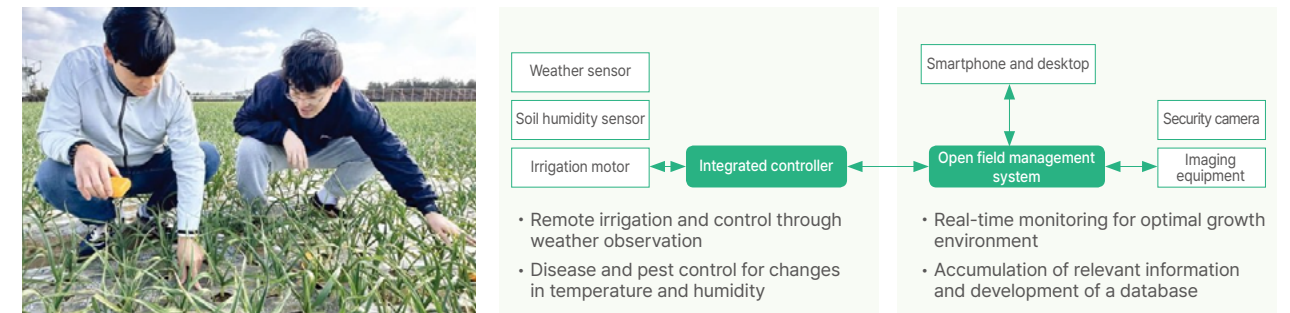


### ADVANCEMENT OF CONTRACT CULTIVATION OF SMART FARMS

CJ Freshway is carrying out a smart farm contract cultivation project to prepare for instability in the supply and demand of raw materials related to climate change, and to realize the value of ESG management that promotes coexistence with farmers. We are building cooperative business models with multiple local governments, analyzing yield increases compared to conventional agriculture, building a database based on the results of the first test cultivation, and upgrading our cultivation technology. In the future, we will accelerate the advancement of cultivation solutions based on information and communications technology to make a proactive entry into smart agriculture that develops sustainable products. We will continue to strive to contribute to urban-rural coexistence and future agricultural leadership.

| Goals                                                                                                                             | Performance                                                          |                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Response to price fluctuations and supply and demand instability caused by abnormal climate                                       | Establishment of a cooperative business model with local governments | <ul style="list-style-type: none"> <li>Progress of smart contract cultivation in Boeun-gun, Chungcheongbuk-do (approximately 71,404.96 m<sup>2</sup>)</li> <li>Promotion of joint projects to revitalize smart agriculture with 23 local governments in Gyeongsangbuk-do</li> </ul> |
| Contributing to an increased income for farmers by securing stable sales prices and contract volumes                              | Advancement of cultivation solutions                                 | <ul style="list-style-type: none"> <li>Completed first trial cultivation of nine items of open land and greenhouse crops</li> <li>Creation of a database for the analysis of yield increases</li> </ul>                                                                             |
| Data-based agricultural water management and ESG management practices through low-input agriculture of fertilizers and pesticides | Expansion of production crop distribution                            | Freshway's responsible distribution, handling the production, sale, and distribution of nine items from open fields (garlic, onion, potato) and greenhouses (leafy, fruit, and vegetable crops) (approximately 450 tons, KRW 1.5 billion)                                           |

#### Composition diagram of contract cultivation management of open field smart farms



# SUSTAINABLE DISTRIBUTION

## ACTIVATION OF SUSTAINABLE DISTRIBUTION

### ESG CAMPAIGN “LET'S GREEN”

CJ Freshway publishes informational booklets at its food service stores to introduce recipes that help customers achieve carbon reduction by reducing their monthly meat consumption, and to share various environmental information. In addition, we conduct regular campaigns such as “Zero Food Waste” and “Reducing Disposable Products” to raise awareness of environmental protection and reduce waste emissions. Moving forward, we will continue to provide various information and conduct campaigns to expand eco-friendly activities that can create synergy with stakeholders, including customers and workplaces.

Monthly provision of actional environmental information magazine



Zero Food Waste campaign support



Monthly introduction of new carbon reduction menu invented by the company



### ECO-FRIENDLY STORE DESIGN

CJ Freshway proposes eco-friendly space designs to customers and aims to expand stores that are both pleasant and environmentally friendly. The newly opened premium food court “Gourmet Bridge” has minimized volatile organic compounds (VOCs\*) by applying eco-friendly paint throughout the entire food court. It also utilizes a wide range of recycled materials, including finishing panel walls made from recycled coffee grounds, reusable finishing materials made from waste plastics, and point tables and furniture made from recyclable metals.

\* Volatile Organic Compounds

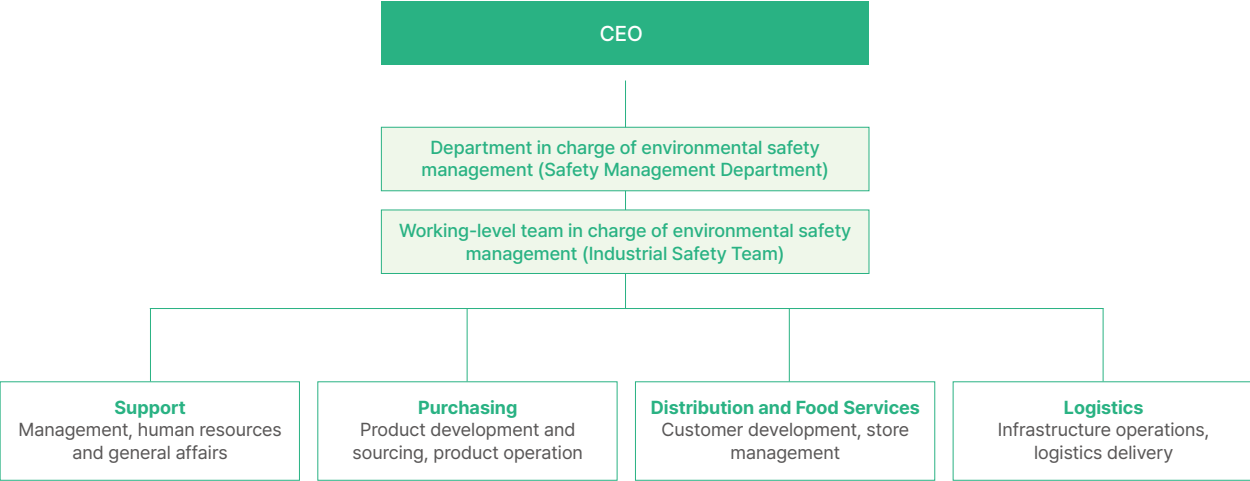
An eco-friendly cafeteria design for “Gourmet Bridge” that uses coffee ground finishing materials and furniture produced from recycled waste plastics



# ENVIRONMENTAL MANAGEMENT

## ENVIRONMENTAL MANAGEMENT GOVERNANCE

CJ Freshway's response to the environmental and climate crisis is carried out through the responsible organization under the top management. The Industrial Safety Team, which is responsible for environmental management practices, conducts quarterly inspections of environmental facilities at our manufacturing sites, including tests of water quality, air quality, waste, noise and vibration in order to investigate violations of environmental laws. Regular inspections are also conducted on legal management matters and operational improvement items at the business sites, and compliance with environmental laws is ensured through occasional inspections as needed. In addition, the environmental consultative body operates once per quarter to enhance the environmental management capabilities at manufacturing sites. The body seeks to improve the capabilities of environmental managers by sharing and discussing recent trends in environmental laws and also the status and improvements of environmental facilities at the business sites. Furthermore, we provide ESG training for each business site and manage ESG data management and environmental risks at the business sites.



## OPERATION OF ENVIRONMENTAL MANAGEMENT SYSTEM (ISO 14001)

CJ Freshway operates an Environmental Management System (ISO 14001) to manage the environment and reduce environmental pollution at its business sites. This certification is issued to the headquarters, Central Kitchen, and Icheon Logistics Center, and the entire business site is managed in accordance with the management level of these sites. Since first acquiring the certification in 2007, we have maintained compliance in the annual post-examination. We also conduct environmental impact assessments on applicable projects in order to derive improvement measures that will prevent negative environmental impacts before they occur. As part of the environmental management system, agenda items related to environmental management are reviewed by the board of directors at least once a year.

Environmental Management System (ISO 14001) certificate



## ENVIRONMENTAL MANAGEMENT POLICY →

CJ Freshway has established the environmental management policy to prioritize environmental management and encourage employee participation. The policy includes the top management's commitment to supporting environmental management and a declaration of corporate goals, requiring all employees to comply with specified responsibilities and authorities.

ENVIRONMENTAL MANAGEMENT POLICY

**Vision | A company that prioritizes environmental policy compliance and social responsibility in environmental management**

1. We fulfill the role of an environmentally friendly company through the operation of an environmental management system that reflects the management's commitment towards its Environmental management policies.
2. We provide environmental policies to customers and all stakeholders, and establish cooperative partnerships.
3. We take the lead in minimizing environmental pollution through pursuing continuous activities to reduce the resources and energy consumed in corporate activities, and in developing eco-friendly products.
4. We continuously improve the environmental management system by identifying environmental impact factors in advance and establishing and implementing environmental goals.



# ENVIRONMENTAL MANAGEMENT

## AIR POLLUTANTS MANAGEMENT

CJ Freshway manages air pollutants by categorizing them into nitrogen oxide (NOx), sulfur oxide (SOx), and fine dust (PM10). To manage air pollutants and comply with emission allowance standards, we request an external agency to measure air pollutants twice a year in accordance with Article 39 of the Clean Air Conservation Act. This ensures that the amount of air pollutants generated remains below the emission allowance, thereby preventing air pollution. In addition, to reduce fine dust and nitrogen oxides, we operate low NOx burners, which have low air pollutant emissions thanks to their increased combustion efficiency.

| Air pollutants*      | Unit               | 2021 | 2022 | 2023 |
|----------------------|--------------------|------|------|------|
| Nitrogen oxide (NOx) | ppm                | 28.2 | 23.0 | 25.7 |
| Sulfur oxide (SOx)   | ppm                | 1.3  | 0    | 0    |
| Dust (PM10)**        | mg/sm <sup>3</sup> | 1.85 | 0    | 1.85 |

\* Organizational boundaries: Central Kitchen  
\*\* Using measurement units on atmospheric measurement records

## OPERATION OF ECO-FRIENDLY VEHICLES

CJ Freshway introduced and operated electric freight cars in 2021, a first in the Korean food materials distribution industry. In 2022, we signed a business agreement with KIA Corporation to develop and supply Purpose-Built Vehicles (PBVs). CJ Freshway plans to expand the operational area for eco-friendly electric vehicles. For existing electric vehicles, we minimize distance of driving using the Transportation Management System (TMS) to suppress carbon emissions.

| Eco-friendly vehicle  | Unit               | 2021 | 2022 | 2023 |
|-----------------------|--------------------|------|------|------|
| Zero-Emission Vehicle | Number of vehicles | 5    | 41   | 14*  |

\* Number of operations reduced in 2023 due to the impact of the closure of electric delivery vehicle carriers

## WATER POLLUTANTS MANAGEMENT

CJ Freshway manages the discharge of water pollutants based on the total discharge amount in accordance with the Water Environment Conservation Act. For Central Kitchen (Baeksa-myeon, Icheon-si, Gyeonggi-do), where water pollutants are generated, we manage the concentration of water pollutants by setting internal standards at 60% of the legal standard. Central Kitchen conducts water quality analysis through an authorized external measuring agency. Regular analysis of major emission sources is conducted, and management is carried out according to the results. In 2024, we are establishing a monitoring system to minimize risk factors for water pollutant emissions by introducing new measuring equipment that can check wastewater treatment indicators in real time. The Food Safety Center is located in a special measure area for the preservation of the quality of water sources, where strict regulations and emission standards are applied. All wastewater is managed by a professional consignment company, and intensive management ensures that certain water pollutants (including copper and dichloromethane) are discharged below the specified limits. The entire process of discharging, transporting, and final treatment of wastewater is shared with administrative agencies through “Mulbaro System” and managed in real time.

## WATER RESOURCE MANAGEMENT

At Central Kitchen, which uses the most water, the “Water Reduction Campaign” is being conducted to reduce water use. We set a goal of reducing water use per ton of production and minimizing unnecessary water use.

| Water resource management   | Unit                 | 2021      | 2022      | 2023      |
|-----------------------------|----------------------|-----------|-----------|-----------|
| Total organic carbon (TOC)* | Ton(m <sup>3</sup> ) | 0.101     | 0.040     | 0.069     |
| Water withdrawal**          | Ton(m <sup>3</sup> ) | 1,779,225 | 1,912,660 | 2,308,972 |

\* Organizational boundaries: Central Kitchen  
\*\* Organizational boundaries: headquarters, Central Kitchen, Logistics Center, and food service storeess

# ENVIRONMENTAL MANAGEMENT

## SPREADING A CULTURE OF ENVIRONMENTAL PROTECTION

### IMPLEMENTATION OF MANDATORY TRAINING FOR EMPLOYEES OF ENVIRONMENTAL MANAGEMENT

CJ Freshway systematically reorganized the training for environmental management that had been in place since 2019 and implemented ESG mandatory training. The training, which aimed at enhancing ESG performance across the company and fostering an ESG awareness among employees, covered three areas: "The History of ESG," "Consumer Issues and Supply Chain Management" and "Waste and Circular Economy." Provided by external experts, "Waste and Circular Economy" was significant in promoting an understanding of the concept of a circular economy linked to carbon neutrality. The training recorded a completion ratio of 92.5%. CJ Freshway plans to gradually advance its training system to foster environmental awareness among its employees through training on more diverse topics.

#### ESG training for employees



### ENVIRONMENTAL CAMPAIGN ACTIVITIES

CJ Freshway conducts a range of environmental protection campaigns to motivate employees to protect the environment and encourages their active participation. For example, through the "Hetbahn (instant rice) Container UP" campaign, 1,026 instant rice containers were collected and upcycled into humidifiers and pots. In addition, through the "Paperless" campaign to reduce paper use by minimizing our use of printed documents, we achieved 100% digitalization of our corporate card statements. In 2023, we launched a new campaign in collaboration with "Happy Habit," an eco-friendly cleaning service company that provides multi-use cups. This allows customers to select multi-use cups when ordering at the "Morning Has" cafe operated by CJ Freshway. CJ Freshway will continue to promote a wide a range of environmental protection campaigns to minimize our environmental impact, while encouraging the participation of our employees.

#### Paperless campaign



### GOOD CYCLING CAMPAIGN FOR EMPLOYEE DONATION PROGRAMS

CJ Freshway's "Good Cycling" campaign, in collaboration with Goodwill Store, encourages employees to donate reusable goods. The campaign aims to promote environmental protection activities through win-win partnerships with social enterprises. In 2023, the campaign was expanded to include manufacturing sites in Icheon-si, Gyeonggi-do, and offices in Daejeon and Busan, in addition to the headquarters in Seoul. A total of 667 sponsored items were donated to 26 Goodwill Store locations nationwide. The donated items have a conversion value equivalent to about KRW 1.8 million, and have contributed to creating social benefits such as job creation for the disabled, carbon reduction, and resource conservation.

#### 2023 Good Cycling Campaign results

##### Job creation for the disabled

The donation value of the 667 items donated is equivalent to about one month's salary for one disabled employee.

##### Carbon reduction

667 donated items have the effect of reducing 1,401 kilograms of carbon. (Equivalent to planting 212 pine trees and allowing them to grow for 30 years)

##### Water conservation

Donating 667 items has the effect of saving about 1,800,900 liters of water.



# SOCIAL

Material Topic 4: Safety and Health Management

Human Rights Management

Material Topic 5: Working Environment

Capacity Building of Executives and Employees

Mutual Growth and Supply Chain

Social Contribution



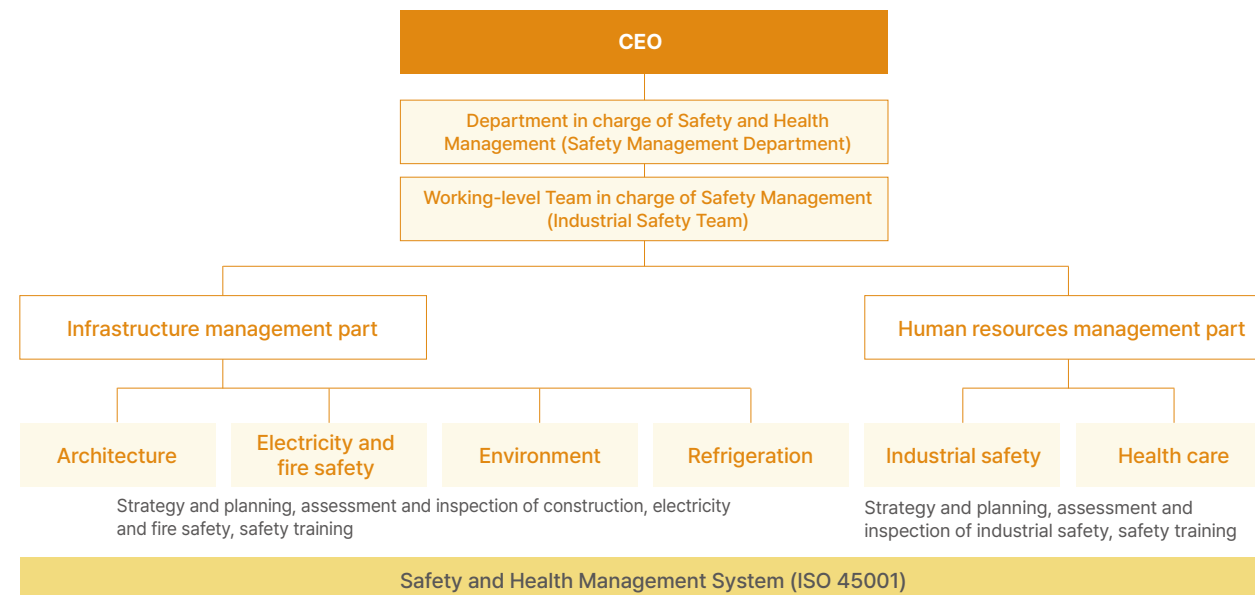
## MATERIAL TOPIC 4

# SAFETY AND HEALTH MANAGEMENT

## GOVERNANCE

### INDUSTRIAL SAFETY MANAGEMENT SYSTEM

CJ Freshway conducts workplace safety management and health activities through a responsible organization that is supervised by the top management. The safety management department oversees safety and health management, while the industrial safety team handles practical safety and health operations. Under the Occupational Safety and Health Act, workplaces with more than 100 employees must have persons in charge of safety and health management, while workplaces with more than 50 employees must have safety and health managers to guide workplace safety and health. Supervisors are also assigned to each store to create a safe workplace environment. Safety and health-related priorities are reported to the board of directors at least once a year for risk management.



### SAFETY AND HEALTH MANAGEMENT SYSTEM (ISO 45001)

CJ Freshway acquired Safety and Health Management System (ISO 45001) certification in 2019, and has maintained and renewed it annually. This certification is applied to the headquarters and Icheon Logistics Center, with management extended to all business sites according to their management levels. We will continue to pursue systematic safety and health management activities based on the safety and health management system to create a safe working environment and protect the safety and health of all employees, including partners.

#### Safety and Health Management System (ISO 45001) certificate



### SAFETY AND HEALTH POLICY ↻

CJ Freshway has established the safety and health management policy that prioritizes the safety of customers and employees as the top value in management. This policy aims to foster a culture of safety and health and to promote awareness through conducting company-wide safety and health activities. In addition, safety and health management regulations have been established as specific guidelines for management activities at workplaces and with partners, and apply to all workplaces and partners.

#### SAFETY AND HEALTH MANAGEMENT POLICY

**Vision | We create an ONLYONE safety-first culture, in which the safety of our customers and employees is our top management priority.**

1. We actively practice safety and health activities with safety as the top management value.
2. We establish a safe working environment by promoting health of all employees and continuously identifying and addressing risk factors.
3. We prevent safety and health accidents through proactive and thorough safety training.
4. We faithfully comply with laws and social requirements regarding safety and health.
5. We establish a sustainable safety cooperation system by forming win-win partnerships with stakeholders.

# SAFETY AND HEALTH MANAGEMENT

## STRATEGY

### SAFETY MANAGEMENT ROADMAP

CJ Freshway has established a safety management roadmap and is making efforts to achieve its safety management goals. In 2023, the beginning year of the safety management roadmap, we have maintained the ISO 45001 system through post-examination, conducted a safety and health risk assessment to identify and address risk factors, and held daily safety meetings to enhance safety awareness.

|                   |                                                                                                                                                                       |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                 |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Processes         | Establishing safety management                                                                                                                                        | Securing execution capacity in safety management                                                                                                                                                                                                                | Promoting a safety management and safety culture                                                                                                                                                                                                                                                                |
| Year of execution | 2023                                                                                                                                                                  | 2024                                                                                                                                                                                                                                                            | 2025                                                                                                                                                                                                                                                                                                            |
| Goals             | Establishment of a foundation for safety management                                                                                                                   | Establishment of a safety management system                                                                                                                                                                                                                     | Leap forward to safe management culture                                                                                                                                                                                                                                                                         |
| Tasks             | <div>ISO 45001 system maintenance</div> <div>Investigation of hazardous factors</div> <div>Improving safety awareness through the activation of safety meetings</div> | <div>Operation of the safety and health management system (Head office, business sites)</div> <div>Establishment and implementation of measures to address hazardous risk factors</div> <div>Organizing a safety organization and re-establishing R&amp;R</div> | <div>Evaluation of the operational effectiveness of the safety and health management system</div> <div>Monitoring the resolution of risk factors and evaluating the effectiveness of their integration into planning</div> <div>Establishing a culture of safety and conducting campaigns to leap forward</div> |

## RISK MANAGEMENT

### SAFETY AND HEALTH MANAGEMENT PLAN

In accordance with Article 14 of the Occupational Safety and Health Act (Report to and Approval of Board of Directors) and Article 13 of the Enforcement Decree of the Occupational Safety and Health Act (Companies Subject to Reporting to and Approval of Board of Directors), CJ Freshway is carrying out the reporting and approval procedures of the Board of Directors. To manage safety and health more systematically, we operate the "Safety and Health Management Plan System" to reflect supplementations and improvements in the next year's plan from the establishment of the safety and health plan.



# SAFETY AND HEALTH MANAGEMENT

## RISK MANAGEMENT

### RISK ASSESSMENT

CJ Freshway conducted an annual risk assessment in compliance with the Serious Accidents Punishment Act and related laws in 2023. Our business site risk assessment conducted in 2023 indicated an improvement in worker safety awareness and a reduction in accident risks compared to 2022. Starting from 2024, we plan to expand the scope to risk assessments to include our partners. We have addressed the shortcomings identified and will continue to strengthen our compliance with safety and health management to minimize the risk of accidents.

### OPERATING REGULAR COUNCIL FOR SAFETY AND HEALTH

Since 2015, CJ Freshway has been operating a regular council for safety and health. The council, which includes representatives from partners, meets quarterly to review risk factors related to overall workplace safety management and discuss appropriate measures, such as improvement of working environments, the provision of safety equipment and goods, and facility maintenance. The regular council serves as an important channel to understand the safety and health status of our partners and to share related concerns. We will continue to listen to our partners' opinions and address safety risk factors to ensure the safety and co-prosperity of all employees.

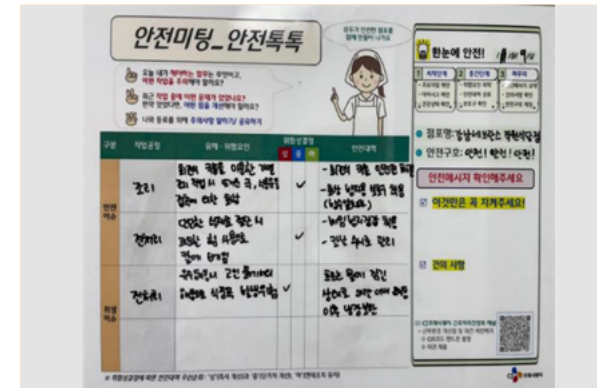
### INDUSTRIAL SAFETY AND HEALTH TRAINING AND HEALTH MANAGEMENT

CJ Freshway conducts health checkups more than once a year to support the safety and health care of its employees. All business sites are equipped with defibrillators to prepare for cardiac emergencies, and monthly training is provided by experts to ensure their proper use. In addition, we operate safety training programs that are tailored to each job position to help employees understand their safety roles and responsibilities and to build their capacity to perform these roles effectively. Supervisors are required to complete 16 hours of training annually, while new hires receive eight hours of induction training, and regular safety training is provided to all for two hours each month.

### WORKPLACE SAFETY MANAGEMENT ACTIVITIES

CJ Freshway conducts safety management activities to prevent industrial accidents by identifying and addressing potential harmful risk factors in the workplace. In 2023, we introduced "Safety Talk Talk," an initiative based on our ongoing "Safety Meetings", which aimed to strengthen self-management of safety before work. This program encourages employees to voluntarily identify risk factors and develop countermeasures, thereby enhancing self-awareness. In addition, we hold a monthly "Day of Safety" event, which involves conducting regular inspections of stores, Logistics Centers, and manufacturing sites, in which executives check document management status, organize food materials, verify waste disposal, and conduct interviews with employees as regular workplace inspections. Due to the high risk of electrical fires, we classify Logistics Centers as high-risk facilities and perform precise assessments on safety. In 2023, a detailed safety inspection was conducted by an external agency, improvements were confirmed, and corrective measures for safety nonconformities were completed.

#### Voluntary safety management program "Safety Talk Talk"



#### Day of Safety event



#### Precision safety assessment of electrical facilities





# SAFETY AND HEALTH MANAGEMENT

## RISK MANAGEMENT

### MENTAL HEALTH PROGRAMS FOR EMPLOYEES

CJ Freshway operates various programs to support mental health diagnosis and stress relief activities for the mental and emotional stability of employees, including "Happy Mint," an integrated mental support program, and "My Heart Report," a psychological test program carried out for promoted employees. The "Happy Mint" program connects employees with professional counselors to offer counseling and free psychological tests, providing opportunities to address various issues by lowering the threshold for psychological treatment.

"My Heart Report" provides mental health care and personalized in-depth analysis reports to ease the burden of newly promoted employees related to their change in role. This program offers mental support to the newly-promoted who must meet new expectations related to a changed scope of work, higher levels of accountability, and enhanced capabilities, helping to relieve their stress during the adaptation period and supporting their efficient work performance. In the future, we will continue to pay attention to the psychological stability of our members and expand various programs that can support the long-term growth of all employees.

#### "Happy Mint," a mental health support program for employees



## METRICS AND TARGETS

CJ Freshway is setting and achieving goals according to its safety management roadmap. Detailed goal management is divided into human and physical factors. In 2023, we confirmed improvements in identifying risk factors and enhancing safety awareness.

To strengthen our implementation of safety management in the future, we plan to continuously identify and resolve risk factors to establish a safety-first culture and create a system to prevent serious accidents. To prevent accidents involving human error, we are reviewing plans to internalize a culture of active participation in employees' safety activities and strengthen behavior-based safety management. To prevent accidents involving physical causes, we will establish a fire prevention system and strengthen activities to eliminate serious accidents caused by workplace machinery, thereby building a robust industrial safety risk prevention plan.

| Prevention of human factor accidents                                                                                                                                                                                                                                               | Prevention of physical factor accidents                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Achieved an 88.2% execution rate of safety meetings (18.2% increase year-on-year)</li> <li>Conducted 100% safety and health management implementation inspections</li> <li>Implemented CPR training (415 participants completed)</li> </ul> | <ul style="list-style-type: none"> <li>Strengthened safety activities at new workplaces, and workplaces with a history of accidents</li> <li>Enhanced electrical fire prevention activities in manufacturing facilities and Logistics Centers</li> <li>Operated a fire alarm system</li> </ul> |

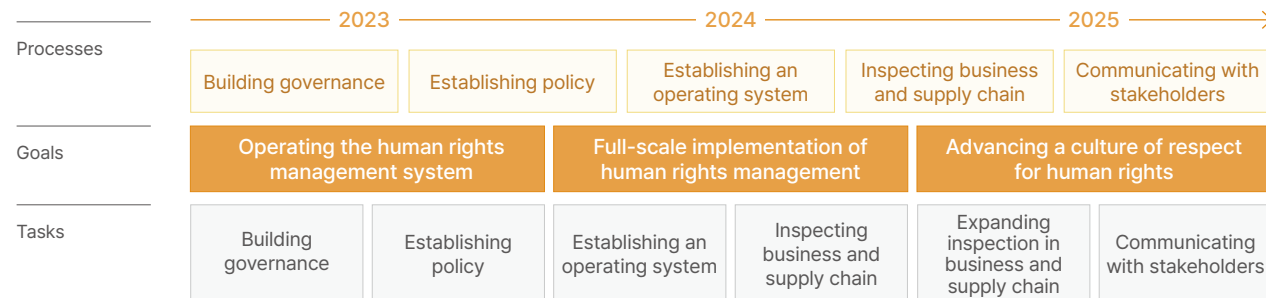
CJ Freshway considers the reduction of safety accidents as a key performance indicator (KPI) for industrial accident management of its employees and its partners. Through continuous and focused efforts in the area of industrial safety management, we have achieved zero serious accidents for three consecutive years. We will continue to strive to establish a culture of safety with the aim of minimizing safety accidents for employees and partners.

| Safety and health indicator                              | Unit  | 2021 | 2022 | 2023 |
|----------------------------------------------------------|-------|------|------|------|
| Hours of industrial safety training completed per person | Hours | 27.4 | 27.7 | 26   |
| Number of serious accidents                              | Cases | 0    | 0    | 0    |
| Number of reports of complaints of safety accidents      | Cases | 0    | 0    | 0    |

# HUMAN RIGHTS MANAGEMENT

## HUMAN RIGHTS MANAGEMENT ROADMAP

CJ Freshway has established and is operating a three-year human rights management roadmap to secure management capabilities with the aim of strengthening the human rights management system.



## OPERATION OF THE HUMAN RIGHTS MANAGEMENT SYSTEM

### BUILDING HUMAN RIGHTS MANAGEMENT GOVERNANCE

The CJ Freshway human rights management system is managed by ESG committees under the board of directors. The ESG committee reviews and resolves major issues on human rights proposed by the ESG council, and also oversees human rights-related strategies and policies. Each council, consisting of representatives from departments such as sales, marketing, logistics, and HR, is responsible for assessing the human rights risks of stakeholders and implementing human rights initiatives, such as identifying tasks to improve human rights management. In addition, specialized departments such as personnel and ESG teams handle human rights management practices.



### HUMAN RIGHTS MANAGEMENT POLICY →

To respect the human rights of all stakeholders, CJ Freshway has established a “Declaration of Human Rights” and published it on its website. In addition, to specify human rights management standards and procedures for preventing and responding to human rights issues, human rights management regulations on the protection and promotion of human rights for executives, employees, and all stakeholders have been established and shared through the company regulations management system. Based on the human rights management system, these regulations specify the principles of human rights management implementation and the rules for the operating system, including detailed manuals on human rights impact assessment and relief procedures.

### DIVERSITY, EQUITY, INCLUSION (DE&I) POLICY →

CJ Freshway has established the “DE&I Policy” and published it on its website. According to this policy, we strictly prohibit discrimination based on disability, gender, nationality, region, status, education, age, and position in the process of hiring, promotion, career development, and performance compensation. In addition, we consider gender balance and the need for diversity among our employees, including people with disabilities, veterans, and foreigners, in our hiring practices.

# HUMAN RIGHTS MANAGEMENT

## HUMAN RIGHTS MANAGEMENT OPERATIONAL PROCESSES

### OPERATION OF GRIEVANCE CHANNELS

CJ Freshway operates a number of channels to collect human rights-related grievances. The Grievance committee, established under the NCC (New Culture Creator), appoints grievance officers by departments and regions to address and communicate various grievances of employees. The Human Resources department designates individuals responsible for handling workplace sexual harassment and bullying, ensuring thorough confidentiality of the informant's personal information, and implements necessary measures according to internal bylaws and self-investigation through interviews. An online reporting channel, managed by an independent external organization, allows for internal and external reporting, enhancing accessibility to grievance handling.

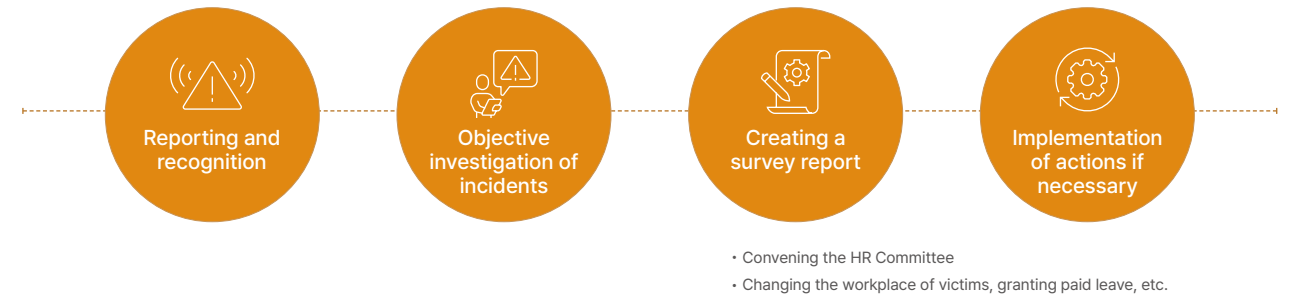
| Channel                                                            | Details                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grievance committee                                                | <ul style="list-style-type: none"> <li>Appointment of grievance officers from among the representatives of the NCC (one male and one female)</li> <li>Collection and handling of the grievances of employees</li> </ul>                                               |
| Person in charge of sexual harassment or bullying in the workplace | <ul style="list-style-type: none"> <li>Designation of HR personnel responsible for handling sexual harassment and bullying within the organization</li> <li>Posting contact information for grievance handlers on the intranet and offline bulletin boards</li> </ul> |
| Online reporting                                                   | <ul style="list-style-type: none"> <li>Employees and external stakeholders can report through the internal system and third-party external agencies, with all reporting channels fully ensuring the anonymity of the informant</li> </ul>                             |

### Notice of grievance procedures



### MITIGATING AND REMEDYING HUMAN RIGHTS VIOLATIONS

When a human rights violation is reported, CJ Freshway conducts a fair investigation into the incident risk by the personnel managers of the relevant departments. Based on the investigation results, relief measures are implemented when necessary, through procedures specified in the internal regulations, such as the employment rules. Specifically, regarding workplace harassment, we have established "Measures in case of workplace harassment" in Article 61 of the rules of employment. If a report of harassment is received or recognized by the company, an investigation is promptly initiated to verify the facts, and an objective report is prepared by the personnel in charge. If necessary, appropriate measures such as changing the workplace of the affected employee or ordering paid leave are applied. The company prohibits adverse treatment against any employees who report harassment, and ensures that harassment incidents are not disclosed to other employees against the victim's will.



| Human rights reports indicator                        | Unit  | 2021 | 2022 | 2023 |
|-------------------------------------------------------|-------|------|------|------|
| Total number of reports on human rights               | Cases | 9    | 11   | 9    |
| Number of valid and completed reports on human rights | Cases | 9    | 9    | 9    |
| Percentage of cases processed out of reported cases   | %     | 100% | 100% | 100% |

# HUMAN RIGHTS MANAGEMENT

## HUMAN RIGHTS MANAGEMENT OPERATIONAL PROCESSES

### IMPLEMENTATION OF THE SURVEY ON HUMAN RIGHTS (HUMAN RIGHTS DUE DILIGENCE)

CJ Freshway has established a plan to conduct the human rights survey in the second half of 2024. The aim of the survey is to prevent human rights violations and mitigate potential human rights issues within the company.

| Category                  | Content                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                |                                                                                                                                                                           |                                                                                                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target                    | Local offices (logistics, sales, catering business sites)                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                |                                                                                                                                                                           |                                                                                                                                                                                   |
| Inspection process        | 1. Preparation of human rights due diligence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2. Inspection for each business establishment                                                                                                  | 3. Reporting and sharing inspection results                                                                                                                               | 4. Implementation of improvement tasks                                                                                                                                            |
|                           | <ul style="list-style-type: none"> <li>Selection of business sites</li> <li>Prior consultation by organization</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Risk identification assessment</li> <li>Beforehand survey and on-site inspection (interview)</li> </ul> | <ul style="list-style-type: none"> <li>Conducting inspection on human rights in workplaces</li> <li>Deriving and sharing improvement tasks and countermeasures</li> </ul> | <ul style="list-style-type: none"> <li>Performing improvement tasks</li> <li>Collaboration with related departments</li> <li>Establishment of a plan for the next year</li> </ul> |
| Inspection method         | Beforehand survey and on-site inspection (online survey, on-site verification, interview) <ul style="list-style-type: none"> <li>Due diligence oriented around approximately 20 items, including human rights management recognition, industrial environment, labor standards law, organizational culture and maternal protection, human rights violations, and stakeholders selected from among the human rights management standard guidelines areas</li> <li>Recommendation of self-inspection for subcontractors</li> </ul> |                                                                                                                                                |                                                                                                                                                                           |                                                                                                                                                                                   |
| Results of the inspection | <ul style="list-style-type: none"> <li>Deriving improvement tasks and countermeasures (development of long-term and short-term improvement plans in cooperation with relevant departments where human rights-related issues are found)</li> <li>Carrying out revision and supplantation after the due diligence, and reflecting in the next year's due diligence plan</li> </ul>                                                                                                                                                |                                                                                                                                                |                                                                                                                                                                           |                                                                                                                                                                                   |

### HUMAN RIGHTS TRAINING AND PUBLIC RELATIONS ACTIVITIES

CJ Freshway provides sexual harassment prevention training and disability awareness improvement training for all employees every year. In 2023, the first year of declaring human rights management and starting operations, CJ Freshway announced it through the message from the CEO and formed a consensus among employees by guiding the background, purpose, intention, and plan of human rights management through company broadcasting, and distributed human rights card news to re-emphasize the need for human rights management in consideration of international trends. In the future, we will continue to provide online and offline learning activities to our employees that promote human rights management operations and awareness.

| Human rights training indicator                               | Unit | 2021  | 2022  | 2023  |
|---------------------------------------------------------------|------|-------|-------|-------|
| Completion rate of training on improving disability awareness | %    | 99.78 | 93.28 | 99.97 |
| Completion rate of training on sexual harassment prevention   | %    | 99.64 | 98.33 | 100   |

#### Human Rights Management Declaration Company broadcasting (CFN)



#### "Understanding Human Rights Management" card news





## MATERIAL TOPIC 5

# WORKING ENVIRONMENT

## GOVERNANCE

### DEDICATED ORGANIZATION

The Human Resource (HR) department under the CEO is responsible for overseeing human resource management and plays a role in establishing HR policies, operational procedures, manpower planning, and employee competency development plans. Under the HR organization, the Change & Innovation team is dedicated to human rights management practices, and leads human innovation and organizational change within the company.



## STRATEGY

CJ Freshway implements a flexible work system, works to improve communication with its employees, and operates various welfare systems to create a working environment that enhances job satisfaction and efficiency. The flexible work system allows individual working hours to be adjusted, supporting employees in maintaining a sound work & life balance. In addition, various communication channels such as town hall meetings are used to promote communication among employees, fostering a culture of open sharing of opinions and feedback. The welfare system plays an important role in improving employee welfare and supporting their social and economic stability, thereby increasing their commitment to work. We will continue to strive to create an environment in which our team members can work happily.

### FAMILY-FRIENDLY COMPANY CERTIFICATION

CJ Freshway has maintained the “Family-friendly Company” certification that granted by the Ministry of Gender Equality and Family since 2014. The family-friendly certification recognizes enterprises and institutions that operate exemplary family-friendly systems, including support for childbirth and child-rearing, implementation of flexible work systems, and the creation of a family-friendly workplace culture.

#### Family-friendly company certificate and the certification mark



### OPERATION OF SUPPORT SYSTEMS FOR CHILDBIRTH, CHILDCARE, AND EDUCATION STAGES

CJ Freshway has adopted various policies to support healthy and happy childbirth and childcare for its employees. The support program for each parenting stage operated is designed to divide all processes from preparation for pregnancy to childbirth and postpartum into stages, and provide appropriate support accordingly. Through this system, we increase the effectiveness of the childbirth and childcare system by allowing our employees to work flexible hours during the childcare process.

#### | Main Welfare System for Each Parenting Stage

| Stage                    | Details                                                                                                                                        |                                                                                                                                                                                                   |                                                                                                                                              |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Pregnancy and childbirth | <ul style="list-style-type: none"> <li>• Cost of procedures for infertile couples</li> <li>• Adoption of infertility leave system</li> </ul>   | <ul style="list-style-type: none"> <li>• Celebration gifts for pregnancy and childbirth</li> <li>• Maternity leave</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>• Medical expenses for childbirth</li> <li>• Paternity leave</li> </ul>                               |
| Parenting                | <ul style="list-style-type: none"> <li>• Second year of paternity leave</li> <li>• Support for reducing work hours for newborn care</li> </ul> | <ul style="list-style-type: none"> <li>• Reduced working hours for emergency childcare</li> <li>• Support for daycare centers</li> </ul>                                                          |                                                                                                                                              |
| Education                | <ul style="list-style-type: none"> <li>• Childcare allowance for children with disabilities</li> <li>• Elementary childcare leave</li> </ul>   | <ul style="list-style-type: none"> <li>• Reduced working hours for children admitted to school</li> <li>• Children's education funds (elementary, middle, high school, and university)</li> </ul> | <ul style="list-style-type: none"> <li>• Gifts for children entering elementary school</li> <li>• Gifts for children taking exams</li> </ul> |

# WORKING ENVIRONMENT

## STRATEGY

### FLEXIBLE WORKING AND VACATION SYSTEM

CJ Freshway has implemented a number of work-family balance support systems that help employees to maintain a balance between their work and personal lives, which will ultimately help them better focus on their work. To create a working environment in which our team members can grow, we reduce restrictions on the time and place at which work must be done, and organize various types of work methods so that members can choose the type of work that best suits their needs and produce the best results.

Base office (CJ Work ON)



| Category                     | System                          | Main contents                                                                                                                          |
|------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Flexible work systems        | Staggered working hours system  | A system that allows employees to freely adjust their working hours based on their life patterns                                       |
|                              | Flexible working system         | A system that allows employees to flexibly manage their working hours within a set period according to their work conditions           |
|                              | PC-OFF system                   | A working hours management system that prevents the use of desktops once the working hours set by employees end                        |
|                              | Recognized working hours system | Activating the system for employees with frequent fieldwork to get off work directly from the field or client location                 |
|                              | Base office (CJ Work ON)        | Operation of base office for the convenience of employees and to foster creativity<br>As of 2023, six base offices are being operated  |
| Vacation and leisure systems | Creative Week                   | A system that provides vacation and vacation expenses according to the number of years of service, for employees to refresh themselves |
|                              | Hourly leave system             | A system that allows employees to use their leave in hourly increments according to their needs                                        |

## RISK MANAGEMENT

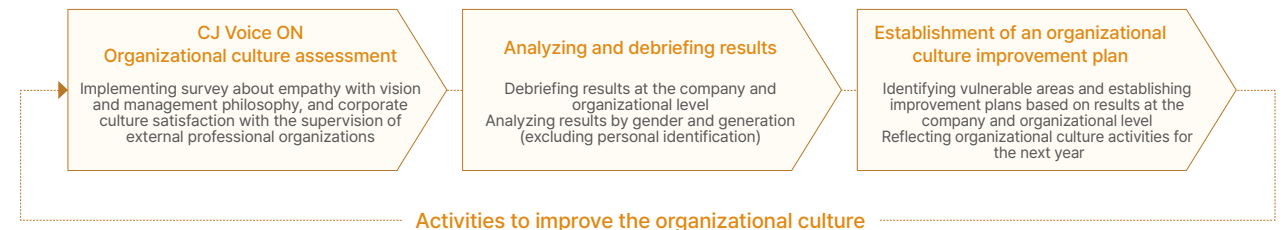
### COMMUNICATION CHANNEL FOR EMPLOYEES

CJ Freshway operates a number of different communication channels to stimulate the culture in which employees can freely express their opinions and participate. The NCC is a quarterly meeting held by management and representatives of the labor-management council elected for each region and job category, and is dedicated to encouraging a dialogue between executives and employees on ways to improve the work environment, organizational culture, and promote communication among members. The proposed agenda and outcome of the NCC meeting are transparently disclosed on the company bulletin board each quarter. In addition, as a channel for regular communication based on anonymity, we operate discussion rooms and question boards to hear the opinions of executives and employees in order to promote mutual development between the company and its members.

### CULTURE DIAGNOSTICS (CJ VOICE ON)

CJ Group reorganized its organizational culture assessment survey to “CJ Voice ON” in 2022 to actively reflect the goal of “communication between generations.” Through this program, we conduct surveys twice a year that cover empathy for the group's vision, practice of management philosophy, and employee recognition and needs. CJ Voice ON has improved accessibility so that members working in the field can participate through their PCs and mobile devices. Detailed feedback from employees is collected through debriefing sessions, and improvement tasks are established for departments needing further improvement based on their organizational scores. In 2023, our employee engagement score was 83.1 points, 3.6 points up from the previous year.

#### | CJ Voice ON process



# WORKING ENVIRONMENT

## METRICS AND TARGETS

CJ Freshway is implementing various welfare systems to contribute to the happiness of its team members and create a satisfactory working environment. To develop a family-friendly working environment, our employee welfare system supports diverse experiences and cultural activities that employees and their families can enjoy together. With this approach, we aim to lay the foundation for self-development and better work-life balance. To this end, we offer numerous welfare programs, including medical care, health, culture, travel, and self-development, in addition to unique CJ group benefits.

| Category                | Main contents                                                                                                                                           |                                                                                                                                      |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| CJ Group benefits       | <ul style="list-style-type: none"> <li>Discounts for using services from CJ Group affiliates</li> <li>Benefits of using operating facilities</li> </ul> | <ul style="list-style-type: none"> <li>Selective welfare benefits</li> <li>Support for congratulations and condolences</li> </ul>    |
| Medical care and health | <ul style="list-style-type: none"> <li>Medical support for employees</li> <li>Medical expenses support</li> </ul>                                       | <ul style="list-style-type: none"> <li>Support for a healthy lifestyle</li> <li>Counseling service</li> </ul>                        |
| Self-improvement        | <ul style="list-style-type: none"> <li>Support for club activities</li> <li>Online campus professional training support</li> </ul>                      | <ul style="list-style-type: none"> <li>Language test support</li> <li>Creative week (Long-term employee refresh vacation)</li> </ul> |

| Working environment indicator | Unit          | 2021   | 2022   | 2023   |
|-------------------------------|---------------|--------|--------|--------|
| Employee engagement*          | Scores        | -      | 79.5   | 83.1   |
| Welfare expenses              | KRW 1 million | 13,569 | 15,479 | 22,186 |

\*Not implemented in 2021 due to program reorganization

## ACTIVITIES TO PROMOTE ORGANIZATIONAL CULTURE

### EMPLOYEE PARTICIPATION PROGRAMS

CJ Freshway operates different employee engagement programs to help its team members work happier and become more immersed in their work. Challenge activities, in which individuals and team members autonomously set goals and share their achievements, have strengthened a culture of employee cooperation and motivation, receiving high participation rates and positive feedback over the past three years.



Following its success in 2022, the “King of the Masked Singers” program was implemented with the form of duets in 2023, and saw a total of 162 participants over two year. This program was shared across the company through the year-end awards ceremony and the foundation anniversary, highlighting creativity and teamwork. In addition, seasonal events such as Lunar New Year and Chuseok included mini-games like Yutnori and Jegichagi, which were enjoyed by employees, with high participation rates and strong support from the team members.



# WORKING ENVIRONMENT

## ACTIVITIES TO PROMOTE ORGANIZATIONAL CULTURE

### COMMUNICATION PROGRAM WITH MANAGEMENT

CJ Freshway strives to improve its members' business understanding by producing company broadcasts and video content containing management-related messages, and aims to foster a culture of open communication between employees and management. Employees and executives are constantly engaging with each other through events in which the CEO and executives serve snacks to employees, and tiered meetings to share the company's strategic direction and vision with all team members.



### IDEA GENERATION PROGRAM

Since 2021, CJ Freshway has been continuously operating the "Idea Plant" programs that support employees in developing and discovering ideas for new businesses and products, allowing them to implement these ideas in actual business operations. In the second half of 2023, we established "Genie-us Lab," a proposal system that allows all employees across the company to propose various ideas at any time, including improvements to business, products, and procedures. By the end of the year, about 50 ideas had been proposed, and the related departments had reviewed their feasibility. Employees who proposed viable ideas were awarded specified prize.



### EMPLOYEE FAMILY ENGAGEMENT PROGRAM

CJ Freshway plans and operates different programs to ensure that not only employees but also their families can participate in the company's activities. The "Yummy Yummy Video Contest," for employees' kindergarten and elementary school-aged children, was planned as an event to promote healthy eating habits and mealtime education through a drawing contest and an eating video contest. The "Filial Piety Re: Challenge" event for employees' parents included three themes: a family contest to reproduce an old photo, a makeover for employees' parents, and a cheering food truck delivery event. A total of 51 employees and their families participated, finding it a meaningful time that strengthened their bonds.



### OPERATION OF RETIRED EMPLOYEE SUPPORT SYSTEM

CJ Freshway operates the "Career Move Support Program" to promote a stronger understanding of overall retirement preparations and offer practical support for retirees. This program, designed for involuntary retirees aged 50 or older, offers 1:1 consulting, training, and information provision through professional consultants.



# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

## PERSONNEL MANAGEMENT SYSTEM AND RECRUITMENT

### IDEAL TALENT

CJ Freshway aims to create a corporate culture that allows employees to immerse themselves in their work, face challenges together, and grow. We pursue the “Way Maker” value, seeking individuals who are not afraid of taking new and challenging paths. We operate the performance and competency-based personnel system that is in line with global trends. In addition, we promote the personnel system that fosters a positive “employee experience” and supports long-term growth.

We provide continuous training and development programs to support the capability development and growth of employees, improving the work environment based on the opinions we collect to create the conditions that will enable employees to perform at their best. In the future, we will continue to support our employees through various benefits and compensation systems to ensure they can contribute to the organization’s growth, experience high work satisfaction, and find opportunities for advancement within the company.

#### CREATE THE NEW WAY

- Overseas field experience training program
- Best Performance Award for Sales and MD
- Internal transfer

#### MAKE OUR WAY

- Job expert training course
- Insight Plus (Insight +)
- Leadership training

#### ENJOY FRESHWAY

- CEO town hall meeting
- Support for in-house clubs
- Company-wide challenge program

### OPERATING VARIOUS RECRUITMENT INFORMATION CHANNELS →

CJ Freshway utilizes a number of different platforms to provide recruitment information and expand its accessibility to job-seekers, including offline promotions at universities, online job interview videos, and social media. By collaborating with well-known creators, we enhance our brand image and recruitment competitiveness. We create job-experience content for solution sales roles, helping to eliminate job-related prejudices and deliver applicant-friendly information. In addition, we provide practical job information based on interviews with current employees through the job introduction page on our website.



### STRENGTHENING DE&I-BASED RECRUITMENT DIVERSITY

In 2023, CJ Freshway obtained the “Business Owner Excellent in Employing Persons with Disabilities” certification from the Korea Employment Agency for Persons with Disabilities and the Ministry of Employment and Labor. This certification is a corporate recognition system that encourages and acknowledges business owners who employ disabled individuals for creating an inclusive corporate culture. We provide adaptation support through job analysis in areas such as pre-processing, meals, cleaning, and hall service to expand employment and ensure job stability for severely disabled and female disabled employees.

Additionally, CJ Freshway was awarded the Ministry of Health and Welfare's commendation in 2023 for its contribution to creating jobs for the elderly. We ensure that there is no age discrimination in wages, benefits, and other working conditions. We also provide two weeks of training for new employees and professional training for senior employees in each sector to help them adapt to their roles.

#### Business Owner Excellent in Employing Persons with Disabilities Certificate



#### Commendation for Job Creation for the Elderly



| Employment diversity indicator                    | Unit   | 2021 | 2022 | 2023 |
|---------------------------------------------------|--------|------|------|------|
| Number of employees with disabilities             | People | 127  | 138  | 144  |
| Number of employees entitled to veterans benefits | People | 15   | 16   | 18   |

# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

## CUSTOMIZED TALENT-NURTURING PROGRAMS BY JOB CATEGORIES

CJ Freshway's human resources development team operates a number of different employee development programs. Notably, in 2023 the training system was reorganized through advancement of "job analysis and competency modeling" as part of ESG strategic tasks. This included forming a job-specific growth roadmap for the four key roles of Sales (BC), Merchandise (MD), Logistics (SCM), and Food service (FS), and opening new training courses. We provided system-based training through promotion and learning plan management via CJ Campus, a CJ Group training platform, and have strengthened the training system through customized human resource development by redefining the required competencies for each job and position, reflecting organizational strategies and job changes. The entire curriculum is managed through planning, operation, and result reporting, and the opinions of participants as well as satisfaction surveys are collected and reflected in the management of our training operations and future training plans. With the training system that is linked to our business strategy, we will support the voluntary talent development of executives and employees by continuously updating the growth roadmap and implementing necessary processes that flexibly cope with environmental changes and secure competitiveness.

### | Company-wide talent development system

| Human Resource Development System                                       |                                        |                                                                                              |                            |                                                                     |                                                                                                                                 |
|-------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| General (Merchandise, Sales, Logistics) and Professional (Food service) |                                        |                                                                                              |                            |                                                                     |                                                                                                                                 |
| Common and Leadership Training                                          | Executive                              | In-house coaches                                                                             |                            |                                                                     |                                                                                                                                 |
|                                                                         |                                        | "Leadership Playlist" workshop (cultivating selective leadership)                            |                            |                                                                     |                                                                                                                                 |
|                                                                         | Head of business department            | Leadership multi-faceted diagnostic debriefing                                               |                            |                                                                     |                                                                                                                                 |
|                                                                         | Team leader                            | Coaching 100 °C (CJ leader mindset, performance management, evaluation, coaching leadership) |                            |                                                                     |                                                                                                                                 |
|                                                                         |                                        | Lead Starter (new team leader: R&R awareness, team leader leadership cultivation)            |                            |                                                                     |                                                                                                                                 |
|                                                                         | Prospective leader                     | Pre;dership (leader candidates: 1:1 coaching, self-awareness, leadership mindset)            |                            |                                                                     |                                                                                                                                 |
|                                                                         | Promotee                               | Promotion process according to position (employee retention, role recognition, networking)   |                            |                                                                     |                                                                                                                                 |
| Job training                                                            | Merchandise                            | Sales                                                                                        | Logistics                  | FS fostering programs by route (hospitals, concessions, businesses) |                                                                                                                                 |
|                                                                         | S-OJT (Structured On the Job Training) |                                                                                              |                            |                                                                     |                                                                                                                                 |
| Common training                                                         | Management policy training             | Group required training                                                                      | DT training (online, data) | CJ Campus course                                                    | <div>• Store sales management</div> <div>• Store operations management</div> <div>• Relationship management and HR system</div> |

| Job-specific Training System                       |                                                                                                                               |                                           |                                                  |                                  |                                                     |                                                                                                         |                            |                                                                  |                                   |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------|----------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------|-----------------------------------|
| Competencies required for Merchandise job category |                                                                                                                               |                                           |                                                  |                                  | Competencies required for Sales job category        |                                                                                                         |                            |                                                                  |                                   |
| Competency level                                   | Understanding the business system                                                                                             | Supply chain management                   | Product and solutions development                | Business data analysis           | Competency level                                    | Understanding the business system                                                                       | Business data analysis     | Solution proposals                                               | Customer care                     |
| L3                                                 | • Product business model design from A to Z<br>• Food materials distribution expert course (MFD, Master of Food Distribution) |                                           |                                                  |                                  | L3                                                  | Food materials distribution specialist course (MFD)                                                     |                            |                                                                  |                                   |
| L2                                                 | Purchase                                                                                                                      | Cost reduction                            | B2B marketing strategy planning                  | Excel for buying MD              | L2                                                  | Data planning and analysis                                                                              | Tableau Academy            | BC Triple Up!                                                    | Customer care                     |
| L1                                                 | Value chain and profit structure                                                                                              | Food MD school                            | MD planning ability                              | Planning and reporting with data | L1                                                  | Value chain-profit structure                                                                            | Data planning and analysis | Value proposition                                                | Business negotiations             |
| Competencies required for Logistics job category   |                                                                                                                               |                                           |                                                  |                                  | Competencies required for Food service job category |                                                                                                         |                            |                                                                  |                                   |
| Competency level                                   | Logistics operationthe business system                                                                                        | Logistics planning and managementanalysis | Logistics strategy and innovation                | Logistics center operation       | Competency level                                    | Nutritionist                                                                                            | Chef                       | Store operations management                                      | Management of business operations |
| L3                                                 | • SCM strategic planning<br>• Food materials distribution specialist course (MFD)                                             |                                           |                                                  |                                  | L3                                                  | • Branch manager training course<br>• Food service expert training course (MFS, Master of Food Service) |                            |                                                                  |                                   |
| L2                                                 | • Digital logistics paradigm and future strategy<br>• Tableau Academy                                                         |                                           |                                                  |                                  | L2                                                  | • Sales and profit management<br>• Menu engineering and storytelling                                    |                            | • How to write a proposal<br>• Key account management strategies |                                   |
| L1                                                 | • Value chain and profit structure<br>• Logistics strategy                                                                    |                                           | • Logistics boot camp<br>• Key to logistics site |                                  | L1                                                  | • Menu composition and food materials management<br>• Store operations management                       |                            | • Strategic customer management<br>• Suggestion presentation     |                                   |

# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

## OPENING NEW PROGRAMS FOR ON-BOARDING AND JOB COMPETENCY ENHANCEMENT

### INTRODUCTORY TRAINING FOR NEW EXPERIENCED EMPLOYEES (MELTING DAY)

Melting Day is an introductory training program for experienced employees, which was recently established to help understand CJ's management philosophy, work, and organization. It is designed to promote networking through face-to-face training and support smooth onboarding. This training enhances the understanding of the organization through prior learning and assignments, and includes various programs such as special lectures and meetings with outside instructors to facilitate the organizational adaptation of new employees. The program recorded a high satisfaction score of 4.9 out of 5 points in its first year, and we plan to expand it from a one-day to a two-day course.



### ADVANCED SALES JOB TRAINING (BC TRIPLE UP)

BC Triple UP is an in-depth sales job training established for those who want to grow in the role of a "business consultant (BC) who proposes solutions to customers" in connection with CJ Freshway's value chain. This program encourages employees to challenge themselves and is designed to foster talents who are not afraid of failure through a three-step curriculum that provides the industry insights needed to carry out solution sales and identify the right solutions based on customer proposals. The program has received positive feedback from participating employees for offering case-oriented practical training that allows them to directly experience the BC role. Based on feedback, we will internalize the member's self-directed growth culture "Design Your Growth" by expanding the target audience and incorporating the program into regular training courses.



#### Insight provision

#### BuildUP!

Special lecture on solution sales insights

Providing insights and enhancing the usability of solution sales through special lectures

#### How to learn

#### JumpUP!

Learning practice and case-driven solution design and proposal

Producing applicable solutions through in-depth learning of the direction for solution sales and the role of BC

#### Competence acquisition

#### BoostUP!

Facilitating a link between the value chain and the solution

Implementing customer solution proposals, specifying and validating solutions, and design business models

### STRENGTHENING LEADERSHIP COMPETENCY ENHANCEMENT PROGRAMS FOR LEADERS

CJ Freshway has strengthened its leadership training system and reorganized the curriculum to ensure connectivity between courses. The "Pre;dership" process for leadership candidates is a leadership competency development program that establishes a desirable leader image based on self-awareness, and develops growth strategies for leaders. Through this program, CJ Freshway is proactively training a prepared pool of leaders to ensure stable team leadership in the future.

The "Lead-Starter" course, designed to meet the unique characteristics of CJ Freshway while addressing the training needs of newly appointed leaders through irregular appointments, is planned as an industry-academic connection project with Seoul National University. Participants establish their own views on leadership based on the concept of leaders and followers, learn effective communication strategies that will assist them in performing their roles as leaders, and continuously improve their management capabilities through communication with in-house coaches.

The newly established in-house coach system supports stable organizational operation and leadership capacity building. It operates based on an in-house certified coach pool and conducts 1:1 coaching activity for new leaders for one year, then provides continuous capacity building and improvement by sharing coaching cases biannually.

"Leadership Playlist" is a topic-selective workshop that provides effective solutions through expert opinions based on actual leadership concerns. This program aims to support practical solutions to situational leadership dilemmas. Participants in the training, which was conducted through pre-learning for leadership training, discussions that share cases, and role-playing based on feedback, have shown a high level of satisfaction and regular training demand, giving it an average score of 4.6 out of 5 points. We plan to develop an training program that reflects organizational cases.

| Target            | Process                    | Course name                                                        | Remark   |
|-------------------|----------------------------|--------------------------------------------------------------------|----------|
| Leader candidates | Pre-leader training course | Pre;dership                                                        | Revamped |
| New leaders       | New leadership course      | Lead-Starter (Academic cooperation with Seoul National University) | Revamped |
| Incumbent leaders | In-house coaches           | Training Course to nurture In-house Coaches                        | New      |
|                   | Topic selective workshop   | Leadership Playlist                                                | New      |



# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

## SELF-DEVELOPMENT PROGRAM FOR EMPLOYEE

### 2023 PROMOTION COURSE (RE:FRESH WAY)

With a theme of "Re: Fresh Way," CJ Freshway provided a course of training to 357 employees who were promoted in 2023. This program, consisting of pre-activities and real-time video education, was tailored for different job positions. Through pre-activities, participants engaged in self-reflection through self-assessment programs on the theme of "My Heart Report" while also learning about CJ's management philosophy and leadership competencies. In the satisfaction survey conducted for evaluation and improvement, participants evaluated it with a high score of 4.7 out of 5, indicating improved performance compared to the previous year. The systematic training content, real-time chat, and pre-learning stages facilitated two-way communication, helping build a consensus among participants. The self-reflection time through "My Heart Report" also received positive feedback. The company will incorporate the feedback from these training sessions into future curriculum improvements.

### PROFESSIONAL TRAINING COURSES

CJ Freshway offers specialized training courses to develop expertise in food material distribution and food service. For general employees, we provide the Master of Food Distribution (MFD) program, while for employees at the Food Service Business Headquarters, we offer the Master of Food Service (MFS) program. These courses, jointly developed with Yonsei University through industry-academia cooperation, are conducted biennially and include a curriculum and practical projects equivalent to a graduate school program. Through these professional training courses, CJ Freshway addresses the development needs of employees and supports the cultivation of top talent.



### 2023 EMPLOYEE TRAINING OVERVIEW

| Training indicator          | Unit              | 2023 |
|-----------------------------|-------------------|------|
| Training hours per employee | Hours/person      | 20.0 |
| Training costs per employee | KRW 10,000/person | 49.6 |

### OVERSEAS TRAINING PROGRAM (GLOBAL WAY MAKERS)

CJ Freshway operates the overseas training program (Global Way Makers, GWM) to proactively respond to changes in global business environments and trends, discover new business opportunities, and cultivate global talent.

The GWM is conducted in regions with developed food cultures and relevance to CJ Freshway's business, such as America, Europe, and Asia. Participants are selected annually through an internal contest. Any CJ Freshway member who exemplifies CJ's management philosophy and has a keen interest in global business can apply, regardless of their seniority.

During the overseas training period, participants engage in different activities to enhance global practical capabilities, such as experiencing local cultures first-hand, expanding human networks, benchmarking industry leaders, and discovering new business opportunities. They also produce video content to share immersive information on local life, culture, markets, and the latest trends, broadening global knowledge management both internally and externally.

Participants in the GWM are continuously managed as part of a Global Talent Pool, with plans to improve and expand the program to foster global competence and promote self-directed growth. This initiative aims to continually spread the vision of global growth within the company and further strengthen global business competitiveness.

#### Global Way Makers in the United States →



#### Global Way Makers in Italy →





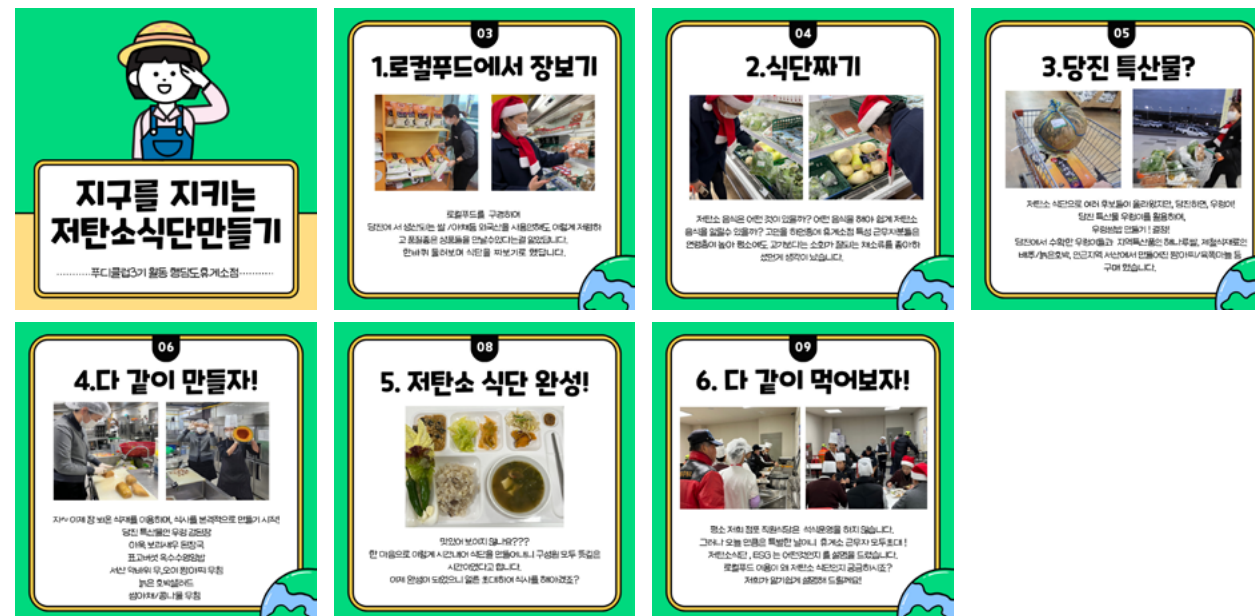
# CAPACITY BUILDING OF EXECUTIVES AND EMPLOYEES

## ESG CAPABILITY ENHANCEMENT PROGRAM

### THE FOODIE CLUB

CJ Freshway operates "Foodie Club" as part of its ESG capability enhancement efforts. This program aims to foster empathy and a sense of belonging to the company's vision among employees from diverse backgrounds while enhancing food culture capabilities. During its third term in 2023, a total of 135 members participated in this program. Activities included visiting restaurants that support activities for the disabled, dining at restaurants designated as Seoul Future Heritage sites, and shopping at local food marts, all of which raised awareness of ESG values. Notably, this program was newly incorporated into the introductory training for new employees in the second half of the year, with 61 new employees participating. This integration facilitated new hire networking and enhanced their understanding of the industry.

#### Best Practice of the Foodie Club



### ESG NEWSLETTER "ESG POSSIBLE"

CJ Freshway has published the ESG newsletter titled "ESG Possible," which considers ESG management from the company's perspective. The newsletter aims to explain ESG issues and highlight related company activities that demonstrate ESG performance, thus enhancing understanding and fostering consensus on ESG concepts. By presenting best practices and insights, "ESG Possible" contributes to the internalization of ESG principles within the organization. The newsletter addressed issues such as resource circulation, supply chain inspection, and greenwashing, providing a platform for employees to improve their understanding of and engagement with ESG topics.

#### Monthly ESG newsletter

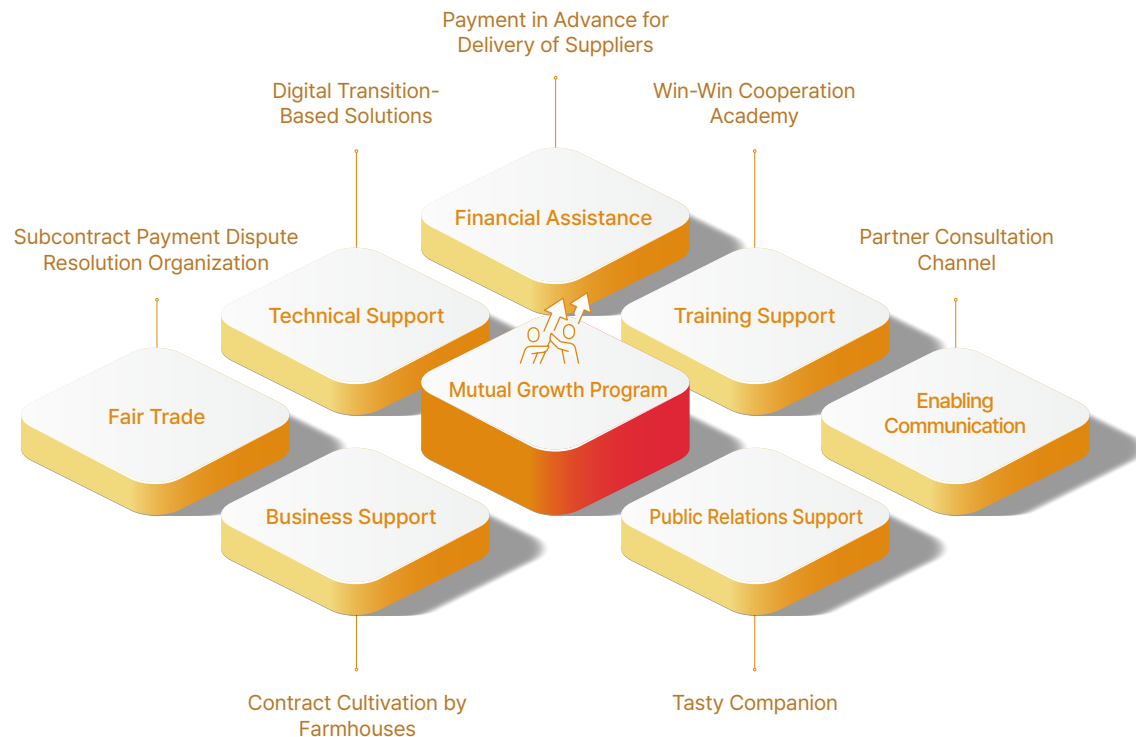


# MUTUAL GROWTH AND SUPPLY CHAIN

## MUTUAL GROWTH

### ESTABLISHMENT OF THE MUTUAL GROWTH SYSTEM FOR CO-PROSPERITY

CJ Freshway promotes mutual growth in various ways to realize profits with our partners, growers, and communities. To build an ecosystem that enables sustainable mutual growth, we have established a “Win-win management model” to strengthen our cooperation with farmers, small and medium-sized enterprises (SMEs), and restaurant companies. We will continue to pursue mutual growth as our core business value and strive to create more social value.



### FINANCIAL ASSISTANCE: PAYMENT IN ADVANCE FOR DELIVERY OF SUPPLIERS

Before Chuseok, CJ Freshway paid suppliers their delivery payments early to stabilize their cash flow and practice co-prosperity. In 2023, an estimated 14 billion KRW in payments were made one month ahead of the ordinary payment date. We will continue to build trust with our suppliers and develop ways to contribute to mutual growth.

### TRAINING SUPPORT: WIN-WIN COOPERATION ACADEMY

CJ Freshway operates the “Win-Win Cooperation Academy” to support the efforts of our small and medium-sized partners in strengthening their food safety capabilities. In 2023, 31 partners attended, with a total of 51 quality managers participating. We provided claim-based training to small and medium-sized manufacturing partners who participated in the training to enhance practical product quality competitiveness. Notably, through detailed explanations and food law education, such as labeling standards based on Q&A sessions, we have provided opportunities to resolve partners' difficulties. We plan to offer hygiene services to support small business owners and promote coexistence in the local community in the future.

### PUBLIC RELATIONS SUPPORT: PR SOLUTION “TASTY COMPANION”

CJ Freshway operates a PR solution called “Tasty Companion” to support the business success of restaurant franchises, our food materials distribution customers, through media promotion. “Tasty Companion” is designed to support small and medium-sized restaurant franchises in their public relations and marketing activities, which can often be challenging, thus contributing to their sales growth and franchise business expansion. This initiative covers external promotional aspects such as brand and menu competitiveness, operational capabilities, infrastructure, and franchise businesses. We develop promotional articles and content based on these aspects and publish them in media (print and online), as well as on social media. “Tasty Companion” published 12 promotional articles for our restaurant customers in the second half of 2023.

In the future, we will leverage our public relations capabilities to increase the frequency, variety, and channels of our “Tasty Companion” operations, expanding the promotional platform to grow together with our small and medium-sized restaurant customers.

#### Tasty Companion



# MUTUAL GROWTH AND SUPPLY CHAIN

## MUTUAL GROWTH

### ENABLING COMMUNICATION: PARTNER CONSULTATION CHANNEL

CJ Freshway operates an online counseling channel through its website to gather feedback from suppliers on their grievances and provide management support. Suppliers who wish to consult can freely submit their requests. Through this consultation channel, we aim to strengthen the foundation for mutual growth based on a common understanding.

### FAIR TRADE: SUBCONTRACT PAYMENT DISPUTE RESOLUTION ORGANIZATION

Following a recommendation by the Korea Fair Trade Commission, CJ Freshway proactively established the Subcontract Payment Dispute Resolution Organization to lay an institutional foundation for active and smooth responses in the event of a dispute.

### BUSINESS SUPPORT: CONTRACT CULTIVATION BY FARMHOUSES

CJ Freshway engages in contract farming with farmers to secure stable raw materials for core crops. Contract cultivation is a win-win model that provides farms with secured sales channels and enables stable supply and quality management. Since 2023, we have applied smart farm contract cultivation, sharing cultivation data and business know-how with our partner farms to maximize their cultivation efficiency through information technology.

### TECHNICAL SUPPORT: DIGITAL TRANSITION-BASED SOLUTIONS

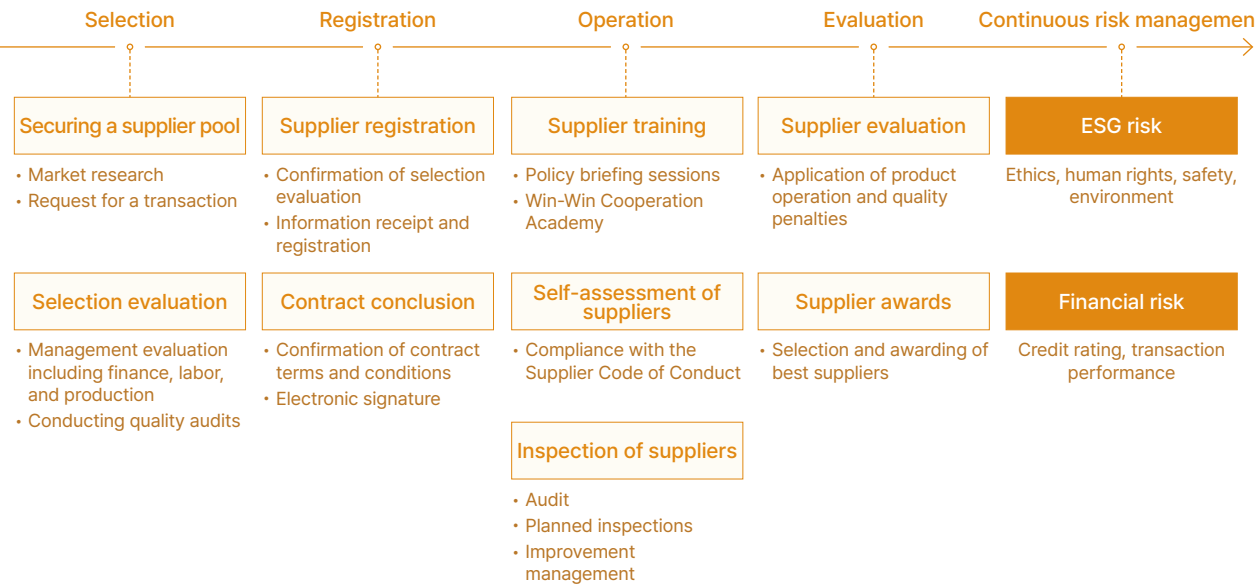
CJ Freshway has launched "ONLYONE BIZNET," a food business solution platform, to provide integrated solutions for the dining and catering business. Through "ONLYONE BIZNET," we address business-related difficulties of partners by providing solutions based on industrial know-how. As well, through the e-commerce mall "Fresh Market" that provides welfare services, we aim to strengthen synergies by offering products from suppliers and continue to supply efficient welfare products by selecting products based on distribution data and expanding direct delivery.

## SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT POLICY OPERATIONS →

To promote mutual growth with our suppliers, CJ Freshway has implemented its "Supplier Code of Conduct" which specifies standards for legal and ethical performance and sustainable activities of our suppliers. This code emphasizes the importance of ethical management, respect for human rights, the creation of a safe working environment, and environmental responsibility to minimize negative impacts.

### SUPPLY CHAIN MANAGEMENT SYSTEM



# MUTUAL GROWTH AND SUPPLY CHAIN

## SUPPLIER MANAGEMENT SYSTEM

### EVALUATION OF SELECTION FOR THE NEW SUPPLIERS

Before registering new suppliers, CJ Freshway conducts a thorough selection evaluation. This evaluation covers the business management, finance, production, logistics, and hygiene safety management of prospective suppliers. It also includes quality audits to analyze the supply stability and potential risks of suppliers, determining their suitability for partnership. This process aims to mitigate supply chain risks by addressing potential issues with suppliers before onboarding, fostering sustainable cooperation. Future plans include upgrading the supply chain management system by revising and enhancing evaluation criteria, including provisions related to supply chain diversity.

### TRAINING FOR PARTNERS

CJ Freshway holds annual policy briefing sessions and the Win-Win Cooperation Academy for its partners. The policy briefing sessions clarify our operational principles and partner behavior standards, provide education on food safety management standards, and inform partners about changes in the relevant laws. The Win-Win Cooperation Academy focuses on improving partners' quality management capabilities to promote mutual growth. To ensure accessibility, these training sessions are conducted online for all partners. In the 2023 policy briefing, which included 336 partners, we emphasized the role and responsibility of partners in building a sustainable supply chain. We will continue to provide ongoing education to continuously strengthen our partners' capabilities and compliance awareness, with the goal of improving our supply chain management.

### CONDUCTING SELF-ASSESSMENT BASED ON SUPPLIER CODE OF CONDUCT

In 2023, CJ Freshway conducted a self-assessment for the top 30% of its private brand (PB) suppliers based on Supplier Code of Conduct. This online self-assessment covered areas such as ethical management, human rights management, safety management, and environmental management, as specified in the "Supplier Code of Conduct." The results of this assessment will inform future plans for addressing supply chain management risks and improving supply chain management practices. We also plan to refine the self-assessment questionnaire and expand its scope to strengthen measures for stable supply chain operation, thereby building trust and enhancing suppliers' capabilities.





# SOCIAL CONTRIBUTION

## SOCIAL CONTRIBUTION PROGRAM

### OPERATION OF THE SOCIAL CONTRIBUTION COMMITTEE

CJ Freshway operates a social contribution committee, which reviews and resolves matters related to the execution of donations. In 2023, the committee's activities were revitalized through the revision of the "Social Contribution Committee Regulations" and holding four committee meetings. In addition, CJ Freshway actively participates in CJ Group's donation activities, such as the "Hope 2024 Sharing Campaign" and donations for recovery from heavy rain damage, demonstrating its commitment to group-level donations and social contribution activities.

### ESTABLISHMENT OF COMMUNITY PARTICIPATION POLICY →

CJ Freshway has established a "Community Participation Policy" to underscore the importance of corporate social responsibility and to strengthen its communication and cooperation with local communities. This policy aims to encourage all employees to actively engage in community development activities and to practice social responsibility as an exemplary company. In the future, we will support various activities that address the needs of local communities, fostering a cooperative system that promotes growth and strengthens interactions.

#### DETAILED PRINCIPLES OF THE COMMUNITY PARTICIPATION POLICY

1. We establish an active and transparent communication system with all community stakeholders and lay the foundation for fulfilling social responsibility.
2. We actively respond to community issues, collect opinions, and devise improvement measures.
3. We activate community participation programs and improve procedures to ensure co-prosperity and development with stakeholders.
4. We ensure compliance with laws and internal regulations in the execution of work for charity, donations, and subsidies.

CJ Freshway has set mid to long-term goals for its community participation policies, establishing strategies and implementation plans that include environmental purification, addressing the gaps in food safety, and the operation of stakeholder participation programs. Based on these goals, we will continuously strive to develop the community and improve quality of life for our members.

### Mid to long-term goals of Community Participation Policy

|                                      |                                                                                    |                                                                                    |
|--------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Community Participation Policy goals | Creating the eco-friendly distribution environment to foster a sustainable society | Establishing the healthy society in which food safety is guaranteed for everyone   |
| Major strategies                     | Environmental cleanup activities centered around business sites                    | Activities aimed at reducing blind spots in food safety                            |
|                                      | Operation of resource circulation programs with stakeholder participation          | Implementation of stakeholder participatory food safety capacity building programs |
| Policy implementation plan           | Short-term (2024~2025) Mid-term (2025~2028) Long-term (2029~)                      |                                                                                    |
|                                      | Discovering community problems and seeking solutions                               | Supporting customized community growth by strategy                                 |

# SOCIAL CONTRIBUTION

## COMMUNITY ENGAGEMENT POLICY TASKS

CJ Freshway has established and is operating a three-year plan for systematic process implementation with the aim of establishing a culture of community participation.

|           | 2024                                                                                                                                           | 2025                                                                                                                                                                                                                                               | 2026                                               |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Processes | Formation of community participation policy                                                                                                    | Operation of community engagement processes                                                                                                                                                                                                        | Stakeholder communication                          |
| Goals     | Establishment of a foundation for community participation                                                                                      | Full-scale community participation                                                                                                                                                                                                                 | Settlement of a culture of community participation |
| Tasks     | Establishment of social contribution committee processes<br>Establishment of community participation policy<br>Community risk factors analysis | Food safety and environmental protection CSR* operations<br>Strengthening stakeholder engagement through CSV**                                                                                                                                     | Building a performance measurement process         |
|           |                                                                                                                                                | * CSR: Corporate Social responsibility<br>** CSV: Creating Shared Value (corporate activities that simultaneously create social value and pursue economic profits, rather than social contribution activities after the company generates profits) |                                                    |

## CONDUCT POTENTIAL ESG RISK ASSESSMENTS

In 2023, CJ Freshway established the “ESG Negative Screening Item Inspection Criteria for Reviewing New Investment Projects” to identify environmental risks and opportunities in advance of reviewing and deliberating on new investment projects. At the legal inspection stage of the agenda passed by the Investment Review Committee, matters related to the nature of the investment, legal risks, environmental impacts, and potential human rights violations in the business operation area are reviewed to evaluate ESG-related risks for new businesses. With the establishment of these criteria, we aim to identify the potential impact on the community and establish effective countermeasures where negative impacts are expected. We will continue to identify related risks in advance, plan effective countermeasures, and minimize risk factors.

## SOCIAL CONTRIBUTION ACTIVITIES

CJ Freshway is fulfilling its corporate social responsibility through its ongoing participation in social contribution activities. As a student participatory campaign to raise awareness of school violence, October 24 was designated as “Apple Day,” a day for students to apologize to each other. The "Apple Day Contest (raising awareness of apology)" was held with 342 students participating. The contest was aimed to promote friendship and create a warm school environment through the exchange of letters and apples as tokens of affection and reconciliation. The grand prize-winning design was used for the product packaging of “One sip of Apple” juice, an organic apple juice produced in collaboration with Natural Dream, thus raising awareness of school violence prevention through this student participatory campaign.

In 2023, CJ Freshway also provided about two months of practical experience to six young people through youth support programs organized by the Ministry of Employment and Labor and the Korea Chamber of Commerce and Industry. In addition, we continue to operate the Dream Career Academy, which offers systematic education and employment-linked opportunities for young people, and operates food culture sharing activities for children and seniors. We are committed to continuing various social contribution activities to support the development of local communities.



Cookie sharing volunteer service by new employees



Kids food culture sharing volunteer service



Filial Piety Pack sharing volunteer service (Chuseok)

| Social contribution participation status           | 2023 activity details                                    |
|----------------------------------------------------|----------------------------------------------------------|
| Goodwill Store employee donation of goods          | Converted donation amount: KRW 1.8 million               |
| "Apple Day" Contest (raising awareness of apology) | 342 students participated, 405 drawings submitted*       |
| Dream Career Academy                               | Completion 84 people completed training (355 cumulative) |
|                                                    | Employment 50 people employed (113 cumulative)           |

\* Multiple submissions possible

# GOVERNANCE

Corporate Governance

Material Topic 6: Ethics and Compliance Management

Compliance

Integrated Risk Management

Tax Management

# CORPORATE GOVERNANCE

## COMPOSITION AND STATUS OF THE BOARD OF DIRECTORS

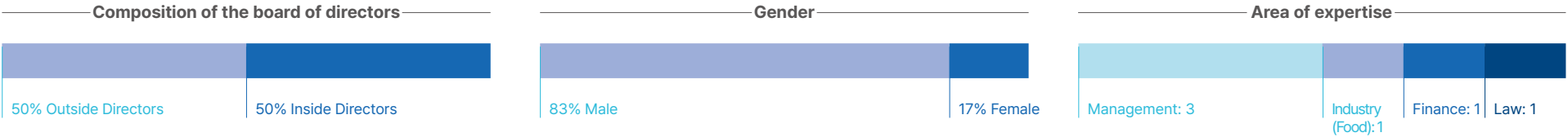
CJ Freshway's top decision-making body, the board of directors, is built on independence, diversity, and expertise, and is committed to ensuring responsible management. As of June 2024, CJ Freshway's board of directors consists of three inside directors (including the CEO) with management expertise and three outside directors with legal, financial and industrial expertise.

Outside directors are appointed for the term of three years and are allowed for one additional term, as stipulated in the articles of association. To secure the independence of the board, three out of the six directors on the board are outside directors. The Audit Committee and the Outside Director Candidate Recommendation Committee are composed exclusively of outside directors, strengthening their objectivity.

In March 2022, to enhance the diversity and expertise of our board, we appointed a female professional from the Ministry of Food and Drug Safety with expertise in the food sector as our new outside director.

Based on: June 2024

| Category         | Name            | Gender | Term                | Work experience                                                                              | Academic background                                   | Area of expertise                       | Committee participation                                                                                     |
|------------------|-----------------|--------|---------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Inside Director  | Geon-Il Lee     | Male   | Jun. 2024-Mar. 2027 | Chairperson of the Board of Directors and CEO                                                | Bachelor of Food and Biotechnology, Yonsei University | Business development, business strategy | Remuneration Committee, ESG Committee                                                                       |
|                  | Han-Mae Lee     | Male   | Mar. 2024-Mar. 2027 | Head of Portfolio Strategy Department 1, CJ Co., Ltd                                         | Master of Business, MIT                               | Business development, business strategy |                                                                                                             |
|                  | Seok-Joong Choi | Male   | Mar. 2022-Mar. 2025 | Strategic Planning Officer, CJ Freshway Co., Ltd.                                            | Master of Business, Kyung Hee University              | Business development, business strategy |                                                                                                             |
| Outside Director | Sang-Do Lee     | Male   | Mar. 2022-Mar. 2025 | Attorney at Logos Law, LLC.                                                                  | Bachelor of Law, Seoul National University            | Law, risk management                    | Audit Committee, Outside Director Candidate Recommendation Committee, Remuneration Committee, ESG Committee |
|                  | Yong-Gyun Kim   | Male   | Mar. 2024-Mar. 2027 | Advisor to E-hyun Tax Corporation                                                            | Doctor of Economics, University of London             | Finance                                 | Audit Committee, Outside Director Candidate Recommendation Committee, Remuneration Committee, ESG Committee |
|                  | Eun-Sook Jeon   | Female | Mar. 2022-Mar. 2025 | (Former) Visiting professor of Nutritional Science & Food Management, Ewha Womans University | Doctor of Chemistry, KAIST                            | Food nutrition, food safety             | Audit Committee, Outside Director Candidate Recommendation Committee, Remuneration Committee, ESG Committee |





# CORPORATE GOVERNANCE

## OPERATION OF THE BOARD OF DIRECTORS

CJ Freshway holds regular board meetings in accordance with its annual operation plan. Notifications of meetings are sent out seven days in advance, and extraordinary board meetings are held when necessary. In 2023, a total of eight board meetings were held, during which 20 agendas were discussed. The BOD achieved a 100% attendance rate. Key ESG management agendas included the report on the management review of the ISO 37301 Compliance Management System and the report on the revision of the regulations of the Social Contribution Committee.

### | Board of Directors Operations in 2023

| Total no. of BOD meetings | No. of agenda discussed | Reported | Approved | Attendance rate |
|---------------------------|-------------------------|----------|----------|-----------------|
| 8                         | 20                      | 9        | 11       | 100%            |

### | ESG-related agendas in 2023

| Description                                                                   | Area       | Reporting date | Result   |
|-------------------------------------------------------------------------------|------------|----------------|----------|
| Approval of the 2023 Safety and Health Plan                                   | Social     | Feb. 10, 2023  | Approved |
| Report on the results of the 2022 Compliance Control Standards due diligence  | Governance | Mar. 10, 2023  | Reported |
| Appointment of members of the Remuneration Committee                          | Governance | Mar. 27, 2023  | Approved |
| Report on the management review on the ISO 37301 Compliance Management System | Governance | Aug. 9, 2023   | Reported |
| Report on the revision of the Social Contribution Committee regulations       | Social     | Aug. 9, 2023   | Reported |

## OPERATION OF THE CORPORATE GOVERNANCE CHARTER

CJ Freshway shows its commitment to transparent and responsible management practices by adhering to the Code of Best Practices for Corporate Governance as recommended by the Korea Institute of Corporate Governance and Sustainability. The Code of Best Practices provides guidance on board composition, roles, and responsibilities to ensure board operations contribute to sustainable growth. We disclose our compliance status with these best practice recommendations on our website.

## CREATING A RESPONSIBLE BOARD OF DIRECTORS

The authorities, responsibilities, and main activities of CJ Freshway's Board of Directors are based on the Corporate Governance Charter and its articles of association. Based on these standards, all board members, including executives, are required to comply with the laws and articles of association, prevent potential issues related to their duties, and perform their management and supervision responsibilities to respond and take action if issues occur. We subscribe to liability insurance coverage annually to insure against potential damages to companies or third parties related to the management decisions of the board of directors, and to ensure the effectiveness of holding directors accountable.

## STRENGTHENING THE EXPERTISE AND EFFECTIVENESS OF THE BOARD OF DIRECTORS

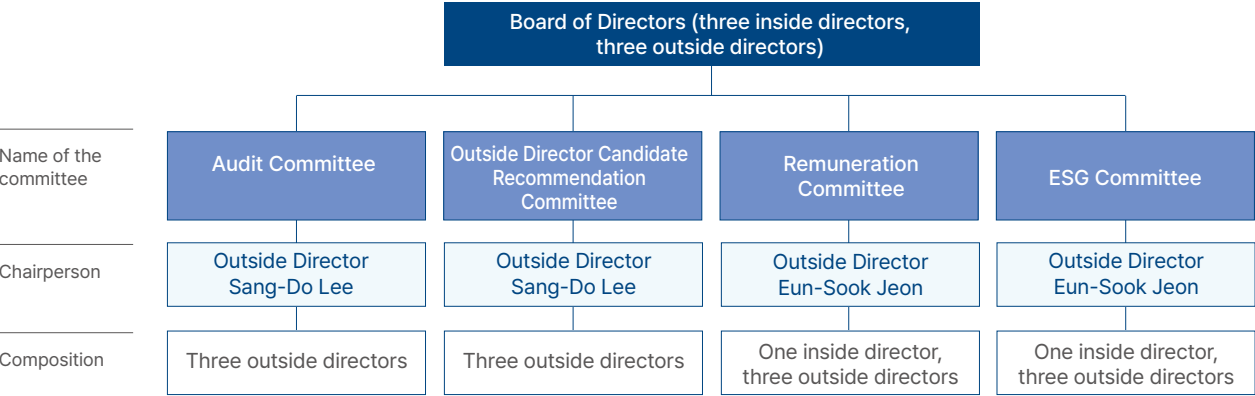
To secure the expertise of the board of directors, CJ Freshway operates support organizations such as the Audit Committee Secretariat, and provides training to enhance the board's expertise and efficiency. The Audit Committee Secretariat is composed of managerial-level employees and supports the efficient performance of outside directors, including through handling questions and discussions on board agenda items and analyzing laws related to resolutions. In 2023, three outside directors (Sang-Do Lee, Yong-Gyun Kim, and Eun-Sook Jeon) participated in training related to auditing, ESG, financial disclosure, and compliance.

| Training providers              | Attendees                                                                                        | Key contents of training                                                                                             |
|---------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| KPMG Korea                      | Outside Director Eun-Sook Jeon                                                                   | • Supervision of external auditors' independence and key audit matters                                               |
| Audit Committee Forum, ACF      | Outside Director Eun-Sook Jeon                                                                   | • Roles of auditor and audit committee members in investigating irregularities                                       |
| Center for Corporate Governance | Outside Director Sang-Do Lee                                                                     | • Roles and responsibilities of audit committee members regarding transparent disclosure and new external audit laws |
| Compliance officer              | Outside Director Sang-Do Lee<br>Outside Director Yong-Gyun Kim<br>Outside Director Eun-Sook Jeon | • Director's obligations for compliance and adherence to regulations                                                 |

# CORPORATE GOVERNANCE

## COMMITTEES WITHIN THE BOARD OF DIRECTORS ➔

CJ Freshway supports professional and efficient decision-making by delegating the board of directors' authority to the committees operated within the board. To strengthen the independence of the committees, all committees are chaired only by outside directors. The regulations of the Audit Committee and Remuneration Committee ensure that members with conflicts of interest do not exercise their voting rights, thereby managing potential conflicts of interest. Committees include the Audit Committee, which oversees accounting and business audits; the Outside Director Candidate Recommendation Committee, which manages and recommends outside director candidates; the Remuneration Committee, which determines executive compensation policies; and the ESG Committee, which reviews and approves ESG management-related matters. Detailed activities and regulations of the board committees are published on the website.



### Activities of committees within the Board of Directors in 2023

| Name of the committee                               | Key features                                        | Number of meetings held | Number of agendas | Attendance rate |
|-----------------------------------------------------|-----------------------------------------------------|-------------------------|-------------------|-----------------|
| Audit Committee                                     | Company's accounting and business audit             | 5                       | 9                 | 100             |
| Outside Director Candidate Recommendation Committee | Management of outside director candidates           | 1                       | 1                 | 100             |
| Remuneration Committee                              | Determination of compensation policy for executives | 2                       | 3                 | 100             |
| ESG Committee                                       | Decision-making on ESG strategy promotion           | 3                       | 6                 | 100             |

## EXECUTIVES' PERFORMANCE EVALUATION AND COMPENSATION

The compensation policy for executives is decided by the Remuneration Committee based on the delegation of the board of directors. The Remuneration Committee reviews the appropriateness and efficiency of the compensation system's operation, and approves long-term incentive payments and annual salary adjustments for executives through the evaluation of performance indicators. CJ Freshway discloses the remuneration and activities of the Remuneration Committee through its business report.

## PROTECTION OF SHAREHOLDERS' RIGHTS AND INTERESTS

CJ Freshway distributes cash dividends every year as part of its shareholder return policy. The company has introduced an electronic voting system to promote minority shareholders' participation in the general shareholders' meeting and increase the convenience of exercising voting rights. In addition, the date of the convocation of the general shareholders' meeting is announced in compliance with the Commercial Act so that shareholders can receive sufficient information on how to exercise their rights in a timely manner.

## MATERIAL TOPIC 6

## ETHICS AND COMPLIANCE MANAGEMENT

## GOVERNANCE

In 2021, CJ Freshway established the Compliance Management Committee as the top decision-making body for compliance management to respond promptly to compliance issues. The Compliance Management Committee, which consists of the CEO, compliance managers, and executives, holds biannual meetings to discuss plans and major matters related to compliance, and to establish and operate basic compliance management policies. In addition, CJ Freshway carries out its own training to ensure that employees comply with regulations, and identifies risks related to compliance in order to prepare countermeasures through a continuous review and analysis of regulatory trends in the area of compliance.



## STRATEGY

## COMPLIANCE MANAGEMENT SYSTEM (ISO 37301)

CJ Freshway's Compliance Management System has established a company-wide compliance organization system and supports each department to organically manage the risk of illegality. In 2018, we formed an organization dedicated to compliance and obtained the Compliance Management System (ISO 37301) certification established by the International Organization for Standardization (ISO) through continuous compliance activities and the establishment of a systematic management system. The Compliance Management System is issued to the headquarters and applied to all business sites in accordance with the management level, and risk management is carried out according to the procedure. In the future, CJ Freshway will continue to strive for ethical and sustainable management, manage risks and work in a spirit of compliance to earn the trust of customers, companies, shareholders, and employees.

## Compliance Management System (ISO 37301) certificate



## CREATING AN ETHICAL MANAGEMENT CULTURE

CJ Freshway sent "Make CJ Healthier" emails to all its employees to introduce guidelines for action and violations to promote ethical management. A CJ Whistle link was included in the email body to raise awareness of the reporting system and to allow informants to conveniently access it. In addition, we are continuing our work to establish a sound ethical management culture by planning the "Dictionary on How to Work" to make it easier to check work processes and fraudulent cases by company and organization.

## RAISING EMPLOYEE COMPLIANCE AWARENESS AND SHARING REGULATORY TRENDS

CJ Freshway shares compliance management messages from the CEO twice a year to express the top management's commitment to ethics and compliance management. To raise compliance awareness among all employees, we conduct a compliance awareness survey once a year. Additionally, to strengthen awareness of regulatory trends and compliance systems, we frequently send compliance newsletters to employees, providing easy access to updated information.

# ETHICS AND COMPLIANCE MANAGEMENT

## STRATEGY

### ADHERENCE TO THE ACT ON THE TYPE OF BUSINESS SUITABLE FOR LIVELIHOOD

CJ Freshway complies with the annual shipping restrictions on eight items designated under the "Type of Business Suitable for Livelihood System" Act, which was established in 2019 with the aim of protecting small business owners. To ensure adherence to the system, the compliance organization is in charge of consultations for designating suitable industries and managing them subsequently, strengthening its oversight of all areas. In 2023, CJ Freshway was awarded the Minister of SMEs and Startups Award in the "Outstanding Contribution to Types of Business Suitable for Livelihood through Win-win Efforts" in recognition of its solid internal controls and track record of zero violations since the establishment of the system. In the future, we will continue to comply with the system for coexistence and pursue joint development.



## RISK MANAGEMENT

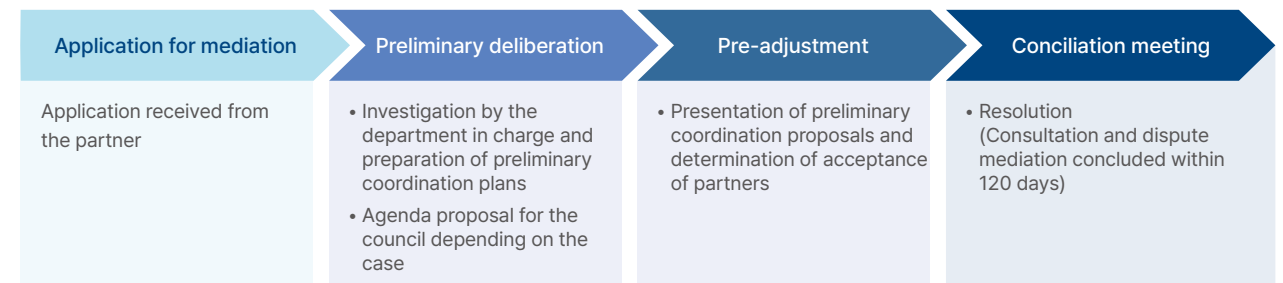
### ANTI-CORRUPTION AND ANTI-BRIBERY POLICY ↻

CJ Freshway complies with the anti-corruption and anti-bribery policies contained in the CJ Group's Code of Ethics, "CJ Code of Business Conduct." The CJ Code of Business Conduct stipulates the anti-corruption and bribery policies that all CJ employees must follow, as well as practical measures such as "Complying with anti-corruption laws and regulations," "Prohibition of illegal solicitation," "Prohibition of bribery and valuables" and "Prohibition of business gifts and entertainment." All employees of CJ are given training on the "CJ Code of Business Conduct," and must strictly comply with not only domestic laws but also global anti-corruption laws, such as the United States' Foreign Corrupt Practices Act (FCPA).

### ESTABLISHMENT OF THE SUBCONTRACT PAYMENT DISPUTE RESOLUTION ORGANIZATION

CJ Freshway has proactively implemented the Fair Trade Commission's recommendation to establish a "Subcontract Payment Dispute Resolution Organization." In order to comply with the system, the "Regulations on the Establishment and Operation of the Subcontract Payment Dispute Resolution Organization" were established, and partners were notified of the relevant regulations and application procedures. The consultative body is composed of three members, including one recommended member from the applicant (partner), and is operated as a non-standing organization. If resolution is not achieved through prior mediation, the dispute mediation council will be convened conclude within 120 days from the date of application and receipt. We will further promote our value of win-win management through mutually friendly business relations with our partners.

#### | Dispute resolution process

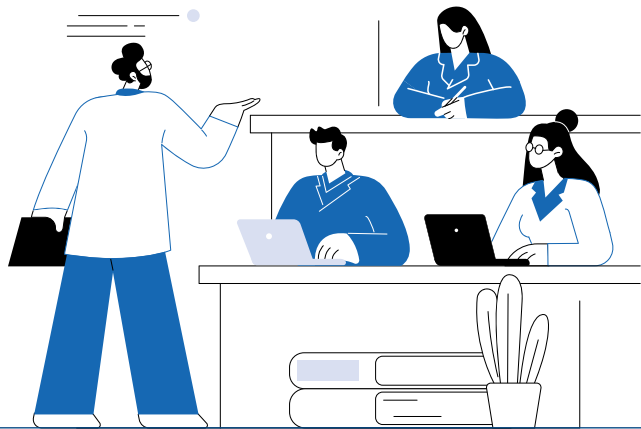




# ETHICS AND COMPLIANCE MANAGEMENT

## METRICS AND TARGETS

CJ Freshway provides regular ethical training both for new employees and all employees to raise the ethical awareness and prevent violations through the Code of Ethics training. In addition, we offer in-depth training that is tailored to specific roles, such as training on subcontracting laws for the product and marketing headquarters and training on agency laws for the sales headquarters. Through enhanced ethical training, we aim to improve our members' ethical judgment and strengthen their ability to act properly.



| Category                            | 2023 Ethics curriculum                                                  | Training content                                                                                             | Target                             |
|-------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------|
| Statutory training                  | Workplace Bullying Prevention Training                                  | Training on preventing and addressing workplace bullying based on the Labor Standards Act                    | Company-wide training              |
| Honesty training                    | Honesty Training That Everyone Should Practice                          | Training on the internal reporting system and promoting a culture of reporting                               | Company-wide training              |
| Mandatory training by CJ Group      | Introductory CJ Freshway Compliance Training                            | Understanding the compliance system and key laws of CJ Group and the company                                 | New employees (new or experienced) |
|                                     | 2023 Group Compliance Training                                          | Group compliance training covering fair trade, compliance risk prevention, and employee stock trading guides | Company-wide training              |
| In-depth training for each job role | Understanding the Improper Solicitation and Graft Act                   | Training on compliance with the Improper Solicitation and Graft Act related to carrying out tasks            | Company-wide training              |
|                                     | Guide to the Agency Act                                                 | Guide to the Fair Agency Transactions Act                                                                    | Sales manager for agencies         |
|                                     | Guide to the Subcontracting Act                                         | Guide to the Fair Transactions in Subcontracting Act                                                         | Product and marketing headquarters |
|                                     | Understanding recent trends in the Act on Fair Labeling and Advertising | Information on the Act on Fair Labeling and Advertising, and gathering opinions for establishing processes   | Marketers                          |

| Ethics and compliance management indicator                                       | Unit   | 2021  | 2022  | 2023  |
|----------------------------------------------------------------------------------|--------|-------|-------|-------|
| Total training hours on ethics and compliance management*                        | Hours  | 5,733 | 7,761 | 9,570 |
| Number of employees who have completed ethics and compliance management training | People | 2,969 | 3,381 | 3,526 |
| Number of anti-corruption violations                                             | Cases  | 0     | 0     | 0     |

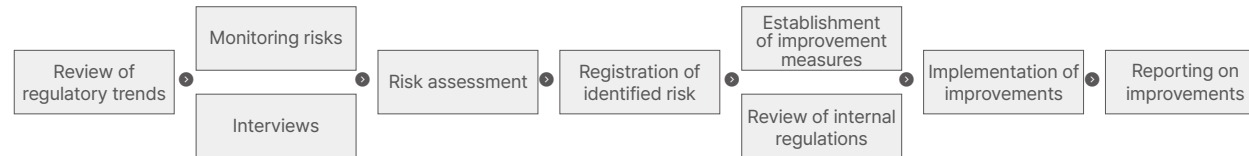
\* Excluding food service field training

# COMPLIANCE

## COMPLIANCE RISK MANAGEMENT

Legal-Compliance Team of CJ Freshway, the dedicated team to ensuring compliance, analyzes the regulatory environment for each business and organization, and carries out compliance risk management activities, such as analyzing trends in the enactment and revision of laws and regulations. The Legal-Compliance Team monitors announcements made by regulatory authorities and shares relevant information with stakeholders through various channels, including meetings, newsletters, and working-level discussions. If a compliance risk is identified, changes made to address risks are reported to the compliance officer once a year, and training is provided to employees when necessary.

### Risk identification procedures



## INTERNAL REVIEW BASED ON THE COMPLIANCE MANAGEMENT SYSTEM

CJ Freshway conducts an annual internal review based on the Compliance Management System (ISO 37301), and reports its findings to the board of directors. The process of this review is specified in the "Compliance Control Standards." Each business organization sets risk management goals, and performance details are monitored and evaluated to serve as the basis for ISO 37301. Moreover, improvements are recommended based on monitoring results, and performance details are managed accordingly.



## WHISTLEBLOWING SYSTEM →

CJ Group provides a whistleblowing system for unethical behavior that can be accessed by both internal and external stakeholders. Various channels, such as mail and online reporting, are provided to ensure that internal employees can report issues with confidence, and measures to protect reporters have been implemented to shield them from any disadvantages. In addition to making reports through the group reporting system, external stakeholders can also report through K-Whistle, an independent channel accessible via the website. All data related to reports is encrypted and managed. All reported information is handled independently under the management of the CJ Group's responsible department, and the anonymity of all informants and the contents of their reports are guaranteed according to the reporting operation policy.

## COMPLIANCE LETTER

CJ Freshway publishes "Compliance Letter" containing topics such as regulatory trends and guidance on the compliance system. This letter has been well-received by employees, as it uses easy-to-understand storylines and expressions to share insights rather than merely providing information. It covers laws and regulations closely related to the company's management, such as the Serious Accidents Punishment Act and the Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and Small and Medium Enterprises. Notably, by sending letters on the delivery price linkage system implemented by the revision of the Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and Small and Medium Enterprises and the Fair Transactions in Subcontracting Act, we were able to proactively enhance the understanding of relevant employees and share insights on compliance to minimize the burden on the implementing department.

### Compliance letter



# INTEGRATED RISK MANAGEMENT

## STRENGTHENING THE INTEGRATED RISK MANAGEMENT SYSTEM

To systematically manage the risks that may arise from its various business activities, CJ Freshway has designated a dedicated risk management team under its management support department to integrate and manage company-wide risks , and has clarified both responsibilities and roles of departments to ensure proactive risk management and prompt follow-up. In 2023, we enhanced our approach not only through classification of risk levels by types of accidents, but also through establishment of the company-wide integrated risk management system to clearly identify reporting targets and responsible parties for implementing improvements. In addition, we strengthened our sustainable insurance process risk management system by establishing insurance standards and plans. We will continue to take a proactive approach to risk management based on this enhanced integrated risk management system.

### RISK COMMITTEE

The Risk Committee was established to minimize the impact of risks through the application of prompt controls. The committee consists of executives under the CEO and working-level officials from the departments in which risks occur. Its role is to promptly report the current status of risks and devise measures to mitigate them. After resolving risks, the committee aims to devise improvement measures and management strategies to prevent their recurrence.

### BUSINESS RISK MANAGEMENT (BRM) TEAM

The BRM team, dedicated to company-wide risk management, manages and monitors the status of company-wide risks and the implementation of improvement measures. Furthermore, the team reports the results and improvement measures of risks that have occurred at least once a year to the ESG committee, ensuring these are reflected in the integrated risk management system again.

## CONDUCTING RISK MANAGEMENT TRAINING

To strengthen risk management capabilities and internalize related processes, we conduct regular training for employees across all business sectors. To increase its effectiveness, the training is customized by risk type, sales path, and position. In 2023, we focused on bond-related risk training, taking various risks and impacts into account. We provided training for leaders in the catering business on management roles, risks of transaction suspension, signs of customer insolvency, and proactive risk management measures. We also offered training for food service business leaders to enhance their understanding of business-related risks, such as house deposits and contract precautions, and shared countermeasures.

### | Risk response process



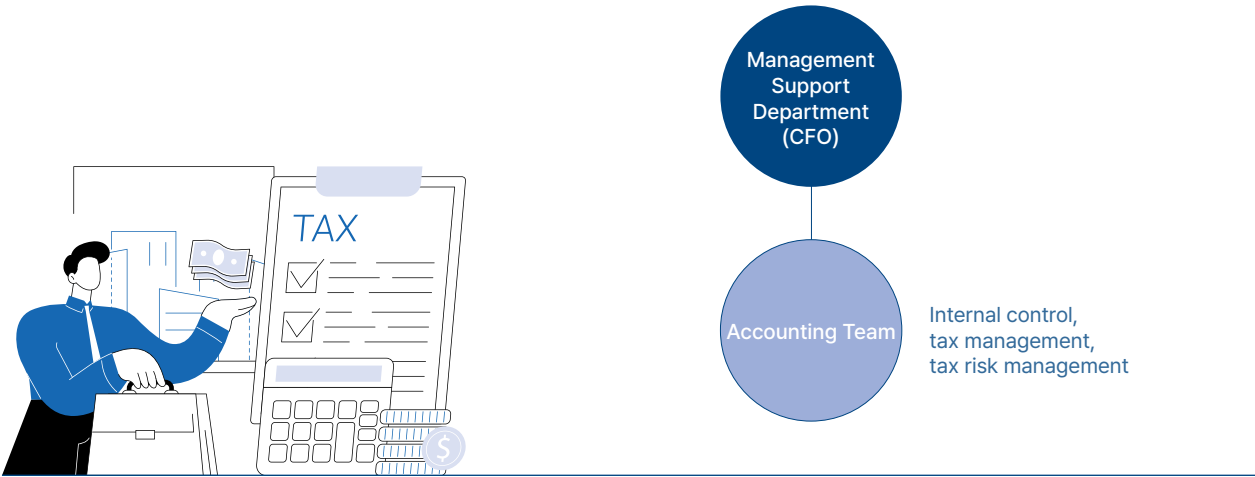
# TAX MANAGEMENT

## OVERVIEW OF TAX MANAGEMENT

CJ Freshway complies with all relevant laws and regulations, faithfully fulfills its tax obligations, and reviews and follows up on the revision of tax laws every half year in accordance with the tax regulations. We proactively review tax risks that may arise in the process of business activities, such as investing in new businesses, in order to comply with domestic and foreign laws. Regarding tax risk review, we make decisions by reflecting the advice of external tax experts and tax authorities.

## TAX MANAGEMENT ORGANIZATION AND PROCEDURES

CJ Freshway's tax management is handled by the accounting team under the management support department. This process involves a decision-making system that reports to practitioners, leaders, and the CFO. The responsible personnel complete practical training, such as the latest tax audit response strategy, to implement tax management policies based on tax principles and increase their expertise.



## TAX RISK MANAGEMENT

CJ Freshway conducts personnel training to minimize tax risks and seeks advice from external experts when interpretation of the tax laws is needed for important issues. The accounting team regularly monitors tax-related laws, precedents, and regulations using systems such as the National Tax Law Information System and Samil InfoMain to prevent risks related to tax evasion, tax avoidance, and tax law violations. In addition, the management review control (MRC) of the internal accounting management system is prepared and approved by the management and the opinions of auditors are collected. CJ Freshway continuously improves its internal accounting management system to prevent related risks and advance its management system. We comply with the tax return and payment deadlines and document the evidence of eligibility related to transactions so that we can promptly respond to requests for data from tax authorities.



## DETAILS OF TAX DISCLOSURE

CJ Freshway complies with the payment standards and deadlines of tax returns, such as corporate and value-added tax, and documents all evidence of eligibility and decision-making grounds related to transactions. In accordance with the Act on External Audit of Stock Companies, audit reports are disclosed on the Financial Supervisory Service's Electronic Disclosure System (DART), and information related to corporate tax calculation standards is disclosed through notes.



# APPENDIX

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# ESG DATA

## FINANCIAL PERFORMANCE

### CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

| Category                                                                   | Unit          | 2021      | 2022      | 2023      |
|----------------------------------------------------------------------------|---------------|-----------|-----------|-----------|
| Current assets                                                             | KRW 1 million | 502,157   | 673,968   | 540,757   |
| Cash and cash equivalents                                                  | KRW 1 million | 153,736   | 188,326   | 65,772    |
| Accounts receivable                                                        | KRW 1 million | 216,266   | 277,882   | 305,969   |
| Other current financial assets                                             | KRW 1 million | 12,234    | 15,661    | 19,202    |
| Other current assets                                                       | KRW 1 million | 4,727     | 10,268    | 11,790    |
| Inventory                                                                  | KRW 1 million | 115,194   | 181,831   | 138,024   |
| Non-current assets                                                         | KRW 1 million | 714,327   | 810,759   | 833,987   |
| Financial assets measured at fair value through profit or loss             | KRW 1 million | 2,330     | 44,674    | 46,621    |
| Financial assets measured at fair value through other comprehensive income | KRW 1 million | 5         | -         | -         |
| Investments in associates and joint ventures                               | KRW 1 million | 3         | 3,474     | 1,841     |
| Tangible assets                                                            | KRW 1 million | 400,645   | 427,048   | 439,404   |
| Right-of-use assets                                                        | KRW 1 million | 86,319    | 99,107    | 100,659   |
| Intangible assets                                                          | KRW 1 million | 75,901    | 74,798    | 86,953    |
| Investment property                                                        | KRW 1 million | 90,875    | 83,780    | 71,372    |
| Other non-current financial assets                                         | KRW 1 million | 52,273    | 72,894    | 77,592    |
| Other non-current assets                                                   | KRW 1 million | 1,294     | 1,192     | 5,207     |
| Deferred income tax assets                                                 | KRW 1 million | 4,682     | 3,792     | 4,338     |
| Total assets                                                               | KRW 1 million | 1,216,484 | 1,484,727 | 1,374,744 |
| Current liabilities                                                        | KRW 1 million | 607,807   | 795,630   | 677,708   |
| Non-current liabilities                                                    | KRW 1 million | 266,042   | 285,041   | 327,536   |
| Total liabilities                                                          | KRW 1 million | 873,849   | 1,080,671 | 1,005,244 |

| Category                   | Unit          | 2021    | 2022    | 2023    |
|----------------------------|---------------|---------|---------|---------|
| Owners' equity             | KRW 1 million | 245,916 | 307,814 | 289,616 |
| Share capital              | KRW 1 million | 11,872  | 11,872  | 11,872  |
| Share premium              | KRW 1 million | 90,619  | 90,619  | 90,619  |
| Other components of equity | KRW 1 million | 124,370 | 140,827 | 84,450  |
| Retained earnings          | KRW 1 million | 19,055  | 64,496  | 102,675 |
| Non-controlling interests  | KRW 1 million | 96,719  | 96,242  | 79,884  |
| Total equity               | KRW 1 million | 342,635 | 404,056 | 369,500 |

### CONDENSED CONSOLIDATED INCOME STATEMENT

| Category                                       | Unit          | 2021      | 2022      | 2023      |
|------------------------------------------------|---------------|-----------|-----------|-----------|
| Revenue                                        | KRW 1 million | 2,291,434 | 2,747,692 | 3,074,242 |
| Operating profit                               | KRW 1 million | 55,629    | 97,840    | 99,256    |
| Profit                                         | KRW 1 million | 31,105    | 52,243    | 59,700    |
| Controlling interests                          | KRW 1 million | 26,653    | 49,097    | 54,476    |
| Non-controlling interests                      | KRW 1 million | 4,452     | 3,146     | 5,224     |
| Other comprehensive income (after tax effects) | KRW 1 million | 44,456    | 20,529    | -8,996    |
| Total comprehensive income                     | KRW 1 million | 75,561    | 72,772    | 50,704    |
| Earnings per share of ordinary share           | KRW           | 2,245     | 3,947     | 4,489     |
| Diluted earnings per share of ordinary share   | KRW           | 2,109     | 3,947     | 4,489     |
| Number of consolidated companies               | Numbers       | 14        | 14        | 14        |

# ESG DATA

## ENVIRONMENT

### GREENHOUSE GAS\*

| Category                                                   |  | Unit                                | 2021      | 2022       | 2023       |
|------------------------------------------------------------|--|-------------------------------------|-----------|------------|------------|
| Direct and indirect greenhouse gas emissions (Scope 1+2)** |  | tCO <sub>2</sub> eq                 | 7,900     | 10,788     | 14,000     |
| Direct greenhouse gas emissions (Scope 1)                  |  | tCO <sub>2</sub> eq                 | 314.422   | 341.322    | 380.898    |
| Indirect greenhouse gas emissions (Scope 2)                |  | tCO <sub>2</sub> eq                 | 7,587.960 | 10,449.102 | 13,620.462 |
| Greenhouse gas emission intensity (Scope 1+2)**            |  | tCO <sub>2</sub> eq/KRW 100 million | 0.42      | 0.47       | 0.53       |

\* Organizational boundaries: headquarters, local offices, Logistics Center, Central Kitchen, and R&D center

\*\* Total greenhouse gas emissions are expressed in integer units by rounding down after summing up the emissions for each scope. Data for 2021 and 2022 have been updated due to changes in organizational boundaries.

\*\*\* Direct and indirect greenhouse gas emissions (Scope 1+2) divided by revenue (based on individual financial statements)

### ENERGY\*

| Category                   |                     | Unit               | 2021    | 2022    | 2023    |
|----------------------------|---------------------|--------------------|---------|---------|---------|
| Total energy usage**       |                     | TJ                 | 162     | 223     | 289     |
| Non-renewable energy usage | Fuel usage**        | TJ                 | 5.134   | 5.577   | 6.164   |
|                            | LNG                 | TJ                 | 0.043   | 0.052   | 0.093   |
|                            | Diesel              | TJ                 | 0.454   | 0.454   | 0.578   |
|                            | LPG                 | TJ                 | 3.358   | 3.659   | 3.601   |
|                            | Gasoline            | TJ                 | 1.279   | 1.412   | 1.892   |
|                            | Electricity usage** | TJ                 | 157.269 | 216.440 | 282.745 |
| Heat and steam usage       |                     | TJ                 | 1.719   | 2.467   | 2.462   |
| Renewable energy usage     |                     | TJ                 | 0       | 0       | 0       |
| Energy Intensity***        |                     | TJ/KRW 100 million | 0.0087  | 0.0096  | 0.0109  |

\* Organizational boundaries: headquarters, local offices, Logistics Center, Central Kitchen, and R&D Center

\*\* Total energy usage is expressed in an integer unit by rounding down after summing up the usage for each energy source. Data for 2021 and 2022 have been updated due to changes in organizational boundaries. Power usage is based on non-renewable grid power purchased.

\*\*\* Total energy usage divided by revenue (based on individual financial statements)

### WATER RESOURCES\*

| Category             |                         | Unit    | 2021      | 2022      | 2023      |
|----------------------|-------------------------|---------|-----------|-----------|-----------|
| Water withdrawal     |                         | Ton(m³) | 1,779,225 | 1,912,660 | 2,308,972 |
| Water discharge      |                         | Ton(m³) | 6,072     | 7,323     | 8,871     |
| Water consumption**  |                         | Ton(m³) | 1,773,153 | 1,905,337 | 2,300,101 |
| Water stress area*** | Water intake ratio      | %       | 0.4       | 0.5       | 0.5       |
|                      | Water consumption ratio | %       | 0.1       | 0.1       | 0.1       |

\* Organizational boundaries: headquarters, Central Kitchen, Logistics Center and food service stores

All water is sourced from the municipal supply. Data for 2021 and 2022 have been updated due to changes in the method of calculating water withdrawal and discharge.

\*\* Water consumption: Water withdrawal minus water discharge

\*\*\* Central Kitchen (Sindae-ri, Baeksa-myeon, Icheon-si, Gyeonggi-do)

### POLLUTANTS\*

| Category                                |                                 | Unit   | 2021  | 2022  | 2023  |
|-----------------------------------------|---------------------------------|--------|-------|-------|-------|
| Water pollutant emission                | Total organic carbon (TOC)      | Ton    | 0.101 | 0.040 | 0.069 |
|                                         | Biochemical oxygen demand (BOD) | Ton    | 0.020 | 0.009 | 0.016 |
|                                         | Total nitrogen (T-N)**          | Ton    | -     | 0.058 | 0.129 |
| Air pollutant emission concentration*** | NOx emission concentration      | ppm    | 28.2  | 23.0  | 25.7  |
|                                         | SOx emission concentration      | ppm    | 1.3   | 0     | 0     |
|                                         | Dust emission concentration     | mg/sm³ | 1.85  | 0     | 1.85  |

\* Organizational boundaries: Central Kitchen

\*\* Not measured in 2021

\*\*\* The data for 2021 and 2022 have been updated due to changes in the method of calculating air pollutants to the average annual measurement value, and the dust emission concentration is based on actual measurement units recorded in the air measurement logs.

# ESG DATA

## ENVIRONMENT

### WASTE\*

| Category      |                                                       | Unit                           | 2021                | 2022   | 2023   |        |
|---------------|-------------------------------------------------------|--------------------------------|---------------------|--------|--------|--------|
| Emissions**   | Total emissions                                       |                                | Ton                 | 15,812 | 16,739 | 17,974 |
|               |                                                       | General waste                  | Ton                 | 15,804 | 16,730 | 17,964 |
|               |                                                       | Food waste                     | Ton                 | 15,163 | 15,872 | 16,953 |
|               |                                                       | Product waste                  | Ton                 | 463    | 580    | 579    |
|               |                                                       | Waste oil                      | Ton                 | 113    | 135    | 163    |
|               |                                                       | Sludge                         | Ton                 | 4      | 51     | 129    |
|               |                                                       | Waste synthetic resin          | Ton                 | 61     | 92     | 140    |
|               |                                                       | Designated waste (unrecovered) | Ton                 | 8.0    | 8.3    | 9.9    |
|               |                                                       | Waste intensity***             | Ton/KRW 100 million | 0.85   | 0.72   | 0.68   |
| Treatment**** | Total treatment (recycling + incineration + landfill) |                                | Ton                 | 102.8  | 184.9  | 323.0  |
|               | Recycling                                             | General waste                  | Ton                 | 91.2   | 126.1  | 184.0  |
|               | Incineration                                          | Designated waste (unrecovered) | Ton                 | 7.8    | 8.1    | 9.9    |
|               | Landfill                                              | General waste                  | Ton                 | 3.8    | 50.7   | 129.1  |

\* Due to rounding, there is a difference between the total waste emissions and the sum of emissions by type.

\*\* Organizational boundaries: Central Kitchen, Food Safety Center, Logistics Center and food service storess  
Changes in 2021 and 2022 data are due to revisions in waste calculation methods.

\*\*\* Total waste emissions divided by revenue (based on individual financial statements)

\*\*\*\* Organizational boundaries: Central Kitchen (recycling and landfill) and Food Safety Center (incineration)  
For waste throughput, only data with relevant evidence documentation for processing methods (including recycling, incineration, or landfill) are included.

### PACKAGING\*

| Category                                          |         | Unit | 2021 | 2022 | 2023  |
|---------------------------------------------------|---------|------|------|------|-------|
| Packaging material usage (non-renewable material) |         | Ton  | 13.4 | 93.1 | 123.9 |
|                                                   | Paper   | Ton  | 0    | 73.9 | 100.5 |
|                                                   | Plastic | Ton  | 13.4 | 19.2 | 23.4  |

\* Changes in 2022 data are due to the addition of paper packaging materials.

## ENVIRONMENTAL MANAGEMENT

| Category                                    |  | Unit            | 2021   | 2022   | 2023   |
|---------------------------------------------|--|-----------------|--------|--------|--------|
| Sustainable product purchase*               |  | KRW 1 million   | 56,999 | 62,476 | 73,961 |
| Sustainable product sales**                 |  | KRW 1 million   | 57,157 | 57,268 | 82,696 |
| Eco-friendly infrastructure investment cost |  | KRW 100 million | 6.5    | 5.9    | 4.8    |
| Eco-friendly certification purchase amount  |  | KRW 1 million   | 56,320 | 57,164 | 66,124 |
| Eco-friendly purchase ratio***              |  | %               | 2.7    | 2.2    | 2.3    |

\* Includes eco-friendly certified products within sustainable product standards

\*\* Based on revenue excluding internal sales from food service storess

\*\*\* Purchase amount of eco-friendly certified raw materials divided by the total product purchase amount

## OPERATION OF ECO-FRIENDLY VEHICLES

| Category              |  | Unit     | 2021 | 2022 | 2023 |
|-----------------------|--|----------|------|------|------|
| Zero-Emission Vehicle |  | Vehicles | 5    | 41   | 14*  |

\* Reduction in the number of operations is due to the impact of the closure of electric delivery vehicle carriers in 2023.



# ESG DATA

## SOCIAL

### WORKFORCE STATUS\*

| Category                                    |                                                    | Unit   | 2021  | 2022  | 2023  |
|---------------------------------------------|----------------------------------------------------|--------|-------|-------|-------|
| Total number of employees                   |                                                    | People | 6,286 | 7,071 | 7,775 |
| Composition of employees by employment type | Number of executives (registered + unregistered)   | People | 10    | 9     | 9     |
|                                             | Male                                               | People | 9     | 8     | 8     |
|                                             | Female                                             | People | 1     | 1     | 1     |
|                                             | Number of permanent employees                      | People | 6,164 | 6,752 | 7,467 |
|                                             | Male                                               | People | 1,781 | 1,870 | 2,090 |
|                                             | Female                                             | People | 4,383 | 4,882 | 5,377 |
|                                             | Number of fixed-term employees                     | People | 112   | 310   | 299   |
|                                             | Male                                               | People | 39    | 133   | 136   |
|                                             | Female                                             | People | 73    | 177   | 163   |
|                                             | Number of full-time employees                      | People | 6,280 | 7,066 | 7,770 |
| Composition of employees by nationality     | Male                                               | People | 1,829 | 2,011 | 2,234 |
|                                             | Female                                             | People | 4,451 | 5,055 | 5,536 |
|                                             | Number of part-time employees                      | People | 6     | 5     | 5     |
|                                             | Male                                               | People | 0     | 0     | 0     |
|                                             | Female                                             | People | 6     | 5     | 5     |
|                                             | Number of non-guaranteed hour contract employees** | People | 0     | 0     | 0     |

\* Based on the number of employees at the end of the year  
\*\* Changes in 2021 and 2022 data are due to revisions in calculation standards.

| Category                                |                                    | Unit   | 2021  | 2022  | 2023  |
|-----------------------------------------|------------------------------------|--------|-------|-------|-------|
| Composition of employees by gender      | Male                               | People | 1,829 | 2,011 | 2,234 |
|                                         | Female                             | People | 4,457 | 5,060 | 5,541 |
| Composition of employees by age group   | Under 30 years of age              | People | 1,352 | 1,451 | 1,487 |
|                                         | 30 years of age to 50 years of age | People | 2,512 | 2,845 | 3,257 |
|                                         | Over 50 years of age               | People | 2,422 | 2,775 | 3,031 |
| Composition of employees by nationality | Korea                              | People | 6,274 | 7,064 | 7,769 |
|                                         | China                              | People | 9     | 6     | 5     |
|                                         | Japan                              | People | 2     | 0     | 0     |
|                                         | New Zealand                        | People | 1     | 1     | 1     |

# ESG DATA

## SOCIAL

### TALENT ACQUISITION AND TRAINING

| Category                                              | Unit                                      | 2021       | 2022   | 2023   |
|-------------------------------------------------------|-------------------------------------------|------------|--------|--------|
| Total number of new hires                             | People                                    | 3,006      | 4,220  | 4,510  |
| Composition of new hires by gender                    | Male                                      | 527        | 891    | 1,009  |
|                                                       | Female                                    | 2,479      | 3,329  | 3,501  |
| Composition of new hires by age group                 | Under 30                                  | 924        | 1,118  | 442    |
|                                                       | Aged 30 to 50                             | 660        | 1,044  | 2,939  |
|                                                       | Over 50                                   | 1,422      | 2,058  | 1,129  |
| Turnover rate                                         | Total number of employees resigned        | 3,379      | 3,435  | 3,805  |
|                                                       | Voluntary turnover                        | 47.9       | 43.7   | 43.8   |
|                                                       | Male                                      | 9.7        | 9.4    | 15.1   |
|                                                       | Female                                    | 38.2       | 34.3   | 28.7   |
|                                                       | Involuntary turnover                      | 5.8        | 4.8    | 5.1    |
|                                                       | Male                                      | 0.9        | 0.3    | 1.6    |
|                                                       | Female                                    | 4.9        | 4.5    | 3.5    |
|                                                       | Employee engagement*                      | -          | 79.5   | 83.1   |
| Employee training**                                   | Number of employees eligible for training | 2,959      | 3,276  | 3,578  |
|                                                       | Training hours per employee               | 31.3       | 22.9   | 20.0   |
|                                                       | Training costs per employee               | KRW 10,000 | 43.4   | 49.6   |
| Welfare expenses                                      | KRW 1 million                             | 13,569     | 15,479 | 22,186 |
| Rate of participation in the flexible work system *** | %                                         | 100        | 100    | 100    |

\* Not implemented in 2021 due to program reorganization

\*\* Excluding food service field training. Changes in 2021 and 2022 data are due to the application of training expenses based on business reports.

\*\*\* Number of persons eligible for the flexible work system is an estimate.

### PROMOTING DIVERSITY, EQUITY, AND INCLUSION (DE&I)

| Category                       | Unit                                                                      | 2021 | 2022 | 2023 |
|--------------------------------|---------------------------------------------------------------------------|------|------|------|
| Gender equality                | Percentage of female executives*                                          | 10.0 | 11.1 | 11.1 |
|                                | Percentage of female managers                                             | 66.1 | 65.1 | 63.8 |
|                                | Percentage of female employees in STEM**                                  | 69.0 | 66.0 | 58.0 |
|                                | Female to male wage ratio***                                              | 54.9 | 53.7 | 59.2 |
| Inclusion of social minorities | Number of social minorities among employees                               | 142  | 154  | 162  |
|                                | Number of employees with disabilities                                     | 127  | 138  | 144  |
|                                | Number of employees eligible for veterans benefits                        | 15   | 16   | 18   |
| Work-life balance              | Number of employees eligible for parental leave                           | 853  | 941  | 849  |
|                                | Male                                                                      | 581  | 621  | 518  |
|                                | Female                                                                    | 272  | 320  | 331  |
|                                | Number of employees using parental leave                                  | 125  | 156  | 180  |
|                                | Male                                                                      | 27   | 27   | 22   |
|                                | Female                                                                    | 98   | 129  | 158  |
|                                | Rate of returning to work after parental leave                            | 88.6 | 89.6 | 65.8 |
|                                | Male                                                                      | 86.4 | 77.8 | 60.0 |
|                                | Female                                                                    | 89.2 | 92.9 | 66.9 |
|                                | Retention rate after returning from parental leave (at least 12 months)   | 73.6 | 69.9 | 81.3 |
|                                | Male                                                                      | 69.2 | 52.6 | 61.9 |
|                                | Female                                                                    | 74.3 | 74.3 | 85.7 |
| Fair evaluation                | Percentage of employees who received regular performance evaluations **** | 100  | 100  | 100  |

\* Changes in 2021 and 2022 data are due to revisions in calculation standards for part-time executives.

\*\* Science, Technology, Engineering, and Math \*\*\* Based on business report disclosure criteria

\*\*\*\* Regular Performance Evaluation: Based on employees subject to relative evaluation and MBO

# ESG DATA

## SOCIAL

### SAFETY AND HEALTH

| Category                                                 | Unit                     | 2021 | 2022 | 2023 |
|----------------------------------------------------------|--------------------------|------|------|------|
| Number of risk assessments conducted                     | Number of times per year | 1    | 1    | 1    |
| Industrial accident rate*                                | %                        | 1.80 | 1.94 | 1.94 |
| Injuries**                                               | People                   | 101  | 130  | 136  |
| Illnesses ***                                            | People                   | 12   | 7    | 15   |
| Hours of industrial safety training completed per person | Hours                    | 27.4 | 27.7 | 26.0 |
| Training completion rate                                 | %                        | 100  | 100  | 100  |
| Number of deaths among employees                         | Cases                    | 0    | 0    | 0    |
| Number of serious accidents                              | Cases                    | 0    | 0    | 0    |

\* Number of injured employees divided by total number of employees multiplied by 100  
\*\* Including falls, burns, cuts, and collisions  
\*\*\* Musculoskeletal disorders

### HUMAN RIGHTS

| Category                                                                                                             |                                                     |                    | Unit   | 2021  | 2022  | 2023  |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------|--------|-------|-------|-------|
| Percentage of employees subject to collective bargaining agreement (based on the labor-management council standards) |                                                     |                    | %      | 100   | 100   | 100   |
| Report on human rights                                                                                               | Total number of reports                             |                    | Cases  | 9     | 11    | 9     |
|                                                                                                                      | Number of valid and action completed reports        |                    | Cases  | 9     | 9     | 9     |
|                                                                                                                      | Percentage of cases processed out of reported cases |                    | %      | 100   | 100   | 100   |
| Human rights training**                                                                                              | Prevention of sexual harassment                     | Subjects           | People | 2,784 | 3,051 | 3,350 |
|                                                                                                                      |                                                     | Completion**       | People | 2,774 | 3,000 | 3,350 |
|                                                                                                                      |                                                     | Participation rate | %      | 99.64 | 98.33 | 100   |
|                                                                                                                      | Improving disability awareness                      | Subjects           | People | 2,721 | 2,874 | 3,208 |
|                                                                                                                      |                                                     | Completion         | People | 2,715 | 2,681 | 3,207 |
|                                                                                                                      |                                                     | Participation rate | %      | 99.78 | 93.28 | 99.97 |

\* Excluding food service field training  
\*\* Changes in 2022 data are due to the increase from complementary training

# ESG DATA

## SOCIAL

### SOCIAL CONTRIBUTION

| Category       |                  | Unit            | 2021  | 2022  | 2023  |
|----------------|------------------|-----------------|-------|-------|-------|
| Donations      |                  | KRW 100 million | 34.7  | 39.3  | 68.6  |
| Volunteer work | Hours            | Hours           | 3,219 | 3,868 | 4,622 |
|                | Number of people | People          | 659   | 660   | 650   |
|                | Monetary value*  | KRW 1 million   | 40.5  | 43.1  | 70.2  |

\* Employee volunteer hours multiplied by average employee wages per hour

### FOOD SAFETY

| Category                                                                                   |  | Unit            | 2021 | 2022 | 2023 |
|--------------------------------------------------------------------------------------------|--|-----------------|------|------|------|
| Number of product safety accidents                                                         |  | Cases           | 0    | 0    | 0    |
| Rates of violation on safety regulations of high-risk food                                 |  | %               | 0    | 0    | 0    |
| Number of product and service recalls                                                      |  | Cases           | 0    | 0    | 0    |
| Sales of products with labeling or marketing emphasizing health and nutritional attributes |  | KRW 100 million | 1.2  | 1.4  | 1.6  |

### INFORMATION PROTECTION

| Category                             |                                                            | Unit   | 2021  | 2022  | 2023  |
|--------------------------------------|------------------------------------------------------------|--------|-------|-------|-------|
| Information protection training*     | Number of participants                                     | People | 2,720 | 2,847 | 3,265 |
|                                      | Training participation rate                                | %      | 99.9  | 99.9  | 100   |
| Investment in information protection | Percentage of IT budget invested in information protection | %      | 6.6   | 10.0  | 8.2   |

\* Excluding food service field training

### SUPPLY CHAIN MANAGEMENT

| Category                                                                                                |                                                                        | Unit    | 2021  | 2022  | 2023  |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|---------|-------|-------|-------|
| Number of suppliers contracted annually                                                                 |                                                                        | Numbers | 1,172 | 1,162 | 1,261 |
| Number of the companies subject to the Supplier Code of Conduct among the suppliers contracted annually |                                                                        | Numbers | -     | 1,043 | 1,141 |
| Percentage of contracts subject to Supplier Code of Conduct                                             |                                                                        | %       | -     | 89.8  | 90.5  |
| Supply chain ESG risk assessment fulfillment rate**                                                     |                                                                        | %       | -     | -     | 4.5   |
| Resolution of grievances from suppliers ***                                                             | Number of grievances received from suppliers                           | Cases   | 5     | 6     | 5     |
|                                                                                                         | Total number of valid reports                                          | Cases   | 4     | 4     | 3     |
|                                                                                                         | Number of safety and health-related grievances received from suppliers | Cases   | 0     | 0     | 0     |
|                                                                                                         | Partner grievance rate                                                 | %       | 100   | 100   | 100   |

\* Changes in 2021 and 2022 data are due to revisions in the scope of target suppliers.

\*\* 2021 is not applicable as the procedure was only introduced in 2022.

\*\*\* Conducted for the PB suppliers. 2021 and 2022 are not applicable as the procedure was only introduced in 2023.

\*\*\*\* Number of reports received through the reporting channel



# ESG DATA

## GOVERNANCE

### BOARD OF DIRECTORS AND AUDIT ORGANIZATIONS – COMPOSITION

| Category                                 | Unit                                                | 2021 | 2022 | 2023 |
|------------------------------------------|-----------------------------------------------------|------|------|------|
| Current status of the Board of Directors | People                                              | 6    | 6    | 6    |
|                                          | Outside directors                                   | 3    | 3    | 3    |
|                                          | Female directors                                    | 0    | 1    | 1    |
|                                          | Financial experts                                   | 1    | 1    | 1    |
| Current status of the committees         | Audit Committee                                     | 3    | 3    | 3    |
|                                          | Outside Director Candidate Recommendation Committee | 3    | 3    | 3    |
|                                          | Remuneration Committee                              | 6    | 6    | 4    |
|                                          | ESG Committee                                       | 4    | 4    | 4    |
| Ratio of outside directors               | Board of Directors                                  | %    | 50   | 50   |
|                                          | Audit Committee                                     | %    | 100  | 100  |
|                                          | Outside Director Candidate Recommendation Committee | %    | 100  | 100  |
|                                          | Remuneration Committee                              | %    | 50   | 75   |
|                                          | ESG Committee                                       | %    | 75   | 75   |

### BOARD OF DIRECTORS AND AUDIT ORGANIZATION – OPERATION

| Category                | Unit                                                | 2021  | 2022 | 2023 |
|-------------------------|-----------------------------------------------------|-------|------|------|
| Number of meetings held | Board of Directors                                  | Times | 7    | 8    |
|                         | Audit Committee                                     | Times | 6    | 7    |
|                         | Outside Director Candidate Recommendation Committee | Times | 2    | 2    |
|                         | Remuneration Committee                              | Times | 2    | 1    |
|                         | ESG Committee                                       | Times | 1    | 2    |

| Category                                                        | Unit                                                        | 2021            | 2022  | 2023 |
|-----------------------------------------------------------------|-------------------------------------------------------------|-----------------|-------|------|
| Number of agenda items deliberated on by the Board of Directors | Presentation of the Board of Reported agenda Directors      | Cases           | 7     | 7    |
|                                                                 | Voted agenda                                                | Cases           | 20    | 16   |
|                                                                 | Opposition or revision by outside directors                 | Cases           | 0     | 0    |
| Number of agenda items deliberated on by the committee          | Audit Committee                                             | Reported agenda | Cases | 6    |
|                                                                 |                                                             | Voted agenda    | Cases | 1    |
|                                                                 | Outside Director Candidate Recommendation Committee         | Reported agenda | Cases | 0    |
|                                                                 |                                                             | Voted agenda    | Cases | 2    |
|                                                                 | Remuneration Committee                                      | Reported agenda | Cases | 0    |
|                                                                 |                                                             | Voted agenda    | Cases | 3    |
|                                                                 | ESG Committee                                               | Reported agenda | Cases | 1    |
|                                                                 |                                                             | Voted agenda    | Cases | 1    |
| Overall director attendance rate*                               | Board of Directors (Total)                                  | %               | 88.1  | 95.8 |
|                                                                 | Audit Committee (Total)                                     | %               | 94.4  | 95.2 |
|                                                                 | Outside Director Candidate Recommendation Committee (Total) | %               | 100   | 83.3 |
|                                                                 | Remuneration Committee (Total)                              | %               | 91.7  | 83.3 |
|                                                                 | ESG Committee (Total)                                       | %               | 100   | 100  |
| Attendance rate of outside directors                            | Board of Directors (Inside directors)                       | %               | 81.0  | 95.8 |
|                                                                 | Board of Directors (Outside directors)                      | %               | 95.2  | 95.8 |
|                                                                 | Remuneration Committee (Outside directors)                  | %               | 100   | 100  |
|                                                                 | ESG Committee (Outside directors)                           | %               | 100   | 100  |

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

# ESG DATA

## GOVERNANCE

### BOARD OF DIRECTORS AND AUDIT COMMITTEE — REMUNERATION

| Category           |                                                                       | Unit          | 2021 | 2022  | 2023  |
|--------------------|-----------------------------------------------------------------------|---------------|------|-------|-------|
| Board of Directors | Total amount of remuneration for inside directors                     | KRW 1 million | 941  | 1,403 | 1,222 |
|                    | Total amount of remuneration for outside directors                    | KRW 1 million | 180  | 180   | 180   |
| External auditors  | Ratio of non-audit service remuneration to audit service remuneration | %             | 0    | 448   | 0     |

### EMPLOYEE REMUNERATION

| 구분                                                                                       |                                                                                          | Unit          | 2021 | 2022 | 2023 |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------|------|------|------|
| Employee remuneration, excluding the CEO (highest-paid employee)*                        | Average annual salary                                                                    | KRW 1 million | 44.5 | 48   | 48.6 |
|                                                                                          | Median annual salary                                                                     | KRW 1 million | 39.2 | 43.5 | 45.2 |
| Comparison of remuneration of CEO (highest-paid employee ) compared to employee salaries | CEO (highest-paid person) remuneration compared to the average remuneration of employees | Times         | 15   | 22   | 20   |
|                                                                                          | CEO (highest-paid person) remuneration compared to the median remuneration of employees  | Times         | 17   | 24   | 21   |

\* Based on end-of-year employee standards

## SHAREHOLDERS

| Category                                                                             |                                                                        | Unit            | 2021 | 2022 | 2023 |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------|------|------|------|
| Ownership ratio                                                                      | Largest shareholders and related parties                               | %               | 58.7 | 58.6 | 58.6 |
|                                                                                      | Registered executives excluding the largest shareholders and relatives | %               | 0.03 | 0    | 0    |
| Dividend payout ratio                                                                |                                                                        | %               | 13.4 | 8.5  | 8.9  |
| Advance notice date for the venue and agenda items for regular shareholders' meeting |                                                                        | Days in advance | 19   | 17   | 17   |

### ETHICS AND COMPLIANCE MANAGEMENT

| Category                        |                                       | Unit   | 2021  | 2022  | 2023  |
|---------------------------------|---------------------------------------|--------|-------|-------|-------|
| Ethics and compliance training* | Total training hours                  | Hours  | 5,733 | 7,761 | 9,570 |
|                                 | Total number of participants          | People | 2,969 | 3,381 | 3,526 |
| Reports on ethical management   | Total number of reports**             | Cases  | 27    | 29    | 23    |
|                                 | Number of valid and completed reports | Cases  | 21    | 21    | 18    |

\* Excluding food service field training. Changes in 2021 and 2022 data are due to revisions in ethical and compliance training standards.

\*\* Changes in 2022 data are due to revisions in ethics and compliance management standards.

### VIOLATIONS OF REGULATIONS

| Category                                |                        | Unit  | 2021 | 2022 | 2023 |
|-----------------------------------------|------------------------|-------|------|------|------|
| Number of violations of the regulations | Environment            | Cases | 0    | 0    | 0    |
|                                         | Information protection | Cases | 0    | 0    | 0    |
|                                         | Fair competition       | Cases | 0    | 0    | 0    |
|                                         | Anti-corruption        | Cases | 0    | 0    | 0    |
|                                         | Marketing and labeling | Cases | 0    | 0    | 0    |

# GRI INDEX

## GLOBAL REPORTING INITIATIVE

| Topic                      | Number | Disclosure details                                                          | Page number           | Notes                                                                                           |
|----------------------------|--------|-----------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------|
| GRI 2: General Disclosures | 2-1    | Organizational Details                                                      | 6                     |                                                                                                 |
|                            | 2-2    | Entities included in the organization’s sustainability reporting            | 2                     |                                                                                                 |
|                            | 2-3    | Reporting period, frequency and contact point                               | 2                     |                                                                                                 |
|                            | 2-4    | Restatements of information                                                 | 79-86                 | Explained in footnotes                                                                          |
|                            | 2-5    | External assurance                                                          | 98-99                 |                                                                                                 |
|                            | 2-6    | Activities, value chain and other business relationships                    | 8-9                   |                                                                                                 |
|                            | 2-7    | Employees                                                                   | 81                    |                                                                                                 |
|                            | 2-8    | Workers who are not employees                                               | -                     | Includes personnel of contractors, for which the number of employees is confidential            |
|                            | 2-9    | Governance structure and composition                                        | 68                    |                                                                                                 |
|                            | 2-10   | Nomination and selection of the highest governance body                     | 68                    |                                                                                                 |
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|                            | 2-12   | Role of the highest governance body in overseeing the management of impacts | 11, 42, 46, 68-72, 75 |                                                                                                 |
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|                            | 2-14   | Role of the highest governance body in sustainability reporting             | 11, 15, 69-70         |                                                                                                 |
|                            | 2-15   | Conflicts of interest                                                       | 69-70                 | The independence of members of the Board of Directors is disclosed through the business report. |
|                            | 2-16   | Communication of critical concerns                                          | 69-70                 |                                                                                                 |
|                            | 2-17   | Collective knowledge of the highest governance body                         | 68-69                 |                                                                                                 |
|                            | 2-18   | Evaluation of the performance of the highest governance body                | -                     | An internal review of the introduction of the board evaluation process is underway.             |
|                            | 2-19   | Remuneration policies                                                       | 70                    |                                                                                                 |
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# GRI INDEX

## GLOBAL REPORTING INITIATIVE

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|                                        | 2-29   | Approach to stakeholder engagement                                                            | 14                            |       |
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| GRI 3: Material Topics                 | 3-1    | Process to determine material topics                                                          | 15                            |       |
|                                        | 3-2    | List of material topics                                                                       | 15-16                         |       |
|                                        | 3-3    | Management of material topics                                                                 | 16                            |       |
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| GRI 3: Material Topics                 | 3-3    | Management of material topics                                                                 | 16, 18-21                     |       |
| GRI 416: Customer Health and Safety    | 416-1  | Assessment of the health and safety impacts of product and service categories                 | 20                            |       |
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| GRI 3: Material Topics                 | 3-3    | Management of material topics                                                                 | 16, 22-24                     |       |
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# GRI INDEX

## GLOBAL REPORTING INITIATIVE

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|                                                              | 306-2  | Management of significant waste-related impacts                                                               | 38-39       |       |
|                                                              | 306-3  | Waste generated                                                                                               | 80          |       |
|                                                              | 306-4  | Waste diverted from disposal                                                                                  | 80          |       |
|                                                              | 306-5  | Waste directed to disposal                                                                                    | 80          |       |
| Material Topic 4 Safety and Health Management                |        |                                                                                                               |             |       |
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|                                                              | 403-4  | Worker participation, consultation, and communication on occupational health and safety                       | 46-48       |       |
|                                                              | 403-5  | Worker training on occupational health and safety                                                             | 48-49       |       |
|                                                              | 403-6  | Promotion of worker health                                                                                    | 48-49       |       |
|                                                              | 403-7  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 46-48       |       |
|                                                              | 403-8  | Workers covered by an occupational health and safety management system                                        | 46          |       |
|                                                              | 403-9  | Work-related injuries                                                                                         | 46-47, 83   |       |
|                                                              | 403-10 | Work-related ill health                                                                                       | 83          |       |

# GRI INDEX

## GLOBAL REPORTING INITIATIVE

| Topic                                             | Number | Disclosure details                                                                                | Page number      | Notes                                                                                                                                                                                     |
|---------------------------------------------------|--------|---------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Topic 5 Working Environment              |        |                                                                                                   |                  |                                                                                                                                                                                           |
| GRI 3: Material Topics                            | 3-3    | Management of material topics                                                                     | 16, 53-56        |                                                                                                                                                                                           |
| GRI 202: Market Presence                          | 202-1  | Ratios of standard entry level wage by gender compared to local minimum wage                      | -                | There is no difference in wage according to gender.                                                                                                                                       |
| GRI 401: Employment                               | 401-1  | New employee hires and employee turnover                                                          | 82               |                                                                                                                                                                                           |
|                                                   | 401-2  | Benefits provided to full-time employees that are not provided to temporary or parttime employees | 53-56, 82        |                                                                                                                                                                                           |
|                                                   | 401-3  | Parental leave                                                                                    | 82               |                                                                                                                                                                                           |
| GRI 404: Training and Education                   | 404-1  | Average hours of training per year per employee                                                   | 60, 82           | There is no difference in average training hours according to gender. The statutory training is provided to contract employees, though average hours of job-specific training may differ. |
|                                                   | 404-2  | Programs for upgrading employee skills and transition assistance programs                         | 56, 58-60, 82-84 |                                                                                                                                                                                           |
|                                                   | 404-3  | Percentage of employees receiving regular performance and career development reviews              | 82               |                                                                                                                                                                                           |
| Material Topic 6 Ethics and Compliance Management |        |                                                                                                   |                  |                                                                                                                                                                                           |
| GRI 3: Material Topics                            | 3-3    | Management of material topics                                                                     | 16, 71-73        |                                                                                                                                                                                           |
| GRI 205: Anti-corruption                          | 205-1  | Operations assessed for risks related to corruption                                               | 71, 74           |                                                                                                                                                                                           |
|                                                   | 205-2  | Communication and training about anti-corruption policies and procedures                          | 71-73, 84, 86    |                                                                                                                                                                                           |
|                                                   | 205-3  | Confirmed incidents of corruption and actions taken                                               | 86               |                                                                                                                                                                                           |
| GRI 206: Anti-competitive Behavior                | 206-1  | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices                   | 86               |                                                                                                                                                                                           |
| Topic Standard                                    |        |                                                                                                   |                  |                                                                                                                                                                                           |
| GRI 201: Economic Performance                     | 201-2  | Financial implications and other risks and opportunities due to climate change                    | 32-34            |                                                                                                                                                                                           |
| GRI 203: Indirect Economic Impacts                | 203-1  | Infrastructure investments and services supported                                                 | 66               |                                                                                                                                                                                           |
|                                                   | 203-2  | Significant indirect economic impacts                                                             | 66               |                                                                                                                                                                                           |
| GRI 207: Tax                                      | 207-1  | Approach to tax                                                                                   | 76               |                                                                                                                                                                                           |
|                                                   | 207-2  | Tax governance, control, and risk management                                                      | 76               |                                                                                                                                                                                           |
|                                                   | 207-3  | Stakeholder engagement and management of concerns related to tax                                  | 76               |                                                                                                                                                                                           |

# GRI INDEX

## GLOBAL REPORTING INITIATIVE

| Topic                                    | Number | Disclosure details                                                                                                                        | Page number | Notes |
|------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------|
| GRI 301: Materials                       | 301-1  | Materials used by weight or volume                                                                                                        | 80          |       |
| GRI 302: Energy                          | 302-1  | Energy consumption within the organization                                                                                                | 35, 79      |       |
|                                          | 302-3  | Energy intensity                                                                                                                          | 35, 79      |       |
| GRI 303: Water and Effluents             | 303-2  | Management of water discharge-related impacts                                                                                             | 43, 79      |       |
|                                          | 303-3  | Water withdrawal                                                                                                                          | 79          |       |
|                                          | 303-4  | Water discharge                                                                                                                           | 79          |       |
|                                          | 303-5  | Water consumption                                                                                                                         | 79          |       |
| GRI 304: Biodiversity                    | 304-1  | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 36-37       |       |
|                                          | 304-2  | Significant impacts of activities, products, and services on biodiversity                                                                 | 36-37       |       |
| GRI 305: Emissions                       | 305-1  | Direct (Scope 1) GHG emissions                                                                                                            | 79          |       |
|                                          | 305-2  | Energy indirect (Scope 2) GHG emissions                                                                                                   | 79          |       |
|                                          | 305-4  | GHG emissions intensity                                                                                                                   | 79          |       |
|                                          | 305-7  | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions                                                           | 43, 79      |       |
| GRI 405: Diversity and Equal Opportunity | 405-1  | Diversity of governance bodies and employees                                                                                              | 81-82, 85   |       |
| GRI 406: Non-discrimination              | 406-1  | Incidents of discrimination and corrective actions taken                                                                                  | 51, 83      |       |
| GRI 413: Local Communities               | 413-1  | Operations with local community engagement, impact assessments, and development programs                                                  | 65-66       |       |
| GRI 414: Supplier Social Assessment      | 414-1  | New suppliers that were screened using social criteria                                                                                    | 64, 84      |       |
|                                          | 414-2  | Negative social impacts in the supply chain and actions taken                                                                             | 64          |       |
| GRI 418: Customer Privacy                | 418-1  | Substantiated complaints concerning breaches of customer privacy and losses of customer data                                              | 86          |       |

# TCFD

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

| TCFD recommendation       | Disclosures                                                                                                                                                    | Page number                                                |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Governance                | Description of the board’s oversight of climate-related risks and opportunities                                                                                | 32, 68-70                                                  |
|                           | Description of management’s role in assessing and managing climate-related risks and opportunities                                                             | 32, 68-70                                                  |
| Strategy                  | Description of the climate-related risks and opportunities the organization has identified over the short, medium, and long term                               | 32                                                         |
|                           | Description of the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning                        | 32-34                                                      |
|                           | Description of the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | 33-34                                                      |
| Risk management           | Description of the organization’s processes for identifying and assessing climate-related risks                                                                | 32-34, 75                                                  |
|                           | Description of the organization’s processes for managing climate-related risks                                                                                 | 32-34, 75                                                  |
|                           | Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management     | 32-34, 75                                                  |
| Indicators and objectives | Disclosure of the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process     | 79 (Refer to metrics on direct and indirect GHG emissions) |
|                           | Disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks                                               | 32-34, 79                                                  |
|                           | Description of the targets used by the organization to manage climate-related risks and opportunities and performance against targets                          | 32                                                         |



# SASB

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD

### FOOD & BEVERAGE SECTOR: FOOD RETAILERS & DISTRIBUTORS

| Category                         | SASB code    | Details                                                                                                                              | Page number                                                                             |
|----------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Fleet Fuel Management            | FB-FR-110a.1 | Fleet fuel consumed, percentage renewable                                                                                            | Unmeasurable (Outsourcing)                                                              |
| Air Emissions from Refrigeration | FB-FR-110b.1 | Gross global Scope 1 emissions from refrigerants                                                                                     | Unmeasurable                                                                            |
|                                  | FB-FR-110b.2 | Percentage of refrigerants consumed with zero ozone-depleting potential                                                              |                                                                                         |
|                                  | FB-FR-110b.3 | Average refrigerant discharge rate                                                                                                   |                                                                                         |
| Energy management                | FB-FR-130a.1 | (1) Operational energy consumed                                                                                                      | 79 (grid electricity usage is 283 TJs, approximately 98% of total energy usage 289 TJs) |
|                                  |              | (2) Percentage grid electricity                                                                                                      |                                                                                         |
|                                  |              | (3) percentage renewable                                                                                                             |                                                                                         |
| Food waste management            | FB-FR-150a.1 | Amount of food waste generated, percentage diverted from the waste stream process                                                    | 80 (2023 food waste recycling volume: 44 tons)                                          |
| Data security                    | FB-FR-230a.1 | (1) Number of data breaches                                                                                                          | 29 (0 cases)                                                                            |
|                                  |              | (2) Percentage involving personally identifiable information (PII)                                                                   |                                                                                         |
|                                  |              | (3) Number of customers affected                                                                                                     |                                                                                         |
| Food safety                      | FB-FR-230a.2 | Description of approach to identifying and addressing data security risks                                                            | 29, 86                                                                                  |
|                                  | FB-FR-250a.1 | High-risk food safety violation rate                                                                                                 | 20, 84                                                                                  |
|                                  | FB-FR-250a.2 | (1) Number of recalls                                                                                                                | 20 (0 cases)                                                                            |
|                                  |              | (2) Number of units recalled                                                                                                         |                                                                                         |
|                                  |              | (3) Percentage of units recalled that are private-label products4                                                                    |                                                                                         |
| Product Health & Nutrition       | FB-FR-260a.1 | Revenue from products labeled and/or marketed to promote health and nutrition attributes                                             | 40, 80                                                                                  |
|                                  | FB-FR-260a.2 | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | 19-21                                                                                   |

# SASB

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD

### FOOD & BEVERAGE SECTOR: FOOD RETAILERS & DISTRIBUTORS

| Category                                                         | SASB code    | Details                                                                                                              | Page number      |
|------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------|------------------|
| Product labeling and marketing                                   | FB-FR-270a.1 | Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes                    | 20, 86 (0 cases) |
|                                                                  | FB-FR-270a.2 | Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices | Not applicable   |
|                                                                  | FB-FR-270a.3 | (1) Revenue from products labeled as containing genetically modified organisms (GMOs)                                | Not applicable   |
|                                                                  |              | (2) Revenue from products labeled as containing non-GMOs                                                             |                  |
| Labor practices                                                  | FB-FR-310a.1 | Average hourly wage and percentage of in-store and distribution center employees earning minimum wage, by region     | Not applicable   |
|                                                                  | FB-FR-310a.2 | Percentage of active workforce covered under collective bargaining agreements                                        | 83(100%)         |
|                                                                  | FB-FR-310a.3 | Number of work stoppages and total days idle                                                                         | Not applicable   |
|                                                                  | FB-FR-310a.4 | Total amount of monetary losses as a result of legal proceedings associated with labor                               | Not applicable   |
| Management of Environmental & Social Impacts in the Supply Chain | FB-FR-430a.1 | Revenue from products third-party certified to environmental or social sustainability sourcing standard              | 40, 80           |
|                                                                  | FB-FR-430a.2 | Percentage of revenue from (1) eggs that originated from a cage-free environment                                     | 40               |
|                                                                  |              | And (2) pork produced without the use of gestation crates                                                            |                  |
|                                                                  | FB-FR-430a.3 | Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare    | 40, 63-64        |
|                                                                  | FB-FR-430a.4 | Discussion of strategies to reduce the environmental impact of packaging                                             | 38-39            |

# UN SDGs

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

| SDGs                                                                               |                                 | Key targets |                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------|---------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | Zero Hunger                     | 2.1         | Ending hunger and ensuring that all people have access to safe, nutritious, and sufficient food                                                                                                                                            |
|                                                                                    |                                 | 2.2         | Ending all forms of malnutrition, and addressing the nutritional needs of adolescent girls, pregnant and lactating women, and older persons                                                                                                |
|                                                                                    |                                 | 2.4         | Ensuring sustainable food production systems and implementing resilient agricultural practices                                                                                                                                             |
|    | Good Health and Well-being      | 3.4         | Reducing mortality from non-communicable diseases through prevention and treatment, and promoting mental health and well-being                                                                                                             |
|                                                                                    |                                 | 3.9         | Reducing the number of deaths and illnesses caused by hazardous chemicals, and pollution and contamination in the air, water, and soil                                                                                                     |
|                                                                                    |                                 | 3.d         | Strengthening the capacity for early warning, risk reduction, and management of health risks                                                                                                                                               |
|    | Quality Education               | 4.4         | Increasing the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship                                                                                                                        |
|                                                                                    |                                 | 4.7         | Ensuring that all learners acquire the knowledge and skills needed to promote sustainable development                                                                                                                                      |
|   | Gender Equality                 | 5.1         | Ending all forms of discrimination against all women and girls                                                                                                                                                                             |
|                                                                                    |                                 | 5.4         | Recognizing and valuing unpaid care and domestic work                                                                                                                                                                                      |
|                                                                                    |                                 | 5.5         | Ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making                                                                                                                  |
|  | Clean Water and Sanitation      | 6.3         | Improving water quality by reducing pollution, eliminating dumping, and minimizing the release of hazardous chemicals and materials, reducing the proportion of untreated wastewater and substantially increasing recycling and safe reuse |
|                                                                                    |                                 | 6.b         | Supporting and strengthening the participation of local communities in improving water and sanitation management                                                                                                                           |
|  | Affordable and Clean Energy     | 7.2         | Increasing the share of renewable energy                                                                                                                                                                                                   |
|  | Decent Work and Economic Growth | 8.2         | Achieving higher levels of economic productivity through diversification, technological upgrading, and innovation, including a focus on high-value-added sectors                                                                           |
|                                                                                    |                                 | 8.5         | Achieving full and productive employment and decent work, and equal pay for work of equal value                                                                                                                                            |
|                                                                                    |                                 | 8.7         | Eradicating forced labor and ending child labor                                                                                                                                                                                            |
|                                                                                    |                                 | 8.8         | Protecting labor rights and promoting safe and stable working environments for all workers                                                                                                                                                 |
|  | Reduced Inequalities            | 10.2        | Promoting the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status                                                                       |
|                                                                                    |                                 | 10.3        | Ensuring equal opportunity and reducing inequalities of outcome by eliminating discriminatory laws, policies, and practices                                                                                                                |

| SDGs                                                                                  |                                        | Key targets |                                                                                                                                                                            |
|---------------------------------------------------------------------------------------|----------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | Sustainable Cities and Communities     | 11.6        | Reducing the adverse per capita environmental impact of cities                                                                                                             |
|                                                                                       |                                        | 12.3        | Reducing per capita global food waste at the retail and consumer levels, and reducing food losses                                                                          |
|                                                                                       |                                        | 12.4        | Achieving the environmentally sound management of chemicals and all wastes, and significantly reducing their release to air, water and soil                                |
|    | Responsible Consumption and Production | 12.5        | Reducing waste generation through prevention, reduction, recycling, and reuse                                                                                              |
|                                                                                       |                                        | 12.6        | Encouraging companies to adopt sustainable practices and integrate sustainability information into their reporting cycle                                                   |
|                                                                                       |                                        | 12.8        | Ensuring that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature                              |
|                                                                                       |                                        | 13.1        | Strengthening resilience and adaptive capacity to climate-related hazards and natural disasters                                                                            |
|   | Climate Action                         | 13.2        | Integrating climate change measures into national policies, strategies, and planning                                                                                       |
|                                                                                       |                                        | 14.1        | Preventing and significantly reducing marine pollution of all kinds                                                                                                        |
|                                                                                       |                                        | 14.4        | Ending overfishing, illegal, unreported, and unregulated fishing, and destructive fishing practices and implementing science-based management plans to restore fish stocks |
|  | Life Below Water                       | 14.b        | Providing access for small-scale artisanal fishers to marine resources and markets                                                                                         |
|  | Life on Land                           | 15.3        | Restoring degraded land and soil, including land affected by desertification, drought, and floods                                                                          |
|                                                                                       |                                        | 16.5        | Reducing corruption and bribery                                                                                                                                            |
|                                                                                       |                                        | 16.6        | Developing effective, accountable, and transparent institutions                                                                                                            |
|  | Peace, Justice and Strong Institutions | 16.7        | Ensuring responsive, inclusive, participatory, and representative decision-making                                                                                          |
|                                                                                       |                                        | 16.b        | Promoting and enforcing non-discriminatory laws and policies for sustainable development                                                                                   |

# MEMBERSHIPS

KOREA FOODSERVICE  
DISTRIBUTORS ASSOCIATION



KOSDAQ LISTED  
COMPANIES ASSOCIATION



KOREA IMPORTERS  
ASSOCIATION



KOREA FOOD INDUSTRY  
ASSOCIATION



THE FEDERATION OF KOREAN  
INFORMATION INDUSTRIES



KOREA INTEGRATED LOGISTICS  
ASSOCIATION



KOREA INTERNATIONAL TRADE  
ASSOCIATION



KOREA CHAMBER OF  
COMMERCE AND INDUSTRY

# GHG VERIFICATION STATEMENT

## CJ FRESHWAY CO., LTD.

32, GIGOK-RO, GIHEUNG-GU, YONGIN-SI, GYEONGGI-DO, REPUBLIC OF KOREA

### 1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's
- GHG emissions or removals estimates

### 2. Verification Scope

Korean Standards Association conducted limited guarantee level verification for Scope1 and Scope2 for CJ Freshway Co., Ltd.'s Greenhouse Gas declaration.

- Reporting Target : CJ Freshway Co., Ltd. Head Office, Regional office, R&D Center, Logistics Center, CK Center
- Boundary : Scope1(Direct emissions), Scope2(Indirect emissions)
- Scope1 : Stationary combustion, Mobile combustion
- Scope2 : Externally purchased power and heat
- Year : January 1, 2023 to December 31, 2023

### 3. Verification Criteria and Guidelines

Korean Standards Association conducted verification according to international standards and the standards and guidelines of the National Institute of Environmental Research.

- KS I ISO 14064-1:2018, KS I ISO 14064-3:2019
- Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment)
- Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment)
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- WRI(World Resources Institute) Greenhouse Gas Protocol

### 4. Level of assurance verification and Responsibility

Korean Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to CJ Freshway Co., Ltd. Head Office
- Method of confirmation :
  - Interview with greenhouse gas emissions manager and field staff
  - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
  - Tracking review of internal documents and basic data

CJ Freshway Co., Ltd. should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

### 5. Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

### 6. Verification Conclusion

No errors or false facts were found in CJ Freshway Co., Ltd.'s GHG emissions verified through the ISO 14064-3 verification procedure within the scope of verification.

#### Appendix. GHG emissions and Energy consumption

| Division         | GHG Emissions(tCO <sub>2</sub> eq) |            |          | Energy Consumption(TJ) |
|------------------|------------------------------------|------------|----------|------------------------|
|                  | Scope1                             | Scope2     | Subtotal |                        |
| Head Office      | 130.438                            | 692.592    | 823      | 17                     |
| Regional Office  | -                                  | 23.482     | 23       | -                      |
| R&D Center       | 1.453                              | 31.601     | 33       | -                      |
| Logistics Center | 40.121                             | 11,826.549 | 11,866   | 247                    |
| CK Center        | 208.886                            | 1,046.238  | 1,255    | 25                     |
| Total            | 380.898                            | 13,620.462 | 14,000   | 289                    |

\* Note : The final greenhouse gas emission was cut below the decimal point and expressed in integer units.

May 10, 2024



# INDEPENDENT ASSURANCE STATEMENT



## INDEPENDENT ASSURANCE STATEMENT

[PRJN-744048-2024-AST-KOR]

DNV Business Assurance Korea, Ltd. ('DNV') has been commissioned by CJ Freshway Co., Ltd. (hereafter referred to as "CJ Freshway" or 'the Company') to undertake an independent limited assurance on the CJ Freshway Sustainability Report 2023 (hereafter referred to as 'the Report') for the calendar year ending 31 December 2023. The intended users of this assurance statement are the management and stakeholders of CJ Freshway.

### Standards of Assurance

This assurance engagement has been carried out in Type 2 limited assurance in accordance with AccountAbility's AA1000 Assurance Standard v3 and DNV's VeriSustain protocol V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. DNV has reviewed the Report's adherence to the four principles of AA1000 AccountAbility Principles Standard (2018) and the accuracy, completeness, and neutrality principles of VeriSustain. In addition, DNV has reviewed the 'reliability of specified sustainability performance information' as described in 'Scope of Assurance'.

DNV's Verisustain protocol requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited or/and reasonable assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than, those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on CJ Freshway website for the current reporting period.

### Scope of Assurance

We have carried out an independent limited assurance on the Report and an independent verification for selected performance indicators for the year ending 31 December 2023, which include the following:

- We have reviewed the following GRI Topic Disclosures relevant to the Material Topics which have been identified as material through the materiality assessment undertaken by CJ Freshway.
- Regarding the 'reliability of specified sustainability performance information', we have reviewed the quality and reliability of Product Safety Accidents (416-2), Number of Participants in Information Protection Training (404-2), Welfare Expenses (401-2).

### Opinion, observations and recommendation

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not adhere to the four principles of AA1000 APS and the accuracy, completeness, and neutrality principles of VeriSustain described below. In terms of reliability of specified sustainability performance information, 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. Nothing came to our attention to cause us to believe that CJ Freshway's Report is not prepared, in all material respects, in accordance with the GRI Standards.

Without affecting our assurance opinion, we provide the following observations against the principles of AA1000 APS and VeriSustain applicable to the relevant information described in the 'Scope of Assurance':

#### Inclusivity: Stakeholder participation and opinion

CJ Freshway defines executives and employees, customers, suppliers, shareholders and investors, and local communities as major stakeholders and reports major issues of interest by stakeholder type. The Company operates a variety of communication channels in order to promote participation from stakeholders in its overall business management. The channels include intranet, survey, online reporting system, and shareholder's meeting and press releases.

#### Materiality: Identifying and reporting on material sustainability topics

CJ Freshway has conducted a dual materiality assessment to prioritize and report on 6 key topics that require an intensive management from a financial perspective and a social and environmental impact perspective. In this process, the Company has reviewed its business activities and ESG management, conducting media research, analyzing peer group and ESG standards, receiving feed-back from investors, and checking the issues dealt with in the meeting of board of directors. DNV has confirmed that the material topics and their connections to the UN SDGs, in the broader context of sustainable development, have been addressed in the Report.

#### Responsiveness: Transparent response to critical sustainability topics and related impacts

CJ Freshway identifies key ESG management areas and their related topics and projects based on materiality assessment and establishes related activities. With regard to ESG strategy implementation, the Company reports on key strategies, activities, performance result (2023), and targets. It also discloses interconnectedness to material topics, hence responding to material sustainability topics and their impacts.

#### Impact: Monitoring, measuring and accounting for the impact of organizational activities on the organization and its stakeholders

CJ Freshway reports on identified key areas and related topics/impacts and action plans to mitigate negative impacts across the value chain, and measures, evaluates and monitors impacts through appropriate performance indicators. In particular, ISO 14001 and ISO 45001 are applied in managing environment and safety issues for its main office and Logistics Centers. With regard to its suppliers, self-assessments against supplier code of conduct are implemented for key suppliers which account for top 30% of purchase. It is DNV's recommendation to manage its impact on stakeholders in more systemic way by establishing specified and quantitative mid- and long-term goals.

1) International Auditing and Assurance Standard Board

2) International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised)

# INDEPENDENT ASSURANCE STATEMENT



**Reliability:** Accuracy and comparability of information presented in the report and the quality of underlying data management systems

The data collection and processing process, supporting documents and records were verified through sampling techniques, and based on the result, no intentional errors or misstatements were found in the sustainability performance information described in the report. CJ Freshway can explain the source and meaning of sustainability performance using reliable methods and data, and any errors or unclear expressions found during the verification process were corrected before the publication of the Report.

**Completeness:** How much of all the information that has been identified as material to the organization and its stakeholders is reported

CJ Freshway reports on the Company's key non-financial disclosures based on its performance related to material topics during the reporting period of 2023 using appropriate GRI Topic Standard disclosures, for the identified boundaries of operations.

**Neutrality:** Extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone

CJ Freshway discloses the Company's performance, challenges, and stakeholder concerns during the reporting period in a neutral, consistent, and balanced manner.

## Our competence, independence and quality control

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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. We have no other contract with CJ Freshway.

Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences.

## Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement. We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

## Responsibilities of the Directors of CJ Freshway and of the assurance providers

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information and ensuring that data is free from material misstatement.

DNV's responsibility is to plan and perform the work to obtain assurance about whether the relevant information described in the 'Scope of Assurance' has been prepared in accordance with the reporting requirements and to report to CJ Freshway in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

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 Independent Assurance Statement.

## Basis of our Opinion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of CJ Freshway. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the

Company's business and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Peer and media review to identify relevant sustainability issues for CJ Freshway in the reporting period;
- Review of the disclosures according to reporting requirements with a focus on the process and the result of materiality assessment, Topic Standards Disclosures and relevant management processes;
- Understanding of the key systems, processes and controls for consolidating, collecting, managing and reporting disclosures and KPIs in the Report;
- Review documentary evidence and management representations supporting adherence to the reporting principles and requirements, with a focus on understanding and testing, on a sample basis, key data sets
- On-site visit at the CJ Freshway's Head Office in Seoul, Republic of Korea to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy and carried out sample based assessment of site-specific data disclosures.
- Conduct interviews with representatives from the ESG team and relevant departments with overall responsibility of monitoring, data consolidation and reporting of the selected information;

For and on behalf of DNV Business Assurance Korea Ltd.  
Seoul, Republic of Korea  
3 June 2024

Chang Rok Yun  
Lead Verifier

Sang Rye Chang  
Verifier

Jae Hee Kim  
Reviewer

