CJ LOGISTICS SUSTAINABILITY REPORT 2021

CJ LOGISTICS SUSTAINABILITY REPORT 2021

ESG

CJ LOGISTICS

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SUSTAINABILITY REPORT
2021

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ABOUT THIS REPORT

SUMMARY

This report is 5th Sustainability Report CJ Logistics has been publishing, and we have contained efforts and achievements in environmental, social, and governance aspects throughout 2021. The 2021 Sustainability Report is organized according to the ESG structure to actively respond to environmental, social, and governance. We will continue to actively communicate with stakeholders through Sustainability Report every year.

REPORTING PERIOD AND SCOPE

This report shows the key ESG performances during the period from January 1, 2021 to December 31, 2021. It includes quantitative performance data from the most recent three years (2019-2021) or more to help identify trends, and some data report only core data for 2021. The reporting covers all work sites of CJ Logistics in Korea and includes some overseas work sites.

REPORTING PERIOD AND SCOPE

This report has been prepared in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards, which is a standard for international reporting of sustainable management. In addition, it is considered an industry standard which is Sustainability Accounting Standards Board (SASB) to select the key issues appropriate for industry characteristics and reflected recommendations from Task Force on Climate-related Financial Disclosure (TCFD). For financial data, it is reported on a consolidated financial statement basis in accordance with Korean International Financial Reporting Standards (IFRS).

REPORTING VALIDATION

The accuracy and reliability of report writing process and data in this report has been secured through validation by a third-party independent institution. Please refer to p.79-80 for validation results.

CONTACT INFORMATION

This report is available to read or download on the CJ Logistics Website. If you have additional information concerning the report, please contact us at the following contact information We look forward to hearing from all our stakeholders.

CJ LOGISTICS

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COVER STORY

The color of CJ Logistics actively utilizes the group's blossom color. CJ Blue, which symbolizes convenience, CJ Red, which symbolizes health, and CJ Yellow, which symbolizes pleasure, each reflects healthy brand spirit of providing convenience to customers with smart logistics services and delivering customers' precious assets safely and accurately and reflects the familiarity of delivering daily pleasures. It is expressed in a form of gradation that harmonizes the three colors of CJ Logistics and is a design that contains a will to create a society that leads to a better future by emphasizing ESG management to create a society that lives together.

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"WE WILL BECOME A GLOBAL SCM SOLUTION PROVIDER THAT CREATES THE VALUE OF SUSTAINABLE VIRTUOUS CYCLE THROUGH ESG INNOVATIVE GROWTH."

SHIN HO KANG, CJ Logistics CEO

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CEO MESSAGE

GREETINGS, RESPECTED STAKEHOLDERS, I AM SIN HO KANG, CEO OF CJ LOGISTICS

I would like to express my sincere gratitude to all stakeholders for their unstinting encouragement and support for CJ Logistics.

Through this sustainability report, CJ Logistics intends to communicate with stakeholders, reviewing environmental, social, and governance activities and performance over the past year and suggesting directions for sustainable management.

In 2021, the global economy showed some sign of recovery due to each country's fiscal expansion policies and major countries' lifting of lockdown measures and reopening but uncertainties such as the spread of the Omicron variant and the continuation of global supply chain shocks remain.

In addition, it was also a year in which the paradigm of the logistics industry changed, such as increasing the importance of logistics and changing the logistics industry into a high-tech one as the demand for contactless services and online commerce increased due to COVID-19.

It is time for all of us to gather wisdom and work together to overcome the global crisis such as the pandemic and its economic and social aftermath, the frequent occurrence of large-scale natural disasters and extreme weather events including heat waves, extreme cold, floods, and droughts, which are presumed to be the main causes of the continued destruction of the ecosystem and environmental pollution, etc., and build a sustainable society.

CJ Logistics established the ESG committee within the board of directors last year to strengthen the ESG management system and is making efforts to practice eco-friendly logistics throughout the entire transportation process by introducing eco-friendly packaging and systems and converting vehicles to electric/hydrogen trucks by 2030.

In addition, we obtained ISO37301 (Compliance Management System) certification for stakeholder value creation and will continue to build and upgrade an advanced management system in line with ESG-related regulations and expansion of investment.

In addition, we will continue to create new ideas in core technology fields through open innovation and focus our efforts on win-win growth with startups and on the establishment of mutual cooperation ecosystem.

Dear stakeholders, CJ Logistics seeks to pursue innovative growth by securing cutting-edge technology for future growth, building infrastructure that can provide the best value to customers, and securing top talent who can interpret trends and lead change.

CJ Logistics will continue to communicate more actively with all stakeholders including shareholders and customers and listen to their opinions in order to become a global comprehensive logistics company.

We would like to ask for your support and interest in CJ Logistics' efforts and challenges for sustainable management.

Thank you

CJ Logistics CEO
SHIN HO KANG

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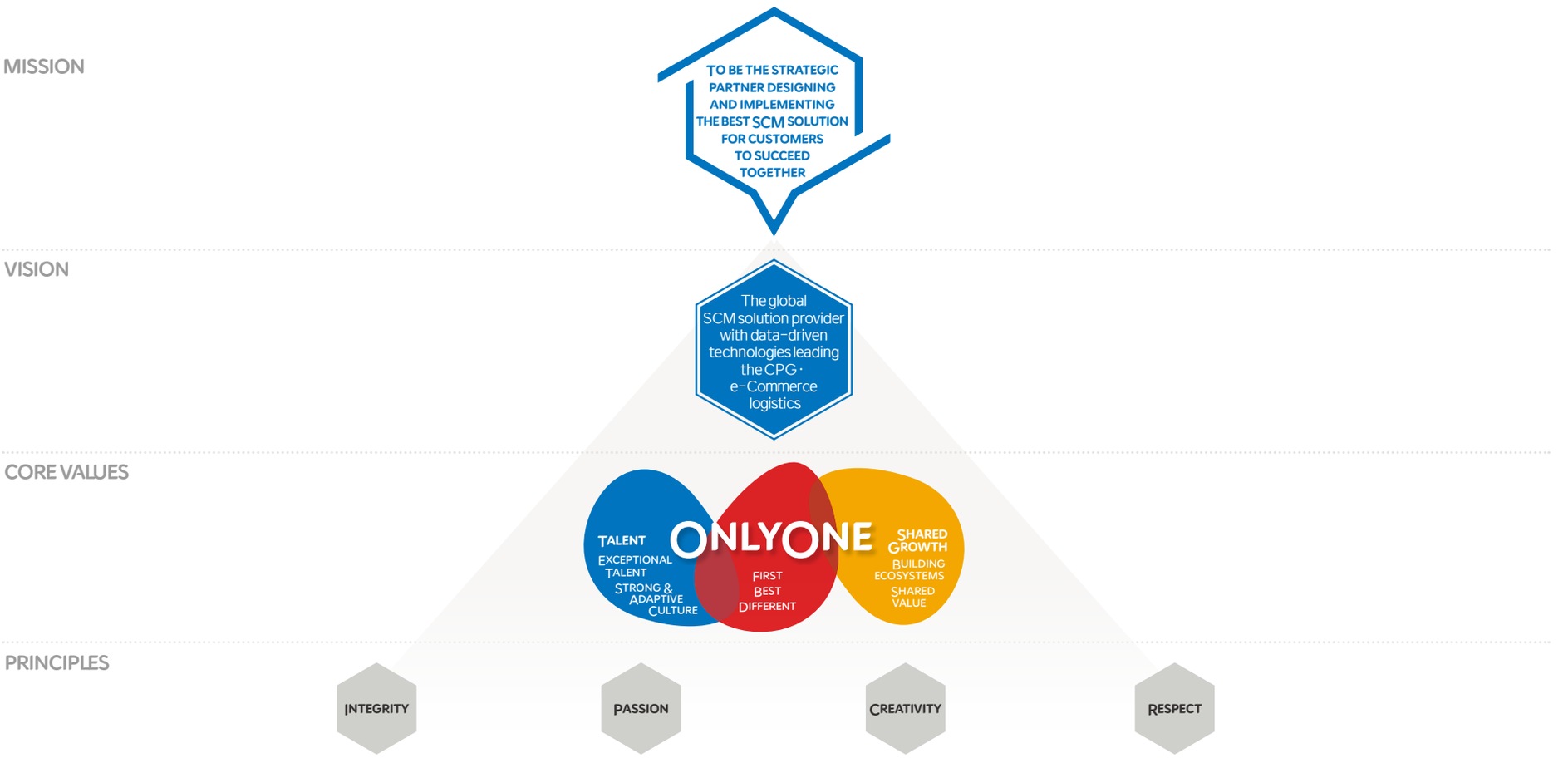
CJ LOGISTICS MANAGEMENT PHILOSOPHY



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BUSINESS INTRODUCTION

BUSINESS OVERVIEW

CJ Logistics has become the strong in the logistics market that provides differentiated logistics services based on the core capabilities of cutting-edge logistics technology for TES (Technology, Engineering, Systems & Solutions) and logistics network. We will continue to make crises as an opportunity through innovative logistics solutions, strengthen our business competitiveness, and grow into a sustainable global logistics company that leads the future growth of our logistics business.

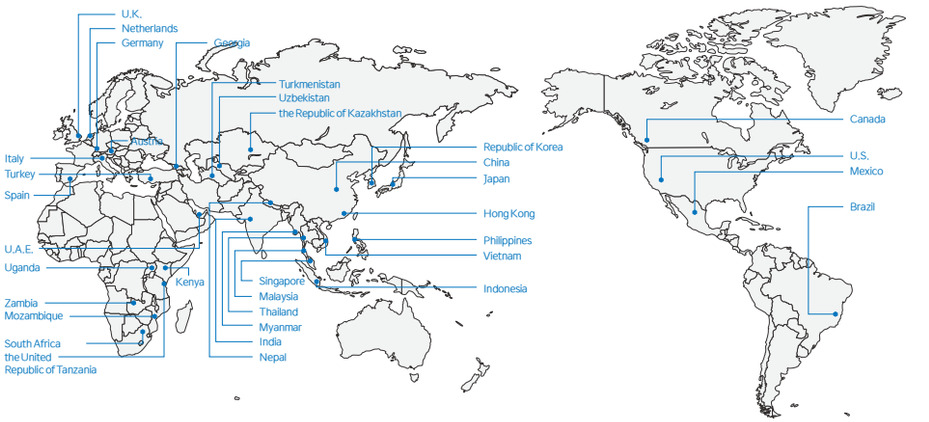
(As of December 31, 2021)

Company Name	CJ Logistics Co., Ltd.
CEO	Sin Ho Kang
Incorporation Date	November 15, 1930
HQ Address	CJ Logistics B/D, 53, Sejongdae-ro 9-gil, Jung-gu, Seoul
Business Area	CJ Business, Parcel Business, Global Business, E&C
Employees	6,351 persons
Total Assets (Consolidated)	KRW 8,993.9 billion
Total Equity (Consolidated)	KRW 4.164 trillion
Sales (Consolidated)	KRW 11,343.7 billion
Operating Income (Consolidated)	KRW 343.9 billion
Credit rating	NICE Rating A1, Korea Ratings A1, Korea Investors Service A1

* Information other than financial performance is based on a separate standard

GLOBAL NETWORK

CJ Logistics is realizing its one-stop logistics solution by establishing a logistics network that connects the world as one. Based on our leading logistics infrastructure and technology, we will continue to solidify our global business base and grow into a global comprehensive logistics company by strengthening our business capabilities and expanding support in each country.



ENTERED COUNTRIES	ENTERED CITIES	OVERSEAS BASE
35	160	249

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MAIN BUSINESS OVERVIEW

CJ Logistics has mainly engaged in parcel, contract logistics, forwarding & international express, project logistics, stevedoring and transportation, and construction businesses and recently launched its own convergence "CJ Logistics e-Fulfillment" service by using nationwide courier networks and fulfillment capabilities to cope with the rapidly growing e-commerce market. Based on cutting-edge logistics technology of TES and a wide global logistics network, we are continuing to provide CJ Logistics' differentiated one-stop logistics solution.

1 E-COMMERCE

LINK

CJ Logistics offers the best one-stop logistics services from storage, inventory management, shipping, and customer delivery based on automated logistics facilities and systems optimized for e-commerce environments.

2 PARCEL

LINK

CJ Logistics is providing safe and fast service from collecting to delivering of customers' products based on incomparable infrastructure, delivery network density, and cutting-edge logistics technology.

3 CONTRACT LOGISTICS

LINK

CJ Logistics is taking advantage of its dominant role in the parcel industry by making use of world leading infrastructure and cutting edge technology.

4 FORWARDING & INTERNATIONAL EXPRESS

LINK

CJ Logistics provides international express services specialized for global e-commerce along with comprehensive logistics services such as air and sea transportation, customs clearance and storage of import and export cargo.

5 STEVEDORING & TRANSPORTATION

LINK

CJ Logistics provides customized services through solutions of cargo characterization based on Korea's largest logistics infrastructure and know-how by industry.

6 PROJECT LOGISTICS

LINK

CJ Logistics designs and provides the best logistics processes for its customers, from air/offshore transportation to customs clearance, transportation, and installation, from project cargo such as ultra-heavy bulk and special cargo.

7 E&C

LINK

CJ Logistics offers the best spatial value to customers through introduction of advanced technology & services and continuously innovation based on differentiated technologies and advanced business management capabilities.

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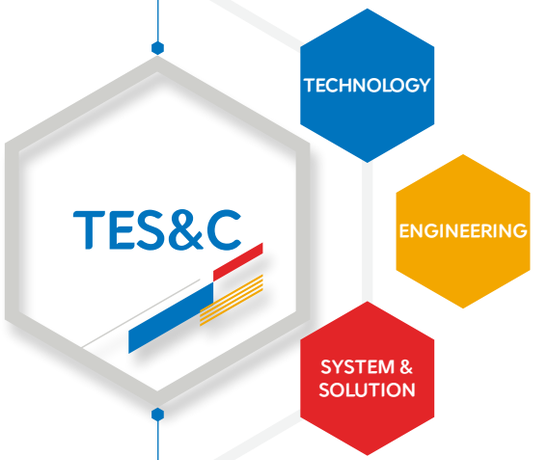
CREATING NEW FUTURE GROWTH ENGINES

TES Logistics Technology Research Center is a specialized organization that researches cutting-edge logistics innovation technologies/solutions of CJ Logistics and offers the best logistics services to customers.

LEADING LOGISTICS 4.0



ROBOT WORKS LIKE A HUMAN

1. Unmanned logistics through robots and automation
2. Implementation of smart logistics based on cutting-edge technology to maximize logistics operation efficiency

SEEING THE FUTURE WITH DATA

1. Predictive logistics through optimization, big data, and simulation
2. Optimal operating model design and support for fast and accurate decision making

THE SYSTEM LEADS PEOPLE

1. Intelligent logistics through IoT and AI
2. Providing industry-specific logistics systems and customized IT services

PLANS TO STRENGTHEN DIGITAL TRANSFORMATION AND R&D

PLATFORM
Digital Territory Expansion

SUSTAINABILITY
New sustainable business/technology

With DATA-based technology capabilities Global SCM solution company leading the CPG & e-Commerce logistics market

DATA, INFRASTRUCTURE-BASED BUSINESS INNOVATION GROWTH

ACHIEVING STRUCTURAL COMPETITIVENESS BY INVESTING IN FUTURE TANGIBLE/INTANGIBLE ASSETS

PARCEL DELIVERY
Flexible Capacity Base
Maximize profitability

E-COMMERCE
Utilize Fulfillment Create new growth engines

CL
B2B2C On Demand

ADVANCEMENT OF TES COMPETENCY
Picking/packing/unloading automation, Digital Twin, AI/Big Data, Digital Platform, Logistics Operation System

OPEN INNOVATION
ACTIVE DISCOVERY OF FUTURE GROWTH ENGINES

TRANSPORT PLATFORM	AUTONOMOUS DRIVING	BIG DATA	ECO-FRIENDLY LOGISTICS TECHNOLOGY

TES

- Full-scale diffusion and further advancement of existing verification technologies (transport/packaging) such as AGV*, smart packaging, and depalletizer
- Continuous exploration and securing of future technologies in Piece-Picking and unloading automation area

* AGV : a mobile robotic vehicle that follows fixed path

TES

- Establishment of 'Dynamic Pricing' system for each customer group
- Implementation of digital twin for constant optimization of hub and network

TES

- Creating a data-based operating system and establishing a standard platform for equipment control
- Upgrade e-Commerce/Parcel delivery/CL system to support core business

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CJ Logistics goes beyond simply adapting to the changing environment to become not just a global leader but also an innovative tech company by creating cutting-edge technologies for future growth through continuous investment as well as robot, AI, and data-based TES capabilities.

IN-HOUSE DEVELOPMENT IN CHARGE OF INFORMATION STRATEGY AT TES LOGISTICS TECHNOLOGY RESEARCH CENTER

- Building multi-Robot/equipment integrated control standard platform (WCS 2.0)
  → Expanded application to automated distribution centers nationwide
- Monitoring of all automated processes in the logistics center and integrated control
  → Dramatic increase in operating efficiency
- Management system and automation through interface standardization and improved equipment compatibility
  → Accelerating digital transformation

ESTABLISHMENT OF DIGITALLY ADVANCED VIRTUAL LOGISTICS WAREHOUSE

- Phased implementation of industry's first artificial intelligence (AI) and algorithm combined digital twin technology
  ※ Phase 1 (Monitoring and reproduction in 2021), Phase 2 (Analysis and simulation in 2022) Phase 3 (Control in 2023)
- Advancement of fulfillment center simulation and building new LMD network digital twin
  → In the future it is expected to be a driving force to radically change the logistics operation method of CJ Logistics

U.S. COMMERCIALIZATION OF CUTTING-EDGE AUTOMATION ROBOT TECHNOLOGY

- Automated robot technology such as AMR and EPT is tested at a US logistics center
  → Commercialization of global logistics automation
- AMR (Autonomous transport robot) is expected to improve productivity through distribution center application by 2022 (more than 22%)
  → Leading global logistics automation by introducing cutting-edge innovative technologies such as IT and robots

ABOUT 39 BILLION KRW IN PARCEL DELIVERY IT SYSTEM INVESTMENT AND DEVELOPMENT

- R&D with CJ Olive-Networks and SK C&C
  → Improvement of IT system throughout the parcel delivery business
- Build private cloud-based IT infrastructure
  → Reinforcement of flexible information processing system
- Information analysis system and mobile using AI and big data Enhanced support services
  → Securing cutting-edge technology for future growth through continuous investment and leading the modernization of the parcel delivery industry

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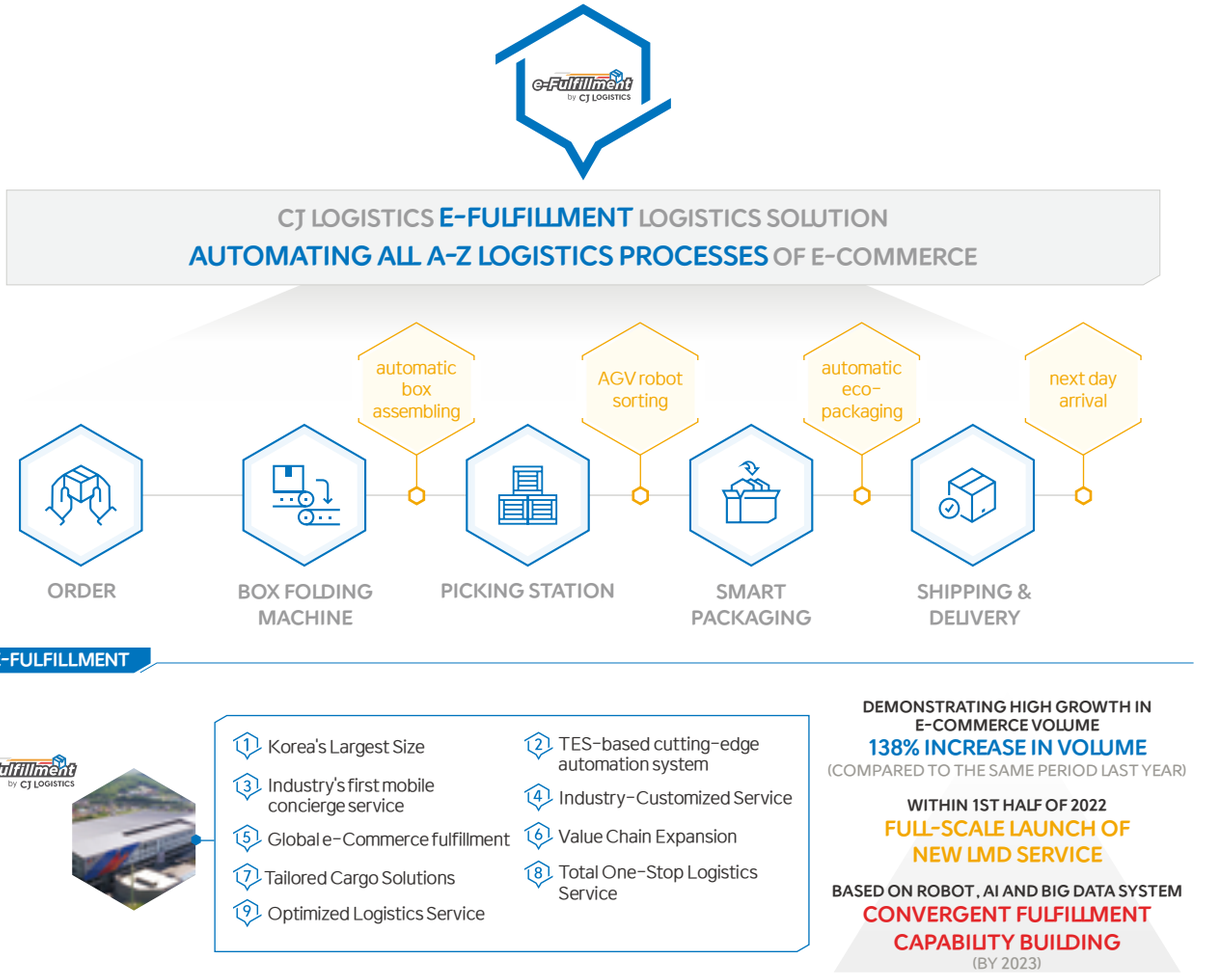
STRENGTHEN LOGISTICS INNOVATION & COMPETITIVENESS

The innovation of e-Commerce logistics, CJ Logistics' tailored service, which is e-fulfillment service provides the authentic one-stop logistics solution, adding value to customers' business and allowing them to experience services more than logistics.



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E&C BUSINESS OVERVIEW

Construction of Asia's largest logistics center based on specialized technology

A large number of high-tech logistics facilities construction experience, providing differentiated services from business planning to construction

MAJOR PERFORMANCE

Metropolitan Mega Hub Terminal, Pyeongtaek Poseung Logistics, Osulloc Green Tea Plant, Amore-Pacific Beauty Plant

Construction of Korea's largest food bio convergence R&D center, realization of comfortable research facility space

Expansion of construction area by strengthening technology and customer management

MAJOR PERFORMANCE

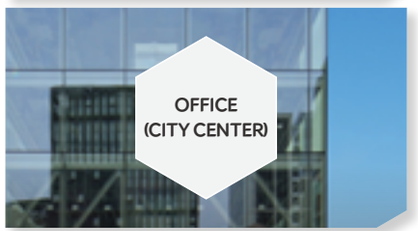
JW Innosquare, RFHIC Gwacheon Office Building, Samjin Pharmaceutical Central Research Center

Securing the top 3 position based on technology such as structural reinforcement

Enhance customer asset value by minimizing investment cost, maintaining/increasing floor area ratio, shortening construction period, and increasing rental income

MAJOR PERFORMANCE

Dongtan Center Point Mall, Jeongan Building, Seolhaewon Clubhouse, KT&G Sangsangmadang Busan



Concentrate sales force in major downtown areas based on specialized technology and civil complaint response capabilities

No accidents, optimal cost, and minimal construction period by strengthening core technology and systematizing civil complaints

MAJOR PERFORMANCE

Musinsa office building, Gavia consortium Gwacheon office building, Vwontech & Somansa office building, Rsupport office building

OUR INNOVATION

We will do our best to minimize the impact on safety and environment, improve productivity and stability, and provide an efficient and convenient Total-Solution for customers through smart construction technology innovation.

LOGISTICS FACILITY	① PC, RC concrete quantity review	② Field management using drones
REMODELING	① Reverse engineering using 3D scanner	② Demolition/extension simulation
R&D FACILITIES	① Atypical BIM interference review	② BIM-based special space MEP review

〈BIM/VR: Pre-construction indirect experience to Error prevention〉 Sangsang Madang Busan remodeling site

〈Drone: wide land site 3D drone scanning, drone measurement〉Earthworks site at Yeongam solar power plant

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EXTERNAL RECOGNITION OF SUSTAINABLE MANAGEMENT

KCGS A RATING

MSCI BBB RATING

SUSTAINALYTICS LOW RISK RATING

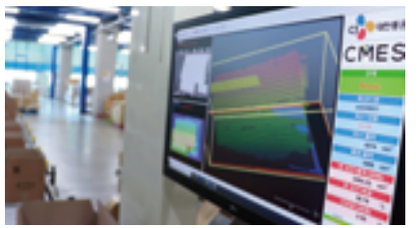
Sustainability Yearbook Member 2021 S&P Global REGISTERED DJSI YEARBOOK

ESG HIGHLIGHTS

ENVIRONMENT

INTRODUCTION TO ECO-FRIENDLY SMART PACKAGING SOLUTION

CJ Logistics has cooperated with global network marketing company, Atomy, and has reduced plastic by about 230 tons over a year by adopting eco-friendly Smart Packaging Solution to reduce excessive packaging materials. The solution recommends a suitable box size, measures the empty space in the box, and puts in an appropriate amount of the required amount. We plan to develop and expand environmentally friendly solutions from packaging to delivery through the introduction of advanced solutions.



Smart Packaging Solutions

CONVERSION TO ECO-FRIENDLY ELECTRIC AND HYDROGEN VEHICLES

CJ Logistics plans to fully participate in the Korean-style pollution-free vehicle conversion 100 (K-EV100*) campaign in February 2021 and convert a total of 1,600 parcel delivery vehicles, including trucks and passenger cars for business to electric and hydrogen vehicles by 2030. In addition, two hydrogen trucks are also piloting except electric trucks in 2021, and we are working with SK Energy to expand the charging infrastructure for electric and hydrogen vehicles.

* K-EV100 : Campaign to publicly declare and implement the conversion of owned and leased vehicles to electric and hydrogen vehicles by 2030

Electric Vehicle

US GREEN SUPPLY CHAIN PARTNER SELECTION

CJ Logistics America, an integrated corporation of CJ Logistics, was selected as the 2021 Green Supply Chain Partner selected by the U.S. logistics magazine Inbound Logistics. Inbound Logistics established a sustainable global supply chain every year and selected 75 exemplary companies that practice social and eco-logistics operations and gave them the "Green Supply Chain Partner" name. CJ Logistics America has been highly praised for its independent metrics and performance management of six categories: electricity, natural gas, propane, water, recycling, and waste, measuring and managing energy usage across the U.S. and building an optimized network with customers.

CJ Logistics America

FORMATION OF A PRIVATE CONSULTATIVE BODY FOR CARBON ZERO

Together with LocknLock and A Twosome Place, CJ Logistics has formed a 'private group for carbon reduction,' and is actively engaging in carbon emission reduction activities by promoting the plastic waste upcycling business. We are promoting plastic emission minimization and resource utilization efficiency through an eco-friendly project to collect disposable cups from Twosome Place and upcycle them with padded scarves and waste plastics from LocknLock.

Upcycling

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REFORMATION OF INNOVATIVE ORGANIZATIONAL CULTURE AND PERSONNEL SYSTEM

CJ Logistics are promoting 'Metaverse Empathy Talk with CEO' once a month so that the company can respond quickly to rapidly changing industrial trends and form a broad consensus with MZ generation, which will lead to innovative technology companies. In addition, various organizational culture innovation programs are operated to eliminate the barriers between generations, departments and positions and strengthen horizontal communication. We provide the various opportunities, fair competition, and exceptional rewards to link individual and organizational growth for securing top talent.

Meta-bus Empathy Talk with CEO

STRENGTHENING THE SAFETY MANAGEMENT SYSTEM

CJ Logistics has expanded and reorganized the existing safety environment team in charge of safety environment into a Safety Management Office to build a global level of safety management system and standardization of safety management operation system, and continuously strengthen capabilities. And we are taking the lead in creating a corporate culture that puts safety first by signing a 'technical advisory and win-win cooperation MOU' with the Korea Technology Society in December 2021 for exchanging technical information and improving safety capabilities to strengthen the safety management system.

Signed MOU for technical advice and mutual cooperation

GOVERNANCE

ACQUIRED INTERNATIONAL STANDARD CERTIFICATION FOR 'COMPLIANCE MANAGEMENT'

CJ Logistics expanded and reorganized the compliance organization in 2019, starting with the establishment of a compliance organization in 2016 for transparent corporate compliance. Since then, many efforts have been made, such as holding the Compliance Management Committee every year and conducting regular training and inspections. In recognition of its efforts, CJ Logistics acquired the 'ISO37301 (Compliance Management System)' certification from Lloyd's Register, a global certification body, for the first time among domestic logistics companies.

Acquired ISO37301 certification

ESG COMMITTEE ESTABLISHED

To fully engage in ESG management, CJ Logistics appointed Independent Director Yim Jong-Yong (former Financial Services Chairman) as the ESG Committee Chairman in May 2021, and appointed CEO and Shin Young-Soo (Head of the parcel delivery division) and 4 independent directors to set up the ESG Committee within the BOD. Starting with the establishment of the ESG Committee, which is responsible for establishing and managing management strategies and directions for the environment, society, and corporate governance, we plan to establish an ESG working-level organization to enhance ESG management execution capabilities.

ESG committee

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IMPORTANCE OF THE ISSUE

Companies are accelerating their business activities to solve various environmental problems, such as the increase in waste due to the rapid spread of COVID-19, and climate change that is getting worse day by day. In particular, as the management of direct and indirect carbon emissions from companies is strengthened, there is a need to reduce environmental impact in terms of logistics and delivery. Achieving an eco-friendly company is essential as a future growth engine. Accordingly, CJ Logistics is making efforts to preemptively respond in order to practice as an eco-friendly logistics company.

CJ LOGISTICS' DIRECTION FOR RESPONSE

- Environmental Management System
- Establishment of Climate Change Response Strategy
- Reduce Environmental Impact

PLAN & GOAL

- Mid-to Long-term Greenhouse Gas Strategy- Achieve Energy Reduction Goals - Create an Eco-friendly Business Environment
- Creating an Eco-friendly Business Environment

2021 HIGHLIGHTS OF CJ LOGISTICS

KRW 4,421 MILLION
ENVIRONMENTAL PROTECTION EXPENDITURE AND INVESTMENT

44 VEHICLES
CUMULATIVE NUMBER OF ELECTRIC VEHICLES OWNED

ACCQUIRED THE HGHEST GRADE
ACQUIRED UN INTERNATIONAL ECO-FRIENDLY STANDARD 'GRP' CERTIFICATION

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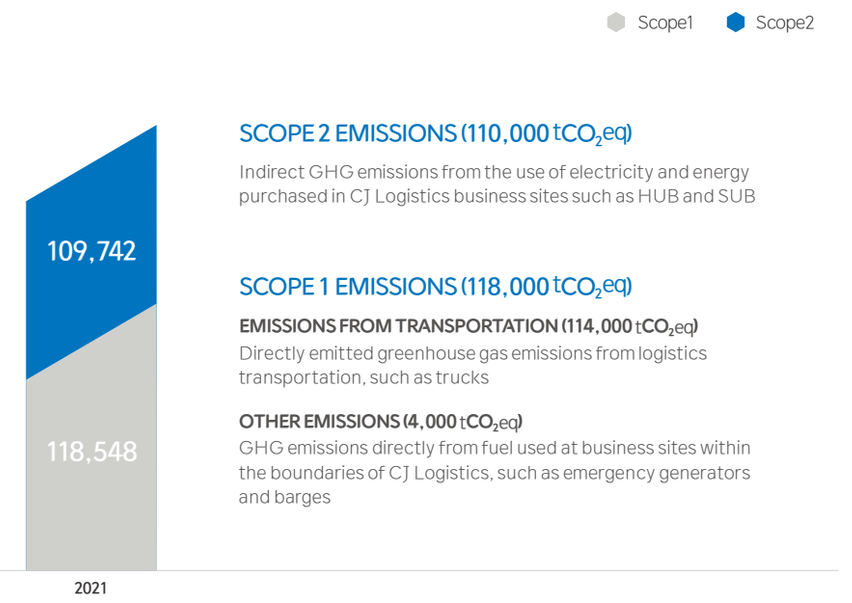
CLIMATE CHANGE ANALYSIS REPORT

IDENTIFY THE CURRENT STATUS TO RESPOND TO CLIMATE CHANGE

Climate change, along with natural disasters such as droughts, heat waves, and floods, has a significant impact on corporate management activities. Accordingly, in order to respond to climate change, CJ Logistics analyzed the current Scope 1 and 2, and calculated the Scope 3 emissions for the first time to manage emissions in the supply chain in which requirement has recently been strengthened. CJ Logistics intends to establish and manage climate change response strategies and carbon reduction measures based on the analysis of the emission status.

SCOPE 1, 2 EMISSION ANALYSIS

CJ Logistics' domestic carbon emission in 2021 is about 228,000 tCO2eq. Due to the characteristics of a logistics company, the number of emissions from transportation (lorry, etc.) is approximately 118,000 tCO2eq, accounting for the highest proportion. In addition, it was confirmed that Scope 2 was also generating 110,000 tCO2eq due to electricity consumption in buildings such as distribution centers.



SCOPE 2 EMISSIONS (110,000 tCO_2eq)

Indirect GHG emissions from the use of electricity and energy purchased in CJ Logistics business sites such as HUB and SUB

SCOPE 1 EMISSIONS (118,000 tCO_2eq)

EMISSIONS FROM TRANSPORTATION (114,000 tCO_2eq)
Directly emitted greenhouse gas emissions from logistics transportation, such as trucks

OTHER EMISSIONS (4,000 tCO_2eq)
GHG emissions directly from fuel used at business sites within the boundaries of CJ Logistics, such as emergency generators and barges

SCOPE 3 EMISSION ANALYSIS

As the importance of managing emissions to the supply chain grows, so does the reporting requirements for Scope 3 emissions. Accordingly, CJ Logistics was the first to measure Scope 3, the indirect emissions from the business value chain, such as raw material procurement, transportation and logistics, and product use and disposal, based on the 2021 data, and will continue to manage it in the future.

SCOPE 3 EMISSIONS ESTIMATION

We reviewed Scope 3 calculation items for each business division and selected items 1 to 6 among Scope 3 presented by CDP in consideration of the current status of CJ Logistics, and calculated emissions accordingly.

CALCULATION ITEMS	CALCULATION RANGE
Purchased Goods and Services	Calculation of carbon emission of goods (packaging material: box) purchased to provide logistics service
	Calculation of carbon emissions of materials (rebar, insulation material, etc.) used to provide construction services
Capital Goods	Calculation of carbon emissions of office supplies purchased for company operation
Fuel and Energy Related Activities	Calculation of carbon emissions generated in the production process of used fuel other than Scope 1 and 2
Transport and Delivery	Carbon emissions from fuel used by our subcontractors to provide services to CJ Logistics
Waste Generation	Calculation of carbon emissions of wastes (general and construction waste) generated during service provision
Domestic and International Business Trips	Calculation of carbon emissions by considering the transportation means and distance used for domestic and overseas business trips

311,729 tCO_2eq

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CLIMATE CHANGE RESPONSE PLAN

CJ LOGISTICS CLIMATE CHANGE COUNTERMEASURES

CJ Logistics is reviewing its business and developing a strategy to respond to climate change, and is considering ways to reduce carbon emissions, focusing on transportation and fulfillment, which are major sources of emissions. CJ Logistics plans to reduce carbon emissions by promoting the conversion of transportation to eco-friendly cars and fulfillment to 100% renewable energy. Furthermore, in the medium to long term, we are considering expanding our eco-business to cope with climate change, such as expanding to eco-distribution businesses such as hydrogen. CJ Logistics will continue to promote efforts to reduce emissions by drawing up various reduction measures and contributing to the creation of greenhouse gas reduction results through logistics innovation.

TRANSPORT

Introduced a reduction device to reduce the impact of the transition to eco-friendly means of transportation and technology commercialization gap

INCREASING EFFICIENCY OF VEHICLE OPERATION/USE

Eco-driving, parking heating and cooling, route optimization

SHIFT IN TRANSPORTATION MEANS

Internal combustion vehicles' conversion to EV/Hydrogen vehicles

FACILITY CONVERSION

Application of 4th industrial technology and establishment of renewable energy procurement plan to enhance energy efficiency

ENERGY DEMAND MANAGEMENT

Digital twin, EMS+AI, operational efficiency

EXPANSION OF RENEWABLE ENERGY PROCUREMENT

Solar Installation, REC/Green Premium Purchase

BUSINESS CASE

EFFICIENCY OF LOGISTICS USING 'OPTIMIZATION ALGORITHM'

CJ Logistics is implementing green logistics that optimizes the logistics network and reduces carbon through the state-of-the-art "transport duplication algorithm system" based on big data. The TES Logistics Technology Laboratory developed a solution that comprehensively analyzes information about transport vehicles such as departure and destination, distance traveled, vehicle size, cargo information, and volume of distribution, and obtained a domestic patent. We plan to optimize the network by introducing the technology to CJ Darcl Logistics in India.

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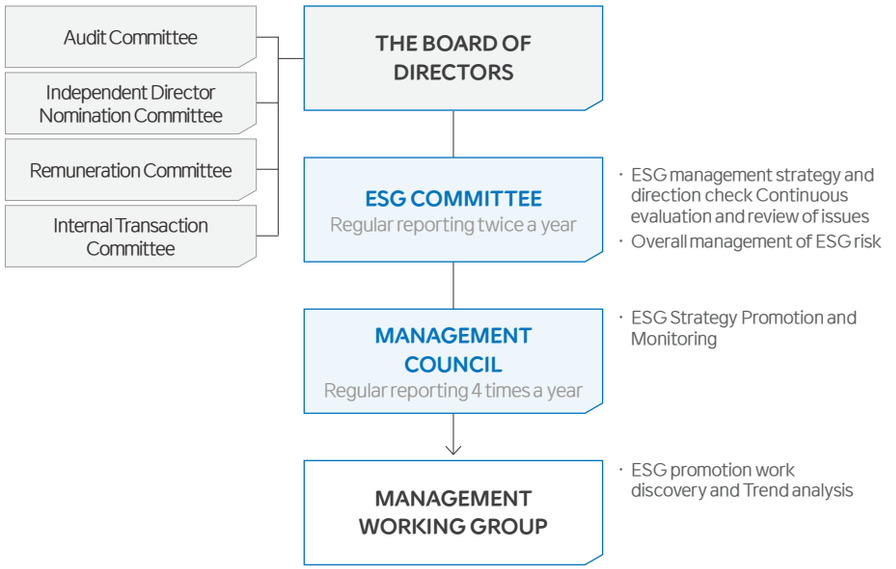
TCFD-BASED CJ LOGISTICS CLIMATE CHANGE RESPONSE STATUS ANALYSIS

CJ Logistics actively participates in the response to climate change according to the demands of the international community and promotes response activities for the transition to carbon neutrality by setting a management system and target in accordance with the TCFD recommendations. In addition, based on the TCFD, actual and potential impacts from climate change are disclosed, and regulations and reduction targets are set and managed to respond to climate change.

GOVERNANCE STRUCTURE TO RESPONSE TO CLIMATE CHANGE

CJ Logistics newly established the ESG Committee under the Board of Directors in August 2021 to deliberate on ESG risk management strategies and manage overall ESG risks. A management council and management working group have been formed and operated under the ESG committee, and efforts are being made to respond to climate change through regular reporting. CJ Logistics' climate change response activities are linked to carbon emission and energy use reduction activities, and the board of directors makes decisions on major issues related to climate change response.



CLIMATE CHANGE RISK MANAGEMENT

We are upgrading our risk management system by conducting multi-faceted analysis on risks and opportunity factors associated with business and environmental impacts related to climate change. In addition, we intend to actively respond to climate change risks in connection with carbon reduction measures and goals and analyze the impact of climate change-related risks on our business activities and establish countermeasures accordingly. To this end, we establish an environmental management system to regularly monitor environmental indicators and environmental impacts.

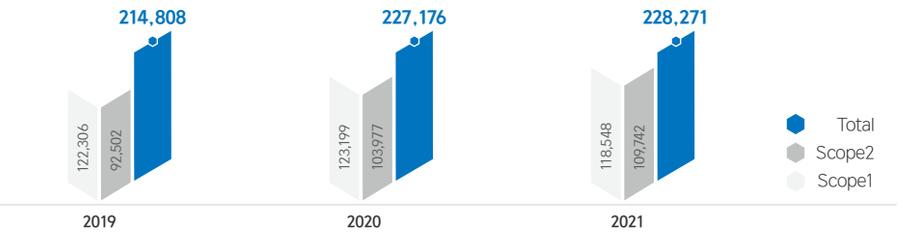
RISK RESPONSE PROCESS

INDICATORS AND REDUCTION TARGETS

CJ Logistics has set greenhouse gas reduction targets and is carrying out various reduction activities to contribute to the achievement of greenhouse gas reduction in the national transition sector. We are promoting activities to reduce greenhouse gas emissions, such as replacing all vehicles with eco-friendly electric trucks by 2030 and are making efforts to identify new eco-friendly growth engines throughout our business.

GREENHOUSE GAS EMISSIONS

(Unit: tCO_2eq)



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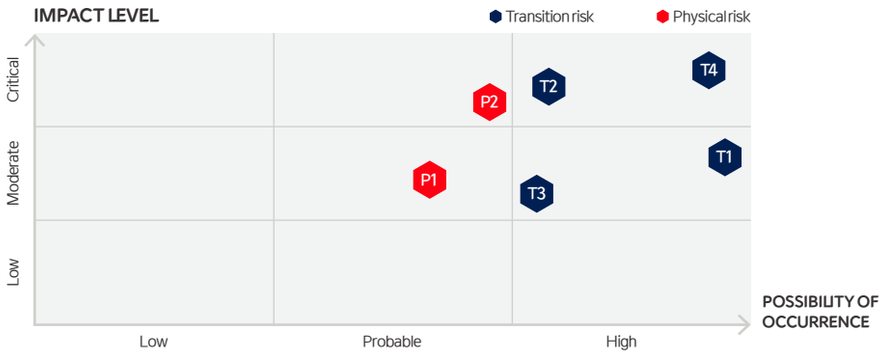
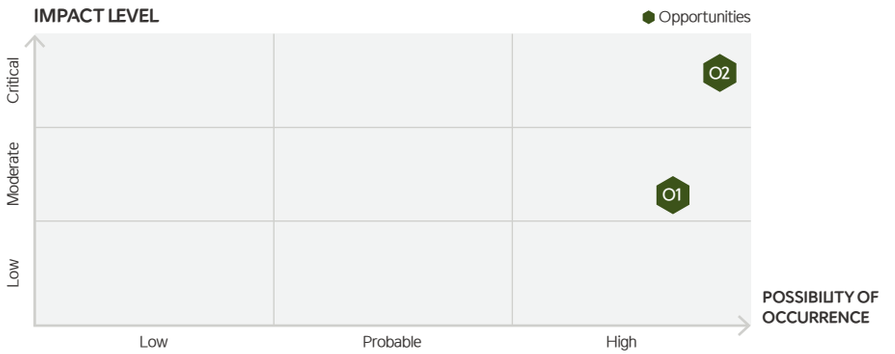
MANAGEMENT STRATEGY THROUGH CLIMATE RISK REVIEW

With aim to identify and measure risks and opportunities related to climate change, we conducted a physical risk analysis based on RCP 2.6 and 8.5 scenarios and measured and evaluated transition risks for a total of 414 domestic and overseas business sites of CJ Logistics. CJ Logistics is striving to effectively respond to climate crises by classifying expected climate change risks and opportunity factors based on the physical climate risk classification system included in the TCFD recommendations and reflecting them in business strategies. In addition, we set mid- and long-term goals related to climate change across the entire company and established detailed goals to implement them. In addition, to minimize the possibility of risks, we prepared overall company-wide safety and risk management system through establishment of safety management system.

CLIMATE CHANGE RISK ANALYSIS





CLIMATE-RELATED RISK AND IMPACT ANALYSIS

TRANSITION RISK			
T1	Regulation	Risks arising from regulatory changes	· Expected to incur the cost of purchasing emission permits in case of exceeding emissions under the emission trading system and incurring penalties if additional emission permits are not secured · Expected to increase response cost due to increase in paid allocation ratio
T2	Technology	Risks from technological changes that cause cost rise	· Increased operating costs due to the introduction of eco-friendly transportation means and the use of low-carbon fuel
T3	Market	Risk of business downsizing due to market changes	· Reduced coal demand and risk of abolition of coal logistics business due to coal-free policy
T4	Reputation	Risks from negative image of the company	· Increased possibility of impact on reputation & perception of the company and on stock price according to the degree of response to climate change

PHYSICAL RISK			
P1	Acute	Increased frequency and intensity of extreme weather events such as typhoons, fires, and floods	· Increased operating costs due to damage to the supply chain such as flooding of warehouses, damage to facilities, or decrease in cargo volume following extreme weather events such as typhoons and heavy rains caused by temperature rise
P2	Chronic	Risks that can cause extreme weather events such as heat waves, temperature rise, and sea level elevation caused by climate patterns that change over a long period of time	· Expected to increase damage and decrease cargo volume due to flooding in river basins and coastal areas due to sea level rise, flooding of warehouses and container yards near ports, and damage to facilities due to coastal erosion and tsunami

OPPORTUNITIES		
O1	Technology	Transition to alternative fuel-based transportation methods such as support for the conversion of small electric delivery vehicles and reduction of fuel costs thanks to relatively inexpensive electricity
O2	Regulation	Opportunities to handle pier cargo volume through conversion to new and renewable energy in accordance with the coal-free policy

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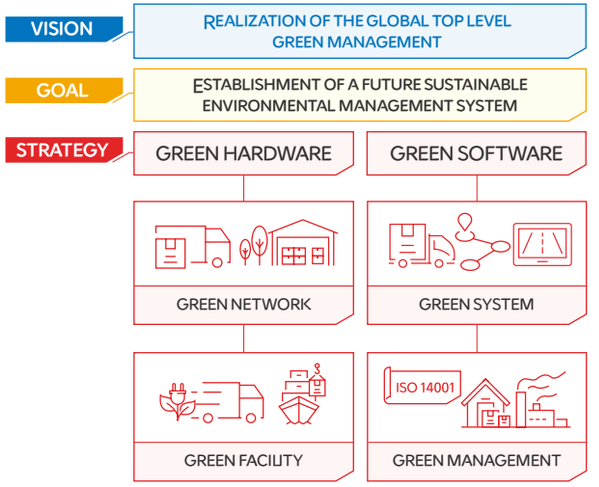
ENVIRONMENTAL POLICY AND PLAN

ENVIRONMENTAL MANAGEMENT PROMOTION SYSTEM

CJ Logistics is striving to establish a sustainable environmental management system by carrying out various strategic tasks in consideration of the global logistics business as well as the proactive elimination of potential environmental risks. From the environmental management perspective, we are doing our best to manage eco-friendly businesses, such as conducting environmental impact assessments and managing contamination factors. In addition, we have organized and operated an organization dedicated to environmental management to manage company-wide environmental issues systematically and preemptively. In the future, all the employees of CJ Logistics will faithfully implement environmental policy procedures to achieve environmental goals and take the lead in preserving the global environment by implementing continuous improvement activities.



ENVIRONMENTAL MANAGEMENT KEY PROMOTION TASKS

GREEN NET-WORK

REALIZATION OF ECO-FRIENDLY LOGISTICS USING LOGISTICS HUBS

We save energy and reduce carbon emissions by reducing the number of vehicles operated through transport route optimization using linkage between bases, mass transport, multi-modal transport, and joint logistics that utilize our strengths in the largest number of logistics hubs.

GREEN FACILITY

UTILIZATION OF HIGH-EFFICIENCY AND ECO-FRIENDLY VEHICLES, EQUIPMENT, AND LOGISTICS FACILITIES

We are implementing eco-friendly logistics such as green courier service through the purchase of low-pollution, high-fuel efficiency SCR-type freight vehicles and the reduction of fuel and fuel by the large-scale of vehicles, expansion of electric freight car introduction, electric conversion of port crane energy source, and solar power generation using the rooftop of logistics center.

GREEN SYSTEM

LOGISITICS EFFICIENCY BASED ON IT SYSTEM OF INTEGRATED LOGISTICS

We are pursuing vehicle operation efficiency by building an integrated logistics system that allows real-time vehicle control, optimization of operation routes using freight information-based transportation planning, integrated dispatch, and improvement of recovery rate to improve vehicle operation efficiency. In addition, we are promoting the conversion of high energy-efficient modal shift for railroads and ships via integrated cargo volume analysis.

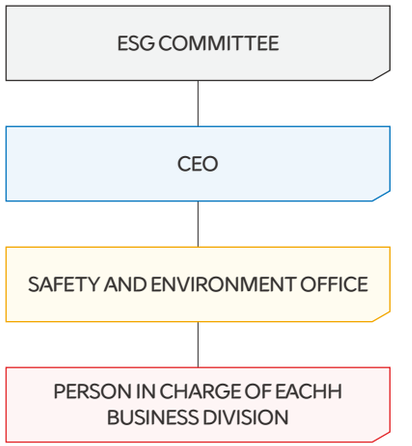
GREEN MANAGE-MENT

GREENHOUSE GAS INVENTORY SYSTEM OPERATION

We acquired certification for the ISO14001 in 1999 and a greenhouse gas inventory system in 2009 and obtain certification to manage greenhouse gas emissions from all business sites nationwide such as port unloading, land transportation, and courier services. In addition, regular Eco-Driving training is being conducted to improve driving habits such as sudden departure, sudden braking, and idling of drivers.

ENVIRONMENTAL MANAGEMENT ORGANIZATIONAL SYSTEM

In order to strengthen the company-wide implementation of environmental management, we are establishing environmental management strategies and detailed tasks with a dedicated organization centering on them. In addition, to strengthen implementation, we continuously manage performance and risks with the person in charge of safety and environment in all business divisions. Major issues are reported to the CEO and the ESG Committee, the highest decision-making body.



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ESTABLISHMENT OF ENVIRONMENTAL MANAGEMENT SYSTEM

ENVIRONMENTAL RISK MANAGEMENT

The need to manage the financial impact of environmental regulations is increasing for logistics companies that use a variety of transportation methods to conduct business activities. Accordingly, CJ Logistics is continuously striving to realize eco-friendly logistics by applying the environmental management system (ISO 14001) to all business sites to reduce environmental impact across its business operation, and test-operating electric and hydrogen trucks. We will continue to actively respond to various environmental risks by establishing environmental risk management strategies and further upgrading our environmental management system.

ENVIRONMENTAL MANAGEMENT CERTIFICATION

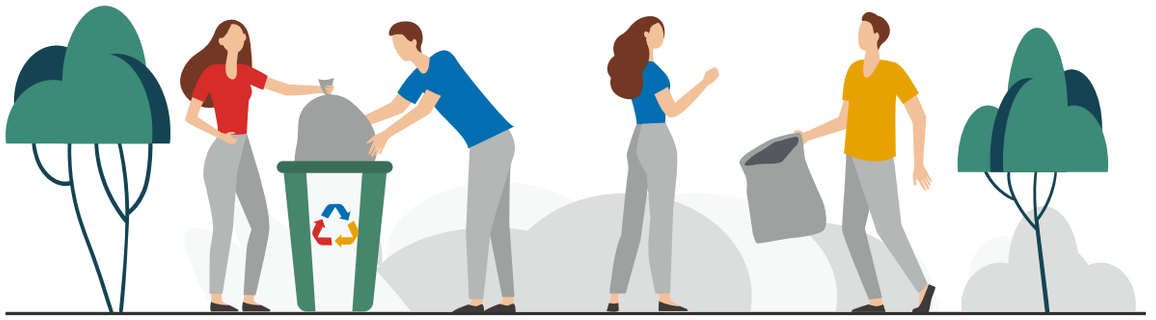
Since 2010, CJ Logistics has expanded the scope of environmental management system ISO14001:2015 certification to the entire company. Through this, we comply with environmental regulations and prepare foundations for implementation of systematic environmental management. In order to achieve environmental goals, we continue to make improvements, strengthen management capabilities through job training of each manager of each site to substantialize environmental management system and internal examinant candidate training for in-house inspection, and make effort for environmental management system execution improvement of the business sites.

ISO 14001 Certificate (logistics/construction sector)

Eco-friendly Golf Course Certificate

ENVIRONMENT/SAFETY/HEALTH MANAGEMENT POLICY

CJ Logistics have established a management policy that places importance on environment, safety, and health to contribute to sustainable development by promoting the highest level of workplace safety management, employee health promotion, and global environment protection through a thorough sense of responsibility and active practice of all employees, including workers of partner.



ENVIRONMENT/SAFETY/HEALTH MANAGEMENT POLICY

1. Faithfully comply with laws and regulations related to environment, safety, and health.
2. By reflecting the opinions of all members, improvement goals are established, and regular performance evaluations are carried out.
3. Actively participate in safety, health, and environmental activities, and improve awareness and develop practical skills through education and training.
4. Prevent safety and health accidents by discovering and removing potential harmful and dangerous factors in the workplace.
5. Actively practice eco-friendly management to optimize resource and energy use and minimize pollutant emissions.

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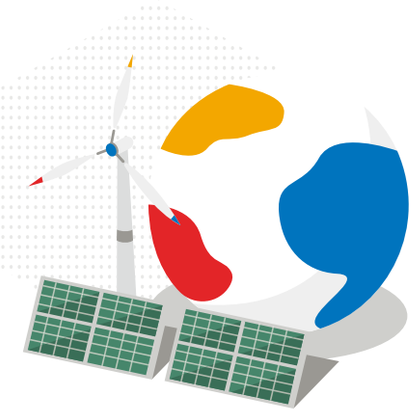
ENHANCEMENT OF REDUCTION ACTIVITIES

CJ LOGISTICS IS TAKING PREEMPTIVE MEASURES TO REDUCE GREENHOUSE GAS EMISSIONS AND CONSERVE ENERGY. IN ADDITION, WE STRIVE TO CONTRIBUTE TO A SUSTAINABLE ENVIRONMENT THROUGH ENVIRONMENTAL IMPACT REDUCTION ACTIVITIES.

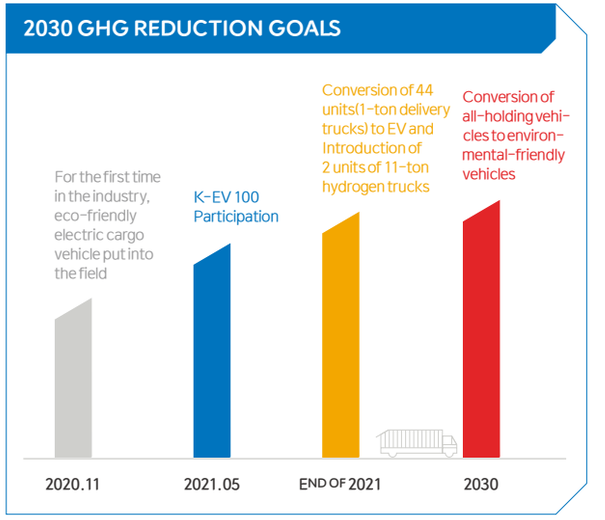


ESTABLISHMENT OF GREENHOUSE GAS EMISSION MANAGEMENT SYSTEM

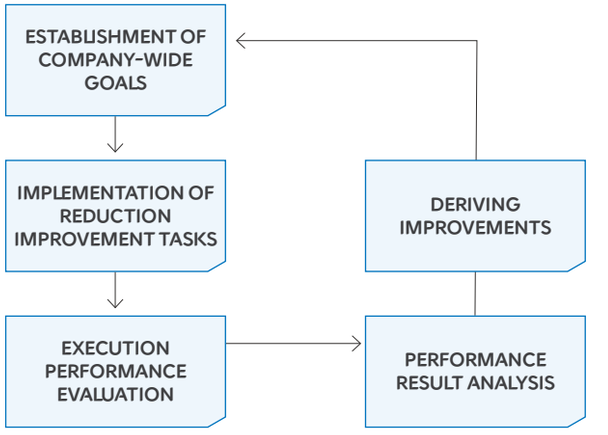
CJ Logistics automatically calculates greenhouse gas emissions by measuring air pollutant emissions and energy consumption at the HQ and all business sites every month through the operation of IT system for the greenhouse gas management. We are actively responding to the government's greenhouse gas emission trading system by comprehensively analyzing the calculated greenhouse gas emissions, establishing reduction plans and specific goals, and securing reliability through third-party verification. CJ Logistics will not only comply with environmental regulations, but also upgrade the greenhouse gas management system to realize green logistics and reduce greenhouse gas emissions continuously.

REINFORCEMENT OF GREENHOUSE GAS REDUCTION ACTIVITIES

To achieve a global top level green management, CJ Logistics is striving to realize the goal through continuous improvement, such as establishing a greenhouse gas reduction target and periodically evaluating the performance of each business site. In order to minimize the emission of environmental pollutants, we are strengthening our reduction activities. In addition, CJ Logistics is carrying out various activities for practical environmental protection. Through events such as the 'Carbon Off-set Forest Creation Event' and the 'City Forest Creation' event, we are contributing to carbon reduction using green areas and participating in reducing fine dust and greenhouse gas emissions by continuously planting trees. In addition, we are striving to effectively reduce greenhouse gas emissions by upcycling waste in various ways.



COMPANY-WIDE PROCESS FOR GREENHOUSE GAS REDUCTION



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BUSINESS CASE

GEMADEPT WATER SUPPLY AND WASTESWATER TREATMENT SYSTEM

CJ Gemadept, a Vietnamese logistics subsidiary of CJ Logistics, drains rainwater into an underground reservoir and supplies it for firefighting and prevention and for plants. Sewerage sanitation and dredging work is carried out regularly according to the plan, and wastewater and sewage treatment are strictly managed in accordance with the environmental protection and regulation laws of the relevant authorities. In addition, energy is being supplied through solar power generation on the roof of the Mekong Refrigeration Logistics Center.

REDUCE ENVIRONMENTAL IMPACT

ENERGY EFFICIENCY

We provide efficient transportation routes and operation methods by analyzing big data to save energy in terms of logistics and delivery. In addition, we introduced a transport recovery algorithm to shorten the total travel distance and minimize the proportion of vehicles operating in empty vehicles to contribute to fuel efficiency and carbon emission reduction and promote Eco Driving education to improve driving habits that consume excessive energy such as engine idling to carry out energy management activities. In addition, CJ Logistics is promoting various reduction activities, such as installing and replacing indoor lighting in distribution centers with high-efficiency LED lighting devices and installing solar energy generation facilities on the roof of the distribution center to reduce energy consumption in buildings.

UTILIZATION OF RENEWABLE ENERGY

As the transition to a low-carbon economic system is accelerating worldwide, the use of renewable energy sources is expanding to respond to climate change and reduce environmental footprint. CJ Gemadept, a Vietnamese logistics subsidiary, has installed 10,880 solar modules on the roof of a refrigeration logistics center located in the Mekong Delta on an area of 25,000 square meters. They are producing 7,066MWh of renewable energy per year, aiming to reduce carbon dioxide by 4,840 tons per year by reducing electricity costs by about 25% every year. CJ Logistics will continue to strengthen eco-friendly and renewable energy logistics, and as a global leading logistics company, it will strive to fulfill its social responsibilities and practice sustainable management.

WATER AND WASTEWATER MANAGEMENT

Recognizing the seriousness of the water shortage and the importance of resource conservation, we are managing water consumption and wastewater discharge at all business sites by establishing water usage targets and monitoring the performance. Our logistics business sites do not use water other than household water, but in the case of Haesley and Jeju Nine Bridges Golf Clubs, they introduced service facilities, showers, low-flow toilets, and water tank storage compressors that have been certified for water conservation to minimize the use of water resources. In addition, in order to eliminate the discharge of water pollutants that have an impact on the environment, Jeju Nine Bridges is contributing to reduction of water pollution and energy by using a membrane-integrated advanced wastewater treatment method to simultaneously remove organic materials, nitrogen, and phosphorus with low power consumption.

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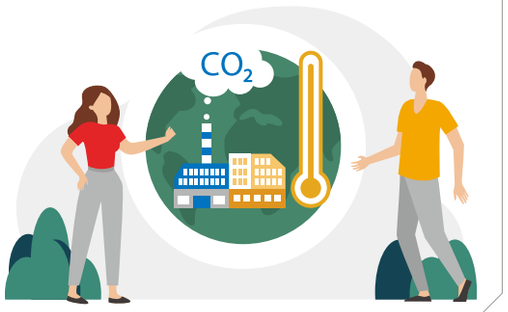
BUSINESS CASE

DESIGNATED AS AN EXCELLENT GREEN LOGISTICS PRACTICE COMPANT IN 2021

CJ Logistics was designated as an excellent green logistics company in 2021. Through the Excellent Green Logistics Company Designation System, the Ministry of Land, Infrastructure and Transport certifies logistics companies with excellent energy efficiency and greenhouse gas reduction performance through eco-friendly logistics activities. We will continue to promote various activities such as energy reduction and transportation optimization to reduce greenhouse gases through the installation of high efficiency lighting of logistics facilities for eco-friendly logistics activities.



EFFORTS TO REDUCE AIR POLLUTANTS

Logistics company should efforts to reduce air pollutant due to the cargo vehicles. Ministry of Environment announced that truck emit 6 times fine particulate than passenger cars. Especially old truck that grade 5 in exhaust emission emit 10 ~ 22 times more than recent truck. As a result, public-private partnership become more important to clean air environment. CJ Logistics signed a 'Business agreement to reduce fine particulate from trucks' with the Metropolitan Air Environment Agency to reduce fine dust emissions from trucks. Through this agreement, we are actively promoting wheel and car washing, eco-friendly driving and installation of exhaust gas reduction devices for trucks owned by the company or those entering the company regularly. To reduce these emissions, CJ Logistics will intensively manage aging trucks to minimize the environmental impact of vehicles and reduce fine particulate.

ESTABLISHMENT OF ECO-FRIENDLY TRANSPORT SYSTEM TO REDUCE GREENHOUSE GAS

CJ Logistics is taking the lead in establishing the foundation for an eco-friendly transport system. Through the transition to zero-emission vehicles by 2030, we plan to gradually transit all vehicles that company owned and leased to electric and hydrogen trucks. From 2021, 44 units of 1-ton electric trucks are in operation at the site. We participated in the 'Business agreement for hydrogen truck pilot project promotion' and introducing two 11-ton hydrogen trucks to the site. We aims to become an innovative technology company leading ESG management by actively participating in the reduction of carbon emissions in the transportation sector.

ESTABLISHMENT OF COOPERATIVE SYSTEM TO ACCELERATE CONVERSION OF ECO-FRIENDLY DELIVERY VEHICLES

In August 2021, CJ Logistics signed an 'Agreement on Eco-Friendly Vehicle Conversion and Urban Logistics Service Development' with SK Energy. Through this agreement, we plan to collaborate on various projects including the conversion of vehicles owned by both companies to eco-friendly vehicles (electric/hydrogen vehicles), waste battery recycling business, SK Energy's freight car membership service rest area, and development of urban logistics facilities and delivery services. In addition, we plan to build electric/hydrogen vehicle charging infrastructure at multiple bases, including logistics terminals, and operate charging memberships, and plan to build urban-type logistics facilities at some sites of existing SK Energy gas stations to increase logistics efficiency. CJ Logistics will continue to maximize synergies by working with various companies to build an eco-friendly logistics ecosystem.

Eco-friendly urban logistics service business agreement

CJ Logistics hydrogen truck

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ECO-FRIENDLY BUSINESS PRACTICE

WASTE MANAGEMENT

In order to comply with domestic and internal regulations, waste management guidelines are established, stored, transported, and disposed of. The waste management system of the Ministry of Environment is systematically managed through Allbaro System. To minimize waste generation, we have developed optimal design, material purchase, work improvement, management efficiency, and waste reduction plans. Recently, state-of-the-art systems for logistics packaging have been commercialized to prevent over-packaging, and paper box tape has been used to reduce plastic and improve resource use. We will continue to make constant efforts to prevent resource depletion, minimize environmental pollution, and thus achieve a virtuous cycle of resources through the establishment and proliferation of efficient resource management systems.

PARTICIPATION IN PLASTIC USE REDUCTION CAMPAIGN

Amid the rapid increase in the use of disposable plastic products in the aftermath of COVID-19, CJ Logistics CEO Kang Sin-Ho is committed to reducing the use of plastics in daily life and implementing the eco-friendly campaign 'Go! Go! Challenge' was posted on the official social media with photos and messages to encourage participation in the in-house plastic reduction campaign. In the 'Gogo! 'Challenge' as a participatory social media campaign that started with the purpose of reducing unnecessary plastic used in daily life, we make a commitment to 'one thing we need to avoid doing (GO)' and 'one thing we should do (GO)' in our daily lives, and it is conducted in the form of designating the next participant by the participant in order to reduce the use of plastics. As part of CJ Logistics' ESG management for a sustainable future, CEO Kang Sin-Ho selected 'Erase the carbon footprint (GO)' as a thing not to do and 'Leave a green footprint (GO)' as a possible action. He expressed his will to more actively carry out and spread the various eco-friendly activities that are being implemented.

DISTRIBUTION OF UPCYCLING UNIFORMS

CJ Logistics distributed 2,000 eco-friendly 'ECO+ uniforms' made by recycling waste plastics to field employees. Each eco-friendly uniform produced was made with 14 plastic bottles (500ml), and the total amount of waste plastic used in 2,000 uniforms was 28,000 bottles, which has the effect of reducing the amount of carbon dioxide (1,680kg) absorbed by 560 pine trees in one year. In addition, CJ Logistics has strengthened the storage function by adding a lining to the design of the most demanded vest in the field to enhance thermal insulation and adding a zipper-type pocket and pen holder in consideration of the actual use of the employees. On the front side of the uniform, the safety keeper certification mark and the 'UN SDGs Association' mark, symbolizing the 'Children's Traffic Safety Campaign', are included so that the image of 'delivery that protects the environment and safety' can be captured. CJ Logistics will lead green logistics by continuously practicing plastic upcycling to contribute to resolving the rapidly increasing problem of plastic waste.

Go! Go! Challenge

Upcycling uniforms

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ECO-FRIENDLY BUSINESS PRACTICE

ECO-FRIENDLY PACKAGUNG INTRODUCTION

We are working to develop packaging technology and introduce on-site packaging technology to improve the problems of packaging waste, which has increased rapidly due to the development of e-commerce. In order to replace the existing packaging parts such as ice packs and tapes with paper, and especially to replace the plastic cushioning material, the paper cushioning material "Neofore" has been developed and introduced to the site. In addition, we have replaced traditional packaging materials such as cold insulating agents and tapes with paper materials. In addition, as an eco-friendly smart packaging solution to prevent over-packaging through innovation in packaging technology, we select boxes that fit the product size and bundle units, accurately measure the free space, and charge the appropriate buffer. Through packaging technology development and deployment solutions, we will continue to strive to minimize waste and waste generation.

Paper air ball

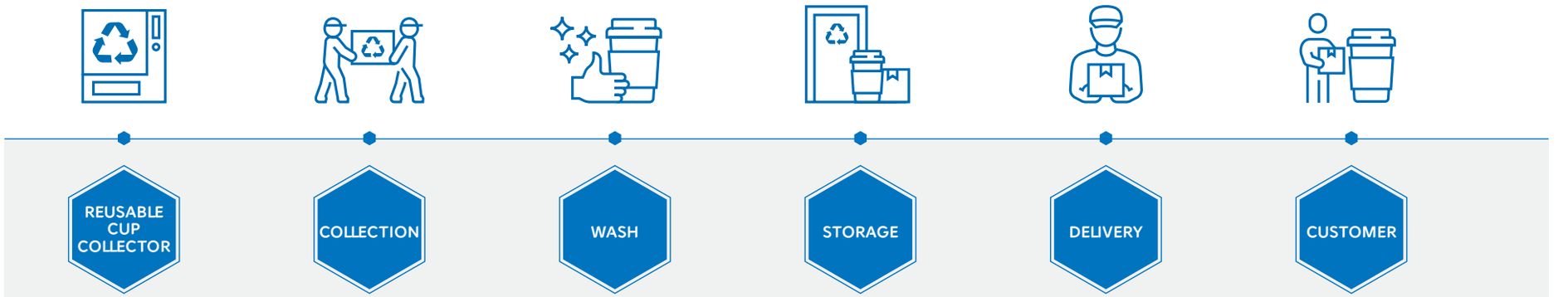
Paper cushioning material, Paper tape

ESTABLISHMENT OF PLASTIC REDUCTION CIRCULATION LOGISITCS SYSTEM

In July 2021, the Ministry of Environment and the Jeju Special Self-Governing Province Starbucks and other public-private partnerships held a ceremony to create a clean Jeju without a disposable cup. CJ logistics will move the reusable cup collected through the return machine to the cleaning place through the delivery vehicle, and then deliver it to the Starbucks store after washing. We plan to build an eco-friendly logistics system through the introduction of electric cars. We will continue to work with public-private organizations to create synergies in order to create an eco-friendly ecosystem through plastic use and reduction of disposable products based on logistics expertise and infrastructure.

Clean Jeju without disposable cup

REUSABLE PRODUCT VIRTUOUS CYCLE PROCESS



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BUSINESS CASE

ACQUIRED UK GEO CERTIFIED SUSTAINABLE 'ECO-FRIENDLY GOLF COURSE' FOR THE FIRST TIME IN KOREA

Haesley Nine Bridge and Jeju Nine Bridge have obtained sustainable eco-friendly gold course certification for six items: nature, water resources, pollution prevention, energy, supply chain, and community. Bent grass planted on all courses has high needs for fertilizer due to its nature, but system was designed to lead environmental protection through recycling and eco-friendly fertilizer is used to prevent pollution of nearby soil and river. Also, due to composition that utilizes the natural terrain within the range of not damaging the nature, there are an eagle-owl, which is designated as a natural monument, Korean buzzard and kestrel, which are second-class endangered species, and snakeheaded fish near the course, proving that these are eco-friendly golf courses.

*GEO (Golf Environmet Organization)
It is a world-renowned eco-friendly certification organization that evaluates the sustainability and environmental friendliness of gold courses around the world and grants eco-friendly golf course certification and cooperates on consultation and operation so that the international golf tournaments to become eco-friendly.

RESPECTING BIODIVERSITY

We are taking steps to minimize side effects by investigating the potential impact of the business on biodiversity in the surrounding area. Haesley Nine Bridge and Club Nine Bridge, operated by the resort division, are applying design and development that minimizes natural damage and utilizes original terrain. We will continue to protect the ecological environment of the business site in order to respect biodiversity.

ECOLOGICAL ENVIRONMENT PROTECTION STATUS

CLASSIFICATION	MAMMAL	BIRDS	INSECTS, AND INVERTEBRATE	AMPHIBIAN · REPTILE	PLANTS
Haesley (55 species)	Mole, hare, racoon, elk, rodents, wildcat, etc.	Parrotbill, titmouse, yellow-throated bunting, flycatcher, rufous turtle dove, hoopoe, etc.	Gammaridea, ephemerellidae, planaria	Green frog, red-bellied frog, ranid, mountain grass lizard, etc.	Pine tree, oak tree, ginkgo, birch, metasequoia, thuja, pin oak, zelkova, pear tree, maple tree, amur maple, dogwood, fragrant snowbell, cornel, quince, apricot tree, magnolia, sweetbrier, royal azalea, azalea, hydrangea, winged euonymus, leather-leaf viburnum, golden-wave, cornflower, blazing star, gentiana, shiny mint, catchfly, bellflower, deodeok, orange stonecrop, bush clover, rhododendron
Nine Bridge (96 species)	Mole, hare, racoon, elk, rodents, etc.	Parrotbill, titmouse, yellow-throated bunting, flycatcher, rufous turtle dove, etc.	Gammaridea, ephemerellidae, planaria	Green frog, red-bellied frog, ranid, mountain grass lizard, etc.	Pine tree, oak tree, ginkgo, birch, metasequoia, thuja, pin oak, zelkova, pear tree, maple tree, amur maple, dogwood, fragrant snowbell, cornel, quince, apricot tree, magnolia, sweetbrier, royal azalea, azalea, hydrangea, winged euonymus, leather-leaf viburnum, golden-wave, cornflower, blazing star, gentiana, shiny mint, catchfly, bellflower, deodeok, orange stonecrop, bush clover, rhododendron

EFFORTS TO PROHIBIT FOREST DESTRUCTION

CJ Logistics plan to take the lead in preventing forest destruction to protect all living creatures in forests and to continue activities to protect the Earth such as reducing industrial waste. CJ Logistics plan to take the lead in creating a healthy natural ecosystem in the area near the business sites and the community. In the future, we plan to monitor and manage the prevention of forest destruction activities of primary and secondary partners. As such, CJ Logistics will strive to expand the value of environmental protection through forest development and greening activities without creating business sites that destroy forests.

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IMPORTANCE OF THE ISSUES

To discover innovation talents, a company should make efforts to strategically recruit talents and develop the competencies of its members. CJ Logistics will promote a variety of activities to respect the human rights and diversity of its members and local communities and strengthen responses to safety and health regulations by establishing a safety management system to create a safety culture throughout corporate management.

CJ LOGISTIC'S DIRECTION FOR RESPONSE

- Internal communication through organizational culture innovation
- Spread of safety culture in workplaces and local communities
- Social contribution activities in a contactless form due to COVID-19

PLAN & GOAL

- Revision of Human Rights Declaration and Reorganization of Human Rights Management
- Corporate Social Responsibility Reinforcement
- Safety & Health System Advancement

2021 HIGHLIGHTS OF CJ LOGISTICS

INTERGRATED MOBILE APP
13.40 MILLION
NO. OF DOWNLOADS

MANAGED
KRW 36 BILLION
IN MUTUAL GROWTH FUNDS

KRW 4,279 MILLION
INVESTMENT COST IN SOCIAL CONTRIBUTION FOR LOCAL COMMUNITIES

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SAFETY & HEALTY SYSTEM

Establishment of a Company-wide Safety Management System
Based on the Execution Power of the Workplace

Risk Management Advancement

· CORE RISK IMPROVEMENT MANAGEMENT
- Risk assessment and improvement of all business sites
- Risk improvement investment process enhancement

· ESTABLISHMENT OF MONITORING SYSTEM
- Safety management activities and management of key indicators

· STRENGTHENING SDR EXECUTION POWER
- Review and improvement of working environment to ensure worker safety in the design stage: installation of operating equipment and safety device, etc.

Establishment of workplace-led autonomous safety management system

· STRENGTHENING THE SAFETY MANAGEMENT ORGANIZATION
- Risk assessment and improvement of all business sites
- Risk improvement investment process enhancement

· RE-ESTABLISHMENT OF R&R FOR SAFETY RELATED PERSONNEL IN THE WORKPLACE
- Appointment of supervisor and manager of safety and health management at workplace

· STRENGTHENING MIND-SET FOR SAFETY MANAGEMENT
- Establishment of management supervisor inhouse-collective education

Strengthen the Role of a Company-wide Safety Control Tower

· REFURBISHMENT OF PRACTICE STANDARD FOR SAFETY MANAGEMENT
- Overall reorganization of SHE-related practice standards
- Substantializing operation according to practice standards
→ Inspection and improvement through internal audit

· CARRY OUT COMPANY-WIDE AUDIT
- Establishment of audit/awarding guidelines
- Audit execution and regular reporting of all business sites
- Award for excellent business sites

· BUILDING HEALTH MANAGEMENT OPERATION SYSTEM
- Establishment of operation procedure for health management
: Re-establishment of company-wide staff R&R
- Performing health checkup and managing suspected cases

STRENGTHEN SAFETY MANAGEMENT

ESTABLISHING SAFETY GOVERNANCE

CJ Logistics has established an annual company-wide safety and health plan in accordance with the Occupational Safety and Health Act. And, the company is receiving approval for reporting and resolution to the board of directors. In addition, the safety and health environment management policy has been revised and promulgated to realize safety management, which puts the safety and health of all employees, including customers and employees of partner companies, as the top core value of management.

GROUP SAFETY DAY

To establish and spread a site-oriented safety culture created together with all employees, CJ Logistics is holding the 'Group Safety Day' every month with the top management and takes responsibility for on-site safety by supporting management to make prompt decisions on safety-related matters on site. In the construction sector, we strive to spread a safety culture by rewarding excellent workers, partners, and business sites along with the implementation of the 'Group Safety Day'.

BUILDING SAFETY & MANAGEMENT CAPACITY

CJ Logistics provides safety and health education for safety managers and supervisors, providing opportunities for external training courses through tailored curriculum for each job function and level. In addition, in accordance with management principles, CJ Logistics has established a safety and health environment management policy to promote the health of company-wide employees, including workers of partner companies, and to manage workplace safety, and are making pledges for all employees.

STRENGTHEN SAFETY RISK MANAGEMENT INSPECTION

CJ Logistics conducts regular inspections of business sites across the country in cooperation with external agencies to prevent safety risk factors in business sites and facilities in advance. In addition, to preempt identified risks, we identify potential risks to business site activities based on the risk assessment guideline, evaluate the impact of the risks, and take appropriate improvement actions. The construction sector operates a smart risk assessment process to effectively check whether accident prevention activities are performed and established safety measures are implemented. In addition, by linking the system and mobile device, we are improving immediate risk factors with partners, strengthening two-way communication, and performing real-time monitoring. Inspection on safety and construction equipment are regularly conducted through consulting from an external professional agency. We introduce prior permit system for seven dangerous jobs and verify safety of a job in which the safety & technical support dept. of the headquarters select high-risk tasks with a high potential of a serious accident and reviews the work plan in advance to make sure the work is carried out after approval.

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BUILDING SAFE WORKPLACE

ESTABLISHMENT & STRENGTHENING SAFETY RULES

For the purpose of establishing a global top-level safety management system, CJ Logistics has introduced and implemented the 'Safety Golden Rule', a basic safety rule that all employees and visitors must follow to prevent any safety accidents in the workplace. The principles are strictly complied with in the workplace, consisting of nine items to prevent high-risk risks, which have been confirmed based on management's will, government policies and legal requirements such as company-wide safety and health environment management policy, and company-wide accident statistics analysis. The construction sector is striving to strengthen safety compliance by enacting the top seven rules, including fire prevention measures, to prevent high-risk risks identified based on risk analysis of major accidents and types of industrial accidents industry for work with a high risk of accidents in the domestic construction.

SAFETY GOLDEN RULE

TOP 7 SPECIAL SAFETY RULES

TYPE	SAFETY RULES
High-rise work	Installation of fall prevention facilities and fastening safety straps
Construction equipment	Establishment of work plan and confirmation of funding
Fire work	Prevention of fire-flakes scattering and isolation of flammable substances
Temporary electric installation	Installation of earth leakage breaker and check grounding
Temporary installation	Check that the installation plan matches the construction progress
Lifting work	Use of approved rigging and slinging tools
Closed space work	Measurement of harmful gas concentration and execution of ventilation

CREATING A SAFE WORKPLACE ENVIRONMENT

CJ Logistics is carrying out activities to standardize the safety management system and create a pleasant workplace environment to create a safe workplace environment. In order to establish a global-level safety management system in the logistic sector, the company has been strengthening its on-site safety response capabilities by establishing SHE Pre-Questionnaire standardization based on the international standard operating system 'ISO 45001'. SHE Pre-Questionnaire consists of a total of 11 items including safety policy, health management, and safety monitoring, and 17 detailed items, and is continuously updated in consideration of external safety evaluation standards and the needs of stakeholders such as customers. In the construction sector, we are carrying out safety day inspections under the leadership of the management and conducting regular site safety audits and frequent site safety inspections under the supervision of external experts along with HQ safety team. In addition, the company is holding the 'Workplace Clean Day' once a week to help create a pleasant and safe workplace by organizing the site and removing safety risk factors in the worksite, contributing to the establishment of a safety culture.

COVID-19 RESPONSE ACTIVITIES

We are taking measures in accordance with the guidelines issued by the health authorities to minimize the damage among CJ Logistics employees due to the COVID-19. We recommend more than 50% of employees in the headquarters work from home and avoid moving between floors when working in the office. In the case of workplaces with five or less employees, rotational telecommuting is implemented at the discretion of the department head, and in workplaces with six or more employees, 50% or more of employees are recommended to work home. In addition, CJ Logistics distribution center complies with the government quarantine guidelines by improving the management system and working environment against infection including being fully equipped with air-conditioning and heating facilities to prevent heat stroke even when workers are wearing a mask during the summertime.

TELECOMMUTING GUIDELINES

CATEGORY	STANDARD
Operation cycle	· Weekly telecommuting operation in consideration of the risk of infection
Work Guidelines	· Work-hours messenger access and office phone receipt & transfer required · Applicable for annual/half-day leave if necessary · Establishment of emergency contact system for members supervised by the head of the rganization

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BUSINESS CASE

EFFORTS TO PREVENT FIRE ACCIDENTS

In order to prevent accidents such as fires, CJ Logistics conducted consulting with an external specialized agency to investigate physical and functional defects of firefighting and electrical facilities at large business sites with high risk of fire accidents, and to inspect safety and damage conditions. For systematic consulting, the company organized 16 technicians specialized in the field of fire protection and electricity into two teams, out of which fire protection team reviews any violations of laws and regulations related to fire protection, diagnosis of firefighting facility conditions while electricity team reviews regular electricity inspection results and perform status diagnosis for normal operation of electrical equipment. CJ Logistics will make continuous efforts to secure fire safety and improve the effectiveness of buildings through the establishment of plans to prevent future accidents.

SAFETY MANAGEMENT DIAGNOSIS

In order to spread the preventive safety management system, the CJ Logistics construction division regularly conducts technical safety inspections together with technical and safety professionals and conducts thorough third-party inspections in cooperation with external agencies. In addition, it operates a smart safety system to respond to safety tasks rapidly and effectively through a two-way communication system with business partners linking risk assessment, safety inspection activities, and work permits.

SAFETY AWARENESS TRAINING FOR EMPLOYEES

We provide traffic safety education for employees and delivery drivers. In addition, the company have been striving to build a foundation for a safe transportation infrastructure by providing traffic safety education to delivery workers who are most closely related to people's lives in cooperation with the Road Traffic Authority to prevent traffic accidents and spread a traffic safety culture. To foster traffic safety awareness among delivery workers, professional instructors directly visit the parcel delivery sub-terminal to provide customized training using the traffic safety contents of the Road Traffic Authority, such as the revised Road Traffic Act and traffic accidents cases to create an environment where all delivery workers can work safely.

GLOBAL HEALTH & SAFETY MANAGEMENT

CJ Logistics strives to minimize the potential accidents by discovering and responding to safety and health risks following global business expansion. To this end, in cooperation with the group's 'EHS Team', we conduct safety diagnosis for each country's business sites, and share the expected risks and improvement measures derived through various diagnosis with each country's business sites, including Korea. In the future as well, we will continue to manage to maintain the level of self-directed safety management system for each business site to ensure that safety management activities can be established and complied with in all business sites.

PARTNER SAFETY & HEALTH MANAGEMENT

As part of the safety and health management of partners, CJ Logistics strives to prevent accidents that may occur during the transportation of hazardous chemicals by establishing a 'hazardous chemical transport management system'. Through the management system, we are supporting our partners to strengthen their own safety management capabilities, such as developing and distributing safety transport management manuals and solutions. Besides we are planning to continue spreading activities to make sure the related system can be spread to all partners.

HAZARDOUS CHEMICALS TRANSPORT MANAGEMENT SYSTEM

SUPPORT FOR STRENGTHENING SAFETY AND HEALTH CAPABILITIES OF SUPPLIERS

Special education is held every year to prevent industrial accident among employees and partners. In particular, industrial and fire safety education and traffic safety trainings are provided for employees of partners for the safety of both employees and partners at each business site. CJ Logistics is committed to creating a safer working environment by carrying out various activities in the future.

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ESTABLISHMENT OF SAFETY INFRASTRUCTURE & FACILITIES IMPROVEMENT

CJ Logistics completed safety measures for the entire workplace including lighting intensity improvement of workplace, earth leakage circuit breaker and grounding, and fire detectors, through safety improvement work for electric and fire protection facilities. We are contributing to the establishment of a safety infrastructure by installing various safety devices such as emergency stop and protection cover against jamming points in conveyors among major equipment. In addition, to improve safety environment facilities, we regularly conduct safety improvement construction and inspections for all business sites and establish and distribute guidelines for facility management in distribution centers, improve protective measures for forklifts, and purchase and distribute protective gear. We are making efforts to substantially improve the safety of our workers.

SAFETY GUIDE ACTIVITIES

To prevent fires in the winter season, we distribute and post on the company noticeboard workplace, safety management guidelines on installation and operation of smoking facilities, prevention and management of cardiovascular and cerebrovascular diseases, safety management of heating equipment use, cold-related illness prevention management, safety management of forklift chargers, etc. In addition, we check to make sure that safety equipment such as safety helmets, boots, and vests be worn at work, and support the purchase and distribution of safety-certified products to use appropriate equipment.

WORKING ENVIRONMENT IMPROVEMENT EFFORTS

We put highest priority on the safety and health of parcel delivery workers in management and strive to improve the working environment through various activities. We will continue to put our top priority on the safety protection of all stakeholders involved in the business operation process and strive to secure workplace safety to create a safe working environment, while carrying out various activities to improve the overall working environment.

CATEGORY	DESCRIPTION
Establishment of Advanced Sorting System	· Completed installation of 'Wheel Sorter', a large automatic parcel sorting machine within the workplace · Expanded the installation of 'MP', a small automatic parcel sorting machine in the workplace (more than 80 locations as of 2021) · Industry's first Intelligent Scanner (ITS) introduced and expanded (more than 300 units installed as of 2021) · Commercialized the logistics robot for the first time in the industry → Alleviation of work intensity and effective reduction of work hours
Implementing Delivery-off Day	· Every year, starting on August 14th, take a three-day delivery break → Create healthy working conditions
Employment and Workers' Compensation Insurance Subscription Support	· Full support from HQ for employment and workers' compensation insurance subscription fees → Achieved over 90% employment and workers' compensation insurance subscription rate

Building Safety Infrastructure

Standing Chairs at Workplaces

Virtual Speed Bump Installation

Health Promotion Program

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PURSUING HAPPINESS OF OUR MEMBERS

TALENT RECRUITMENT

FAIR EMPLOYMENT

CJ Logistics hires talents according to the CJ Group's HR System, and preferential treatment is given in accordance with the related laws on employment protection for those including veterans and the disabled, who possess the appropriate competencies for CJ Logistics. CJ Logistics also selects talents based on ability for transparent and fair operation of all recruitment processes and strictly complies with the internal ethical code of conduct, and manages to prevent discrimination based on gender, academic background, age, place of origin, etc.

STRENGTHEN COMPANY-SPECIFIC HIRING SYSTEM

CJ Logistics is conducting open recruitment by securing various talents through the local open recruitment system, J-Track program, and recruitment-linked internships.

LOCAL OPEN RECRUITMENT SYSTEM

- A system that hires local talents across all over the country and allows them to work for their region
- Contribute to win-win growth with local communities by procuring local talents and creating local jobs

J-TRACK PROGRAM

- Select outstanding talents from specialized high schools that signed on the agreement with CJ Logistics
- Obtain and support potential talents to lead the future logistics industry

RECRUITMENT-LINKED INTERNSHIP

- Provide opportunities to understand the field and job duties, enhancing practical competencies through internships
- Providing opportunities for excellent internships to officially join the company

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BUSINESS CASE

LAUNCH EMPLOYEE METAVERSE WORKPLACE

CJ Logistics opened Metaverse Workplace to manage contactless work environment in a unified way. Metaverse Workspaces implements various virtual work spaces for meetings, conferences, workshops, education, and events to ensure employees of all business sites across the country can work in the virtual space. It allows them to perform work with their own avatars and participate in various meetings.

Launch Employee Metaverse Workplace

TALENT DEVELOPMENT

TALENT DEVELOPMENT DIRECTION

CJ Logistics is supporting customized courses to achieve competency in major core businesses such as TES, IT, and e-Commerce and systematically nurture talented people by setting priority tasks for nurturing talent. We encourage self-directed growth by supporting the competency development plan-based nurturing & support, established by our employees, building an environment enabling constant learning regardless of time and place. We are also expanding coaching communication training and organizational development programs to build a horizontal and cohesive organizational culture.

TALENT DEVELOPMENT KEY PROMOTION TASKS

STRENGTHENING CORE JOB COMPETENCY (TES, IT AND E-COMMERCE)	INTENSIVE TRAINING OF TOP TALENT	WORK PRACTICE CHANGE

NEW HIRES ONBOARDING SUPPORT

CJ Logistics supports the growth of new employees to help them grow into experts in each area such as logistics, E&C, and resort business. In the case of the logistics sector, we provide a personalized training made up of three stages: introductory education based on learning needs, department assignment and onboarding to renew themselves to become key talents. In the E&C division, basic competency education is provided to new hires through introductory construction training, and five-month regular mentoring is conducted after one year of joining the company to improve organizational commitment and loyalty.

STRENGTHENING KEY WORK CAPACITY

CJ Logistics provides professional training programs to strengthen the competencies of its employees. The logistics department has established a professional education system and provided stepwise career courses, and especially established a learning system for each level of competency to strengthen CJ Logistics' core business competitiveness, which are TES, IT, and e-commerce capabilities. E&C division is also operating the construction engineering academy to strengthen capacity building which foster engineers with expertise and competencies. In addition, we are operating PM training and capacity-building courses to cultivate a group of managers who supervise construction sites.

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FAIR PERFORMANCE EVALUATION & COMPENSATION SYSTEM

CJ Logistics is striving to create an environment in which anyone can become a leader regardless of age, seniority or position as long as they have the capability and the will to create a culture where new generations can break the mold and take on challenges. In accordance with this direction, the rank system has been reduced from 7 stages to 4 stages to comply with the compensation system based on employee performance and to transform the company into a flexible organization based on duties, roles, and projects. In an autonomous and horizontal organizational culture, CJ Logistics will create a workplace where all executives and employees can grow together and receive unprecedented compensation through fair competition and various opportunities where all employees are rewarded according to their performance and roles.

HR · CULTURE INNOVATION SYSTEM REORGANIZATION

CATEGORY	REORGANIZATION DIRECTION
Position/ Promotion	· Reorganization of rank system based on expertise/role level (existing 7 steps reduced to 4 steps) · Elimination of seniority-based promotion and establishment of a promotion system based on evaluation of higher-level role performance potential
Evaluation	· Transition to communication/fostering performance development system · Improvement of evaluation method based on organization unit-based distribution
Compensation	· Establishment of a compensation system that can provide exceptional compensation for those with high performers and fast track workforce

RESPECT FOR DIVERSITY

We respect the diversity of our employees and strive to ensure that there is absolutely no discrimination based on gender, age, nationality, race, disability, political orientation, etc. in the hiring, promotion, and job performance of our employees. No gender discrimination is allowed in basic wages and so on and wages are calculated according to relevant regulations, position and years of service, and job performance.

CREATING FAIR PERFORMANCE CULTURE

CJ Logistics supports the establishment and realization of a new evaluation and compensation system by providing tailored leadership training per each evaluation and compensation period to ensure a fair evaluation and compensation system can be practically applied to the business places. Performance management contents that reflect the needs of learners are produced and provided in a timely manner through micro-learning. In addition, we are providing answers to realistic leadership topics and making efforts to effectively contribute to improving the interview skill on performance of members. In the pursuit of fair performance evaluation and appropriate compensation, CJ Logistics will continue to conduct leadership training which will lead to a stable performance-oriented culture in place.

PERFORMANCE EVALUATION AND COMPENSATION EDUCATION PROGRAM

PMDS+ ONLINE TRAINING

- It consists of learning about CJ's performance-oriented culture and education on changes in evaluation structure and method.
- It contributes to better understanding of the performance-oriented culture and to easily understand changes in the newly reorganized evaluation structure and method.

PMDS+ THE CHANGE BASIC TRAINING

- It allows communication among performance management-related leaders and consists of learning about the evaluation and compensation system.
- It allows users to learn more about the direction of change in the evaluation and compensation system, and contribute to sharing and resolving concerns as a leader in performance management.

PMDS+ QUARTERLY CHECK TRAINING

- It consists of learning about the main contents of performance management and providing practical examples.
- It contributes to the efficient learning of important contents of performance management.

PMDS+ THE CHANGE ADVANCED TRAINING

- It consists of training on checklists for fair performance evaluation and preparations for feedback interviews.
- It provides various skills that can be used before the feedback interview.

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PROMOTING INNOVATION OF ORGANIZATIONAL CULTURE

STRATEGIC DIRECTION

- Establish a clear and rational mission/vision
- Support for shared growth between organizations and individuals
- Implement customized corporate culture solution
- Establish global corporate culture identity

TOP 10 PRIORITY TASKS

Create unity through a clear sense of purpose and solid motivation	Boost challenge spirit and confidence through internalization of winning-spirit	Present a blueprint for growing into a top-notch talent with the organization	Promote unmatched capabilities of the organization based on individual competency-building	Establish a company that employees want to work for by strengthening the CDP and hiring the right talent for the right job
Promote a customized two-track strategy at the company-wide and HQ level	Perform thorough follow-up monitoring of tasks to be carried out by each division	Eliminate inefficiencies and strengthen work-life balance to improve work productivity	Establish an organizational culture identity for overseas subsidiaries based on understanding cross-cultural diversity	Enhance the sense of belonging and expand mutual exchanges between of global family companies

CREATING A GOOD WORKPLACE CULTURE

IMPROVING ORGANIZATIONAL CULTURE

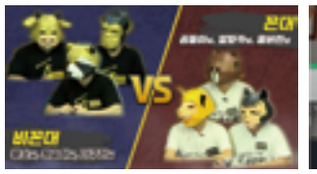
CJ Logistics is providing programs to expand empathy and communication among employees of all generations, such as in-house broadcasting innovation project, in-house venture competition, metaverse empathy talk, 'town-hall meeting', and 'NAM (New And Miracle) Story' so as to accelerate the improvement of the organization's cultural fundamentals.

OUR PROMISE TO CJ COLLEAGUES

- CREATE BEST WORK ENVIRONMENT WITH FUN
- CONDUCT BUSINESS HONESTLY AND LAWFULLY
- CREATE A HEALTHY AND SAFE WORKING ENVIRONMENT
- RESPECT COLLEAGUES AND PROTECT THEIR PRIVACY

IN-HOUSE BROADCASTING INNOVATION PROJECT

The in-house broadcasting innovation project is fulfilling its role as a communication channel representing the opinions of the Generation MZ. CJ Logistics is empathizing with the Generation MZ and overcoming the differences in perspectives between generations on organizational culture through the cross-generation sympathy talk show (Dae-Tong-Ssul-Jeon). In addition, the 'L.E.D Corner', where all employees of all generations can share various experiences and insights, and the 'Cross-border Meeting', where grievances between departments can be reviewed, are broadcasted to eliminate barriers between generations, departments, and ranks and to innovate the organization culture.



Cross-generation Sympathy Talk Show

Cross Border Meeting

LED Section

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ORGANIZATIONAL CULTURE DIAGNOSIS

CJ Logistics regularly conducts a survey (a so-called "Danjjan Survey") to improve the organizational culture through regular organizational culture diagnosis. The survey consists of 14 items under the three main keywords of fierceness, cohesion, and dynamism for each department, contributing to the actual diagnosis of organizational culture. CJ Logistics will make ceaseless efforts to form an innovative organizational culture which all employees can clearly experience through various organizational culture assessments and freely express their opinions.

11 ORGANIZATION CULTURE INNOVATION PROGRAMS

ORGANIZATION CULTURE INNOVATION PROGRAM LED BY MANAGEMENT

- Empathy Talk-Talk Program with CEO
- CJ Logistics Townhall Meeting
- CJ Logistics L.E.D (Logistics, Evolution, Design)

CONSENSUS BUILDING PROGRAM AMONG EMPLOYEES

- Cross Border Meeting
- Talk show (Dae-Tong-Ssul-Jeon)

PRACTICAL ACTION DRAWING INNOVATION PROGRAMS

- CJ Logistics Requesting (求) Campaign
- Do & Don't
- Flex Meeting Guide
- NAM Story

COMMUNICATION & DYNAMIC ACTIVITIES PROGRAM

- Metaverse communication program
- "Dadoem" Project (Idea Competition)

LEADERS TAKE THE LEAD

WE ARE THE ONE

DO WORK RIGHT

FEEL FREE TO SAY

THE MAIN KEYWORDS OF THE EMPLOYEE SURVEY

FIERCENESS

Vertical hierarchy, Show-off work attitude, Culture conscious what others think, Passive work, Unclear about who is responsible

COHESION

Discrimination, Respect, No title culture (only "Nim" is added to end of the name), Gaps between Head office/Business site

DYNAMISM

Trend, Challenging goals, New approach, Acceptance of change, Inefficient work

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FAMILY-FRIENDLY COMPANY

CJ Logistics is committed to creating a better workplace for employees and women in particular. We operate and manage a variety of programs to provide practical support for work-family balance, such as childcare leave for school entry, emergency childcare, work-hour curtailment. In addition, we provide generous support for healthy childbirth support for female employees, such as reducing working hours during pregnancy risk and providing Infertility support leave.

STRENGTHENING WELFARE BENEFITS

CJ Logistics has been putting highest priority on work and life balance of its employees. The company is creating a variety of welfare benefits systems for the employees to make sure they can enjoy a healthier, more enjoyable, and convenient life.

WELFARE BENEFITS SYSTEMS

CATEGORY	DESCRIPTION
Support for family events	· In case of family events, money gift and vacation are provided
Expansion of support for employee's examination	· Support for medical expenses · Support for health examinations
Infertility support	· Infertility support leave
Childbirth	· Child delivery of partner, maternity leave, push gift, shortened working hours for newborn care
Nurturing	· Payment of child tuition, support for child with disabilities, leave for child's admission, shortened working hours for child's admission care
Pregnancy	· Pregnancy leave, shortened working hours during pregnancy risk period

SELECTED AS EXCELLENT WORKPLACE FOR HEALTH

CJ Logistics Changwon HTML was selected as an excellent workplace* for workers' health promotion activities in the second half of 2021 conducted by the Korea Occupational Safety and Health Agency. In the midst of COVID-19 pandemic, we were actively promoting contactless health promotion programs using mobile applications, and we established and managed various health promotion systems such as preparing internal health promotion-related policies and establishing in-house health management system.

HEALTH PROMOTION PROGRAM

CATEGORY	DESCRIPTION
Musculoskeletal Prevention Program	· Stretching before work for all employees including those of partners · Provision of appropriate protective equipment
Improving awareness of health care importance and contributing to the spread of walking culture	· Operate campaigns to make exercise-buddy, experience obesity, and walking courses · Achieved 60% of walking participation rate
Cardiovascular Disease Prevention Program	· Periodic blood pressure management and expert consultation · Provision of rest time, management of health history

* Worksites that meet seven criteria for evaluation and accreditation of excellent workplaces including health promotion system establishment, awareness level, organizational culture, health promotion activities, environmental management, program operation, and partner company.

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PURSUING HAPPINESS OF OUR MEMBERS

BUSINESS CASE

DADOEM PROJECT

CJ Logistics Idea Contest 'Dadoem' is a competition where all employees can participate, propose and learn any logistics-related ideas with various themes. CJ Logistics supports the voluntary challenges of its employees and respects meaningful failures, thereby establishing a dynamic organization culture. Learning can be shared by identifying the causes of failure cases and improvement points, and selected ideas can strengthen competitiveness when connected to commercialization. CJ Logistics supports the continuous challenges of its members and strives for positive transformation and growth. A total of 210 ideas were received in the first term of 'Dadoem.' Among them, CJ Logistics evaluated for the perspective of innovation/differentiation, expected effects, and trends and selected 5 cases to promote commercialization.

In-house Venture Competition

EMPLOYEE ENGAGEMENT

CJ Logistics conducts an employee participation survey once a year to check the motivations of employees for achievement and to diagnose the corporate culture including the working environment. In addition, based on the survey results, we are managing and improving the overall organization culture and system. It measures the level of employee participation according to subcategories including gender, division and position by comprehensively considering "management philosophy" elements including mission and vision, core values, and behavioral principles, as well as other various factors such as organizational commitment, working style, and leader value practice.

EXPANSION OF MEMBER COMMUNICATION

CJ Logistics is running a program to improve the communication culture based on the opinions and participation of its members to minimize conflicts that may arise between different generations, positions, and departments, and to form a consensus. We are running a variety of programs to continuously improve the communication culture based on the participation and interest of our employees: the 'Townhall Meeting', where the CEO and the management share management status with all employees and transparently communicate through real-time Q&A, Cross-border meeting to resolve silo between departments, 'Dae-Tong-Ssul-Jeon' talk show to alleviate conflicts between employees and to promote mutual empathy and understanding and the Dos & Don'ts for each division to promote communication with members. In addition, we are striving to inform current trends and cultivate insights through 'NAM Story', which benchmarks successful small hidden champions to learn their fierceness and dynamism. CJ Logistics will continue to create an organization culture for value practice based on the needs of its employees.

BUILDING WIN-WIN LABOR-MANAGEMENT RELATIONSHIP

CJ Logistics holds a quarterly labor-management council to make sure labor and management can grow together. When an agenda item arises, the council is held on occasional basis to improve productivity and improve the welfare of workers. Agenda items are proposed in relation to management plan in accordance with the Act on the Promotion of Employee Participation and Cooperation, distribution by results based on productivity improvement, enhancement of employee welfare and handling of grievances, etc.

GRIEVANCE COUNSELING PROGRAM

CJ Logistics operates various grievance counseling programs to create a healthy and happy working environment by resolving their grievances. To carry out individual counseling and psychological tests among employees, we are operating the 'Clinic Center' by utilizing an external professional counseling center. In addition, we operate a grievance handling system to protect employees' human rights and handle grievances, as well as to ensure they lead happy lives.

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ENHANCING CUSTOMER VALUE

BUSINESS CASE

ENHANCED CUSTOMER CONVENIENCE & INTEGRATED MOBILE APP DEVELOPMENT

In order to provide customers with a consistent design and user experience and to increase the convenience of both customers and employees through efficient business management, 22 mobile app services, including 'CJ Logistics Parcel Delivery app' and 'CJ Logistics Hello App', were under integrated development to implement the 'mobile app integrated management project'. In addition, CJ Logistics introduced the learning-oriented artificial intelligence (AI) chatbot for the first time in the parcel delivery industry to respond to customer inquiries in real time 24/7 to improve consumer convenience.

ENHANCING CUSTOMER SATISFACTION

EXPAND CUSTOMER COMMUNICATION

CJ Logistics operates various communication channels to enhance customer service capabilities based on active customer communication. Besides we are strengthening communication with our customers by deriving three key strategies and related core tasks: structural innovation for customer response, change in the role of customer center, and service competency enhancement.

ENHANCING CUSTOMER SATISFACTION

Customer satisfaction is maximized when the service that the customer truly desires is provided. In order to provide customer-oriented services, CJ Logistics conducts a satisfaction survey for its customers once a year through the customer portal system, and conducts a mobile service satisfaction survey for individual customers. We are striving to enhance customer satisfaction by carrying out continuous improvement activities particularly for the items suggested by the satisfaction survey.

DIFFERENTIATED CUSTOMER SERVICE

CJ Logistics] is operating and expanding the 'e-fulfillment service*' to provide differentiated customer services and enhance customer convenience. The e-fulfillment service is a convergent service, a combination of a hub terminal and an e-fulfillment center to provide customers with differentiated delivery experiences such as overnight delivery and daybreak delivery by establishing a stable logistics service. In the beginning, the fulfillment service with a focus on household goods, has been expanded to include food, health functional food, clothing, and pet products, providing services to 12 brands including Pet Friends and Zig Zag. We plan to further expand the service by adding additional 20 brands. CJ Logistics will continue to provide differentiated customer service to actively support the growth of customers' e-commerce business.

* A logistics specialist is entrusted with sellers and handles all logistics service processes such as delivery, storage, packaging, inventory management, exchange, and refund.

e-fulfillment service

CJ Logistics Gonjiam e-fulfillment Center

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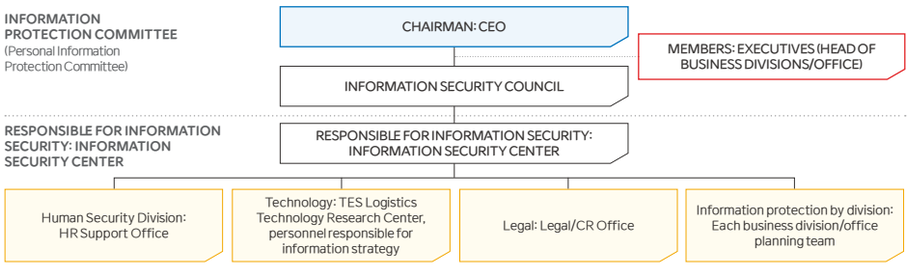
CUSTOMER INFORMATION PROTECTION

INFORMATION SECURITY PROMOTION SYSTEM

With the development of information technology and the expansion of smart logistics services in the digital transformation environment, the information protection paradigm has been shifted. CJ Logistics has established an organization dedicated to information protection to preemptively respond to changing environment and information protection issues. Further we are operating the Information Security Committee, which consists of the Chief Information Security Officer (CISO) and customer service executives, led by the CEO, who is responsible for overall security of the company. In addition, the Information Security Council is held quarterly to share information protection-related issues and to discuss measures to strengthen the security system. CJ Logistics has established and operated a personal information processing policy in accordance with information protection-related laws such as the Personal Information Protection Act, and provides customers with transparent information on the collection, use and destruction of personal information.

INFORMATION SECURITY ORGANIZATION CHART



INFORMATION MANAGEMENT CHECK-UP & IMPROVEMENT

CJ Logistics regularly conducts information security check-up activities to preemptively prevent service interruption and information leakage caused by any security incident including hacking. In cooperation with the group's Information Security Center, we are working hard to manage IT services and information safety by checking and supplementing network vulnerabilities let alone operational services. In addition, we check and improve and manage the level of implementation of the Personal Information Protection Act for business partners entrusted with personal information for the purpose of delivery, etc. In addition, we are continuously striving to respond quickly to security issues by revising and managing information security regulations once a year and carrying out improvement activities such as classifying information assets into grades of importance and conducting risk assessments.

STRENGTHENING INFORMATION SECURITY RISK MANAGEMENT

CJ Logistics acquired ISO27001 (Information Security Management System) and Information Security Management System (ISMS) certifications to operate a continuous improvement management system against company-wide information protection risks. In addition, we are building a monitoring and early response system for hacking attempts by the security control center. In the case of business partners, it is mandatory to sign a business agreement to comply with information security, and the personal information written on the waybill is stored in the waybill and destroyed through a third party shredding professional company to prevent leakage or exposure in the process of collecting and delivering the product. We are putting stronger technical protection measures than legal requirements such as personal information encryption in place for systems that operate personal information, such as the integrated parcel delivery system.

INFORMATION SECURITY SYSTEM CERTIFICATION

PERSONAL INFORMATION PROTECTION AND AWARENESS-RAISING ACTIVITIES

To protect personal information and raise awareness among employees, CJ Logistics has enacted the 'Personal Information Protection Principle' and thoroughly complies with it, and further strives to spread awareness of personal information protection practically through employee education and training. In addition to education, we are conducting awareness-raising activities such as regularly posting security-related newsletters and quizzes on our intranet.

PERSONAL INFORMATION PROTECTION PRINCIPLES

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CREATING A CULTURE OF RESPECT FOR HUMAN RIGHTS

HUMAN RIGHTS MANAGEMENT

HUMAN RIGHTS MANAGEMENT SYSTEM

CJ Logistics is implementing "human rights management" company-wide to prevent human rights violations of its members and stakeholders in corporate management and to establish a culture of respect for human rights. Through this, the company intends to establish and operate a human rights-centered decision-making system to prevent the risks of human rights violations of its members and stakeholders in advance and to provide immediate remedies in case of human rights violations.

HUMAN RIGHTS MANAGEMENT SYSTEM CHART

HUMAN RIGHTS POLICY ESTABLISHMENT	OPERATIONAL PROCESS	GOVERNANCE OPERATION
① Declaration of human rights management policy ② Enactment of human rights management regulations ③ Establishment of Partners' Code of Conduct	① Implementation of human rights impact assessment/improvement ② Operation of remedy process ③ Education (internalizing a culture of respect for human rights)	① Creating a dedicated organization ② Organizing working group (related departments across the company)

REVISION OF THE HUMAN RIGHTS DECLARATION

CJ Logistics respects prevailing domestic and international norms and standards related to human rights, such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Human Rights Management Guidelines of the National Human Rights Commission of Korea. The company's human rights declaration was revised to comply with human rights, labor and environmental laws and guidelines. Through this revision, CJ Logistics will protect the human rights of all stakeholders and strive to prevent human rights violations.

STRENGTHENING HUMAN RIGHTS DUE DILIGENCE PROCESS

CJ Logistics has established a human rights due diligence process as 150 indicators in 13 areas based on international guidelines for the practical protection of human rights of all employees, partners, and joint ventures. Based on this, we are trying to identify and prevent potential negative impacts that may occur at the operational stage and value chain, including the company and supply chains. We are improving the human rights due diligence process by actively responding to issues discovered through the process and identifying potential issues once a year.

HUMAN RIGHTS DUE DILIGENCE PROCESS

ESTABLISHMENT OF HUMAN RIGHTS POLICY
Establishment of basic principles, policies and strategies for human rights

↓

HUMAN RIGHTS RISK IDENTIFICATION
Mapping of human rights risks in operations and value chains

↓

HUMAN RIGHTS RISK ASSESSMENT
Assessment of actual and potential human rights risks in operation and value chains; Investigation of actual human rights violations through due diligence

↓

REMEDY PROCEDURES AND MONITORING
Implementation of remedies and monitoring of identified human rights cases

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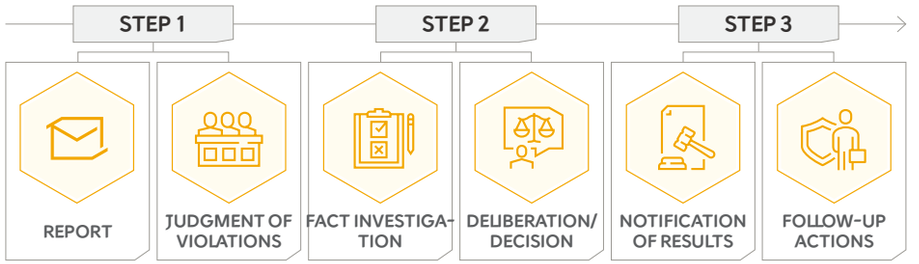
CREATING A CULTURE OF RESPECT FOR HUMAN RIGHTS

HUMAN RIGHTS PROTECTION ACTIVITIES

CJ Logistics opposes human rights violations and supports and respects international human rights norms including the Universal Declaration of Human Rights. To prevent human rights violations, we have established a human rights management system based on human rights policies and a dedicated organization, and continuously inspect and manage human rights management practices. Moreover, we have established a 'human rights management remedy process' to provide appropriate remedy procedures to victims in case of human rights violations and protect victims of human rights violations by providing procedures for anyone to report and seek remedies in the event of a human rights violation and to prevent recurrence. We are pursuing to strike rightful balance between respecting the human rights of colleagues and protection of privacy to respect workers' human rights. We do not force workers to work against their free will through violence, threats, confinement, or other unfair restraints, and regularly inspect and manage major human rights issues such as prohibition of child labor and gender discrimination.

HUMAN RIGHTS MANAGEMENT REMEDY PROCESS

REMEDY PROCESS



CREATING AN ENVIRONMENT FOR PROMOTING HUMAN RIGHTS MANAGEMENT

As human rights management in global business sites are emerging as an important issue, CJ Logistics is enhancing its labor and human rights risk management capabilities to operate business sites according to global guidelines. In the future, we will strive to expand human rights management by comprehensively considering human rights issues and business factors at domestic and overseas business sites and establishing an implementation & monitoring system to expand human rights management.

BANNING HARASSMENT IN THE WORKPLACE

For a healthy organizational culture and respect for human rights protection, CJ Logistics strictly prohibits harassment in the workplace, including the examples below. In addition, we are striving to strengthen workplace bullying prevention by conducting regular training at least once a year and posting the contents of the training to prevent and respond to workplace bullying. In addition to educational activities, we have prepared relevant guidelines, established a grievance handling agency and remedies, ensure that the identity of the complainant is strictly confidential when an case occurs, and strives to avoid any disadvantages due to reporting.

EXAMPLES OF HARASSMENT PROHIBITION AT WORK

Abusing personnel rights such as evaluation or promotion to force unwanted entertainment or use insulting words or behaviors	A department head instructs an inappropriate personal service to a member of the department	Habitually holding a meeting just before the end of the work hour and causing overtime work
Forcing buying goods to internal employees to fulfill one's sales achievement	Forcing excessive drinking at a staff party	Abusive language towards temporary employees with the pretext of extending the employment contract

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PROMOTING MUTUAL COOPERATION

SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT PRACTICE

CJ Logistics is implementing shared growth values such as establishing a fair trade order and supporting partner companies to strengthen their competitiveness based on the 'CJ Win-Win Philosophy' to create rules and systems that enable them to grow together with partners. We select partners through a fair and transparent process, and apply internal regulations related to the supply chain to selected partners to form a transparent transaction culture. Furthermore, we are continuously strengthening communication channels with our partners and providing tailored competency enhancement programs for them.

IMPLEMENTING A RESPONSIBLE SUPPLY CHAIN

CJ Logistics selects and manages key partners by comprehensively considering the transaction amount, relevance to the core business, and the possibility of substituting existing technologies. In addition, we are striving to implement a responsible supply chain by establishing a supply chain evaluation process to ensure that all employees and business partners comply with ethical standards and conduct business in a fair and sustainable manner.

RESPONSIBLE SUPPLY CHAIN PROCESSES

STEP1. ESTABLISH POLICIES AND STANDARDS	STEP2. ASSESSMENT AND MONITORING	STEP3. IMPLEMENTATION OF IMPROVEMENT
① UNGC Principle ② OECD MNE Guidelines	① pre-evaluation (contract requirements, written evaluation, etc.) ② Periodic evaluation (written evaluation, on-site inspection, etc.)	① Confirmation of Corrective Action and Improvement Implementation ② Termination of Business Relationship ③ Feedback/ Supplementing Policies and Standards

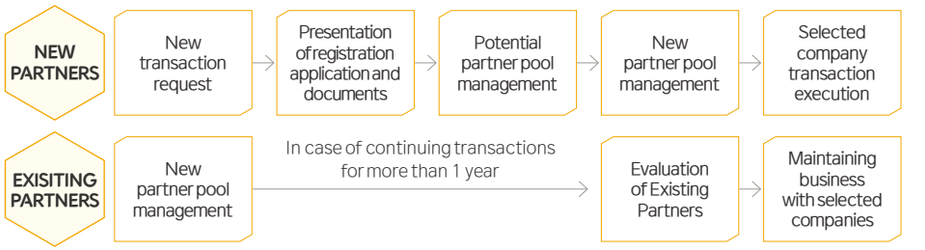
SUPPLIER FAIR TRADE COMPLIANCE AND REINFORCEMENT ACTIVITIES

Our logistics division has established the 'Fair Trade Win-Win Agreement Operation Regulations' to establish a fair trade relationship between employees and partners and make efforts to enhance the importance of mutual cooperation. In addition, we thoroughly comply with the 'Monopoly Regulation and Fair Trade Act', 'Fair Transactions in Subcontracting Act and 'Three Guidelines for the Fair Trade Co-prosperity Agreement'. The construction sector is strengthening fair trade order by selecting new partners via open competition on a regular basis through its own and credit rating agency websites once a year and conducting screenings according to the 'comprehensive partner evaluation checklist'. In addition, by complying with the 'Construction Industry Framework Act' and the 'Fair Transactions in Subcontracting Act', we are promoting quality assurance and smooth construction based on a fair and transparent trade relationship.

PARTNER SUSTAINABILITY EVALUATION AND COMPENSATION PROVISION

CJ Logistics is carrying out sustainability evaluation and improvement activities such as evaluating the sustainability aspects, management and financial aspects of all partners and informing the evaluation results to the partners, collecting opinions, and reflecting them in implementation policies. In the construction sector, we conduct regular partner evaluations twice a year for partners with transaction records for a certain period of time, and continuously subdivide and update the construction evaluation process to derive detailed results and carry out improvement activities. In addition, we strive to encourage our partners to carry out sustainable activities and build supply chains by providing benefits such as rewards, increased opportunities to participate in bidding, and reduction of contract performance guarantee insurance to selected excellent partners.

PARTNER SELECTION & EVALUATION PROCESS



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PROMOTING MUTUAL COOPERATION

WIN-WIN MANAGEMENT WITH PARTNERS

STARTUP GROWTH SUPPORT

CJ Logistics is actively supporting growth of a next-generation unicorn company by participating in the 'Seed Program*' and selecting startups in the field of logistics together with the Ministry of SMEs & Startups and the Startup Promotion Agency. Selected companies are provided with opportunities for growth through various supports such as commercialization support of up to KRW 300 million, expert mentoring by group affiliates for 10 months, and advice on technology and business feasibility. CJ Logistics plans to link business between its affiliates and start-ups and make direct investments to support the successful nurturing of various start-ups, and further plans to take the lead for their successful entry into the global market.

* Seed Program: A project in which 6 major affiliates, including CJ Logistics and CJ ENM, select and nurture startups in the leapfrog stage (3-7 years of establishment).

CREATING A WIN-WIN ECOSYSTEM FOR SHARED GROWTH

CJ Logistics is promoting various activities for win-win management. Together with Mirae Asset, we formed 'Mirae Asset-CJ Logistics New Growth Investment 1' and are taking the lead in discovering new growth engines and creating a win-win ecosystem through open innovation. In addition, the company is running a win-win growth fund of KRW 36 billion to set the loan interest support for business partners and the credit limit for loans secured by accounts receivable to KRW 99 billion and support partners in providing low-interest loans.

PROMOTING SHARED GROWTH WITH PARCEL DELIVERY PARTNERS

As part of strengthening the welfare benefits of delivery partners, we have signed an MOU with 23 workers' health centers across the country to promote their health by providing health checkups and health counseling services. In addition, for the health management of delivery workers, 44,000 cool scarves made of refrigerant are distributed while air conditioning equipment such as air conditioners, fans, and ice makers suitable for each terminal are provided, and the delivery driver's lounge is operated, and salt glucose is provided in parallel to facilitate a healthy work environment for our partners. In addition, to express gratitude for the contributions of our delivery partners, we held an award ceremony for the 'Grand Prize for Courier of the Year' and selected four awardees in 'Courier of the Year' and 28 awardees in 'Excellent Courier' category and delivered a total prize of KRW 96 million. In addition to these moves, CJ Logistics is also operating various welfare systems such as the child's tuition support program and the congratulatory and condolence support that offers support for congratulations and condolences such as marriage and childbirth to continue to expand the environment in which the company can grow together with delivery partners.

ESTABLISHMENT OF MUTUAL COOPERATION MODEL TO SUPPORT EXPORT OF SMES AND MIDDLE-STANDING ENTERPRISES

In order to effectively establish a mutual cooperation model that supports the exports of more than 5,000 SMEs and middle-standing enterprises, we signed an agreement with KOTRA and the Korea Customs Service and newly opened the 'Global e-Fulfillment Center' in 2021. Through this agreement, CJ Logistics plans to provide an environment in which SMEs and middle-standing enterprises can successfully enter overseas e-commerce markets and provide export customs clearance and logistics services to strengthen their export competitiveness. CJ Logistics will work closely with each organization to maximize the effect of export support in the future and provide high-quality export logistics services by successfully operating the global e-fulfillment center at the same time making ceaseless efforts to provide tangible support to help SMEs challenging the global e-commerce market.

Signed MOU to Support SMEs' Export

Health checkup for delivery drivers

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BUSINESS CASE

ESTABLISHMENT OF A FOUR-PARTY CONSULATATIVE BODY FOR 'EXPANSION OF JOBS FOR THE DISABLED'

CJ Logistics signed a business agreement with the Korea Employment Agency for the Disabled, Incheon Metropolitan Office of Education, and SL Logistics Co., Ltd. to provide on-site training and employment support for students with disabilities to provide employment in the logistics industry through public-private cooperation for students with disabilities in Incheon. It is contributing to the expansion of jobs in the logistics industry for students with disabilities by creating a systematic vocational training system for them. About 30 high school seniors and those majoring in the relevant studies in Incheon area are selected for field training in logistics terminal and delivery of parcels. In the future, we are working hard to provide more students with disabilities employment opportunities in the logistics industry through close cooperation with each institution.

Convention for the expansion of employment for disabled students

CREATING VALUES FOR THE LOCAL COMMUNITY

BLUE PARCEL DELIVERY

Based on the cooperation of the local communities, 'Blue Parcel Delivery', a 'last mile' delivery service that delivers parcels to the base provided in an apartment complex, to each home by a delivery person with impaired hearing, contributing to job creation and expansion for them. Blue Parcel Delivery, which is currently being implemented at Songdo SK View in Incheon, has been running steadily since July 2020, targeting a total of 2,100 households with 5 locals with hearing impairment working there. We have established a stable system that delivers an average of 150 products per person per day and 4,000 products per month to each home, giving satisfaction to both the delivery person and the residents.

ORANGE PARCEL DELIVERY

CJ Logistics reduces labor intensity by operating Orange Parcel Delivery, a hub-based service in which couriers delivered to a base in the apartment complex are delivered to each home by a woman with a career discontinuity. In order to establish a stable system, we are supporting work through 'Happy Orange', the implementing agency, to support new challenges and start of career interrupted women. In the current Orange Parcel Delivery service, apartment residents and 4 women with career discontinuity living in the nearby LH apartment complex are working as delivery workers, and each delivery person delivers an average of 1,300 parcels to each household per month.

SILVER PARCEL DELIVERY

We are continuously operating Silver Parcel Delivery to solve the poverty suffered by the elderly, which is emerging as a social issue recently, and to create quality jobs for seniors. Silver Parcel Delivery is operated in the form of delivery to nearby areas by senior delivery personnel aged 60 and above using eco-friendly electric carts. This is a business model that enables companies and society to grow together by creating jobs for the elderly and improving the company's delivery service. Silver Parcel Delivery, which started in 2013, has created over 1,400 jobs for the elderly so far.

Blue Parcel Delivery

Orange Parcel Delivery

Silver Parcel Delivery

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SHARED WIN-WIN ACTIVITIES

CREATION OF ECO-FRIENDLY URBAN FOREST

As response to climate change and conservation of biodiversity has become more important recently, CJ Logistics held the 'Creation of CJ Logistics Urban Forest' event with more than 20 executives and employees and Seoul Green Trust officials to create a pleasant urban environment through eco-friendly social contribution activities. Through the 'Green Map Campaign*', this event has added a special meaning to the 'Citizen Participation Eco-Friendly Campaign' by combining citizen participation with existing eco-friendly urban forest construction activities. Reflecting the participation of citizens, CJ Logistics planted 61 trees in the empty lot of the Hanbit Park located in Samgak-dong, Jung-gu, Seoul Korea and planted 67 trees and 755 plants of 21 species on the Gyotong island located next to the Hanbit Park to create an urban forest and to protect against particulate matter, spearheading to reduce carbon emissions.

* Social contribution activities that create forests by receiving proposals from citizens living in less greening area

DONATION OF A BLOOD DONOR CARD

To alleviate the blood supply shortage caused by the prolonged COVID-19, CJ Logistics encouraged employees to participate in blood donation and collected and donated 400 blood donation certificates for Korean association for children with Leukemia and Cancer. In addition, CJ Logistics encourages employees across the country to participate in blood donation volunteer activities on a monthly basis to give strength to children with leukemia and cancer who need blood transfusions.

WARMTH PACKAGE DELIVERY ACTIVITY

CJ Logistics Construction Division conducted a 'warmth package delivery activity' with Caritas Bangbae Social Welfare Center to support vulnerable families with low-income. Custom packs of daily necessities and greeting cards were delivered to these families every month. CJ Logistics plans to continuously expand economic and emotional support for vulnerable households through regular visits. CJ Logistics plans to continuously expand economic and emotional support for vulnerable families through regular visits, and through this, it will deliver warmth to more vulnerable households.

RECEIVED A PLAQUE OF APPRECIATION FROM THE SALVATION ARMY

CJ Logistics received a plaque of appreciation from the Salvation Army in recognition of its contribution to delivering the message of hope of the Salvation Army throughout the country during the year-end and New Year holidays by delivering 1,000 items used for charity fundraising for the Salvation Army annually for the past 8 years for free to over 300 Salvation Army bases across the country.

Urban Forest Creation

Donation of Blood Donor Card

Warmth Package Delivery Activity

Received Salvation Army Appreciation Plaque

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BUSINESS CASE

EFFORTS TO RESOLVE PARCEL DELIVERY UNAVAILABLE AREAS

CJ Logistics signed a 'Delivery Service Consignment Agreement for Parcel Delivery Unavailable Areas' with Yanggu-gun to solve the inconvenience of local residents who have been experiencing inconvenience in receiving parcels as parcel service unavailable area for 30 years and started to support the delivery service of remote village. Starting with support for remote villages, CJ Logistics will continue to strive to resolve inconveniences for local residents and continuously improve parcel delivery convenience.

Provision of Remote Village Delivery Service

YELLOW FOOTPRINT ACTIVITY

In conjunction with the "Good Neighbors", we installed 'yellow footprints' to help prevent traffic accidents at 30 crosswalks in child protection areas, such as those nearby daycare centers and elementary schools in Gunpo, to foster desirable traffic safety habits to ensure that children can keep a safe distance while waiting for a crosswalk signal. CJ Logistics, together with its executives and employees, Good Neighbors, Green Mothers Association, and Gunpo City volunteers, plans to sequentially install 60 'yellow footprints' to 30 crosswalks in the Gunpo Children's Protection Area in both directions. We will continue to expand the yellow footprint installation project to provide a safe transportation environment for local children and further support to prevent traffic accidents.

SAFETY BAG COVER SUPPORT ACTIVITY

CJ Logistics has provided about 1,000 'safety bag covers' to elementary school students in order to create a safe way for children to commute to school. The 'light reflection safety bag cover' is a safety product designed for pedestrian safety for elementary school students who are short and difficult to get into the driver's field of vision. We will continue various traffic safety campaigns to ensure children can grow up in a safer environment.

SUPPORT ACTIVITIES FOR THE VULNERABLE IN COVID-19

In order to prevent COVID-19 infection and create a safe living environment for the underprivileged, we have delivered infection prevention supplies to each village in Iwon-myeon, such as a portable disinfectant and hand sanitizer. In addition, in the face of the cold winter, we participated in the 'donation activity for local residents' in Goryeong-gun, who are having a harder winter than any other year due to COVID-19 and participated in the warmth sharing practice. CJ Logistics will add warmth to overcoming the crisis by actively carrying out activities for the vulnerable and preventing the spread of COVID-19.

Yellow Footprint

Safety Bag Cover

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IMPORTANCE OF THE ISSUE

The board of directors is the highest decision-making body, and its independent and professional composition is essential for stable corporate management and risk management. CJ Logistics promotes ESG management to establish a sound corporate governance structure to create sustainable values, and practice compliance management through ethical management and compliance.

CJ LOGISTIC'S DIRECTION FOR RESPONSE

- New Establishment of ESG Committee
- Establishment of an Integrated Risk Management System
- Compliance Management Committee

PLAN & GOAL

- BOD's Professional Capacity Building Support Expansion
- Reporting and Resolution of ESG-related Issues to the BOD

2021 HIGHLIGHTS OF CJ LOGISTICS

NEW ESTABLISHMENT OF ESG COMMITTEE
STRENGTHENING ESG GOVERNANCE

ACQUIRING INTERNATIONAL STANDARDS FOR COMPLIANCE MANAGEMENT
THE FIRST LOGISTICS COMPANY TO ACQUIRE THIS

95.2%
BOD ATTENDANCE RATE IN 2021

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CURRENT STATUS OF BOD

COMPOSITION OF BOD

CJ Logistics Board of Directors consists of seven members: three executive directors including CEO and four independent directors. The target ratio of the composition of independent directors within the board of directors is set at 51%, and it is appointed as independent directors recommended by the Outside Directors Nomination Committee the BOD to play the role of checks and supervision. When appointing directors, we do not discriminate based on factors such as gender, nationality, age, religion, race, region of origin, education level, disability, etc., and strive to ensure diversity and balance. As of March 2022, CJ Logistics has one female director.

APPOINTMENT OF BOD

CJ Logistics operates the Outside Directors Nomination Committee which consists of four independent directors, to ensure independence and diversity of the directors. Independence of the independent directors are secured by recommending candidates who do not fall under the grounds for disqualification as stipulated in the relevant laws and regulations such as the Commercial Act to the general shareholders' meeting after considering the candidates' careers and fields of expertise, interests, number of consecutive terms, and the status of concurrent positions at other companies. In addition, we are appointing candidates with expertise and insight in various fields such as law and finance to support management's rational decision-making. CJ Logistics enhances the efficiency of the board of directors by stipulating that all independent directors cannot perform more than one job at the same time.

BOD MEMBERS

(As of March 2022, ⬢: Chair, ⬡: Member)

POSITION	NAME	GENDER	TERM	SPECIALTY	BOARD COMMITTEES				
					REMUNERATION COMMITTEE	OUTSIDE DIRECTORS NOMINATION COMMITTEE	AUDIT COMMITTEE	INTERNAL TRANSACTIONS COMMITTEE	ESG COMMITTEE
Executive Director	Shin Ho Kang	Male	2021.03 ~ 2024.03	Management and Logistics	⬢				⬡
	Young-Soo Shin	Male	2021.03 ~ 2024.03	Courier and Business	⬡				⬡
	Young-Hag Min	Male	2022.03 ~ 2025.03	Business and Construction	⬡				
Independent Director	Kap-Young Jeong	Male	2021.03 ~ 2024.03	Macroeconomic and Management	⬡	⬡	⬢	⬡	⬡
	Young-Seung Song	Male	2021.03 ~ 2024.03	Media and Communications	⬡	⬢	⬡	⬡	⬡
	Jong-Yong Yim	Male	2021.03 ~ 2024.03	Finance and Treasury	⬡	⬡	⬡	⬢	⬢
	Mee-Sok Yeo	Female	2021.03 ~ 2024.03	Legal and Compliance	⬡	⬡	⬡	⬡	⬡

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ENHANCING BOD INDEPENDENCE

CJ Logistics is strengthening the independence of independent directors by appointing them in compliance with the qualification requirements in accordance with Articles 382 (3) and 542-8 of the Commercial Act. In addition, it is stipulated that directors with a special interest in the resolution of the BOD are not allowed to exercise their voting rights. The detailed independence requirements for independent directors are as follows.

CJ LOGISTICS BOARD OF DIRECTORS DISQUALIFICATION FOR INDEPENDENCE

1. Directors, executive officers, and employees engaged in the business affairs of the company, or directors, auditors, executive officers, and employees who have been engaged in the business affairs of the company within the last two years
2. If the largest shareholder is a natural person, the principal and his/her spouse and lineal ascendants and descendants
3. Where the largest shareholder is a corporation, directors, auditors, executive officers, and employees of the corporation
4. Spouses and lineal ascendants and descendants of directors, auditors, and executive officers
5. Directors, auditors, executive officers and employees of the parent company or subsidiaries of the company
6. Directors, auditors, executive officers, and employees of corporations that have important interests, such as business relationships with the company
7. Directors, auditors, executive officers, and employees of other companies in which the company's directors, executive officers, and employees are directors and executive officers

OPERATION OF THE BOARD OF DIRECTORS

In principle, board meetings are held on a monthly basis and as needed. The BOD decides on major matters such as those stipulated by laws and regulations and articles of incorporation, and matters delegated by the general meeting of shareholders, and operates a committee under its umbrella to ensure independence of decision-making. The attendance rate of the BOD in 2021 was 95.2%, exceeding the minimum attendance rate of 80% required for the BOD. Major decisions made by the BOD and attendance status are disclosed through the quarterly and semi-annual, business reports and website.

BOARD OF DIRECTORS ATTENDANCE RATE

May 2022 Board Meeting Held

OPERATION OF THE BOARD COMMITTEE

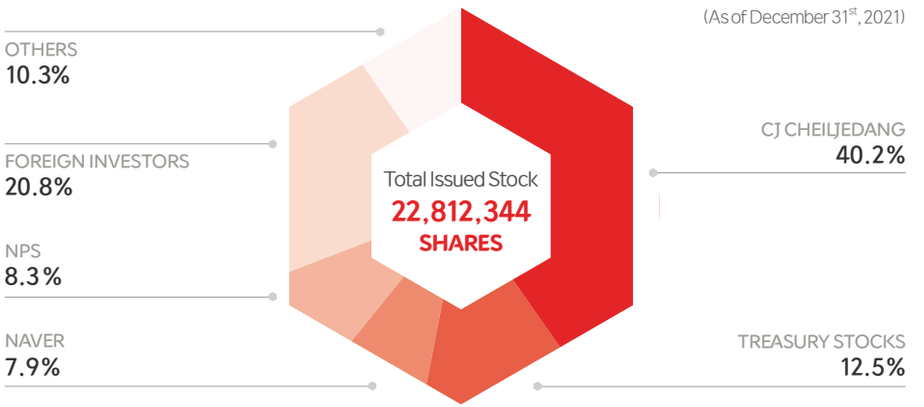
CJ Logistics operates various committees within the BOD to enhance transparency in governance and strengthen their expertise. All committees consist of more than half of independent directors. In particular, the Audit Committee, Independent Director Nomination Committee, and Internal Transaction Committee, where supervision and checks are important, only consist of independent directors. In 2021, a total of 13 committee meetings were held to review and report 17 agenda items in which executive directors attended 92.6% while independent directors attended 100%, and resolutions and attendance are transparently disclosed through the annual business report.

EVALUATION AND REMUNERATION OF THE BOARD OF DIRECTORS

The activities of independent directors are evaluated comprehensively based on their attendance rates, independence and contributions to the board and committees, and the evaluation results are used to determine their remuneration and reappointment by the Independent Director Nomination Committee. The management's performance is assessed according to objective and comprehensive criteria including metric indicators composed of sales and operating profits, leadership, level of core competencies and other contributions to the company. The remuneration policies for major management are designed to be consistent with the long-term interests of shareholders and the details are disclosed in a transparent manner. In the case of the CEO, we have a variable compensation system so that the long-term incentive amount calculated based on performance such as sales and operating profit performance for two years and KPI scores can be distributed over two years.

COMPOSITION OF SHAREHOLDERS

(As of December 31st, 2021)



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COMPLIANCE POLICY

CJ Logistics has prepared and complied with various specific guidelines to realize transparent company management and ethical management by fulfilling the promise of compliance declared in the 'Promise of CJ Employees'. The contents are disclosed on our website, and all employees participate in the pledge ceremony every year to express their will to comply with the regulations.

CJ Global Anti-Corruption Policy

CJ Global Fair Competition Policy

CJ Fair Trade Model Guidelines

COMPLIANCE

ESTABLISHMENT OF COMPLIANCE SYSTEM AND OPERATION OF COMPLIANCE

Compliance is the ethical system of a company, which should be pursued as the value of highest priority with the purpose of building a transparent and fair transaction practice and compliance management culture. CJ Logistics has been operating the Compliance Program for fair trade since 2017 to establish and strengthen the compliance system. Since then, we have consistently identified and improved compliance risks from a domestic and overseas business perspective and have been carrying out practical activities to internalize the will of our employees to practice compliance. In addition, we have selected voluntary compliance leaders and conducted regular training in order to assign them achievable duties and roles while operating the Compliance management committee, contributing to the practical establishment of a compliance management culture. CJ Logistics will continue to practice ethical management to become a respected and beloved company by complying with the compliance system and continuously growing in the global mark to ensure it play a key role in social and economic development by making correct actions and value judgments in relationships with customers, shareholders, colleagues, partners, and global community.

8 ELEMENTS

The eight core elements form the most important foundation for establishment of corporate compliance culture and fair-trade order.

- CP Standards & Procedure Establishment & Implementation
- CEO's willingness to self-compliance and support
- Appointment of self-compliance manager in charge of CP operation
- Production and utilization of self-compliance manual
- Conduct continuous and systematic self-compliance training
- Establishment of internal monitoring system
- Sanctions against employees who violate fair trade laws
- Evaluation of effectiveness and corrective action

OPERATION PROCESS OF COMPLIANCE MANAGEMENT COMMITTEE

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CONDUCT IN-HOUSE COMPLIANCE TRAINING ACTIVITIES

① EDUCATION ON THE 'UNDERSTANDING ABOUT COMPLIANCE' FOR CJ LEADERS AND DEPARTMENT HEADS

For CJ Logistics leaders and department heads, the company provided compliance training for two weeks with inhouse-produced training videos on company policies such as compliance roles and responsibilities by position, code of conduct, and compliance control standards and major cautions of the internal reporting system, effectively contributing to raising awareness of department heads who play an important role and strengthening their roles and responsibilities.

② TES LOGISTICS TECHNOLOGY RESEARCH CENTER'S EDUCATION ON 'CJ MANAGEMENT PHILOSOPHY – REALIZATION OF VALUE OF HONESTY'

Following the formal course conducted by CJ Group, the company carried out real-time online in-depth education for the future technology team to enhance the meaning and value of 'honesty' from the perspective of CJ's management philosophy and provide practical education by educating policies and systems related to misconduct by job. CJ Logistics will continue to provide various education programs to all employees to establish a proper compliance culture in the future.

IMPROVING COMPLIANCE ACTIVITIES

CJ Logistics is making every effort to strengthen compliance activities by conducting various activities every year to provide specific directions and principles for desirable behavior to all employees. From March 2021, business guidelines and regulatory trend report on legislation and legal amendments have been distributed regularly to all employees along with CP Letters*. In addition, the Legal and CR Office provides support to make sure easy access to fair trade-related information through e-mail and internal bulletin boards. In addition, the Compliance Management Committee is held every year, and through regular compliance training and inspection, we are continuously striving to strengthen compliance management by preemptively identifying and responding to regulatory risks.

* Compliance newsletter that provides various information such as fair-trade related laws, news and press releases of Fair-Trade Commission, Q&A, etc.

OPERATION OF GROUP INTEGRATED REPORTING SYSTEM

For a free and safe reporting culture policy, CJ Logistics reorganized the reporting system operated by each affiliate to unify the reporting policies and forms and established various reporting methods such as real name reporting, anonymous reporting, and external reporting channels to ensure that employees and all stakeholders can trust a reporting system against fraudulent activities. The group integrated reporting system' is being operated by strengthening the accessibility of the informant through various channels such as the CJ Group's ethical management website, the company's official website, and the internal intranet access page. The company implements all necessary policies to protect informants while strengthening organizational compliance through free and safe issue raising and establishment of a sound reporting culture.

REPORTING POLICY

CATEGORY	DESCRIPTION
Whistleblower Protection	· Thorough protection of whistleblower's identity and confidentiality
Ban on any Unfavorable Treatment on Whistleblower	· Ban on any Unfavorable Treatment Based on Discrimination
Rewarding Policy	· If the result of whistleblowing contributes to eradication of fraud activities of the company and management activities, the whistle blower is subject to rewarding after going through internal deliberation.

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ENTERPRISE RISK MANAGEMENT

CJ Logistics identifies, manages, and monitors risks to preemptively respond to potential risk factors across the business that may occur during business activities. We minimize risk-related loss through risk management, establishment of governance, and strengthening of response systems, thereby quickly responding to changes in the internal and external environment.

COMPANY-WIDE RISK MANAGEMENT SYSTEM

CJ Logistics has built and manages risk-response organization led by the head of each business division under the CEO and the person in charge of business planning. In addition, we actively respond to risks by forming a crisis response TF consisting of the Management Support Office, Strategic Support Office, Legal/CR Office, and Human Resources Support Office, including the CEO.

RISK RESPONSE PROCESS

① DEPARTMENTS GENERATING THE FIRST ACCIDENT REPORT(RAPID REPORTING SYSTEM)
Reporting to the management/supervising/relevant departments using the expedited reporting system

② RM RESPONSE DEPARTMENT IN CHARGE OF GUIDING:
After checking the received RM occurrence history, the department in charge delivers the corresponding guide to the relevant department

③ ACTION RESULT REPORT(IN CASE OF R2 LEVEL OR HIGHER RISK):
In case of R2 or higher accident, the department executing the action according to the RM response guide and reporting the result in writing to the department in charge

④ REPORT ON ACTION RESULTS(IN CASE OF R1* RISK)
Within 48 hours after the occurrence, the department in charge reports the action results in writing to the management/holding company

* Operation of group emergency room in case of R1 occurrence

STRENGTHENING RISK MANAGEMENT

CJ Logistics systematically manages risks by categorizing financial and non-financial risks that may occur during business activities by business, employees, and customers, and conducting comprehensive monitoring. In addition, we classify risks that have a significant impact on business operation by type and stage, and quickly respond to risks by establishing risk-level management processes based on the 'quick reporting system'. In particular, we are working hard to effectively respond to risks arising from both domestic and foreign business sites by introducing a mobile reporting system that enables immediate reporting regardless of location and time.

ENHANCING AND INTERNALIZING COMPANY-WIDE RISK RESPONSIVENESS

In order to improve the company-wide risk response capability and internalize the risk management system, CJ Logistics is conducting regular training, training by position, and management meetings for all executives and employees to effectively respond to major non-financial risk issues such as safety and health, sexual harassment, awareness of the disabled, information security, fair trade compliance, and compliance. In order to strengthen employees' ability to respond to risks and internalize risk awareness, safety education such as precautions for safety accident risk prevention and accident handling methods, as well as education to prevent irregularities and power abuse at work, are regularly conducted. We are also working to expand systems and policies for risk prevention and encourage employees to discuss possible business risks with each other.

TAX RISK RESPONSE

CJ Logistics strictly abides by tax laws and policies of each country in which it operates and discloses them in a transparent manner. In addition, when making tax-related decisions during the operation process, the relevant department and related responsible organization review and make the final decision.

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INTERNALIZATION OF RISK MANAGEMENT CULTURE

REINFORCING MID- TO LONG-TERM RISKS

CJ Logistics defines mid- to long-term risks that are expected to have a significant impact, predicts and analyzes related risks, and responds preemptively in the future business operation process.

DEFINITION OF RISK

CJ Logistics classifies financial and non-financial risks that may occur in business activities by type, analyzes risk factors, and manages risks through monitoring.

RISK TYPES & FACTORS

RISK TYPES	RISK FACTORS
Market Risk	Exchange risk, interest rate, liquidity, etc.
Safety Environment Risk	Infectious diseases, personnel and equipment accidents, natural disasters, etc.
Customer Relation Risk	Reception of complaints, formal objection, etc.
External Relations Risk	Changes in Related Systems & Policies, etc.
Law Violation Risk	Compliance Risk Related, etc.
Labor-Management Risk	Strike, sabotage, labor-management conflict, etc.
Fraud / Illegal Risk	Unfair trade, embezzlement, bribery, sexual harassment, etc.
Information Protection Risk	Information leakage, system failure, etc.
Tax Risk	Transparent tax payment and risk management, etc.
Infectious Disease Risk	Confirmed cases of infectious diseases across the company and among partner company members

SENSITIVITY AND SCENARIO ANALYSIS

CJ Logistics preemptively identifies financial risks, such as exchange risks that can be exposed in domestic and overseas transportation transactions related to shipping business, overseas sales, and parcel delivery business, and interest rates that can be exposed due to interest rate changes due to changes in the financial market. To minimize risks, identify favorable and unfavorable fluctuations based on sensitivity analysis then disclose on the annual report. Moreover, we systematically manage climate risks by predicting future environmental changes and business impacts to use sensitivity risks and RCP scenarios with updated data.

POTENTIAL RISK

RISK CLASSIFICATION	RISK DESCRIPTION	BUSINESS IMPACT	RESPONSE STRATEGY	RESPONSE ACTIVITIES
Climate Change Risk	· Increased frequency and possibility of natural disasters due to extreme weather conditions including sea level rise, typhoons, floods, and fires caused by climate change	· Increased loss to infrastructure and customer property, including damage to business facilities due to extreme weather · An increase in the number of reconstruction personnel and cost is expected	ENHANCEMENT OF WEATHER ADAPTABILITY FOR EXTREME WEATHER · Prepare measures for each business site through risk analysis of climate change related physical scenario and implement continuous safety education and inspection ISO14001 (ENVIRONMENTAL MANAGEMENT SYSTEM) APPLIED TO ALL BUSINESS SITES · Reduction of environmental impact in the course of business operation through the introduction of an environmental management system, conversion to eco-friendly transportation means, and establishment of an energy saving system through the use of solar power generation and renewable energy in distribution centers INTRODUCTION OF ECO-FRIENDLY SMART PACKAGING SOLUTION · Advanced packaging process to reduce plastic vinyl and prevent overpacking	· To minimize damage caused by natural disasters, carry out regular safety manager training and inspections, and build an organic crisis response system and emergency operation system for each business site based on step-by-step operation plans and scenarios.
	· Increasing requirements and strengthening regulations related to climate change under the government's 2050 carbon-neutral and greenhouse gas quota system	· The introduction of eco-friendly transportation means to reduce greenhouse gas emissions and the establishment of eco-friendly logistics facilities are expected to have a financial impact such as expenses and operating costs.		· Apply the environmental management system ISO 14001 to all business sites to reduce the environmental impact of the business operation process · Introduce electric freight car as an eco-friendly means of transportation, use solar power generation renewable energy in logistics center, and save energy through replacement of LED lighting
	· Increased waste of disposable packaging materials due to the surge in online e-commerce · Increasing demand for proactive reduction measures in all stages from production to logistics	· Research and introduction of new technologies in response to stakeholders and social demands are on the rise, and investment is expected to rise due to the advancement of existing technologies.		· Introduce eco-friendly smart packaging solutions by using paper cushioning materials and box tape to reduce plastic vinyl and by upgrading the packaging process to prevent excessive packaging
Demographic Change Risk	· Accelerating demographic changes such as low birthrate and aging population	· Labor shortage and productivity decline are expected since it will be difficult to secure professional manpower due to the low birth rate and the aging of drivers in the logistics industry.	TES · Securing service and cost competitiveness through logistics automation and service advancement using big data OPEN INNOVATION · Securing flexible responsiveness to digital transformation through exploration of commercialization technology and customized application	· Combine robots and automation facilities to build a flexible operating system for changes in the logistics environment, and integrate the latest technologies to realize smart logistics · Utilize algorithm analysis and simulation tools to optimize logistics operations such as logistics bases, networks, design, and resources · Maximize logistics operation efficiency through AI/big data analysis and prediction technology, and converge and analyze/use internal and external data as basic data for NW and center design
Risk of Changing Customer Needs	· Increased demand for rapid logistics response due to the expansion of the e-commerce market and changes in the role of offline stores · Accelerating service competition due to customer diversification	· Expected to increase costs for building infrastructure for rapid logistics response and securing a base in downtown areas · Increasing demand for diversification of customer service is expected to intensify competition in logistics	NEW LMD (LAST MILE DELIVERY) DEVELOPMENT · Diversified delivery options such as Daybreak delivery, Overnight delivery, Same-day delivery services, etc., and secured flexible capacity (by 2022) · Maximization of profit and loss by establishing dynamic pricing strategy for each service HYBRID TYPE N/W STRATEGY · Establishment of base operation strategy that can respond flexibly to regional demand	· Improve operational efficiency through development of e-Commerce logistics integrated management system 'eFLEXs)' · Provide customized fulfillment service for different industries · Strengthen capacity of delivery infrastructure network through implementation of fusion fulfillment service that combines large distribution center with the largest mega hub · Continue efforts to improve client and customer satisfaction through prompt and accurate delivery services

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MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT PROCESS

CJ Logistics conducted a materiality assessment by comprehensively reviewing the level of interest for internal and external stakeholders and business impact in accordance with the principles of the Global Reporting Initiative (GRI), a global sustainable reporting standard. The materiality assessment drew 27 core issues related to sustainable management activities of CJ Logistics through global standards analysis, major global company benchmarking, etc. in the process of selecting material issues.

GLOBAL STANDARDS ANALYSIS

- Analyzing global standards and evaluation items related to sustainability management such as GRI Standards, UN SDGs, ISO26000, DJSI, SASB, etc.

BENCHMARKING

- Selecting and trend analysis of total 10 companies such as CJ Logistics' major competitors and global advanced companies

INSPECTING INTERNAL STATUS

- Reviewing mid- to long-term business strategy
- Analyzing internal issues such as management performance data and management policy

MEDIA RESEARCH

- Investigating 1,075 related online articles related to economic, social, and environmental issues of CJ Logistics
- Scope of analysis articles: January 2021 to December 2021

MATERIALITY ASSESSMENT VALIDITY REVIEW

Based on the 27 major issues identified, their priority was derived through quantification of 'stakeholder interest' and 'business impact.' In terms of business impact, we considered the relationship of management policies between the financial and non-financial impacts of business activities through global corporate benchmarking and internal stakeholder survey, which had progressed in March 2022. We reviewed and evaluated the stakeholder interest by reviewing the effectiveness of the impact of external stakeholder surveys, media analysis, global initiative analysis, etc.

STAKEHOLDER INTEREST

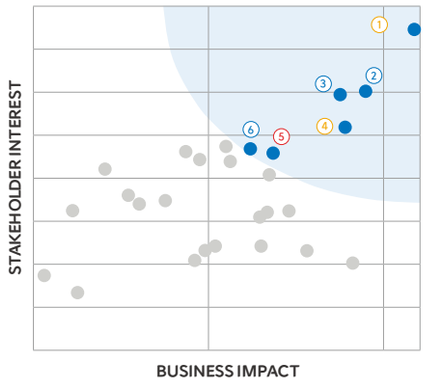
- Study on global standard and impact of evaluation items
- Analysis of media, impact on reputation, etc.
- Review the impact of stakeholder-specified issue

IDENTIFIED 6 CORE ISSUES

BUSINESS IMPACT

- Analysis on management strategy and KPI
- Review of internal issues such as management performance data and management policies
- Review of the importance of the economy, society, and the environment for internal employees

MATERIALITY MATRIX



NO.	CATEGORY	MATERIAL ISSUES
1	Social	Strengthening safety and health management system
2	Environmental	Managing and reducing GHG emission
3	Environmental	Managing energy consumption and increasing efficiency
4	Economic	Strengthening competitiveness through logistics innovation
5	Social	Establishing an organizational culture of trust and communication
6	Environmental	Expanding eco-friendly logistics services

NO.	OTHER ISSUES	NO.	OTHER ISSUES
7	Strengthening financial soundness	18	Managing and minimizing waste discharge
8	Establishing climate change risk management system	19	Strengthening information protection and cybersecurity
9	Strengthening mutual growth policies and win-win cooperation of business partners	20	Strengthening employee benefits
10	Strengthening ethical management activities	21	Reinforcing compliance activities
11	Respecting employee's diversity and providing equal opportunities	22	Conducting social contribution activities specified to local communities
12	Strengthening local health and safety	23	Managing pollutants emission
13	Delivering differentiated, customized customer value	24	Engaging stakeholders and expanding communication
14	Protecting human rights and preventing infringement	25	Managing water usage and increasing efficiency
15	Establishing risk management system	26	Protecting biodiversity around the workplace
16	Securing new growth engines for the future	27	Promoting Board Diversity, Independence and Effectiveness
17	Securing top talent and innovating human resources		

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MATERIALITY ASSESSMENT

ESG CORE ISSUES AND RESPONSES

CJ Logistics is promoting sustainable activities through active communication such as collecting stakeholder opinions on six key sustainability management issues according to the materiality test. In addition, management strategies and long-term goals for key issues are established while target years are set and managed systematically.

ESG KEY ISSUES

NO.	KEY ISSUES	IMPACT OF ISSUES*			GLOBAL STANDARD FRAMEWORK				REPORTING PAGE
		COST	REVENUE	RISK	GRI	SASB	TCFD	UN SDGs	
1	Strengthening the safety and health management system			●	●	●		●	Creating a safety culture p. 32-35
2	Management and reduction of GHG emissions		●		●	●	●	●	① Climate change analysis report p.18-21 ② Reinforcement of reduction activities p.24
3	Managing energy consumption and increasing efficiency		●		●		●	●	Strengthening of Reduction Activities p.25
4	Securing competitiveness through logistics innovation		●		●			●	CJ Logistics PARADIGM SHIFT p.10-12
5	Establishing an organizational culture of trust and communication			●	●				Pursuing happiness for members p. 39-40
6	Expand eco-friendly logistics services	●						●	Eco-friendly Business Practices p.27-29

*Impact of the issue
1) Cost: Impacts linked to financial losses (policy regulations, environmental changes, etc.)
2) Revenue: Impact on business activities/processes that generate financial profits (Securing new markets, etc.)
3) Risk: Impacts related to non-financial potential risks (media, public opinion, reputation, etc.)

RESPONSE TO ESG MATERIAL ISSUES

CATEGORY	REPRESENTATIVE BUSINESS	MANAGEMENT STRATEGY	LONG-TERM GOALS	TARGET YEAR
Environmental	Responsibilities and impacts of logistics companies are increasing, such as responding to environmental and climate change and protecting biodiversity. Efforts to solve various environmental problems are also affecting the business activities of companies, and as domestic and foreign environmental regulations are strengthened, the importance of technology for eco-friendly logistics systems is increasing. Thus, there is a need to reduce environmental impacts in terms of logistics and delivery. The transition to eco-friendly logistics is becoming essential as a future growth engine.	We plan to replace all 30,000 delivery vehicles with electric trucks by 2030. To this end, we are continuing our efforts for eco-friendly logistics by introducing large hydrogen trucks on a trial basis and putting electric trucks and vehicles into delivery sites. In addition, we are practicing green logistics by optimizing logistics and transportation, such as optimizing operation routes, improving integrated dispatch and recovery rates, and establishing and managing climate change response strategies based on TCFD. By utilizing physical and transition risk and scenario analysis, we identify and respond to crises and opportunities caused by climate change in a preemptive manner.	Introduction of electric delivery trucks 100%	2030
Social	National safety and health regulations are being strengthened in accordance with changes in safety-related laws and policies, such as the revision of the 2030 Act on the Punishment of Serious Accidents. Safety and health issues are important issues that not only affect the overall management of the company, which is linked to the company's reputation, but can also lead to personal harm. CJ Logistics is doing its best to accelerate the execution of risk management by establishing an autonomous safety management system at the workplace and fulfilling corporate social responsibilities to preemptively respond to safety and health regulations.	To strengthen the safety and health system, we have established and managed three strategies. First, the advancement of on-site operation through the shift of the risk management system, second, the strengthening of business site execution ability by securing SHE management competency, and finally, a preemptive response to the government policy changes. Based on this strategy, we are building a global-level safety management system and strengthening safety and health risk management through ISO 45001 certification.	Top 5 Risk Elimination in Advance	2023
Economic	The global logistics paradigm is rapidly changing as convergence technologies such as industrial robots, artificial intelligence (AI), Internet of Things (IoT), and big data are utilized. As such, securing advanced logistics technology is an important factor in determining a company's core competitiveness. We can strengthen our global competitiveness, promote automation services, and strengthen logistics system efficiency by utilizing these technologies and expand the scope of customer satisfaction. CJ Logistics strives to lead the evolution of the logistics business paradigm by establishing a TES-based logistics innovation system.	We have established a convergence logistics innovation system based on technology (T), engineering (E), and system & solution (S) to provide logistics services using cutting-edge technology. Technology (T) includes robot and automation technology, Engineering (E) performs logistics forecasting such as optimization and big data, and System and Solution (S) supports the construction of intelligent logistics systems through IoT and AI. Based on this TES capability, CJ Logistics intends to lead the logistics paradigm by leading smart logistics and securing innovative technologies for logistics digitalization.	Improvement of Operating profits through advancement of TES competency	2025

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STAKEHOLDER ENGAGEMENT

Newly established 'NOW Corner' in CJ Logistics website
STRENGTHENING COMMUNICATION WITH BUSINESS MANAGERS
(Equipped with 1:1 inquiry function for each post)

'Reinforcement of 'live commerce channel'
ENHANCE REAL-TIME INTERACTION WITH CUSTOMERS

'Promotion of 'Best Parcel Delivery Driver in My Neighborhood'
ENHANCING CUSTOMER ENGAGEMENT AND COMMUNICATION

STRENGTHENING MUTUAL COMMUNICATION AMONG STAKEHOLDERS

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

STAKEHOLDER SELECTION

CJ Logistics is strengthening communication for sustainable development with key stakeholders such as customers, business partners, shareholders and investors, local communities, and employees. We operate stakeholder communication channels to form a consensus on sustainability management issues, gather various opinions from them to predict changes in the business environment and identify and respond to risk factors of companies through this.

STAKEHOLDER ENGAGEMENT

To strengthen the engagement of stakeholders, CJ Logistics has established and operated various communication channels and has been promoting the expansion of stakeholder engagement management. Various opinions of stakeholders are actively collected through communication channels, and major issues are reported to the BOD to reflect the connection with management activities. In addition, we continuously monitor and provide feedback on our activities to enhance stakeholder engagement. CJ Logistics will continue to fulfill its responsibilities as a global logistics company that grows together by listening to the voices of all stakeholders.

STAKEHOLDER GROUP	CUSTOMER	PARTNERS	SHAREHOLDER	COMMUNITY	EMPLOYEES
STAKEHOLDER COMMUNICATION CHANNELS	① Online and call center customer service center operation ② Customer Satisfaction Survey ③ App for integrated Parcel in CJ Logistics ④ AI Chatbot and Visible ARS	① Partner meetings ② Cyber Audit Office ③ VOP (Voice of Partner)	① Participation in conferences at home and abroad ② General Shareholders' Meeting ③ 1:1 meetings, email and phone consultations ④ Quarterly annual IR activity	① Community Contribution Activities ② NGO Partnership ③ sports sponsorship	① In-house suggestion room, knowledge DB, ICON square ② In-house campaign, employee meeting, 11 major organizational culture innovation programs ③ Channel CJ, CKN, Nim Sabo (company newsletter) ④ Labor union
CJ LOGISTICS COMMUNICATION SYSTEM	① Diversification of communication channels ② Enhancing customer satisfaction ③ Improvement of customer complaints	① Win-win cooperation and mutual growth ② Fair Trade Compliance	① Diversification of business portfolio ② Establishment of mid/long-term strategy	① Expansion of employee participation in social contribution ② Diversification of community contribution programs ③ Sports-related social contribution	① Enhancing employee competency ② Strengthening internal communication ③ work-family balance

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ESG DATA

ECONOMIC AND GOVERNANCE PERFORMANCE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As of fiscal year-end, Unit: KRW million)

CATEGORY	2019	2020	2021
Current assets	2,322,199	2,538,547	2,348,223
Quick assets	2,299,340	2,513,223	2,323,094
Inventories	22,859	25,324	25,129
Non-current assets	6,787,817	7,104,952	6,645,706
Investment assets	247,161	589,103	805,425
Tangible assets	3,518,958	3,496,201	3,312,064
Right-of-use assets	1,081,599	1,095,621	1,077,274
Investment properties	33,222	104,521	94,512
Intangible assets	1,673,341	1,636,657	1,191,975
Other non-current assets	233,536	182,849	164,456
Total assets	9,110,016	9,643,499	8,993,929
Current liabilities	2,508,694	2,807,607	2,448,916
Non-current liabilities	2,946,077	2,795,950	2,528,655
Total liabilities	5,454,771	5,603,557	4,977,571
Equity attributable to owners of the parent entity	2,991,754	3,338,147	3,565,470
Current capital	114,062	114,062	114,062
Capital surplus	2,775,376	2,875,757	2,880,908
Retained earnings	612,148	718,060	747,681
Other capital	-459,763	-284,140	-284,140
Other accumulated earnings	-50,069	-85,592	106,958
Non-controlling interests	663,491	701,795	450,888
Total equity	3,655,245	4,039,942	4,016,358

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(As of fiscal year-end, Unit: KRW million)

CATEGORY	2019	2020	2021
Revenue (Sales)	10,415,109	10,781,127	11,343,652
Operating income	307,186	325,338	343,881
Net income	50,890	142,623	158,280
Basic earnings per share	KRW 1,349	KRW 5,683	KRW 1,841
Equity holders of parent company	39,727	123,030	54,742
Non-controlling interests	11,163	19,593	103,538
Total comprehensive income	59,957	93,419	360,962

SALES BY DIVISION

CATEGORY	UNIT	2019	2020	2021	NOTE
CL	KRW million	2,731,008	2,567,096	2,673,314	Stevedoring, Transport, Storage, Construction, Maintenance, etc
Parcel	KRW million	2,502,430	3,196,059	3,601,451	Gathering, Delivery
Global	KRW million	4,442,000	4,345,364	4,471,079	Stevedoring, Transport, Storage
E&C	KRW million	739,671	672,607	597,808	Construction, Resort, Real Estate
Total	KRW million	10,415,109	10,781,127	11,343,652	

DISTRIBUTION OF ECONOMIC VALUE PER STAKEHOLDER

CATEGORY	UNIT	2019	2020	2021	NOTE
Partners	KRW million	15,000	15,000	15,000	Win-Win Fund
Shareholders and investors	KRW million	128,158	114,678	102,409	Dividends, Interest on borrowings
Local communities	KRW million	41,930	20,842	4,827	Donation
Employees	KRW million	165,665	214,038	263,453	Wages, Employee benefits, Retirement benefits
Government	KRW million	42,944	59,675	80,910	Income tax expense

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BOARD STRUCTURE

CATEGORY	UNIT	2019	2020	2021
Executive Directors	Persons	3	3	3
Independent directors	Persons	4	4	4
Other non-executive directors	Persons	0	0	0
Total board size	Persons	7	7	7

BOARD ACTIVITY STATUS

CATEGORY	UNIT	2019	2020	2021
Regular Board meeting	Times	7	6	9
Special Board Meeting	Times	1	0	0
Board Meetings	Times	8	6	9
No. of Agendas/reports	Cases	25	23	24
Executive Director Attendance Rate	%	87.5	66.8	92.6
Independent Director Attendance Rate	%	100.0	95.8	97.2

BOARD AVERAGE TENURE

CATEGORY	UNIT	2020	2021
Average tenure of board members in years	Years	1.1	2.0

BOARD EFFECTIVENESS

CATEGORY	UNIT	2020	2021
Average board meeting attendance	%	95.8	95.2
Minimum of attendance for all members required, at least	%	80	80
Number of non-executive/independent directors with 4 or less other mandates	Persons	4	4
Number of other mandates for non-executive/independent directors restricted to	Persons	2	2

COMMITTEE ACTIVITY STATUS

CATEGORY	UNIT	2019	2020	2021
Committee Meetings	Times	10	8	13
Committee agendas/reports	Times	17	9	17
Executive Director Attendance Rate	%	100.0	67.2	92.6
Independent Director Attendance Rate	%	100.0	100.0	100.0

BOARD INDUSTRY EXPERIENCE

CATEGORY	UNIT	2020	2021
Number of independent or non-executive members with industry experience	Persons	3	3

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CONTRIBUTIONS AND OTHER SPENDING

CATEGORY	UNIT	2019	2020	2021
Lobbying, interest representation or similar	KRW million	0	0	0
Local, regional or national political campaigns/ organizations / candidates	KRW million	0	0	0
Associations or tax-exempt groups	KRW million	819	823	904
Other (e.g. spending related to ballot measures, referendums)	KRW million	0	0	0
Total contributions and other spending	KRW million	819	823	904

LARGEST CONTRIBUTIONS AND EXPENDITURES*

CATEGORY	UNIT	2019	2020	2021
Fair Competition Federation	KRW million	5	5	5
Korea Integrated Logistics Association	KRW million	36	45	43
Seoul Chamber of Commerce and Industry	KRW million	102	102	102
Korea Port Logistics Association	KRW million	33	33	33
Korea Employers' Association	KRW million	36	36	36

* No political contributions are made in accordance with Article 31 (restrictions on Contributions) of the Political Funds Act

FAIR COMPETITION VIOLATION

CATEGORY	UNIT	2019	2020	2021
Number of fair competition violations	Cases	2	13	10

MANAGEMENT OWNERSHIP

CATEGORY	UNIT	2020	2021
Chief Executive Officer	Multiple	0.08	0.01
Average across other executive committee members owning shares	Multiple	0.3	0.4
Government Owner	%	9.03	8.26

BOARD REMUNERATION STATUS

CATEGORY	UNIT	2020	2021
No. of Persons	Persons	7	7
Total remuneration	KRW million	3,202	4,078
Average remuneration per person	KRW million	457	583

CEO-TO-EMPLOYEE PAY RATIO

CATEGORY	UNIT	2020	2021
Total CEO Compensation	KRW million	2,147	2,302
Median Employee Compensation	KRW million	58	62
CEO-Worker Pay Ratio	Multiple	37	37
Mean Employee Compensation	KRW million	64	71
CEO-Worker Pay Ratio	Multiple	33.7	32.5

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ENVIRONMENTAL INVESTMENT COSTS

CATEGORY	UNIT	2019	2020	2021
Environment investments	KRW million	3,672	1,811	4,421

GREENHOUSE GAS EMISSIONS

CATEGORY	UNIT	2019	2020	2021	NOTE
Total GHG emissions	tCO_2eq	214,808	227,176	228,271	
Scope 1 emissions	tCO_2eq	122,306	123,199	118,548	
Scope 2 emissions	tCO_2eq	92,502	103,977	109,742	
GHG intensity	tCO_2eq/ KRW 100 million	2.1	2.0	2.0	Based on domestic sales
GHG emissions reduction	tCO_2eq	-27,365	-46,239	-15,158	Reduction performance compared to quota

WATER CONSUMPTION

CATEGORY	UNIT	2019	2020	2021
Total water consumption	ton	787,330	812,626	788,452

WASTEWATER AND WASTE EMISSIONS

CATEGORY	UNIT	2019	2020	2021
Total wastewater emissions	ton	11,418	11,069	44,481
Total waste emissions	ton	45,389	32,900	52,845
Total waste recycled	ton	15,328	16,825	44,662

* Year-on-year increase of data due to resort new-building

ENERGY CONSUMPTION

CATEGORY	UNIT	2019	2020	2021	NOTE
Total energy consumption	TJ	3,631	3,880	3,979	Fuel usage differs from actual usage depending on the greenhouse gas energy verification calculation method
Fuel consumption	TJ	1,726	1,738	1,686	
Electricity consumption	TJ	1,905	2,142	2,293	
Total non-renewable energy consumption	KRW	42,040,000,000	62,398,672,000	76,242,907,522	
Energy intensity	TJ/KRW 100 million	0.06	0.03	0.05	Based on domestic sales
Energy Reduction	TJ	- 586	- 848	-264	Reduction performance compared to quota

ENVIRONMENTAL VIOLATIONS*

CATEGORY	UNIT	2019	2020	2021
No. of violations of legal obligations/regulations	Cases	-	-	-
Amount of fines/penalties related to the above	KRW	-	-	-
Environmental liability accrued at year end	KRW	-	-	-

* CJ Logistics has not violated any legal obligations/regulations or been fined or punished in connection with the environment/ecology for the past four years.

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SOCIAL PERFORMANCE

STATUS OF EMPLOYEES

SUBJECT		UNIT	2019	2020	2021
Total employees		Persons	6,358	6,290	6,351
Employment type	Management executives	Persons	58	58	56
	Regular	Persons	6,066	6,005	6,143
	Contract	Persons	234	227	152
By age	Under 30	Persons	1,182	1,045	1,252
	30–50	Persons	4,493	4,470	4,252
	Over 50	Persons	683	775	847
By gender	Male	Persons	5,422	5,376	5,463
	Female	Persons	936	914	888

NEW EMPLOYEES

SUBJECT		UNIT	2019	2020	2021
Total new employees		Persons	660	412	734
Employment type	Regular	Persons	562	338	660
	Contract	Persons	98	74	74
By age	Under 30	Persons	390	182	332
	30–50	Persons	247	182	381
	Over 50	Persons	23	48	21
By gender	Male	Persons	534	369	626
	Female	Persons	126	43	108

STATUS OF EMPLOYEES BY COUNTRY*

SUBJECT		UNIT	2019	2020	2021
Korea	Percentage against total employees	%	88.1	88.1	92.1
	Percentage against administrative positions	%	99.5	99.5	99.4
US, Canada	Percentage against total employees	%	0.1	0.1	0.1
	Percentage against administrative positions	%	0.2	0.2	0.2
Asia	Percentage against total employees	%	0.2	0.2	0.2
	Percentage against administrative positions	%	0.3	0.3	0.3

* Excluding E&C division data

EMPLOYMENT OF SOCIALLY VULNERABLE GROUPS

SUBJECT		UNIT	2019	2020	2021
People with disabilities	Recruited people	Persons	83	82	71
	Ratio of recruitment	%	1.3	1.3	1.1
Female	Recruited people	Persons	936	914	888
	Ratio of recruitment	%	14.7	14.5	14.0
National veterans	Recruited people	Persons	77	73	67
	Ratio of recruitment	%	1.2	1.2	1.1

RECRUITMENT OF EMPLOYEES

SUBJECT	UNIT	2019	2020	2021
Percentage of open positions filled by internal candidates (internal hires)	Persons	16	13	42
	%	10.33	26.48	37.84

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TURNOVER

SUBJECT		UNIT	2019	2020	2021
Total employee turnover		Persons	172	138	357
Employment type	Regular	Persons	151	125	296
	Contract	Persons	21	13	61
By age	Under 30	Persons	57	34	66
	30–50	Persons	107	98	271
	Over 50	Persons	8	6	20
By gender	Male	Persons	150	126	281
	Female	Persons	22	12	76
Total turnover rate		%	2.7	2.2	5.6
Voluntary turnover rate		%	1.7	0.4	4.1

RETIREMENT

SUBJECT		UNIT	2019	2020	2021
Total retirees		Persons	682	520	666
Regular		Persons	433	435	546
Contract		Persons	249	85	120
Voluntary retirement	Regular	Persons	51	83	70
	Contract	Persons	1	-	-
Regular retirement	Regular	Persons	17	21	21
	Contract	Persons	-	1	1
Recommended retirement (Dismissal, disciplinary action, etc.)	Regular	Persons	14	30	23
	Contract	Persons	-	2	1
Others (personal reasons, childcare, education, shift to other company, etc.)	Regular	Persons	361	301	443
	Contract	Persons	238	82	209

MINORITY GROUPS*

CATEGORY	UNIT	2019	2020	2021
Foreigners	Persons	20	17	20
	%	0.3	0.3	0.3
Elderly persons (55 years or older)	Persons	213	248	272
	%	3.4	3.9	4.3
Career-interrupted persons	Persons	-	-	-
	%	-	-	-
Disabled persons	Persons	73	70	69
	%	1.1	1.1	1.1
Recipients of national merit	Persons	70	67	64
	%	1.1	1.1	1.0

*Excluding E&C division data

PERFORMANCE EVALUATION

SUBJECT	UNIT	2019	2020	2021
Number of employees' subject to performance evaluation	Persons	6,120	5,979	5,926
Regular (office workers)	Persons	4,009	4,002	4,031
Regular (site workers)	Persons	1,901	1,768	1,777
Contract	Persons	210	209	118
Employees subject to performance evaluation	Persons	6,120	5,979	5,926
Ratio of performance evaluationRatio of performance evaluation	%	100	100	100

INDUSTRIAL ACCIDENT RATE

SUBJECT	UNIT	2019	2020	2021
Fatalities	Persons	-	-	-
Regular workers	Persons	6,358	6,290	6,351
Number of accidents victims	Persons	15	15	10
LTIFR (Lost Time Injury Frequency Rate)	No. / million work hours	1.13	1.14	0.76

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STATUS OF FEMALE EMPLOYEES

CATEGORY		UNIT	2019	2020	2021
Total managers		Persons	1,948	1,869	1,964
Female managers	Managers	Persons	194	197	241
	Ration	%	10.0	10.5	12.3
Total female employees		Persons	936	914	888
Ratio of female employees to total employees		%	14.7	14.5	14.0

CATEGORY*		UNIT	2019	2020	2021
Total employees in low-level managerial positions		Persons	1,741	1,723	1,726
women in low-level managerial positions	Managerial positions	Persons	481	468	467
	Ratio	%	27.6	27.2	27.1
Total employees in executive-level managerial positions (2 ranks below CEO)		Persons	46	47	51
women in executive-level managerial positions	Managerial positions	Persons	-	-	1
	Ratio	%	-	-	2.0
Total employees in revenue-generating departments		Persons	3,212	3,107	3,294
Women in revenue-generating departments	revenue-generating departments	Persons	614	579	637
	Ratio	%	19.1	18.6	19.3
Total employees in STEM-related departments		Persons	145	147	202
Women in STEM-related departments	STEM-related departments	Persons	37	30	44
	Ratio	%	25.5	20.4	21.8

*Excluding E&C division data

EMPLOYEE PARTICIPATION

CATEGORY	UNIT	2019	2020	2021*
Percentage of active participants	%	77.8	79.0	71.9
Ratio of males	%	80.3	81.3	69.8
Ratio of females	%	64.1	66.8	74.0

* The construction sector has been excluded since 2021 without conducting an employee participation survey

CUSTOMER SATISFACTION SURVEY

CATEGORY	UNIT	2019	2020	2021
Percentage of satisfied customers	%	77.0	76.8	76.2
Cumulative Number of Mobile App downloads	Million times	7.47	9.58	13.40

CUSTOMER PRIVACY ISSUES

CATEGORY	UNIT	2019	2020	2021
Number of external complaints	Case	-	-	-
Number of complaints by regulators	Case	-	-	-

2021 EMPLOYMENT SALARY AND COMPENSATION*

CATEGORY	UNIT	AVERAGE BASIC SALARY FOR WOMEN	AVERAGE BASIC SALARY FOR MAN	RATE (%)
Executive positions (basic salary)	KRW	-	260,047,755	-
Executive positions (basic salary + incentive)	KRW	-	510,956,799	-
Managerial positions (basic salary)	KRW	62,782,709	70,443,684	89.1%
Managerial position (basic salary + incentive)	KRW	80,829,833	94,602,174	85.4%
Non-managerial	KRW	49,891,025	58,426,033	85.4%

*Excluding E&C division data

2021 GAP BETWEEN EMPLOYEES AND EQUAL WAGES

CATEGORY	UNIT	LOGISITC DIVISION	E&C DIVISION
Average gender wage gap	%	81.1	74.4
Median wage gap by gender	%	84.8	72.5
Average Bonus Gap	%	65.6	87.5
Median Bonus Gap	%	71.1	72.9

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2021 SUPPLIER PURCHASING INFORMATION

CATEGORY	UNIT	NO. OF COMPANIES	PURCHASING RATIO %
Total No. of Partners	Numbers	15,726	100.0
Port and transport	Numbers	11,305	21.5
Logistics storage and distribution	Numbers	398	16.1
Global forwarding	Numbers	1,585	18.6
Courier Division	Numbers	2,438	43.8
Core Partners	Numbers	179	24.0

MATERNITY LEAVE AND PARENTAL LEAVE

SUBJECT		UNIT	2019	2020	2021
Employees who took maternity leave		Persons	180	175	171
Returning to work after maternity leave	Employees who returned from maternity leave	Persons	167	171	142
	Return ratio	%	92.8	97.7	83.0
Employees who took parental leave		Persons	59	70	60
Returning to work after parental leave	Employees who returned from maternity leave	Persons	40	54	34
	Return ratio	%	67.8	77.1	56.7
Maintained work for 12 months or over after returning to work	Maintained employees	Persons	31	36	35
	Retention ratio	%	81.6	90.0	64.8

SOCIAL CONTRIBUTION

CATEGORY		UNIT	2019	2020	2021
Cash donations		KRW million	2,180	3,177	3,372
Employee volunteer activities[1]	Total participants	Persons	4,360	3,567	3,754
	Total participation hours	Hour	28,259	24,710	13,492
	Total participation amount	KRW million	236	212	118
In-kind donations[2]		KRW million	0	0	934
Operating expenses		KRW million	67	147	28
Donation to Social Contribution	Total donation amount	KRW million	3,479	3,275	4,279

1) Conversion of employee volunteering hours during working hours into a cash amount (minimum hourly wage)
2) Products, services, projects, partnerships, etc.

EDUCATION

CATEGORY			UNIT	2019	2020	2021
Employee education	By age	Under 30	Persons	1,038	935	916
		30-50	Persons	2,997	2,985	3,059
		Over 50	Persons	423	443	439
	By gender	Male	Persons	3,634	3,559	3,556
		Female	Persons	824	804	858
	Education expenses	Total education expenses	KRW million	8,167	2,810	2,174
		Education expenses per employee	KRW 1,000/persons	3,400	1,037	811
	Education hours	Total education hours	Hour	344,439	277,465	182,114
		Education hours per employee	Hour/persons	56.8	46.2	29.7
Sexual harassment prevention education	Education hours		Hour	6,199	6,107	6,175
	Employees participating in education		Persons	6,199	6,107	6,175
	Education hours per employee		Hour/persons	1	1	1
Disability awareness education	Education hours		Hour	6,133	6,127	6,284
	Employees participating in education		Persons	6,133	6,127	6,284
	Education hours per employee		Hour/persons	1	1	1
Ethical management education	Education hours		Hour	4,274	4,213	4,464
	Employees participating in education		Persons	4,274	4,213	3,913
	Education hours per employee		Hour/persons	1	1	1.14
Information security education	Education hours		Hour	6,150	5,188	5,221
	Employees participating in education		Persons	6,150	5,188	5,221
	Education hours per employee		Hour/persons	1	1	1
Safety Training	No. of trainees who completed legally mandated safety training in annual average		Persons	5,430	5,813	5,293

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GRI STANDARDS INDEX

CLASSIFICATION	DISCLOSURE		PAGE	ISO 26000	SDGs	NOTE
Organizational Profile	102-1	Name of the organization	8	6.3.10/6.4.1-6.4.2/6.4.3/6.4.4/6.4.5/6.8.5/7.8	-	
	102-2	Activities, brands, products, and services	8-13		-	
	102-3	Location of headquarters	8		-	
	102-4	Location of operations	8		-	
	102-5	Ownership and legal form	8, 54-55		-	
	102-6	Markets served	8		-	
	102-7	Scale of the organization	8		-	
	102-8	Information on employees and other workers	8, 68		SDG 8, 10	
	102-9	Supply chain	47-48		-	
	102-10	Significant changes to the organization and its supply chain	47-48		-	
	102-11	Precautionary Principle or approach	58-59		-	
	102-12	External initiatives	14, 76		-	
	102-13	Membership of associations	81		-	
Strategy	102-14	Statement from senior decision-maker	4-5	4.7/6.2/7.4.2	-	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	56-57	4.4/6.6.3	SDG 16	
Governance	102-18	Governance structure	54-55	6.2/7.4.3/7.7.5	-	
Stakeholder Engagement	102-40	List of stakeholder groups	63	5.3	-	
	102-41	Collective bargaining agreements	-		SDG 8	
	102-42	Identifying and selecting stakeholders	63		-	
	102-43	Approach to stakeholder engagement	63		-	
	102-44	Key topics and concerns raised	63		-	
Reporting Practice	102-45	Entities included in the consolidated financial statements	-	5.2/7.3.2/7.3.3/7.3.4	-	Refer to 2021 Business Report
	102-46	Defining report content and topic Boundaries	61-62		-	
	102-47	List of material topics	61-62		-	
	102-48	Restatements of information	2		-	
	102-49	Changes in reporting	2		-	
	102-50	Reporting period	2		-	
	102-51	Date of most recent report	2		-	
	102-52	Reporting cycle	2		-	
	102-53	Contact point for questions regarding the report	2		-	
	102-54	Claims of reporting in accordance with the GRI Standards	2		-	
	102-55	GRI content index	72-73		-	
	102-56	External assurance	78-80		-	
Management Approach	103-1	Explanation of the material topic and its Boundary	61-62	6/7.3.1/7.4.3/7.7.3/7.7.5	-	
	103-2	The management approach and its components	17, 31, 53	6.3.6/6.6.1-6.6.2/6.8.1-6.8.2	-	

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CLASSIFICATION	DISCLOSURE		PAGE	ISO 26000	SDGS	NOTE
Economic Performance	201-1	Direct economic value generated and distributed	64	6.4.3/6.6.6/6.8.1-6.8.2/6.8.7	SDG 8,9	
	201-2	Financial implications and other risks and opportunities due to climate change	18-21	6.5.5	SDG 13	
Indirect Economic Impacts	203-2	Significant indirect economic impacts	10-13, 47-48	6.3.9/6.6.6-6.6./6.7.8/6.8.1-6.8.2/6.8.5/6.8.7/6.8.9	SDG 1,3,8	
Anti-corruption	205-1	Operations assessed for risks related to corruption	56-57	6.6.1-6.6.2/6.6.3/6.6.6	SDG 16	
	205-2	Communication and training about anti-corruption policies and procedures	56-57		SDG 16	
Energy	302-1	Energy consumption within the organization	67	6.5.4/6.5.5	SDG 7,8,12,13	
	302-3	Energy intensity	67		SDG 7,8,12,13	
	302-4	Reduction of energy consumption	25, 67		SDG 7,8,12,13	
	302-5	Reductions in energy requirements of products and services	25, 67		SDG 7,8,12,13	
Water and Effluents	303-5	Water consumption	67	6.5.4	SDG 6	
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	29	6.5.6	SDG 6,14,15	
	304-2	Significant impacts of activities, products, and services on biodiversity	29		SDG 6,14,15	
	304-3	Habitats protected or restored	29		SDG 6,14,15	
Emissions	305-1	Direct (Scope 1) GHG emissions	24, 67	6.5.3/6.5.5.	SDG 3,12,13,14,15	
	305-2	Energy indirect (Scope 2) GHG emissions	25, 67		SDG 3,12,13,14,15	
	305-4	GHG emissions intensity	24, 67		SDG 13,14,15	
	305-5	Reduction of GHG emissions	24, 67		SDG 13,14,15	
Waste	306-2	Management of significant waste-related impacts	26	6.5.3/6.5.4	SDG 3,6,11,12	
	306-3	Waste generated	67		SDG 3,11,12	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	-		SDG 16	No violations
Employment	401-1	New employee hires and employee turnover	36, 68-69	6.4.3	SDG 5,8,10	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	38, 69		SDG 3,5,8	
	401-3	Parental leave	71		SDG 5,8	
Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	69	6.4.6/6.8.8	SDG 8	
	403-9	Work-related injuries	69		SDG 3,8,16	
	403-10	Work-related ill health	69		SDG 3,8,16	
Training and Education	404-1	Average hours of training per year per employee	71	6.4.7	SDG 4,5,8,10	
	404-3	Percentage of employees receiving regular performance and career development reviews	71		SDG 5,8,10	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	54, 68-70	6.2.3/6.3.7/6.3.10/6.4.3	SDG 5,8	
	405-2	Ratio of basic salary and remuneration of women to men	70		SDG 5,8,10	
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	45-56	6.3.5./6.3.6	-	
	412-2	Employee training on human rights policies or procedures	45-46	6.3.9/6.5.1-6.5.2/6.5.3/6.8	-	
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	49-51	6.3.3-6.3.5/6.4.3/6.6.1-6.6.2/6.6.6/6.8.1-6.8.2,/7.3.1	-	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	47-48	6.7.1-6.7.2/6.7.4/6.7.5/6.8.8	SDG 5,8,16	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	32-35	6/7.3.1/7.4.3/7.7.3/7.7.5	-	
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	-	4.6/6.7.1-6.7.2/6.7.3/6.7.4/6.7.5/6.7.9	SDG 16	No violations
	417-3	Incidents of non-compliance concerning marketing communications	-		SDG 16	No violations
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	44, 70	6.7.1-6.7.2, 6.7.7	SDG 16	No complaints

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TCFD INDEX

CLASSIFICATION	TCFD RECOMMENDATION	REMARKS		CJ LOGISTICS' RESPONSE
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	CDP	C1.1b	20
	b) Describe management's role in assessing and managing climaterelated risks and opportunities.	CDP	C1.2	20
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	CDP	C2.1a, C2.3a, C2.4a	19
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	CDP	C2.3a, C3.4, C3.5	20-21
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.	CDP	C3.2, C3.3	20-21
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	CDP	C2.1, C2.2	20
	b) Describe the organization's processes for managing climate-related risks	CDP	C2.1, C2.2	20
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CDP	C2.1, C2.2	20
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP	C4.2a	20
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP	C6.1, C6.2, C6.3, C6.5	18,20
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP	C4.1a, C4.1b, C4.2a	20

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SASB INDEX

TOPIC	CODE	ACCOUNTING METRIC	PAGE	COMMENTS
Greenhouse Gas Emission	TR-AF-110a.1	Gross global Scope 1 emissions	67	
	TR-AF-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	18-21	
	TR-AF-110a.3	(Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable	-	1) No use of renewable energy by road transport (2) No replacement rate for air transportation
Air Quality	TR-AF-120a.1	Air emissions of the following pollutants: (1) NOx (2) SOx, and (3) particulate matter (PM10)	-	Not reported
Labor Practices	TR-AF-310a.1	Percentage of drivers classified as independent contractors	-	Not reported
	TR-AF-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	-	None
Employee Health & Safety	TR-AF-320a.1	Employee industrial accident rate	69	
Supply Chain Management	TR-AF-430a.1	Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold	-	Not applicable
	TR-AF-430a.2	Total greenhouse gas (GHG) footprint across transport modes	-	114,116.909 tCO_2eq
Accident & Safety Management	TR-AF-540a.1	Description of implementation and outcomes of a Safety Management System	32-35	
	TR-AF-540a.2	Number of aviation accidents	-	0 case
	TR-AF-540a.3	Number of road accidents and incidents	-	10 cases
	TR-AF-540a.4	Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/ Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance	-	Not applicable

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GLOBAL INITIATIVE

UN GLOBAL COMPACT

CJ Logistics has joined the UNGC (United Nations Global Compact), a voluntary corporate initiative that encourages corporate social responsibility in July 2016. CJ Logistics has been committing to the ten principles of UNGC including human rights, labor, the environment, and anti-corruption. We will continue to build global standard for corporate social responsibility by actively participating variable ESG global activities.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

CATEGORY	PRINCIPLE	RELEVANT ACTIVITIES	PAGE
Human Rights	① Businesses should support and respect the Protection of internationally proclaimed human rights; and	· CJ Logistics supports and adheres to international human rights declarations such as the UNGC Principles for Enhancing Women's Capacity (WEPs). · We provide sexual harassment prevention education for all employees (office and technical workers)	45~46, 71, 77
	② Make sure that they are not complicit in human rights abuses.		
Labor	③ Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	· Operation of Labor-Management Council	42
	④ The elimination of all forms of forced and compulsory labour;	· Comply with child labor and forced labor regulations of International Labor Organization (ILO) · Comply with Korean labor standards	77
	⑤ the effective abolition of child labour; and		
	⑥ The elimination of discrimination in respect of employment and occupation.	· Performance Evaluation and Compensation based on job performance · Protect victims of sexual harassment by operating a confidential internal reporting system	38, 69
Environment	⑦ Businesses should support a precautionary approach to environmental challenges;	· Acquired and maintained company-wide environmental management system certification (ISO14001) · Implemented greenhouse gas and energy target management system through the greenhouse gas management system	22-24
	⑧ Undertake initiatives to promote greater environmental responsibility; and	· Conduct eco-driving training for improving driving habits, which can cause overconsumption of energy · Reduce CO2 emissions by utilizing electricity in operating golf Carts · Implement GHG emission reduction activities with the "agreement for creating a carbon offset wood energy forest" · Support and transport eco-friendly wood pellets, which are produced in the energy forest along abandoned roads, to welfare facilities · Conduct urban greening project and ecological experience education for children in local child centers · Acquired the certificate of sustainable golf course from the Golf Environment Organization (GEO)	24-29
	⑨ Encourage the development and diffusion of environmentally friendly technologies.	· Realize eco-friendly logistics through a modal shift	26
Anti-corruption	⑩ Businesses should work against corruption in all its forms, including extortion and bribery.	· Operate fair trade compliance program · Introduce and operate the win-win coordination committee · Introduce and operate the social contribution committee	47-48

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HUMAN RIGHTS DECLARATION

CJ LOGISTICS HUMAN RIGHTS MANAGEMENT DECLARATION

CJ Logistics is a global comprehensive logistics company with a mission of 'to become a successful strategic partner with customers by designing an optimized SCM' and a vision of 'a global SCM solution provider leading the CPG and e-commerce logistics market with data-based technology capabilities'.

CJ Logistics has the core values and principles of Integrity, Passion, Creativity and 'Respect'. CJ Logistics firmly believes that respecting the human rights of not only employees, but also various stakeholders such as customers, partners and local communities in all business activities is the first step in realizing those principles.

CJ Logistics announced that it complies with global human rights standards by joining the United Nations Global Compact (UNGC) and signing the 'Women's Empowerment Principle (WEPs)'. In addition, CJ Logistics respects applicable domestic and international norms and standards related to human rights, such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Human Rights Management Guidelines of the National Human Rights Commission of Korea. Furthermore, we strive to comply with human rights, labor, and environmental laws and guidelines in each country or region where we are running our business.

To this end, CJ Logistics declares and pledges to put into practice 'human rights management that guarantees human dignity and values' as the standard of conduct and value judgment that all executives and employees of CJ Logistics must abide by.

We should put human rights a top priority based on the principle of Respect in business management and prevent human rights violations proactively. In the event of human rights violation, we should actively provide remedies by establishing a remedy system and actively strive for stakeholder participation in the process of operating the system.

We should prohibit any discrimination in employment based on disability, gender, religion, nationality, region, status, educational background, age, occupation, etc., and provide a work environment of mutual respect and consideration.

We should treat our employees humanely in all working environments concerning wages, welfare benefits, maternity protection, and others, and should not allow forced or child labor in any form.

We should guarantee the union activities of all CJ Logistics employees and form a labor-management culture of shared growth.

We should ensure a safe workplace and work-life balance for our employees and stakeholders.

We should actively support the human rights protection not only for our employees, but also for our partners and their employees of our partners to prevent any human rights violation.

We should strive to prevent human rights violations of local residents where CJ logistics has its presence, conduct social contribution activities and cooperate with each other to promote the human rights of members of society.

We should comply with domestic and foreign environmental laws and strive to create an eco-friendly logistics system to achieve carbon neutrality.

We should provide the best logistics service to safely deliver customers' valuable assets with convenience.

We should strictly manage the personal information of our employees and customers in accordance with relevant laws and regulations.

CJ Logistics strives to listen to opinions and solve problems via various communication channels including its website (integrated reporting system), groupware (Tong-Tong-Tong), phone counseling for customers and online VOC to prevent any potential human rights violations during business activities. In the future, based on the practice of the above principles, we will actively support our human rights management to be realized by domestic and foreign stakeholders as well.

March 2022
CEO of CJ Logistics
SHIN HO KANG

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GHG VERIFICATION STATEMENT

INDEPENDENT VERIFICATION STATEMENT

CJ Logistics Co., Ltd.

INTRODUCTION

CJ Logistics Corp. implemenets annual MRV based on international standards including ISO 14064 to respond to climate change risks. KMR confirms the verification results of 2021 as below.

SCOPE

- Organizational boundary : The whole business under control of the organization
- Verification object workplaces : CJ Logistics Co., Ltd
- Reporting Period : Calendar year of 2021
- Reporting greenhouse gas : CO_2, CH_4, N_2O, HFCs, PFCs, SF_6
- Type of emission : Direct Emissions(Scope1), Indirect Emissions(Scope2)

STANDARDS

- ISO 14064-1 (2006), ISO 14064-3 (2006), WRI/WBCSD GHG Protocol (2004)
- Verification guidelines for the operation of the GHG emission trading system(Notification No. 2021-112, MOE)
- KMR GHG & Energy verification manual and procedure,, IPCC Guidelines(2006)

RESULTS

GHGs Emission	Scope1	Scope2	Total (tCO_2-eq)
2021	118,548	109,742	228,271

Energy Consumption	Fuel	Electricity	Steam	Total (TJ)
2021	1,704	2,293	0	3,979

CONCLUSION

KMR confirms that the calculation of the Greenhouse gas emissions and energy consumption of the organization are proper.

March 31th, 2022

Authorized By E J Hwang

CEO **Eun Ju Hwang**

KMR is an ETS & TMS verification institytion authorized by Republic of Korea Government.

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TO READERS OF CJ LOGISTICS SUSTAINABILITY REPORT 2021

INTRODUCTION

Korea Management Registrar (KMR) was commissioned by CJ Logistics to conduct an independent assurance of its Sustainability Report 2021 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of CJ Logistics. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with CJ Logistics and issue an assurance statement.

SCOPE AND STANDARDS

CJ Logistics described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team. Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

① GRI Sustainability Reporting Standards

② Universal standards

③ Topic specific standards

- Management approach of Topic Specific Standards
- GRI 203: Indirect Economic Impacts
- GRI 302: Energy
- GRI 305: Emissions
- GRI 401: Employment
- GRI 403: Occupational Health and Safety
- GRI 404: Training and Education

As for the reporting boundary, the engagement excludes the data and information of CJ logistics' partners, suppliers and any third parties.

KMR'S APPROACH

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

① Reviewed the overall Report

② Reviewed materiality assessment methodology and the assessment report

③ Evaluated sustainability strategies, performance data management system, and processes

④ Interviewed people in charge of preparing the Report

⑤ Reviewed the reliability of the Report's performance data and conducted data sampling

⑥ Assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases

LIMITATIONS AND RECOMMENDATIONS

KMR's assurance engagement is based on the assumption that the data and information provided by CJ Logistics to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

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CONCLUSION AND OPINION

Based on the document reviews and interviews, we had several discussions with CJ Logistics on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

INCLUSIVITY : CJ Logistics has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

MATERIALITY : CJ Logistics has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

RESPONSIVENESS : CJ Logistics prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of CJ Logistics' actions.

IMPACT : CJ Logistics identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

RELIABILITY OF SPECIFIC SUSTAINABILITY PERFORMANCE INFORMATION

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

COMPETENCE AND INDEPENDENCE

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021·2015 – Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with CJ Logistics and did not provide any services to CJ Logistics that could compromise the independence of our work.

KMR Korea Management Registrar

SRV1000 Sustainability Committee Assurance

AA1000 Licensed Report

June 2022 Seoul, Korea

CEO E. J Hwang

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AWARDS & CERTIFICATIONS

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MAJOR AWARDS

Acquired ISO37301 certification for the first time as a Korean logistics company (compliance management system)

LLOYD'S REGISTER

No. 1 in 'National Brand Competitiveness Index' for 10 consecutive years

KOREA PRODUCTIVITY CENTER (KPC)

No. 1 in 'Most Admired Company' for 9 consecutive years

KOREA MANAGEMENT ASSOCIATION CONSULTING (KMAC)

No. 1 in 'Korea Service Quality Index' for 6 consecutive years

KOREA STANDARDS ASSOCIATION (KSA)

AWARDS & CERTIFICATIONS

2018.07	UN SDGs(Sustainable Development Goals) UN SDG Action Award	Association for Supporting the SDGs for the UN	2020.09	National Brand Competitiveness Index, 1st place in personal delivery	Korea Productivity Center
2018.12	This Year's App 2018	Contents Management Society, Maeil Business Newspaper	2020.10	Ranked 1st in the parcel service sector in the Korean Service Quality Index	Korea Standards Association
2018.11	2018 Seoul CSR Award	Seoul Metropolitan Government, Seoul Welfare Foundation	2020.10	Selected as a Korean Heist Brand	Brand Stock
2019.02	Ranked 1st in Korea's Most Admired Company in Total Logistics Service	Korea Management Association Consulting	2020.12	1st in the parcel delivery service category, the most recommended by customers	Korea Management Association Consulting
2019.06	Grand Prize for Korea-China Economic Cooperation	Korea-China-Private Economic Cooperation Forum	2020.12	2020 Korea Volunteer Awards	Korea United Nations Volunteer Corps
2019.09	National Brand Competitiveness Index, 1st place in personal parcel delivery service	Korea Productivity Center	2021.02	No. 1 in Korea's most respected company in total logistics service sector	Korea Management Association Consulting (KMAC)
2019.10	Ranked 1st in the parcel service sector in the Korean Service Quality Index	Korea Standards Association	2021.03	No. 2 in NCSI National Customer Satisfaction Index for courier service	Korea Productivity Center(KPC)
2019.12	1st in the parcel delivery service category, the most recommended by customers	Ministry of Trade, Industry and Energy, Financial News, Korea Robot Industry Association	2021.08	CJ Logistics America received 3rd Party Logistics Award in 2021 Quest for Quality Award	Logistics Management
2020.02	Ranked 1st in Korea's Most Admired Corporate in Total Logistics Service	Korea Management Association Consulting	2021.09	No. 1 in personal parcel delivery sector by NBCI National Brand Competitiveness Index	Korea Productivity Center(KPC)
2020.03	Ranked 1st in Korea's brand power parcel service category	Korea Management Association Consulting	2021.10	No. 1 in the Korea Service Quality Index for Parcel Delivery Service	Korean Standards Association
2020.03	Ranked 1st in Korea's brand star delivery service category	Brand Stock	2021.12	No. 1, Customer Most Recommended Company in the corporate parcel delivery service	Korea Management Association Consulting(KMAC)

CERTIFICATIONS

2018.06	Maintained AEO (AO) certification	Korea Customs Service	2019.05	Obtained ISO45001 (Safety and health management system) certification conversion	DNV-GL
2018.06	Maintained Certification of ISO9001 by UAE Abu Dhabi Corporate (Quality Management System)		2019.05	Certification of ISO14001 (Environmental Management System) by CANADA Corporation	TUV-NORD
2018.06	Maintained AEO (Security Service Sector) Certification	Korea Customs Service	2019.06	Certification of ISO45001 (Safety and Health Management System) in CANADA	TUV-NORD
2018.06	Maintained AEO (Security Zone Operators) Certification	Korea Customs Service	2019.06	Maintained UAE Abu Dhabi Corporate ISO9001 (Quality Management System) Certification	
2018.07	Maintained Certification for freight forwarders (AEO)	Korea Customs Service	2019.06	UAE Dubai Corporate ISO9001 (Quality Management System) Certificate maintained	
2018.10	Maintained Certification of the USA Corporate ISO9001 (Quality Management System)		2019.06	Maintained CANADA corporate ISO9001 (Quality Management System) certification	
2018.11	Maintained AEO (Loader Sector) Certification	Korea Customs Service	2019.06	Maintained Certification of the USA Corporate ISO9001 (Quality Management System)	
2018.11	Maintained Certification of ISO 9001 (Quality Management System)		2019.06	Maintained Certification for Outstanding Logistics Companies	Ministry of Land, Infrastructure and Transport
2018.11	Maintained SB certification of AEO (Security Zone Operators)	Korea Customs Service	2019.11	Certification of ISO 27701 (information security)	DQS GmbH
2018.11	Maintained BND certification of AEO (Security Zone Operators)	Korea Customs Service	2020.07	Certification of ISMS-KISA-2020-119	Korea Internet & Security Agency
2019.05	Maintained Certification of ISO14001 (Environmental Management System)	DNV-GL	2021.09	Certification of ISO 37301 (Compliance Management System)	Lloyd's Register

CJ LOGISTICS