

# CJ LOGISTICS SUSTAINABILITY REPORT 2019-2020

WE DESIGN LOGISTICS



# ABOUT THIS REPORT

## Summary

CJ Logistics has been publishing a sustainability management report every year since 2016 to transparently disclose its sustainability management activities and achievements. Through this report, we aim to share our sustainability management processes and performances with stakeholders.

## Reporting Period and Scope

This report covers the key sustainability management performances during the period from January 1, 2019 to December 31, 2020. To help identify trends, it includes quantitative performance data from the previous three or more years. The reporting covers all work sites of CJ Logistics in Korea, as well as includes some overseas work sites.

## Report Preparation Standards

This report has been prepared in accordance with the Core Option of the GRI (Global Reporting Initiative) Standards, which are a set of international standards for reporting on sustainable management. Please refer to the GRI Index on page. 81~82 for more details.

## Reporting Assurance

The accuracy and reliability of the content and data in this report has been secured through assurance by a third party independent institution. Refer to page. 88~89 for assurance results.

## Contact Information

This report is available to read or download on the CJ Logistics Website. If you have additional inquiries or information concerning the report, please contact us using the following contact information. We always appreciate hearing from our stakeholders.

## CJ Logistics

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## CEO MESSAGE

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CJ Logistics promises to make a bold leap toward the future by enhancing its status as a global comprehensive logistics company through ceaseless innovation and growth.



# CEO MESSAGE

Greetings!

I am Sin Ho Kang, CEO of CJ Logistics.

Amidst the sluggish recovery of the global economy due to continuing uncertainty related to the COVID-19 pandemic, the domestic economy is also experiencing unprecedented difficulties, such as severely weak domestic demand and exports and declining employment. In addition, as the sense of community in each country has been strengthened due to the crisis caused by the pandemic, demands for the social responsibility of companies are increasing as the government is actively engaging in the employment or environmental issues of businesses and the capital market is demanding that companies strengthen their ESG standards.

In such an environment, CJ Logistics is stably providing household logistics services to the people in order to actively participate in overcoming the national crisis, based on the spirit of CJ Group's founding philosophy of "contributing to the nation and the people through business." In addition, taking the crisis as an opportunity, we are making every effort to become a sustainable company through CSV (Creating Shared Value). In particular, the company is realizing eco-friendly logistics through the promotion of K-EV100, the development of eco-friendly packaging materials, and the upcycling of waste plastics and promoting active social contribution activities for the creation of sustainable and stable jobs for various vulnerable groups such as the elderly, persons with disabilities, and the self-supporting and for shared growth with our local communities.

This Sustainability Report is published with the aim of reinforcing communication with our stakeholders by looking back on CJ Logistics' economic, environmental, and social performances, efforts and suggesting future directions for sustainability management. CJ Logistics will continue to strive to fulfill its corporate social responsibility by strengthening the establishment of an ESG-centered management system as well as realizing innovative business growth and enhancing shareholder value as it leads the paradigm shift for future global survival. In order to do so, we will pursue the following goals in 2021.

## First, we will enhance corporate value by securing innovative growth and super-gap capabilities.

While pursuing qualitative growth through the selection and focusing on investment in high-growth and high-profit businesses, we will enhance corporate value by establishing a high-profit and improving the financial structure and securing new growth engines for the future by discovering and developing innovative business models. In addition, we will pursue operational optimization based on TES (Technology, Engineering, Systems & Solutions), digital transformations and strengthen our super-gap capabilities at a leading global level with differentiated delivery services through industry-specific services such as consumer goods and e-commerce.

## Second, we will become a company loved by customers and employees.

CJ Logistics has been recognized for its "customer-oriented" management performance by being ranked No. 1 for nine consecutive years as "Korea's Most Admired Company in the Comprehensive Logistics Service Category" in the survey by KMAC (Korea Management Association Consulting). In the future, we will strive to strengthen our business capabilities and competitiveness in order to provide the logistics services that customers want. In particular, in order to lead global logistics, we will secure and nurture top talent to establish an organizational culture of performance-oriented management and continuously improve the working environment so that all employees can work in safety and good health.

## Third, we will fulfill our social responsibility for sustainable management.

CJ Logistics will actively fulfill its social and environmental responsibilities for sustainable management by reinforcing the ESG management system. We will strengthen the establishment of a transparent and fair business environment, continue to provide quality jobs to the vulnerable based on our parcel service, and contribute to the local community by expanding non-face-to-face social contribution activities in which all employees participate in preparation for the post-COVID-19 era. In addition, CJ Logistics will reinforce its own "environmental management system", such as electric vehicle conversion, waste plastic upcycling, and urban forest creation, in order to actively respond to climate change to reduce fine dust and GHG emissions.

Since its founding in 1930, CJ Logistics has established itself as a Korea's representative logistics company and has been leading the nation's industrial development for the past 90 years. We promise to continue to make a bold leap toward the future by enhancing our position as a global comprehensive logistics company through ceaseless innovation and growth.

We look forward to the continued interest and unwavering support from all of our stakeholders.

Thank you.

CEO of CJ Logistics  
**Sin Ho Kang**

# 90TH ANNIVERSARY SPECIAL FEATURE

## CELEBRATING 90 YEARS

CJ Logistics is celebrating its 90th anniversary. During these past nine decades, we have remained dedicated to serving the people by launching the era of logistics in Korea and playing a pivotal role in the development of the national economy and industries.

The company's 90-year history is the longest in the domestic industry and a rare accomplishment in the business world as a whole, making this 90th anniversary more just a number.

CJ Logistics has developed continuously throughout the past and present.

As we move forward, we intend emerge as a global logistics leader by reflecting on the past 90 years spent working for the nation's economic development and its people.

Please give us your support as CJ Logistics positions itself for continued growth.





### Congratulatory Messages from Customers



“My grandmother, who lives alone, has difficulty picking up parcel boxes at the doors of her building because she has limited mobility. However, CJ Logistics’ parcel delivery drivers always press the bell and, when she is at home carry her packages inside for her. She is deeply moved by these kind deeds, and treating her with warmth. Congratulations to CJ Logistics on its 90th anniversary. I hope that the company will stay with us forever, for the 100, 200, and even 300 years of Parcel service in Korea!”

“When I first started living by myself, it was so exciting, but because I couldn’t cook, the foods on the table was always much the same. It felt strange and lonely living in a different house. At that time, my parents sent me a package. It wasn’t anything special, just food, necessary items, and some clothes, but I still can’t forget the feeling of seeing the package, the anticipation of opening it, and the memory of being so happy. A package is not just an object, but a symbol that can contains and delivers the heart of one’s parents. I was amazed and thankful when I heard that CJ Logistics is already 90 years old. Thank you for conveying the hearts and objects of so many people over the past 90 years.”



“I sincerely congratulate CJ Logistics on its 90th anniversary. The company has been by our side for nearly a century now. As the culture of contact-free consumption continues to spread the importance of logistics in our daily life is increasing. We support CJ Logistics’ future plans to further enhance customer convenience by building a new delivery model and a nationwide physical and human infrastructure to respond smoothly to changes in the logistics market.”



### EMBLEM

## LOVE · JOY · HAPPINESS

CJ Logistics is a pleasant messenger of love, joy, and happiness. The emblem communicates a friendly image reminiscent of a big smile. It also emphasizes love and joy with its combination of multiple colors.



90th Anniversary Video



### 90th Anniversary Special Event

#### Instagram Hashtag(#) Event



CJ Logistics on Instagram



Honorary Delivery Driver, Kyung-Tae

### Relay Quiz Event

Looking back on 90 years of connecting the hearts and minds of customers and delivering trust, we are now setting off toward 100 years as an innovative global logistics company. Accordingly, a 90th anniversary relay quiz event was held up to the 7<sup>th</sup> to share the history of CJ Logistics with customers.

### 90th Anniversary Emblem Search Event

The ‘90th Anniversary Emblem’ search event was being held from 9am on September 9, 2020 representing the company’s 90th anniversary to 10am on October 10, 2020, for the 100th anniversary. The campaign was launched to remind our customers of the meaning of our 90th anniversary through activities that involved participants finding our emblem and taking pictures.



# II. BUSINESS OVERVIEW



09	Management Philosophy
10	Vision and Strategy
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20	Sustainability Around the Globe



# CJ MANAGEMENT PHILOSOPHY

## CJ Way

### CJ Management Philosophy

CJ strives to contribute to the country and society by creating the greatest value based on the ONLYONE spirit. We pursue First, Best, and Different in our business operations and the products and services we provide to customers. As a global lifestyle service provider, we will deliver satisfaction and happiness to customers by laying the foundation for shared growth so that the company and society can prosper together.

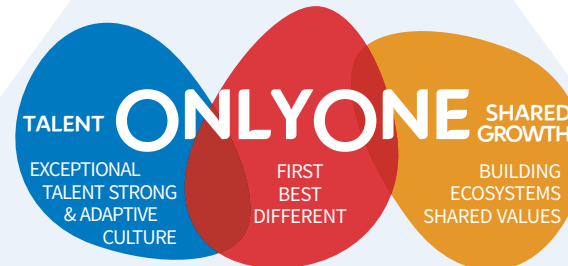
#### MISSION



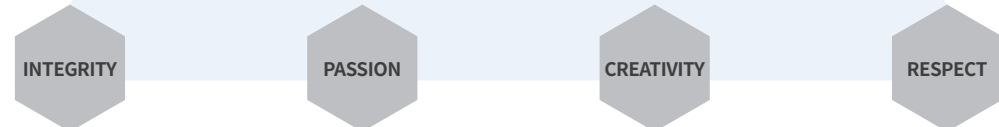
#### VISION



#### CORE VALUES



#### PRINCIPLES



# VISION AND STRATEGY

## CJ Logistics Mission and Vision

CJ Logistics' vision is to become "The Global SCM Innovator" by providing comprehensive logistics services that connect the world and leapfrogging toward the position of a leading global total logistics company.

MISSION

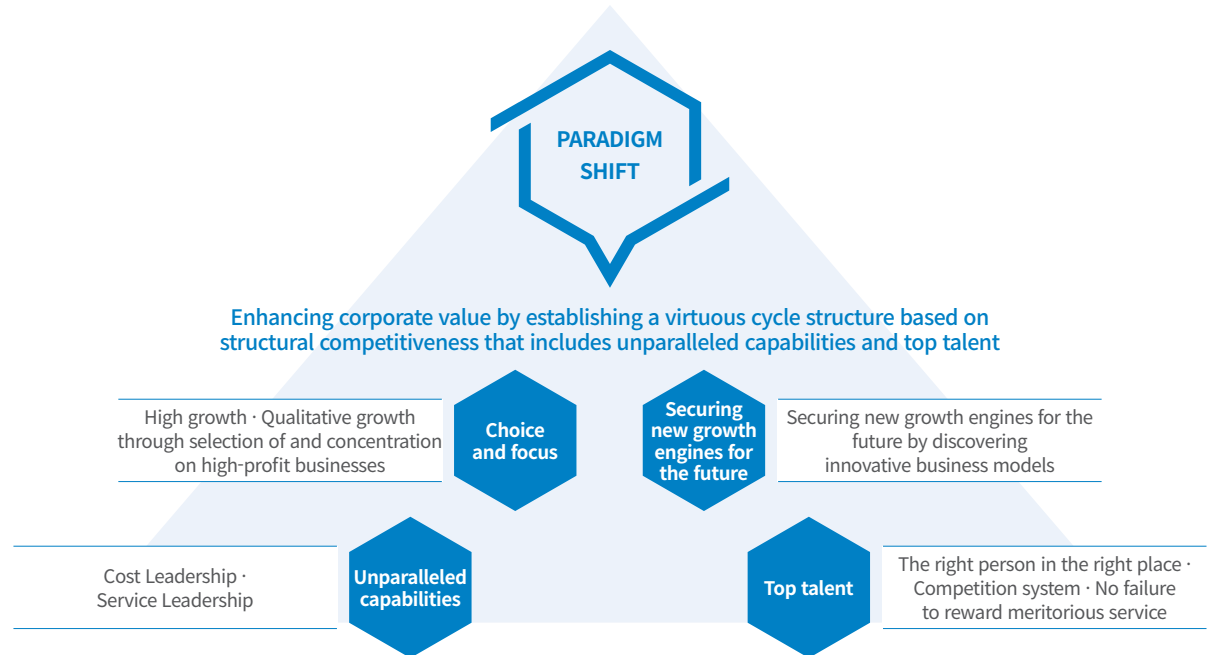
CJ Logistics is designing optimal SCM (Supply Chain Management) to build a world where the valuable assets of customers everywhere are delivered safely and conveniently within the promised time period.

VISION

THE GLOBAL SCM INNOVATOR

SLOGAN

WE DESIGN LOGISTICS





## THE GLOBAL SCM INNOVATOR

CJ LOGISTICS HAS PROVIDED A UNIQUE ONE-STOP LOGISTICS  
SOLUTION BASED ON STATE-OF-THE-ART LOGISTICS TECHNOLOGY  
TES AND EXTENSIVE GLOBAL LOGISTICS NETWORK,



# ABOUT US

## About CJ Logistics

Since its establishment in November 1930, CJ Logistics has been leading the development of Korea's logistics industry for 90 years. Under the vision of "Global SCM Innovator", we are growing into a global total logistics company by strengthening our global logistics network, business portfolio, and differentiated business competitiveness. Through continuous innovation, we are actively investing in building our cutting-edge logistics and construction infrastructure and in R&D. We will continue to strive to provide differentiated customer services based on CJ Logistics' core competencies.

## Core Business

We are promoting our core businesses based on contract logistics service, forwarding & international express, stevedoring and transportation, parcel delivery, and construction. We will provide customized services and maximize customer value based on our accumulated core competencies and experience.

## Corporate Profile

(As of December 31, 2020)

<b>Name of company</b>	CJ Logistics Co., Ltd.	<b>Presidents</b>	Sin Ho Kang
<b>Date of incorporation</b>	November 15, 1930	<b>No. of shares issued</b>	22,812,344 shares
<b>Location of head office</b>	CJ Logistics B/D, 53, Sejongdae-ro 9-gil, Jung-gu, Seoul	<b>No. of employees (full-time staff)</b>	6,290 persons
<b>Areas of business</b>	CL, Forwarding, Parcel, E&C	<b>Sales</b>	KRW 10,781.1 billion
<b>Credit rating (commercial paper)</b>	Korea Ratings: A1 / Korea Investors Service: A1 / NICE Rating: A1		



We provide differentiated total logistics services by operating stable cargo storage and transportation based on consultation-oriented specialized services by industry group and state-of-the-art IT solutions.



Our international express services have been specialized for global e-commerce in connection with total logistics services such as air/sea transportation, customs clearance, and storage of incoming and outgoing cargo.



CJ Logistics' optimal port stevedoring and transportation services are tailored to the most comprehensive logistics infrastructure in Korea and provide the direct management of equipment suitable for a range of cargo.



Based on our state-of-the-art delivery infrastructure and advanced logistics technology, we are leading the paradigm innovation of the parcel delivery industry.



As a total solutions & service provider, we are engaged in real estate development and operation based on its differentiated construction and engineering capabilities with the goal of maximizing customer asset value.

# OUR BUSINESS

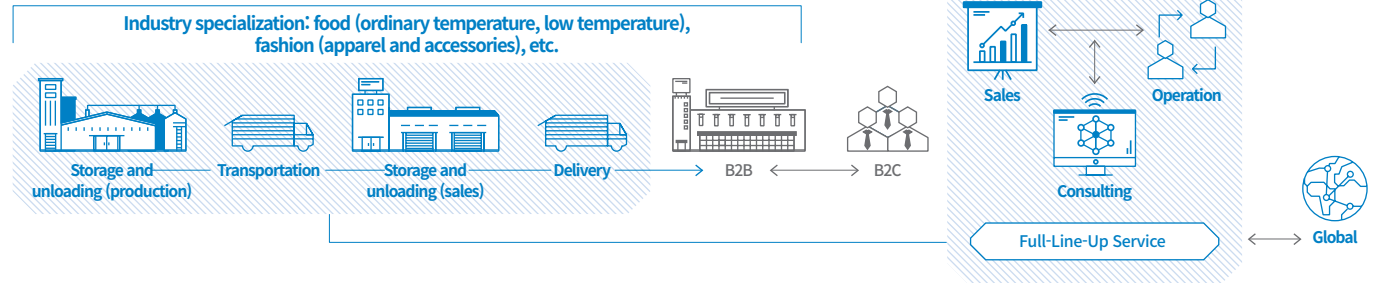
## CONTRACT LOGISTICS



Ensuring differentiated total logistics services to customers by stably operating storage, stevedoring, transportation and delivery customized to individual cargo based on specialized logistics operation know-how and state-of-the-art IT solutions for each industry group.

Based on our TES (Technology, Engineering, Systems & Solutions)-based logistics automation system and SCM consulting capabilities, we are leading the domestic contract logistics market by stably operating various cargo storage, stevedoring and transportation and delivery services. In addition, Logis Park Dongtan and Logis Park Yangji, which have the largest automated logistics facilities in Korea, have been built to provide the best logistics services and customized solutions to customers.

### Business Overview



### Business Strengths

Automated logistics system

TES-based logistics automation and unmanned operation as improving productivity and efficiency of site operation

SCM consulting competency

A customized solution combining smart IT solution with Korea's top SCM consulting firms

Industry-specific service

Specialized experts with insight into specific areas including e-commerce, healthcare, automobiles, retail, fashion & beauty, etc.

### Core Competencies

(As of December 31, 2020)

Global presence



37 countries

Domestic and foreign transport vehicles



Over 10,000 vehicles

Domestic contract logistics



No. 1

Industry-specific service



Logistics Specialist

Logistics Specialist



Automation System

SCM consulting experts



Consulting & IT Solution

# OUR BUSINESS

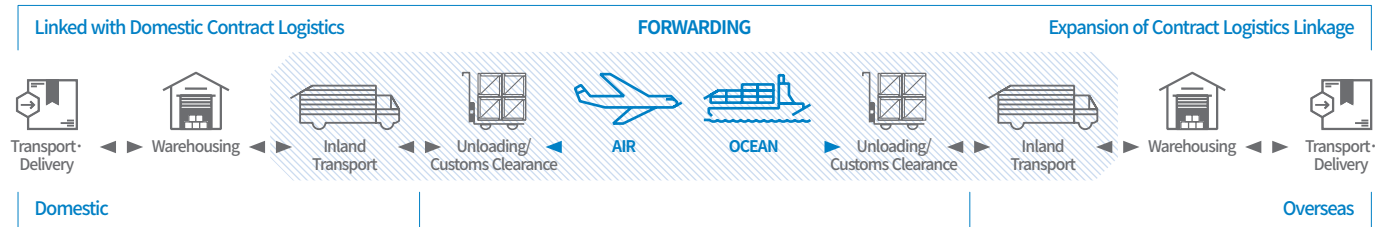
## FORWARDING & INTERNATIONAL EXPRESS



Providing total logistics services such as air/sea transportation, customs clearance and storage of import and export cargo, as well as door-to-door international express services specialized for global e-commerce.

Our forwarding and international express division provides comprehensive logistics services throughout the entire import and export process and international express services connecting 220 countries around the world. It is contributing to reducing logistics costs and improving operational efficiency by designing optimized logistics processes for customers in services ranging from general cargo to super heavy, bulk and special cargo and providing real-time tracking information of import and export cargo.

### Business Overview



### Business Strengths



Implementing a one-stop service that calculates optimal time and cost through visibility service that tracks logistics from start to finish based on our in-depth logistics base, best network, and advanced know-how



Realizing an early response to signs of abnormality, as well as reducing logistics costs and improving work efficiency, by providing real-time information such as mobile service and tracking service of customer cargo



Provides e-Commerce customized One-Stop international express service with infrastructure and accumulated operational know-how

### Core Competencies

(As of December 31, 2020)

Customer freight tracking information



updated on a **3** hours basis

Specialized business 1



**Exhibition cargo**

Worldwide service



Over **220** countries

Optimal logistics solution



**Total logistics service**

Specialized business 2



**Special cargo**

Global e-Commerce



**International express/GDC**



# OUR BUSINESS

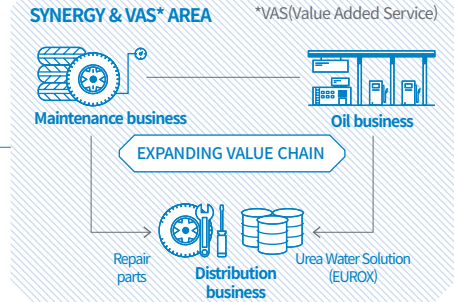
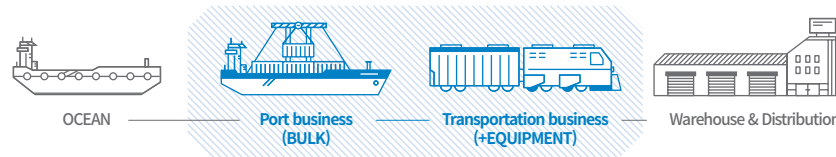
## STEVEDORING & TRANSPORTATION



We are delivering optimal services through the most extensive logistics infrastructure in Korea and cargo-specific handling equipment. In addition, we have maximized business synergy by expanding into such areas as maintenance and distribution services.

Our stevedoring & transportation business division provides customized services through efficient port stevedoring solutions catered to the characteristics of various types of cargo by utilizing heavy machinery such as cranes, hawks, and special equipment modules based on the nation's best logistics infrastructure and industry-specific know-how. In addition, we are expanding our value chain in such industries as maintenance based on our nationwide hub network.

### Business Overview



### Business Strengths



Korea's most extensive logistics infrastructure including 120 berths in 20 ports nationwide, 110 heavy machines such as cranes, and 5 vessels



Optimized solutions, based on industry-specific know-how, to meet customer's needs in the steel and automobile, hazardous substances, heavy goods, and military logistics industries



Expanding business in the oil, distribution and maintenance sectors by building on the most comprehensive logistics infrastructure in Korea and the company's extensive industry know-how

### Core Competencies

(As of December 31, 2020)

<p>Berths</p> <p><b>120</b> pieces</p>	<p>Bulk stevedoring</p> <p><b>No. 1</b> in Korea</p>	<p>Vehicle in operation daily</p> <p><b>About 7,000</b> on average</p>
<p>Heavy equipment</p> <p><b>110</b> pieces</p>	<p>Total number of vessels owned</p> <p><b>3</b> ships</p>	<p>Professional know-how and manpower</p> <p>A large number of professionals including project managers and port captains</p>



# OUR BUSINESS

## PARCEL



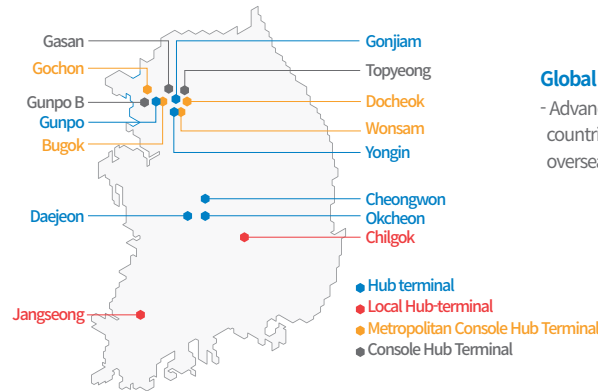
Leading the paradigm shift of the parcel delivery industry based on our formidable infrastructure and cutting-edge logistics technology. Smart parcel, leading high-tech logistics, becomes a reality with CJ Logistics.

In the parcel sector, we are handling customers' products safely and quickly from collection to delivery based on logistics infrastructure and assets. Our differentiated parcel services are provided by operating industry's first mobile concierge service with 267 sub-terminals, 24,228 transportation fleets.

### Business Overview

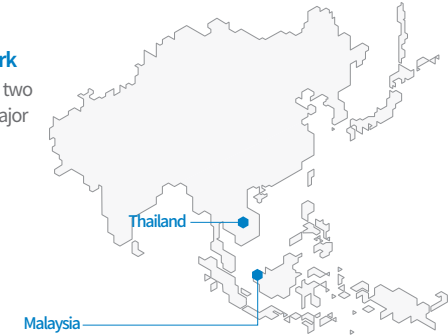
#### Network

- 6 hub terminals,
- 2 local hub terminals
- 4 metropolitan console hub terminals
- 3 console hub terminals
- 1 MP hub terminal
- 267 sub-terminals



#### Global Network

- Advanced into two countries as major overseas hubs



### Business Strengths

**Korea's largest logistics infrastructure & assets**

Logistics infrastructure & assets of 14 hub-terminals, 270 sub-terminals, and the delivery network in the country

**Cutting-edge automation system powered by TES**

Automated logistics system applied with state-of-the-art logistics technology e.g. wheel sorter

**First mobile concierge service in logistics industry**

Mobile application dedicated to parcel service, visible ARS and Korea's first AI-powered automated customer service 'Chat-bot'

### Core Competencies

(As of December 31, 2020)

#### Local Network



**281** places (HUB+SUB)

#### Transport vehicles



**24,288** vehicles

#### Country of Entry



**2** countries

#### Daily Parcel Box Handling Capability



**13,300,000** boxes

#### Customer Satisfaction

Satisfaction assessment of parcel service sponsored by Ministry of Land, Infrastructure and Transport



**B++** in general parcel sector

#### Global Network



**161** locations

# OUR BUSINESS

## ENGINEERING & CONSTRUCTION

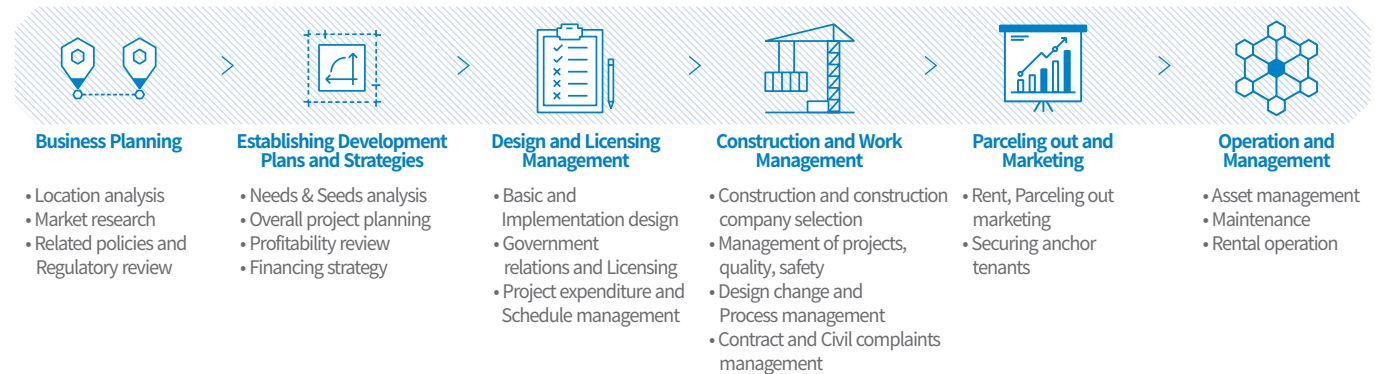


Paving the way for better spaces of tomorrow with our unmatched technology and prestige services.

Our engineering and construction business is building global business capabilities based on its rich construction experience and unmatched engineering capabilities in various fields such as logistics facilities, remodeling, R&D facilities, industrial plants, office and commercial facilities, and golf courses. We intend to make a leap forward as a “Smart Construction Company” that provides the best value to customers and leads the construction trends through our differentiated smart technology/services beyond simple construction.

### Business Overview

#### One-stop Total Solution



### Business Strengths



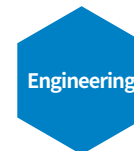
Continuous development of expertise in line with trends of construction industry and based on extensive project experience and specialized project selection, e.g. logistics, remodeling, R&D and industrial plant



Securing construction management capabilities for optimizing/efficient QCD (Quality, Cost, Delivery) beyond simple construction and possessing strengths in urban construction



Increasing property value through provision of comprehensive consulting/strategy such as site acquisition, feasibility analysis, and design



Global engineering and EPC capabilities for water treatment facility in countries including Vietnam, Malaysia and Indonesia.

### Core Competencies

2020 Construction Capability Ranking by Korea's Ministry of Land, Infrastructure and Transport



**45<sup>th</sup>** in Civil Engineering  
**41<sup>st</sup>** in Construction

Non-residential Construction



**12<sup>nd</sup>**

**3<sup>rd</sup>** in Other construction works (including logistics facilities)  
**8<sup>th</sup>** in educational facilities / **8<sup>th</sup>** in accommodation facilities  
**9<sup>th</sup>** in industrial environment / **16<sup>th</sup>** in commercial facilities

# OUR BUSINESS

## RESORT



Building prestigious resorts based on world-class services and facilities.

The resort business of CJ Logistics is imbuing new dignity and pride into our resorts with two of the world's top 100 courses, Club Nine Bridges and platinum club Haesley Nine Bridges. Jeju Club Nine Bridges and Yeosu Haesley Nine Bridges are enhancing the dignity and value of Korean golf clubs with their beautiful courses in harmony with nature, clubhouses recognized as works of art, and high-quality services centered on members.

### Business Overview

#### Club Nine Bridges

In August 2001, four years after its grand opening, Club Nine Bridges was the only Korean course listed in the "World's Top 100 Courses" by GOLF Magazine, a world-renowned golf publication based in the U.S. In 2017, it firmly established itself as a world-class prestigious course, reaching "41<sup>st</sup> on the list." Club Nine Bridges, located on Hill 600 of Hallasan Mountain, a world natural heritage site, provides a unique golf experience where you can feel the changes of the four seasons on a nature-friendly course.

#### Haesley Nine Bridges

Haesley Nine Bridges is a private members' club where a community is formed among members and friendship and fraternity are created through a special golf experience. It was the first Korean course to be selected as one of the "100 Platinum Clubs of the World", gaining recognition as one of the world's most prestigious golf clubs. We are advancing to world-class status with the best facilities, prestigious services, and a differentiated club culture.

### Business Strengths

Top Course Quality

Maintaining top course conditions through the creation of the highest quality bent grass and the introduction of automatic temperature and humidity management equipment for all greens, a first in Korea

A Prestigious, World-Class Club

Selected as one of the world's top 100 platinum clubs for the creation of an eco-friendly courses and ceaseless innovations

International Events

Hosted Korea's first regular PGA Tour tournament 'THE CJ CUP @ NINE BRIDGES' and the World Club Championship

### Core Competencies

(As of December 31, 2020)

World's Top 100 Courses



Club Nine Bridges Ranked **41<sup>st</sup>**

World's Top 100 Platinum Clubs



Haesley Nine Bridges Ranked **23<sup>rd</sup>**

Club Nine Bridges  
Haesley Nine Bridges



**GEO** certified (UK) as sustainable golf clubs

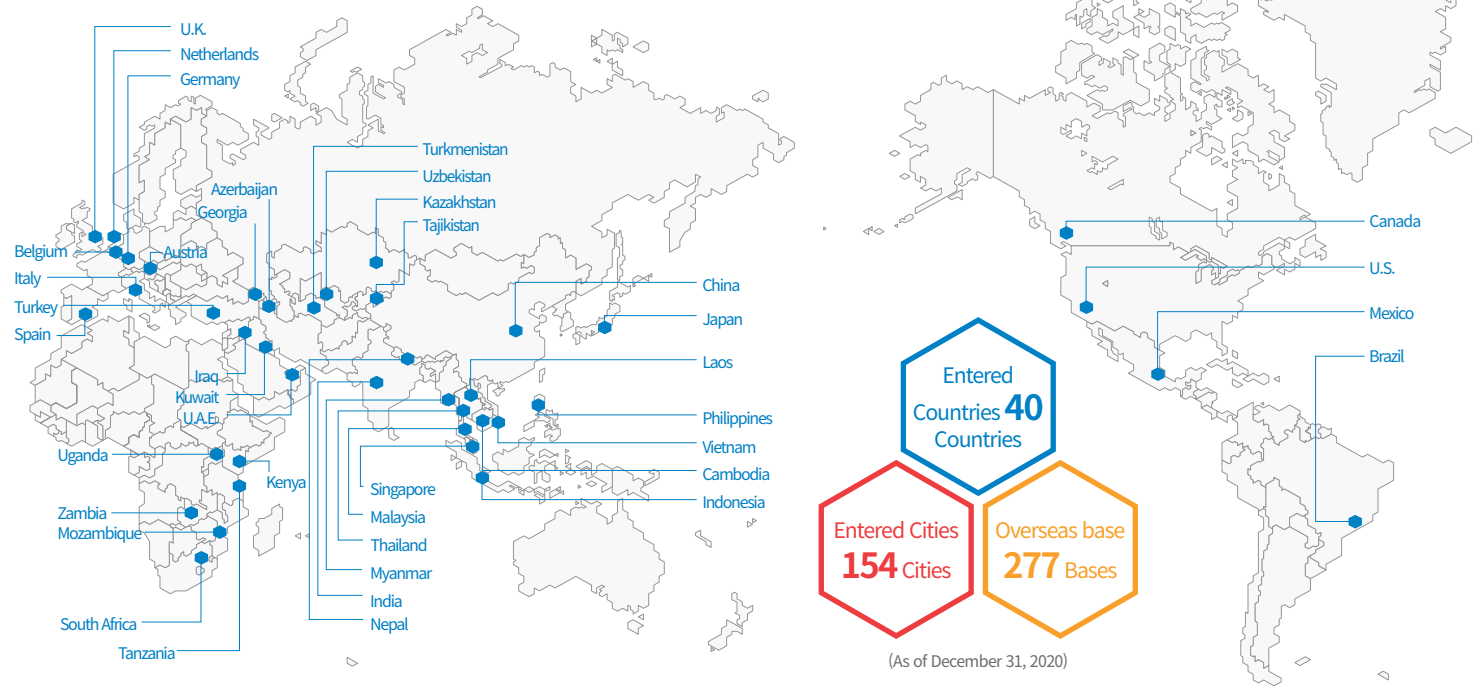
THE CJ CUP @ NINE BRIDGES



**First Korean club to host a PGA Tour event**

# OUR BUSINESS

## GLOBAL NETWORK



CJ Logistics is realizing its one-stop logistics solution by establishing a logistics network that connects the world. 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.

### Global Family

	CJ LOGISTICS	GEMADEPT LOGISTICS	Darcl LOGISTICS	ICM LOGISTICS	SPEDEX 德迅	Century	Rokin 英辰物流	黑豹物流 SMART CARGO
Areas of business	WM/TM logistics with focus on US food/CPG	Comprehensive logistics company, including land and maritime shipping	No. 1 local land and maritime shipping company in India	Comprehensive project logistics in the Middle East/CIS	TCL Group, 2PL (secondparty logistics provider)	Comprehensive logistics company, including land and maritime shipping	W&D Cold Chain logistics company	Project logistics
HQ location	U.S.	Vietnam	India	UAE	China	Malaysia	China	China
Operating countries	U.S.	Vietnam, Singapore, Malaysia, Cambodia	India, Nepal	UAE, Germany, Uzbekistan, Italia, Iraq, Turkey, etc.	China	Malaysia, Singapore	China	China, Tanzania, South Africa, Nepal, Uganda, Kenya, Zambia, etc.

# SUSTAINABILITY AROUND THE GLOBE

## USA



<b>Company name</b>	CJ Logistics America
<b>Established</b>	February 2020
<b>HQ location</b>	Des Plaines, Illinois, USA
<b>Areas of business</b>	WM/TM logistics with focus on US food/CPG

\*CPG (Consumer Packaged Goods), WM (Warehouse Management), TM (Transportation Management)

## 2019-2020 Business Highlights

### Integration of CJ Logistics America

In February 2020, DSC Logistics, CJ Logistics USA, and CJ Logistics Canada were incorporated into CJ Logistics America, LLC. By merging these into CJ Logistics America, we sought to integrate customer solutions and expand our North American platform.

CJ Logistics America transferred its majority shareholder's stake to CJ Logistics USA, a subsidiary of CJ Logistics, in August 2018.

Based on this merger, we will strive to realize our supply chain potential with CJ Logistics America's innovative solutions and collaborative partnerships and create greater customer value by applying CJ Logistics' cutting edge TES technology

## ESG Achievements

### 2020 SDCE Green Supply Chain Award

CJ Logistics America was awarded the "Green Supply Chain Award" by SDCE (Supply & Demand Chain Executive). This award is given to companies striving to achieve measurable sustainability goals with an eco-friendly supply chain strategy at their core. CJ Logistics America will continue to enhance its eco-friendly supply chain management.

### Donation to the Salvation Army's Angel Tree Program

Since November 2019, employees of Logistics America employees have participated in the Salvation Army's Angel Tree program every year to help local communities and children in need. Employees at CJ Logistics America's headquarters in Des Plaines donated gifts and gift certificates through Angel Tree's "Angel Tag" project, which seeks to fulfill the gift wishes of local children. The Salvation Army's Des Plaines branch provides thousands of toys and gifts to local children, youth, and elderly people in need.

## Awards

Logistics Management  
Quest for Quality



Logistics Management  
**2020 Quality Quest Award Winner**

Supply & Demand Chain  
Executive Green  
Supply Chain Award



SDCE (Supply & Demand Chain Executive)  
**2020 Green Supply Chain Award Winner**

Food Logistics 2020  
Top 100 3PL & Cold  
Storage Provider



2020 Food Logistics  
**Selected as Top 3PL and Cold Storage Provider**

## Certifications

AIB (American Institute of  
Baking) Certification



CJ Logistics America is  
**AIB certified** in all required  
food grades.

ASI (American Standards  
Institute) Certification



CJ Logistics America is  
**ASI certified** in all required  
food grades.

SmartWay  
Transport Partner



CJ Logistics America is  
**SmartWay certified** as  
both a logistics providers  
and carrier partners.

### Implementation of TES Pilot Evaluation

CJ Logistics America is constantly identifying new technologies in its logistics centers to innovate the integrated global supply chain. Over the next two years, we plan to pilot TES applications by utilizing CJ Logistics America's location and customer network. In addition, at its Illinois Logistics Center, CJ Logistics America recently completed its successful R&D of robot wrapper technology. The robot wrapper is an automatic mobile robot that prepares and secures pallet contents for storage and delivery. This technology is expected to improve productivity, as it will reduce costs compared to human packaging, while also allowing the operator to perform different tasks at the same time. In the future, we will strive to create more value for our customers by utilizing the robot wrapper project led by TES engineers.

# SUSTAINABILITY AROUND THE GLOBE

## CHINA



<b>Company name</b>	CJ Rokin Logistics
<b>Established</b>	1997
<b>HQ location</b>	Shanghai, China
<b>Areas of business</b>	Local W&D in China with focus on cold-chain logistics

<b>Company name</b>	CJ Speedex Logistics
<b>Established</b>	2004
<b>HQ location</b>	Guangdong Province, China
<b>Areas of business</b>	TCL Group, 2PL, China domestic W&D in China, international feight transportation

<b>Company name</b>	CJ Smart Cargo
<b>Established</b>	2002
<b>HQ location</b>	Qingdao, China
<b>Areas of business</b>	Project logistics

### 2019-2020 Business Highlights

#### CJ Rokin, Wins the 2020 Digital Supply Chain Science and Technology Pioneer Award

In November 2020, CJ Rokin, a Chinese subsidiary of CJ Logistics, was awarded the 2020 Digital Supply Chain Science and Technology Pioneer Award at the 2020 China Storage and Transportation Development Summit Forum. CJ Rokin received this award in recognition of its innovation in the business model and service areas, as well as its R&D achievements in cutting-edge logistics technology. CJ Rokin will continue to lead the global logistics market through the ongoing development of cutting-edge logistics technology and digital transformation despite uncertainty in the global economy due to COVID-19.

### Awards & Certifications

CJ Rokin has been recognized for its excellent state-of-the-art logistics service capabilities by winning numerous awards and certifications from the world's leading authorities. CJ Speedex possesses logistics know-how specialized in electric and electronic products and is actively developing comprehensive logistics businesses including land transportation, logistics center operation, and intercontinental rail transportation.

CJ Rokin selected for China's Top 50 Logistics Companies in 2020

Ranked **46<sup>th</sup>**

CJ Rokin selected for China's Top 50 Private Logistics Companies in 2020

Ranked **22<sup>nd</sup>**

CJ Rokin selected for China's Top 100 Cold Chain Logistics Companies in 2019

Selected for **6 consecutive years**

CJ Speedex selected for China's Top 50 Contract Logistics Companies in 2020

Ranked **33<sup>rd</sup>**

## ESG Achievements

### Trial Run of a TSR Block Train

In December 2020, CJ Speedex succeeded in operating a direct freight train called block train between Finland and China using the TSR (Trans-Siberian Railway). This cargo transportation operation was a trial run for supplying pulp, the raw material for paper, to large Chinese paper makers, and established foothold for the company in the regular operation of future routes between Northern Europe and China.

### Transportation of COVID-19 Supplies

In March 2020, when the city of Wuhan was locked down due to the spread of COVID-19 and had to build a special quarantine ward, CJ Speedex provided a service to deliver supplies including TCL TVs.

### Hosted a Nationwide Logistics Conference

CJ Speedex held a nationwide logistics conference to establish overall management strategies, including the 2021 business plan.



CJ Speedex transported supporting materials to Wuhan



National Logistics Competition

### CJ Smart Cargo



ISO 9001(Qingdao)



ISO 9001(Tianjin)



ISO 9001(Shanghai)

### CJ Speedex Logistics



ISO 14001: environmental management system certification



ISO 9001



# SUSTAINABILITY AROUND THE GLOBE

## VIETNAM



<b>Company name</b>	CJ GMD Logistics, CJ GMD Shipping
<b>Established</b>	1990
<b>HQ location</b>	Ho Chi Minh City, Vietnam
<b>Areas of business</b>	Comprehensive logistics such as land and sea transportation

### Awards

Selected for 2020 Forbes Vietnam



**Vietnam's Top 50 Companies for 4 Consecutive Years**

2019 Outstanding Award for Tax Policies



**2019 Tax Policy Excellence Award**

Gold Sponsorship of Vietnam Young Logistics Talents 2020



**2020 Vietnam Young Logistics Talent Gold Sponsorship**

### Award-Winning Performance of CJ's GMD Subsidiary

Top 100 "Asia Most Trusted Brands" 2019 (affiliate of GMD Logistics Company)



**Asia's Top 100 Trusted Brands 2019**

Top 10 Asean Strong Brands 2020 (affiliate of GMD Logistics Company)



**2020 ASEAN Strong Brand Top 10 Companies**

30 Years of Shared Growth from Saigon Co.op 2019 (affiliate of GMD Logistics Company)



**2019 Saigon 30-year shared growth company**

Best Logistics Supplier Award in 2019 of Seaps Vietnam (affiliate of GMD Logistics Company North branch)



**2019 Best Logistics Supplier Award**

Best Partnership in 2020 of Mobile world Cambodia (affiliate of GMD Shipping Company Cambodia branch)



**2020 Best Logistics Supplier Award**

### 2019-2020 Business Highlights

#### CJ GMD (Gemadept)

CJ GMD operates a 310,000m<sup>2</sup> distribution center, equivalent to 43 soccer fields, and a with its logistics network across Vietnam. As a differentiated logistics service, it successfully transported three subway cars, each 21m in length and 37ton in weight, for Ho Chi Minh Metro Line 1, which is scheduled to open in 2021, by using heavy-duty prime movers and three hydraulic module trailers.

### ESG Achievements

#### Realization of Eco-Friendly Logistics

CJ GMD's photovoltaic power generation facility, which began construction in October 2020 and was completed in about three months, is capable of producing 7,066 MWh of renewable energy annually from 10,880 solar modules installed on the 25,000m<sup>2</sup> roof of company's refrigeration logistics center. It is the largest single PV rooftop solar power plant in Vietnam. The installation of this solar power generation facility is expected to reduce annual electricity bills by about 25%.



CJ GMD Logistics Center Solar Power Facility

#### Social Contribution

CJ GMD remains dedicated to solving social problems by actively supporting the underprivileged in local communities through various social contribution activities. The company supports social welfare facilities that provide activities for the underprivileged, including elderly persons living alone and the disabled, and help students in need of financial assistance through scholarship support. In addition, CJ GMD transported support items to flood-affected areas in the central region of Vietnam and collected support funds to deliver to local residents in 2020. In the future, we plan to expand various activities to contribute to the development of local communities in collaboration with our overseas subsidiaries and affiliates.



# SUSTAINABILITY AROUND THE GLOBE

## OTHERS



<b>Company name</b>	CJ Darcl Logistics
<b>Established</b>	December 1986
<b>HQ location</b>	Tilak Bazar, Hisar in India
<b>Areas of business</b>	Comprehensive logistics, including land and maritime shipping



<b>Company name</b>	CJ Century Logistics
<b>Established</b>	1970
<b>HQ location</b>	Selangor, Malaysia
<b>Areas of business</b>	Comprehensive logistics including land and maritime shipping



<b>Company name</b>	CJ Logistics Thailand
<b>Established</b>	1988
<b>HQ location</b>	Bangkok, Thailand
<b>Areas of business</b>	Comprehensive logistics including international cargo transportation and stevedoring business



<b>Company name</b>	CJ ICM Logistics
<b>Established</b>	1998
<b>HQ location</b>	Jebel Ali Free Zone in Dubai, UAE
<b>Areas of business</b>	PJT / CL / FF

### 2019-2020 Business Highlights

#### Being Recognized as an Excellent Logistics Company in India

CJ Darcl was recognized as an 'Excellent Transportation Company' by the CII (Confederation of Indian Industry) for two consecutive years in 2019 and 2020 and was selected as a 'Respected Logistics Company in India' by Topgallant Media. CJ Darcl is a comprehensive logistics company in India that transports heavy cargo via land, rail, and sea and provides specialized services for various business groups in industries such as steel and chemicals.



#### Expanding Social Contribution Activities to Help Overcome COVID-19

CJ Darcl has fulfilled its corporate social responsibility by promoting various social contribution activities throughout 2020 to help India overcome COVID-19 participating in donations, livestock protection and support projects, and educational support projects for children aimed at promoting synergy with the local community.

#### Strengthening the Logistics Business in Southeast Asia

CJ Logistics intends to strengthen its logistics business in Southeast Asia by merging CJ Century and its local subsidiary in Malaysia. Through this merger, CJ Century will operate logistics centers of totaling 403,000m<sup>2</sup> in 56 locations nationwide, employing 1,500 logistics professionals with a fleet of 1,000 vehicles and other equipment. By integrating Malaysia's national network and infrastructure, we have strengthened our logistics operation capabilities and laid the groundwork for becoming the No. 1 private logistics company in the country. CJ Century has a nationwide transportation network in Malaysia, and by utilizing CJ Logistics' advanced convergence technology, engineering, and logistics consulting capabilities, it will be possible to boost sales for large multinational manufacturing companies.

#### Introducing the Most Advanced Sorting System in Thailand

CJ Logistics is hoping to establish the world's leading logistics technology, dubbed "K-Delivery", across Thailand by holding an event to open Smart Hub Bangna, the largest parcel delivery terminal in the country. Smart Hub Bangna is the first overseas base of CJ Logistics' parcel that incorporates Korea's TES (Technology, Engineering, System and Solution) technology, and it has been evaluated to be Thailand's logistics leader in terms of facility size as well as sorting capability. CJ Logistics plans to secure a nationwide delivery network by expanding sub-terminals equipped with a regional sorting systems and increasing the number of delivery drivers. In addition, we are reinforcing the parcel operation system by introducing Korean-style parcel IT technologies including a delivery system, a smartphone business app for delivery drivers, and a delivery tracking system.

#### Delivering ICRC (International Committee Red Cross) Relief Goods

As part of its response to COVID-19, the ICRC (International Committee of the Red Cross) distributed food, sanitation items, and relief supplies to residents of Abkhazia and South Ossetia's ABL (Administrative Border Line) villages, and entrusted CJ ICM with the delivery and transport contract.

#### Transporting Commercial Buses to Turkmenistan

Amid restrictions on cross-border transportation due to COVID-19, CJ ICM successfully carried out the marine transportation of commercial buses from Korea to Turkmenistan through the Volga-Don Canal, an alternative route proposed by CJ ICM using seven river vessels. In addition, by activating public transportation in Turkmenistan, we were able to contribute to the improvement of environmental problems, minimizing environmental pollution.

# III. SUSTAINABLE IMPACT



- 25 Sustainability Management Promotion System
- 26 UN SDGs
- 27 Stakeholder Engagement
- 28 Sustainability Management Issue Analysis

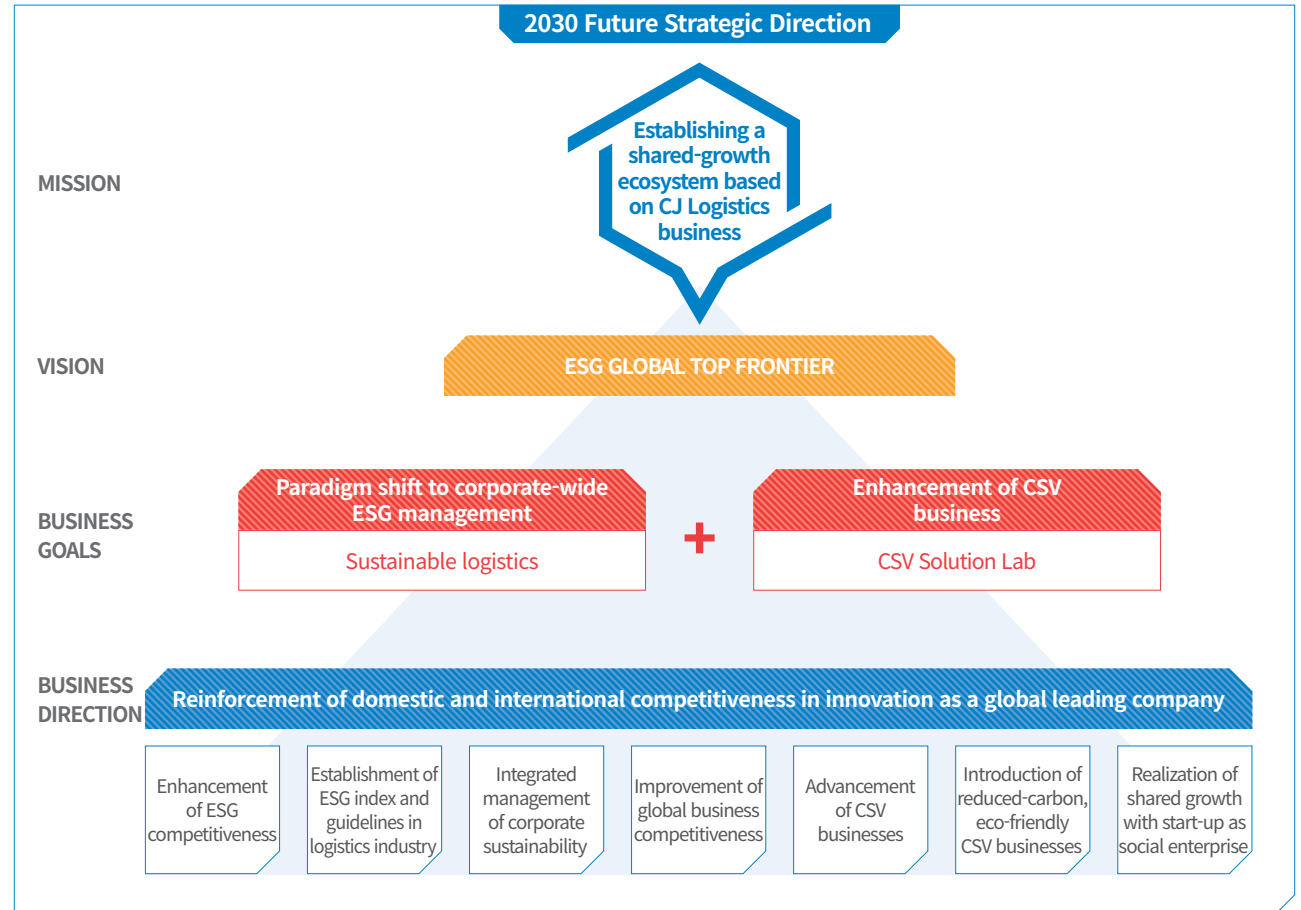
# SUSTAINABILITY MANAGEMENT PROMOTION SYSTEM

## CJ Logistics Sustainability Management Promotion System

CJ Logistics strives to establish a shared-growth ecosystem that can grow with society based on CJ Logistics business.

We will make a leap forward as a sustainable global leading logistics company by transforming the company-wide paradigm of ESG management and advancing our CSV businesses.

Sustainability Management Promotion System



# UN SDGS

## Participation in UN SDGs

### Economic & Environmental Achievements



Introducing eco-friendly packaging materials



Creating energy/urban forests



Introducing eco-friendly electric vehicles



Green parcel



Creating eco-friendly golf courses



TES Robot Depalletizer



### Social Achievements



Contributions to local communities



Expanded silver, blue, and orange parcel delivery



Children's traffic safety campaign



Global talent donation activities



Dream Building Project



Reinforcing employee safety and health management



Human resource development and capacity building



Respecting diversity and building an innovative organizational culture



### Governance



Operation of the Board of Directors and its committees



Stronger compliance



Integrated risk management



Fair trade and win-win management



Enhanced customer satisfaction and information protection



# STAKEHOLDER ENGAGEMENT

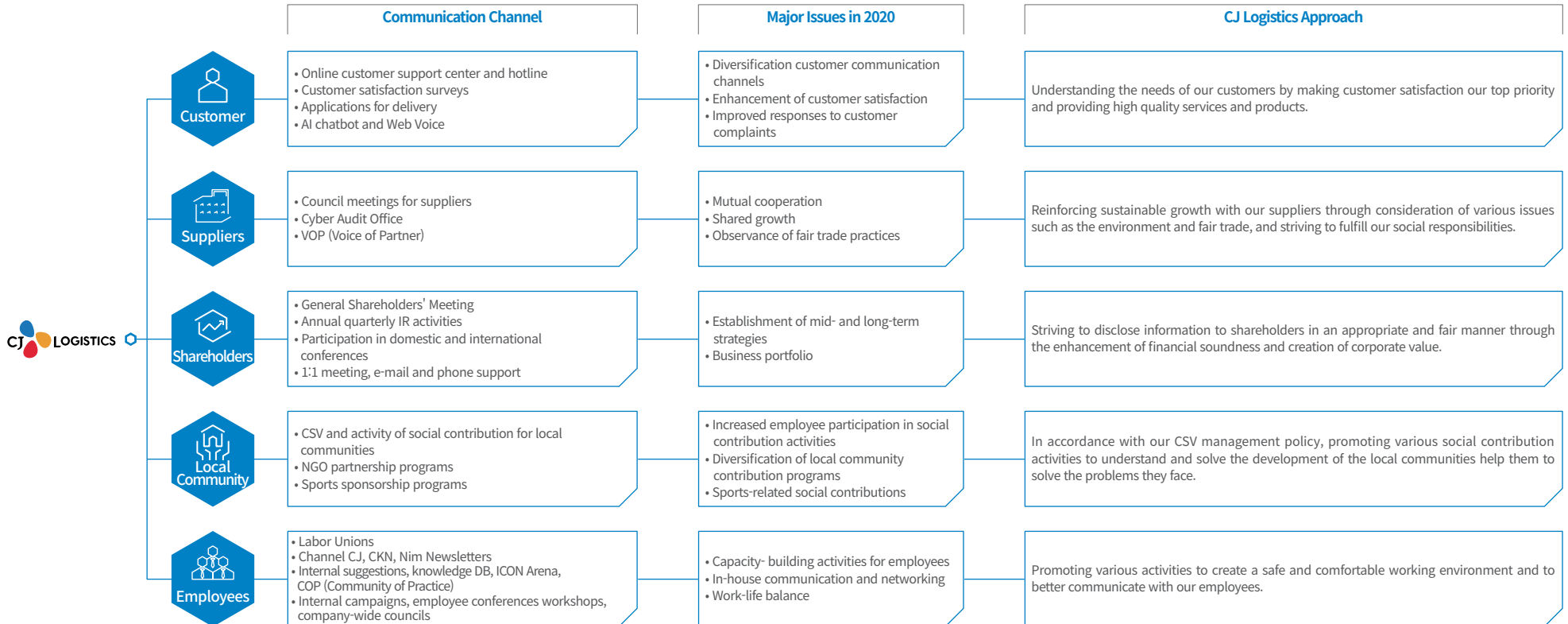
## Improving Stakeholders Communication

### Definition of Stakeholders

Groups that are directly or indirectly influenced by business activities and performance are defined as a stakeholders. Customers, partners, shareholders, local communities, and employees are classified as major stakeholders. Stakeholder engagement is the foundation on which our company establishes and implements its management strategies. It involves collecting various opinions from stakeholders, predicting changes in the business environment, and identifying and responding to corporate risk factors in advance.

### Communication with Stakeholders

CJ Logistics is diversifying its communication channels to expand stakeholder engagement in business management. Through customized communication channels, one for each major stakeholder, various stakeholder opinions are actively collected and major issues are reported to the Board of Directors and reflected in management decisions.

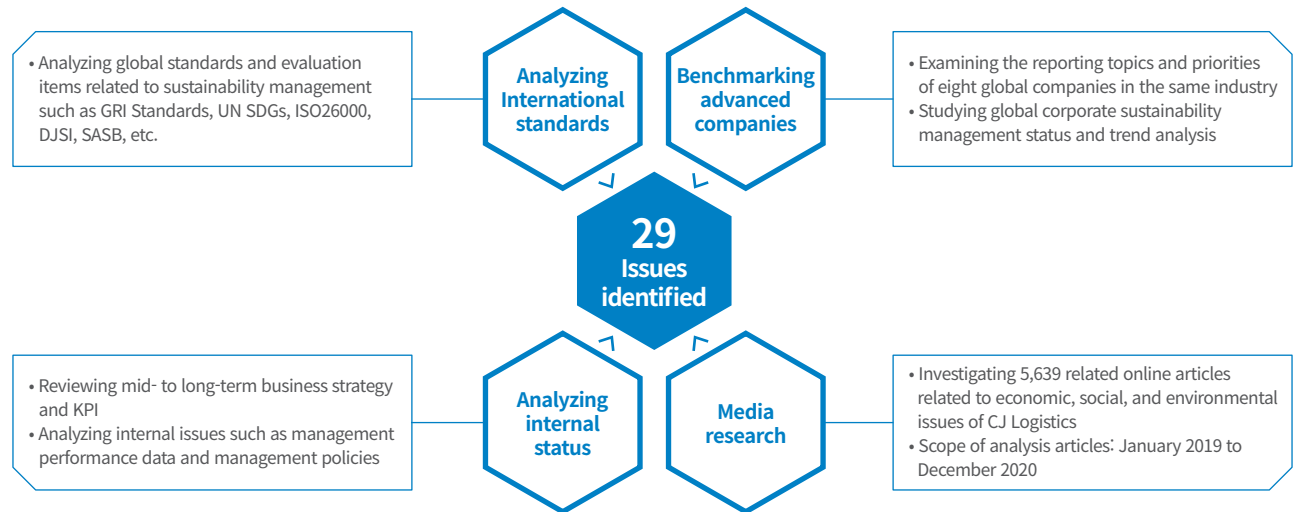


# SUSTAINABILITY MANAGEMENT ISSUE ANALYSIS

## Materiality Assessment

### Materiality Assessment Overview & Process

CJ Logistics conducted a materiality assessment to comprehensively review the level of interest and business impact of internal and external stakeholders. The materiality assessment utilized media research, global company benchmarking, surveys, and expert evaluation in the process of selecting core issues to actively reflect the opinions of internal and external stakeholders on CJ Logistics' sustainability management. The result was a compilation of 29 major issues related to sustainable management activities.



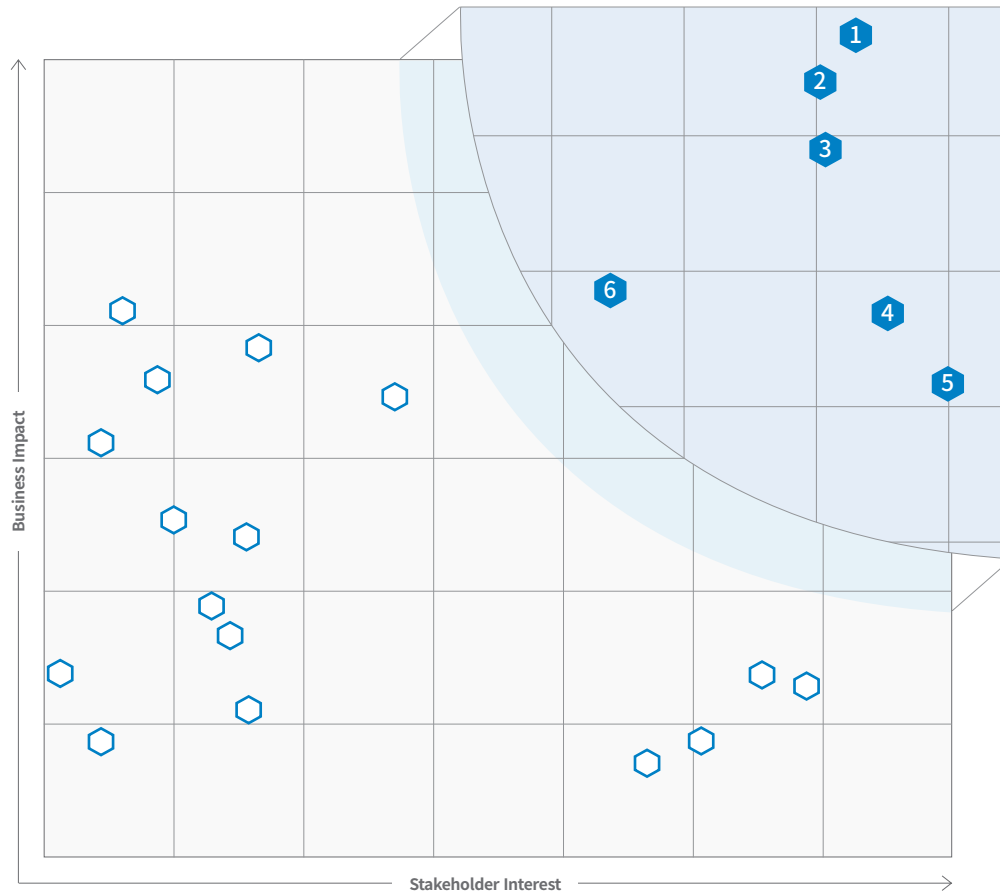
### Materiality Assessment Validity Review

For the 29 major issues identified, priorities were derived through the quantification of 'stakeholder interest' and 'business impact'. We reviewed stakeholder interest by reviewing the effectiveness of the impact of business costs, profits, and risks on stakeholders. In terms of business impact, the relationship between the financial and non-financial impacts of business activities and management policies was considered, and a final total of six key issues was selected.



# SUSTAINABILITY MANAGEMENT ISSUE ANALYSIS

## Materiality Assessment Matrix



## Material Issues

1 Management and reduction of GHG emissions	4 Contributing to an indirect economic boost through company business (CSV projects, etc.)
2 Improving the working environment	5 Managing employee safety and health
3 Management and increased efficiency of energy consumption	6 Strengthening logistics competitiveness
7 Building and operating of environmental management system	18 Establishing cooperative labor-management relations of trust and communication
8 Reducing environmental impact from logistics and mobility	19 Integrated risk management
9 Expanding global competitiveness	20 Strengthening workplace safety and health
10 Managing and minimizing waste discharge	21 Improving communication with stakeholder
11 Creating jobs and acquiring talent	22 Striving to revitalize the local economy
12 Enhancing customer satisfaction and service quality	23 Strengthening anti-corruption activities
13 Responding to climate change	24 Assessing supplier sustainability with risk management
14 Banning unfair trade practices and complying with relevant laws and regulations	25 Achieving the soundness of the composition of the board of directors
15 Protecting employee human rights and diversity	26 Boosting water conservation and reuse
16 Ensuring ethical management and compliance	27 Building a clear human rights policy
17 Conducting social contribution activities customized to local communities	28 Protecting biodiversity around the workplace
	29 Strengthening information protection and cybersecurity

## Selection of Key Topics to be Reported

NO.	Material issues	Reporting Topic	Impact of the issue*			GRI Index
			Cost	Profit	Risk	
1	Management and reduction of GHG emissions	Climate change response		●		305
3	Management and increased efficiency of energy consumption					302
2	Improving the working environment	Safety and health management			●	403
5	Managing employee safety and health					
4	Contributing to an indirect economic boost through company business (CSV projects, etc.)	Core competitiveness	●			201
6	Strengthening logistics competitiveness					

\* Impact of Issues

1) Cost: Impact linked to financial losses (policy regulation, environmental changes, etc.)

2) Profit: Impact on business activities/processes that generate financial profits (new market expansion, etc.)

3) Risk: Impact related to potential non-financial risks (media, public opinion, reputation, etc.)



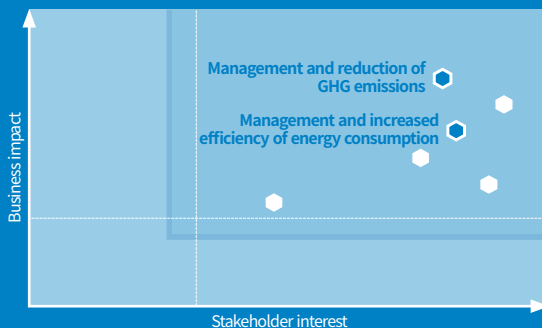
# IV. MATERIAL HIGHLIGHTS

- 31 1. Response to Climate Change
- 36 2. Safety and Health Management
- 42 3. Core Competitiveness

# 1. RESPONSE TO CLIMATE CHANGE



## Background of Issue Selection



## Importance of the Issues

Efforts to solve various environmental problems such as climate change and the biodiversity crisis are also affecting the business activities of companies. In particular, as the reinforcement of indirect emissions management outside the company is becoming an issue, there have been growing demands for the reduction of environmental impacts in the area of logistics and delivery, with the transition to eco-friendly logistics emerging as an essential future growth engine. Accordingly, CJ Logistics is making efforts to select eco-friendly logistics as a major issue and preemptively respond to it.

## Response of CJ Logistics

### CJ Logistics' Activities



- Strengthened the foundation for environmental management
- Response to climate change
- Reduction of environmental impact

### Future plans and goals



- Enhancement of environmental management system
- Achievement of GHG and energy reduction targets
- Creation of an eco-friendly business environment

# RESPONSE TO CLIMATE CHANGE

**CJ LOGISTICS WILL CONTINUE TO MANAGE GHG EMISSIONS AND ENERGY USE TO ACTIVELY RESPOND TO CLIMATE CHANGE AND FULFILL ITS CORPORATE ENVIRONMENTAL RESPONSIBILITY THROUGH ECO-FRIENDLY LOGISTICS PRACTICES.**

## Reinforcement of GHG Management

CJ Logistics monitors its GHG emissions by registering its headquarters and all business sites in the national GHG comprehensive management system to achieve its GHG reduction target. In addition, we operate a GHG management system to collect data on energy consumption and automatically calculate emissions. For 2021, CJ Logistics has set a reduction target 2% lower than the government's GHG allowance of 219,087tCO<sub>2</sub>-eq and established an implementation plan accordingly.

## GHG Emissions Reduction Activities

In addition to protecting the environment of local communities, we are promoting activities to reduce emissions. With the operation of an integrated control center, we are reducing energy waste by optimizing routes of operation while also improving the integrated dispatch and backhaul rate.\* In addition, since November 2020, we have been adding 1t electric trucks to our delivery fleet, the first in the industry to do so, and they are being used for actual deliveries. These recently-introduced electric freight vehicle can be charged quickly, enabling stable operations at the actual parcel delivery site. CJ Logistics plans to replace all its vehicles with eco-friendly electric vehicles between 2020, the year of the 90th anniversary of the company's foundation, and 2030.

\* Backhaul Rate: A percentage representation demonstrating how much cargo freight a vehicle transports on its way back from a one-way transport haul.

## Energy Consumption Reduction Activities

CJ Logistics is pursuing various reduction measures to decrease the energy used during its business activities such as logistics, delivery, and building use. In order to improve improper driving habits that cause excessive energy consumption, such as engine idling, we continue to conduct eco-driving education and energy management activities using our integrated logistics system.

In addition, we are investing unsparingly when it comes to saving energy through various facility improvements, such as replacing lighting in the distribution center with LEDs and heaters with electric ones. In the case of Logis Park Dongtan, various energy savings plans are being reviewed prior to execution such as replacing the underground lights with LEDs and installing high-bay sensors that can automatically turn off the power in unused areas.



CJ Logistics Electronic Vehicle

## Environmental Performance

Category	Subject	Unit	2018	2019	2020
Greenhouse gas	Total GHG emissions	tCO <sub>2</sub> -eq	216,658	214,808	227,176
	Scope 1 emissions	tCO <sub>2</sub> -eq	128,572	122,306	123,199
	Scope 2 emissions	tCO <sub>2</sub> -eq	88,086	92,502	103,977
	GHG intensity	tCO <sub>2</sub> -eq/KRW 100 million	2.3	2.1	2.0
	GHG emissions reduction	tCO <sub>2</sub> -eq	-6,038	-27,365	-46,239
Energy	Total energy usage	TJ	3,625	3,631	3,880
	Electricity usage	TJ	1,813	1,905	2,142
	Fuel usage	TJ	1,812	1,726	1,738
	Energy intensity	TJ/KRW 100 million	0.06	0.06	0.03
	Energy reduction performance	TJ	-25	-586	-848

# RESPONSE TO CLIMATE CHANGE

## Eco-Friendly Logistics Practices

### Expansion of Green Logistics

CJ Logistics actively practices green logistics through its logistics hubs, facilities, and systems. We manage the number of vehicles in operation through transport route optimization, mass transport, and joint logistics by utilizing linked transport between hubs. We are ensuring eco-friendly logistics in various ways including the purchase of vehicles with low-emission and high-fuel-efficiency selective catalytic reduction SCR (Selective Catalytic Reduction), green parcel services using electric four-wheelers, and solar power generation using the roofs of a distribution centers.

### Selection of Green Supply Chain Partner

CJ Logistics America, which is CJ Logistics' integrated American brand, was selected as a "2020 Green Supply Chain Partner" by Inbound Logistics, an American logistics magazine. Every year, the publication selects 75 companies that strive to practice green logistics as "green supply chain partners" based on four metrics which are measurable green performance, sustainable innovation, continuous improvement, and industry recognition. We have been practicing green logistics by measuring and managing the use of five items including electricity, gas, water, natural gas, and recycling at about 40 business sites across the United States. In addition, we set annual targets to reduce our utility usage every year and are striving to reduce our energy use at all business sites by 8% or more.

### Environmental Investment Costs

Category	Unit	2018	2019	2020
Environment investments	KRW (million)	4,809	3,672	<b>1,811</b>

### Acquisition of Sustainable Golf Course Certification

Our golf club Haesley Nine Bridges was recertified in 2017 after receiving the first "sustainable golf course" certification in Korea in 2014 from GEO, a sustainable and eco-friendly golf course certification organization based in the U.K. In addition, Jeju Club Nine Bridges received GEO certification in 2019. Of the 40,000 golf courses around the world, only 253 have obtained GEO certification, and Club Nine Bridges and Haesley Nine Bridges are the only GEO certified courses in Korea. GEO (Golf Environment Organization) was established in the UK in 2000. It is a prestigious eco-friendly golf course certification body that is constantly striving to improve the sustainability and environment of golf facilities. In GEO's eco-friendly golf course certification, the main evaluation items include nature, resources, and community, under which detailed evaluation criteria are listed per item to ensure stringent screening. GEO certification can be obtained only after meeting GEO standards and going through a total of two rounds of the verification process, and certification can only be maintained through recertification every three years.



Haesley Nine Bridges GEO recertification



Club Nine Bridges GEO first certification

Based on the UN's international standards of eco-friendliness

**GRP certification  
Excellent grade (AA)**

UN Sustainable Development Target Index

**No. 1 for 2  
consecutive years**

### Business Case

#### Selected as a Leading Eco-Friendly Logistics Group

CJ Logistics has been recognized for its efforts to be a leader in eco-friendly logistics, such as the introduction of electric and hydrogen freight vehicles and the development of plastic upcycling uniforms. In November 2020, electric trucks were introduced and an opening ceremony for an EV (Electric Vehicle) charging station was held to mark the industry's first delivery of a 1-ton electric truck. In 2020, we plan to operate a total of four trucks, two each in Gunpo and Ulsan, and will begin to deploy more electric trucks to delivery sites starting in 2021. CJ Logistics intends to contribute to the reduction of greenhouse gas emissions by replacing approximately 30,000 courier vehicles currently in use with eco-friendly electric trucks by 2030. CJ Logistics is striving to achieve the Sustainable Development Goals adopted by the UN and the international community, and will continue to lead the pack in eco-friendly logistics as a global high-tech logistics company.

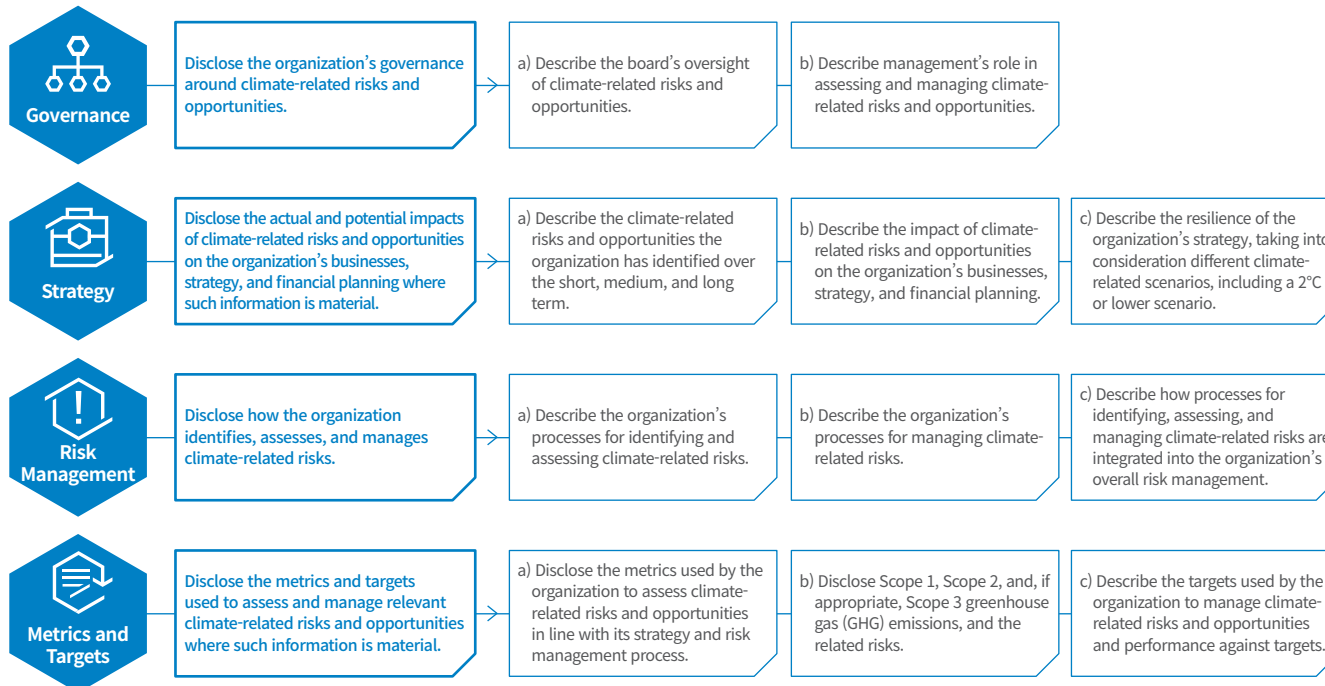


# RESPONSE TO CLIMATE CHANGE

## TCFD Response

Based on the UNFCCC (UN Framework Convention on Climate Change) adopted in 1992, the international community aims to transform into a carbon-neutral society to respond to global climate change and reduce greenhouse gases. The FSB (Financial Stability Board), an international financial institution, launched the TCFD (Task-force on Climate-related Financial Disclosure) in 2015, which issued its recommendations for the disclosure of information related to climate change in June 2017. CJ Logistics plans to continuously disclose information on its response to climate change in accordance with the TCFD recommendations in order to cooperate with the international community.

### TCFD Guidelines



## Governance

### Management's Role in Responding to Climate Change

CJ Logistics has been striving to respond to climate change by establishing and operating a dedicated organization under the Board of Directors, which is composed of an executive in charge of environmental concerns, the safety management team at the head office, and environmental managers at each business site, and is holding regular meetings related to the environment and safety. CJ Logistics' climate change response activities are directly linked to GHG reduction and energy-saving activities, and management decisions are made on major issues related to its climate change response. All management matters regarding the incorporation of the emissions trading system related to safety and health and GHGs are reported to the Board of Directors for approval. In the future, we plan to establish a committee for reporting on environmental strategies and responses to climate change and proposing and discussing related agenda items.





# RESPONSE TO CLIMATE CHANGE

## Strategy

### Climate Change Response Strategy

In accordance with the government's K-EV100 (Korean-style Electric Vehicle Conversion 100) promotion policy, we are establishing and implementing business strategies to respond to GHG risks and cope with climate change, such as replacing old delivery trucks with eco-friendly models. In addition, we are setting mid- and long-term goals related to climate change across the company and establishing detailed tasks to put them into practice. CJ Logistics plans to continue promoting activities to reduce GHG emissions, such as replacing all vehicles with eco-friendly electric trucks by 2030.

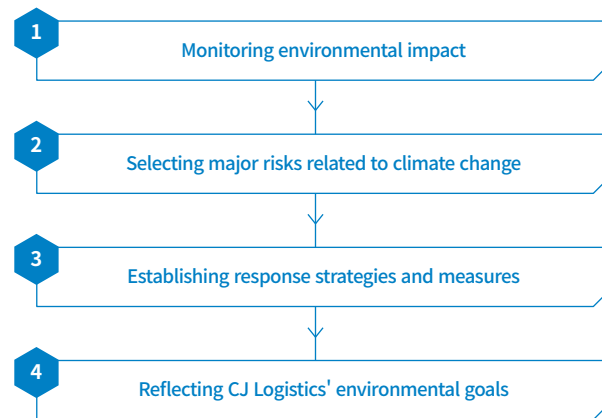
### Key Risk and Opportunity Factors

CJ Logistics regularly identifies risk factors related to climate change and conducts scenario analysis on potential corporate damage. The climate change risks classified by CJ Logistics were analyzed through the introduction of RCP 4.5 and RCP 8.5 scenarios for each risk, including heatwave, cold spell, torrential rain, and heavy snow, and measured the impact on tangible property according to the expected damage. Through this, we derived the scale of probable damage from climate change risks excluding cold spell-related risks. To minimize the likelihood of accidents caused by such risks, we have established a safety and risk management system for the entire company and have established climate change adaptation targets along with the identification of major corporate risks according to priorities under management

## Risk Management

We are conducting a multi-faceted analysis of risks and opportunity factors such as climate change-related transition risks and physical risks. In the case of projects involving large-scale investments, including climate change response activities, the feasibility of business is deliberated through procedures such as reporting to the Board of Directors and selecting the agenda for deliberation. In addition, we are establishing countermeasures after analyzing the impact of climate change-related risks on our business activities. To this end, we have established an environmental management system to regularly monitor environmental indicators and impacts.

### Risk Response Process

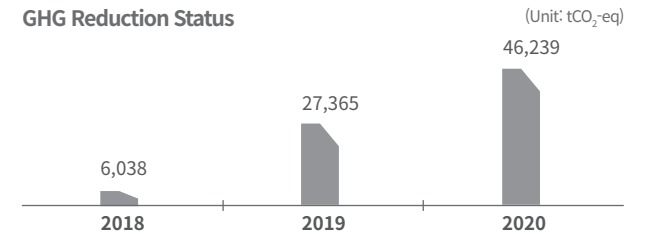


## Metrics and Targets

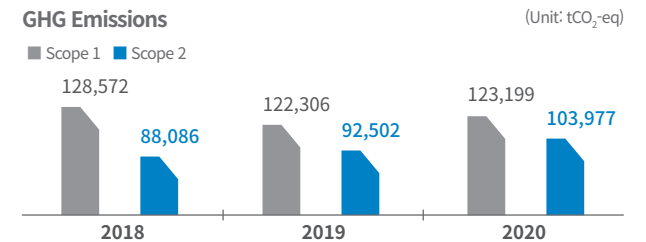
### Greenhouse Gas Reduction Target

CJ Logistics has set GHG reduction targets to contribute to the achievement of GHG reductions in the national transformation sector and is pursuing various reduction activities to achieve them.

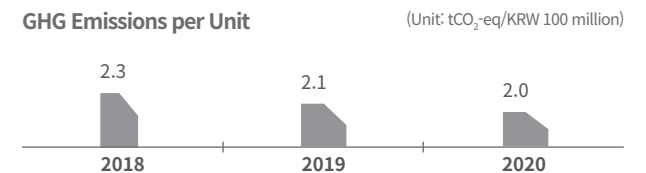
### GHG Reduction Status



### GHG Emissions



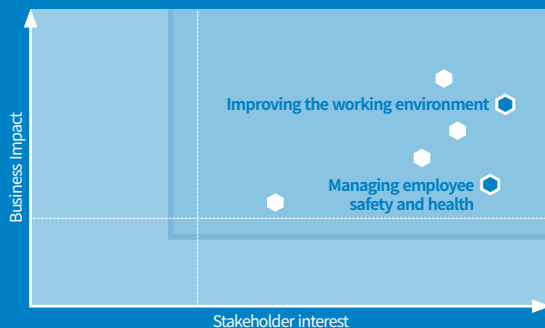
### GHG Emissions per Unit



# 2. SAFETY AND HEALTH MANAGEMENT



## Background of Issue Selection



### Importance of the Issue

Safety and health regulations are being reinforced according to changes in the government's safety policies and regulations, such as the recent revision of the Occupational Safety and Health Act and the enactment of the Serious Accident Punishment Act. Safety and health issues are surely significant because they not only affect the overall corporate management process, but can also directly lead to human damage to employees, which is directly linked to corporate reputation. CJ Logistics has been making every effort to accelerate an execution of risk management by establishing an autonomous safety management system at the workplace and fulfilling its corporate social responsibility to proactively respond to safety and health regulations.

## Responses of CJ Logistics

### CJ Logistics' Activities



- Enhancement of on-site operation through change of risk management system
- Reinforcement of workplace execution capabilities by securing SHE management capabilities
- Implementation of preemptive response to changes in government safety policies

### Future plans and goals



- Improvement of the risk management system
- Establishment of a system to strengthen execution capabilities
- Reinforcement of corporate social responsibility

# SAFETY AND HEALTH MANAGEMENT

CJ LOGISTICS WILL STRIVE TO BE A COMPANY THAT TAKES FULL RESPONSIBILITY FOR THE SAFETY OF ITS MEMBERS BY ESTABLISHING A SAFETY MANAGEMENT SYSTEM MEETS GLOBAL NORMS AND BY CONDUCTING CONTINUOUS SAFETY INSPECTIONS.



CJ Logistics' ISO 45001 certificate



ISO 45001 certificate of E&C division

## Strengthening the Safety and Health System

Together with CJ Group's safety management organization called the Safety Management Team, we are managing and operating a safety management system in accordance with our mid- to long-term safety management plan. In Logistics division, company-wide SHE (Safety, Health, and Environment) standardization is being promoted to ensure that possible safety and health problems that may occur throughout the entire business process can be identified in advance, and workplace safety and environment diagnosis is being conducted continuously. In the construction and engineering, we are working to establish bright and healthy-advanced safety culture by operating an autonomous safety and health management system. In addition, CJ Logistics operates its safety management working group to reflect the opinions of each business sector, such as selecting the items of safety and health education items, and checking and improving the working environment when establishing an industrial accident prevention plan. Also we set up three core strategies to strengthen company-wide safety management with a focus on execution through an analysis of the internal and external business environment.

## Safety and Health Management System Certification

In order to prevent possible safety risks in the course of business operation, we have established and operated safety and health/environment management system standards consisting of 28 procedures that include a safety policy, health management, risk assessment, and an emergency response system, as well as 20 guidelines. The Logistics and E&C division have established a safety and health management system at the workplace through ISO 45001 certification and are carrying out safety and health management that goes beyond the legal requirements. In addition, we are planning and operating periodic related risk analysis and prevention programs and striving to establish and internalize our autonomous safety and health management system at all business sites.

## Execution Strategies





# SAFETY AND HEALTH MANAGEMENT

## Safety and Health Risk Management

To prevent safety and health risks in advance, we conduct a SDR (Safety Design Review) and monitor safety matters from the planning stage. In order to eliminate safety risk factors at business sites and facilities across the country, our Logistics division conducts periodic inspections in conjunction with external organizations and is carrying out improvement activities to mitigate the identified risk factors in advance. In addition, based on our risk assessment guidelines, we identify potential risks in business site activities in advance, and after evaluating the degree of impact of the risks, we take appropriate corrective actions to promote continuous safety. Our E&C division operates a smart risk assessment process to predict, discover, and establish countermeasures to on-site risk factors to effectively carry out accident prevention activities and check whether or not the established safety measures are implemented. Furthermore, the system is linked with mobile devices to allow for the immediate improvement of risk factors together with partners, strengthen two-way communication, and monitor situations in real time for efficient risk management. Safety inspections and construction equipment inspections are regularly conducted through consulting with external specialized agencies. We have also introduced a pre-permission system for seven dangerous jobs in which the safety and technical support department at the head office selects high-risk jobs that have a high probability of serious accidents and then reviews the work plan in advance and verifies the safety of the work.

## Establishment of a Mid-Term SHE Strategy

CJ Logistics has set up three core strategies and identified key tasks to reinforce company-wide safety management.

Key Strategy	Key Promotion Tasks
<b>Safety No.1 corporate culture</b>	<ul style="list-style-type: none"> <li>① Building a site-oriented autonomous safety management system (reinforcing responsible management)</li> <li>② Incorporating safety management into daily practice to raise safety awareness of all employees</li> <li>③ Reinforcing a 'safe company' corporate image by strengthening internal and external public relations and running campaigns</li> </ul>
<b>Sustainable SHE management</b>	<ul style="list-style-type: none"> <li>① Reinforcing on-site implementation through the internalization of the SHE management system</li> <li>② Maximizing the creation of customer sales synergy through enhanced SHE competitiveness</li> <li>③ Re-defining the emergency response system for major risks, such as disease, natural disasters, fire, etc.</li> </ul>
<b>Corporate social responsibility</b>	<ul style="list-style-type: none"> <li>① Strengthening compliance management by establishing a monitoring system for SHE compliance</li> <li>② Practicing mutual safety management by strengthening the stakeholder cooperation system</li> <li>③ Leading a global company by advancing eco-friendly green logistics operations</li> </ul>

## Worksite Safety Management

### Strengthening the Management of Basic Safety Rules

Our Logistics division has introduced and managed the Safety Golden Rule to help achieve the company's safety management goals and raise the safety consciousness of employees. Serious risks were identified based on executives' consciousness such as company-wide safety, health and environment management policies, government policies, legal requirements, and analysis of company-wide accident statistics, thereby nine items were selected. In addition, we are striving to improve safety management by conducting voluntary Safety Golden Rule implementation campaigns in the workplace and monitoring the implementation status.

### Reinforcing the "TOP 7 Special Safety Policies"

In E&C division, we have analyzed the risks of major accidents and industrial accidents in the domestic construction industry for jobs with a high risk of accidents and selected the "TOP 7 Special Safety Policies", which cover high-risk jobs and fire prevention, and these have become the group's priority management item. Based on the TOP 7, inspection standards are reinforced, on-site safety inspections and evaluations are conducted regularly, and violations are reported to management. We have promoted these safety rules through billboards and banners and provided related training for supervisors and other workers. In addition, the participation of all workers is encouraged by reflecting the details of violations in violation history management and the safety evaluation of suppliers.

### TOP 7 Special Safety Policies

Type	Safety Policy
High-rise working environment	Install fall prevention equipment and place ancho points
Construction equipment	Establish work plans and check specifications
Flammable work	Prevent spark scattering and isolate flammable materials
Temporary electric work	Install earth leakage breaker and check ground connection
Temporary facilities	Check whether construction conditions match installation plan
Lifting safety	Use approved rigging equipment
Work in confined spaces	Measure toxic gas concentration and ensure ventilation



Safety Golden Rule

TOP 7 Special Safety Policies

# SAFETY AND HEALTH MANAGEMENT

## Company-Wide Safety & Environment Audit

Since 2020, we have been conducting annual safety and environment audits of all domestic business sites. Accordingly, over eight months starting in May 2020, audits were conducted for all 123 organizations based on three items: SHE legal management, safety management of business sites, and safety awareness management. In addition, to proactively respond to changes in government safety policies and laws, we conduct regular company-wide safety and environment audits, quantify the level of safety and environment soundness at business sites, and perform activities to identify deficiencies. We plan to continuously conduct audits to transfer safety management capabilities to workplace managers and supervisors to ensure company-wide operation management and to raise the level of safety management at the workplace. In addition, aiming to reinforce the safety management operating system based on practical ability of business site to resolve the issues and vulnerabilities identified through the safety environment audit, action plan was established and regular diagnosis of sites was implemented for transition of operating capability for safety. We plan to reinforce the detailed management of business sites by establishing an autonomous safety management system at each workplace, which includes transferring on-site operational capabilities through regular workplace inspections and reinforcing SHE-dedicated personnel for each company and business division.

## Support for Strengthening the Safety and Health Capabilities of Business Partners

CJ Logistics provides special training for employees and partner companies to prevent industrial accident risks. Safety training for industrial and fire protection and traffic safety training are provided for the employees of our partners, and we plan to conduct various activities every year to create a safer working environment.

## Global Safety Management Diagnosis

CJ Logistics diagnoses the safety management level of its domestic and global business sites at the Group level every year. Although no diagnosis was performed in 2020 due to the global spread of COVID-19 which restricted movement between countries, we conducted continuous monitoring activities for improvement points based on the findings of previous safety diagnoses.

## Indonesia Safety Management Diagnosis

In June 2019, an assessment of safety management level was conducted for all of our Indonesian business sites. We checked 173 items in the five areas of industrial safety, fire protection, health, the environment and electricity to identify risks and support responses accordingly. Based on the results of the diagnosis, CJ Logistics selects and promotes a direction, strategy, and execution tasks for improvement, such as establishing a safety management plan, clarifying the performance management system, or establishing communication infrastructure for safety management.

## Vietnam Safety Management Diagnosis

In May 2019, safety management and risk level assessments were conducted for all business sites in Vietnam. Based on the results of the diagnosis, we recognized the need to provide further education on safety management policies for all members. In order to ensure safety management and improve the facility's safety level, we promoted self-directed safety management systems by incorporating an operation operating based on local laws or the five safety management systems.

## China Safety Management Diagnosis

In June 2019, safety management assessments were conducted for all business sites in China. We checked the performance of improvement activities based on the diagnosis results in 2018 and identified risks through item inspections. Through the diagnosis, the current status of each business was identified and major improvement plans were established accordingly.

## CJ Logistics Safety Management Diagnosis

In October 2020, we conducted safety management check-ups for about three weeks at each head office and business site of every CJ Group company. Through the diagnosis, on-site risks were identified, such as those related to occupational safety and fire safety, and the safety management system was thoroughly reviewed. We plan to continuously improve safety management system based on the establishment of improvement plans for risks identified. In the future, we will strive to improve the safety management capabilities of our business sites so that our safety management activities can take firmer root at our business sites.

# SAFETY AND HEALTH MANAGEMENT

## Strengthening Safety and Health Activities

### Group Safety Day

Group Safety Day, which even the top management participates in, is held every month to promote a safety culture oriented toward work site. We support the safety of our business sites by allowing management to make quick decisions on safety-related matters on sites.

### Employee Safety and Health

CJ Logistics recognizes that safety management is directly related to life or death outcomes and is striving to prevent safety accidents in advance. We use our employees' LTIFR (Lost Time Injury Frequency Rate) to identify and improve upon the degree of labor lost due to industrial accidents.

### CJ Logistics LTIFR (Lost Time Injury Frequency Rate)

Category	Unit	2018	2019	2020
Employees	No. / million work hours	1.59	1.13	<b>1.14</b>



'Group Safety Day' inspection activities of executives



Supervisor Training

### Conducting Safety and Health Training

The Logistics division has identified and remedied issues with the existing regular safety and health training in order to improve the awareness of workplace managers and strengthen their safety and health management capabilities, which are the basic elements of an autonomous safety management system. In addition, we provide training for all employees to prevent safety accidents in advance and respond immediately in the event of an accident. We also conduct regular online safety and health training to ensure efficient training, regardless of time and place and provide a variety of training materials tailored to the characteristics of each business through a curriculum provided by external specialized training companies. Separate workshops and training are conducted for delivery terminal workers to educate them on how to prevent and respond to safety accidents.

In order to raise safety awareness and strengthen safety and health management problem-solving capabilities, the E&C division produces and develops independent educational contents in consultation with a specialized training organization, operates a safety training program with a customized curriculum for each job and class, and provides opportunities to attend external training courses.

### Improvement Status in Safety and Health Training

Category	Improvements
Training content and implementation method	<b>Online safety and health training</b> - Managing trainee history and providing legitimate educational contents - Efficient education with no restriction on time or place - Checking the safety awareness of trainees through testing
Instructor	<b>Educational curriculum provided by external specialized training companies</b> - Creating training materials through advice from experts in each field - Diversified training materials tailored to each sector
Training history and time management	<b>Legally mandated training hours</b> - Fulfilling 3 hours quarterly for office workers and 6 hours for non-office workers - Management of training history and hours of trainees

### CJ Logistics Employee Safety Training Completion Status

Category	Unit	2018	2019	2020
No. of trainees who completed legally mandated safety training in annual average	Persons	5,860	5,430	<b>5,813</b>

# SAFETY AND HEALTH MANAGEMENT

## Improvement of the Working Environment

### Improvement of the Safety Environment

CJ Logistics is striving to strengthen its safety management by improving the safety environment at its workplaces. In order to upgrade the working environment, we have conducted electrical, fire protection, and facility safety improvements all business sites. In addition, in order to prevent potential harmful and dangerous factors at distribution centers we are ensuring the safety of workers by identifying various improvements points, such as the establishment and distribution of facility management standard guidelines, enhancement of forklift protection measures, and purchase and distribution of protective equipment.

### Establishment and Improvement of Basic Safety Infrastructure

Fire protection, electricity, and facility safety work was undertaken to increase the amount of workplace lighting, the number of earth leakage circuit breakers and grounding points, fire detectors, and safety measures at worksites. In addition, when introducing new facilities for additional and expansion, safety standard guidelines are distributed, and for major facilities, safety devices such as jamming-point protective covers and emergency stop devices for conveyors are installed.

### Improvement of Equipment and Supplies

CJ Logistics uses separate pathways for forklifts and workers and has established legal protection devices, safety guidelines, and charging facilities. We also purchase and distribute safety-certified products in the workplace, and make it mandatory for workers to wear them.



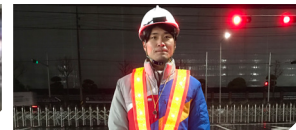
Improvements in illumination



Posting of safety measures



Installation of protective covers



Deployment of signalman

### Deployment of Safety Personnel to Prevent Safety Accidents

We intend to prevent safety accidents by opening and closing the rear doors at designated places before and after berthing arterial vehicles and by deploying dedicated personnel. To this end, training is being conducted to mark the movement of vehicles and ensure that it is one-way and to have trunk line engineers follow the guidance signals of safety personnel when moving to designated opening or closing places to carry out work.

### Construction of a Safe and Comfortable Working Environment

In order to protect delivery workers from thermal illness, we have established air conditioning and heating systems at Mega Hub Gonjiam and Daejeon Hub, and plan to expand the installation of air conditioning systems to Okcheon Hub and Yongin Hub in 2021.

### Improvement of the Safety Environment for Parcel Delivery

CJ Logistics prioritizes the health and safety of delivery drivers and workers in management processes and aims to establish and manage comprehensive protection measures to reduce the workforce burden of sorting on the workforce and to improve the working environment.

### Support Activities

**Phased Hiring to Support Package-Sorting**  
We are expanding our sorting workforce to ease the burden on delivery workers so that they can take advantage of the time-selective work system that allows couriers to freely adjust their morning start time.

**Expanded Support for Health Checkups**  
CJ Logistics plans to reduce the time between health check-ups for all courier workers from two years to one year and to add cerebral and cardiovascular tests, which the company plans to cover fully.

**Creation of Shared Growth Cooperation Fund**  
We will establish detailed plans for the division of our Shared-Growth Cooperation Fund, such as emergency livelihood support, improving work satisfaction, condolence money, and encouragement fund support, in order to continue to improve the welfare of our courier workers.

**Strengthening Healthcare Infrastructure**  
Blood pressure monitors have been installed at all sub-business sites, and before daily work starts, a process of self-examination and workload check is being conducted. We plan to build an SM-only health management system within 2021 through process advancement.

**Mandatory Subscription to Industrial Accident Insurance**  
CJ Logistics plans to make industrial accident insurance coverage mandatory and directly investigate whether delivery workers have subscribed to a plan. We will complete the subscriptions in the first half of 2021 by checking the current status of industrial accident insurance and improving any deficiencies.

### Improvement of the Work Environment

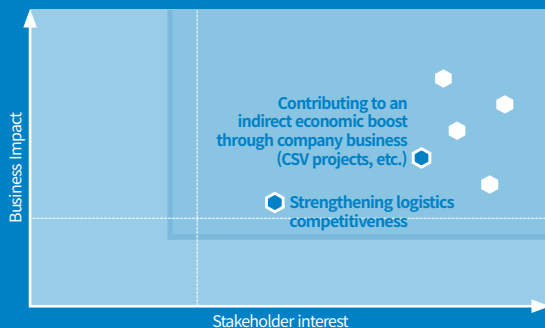
**Reduction of Work Intensity**  
To alleviate work intensity, we plan to reduce the working hours for delivery workers by additionally installing MP (multi-point) and small-size sorting equipment. We will complete installation at a total of 100 locations by 2022.



# 3. CORE COMPETITIVENESS



## Background of Issue Selection



## Importance of the Issue

The global logistics paradigm is rapidly changing as the industry takes advantage of convergence technologies such as robots, AI (Artificial Intelligence), IoT (Internet of Things), and big data. Cutting-edge logistics technology is an important factor that determines a company's core competitiveness, and based on this, it is possible to enhance the efficiency of a logistics system and even achieve customer satisfaction through unmanned and automated services in addition to reinforcing global competitiveness. CJ Logistics is striving to lead the evolution of the logistics paradigm by establishing a logistics innovation system based on TES.

## Response of CJ Logistics

### CJ Logistics' Activities



- Continuation of research and development based on advanced technology
- Construction of TES-based future logistics hubs
- Reinforced competitiveness in the logistics and construction businesses

### Future plans and goals



- Establishment of core infrastructure with the development and distribution of new TES technology
- Retention of core manpower and technology for advanced logistics
- Improvements to global business foundation and competitiveness

# CORE COMPETITIVENESS

AIMING TO TRANSFORM LOGISTICS INTO A SMART INDUSTRY, CJ LOGISTICS PROPOSES A CUSTOMER-ORIENTED LOGISTICS SOLUTION WHICH WILL LEAD THE FUTURE BY COMBINING CUTTING-EDGE ROBOTICS TECHNOLOGY WITH OPTIMAL PROCESSES AND THE BEST IT SERVICES.



Gonjiam Mega Hub Terminal

## Fulfillment Center



48,248m<sup>2</sup>

## Parcel Hub Center



38,041m<sup>2</sup>

Located in Gwangju, Gyeonggi-do, but with access to the center of Seoul

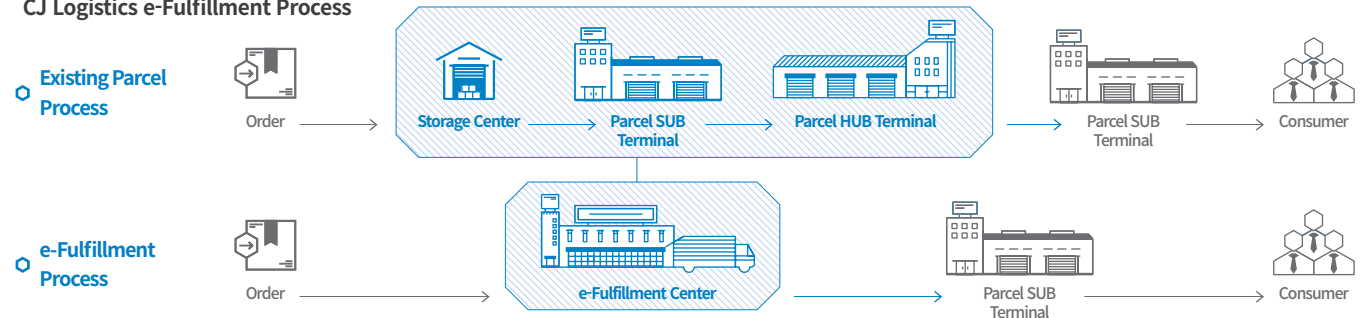


In less than **one hour**

## Convergent e-Fulfillment

CJ Logistics has an e-fulfillment solution optimized for an e-commerce environment, and provides the best logistics service available, covering not only product storage but also automatic order collection, shipping and parcel, and inventory management, all in one stop. This e-fulfillment creates an ecosystem that combines e-commerce and logistics where customer value can be maximized through the time and cost savings that resulting from streamlining of the existing logistics processes.

### CJ Logistics e-Fulfillment Process



### Business Strengths



**The most extensive infrastructure in Asia → Stable logistics handling even with rapid changes in packages**  
 - More than 70,000 pallets can be stored at the same time  
 - Up to 1.72 million boxes per day can be sorted on a 12 hours basis



**Introduction of state-of-the-art automation equipment → Accurate logistics processing**  
 - Complete logistics processing through the introduction of smart packaging and automated logistics facilities  
 - Completion of an automatic sorting system using a five-sided automatic recognition scanner



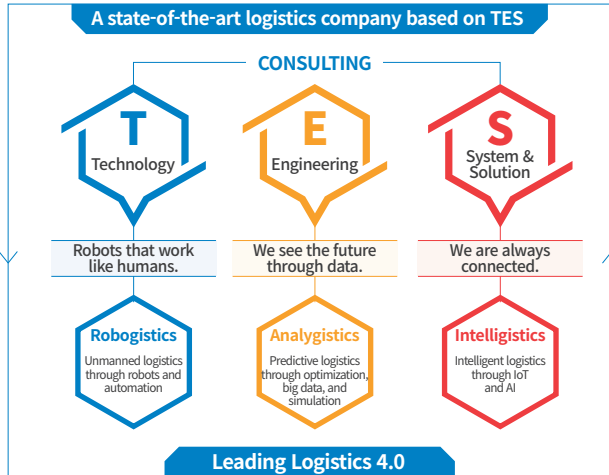
**Integration of fulfillment and delivery functions → Rapid logistics processing**  
 - Providing an optimal "total one-stop logistics service" (storage, distribution processing, parcel)  
 - Minimizing logistics lead time from order to delivery by eliminating the collection time

**Extension**  
 Extended order deadline up to 24 o'clock → Increased sales in the evening

**Perfect**  
 Delivery of products stored in the hub's fulfillment center as soon as the order is received → Guaranteed next-day delivery by connecting to a courier hub

**Trust**  
 Enhancement of consumer confidence through inventory management and logistics processes based on WMS (e-FLEXS), the best in Korea

# CORE COMPETITIVENESS



## TECHNOLOGY

Recognizing that technology determines the competitiveness in the logistics industry, we are leading the industry globally by continuously researching and developing cutting-edge technologies for future logistics.

## ENGINEERING

Based on CJ Logistics' scientific methodology and expertise, including logistics big data analysis, hub network and transportation simulation, logistics center and facility simulation, and know-how specific to industry group acquired through various operational experiences, we are providing ideal solutions that optimize logistics for our customers.

## SYSTEM & SOLUTION

CJ Logistics provides various services, including warehouse management, forwarding, customs clearance, transport and delivery services based on the world's best logistics IT system. We have maintained visibility across the supply chain to ensure predictable and stable end-to-end solutions for our customers.

## CONSULTING

With CJ Logistics' unique consulting methodology, we provide a comprehensive solutions that combines logistics-specialized technology and IT solutions to reduce logistics costs and optimize operations so that we can help customers strengthen their business competitiveness.

## TES Core Technology Development



## Eco-Friendly Smart Packaging

We are securing an eco-friendly packaging solution that can replace the use of vinyl and plastic with a technology for injecting an eco-friendly cushioning material developed in-house, while at the same time preventing excessive packaging by using product volume measurement technology.

## Robot Depalletizer

A robot depalletizer\* using 3D Vision and articulated robot arms has been developed to significantly reduce the workload of existing workers and improve productivity.

\*Depalletizer: An automated robot that can unload boxes of various shapes and sizes from a pallet and transfer them to a conveyor belt.



Robot depalletizer

## AGV Picking System

With the explosive growth of the e-commerce market, CJ Logistics introduced the AGV picking system, which is more flexible and scalable than the existing fixed picking system. The AGV picking system is a GTP (Goods To Person) picking solution in which a robot delivers a mobile rack loaded with goods to an operator, enabling flexible responses to orders from e-commerce customers with large variations in cargo volume.



Picking station

Picking robot



# CORE COMPETITIVENESS

## Strengthening TES Competency

### Launching TES Institute of Logistics Technology

TES Institute of Logistics Technology was launched in 2020 to effectively respond to the rapidly growing contactless business and fulfillment services and to strengthen our technology-oriented business competitiveness. The computational sector, which is somewhat related to R&D (Research & Development), has been separated from the institute and reorganized into four groups, which are in charge of future technology development, SCM consulting, optimization of operations, and data analysis. The goal of the TES Institute of Logistics Technology is to realize an automated and unmanned logistics center using advanced technologies such as AGV, AMR, unmanned forklifts, and robot arms. Its purpose is to not only solve the difficulties of logistics operations, but also optimize N/W and center design by using logistics big data. Through this institute, we plan to lead the future growth of the logistics industry and become a global logistics company recognized by customers for its cutting-edge technology.



Eco-friendly smart packaging

### Development of Technologies for Unmanned Processes

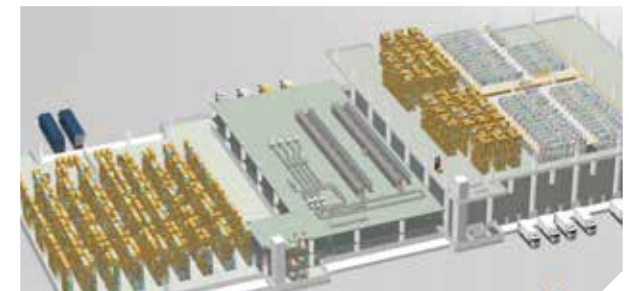
In June 2020, CJ Logistics was selected to take part in the Robot Industry Core Technology Development Project. This contract project, which is promoted as a national project by the Ministry of Trade, Industry and Energy, is undertaken in collaboration with various stakeholders such as SMEs and universities, and is developing technologies of automated unloading and robot palletizing. Automated unloading technology enables automatic unloading after cargo is recognized according to various physical properties such as boxes, plastic pouches, and sacks that are randomly stacked on trucks, while robotic palletizing technology automatically places boxes of various sizes discharged from the sorter on pallets. Both technologies utilize robots and 3D vision to create unmanned process instead of having people moving heavy objects, allowing optimal use of center resources. CJ Logistics will strive to create a highly efficient logistics environment where people, robots and systems coexist safely while ensuring dignity and safety of human workers.



Robot depalletizer

### Optimal Design of Network & Distribution Center Based on Big Data Analysis

TES Institute of Logistics Technology is seeking to maximize logistics efficiency as well as discover new business insights by collecting and analyzing the vast and diverse data generated throughout the logistics business using big data analysis. The center fuses and analyzes operational data generated inside the logistics business with data from public institutions and other external data into the basic data for N/W optimization and center design. Based on this analyzed information, we provide the best logistics service through simulation-based, optimally designed logistic centers, which covers optimal number of hubs, location, transport/parcel routing of the logistics center, as well as appropriate facility selection and layout arrangement inside the logistics center.



Center's optimization simulation

# CORE COMPETITIVENESS

## TES Innovation Center

The TES Innovation Center is a space where the present and future of CJ Logistics are concentrated with the goal of changing the basic concept of logistics by combining cutting-edge technology, optimal processes, and the best IT services. At the TES Innovation Center, where CJ Logistics' core capabilities for providing the best logistics service to customers through unmanned, predictive, and intelligent logistics are unfolded at a glance, visitors can clearly see the direction of TES technology development based on the ideas of 'automation', 'unmanned' and 'intelligence'.



TES Innovation Center



- **Introduces TES technologies for logistics innovation reflected in practical cases applied to actual sites, with a focus on unmanned/predictive/intelligent logistics**
  - Unmanned logistics: automated picking system, automated sorting system, smart packaging
  - Predictive logistics: center design optimization, transportation network optimization, big data analysis
  - Intelligent logistics: AI and integrated logistics system, visibility (MCC)
- **Virtual tour of CJ Logistics' representative center, where the automation equipment has been installed**



- **Presents three themes of future logistics blueprints, introducing major TES development technologies to lead future logistics**
  - Unmanned Logistics → Robots that work like humans
  - Predictive Logistics → See the future with data
  - Intelligent logistics → Always connected
- **Presenting the future logistics blueprint of CJ Logistics, introducing the future logistics operation of CJ Logistics taking a leap into the future.**



- **Directly experience CJ Logistics' innovative solutions**
  - Robot Zone: Multi-joint robot, six-sided scanner (ITS), RTB sorter
  - VR Zone: VR experience at the representative automation center
  - Kiosk Zone: Center simulation, big data analysis, visibility solution
  - Screen Zone: Video of the representative automation center

# CORE COMPETITIVENESS

## Strengthening the Competitiveness of E&C Division

### Securing Competitiveness by Fostering Specialized Construction Projects

In E&C division, we have selected specialized projects with competitive advantages such as logistics facilities, remodeling, R&D facilities, and industrial plants with the goal of achieving unmatched competitiveness and changing trends. We are continuously strengthening project competitiveness by securing core technologies and accumulating experiences.

### Maintaining Competitiveness in Logistics Center Construction

From 2014 to 2020, the total number of logistics centers constructed by CJ Logistics were equivalent in size to approximately 90 international soccer fields. In addition, based on our multi-year experience in logistics center construction, the E&C division of the company registered a total of seven patents related to such work between 2019 and 2020. Through cooperation with the Logistics division, we plan to expand technology and consulting services to secure and reinforce unparalleled capabilities in the area of logistics centers.

### Securing the Construction Competitiveness in the Center of the Metropolitan Area

Based on our top-down construction method, we have secured ONLYONE construction competitiveness that has provided added value and set us apart from other construction companies by securing a number of references in major downtown areas including Jung-gu, Gangnam-gu, and Seocho-gu in Seoul, Korea.

### Expanding Engineering Projects

We have been maintaining our competitive advantage in EPC (Engineering, Procurement and Construction) projects for industrial plants in the fields of bio, food, pharmaceuticals and feed, both at home and abroad, while expanding our business to the field of logistics facilities. Furthermore, our future plans to expand into eco-friendly construction projects such as water treatment will further strengthen our ESG management.



## Global Construction Achievements

### China

Shenyang BIO factory warehouse

### Vietnam

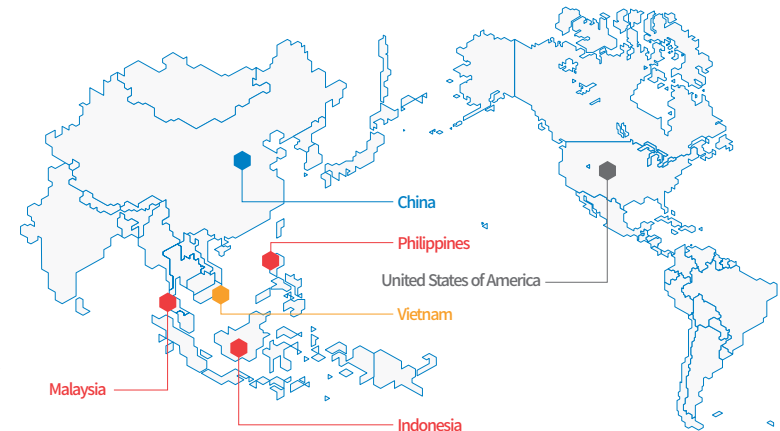
Vietnam fermented soybean plant  
Hanam feeds factory  
Bindin feeds factory  
Dong Nai feeds factory  
Ho Chi Minh Food Valley  
Mekong feeds factory  
Expansion of the Vung Tau milling plant  
Expansion of Ho Chi Minh International School

### Malaysia, Indonesia, Philippines

Malaysia M Project  
Malaysia C2 Project  
Malaysia M3 Project  
New Construction of Malaysia Logistics Warehouse  
Philippines Mindanao feeds factory  
Indonesia Kalimantan feeds factory  
Indonesia Semarang feeds factory  
Indonesia Jombang BIO J4/J5 Project  
Indonesia Pasuran BIO PA6/PA7 Project

### United States of America

Fort Dodge BIO Factory



# RESPONSE TO COVID-19

With the spread of the COVID-19 around the world, the WHO (World Health Organization) declared a pandemic, the highest warning level for the spread of a disease. CJ Logistics established a group-wide COVID-19 response committee to respond to the national disaster crisis caused by the prolonged COVID-19 pandemic, and established a step-by-step response system to protect the safety of employees, customers, and local communities and help them overcome the crisis through various support activities.



Educating people on methods of preventing the spread of infectious disease

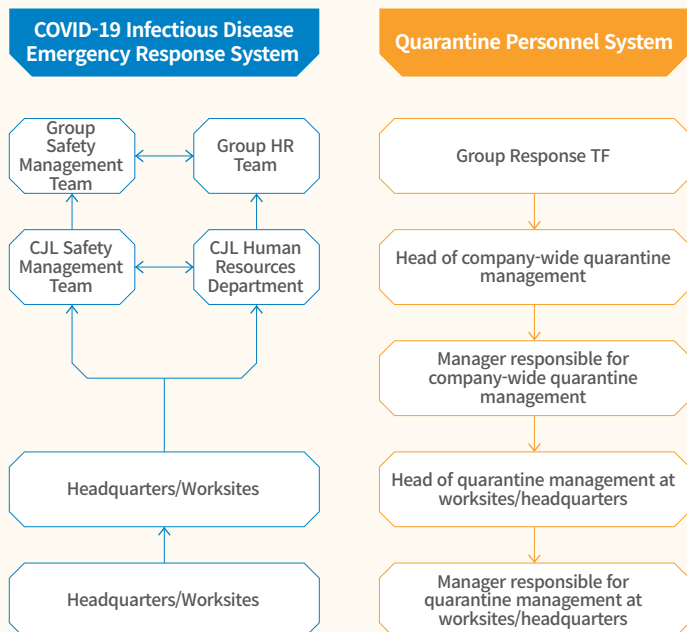


Promoting quarantine rules

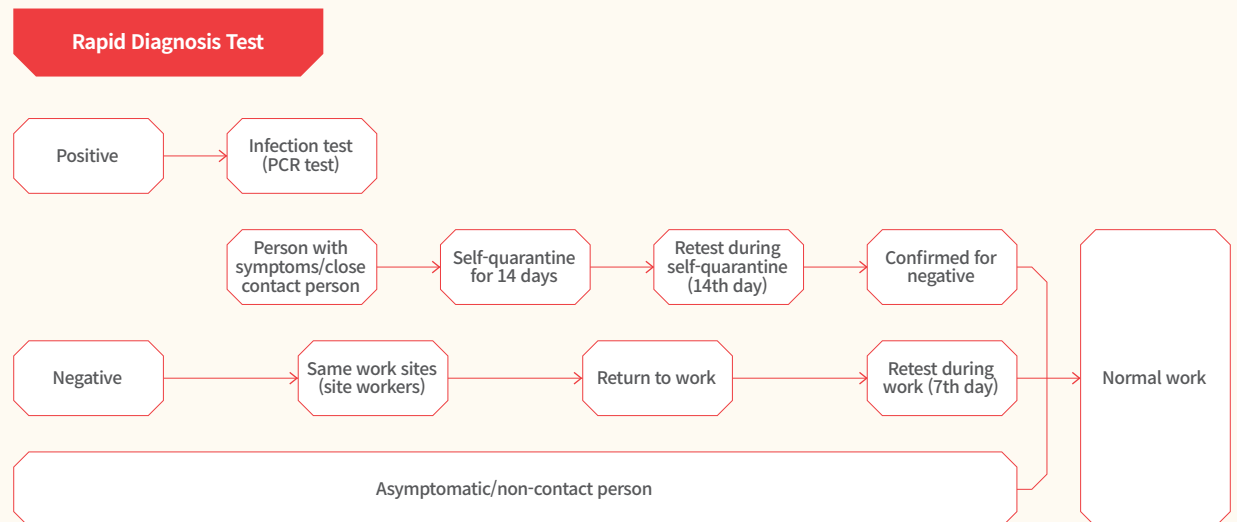


Enforcing internal quarantine measures

## CJ Logistics COVID-19 Response Committee



## CJ Logistics COVID-19 Phased Response System



# RESPONSE TO COVID-19

## Creating a Work Environment that Promotes Safety and Health

### Reinforcement of Management for a Safe Working Environment

Since the safety of our employees comes first, we are taking various measures in accordance with the guidelines announced by the health authorities to create a safe working environment. In the Logistics division, thermal cameras and laser thermometers have been installed at delivery terminals to check the temperature of the workers. In addition, we have installed vehicle quarantine equipment to strengthen vehicle quarantine and disinfection, and are carrying out various COVID-19 quarantine activities, such as disinfecting infrastructure, maintaining social distancing at workplaces and installing dividers in rest areas. In E&C division, internal quarantine measures are in place by disinfecting multi-use facilities such as entrances, toilets, and restaurants more than once a day. In addition to safety helmets, hand sanitizers, masks, thermometers, and disinfectant wipes are provided at worksites to ensure the safety of workers at worksites. In addition, for the safety and health of employees, the logistics and E&C divisions close their offices and temporarily shift to a work-from-home model in the event of a confirmed infection to prevent further spread of the disease, even where traffic lines do not overlap.

### CJ Logistics COVID-19 Response Guidelines

Category	Response Guidelines	
Tele-commuting	HQ	All employees work from home, taking account of the densely populated office environment, and if inevitable, telecommuting rotation by department is implemented.
	Worksite	Telecommuting is given priority, but if it is difficult due to field conditions, the flexible work system is expanded to distribute commuting hours ※ Pregnant women are required to work from home.
Others	Common	<ul style="list-style-type: none"> <li>Expanding the implementation of the flexible work system: work starts between 7:00 and 11:00, interval by every 30 minutes</li> <li>Dual-income couples with children of elementary school age or younger may work from home when they need to care for their children (regardless of gender), which can be applied with more flexible criteria due to postponement of elementary school admission</li> <li>Those with underlying conditions such as respiratory diseases, high blood pressure, and diabetes, are prioritized to work from home.</li> <li>Extended family care leaves- from existing 10 days up to 20 days can be extended for the following reasons                             <ol style="list-style-type: none"> <li>When a family member is confirmed as Covid-19 patient or with suspected symptom, to be subject to care</li> <li>When child care is required due to school closure/shut-down/suspension</li> <li>When the child is subject to self-quarantine</li> <li>When care is required due to remote classes by the child's school, attending school every other day, etc.</li> </ol> </li> <li>Support for self-quarantine expenses for returning overseas business trips</li> </ul>

## Operating Support Activities to Overcome the Crisis

### Activities to Encourage Employees

CJ Logistics is carrying out various morale-boosting activities to manage the mindsets of employees in the midst of this national crisis. In March 2020, the Logistics division provided gifts of encouragement, such as hand sanitizer and healthy food, to 718 households in Daegu and the Gyeongbuk region, which were severely hit by COVID-19, and provided empty rooms in CJ Logistics buildings in Busan for alternative call center work. In E&C division, our resort division has provided health kit gifts and hosted snack events to boost the morale of employees who have been discouraged by the pandemic. The head office provided gift sets of red ginseng to the family members of employees living in Daegu and the Gyeongbuk region on behalf of hard-working family members posted overseas.

### Activities to Encourage Local Communities

As a global logistics company, CJ Logistics strives to solve social problems facing local communities. Starting in March 2020, we provided free personal parcel delivery service to residents in Daegu and Gyeongbuk regions for one month, and supplied masks to essential places such as hospitals and airports whenever the supply of masks was secured. CJ Logistics provides various support activities, professional manpower, and infrastructure to help restore local communities, and promotes various support activities for COVID-19-related medical relief and damage recovery.

### Good Mask Donation Campaign

Our E&C division conducted a donation campaign with employees for vulnerable groups who have difficulty obtaining masks due to the demand surge following the outbreak of COVID-19. We donated a total of 1,000 masks which are 650 masks from employees and 350 masks from the company to the Seocho-gu Volunteer Center.



### Donation of Masks in Gwangjin-Gu

In February 2020, the Gwangjin Branch of CJ Logistics donated 9,600 masks to Gwangjin-gu to help local residents who have difficulty obtaining masks due to the spread of COVID-19. CJ Logistics plans to carry out continuous support activities for the safety of local residents.





# V. ESG FACTBOOK



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54	Social performance
62	Economic Performance
66	Governance

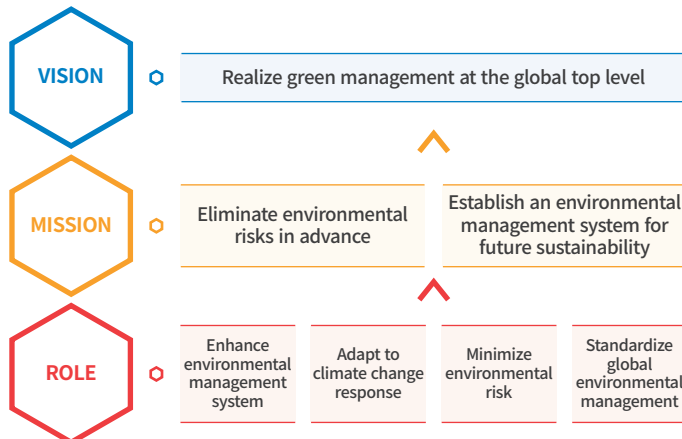
# ENVIRONMENTAL PERFORMANCE

## Establishment of Environmental Management System

### Environmental Management System

In consideration of the business characteristics of providing global logistics services, we are striving to establish a sustainable environmental management system by carrying out various strategic tasks and removing potential environmental risks in advance. In E&C we recognize the impact of construction activities on the environment in all areas of the construction industry, including design, construction, project management and services, and are committed to managing our businesses in an environmentally way through the use of environmental impact assessments and pollution factor controls, and other methods. Dedicated environmental management organizations have been formed and operated to address conservation officers, the safety and environment team at the head office, and conservation officers at each worksite. In this way, we have integrated and managed corporate environmental issues in a systematic and preemptive manner.

### Environmental Management Vision and Goal



## Major Directions



### Eco-friendly Logistics Using Logistics Hubs

We are realizing energy savings and lower carbon emissions by reducing the number of vehicles in operation through transportation route optimization using linkup transportation between hubs, mass transportation, combined batch transportation, and joint logistics.



### Green Vehicles and Logistics Facilities with High-Efficiency, Eco-Friendly Equipment

We are promoting the purchase of low-emission, high-fuel-efficiency SCR freight vehicles and reductions in exhaust and fuel usage through increased use of larger vehicles, and have realized green parcel delivery by expanding the introduction of electric freight vehicles. We are practicing eco-friendly logistics through the electric conversion of port crane energy sources, solar power generation using the roof of a distribution center, etc.



### Streamlined Logistics based on an Integrated Logistics IT System

The establishment of an integrated logistics system has helped us to support efficient vehicle operation by optimizing both driving routes, using real-time vehicle control, and transportation planning based on cargo information, integrated dispatching, and backhaul rates. We are pursuing a modal shift from road transport to energy-efficient transportation that includes railroads, ships, etc., through the integrated volume analysis of cargo.



### GHG Inventory System

CJ Logistics established an environmental management system and obtained certification which is ISO 14001 in 1999, the first in the industry to do so, and followed that with a GHG inventory system in 2009 to manage greenhouse gas emissions from all business sites across the country, including stevedoring, land transportation, and parcel delivery based on international standards. In addition, we conduct regular eco-driving training to improve driving habits such as sudden start, sudden braking, and idling.



# ENVIRONMENTAL PERFORMANCE

## Establishment of a Dedicated Environmental Management Organization

The logistics division operates a dedicated organization consisting of an environmental officer, a safety management team at the head office for safe and environment, and environmental managers at each business site. The Safety Management Team, a department dedicated to environmental management, establishes environmental management strategies and detailed guidelines, and integrates and manages the environmental performance of each business site. In addition, with the expansion of global business, we are strengthening oversight to implement environmental management at overseas business sites.

## Certification of the Environmental Management System

Since the Incheon branch of our Logistics division obtained the international standard certification which is ISO 14001 for environmental management systems in 1999, we have expanded the scope of certification throughout the company and while also maintaining acquired certification to the present day. Since 2001, our construction branch has acquired and maintained environmental management system certification for construction and additional services at both domestic and overseas business sites covering civil engineering, housing, electricity, industrial and environmental facilities, fire protection and information and communication works. As to operation of the system, we manage and reinforce our environmental management system at all business sites to foster internal auditors by conducting practical training and self-inspections. In this way, we also reinforce the management capabilities of the person in charge of each business site. In addition, we are minimizing the emissions of environmental pollutants at all business sites by improving the operation of our environmental management system and strengthening management, which will serve

to prevent environmental pollution accidents during the operation and management of environmental facilities and cargo handling.



CJ Logistics ISO 14001 certificate



ISO 14001 certificate of E&C division



Designated as a green logistics company

## Environmental Impact Management

### Water Management

As part of its environmental management efforts, CJ Logistics has set targets for water usage and is monitoring performance. Our Logistics division manages water consumption and wastewater discharge at all business sites, total of 812,626 tons of water was used in 2020, including the data from E&C division. In E&C division, most of the water is used for the management of large areas of grass and trees due to the nature of the resort business, and hand watering is actively used for course management at golf clubs. However, we have minimized water consumption by installing low-flow toilets and water tank storage compressors in all restrooms of the club facilities. Jeju Nine Bridges contributes to the reduction of water pollution by simultaneously removing organic substances, nitrogen and phosphorus through the use of an advanced treatment method that integrates a wastewater membrane.

### Water Consumption

Category	Unit	2018	2019	2020
Water consumption	Tones	500,291	787,330	812,626

## Management of Air Pollutant Emissions

We are actively managing air pollutant emissions, such as by reducing the generation of PM (Particulate Matter) and greenhouse gases. To this end, in April 2020, CJ Logistics signed an MOU to Expand the Supply of Electric Freight Vehicles with the Ministry of Environment. This agreement includes discussions about subsidies for the promotion of electric trucks by the Ministry of Environment, the establishment of charging infrastructure, and an expansion of our electric truck fleet. When converting a general freight vehicle to an electric one, a greater effect is expected in reducing PM and greenhouse gases. In addition, to participate in the PM reduction initiative, we are conducting a hydrogen vehicle pilot project. In signing an MOU for the Hydrogen Freight Vehicle Pilot Project, we have signaled our intent to begin replacing parcel delivery and transport vehicles starting in 2023.



# ENVIRONMENTAL PERFORMANCE

## Waste Management

Our Logistics division has established waste management guidelines to efficiently manage the reduction of waste generated during business activities. In addition, we manage the amount of waste generated in accordance with internal standards to ensure that relevant waste is legally disposed of. The E&C division manages waste volumes by using the Allbaro System as the National Waste Management System. By sorting and discharging wastes by type, we are striving to realize resource recycling along with a virtuous cycle for waste.

## Waste Discharged and Reused

Category	Unit	2018	2019	2020
Waste discharge	Tones	107,521	45,389	32,900
Wastes reused	Tones	64,475	15,328	16,825

## Conservation of Biodiversity

We are making efforts to conserve biodiversity by designing and building golf courses that minimize damage to the natural environment and mold to the original topography. One representative example is Yeosu Haesley Nine Bridges, which has become a habitat for about 60 species common buzzards, kestrels, and wrinkled frogs, which are grade 2 endangered species, and eagle-owls. Every spring, we release freshwater snails into the ponds on the course to alleviate algal bloom as well as snakeheads to reduce fruit flies and mosquitos. At the same time, the snakehead fry serves as food for the birds, and the number of birds living around the golf course is increasing.

## Expansion of Eco-Friendly Purchasing

We are promoting various activities to take the lead in environmental protection by reducing carbon and plastics. In October 2020, we signed the MOU on Plastic Initiative with the Association for Supporting the SDGs for the UN, a nongovernmental organization of the UN with special consultative status, and Art Impact, a social enterprise that is leading eco-friendly fashion. Based on the content of this MOU, we developed and manufactured a functional vest made of eco-friendly materials. CJ Logistics will continue to promote eco-friendly development and strive to achieve eco-friendly initiatives by reducing carbon and creating a plastic recycling ecosystem.



MOU signing ceremony for the Plastics Initiative



Yeosu Haesley Nine Bridges

## Business Case

### Introduction of Eco-Friendly Packaging Materials

In order to deal with the problem of increased delivery of parcel packages due to the increase in online orders following the COVID-19 outbreak, the Ministry of Environment signed a voluntary agreement with key logistics companies including CJ Logistics to promote the reuse and recycling of packaging materials. Through this agreement, it is expected that carton boxes which have foreign substances remaining in them will no longer be discarded via incineration or landfilling, and that operations to replace them with reusable boxes and containers will be expanded further. In addition, in order to convert existing parcel packaging materials into eco-friendly materials, CJ Logistics has developed eco-friendly paper cushioning materials with one of its suppliers and introduced them at actual logistics sites. This eco-friendly cushioning material is used to fill empty spaces in boxes to protect the contents when packaging products in carton boxes. Previously, plastic or vinyl was used, but to address the problem of environmental pollution, the material is now made of 100% paper and barrier coating. CJ Logistics has been gradually expanding its use of eco-friendly cushioning materials, starting with global customers in November 2020.



Eco-friendly paper cushioning material

# SOCIAL PERFORMANCE

## Talent Management

### Recruitment Policy

Under CJ Group's HR system, we hire the best candidates based on our philosophy of "Talent First." All hiring processes are conducted fairly and transparently, and efforts are made to prevent any discrimination that may occur during the selection process. In addition, we operate a separate online recruitment website to help job applicants better understand our recruitment process, and it provides various information including job openings and job descriptions.

### Talent Diversification

CJ Logistics is diversifying its talent through open recruitment. With our Global-Track program, we provide college students with opportunities to grow into global logistics experts. Selected applicants are provided with scholarships during their enrollment period, practical experience through internship courses during vacation periods, and opportunities to enter the company as new employees after graduation. In addition, we operate our Junior-Track program to select individuals with outstanding talent from specialized high schools and Meister schools that have signed an agreement for scholarship benefits during the enrollment period. In addition, we are taking the lead in shared growth with local communities through the creation of local jobs by introducing the "open recruitment of local talent" system whereby talented locals from all over the country are recruited and given the opportunity to work at local workplaces. In 2020, the Officer-Track and SM (Service Master)-Track programs were newly established for officers and non-commissioned officers scheduled to be discharged through an MOU with the National Defense Education Center under the Ministry of National Defense to support the stable re-settlement of military personnel in society.

## HR Development

### New Employee Training

CJ Logistics supports the growth of new employees into specialized experts in each field which are logistics, construction, real estate, resorts. To facilitate the transformation of new hires into talented employees, our Logistics division provides a customized training process three stages: introductory training based on learning needs through a "diagnosis of nurturing growth", customized in-depth training, and department placement and onboarding.

Our E&C division provides introductory construction training covering basic competencies for new employees, and after one year, implements regular mentoring for 5 months to improve organizational commitment and loyalty. Starting in 2020, onboarding workshops have been held for employees who have been with the company for 3 years to establish a vision through a diagnosis of job orientation and the setting of career goals.

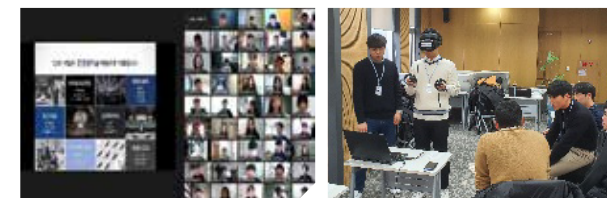
### 2020 New Recruitment Status

Category	Unit	Persons
Total new hires		412
Employment type	Permanent	338
	Non-permanent	74
Age group	Under 30	182
	30-50	182
	Over 50	48
Gender	Male	369
	Female	43

## Competency Building

CJ Logistics promotes a variety of training programs to build employee competencies. In the case of the Logistics division, we have established an education system to cultivate logistics specialists and are developing and implementing step-by-step job training courses. In particular, we are continuing to conduct our Basic-Advanced-Master program with the aim of fostering internal SCM consultants with core competencies in strategic logistics consulting. In addition, with the aim of strengthening sales capabilities, we established a new sales training system in 2020 to foster company-wide sales personnel.

In E&C division, we are operating a construction engineering academy to cultivate expert and competent engineers. In addition, we are developing an S-OJT system that allows training to be conducted while tasks are being practiced onsite in order to reflect the characteristics of the construction industry in developing and running educational programs centered on actual cases. To foster field managers, we plan and operate PM training and capacity-building courses and have boosted our in-house instructor training system to cultivate job experts and disseminate competencies.



Competency-Building Training

## SOCIAL PERFORMANCE

### Reinforcement of Global Talent Development

To support the development and advancement of global talent, we are operating a GE (Global Expert) and CBO (Cross Border OJT) system to provide learning support for global capacity-building and intensive language courses to improve the global communication capabilities of overseas workforces. In addition, we are operating a global self-training program so that employees can reinforce their global competencies on their own. Our E&C division provides language tutoring for executives and in-house language courses for employees to nurture global talents, while operating related workshops to reinforce the global capabilities of employees.

### Global Talent Competency-Building Program

#### Capacity-building program

GE (Global Expert)	<ul style="list-style-type: none"> <li>Pre-Foster Program for dispatch candidates for business expansion strategy such as M &amp; A and the establishment of new hubs</li> <li>Discover and nurture outstanding global talent through GE programs</li> </ul>
CBO (Cross Border OJT)	<ul style="list-style-type: none"> <li>A short-term dispatch program for mutual exchanges between outstanding domestic employees and those of overseas subsidiaries</li> <li>Fosters talented individuals for the global logistics business</li> </ul>
Global Knock	<ul style="list-style-type: none"> <li>An unpaid leave system for members who desire global training (recognized leaves as continued service)</li> <li>Open to employees who have worked for over 5 years and who have a language level of 2 or above</li> </ul>
Global Voyage	<ul style="list-style-type: none"> <li>3 nights/4 days overseas business experience program for major global markets</li> <li>For all the newly promoted staff (leader-level)</li> </ul>
Global Insight Program	<ul style="list-style-type: none"> <li>Acquire and expand global business insights in connection with overseas business trips (company benchmarking, networking, market research, etc.)</li> <li>For all employees traveling abroad</li> </ul>

### Fair Performance Evaluation and Compensation

To ensure fair performance evaluation, we strive to improve the performance of our employees by reasonably rewarding them according to their job value and performance contribution. We manage the performance of each employee by operating the PMDS (Performance Management & Development System), which consists of three stages: goal setting, interim review, and performance evaluation. Based on this performance evaluation, we operate a transparent compensation system based on this. New hires are paid the same wage regardless of gender, and wages for each job category are differentiated into five different performance grades.

### Employee Salary and Compensation\*

Category	Unit	Average basic salary for women	Average basic salary for men	Rate (%)
Executive positions (basic salary)	KRW	-	289,572,833	0
Managerial positions (basic salary)	KRW	60,426,493	67,208,831	89.9
Managerial position (basic salary + incentive)	KRW	68,957,561	81,938,710	84.2
Non-managerial	KRW	44,692,486	54,674,713	81.7

\*Excluding E&C division data

### Analysis of the Gap between Employees and Equal wages

Category	Differences between male and female employees (%)
Average gender wage gap	75.2
Median wage gap by gender	73.8
Average Bonus Gap	61.1
Median Bonus Gap	54.6

### Respect for Employee Diversity

We respect the diversity of our employees and do not discriminate in the work process of hiring, promotion, performance, etc., on the basis of age, nationality, gender, etc. For this reason, we hire personnel with a wide range of backgrounds, including foreigners and disabled persons, every year.

### Diversity of Employees\*

Category	Unit	2020
Female employees		
Ratio of female employees to total employees		14.6
Percentage of women in all managerial positions		12.1
Percentage of women in low-level managerial positions		23.9
Ratio of women in executive-level managerial positions (2 ranks below CEO)		0
Percentage of women in revenue-generating departments	%	13.3
Percentage of women in STEM-related departments		19.3
Minority Groups		
Foreigners		0.3
Elderly persons (55 years or older)		4.1
Career-interrupted persons		0.2
Disabled persons		1.3
Recipients of national merit		1.2

Category	Unit	Percentage against total employees	Percentage against administrative positions
Country			
Korea	%	99.8	99.6
US, Canada	%	0.1	0.3
Asia	%	0.1	0.1

\*Excluding E&C division data



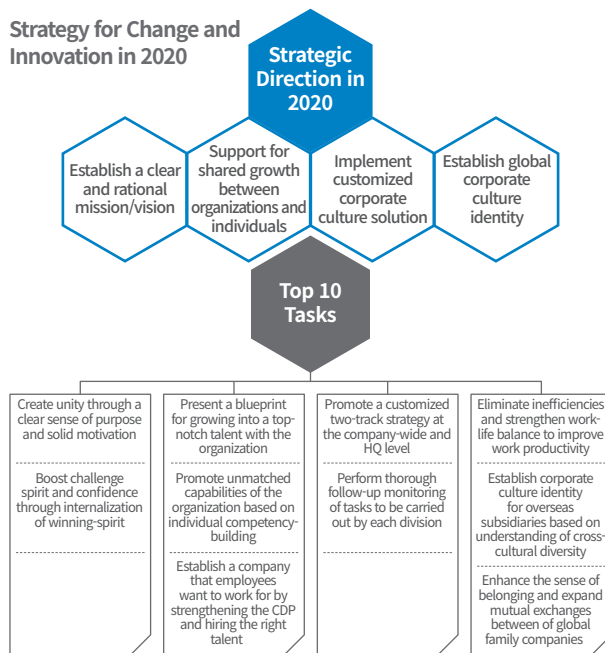
# SOCIAL PERFORMANCE

## Corporate Culture Innovation

### Corporate Culture Innovation Activities

In 2020, CJ Logistics aims to build a foundation for a performance-generating corporate culture by promoting the four strategic directions, and through this, to build an advanced organizational culture at a sustainable, top-tier global level. To this end, we are operating a corporate culture innovation program involving comprehensive reorganization and supplementation, such as improvements to the four strategic directions and promotion tasks for change and innovation newly established in 2019, and establishing detailed implementation tasks.

### Strategy for Change and Innovation in 2020



### Strengthen Organizational Communication

CJ Logistics has been reinforcing direct communication between the CEO and employees by establishing internal communication channels such as CEO site visits and CEO management issues sharing sessions. 'Internal Broadcasting CKN and Global CKN' plans and operates a variety of contents about management strategies and management issues. In addition, we are strengthening organizational power and building a sound organizational culture through the "Customized Innovation Workshop", and operating the "Food Truck" and "Lunch Box" programs to serve hot meals and snacks for employees at distribution sites. This program is regularly implemented for parcel delivery centers and distribution centers. The E&C division is improving the working environment by reflecting the voices of its members through round-table discussion sessions while strengthening cooperation through meetings between related departments.

### Sharing Sessions Between the CEO and Management

Through live streaming once a quarter as a direct communication channel between the CEO, the management and the employees, all members from the CEO to new employees communicate in real time about their quarterly and semiannual performances and reflections to present consistent directions for the commitment to reach goals and the organizational culture. In addition, representative members according to generation, position, and gender participate in real-time video communication and all members participate in Q&A as two-way communication through text messaging.

### Change & Innovation Workshop

In order to maximize the synergy of the organization, we conduct a "Change & Innovation Workshop" to coach employees' career development and manage customized programs to expand the network.



Sharing sessions between the CEO and management



Food Truck & Lunch Box



Round-table discussion



Change & Innovation Forum

### ICON Leader

CJ Logistics is promoting innovation in its organizational culture through the ICON Leader system, which stands for Innovation, Communication, Outcome, and Encouragement. We regularly conduct surveys on organizational culture and do monitoring to preemptively respond to on-site issues, and the functions for change and innovation are reinforced through domestic and overseas one-to-one mentoring systems, CJ management philosophy, and education on the company's organizational culture.

### Hosting the Change & Innovation Forum

We operate the Change & Innovation Forum, with specialized content and trends that reflect the individuality, position, and other characteristics of members. It also includes activities aimed at improving our organizational culture such as special lectures in English, methods for organizational collaboration, and mind management programs.

# SOCIAL PERFORMANCE

## Expansion of Employee Participation

As a measurement index for assessing organizational culture, we conduct an annual survey of employee participation and improve overall organizational culture and systems based on the results. This survey comprehensively addresses elements of management philosophy, such as mission and vision, core values, and behavioral principles, and 'enabler' elements, such as organizational commitment, working methods, and the practice of values by leaders, and employee participation is measured according to the criteria of gender, organizational unit, rank, etc. The questionnaire consists of about 60 questions, and participation is evaluated through answers selected on a 5-point scale.

### Employee Participation at CJ Logistics

Category	Unit	2017	2018	2019	2020
Percentage of active participants	%	78.4	80.3	77.8	79.0
Ratio of males	%	80.9	82.9	80.3	81.3
Ratio of females	%	64.6	64.7	64.1	66.8

## Employee Work Improvement Program

Category	Program Description
Flexible working hours	Employees can choose their own commuting time depending on their individual conditions, and employees can freely choose their time to go to work with a unit of 30 minutes interval. (For example, 09:00, 9:30, 10:00, etc.)
At-home job	The telecommuting system is implemented in order to establish a flexible working system. Depending on individual needs, employees can apply to work at home and work efficiently with the approval of the head of the department.
Childcare facilities or contributions	With the family-friendly system, employees are more encouraged and motivated. Child care allowances and tuition are provided to the children of executives and employees, providing 100,000 KRW per month to the employees with children. For employees whose children are attending middle schools, high schools or universities, we provide actual expenses incurred, including admission, tuition, and operating expenses.
Paid maternity leave exceeding the legally required minimum	We operate a system to support paid maternity leave exceeding the legal minimum so that employees can sustain a stable family. A total of 42 days off is provided for female workers undergoing infertility treatments, 6 times 7 days, and a total of 3 maternity leave is provided for men, including one paid leave.
Paid paternity leave exceeding the legally required minimum	To help employees create harmonious families, we operate a support system for employee's children. Children with grade 1 disabilities are provided with 7.2 million KRW annually. Children with grade 2 and 3 disabilities are provided with 4.8 million KRW annually. In addition, a leave system to take care of children is implemented so that the employees can attend their children's elementary school entrance ceremony, providing two weeks of paid leave when their children enter elementary school.

## Creation of an Enjoyable and Relaxing Working Environment

CJ Logistics always strives to improve the health and welfare of its employees. Various support systems are in operation with the goal of creating a pleasant working environment so that employees can be happier and more focused on their work. In addition, we have introduced the "Rest-Bridge" system, a planned year-round vacation system, to improve the ability to establish and execute individual annual vacation schedules, our employees' created a culture in which employees can rest as much as possible by reinforcing our mobile-off campaign.

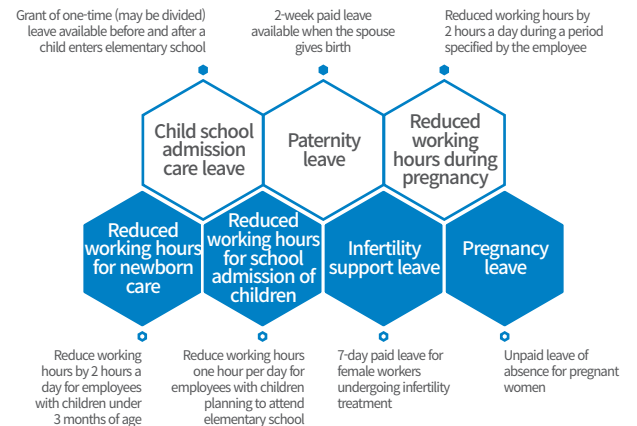
### Employee Counseling Program

We support various grievance counseling programs to help employees deal with various problems and create a healthy and enjoyable working environment. We plan to reinforce employee retention and work immersion by operating the "Clinic Center", a psychological testing through external professional counseling centers. In addition, we operate a grievance handling system to protect our employees' human rights while handling grievances and ensure they can continue to lead happy lives.

## Expanded Childcare Support System for Employees

By expanding childcare support for our employees, we have a family-friendly culture and comfortable environment where all employees can stay focused at work.

### Childcare Support Program



## Establishment of Labor-Management Relationship for Shared Growth

### Labor-Management Council

CJ Logistics aims to achieve growth of both the labor and management based on a sound mutual relationship. In addition to the regular quarterly labor-management council, there are temporary councils that promote the productivity and welfare of employees. The agenda items are presented on matters related to management plans, performance distribution based on improved productivity, enhanced employee benefits, problem resolution, and so on, pursuant to the Act on the Promotion of Worker Participation and Cooperation.



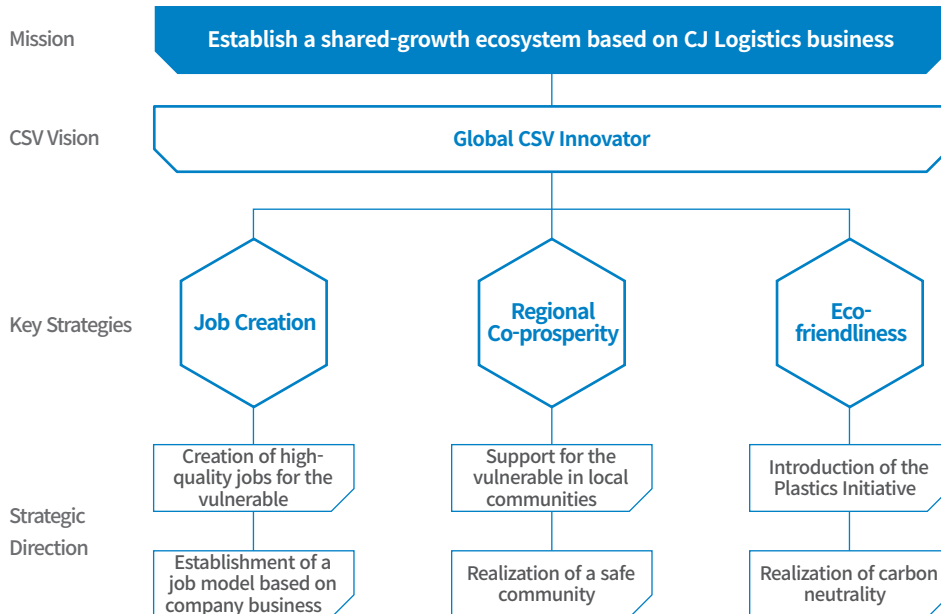
# SOCIAL PERFORMANCE

## CSV Management

### CSV Management

Based on CJ Group's CSV (Creating Shared Value) management philosophy, we are creating social value and contributing to the sustainable development of our society. We are carrying out various activities by setting three core directions: job creation, regional co-prosperity and eco-friendliness.

### CSV Management System



## CSV Performance

### 2020 Korea Volunteer Awards

On December 31, 2020, we received the 2020 Korea Volunteer Award from the Korea United Nations Volunteer Corps in recognition of our contributions to the CSV project and various social contribution activities. The Korea Volunteer Awards are an award granted to organizations and individuals who have made great contributions to the development of the country and local communities and practiced sharing and volunteering. CJ Logistics has taken part in various social contribution activities, including free parcel delivery to individuals in Daegu and the Gyeongbuk region during the two months of March and April when COVID-19 was rampant and free dedicated delivery of charity fundraising boxes used for charity fundraising by the Salvation Army.

### Social Contributions of Employees in Excess of 20,000 Hours for Four Consecutive Years

Despite limitations on face-to-face volunteer activities due to the spread of COVID-19, CJ Logistics employees have achieved 20,000 hours of social contribution activities each year for four consecutive years. The cumulative voluntary hours of employees in 2020 were 21,954 hours. Despite difficulties in performing face-to-face volunteer activities due to COVID-19, we expanded our contributions to local communities through contactless social contribution activities suitable for the new normal. We have seen great results thanks to the voluntary participation of our employees, and will continue to strive to create a culture of social contribution that everyone can participate in based on the shared growth, core management philosophy of CJ Group.



Winning the 2020 Korea Volunteer Awards



Employee participating in social contribution activities

# SOCIAL PERFORMANCE

## Creating Jobs for Shared Growth

### Silver Parcel

CJ Logistics has developed and has been operating silver parcel, our representative CSV project where seniors are employed to deliver parcels. In connection with the government's Living Infrastructure project, we include silver parcel in our standard model when developing new cities, and we are securing new bases in cooperation with public institutions to continuously create jobs for the elderly.

### Blue Parcel

Blue parcel is a service in which persons with a hearing impairments deliver parcels to households after a parcel vehicle unloads them at the base within the apartment complex. It has been implemented to create quality jobs for the disabled based on the establishment of a sustainable CSV business model and in cooperation with local communities. Currently, Blue Parcel in Songdo SK View of Incheon is operating with hearing impaired persons to serve 2,100 households in the region, and each employee delivers an average of 150 items per day, or almost 4,000 items per month, to households.

### Orange Parcel

With the introduction of a part-time business model with low labor intensity, we are providing quality jobs to women with career interruptions and reducing the burden of delivery work on our workers at the same time. Thanks to the introduction of a female safety manual, female workers can enjoy a safe working environment.



Silver parcel



Blue parcel

## Expanding Support for the Vulnerable

### Support for Vulnerable Persons under COVID-19 and the Promotion of Regional Co-Prosperity

In November 2020, through the 2020 Kimchi Sharing with Love event, we delivered 2,380 boxes of Kimchi with a total weight of 1.1 ton to corona-vulnerable residents in Jung-gu, Seoul. The sharing event, which started in 2007, delivered kimchi made by employees until last year, but we used finished kimchi products instead due to safety concerns related to COVID-19 in 2020.

### Dedicated Delivery of 'The Bell of Hope'

To deliver hope to our neighbors in need, CJ Logistics has pledged free delivery of 1,000 boxes of charity donation items such as charity pots, handbells, and savings boxes used for charity fundraising by the Salvation Army, a symbol of the year-end donation culture. Since 2014, we have provided free delivery of necessary supplies for Salvation Army fundraising activities every year while still paying fees and wages to delivery drivers, truck drivers, and loading and unloading workers who participate in direct delivery. CJ Logistics will continue to take the lead in creating a donation culture as an opportunity to deliver hope.



2020 Kimchi Sharing with Love



The Bell of Hope donation event

# SOCIAL PERFORMANCE

## The Bell of Hope donation event

In cooperation with the Saemaul Women's Association in Bangbae 3-dong, Seoul and the Bangbae Senior Welfare Center, we produced and delivered samgyetang which is ginseng chicken soup packages to local seniors. Over 20 employees of CJ Logistics participated in producing 150 eco-bags which each contained 2 Bibigo Samgyetang packs, 2 pickled side dishes, 7 masks, a red ginseng drink, towels, aerosol insecticide and more. CJ Logistics will continue to carry out activities to deliver the value of shared growth by reaching out to neighbors in need of help.

## Support for Housing Repairs Project

The 2019 Gwangju City Residential Energy Welfare Project, which targeted 17 households in Gwangju, Gyeonggi-do, was launched at the end of 2019 and completed within about a year. The 17 households were selected based on their poor living conditions, and included recipients of the National Basic Livelihood Security, persons with disabilities, and persons suffering from chronic and severe illness who are unable to afford improvements to their residential environment. These persons were provided with reinforced insulation as preparation for cold waves, and had LED lights installed and various interior elements replaced, such as wallpaper, flooring, and sinks. We supported this project so that people suffering from difficulties in the region could enjoy a warm winter in a neat residential environment and we are planning to continue sharing in various ways based on our core management philosophy.

## Social Contribution and Donation Activities

Under our goal of realizing shared growth and sustainable win-win management, CJ Logistics strives to realize social value in various ways, such as through volunteering and donation activities. In 2020, about KRW 3.5 billion worth of donations were made in cash and in kind, including volunteer activities.

### CJ Logistics' Social Contribution Performance

Category	Unit	2019	2020
Cash donations	KRW million	2,180	3,177
Employee volunteer activities <sup>1)</sup>	KRW million	236	212
In-kind donations <sup>2)</sup>	KRW million	0	0
Operating expenses	KRW million	67	147

1) Conversion of employee volunteering hours during working hours into a cash amount (minimum hourly wage)

2) Products, services, projects, partnerships, etc.

## Creating a Safe Community

### Expanding the Traffic Safety Culture for children

To protect children from traffic accidents, we distributed 3500 light reflecting rings for bags to the Gwangju Police Station in Gyeonggi-do, taking the lead in expanding the traffic safety culture for children. The rings are made of a special material that reflects light to help drivers easily spot pedestrians. They are very effective in preventing traffic accidents involving children at night or in rainy weather. In addition to providing children's safety supplies, CJ Logistics is also promoting activities to improve driver safety awareness by attaching a "Certified Safety Keeper" sticker on the front and rear ends of delivery vehicles to notify people of the 30km speed limit of child protection zones.

### Contributing to the Safety Culture of Local Communities

To alleviate the social anxiety caused by an increase in various crimes that threaten safety as the number of single-person households continues to increase, we provided a series of education sessions to 100 delivery drivers responsible for delivery in Gangnam-gu, Seoul, in collaboration with the Seoul Metropolitan Police Agency on Traffic Safety and the Creation of a Safety Culture for Women which covers traffic safety, crime prevention, reporting, finding missing persons, and training to help women respond immediately to signs of abnormality in their communities, such as cracked roads, damage to public property, and sudden life-threatening accidents. In addition, based on an MOU signed with the Gwangju Police Station in Gyeonggi-do regarding traffic safety in local communities, we conducted a campaign to attach fluorescent reflective bands on freight trucks. Fluorescent reflective bands have been attached to about 100 trucks to enhance visibility at nighttime. CJ Logistics will continue to take the lead in creating a safe and secure social atmosphere through continuous collaboration.



Freight vehicle traffic safety campaign



Traffic Safety Yellow Card



Traffic safety campaign

# SOCIAL PERFORMANCE

## Eco-Friendly Social Contributions

### Creation of an Urban Forest

To reduce greenhouse gases and fine dust, CJ Logistics created an urban forest in commemoration of its 90th anniversary at Maebong Mountain, Seongsan-dong, Mapo-gu, Seoul. This project represents a more meaningful social contribution activity since the Seoul City government, Mapo-gu office, Seoul Green Trust, and our employees all worked together. We will continue to commit ourselves to creating a sustainable environment.

### Solar Lantern Donation Event

Since 2019, in cooperation with the MIRAL Welfare Foundation which is an NGO organization, we have conducted volunteer activities where employees donate their talent to produce solar lanterns to support children in energy-poor countries and increase the use of eco-friendly energy. Solar lanterns made by employees have been donated to Nepal, Vietnam, Cambodia, and Tanzania, and this volunteer activity was conducted in a contactless manner in consideration of the COVID-19 situation. CJ Logistics will continue to expand its social contribution activities to various eco-friendly projects and global communities.



Urban forest creation event



Solar lantern donation event



Upcycled plastic uniforms



Recycled pallets

### Making Uniforms from Upcycled Plastic

In collaboration with Art Impact, a social enterprise, we developed and produced a total of 2,000 uniforms made out of fibers from recycled PET bottles to reduce carbon and plastics in the environment. These uniforms were manufactured with consideration for not only the environment, but also practicality and worker safety. We plan to expand such eco-friendly purchases in the future to pursue environmental value through solutions to environmental problems and social value through support for social enterprise sales channels.

### Eco-Friendly Pallet Production

To reduce carbon and create an ecosystem for recycling plastics, we have produced more than 300 recycled pallets in cooperation with SMEs. In this project, 10 tons of waste plastic provided by Lock&Lock were sorted and crushed to produce recycled pallets, and the pallets produced will be used in our distribution centers.

## Sports Promotion Support

### Sports Sponsorship

Since 2016, CJ Logistics has sponsored the CJ Logistics Superrace Championship, the nation's largest auto racing competition and is leading the dynamic motorsports culture in Korea. In addition, with the CJ Logistics Racing Team, which is composed of promising next-generation drivers, we are striving to cultivate professional drivers, and also provide various cultural experience programs, such as attending sports games and traffic safety education. In addition, we supported Korea's first e-sports racing event, the CJ Korea Express e-Super Race Series, as the title sponsor, providing a new pleasure that can be enjoyed without constraints on time or space. Furthermore, we are taking the lead in fostering racing prospects by giving series champions the opportunity to leap into a real racecar.

### Golf Sponsorship

CJ Logistics supports world-class golf tournaments and professional golfers who represent Korea, thereby helping to write a new history of golf in the country. We are currently sponsoring eight golfers, including Kim Si-woo, the youngest ever Korean PGA Tour winner, and Lim Seong-jae, the first Asian Rookie of the Year award winner on the PGA Tour. Taking advantage of the CJ CUP competition, we are also carrying out social contribution activities such as holding talk concerts with young people who have dreams of becoming professional golfers and delivering gifts by eco-friendly electric vehicles driven by professional golfers to local children's centers.



2020 CJ Logistics Superrace Championship  
Super 6000 Class



2020 PGA TOUR The Honda Classic Winner  
CJ Logistics golfer, Lim Seong-jae



# ECONOMIC PERFORMANCE

## Strengthening Customer Satisfaction

### Expanding Customer Communication

To facilitate customer communication, CJ Logistics is seeking to strengthen its customer communication and customer service capabilities by deriving core tasks related to three strategies which are innovating the customer response structure, changing the role of customer centers, and strengthening service capabilities. Furthermore, we are reinforcing customer communication through various communication channels, such as a customer portal system for corporate customers in addition to online customer centers and consultation hot lines.

### Launching a Customer Management System

We have introduced RPA (Robotic Process Automation) for efficient customer management, so software robots are utilized to automatically perform repetitive tasks normally performed by the person in charge. Simple tasks such as e-mail, document, and report writing are automatically processed through the RPA system, reducing human errors such as input mistakes and contributing to improved accuracy. In addition, the introduction of the RPA system, in turn, has improved customer satisfaction by easing customer inconvenience.

### Managing the VOC

We are classifying and managing VOCs (Voice of Customers) received through various channels for better communication. For urgent VOCs or major claims received, the level of urgency is immediately determined and they are reported to the CEO or the head of the division accordingly. The head of the division convenes the RM (Risk Management) Committee to establish countermeasures depending on the nature of the issues in questions, and then implements the

relevant measures. In addition, through a monthly VOC meeting, we share the status of customer complaints received and handled, and identify and implement improvement tasks.

### Managing Customer Satisfaction

With the aim of actively collecting the opinions of stakeholders, we conduct annual customer satisfaction surveys through external agencies. In the 2020 customer satisfaction survey, about 77% of customers answered that they were satisfied with the company. The results of the customer satisfaction surveys by year are as follows.

#### CJ Logistics Customer Satisfaction Survey\*

Category	Unit	2018	2019	2020
Percentage of satisfied customers	%	75.8	77.0	76.8

\*Excluding E&C division data

Consumer Complaint Evaluation



Grand Prize in 2020

Most Admired Company in Korea



No. 1 for 8 consecutive years

KS-SQI (Korea Service Quality Index)



No. 1 for 5 consecutive years

Certified as an Excellent-Quality Service Company in Korea



### Strengthening the Quality Management System

The construction & engineering sector of CJ Logistics aims to become an industry leader that leads customer satisfaction and the future by providing the best products and services through superior quality management. We have established a competitive quality management system based on ISO 9001, which is practiced by all employees.



ISO 9001 certificate

### Enhancing Customer Convenience

We introduced and are providing the industry's first mobile concierge service to enhance the convenience of customers using Parcel. The CJ Logistics Courier application allows customers to use services quickly and conveniently such as courier reception reservations, returns, and delivery tracking, and the unmanned courier box reservation service is now possible through the location-based service and mobile payment function of the app. In addition, we provide real-time delivery information via the web and mobile, such as the locations of all our vehicles, travel routes, and temperatures of refrigerated and cold storage vehicles through DTS (Driven Track System) based on the dispatch information of the transportation management system.

### Practicing Consumer-Oriented Management

To practice consumer-oriented management, we are managing CCM (consumer centered management) operation and improvement activities at the worksite through our CCO (Chief Customer Officer) and are effectively responding to customer complaints. When a customer makes a request, we promptly respond by disseminating it to CCM-related organizations immediately through the company intranet.



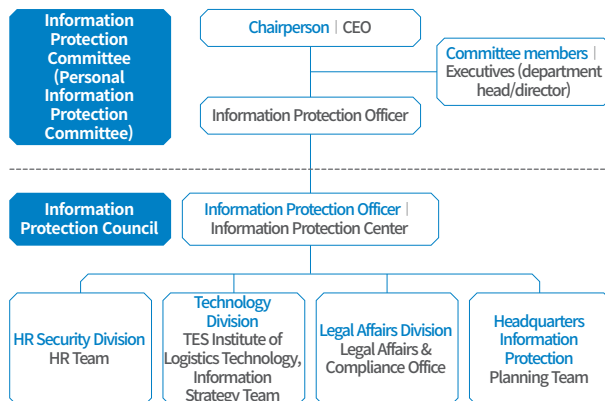
# ECONOMIC PERFORMANCE

## Customer Information Protection

### Strengthening Information Protection

The acceleration and decentralization of the IT convergence environment that has accompanied the development of information technology is changing the security paradigm when it comes to the protection of the personal information of customers. Accordingly, CJ Logistics is responding preemptively to this change by establishing a system to protect customer information along with a dedicated organization. The Information Protection Committee consists of the CISO (Chief Information Security Officer) and the executives in charge of customer service, led by the CEO, who oversees the overall security of the company. The Information Protection Council is held quarterly to share information security related issues and discuss ways to strengthen the security system. In addition, in accordance with laws such as the Personal Information Protection Act and the Information and Communication Network Act, we have established a personal information policy and ensured thorough compliance with it and have provided guidance to our customers on the use and management of personal information.

### Information Security Organization Chart



### Improved Information Protection Management

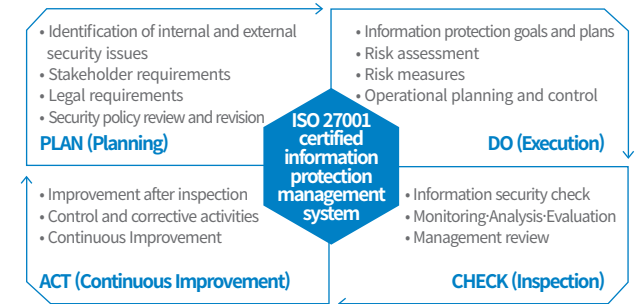
To quickly respond to internal and external security issues, our information security regulations are revised once a year, and continuous improvement activities are being undertaken, such as the classification of information assets with important ratings and risk assessment. Suppliers are obligated to sign an agreement to comply with our information security policy, and personal information written on waybills is kept by a dedicated service provider for storage and destruction to prevent leakage and exposure of personal information during the pick-up and delivery of products. In the case of parcel delivery, only the last 3 months data can be inquired through the business system, and it is deleted after being backed up for 5 years in accordance with the Framework Act on National Taxes.

### Information Leakage Risk Management

CJ Logistics regularly conducts information security inspection activities to prevent possible information leakage. In cooperation with the Group's Information Security Center, inspection activities are carried out over our own and partner companies, and we check and supplement the vulnerabilities of the network related to the homepage, server, and database. In addition, we are checking the level of compliance with the Personal Information Protection Act for business partners entrusted with personal information for business purposes such as delivery.

### Information Security Risk Management

To establish a global-level information protection system and prevent information security risks in advance, we have obtained an information protection system certification. In addition, we acquired ISO 27001, an international information security management system certification, and ISMS, a domestic information security management system certification. CJ Logistics continuously supplements and improves the system to promote proactive management of customer information protection.



## Obtained Information Certification



ISMS-KISA-2020-119  
(Certification valid: July 28, 2023)



ISO27001  
(Certification valid: October 4, 2021)

## Privacy Policy

### Activities to Raise Awareness of Personal Information Protection

CJ Logistics conducts regular security training for employees and business partners as it recognizes the importance of training on information security and cybersecurity. Employees are subject to training on personal information protection and information security practices, which is divided into common and in-depth courses. We are also providing training on personal information protection to those dealing with personal information and employees of our partner companies.



Personal Information Policy on the company's website  
<https://www.cjlogistics.com/ko/agreement/privacy-policy>

# ECONOMIC PERFORMANCE

## Supply Chain Management

Based on CJ's philosophy of shared growth, we are practicing Win-Win management by establishing fair trade order to support strengthening the competitiveness of our business partners. Suppliers are selected through a fair and transparent process, and a transparent transaction culture is promoted with the selected suppliers based on internal regulations related to the supply chain. In addition, we continuously reinforce communication channels with suppliers and provide customized capacity building programs for them.

### Supply Chain Status

CJ Logistics selects and manages key partners by comprehensively considering the transaction amount, relevance to core businesses, and the possibility of substituting their technologies. In 2020, 196 suppliers were classified as core suppliers, and the rate of transactions with core suppliers was 22.9%.

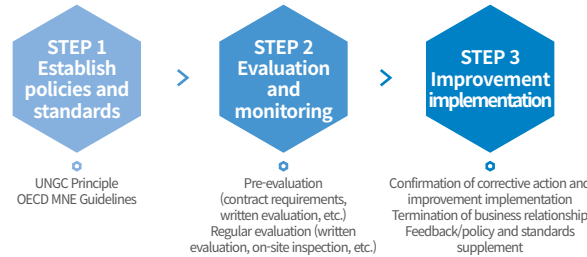
### CJ Logistics Supplier Information

Category	No. of Companies	Purchasing ratio %
Total No. of Partners	17,098	100.0
Port and transport	12,843	25.6
Logistics storage and distribution	389	18.3
Global forwarding	1,417	8.7
Courier Division	2,449	47.4
<b>Core Partners</b>	<b>196</b>	<b>22.9</b>

### Implementing Sustainable Supply Chain

CJ Logistics has established a supply chain evaluation process so that not only our employees, but also the employees of our business partners can conduct business in compliance with ethical standards and conduct fair and sustainable activities. CJ Logistics' responsible supply chain procedures for realizing a sustainable supply chain are classified into three stages: ① policy and standard establishment, ② evaluation and monitoring, and ③ improvement implementation. Details are as follows:

#### Responsible Supply Chain Process



### Reinforcing Fair Trade Order with Partners

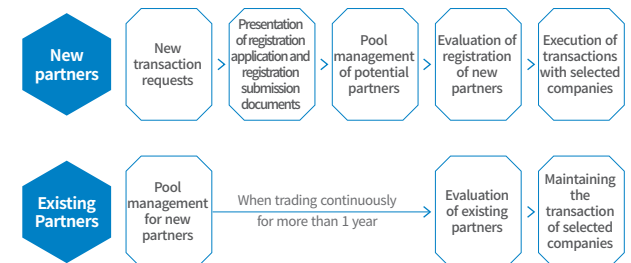
We have enacted our Fair Trade Win-Win Agreement Operation Regulations so that employees can establish fair trade relationships with suppliers and recognize the importance of win-win cooperation. In addition, we are thoroughly complying with the Monopoly Regulation and Fair Trade Act, the Subcontract Transaction Fairness Act, and the Three Guidelines for the Fair Trade Win-Win Agreement. The E&C division seeks to ensure the quality of construction and smooth construction based on fair and transparent business relations. We promote open recruitment once a year through the website of our company and credit rating agencies, and conduct final evaluation and review based on the

supplier's comprehensive evaluation table to finally select new suppliers. We are reinforcing the fair trade order of business partners by complying with the Construction Industry Framework Act and the Fair Subcontract Transaction Act.

### Supplier Sustainability Assessment

We are evaluating management and financial aspects of technology, quality, price, etc. and sustainability aspects of safety, compliance, etc. for all suppliers, including new ones. Through this, we collect the opinions of suppliers and reflect them in our policies for improvement. The E&C division conducts regular supplier evaluation twice a year for suppliers with a certain period of business history. In 2020, the construction evaluation process was improved, subdividing the evaluation items into process/quality/cost/safety/environment, inducing easy decision-making by evaluators, and changing the qualitative evaluation items among the distribution criteria into quantitative numbers, based on objective data to draw more detailed results. We provide benefits such as rewards, more opportunities to participate in bidding, and reduction of contract performance guarantee insurance to selected excellent suppliers.

### Supplier Registration and Evaluation Process Map



## ECONOMIC PERFORMANCE

### Win-Win Management with Partners

#### Strengthening Communication with Partners

Reports on complaints and unfair trade practices of suppliers are received through the website. Confirmed reports are processed immediately, and the results are transparently disclosed to the informant. In the E&C division, we are expanding opportunities to communicate with business partners, such as activity day and meetings. Major issues such as technology, quality and safety, trends, and recommendations are discussed. In particular, we are open to the opinions of the worksite at the business partners' meetings, and the opinions gathered through them are actively reflected in the policy.

#### Strengthening Financial and Technical Support for Partners

The Logistics division has created a win-win fund to support small and medium-sized partners to help them take out loans at a lower interest rate than the marketplace. In addition, various programs such as support for school expenses for children of suppliers and support for congratulations and condolences are operated. The E&C division annually conducts a comprehensive evaluation of the level of contribution to our company, bidding integrity, company size, and on-site evaluation for registered companies.

#### Reinforcement of Welfare Benefits for Parcel Delivery Partners

Starting with school expenses for children of parcel delivery drivers from 2012, we are continuing to expand systems for shared growth such as support for congratulations and condolences, introduction of health check-ups, and gifts for holidays, childbirth, and birthdays. By 2022, we plan to establish a win-win cooperation fund worth KRW 10 billion and use it for activities to improve the welfare of partners in parcel service. In addition, we intend to inspire the pride of delivery workers by promoting welfare expansion such as emergency livelihood support, work satisfaction improvement, condolence money and encouragement fund support, and social contribution activities using some of the resources of the Win-Win Cooperation Fund.

#### Support for Startup Mutual Growth Program O!VentUs

CJ Logistics participates in the O!VentUs program jointly hosted by CJ Group and the Seoul Center for Creative Economy and Innovation to discover small and medium-sized businesses, startups, and research centers with excellent technology and business models. We maintain a continuous cooperation and support system for the purpose of revitalizing the industrial ecosystem and the growth of tech startups with differentiated future innovative technologies. We have been actively supporting the open innovation challenge O!VentUs, such as QR code-based logistics transport robot technology in 2019, logistics cargo handling impact measurement and control technology, and automatic property identification technology using parcel product images in 2020.



O!VentUs Program

#### Certified as Excellent Shipper of Mutual Cooperation

In November 2020, CJ Logistics received the Excellent Shipper Certification in recognition of its efforts for win-win cooperation with shipping companies. The excellent shipper certification is awarded to a company that promotes win-win cooperation between a shipping company and a shipper company. Shipper is an international logistics company or an import-export company that entrusts cargo transportation to shipping companies and shipper companies. CJ Logistics has been highly praised for maintaining continuous cooperative relationships with all 15 national shipping companies and striving for win-win cooperation and shared growth through smooth communication.



Awarding Ceremony of Excellent Shipper Certificate

#### SME Overseas Logistics Export Support

To support the import and export of domestic small and medium-sized companies and local logistics overseas, we have joined the KOTRA (Korea Trade-Investment Promotion Agency) and overseas logistics network business. KOTRA's Overseas Logistics Network Project is to support small and medium-sized companies of having difficulty establishing their own distribution centers overseas to jointly use the distribution centers of partners. We plan to propose a joint logistics center and logistics process that is most suitable for nature of cargo, quantity and country.

# GOVERNANCE

## Composition and Appointment of the Board of Directors

### Composition of the Board of Directors

Our board of directors is the top decision-making body composed of seven members, three executive directors and four independent directors. To ensure their function of checks and supervision, more than half of the members are appointed as independent directors recommended by the Independent Director Nomination Committee. In addition, directors are appointed based on diversity regardless of factors such as gender, age, nationality, race, religion, region of origin, education level, and disability.



Operation of the Board of Directors

### Appointment to the Board of Directors

Independent directors are appointed at the General Meeting of Shareholders. In order to maintain their independence and diversity, we have organized the Independent Director Nomination Committee, which consist of four independent directors. This Committee considers the candidates' careers and specialties, interests, number of consecutive terms, and the current status of concurrent positions with other companies, and finally examines whether there are any reasons for disqualification as provided in relevant laws such as the Commercial Act and the Enforcement Decree of the Commercial Act, and then recommend them to the General Meeting of Shareholders to secure the independence of independent directors. In addition, we recommend candidates with expertise and knowledge in various fields such as law, media, and finance so that they can support rational decision-making by management without being biased toward specific interests. Moreover, the efficiency of the board of directors is improved by stipulating that all non-executive directors of CJ Logistics cannot perform two or more duties at the same time.

The Company appoints independent directors in accordance with the exclusion requirements for the appointment of independent directors under Article 382 (3) and Article 542-8 of the Commercial Act stated in Article 31-2 (3) of the Articles of Incorporation. The detailed requirements for independence required for independent directors are as follows.

### Composition of the Board of Directors

(As of March 2021, ● : Chair, ○ : Member)

Classification	Name	Gender	Tenure	Areas of Expertise	Committee in BOD			
					Remuneration Committee	Independent Director Nomination Committee	Audit Committee	Internal Transaction Committee
Executive Directors	Kang Sin-Ho	Male	Mar 2021-Mar 2024	Business and Logistics	●			
	Shin Young-Soo	Male	Mar 2021-Mar 2024	Business and Parcel service	○			
	Kim Joon-Hyun	Male	Mar 2021-Mar 2024	Business and Finance	○			
Independent Director	Jeong Kap-Young	Male	Mar 2021-Mar 2024	Economy	○	○	●	○
	Song Young-Seung	Male	Mar 2021-Mar 2024	Press	○	●	○	○
	Yim Jong-Yong	Male	Mar 2021-Mar 2024	Finance	○	○	○	●
	Yeo Mee-Sok	Female	Mar 2021-Mar 2024	Law	○	○	○	○

#### CJ Logistics' BOD Disqualification for Independence

- Directors, executive officers and employees who are engaged in the company's business affairs, or directors, auditors, executive officers and employees who are engaged in business affairs in the company within the last two years;
- If the largest shareholder is a natural person, the person himself/herself, his/her spouse, and his/her lineal ascendants/descendants;
- If the largest shareholder is a corporation, the directors, auditors, executive officers and employees of the corporation;
- The spouses and lineal ascendants/descendants of directors, auditors, and executive officers;
- Directors, auditors, executive officers and employees of the parent company or subsidiary of the company;
- Directors, auditors, executive officers and employees of corporations with important interests such as business relations with the company;
- Directors, auditors, executive officers and employees of other companies where the company's directors, executive officers, and employees are directors or executive officers.



# GOVERNANCE

## Operation of Board of Directors and Committees

### Operation of the Board of Directors

In principle, board meetings are held on a monthly basis and as needed. A total of ten board meetings were held from February 2019 to March 20, 2020 to review and report thirty-five agenda items. During the same period, the average attendance rate of the BOD was 98.5%, exceeding the minimum attendance rate required by the BOD of 80%. Major decisions on the board of directors and their attendance are disclosed in our semi-annual and quarterly reports and posted on the website.

#### Board of Directors Activity Status

Category	Unit	2018	2019	2020
Regular Board meeting	Times	8	7	6
Special Board Meeting	Times	4	1	-
Board Meetings	Times	12	8	6
No. of Agendas/reports	Items	30	25	23
Independent Director Attendance Rate	%	95.0	100.0	95.8

## Corporate Governance Charter

In December 2020, CJ Logistics introduced the corporate governance charter to establish a corporate governance structure that is the basis of the company's management based on CJ Group's transparent principles and policies. The company intends to form a more professional and independent board of directors through the corporate governance charter. In addition, under the supervision of the board of directors, we will practice rational and transparent management to improve shareholder value and promote balanced rights and interests of stakeholders including customers, partners, and employees.

### Operation and Activities of the Board Committee

CJ Logistics operates various committees to enhance transparency in corporate governance and strengthen 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 to ensure independence and fairness. In 2020, a total of eight committees meetings were held to review and report nine agenda items in which independent directors attended 100%, and resolutions and attendance are transparently disclosed through the annual business report.

#### Committee Activity Status

Category	Unit	2018	2019	2020
Committee Meetings	Meetings	7	10	8
Committee agendas/reports	Meetings	16	17	9
Independent Director Attendance Rate	%	100.0	100.0	100.0

## Evaluation and Remuneration of the Board of Directors

### Evaluation and Remuneration of the Board of Directors

The activities of independent directors are evaluated comprehensively based on their attendance rates, independence, expertise, 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 with objective and comprehensive criteria including metric indicators composed of sales and operating profits, leadership, level of core competencies, CSV activities, and other contributions to the company.

The remuneration policies for major management are designed to be consistent with shareholders and long-term interests, and the details are transparently disclosed. In the case of the CEO, we have a variable compensation system so that long-term incentives calculated based on performance, such as sales and operating profit performance for two years, and KPI scores, can be divided over two years. CJ Logistics' Board of Directors' remuneration status in 2020 are as follows:

#### 2020 Board of Directors Remuneration Status

Category	Unit	Executive director	Independent director	Total
No. of Persons	Persons	3	4	7
Total remuneration	KRW million	2,900	302	3,202
Average remuneration per person	KRW million	967	76	1,043

#### CEO and Employee Remuneration Status (As of December 31, 2020)

Total remuneration <sup>1)</sup> (KRW million)	Median employee remuneration (KRW million)	CEO-Worker Pay Ratio
2,147	58	37

1) CEO's total remuneration includes all remuneration excluding severance pay and welfare expenses.



# GOVERNANCE

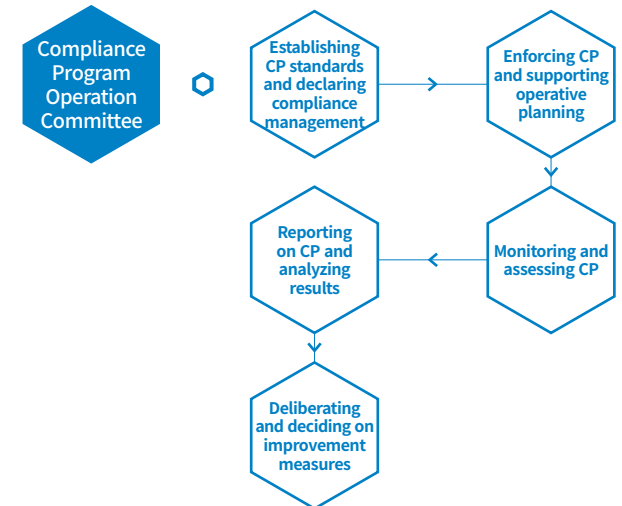
## Establishment of Compliance System

### Strengthening the Compliance Organization

In order to establish a transparent and fair trade practice and a culture of compliance management, we have introduced and operated the Fair Trade Compliance Program since 2017. In 2020, we identified and improved compliance risks from a domestic and international business perspective, and carried out practical activities to internalize the willingness to practice compliance by employees. In the Legal Affairs and Compliance Office, a total of 60 compliance leaders are selected for each team, assigned duties and roles that can be actually fulfilled, and supported the practical settlement of the compliance management culture through regular training in the first and second half of the year and the operation of the Compliance Management Working Group. In November 2020, the Compliance Management Committee was held to report annual compliance operation performance and the establishment of major operation plans for 2021.



Established and proclaimed the Code of Conduct (CJ's promise)



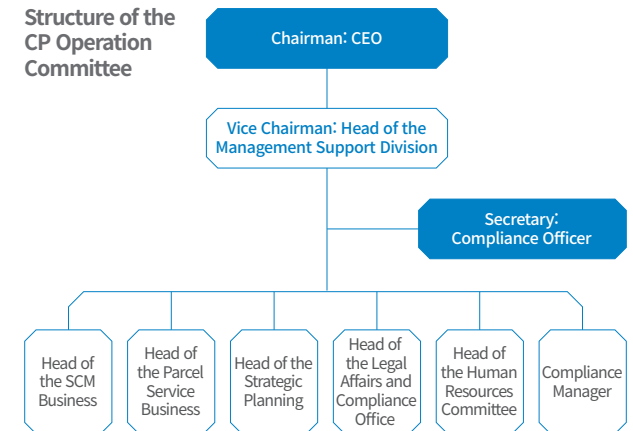
### Strengthening the Compliance Activities

Since 2018, CJ Logistics has regularly issued CP letters to share various information such as fair trade related laws and news, press releases from the Fair Trade Commission, and Q&A to all employees. In 2020, the CP letter was reorganized to provide news, activities, information and common sense related to fair trade, while a quiz event was held for employees to encourage employee participation. The Compliance Team provides information support to ensure that employees can easily check fair trade-related information through e-mails as well as in-house bulletin boards. In addition, we opened the ethical management webpage to introduce CJ Logistics' activities and policies to implement the group's ethical management philosophy and policies, and to continuously communicate with stakeholders on the fulfillment of corporate social responsibility.



Establishment of ethical management web page

### Structure of the CP Operation Committee



# GOVERNANCE

## Main Activities

### Promise of CJ Employees' Establishment & Implementation of CJ Code of Conduct

CJ Logistics established the code of conduct, “the Promise of CJ Employees” in order to practice ethical management and transparent company management, thereby presenting ethical decision-making and behavior standards. The content is available on our website, and every year all our employees make a pledge to express our will to practice ethical management.

### Employee Pledge to Practice Ethical Management

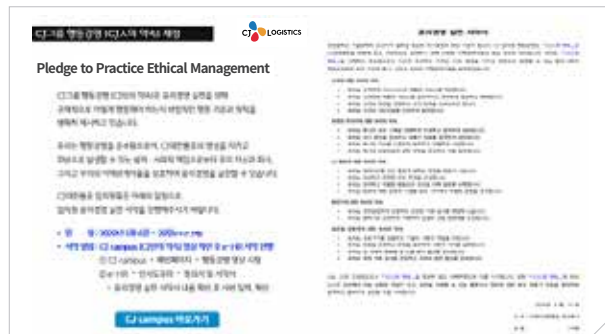
CJ Logistics' Code of Conduct, “the Promise of CJ Employees” was established for all CJ Group employees and stakeholders. At the same time, all employees and executives made the Pledge to Practice Ethical Management, which stipulates the main contents of the code of conduct and promises to comply with it. To ensure that the code of conduct not end up a mere scrap of paper and be quickly settled into the company's culture, an online training video was produced for all employees before receipt of the pledge to help them familiarize themselves with the core contents.

### Education Programs

To carry out the fair trade compliance program, we are conducting compliance training for employees every year. In 2020, in order to conduct compliance education more systematically, we ran an education program that reflected the implications derived from analyzing the education status of the past three years. The Legal Affairs and Compliance Team regularly established compliance education programs and behavioral guidelines for employees through a variety of contents, while education satisfaction surveys are conducted to reflect members' opinions on the curriculum to build more effective programs.

### Status of Ethics Education Program in 2020

Category	Topic of training	Training period
All employees	What is a Code of Conduct? CJ Global Anti-Corruption Policy	April, October
Overseas corporation	What is a Code of Conduct? CJ Global Anti-Corruption Policy / Fair Competition	May, November, December
Compliance leader	Fair Trade Act Basics / Unfair Trade and Precautions for Subcontract Transactions	April, November
Sales duties	Precautions and sanctions related to unfair collusive practice (collusion)	February
Operational duties	Obligations and prohibitions of the contractor in subcontracting transactions	July, November
New recruits	Understanding of Compliance Management	January



Pledge to Practice Ethical Management



A meeting of the Compliance Management Committee



CJ Group Ethics Education Program

# GOVERNANCE

## Reinforcement of Compliance Management Implementation Inspection

In accordance with the monitoring system of the Fair Trade Compliance Program Operation Regulations, we are operating a regular law violation monitoring system to proactively review and block business risks closely related to relevant laws and regulations of the logistics business. In 2020, we made our best efforts to increase incentives for identifying potential risks by building an integrated group reporting system, and a separate anonymous reporting system for practical protection of reporters. In addition, the compliance manager regularly reports the operation status of the compliance program at the Compliance Management Committee to ensure the effectiveness of the monitoring system so that it can immediately respond to violations of the law.

## Distribution of Legal Guidelines

Detailed guides are provided to raise the level of awareness of employees in key areas such as unfair trade practices and subcontracting transactions and to establish a fair culture. In 2020, we produced and distributed guidelines on unfair collusive practices and subcontracting transactions. The construction division produced and distributed to all sites the subcontracting transaction leaflets containing the processes to be followed during the settlement process with suppliers under the Subcontract Act.



Subcontracting Transaction Leaflet



Guidelines for Unfair Collusive Practices

## Anti-Corruption and Bribery Prevention

CJ Logistics produces and distributes guidelines for complying with the Improper Solicitation and Graft Act while conducting regular inspections to ensure that there are no violations of the Improper Solicitation and Graft Act for fair business practices. In order to comply with various anti-corruption laws and regulations in Korea as well as overseas, we have provided training and completed the written pledge made by all employees. CJ Logistics complies with the Domestic Political Fund Act and does not provide any funds for the purpose of influencing policy, such as political funds, election funds, and lobbying funds of specific political organizations. However, we are contributing to the development of public policies and public interests through regular sponsorships to associations for public interests that guarantee political neutrality.

## CJ Logistics' Sponsorship by Major Association\*

Category	Unit	2018	2019	2020
Lobby, interest representative, etc.	KRW million	0	0	0
Regional or national political campaign/ group/candidate	KRW million	0	0	0
Trade associations or exempt organizations	KRW million	811	819	823
Others	KRW million	0	0	0
<b>Total</b>	<b>KRW million</b>	<b>811</b>	<b>819</b>	<b>823</b>

\*Excluding E&C division data

## CJ Logistics' Payment Performance by Major Association\*

Category	Unit	2020
Fair Competition Federation	KRW million	5
Korea Automobile Racing Association	KRW million	434
Korea Integrated Logistics Association	KRW million	45
Seoul Chamber of Commerce and Industry	KRW million	102
Korea Port Logistics Association	KRW million	33
Korea Employers' Association	KRW million	36

\*Excluding E&C division data

# GOVERNANCE

## Human Rights Management

### Protecting Human Rights

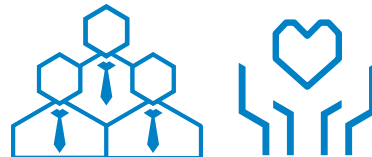
CJ Logistics respects the human rights of all workers and stakeholders, including employees. Accordingly, discrimination is prohibited in the process of recruitment and promotion, and the company provides appropriate support to ensure employees can freely perform work according to their aptitude and competency. In addition, we have been regularly inspecting and managing rights issues such as gender discrimination, human trafficking, and prohibition of forced labor and child labor.

### Creating an Environment for Human Rights Management

CJ Logistics works to publicize the Declaration of Human Rights to support and participate in the ten principles of the UN Global Compact. Based on the Declaration of Human Rights, discrimination based on gender, race, religion, color, age, etc. and forced and child labor are strictly prohibited. In addition, we are actively promoting human rights protection as a global corporate citizen by supporting and participating in the implementation of the UN Sustainable Development Goals.

### Preventing Discrimination and Harassment at Work

To prevent human rights violations such as sexual harassment and workplace harassment, we have been promoting various prevention activities. To prevent bullying in the workplace, regular prevention training is conducted at least once a year, and the training contents are publicized while related guidelines are prepared and posted within the workplace. In addition, we have established a grievance handling body and relief procedures and strictly protect the identity of the reporter, ensuring no penalty for reporting. Likewise, to prevent sexual harassment, we operate a grievance counseling window and a report center in which reports are received to make sure proper actions be taken according to the procedure.



### Establishing a Human Rights Due Diligence Process

We have established a human rights due diligence process based on international guidelines for the practical protection of human rights for all employees, suppliers, and joint ventures. Based on this, we are identifying and preventing potential negative impacts that may occur in operational stages and value chains such as our company and supply chain. We actively respond to issues that have arisen, identify potential issues once a year, and improve the due diligence process. In 2019, a human rights due diligence was conducted for one overseas business site but due to COVID-19, it was not conducted in 2020.

### CJ Logistics Human Rights Due Diligence Process



### Business Case

#### Human Rights Due Diligence in CJ Logistics Thailand Corporation

CJ Logistics' Thailand Corporation conducted a human rights due diligence to enhance its capabilities to manage labor and human rights risks in its business sites in accordance with global guidelines related to labor and human rights. In accordance with the checklist of major inspection items such as implementation of forced labor, employment of children and young workers, management of legal working hours, humanitarian treatment of workers and prohibition of discrimination, we conducted a document inspection on the management status of each item, on-site verification, and interviews with related persons. Through this human rights due diligence, CJ Logistics plans to continuously make efforts to improve workplaces by establishing action plans for items requiring improvement measures and monitoring the implementation status.

# GOVERNANCE

## Integrated Risk Management

CJ Logistics aims to identify, manage and monitor potential risk factors in the overall business through systematic and integrated risk management.

We are striving to quickly respond to changes in internal and external conditions such as establishing a risk management governance and a risk response system, thereby minimizing loss caused by risks.

### Corporate-wide Risk Management Governance

Our corporate-wide risk management organization is composed of the Heads of business divisions and business planning managers under the CEO. In addition, we respond to risks by establishing a Task Force which includes the CEO, and consists of the Management Support Division, the Strategic Support Team, Legal Affairs & Compliance Team, Mutual Cooperation Team and the HR Support Team.

### Definitions of Risk

CJ Logistics classifies risks into financial and non-financial categories in the course of its business management and conducts comprehensive monitoring.

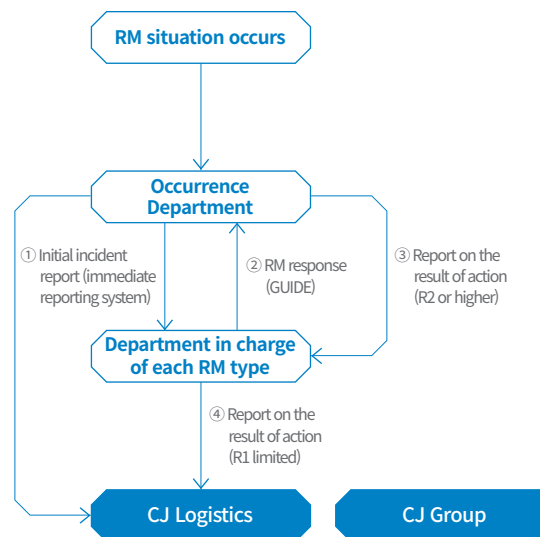
### Risk Types & Factors

Type of Risks	Risk factors
Market Risk	Currency rates, interest rate, liquidity, etc.
Safety & Environment Risk	Infectious diseases, personal injuries, equipment accidents, natural disasters, etc.
Customer-relationship Risk	Complaints, objections, etc.
External relations Risk	Related institutional and policy changes, etc.
Legal Violation Risk	Compliance risk related, etc.
Labor Risk	Strike, slowdowns, labor disputes, etc.
Unfair & Unlawful Activity Risk	Unfair practices, embezzlement, bribery, sexual harassment, etc.
Security Risk	Security breaches, system failure, etc.

### Building a Risk Response System

CJ Logistics manages and categorizes risks that have a significant impact on our business operations. In case of any issues or incidents, we have established a rapid report system that enables immediate response through timely internal communication with management, responsible and relevant business units via mobile and PC.

### Risk Response Process



- ① **Initial incident report (immediate reporting system)**  
Occurrence Department  
Collective reporting to management/ responsible/ related business units using an immediate reporting system
- ② **RM response (GUIDE)**  
Department in charge  
After checking RM occurrence details, response GUIDE delivered from department in charge to the occurrence department
- ③ **Report on the result of action (R2 or higher)**  
In the event of R2 or higher, the occurrence department takes actions according to RM response GUIDE and reports the results by documentation to department in charge
- ④ **Report on the result of action (R1 limited)**  
48 hours after the occurrence, department in charge reports the result of the action to the management/ holding company by documentation



# GOVERNANCE

## Sensitivity and Scenario Analysis

CJ Logistics recognizes and manages financial risks such as currency risks from domestic and overseas transportation including shipping and overseas operations, and interest rate risks due to changes in the financial market through sensitivity analysis and discloses them via annual business report. In addition, climate change risks are managed according to future environmental changes based on RCP 4.5 and 8.5 scenarios, and business impacts are analyzed through sensitivity analysis.

## Internalization of Risk Awareness

In order to enhance corporate-wide risk response and establish a risk management system, we provide regular training for all employees with topics of major non-financial risks including safety and health, sexual harassment, awareness improvement, information security, corruption prevention, and compliance. According to trainings by position new recruit training covers workplace operational precautions and accident-specific countermeasures to prevent safety accident risks for new employees, and for promoted employees and all positions there have been regular trainings to prevent corruption and workplace power abuse.

## Tax Risks

In principle, we strictly adhere to local tax laws and policies of each country in which the company operates its business and transparently disclose them. In addition, we make tax-related decisions in coordination with the business units in charge when in needs for tax-related decision in the business operation process.

## Potential Risks

CJ Logistics defines risks that may have a significant impact on its business operations and effectively responds to them through thorough analysis.

Risk category	Risk description	Business impact	Response activities
Climate change risk	<ul style="list-style-type: none"> <li>Increasing the frequency and probability of natural disasters caused by extreme weather conditions due to climate change such as rising sea level typhoons, floods, and fires</li> </ul>	<ul style="list-style-type: none"> <li>Increasing loss to infrastructure and customer property, such as damage to business facilities due to extreme weather conditions</li> <li>Recovery manpower and costs are expected to rise</li> </ul>	<ul style="list-style-type: none"> <li>To minimize damage caused by natural disasters, safety manager training and inspections are conducted regularly, and based on phase-based operation plans and scenarios, an organic crisis response system and emergency operation system are established for each business site.</li> </ul>
	<ul style="list-style-type: none"> <li>Increasing requirements and strengthened climate change-related regulations according to the government's goal of 2050 carbon neutrality and GHG emissions quota system</li> </ul>	<ul style="list-style-type: none"> <li>Financial impact is expected, such as the cost and operating expenses from the introduction of eco-friendly transport and establishment of eco-friendly logistics facilities to reduce GHG emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental management system ISO 14001 is applied to all business sites to reduce the environmental impact of the business operation process.</li> <li>Energy savings such as the introduction of eco-friendly vehicles, electric trucks and the use of solar power generation and renewable energy in the distribution center and LED replacement</li> </ul>
	<ul style="list-style-type: none"> <li>Increasing in waste from disposable packaging due to the rapid increase in online e-commerce</li> <li>Increasing demand for active reduction measures in all stages from production to logistics</li> </ul>	<ul style="list-style-type: none"> <li>Research and introduction of new technologies in response to stakeholder and social demands is rapidly increasing, and investment scale is expected to rise due to upgrade of existing technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Introducing an eco-friendly smart packaging solution by using paper cushioning material and box tape to reduce plastics and vinyl, and by upgrading the packaging process to prevent excessive packaging.</li> </ul>
Demographic change risk	<ul style="list-style-type: none"> <li>Accelerating changes in population structure including low birthrate and aging population</li> </ul>	<ul style="list-style-type: none"> <li>Difficulties in securing specialized personnel due to low birth rates and labor shortage and productivity declines due to the aging of drivers in the logistics industry.</li> </ul>	<ul style="list-style-type: none"> <li>By combining robots and automation facilities, a flexible operating system is established in response to changes in the logistics environment, and smart logistics are implemented by integrating the latest technologies.</li> <li>Promoting optimization of logistics operations such as logistics bases, networks, designs, and resources using algorithm analysis and simulation tools</li> <li>Maximizing logistics operation efficiency through AI/big data analysis and prediction technology, using it as basic data for NW and center design by fusion analysis of internal and external data</li> </ul>
Risk of changing customer needs	<ul style="list-style-type: none"> <li>Increasing demand for rapid logistics response due to the expansion of the e-Commerce market and the change in the role of offline stores</li> <li>Accelerating service competition following customer diversification</li> </ul>	<ul style="list-style-type: none"> <li>Expecting to increase the cost of establishing infrastructure for rapid logistics response and securing a base in the city center</li> <li>Expecting to intensify competition in logistics due to the increasing demand for diversification of customer service</li> </ul>	<ul style="list-style-type: none"> <li>Providing customized logistics services tailored to the characteristics of each region and item, and contactless unmanned parcel lockers.</li> <li>Continued efforts to provide the best value to customers by developing an integrated logistics management system for e-Commerce</li> </ul>

# VI. APPENDIX

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# ESG DATA

## Economic Performance

### Summary of Consolidated Statement of Financial Position

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

Category	2018	2019	2020
Current assets	2,180,845	2,322,199	2,538,547
Quick assets	2,159,621	2,299,340	2,513,223
Inventories	21,224	22,859	25,324
Non-current assets	5,687,722	6,787,817	7,104,952
Investment assets	278,791	247,161	589,103
Tangible assets	3,306,402	3,518,958	3,496,201
Right-of-use assets	-	1,081,599	1,095,621
Investment properties	102,896	33,222	104,521
Intangible assets	1,776,659	1,673,341	1,636,657
Other non-current assets	222,974	233,536	182,849
<b>Total assets</b>	<b>7,868,567</b>	<b>9,110,016</b>	<b>9,643,499</b>
Current liabilities	2,614,013	2,508,694	2,807,607
Non-current liabilities	2,123,816	2,946,077	2,795,950
<b>Total liabilities</b>	<b>4,737,829</b>	<b>5,454,771</b>	<b>5,603,557</b>
Equity attributable to owners of the parent entity	2,654,073	2,991,754	3,338,147
Current capital	114,062	114,062	114,062
Capital surplus	2,459,692	2,775,376	2,875,757
Retained earnings	592,145	612,148	718,060
Other capital	-459,811	-459,763	-284,140
Other accumulated earnings	-52,015	-50,069	-85,592
Non-controlling interests	476,665	663,491	701,795
<b>Total equity</b>	<b>3,130,738</b>	<b>3,655,245</b>	<b>4,039,942</b>

### Consolidated Statements of Comprehensive Income

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

Category	2018	2019	2020
Revenue (Sales)	9,219,680	10,415,109	10,781,127
Operating income	242,687	307,186	325,338
Net income	66,600	50,890	142,623
Basic earnings per share	KRW 2,839	KRW 1,349	KRW 5,683
Equity holders of parent company	52,667	39,727	123,030
Non-controlling interests	13,933	11,163	19,593
<b>Total comprehensive income</b>	<b>70,179</b>	<b>59,957</b>	<b>93,419</b>

# ESG DATA

## Economic Performance

### Sales by Division

Subject	Unit	2018	2019	2020	Note
CL	KRW million	2,638,961	2,731,008	2,567,096	Stevedoring, transport, storage, construction, maintenance, etc
Parcel	KRW million	2,261,943	2,502,430	3,196,059	Gathering, delivery
Global	KRW million	3,655,756	4,442,000	4,345,364	Stevedoring, transport, storage
E&C	KRW million	663,020	739,671	672,607	Construction, Resort, Real Estate
<b>Total</b>	KRW million	<b>9,219,680</b>	<b>10,415,109</b>	<b>10,781,127</b>	

### Distribution of Economic Value per Stakeholder

Subject	Unit	2018	2019	2020	Note
Partners	KRW million	15,000	15,000	15,000	Win-Win Fund
Shareholders and investors	KRW million	85,668	128,158	114,678	Dividends, interest on borrowings
Local communities	KRW million	38,990	41,930	20,842	Donation
Employees	KRW million	156,967	165,665	214,038	Wages, employee benefits, retirement benefits
Government	KRW million	33,219	42,944	59,675	Income tax expense

# ESG DATA

## Environmental Performance

### Environmental Investment Costs

Subject	Unit	2018	2019	2020
Environment investments	KRW million	4,809	3,672	1,811

### Greenhouse Gas Emissions

Subject	Unit	2018*	2019	2020	Note
Total GHG emissions	tCO <sub>2</sub> -eq	216,658	214,808	227,176	
Scope 1 emissions	tCO <sub>2</sub> -eq	128,572	122,306	123,199	
Scope 2 emissions	tCO <sub>2</sub> -eq	88,086	92,502	103,977	
GHG intensity	tCO <sub>2</sub> -eq/KRW 100 million	2.3	2.1	2.0	Based on domestic sales
GHG emissions reduction	tCO <sub>2</sub> -eq	-6,038	-27,365	-46,239	Implemented the GHG target management system from 2016

\* Different from the previous report due to modification of GHG emission data since the conformity assessment conducted by the Ministry of Environment

### Energy Usage

Subject	Unit	2018*	2019	2020	Note
Total energy usage	TJ	3,625	3,631	3,880	
Electricity usage	TJ	1,813	1,905	2,142	
Fuel usage	TJ	1,812	1,726	1,738	Fuel consumption differs from actual usage according to the GHG and energy verification method
Energy intensity	TJ/KRW 100 million	0.06	0.06	0.03	
Energy reduction performance	TJ	-25	-586	-848	

\* Different from the previous report due to figures reflect the combined performance of the logistics and construction divisions from 2018

### Water Consumption

Subject	Unit	2018	2019	2020
Total water consumption	ton	500,291	787,330	812,626

### Wastewater and Waste Emissions

Subject	Unit	2018	2019	2020
Total wastewater emissions	ton	49,021	11,418	11,069
Total waste emissions	ton	107,521	45,389	32,900



# ESG DATA

## Social Performance

### Status of Employees

Subject	Unit	2018	2019	2020	Note
Total employees	Persons	6,343	6,358	6,290	
Employment type	Management executives	67	58	58	Including advisor, counsel
	Regular	5,896	6,066	6,005	
	Contract	380	234	227	
By gender	Male	5,338	5,422	5,376	
	Female	1,005	936	914	
By age	Under 30	1,117	1,182	1,045	
	30-50	4,618	4,493	4,470	
	Over 50	608	683	775	

### Employment of Socially Vulnerable Groups

Subject	Unit	2018	2019	2020	Note
People with disabilities	Recruited people	81	83	82	Including contract employees
	Ratio of recruitment	1.3	1.3	1.3	Including contract employees; ratio of recruitment of people with disabilities compared to the total number of employees
Female	Recruited people	1,034	932	904	Including contract employees
	Ratio of recruitment	16.3	14.7	14.4	Including contract employees; ratio of recruitment of female employees compared to the total number of employees
National veterans	Recruited people	59	77	73	Including contract employees
	Ratio of recruitment	0.9	1.2	1.2	Including contract employees; ratio of recruitment of national veterans compared to the total number of employees

### New Employees

Subject	Unit	2018	2019	2020	Note
Total new employees	Persons	1,056	660	412	
Employment type	Regular	815	562	338	
	Contract	241	98	74	Excluding dispatched employees
By age	Under 30	574	390	182	
	30-50	445	247	182	
	Over 50	37	23	48	
By gender	Male	742	534	369	
	Female	314	126	43	

### Recruitment of Employees

Subject	Unit	2017*	2018	2019	2020
Percentage of open positions filled by internal candidates (internal hires)	%	16.01	11.05	10.33	26.48

\* For 2017, the figures only reflect Logistics division data as it was before the merger of E&C division

### Turnover

Subject	Unit	2018	2019	2020	Note
Total employee turnover	Persons	317	172	138	
Employment type	Regular	260	151	125	
	Contract	57	21	13	Excluding dispatched employees
By age	Under 30	57	57	34	
	30-50	191	107	98	
	Over 50	69	8	6	
By gender	Male	284	150	126	
	Female	33	22	12	
Total turnover rate	%	5.0	2.7	2.2	
Voluntary turnover rate	%	3.2	1.7	0.4	Total job-transferring employees excluding employees of voluntary retirement and recommended retirement

## ESG DATA

### Social Performance

#### Retirement

Subject	Unit	2018	2019	2020	Note
Total retirees	Persons	853	682	520	
Regular	Persons	699	433	435	Including advisor, counsel
Contract	Persons	154	249	85	
Voluntary retirement	Regular	Persons	106	51	83
	Contract	Persons	-	1	-
Regular retirement	Regular	Persons	21	17	21
	Contract	Persons	3	-	1
Recommended retirement (dismissal, disciplinary action, etc.)	Regular	Persons	4	14	30
	Contract	Persons	1	-	2
Others (personal reasons, childcare, education, shift to other company, etc.)	Regular	Persons	569	361	301
	Contract	Persons	149	238	82

#### Maternity Leave and Parental Leave

Subject	Unit	2018	2019	2020	
Employees who took maternity leave*	Persons	182	180	175	
Returning to work after maternity leave	Employees who returned from maternity leave	Persons	163	167	171
	Return ratio	%	89.6	92.8	97.7
Employees who took parental leave	Persons	52	59	70	
Returning to work after parental leave	Employees who returned from parental leave	Persons	38	40	54
	Return ratio	%	73.1	67.8	77.1
Maintained work for 12 months or over after returning to work	Maintained employees	Persons	32	31	36
	Retention ratio	%	110.3	81.6	90.0

\* Different from the previous report due to data that summed number of male and female who took maternity leave

#### Female Managers

Subject	Unit	2018	2019	2020	
Total managers	Persons	1,555	1,948	1,869	
Female managers	Managers	Persons	128	194	197
	Ratio	%	8.2	10.0	10.5

#### Performance Evaluation

Subject	Unit	2018	2019	2020	Note
Number of employees subject to performance evaluation	Persons	6,042	6,120	5,979	
Regular (office workers)	Persons	3,897	4,009	4,002	
Regular (site workers)	Persons	1,837	1,901	1,768	
Contract	Persons	308	210	209	
Employees subject to performance evaluation	Persons	6,042	6,120	5,979	Employees who have been working for less than three months in the year, such as employees who have been working since October or who have been laid off, are not eligible for evaluation.
Ratio of performance evaluation	Persons	100	100	100	

#### Industrial Accident Rate

Subject	Unit	2018	2019	2020	Note
Industrial accident rate (Korea)	%	0.33	0.24	0.24	
Regular workers*	Persons	6,350	6,358	6,290	As defined by the Industrial Accident Compensation Insurance Act
Number of accident victims**	Persons	21	15	15	All personnel accidents excluding leaving work accidents and personal illness accidents;

\* Recalculated the number of executives and employees based on business report

\*\* Different from previous report data due to changes in personnel accident definition standards (number of executives and employees in business report)

# ESG DATA

## Social Performance

### Education

Category	Subject	Unit	2018	2019	2020	Note
Employees education	By age	Under 30	Persons	942	1,038	935
		30-50	Persons	3,021	2,997	2,985
		Over 50	Persons	354	423	443
	By gender	Male	Persons	3,538	3,634	3,559
		Female	Persons	779	824	804
	Education expenses	Total education expenses	KRW million	7,210	8,167	2,810
		Education expenses per employee	KRW 1,000/persons	2,422	3,400	1,037
	Education hours	Total education hours	Hour	384,003	344,439	277,465
Education hours per employee		Hour/persons	65.1	56.8	46.2	
Sexual harassment prevention education	Education hours	Hour	6,143	6,199	6,107	
	Employees participating in education	Persons	6,143	6,199	6,107	
	Education hours per employee	Hour/persons	1	1	1	
Disability awareness education	Education hours	Hour	6,220	6,133	6,127	
	Employees participating in education	Persons	6,220	6,133	6,127	
	Education hours per employee	Hour/persons	1	1	1	
Ethical management education	Education hours	Hour	4,019	4,274	4,213	
	Employees participating in education	Persons	4,019	4,274	4,213	
	Education hours per employee	Hour/persons	1	1	1	
Information security education	Education hours	Hour	4,519	6,150	5,188	
	Employees participating in education	Persons	4,519	6,150	5,188	Extension of education for all employees from December 2019
	Education hours per employee	Hour/persons	1	1	1	

### Social Contribution

Category	Subject	Unit	2018	2019	2020
Social contribution participation by employees	Total participation hours	Hour	21,318	28,259	24,710
	Total participants	Persons	2,899	4,360	3,567
Donation to Social Contribution	Total donation amount	KRW million	3,199	3,479	3,275



# GRI STANDARDS INDEX

Classification	Disclosure	Page	ISO 26000	SDGs	Note
Organizational Profile	102-1	Name of the organization	12	-	-
	102-2	Activities, brands, products, and services	12-23	-	-
	102-3	Location of headquarters	12	-	-
	102-4	Location of operations	19	-	-
	102-5	Ownership and legal form	12, 66-67	-	-
	102-6	Markets served	19	-	-
	102-7	Scale of the organization	12, 19	6.3.10/6.4.1-6.4.2/6.4.3/6.4.4/6.4.5/6.8.5/7.8	-
	102-8	Information on employees and other workers	12, 54	-	SDG 8,10
	102-9	Supply chain	64-65	-	-
	102-10	Significant changes to the organization and its supply chain	64-65	-	-
	102-11	Precautionary Principle or approach	72-73	-	-
	102-12	External initiatives	81, 85	-	-
	102-13	Membership of associations	84	-	-
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	72, 86	4.4/6.6.3	SDG 16
Governance	102-18	Governance structure	66-67	6.2/7.4.3/7.7.5	-
Stakeholder Engagement	102-40	List of stakeholder groups	27	-	-
	102-41	Collective bargaining agreements	-	-	SDG 8
	102-42	Identifying and selecting stakeholders	27	5.3	-
	102-43	Approach to stakeholder engagement	27	-	-
	102-44	Key topics and concerns raised	27	-	-
Reporting Practice	102-45	Entities included in the consolidated financial statements	-	-	Refer to the 2020 business report
	102-46	Defining report content and topic Boundaries	28-29	-	-
	102-47	List of material topics	28-29	-	-
	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	5.2/7.3.2/7.3.3/7.3.4	-
	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	81-82	-	-
102-56	External assurance	88-89	-	-	
Management Approach	103-1	Explanation of the material topic and its Boundary	28-29	6/7.3.1/7.4.3/7.7.3/7.7.5	-
	103-2	The management approach and its components	31, 36, 42	6.3.6/6.6.1-6.6.2/6.8.1-6.8.2	-



# GRI STANDARDS INDEX

Classification	Disclosure	Page	ISO 26000	SDGs	Note
Economic Performance	201-1	Direct economic value generated and distributed	76	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	32-35	6.5.5	SDG 13
Indirect Economic Impacts	203-2	Significant indirect economic impacts	43-47, 64-65	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	68-70	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	68-70		SDG 16
Energy	302-1	Energy consumption within the organization	77	6.5.4/6.5.5	SDG 7,8,12,13
	302-3	Energy intensity	77		SDG 7,8,12,13
	302-4	Reduction of energy consumption	32, 77		SDG 7,8,12,13
	302-5	Reductions in energy requirements of products and services	32, 77		SDG 7,8,12,13
Water and Effluents	303-5	Water consumption	77	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	53	6.5.6	SDG 6,14,15
	304-2	Significant impacts of activities, products, and services on biodiversity	53		SDG 6,14,15
	304-3	Habitats protected or restored	53		SDG 6,14,15
Emissions	305-1	Direct (Scope 1) GHG emissions	32, 77	6.5.3/6.5.5	SDG 3,12,13,14,15
	305-2	Energy indirect (Scope 2) GHG emissions	32, 77		SDG 3,12,13,14,15
	305-4	GHG emissions intensity	32, 77		SDG 13,14,15
	305-5	Reduction of GHG emissions	32, 77		SDG 13,14,15
Waste	306-2	Management of significant waste-related impacts	53, 77	6.5.3/6.5.4	SDG 3,6,11,12
	306-3	Waste generated	53, 77		SDG 3,11,12
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	-	-	SDG 16
Employment	401-1	New employee hires and employee turnover	54, 78	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	55, 79		SDG 3,5,8
	401-3	Parental leave	79		SDG 5,8
Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	79	6.4.6/6.8.8	SDG 8
	403-9	Work-related injuries	79		SDG 3,8,16
	403-10	Work-related ill health	79		SDG 3,8,16
Training and Education	404-1	Average hours of training per year per employee	80	6.4.7	SDG 4,5,8,10
	404-3	Percentage of employees receiving regular performance and career development reviews	80		SDG 5,8,10
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	55, 78	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	55		SDG 5,8,10
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	71	6.3.5./6.3.6	-
	412-2	Employee training on human rights policies or procedures	71		-
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	58-60	6.3.9/6.5.1-6.5.2/6.5.3/6.8	-
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	64	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	SDG 5,8,16
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	37-41	6.7.1-6.7.2/6.7.4/6.7.5/6.8.8	-
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
	417-3	Incidents of non-compliance concerning marketing communications	-		SDG 16
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	63	6.7.1-6.7.2, 6.7.7	No complaint cases



# SASB INDEX

Topic	Category	Unit	2020 CJ Logistics Response
Greenhouse Gas Emission	Quantitative	Gross global Scope 1 emissions	tCO <sub>2</sub> -eq 123,198.785
	Discussion and Analysis	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	- CJ Logistics is continuously managing its GHG emissions in order to achieve its GHG emissions reduction targets, thereby fulfilling corporate environmental responsibilities. Our strategy to reduce greenhouse gas emissions is as follows. 1) Set a goal to reduce greenhouse gas emissions by 4% by 2025 across all ground operations worldwide with support targets for fuel, energy and alternative vehicles. 2) Create overall network and delivery efficiency beyond mile/fuel reduction by utilizing operational improvements through various eco-friendly technologies 3) Introduce electric vehicles first to parcel delivery vehicles, then expand to freight trucks to reduce the ratio of existing fuel, and launch hydrogen vehicle for mid- to long-term
	Quantitative	Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable	GJ, % (1) No use of renewable energy by road transport (2) No replacement rate for air transportation
Air Quality	Quantitative	Air emissions of the following pollutants: (1) NOx (2) SOx, and (3) particulate matter (PM10)	ton Not reported
Labor Practices	Quantitative	Percentage of drivers classified as independent contractors	% Not reported
	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	KRW million Not reported
Employee Health & Safety	Quantitative	Employee industrial accident rate	% 0.25
Supply Chain Management	Quantitative	Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold	% Not reported
	Quantitative	Total greenhouse gas (GHG) footprint across transport modes	tCO <sub>2</sub> -eq Total fossil fuels used in transport 119,641
Accident & Safety Management	Discussion and Analysis	Description of implementation and outcomes of a Safety Management System	- CJ Logistics has established safety and health management regulations based on the Occupational Safety and Health Act to implement safety and health management through compliance with the laws. Based on ISO 45001 (Safety and Health Management System), we are carrying out safety and health activities for a variety of items through manuals, procedures and guidelines, and we are striving to create a culture of health and safety for our employees. 1) Diagnose the workplace's safety and health management capabilities through SHE Audit and seek upward levelling 2) Conduct systematic safety and health management based on the PDCA Cycle through manuals, procedures and guidelines 3) Identify risks and implement improvement measures through risk assessment and inspection for unsafe behavior and conditions 4) Implement various activities to prevent accidents in practice and to create a safety culture through the establishment of a safety and health management organization and system
	Quantitative	Number of aviation accidents	Case 0 case
	Quantitative	Number of road accidents and incidents	Case Not reported
	Quantitative	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 reported

# AWARDS & ASSOCIATION MEMBERSHIP

## Major Awards

**‘2020 Korea Volunteer Awards’  
Korea United Nations Volunteer Corps  
2020**

**Ranked 1st in ‘Most Admired Company’ for  
8 consecutive years, KMAC (Korea  
Management Association Consulting)  
2020**

**Ranked 1st in “National Brand  
Competitiveness” for 9 consecutive years,  
KPC (Korea Productivity Center)  
2020**

## Awards & Certifications

Awards					
2018.07	UN SDGs(Sustainable Development Goals) UN SDG Action Award	Association for Supporting the SDGs for the UN	2020.02	Ranked 1 <sup>st</sup> in Korea’s Most Admired Corporate in Total Logistics Service	Korea Management Association Consulting
2018.12	This Year’s App 2018	Contents Management Society, Maeil Business Newspaper	2020.03	Ranked 1 <sup>st</sup> in Korea’s brand power parcel service category	Korea Management Association Consulting
2018.11	2018 Seoul CSR Award	Seoul Metropolitan Government, Seoul Welfare Foundation	2020.03	Ranked 1 <sup>st</sup> in Korea’s brand star delivery service category	Brand Stock
2019.02	Ranked 1 <sup>st</sup> in Korea’s Most Admired Company in Total Logistics Service	Korea Management Association Consulting	2020.09	National Brand Competitiveness Index, 1 <sup>st</sup> place in personal delivery	Korea Productivity Center
2019.06	Grand Prize for Korea-China Economic Cooperation	Korea-China-Private Economic Cooperation Forum	2020.10	Ranked 1 <sup>st</sup> in the parcel service sector in the Korean Service Quality Index	Korea Standards Association
2019.09	National Brand Competitiveness Index, 1 <sup>st</sup> place in personal parcel delivery service	Korea Productivity Center	2020.10	Selected as a Korean Highest Brand	Brand Stock
2019.10	Ranked 1 <sup>st</sup> in the parcel service sector in the Korean Service Quality Index	Korea Standards Association	2020.12	1 <sup>st</sup> in the parcel delivery service category, the most recommended by customers	Korea Management Association Consulting
2019.10	2019 14 <sup>th</sup> Korea Robot Awards Prime Minister Citation	Ministry of Trade, Industry and Energy, Financial News, Korea Robot Industry Association	2020.12	2020 Korea Volunteer Awards	Korea United Nations Volunteer Corps
2019.12	1 <sup>st</sup> in the parcel delivery service category, the most recommended by customers	Korea Management Association Consulting			
Certifications					
2018.06	Maintained AEO (Customs Clearance Handling Corporation Sector) certification	Korea Customs Service	2019.05	Obtain 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 (Bonded Transportation) Certification	Korea Customs Service	2019.06	Certification of ISO45001 (Safety and Health Management System) in CANADA	TUV-NORD
2018.06	Maintained AEO (Bonded Area Operator) Certification	Korea Customs Service	2019.06	UAE Abu Dhabi Corporate ISO9001 (Quality Management System) Certificate maintained	
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	Maintaining CANADA corporate ISO9001 (Quality Management System) certification	
2018.11	Maintained AEO (Stevedoring Sector) Certification	Korea Customs Service	2019.06	Maintain certification of the USA Corporate ISO9001 (Quality Management System)System)	
2018.11	Maintained Certification of ISO 9001 (Quality Management System)		2019.06	Maintaining Certification for Outstanding Logistics Companies	Ministry of Land, Infrastructure and Transport
2018.11	Maintained SB certification of AEO (Bonded Area Operator)	Korea Customs Service	2019.11	Certification of ISO 27001 (Information Security)	DQS GmbH
2018.11	Maintained BND certification of AEO (Bonded Area Operator)	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			

# GLOBAL INITIATIVE

## UN Global Compact

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

### 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	<ul style="list-style-type: none"> <li>CJ Logistics supports and adheres to international human rights declarations such as the UNGC Principles for Enhancing Women's Capacity (WEPs).</li> <li>We provide sexual harassment prevention education for all employees (office and technical workers)</li> </ul>	71, 80, 86
	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;	<ul style="list-style-type: none"> <li>Operation of Labor-Management Council</li> </ul>	57
	4. The elimination of all forms of forced and compulsory labour;	<ul style="list-style-type: none"> <li>Comply with child labor and forced labor regulations of International Labor Organization (ILO)</li> <li>Comply with Korean labor standards</li> </ul>	86
	5. the effective abolition of child labour; and		
	6. The elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>Performance Evaluation and Compensation based on job performance</li> <li>Protect victims of sexual harassment by operating a confidential internal reporting system</li> </ul>	57, 79
Environment	7. Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> <li>Acquired and maintained company-wide environmental management system certification (ISO14001)</li> <li>Implemented greenhouse gas and energy target management system through the greenhouse gas management system</li> </ul>	32~35
	8. Undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> <li>Conduct eco-driving training for improving driving habits, which can cause overconsumption of energy</li> <li>Reduce CO2 emissions by utilizing electricity in operating golf Carts</li> <li>Implement GHG emission reduction activities with the "agreement for creating a carbon offset wood energy forest"</li> <li>Support and transport eco-friendly wood pellets, which are produced in the energy forest along abandoned roads, to welfare facilities</li> <li>Conduct urban greening project and ecological experience education for children in local child centers</li> <li>Acquired the certificate of sustainable golf course from the Golf Environment Organization (GEO)</li> </ul>	32~33
	9. Encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> <li>Realize eco-friendly logistics through a modal shift</li> </ul>	33
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> <li>Operate fair trade compliance program</li> <li>Introduce and operate the win-win coordination committee</li> <li>Introduce and operate the social contribution committee</li> </ul>	64~65

# GLOBAL INITIATIVE

## CJ Logistics' Declaration of Human Rights

At CJ Logistics, we are committed to fulfilling our corporate social responsibility based on our founding principle “Business that benefits society” in addition to the economic performance achieved through creativity and innovation.

We joined the UNGC (United Nations Global Compact) and declared our support for the ten principles in the four areas of Human Rights, Labor, Environment, and Anti-corruption. We also signed the WEPEs (Women's Empowerment Principle) to declare our compliance with the global human-rights standards.

Based on the global declaration of human rights, we prevent any discrimination based on employees' gender, race, religion, color, age, or nationality, and prohibit unfair labor practices such as forced labor and child labor. Furthermore, we conduct training on a regular basis to create a safe and healthy work environment and to prevent industrial disasters. We will continue to raise awareness and ensure that our suppliers and business partners support this initiative as well.

To prevent violation of human rights and to resolve any issues raised by customers, we established various communication channels including CJ Whistle, Tong Tong Tong, Onsite HR Service, Round Table, Customer Hotline and Online VOC.

With our strong commitment to human rights and respect for personal dignity, we will continue to fulfill our social responsibility as a corporate citizen and pave the way for a brighter future.

April, 2021  
CEO of CJ Logistics  
**Sin Ho Kang**

# GHG-ENERGY VERIFICATION STATEMENT



## INDEPENDENT VERIFICATION STATEMENT

### CJ Logistics Co., Ltd.

**INTRODUCTION** CJ Logistics Co., Ltd. implements annual MRV based on standards including ISO 14064 to comply with the GHG reduction target of Kyoto protocol. KMR confirms the verification results of 2020 as below.

- SCOPE**
- Organizational boundary : then whole business under control of the organization
  - Verification object workplaces :
    - Seoul headquarters and workplaces
  - Reporting period : Calendar year of 2020.
  - Reporting greenhouse gas : CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>
  - Type of emission : Direct Emissions (Scope 1), Indirect Emissions (Scope 2)
  - The level of assurance : Reasonable assurance (materiality threshold : ±5.0%)

- STANDARDS**
- ISO 14064-1 (2006), ISO 14064-3 (2006), WRI/WBCSD GHG Protocol (2004)
  - Verification guidelines for Emission Trading Scheme / Target Management Scheme (MOE)
  - KMR GHG & energy verification manual and procedure, IPCC Guidelines (2006)

**RESULTS**

GHG Emission	Scope 1	Scope 2	Total (tCO <sub>2</sub> e/eq)	
2020	123,199	103,993	227,176	
Energy Consumption	Fuel	Electricity	Steam	Total (t)
2020	1,758	2,141	0	3,899

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

March 31st, 2021  
Korea Management Registrar

Authorized By *E. J. Hwang*  
CEO Eun Ju Hwang



# INDEPENDENT ASSURANCE STATEMENT

To readers of CJ Logistics Sustainability Report 2019-2020

## Introduction

Korea Management Registrar (KMR) was commissioned by CJ Logistics to conduct an independent assurance of its Sustainability Report 2019-2020 (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. We also confirmed that the report was prepared in accordance with the TCFD recommendations and SASB.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
  - Management approach
  - Economic Performance: 201-1, 201-2
  - Energy: 302-1, 302-3, 302-4, 302-5

- Emissions: 305-1, 305-2, 305-4, 305-5
- Occupational Health and Safety: 403-2, 403-9, 403-10
- SASB Sustainability Disclosure Topics & Accounting Metrics
- TCFD recommendations

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:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- 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.

# INDEPENDENT ASSURANCE STATEMENT

## 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. We recommend that it develop models for measuring social values considering its business characteristics to increase the effectiveness of CSR activities and continuously enhance the sustainability management system.

## 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.

April 2021 Seoul, Korea



CEO *E. J. Hwang*

