

## [Response to BHRRC Company Questionnaire]

1. What is CJ's process for confirming suppliers' compliance with its Supplier Code of Conduct? What is the compliance rate for solar salt (천일염) suppliers? What is the standard protocol when a supplier is non-compliant?
  - CJ CheilJedang ("CJCJ") standard contract specifies suppliers to comply with the Supplier Code of Conduct, which covers quality, safety, financial soundness, human rights, environment, and anti-corruption, to assess the sustainability factor when selecting and evaluating suppliers. We also have the Supplier Code of Conduct Guidelines to prompt suppliers' self-improvement.
  - CJCJ has a selective list of key suppliers, chosen based on factors such as transaction volume, substitutability, and sustainability. Key suppliers perform self-assessments to confirm their compliance with the Supplier Code of Conduct. Based on the result, if there are any suppliers that are at-risk, we will perform a due diligence and remediate the issue.
  - However, none of CJCJ's solar salt suppliers are key suppliers, and there were no new suppliers onboarded in the past 10 years. (Portion of amount used to buy solar salt against total purchasing: 0.2%)
  - If a supplier is in violation of the Supplier Code of Conduct, we penalize such supplier based on the severity of the issue, and give them time to rectify the situation. If no improvements are made, we terminate the contract.
  
2. Does CJ own salt farms (염전) that are leased or directly operated by the company for harvesting solar salt?
  - CJCJ currently does not lease or directly manage any solar salt farms.
  
3. In March 2014, JTBC's report on forced labor in Shinan-gun's salt farms revealed that four of the perpetrators were CJ's suppliers as well as shareholders of CJ's solar salt subsidiary (신의도천일염). In the same broadcast, CJ provided a statement that it was difficult to monitor individual salt farms and that it was considering suspending its purchase agreement with the perpetrators. What was CJ's ultimate decision regarding the four forced labor perpetrators within its supply chain?
  - In March 2014, CJCJ suspended the purchase agreement with the four perpetrators that JTBC reported on.
  
4. Do any of the four perpetrators or their family members still serve as suppliers for CJ or shareholders of CJ's solar salt subsidiary?
  - Law enforcements on three of four perpetrators who were reported by JTBC have been already executed, and those three people are currently the shareholders of Sinuido Solar Salt Corporation.
  - Korean law does not impose restrictions on shareholder qualifications, making it impossible for CJCJ to put any restrictions on the qualifications of shareholders at Sinuido Solar Salt Corporation.

- However, CJCJ is aware of the seriousness of the issue and to prevent recurrence, we conduct regular assessments together with Shinan-gun local authorities to detect signs of forced labor at salt farms.
5. Following the 2014 incidents, what concrete steps were taken each year to preemptively identify, prevent, and respond to human rights violations (including forced labor) in CJ's solar salt supply chain? If there is a due diligence/monitoring system used for salt farms, please provide a detailed description including the method, frequency, and result of such assessment.
- The local authorities in Shinan-gun, Jeollanam-do have been working to preemptively detect and fix human rights violations in the solar salt supply chain. In November 2021, the region designated dedicated public officials for a special management on salt farm workers. As of 2021, out of a total of 750 salt farms in Shinan-gun, there are 80 farms that hire 114 full-time employees, all of whom are in scope for the monthly inspection as well as random inspections.
  - CJCJ is responding to human rights issues together with the local government. There have been no new cases of human rights violations involving CJCJ suppliers since November 2021. Shinan-gun has strict preventative measures against human rights violations at salt farms. It is a three-strike policy: once, one-year suspension of the salt farm; twice, the permit for the leased lot revoked; and third, the entire permit revoked. Based on this measure, out of the 55 salt farms owned by Taepyung Salt Farm, three salt farms have been suspended for one year due to human rights violation.
6. CJ's 2021 Sustainability Report indicates that the company conducted human rights impact assessments at 15 domestic sites along with the manufacturing sites of its affiliates. Two issues specifically targeted were forced labor and humane treatment of employees. Has there been a human rights impact assessment on CJ's solar salt operation? If so, please provide the assessment report.
- CJCJ began its human rights management in 2021, conducting its first human rights impact assessment on a total of 15 domestic sites and subsidiaries, which did not include Sinuido Solar Salt Corporation. We are currently expanding the scope of our due diligence, and plan to include the solar salt supply chain, considering the seriousness of the issue.
7. Does CJ procure solar salt from individuals and companies other than the shareholders of its solar salt subsidiary? If so, what human rights assessment is conducted when screening new suppliers or renewing existing supply agreements?
- CJCJ procures solar salt from Sinuido Solar Salt Corporation, a subsidiary, and Youngjin Green Foods. The raw salt supplied by Youngjin Green Foods is manufactured by Bigum Nonghyup, which is managed by National Agricultural Cooperative Federation (Nonghyup).

- Supplier Code of Conduct is specified in all standard contracts signed by new and existing suppliers. We verify suppliers' resolve to managing human rights risks and search for ways to provide support, so that minimum human rights protection measures are implemented at the least.
8. To what extent does CJ monitor employment and labor conditions and production methods of individual salt farms within its supply chain?
- CJCJ respects international human rights standards, including the UN Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and UN Convention on the Rights of the Child.
  - CJCJ will monitor the employment and labor conditions within individual salt farms within our supply chain, together with the local government. We are currently developing a monitoring system, to reflect relevant issues in our business management.
9. Is CJ aware of salt farms without employees that supply the company with quantities substantially larger than salt farms with employees? If so, what is the company's understanding of such differences?
- CJCJ currently does business with Youngjin Green Foods that procures all of its raw salt through Nonghyup, and Sinuido Solar Salt Corporation that procures raw salt from shareholders. CJCJ has terminated business transactions with Taepyung Salt in 2018.
10. In 2021, victims of forced labor escaped from the salt farms of Taepyung Salt, strongly signaling that forced labor continues in the Shinan region. Taepyung Salt is known to be a supplier for CJ; as of July 27, 2022, we were able to confirm that CJ still has solar salt products sourced from Taepyung Salt. What steps has CJ taken in response to the recent resurgence of forced labor cases at Taepyung Salt?
- CJCJ has terminated business transactions with Taepyung Salt as of December 31, 2018. The supplier information on the product information was not updated, of which has been updated to Sinuido Solar Salt Corporation.
11. How much solar salt did CJ procure from Taepyung Salt in 2020 and in 2021?
- CJCJ has terminated business transactions with Taepyung Salt as of December 31, 2018.