



🌍 PLANET 🧑 PEOPLE ✨ BUSINESS

## 2021 ESG REPORT

: The Beginning of The Good Impact

## About This Report

### Overview

CJ ENM publishes the first ESG Report to provide a comprehensive picture of our efforts and progress for sustainable management to create a valuable world. Under the subtitle of 'The Beginning of The Good Impact', the report embodies our journey towards Planet- People- and Business-oriented ESG management. The annual ESG Report will serve as a basis where we communicate with our stakeholders in a transparent and active way.

### Period and Scope

The report details our ESG operations and performances from January 1<sup>st</sup>, 2020 to the third quarter of 2021. It contains the recent three years data for quantitative performance to allow the readers to analyze trends by year.

### Principles

The report aligns with the Core Option of GRI(Global Reporting Initiative) Standards, and reflects the ten principles of UNGC(UN Global Compact). Financial data complies with K-IFRS while following SASB(Sustainability Accounting Standards Board) standards fully cover key issues stemming from the nature of industry.

### Data Assurance

Quantitative and qualitative indicators in this report are subject to data assurance. The report has been reviewed by Korea Management Registrar(KMR) to check its compliance with four principles set out in AA1000AP(2018); inclusivity, materiality, responsiveness and impact, and also to assess Global Reporting Initiative(GRI) indicators in terms of credibility and quarelity. The third party assurance reports are available on page 102 and 103.

### Inquiries

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## Navigation



To make it more convenient to access information, below interactive functions are added on the web version of the report.

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CEO LETTER

“Greetings, employees, customers, shareholders and partners joining us in our journey to lead the cultural industry.”

Head of the **Entertainment Division**  
**Kang, Ho Sung**



CEO LETTER

“I convey my gratitude to all stakeholders for supporting our efforts to create the world more valuable.”

Head of the **Commerce Division**  
**Heo, Min Ho**



CJ ENM is driving the growth of Korea's content industry. We deliver content that entertains and resonates with people across the world. With accomplishment as the No.1 company in Korea, we are pressing forward on our journey toward global expansion. CJ ENM set a global trend on the strength of premium IP and high-quality content, encompassing drama series, entertainment shows, music, and film, while raising the competitiveness and profile of K-content worldwide. Going forward, CJ ENM will play a leading role in innovating the entertainment industry for further growth on the strength of outstanding content competitiveness.

Setting 2021 as the first year for sustainable management, CJ ENM has put our mind to bringing ESG management into full swing. We have shaped our ESG management philosophy, 'Creating a More Valuable World with captivating content and brand experiences', pervading through every aspect of our business while fulfilling our responsibilities as a leading player in the entertainment industry and serving our duties as member of the global society. CJ ENM will preserve the environment and bring a virtuous cycle to the eco-system of the industry across all stages of the business ranging from content planning, production to distribution. Efforts will also be made to concentrate the genuine corporate culture where ethics & compliance and human rights are fully respected.

We firmly believe in the power of content as well as its influence on society. CJ ENM envision a society where viewers across the globe talk about a more valuable world, and diversity in our stories are delivered to more people. We are well cognizant that this is the very first value that content and the entertainment industry should create. CJ ENM will put in efforts to connect viewers to the world through the 'Good Impact of Content'.

Starting with this report, we, as corporate citizens, will actively realize the future value and philosophy that underpins our ESG implementation. CJ ENM will work hand in hand with our employees, customers, shareholders, and partners to vault into a global total entertainment company. We look forward to your unwavering support and attention to our journey towards a sustainable future facing challenges head-on with ceaseless innovation.

CEO of CJ ENM  
**Kang, Ho Sung**

CJ ENM announced the goal of 'suggesting a future lifestyle that is an inspiration to society' when launching the integrated brand 'CJ ONSTYLE' in 2021, striving to transform the business structure to a mobile-centric one based on The ONLYONE philosophy. We will continue to bring selective brands, lifestyles, and unique shopping experiences through CJ ONSTYLE, while securing the NO.1 position in the live commerce sector and the top 5 in e-commerce. We will accomplish it by enhancing the live commerce channel as well as the mobile shopping mall specializing in three big categories, including living, fashion, and beauty, tailored to female consumers aged between 35 and 54. CJ ENM will grow further as a trusted commerce company, offering a joyful shopping experience to customers.

CJ ENM makes multi-faceted efforts to lead the global ESG trend. Acknowledging ESG as a new market order and future lifestyle, we have established ESG management goals and strategies while being equipped with mid- to long-term investment plans to mitigate carbon emissions and expand the use of eco-friendly energy. Our 'All Eco Packaging' strategy, set for increasing the use of environmentally friendly packaging, is being applied in greater areas encompassing partner companies besides CJ ENM.

CEO of CJ ENM  
**Heo, Min Ho**

'CJ ONSTYLE's 'value consumption' is at the heart of CJ ENM. It is a clear manifestation of our robust intention to provide a live shopping service that respects not only customers' tastes but also their value. Taking full advantage of the know-how on customer experience management earned through TV home shopping business, we will provide products and services palatable to customer tastes and value. And I promise that we will never stop relenting in these efforts to deliver 'value consumption' in full.

Our customers and stakeholders are the top priority of our entire business. Therefore, we are profoundly grateful for your interest and support. Our investment in creating a Win-Win ESG ecosystem will continue in collaboration with a number of industry partners, and at the same time, we will ceaselessly communicate with more stakeholders for the development of the local community as a corporate member of the society. We will reinvent ourselves as a trend leader in the e-commerce market. It would be highly appreciated if you could encourage and support us through this journey. Thank you.

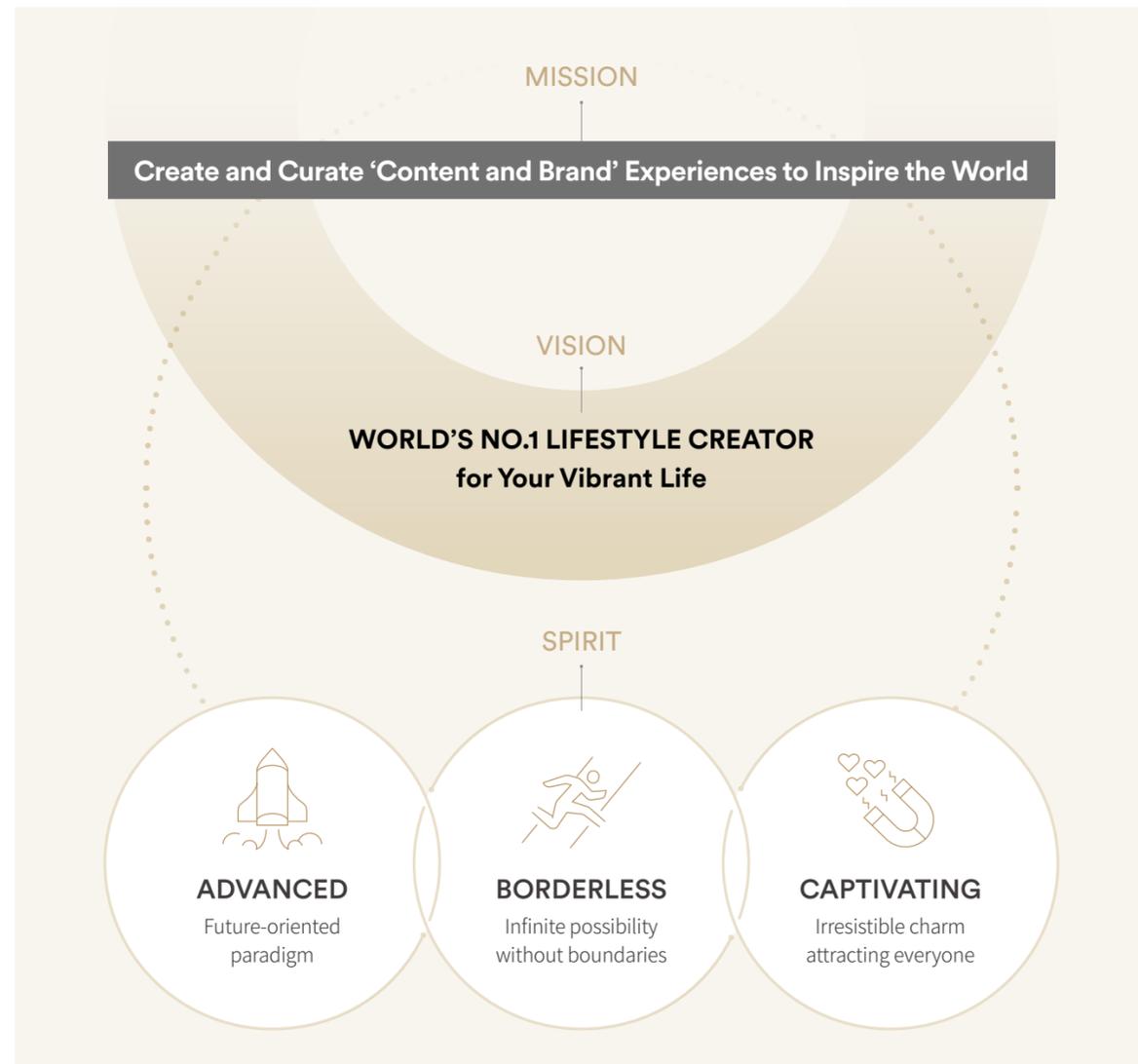
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# CJ ENM VISION & MISSION

CJ ENM seeks to create the lives of the world more exciting and beautiful and to make the Earth sustainable. We are exploring opportunities for innovative growth and bring the best value, focusing on CJ Group's four major growth engines, C.P.W.S(Culture, Platform, Wellness, Sustainability), thereby contributing to a future society. We will vault into a future lifestyle company that designs a new life for people across the globe.



# CJ ENM BUSINESS

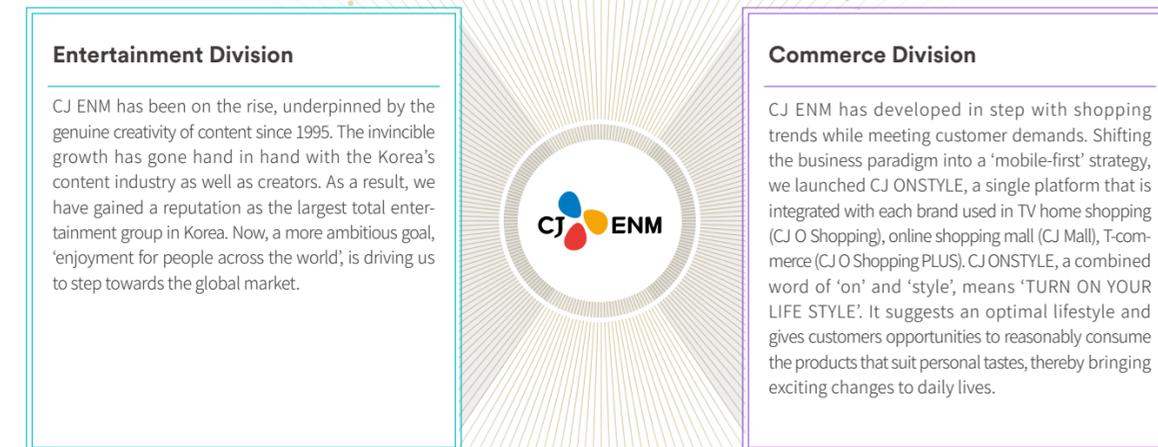
## About CJ ENM

CJ ENM, world's NO.1 lifestyle creator, enriches people's daily lives. We are the first to provide global content-commerce services in Korea on the strength of our top-tier content production and product planning capabilities.

Company Status		* As of September 2021	
<b>Company Name</b> CJ ENM Co., Ltd	<b>Head Office Address</b> 870-13 Gwacheon-daero, Seocho-gu, Seoul, Republic of Korea	<b>Total Assets (KRW mn)</b>	6,935,464
	<b>Sangam Office Building</b> 66, Sangamsan-ro, Mapo-gu, Seoul, Korea	<b>Sales (KRW mn)</b>	2,557,348
<b>Date of Establishment</b> December 16th, 1994	<b>No. of Employees</b> 3,312	<b>Operating Profit (KRW mn)</b>	267,240

## CJ ENM Business Portfolio

CJ ENM consists of two business sectors. 'Entertainment Division' plays a pivotal role in creating and leading cultural trends through our content and platform services. 'Commerce Division' suggests lifestyles palatable to our customers based on a profound understanding and appreciation of them. We create lifestyles that bring enjoyment to people's daily lives.



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# CJ ENM Business Portfolio

## Entertainment: Content

### • Drama · Variety Show

CJ ENM provides distinctive original content that resonates with viewers across the world. Our trend-setting content brings love, laughter, happiness, comfort and catharsis to people. We export formats worldwide and work in partnership with OTT platform providers to deliver our content to overseas markets, thereby expanding our presence on the global stage.

### • Film

CJ ENM has led the history of the Korean film industry. We won four Oscars and also received awards at the Cannes Film Festival, which has led to the raised stature and advancement of Korean films on the global market. Now we are taking a leap forward to become a global film studio beyond Korea.

#### Top Hit Drama Series



#### Top Hit Variety Show

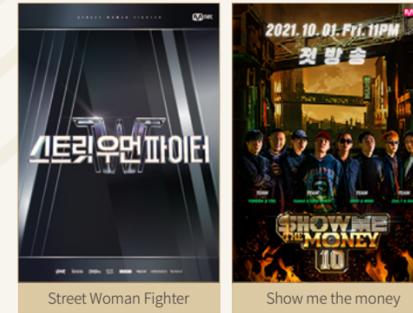


#### Film by 10 Million theatergoers\*

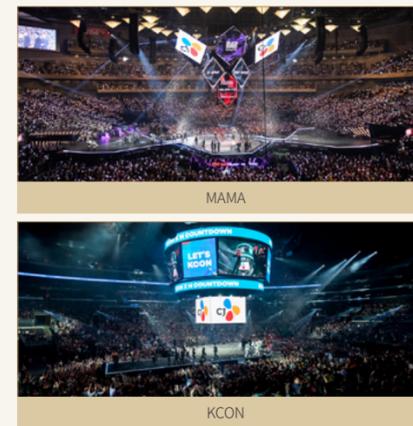


\* As of the end of 2020

#### Top Hit Music Content



#### Global Festival



#### Top Hit Musicals



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### • Music

CJ ENM has led the trends of the music industry, by broadcasting a variety of programs on music channel <Mnet>. Providing global platforms and hosting concerts in Korea and abroad, CJ ENM has set the stage for K-Culture to gain traction across the world, transcending generations, genres, and languages. Furthermore, efforts have been made to bring focus to a variety of music genre artists to deliver vitality and diversity to the K-POP music industry.

<MAMA> — MAMA(The Mnet ASIAN MUSIC AWARDS) is the top annual music awards show in Asia, which is broadcasted live in more than 200 regions around the world. It is also a global music festival where music fans all around the world can celebrate, connect and communicate with each other, regardless of nationality, race or age, through various media including online and mobile platforms.

<KCON> — KCON, known as K-Culture Convention is a mix of Korean wave convention and concert. Starting in 2012 in the U.S., it was held in seven countries including Japan, Thailand, UAE, Mexico, Australia and France. KCON serves as an ambassador of Korean culture, providing great opportunities for people to experience Korean music, foods, fashion and beauty, etc.

### • Musical

CJ ENM is the only official Korean member of the Broadway League(the League of American Theatres and Producers). The release of hit musicals, such as <Kinky Boots> and <Moulin Rouge!> has positioned us as the leading musical production company on the global market.



## CJ ENM Business Portfolio

### Entertainment: Platform

CJ ENM is a leading player in the diversified media industry. Our services cover TV channels, digital and OTT platforms to enable viewers to enjoy the best content anywhere they want through the platform they want.



#### • TVING

TVING is home to a plethora of content. Our viewers can enjoy quality content across a broad range of genres including film, entertainment show, drama, sport and originals anytime anywhere. In addition, we operate the media commerce service, 'TVING Mall', so viewers can make purchases of IP-based products. In the years to come, TVING will expand the presence into global markets including the Americas through the collaboration with partners.



#### • TV Channel

CJ ENM is Korea's NO.1 Multi Program Provider(MPP) with 16 channels encompassing a variety of genres such as drama, entertainment, music, film, and animation. We shape trends with unrivaled content that resonates with all generations.

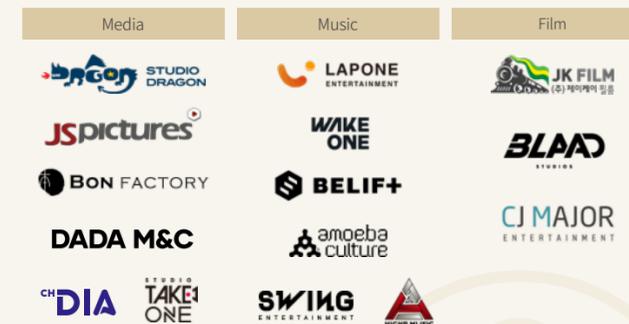
#### Top Hit TVING Originals



#### TV Channel



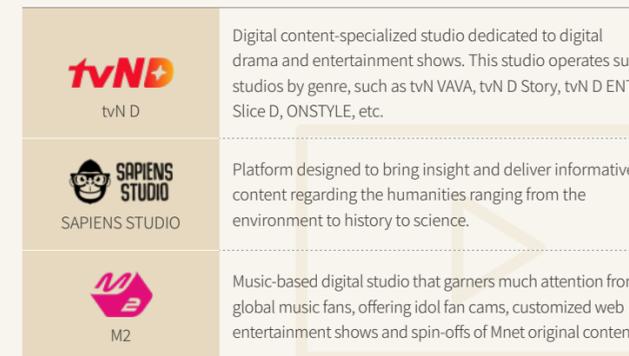
#### Studio & Record Label



#### Top Hit Animations



#### Digital Studio



## CJ ENM Business Portfolio

### Entertainment: Studio

CJ ENM reinforces the capabilities of our key productions to raise diversity and quality of content. We take the lead in supplying various content through the establishment of a multi-studio model in and outside Korea and collaborative works with partner companies. Together with multiple studios in various areas including drama, film, and music, CJ ENM serves as the foundation for expanding Korea's content industry.



#### • Animation

We develop and produce a variety of content for children including animations, entertainment shows and drama series. Our business also encompasses ancillaries such as MD business, musicals, exhibitions, films and games. With competitive content, we expand IP through various OSMU (One Source Multi Use) businesses and broaden global markets including Asia, Europe, South America and North America.



#### • Digital

CJ ENM leads the trend in this field as we operate 300 digital channels encompassing a broad range of genres such as humanities, current affairs, gastronomy trends, reality shows and other subjects. We also have a firm grip on the digital content market with diverse formats and genres including short-form and mid-form. In addition, 'DIA', the largest digital content and influencers' network in Asia, hit 300 million subscribers and established partnerships with 1,400 teams of digital creators across 27 countries.

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# 04 CJ ENM Business Portfolio

Commerce: CJ ONSTYLE

CJ ONSTYLE provides diverse shopping experiences by breaking the boundaries between TV and digital channels, transcending one channel. Customers can enjoy commerce content at any time and place. In addition, CJ ONSTYLE suggests the best optimal lifestyle tailored to a customer's taste based on live commerce for the mobile environment.

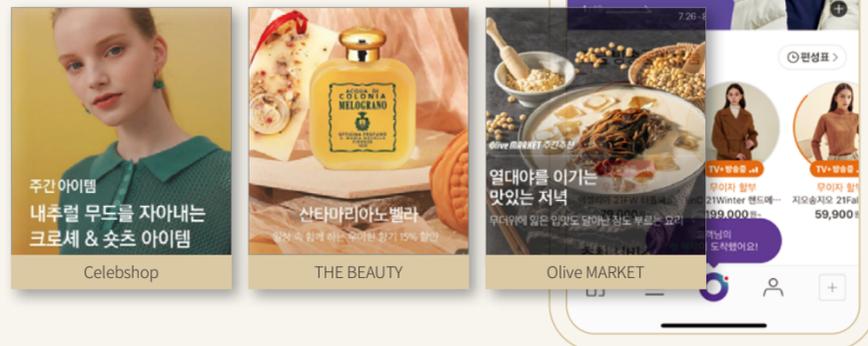


### TV

As the top TV home shopping company, we lead the live video shopping culture. CJ ONSTYLE's live broadcasting channel produces commerce content that promotes the interaction with customers, going beyond product sales. Since 2015, we are also actively engaging in business activities in T-commerce(a commerce via TV) through 'CJ ONSTYLE+'.

### Mobile

As a mobile shopping platform, CJ ONSTYLE curates the optimal product for customers. Specializing in three categories including Celeb Shop(fashion), Olive Market (living), and The Beauty(beauty), we provide a lively shopping experience through mobile live commerce(a commerce combining communication and shopping), streamed since 2017.



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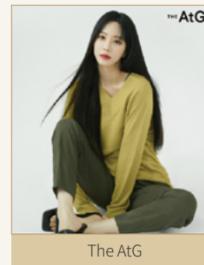
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# 05 CJ ENM Business Portfolio

Commerce: ONLYONE BRAND

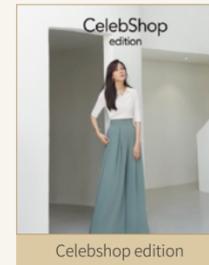
CJ ENM is home to the largest number of exclusive brands in the industry, including Private Brands(PB) managed through the entire process from planning, development to sales and exclusive Licensed Brands(LB) with famous designer brands in and outside Korea. It became the foundation for us to be equipped with unparalleled product competitiveness. A variety of ONLYONE BRAND encompassing fashion, premium food, and kitchenware bring diverse experience to all corners of the daily lives of our customers.

### ONLYONE BRAND - ① Fashion



The AtG

The AtG leads the home shopping fashion business. As a CJ ENM's representative fashion brand enabling various styling from casual to workwear.



Celebshop edition

As a fashion total brand, Celebshop edition has a product lineup of practical and premium clothing. Its collaboration with global luxury material company and designer brands, in particular, has gained great response.



JEAN-MICHEL BASQUIAT

With the theme of New York pop artist JEAN-MICHEL BASQUIAT's work, it is a stylish and functional golf wear using his artistic detail and freewheeling color.



Eddie Bauer

With a license agreement with American outdoor brand, 'Eddie Bauer', it suggests modern sense of outdoor lifestyle that has 100-year heritage.



More

- KARL LAGERFELD PARIS: the first and only brand launched in Korea in collaboration with world-renowned designer 'Karl Lagerfeld'
- g studio: A premium fashion brand in collaboration with Korea's top designer, 'Gee chun-hee'

### ONLYONE BRAND - ② Living & Beauty



odense

It is a brand specializing in kitchenware based on Korea's ceramic craft expertise. The brand was awarded the world's top three design awards, having a varied lineup of products such as furniture and lighting.



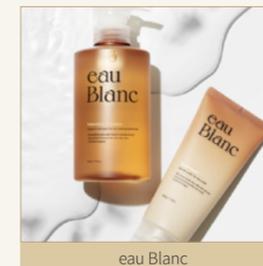
O Daily Nature

O Daily Nature is a nature-centric food brand. Its flagship products include snack and meal replacement that the whole family can easily enjoy.



taylor scents

As a brand specializing in premium fragrance, it has a variety of product lineup including niche perfumes and room sprays to lead the fragrance market. Particularly, taylor scents' hotel diffuser line only uses ingredient made in France, setting a new standard of fragrance interior.



eau Blanc

It produces cosmetic products without animal ingredients, using nature-derived and eco-friendly ingredients. It enables consumers to consume in an eco-friendly and ethical way, and the effort received positive response.



# HISTORY OF CJ ENM

Entertainment

## No Culture, No Country

CJ ENM has been leading the cultural content industry in Korea through the inheritance of the philosophy of Lee Byung-Chul, founder of the CJ Group, that there is no country without culture. We are leading the globalization of Korean culture and offer fun and excitement to audiences from all over the world by providing various content.

Commerce

## Live Shopping Platform, CJ ONSTYLE

In line with the changes of the media environment in which there is no more boundary between TV and mobile, CJ ENM launched the mobile-driven platform, 'CJ ONSTYLE' by integrating 'CJ O Shopping', a TV home shopping channel and 'CJ Mall', an online shopping mall. On the basis of our ever-evolving competitive edge in merchandising and live commerce optimized for mobile, CJ ONSTYLE offers more vivid and lively shopping experience to customers.

## 1990s

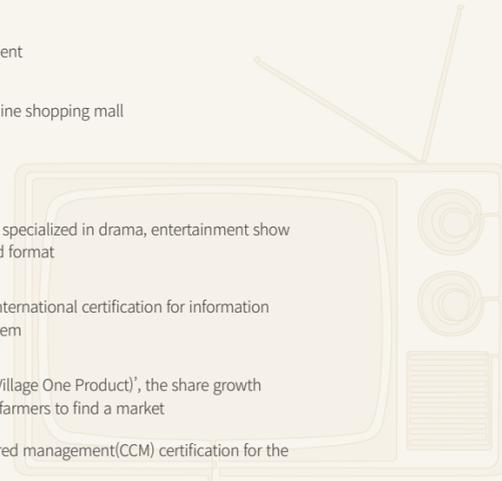
- 1995 Newly established CJ CheilJedang multimedia business, attracted investment from DreamWorks SKG
- 1995 Launched Korea's first TV home shopping

## 2000s

- 2000 Established CJ Entertainment
- 2001 Launched 'CJ Mall', an online shopping mall
- 2002 Established CJ Media
- 2006 Launched 'tvN', a channel specialized in drama, entertainment show and non-scripted · scripted format
- 2006 Acquired 'ISO 27001', an international certification for information security management system
- 2007 Launched 'CJ OVOP(One Village One Product)', the share growth program supporting local farmers to find a market
- 2009 Renamed company and channel as 'CJ O Shopping'

## 2010s

- 2010 Hosted the first global annual music awards show <MAMA>
- 2011 Established CJ E&M
- 2012 Hosted the first <KCON>, the biggest K-Culture convention in the world, at Irvine United States
- 2012 Provided a sign language consultation service for the first time in TV home shopping and online shopping mall businesses
- 2013 Established a foundation for raising competency and entering into global market
- The first globally co-produced musical, <Kinky Boots> won 6 awards at Tony Awards
- Korea's first global project, <Snowpiercer> was exported to 167 countries



Welcome to CJ ENM CENTER



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## 2020s

- 2014 Achievements in and outside the Korean market  
Film, <The Admiral: Roaring Currents> and <Ode to My Father> hit the historic box office records in Korea  
tvN exported <Grandpas over Flowers> format to a major US broadcast network, NBC  
Musical <Kinky Boots> received 'Best Musical Theater Album' at the 56th Grammy Awards  
Became the official member of 'Broadway League' for the first time as a Korean company
- Built MCN business partnership with Google Youtube
- Launched MCN content and digital business
- 2015 Expanded digital short-form and digital advertising
- Continued global sensation based on content planning and production capabilities
- Musical <Kinky Boots> made its debut in West End production in the U.K.
- A Chinese remake of <Twenty Once Again> hit the highest rank in box office among the same genre, a Vietnamese remake broke the top rank box office record
- 2015 Launched T-commerce channel 'CJ O Shopping PLUS'
- 2016 Divided the Drama business and established 'STUDIO DRAGON'
- Opened O'pen Center as CSV project to discover and train new creators
- <Rainbow Ruby>, the first animation character to become the ambassador of the Girls' Education Global Campaign of UNESCO
- 2016 Acquired consumer-centered management(CCM) for 10 consecutive years
- Launched 'Shock Live', a channel dedicated to a mobile livestream service
- 2018 Merger of CJ E&M and CJ O Shopping, renamed as CJ ENM
- Tooniverse channel, selected as an 'excellent broadcaster for disabled children' and received a citation by the Korea Communications Commission
- 2019 Signed a content distribution · production partnership with Netflix
- <KCON> attracted total viewers of 10 million, leading the globalization of K-lifestyle
- Established 'BELIFT LAB', a joint venture with HYBE
- 2019 Signed a business agreement with the Ministry of Environment for reducing packaging materials for distribution
- Took the first place in TV home shopping and online shopping mall sectors in the National Customer Satisfaction Index(NCSI)
- Received a presidential citation for excellent company from consumer-centered management(CCM)

- 2020 "Well-made content means global" K-content leading the world beyond Asia  
Film <PARASITE> won four Academy Awards  
Musical <Moulin Rouge!> won America's big three theater awards  
The U.S. remake of Mnet format <I Can See Your Voice> aired on FOX  
tvN <Crash Landing on You> hit the highest ever record in the national rating

OTT platform <TVING> separated as an independent entity



- 2020 Signed a business contract for 'supporting with finding sales channels for SMEs and small business owners' as a win-win effort in collaboration with the Ministry of SMEs and Startups and the Korea Foundation for Cooperation of Large&Small Business, Rural Affairs

Recognized as an excellent company for 'eco-friendly technology promotion 2020' by the Ministry of Environment

Received the 'hall of fame Fair Trade Commission chair citation' from consumer-centered management(CCM)

- 2021 Founded the ESG Committee

Launched CJ ONSTYLE, a curated live shopping platform



Produced TVING original content and increase in the number of subscribers

Musical <Moulin Rouge!> won 10 awards including Best Musical at Tony Awards

Acquired 'ISO 37031', a certification for compliance management system

Acquired US-based global premium content studio, Endeavor Content



# ESG Foundations

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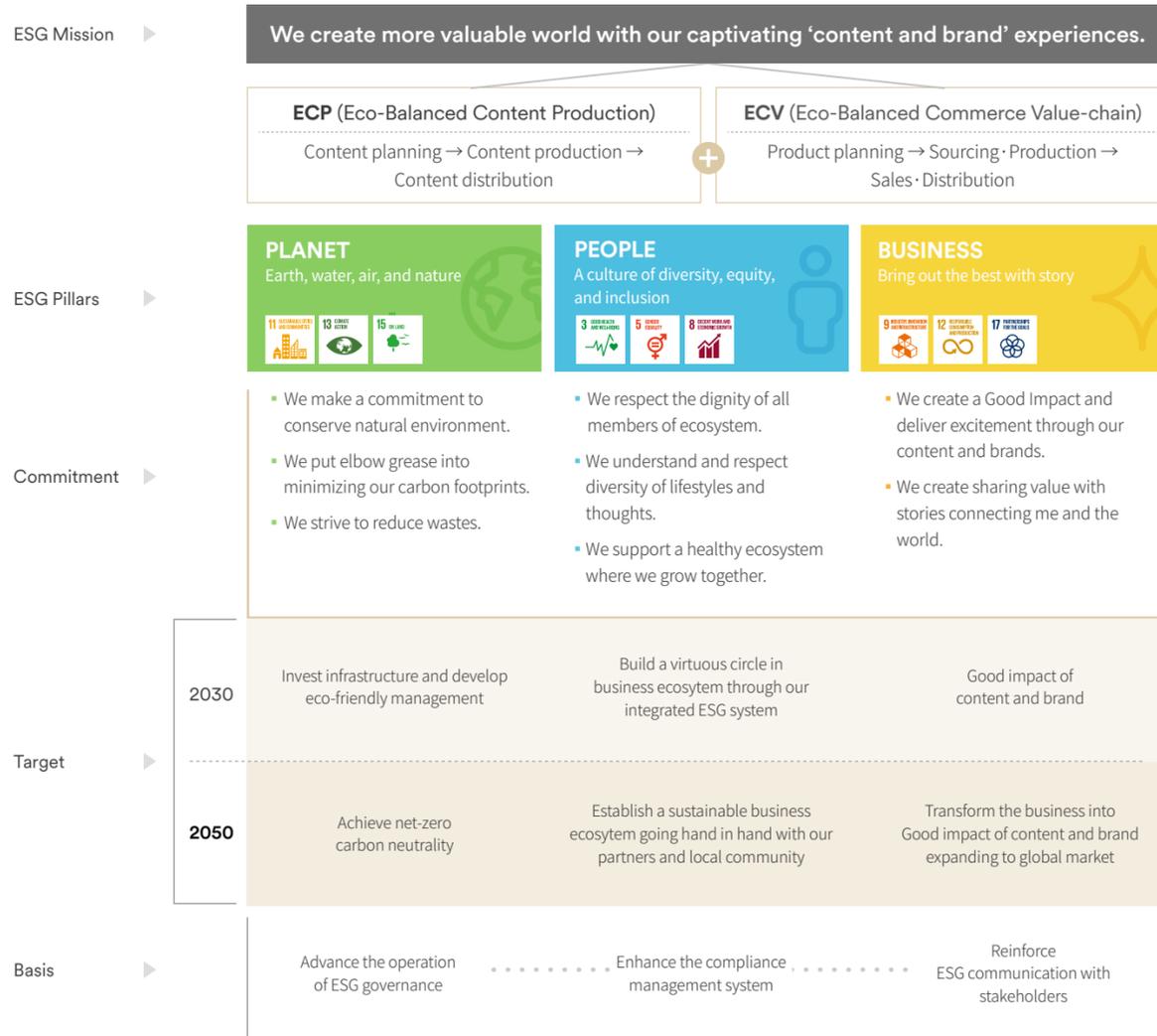
**ESG Disclosure**

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# ESG FOUNDATIONS

## ESG Placement

CJ ENM builds an implementation framework for effective ESG management, vaulting into a company that brings positive changes to the environment and the ecosystem of the industry. ESG implementation philosophy complies with global standards and guidelines and goes hand in hand with local and global communities as a responsible corporate citizen.



## ESG Organization

Aiming to grow into a sustainable corporation, CJ ENM set up a system fully dedicated to ESG management. We newly established the ESG Committee under the Board of Directors(BOD) as the highest decision-making body related to ESG management. The ESG Executive Consultation Group and the ESG Working Group were also set to organize the systematic execution.

The ESG Committee takes an integral role in responding to changes in the management environment and setting the mid- to long-term directions in ESG strategy to develop environmental and business ecosystem. The ESG Executive Consultation Group establishes and performs mid- to long-term ESG management plans while reviewing various agendas, followed by reporting major issues to the ESG Committee. The ESG Working Group delivers ESG strategies related to its businesses while executing business-related ESG activities.



## ESG Committee Operation

With the purpose of enhancing ESG management, CJ ENM newly established the ESG Committee that deliberates and resolves ESG strategies and policies. The ESG Committee consists of three outside directors and two in-house directors considering their expertise in areas including industry, compliance, and policy. It oversees mid- to long-term ESG strategies and business directions while deliberating and resolving the issues in regard to the environment, society, and governance as well as ESG-related major agendas.

ESG Committee Members					
	Outside Director			In-house Director	
<b>Name</b>	MIN, YOUNG	CHOI, JOONG KYUNG	HAN, SANG DAE	KANG, HO SUNG	HEO, MIN HO
<b>Position</b>	Chair of the ESG Committee	(concurrent) Chair of the Audit Committee	-	CEO of CJ ENM (Entertainment Div.)	CEO of CJ ENM (Commerce Div.)
<b>Key Profile</b>	<ul style="list-style-type: none"> <li>Professor of Media &amp; Communication school, Korea University</li> <li>Research Fellow of Humanities &amp; Social Sciences, National Research Foundation of Korea</li> <li>Press arbitrator, Press Arbitration Commission</li> <li>Advisory Committee, Journalists Association of Korea</li> </ul>	<ul style="list-style-type: none"> <li>President of the Korea Certified Public Accountants Association</li> <li>Chair-professor at Graduate School of Public Administration, Korea University</li> <li>Minister of Knowledge Economy</li> </ul>	<ul style="list-style-type: none"> <li>HAN, SANG DAE Law firm</li> <li>Director of the Seoul Central District Prosecutor's Office</li> <li>Prosecutor General of the Supreme Public Prosecutor's Office</li> </ul>	<ul style="list-style-type: none"> <li>COO, CJ ENM Entertainment Div.</li> <li>COO, Legal Affairs Executive VP of CJ Corp</li> <li>Partner attorney, Law firm Lee&amp;Ko</li> <li>Adjunct professor, Law school of Ewha Womans University</li> </ul>	<ul style="list-style-type: none"> <li>CEO, Olive Young of CJ Olive Networks</li> <li>CEO, CJ Olive Young</li> <li>Executive VP, Donghwa Duty Free</li> </ul>
<b>Expertise</b>	Media industry and social science	Finance and administrative system	Law and compliance	Business and overall management	Business and overall management

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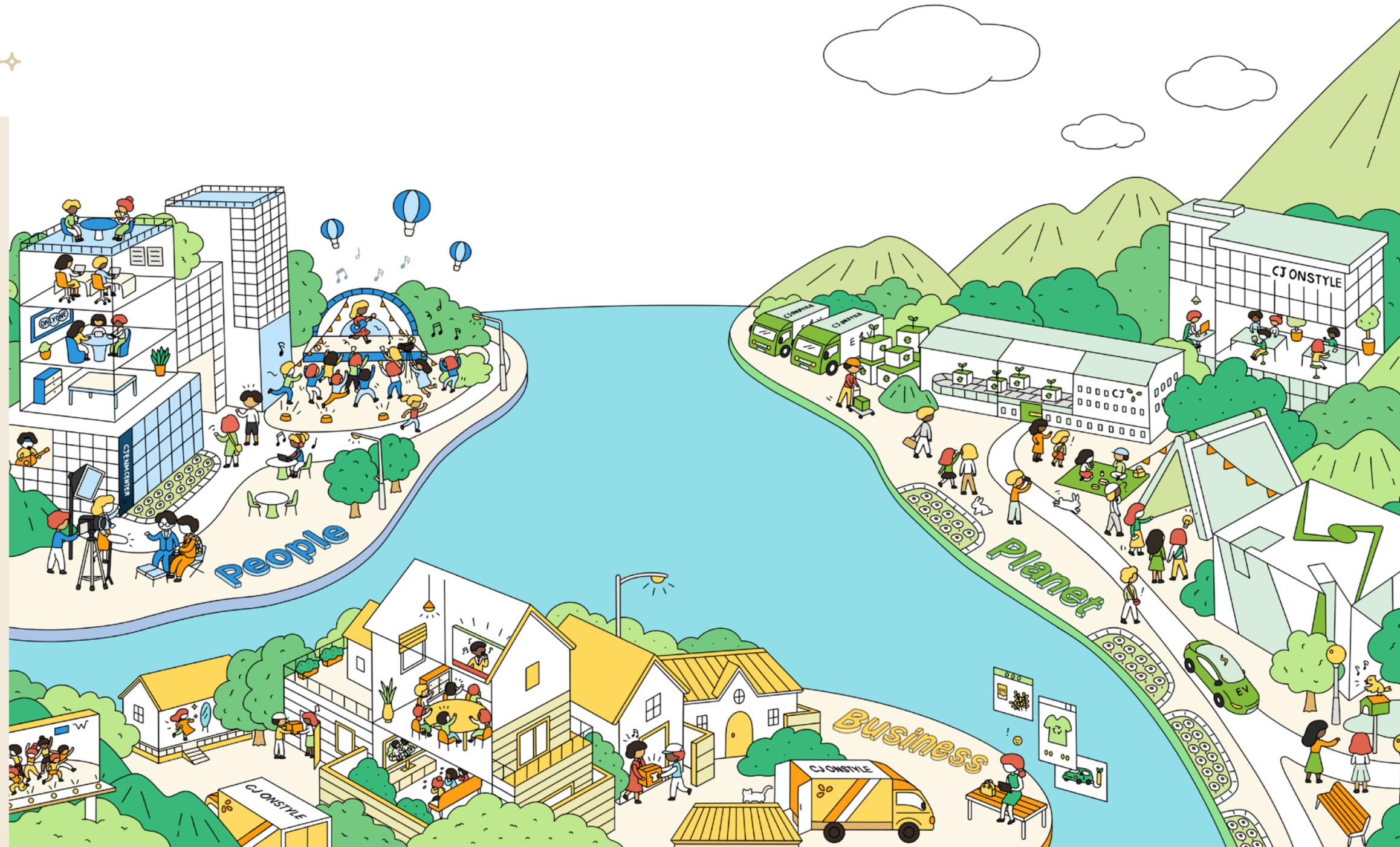
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## ECP·ECV ROADMAP

CJ ENM offers an attractive 'content and brand' experience on the foundation of our ESG philosophy, thereby creating more values in the world.

With an objective of nurturing a business ecosystem in a balanced manner on top of preserving the natural environment, we push forward the ESG implementation framework by utilizing each industry characteristics based on ECP(Eco-Balanced Content Production) and ECV(Eco-Balanced Commerce Value-chain).

In the capacity as a leading company, CJ ENM will faithfully fulfill our social role and responsibility as the NO.1 lifestyle creator on the pillar of our unique ESG implementation philosophy.



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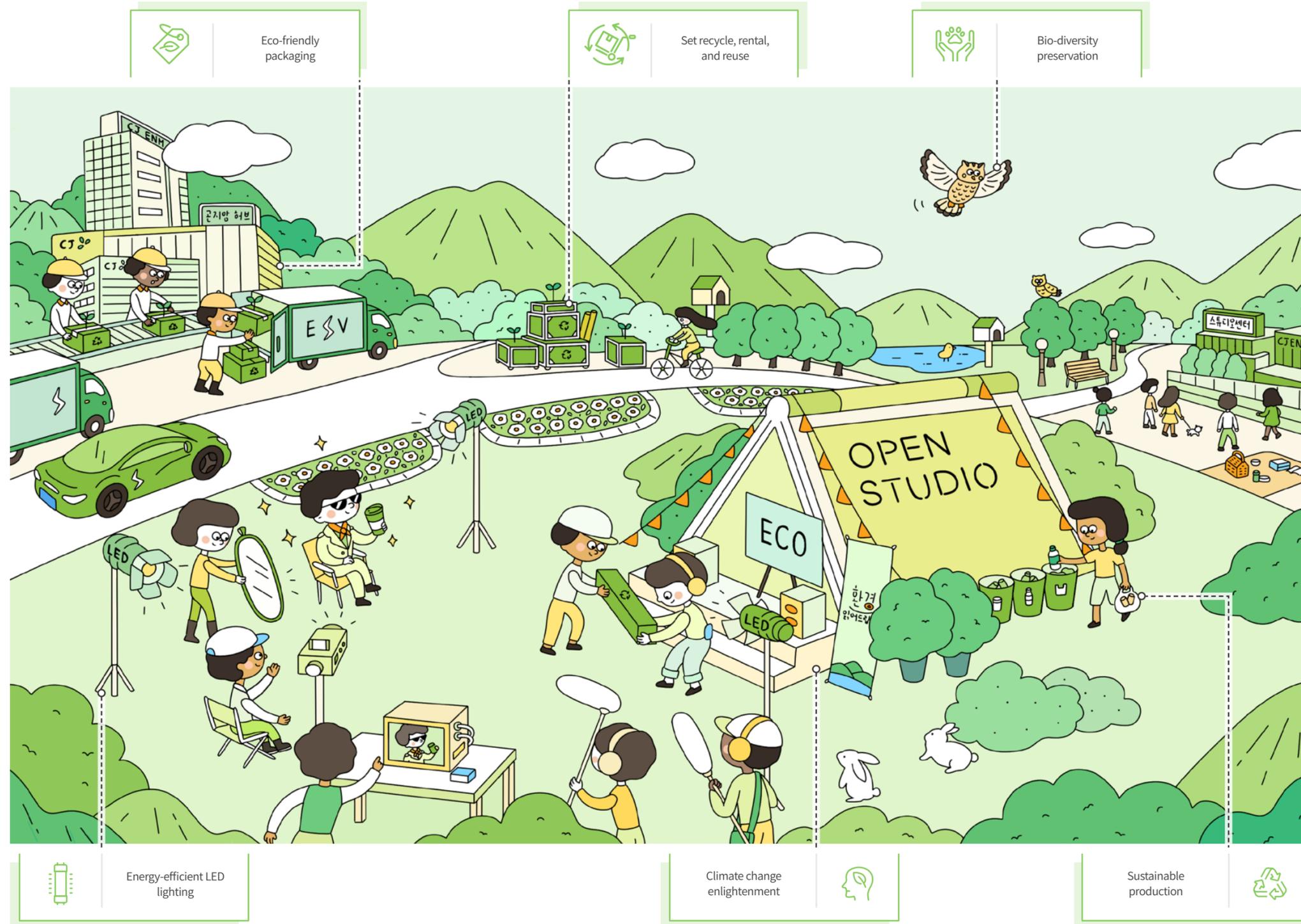
Melting snow on Mt. Kilimanjaro, sinking island due to the rising sea level.

Climate change has transformed our home into something frightening and unfamiliar to us.

Earth, water, air, and healthy nature are our responsibilities for future generations.

CJ ENM carefully minimizes our impact on the environment and practices ESG joined by everyone on the strength of our content and brands, aiming for creating a sustainable environment where nature and people coexist.

With one accord, we take a step further closer toward the goal of Net zero carbon by 2050.



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## CJ ENM Studio Center – An Environmentally-friendly Studio

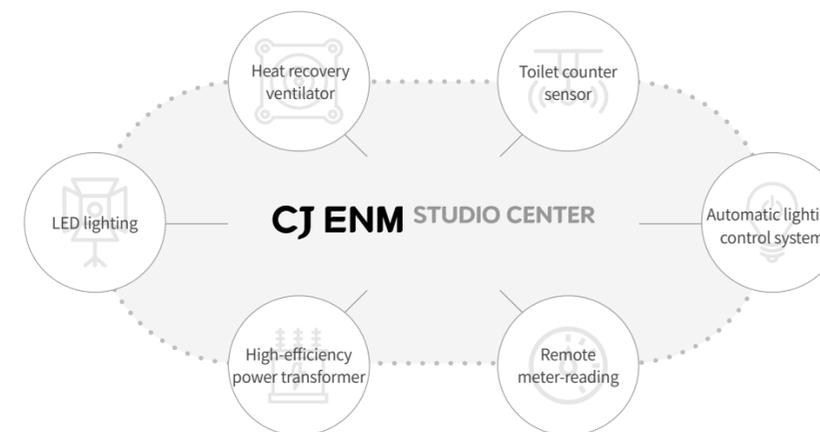
‘CJ ENM Studio Center’, which will be the largest scale multi-production facility in Korea, is scheduled to be opened in Paju, Gyeonggi-do, in 2022. The center has a total of 13 large studios in four different zones; an exhibition zone to interact with content, an engagement-type production studio, an open filming set and permanent studios as well as a themed open filming backlot in the forest. We will particularly focus on internalizing virtual production studios that will reinforce the visual effect technology, aiming at perfecting the content quality.

On top of that, our target is to build an optimal infrastructure and one-stop production system. The center fully accommodates the approximately 49,586-square-meter outdoor filming sets, the standing set production such as hospital and police station, a four-lane road for car scenes and special effect scenes. This innovation will maximize the efficiency of the production process, including production period, cost, and staff travel, while far advancing the technologies to produce our unique content by utilizing the state-of-the-art tangible technology in virtual reality · augmented reality · special effect studios. In addition, we will lease the workplace to small and medium-sized content production companies, leading to the vitalization of nurturing the Korean content industry, thereby creating a win-win scenario for the industry.



CJ ENM Studio Center is designed for energy efficiency by adding eco-friendly elements from the design stage for the first time in Korea as a multi-production facility. We have maximized energy savings by installing LED lighting in each facility, heat recovery ventilators, toilet counter sensors, high-efficiency power transformers, remote meter-reading, and an automatic lighting control system. In addition, we plan to build charging stations for electric vehicles in the facility in order to take part in efforts to mitigate the environmental impact of fossil fuels. We also conduct biodiversity conservation activities such as protecting wild birds and setting up shelters for animals in green areas such as birdhouses are carried out by preserving green areas in and around the studio while opening a nature walking trail for nearby residents, which demonstrates our will to go hand in hand with the local community.

### Eco-friendly Elements of CJ ENM Studio Center



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“ CEO of CJ ENM  
Kang, Ho Sung

To be part of the solution for the environmental issues we are faced with, we prepared this festival that brings the environment into focus as the first step. Based on our core values of fun, creativity and challenge, we will make an effort to bring about a change to have environmental protection permeating through our culture.

<Let's read: Environmental>  
by Jung, Min Sik, producer

Given the significance of the environment, we should embrace this issue in our daily lives. We were able to create this valuable conference because of those who with this thought.



**Climate Change Enlightenment - <Let's read: Environmental>**

CJ ENM held its first infotainment environment conference, <Let's read: Environmental>. With 50 domestic and overseas public figures and celebrities in attendance, the conference provided an opportunity for us to take a close look at environmental issues for a seven-hour discussion from the perspectives of literature, philosophy, science and arts.

<Let's read: Environmental> is a new concept of entertainment content providing a mix of ESG and the humanities. The very purpose of this content is to enable viewers of various generations to get a grasp on environmental issues in our daily life in an easy manner. To this end, the conference provided diverse programs including one-person lectures by environmental experts, daily activities conducted by celebrities for environmental protection, global environmental issues raised by overseas celebrities and performances by stellar artists.

In the first half, we were joined by many famous lecturers including mind miner Song, Gil Young, futurologist Jeong, Ji Hoon, professor of College of Medicine of Yonsei University Chang, Hang Seok and atmospheric scientist Jo, Cheon Ho. They delivered their lectures on the correlation between our lives and the environment from the viewpoint of macro aspects encompassing scientific technology, disease, climate change, history and others. They also talked about the direction humanity should be headed. In the second half, we had physicist Kim, Sang Wook, cognitive Scientist Kim, Sang Kyun, art historian Yang, Jung Moo and cognitive psychologist Kim, Kyung Il. They showed us how the environment can be dealt with in various fields of the humanities, such as digital, physics, art and psychology. One of the subjects they covered was 'how to save the planet through the metaverse'. Diverse opinions were also shared on how to reduce environmental damage to the minimum at present. On top of that, celebrities across a broad range of fields joined this conference to deliver the message emphasizing the gravity of the environment, thereby showing their robust will towards the efforts to protect our planet.

In line with the thrust of this conference, efforts were made to minimize the environmental impact from on-set construction. We used pictures drawn by children under the theme of 'eco-friendly', environmentally friendly or recycled products, and assets for production stage. Some of the materials and set components of existing stages were recycled and reused to build stages.



Using eco-friendly themed pictures drawn by children at the contest to decorate the stage to deliver the message emphasizing the gravity of the environment

**Responsible Packaging - All Eco Packaging**

CJ ENM is well cognizant of social issues and plays a leading role in responsible packaging. In 2009, endeavors began to reduce overpackaging with the adoption of shipping boxes tailored to item types. In 2017, we started using paper packing materials instead of vinyl air caps, eco-friendly cold storage packaging instead of ice packs and styrofoam harmful to the environment, and paper hanger boxes instead of unrecyclable non-woven fabrics. Furthermore, in 2019, we introduced an 'eco tapeless box' which doesn't require vinyl tape which is impossible to recycle, thereby taking the initiative in terms of eco-friendly activities. With the aim of contributing to the transition into a resource circulation society, we voluntarily signed an agreement for the mitigation of packaging materials with the Ministry of Environment in 2019. In addition, we are phasing in "three materials-free packaging" which means no vinyl(plastic), non-woven fabric and styrofoam. And this is the first movement in the TV home shopping industry. The 3R (Reduce, Redesign, Reuse) policy has also been formulated. We have been persistent in developing relevant technologies and our efforts have paid off. We have two model utility rights related to eco-friendly packaging materials while reducing the usage of around 42.4 tons of plastic from October 2017 to September 2021. These achievements led CJ ENM to win awards three times in the eco-friendly category by the Ministry of Environment from 2019 to 2020.

Our efforts engage our partner companies as well. 'Eco-Packaging Together', launched in 2020, is a campaign encouraging our partner companies to join hands in preventing the overuse of materials. To this end, we have shared our optimal packaging specifications and guidelines with them. In this campaign, we distinguish damage-prone items, such as cosmetic products, glass containers or kitchen appliances from items not prone to damage, such as textiles or miscellaneous goods, to set standards for packaging space ratio and recall guidance for each. It also includes the details regarding Eco-Packaging materials such as paper tape or paper packing material. As of now, about 9,000 SMEs are joining this campaign, and we are going to drum up support for the campaign, attracting more partner companies.

In addition, we voluntarily entered into an agreement to boost the separation and disposal of packaging materials with the Ministry of Environment in 2020. We also place a notice on delivery boxes or send a message about waste separation so that all stakeholders can join this campaign.

**Key Awards**

The category of eco-friendly consumption at 2020 government awards for promotion of eco-friendly consumption (November 2020)

**Winning the Environment Minister's Award**

Good Packaging Contest hosted by the Ministry of Environment (November 2020)

**Winning the encouragement prize**



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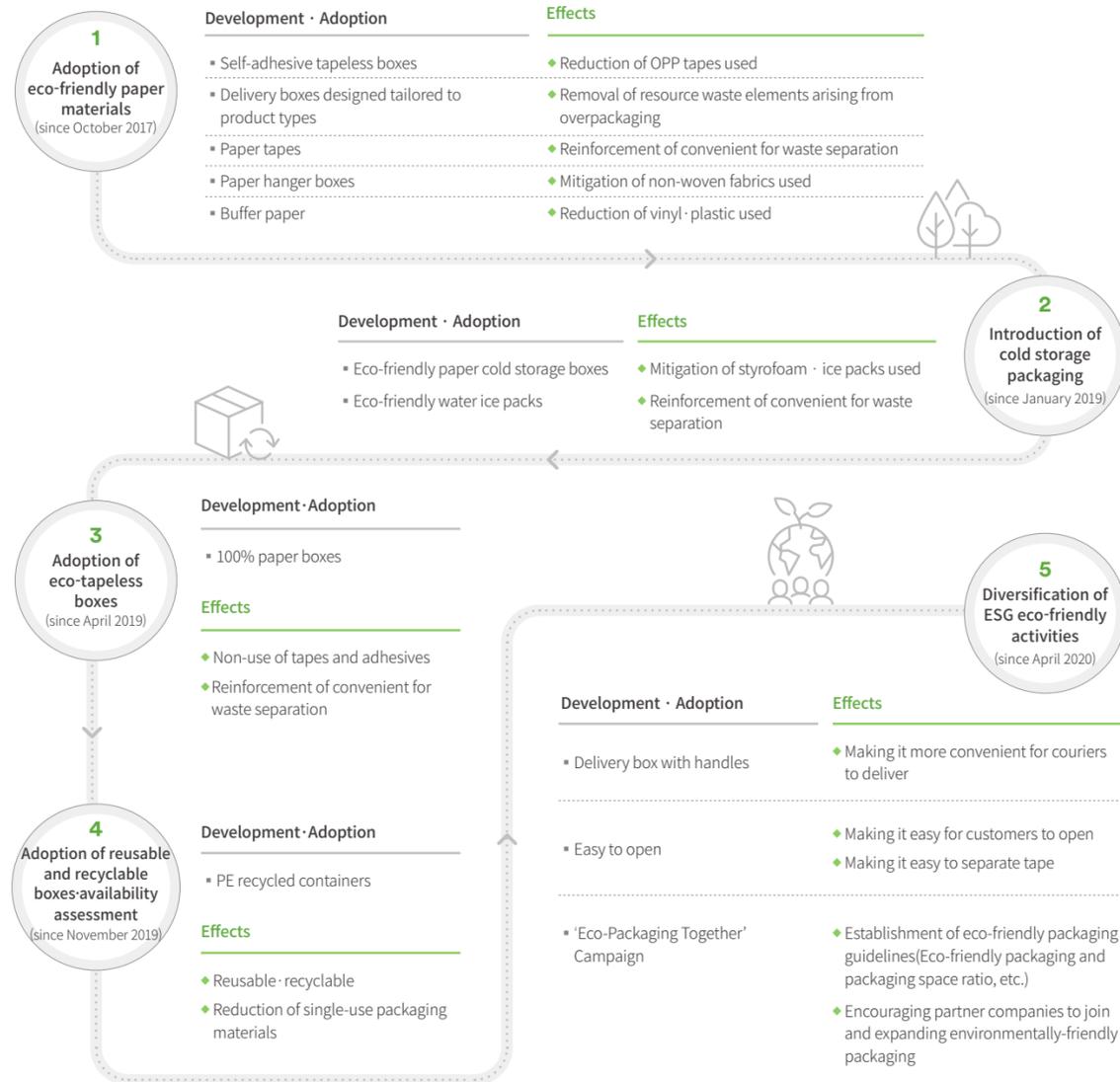
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**Responsible Packaging Activities**

CJ ENM maximizes our influences on the environment with the adoption of eco-friendly elements into every stage of packaging and delivery. We eliminate parts that are not recyclable while making it more convenient to separate so that our customers can easily join this campaign. All these efforts come together to reduce the use of plastic. By doing this, we are taking the initiative in ESG activities.

**Footprint of Responsible Activities**



**Key Achievements of Responsible Activities**

\* Accumulated period: October 2017 to September 2021

Before	After	Achievements
 <p>General shipping box</p>	 <p>Adhesive Tapeless Box</p>	<p><b>Amount of usage</b></p> <p>457,000 boxes</p> <p><b>Effects</b></p> <p>Length of OPP tapes replaced approximately 457km, amount of plastic reduced 22,855m<sup>2</sup></p>
 <p>General shipping box</p>	 <p>Eco Tapeless Box</p>	<p><b>Amount of usage</b></p> <p>802,000 boxes</p> <p><b>Effects</b></p> <p>Length of OPP tapes replaced approximately 802km, amount of plastic reduced 40,102m<sup>2</sup></p>
 <p>OPP tapes</p>	 <p>Paper tapes</p>	<p><b>Amount of usage</b></p> <p>2,020,000 boxes</p> <p><b>Effects</b></p> <p>Length of OPP tapes replaced approximately 2,424km amount of plastic reduced 121,173m<sup>2</sup></p>

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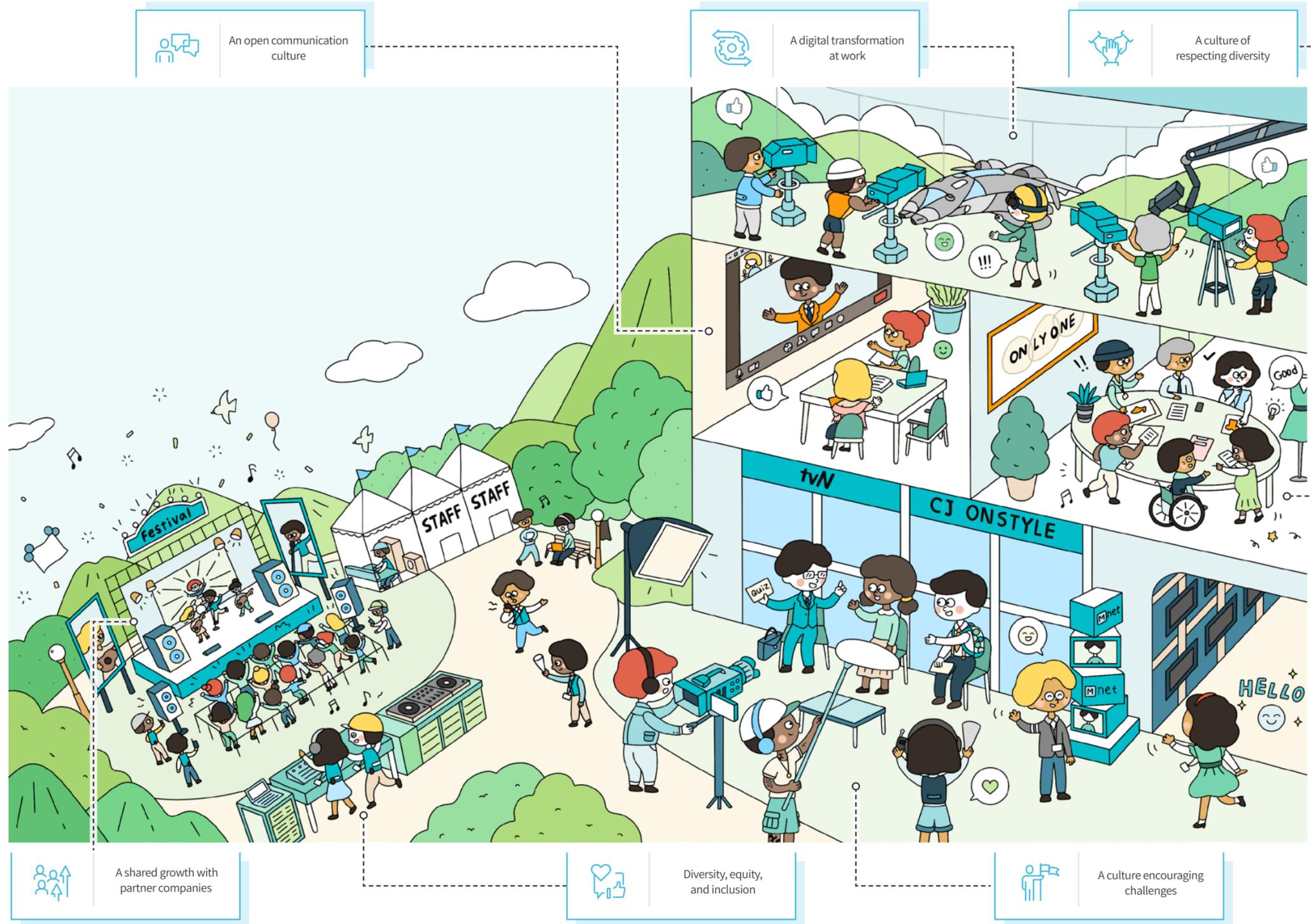
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## PEOPLE

People in CJ ENM constantly challenge themselves and unlock their creativity in a culture of diversity, equity, and inclusion.

Gathered by passionate talents, CJ ENM respects the dignity of all members and the diversity of lifestyles on top of having flexibility.

We create a healthy business ecosystem where employees, business partners, and stakeholders jointly develop together.



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### Employee

#### Corporate Culture of Diversity, Equity, and Inclusion

Creative and trendy ideas are at the heart of our entertainment business. We are making efforts into creating a culture of communication-‘ONE BODY’-, so our employees can trust their leaders and co-workers, feel proud of what they do and cooperate with each other in an amiable way. We want our employees to find themselves enjoying their work as well as to communicate with co-workers and leaders, rather than forcing a sense of belonging on them. To this end, we have operated various programs to facilitate communication.

#### Online and Offline Communication Program-ENTalk

With the aim of cultivating a culture of open communication, we have launched our internal communication program, ‘ENTalk’. This program is an in-house broadcast program in the form of a talk show. What we expect from this program is to provide a venue where our leaders and employees can have a conversation to create a culture of empathy and communication. ENTalk serves as a powerful tool for our employees in their 20’s and 30’s who are in favor of an open and horizontal corporate culture, to interact with their leaders. Through this program, leaders, including the CEO, share a broad range of issues concerning corporate visions, goals, their personal experiences, know-how and matters of concern of the employees. Employees also utilize this program to raise issues in the system, and to come up with their groundbreaking ideas and opinions. ENTalk is also available online, and we ensure anonymity by using the external server, AWS. We continue to encourage our employees to actively interact through ENTalk to collect their opinions and feedback, based on refining of our system and infrastructure.



ENTalk, in-house program to boost an Open Communication Culture



The whole view of CJ ENM Jeju Office

#### Innovation in the Way We Work, ENM JEJU

As the prolonged COVID-19 pandemic has increased the percentage of people working at home to over 50%, fixed offices have faded into insignificance. In line with this trend, CJ ENM has introduced a remote work place system on a pilot basis under the concept of ‘Worcation’ with the firm belief that remote working would allow employees to work freely anytime and anywhere, thereby empowering them to come up with more creative ideas. This program enables our employees to enjoy their work and life on Jeju Island, one of the representative vacation destinations. The Worcation system is in its pilot stage, under 10 employees are working at the Jeju Office every month with a KRW 2 million of accommodation is provided for each. The system will be evaluated in terms of its work efficiency and employees’ satisfaction, and then we intend to operate this system on a regular basis to have more employees benefit from it.

\* Worcation: It is a compound word of work and vacation. Worcation system is a new type of work system that allows employees to do work and enjoy a vacation at the same time.

#### ‘Blowing Monday Blues Away’ Day

We strive to invigorate to our employees’ daily lives and to lift team morale with a variety of in-house events coming out of employees’ ideas. The events include providing a special meal on Mondays at the cafeteria, making a photo zone filled with flowers, sharing bouquets, installing a game room at the lobby and holding live quiz shows online with prizes. All of these events come together to make the best working environment and to boost communication and collaboration.

ENM Flower Garden to Blow Away Monday Blues



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1. Events on Your Way to Work in Celebration of the Launch of CJ ONSTYLE

2. Events on Your Way to Work in Support of You Suffering from Corona Blues



### Corporate Culture of Dynamics and Innovation

The commerce market has gone through a rapid change stemming from the COVID-19 pandemic and societal and environmental changes for the past two years. CJ ENM has also revamped our Commerce Division shifting its focus to mobile. In addition, we leverage competitiveness in diverse fields while striving to create a young and dynamic working culture.

#### Encouraging Employees to Challenge Themselves

CJ ENM operates a variety of award systems including Challenge Awards(end of year award ceremony) to motivate employees to challenge themselves to achieve a high level of performance in their work. Various types of working system including staggered working hours and flexible working hours are also adopted. Especially in 2020, with the emergence of the COVID-19 pandemic, we allowed employees to work from home. We have provided an online tool enabling our workers to communicate and collaborate with each other in a smooth and efficient manner even in the non-face-to-face working environment. In addition, we support our employees in keeping up with trends by providing online subscription services so that they stay on top of the recent trends and generate new insights.

#### A Culture of Horizontal and Communication

As part of the efforts to create a horizontal corporate culture and open communication, we hold meetings on a frequent basis to strengthen the bonding of employees. In the face of the COVID-19, online meetings were held for online and offline communication. To make our corporate culture more vibrant, we put in place a variety of employees' participation-based events such as communication activities on the way to work hosted by the Labor-Management Council and in-house non-face-to-face talent contest. In addition, we operate the Labor-Management Council's Hotline to reach out to employees to handle their grievances.

#### Work-Life Balance

In pursuit of balancing work and personal life, CJ ENM provides an environment where our employees enjoy their vacation to the fullest so they can concentrate more on their work. 'Shillendar', the company-wide calendar for vacation, is one of the programs to encourage our employees to plans ahead and take leave. Furthermore, we present gifts to employees welcoming newly born babies to celebrate childbirth. Both male and female employees could have days off for prenatal care checkups. On top of that, we provide special leave for those with miscarriages or stillbirths in order to help them and their families recover physically and mentally. In addition, we put in place various family-friendly systems such as shorter working hours for emergency childcare and special leave for child's school admission.

### Partner

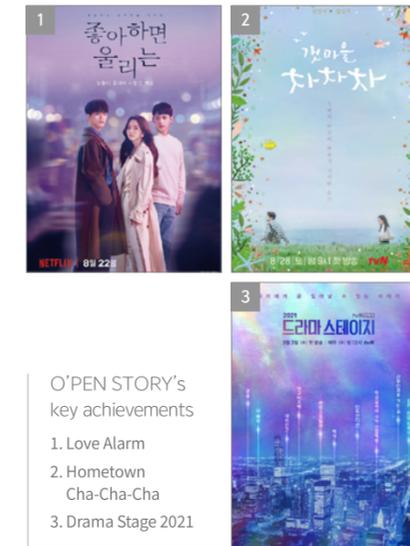
#### Creator&Writer Support Project <O'PEN>

O'PEN means to provide 'open' opportunities to create their content for those who dream of becoming a writer (pens). This is our CSV(Creating Shared Value) project to discover and develop the next generation of creators throughout every stage from content writing·developing and production to business matching in cooperation with our production subsidiaries, STUDIO DRAGON, WAKE-ONE, etc. Starting with drama and film categories in 2017, we broadened the scope of beneficiaries of this project to music (composition) in 2018 and to the short-form digital content category in 2020. CJ ENM has produced and helped launch the careers of over 127 storywriters and 43 songwriters to this date.

#### O'PEN STORY - Single-Episode Drama, Film, Short-Form

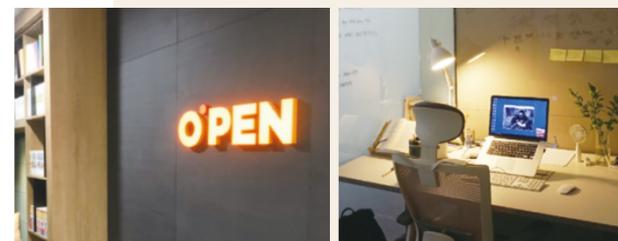
O'PEN STORY presents an open opportunity to those who dream of becoming story tellers. The selected writers are provided with many perks as well as education programs. The benefits encompass funding for content creation, mentoring services by top-notch directors and writers, special lectures·seminars, workshops, field trips·coverage and in-depth interviews to help them reach higher levels of completion. On top of that, they are allowed to use the space for creation(O'PEN Story Center), including shared or personal writer's rooms, meeting rooms and the lounge without time constraints. The O'PEN Story Center serves as a cradle of creation where O'PEN writers' imaginations turn into reality while providing a unique opportunity for experts across a broad range of fields to interact with each other.

The selected script writers in the category of single-episode dramas and short-form originals receive a 10-month training course to plan and develop original series while writers, selected in the film category, further develop the winning scenarios and design new original scenarios. 10 originals are produced as single-episode dramas by STUDIO DRAGON and aired on tvN's annual <Drama Stage> series. In addition, we invite domestic and overseas investors, distributors, and production companies to match their works with the right partners after their training.



- O'PEN STORY's key achievements
- 1. Love Alarm
- 2. Hometown Cha-Cha-Cha
- 3. Drama Stage 2021

### Special



#### Where imagination starts - O'PEN Story Center

O'PEN Story Center is an open space for creation where O'PEN writers interact with experts across a broad range of fields. O'PEN provide various educational programs for writers, such as mentoring services by experts, special lectures, seminars and workshops to help them polishing their writing skills. In addition, they can use the writer's room and other amenities without time constraints so they can fully concentrate on their work.

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**O'PEN MUSIC - Composition**

O'PEN MUSIC offers an opportunity to aspiring composers. The selected creators for O'PEN MUSIC can enjoy abundant perks, including funding and space for content creation, and mentoring services by the industry's leading composers. Well-structured curricular are also provided, including special lectures regarding composition, songwriting, mixing, recording and production, along with opportunities for practice. We also help them actively communicate with various music experts through Song Camp. Furthermore, we provide them with opportunities to participate in drama OST production, to work on the recordings of artists or broadcasting sound source, thereby leading them overcome the high barriers to entry and the unstable environment. In addition, we provide supports to motivate creators to continue in their various pursuits.

◆ Special ◆



**Leading the future of K-POP – O'PEN Music Center(WAKEONE)**

O'PEN Music Center is a creation space where a variety of educational programs are provided for new composers of O'PEN MUSIC. The programs include special lectures and seminars in regard of music production(composition), recording, etc. The center is equipped with a lounge for the interaction with other musicians, a recording studio for guide vocal & sessions recording, and a shared music studio.

**Follow-up Support through the Agency**

CJ ENM assists creators who are completed O'PEN's curricular to become full-time writers or composers. The talented creators could find the opportunities through biz-matching. We also help them to plan, develop and commercialize their works. We also spare no efforts to provide a stable environment for them to work on creation by giving welfare benefits, such as health check-ups or vouchers for cultural events, and conducting activities to protect their rights. By doing so, we play a leading role in creating a sustainable business ecosystem.

O'PEN MUSIC's key achievements



1. Jung, Seung Hwan – Thinking of You (2021)
2. Lee, Hae Ri – Where the love goes (2020)
3. Twice – I love you more than anyone (2021)
4. So, Soo Bin, SoHee – Like You (2020)



◆ ◆ ◆ Special Mini-Interview



4<sup>th</sup> O'PEN's Writer  
**Cha, Yi Han**

What I learned from O'PEN underpins my debut as writer

◆ 4<sup>th</sup> O'PEN writer, Cha, Yi-han wrote <Proxy Emotion> aired on tvN's Drama Stage 2021. She is internationally recognized for excellence as her unique themed one-act play won four awards at renowned overseas film festivals.

**Q** There are many practical supports for O'PEN's writers ranging from subsidies and spaces for writing to special lectures by experts. And I heard that the writers also get help when they do on-site coverage for writing their scripts. Which program was most helpful?

Mentoring programs conducted by professional writers meant the most to me. When I started working on the script of the miniseries, writer Jung, Hyun Jung, my mentor told me, "You are selected as O'PEN's writer, which proves your talent. Don't doubt your talent, do your best in writing." That advice brought back the confidence I had lost, and I polished my writing skills learning about many details such as what's important when writing miniseries.

**Q** Please give a message of support to those who are about to apply for O'PEN.

Please enjoy all the benefits that O'PEN provides including mentoring program. Average of 10 writers including me, went to the O'PEN Story center in Sangam and battled with ourselves. I believe that I learned a lot which help me to grow further from O'PEN's supports. So I want you to take time to participate in O'PEN's good programs.

**Q** What impact did O'PEN have on you? What is the biggest change you experienced after O'PEN?

It made me feel more confident. I am still afraid of the path ahead of me as a writer but I am confident that I can utilize the skills I learned from O'PEN. And the reactions from viewers to <Proxy Emotion> meant a lot. I received both positive feedback, such as 'Your story feels relevant to me', and negative feedback. Either one was meaningful to me. It is a wonderful to find my work becoming the talk of the town.

**Q** What made you apply for O'PEN? What did you expect from O'PEN? And are there experiences you want to share with us?

The provision of various educational programs for one year makes O'PEN more attractive to me than other programs. O'PEN's programs are well organized ranging from lectures providing the details required when a new writer works on actual drama work to on-site experiences to mentoring programs. I received an impression that O'PEN's purpose was to provide full support to aspiring writers with potentials. Additionally, O'PEN allows writers to freely sign contracts with other production companies through its biz matching program even after we complete the program.

**Q** tvN has a reputation for its unique genre·topic·flexibility in format and content(diversity) compared to others. Is it one of the significant elements that affected you?

Yes, it had a great impact on me. tvN is never afraid to try new things, so I got an impression that if a story itself was interesting, showcasing the clear strengths in writing style, O'PEN will accept it. The category of sitcom was launched in 2020, and I thought that it was ground-breaking idea that they selected writers for this new category. In my opinion, tvN's greatest strength lies in its boldness to break down the formula, such as <Ugly Miss Young-Ae> and <Reply> series, and I thought that this allows trials of dramas in various formats.

**Q** What kinds of energy enables you to focus on writing?

I believe the power of drama. Drama could change to somebody's day although it can't change somebody's life. I want my drama to relieve viewers from their unpleasant emotions. I want to deliver my bright and positive energy to viewers, so they can make through the day. And this is the driving force for me to persistently write scripts.

4<sup>th</sup> O'PEN's Writer

**Bang, So Min**



O'PEN identifies high potential talents

◆ 4<sup>th</sup> O'PEN sitcom writer, she wrote <Mint Condition> aired on tvN's Drama Stage 2021 and <Adult Trainee>, TVING's original high-teen drama series

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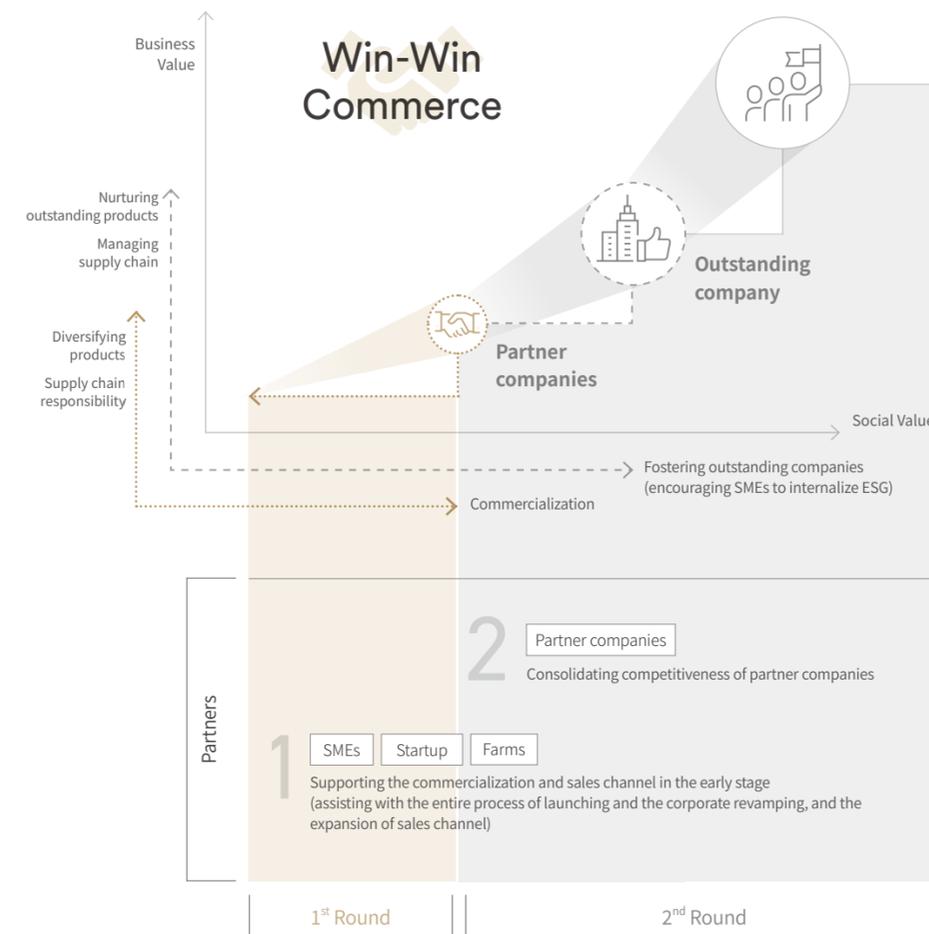
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### Win-Win Business Ecosystem

With an aim to cultivate small and medium-sized enterprises(SMEs) which are the cornerstone of the industry, CJ ENM helps them enter the market. We spend more than half of our broadcasting slot on SMEs' products and continuously increase the direct purchases of those to foster SMEs and alleviate their inventory burden. Our specialized mutually beneficial products also help the SMEs settle in the business ecosystem by assisting with commercialization and sales channel expansion. ESG management can only be fulfilled when we grow together with our partner companies. Therefore, we plan to advance our 'Bisang: Shared Growth' program to sharpen our partner companies' Biz & ESG capabilities. Going forward, we will expand the Win-Win portfolio for our partner companies, thereby contributing to create a sustainable business ecosystem.

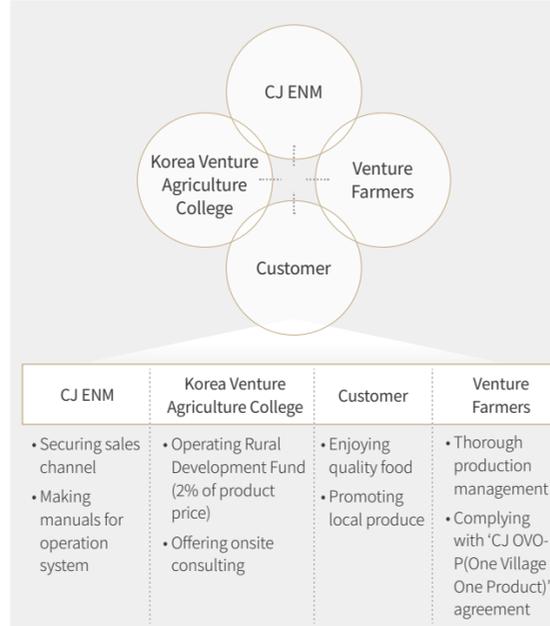
#### System to Build the CJ ENM Win-Win Ecosystem



### Assist with Commercialization and Sales Channel for Early Stage Businesses

CJ ENM identifies farms and SMEs that have potential in their early stages, starting with the 'CJ OVOP(One Village One Product)' project supporting rural firms in 2007. The project enables them to stably settle in a commerce ecosystem. 'CJ OCOP(One Company One Product)' was operated in 2012 for SMEs and small business owners in collaboration with the Small & Medium Business Distribution Center. In 2020, we started a startup nurturing project through the 'Challenge Startup' program with the Seoul Startup Hub. We helped strengthen their competitiveness and make inroads into the market through these projects. About 100 employees who volunteered to share their talents participated annually by value chain. Besides these efforts, we have also sponsored video production of the Win-Win growth story in 2017 and 2018 in order to introduce the best practices of outstanding SMEs. From 2020, we have carried out press advertisement support under the name of 'precious story'. These endeavors paid off as the beneficiary companies achieved a total of 2,000 accumulated hours of free broadcasting and related sales of more than KRW 60 billion in 2021. Moreover, some of the companies successfully entered into the home shopping channels. CJ ENM will continue to support more businesses, thereby becoming a reliable growth partner for companies in their early stages of development.

#### CJ OVOP(One Village One Product) Project



### Biz & ESG Capacity-building for Partner Companies

Since 2019, CJ ENM has comprehensively compiled various partner companies support projects and integrated them into the 'Bisang: Shared Growth' program, which means 'flying together.' The program has a total of 10 specific support policies for partner companies categorized by product and infrastructure. We have also developed together with our partner companies by virtue of the policies to reinforce their ESG competitiveness, making further efforts to create a sustainable business ecosystem. Going forward, we will refine the ESG support programs for our partner companies with the composition of R&D, training, market development, and financial assistance for the purpose of building a Win-Win ecosystem. 'Bisang: Shared Growth' program in 2022 will enable us to expand our support in the long term.

#### 'Bisang: Shared Growth,' A Support System for Partner Companies

##### Business Support

- Financial support**  
raising KRW 60 billion for 'Win-Win Fund'
- Payment support**  
shortening the period until payment
- Incentive support**  
Incentive for outstanding partner companies
- Welfare support**  
Partner's Day

##### Product Support

- Sales channel support**  
free broadcasting
- R&D support**  
assisting with product consulting
- Marketing support**  
Marketing Bootcamp

##### Infrastructure Support

- Quality support**  
quality training, reducing fees
- Training support**  
providing manager coaching
- Other support**  
facility, legal assistance, etc.

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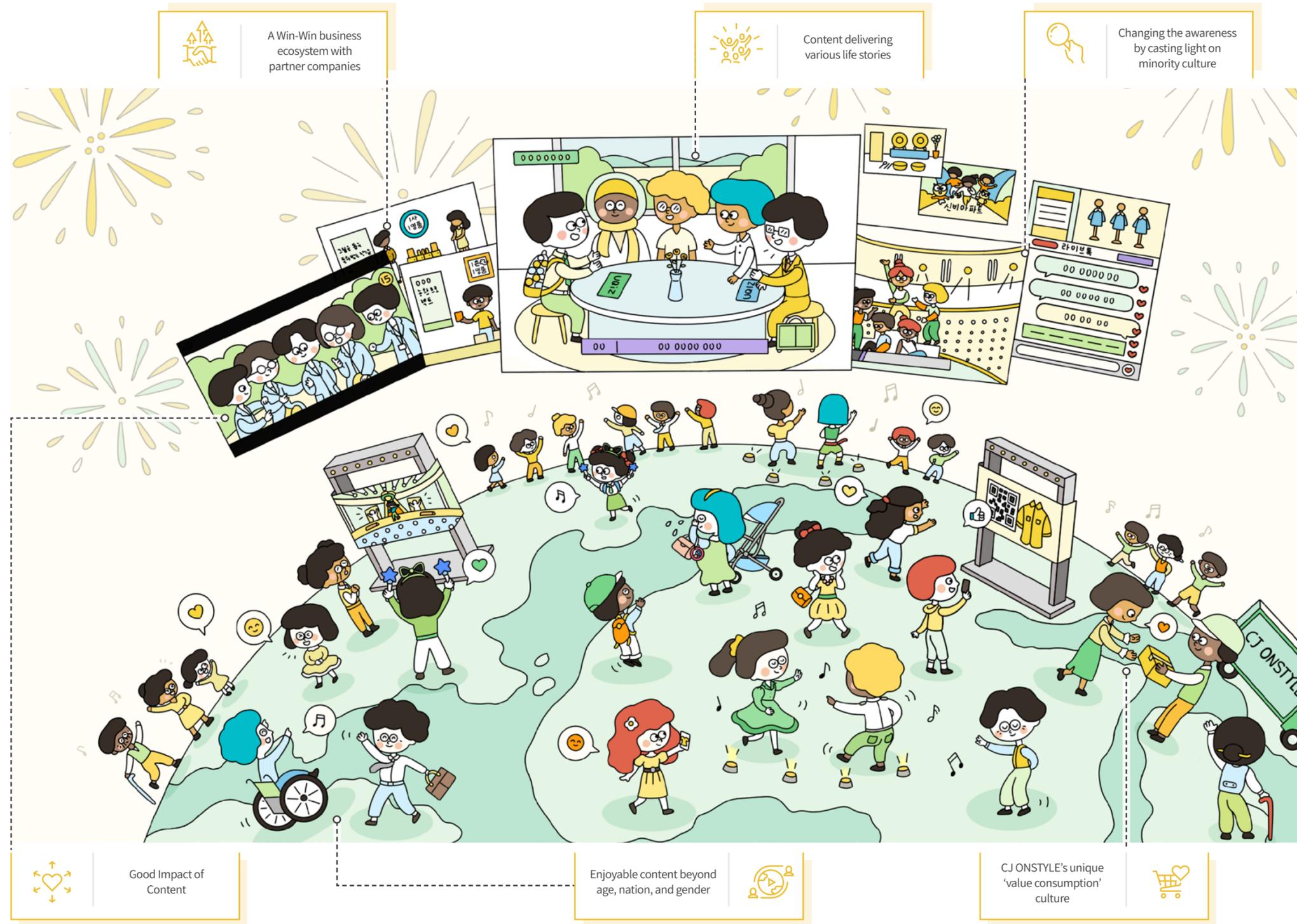


# ESG PHILOSOPHY

## BUSINESS

CJ ENM is making a Good Impact through our content and brands.

We spread the Good Impact in a society beyond excitement with our business based on ECP and ECV philosophy, making the world a more valuable place.



Link to UN SDGs



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# BUSINESS

## Good Impact of Content

Content is immensely powerful. Content opens people's eyes to new things and creates emotional appeals, making people laugh, and at the same time, striking a chord with them. Content sometimes takes a light-hearted look at serious issues to bring them into focus in the format of a story, shifting perceptions and even leading to actions such as sponsorship or sharing activities. This is the power of content. As we accumulated production experience over the past 26 years, CJ ENM aims to create cultural touchstones to empower viewers across the globe to talk about a more valuable world and to deliver the honest stories of people of all backgrounds, thereby contributing to the lasting Good Impact of content. In this regard, we promise that we will shed light on various kinds of content while taking more diverse perspectives to go deeper into issues when it comes to ESG. Every effort will be made to bring people high quality content. All these endeavors will be shared with our stakeholders so that we can work together in the industry to create a more valuable world.



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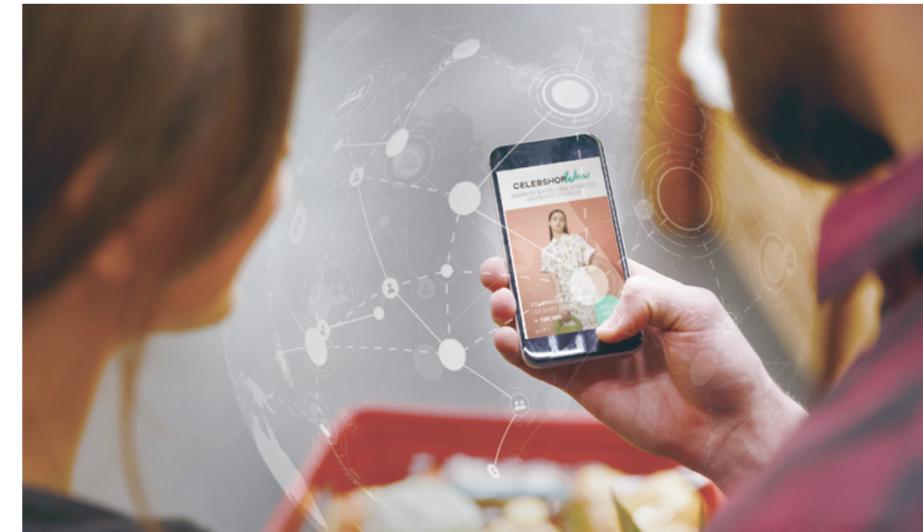
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## Definition of Good Impact of Content

Growing demands for corporate social responsibility and value creation increased interest in the impact that businesses and industries have on our society. A Good Impact refers to positive influence coming from one's voluntary actions or thoughts. In this respect, CJ ENM analyzes what is required to spread Good Impacts through content, paying attention to the diversity of social value creation. The condition for content to have a Good Impact is divided into two; primary and secondary impact. These two impacts should have necessary and sufficient conditions. Even if content becomes the talk of the town with good intentions, we need to separate from its commercial popularity to measure and discuss content having a Good Impact. In this regard, we ceaselessly endeavor to produce content with a Good Impact, based on our own definition and analysis.

### Case Study – Conditions Required for Good Impact of Content

#### The primary Impact

- The intention of content planning meets the social value criteria
- Viewer engagement level (feeling of sympathy, touching, positivity, etc.)

A Good Impact is made when viewers fully 'empathize' with the story. Therefore, if viewers are not immersed in the story, the social impact is limited to remain although the content was invested with high production costs.

#### The Secondary Impact

- Changes in viewers' awareness and behavior made by content
- Social impact (raising awareness, system overhaul, etc.)

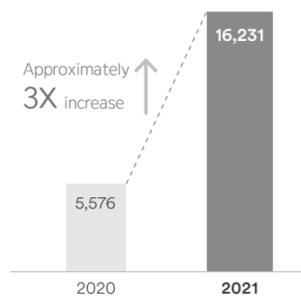
If anything is to be defined as content with a Good Impact, the viewer has to take action and be changed after watching, which is the secondary impact. When viewers put the changed ideas into practice in their own ways, we can eventually measure the Good Impact.





Number of donor candidates compared to the same period of the previous year (Accumulated)

(Unit: person)



\* Source: Korea Network for Organ Sharing(KONOS)

**Spreading Social Impact - <Hospital Playlist Season 2>**

<Hospital Playlist Season 2> is a drama series about ordinary yet special lives of people and friends with a 20-year friendship set in a hospital depicting their everyday life. Its production intention was to deliver a light-hearted story of empathy rather than to simply move viewers. The second season covered organ donation in 5 out of the 12 episodes in total. The lines and scenes of the drama not only resonated with viewers but also brought a change to the perception of organ donation which, in turn, contributed to increase in registration rate for organ donation.

According to the Korea Network for Organ Sharing(KONOS), the number of people who registered to be an organ donor tripled compared to the same period of the previous year, during the six weeks from July to August when the organ donation episodes were aired. After the airing of episode 7 regarding the organ donation process and the donation after brain death, the number during the week increased by 11 times year on year. Considering the difficult situation where it was hard to promote the organ donation campaign as usual due to the prolonged COVID-19, the impact was more meaningful.

**Spotlight on Minority Genre - <Street Woman Fighter>**

<Street Woman Fighter> is a reality survival show to find the best street dance crew. Unlike the globally renowned K-POP artists, the dancers who do their splendid performances were somewhat less exposed to the public. Therefore <Street Woman Fighter>, set the intention of producing the program to bring up street dance, which was considered a minority culture, compared to the mainstream. The program casts dancers of extended age groups from teens to their 30s as the main characters, presenting a variety of performances encompassing K-POP, break dance, hip-hop, locking dance. Their skills, passion, and sincerity changed the general perception of dancers, which serves as the basis to expand the popularity of the dancers to the public.

Mnet, Korea's leading music entertainment channel, secures diversity through a variety of music-themed content covering street dance, folk & acoustic, hip-hop, and many more genres. In particular, Mnet recently aired the 10th season of Korea's first hip-hop survival show, <Show Me the Money>. The program has discovered fresh artists and played an immense role in making hip-hop a more familiar genre for the public, accompanying with the Korean hip-hop history.



**Stories of Diverse Lives - <You Quiz on the Block>**

<You Quiz on the Block> is a variety show that invites people from children to teenagers, young adults, the middle-aged, and the elderly, who lead diverse lives in our society to have a conversation about their lives. While talking with people working in various sectors, the program shows the lives and values that viewers were not able to see in their daily lives. It conveys laughter and empathy that is not intentionally elicited as well as warm affection and general love for humanity.

Kim, Min Seok, producer of (You Quiz on the Block)

It was heartwarming news to hear that so many have donated to the priest's restaurant. I think bringing small change to someone's life is the most rewarding part for the production staff who makes broadcasting content.

When the episode, 'The Secret Double Life' featured the story of a priest who runs a restaurant at an affordable price for young people in need, numerous of viewers, including the writer Kim, Eun-sook, not only supported but made donations to the place. As such, <You Quiz on the Block> captures multi-faceted aspects of society, making a Good Impact through stories.

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### Efforts for Expanding Value Consumption

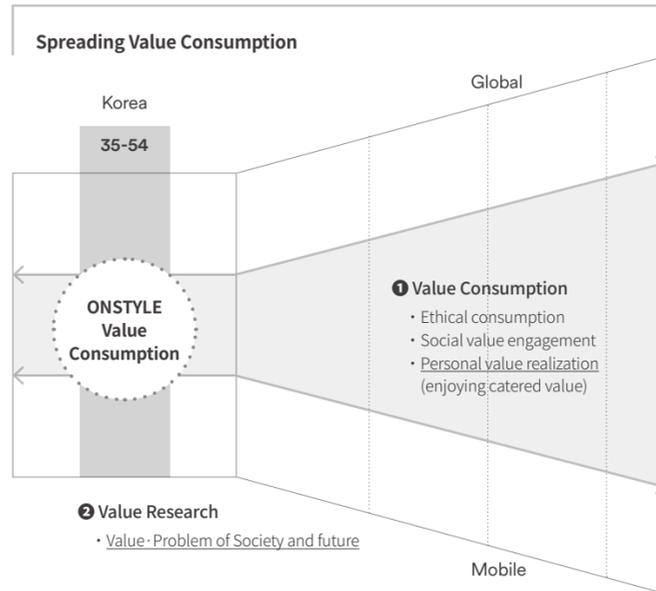
The Millennials and Generation Z(Gen Z) growing as the core of society as well as those who have the power of influence in diverse sectors of society are called 'influencers'. They actively express themselves while reflecting their value and belief in their consumption, leading to a new consuming culture called 'Meaning Out'. As this culture is disseminated across whole generations, consumption is now becoming a concept of social engagement and value realization rather than simply selling and buying goods. Keeping in mind the management philosophy, 'contributing to the future community by providing the best value with our ONLYONE products and services', CJ ENM further spreads the value consumption in our society and contributes to creating a sustainable society.



#### Roadmap for Spreading Value Consumption

CJ ENM integrated TV home shopping, T-commerce, and mobile platform brands in our Commerce Division into 'CJ ONSTYLE' in May 2021. We redefined it as the lifestyle curator helping customers' live shopping tailored to their taste. CJ ONSTYLE fully understands the lifestyle beyond the data analysis of their consumption. This supports customers to find their new tastes and be provided with suggestion on a lifestyle that brings another level of joy and excitement beyond a simple purchase.

We believe 'value consumption' is a 'future lifestyle' and is not an optional but an essential market, considering 'ESG' that is underlined throughout society as well as 'value' that is entrenched in our customers' lifestyle. Therefore, we put our heart and soul to expand the value consumption market. As part of this effort, we send a 'Trend Letter' containing diverse value consumption and lifestyle news to our employees so that they can promptly receive pertinent information and trend changes in society. Going forward, CJ ENM will continue to establish a collaborative system between related departments and research society and customers aiming to spread value consumption. On top of that, we will further exert ourselves to preemptively analyze future lifestyles, values, and social issues while introducing diverse social values in a multifarious and balanced manner to expand CJ ONSTYLE's unique value consumption market.



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Semisysco's Electric Vehicle, 'EV-Z'

#### CJ ENM Value Consumption Market

The 'roadmap for spreading value consumption' was established to lead the value consumption culture and expand its market. We classified value consumption into three types: ethical consumption, social value engagement, and personal value realization. We make efforts to build a consuming environment and a virtuous cycle system suitable for each type. So as to alleviate the burden on consumers caused by the COVID-19 pandemic, we keep launching products at reasonable prices while supporting SMEs and farms at the same time. In addition, we operate 'CJ OCOP(One Company One Product)' as well as 'CJ OVOP(One Village One Product)', which are free broadcasting programs without sales commissions.

#### Expanding Value Consumption by Consumption Type

Consumption Type	Ethical Consumption	Social Value Engagement	Personal Value Realization
Action	<p>As ethical consumption is the foundation of value consumption, we are committed to providing a healthy, safe, and sustainable consumption lifestyle for our customers. To this end, we strictly manage the quality and broadcasting review process and strive to build a sustainable virtuous cycle in the value chain(entire process from the production of raw material to disposal) for products and services. As part of the efforts, we safeguard human rights and minimize environmental burdens.</p>	<p>While the consumption culture where consumption itself is considered as a way of 'engaging in social values' such as 'Meaning Out', we will encourage the consumption of products and services generated by companies contributing to 'resolving social issues and creating social value' beyond making healthy products. To this end, we are developing additional benefits for B-corp-certificated companies, which is recognized for its sustainable fashion such as product prior launching.</p>	<p>Customers may have their unique tastes as consumption reflects individual preferences. In this regard, we will create a value consumption market with diversified engagement channels and value types customized to a customer's lifestyle. To realize that, we will establish a collaborative system between related departments for value consumption. We will also make greater effort in studying society, customers and analyzing future lifestyle, value, and social issues.</p>



◆ ◆ ◆ Special

**Product for Value Consumption: Semisysco's Electric Vehicle, 'EV-Z'**

We place great importance on the efforts in climate change made by corporations and society. Therefore, CJ ENM is highly interested in the eco-friendly mobility market, striving to expand a related product lineup. One of the representative products is 'EV-Z', Semisysco's electric vehicle, launched in CJ ONSTYLE in 2021. Semisysco is a selected company for our startup nurturing project in 2020, called 'Challenge Startup', and they improved their business with support, followed by launching the product through TV and T-commerce. Since we launched DANIGO, an ultra-compact electric vehicle for the first time in the industry in 2018, we have continuously raised the public interest in EVs. With an aim to sharpen the capability of SMEs in the field and boost the public interest in EVs, we collaborated with Semisysco. As a result of co-work, Semisysco could launch 'EV-Z', the first compact-size electric vehicle that can drive on highways and be easily charged with domestic 220V power in Korea. 'EV-Z' with both practicality and economic competitiveness was ranked as the most selling car in the subcompact EV sector in Korea during January through May 2021.

CJ ENM's Win-Win program serves as a platform to give opportunities for eye-catching products to be on the broadcast, contributing to raising their brand awareness as well as making sales. Starting with electric vehicles, the Win-Win program will expand its scope to eco-friendly products by launching various electric mobility products. We will continue to develop supporting platforms as part of reinforcing ESG management so that SME's innovative products can stably settle in the market.



**Campaign for Value Consumption: odense's 'THINKS TO THINGS'**

CJ ENM enriches odense's special thoughts dreaming for a more valuable world and products and turns them into objects. 'THINKS TO THINGS' is an essence of odense's philosophy for the environment and society, enabling new perspective. It creates a brand-new virtuous cycle structure that is conscious of environmental and social values.

**ENVIRONMENTAL THINKS**

In order to provide the highest quality products to customers, odense spends a good amount of time selecting tableware made of ceramics. Although they are crafted with know-hows and researched on ceramics for a long time, it is inevitable that not the most highest quality items can be produced due to the characteristics of ceramics. Around 200 tons of high-quality products, but not enough to be qualified by odense's craftsmanship, are thrown away yearly even though there is no problem with using them. Against this backdrop, odense joined the zero-waste movement through 'THINKS TO THINGS' for the purpose of minimizing the waste through the selection process.

**SOCIAL THINKS**

Profits by selling products through 'THINKS TO THINGS' are donated so that they can be used in more valuable places. The donation goes toward meals for children in need, wishing for their happier and healthier growth in the future. For transparent usage, we donate the amount to 'CJ Donor's Camp', a sharing and donation platform for children operated by the CJ Welfare Foundation. The donations are collected once a year to serve memorable meals to children nationwide. Upcycling waste and donating profits are part of 'THINKS TO THINGS', thinking highly of social values, thereby ultimately targeting the creation of a virtuous cycle structure through materials.



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Material Topic 01  
**CONTENT · BRAND COMPETITIVENESS**

“We seek for unique content and brand for raised competitiveness.”

**Our Approach**

The evolution of platform has brought diverse viewing options, such as digital or mobile platforms, to customers, which has led to a flurry of content and brand. This situation is intensifying competition. To lead the competition, CJ ENM has spurred our innovative growth to satisfy the detailed tastes of customers keeping up with ever-changing trends. To this end, the Entertainment Division has established a multi-studio system specializing in each genre and polished up our capabilities to plan and produce original content and brand. The Commerce Division, with a focus on mobile platforms, has reinforced the competitiveness to provide ‘life shopping tailored to consumers’ tastes’ which curates products personalized to consumers.

**Our Action 01**

**Step towards a Global Entertainment Company**

**Expansion of Content IP through Building the Multi-Studio System by Genre**

As part of the efforts to secure a new growth engine, CJ ENM brings a multi-studio system into full swing for content production dedicated to each genre such as the studio specializing in drama series, <Studio Dragon>. Founded in 2016, <Studio Dragon>, the first one-stop drama studio in Korea, has built large-scale production capabilities and systems, which has played an essential role in taking the Korean drama industry up a notch. Based on these achievements, we have introduced a specialized multi-studio system that encompasses a wide range of genres including variety show, drama, film, animation and digital content, completing the ecosystem for comprehensive in-house production.

This system will enable us to elevate our content planning and production capabilities while empowering us to diversify into different genres and formats from drama to sports broadcasting and from channels to OTT and digital platforms, so we will meet the needs of viewers and create content that will be successful. In addition, we refine our planning and production capabilities to produce content that resonates with global viewers, thereby providing creators with ample opportunities to expand abroad.

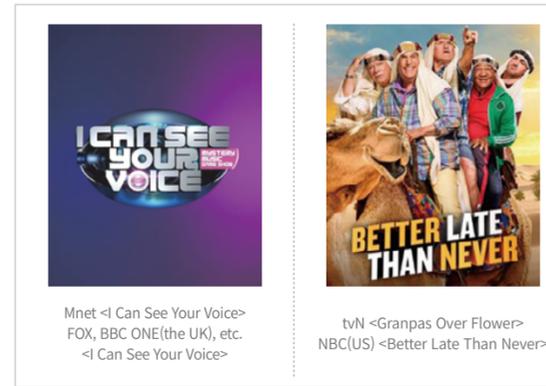
**Expansion of Market Influence through Competitive Content**

CJ ENM shapes cultures and leads trends as the largest media content provider in Korea. We rank 1<sup>st</sup> in terms of viewership ratings among paid broadcasting providers while taking the NO.1 spot in market share in Korean film investment and distribution with the largest number of films(7 films) reaching an audience of over 10 million in Korea. We have spurred our expansion into the global market taking advantage of our influence on markets and outstanding content.

Our well-made content, such as <Crash Landing on You> and <It's Okay to Not Be Okay>, ranked 1<sup>st</sup> in viewership ratings on global OTT platforms in Korea, Japan, Thailand, Vietnam, the Philippines and Hong Kong. CJ ENM's drama series occupied 70% of the TOP 5 content in these countries. In addition, we made progress in variety shows as well. Representative examples are <I Can See Your Voice> which exported its broadcasting format in 23 countries including the US, the UK, France, the Netherlands and Thailand. <Grandpas Over Flowers> was remade and gained popularity in 10 countries and <Miss Granny> became the first film in the world to be remade in 8 different languages. The idol group, ENHYPEN, produced through the survival TV show, <I-Land>, achieved remarkable success coming in first place on Billboard's World Albums Chart while 'JO1' who made their debut through a CJ ENM audition program co-worked with Japanese entertainment production took the NO.1 spot on the Oricon chart which is Japanese billboard chart. Additionally, with the very purpose of pioneering new markets, we are working with HBO-MAX to produce a K-POP idol group audition program targeting the Latin American market.

CJ ENM serves as a trailblazer to expand distribution channels for Korean wave content. We have 12 branch offices in 10 countries including the US, China, Japan, Hong Kong, Vietnam and Thailand while operating channels dedicated to K-content in local markets such as tvN Asia, tvN Movies and Mnet Japan.

In the years to come, CJ ENM will expand our presence into global markets with a focus on our key areas of focus based on the business partnerships with major players such as local production companies or global OTT operators.



Mnet <I Can See Your Voice>  
 FOX, BBC ONE(the UK), etc.  
 <I Can See Your Voice>

tvN <Grandpas Over Flowers>  
 NBC(US) <Better Late Than Never>

**Special — Beyond Borders, K-Content**

CJ ENM has channels in place across a variety of 16 genres including drama series, variety show, music, film, animation and others, digital channels and an OTT platform. tvN, one of the most popular TV channels of CJ ENM, is recognized as the industry leader, securing well-made IPs with capabilities of content planning, producing and marketing.

**tvN on a Constant Rise with Originals**

tvN has made remarkable progress in terms of viewer ratings, sales of content and advertising revenue. In its early stage, we showcased fresh and out-of-box formats, such as <Ugly Miss Young-Ae>, <Taxi> and <Rollercoaster> which gripped young audiences and tempted the viewers to be a part of fandom culture. After that, tvN released a string of hits including its franchise IP, such as <Reply> series and <Over Flowers> series, as well as its well-made content including <HOTEL DEL LUNA> and <Crash Landing on You>. These content accelerated the creation of an enthusiastic fandom for the channel. Going forward, CJ ENM will continue to diversify the lineup of our channels that touch a broad range of generations across various genres including drama and entertainment show, digital original, sports and cultural content, while expanding time slots to reach more audiences.



**tvN Performance**

(TV ratings sourced by Nielsen Korea · based on all platforms)

Average annual household TV ratings	6.5 times higher in 2021 compared to 2006
2049 Target annual average TV ratings	7.4 times higher in 2021 compared to 2006
Content sales	241% increase expected in 2021 compared to 2016
Revenue from advertising (for the recent 7 years, tvN included)	About 6% of CJ ENM's average growth rate

**Content Investment and IP Production**

tvN has established its well-made IP production system while investing heavily in infrastructure as well as expanding the scope of support for creators in terms of human and material resources. Compared to 2011, we have invested 5.7 times more of our budget in production to present diverse IP and the number of creators has increased more than 10 times since its inception. In addition, we have formed tvN family channels including tvN DRAMA, tvN SHOW and tvN STORY. CJ ENM seeks for flexibility in our production environment and culture to embrace diversity and to boost creativity across different genres. tvN will sharpen our competitiveness so that we go global beyond Korea and Asia and grow our grip as NO.1 K-Content Channel that strikes a chord with global viewers beyond borders.



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**Our Action 02**

**Personalized Live Shopping**

**CJ ONSTYLE's Unique Brand Business**

With the launch of 'Fidelia' an underwear brand, in 2001, CJ ENM is now home to the largest number of exclusive brands across different product categories including fashion, living, beauty and others in Korea. In addition to our own brands, we have exclusive license with renowned home and abroad designers to roll out products tailored to domestic customers. We double our efforts to raise competitiveness in terms of product lines by providing unique products only available through our ONLYONE BRAND.

The fashion brands that we have designed and launched are 'THE AtG', 'Celebshop edition', 'odense', a total kitchenware brand, 'O Daily Nature', a premium nature food brand and 'taylor scents', a fragrance brand. In 2021, based on our successful experiences of brand licensing, we rolled out a licensed brand, 'ST.JOHN BLUE LABEL' which reinterprets and adds a youthful feel to 'ST.JOHN', a high-end fashion brand for women characterized by its sophisticated and elegant style, and 'Brooks Brothers' a renowned premium brand for men's suits which boasts 203 years of tradition with the reputation as the 'suit-maker for the president of the US'.

CJ ENM will put our focus on the expansion of our ONLYONE BRAND in order to provide more competitive products. In addition, we will keep our efforts to incubate and launch a fresh new brand by elevating the level of ONLYONE BRAND through the accumulation of capabilities and know-how in commerce industry.

**Personalized ONLYONE BRAND**

**ONLYONE BRAND-Fashion**

**THE AtG**  
THE AtG's unique details that stick to the basics makes it easy to dress yourself up more stylish and trendy

'THE AtG', launched in September 2011, is one of the representative fashion brands in CJ ENM. This brand is designed to create variations with its trendy items on your usual style allowing you to dress more stylish every day. 'THE AtG' has led the growth of the home shopping fashion industry providing a wide range of women's clothing ranging from cost-effective pants priced under KRW 100,000 to high-end coats with a price point around KRW 900,000. In 2018, 'THE AtG' gained huge popularity and became our first ONLYONE fashion brand to hit KRW 150 billion worth of annual orders.

**Celebshop edition**  
Brand presenting the most essential items and styles for every season

'Celebshop edition' is one of the the most loved fashion total brands of CJ ENM. This contemporary brand for women suggests various styles with the most trendy and essential items for every season in pursuit of the concept of 'practical chic.' 'Celebshop edition' has broadened the scope of product lineups, giving customers diverse options ranging from premium to practical clothing so that they enjoy their shopping according to their tastes. Furthermore, it will present fashion brands exclusive for mobile in collaboration with global high-end fabric and apparel manufacturers, designers and brands.

**JEAN-MICHEL BASQUIAT**  
Stylish performance golf wear inspired by art

'Jean Michel Basquiat', dubbed 'black Picasso', was a pop icon from New York who dominated the art circle of the US in the 1980's. 'JEAN-MICHEL BASQUIAT' is a stylish performance golf clothing brand with the works of the artist applied to garments. It is perfect on the field and makes it easy for you to mix and match in your daily lives. In addition, this brand makes you feel confident anytime and anywhere with distinguished styles and optimal performance.

**ST. JOHN BLUE LABEL**  
American New Luxury - Brand that gives you comfort and grace

'ST. JOHN BLUE LABEL', the most beloved brand by influential women in the US, is characterized by its sophistication and grace. We propose a styling that makes you look comfortable and elegant at any moment with its luxurious textiles, design and vibrant colors.

**Eddie Bauer**  
Outdoor lifestyle brand embracing reinterpreted 100 years of American heritage with a modern feel

'Eddie Bauer' is a brand we have launched in Korea based on a license agreement with Eddie Bauer, one of top four American outdoor brands. To reinvent this brand, we reinterpret the DNA of this brand that has accumulated for the past 100 years and add a modern feel and combine our own know-how. The reinterpreted 'Eddie Bauer' suggests a stylish outdoor lifestyle from functional garments to American style casual clothes.

**ONLYONE BRAND- Living**

**odense**  
Easy Solutions for Lifestyle in Dinette

'odense' is a dining kitchenware brand which is rooted in the professionalism of Korea's ceramic craft. This brand puts the spotlight on the very moment when you put food on the plate for those you love and vice versa. The brand 'odense' is inspired by the nature of Odense, the hometown of Hans Christian Andersen, a Danish author of children's books. Unique colors and materials characterize this brand. The brand's carefully crafted products with a sophisticated and modern design give you a sense of depth, making your daily lives more special. 'odense' became the first award-winning tableware brand in Korea receiving a 'Red Dot Design Award' in 2014, one of the world's top three design awards. In order to grow further, 'ods'(odense design studio) opened in 2020 to enhance its design skills while expanding product lineups to furniture and lighting in addition to tableware and cookware. 'odense' will continue its efforts to bring joy to your plate.

**O Daily Nature**  
A natural food brand that sticks with flavors from nature and nutritious foods to easily take care of your health

'O Daily Nature' is a food brand that highlights flavors from nature as well as nutrition. This brand sticks to the principles of nature in terms of selecting ingredients and recipes for food while proposing the right knowledge and standards for healthy diets with sincerity so that our customers can build their healthy dietary habit with just one meal a day. It has a broad range of product lineups ranging from 'Premium Maple Nut', a snack for everyone, to 'Oatmealshake', a perfect meal replacement. Healthy and credible food product provider, 'O Daily Nature' is your small habit to take care of the health of you and your family. And this is the value that this brand delivers to customers.

**taylor scents**  
New standards for interior with scent. Premium fragrance brand, taylor scents

'taylor scents' is our high-end fragrance brand. The brand suggests a variety of moods for people who want to express themselves in an elegant and sophisticated manner and also for those who remain in somebody's memory for a long time. Its signature product line, a hotel diffuser line, boasts its uniquely reinterpreted design based on its brand DNA, which makes itself an artistic object creating a visual effect just beyond a perfume product filling spaces with scent.

The brand uses fragrance materials 100% made in France for this product line. What make this product stand out are its far-reaching scent coverage as well as 2L of large containers in distinctive design, the first large-capacity ones in Korea. These characteristics present a new paradigm for interior design with scent. Its luxury niche perfumes, produced by its own recipe and marked by its own chic mood, are recognized as other premium perfumes and beloved by many celebrities. In addition, 'taylor scents' injects a new value to the premium fragrance market with a variety of lineups such as candles and dress perfumes. Our excellent products and their values are being recognized, which leads the brand to become a supplier of premium offline spaces including famous hotels in Korea. On the strength of this, 'taylor scents' is leading the market, gaining more traction.

**ONLYONE BRAND - Beauty**

**eau Blanc**  
Clean beauty brand for your intrinsic beauty with safe ingredients from nature

'eau Blanc' refers to clean water in French. Clean beauty it defines can be accomplished through the rigorous verification of all of nature-derived ingredients to stay true to its brand image of clean water, thereby embodying only palpable efficacy. The brand wants more people to experience clean beauty benefitting from the power of nature so that they live a healthy and 'Clean life' for their inner and outer selves. On the basis of this 'clean beauty' philosophy, 'eau Blanc' presents reliable and ethical cosmetic products. Its products align with the recent trends in the cosmetics industry such as eco-friendly and ethical consumption by using cruelty-free ingredients including natural or organic ones. Starting with body care products, it will diversify its product category to include skin care ones, thereby delivering a 'clean life' experience to more people so that they use the pure power of nature to develop their intrinsic beauty.



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Material Topic 02  
**CUSTOMER-CENTRIC BUSINESS**

“Your voice underpins our growth.”

**Our Approach**

The future of a company lies in the voice of customers. CJ ENM has established a system for customer management to pay more attention to the voice of customers. Programs in diverse forms have been operated to reach out to customers including Audience Committee, Live Talk and Forum for Customers. CJ ENM will bring maximized rights, benefits, and satisfaction to our customers with customers' opinions taken into account through active communication, thereby growing into a more trusted company.

**Organization for Customer Management**

**Monitoring and Improvement on Customer Experience**

CJ ENM set up a customer experience management model and key action plans for each customer experience stage. We have also operated a thorough monitoring and improvement activities corporate-wide in terms of VOC from the stage of product planning, production status, sales broadcasting, order receipt, delivery, and VOC collection and processing. On top of that, a customer satisfaction survey is conducted twice a year to identify room for improvement and resolve it.

**Customer Experience Process**

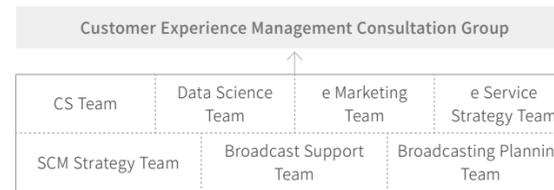


**CEM\* Consultation Group for Better Service**

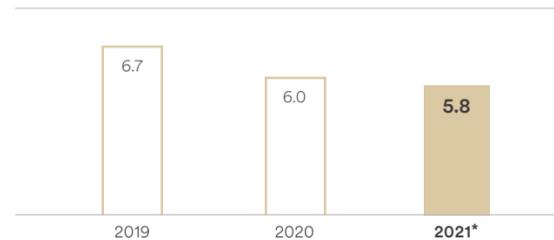
CJ ENM operates the companywide Customer Experience Management(CEM) Consultation Group. The CEM Consultation Group gathers and analyzes customer experience data from all stages of shopping. Through the data, we secure insight on complaints and inconvenience so that we can create an improved differential service through key action plans by stage. We selected and implemented 32 yearly tasks to promote in 2021. About 44% of the tasks were completed as of September 2021.

\* Customer Experience Management(CEM): A process of systematically managing customer experience in relation to goods or services

**CEM Consultation Group**

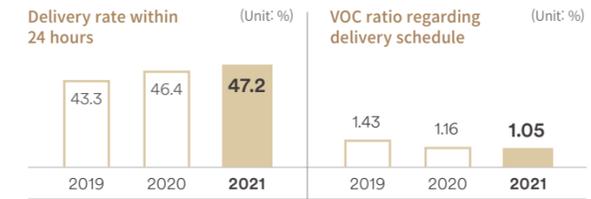


**VOC ratio of customer inconvenience and dissatisfaction** (Unit: %)

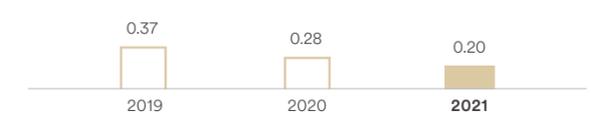


\* Annual goal ratio

**Key Improvements in Delivery Experience**



**VOC ratio of return schedule**(delivery partners) (Unit: %)



**Audience Committee**

The Audience Committee was established to safeguard viewers' rights and to raise the quality of broadcasting. Both divisions operate each committee. The member of the committee is appointed with the recommendation of an organization designated by the regulation of the Korea Communications Commission. The members represent and speak for viewers from all social standings. The Audience Committee in the Entertainment Division is the first case to form and establish an audience committee as a firm, which is not legally obligated to set an audience committee unlike terrestrial channels, general service program providers, news channels, and home shopping operators. Viewer members of the committee request for corrective action on self-review regulations and broadcast program content, thereby strengthening the credibility of our programs. They also promote the protection of viewers' rights and remedy problems in case of infringement of rights. The Audience Committee holds regular committee meetings once a month for both divisions and discloses operation results and related information on each homepage.

Additionally, the committee pays heed to viewers' opinions on our channels and content. We engage in direct communication with our viewers who are our content customers in order to garner their feedback, inquiries, and grievances on program planning, event response, promotion, casting, and sponsorship. Through facilitated communication, we strain every nerve to reflect their opinions in our content.

**Operation Process of Audience Committee**

Monitoring	Submission of agenda	Meeting	Disclose
<ul style="list-style-type: none"> <li>Monitoring content categorizing in drama, variety show, and educational.</li> <li>Materials of the new programs for the next month and viewer ratings are reported in the last week of every month.</li> </ul>	<ul style="list-style-type: none"> <li>Submit 'Audience Opinion Report' from Audience Committee members.</li> <li>Receive feedback on the 'Audience Opinion Report' from the person in charge of the each channels.</li> </ul>	<ul style="list-style-type: none"> <li>Program CP, PD, and reviewer participate in the committee meeting.</li> <li>Opinions and Q&amp;As on the 'Audience Opinion Report' are addressed.</li> </ul>	<ul style="list-style-type: none"> <li>Minutes of the meeting are disclosed on CJ ENM homepage.</li> </ul>

**Our Action 01**

**CCM For Customer Trust**

**Implementation and Spread of CCM**

**Customer Centered Management Certification**

CJ ENM is keenly cognizant of the gravity of Customer-Centered Management(CCM), so we are striving to turn it into reality. Our efforts to spread CCM include external and internal promotion of CCM while encouraging partner companies to be certified in terms of CCM. Since 2007, our active efforts have enabled us to maintain the CCM certification issued by the Korea Consumer Agency and recognized by the Fair Trade Commission for 14 years, when we acquired the first CCM certification in industry. As a result of continuous improvement as well as implemented relevant business operations, we passed the investigations for recertification. In 2019, we were recognized for our contribution to the protection of consumers' rights and benefits through our project for improved customer satisfaction, winning a presidential citation for CCM. In 2020, we also won a citation from the Chairperson of Korea Fair Trade Commission, the equivalent of Hall of Fame Award.

**CCM Certification Support**

CJ ENM has entered into an agreement with the Korea Consumer Agency and the Organization of Consumer Affairs Professionals in Business to spread customer-centered management into every corner of the industry through the promotion of CCM certification system. We aired promotional video to eight home shopping operators twice a day. We operate internal ombudsman program to introduce certification and implement promotional activities such as printing logo on product packages while providing partner companies with full certification cost or incentive advanced payment up to 70%. As of June 2021, a total of 5 SMEs has been incubated through the program; the largest investment of all certified firms.



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**Our Action 02**

**Alleviating Customer Inconvenience**

**Better Mobile Shopping Environment**

With an aim to promote the level of convenience of customers using mobile commerce, we are in the process of transferring and advancing the existing services to the mobile environment. The improvement has been made in UI to minimize confusion due to restrictions on the amount that can be used when using CJ ONE POINT and other points. We also adjusted the user interface as well as tone and manner of the mobile live screen so that the users can easily find the benefits in the mobile environment. Shake Landing function\* is added to CJ ONSTYLE application for raising handiness when joining Live Talk or ordering products. The previous My Zone(personal page) was also upgraded to an easier and more intuitive screen by modifying functions and information to a customer demand-derived structure. Users can set a push alarm to be informed of the event schedule by a credit card company, which was frequently asked through customer service. This function resolves customer inconvenience, allowing us to increase the amount of beneficial information we provide.

\* Shake Landing function: A function to provide a live broadcast pop-up when a user shakes a smartphone while using the application

**Q&A Management Process**

The Q&A system we previously had was designed to be personally responded by the person in charge of the product and its partner companies. However, they could not cover all questions as approximately 20% of inquiries were about company-wide promotional events or the benefits of a credit card. To refine the process, we transferred the role of inquiry handling entirely to the Customer Center so that professional CS counselors can answer those through one-on-one posts. Currently, the inquiries can be promptly transferred through the management page for partner companies and the person in charge of the product, and as a result, customers can quickly receive the information they want. We plan to expand the transfer project through the continued promotion of the service.

**Service for Better Customer Experience**

We launched a new Live Talk service in line with the launch of CJ ONSTYLE. We changed the operator of Live Talk and increased the operational programs to about 60% aiming to expand the participation of Live Talk and shopping experiences. Our purpose was to renovate the overall system and establish a customer-centric manual, eventually reinforcing mobile integrated communication with customers. As a result of these efforts, we received a total of 44,895 messages from customers through Live Talk as of the second week of May 2021, which was increased about 3.5 times compared to the last week of April.

**Improvements Made in Live Talk 2.0**

<b>Classification</b>	Live Talk 1.0 ver.
<b>Service purpose</b>	Collecting opinions on broadcasting and questions on products from TV viewers
<b>Operator</b>	Dedicated personnel for supporting broadcasting (2 people with little experience in products and with customers)
<b>No. of programs</b>	Less than 28 per week(about 20%)
<b>Manual</b>	Responding to questions

<b>Classification</b>	Live Talk 2.0 ver.
<b>Service purpose</b>	Having a mobile integrated communication with TV viewers
<b>Operator</b>	Dedicated personnel at CJ Telenix (4 people with abundant experience in products and with customers)
<b>No. of programs</b>	75-80 per week(about 60%)
<b>Manual</b>	Responding to questions concerning products + 1. Promptly responding to questions on the CJ ONSTYLE application 2. Informing of cross-sale events within CJ ONSTYLE, an application store, and special events 3. Swiftly responding to frequently asked questions by category 4. Improving relationship-friendliness with customers

**VOC Improvement – odense Package Case**

odense is a representative ONLYONE brand of CJENM, selling a variety of kitchenware and ceramic products. However, there were frequent damage reports owing to the nature of the products, which led to VOC requesting exchanges. With an objective of remedying this problem, CJ ENM introduced an eco-friendly package that prevents breakage in 2020, thereby resulting in the reduction of VOC cases in regard to damage. In addition, we switched the packaging materials we used to paper padding instead of air caps. This makes it easy for customers to identify the quality of a product when they open a package. And it also supports easier separation for waste disposal. The change of package has brought about a decrease in the VOC regarding damage by 38%, and the VOC related to product exchange dropped by 20% in 2020 compared to the previous year.



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**Material Topic 03**

**DIGITAL COMPETENCY**

“With our digital competencies, we will bring joy palatable to your tastes.”

**Our Approach**

We are seeing a drastic change in the media market as it has shifted from TV to mobile and from offline to online. Digital competency comes to prominence as a factor deciding the growth and future of a company. Against this backdrop, CJ ENM has advanced our distribution channels including TVING and digital channels while diversifying our content formats. The commerce business also integrated TV and online shopping and switched it into the mobile-driven platform, diversifying the channels interacting with our customers. With these efforts, CJ ENM is solidifying our reputation as the WORLD’S NO.1 LIFESTYLE CREATOR.

**Our Action 01**

**Advanced Digital Platform**

**TVING, All Things for Every Fandom**

TVING takes the lead in digital shift innovation of CJ ENM, becoming a key pillar of our strategy to reinforce digital capacity. Since its establishment as an independent corporation in 2020, TVING has recorded remarkable achievements by garnering more than tripled number of accumulated paid subscribers in just one year. The number of paid subscribers in their teens as well as in their 20s and 30s, our main target group, rose by 268% compared to the time before launching. The number of paid subscribers in the middle-aged group also showed an increase of 276% in the 50s and 246% in the 60s, showing growth at a rapid pace.

The growth of TVING was mostly driven by TVING original content. TVING has presented 5 original and exclusive content across a wide range of genres encompassing variety show, documentary, animation, drama, and sports since its launch. On the basis of out-of-box themes and formats with outstanding planning capabilities, we have provided content that gratifies viewers’ tastes, and the representative examples are; our first original content <High School Mystery Club>, a spin-off of tvN’s <Mix&Mash Saturdays>, <Idol Dictation Contest>, digital comic-based drama <Yumi’s Cells>, and the romantic reality show, <Exchange>. In particular, CJ ENM’s high capabilities, creativeness resources naturally shared with TVING, and the synergy effect between TVING and other channels brought about TVING’s quantitative and qualitative growth. Going forward, TVING plans to make inroads into the global market

in 2022 to lead the global K-Content boom in major overseas bases such as Japan, Taiwan, and the US under the vision of becoming ‘NO.1 K-Content platform’

**TVING Original Content Strategy**



**Enlarge Market Influence with Digital Content**

**Timeless and Borderless Digital Content Powerhouse**

In the face of ever-changing trends as well as the main broadcasting platforms, CJ ENM Digital Studios have a wide span of content spectrum encompassing trendy themes across a broad range of genres including humanities, current affairs, psychology, history, science, and real life so that we can bring joy to our viewers. 'tvN D' operates digital-only original content production studios utilizing channels with six specific genres including digital drama, digital variety show, and curating channels dedicated to beauty and knowledge. Our three digital channels; 'THE BOB STUDIO' with experimental content under the theme of gastronomy(launched in 2019), 'Sapiens Studio', a digital humanities insight platform(launched in 2020), and 'Studio Waffle'(launched in 2021) exceeded 200 million views in total. Besides, our music-based digital studio, 'M2' attracts global fans offering footage such as idol fan cams, customized digital variety shows and reality shows while 'STUDIO DIA' with its original content in various formats including digital drama, digital fiction, and digital comic.



**Diversified Formats of Digital Content**

The conventional TV broadcasting environment, which has set time for programs, is currently being transformed to the digital one, and this change has made content formats diversified. Keeping up with the transformation, CJ ENM expanded our scope to 10 to 30-minute short-form and mid-form content so that they are suitable for the digital viewing environment. 'Channel Fullmoon' started with <Three Meals In Iceland>, which is a short-form content derived from 'New Journey to the West' and '3 Meals a Day', and it became a hot issue owing to the 5 minute TV program and the digital release of its main content. With the flagship content like <The Game Caterers>, it is currently grown into a popular channel with 3.6 million subscribers. A short-form digital drama released in 2018, <It's Okay To Be Sensitive> covered a gender issue and made it come under the spotlight. Recognized as fun content, the series was renewed for a third season. With its unique theme, flexibility, and short but focused story, short- and mid-form content is beloved by a lot of viewers.

**Festivals to Be Enjoyed at Home for Global K-culture Fans**

Well-known global K-POP festivals <MAMA> and <KCON> usually were held worldwide for K-POP fans all over the world. After pandemic situation, they are revolved to online festival aiming to fulfill the interest from global fans. <KCON> having the record aggregate number of offline audience at above 1.1 million over 24 times since 2012, and now <KCON:TACT>, online based <KCON>, was held five times since 2020, joined by a total of 136 artist teams, enabling communication with around 23 millions global K-POP fans. It has become an irreplaceable global NO.1 K-Culture festival. <KCON:TACT> especially converged its live content with interactive technologies such as XR, AR, and VR specialized for the digital environment so that artists and fans can communicate with each other. It presents a new type of stage by breaking the limitations of time and space.

2021 was the year when a number of concerts and film releases were postponed or canceled due to the government measures banning group gatherings and concerts against the COVID-19 pandemic. CJ ENM have successfully held 'IZ\*ONE' and 'JO1' online-based concerts on the foundation of our accumulated digital capacity. Starting with the musical <Maybe Happy Ending>, <Werther> was also performed in an online streaming format, comforting musical fans who were longing for cultural content. Besides, it gave opportunities to experience musicals with a reasonable price for customers who could not enjoy musical easily due to prohibitive costs. In particular, our streaming service in Japan indeed opened a new chapter of global content sales.

**Effective Global Influencer Marketing Solution**

As Asia's largest Multi-Channel Network(MCN) operator, CJ ENM owns more than 1,400 influencer channels in 27 countries with 300 million subscribers and 2.1 billion monthly viewership. 'DIA TV', a global influencer network, is leading the creation of business ecosystem where social media influencers and the global viewers are connected through partnerships with content creators in diverse areas including game, sports, entertainment, beauty, and food as well as more than 500 promotional campaigns. CJ ENM operates 'DIA Market' for supporting influencers' business with its organic flow from product planning, production to sales. 'DIA pick' is a matching platform for advertisers and social media influencers providing the most effective solution in influencer marketing so that their influence can be fully unleashed.

On the strength of these efforts, CJ ENM's digital sales and share are continuously growing. As of the first quarter of 2020, the share of digital sales accounted for about 15.7%, but it rose to 20.9% in the second quarter of 2021. It demonstrates our preemptive response to constantly changing social and market.



**Our Action 02**

**Live multi-shopping Platform for TV & Mobile**

In 2021, CJ ENM launched 'CJ ONSTYLE', a mobile-driven integration of TV home shopping, 'CJ O Shopping' and an online shopping mall, 'CJ Mall'. CJ ONSTYLE will provide a more clear and vivid shopping experience and plan the optimal lifestyle to meet the demands of our customers on the strength of our MD competitiveness that has been constantly evolving for more than 25 years as well as optimal live commerce capacity.

**CJ ONSTYLE – TV, Korea's First TV Home Shopping and Live Commerce**

CJ ENM started TV home shopping for the first time in Korea on August 1<sup>st</sup>, 1995. Since then, we have stepped up into the best TV home shopping operator spot in Korea, taking the lead in non-face-to-face video shopping culture. CJ ONSTYLE TV live channel has grown into Korea's representative shopping channel for more than 25 years. Since it achieved great success with <Style On-Air> in 2008 and <Celebshop> in 2009, <Choi Haw Jung Show>, <Hit The Style>, <Donggagge>, <Kang Joo Eun's Good Life>, <Lee Sora Project> has been broadcast hosted by top show hosts, celebrities, and professional MCs who are experienced with the product, who give tips and know-how regarding fashion, beauty, and living lifestyle, offering quality commerce content beyond just sales broadcasting programs. As the signature channel, our live TV channel introduces core vertical categories in-depth, diversifying broadcasting formats to lower the barriers of entry to products through efficient operation. These efforts will make us become the representative live shopping platform offering competitive products to customers. Since 2015, our T-commerce channel, 'CJ ONSTYLE +' has been serving as a stepping stone using its VOD service with recorded video content for the growth of SMEs having difficulty entering the TV home shopping live broadcast market. Going forward, it will play a bridging role to deliver more diverse products to the e-commerce market with our multi-faceted formats.

**CJ ONSTYLE Mobile – the Place to Find tailored product to My Taste**

CJ ONSTYLE is a mobile shopping platform for curating products that suit a customer's taste. It offers a vivid shopping experience with a mobile live commerce broadcast that was introduced for the first time in the industry in 2017, as well as items tailored to customers' taste in shopping malls focusing on three big categories; Celebshop(fashion), Olive Market(living), and The Beauty(beauty). Its shopping feed also informs carefully selected benefits for customers in real-time. In addition, we operate 'CJ ONSTYLE Mobile LIVE', a high-quality live commerce channel, hosted by reliable show hosts and professional sellers such as social media influencers.

In 2021, the launch of large overseas brands including 'Brooks Brothers' and 'ST.JOHN' accelerated the mobilization of our fashion business, broadening the opportunities of customer choices with intensive mobile-only products. In terms of beauty area, we have expanded the global product lineup including 'JUVENA' and 'Rilastil', which are highly preferred by female customers aged 3554, and had collaborations with popular brands in social media with our mobile-centric brands such as 'TIRTIR', 'NUBORN CELL', 'BLANC DUBU', 'LAVIEN'. We also strive to make them national brands attracting global markets by capitalizing on the entire channels including 'Pick the Cell', a CJ ONSTYLE's influencer platform as well as mobile live commerce channels.

CJ ONSTYLE's mobile platform is not just a mobile shopping by looking at products on a live TV channel but a platform focusing the multi-live commerce experience, aimed at creating a virtuous cycle system where customers can enjoy all shopping experience more fun and convenient. To this end, we will complete a mobile SHIFT by enhancing the competitive edge of vertical categories such as fashion, living, and beauty, securing multi-channel product sourcing power and evolving product curation capacity.

**CJ ONSTYLE Malls Specialized in Top Three Categories**

<p><b>CELEBSHOP</b></p> <p>'CELEBSHOP' is a fashion select shop providing fashion styling content. It curates designer brands, high-end goods as well as global and domestic products based on the experts' style guide by TPO and recommends new outfits every week. Also its size recommendation optimized for each customer offers a convenient shopping experience.</p>	<p><b>CELEBSHOP</b></p>
<p><b>Olive MARKET</b></p> <p>'Olive MARKET' is a living select shop that introduces lifestyle and dining products. It pursues to serve as a 'market connecting taste and living'. Following the advice of various experts, Olive MARKET curates brands and products focusing on seasonal, home, and living trends. It provides a shopping experience for living items by suggesting styling tailored to a customer's taste so that they can find their own lifestyles.</p>	<p><b>Olive MARKET</b></p>
<p><b>THE BEAUTY</b></p> <p>THE BEAUTY is a beauty solution shop encompassing verified products and beauty trends. It curates products and home care techniques by a customer's skin concern based on experts' recommendations and show hosts' reviews. It features popular TV home shopping goods, trendy items in social media, and various products related to skin care, beauty, hair, and body that meet the customer's needs.</p>	<p><b>THE BEAUTY</b></p>



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Material Topic 04  
**SAFETY AND HEALTH**

“We lead a culture of safety.”

**Our Approach**

In 2021, safety and health regulations, such as the Severe Accident Punishment Act, became more stringent. CJ ENM puts the health of employees as a primary of management, making every effort to protect the worker's health at work. With the aim to prevent possible risks in the production environment, we have formulated a manual for safety and health while conducting various activities with constant investments such as the provision of safety and health education or regular inspections on facilities.

**Our Action 01**

**COVID-19 Pandemic**

**Preemptive Response to COVID-19**

The COVID-19 pandemic has brought serious crisis to many corporations. In proactive response, CJ ENM has formed a TF. With the purpose of containing the spread of the virus, various endeavors have been made. The efforts include minimizing employee density at work, taking preventive measures on a regular basis, reinforcing self-disinfection and limiting the operation of in-house welfare facilities. Furthermore, we actively respond to health issues arising from the pandemic and take part in the epidemiological investigation of COVID-19 conducted by local health clinics.

**COVID-19 Guidance**

Every kind of business trips of employees have been restricted through the discussion with directors and the Human Resources Department while calling on our employees to refrain from going on a trip. In addition, we have applied flexible working systems, including staggered hours system and work-from-home, in order to reduce employee density at work to the minimum degree while conducting immediate tests and allowing them to work-from-home for those who show similar symptoms or contact an infected person and allowing them to work-from-home. Furthermore, we limit the entry of outsiders to our office, and when they need to enter the office, we make sure that they go through a procedure required for the entry including body temperature check at the lobby and wearing a mask.

**COVID-19 Emergency Response System**



→ When a worker tests positive for COVID-19, immediate notice for employees + workplace closure + working from home

**Guidance on Offices and Production Facilities**

CJ ENM has installed a clean zone for disinfection in our broadcast transmission facility to ensure stable operation. As part of the efforts, we have stepped up the level of self-disinfection at the public part of lobby, lounge and rest rooms. Regular and emergency disinfections are also conducted by professional service providers. We also have limited the use of welfare facilities including fitness centers, nap rooms and cafeterias.

**Response to COVID-19 Confirmed Cases and Support**

When COVID-19 confirmed case or any possible risk is found, the fact is immediately reported through the internal system to inform our employees of the news and an emergency disinfection is conducted. We share the information on the places the infected employees visit, while separating workers who primarily contact the infected from secondary contacts to conduct proactive tests and put them in self-quarantine. The test results are shared with local health centers to assist their epidemiological investigations. Besides, we share the guidance for employees who were infected the confirmed cases to work-from-home after their full recovery and provide employees with vaccine leave and necessary medicines such as fever reducers and painkillers.

**Disinfection and Safety Management for Production**

**Disinfection Guidelines for Production**

CJ ENM incorporates social distancing in our guidelines for content production. According to the guidelines, we separate cast members from staff while restricting the number of staff for shooting. We make sure that all of the staff members fill out the COVID-19-related questionnaire. The guidelines make it mandatory for cast members and production staff to do body temperature check before shooting and wear a mask. Filming spots and venues for performance are seamlessly sterilized. On top of that, we have in place an emergency contact system to respond COVID-19 issues. CJ ENM will continue our efforts to make a safer production environment.

**Production Site Sterilization and Proactive Response**

CJ ENM has ramped up the level of disinfection at production sites, putting in place thermal cameras, thermometers, hand sanitizers and masks. As the government increases the level of social distancing, we let cast members and our camera crew receive preemptive tests and also help them to do self-tests. We also give flexibility to filming schedules, such as suspending the production or coordinating the schedule for shootings, thereby adjusting to situations when there is a confirmed case. When there is a person who closely contacts the infected, we carry out a proactive test for the all the contact and place them in self-quarantine while sharing the data with relevant organizations so that they can do precise epidemiological investigations.

**Our Action 02**

**Safety and Health Activities**

**Safety and Prevention in Accordance with Occupational Health and Safety**

**Safety Education**

In accordance with the Occupational Health and Safety, ENM has provided safety and health education for our employees. In case of distribution center, we have trained workers on how to behave in an emergency including how to act and what are prohibited behaviors in the event of fire. In case of production studios, the relevant employees are educated on the dangers of chemical products, precautions for handling chemicals, how to give first-aid and how to respond in line with Material Safety Data Sheet(MSDS). In addition, we have established the guidelines for emergency care so that prompt actions can be taken. These efforts come together to make our workplace safer.

**Safety and Health Education Programs**

 <b>Fire Drill</b> Half-yearly	 <b>Education on Cardiopulmonary Resuscitation(CPR)</b> Five times a year
 <b>Basic safety education</b> Five times a year	 <b>Regular education regarding safety and health</b> Quarterly



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Distinguished ONLYONE BRAND

Customer-Centric Business

CCM For Customer Trust

Alleviating Customer Inconvenience

Digital Competency

Advanced Digital Platform

Live multi-shopping Platform for TV & Mobile

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**Health Improvement**

**In-House Affiliated Health Clinic and Health Care**

CJ ENM operates an affiliated health clinic equipped with medical specialists and Health Studio. The affiliated health clinic provides a broad range of medical services encompassing physical therapies, quit-smoking treatments and consultations on the results of health check-ups. Especially, physical treatments are available free of charge for muscular skeletal diseases that employees commonly suffer from in the course of their work. We also offer other medical services at lower prices than the market, thereby making it easier for employees to receive medical treatments. In addition, our employees can receive prescribed drugs and fluids (glucose, vitamin, etc.), and also get vaccinated. The affiliated health clinic is in charge of the whole health management for employees providing follow-up services after health check-ups.

At Health Studio, employees are disinfected and treated on their wounds and relax. The studio deals with OTC medicines and provides professional medical services. On top of that, it takes charge of providing health counseling services and lends support to health affairs.



**Work Environment Management**

CJ ENM has put in place a variety of programs to make our workplace more pleasant and healthier. We operate fitness facilities around the clock. Our employees can work out under the guidance of professional physical trainers at any time. Nap rooms are also being operated so that our employees can relax. In addition, we offer multiple services such as Health Keeper, a massage program. By doing so, we provide a pleasant environment for our employees.

**Support Medical Insurance & Medical Expense**

CJ ENM fully subsidizes casualty insurance to its employees including workers from partner companies to prepare for conceivable accidents that may occur in workplace. Its coverage extends from GPAI (Group Personal Accident Insurance) with simplified application procedure, and properly support accident risks & post-management. Compensation will be extensive through general injury collateral and actual cost proportional compensation. The Industrial Accident Compensation Insurance Act also ensures that the Commerce division provides prompt and fair compensation for work-related accidents such as casualties, illnesses, commutes, disasters, etc. CJ ENM also relieves employees' medical expense pressure and promotes work efficiency by bearing partial payments.

**Medical Expense Subsidies**

 Disabled child fundholding	Partial fundholding for disabled children's education & medical expenses
 Cardiac fundholding	Employee him-herself or child's congenital heart defects
 Acyesis fundholding	Fundholding for artificial insemination-external fertilization expenses for legally married couple (exceeding amount from Public Corp. charges-within company bylaws)

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# ENVIRONMENTAL

Aiming to carry eco-friendly management into practice as well as to achieve carbon neutrality, CJ ENM established an environmental management system, thereby voluntarily responding to the climate change. We have built a GHG(greenhouse gas) inventory to mitigate our carbon footprints and waste while managing environmental data to reduce the amount of energy consumed.

## Climate Change Response

### Climate Change Response System

CJ ENM has established GHG(greenhouse gases) inventory which is designed to comprehensively manage GHGs emitted from our workplaces. Although CJ ENM is not subject to mandatory verification regarding GHG emissions, we have drawn up a company-wide roadmap for GHG mitigation, thereby joining efforts in combating the climate change.

### Environment Organization

In proactive response to growing demands for efforts to resolve environmental issues, CJ ENM has formed organizations dedicated to environmental affairs. The organizations consist of ESG Working Group including ESG Team, Facility Maintenance & Safety Team and Distribution Center Team.

### GHG Emission

Starting with the establishment of the GHG inventory in 2021, we counted our GHG emission over the recent three years and its sources of our business sites and verified the number by the third-party organization. The verification includes direct emissions from fossil fuel combustion, indirect emissions from the usage of external power from business operations. In 2020, a determined whole amount of GHGs emission was 10,820 tCO<sub>2</sub>e which is 7.25% lower than the previous year. CJ ENM will work to achieve roadmap for the environment step by step until the ultimate goal of 2050 net-zero emission is reached.

### GHG Emissions\*

Classification	Unit	2018	2019	2020
<b>Total amount of GHGs emitted (Scope1&amp;2)</b>	tCO <sub>2</sub> e	12,286	11,666	10,820
<b>GHG emission intensity (Scope1&amp;2)</b>	tCO <sub>2</sub> e/ KRW bn	5.21	3.08	3.19
<b>Direct GHG emissions (Scope 1)</b>	tCO <sub>2</sub> e	910	928	865
<b>Indirect GHG emissions (Scope 2)</b>	tCO <sub>2</sub> e	11,376	10,738	9,955
<b>Other GHG emissions (Scope 3)</b>	tCO <sub>2</sub> e	46	46	40
<b>Emission Reduction Rate</b>	%	N/A	40.86	-3.63

\* Range of data: Sangam Office Building, Ilsan Studio, Gayang Studio and Bangbae Office Building

### Energy Consumption

CJ ENM has multi-faceted efforts to curtail energy and power consumption. As of 2020, the total energy consumption was 61,898 MWh while power consumption amounted to 20,697MWh.

Classification	Unit	2018	2019	2020	
<b>Total energy consumption</b>	MWh	70,802	66,832	61,898	
<b>Energy Consumption</b>	Gasoline	kL	144,935	142,930	149,688
	Diesel	kL	5,703	7,472	8,469
	City gas (LNG)	1,000Nm <sup>3</sup>	280,322	268,628	232,488
	Others	Gcal	16,543	10,325	8,776
Indirect energy consumption	Electricity	MWh	23,126	22,248	20,697
<b>Energy consumption per unit</b>	MWh/ KRW bn	30.001	17.638	18.254	

\* Range of data: Sangam Office Building, Ilsan Studio, Gayang Studio and Bangbae Office Building

### Environmental Management System(ISO 14001) Certification

CJ ENM has set a target of obtaining ISO 14001, an international standard for environmental management system, by 2022. To this end, we plan to formulate our environmental management policy to align with the international criteria set by International Standard Organization (ISO) while presenting detailed action plans to mitigate carbon emissions and to make investments in renewable energy. Furthermore, we will sharpen the environmental management system with performance assessment system.

### Environmental Education

CJ ENM shared mid-to-long-term plans for Paradigm shift in ESG management with our employees through environmental courses. Efforts are made to raise the employees' perception and participation through environmental education down the road. The Entertainment Division started providing educational content in the third quarter of 2021 to give employees a better understanding of the gravity of environmental issues such as carbon neutrality and circular economy. We will work with our employees to create eco-friendly corporate culture while encouraging employees to join hands in the strategies for environmental management.

### Environmental Compliance

CJ ENM has proactively responded to rapidly-changing environmental regulations while observing the pertinent laws. Over the recent three years, we reached zero in terms of environmental law violation. We will spare no efforts in various sectors to preserve the environment and local communities ensuring our environmental compliance at home and abroad.

### Breaches of Environmental Laws

Classification	Unit	2018	2019	2020	
<b>Environmental law violations</b>	No. of violations	Case	0	0	0
	Fines	KRW	0	0	0
	Penalties		0	0	0

## Mitigation of Environmental Effect

### Pollutants Management

CJ ENM Studio Center regularly checks boilers and monitors its air pollutant emissions to minimize air pollutants. The total amount of air pollutant emissions(dust, SO<sub>2</sub>, NO<sub>2</sub>) from the boiler facilities of CJ ENM Studio Center is less than 2 tons per year, which makes the center belong to Type-5 business site. To curtail pollutants emitted by boilers, we make every effort to prevent environmental degradation including the installation of low-NOx burners, a device to lower combustion.

### Air Pollutants

Classification	Unit	2018	2019	2020
<b>NOx concentrations*</b>	ppm	42	68	48
<b>Fine dust (PM10) concentrations**</b>	μg/m <sup>3</sup>	94.50	25.40	29.90

\* Commerce Division

\*\* Entertainment Division

### Water Pollutants

Classification	Unit	2018	2019	2020
<b>BOD(biochemical oxygen demand) emissions**</b>	mg/L	2.80	2.20	1.30
<b>T-N(total nitrogen) emissions</b>	mg/L	0	0	0

\* Entertainment Division

\*\* BOD emissions : Below standard 5

### Water Resources Management

CJ ENM purifies and recycles water we use to maximize the efficient use of water resources. The used water coming from sinks, office pantry, and shower rooms is recycled through the waste water reclamation system of the office buildings to be reused in urinals and toilets. We reduce replacement cycle of MCF-AC filters from two years to one year for the efficient use of the reclamation system. We will double our efforts to optimize water facilities, replace obsolete facilities in order to maximize the water recycling rate.

Classification	Unit	2018	2019	2020
<b>Total water consumption</b>	m <sup>3</sup>	88,207	96,717	82,504
<b>Water consumption per unit</b>	m <sup>3</sup> / KRW bn	37.38	25.53	24.33
<b>Water recycled*</b>	m <sup>3</sup>	6,111	6,619	6,189
<b>Water recycling rate*</b>	%	6.93	6.84	7.50

\* Water recycled and water recycling rate: Entertainment Division



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### Guidance for Waste Reduction

In order to minimize waste, CJ ENM has put in efforts at all of our workplaces and production sites. We separate household waste and we expand the scope of waste separation to curtail the amount of waste incinerated or going to landfill. In the years to come, the scope of the efforts to reduce waste will expand to our partner companies. We plan to provide consulting services regarding environmental affairs to take our recycling-related capacity up a notch by 2022.

#### Waste Generation and Disposed\*

Classification	Unit	2018	2019	2020
<b>Total waste generated</b>	ton	163.15	134.75	116.20
<b>Waste generated per unit</b>	ton/ KRW bn	0.069	0.036	0.034
<b>Waste generated by type</b>	Designated waste	0	0	0
	General waste	163.15	134.75	116.20
<b>Waste disposed</b>	Incineration	7.48	15.60	29.69
	Landfill	1.73	3.60	5.84
	Recycling	153.94	115.55	80.67
<b>Waste recycling rate</b>	%	94.35	85.75	69.42

\* Range of data: Entertainment Division

CJ ENM has played a leading role in cutting down on waste through the expansion of the use of eco-friendly packaging materials. The Commerce Division established 3R (Reduce, Redesign, Reuse) policy to minimize the use of materials which are not degraded naturally. Under the policy, we have phased in three materials-free packaging. Three materials are vinyl (plastic), non-woven fabric and styrofoam.

### Environmental Effect Mitigation Activities

**Commuting Bus Operation** CJ ENM operates commuting buses covering six routes(five for the Sangam Office Building, one for the Bangbae Office Building). We also operate shuttle buses circulating between the offices and nearby subway stations to provide our employees with options to use a commuting bus or public transportation.

**Bike Riding Encouragement** The Sangam Office Building has installed parking lots for bicycles. It makes it easy for employees coming to work by bicycle. We have in placed two bike parking racks, each of which is 38.5 square meters in size.

**EV Charging Infrastructure** The Sangam Office Building installed and operated EV charging stations so as to encourage employees to use electric vehicles (EVs). As of now, we have one charging station for general EVs and 39 RFID charging stations for EV drivers. We plan to install a fast-charging station and two normal-charging stations within CJ ENM Studio Center slated to open in 2022.

**Sustainable Production** The Bangbae Office Building endeavors to curtail its environmental effects. We have replaced outdated lightings with LED system in the studio and actively taken advantage of virtual studio using VR technologies. We have retrofitted broadcasting sets and expanded the operation of multi-use broadcasting sets for resource and energy efficiency.



CJ ENM has forged a sustainable business ecosystem where employees, creators and partners can go hand in hand. We create a culture of diversity, equity, and inclusion as well as discharge our duties and responsibilities, thereby delivering on the business enabling all of us to grow together.

## Labor

### Human Resources

The driving force lies in our "people". CJ ENM strives to secure excellent talents and raise the level of diversity in terms of employee composition. As of the first half of 2021, the total number of employees of CJ ENM was 3,252.

#### Employment Status

Classification	Unit	2018	2019	2020	2021 2Q
<b>Total no. of employees</b>	Person	3,475	3,680	3,403	3,252
<b>By age</b>	Under 30 (ratio)	1,110 (31.9)	1,127 (30.6)	934 (27.4)	847 (26.0)
	30~49 (ratio)	2,326 (66.9)	2,482 (67.4)	2,392 (70.3)	2,316 (71.2)
	50 or over (ratio)	39(1.1)	71(1.9)	77(2.3)	89(2.7)
<b>By contract type</b>	Permanent (ratio)	3,436 (98.9)	3,660 (99.5)	3,387 (99.5)	3,233 (99.4)
	Temporary (ratio)	39(1.1)	20(0.5)	16(0.5)	19(0.6)

### Diverse Workforce

**Diversity Workplace** CJ ENM strives to embed a culture of creativity and diversity in every corner of the company. Creativity is one of core growth engines, and diversity underpins it. We create content and brand from a new perspective and secure new source IP on the strength of our own experiences. A culture of using Korean honorifics 'Nim', when calling a name, enables us to communicate freely and horizontally with each other coming from different backgrounds.

### Employees Diversity

Classification	Unit	2018	2019	2020	2021 2Q
<b>The disabled (ratio)</b>	Person (%)	59(1.71)	54(1.48)	49(1.43)	N/A
<b>National Merit Scholarship (ratio)</b>	Person (%)	25(0.72)	28(0.76)	28(0.82)	26(0.80)
<b>Foreign employees (ratio)</b>	Person (%)	35(1.01)	33(0.90)	28(0.82)	28(0.86)
<b>By country</b>	The US(ratio)	16(0.46)	16(0.43)	15(0.44)	15(0.46)
	Canada(ratio)	5(0.14)	4(0.11)	4(0.12)	3(0.09)
	Japan(ratio)	1(0.03)	1(0.03)	1(0.03)	1(0.03)
	China(ratio)	10(0.29)	10(0.27)	7(0.21)	8(0.25)
	New Zealand (ratio)	1(0.03)	1(0.03)	1(0.03)	1(0.03)
	Australia(ratio)	1(0.03)	1(0.03)	0(0.00)	0(0.00)
Taiwan(ratio)	1(0.03)	0(0.00)	0(0.00)	0(0.00)	

**Reinforcement of Female Leadership** Female employees account for more than half of CJ ENM's workforce. The ratio of female employees in profit-generating departments stands at 56%. The ratio of female managers has also consistently increased.

#### Female Employment Status

Classification	Unit	2018	2019	2020	2021 2Q
Female employees (ratio)		1,846(53)	2,000(54)	1,874(55)	1,824(56)
Female managers (ratio)		550(40)	644(42)	662(43)	741(45)
<b>Gender balance</b>	Female executives (ratio)	4(9)	4(10)	4(10)	4(10)
Female employees of profit-generating departments (ratio)		547(51)	604(52)	579(54)	597(56)
Female workers newly hired (ratio)		555(58)	273(61)	115(30)	117(68)



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**Recruitment and Retention**

CJ ENM is keenly aware of the significance of discovering future talents. We newly hired a total of 385 employees in 2020 despite the frozen labor market due to the COVID-19 pandemic.

The Entertainment Division hires talents with potentials to grow as future growth engines. Department members and heads take part in the whole recruitment process to develop questions and tasks tailored to positions and make evaluations. Especially junior-level employees who joined earlier through the same process participate as interviewers to verify applicants from various angles. Through internship program, we decide whether applicants are eligible for positions or not, and then provide full support for them to develop skills as content professionals. The Commerce Division hires more IT talents and product design professionals who can go hand in hand with the growth of CJ ENM.

	Classification	Unit	2018	2019	2020	2021 2Q
<b>Recruitment</b>	Employees newly hired		950	450	385	171
	Entry-level employee	Person	639	255	189	92
	Experienced employee		311	195	196	79
<b>Turnover</b>	Leavers	Person	266	297	389	259
	Voluntary leavers		246	273	316	182
	Turnover rate	%	7.7	8.1	11.4	8.0
<b>Average Length of retention</b>	Retention		5.4	5.8	6.4	6.5
	Retention of male employees	Year	6.6	6.7	7.2	7.0
	Retention of female employees		4.6	5.0	5.7	5.8

**Remuneration**

We make sure fairness in terms of evaluation to decide the right level of compensation according to their efforts. The amount of remuneration has been on the rise. We do not discriminate on the grounds of gender and nationality. We offer same basic salary for entry-level employees based on the occupational group.

**Median Salary**

	Classification	Unit	2018	2019	2020
<b>Median Salary</b>	Employee	KRW thousand	66,000	68,000	69,737
	Male		80,595	83,697	84,856
	Female		54,176	56,031	57,996

**Equal Salary for Male and Female Employee**

	Classification	Unit	2018	2019	2020
<b>General position*</b>		%	74	78	78
<b>Support position**</b>		%	93	98	99

\* General position: Support position and executives excluded  
 \*\* Support position: Support position for content operation, broadcasting production, broadcasting professionals and sales/staff position

**Talent Development and Training**

**Nurturing Talents and Cultivating Expertise** CJ ENM secure and nurture the best talents in the industry for the core positions based on the business strategy. As the competition for talents is heating up, we have transformed our corporate culture in a way that external talents can also present brilliant performance. We never stop contemplating vision to be shared with all of our employees.

**Educational Programs for Talent Development** CJ ENM has formulated long-term and systematic strategies for cultivating expertise. With a firm belief that the growth of our employees underpins that of the company, we develop and provide a wide range of training courses including capacity building programs by stage and job function. For entry-level employees, we offer onboarding training for six months after the entrance, which is designed to help them better understand and adjust themselves to the company. After that, they are given opportunities to receive professional job training and to learn from the best talents through mentoring program so that they can show their abilities to the fullest. CJ ENM has in placed a system for nurturing leadership on the basis of leadership pipeline. We define and develop leadership skills required for each position while conducting Leadership Effectiveness Assessment stemming from ENM leadership model on a regular basis to give feedback that helps employees sharpen their leadership skills. On top of that, we encourage employees to do self-learning capitalizing on experience-based learning platform while hosting overseas conferences and providing external educational programs. These multi-faceted efforts persist to empower our employees to polish up their skills.

**Training Hours and Cost per Capita\***

	Classification	Unit	2018	2019	2020	2021 2Q
<b>Training hours per employee</b>		Hour	49.29	66.04	37.20	9.20
<b>Training cost per employee</b>		KRW thousand	1,856	1,838	1,055	130

\* Hours and cost of training declined in 2020 and 2021 since it was difficult to provide offline programs owing to the COVID-19 pandemic

**Talent Development Programs**

Classification	Training	Detailed Program
	On-boarding training for new employees	Introductory education for new hires including entry-level and experienced employees; field-driven training and mentoring programs
<b>Company-wide training</b>	Training by position level	Educational programs for middle-level managers to polish up leadership skills and to train for promotion
	Leadership training	Training courses for new leaders, performance management leadership and leadership effectiveness assessment debriefing
<b>Capacity building program by division</b>	Entertainment Division	Educational programs tailored to each position such as Creators Academy, Insight Academy and Marketing Course
	Commerce Division	Academy for MD and PD, a course for the data-based market and its emerging trends, digital marketing, DT Forum, data experts, growth hacking, GA360 and BI system

**Work-Life Balance**

**Welfare Benefits** For our employees' work & life balance, we operate a variety of welfare programs that benefit our employees' life, leisure and health. We take the families of our employees and their children into account when designing welfare programs, thereby helping them reach their full potential.

**Welfare Cost**

	Classification	Unit	2018	2019	2020	2021 2Q
<b>Welfare cost</b>		KRW mn	43,543	49,339	47,918	23,712
<b>Ratio of welfare cost to sales</b>		%	1.85	1.30	1.41	1.40

**Welfare Programs**

	<b>Life · Convenience</b>	Discounts on CJ affiliates' products, support for social insurance including industrial accident compensation and offering funeral grants, etc.
	<b>Leisure · Culture</b>	Support for accommodation and overseas travel, TVING subscription and CGV tickets
	<b>Health check-up</b>	Annual health-check up, medical expenses, child-rearing expenses for handicapped, gifts for childbirth
	<b>Others</b>	Interest-free or low-interest rate of Housing loans, tuition fees for children, opportunities to develop creativity, etc.

**Flexible Working Hour Management** For employee engagement and advanced working conditions, CJ ENM implements various types of flexible working systems including staggered working hours, flexible working hours, discretionary working hours, and PC-OFF systems to empower each individual to manage their time at their own discretion. The flexible working system have operated even before the pandemic and all of our employees have participated in the system every year, which is a clear demonstration of its effectiveness. We also provide customized programs such as B.I (Break for an Invent), Creative Week and hourly leave to respect both work & life balance of employees.

**Flexibility in Work Type**

	Classification	Unit	2018	2019	2020	2021 2Q
<b>Participation rate</b>		%	100	100	100	100

**Flexible Working and Leave Systems for Work & Life Balance**

Classification	Category	Details
<b>Flexible Working System</b>	Staggered working hours	System allowing employees to coordinate their working hours according to their lifestyle
	Flexible working hours	System allowing employees to operate their working hours within the given period according to their situations
	Discretionary working hours	System for employees of the Production departments following the Labor Standards Act
	PC-OFF system	System for employees of the Production departments following the Labor Standards Act

**Flexible Working and Leave Systems for Work & Life Balance**

Classification	Category	Details
<b>Leave and Leisure System</b>	B.I. (Break for an Invent) system	Allowing employees to work outside for four hours once every two weeks to enhance creativity and refreshment
	Creative Week	Supporting employees in terms of vacation expenses and leave days according to the years of service
	Hourly leave system	Allowing employees to take leave in two-hour unit according to their needs

**Psychological counseling Program, EAP** CJ ENM has operated Employee Assistance Program(EAP), a psychological counseling program, aiming to handle diverse grievances of our employees as well as to become a workplace where employees enjoy their work more. We have hired external professional agencies to provide counseling and broadened the scope of recipients to the family members of our employees. The system has been established so that our employees use the service both online and offline. We efficiently cope with our employees' complaints and enhance the engagement and quality of life.

**Childbirth and Childcare**

**Welfare System – Family Care** CJ ENM support a family care system including leave for prenatal diagnosis, childbirth, childcare and family care. When the spouse of an employee delivers a child, we give a maximum of 14 days which is more than statutory requirements. The number of male employees on childcare leave increased from one in 2018 to ten in 2020. In addition, we operate three day-care centers while giving two-week paid leave to employees whose child is about to enter an elementary school so that they spend quality time with family.

**Parental Leave Status**

	Classification	Unit	2018	2019	2020	2021 2Q
<b>Employees on childcare leave</b>	Male	Person	1	5	10	8
	Female		51	44	45	40
<b>Employees returning to work</b>	Male	Person	1	6	7	5
	Female		45	57	57	24
<b>Employees working more than 12 months after returning to work*</b>	Male (ratio)	Person (%)	0(0)	5(83)	5(71)	N/A
	Female (ratio)		40(89)	49(86)	50(88)	N/A

\* No. of returners working more than one year

**Family Care System**

Classification	Details
<b>Pregnancy Leave</b>	In addition to before/after maternity leave the system allows pregnant employees to use unpaid leave
<b>Infertility Support Leave</b>	In addition to the given law, annual max of 6 leaves; 1 leave covers for 7 paid days
<b>Child Enrollment Care Leave</b>	Childcare leave up to 4 weeks (2 weeks paid + 2 weeks unpaid) for employees with elementary school enrolling child
<b>Spouse Parental Leave</b>	Spared 14 paid days (business days) in addition to given lawful coverage.



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Family Care System

Classification	Details
<b>Reduction of Working Hours: Pregnancy Risk Period</b>	In addition to the given law, 2hrs reduction of working hours a day during 12 to 36 weeks of pregnancy.
<b>New Born Care</b>	2hrs reduction from daily working hours for employees with new born child upon request
<b>Reduction of Working Hours: Emergency Childcare</b>	2hrs reduction from daily working hours for employees with emergency childcare problem
<b>Children Enrolled in Elementary School</b>	2hrs reduction from daily working hours for employees with children enrolled in elementary school
<b>Workplace Nursery</b>	3 Nursery centers for children who needs daycare at workplace

**Family—Friendly Company Certification** ‘Family-friendly Company’ refers to a certification hosted by the Ministry of Gender Equality and Family in recognition of its contributions to work-family balance among its employees such as support for childbirth and childcare, flexible working system and a family-friendly corporate culture. CJ ENM will ramp up our efforts to develop more diverse family-friendly policies so that our employees can work happily by maintaining a balance between work and life.

Performance Evaluation

**Regular Performance Management and 360-Degree Appraisal** CJ ENM has helped employees attain their goals and peak performances through performance management and compensation systems. We evaluate the performances of each individual taking the nature of businesses into account. The Entertainment Division uses absolute evaluation method while the Commerce Division uses relative evaluation. In 2021, we adopted a more advanced regular performance management system to recognize the performances at an opportune time. The system makes us more agile in terms of response to the fluctuations of our strategies and goals under the rapidly-changing business environment. It also enables us to shift the focus from year-end evaluation towards regular performance management, thereby changing the way of work. We quantify accumulated detailed efforts and achievements to reflect them along with peer feedback in evaluation. Expertise for each position and the way of work is taken into consideration as well. 360 degree diagnosis is conducted in the form of report to assess multi facts of each individual’s capabilities and growth points.

Performance Appraisal Application Ratio

Classification	Unit	2018	2019	2020
<b>Employees subject to competency development evaluation (performance-generating type)</b>	%	89.82	89.84	90.13

**Fair Compensation System** CJ ENM puts performance-based compensation into practice by giving team leaders discretionary power in terms of giving rewards. The system empowers leaders to autonomously lead their teams, to be more responsible and to deliver the best outcome. The transparent operation of various performance-linked compensation systems, such as incentives, bonuses and other rewards, enables us to recognize the accomplishments of our employees in a timely manner. CJ ENM will make every effort to operate personnel management system in a way that employees are recognized and rewarded for their efforts and performances fair and square regardless of position, length of service, gender, age and nationality.

Human Rights

Human Rights Management

CJ ENM evidently states the value of Shared Growth and respect in philosophy, practicing human rights management. All members of CJ ENM pledge to the <CJ Code of Business Conduct> and we take the lead in respecting social values for customers, employees and stakeholders with a sense of ownership for human rights management. Under the supervision of the Labor-Management Working Group, we established six work rules(working styles) that must be observed as members of CJ ENM; two of them are associated with human rights to settle the culture of respect within the organization. We prevent behaviors violating the value of respect, such as workplace harassment or sexual harassment and strictly handle them based on work rules through the HR Grievance Committee.

Compliant Channels & Process

CJ ENM operates a number of channels for consulting and reporting human rights complaints. In particular, for the case of sexual harassment or workplace harassment, a prohibition is clearly stated in our work regulations. If any related case occurs, the responsible department promptly seeks a resolution in accordance with the internal regulations, and transparently informs the informant of the result. At the time of investigation, we consider all possible measures to maintain confidentiality to protect the informant, and thoroughly manage them so that the person will not be disadvantaged or discriminated against the circumstances. To mitigate the case more fairly, we include outside expert counseling as needed when holding HR Committee meetings.

Reports and Settlement Related to Human Rights Issues

Classification	Unit	2018	2019	2020	2021 2Q
<b>Reports related to human rights issues</b>	Case	0	1	5	0
<b>Reports addressed related to human rights issues</b>	Case	0	1	5	0

Human Rights Grievance Report Channels and Addressing Groups

Classification	Details
<b>Grievance Reporting Box</b>	<ul style="list-style-type: none"> <li>• Install 'Grievance Reporting Box' on each floor at the workplace</li> <li>• Anonymous and non-face-to-face report guaranteed</li> </ul>
<b>Workplace Sexual Harassment Report</b>	<ul style="list-style-type: none"> <li>• For systematic counseling and grievance-handling, both male and female persons in charge of sexual harassment and workplace bullying within HR Support Team are appointed</li> </ul>
<b>Grievance Committee</b>	<ul style="list-style-type: none"> <li>• Grievance Committee members from the Labor-Management Working Group are appointed</li> <li>• Gather and redress grievances of employees</li> </ul>
<b>CJ Whistle</b>	<ul style="list-style-type: none"> <li>• Report channel operated by CJ Group</li> <li>• Employees and external interest parties can report through internal report system or the third-party agency. All reported information assures the anonymity and processes independently.</li> </ul>

Violation of Human Rights Regulations

CJ ENM always puts human rights of our employees as priority. We actively strive to internalize the culture of respecting human rights and complying the Code of Conduct, leading to zero case of violation every year since 2018 in regard to human rights issues. We will continue to cherish all our members in our business activities.

Human Rights Regulation\* Breach

Classification	Unit	2018	2019	2020	2021 2Q
<b>Violation of human rights regulations</b>	No. of violations	0	0	0	0
	Fines	KRW 0	0	0	0
	Penalties	thousand 0	0	0	0

\* Regulations including the Labor Standards Act and the Equal Employment Opportunity And Work-family Balance Assistance Act

Human Rights Training

CJ ENM annually implements corporate-wide statutory compulsory educational programs covering the prevention of workplace and sexual harassment as well as the awareness-raising of the disabled. We continuously improve the awareness of human rights by laying emphasis on related training. In 2020 and 2021, the Entertainment Division carried out the training to enhance the understanding of gender sensitivities and to prevent review risks for employees in the broadcast production area. The Commerce Division provided education in order to implement the audio description function for the visually impaired, which is an obligation for broadcasting operators. We are committed to providing the educational programs while managing the human rights training status for employees.

Classification	Unit	2018	2019	2020	2021 3Q
<b>Human rights training hours per employee</b>	Hour	1.92	2.77	2.97	1.88
<b>Hours of human rights training</b>	Hour	6,686	10,186	10,105	6,115

Safety and Health

Occupational Safety and Health Policy

CJ ENM’s highest value is the safety and health of our employees and business partners. With an aim to operate the safe business, we establish related policies and perform safety and health training periodically and frequently among other activities. Also, we discuss related issues actively with the Occupational Safety and Health Committee for casualty prevention. CJ ENM implemented the five-step safety and health management system to better fixate the safe workplace culture and grow further.

Safety and Health Management System



Safety Management System

CJ ENM established the safety management system under the philosophy of “Lead the safety culture by conveying the value on prioritizing safety, health, environment on all field of Customer’s joy”. Upon the philosophy, we utilize the safety management system all throughout the business. To operate a substantially safe business and ensure worker safety, CJ ENM works to prevent accidents, comply with the Occupational Safety and Health Act, identify and improve risk factors.



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**Production & On-site Safety Manual** With the on-site production safety process, CJ ENM implements autonomous management to prevent possible accidents. On top of that, we have separate detailed guidelines for each work environment; content production site, studio set up, live & musical site, and distribution center aiming to efficiently implement the policies.

<b>Content Production Safety Manual</b>	<ul style="list-style-type: none"> <li>• Stage &amp; on-set installation·disassembly safety guidelines</li> <li>• Outdoor filming, ENG shooting, outdoor activity, stage shooting, audience management guidelines, etc.</li> <li>• Designated person in charge of safety among on-site residing staff &amp; safety inspection</li> <li>• Development of online inspection tool for efficient and convenient safety inspection</li> </ul>
<b>Commerce Studio Safety Manual</b>	<ul style="list-style-type: none"> <li>• Stage installation ·disassembly· storing safety guidelines</li> <li>• Prop workshop operation safety guidelines</li> <li>• Stage broadcast conveying equipment safety guidelines</li> <li>• Emergency evacuation drill</li> </ul>
<b>Drama Studio Safety Manual</b>	<ul style="list-style-type: none"> <li>• Studio on-set safety guidelines</li> <li>• On-set stage production ·disassembly safety guidelines</li> <li>• On-set stage shooting safety guidelines</li> <li>• 50+ annual safety inspections on scripted show sets</li> </ul>
<b>Live &amp; Musical Safety Manual</b>	<ul style="list-style-type: none"> <li>• Establishment of safety process for each individual live and musical event including risk assessment, risk grade evaluation, and prior safety inspection</li> <li>• Countermeasures against natural calamities and installation·disassembly safety guidelines</li> <li>• Audience, F&amp;B operation safety manual</li> <li>• Temporary installation of electricity and facility guidelines</li> </ul>
<b>Distribution Center Safety Manual</b>	<ul style="list-style-type: none"> <li>• Forklift·special forklift safety guidelines</li> <li>• Conveyor operation safety guidelines</li> <li>• Heavy-weight lifter operation safety guidelines</li> <li>• Hanger·rack operation safety guidelines</li> </ul>

**Inspection and Prevention Measures**

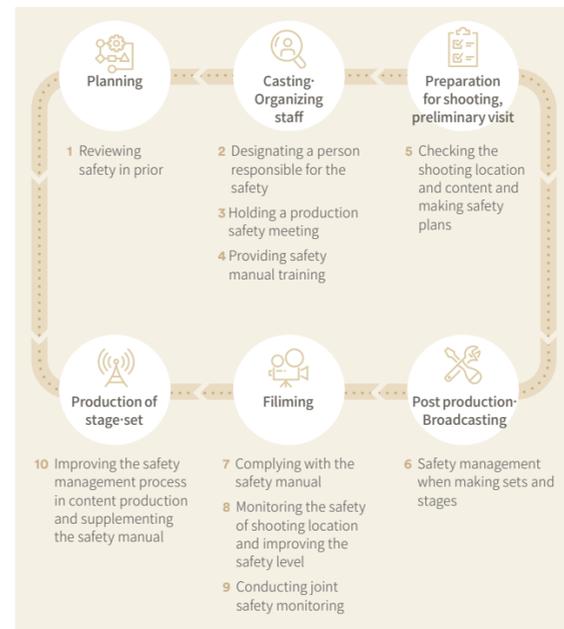
CJ ENM inspects and averts a safe environment. In the Commerce Division, a total of 65 risk factors were discovered in 2020. Complying with the risk assessment stipulated in Article 36 of the Occupational Safety and Health Act, 10 high-risk factors were amended and improved. In addition, we carry out emergency response drills tailored to each characteristics of the workplace, conducting internal safety diagnosis every six months. A total of 22 non-conformities were identified in 2021 and improved. In 2021, the response procedures for environmental accidents in the Business Continuity Management System (BCMS) ISO 22301 certification is planned to be inserted in our protocol along with actual training for that. Furthermore, beginning from 2022, a response and training system against environmental accidents will be established through ISO 14001.

**Major Emergency Drills**

<b>Sangam Office Building</b>	<ul style="list-style-type: none"> <li>• Fire drill</li> <li>• Storm and flood drill</li> <li>• Power failure drill</li> <li>• Emergency evacuation drill</li> <li>• Freezer emergency drill</li> </ul>	<b>Bangbae Office Building</b>	<ul style="list-style-type: none"> <li>• Fire drill</li> <li>• Storm and flood drill</li> <li>• Power failure drill</li> </ul>
<b>Ilsan Studio</b>	<ul style="list-style-type: none"> <li>• Fire drill</li> <li>• Power failure drill</li> </ul>	<b>Distribution Center</b>	<ul style="list-style-type: none"> <li>• Fire drill</li> <li>• Earthquake drill</li> </ul>

Under the risk assessment in the Article 36 of the Occupational Safety and Health Act, the Entertainment Division also conducted a total of 438 prior safety inspections while investing KRW 1.79 billion in safety in 2020. In the first half of 2021, 229 prior safety inspections were conducted on studios owned by CJ ENM as well as drama and broadcasting areas for preventing future risks.

**Safety Management Process for Production**



**Industrial Accident**

In the event of an accident, we conduct thorough investigation of the root cause and take preventive actions against recurrence. Owing to these efforts, there was zero LTI and occupation-related illness case not only among CJ ENM employees but also among staff of our partner companies in 2020. In particular, the number of occupation-related illness recorded zero for the three consecutive years. Going forward, CJ ENM will create a safe and reliable work environment for everyone by pursuing continued safety management activities.

**Industrial Accident Rate of Employees**

Classification	Unit	2018	2019	2020
<b>Total work hours</b>	Hour	7,854,544	8,227,432	8,060,672
<b>Lost Time Injury (LTI)</b>	Person	3,475	3,680	3,403
<b>Lost Time Injury Frequency Rate (LTIFR)*</b>	Case	0	1	0
<b>Industrial Accident rate</b>	%	0	0.0272	0
<b>No. of occupation-related illness</b>	Case	0	0	0
<b>Occupational Illness Frequency Rate (OIFR)**</b>	-	0	0	0
<b>severity rate of injury***</b>	%	0	0.0006	0
<b>Absence rate</b>	%	0	0.0049	0

\* Lost Time Injury Frequency Rate(LTIFR): No. of lost time injuries x 1,000,000/Total work hours  
 \*\* Occupational Illness Frequency Rate(OIFR): No. of occupation-related illness x 1,000,000/ Total work hours  
 \*\*\* Severity rate of injury: Days lost in a year due to accidents/Number of man-hours worked (including employees, contract workers, and sub-contract workers)

**Industrial Accident Rate of Partner Companies**

Classification	Unit	2018	2019	2020
<b>No. of deaths</b>	Person	0	0	0
<b>Lost Time Injury (LTI)</b>	Case	0	0	0
<b>Lost Time Injury Frequency Rate (LTIFR)*</b>	-	0	0	0

\* Lost Time Injury Frequency Rate(LTIFR): No. of lost time injuries x 1,000,000/Total work hours

**Violation of Safety-related Laws**

CJ ENM makes strenuous efforts to prevent the breach of laws, which led to zero case of critical accidents and violations of safety-related laws. We will continue to pursue safety management so that we can keep the violation and accident level at zero.

Classification	Unit	2018	2019	2020
<b>No. of critical accidents</b>	Case	0	0	0
<b>Violation of safety-related laws</b>	No. of violations	Case	0	1
	Fines	KRW	0	40
	Penalties	thousand	0	0



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## Supply Chain Responsibility

### Shared Growth and Fair Trade

**Promotion System for Shared Growth** For CJ ENM, suppliers are the partners we promote sustainable growth and share value together. With supply chain responsibility, we established a promotion system for creating a healthy business ecosystem. To this end, we operate collaborative communication and sustainable business support based on three action principles; sincerity, continuity, and practical contribution. We aim to establish fair trade and spread shared growth culture through these efforts.

### Shared Growth Philosophy



**Organization for Shared Growth** CJ ENM set up the Win-Win Executive Office that assumes the role of planning and operating fair trade win-win program among small, medium, and large companies. The office has contributed to building a virtuous structure and spreading shared growth culture by implementing collaborative work by policy, finance, and business.

### Organizational Chart of Win-Win Executive Office



### Regulations on Transactions with Partner Companies

As of October 2021, a total of 110,329 companies are in a cooperative relationship with us, and we spare no effort to support them in a practical manner. In October 2021, we established the 'Regulation of partner company trade management', a policy under the 'CJ Code of Business Conduct'. The regulation stipulated roles and responsibilities for both CJ ENM and suppliers in trade with suppliers. It also developed the requirement for supplier trade ethics in detail. In accordance with the regulation, we will further secure transparency and fairness across all trades with suppliers while pushing ahead the win-win operation with our suppliers through reasonable and proper management.

### Partner Company Management

	Classification	Unit	2018	2019	2020	2021.10
<b>Partner company management</b>	Partner companies		84,610	96,267	104,329	110,329
	Newly registered partner companies	ea	9,847	11,657	8,062	6,060
<b>Purchase</b>	Total amount of purchase	KRW 100 mn	15,739	24,995	20,984	10,035

### Financial Support for Partner Companies

**Partner Company Win-Win Fund** CJ ENM manages the win-win fund for our partner companies to stabilize their management. The fund (Industrial Bank of Korea Supply Chain Responsibility(Cooperative Loan)) helps partner companies take out loans at a lower rate than other alternatives. We have raised the amount of the loan from KRW 20 billion in 2012, KRW 40 billion in 2013 to KRW 60 billion in 2018, and we still maintain the scale up to now. The loan limit has also been raised from KRW 1 billion to KRW 2 billion.

	Classification	Unit	2018	2019	2020	2021.10
<b>Amount of fund</b>		KRW 100 mn	600	600	600	600
<b>Companies using the fund</b>		ea	60	60	58	39
<b>Actual expense</b>		KRW 100 mn	326	307	266	227

**Financial Support and Facilitation of Funds** We strive to build a stable financial environment for our partner companies by providing loan programs in addition to the win-win fund. As part of the effort, 'network loan' is our representative financial service that gives interest rates cut from banks based on evidence of transaction performance between CJ ENM and suppliers. We also signed a network loan with Industrial Bank of Korea so that our suppliers can get loans. Besides, we changed the payment date from the 30th to the 15th of every month for our partner companies that have signed a shared growth agreement, thereby raising the convenience of fund management.

### Training Support for Partner Companies

CJ ENM assists partner companies with training for the sake of securing long-term competitive edge and nurture human resources. The Entertainment Division selected the topics for partner company training in accordance with 'Regulations on Supplier Management'. Accordingly, we provide two education programs every year.

### Entertainment Division

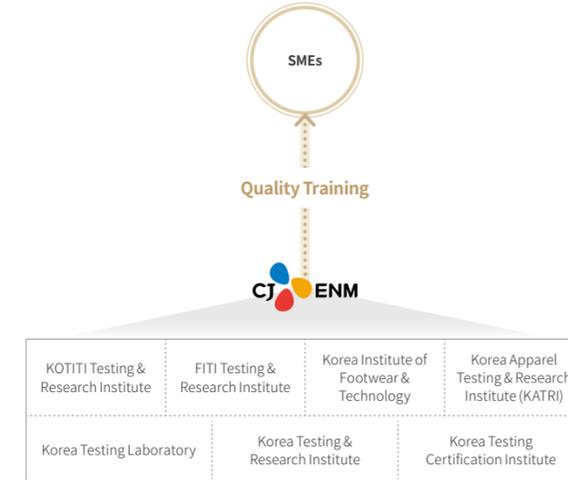
Classification	Details
<b>Process execution</b>	• Preparation and implementation of processes including plan setting, location rental, and system establishment
<b>Safety training</b>	• Overall safety management training covering accidents, safety regulations, and related issues in and outside Korea • Safety-related education by each system tailored to stage-building(if necessary)
<b>Ethical training</b>	• Training regarding the sense of ethics including win-win business with suppliers, anti-corruption and sexual harassment programs
<b>ESG training (If necessary)</b>	• Sustainable management education through improved supplier awareness including ESG importance and trend in the Entertainment industry, and supplier's corporate business on the environment and social responsibilities

In the Commerce Division, we collaborate with our partners at every stage of the process, from product launch, registration to management on the basis of a partner system in the interest of having a transparent and efficient partnership. All suppliers receive training on the entire process through a system when they launch products on our platforms. We also set up criteria for selecting broadcast products and regulating unfair trade. It is our duty to provide safety education for resident contractors before filming. In addition, we give training opportunities in various fields for management insight, such as skills or marketing capabilities required for practical work and quality training. For quality, which is the most basic in product competitiveness, we also assist with discounting certification costs and providing technical support with an accredited certification institute.

### Commerce Division

Classification	Details
<b>Process execution</b>	Providing the process guidelines for launching products on the system, online education through the partner system
<b>Safety education</b>	Sharing the safety manual for work in studios and distribution centers
<b>Fair trade</b>	Having criteria to select broadcast products and a regulation to prohibit unfair trade
<b>Capacity-building and ESG education</b>	Operating coaching programs for executives and capacity-building programs (before the COVID-19 pandemic). * Planning to publish trend reports on ESG trends, advanced technology, and management system and hold programs adding education/discussion in 2022.

### Assistance for Quality Training



### Supply Chain Responsibility for Our Partners

**O'pen Creator & writer support Project(CSV)** O'pen is a CSV business designed to discover and develop new creators by supporting all processes, from identifying new creators to planning, developing, producing content, and business matching. As an exemplary cultural and social contribution project of a content company that coexists with others in the industry, O'pen particularly allows new creators to make their debut, and in turn, those creators with fresh ideas are supplied in the industry, thereby creating a virtuous cycle and building a healthy and sound cultural ecosystem. With an aim to find and nurture diverse creators, O'pen widened its support to more creators in different genres. Starting with drama (single act) and film in 2017, music (composer) and short-form originals are also newly added. A total of 129 new story writers and 43 new composers could enter the industry by 2021. [📄](#)

**CJ OVOP(One Village One Product) Rural Business** 'CJ OVOP' is the first free broadcasting program for rural businesses that recorded around 110 products in an accumulated number of products and KRW 48 billion in sales for the last 15 years since it started in 2007. Through the 'CJ OVOP', we partnered with Korea Venture Agriculture College to discover outstanding rural companies and provide consulting and professional know-hows concerning product development, entry, quality inspection, broadcasting content planning· production, and sales strategy. The products of the selected company feature 30 minutes a day on broadcasting programs five times a week for free and also have opportunities to enter into CJ ONSTYLE online mall, which support them to have the stable sales channels.



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**Achievement of 'CJ OVOP'**

Classification	Unit	2018	2019	2020	2021.7
No. of products	Number	30	36	31	22
Revenue	KRW mn	3,861	3,859	3,485	1,189

**'CJ OVOP' program**



**'CJ OCOP(One Company One Product)' SMEs and Small Business Owners**

'CJ OCOP' has been joined by about 190 SMEs and small business owners since 2012 in cooperation with the Small & Medium Business Distribution Center. It is a program to support SMEs and small business owners who have a hard time finding sales channels despite their excellent products, giving them opportunities to launch on our platforms; CJ ONSTYLE TV channel and online malls. We feature their products on air nine times a week for free. The program has achieved over KRW 15 billion sales by 2021 and has grown into a representative win-win business of CJ ENM.

**Achievement of 'CJ OCOP'**

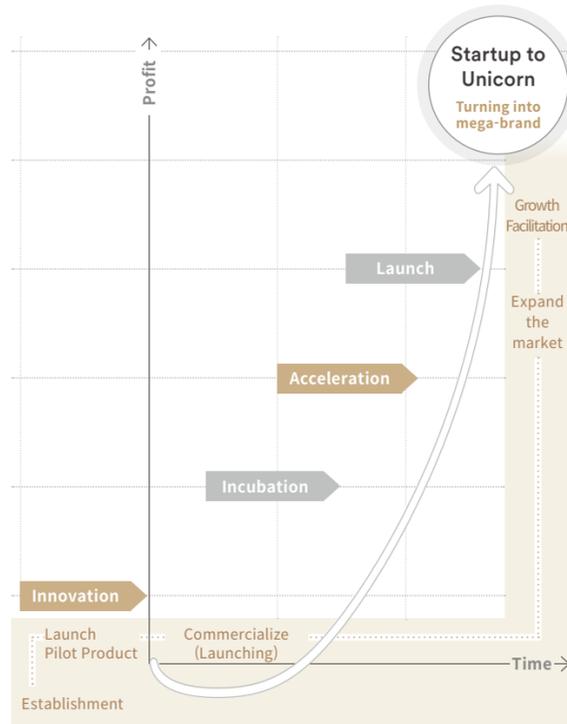
Classification	Unit	2018	2019	2020	2021.7
No. of products	ea	59	58	61	52
Revenue	KRW mn	2,657	2,231	1,955	1,279

**'CJ OCOP' program**



**Challenge Startup** 'Challenge Startup' is an open audition project newly launched in 2020 in collaboration with Seoul Startup Hub. It systematically supports all courses from discovering startups, incubating to product launching. With an objective to cultivate Small Giant Companies, it offers supports needed for every step including consulting, education, and opportunity to launch product on ONSTYLE TV and online malls. In 2021, Semisysco's electric vehicle, 'EV-Z' was launched on CJ ONSTYLE through this program, demonstrating our considerable efforts to nurture ESG-related product of startup companies.

**Business Direction of Challenge Startup**



Step	Support
<b>Innovation</b>	Open audition for startups
<b>Incubation</b>	Provide services at an initial business stage including office/facility and training
<b>Acceleration</b>	Support in commercialization including R&D and quality consulting
<b>Launch</b>	Assist with multi-channels, influencer marketing, and having certification labels on products

**SPECIAL COVID-19 Relief Program**

**Special Program for Revitalizing Domestic Farms**

In April and July 2020, we jointly planned a broadcasting program for farms having grave difficulty due to dropped sales derived from the COVID-19 pandemic. Casts in the <Farm Vitalization Project> program visited farms in person and gave a helping hand. The products were sold through CJ ONSTYLE at 20-40% cheaper price than the market. Live concert & Commerce program 'Between Grape and Music' was aired starring the rock band Jaurim. The special project program to sell Gyeongsan Kyoho grapes along with a live performance was remarkably successful with more than 2,000 sets sold completely.

**Special Program for SMEs and Farms**

We aired a special program to help SMEs and local farms hit by the COVID-19 pandemic. In June 2020, 'Overcoming COVID-19! Save Local Farm Project' was launched. Through the live mobile program, <Shock Live: Getkkul Johap>, we supported local farms selling their products. In addition, emergency use of the 'Win-Win Fund (shared growth loan)' was approved for SMEs having trouble managing funds due to the pandemic, to get a loan at a lower interest rate than the market. Free broadcasting programs for local organizations' were scheduled at least once a week to help major damaged farms secure sales channels. Furthermore, our fund-raising program, <Please Order Love> continuously supported our neighbors suffering from the pandemic by visiting and sharing their stories with the help of NGOs.

**Community Impact**

**Social Contribution Philosophy**

CJ ENM implements education and nurturing projects reflecting our unique businesses based on the philosophy that 'a company should become a dream keeper for the young'. As a corporate citizen of a local community, we actively communicate with other community members and carry out social contribution activities with a view to bring sustainable development to our local community.

Social contribution area	Sharing of quality education and culture	Welfare enhancement in local communities	Environmental protection
UN SDGs	 4 QUALITY EDUCATION  5 GENDER EQUALITY	 3 GOOD HEALTH AND WELL-BEING  10 REDUCED INEQUALITIES	 11 SUSTAINABLE CITIES AND COMMUNITIES  13 CLIMATE ACTION
Related activities	<ul style="list-style-type: none"> <li>CJ Donors Camp's 'Online Cultural Dream Keeper'</li> <li>Dream On Air</li> <li>CJ Online Career Mentoring</li> <li>International exchange activities</li> <li>Barrier-free content</li> </ul>	<ul style="list-style-type: none"> <li>CJ Group's Hand craft Volunteering</li> <li>Sponsorship and in-kind donation for the Community Chest of Korea</li> <li>Sharing Day</li> <li>Fund-raising broadcast program</li> </ul>	<ul style="list-style-type: none"> <li>Protecting of an ecosystem in Seoul Forest</li> <li>Volunteering for abandoned dogs</li> <li>Plogging</li> <li>Mural painting</li> </ul>

**Social Contribution Activities**

**CJ Donors Camp's 'Online Cultural Dream Keeper'** CJ ENM has unlocked an immense potential by converging representative social contribution project, 'Cultural Dream Keeper', with digital technologies. The master and expert lectures were provided to young students nationwide online. Furthermore, online experiences including KCON:TACT and 'if you love your dream, let the world know!', deliver the audience a lively and vivid on-site feeling with digital space and virtual experience. As a result of these endeavors, 104 student clubs were joined in our digital activities so-called 'Ontact' in 2020. This allowed participants to produce videos while keeping the COVID-19 guidelines. Their works were presented in a digital showcase at CJ Donors Camp, and 187 mentors and CJ employees responded with supporting messages.



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**SPECIAL About Cultural Dream Keeper**

The Cultural Dream Keeper project provides support in making youth cultural clubs, special lectures, cultural experiences, and opportunities to perform. As the Cultural Dream Keeper for the youth, the project is held every year from September through January of the following year, helping the growth and challenges of young people who love culture.

- **Field:** A total of six cultural areas(broadcasting, film, music, live-performance, cooking, fashion&beauty) are supported, and CJ ENM assists in five of them, including cooking.
- **Target:** 104 clubs and 219 clubs participated in 2020 and 2021 respectively(composing of 6 students on average per club).
- **Mentor:** A total of 187 and 199 mentors participated in 2020 and 2021 respectively(master mentor- top experts in each field, expert mentor- field experts and employees, college volunteer group- college students studying the field).



**‘Dream On-Air’ Project for Aspiring Broadcasters** CJ ENM sponsors the ‘Dream On-Air’ project, which offers online lectures to young people aspiring to work in the broadcasting industry. Hosted by the Asia Exchange Association, the online career project holds six special talks with broadcasting experts to 40 young people nationwide for four months. The special lectures introduce various jobs and values in the broadcasting industry, the right attitude for growth, giving career advice for youth. In 2021, we invited people from various fields; a camera director who produced diverse content, a show host who has experience in TV and live mobile commerce, a lawyer specializing in copyright, and a creator from DIA TV.

**‘CJ Online Career Mentoring Program’** CJ ENM is an active supporter of the ‘CJ Online Career Mentoring’, an online career mentoring program hosted by CJ Donors Camp. The program serves as a platform for the education-deprived individuals and youths in vulnerable regions who have less opportunities to freely explore career paths. Under the pandemic situation, the program became one of the most meaningful volunteering programs as employees can easily access online to provide career mentoring.

**Broadcast for Public Interest**

We actively engage in public interest activities through our broadcast and programs. We produced an ombudsman program to create an environment in which the audience can play an active role in monitoring CJ ENM’s broadcast programs while directly providing various information to viewers through an audience information program.

**Performance of Donation Programs**

Classification	Unit	2018	2019	2020	2021.8
<b>Amount</b>	KRW	175,767,100	152,220,550	224,508,100	90,618,100
<b>No. of donations</b>	Case	61,912	108,327	99,746	28,071

**Broadcasting Hours of Public Interest**

Classification		2018	2019	2020	Total
<b>Ombudsman program</b>	Target TV	18	18	18	54
	TCOM	18	18	18	54
	Result TV	19	19	19	57
	TCOM	20	19	22	61
<b>Audience information program</b>	Target TV	18	18	18	54
	TCOM	18	18	18	54
	Result TV	18	19	19	56
	TCOM	19	20	22	61

**Volunteering**

**Non-face-to-face Sharing and Giving** CJ ENM switched the monthly cultural sharing activity for seniors living alone to support quarantine products and packing items. In case it was challenging to help directly, we assisted the elderly and the disabled with indoor-family activity programs. We also enabled volunteer activities under the non-face-to-face and work from home environment by planning new programs such as Hand craft Volunteering kits and e-book production for the disabled. When the social distancing policy was slightly relaxed, we carried out small-group volunteering events utilizing a ‘Parents Day sharing kit’. Additionally, our employee mentoring activities, including CJ Donors Camp’s ‘Cultural Dream Keeper’ project, were implemented for youth interested in media and content production, disseminating a good impact on society.

**Volunteering On Parents Day**



We continued sharing the overseas social contribution projects started in 2017 with the Korean Foundation for International Cultural Exchange (KOFICE) by converting it into a non-face-to-face format. Utilizing an online video conferencing platform, we switched the on-site project into an online one to promote ‘non-face-to-face international exchange’. Through the project, middle school students from Korea and Thailand exchanged their cultures and opinions. The project offers cultural art education in connection with emerging composers in CJ ENM’s representative program, ‘O’pen Music’, and an online interactive traditional culture experience. Despite the non-face-to-face platform, students from both countries actively engaged in the cultural exchange program by experiencing each other’s traditional culture on major holidays.

**International exchange activities - Non-face-to-face**



**Reflecting Employee’s Value and Lifestyle** The COVID-19 pandemic brought about a tremendous turning point in employee volunteering. The majority are currently individual volunteers at home instead of group-based volunteering. Accordingly, a so-called ‘volunteer tailored to taste’ era has begun, in which the personal values and lifestyles of employees are reflected in volunteer activities. The change fits well with the ESG trend as well. In 2021, CJ ENM’s employee volunteer programs reflected employees’ values and lifestyles. We carried out a variety of activities; ‘E-Book Creating Volunteer’ was an online e-book production project for the visually impaired, and the ‘Digital painting Present’ was a digital drawing class for the elderly in the local community. We carried out the ‘Parents Day Love-sharing Kit Volunteer’ and ‘Plogging (a portmanteau word of jogging with picking up litter)’ to conduct environmental protection activities while doing physical activities. As we advance, we will further expand diverse volunteer services tailored to employees’ tastes to encourage their good activities caring for our neighbors and nature.

**Volunteer Hours**

Classification	Unit	2018	2019	2020*	2021 2Q
<b>Volunteer hours per employee</b>	Hour	6.69	5.64	4.83	4.58
<b>No. of total volunteer activities</b>	Case	3,702	4,083	2,441	1,890
<b>Total volunteer hours</b>	Hour	17,812	16,687	8,137	6,143

\* Volunteer hours were reduced during the COVID-19 pandemic in 2020 due to the suspension of face-to-face activities.

**Barrier-free Content** CJ ENM gives opportunities for the underprivileged to enjoy culture, striving to improve the environment for the visually and hearing impaired to enjoy movies easily. To this end, we produce and screen barrier-free content in collaboration with the Korean Film Council, the Korea Association of the Deaf, and CJ CGV. Barrier-free content refers to the content added with Korean subtitles for the hearing impaired or screen commentary sound for the visually impaired. We assist in producing a barrier-free version of the works we have created or mainly invested in.

**Contribution to Local Communities**

**Donation to Local Communities** CJ ENM manages the amount of social contribution for local communities in a transparent manner. The table below includes the total amount of donation and the business expenses for social contribution.

Classification	Unit	2018	2019	2020	2021 2Q
<b>Amount of donation to local communities</b>	KRW 100 mn	39.7	137.6	63.1	33.0

**Support with Items** CJ ENM continued sharing in cooperation with local welfare centers despite the COVID-19 pandemic, giving hope to the vulnerable. We carried out a variety of activities; sharing food, Kimchi-making, a bazaar, and sending letters. The accumulated number of items donated by 2021 is 15,096, and the total amount is KRW 1,049,067,920 In addition, we switched the support from cultural sharing activities with the elderly living alone to quarantine items and other packing support owing to the prolonged pandemic. We also conducted indoor and family activity programs for the elderly and disabled who spend more time indoors. To contribute to the health and life of the vulnerable under the pandemic situation, we donated 2.28 million masks to Food Banks nationwide in the first half of 2021



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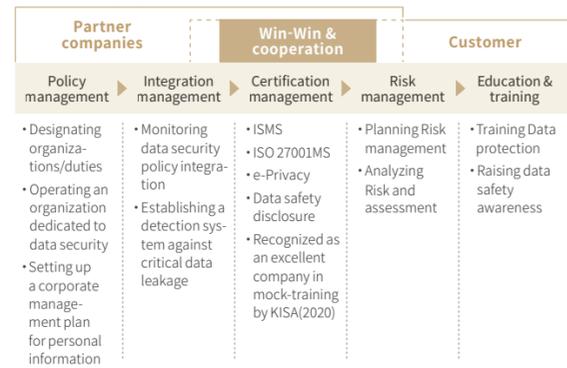


## Data Security & Privacy

### Data Security System

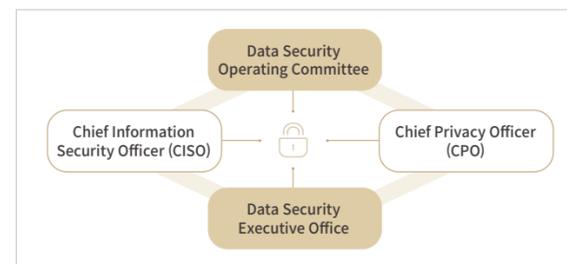
**System for Safe Protection** For the purpose of providing better service and safeguarding customer data and critical corporate information, CJ ENM constantly implements stabilization activities as well as the establishment of infrastructure and systems for data management. We also regularly conduct preventive checks on the management system. The security control system is operated every day for 24 hours while the security control system is advanced frequently and switched with the state-of-the-art system in response to the latest attack technologies. We jointly diagnose the vulnerabilities in management and technology with the company specializing in security and conduct mock hacking. At the same time, we make efforts to protect business partners consigned to manage customer information, thereby establishing a Win-Win environment.

#### Data Security System



**Data Protection Organization** CJ ENM designates Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO) respectively to conduct independent and systematic work. The Data Security Operating Committee includes major management and related department heads, centering around CISO and CPO in its organization, deliberating and deciding on significant and pending issues. The Data Security Executive Office, comprising relevant people in charge, improves the data security policy at the working level. As we advance, the committee and the executive office will closely work together to cope with various risks in an accurate and prompt manner.

#### Data Security Organizational Chart



### Data Leakage Protection

The number of incidents and damage regarding information leakage has been zero for three consecutive years. We will continue to manage and monitor the data leakage so that we can maintain this achievement.

Classification	Unit	2018	2019	2020	2021 2Q
Total no. of data leakage cases	Case	0	0	0	0
No. of data leakage cases related to customer information	Case	0	0	0	0
Amount of penalty for violating laws related to data leakage	KRW thousand	0	0	0	0

### Data Security Certification and Training

In order to meet the legal standard of data security activities, operate stable IT services, and raise internal and external reliability, we acquired the Information Security Management Systems (ISMS) certification, including ISO 27001 every year. We also maintain the data safety level qualified for international accreditation by renewing certification or receiving annual inspections.

The Commerce Division obtained e-Privacy, a private certification for the qualified website protecting personal information, aiming to improve transparency in data security investment and human resources operation. The Entertainment Division offers data security and privacy training every year for employees. We strive to ensure that all of our employees are aware of the significance of data security. To this end, we annually inspect the personal information consignees to protect the company and our customers.

#### Certification and Adoption Rate

Classification	Unit	2018	2019	2020
Certification and adoption rate (ISMS etc.)	%	100	100	100

### Data Management Plan

For the effective implementation and continued operation of the data security management system, CJ ENM developed and adopted the optimal security policy and secured the budget for the next five years in advance. On the strength of mid- to long-term data security roadmap, we will annually establish, review, and improve detailed plans on data security while effectively investing budget and workforce in it. The Commerce Division recently replaced outdated security infrastructure to cope with the latest hacking and attack technologies. It also carries out preemptive response advances by learning external attack patterns. Additionally, we are preparing a plan to reinforce the employee endpoint security against advanced security threats such as ransomware or advanced persistent threat (APT). The Entertainment Division plans to enhance the proactive response system in response to overseas data security compliance, such as General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), to promote global business. OT security will also be fortified to safeguard critical assets in studios and the content production. We will endeavor to set up safer and more efficient security policies on the foundation of the sustainable data security system.

# GOVERNANCE

CJ ENM strives to grow into a trustworthy company that delivers sustainable value through full-fledged ESG management underpinned by our sound governance. In addition, we put ethical management and compliance into practice. These efforts enable us to achieve a transparent ESG management.

## Board of Directors

### BOD Composition

The BOD of CJ ENM consists of three in-house directors and four outside directors as of June 30, 2021. The chairperson of the BOD is appointed through the resolution of the BOD in accordance with the articles of incorporation. We put in place four committees, Audit Committee, Outside Director Nominating Committee, Remuneration Committee, ESG Committee, within the BOD.

#### Board of Directors

(Chairperson: KANG, HO SUNG)

Position	Name	Gender	Date of Appointment	Date of Term Expiration	Education	Career
CEO	KANG, HO SUNG	Male	Mar. 30, 2021	Regular shareholders' meeting on Mar. 2024 (TBD)	• B.A. Law, Seoul National University	• COO, CJ ENM Entertainment Div. • COO, CJ Corp • COO, CJ Corp Legal Affairs Executive • Partner attorney, Law firm Lee&Ko • Adjunct professor, Law school of Ewha Womans University
CEO	HEO, MIN HO	Male	Mar. 29, 2019	Regular shareholders' meeting on Mar. 2022 (TBD)	• B.A. of horticulture, Seoul National University	• CEO, CJ Olive Young in CJ Olive Networks • CEO, CJ Olive Young • Executive VP of Donghwa Duty Free
In-house Director	YI, SEUNG HWA	Male	Mar. 30, 2021	Regular shareholders' meeting on Mar. 2024 (TBD)	• MBA, University of Michigan-Ann Arbor • M.A. Engineering, KAIST • B.A. Mechanical Engineering, Yonsei University	• Business Planning Executive, CJ Corp • Business Planning Executive, CJ CheilJedang • Business Planning Executive, CJ Freshway • BAIN&COMPANY Manager
Outside Director	RHO, JUN HYONG	Male	Mar. 27, 2018 (re-appointment on Mar. 30, 2021)	Regular shareholders' meeting on Mar. 2024 (TBD)	• International Studies, American University • M.A. Law, Seoul National University • B.A. Law, Seoul National University	• Advisor, Kim&Chang Law Firm • President of Seoul National University of Science and Technology • Minister of Information and Communication, Republic of Korea • Vice-minister of Information and Communication, Republic of Korea
Outside Director	CHOI, JOONG KYUNG	Male	Mar. 27, 2020	Regular shareholders' meeting on Mar. 2023 (TBD)	• Ph. D. Economics, University of Hawaii • M.A. Business, Seoul University • B.A. Business, Seoul University	• President of the Korea Certified Public Accountants Association • Chair-professor of Korea University Graduate School of Public Administration • Minister of knowledge economy, Republic of Korea
Outside Director	HAN, SANG DAE	Male	Mar. 27, 2020	Regular shareholders' meeting on Mar. 2023 (TBD)	• M.A. Law, Southern Methodist University • M.A. Law, Korea University • B.A. Law, Korea University	• HAN, SANG DAE Law Firm • Chief prosecutor of Seoul Central District Public Prosecutors Office • Prosecutor General of the Supreme Public Prosecutor's Office
Outside Director	MIN, YOUNG	Female	Mar. 30, 2021	Regular shareholders' meeting on Mar. 2024 (TBD)	• Ph. D. Journalism, University of Texas at Austin • M.A. Communication, Seoul National University • B.A. Earth Science Education, Seoul National University	• Professor of Media & Communication school, Korea University • Research Fellow of Humanities & Social Sciences, National Research Foundation of Korea • Press arbitrator, Press Arbitration Commission • Advisory Committee, Journalists Association of Korea



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**BOD Expertise**

The BOD is comprised of experts from a wide range of fields encompassing management, law, accounting, finance, and media & commerce industry. With profound expertise, the BOD better deliberates meeting agendas based on extensive experiences in the law, accounting sectors and businesses, and also monitors the management operations in a more efficient manner.

**BOD Diversity and Expertise**

Classification	Unit	2018	2019	2020	2021.10
<b>Ratio of female directors</b>	%	16.6	14	14	14
<b>No. of directors with industrial experiences (ratio)</b>	Person(%)	4(67)	3(60)	6(85)	5(71)
<b>Financial Expert (ratio)</b>	Person(%)	1(17)	1(20)	1(14)	1(14)

**BOD Independence**

In accordance with the articles of association and pertinent laws, CJ ENM has in place Outside Director Nominating Committee under the BOD, and all committee members including the chairperson are all outside directors. When it comes to the nomination, career and specialties are taken into account, and candidates who don't have reasons for disqualification in regard of pertinent laws, such as Commercial Act and the Enforcement Decree of the Act, are reviewed and final candidates are nominated to general shareholders' meetings. By doing so, we empower the committee to make balanced decisions and to supervise business operations.

**BOD Independence**

Classification	Unit	2018	2019	2020	2021.10
<b>Outside directors</b>	%	67	60	57	57
<b>Allowed no. of other positions</b>	ea	2	2	2	2

**BOD Operation**

According to the BOD's regulations, CJ ENM BOD brings up the material management issues as the BOD meeting agendas to get approval. It is mandatory to hold a regular BOD meeting every month, but it can be convened when needed. We provide the BOD members with relevant data and materials of agenda items before the meetings so that the members can take their time to review the issues. If necessary, an issue briefing is conducted in advance. By doing so, we help the BOD members better understand the agenda items to discuss and make decisions based on information.

**BOD Meetings in 2021**

No	Date	Agenda	Result	Total no. of directors (Attendance)
1	Feb. 04, 2021	Approval for safety and health plans	Approved	7(6)
		Approval for the 27th financial statements and business report	Approved	
		Approval for asset transfer transactions	Approved	
		Report on the internal accounting management system operation status	Report	
		Report on reviews of changing mid- to long-term dividend policy	Report	

**BOD Meetings in 2021**

No	Date	Agenda	Result	Total no. of directors (Attendance)
2	Mar. 11, 2021	Convocation of the 27th general shareholders' meeting	Approved	7(5)
		Approval for the extended period of loans for CJ Live City	Approved	
		Amendment to the executive director regulation	Approved	
		Report on the results of general shareholders' meeting for the past three years	Report	
		Report on the evaluation of the internal accounting management system operation status	Report	
3	Mar. 30, 2021	Report on the result of checking abidance by compliance control criteria	Report	7(7)
		Appointment of the CEO	Approved	
		Appointment of the BOD Chairman	Approved	
		Appointment of the members of the committee under the BOD	Approved	
4	May 06, 2021	Approval for a large-scale internal transaction	Approved	7(7)
		Establishment of ESG committee and ESG Committee regulations	Approved	
		Appointment of the committee's members	Approved	
5	June 07, 2021	Report on business performances of 1Q 2021	Report	7(7)
		Approval for credit reinforcement of CJ LiveCity	Approved	
		Approval for large-scale internal transactions	Approved	
		Approval for investments in new fund	Approved	
6	June 18, 2021	Additional acquisition of stake of a subsidiary	Approved	7(7)
		Approval for credit reinforcement of TVING	Approved	
7	Aug. 05, 2021	Report on business performance of the 2Q 2021	Approved	7(7)
8	Sept. 15, 2021	Approval for large-scale internal transactions in the 4Q 2021	Approved	6(7)
		Approval for making donations	Approved	
		Review of 2021 Compliance Management System	Report	
9	Oct. 13, 2021	Approval for the participation in the capital increase of a subsidiary	Approved	6(7)

**BOD Activity Status**

Classification	Unit	2018	2019	2020	2021.10	
<b>BOD meetings convened</b>	Number	13	10	13	9	
<b>Report and agenda</b>	Case	33	28	33	28	
<b>Opinion by agenda</b>	In favor	27(100)	20(100)	22(100)	21(100)	
	Against	0	0	0	0	
	Amendment	Case(%)	0	0	0	0
	Abstention		0	0	0	0
<b>ESG-related agenda</b>	Case	N/A	N/A	N/A	1	
<b>BOD attendance rate</b>	%	86	97	98	100	

**Committees Under the BOD**

**Audit Committee** The Audit Committee, an independent body, is comprised of all outside directors including the chairman. The committee takes charges of auditing all ledgers and the relevant documents in accordance with the pertinent laws and the articles of association while reviewing and consolidating financial statements. The committee takes necessary measures such as comparison, due diligence, attendance, inquiry or other activities if deemed necessary. In addition, the committee is informed to review internal accounting control system for reliable disclosure of accounting information.

**Audit Committee Operation**

Classification	Unit	2018	2019	2020	2021.10
<b>Ratio of outside directors</b>	%	100	100	100	100
<b>Financial expert (ratio)</b>	Person(%)	2(50)	2(67)	2(50)	2(50)
<b>Industrial expert (ratio)</b>	Person(%)	1(25)	1(33)	2(50)	2(50)
<b>Meetings convened</b>	Number	4	5	6	4
<b>Report and Agenda</b>	Case	6	7	12	6

**Remuneration Committee** The Remuneration Committee is responsible for deciding and deliberating CJ ENM's compensation policy for executive members with its appropriateness and fairness taken into account. With all of directors involved, the committee assumes the roles of formulating remuneration policy for the executive members, making changes and discussing executive members' performance indicators to decide long-term incentive.

**Remuneration Committee Operation**

Classification	Unit	2018	2019	2020	2021.10
<b>Ratio of outside directors</b>	%	66	60	57	57
<b>Meetings convened</b>	Number	2	3	1	2
<b>Report and Agenda</b>	Case	3	4	1	3

**Outside Director Nominating Committee** The Outside Director Nominating Committee, an independent body, consists of all outside directors including the chairperson. For the nomination, the committee takes candidates' career and specialty into consideration to make balanced decisions as well as to better supervise business operations. The committee evaluates candidates who don't have a reason for disqualification regarding Commercial Act and the Enforcement Decree of the Act, and then nominates final candidates to general shareholders' meetings.

**Outside Director Nominating Committee Operation**

Classification	Unit	2018	2019	2020	2021.10
<b>Outside directors</b>	%	100	100	100	100
<b>Meetings convened</b>	Number	1	1	2	2
<b>Agendas passed</b>	Case	1	1	2	2

**ESG Committee** The purpose of the ESG Committee is to respond to a rapidly-changing business environment by closely reviewing medium- and long-term plans for sustainable management. The committee assumes the roles of establishing medium- and long-term strategy along with overseeing how ESG management action plans are executed. It consists of three outside directors and two in-house directors. In the meeting held until October 2021, a total of four reports and agendas are passed. For more details on the ESG Committee, please refer to '[Content and Commerce, the beginning of the good impact](#)'.

**Directors' Remuneration**

Directors' remuneration is divided into salaries and bonuses. In determination of bonuses, both metrics (sales, operating income, etc.) and non-metrics (contribution to company's growth, roles and responsibilities) are comprehensively taken into account. Overall limit on remuneration for in-house directors including registered directors is determined by resolutions at general shareholders' meetings, and the amount of remuneration is decided and paid within the bounds of remuneration after getting the approval of the Remuneration Committee.

**Directors' Remuneration in 2020\***

Classification	Unit	Total remuneration	Average remuneration per capita	Remarks
<b>Registered directors</b>	KRW mn	2,259	753	Outside directors, members of the Audit Committee excluded
<b>Outside directors</b>	KRW mn	-	-	Members of the Audit Committee excluded
<b>Members of the Audit Committee</b>	KRW mn	272	54	-

\* Three members of registered directors, five members of the Audit Committee (including retired directors)

**Shareholders' Rights**

**Shareholders' Rights** CJ ENM provides sufficient information regarding general shareholders' meetings in advance so that they can exercise their rights. Since March 2020, we have adopted an electronic voting system to make it more convenient for shareholders to use voting rights. We inform shareholders of the relevant information regarding the convocation such as date and time, venue, and purpose 14 days before through the electronic disclosure system or our website.

**Shareholder Rights Policy** In order to strengthen the competitiveness to stay on top of a rapidly changing business environment, we operate a residual dividend policy under which investments for growth come first, and then we return residual funds to our shareholders. The total dividend and dividend payout ratio is determined on the basis of the stability of profit ratio and free cash flow. We plan to annually present the dividend plans and target dividend payout ratio so as to be more predictable in terms of our dividend policy.



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## Ethical Management

### Ethical Management Principles and Policy

**CJ Code of Business Conduct** CJ ENM follows, the CJ Code of Business Conduct. This code of conduct details promises we have to deliver on and behavior principles we have to observe to bring ethical management into full swing by establishing a strong culture of compliance. It incorporates what are required to follow in the relationships with our stakeholders (customers, shareholders, investors, employees, players in the market, global communities).

	<b>Our promise to customers</b>	Provision of ONLYONE products and services, honest sales activities and respect for customers' opinion
	<b>Our promise to shareholders and investors</b>	Profit generating in a sound manner based on the establishment of rational management and system
	<b>Our promise to fellow CJ employees</b>	Being a self-motivator with can-do spirit following principles of honesty, passion, creativity and respect
	<b>Our promise to fellow players in the market</b>	Fair and free competition with competitors, fair transactions with partners
	<b>Our promise to the global community</b>	Social responsibility fulfillment and respect for the value of global community beyond local community

**Sub-Regulations under the Code of Business Conduct** We put in place sub-regulations under <the Code of Business Conduct> to give employees specific guidelines in terms of their work direction. We have six sub-norms which are specific guidelines and policies for fair transaction, fair competition and privacy protection.

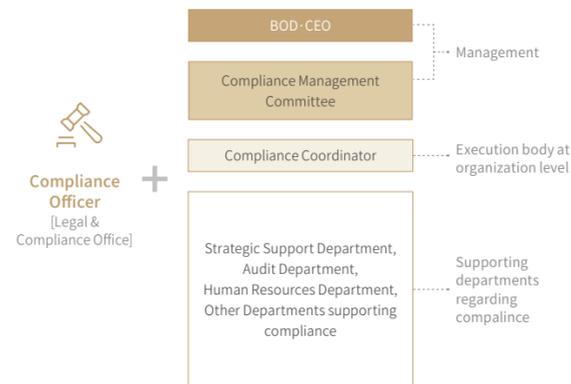
Sub-Regulations	
<b>Exemplary Guide for Fair Transaction</b>	Understanding the laws regarding fair transaction and putting it into practice
<b>CJ Global Privacy Policy</b>	Safeguarding and managing privacy data coming from various individuals
<b>CJ Global Economic Sanctions Compliance Policy</b>	Complying with economic sanctions imposed by each country and international organizations
<b>CJ Global Fair Competition Policy</b>	Competing in an honest and fair manner
<b>CJ Global Anti-Corruption Policy</b>	Abiding by anti-corruption laws in all regions and countries
<b>Anti-Solicitation Law Guide</b>	Aligning with Improver Solicitation and Graft Act

Additionally, the Entertainment Division established its own 'CJ ENM Entertainment Division Code of Ethics and Conduct', 'CJ ENM Entertainment Division Code of Ethics and Conduct for Broadcast Production' in 2020, and 'Code of Conduct for Partner Companies', 'Regulations on Transactions with Partner Companies', in 2021. CJ ENM always tries to be fully responsible as a corporate citizen with partners in pursuit of shared growth through efforts from various angles. The efforts include the prevention of potential legal and ethical risks within our direct and indirect supply chains.

### Ethical Management Organization

CJ ENM has built a compliance organizational system to embed the DNA of ethical management permeate through every corner of our business operations. The organization formulates detailed regulations and guidelines while conducting business activity monitoring. Furthermore, the CEO is deeply involved in ethical management and the Compliance Management Committee serves as the top advisory body in terms of ethical management-related issues.

In addition, we have designated the heads of each department and division as compliance coordinators. The coordinators assume the roles of delivering the company's policies, refining company-wide work process, settling it down and monitoring how it is being operated. They play a bridging role between the Compliance Team and other departments carrying out activities on the spot on a regular basis, thereby embedding ethical and compliance in our business management. Compliance coordinators are indeed the most overarching execution bodies in terms of ethical management. As of the third quarter of 2021, we have a total of 119 compliance coordinators, and in accordance with the operational guidelines on compliance coordinators, we reward coordinator who is deemed to make the most valuable contribution to risk prevention once a year.



**BOD's Management Review of Compliance Management System** The BOD and CEO carry out a management review more than once a year to enhance the compliance program in accordance with 'Standards for Compliance Program and the Sub-Regulations' in the Entertainment Division. On September 15, 2021, the BOD examined the changes in both external and internal tasks related to the compliance program, stakeholders' changing demands externally (the government, shareholders and investors, customers, partner companies) and internally (BOD, employees), the operational status of the compliance program and relevant survey results, the validity evaluation and the results of internal appraisals. Based on the findings, the BOD review the appropriateness in terms of compliance program operation and areas to be improved.

**Compliance Management Committee** CJ ENM Compliance Management Committee is an advisory body for establishing a compliance system and culture. It is comprised of executives, including the CEO. The committee discusses key agendas concerning overall plans and policies, the performance results of compliance management, and areas for improvement. It also covers impacts and countermeasures on the compliance environment in and outside Korea while dealing with measures to enhance the process and prevent risks. The committee meeting of the Entertainment Division is held in November and the meeting of the Commerce Division in December. In the case of the Entertainment division, the committee reviewed and deliberated the ISO 37031 certification, partner companies trade management, and process enhancement. The Commerce Division discussed the process enhancement to prevent legal violation and the areas to be advanced.

### Ethical Management Goals

CJ ENM assigned compliance action goals to the CEO and executives to clarify the responsibilities on ethical management. We presented goals in a specific and quantitative way for the actual practice. In particular, a belt-and-braces evaluation is conducted on the CEO with the following eight action goals.

#### 8 Action Goals for Ethical Management

- 1 Proclamation of the CEO's commitment to compliance management
- 2 Disclosure of compliance activities
- 3 Analysis of the regulatory environment
- 4 Documentation of risk identification
- 5 Development of the training content
- 6 Improvement of the training participation rate
- 7 Implementation of the regular monitoring
- 8 System management

### Reporting and Redressing Cases Violating the Code of Business Conduct

Good practice of the Code of Business Conduct includes the responsibility to proactively raise concerns and promptly address issues. Any stakeholders of CJ who discover a violation of the Code of Business Conduct may report it anonymously or under their names through the internal reporting system. When receiving a report, we thoroughly investigate the case in strict compliance with internal regulations. Privacy is kept in the entire course of handling cases, and informants will be provided with the progress and the results. If the case is determined to be a violation of the Code of Business Conduct after the investigation, the relevant employee will encounter severe disciplinary measures. Depending on the severity of the issue, we may take actions such as warning, pay reduction, dismissal, suspension from work, and the advice to resign.

#### Violation of the Code of Business Conduct

Classification	Unit	2018	2019	2020	2021 2Q
Sexual harassment	Case	2	2	1	0
Non-compliance with ethical regulations	Case	1	4	2	0

### Violation of Laws

Classification	Unit	2018	2019	2020	2021 2Q
<b>Non-financial penalties related to anti-corruption</b>	Case	0	0	0	0
<b>Fines and settlements related to antitrust and anti-competition laws</b>	KRW 100 mn	0	0	0	0

### Compliance Management Systems Certification (ISO 37301)

CJ ENM acquired the Compliance Management Systems Certification (ISO 37301), starting with the Entertainment Division in 2021. As the global regulations on fair trade, environmental protection, and anti-corruption are being tightened worldwide, it has a significant meaning that we established a compliance management system that can be recognized in the global market. Through the certification, we assist the business operation with practical and effective support. In particular, we will continuously advance the compliance system on overall businesses, encompassing the operation of broadcasting channels as well as the production, sales, distribution service for broadcasting programs, digital content, animations, films, musicals, concerts, sound sources, music, and advertisement.



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### Spreading Ethical Culture and Providing Training

CJ ENM disseminates the leadership commitment to ethical management for employees while clearly presenting the regulations that the employees should comply with. We inform the corporate policy in accordance with ethical management policy in various means; compliance messages from CEO and leaders, monthly compliance newsletter, weekly newsletter regarding regulatory trends and regular compliance coordinator meetings. We provide compliance and anti-graft training program every year to raise the employees' awareness of legal compliance and ethical management. We also inform detailed guidelines while offering anti-corruption education (pledge required). We provide around one hour of ethical management training program every year per employee and over 90% of all employees received related education.

#### Compliance Coordinator

Classification	Unit	2019	2020	2021 3Q
No. of compliance coordinators	Person	46	81	119



In 2021, we put the 'Regulations on Transactions with Partner Companies' in place and expanded the scope of ethical management training to our suppliers. We also systematically conduct education programs related to compliance and the Act on Fair Labeling and Advertising for newly hired employees. In addition, we are operating integrated curriculum related to the compliance to develop understanding and improve self-awareness. The curriculum includes <CJ Code of Business Conduct>, <Understanding and Practicing Fair-trade (guidelines for eradicating information exchange)>, and <CJ Global Economic Sanctions Compliance Policy>. Furthermore, training such as integrity ethical training program is also conducted annually without exception.

#### Ethical Management Training

Classification	Unit	2018	2019	2020	2021 2Q
Hours of training provided per employee	Hour	1.5	1.5	1.3	1.0
Ratio of employees receiving training	%	93	91	95	96

### Risk Management

To minimize market risks and secure a healthy financial structure and management stability, CJ ENM establishing organization to manage risks. We make sure to forecast, manage, analysis, and report of market risks. In line with the policy approved by the BOD, we manage risks by analyzing various performance factors, including market risk forecasts and exchange rate fluctuations in risky assets. Our overall financial risk management mainly focuses on the unpredictability of financial markets to minimize the potentially negative influence on financial performance.

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## ECONOMIC PERFORMANCE

For the 28th period ended September 30, 2021

For the 27th period ended December 31, 2020

### Consolidated Financial Statements

(Unit: KRW)

	For the 28th period ended September 30, 2021	For the 27th period ended December 31, 2020
<b>Asset</b>		
<b>Tangible Assets</b>	1,847,155,267,283	1,750,295,061,988
Cash and cash equivalents	334,974,203,853	269,742,356,030
Short-term financial instruments	373,958,106,014	441,193,820,728
Trade receivable	725,624,800,025	727,278,216,406
Advance payments	140,043,811,540	74,473,607,108
Inventories	77,665,088,102	58,602,426,164
Current available-for-sale financial assets	12,659,968,450	38,024,181,203
Current tax assets	2,027,592,429	12,992,519,078
Other current financial assets	107,195,790,387	79,611,290,169
Other current assets	73,005,906,483	48,376,645,102
<b>Assets held-for-sale</b>	16,574,878	2,078,910,634
Assets held-for-sale	16,574,878	2,078,910,634
<b>Non-current assets</b>	5,088,292,000,020	4,527,543,484,306
Long-term trade receivable	20,184,593,784	26,568,086,004
Long-term advance payments	308,363,785,219	270,283,595,299
Available-for-sale financial assets	611,198,419,975	540,018,426,562
Investments in associates	1,798,894,431,861	1,561,037,724,407
Investments in joint ventures	3,147,672,476	3,496,183,705
Tangible Assets	1,050,568,690,591	984,359,463,949
Intangible Assets	1,223,977,061,686	1,072,075,322,205
Other non-current financial assets	39,934,929,214	31,529,009,959
Other non-current assets	11,485,733,744	7,951,061,207
Deferred tax assets	20,536,681,470	30,224,611,009
<b>Total Assets</b>	6,935,463,842,181	6,279,917,456,928
<b>Liabilities</b>		
<b>Current liabilities</b>	1,614,532,391,485	1,551,789,952,275
Trade payable	253,686,320,034	228,485,062,543
Account payable	239,439,026,863	252,092,173,910
Current contract liabilities	108,817,012,446	51,638,204,378
Short-term borrowings	203,241,653,969	424,963,137,906
Current long-term borrowings	141,999,990,000	41,720,070,000
Current portion of bonds	149,941,778,501	69,976,274,945
Current tax liabilities	38,058,074,520	6,519,495,151

(Unit: KRW)

	For the 28th period ended September 30, 2021	For the 27th period ended December 31, 2020
<b>Liabilities</b>		
Provisions for current liabilities	232,088,504	201,889,591
Other current financial liabilities	312,155,551,929	312,115,380,776
Other current liabilities	166,960,894,719	164,078,263,075
<b>Non-current liabilities</b>	1,135,572,757,028	942,948,861,399
Long-term borrowings	34,645,057,400	122,039,930,000
Bond	637,388,202,037	431,871,038,827
Net defined benefit liabilities	36,822,078,109	19,411,563,804
Deferred tax liabilities	300,277,716,886	254,832,565,519
Non current contract liabilities	1,783,400,000	6,583,835,672
Other non-current financial liabilities	97,928,957,387	100,807,893,697
Other non-current liabilities	23,504,613,703	4,971,906,047
Provisions for non-current liabilities	3,222,731,506	2,430,127,833
<b>Total Liabilities</b>	2,750,105,148,513	2,494,738,813,674
<b>Equity</b>		
<b>Controlling invest equity</b>	3,744,215,890,453	3,437,314,990,073
Capital stock	110,577,370,000	110,577,370,000
Paid-in capital in excess of par value	101,147,441,547	101,147,441,547
Retained earnings	1,314,332,319,023	1,161,951,415,725
Other components of equity	2,218,158,759,883	2,063,638,762,801
<b>Non-controlling interest</b>	441,142,803,215	347,863,653,181
<b>Total stockholders' equity</b>	4,185,358,693,668	3,785,178,643,254
<b>Total liabilities and stockholders' equity</b>	6,935,463,842,181	6,279,917,456,928

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## ECONOMIC PERFORMANCE

For the 28th period from January 1, 2021 to September 30, 2021  
For the 27th period from January 1, 2020 to September 30, 2020

### Consolidated Comprehensive Income Statements

(Unit: KRW)

	For the 28th period from January 1, 2021 to September 30, 2021		For the 27th period from January 1, 2020 to September 30, 2020	
	Three months	Accumulated	Three months	Accumulated
<b>Revenue</b>	857,538,906,969	2,557,348,222,108	798,620,132,304	2,446,913,714,372
<b>Cost of goods sold</b>	441,257,883,651	1,320,426,106,011	438,099,723,445	1,383,403,819,262
<b>Gross profit</b>	416,281,023,318	1,236,922,116,097	360,520,408,859	1,063,509,895,110
<b>Selling and administrative expenses</b>	325,392,640,780	966,119,406,348	289,666,179,883	877,932,192,835
<b>Impairment for allowance</b>	3,067,569,972	3,563,086,448	-194,828,660	1,422,651,178
<b>Operating income</b>	87,820,812,566	267,239,623,301	71,049,057,636	184,155,051,097
<b>Financial income</b>	18,083,599,017	44,505,034,033	619,254,388	28,816,164,015
<b>Financial cost</b>	10,087,071,821	27,971,487,354	12,194,172,336	46,453,432,756
<b>Gain valuation using equity method of accounting</b>	7,047,093,540	33,409,858,451	22,383,198,863	53,932,496,810
<b>Other non-operating income</b>	14,051,974,630	16,886,379,895	2,152,036,001	4,907,999,466
<b>Other non-operating expenses</b>	15,329,843,891	61,479,668,567	31,788,053,088	81,955,808,060
<b>Other reversal allowance doubtful accounts (Other amortization expenses)</b>	-47,477,007	1,389,048,486	-492,058,774	-1,546,000,971
<b>Profit before income taxes</b>	101,539,087,034	273,978,788,245	51,729,262,690	141,856,469,601
<b>Income taxes</b>	27,102,185,159	65,362,142,772	19,159,501,089	39,645,462,224
<b>Net income</b>	74,436,901,875	208,616,645,473	32,569,761,601	102,211,007,377
<b>Other comprehensive revenue</b>	22,154,603,074	160,043,719,206	2,184,899,230	59,646,238,478
Items that will not be reclassified to profit or loss	2,335,757,688	126,477,421,325	9,987,137,296	73,594,615,095
Actuarial gain/loss on defined benefit liability (Other comprehensive income, net of tax)		-123,970,790	87,645,657	-15,895,792
Other comprehensive revenue on equity instruments designated at fair value through profit or loss	-10,816,093,192	104,726,688,587	9,108,450,886	-21,146,969,403
Gain on Valuation of Investment stock using the Equity Method	13,151,850,880	21,874,703,528	791,040,753	94,757,480,290
Items that will be reclassified to profit or loss	19,818,845,386	33,566,297,881	-7,802,238,066	-13,948,376,617
Gain(loss) on overseas business transaction	3,186,886,815	1,638,190,975	-1,037,335,930	-2,011,839,032
Gain on Valuation of Investment stock using the Equity Method	16,631,958,571	31,928,106,906	-6,764,902,136	-11,936,537,585
<b>Total comprehensive income</b>	96,591,504,949	368,660,364,679	34,754,660,831	161,857,245,855
<b>Net income</b>				
Total comprehensive income attributable to controlling interests	66,868,898,488	172,294,466,222	28,622,777,060	89,415,100,643
Total comprehensive income attributable to non-controlling interests	7,568,003,387	36,322,179,251	3,946,984,541	12,795,906,734
<b>Total comprehensive income</b>				
Total comprehensive income attributable to controlling interests	95,928,497,761	316,199,084,285	31,149,178,099	149,429,712,766
Total comprehensive income attributable to non-controlling interests	663,007,188	52,461,280,394	3,605,482,732	12,427,533,089
<b>Earnings per share</b>				
Basic earnings per share	3,226	8,312	1,458	4,554
Diluted earnings per share	3,226	8,312	1,458	4,554

## MATERIALITY ASSESSMENT

### Materiality Assessment Process

In the run up to the release of ESG report, CJ ENM conducted a materiality assessment to produce salient topics of focus for sustainable ESG management. In the course of the evaluation, we identified the current business environment and key issues in this industry, and selected overarching areas of focus in line with GRI Standards and other global ESG evaluation criteria. And after that, we surveyed stakeholders and experts to prioritize the issues.

#### Materiality Assessment in Three Stages

<p><b>1 Selection of ESG management-related material topics</b></p> <p>Analyzing the business environment, business strategy and performances as well as the results of peer group benchmarking, global ESG evaluations and disclosures (GRI, DJSI, SASB, MSCI, etc.), and then selecting 16 key topics</p>	<p><b>2 Prioritization of the issues through materiality evaluation</b></p> <p>Surveying both internal and external stakeholders to assess the materiality of each topic as well as the influence of them on each expert group's business, analyzing the results and prioritizing topics</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <ul style="list-style-type: none"> <li>• Survey period : August, 2021</li> <li>• Respondents : Employee, Shareholder, Partner, Customer, Government, Local community, ESG specialist</li> </ul> </div>	<p><b>3 Report on material topics and validation process</b></p> <p>Sharing the level of significance of each topic with the Executive Consultation Group, incorporating all of the issues in the ESG report, making the evaluation process and the results verified by third-parties</p>
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### Materiality Assessment Results

As the materiality assessment showed that 'content·product competitiveness', 'customer-centered management', 'digital competency', 'ESG management' and 'safety and occupational health' are the most salient issues to be focused, we selected them as key topics for 2021. We found that the reinforcement of competitiveness and business activities for customers is deemed important but, at the same time, ESG-related and safety and occupational health-related topics are also significant. It means our internal and external stakeholders are asking CJ ENM to do more to discharge our social duties. Our activities for the selected 16 topics and the achievements are incorporated in this ESG report.



① Business Impact on CJ ENM(Influence on business): Surveying experts to score the materiality of each topic from the financial and management strategy perspectives  
② Influence on Stakeholders(stakeholders' interest): Surveying internal and external stakeholders to produce salient issues and scoring them

#### 2021 CJ ENM Material Topics

Ranking	Material Topic	Page
1	Content-brand competitiveness	52-55
2	Customer-centric business	56-58
3	Digital competency	59
4	ESG Management	18-19
5	Safety and health	62-64
6	Ethical management and fair trade	86-88
7	Action on climate change and environmental management	66-68
8	Brilliant talent acquisition and support	69-72
9	Shared growth with partners	76-79
10	GHG·waste management	66-68
11	Risk management	88
12	Human rights management	72-73
13	Data security and privacy protection	82
14	Social contribution	79-81
15	Business performance	90-92
16	Work environment	69-75





## STAKEHOLDERS' ENGAGEMENT & COMMUNICATION

CJ ENM has defined our key stakeholder groups and operated multiple communication channels to reach out to them and actively reflected their feedback in our business operations. We have categorized the stakeholders that have a huge impact on our business operations into customers, the Audience Committee, shareholders and investors, the government(relevant organizations) and partners as below.

Stakeholder Group	Key Communication Channel	Communication Frequency	Expected (Interest) Issue
Customer	Website and SNS	Frequently	<ul style="list-style-type: none"> <li>• Customer service enhancement and raised satisfaction</li> <li>• Customer data privacy protection</li> <li>• Interaction with customers and reflection of their opinion</li> <li>• Content and product quality improvement</li> <li>• Protection of viewer' rights and remedies for infringement</li> </ul>
	Customer satisfaction survey	Frequently	
	Customer Center	Frequently	
	Audience Committee's regular meeting	Once a month (Commerce Division)- Once every other month (Entertainment Division)	
	Audience Committee's report on the viewers' opinion	Once a month (Commerce Division)- Once every other month (Entertainment Division)	
	Audience evaluation program	Once a week	
Shareholder and investor	Website	Frequently	<ul style="list-style-type: none"> <li>• ESG issues</li> <li>• Securing future growth engines</li> <li>• Financial performance</li> <li>• Dividend payout ratio</li> <li>• Transparent performance disclosure</li> <li>• Risk management competency</li> <li>• Sound governance</li> </ul>
	Regular general shareholders' meeting	Once a year	
	NDR(Non-Deal Roadshow)	Frequently	
	Earnings release conference call	Quarterly	
	Key regular reports and disclosures	Regular report – Quarterly, Key disclosure – Frequently	
	Company tour	Frequently	
Partner Companies	Biz-Contact	Frequently	<ul style="list-style-type: none"> <li>• Supply Chain Responsibility</li> <li>• Launching products of partner companies</li> <li>• Collaboration and communication</li> <li>• Nurturing and support project in terms of training and infrastructure</li> <li>• Ethical management and fair-trade</li> <li>• Human rights protection of workers</li> </ul>
	Cyber Audit Office	Frequently	
	Online report	Frequently	
	Partner system	Frequently	
	Corporate Partnership Open Platform	Frequently	
	SME Story	Frequently	
	Consultations on sales channel by region	Half-yearly by region	
	Shared growth meeting	Half-yearly	
community, NGO	Homepage and social media	Frequently	<ul style="list-style-type: none"> <li>• Social contribution</li> <li>• Vitalization of local economy</li> <li>• Corporate's social responsibility</li> <li>• Environmental protection</li> </ul>
	Volunteer activity	Frequently	
	Operating Committee (Caritas Welfare Center)	Quarterly	
Government and media	Company homepage	Frequently	<ul style="list-style-type: none"> <li>• Engagement in major policies</li> <li>• Compliance with laws and regulations</li> <li>• Creation of economic value</li> <li>• New content products</li> <li>• Economic achievement</li> <li>• Anti-corruption and compliance</li> </ul>
	Press release	Frequently	
	Meeting	Frequently	
	Consultation meeting	Frequently	
	Business report & audit report	Frequently	
	ESG report	Yearly	
Employee	Employee survey	Frequently	<ul style="list-style-type: none"> <li>• Safe working environment</li> <li>• Horizontal corporate culture</li> <li>• Respecting human rights of employees</li> <li>• Work-life balance</li> <li>• Growth and self-improvement of employees</li> <li>• Equal opportunity and fair performance evaluation</li> <li>• Diversity and inclusiveness</li> </ul>
	Corporate portal	Frequently	
	Internal broadcast	Frequently	
	Labor-Management Council	Quarterly, frequent meeting	
	Cyber Audit Office	Frequently	
	Online report	Frequently	

## GLOBAL INITIATIVE AND MEMBERSHIP STATUS

### UN Global Compact (UNGC)

The UN Global Compact is the world's largest voluntary initiative of corporate citizens for internalizing the ten principles on human rights, labor, environment, and anti-corruption, while presenting practical implementation plans in the business operation and activities. As Korea's representative total entertainment corporation, CJ ENM has implemented the UN Global Compact principles and raised awareness of them throughout our business models.

#### The Ten Principles of the UN Global Compact

Area	The Ten Principles	Page
Human Rights	1 Businesses should support and respect the protection of internationally proclaimed human rights; and	72-73
	2 make sure that they are not complicit in human rights abuses.	72-73
Labour	3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	69-75
	4 the elimination of all forms of forced and compulsory labour;	69-75
	5 the effective abolition of child labour; and	69-75
	6 the elimination of discrimination in respect of employment and occupation.	69-75
Environment	7 Businesses should support a precautionary approach to environmental challenges;	24-29, 66-68
	8 undertake initiatives to promote greater environmental responsibility; and	24-29, 66-68
	9 encourage the development and diffusion of environmentally friendly technologies.	24-29, 66-68
Anti-Corruption	10 Businesses should work against corruption in all its forms, including extortion and bribery.	86-88

### Membership Status

Korea IPTV Broadcasting Association	Digital Innovation Policy Forum
Korean Cable Television Association	UN Global Compact (UNGC)
Korea Broadcasting Channel Promotion Association	Korea TV Homeshopping Association
Korea E-Commerce & Direct Marketing Association	

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## KEY AWARDS AND CERTIFICATION

### Key Awards

Date	Award	Agency
2021.10.	Won an excellence prize in the Korea IR Grand Awards	KOREA Investor Relations Service, Korea Exchange
2021.10.	Won four prizes in the Korea Cable TV Awards - (Grand prize in drama area) <The uncanny counter> - (Grand prize in cultural art and education area) <Monthly Connect> - (Grand prize in children area) <The Haunted House Ghost Ball Double X> - (Grand prize in VOD area) <Crash landing on you>	Korean Cable Television Association
2021.09.	Won a grand prize and an excellence prize (social and cultural development) in the Korea Communications Commission Awards - (Grand prize) <Crash landing on you> - (Excellence prize) <You Quiz on the Block>	Korea Communications Commission
2021.01.	tvN D <Day Trip to Korea> won a 'digital advertisement-campaign' prize in the Awards For New Digital Award	Korea Digital Enterprise Association
2020.12.	Received CCM Fair Trade Commissioner Citation (Hall of Fame)	Fair Trade Commission
2020.12.	Received a presidential citation in the 2020 Korea Content Awards in recognition for contributing to the broadcasting industry development	Ministry of Culture, Sports and Tourism
2020.12.	Received an excellent company citation for enhancing the elderly welfare	Gwacheon-si
2020.12.	Received a plaque of appreciation for an excellent company making donations	Seocho City Office
2020.11.	Won the Minister of Environment prize for eco-friendly technology promotion and consumption facilitation in 2020	Ministry of Environment
2020.11.	<You Quiz on the Block> won the 'Program of the Month'	Korea Communications Standards Commission
2020.09.	<HOTEL DEL LUNA> won an excellent prize (spreading K-wave) in the Korea Communications Commission Awards	Korea Communications Commission
2020.09.	Won the Korea Consumption Culture grand prize in the consumer rights and interests area	Korean Consumption Culture Association
2020.06.	Selected as an excellent company for mock drills of cyber crisis management (Top 5 excellent companies) - Commerce Division	Ministry of Science and ICT- Korea Internet & Security Agency
2020.02.	<Parasite> won Best Picture, Directing, Writing (Original Screenplay), and International Feature Film in the 92nd Academy Awards	Academy of Motion Picture Arts and Sciences
2020.02.	<Parasite> won Best Original Screenplay and Best Film Not in the English Language in the 73rd British Academy Film Awards	British Academy of Film and Television Arts
2020.02.	<The Haunted House AR TCG> won the Minister of Trade, Industry and Energy prize (grand prize) in the Korea Toy Awards	Korea Toy Association

### Certification

Information Security Management Systems (ISMS)	ePRIVACY	Information Security Management System (ISO 27001)	Compliance management systems (ISO 37001)
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## SASB

The SASB Standards are the sustainability accounting standards by industry announced by the Sustainability Accounting Standards Board. SASB's Sustainable Industry Classification System (SICS) groups financially important sustainability information into 77 industries across 11 thematic sectors based on their unique industry characteristics. CJ ENM is classified as E-Commerce, Internet Media, and Media Entertainment according to the SASB Standards, and we disclose related data and information through the ESG Report.

Industry	SASB code	Accounting metric	Unit	Disclosure
<b>Data Security</b>				
E-Commerce Internet Media & Service	CG-EC-230a.1 TC-IM-230a.2	Number of users whose information is used for secondary purposes	N/A	CJ ENM put in place a data security system and an dedicated organization for data privacy and security. For detailed information, please refer to page 82 of this report.
	CG-EC-230a.2 TC-IM-230a.1	Description of policies and practices relating to behavioral advertising and user privacy	Case, %, Person	For detailed information on data security risks including privacy infringement and leakage, please refer to page 82 of this report.
<b>Data Privacy, Advertising Standards &amp; Freedom of Expression</b>				
E-Commerce Internet Media & Service	CG-EC-220a.1 TC-IM-220a.2	Number of users whose information is used for secondary purposes	Case	CJ ENM never used personal data for secondary purposes in the reporting year.
	CG-EC-220a.2 TC-IM-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	N/A	CJ ENM discloses privacy policy and the personal information handling policy on our company homepage.
	TC-IM-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	KRW	CJ ENM had zero monetary loss as a result of legal proceedings associated with user privacy. Please refer to page 82 of this report for detailed information.
<b>Intellectual Property Protection &amp; Competitive Behavior</b>				
Internet Media & Service	TC-IM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	KRW	CJ ENM complies with laws related to fair-trade in accordance with the sub-regulations of the Code of Business Conduct. There was zero monetary loss as a result of legal proceedings associated with anticompetitive behavior regulations. For more detailed information, please refer to page 87 of this report.
<b>Employee Recruitment, Inclusion &amp; Performance &amp; Media Pluralism</b>				
E-Commerce Internet Media & Service Media & Entertainment	CG-EC-330a.3 SV-ME-260a.1 TC-IM-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	%	CJ ENM discloses the diversity of our workforce composition on page 69 of this report.
	CG-EC-330a.2	(1) Voluntary and (2) involuntary turnover rate for all employees	%	CJ ENM discloses the turnover rate on page 70 of this report.
<b>Environmental Footprint of Hardware Infrastructure</b>				
E-Commerce Internet Media & Service	CG-EC-130a.1 TC-IM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	GJ, %	CJ ENM discloses the energy consumption rate on page 66 of this report.
	CG-EC-130a.2 TC-IM-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	m <sup>3</sup> , %	CJ ENM discloses the water resource management data on page 67 of this report.
<b>Product Packaging &amp; Distribution</b>				
E-Commerce	CG-EC-410a.1	Total greenhouse gas (GHG) footprint of product shipments	tCO <sub>2</sub> e,q	CJ ENM discloses the GHG footprint of product shipments for the past three years on page 66 of this report.
	CG-EC-410a.2	Discussion of strategies to reduce the environmental impact of product delivery	N/A	CJ ENM's Commerce Division carries out various activities to reduce environmental effect. For more information, please refer to page 68 of this report.

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# INDEPENDENT ASSURANCE STATEMENT

## To readers of CJ ENM 2021 ESG Report

### Introduction

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

### Scope and Standards

CJ ENM 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 SASB.

- GRI Sustainability Reporting Standards
- Universal Standards
- Topic Specific Standards
  - Management approach of Topic Specific Standards
  - GRI 401: Employment
  - GRI 203: Indirect Economic Impacts
  - GRI 403: Occupational Health and Safety
  - GRI 206: Anti-Competitive Behavior
  - GRI 404: Training and Education
  - GRI 305: Emissions
  - GRI 412: Human Rights Assessment
  - GRI 306: Effluents and Waste
  - GRI 413: Local Communities
  - GRI 418: Customer Privacy
- SASB Sustainability Disclosure Topics & Accounting Metrics

As for the reporting boundary, the engagement excludes the data and information of CJ ENM's 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 ENM 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.

### Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with CJ ENM 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 ENM 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 ENM 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 ENM 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 ENM's actions.
- Impact** | CJ ENM identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

### Reliability of Specific Sustainability Performance Information

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

### Competence and Independence

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

Dec. 2021 Seoul, Korea



CEO *E. J. Hwang*



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# INDEPENDENT VERIFICATION STATEMENT

## INTRODUCTION

CJ ENM Corp. implements annual MRV based on international standards including ISO 14064 to respond to climate change risks. KMR confirms the verification results of 2018~2020 as below.

## SCOPE

- Organizational boundary: the whole business under control of the organization
- Verification object workplaces: ENM CENTER, ILSAN STUDIO, GAYANG STUDIO, BANGBAE BUILDING
- Reporting period: Calendar year of 2018~2020
- Reporting greenhouse gas: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O (not applicable for HFCs, PFCs, SF<sub>6</sub>)
- Type of emission: Direct Emissions (Scope 1), Indirect Emissions (Scope 2), Employee Commuting(Scope 3)
- The level of assurance: Limited assurance

## STANDARDS

- ISO 14064-1 (2006), ISO 14064-3 (2006), WRI/WBCSD GHG Protocol (2004)
- Verification guidelines for GHG & energy Target Management Scheme (Notification No. 2021-47, MOE)
- KMR GHG & energy verification manual and procedure, IPCC Guidelines (2006)

## RESULTS

GHGs Emissions (tCO <sub>2</sub> eq)	2018	2019	2020	TOTAL
Scope 1	910	928	865	2,703
Scope 2	11,376	10,738	9,955	32,069
Scope 3	46	46	40	132
<b>Total</b>	<b>12,332</b>	<b>11,712</b>	<b>10,860</b>	<b>34,904</b>

Note) The scope 3 emissions are limited to emissions of commute buses.

## CONCLUSION

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



Nov 5th, 2021  
Authorized By Eun ju hwang

CEO E. J Hwang

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