

CREATING SHARED VALUE

**CJ's Commitment towards
a Sustainable World**

September 9th, 2015



About CJ

CJ Group now operates in 23 countries worldwide
with \$26 billion in total sales (2014)



44,000 Employees

Vision

Create a New Culture
For Healthy, Happy and Convenient Lifestyles

Mission

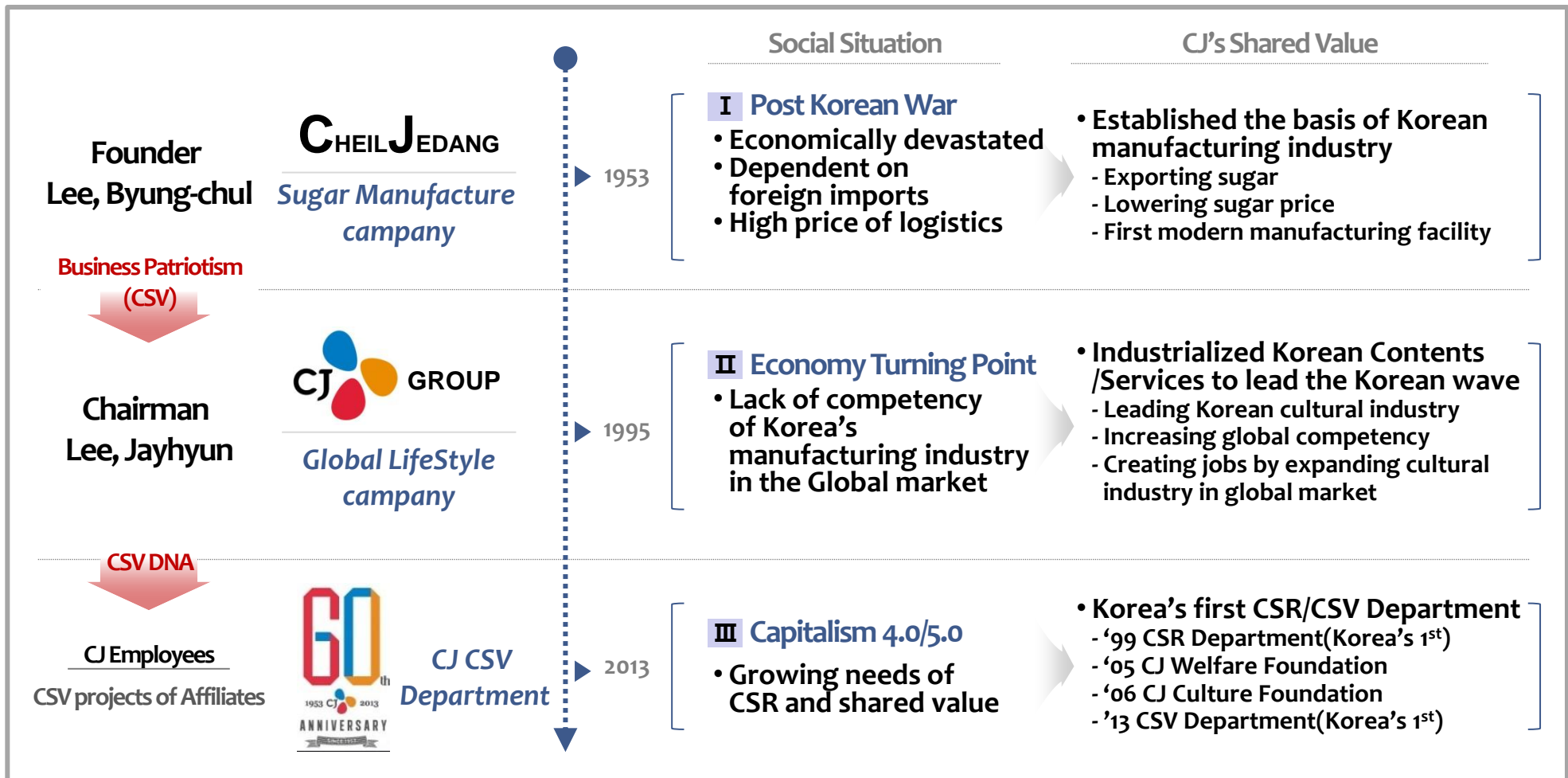
Contribute to the global community
By providing the best value to our customers with
ONLYONE products and services

Founding Philosophy

Business Patriotism
(Contribute to the national economy
through business)
People First
Rational Management

What CSV means to us

For us, CSV is the way of doing business. Passed down from the Founder to the current Chairman, the CSV process comes naturally from our history.



CJ's Shared Value Philosophy

Founding Philosophy

Contribute to the national economy through business

事業報國

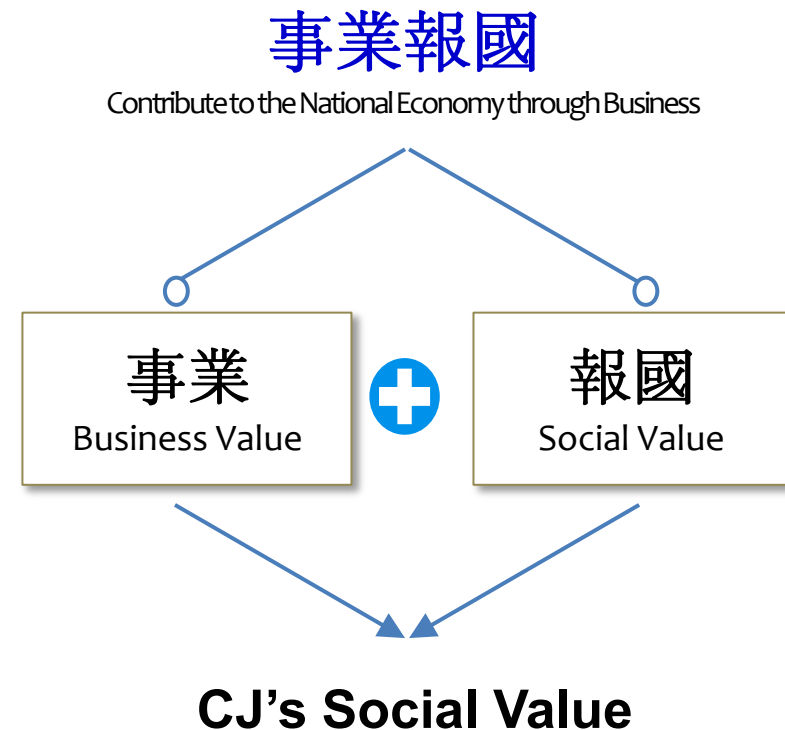
Management Principle

Coexistence and Co-prosperity

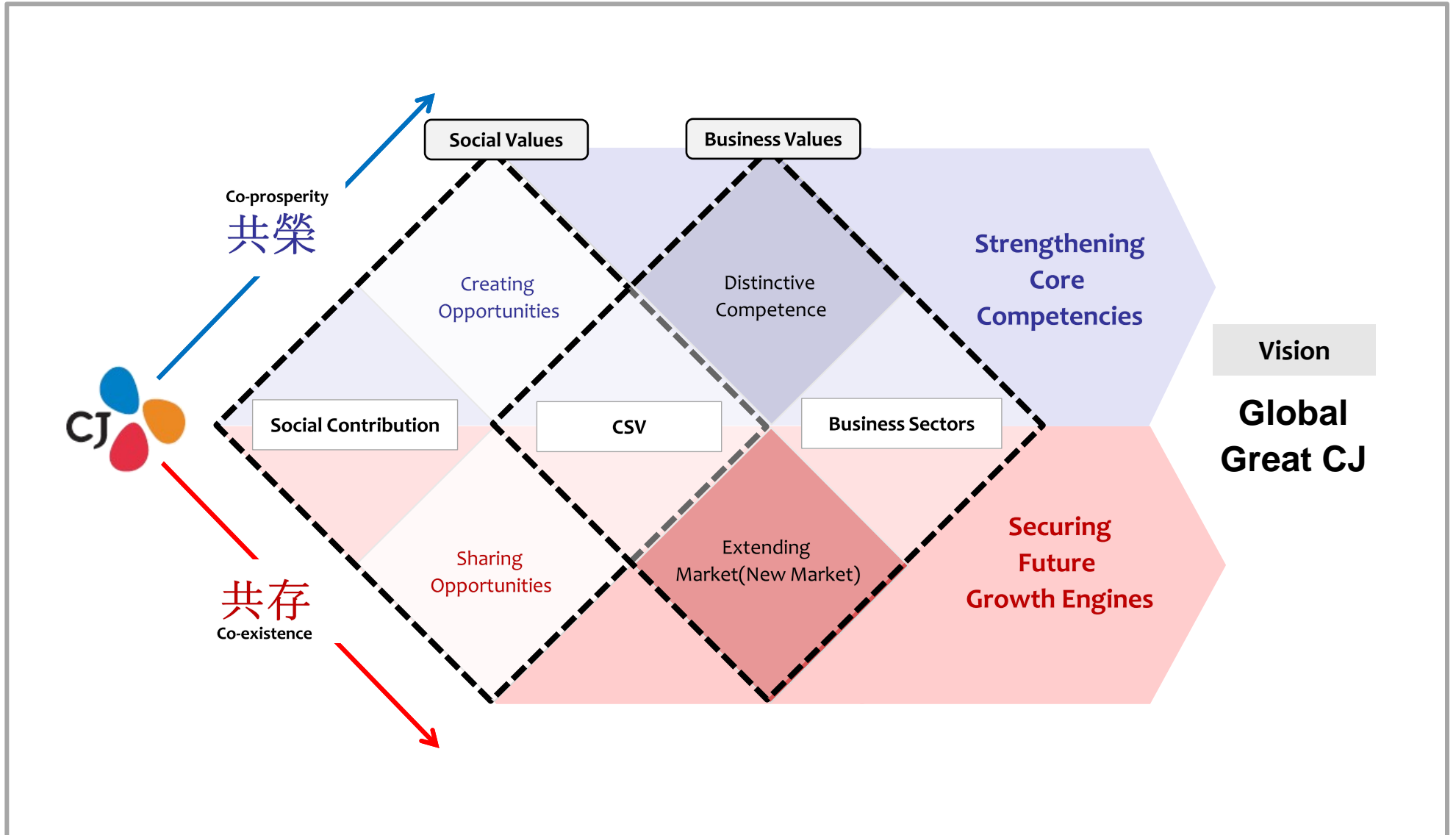
共存共榮

Spirit of Sharing (Philanthropy)

Sustainability
Business Relevance
Employee Engagement



CJ Management System



First Sugar Manufacturer → CJ Group



**Founder of Samsung
Lee, Byung-Chul**

Started Korea's first
Sugar Factory(1953)

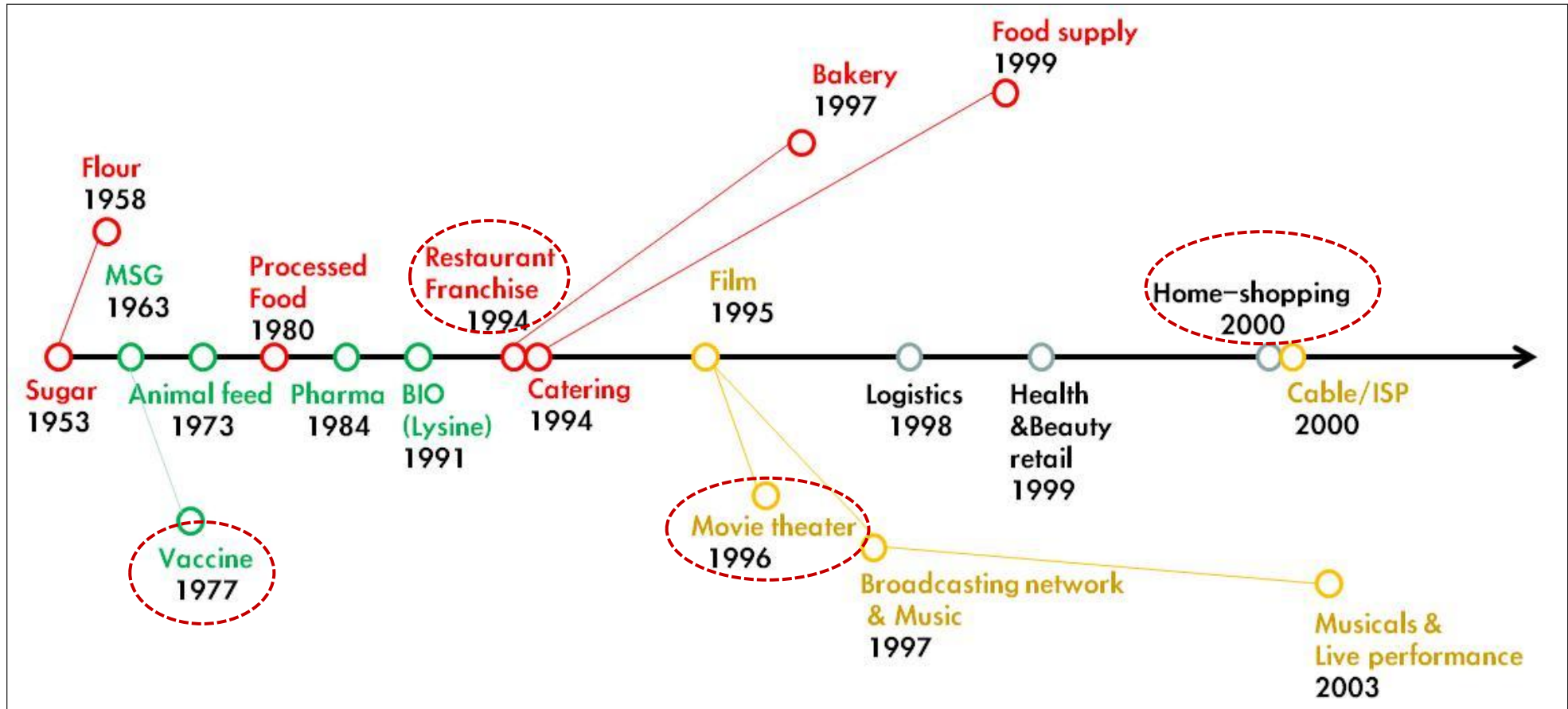


**Chairman of CJ Group
Lee, Jayhyun**

Established Korea's first
Multiplex theater CGV (1998)

60 Years of Business History

CJ's CSV Philosophy has been underlined on principles of the diversification of CJ into 4 main business



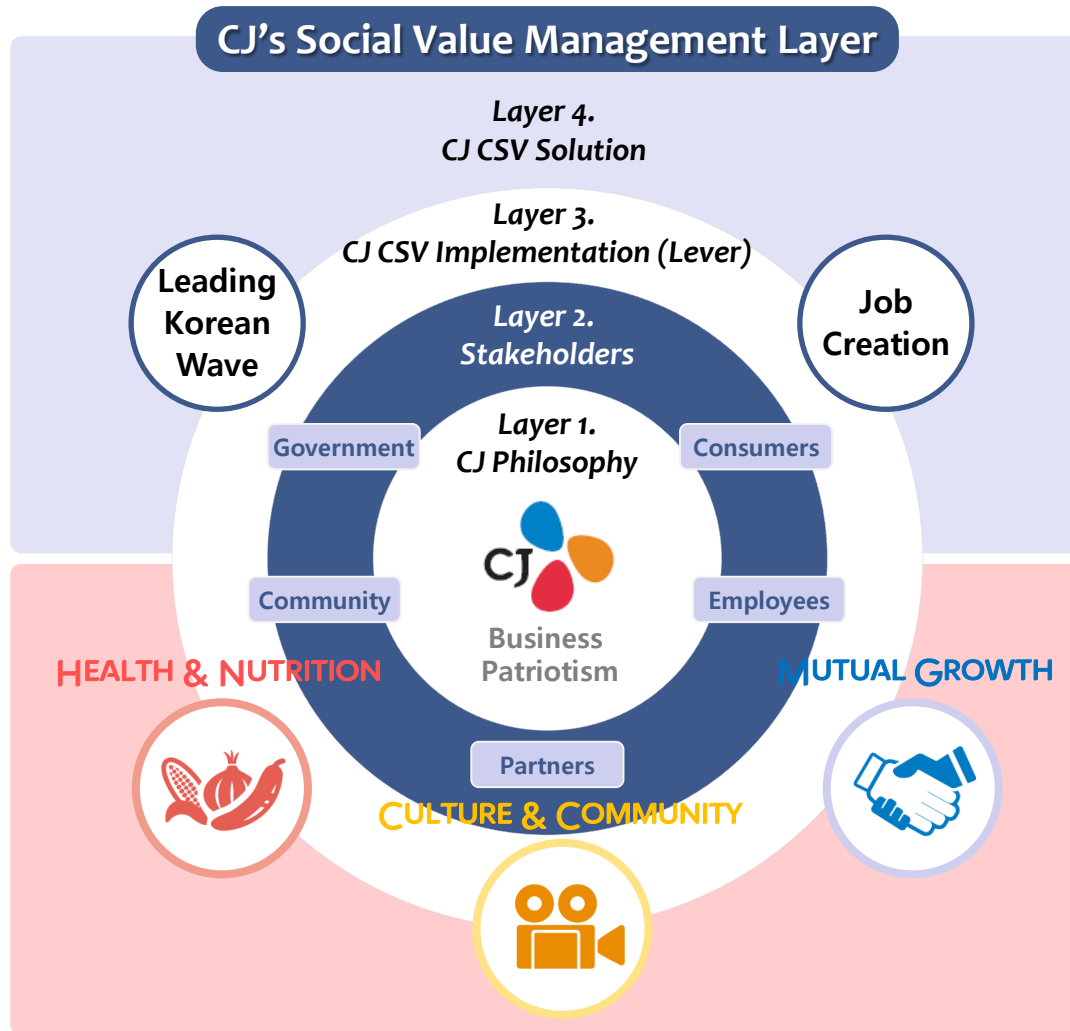
○ Food & Food service

○ Biotechnology & Pharmaceutical

○ Home-shopping, Retail & Logistics

○ Entertainment & Media

CJ's Shared Value Management Layer



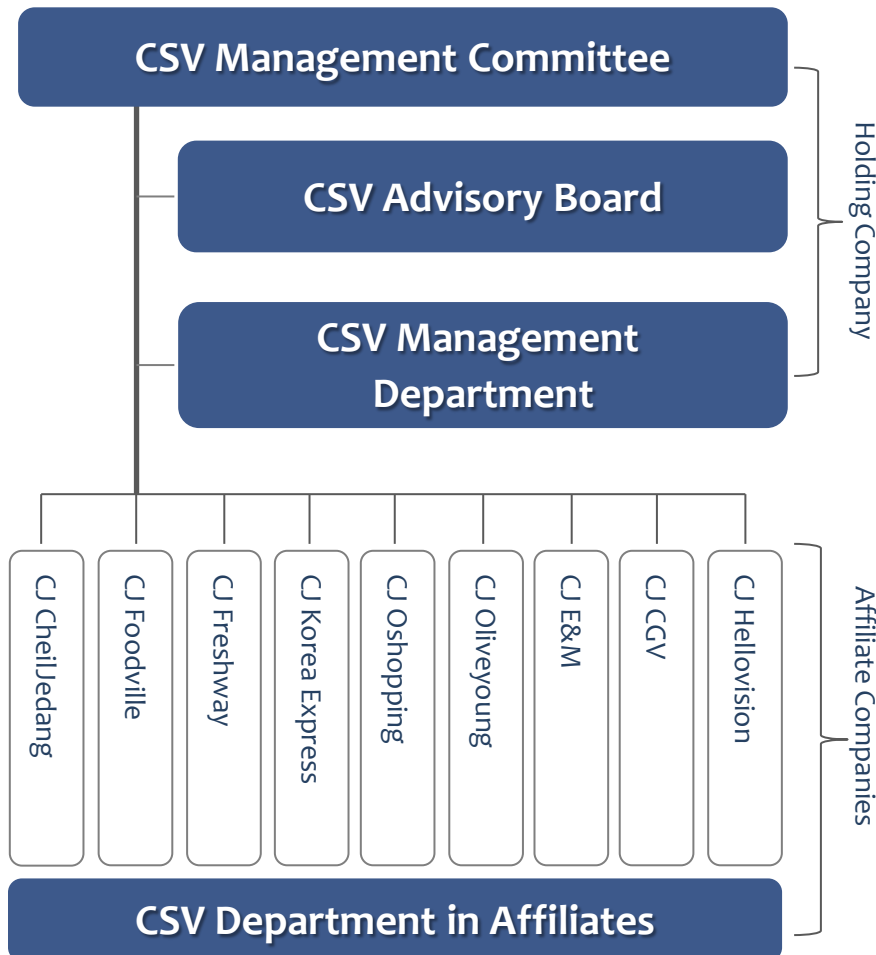
“ Creating shared value in business cannot be done alone.

Instead, a company has to consider every stakeholder in the society while searching for a win-win strategy for all ”

CJ's CSV Themes & Programs



CJ's Shared Value Governance



CSV Management Committee

- CEOs from all of CJ's affiliate companies
- Monthly meetings to make all key decisions regarding CSV (e.g., project evaluation)

CSV Advisory Board

- Academia and industry experts
- Monthly meetings to advise on directions, trends and cases

CSV Management Department

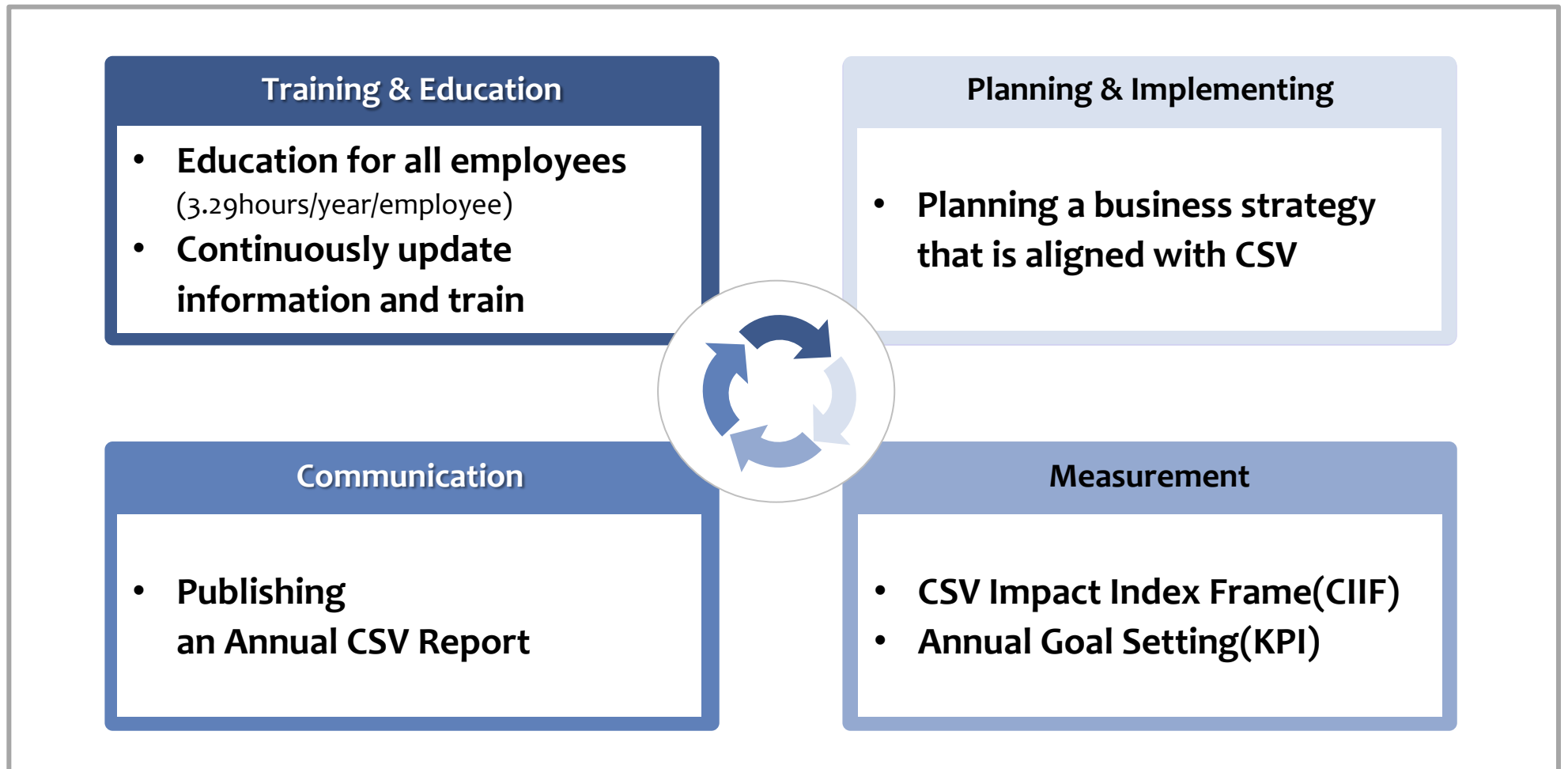
- Planning company-wide CSV strategies
- Consulting and monitoring affiliate companies' CSV projects

CSV Department in affiliated companies

- Implementing CSV projects & businesses

CSV Process

CJ is establishing processes to drive our CSV efforts



CSV Initiative: Sustainable Agricultural Development in Rural Vietnam

- Rural Development PPP with the public sector (KOICA, K-Water), private sector (CJ, Syngenta), government (Vietnam, Ninh Thuan Province), and academia (Yeungnam University)
→ Maximizing collective impact
- Contract-cultivation and procurement of Red Chili Peppers
- Improving the quality of life for Ninh Thuan villagers through CJ Saemaul CSV

Opportunity

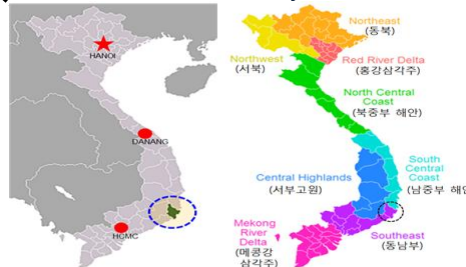
Social Opportunity

- Poverty in rural areas
- Lack of well-established agricultural development
- Lack of motivation and education

Business Opportunity

- Need to trace the origins of agricultural ingredients
- Limited supply sources
- Needs for Globalization of Korean food

CJ-KOICA Saemaul CSV Project



Creating Shared Value

Social Value

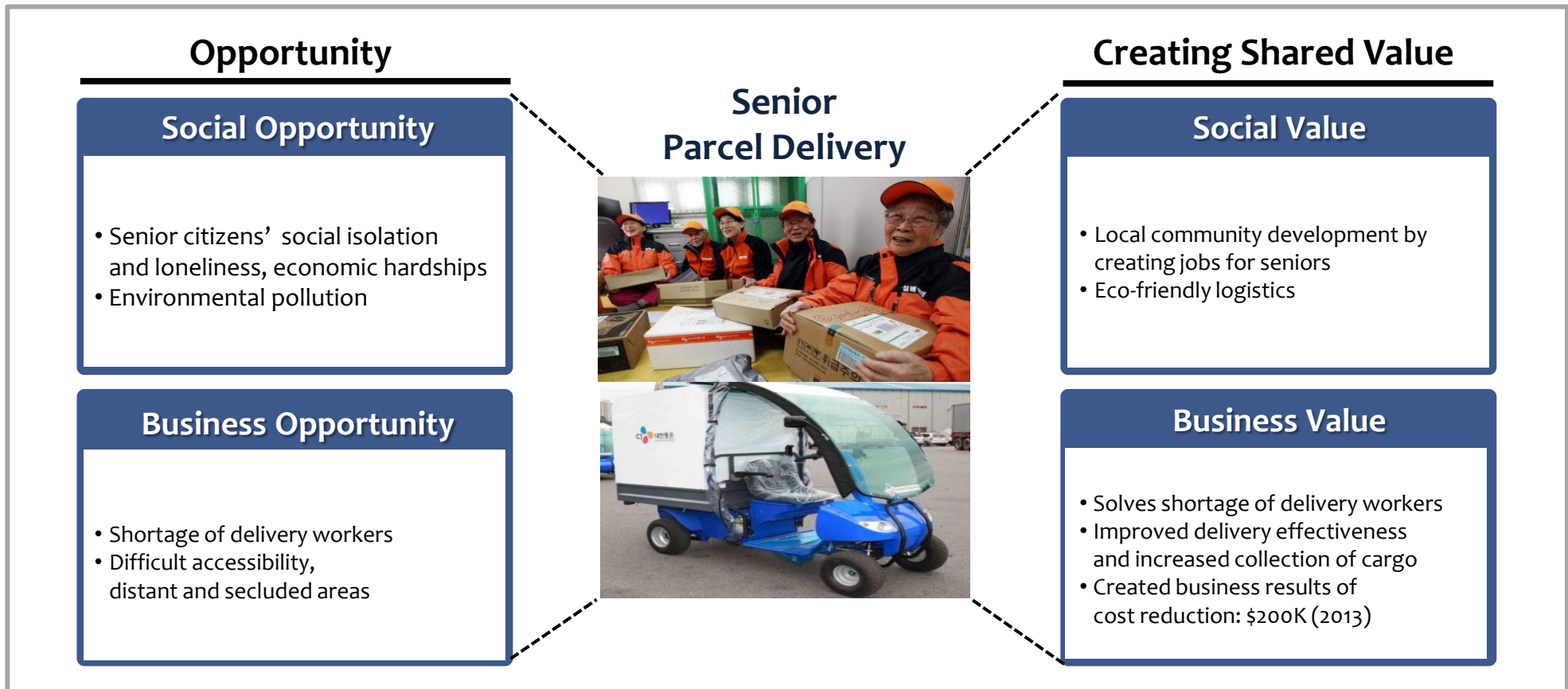
- Increasing income
- Transfer of technical skills and increasing agricultural productivity
- Motivating and training farmers with the “New Village Movement (Saemaul)”

Business Value

- Securing high quality agricultural products
- Vietnam as an important emerging strategic partner
- Development of localized products

CSV Initiative: Senior Parcel Delivery

- New job creation for seniors and utilizing eco-friendly small vehicles
- Providing effective delivery services for towns where normal delivery vehicles do not have access



Global CSV Public Communications

CJ will also contribute to the global community by implementing CSV in the societies and countries CJ has expanded to

Date	Event	Summary
June 13, 2014	NHK News Interview (Japan)	Senior Parcel Delivery
Sep. 17 th , 2014	CSR Asia Summit 2014 (Hong Kong)	CJ's Philosophy & Action For a Sustainable World
Dec. 3 rd , 2014	The 1 st Porter Prize for Excellence in CSV (South Korea)	Porter Prize: Process Award
Jan. 27 th , 2015	CSR Asia Tokyo Forum 2015 (Japan)	CJ's Commitment towards a Sustainable World
Apr. 8 th , 2015	IFC CSV Forum (South Korea)	CJ-KOICA Saemaul CSV Project In Rural Vietnam
May 13 th , 2015	2015 Shared Value Leadership Summit (USA)	How to mobilize a CSV Organization

The CJ Experience

Lessons Learned

1. CJ's top-down approach is effective because of the strong leadership vision and commitment to CSV philosophy
2. CSV is an effective tool for strengthening teamwork and boosting employee morale and motivation
3. Top-down approach should be complemented by a bottom-up approach through employee engagement

Challenges

1. It takes time and perseverance until CSV is fully engaged by all employees
2. Measurement and effective communication is very important for continued engagement within the organization