

CJ LOGISTICS

NET-ZERO

REPORT 2022



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CONTENTS

- 01 Commitment
(Background of Net-Zero Declaration)
- 02 Our Carbon Footprint
- 03 Scope 3 Emissions Analysis
- 04 Our Goals and Targets
- 05 Our Measures
- 06 Our Plans
- 07 Adaptation to Climate Change
- 08 Governance

COMMITMENT

Background of Net-Zero Declaration

CJ Logistics is a global SCM solution provider committed to leading the way in creating environmental and social values for virtuous circulation and thus a sustainable future of logistics.



WE DELIVER THE SUSTAINABLE FUTURE

COMMITMENT

Background of Net-Zero Declaration

With climate change emerging as a grave threat facing the international community, we recognize the risks posed by climate change and the importance of managing its financial impact. What is more, tighter government regulations, such as the GHG emission target management system and the emission right trading system, and the shift in the energy paradigm are calling for greater efforts of companies in dealing with climate change.

CJ Logistics will join international efforts to achieve carbon reduction targets and explore opportunities to shift to a low-carbon business structure.

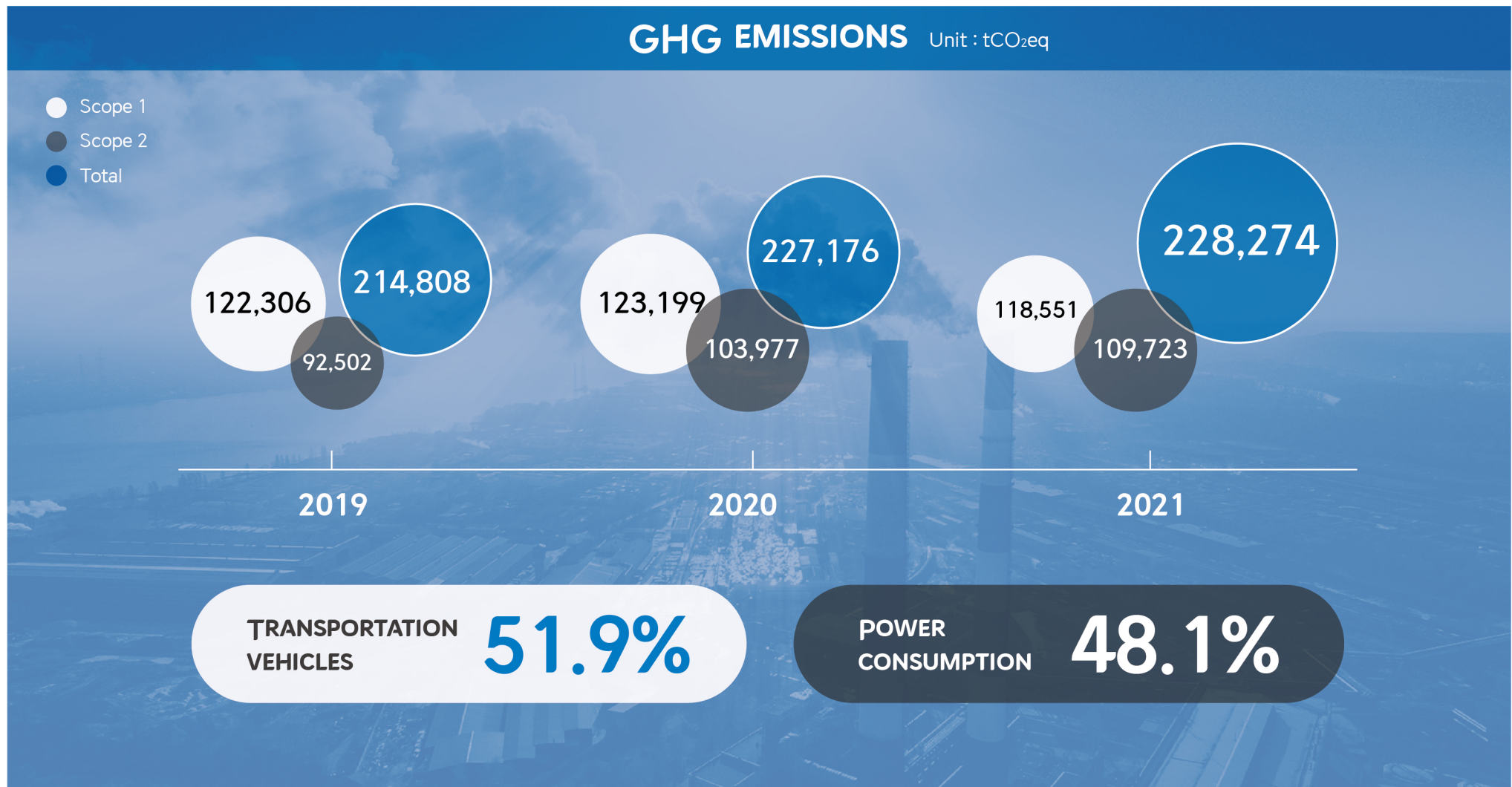


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OUR CARBON FOOTPRINT

In 2021, CJ Logistics emitted approximately 228,274tCO₂eq across its domestic business sites.

The highest proportion of the emissions(Scope 1), 118,000tCO₂eq, came from transportation such as cargo trucks used in logistics, and Scope 2 emission was 110,000 tCO₂eq resulting from power consumption in warehouses and other buildings.



SCOPE 3 EMISSIONS ANALYSIS

There is a growing demand for measuring and disclosing Scope 3 emissions as it becomes increasingly important to manage carbon emissions from the supply chain.

CJ Logistics was the first among domestic logistics companies to measure Scope 3 emissions of its business value chain across raw material sourcing, transportation, logistics, product use, and disposal, and is planning to keep Scope 3 emissions under control moving forward.

CATEGORY

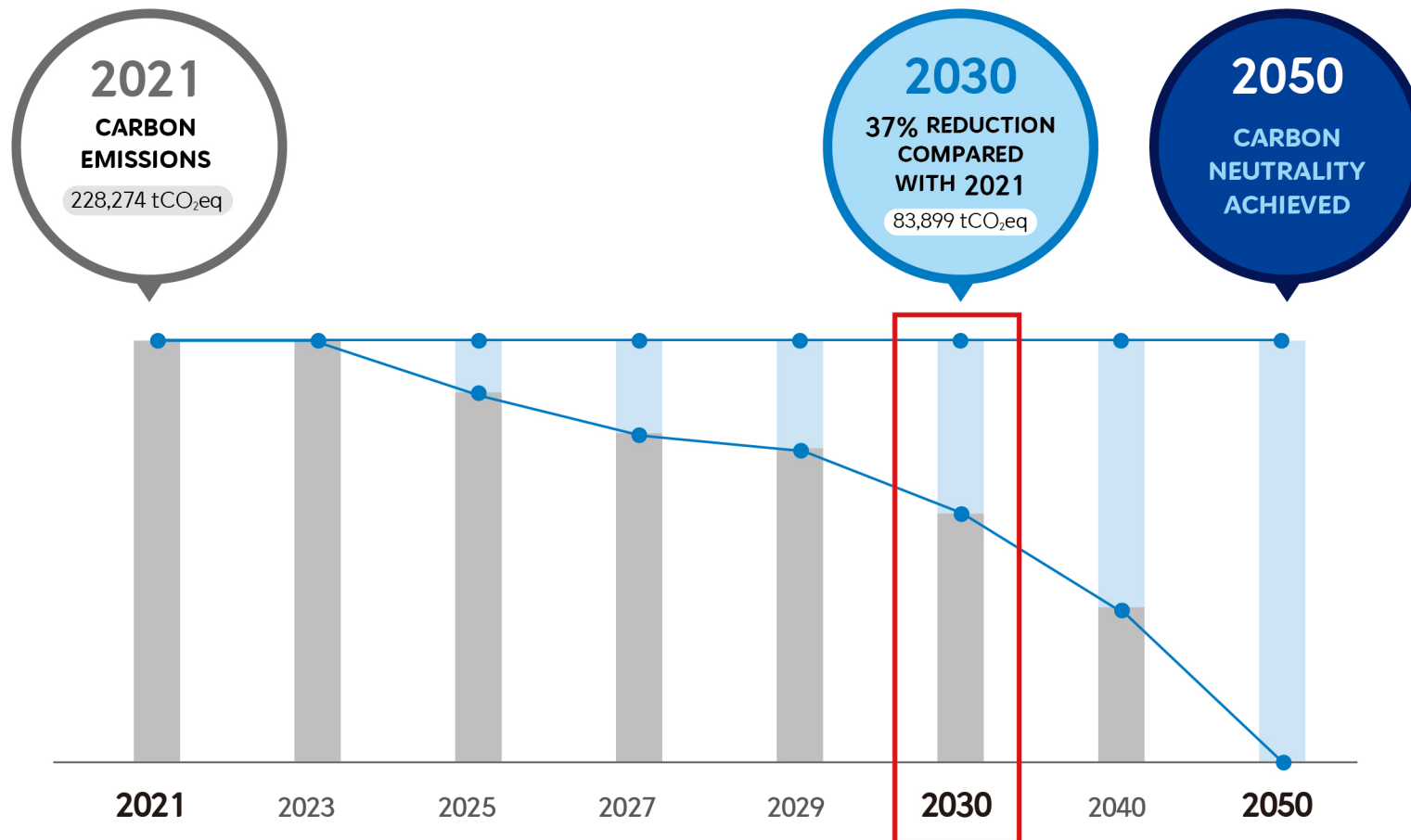
SCOPE OF CALCULATION

PURCHASED GOODS AND SERVICES	Carbon emissions associated with goods (packaging material: box) purchased to provide logistics services
	Carbon emissions associated with materials (e.g. steel beams, insulation materials) used to provide construction services
CAPITAL GOODS	Carbon emissions associated with office supplies purchased for our business operation
FUELS AND ENERGY-RELATED ACTIVITIES	Carbon emissions from fuel production processes (Scope 1 & 2)
TRANSPORTATION AND DISTRIBUTION	Carbon emissions associated with fuels used by our contractors to provide logistics services
WASTE GENERATED IN OPERATIONS	Carbon emissions associated with waste (general & construction waste) generated in the course of providing services
BUSINESS TRAVELS (DOMESTIC/OVERSEAS)	Carbon emissions associated with domestic/overseas business trips (calculated on the basis of transportation means taken and travelling distance)



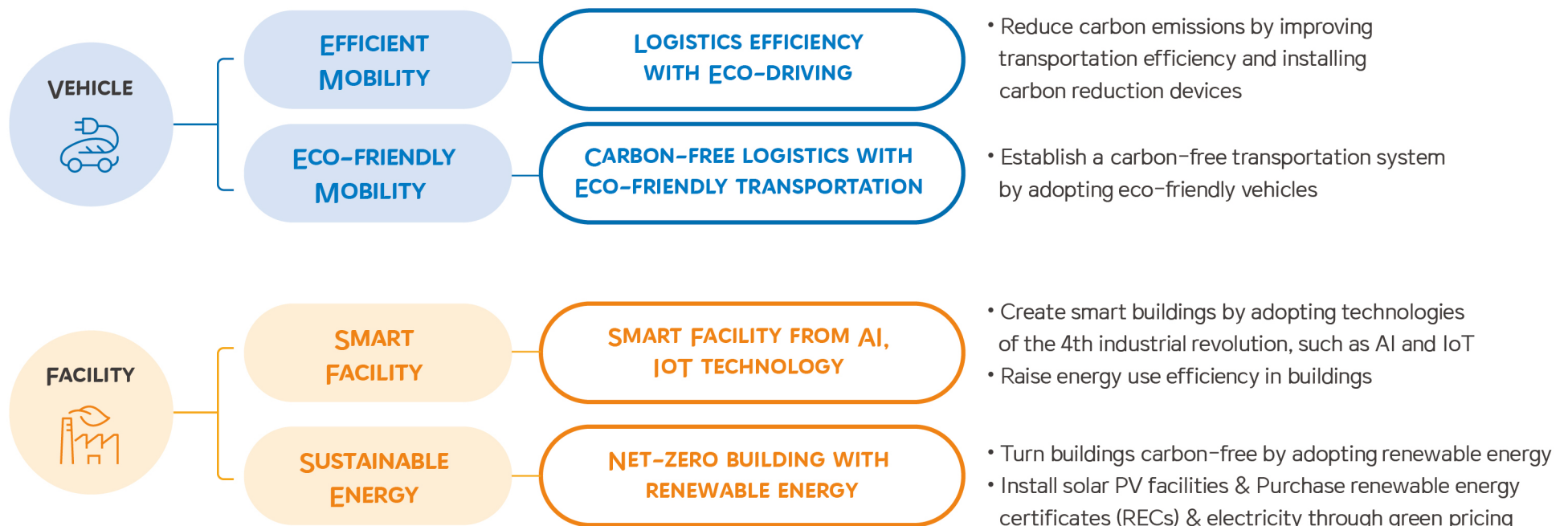
OUR GOALS & TARGETS

CJ Logistics estimated carbon emissions by factoring in investments planned on buildings and vehicles to set its carbon reduction target and came up with GHG reduction strategies by benchmarking various carbon reduction activities and analyzing its current status. We declared carbon reduction targets in our climate change report, established a companywide system for climate change response, and are strengthening capabilities to reduce carbon emissions. We plan to decrease carbon emissions by 37% through 2030 compared to the level seen in 2021 and reach carbon neutrality by 2050.



OUR MEASURES

CJ Logistics has established strategies to respond to climate change that are aligned with its businesses. We strive to adopt eco-friendly vehicles to replace the existing ones, which are the main source of emissions, and to enhance fuel efficiency by mapping out TES-based, optimized delivery routes. We will also introduce renewable energy in phases to warehouses to reduce carbon emissions and solutions to raise the energy efficiency of buildings. As such, we aim to innovate our logistics services contributing to GHG reduction at business sites and make continuous efforts to take diverse measures to cut emissions.



OUR PLANS

Building an eco-friendly logistics system requires replacing existing transportation vehicles with green ones. CJ Logistics plans to adopt technologies and install facilities to enhance the energy efficiency of vehicles until 2030, thereby decreasing carbon emissions. Furthermore, to ensure sustainable energy transition, we seek to foster an environment enabling the stable sourcing of renewable energy and achieve zero emission from energy use at major carbon-emitting sites dealing with coals and limestones in the event their businesses are to be changed to cope with carbon regulations.

OUR PLANS



Replace the existing vehicles (1 ton or below) with electric vehicles (in the order of passenger cars, vans, and trucks)



Replace 3~5 ton trucks with hydrogen-powered trucks



Adopt hydrogen trucks in phases from 2030

2023

2030

2040



Install solar PV facilities: installation of solar PV facilities on rooftops, parking lots, and idle land, collection of existing rental solar PV power facilities, and installation of additional facilities to make up for shortages



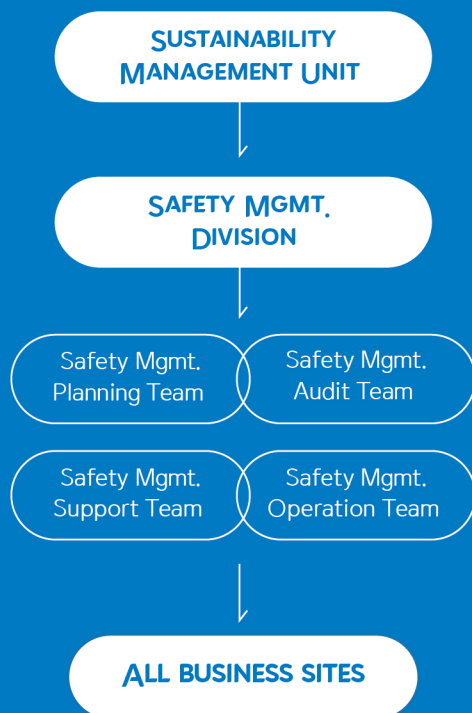
Pursue to achieve zero emission from energy use at major carbon-emitting sites when changing their businesses (Change the purpose use of business sites dealing with limestones and coals)

ADAPTATION TO CLIMATE CHANGE

CJ Logistics set up a process to cope with risks expected to occur under extreme weather caused by rising temperatures as stated in global temperature scenarios. We adopted environmental, health and safety (EHS) systems to reinforce our preemptive responses minimizing the likelihood of risks associated with climate change, and the accident reporting system enables prompt responses and follow-up measures in the event of risks.



RISK RESPONSE ORGANIZATION



To prevent risks associated with climate change, such as heat waves, typhoons, and extreme cold, CJ Logistics has distributed guidelines and checklists specific to these risks, conducts inspections at each business site, and audits follow-up measures taken to correct shortcomings.

PREEMPTIVE RESPONSE (EHS SYSTEM)



RECURRENCE PREVENTION MEASURES

We identify physical risks to be caused by natural disasters, such as typhoons and heat waves, and implements recurrence prevention measures, thereby minimizing their impact on our finance.

FOLLOW-UP RESPONSE (ACCIDENT REPORT AND SHARING SYSTEM)

Upon the occurrence of an accident, the relevant information is promptly reported and shared through the accident report & sharing system and follow-up measures are taken, specific to the type and grade of accidents.

GOVERNANCE

GOVERNANCE FOR CLIMATE CHANGE RESPONSE

CJ Logistics established the ESG Committee under the BOD in May 2021, which is responsible for deliberating ESG risk management strategies and overseeing the management of ESG risks across the company. The ESG Committee is supported by the ESG Management Council and the ESG Working Group Council and receives regular reports based on which it makes continuous efforts to respond to climate change. Reduction of carbon emissions and energy use is among the main directions of the activities taken by the company to respond to climate change, and decisions on key issues on climate change response are made by the BOD.



GOVERNANCE