



**BGF**  
**Sustainability Report**  
2022-2023

# ABOUT THIS REPORT

Since 2018, BGF has published an annual sustainability report based on global sustainable management disclosure standards. The 2023 sustainability report reviews recommendations from ESG-related global initiatives to communicate with stakeholders on BGF's financial performance, ESG management strategies, and non-financial performance including key environmental, social, and governance activities.

## Report Overview

This report details the activities, achievements, objectives, and progress of BGF Group's nine area-specific initiatives to achieve ESG management objectives. BGF will continue to publish annual reports to disclose and communicate ESG management activities and performance to stakeholders.

## Reporting Scope

The reporting data is based on ESG management activities and performance of BGFretail, a major subsidiary of BGF which operates a convenience store franchise business with BGF Group's holding company and includes some performance of other affiliates. Each company's management performance includes consolidated financial performance and financial information adopts IFRS (K-IFRS). If there are restrictions on data collection, the reporting scope of the information is separately indicated in the comment.

## Reporting Period

The official reporting period is based on the data for the fiscal year. Quantitative performance includes three-year (2020-2022) data and some information including activities in the first half of 2023.

## Reporting cycle

Every year (last year's report was published: June 2022)

## Reporting Standards

This report reflects ISO26000, UNSDGs, and UNGC indicators and is based on the Global Reporting Initiative (GRI) Standards 2021, a global reporting guideline for sustainable management.

## Relevant information and references

- Corporate Homepage  
[BGF](#) [BGFretail](#) [BGFnetworks](#) [BGFecomaterials](#)
- Business report  
[BGF](#) [BGFretail](#) [BGFecomaterials](#)
- Audit report  
[BGFnetworks](#) [BGFecomaterials](#)
- Corporate Governance Report  
[BGF](#)

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- Published : June 30, 2023

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# **BGF OVERVIEW**

**CEO Message**

**ABOUT BGF**

**Company introduction**



# CEO Message



## With sincere innovation, BGF Creating a Sustainable Future

### Thanks to the love and support of our stakeholders over the year.

BGF has created convenient enjoyment and valuable innovation in our society. Furthermore, we have been meeting the needs of lifestyle advancements and corporate ESG management practices. As a result, 2022 was a year that brought many challenges and opportunities to the BGF. The world's order and our lives have changed significantly due to the economic shock of the COVID-19 pandemic, daily recovery from lifting social distancing, uncertainty in global financial markets, and supply chain instability due to shortages of logistics and raw materials.

In the rapidly changing paradigm of the world, BGF remembered that all stakeholders were partners in moving forward together. Through rational and transparent management, we have taken strong steps by implementing systematic risk management for sustainable future design and establishing advanced business areas.

Starting in 2022, the 10th anniversary of the company's renaming and vowing innovation toward future growth, BGF is stepping up efforts to secure future growth engines for 100-year companies. We are developing the size of the company and the quality of the business by maximizing the competitiveness of the distribution business and advancing digital innovation. BGF is taking it one step further to diversify its business portfolio with a strategy to discover new growth engines and differentiate itself in the material industry market, and is writing a new history in distribution and materials.

BGF will continue to make efforts to gain trust and love from diverse stakeholders based on its sincere ESG management. Furthermore, we promise to open a new era of growth with ESG management activities that meet global standards as exemplary corporate citizens who contribute to social development and as good friends who practice social responsibility.

Please support and join us for BGF's new challenges and innovations for 100 years of business.  
Thank you.

Hong Jung kook  
CEO of BGF Co., Ltd

# ABOUT BGF Business Philosophy

BGF has strived to offer convenience for its customers and new values in areas such as distribution, food, services, and the environment. The corporate Brand Value Framework identity “Be Good Friends” shows the company will become a friend in the customer's daily life. BGF aims to grow into a company that is a good friend to customers and society by offering transparency in management, creating future value, and fulfilling social responsibilities and roles.

## Brand Value System

Corporate Philosophy

We will grow as a corporation that provides the best goods and services anywhere and anytime to actualize the customer values and contribute to the social development.

VISION

### A Good Friend, BGF

Brand Core Value



Rules of Management

- Adherence to Principles and Right Paths

  - ▶ Is it legal and within rules?
  - ▶ Can you apply the principles for this occasion to the next one?
  - ▶ Is there any hesitation on your conscience?
- Pursuit of Substantiality

  - ▶ Is it connected to the generation of revenue?
  - ▶ Can you achieve more than the invested human resources and funds?
  - ▶ Can your plans and performance be specified in numbers?
- Preparedness for Crisis

  - ▶ Is the plan thoroughly analyzed and carefully prepared?
  - ▶ Have you prepared countermeasures when the project is difficult to carry out?
  - ▶ Are extra human resources and funds secured?

## Brand Vision & Identity

**BGF**

Brand Vision

**Omnipresent Service Network**

A world where one can encounter BGF service networks anytime, anywhere

Brand Identity

**Be Good Friends**

Brand Personality



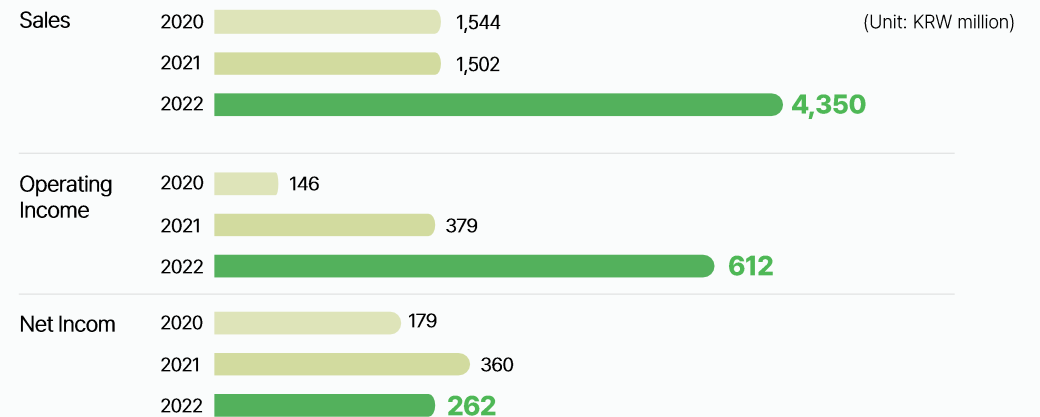
A brand that leads the trend, sharing friendly and bright energy

# Company Introduction

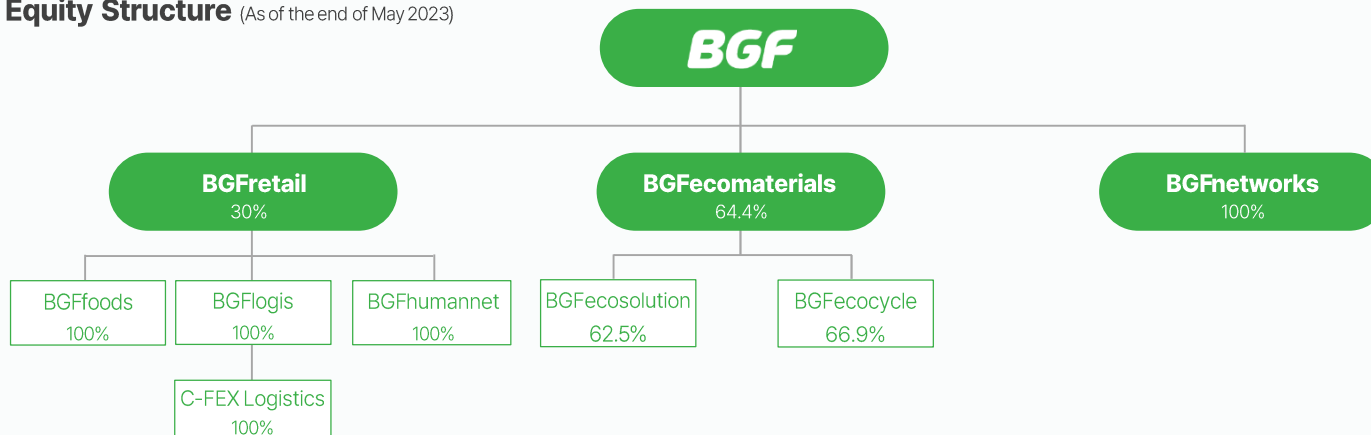
BGF Group is developing businesses to create value and enrich the lives of customers in various business areas such as distribution, food manufacturing, logistics, and eco-friendliness. BGF Co., Ltd. started the convenience store business in October 1990 and was established in 1994 for chaining convenience stores. In 2017 BGFretail a convenience store business division was newly established as a method of personnel division to secure management transparency and achieve qualitative growth of the group and the name of the surviving company was changed to BGF Co., Ltd. BGF Co., Ltd. is a holding company for investment purposes. The main revenue is brand usage revenue received from BGF brand users, management support service revenue through service provision, dividend income received from subsidiaries, and rental income.

## Overview of BGF Co., LTD.

<b>Company Name</b> BGF Co., Ltd.	<b>Headquarter Location</b> 405 Taeheran-ro, Gangnam-gu, Seoul, Republic of Korea
<b>CEO</b> Jeong-Kook Hong	<b>Asset</b> KRW 1.938 trillion (consolidated)
<b>Foundation</b> December 1, 1994	<b>Capital</b> KRW 1.736 trillion (consolidated)
<b>Main Business</b> Holdings and Investment business	<b>Employee</b> 48 (based on full-time employees)



## Equity Structure (As of the end of May 2023)



## Major Brands



CU has been leading the Korean convenience store market since the opening of the Garak Siyoung Branch (first store) in 1990. It is a pure Korean brand that achieved brand independence by introducing a Korean convenience store model in 2012.



Revert', the brand of BGF Ecobio, means 'Revert to Nature', and is a specialized brand for eco-friendly products made based on KBF's expanded PLA technology.

## Introduction of Major Affiliate

### BGFnetworks

**BGFNetworks** provides convenience to customers' lives by operating various life service businesses such as a digitalsignage Advertisement business, mobile service (mobile gift certificate, other services), and Courier service through the CU platform.

CEO	Hwan-jo Hwang
Address	85, 56-gil, Gwangnaru-ro, Gwangjin-gu, Seoul, 24th floor, 2401-2413
Foundation	December 4, 2009
Employee	65
Sales	KRW 80,660 million

### BGFretail

**BGFretail** is a company that operates a convenience store chain business and focuses on the largest convenience store brand in Korea, CU. CU has also entered and operated the Mongolian and Malaysian markets through the Master Franchise Agreement (MFC).

CEO	Keon-Jun Lee
Address	405 Taehaeran-ro, Gangnam-gu, Seoul
Foundation	November 1, 2017
Employee	2,251 (based on full-time employees)
Sales	KRW 6,781,161 million (consolidated)

### BGFecomaterials

**BGFecomaterials** has entered various industrial goods areas based on a portfolio of products ranging from general-purpose plastics to engineering plastics materials. We have end-users, end-users, including automobiles, electrical/electronic, home appliances, furniture, and industrial parts, especially materials for finished car manufacturers' parts.

CEO	Jung-Hyuk Hong
Address	142, Sangduwon-gil, Janganmyeon, Hwaseong-si, Gyeonggi-do
Foundation	October 15, 1997
Employee	145
Sales	KRW 263,302 million (consolidated)

### BGFlogis

**BGFlogis** provides logistics services optimized for CVS business and supplies products to CUs nationwide stably. Currently, BGFlogis has more than 30 distribution networks nationwide.

CEO	Min-Jae Lee
Address	58, Giheung-ro, Giheung-gu, Yongin-si, Gyeonggi-do
Foundation	April 1, 2016
Employee	448 (based on full-time employees)
Sales	KRW 275,512 million

### BGFecosolution

**BGFecosolution** entered the white bio industry based on its composition and foaming technology using bioplastic materials. In preparation for the future plastic market, which requires environmental consideration, we are expanding our business in the consumer goods sector based on the production of bioplastic compounds and foamed products equivalent to the properties of general-purpose plastics.

CEO	Jung-Hyuk Hong
Address	185, Parang-ro, Seo-gu, Incheon
Foundation	September, 2011
Employee	27
Sales	KRW 21,319 million

### BGFfoods

**BGFfoods** serves as a convenience food manufacturing control tower that supplies high-quality and safe food to CUs nationwide.

CEO	Jong-Pil Park
Address	66, Sansusandan 3-ro, Deoksan-eup, Jincheon-gun, Chungcheongbuk-do
Foundation	June 23, 2008
Employee	65 (based on full-time employees)
Sales	KRW 143,899 million

### BGFecocycle

**BGFecocycle** is a company that specializes in recycled materials and has the only value chain in Korea in the eco-friendly plastic market from waste plastic collection to recycling. From collection to pre-consumer recycled (PCR) compounds, it is involved in the entire process of mechanical recycling and aims to produce and supply the highest quality recycled materials.

CEO	Jun-Oh, Baek
Address	11, 121-gil, Geonji-ro, Seo-gu, Incheon
Foundation	January, 2021
Employee	21
Sales	KRW 6,288 million

### BGFhumannet

**BGFhumannet** provides business consignment operations and store support services for CU's efficient store operation. In particular, we stably operate and support special stores in various locations based on specialized store management capabilities.

CEO	In-ho Lee
Address	22, Nonhyeon-ro 85-gil, Gangnam-gu, Seoul
Foundation	March 23, 2009
Employee	68 (based on full-time employees)
Sales	KRW 69,435 million



## Major Affiliates

# BGFecomaterials



**BGFecomaterials** is a company that produces and sells high-functional polymer materials which are high-tech materials in the 21st century that are closely related to the development of all industries such as automotive, electrical and electronic, and furniture. High functional polymer materials manufactured with BGFecomaterials' superior technology are applied at a high rate, especially in automobile manufacturing which is effective in improving the vehicle environment compared to existing materials such as reducing vehicle weight, fuel consumption efficiency, and emissions. In addition, BGFecomaterials has obtained IATF 16949 (Automobile Quality Management System) and ISO14001 (Environmental Management System) certification specializing in the automobile industry to realize quality management and environmental management. BGFecomaterials operates overseas subsidiaries in the U.S., China, and India.

### IATF16949

### ISO14001

### Overseas corporations



Nation	Major business	Company name
U.S.A	chip manufacturing	KOPLA America Inc
CHINA	chip manufacturing	KOPLA ENGINEERING PLASTIC (SUZHOU) CO.,LTD.
INDIA	distribution	KOPLA Polymers Private Limited



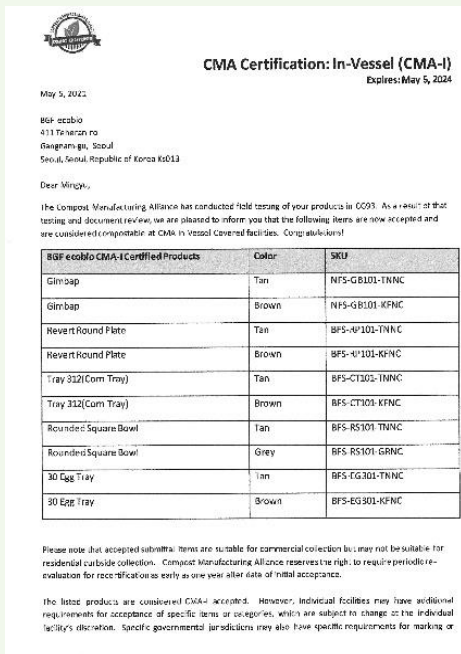
## Major Affiliates



**BGFecosolution** is a white bio company that replaces existing chemical materials with renewable resources such as plants or biomaterials such as microorganisms and enzymes. In June 2021, BGFecosolution acquired OK Compost Industrial, a world-renowned eco-friendly biodegradability and composting certification as well as OK Compost Industrial, BPI, and CMA, for the first time in Korea. These certificates can prove that certified PLA products are internationally reliable because various verification procedures such as hazardous substances, biodegradability, composting, and soil toxicity tests are essential in accredited overseas testing. In addition, BGFecosolution continues to study the compounding technology of biodegradable plastics including PLA along with its unique technology for firing PLA, and continues to develop biodegradable compounds that improve thermal properties and mechanical strength.

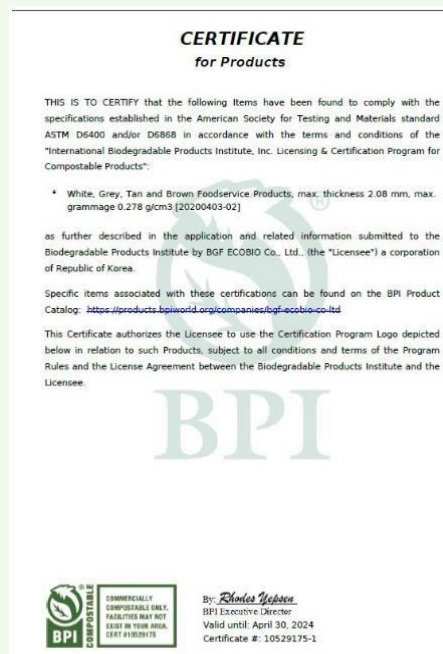
### CMA (Compost Manufacturing Alliance)

Composting certification in North America determines whether or not to pass after observing the eight-week composting process



### BPI (Biodegradable Products Institute)

Biodegradability and Composting Certification System in North America



### OK Compost Industrial

From TÜV Australia, an ISO standard certification body in Belgium Issued and used mainly in Europe



## Major Affiliates



**BGFecocycle** is a recycling company established in January 2021 to expand its recycling material business. It is the only one-stop service in Korea that covers collection-selection-compounding and specializes in industrial PCR (after-use recycling) materials such as automobiles, electricity, and electronics. In addition, based on MR (MECHANICAL RECYCLING, PHYSICAL RECYCLING), it acquired a screening site and a PCR compounding company in 2022 and is updating and expanding its facilities. It aims to internalize the entire recycling process and manufacture eco-friendly products that meet market demands based on advanced facilities.

### CMA (Compost Manufacturing Alliance)



### Business status

Area	Major business	Details
Incheon	Screening work	Waste collection/selection
Hwaseong	chip manufacturing	Manufacturing chips such as PCRPA, PP, etc
Yesan	chip manufacturing	Manufacturing chips such as PCR PET





# **ESG STRATEGY**

**BGF Governance**

**Ethical and Compliance Management**

**ESG Management & Governance**

**Key Topics Management**



# BGF Governance

## Board Structure

BGF establishes an institutional foundation for rational coordination of opinions of internal and external stakeholders and manages the organizational system to ensure that management's decision-making and working-level performance are carried out fairly. In addition, we strive to maximize shareholder profits and corporate value and build sound governance by ensuring that the functions of mutual checks and balances between the board and management work well through board-centered management. The Board accepts the opinions of stakeholders and oversees their execution by voting on matters prescribed by laws or articles of incorporation, matters delegated by shareholders' meetings, basic policies of the company's management, and important matters. The current status of the board of directors as of the end of May 2023 is as follows.

## Management of the board of directors

BGF holds regular board meetings and resolutions on matters prescribed in statutes and articles of incorporation or on key management matters. Except as otherwise provided by relevant laws and regulations, the board of directors' resolution is carried out with the attendance of a majority of the directors and the approval of a majority of the directors present. The board of directors consists of a majority of outside directors, giving outside directors monitoring and checking functions and performing independent functions from management. In addition, directors with special interests on the agenda are systematically preventing the possibility of conflicts of interest by restricting the exercise of voting rights. In 2022, the board meeting was held 12 times, with 33 bills reported or approved, with an average attendance of 100%.

Classification	Name	Gender	Area of Expertise	Position / Major Career	Tenure
Internal Director	Jeong-Kook Hong	Male	Overall Business of the Company	(Current) Chairman of the Board (Current) BGFretail CEO (Past) Head of the management strategy division, BGFretail	2013.11.12. ~ 2025.03.
	Chul-Han Ryu	Male	Overall Business of the Company	(Current) Director of Financial Accounting Deptat BGF	2020.03.25. ~2026.03.
Non-executive directors	Young-Hoon Sung	Male	Legal	(Past) 5th Chairman of the Anti-Corruption & civil Rights Committee	2020.03.25. ~2026.03.
	Bong-Hwan Kim	Male	Economy	(Past) Non-executive director of Hanhwa ocean	2023.03.28. ~2026.03.

## Committee within the Board of Directors

BGF has established and operated the Internal Transactions Committee and the Outside Director Recommendation Committee within the BOD. To supervise internal transactions and enhance the transparency of the company's management, the Internal Transactions Committee is operated by being delegated by the Board of Directors the authority to review and approve internal transactions between affiliates. The Non-executive Directors Candidate Recommendation Committee was established by the resolution of the regular board of directors in November 2021, and the chairperson will be appointed according to the resolution at the first committee meeting. Each committee is composed of directors with expertise in the relevant field, and among the functions of the BOD, such as monitoring and providing advice on important issues, some of the functions stipulated by laws and the articles of incorporation are delegated to perform.

Classification	Non-executive directors Candidate Recommendation Committee	Internal Transaction Committee
Member	Young-Hoon Sung, Bong-Hwan Kim, Jeong-Kook Hong	Young-Hoon Sung(Chairman), Bong-Hwan Kim, Chul-Han Ryu
Role	<ul style="list-style-type: none"> <li>Recommendation of candidates for outside directors to be appointed by the general shareholders' meeting and verification of candidates for non-executive directors</li> <li>Establishment, inspection, and supplementation of the principle of appointment of non-executive directors</li> </ul>	<ul style="list-style-type: none"> <li>Review and approve internal transactions between affiliates</li> <li>Establishment, inspection, and supplementation of internal transaction policies</li> </ul>
Number of held	First held in March 2023	One time (1 item)
Percentage of Non-executive directors	66.6%	66.6%
Attendance rate	First held in March 2023	100%

# BGF Governance

## Independence and transparency of Board

BGF's articles of association stipulate that outside directors should be at least a quarter of the total number of directors, but as of 2023, outside directors are 50% of the total number of directors. The internal trading committee and the external director candidate recommendation committee, which are committees within the board of directors, account for 66.6%, respectively, and the chairman of the internal trading committee is an external director to secure independence in operation. The chairman of the board of directors is concurrently held by the CEO through a resolution of the board of directors by the articles of incorporation, and this is to enhance shareholder value through rapid decision-making based on management efficiency. In the case of director appointment, in-house directors choose the most suitable person in consideration of expertise and leadership, and in the case of outside directors, those who can supervise the management of directors and companies independently of the company and the largest shareholders. Candidates for outside directors are individual agendas for candidates and are presented as agenda items at the general shareholders' meeting, and their term of office is set at the time of appointment within three years. In addition, to secure the independence of outside directors, the authority and obligations of directors are specified in the board of directors regulations, and various systems are supported so that outside directors can play independent roles, such as executive liability insurance.

## Board expertise and diversity

BGF strives to form a board that considers expertise and diversity to enhance sustainable growth and corporate and shareholder value. In the case of outside directors, the board of directors and

the Outside Director Candidate Recommendation Committee select candidates who have abundant professional experience and meet the requirements for outside directors. The BGF does not limit the gender, age, origin, nationality, race, experience, and background of outside director candidates to not represent specific interests, but strives to organize directors to help the Board make decisions based on broader views.

## Board of Directors Evaluation

The annual Board evaluation, which begins in 2022, is divided into three areas: the role and responsibility of the Board, composition and operational efficiency, and the activities of the Board's committees. The BGF is using the evaluation results as an improvement measure for efficient management of the board of directors and will use them as a reference when discussing the appointment of candidates for the outside director candidate recommendation committee. Meanwhile, in an evaluation conducted at the end of 2022, the board was given an average score of 4.5 or more (out of 5).

## Board compensation

Remuneration for registered directors and auditors is paid within the limit of the director's remuneration approved by the general shareholders' meeting and consists of salaries, bonuses, variable salaries, and other earned income. In the case of variable salaries, the board of directors determines performance indicators every year and weights them for each detailed evaluation item of individual evaluation indicators. The remuneration limits for directors and auditors approved through a resolution at the general shareholders' meeting in March 2023 are 5 billion won and 500 million won, respectively.

## Protection of shareholder rights

For as many shareholders as possible to participate in management decisions and secure sufficient time to deliberate on the agenda, BGF discloses the general shareholders' meeting as quickly as possible within the time limit set by related laws and regulations. In 2023, matters related to the overall shareholders' meeting, such as the date, place, and agenda of the shareholders' meeting, were announced in the electronic disclosure system 19 days before the shareholders' meeting date, and a convocation notice was sent to shareholders owning more than 1%.

## Voting rights

The 2022 shareholders' meeting was held by direct participation of shareholders, proxy attendance by power of attorney, and electronic voting. The voluntary participation in the general shareholders' meeting helped shareholders to attend and exercise their voting rights as easily as possible.

On the other hand, our shareholders can exercise their shareholder proposal rights by the Commercial law. When a shareholder proposal is received, it checks the shareholder status according to internal standards and processing procedures, reviews the proposal's law, and reports it to the board of directors, which is assumed to be for the shareholders' meeting, except in violation of laws or articles of incorporation. The reasons for the adoption and prohibition of the agenda are replied to in writing or electronic documents, and when requested by shareholders who made shareholder proposals, the proposal is included in the notice of convening the general shareholders' meeting and the agenda can be explained at the general shareholders' meeting.

# Ethics and Compliance Management

## Ethical Management Direction

BGF puts ethical management and compliance management as its top management principles so that all stakeholders can perform their duties according to ethical judgment. The ethical management culture is internalized by legal compliance with laws, company regulations, and various principles related to work, transparently, and reasonably judged to improve the value of all stakeholders.

### Principles of BGF Ethics

1. We provide good products and services in a timely manner for customer satisfaction and do our best to satisfy customers' needs and expectations.
2. We make laws and ethics compliance the top priority of all management activities and strictly separate public and personal affairs.
3. We give equal opportunities to all partners based on a spirit of mutual trust, recognize them as strategic business partners, and pursue common development.
4. We reject illegal solicitations concerning all stakeholders, such as partner companies and public officials, do not demand or provide immoral acts, such as money, entertainment, and payment, and do not take any unfair advantage.
5. We do not use the company's property and position to promote personal interests or engage in any illegal acts, such as embezzlement, breach of trust, or misappropriation.
6. We strive to generate stable profits for the company through sound management activities, respect the rights of shareholders, and provide long-term benefits.
7. We strive to form a clean organizational culture based on mutual trust and respect and to improve the relaxed and rich quality of life for all executives and employees.

## Code of Ethics Management

Ethics norms and detailed practice guidelines have been established to establish correct decision-making and ethical judgment standards for executives and employees. Furthermore, the ethics code was revised in July 2022 to recognize its role as a global corporate citizen and fulfill its responsibilities to various stakeholders, including customers, partners, executives and employees, and the national society. The revised code of ethics includes a company-wide code of conduct, including corruption and bribery, discrimination, information protection, conflicts of interest, anti-trust/anti-competitive practices, money laundering and insider trading, environment, health and safety, and whistleblowing.

## Ethical management practice

BGF is promoting ethical management practices by pledging to comply with the Code of Conduct for Employees. To this end, we provide ethics management education, sexual harassment prevention education, workplace bullying education, disability awareness improvement education, and case education on behavioral standards every year. In addition, the BGF strictly prohibits all acts of accepting money and valuables, including holiday gifts. To share this will with stakeholders, we are sending a letter of cooperation in ethical management under the name of the CEO before the Lunar New Year and the Chuseok holidays. If an employee receives money or valuables, it will be processed according to the reporting process, and self-reported items that cannot be returned are donated indefinitely as artificial wow surgery expenses for hearing-impaired children after the in-house auction.

Meanwhile, the BGF management diagnosis team is in charge of promoting BGF Group's ethical management, checks the implementation and compliance of ethical management policies and policies, and manages ethical risks through prevention activities of fraud and corruption. We are spreading the group's policies and policies through business diagnosis and audit activities so that ethical risks can be managed at the enterprise level, and internalizing ethical management by operating education and programs for ethical management.

## Internal Control System

BGF strives to raise employees' ethical awareness and meet the level of social demands for corporate ethics by having responsibility, obligation, and reporting systems for internal control systems for realizing ethical management. By the internal audit regulations, we regularly establish an audit plan every year, evaluate the effectiveness of the overall work performance system and work process, eliminate problems and suggest improvement measures, and check whether follow-up measures are implemented. The reporting system is divided into a hotline, an outsider reporting system, and a clean line, an insider reporting system. The hotline system is a control system that reports and corrects unethical activities such as irregularities, corruption, and corruption by online, wired, and mail. The cleanline reports human rights violations such as grievances, difficulties, and sexual harassment.

STEP 01

Receive reports

STEP 02

Fact checking

STEP 03

Processing result reply

# ESG Management

## ESG Management Direction

BGF ESG management aims to create an integrated value that combines economic and social values as a corporate citizen by maximizing profits and shareholder value. By clearly recognizing the expectations of various stakeholders toward the company and reflecting them in company policies to maximize economic, environmental, and social values, BGF is striving to achieve the ESG vision of being a good friend of the earth and society.

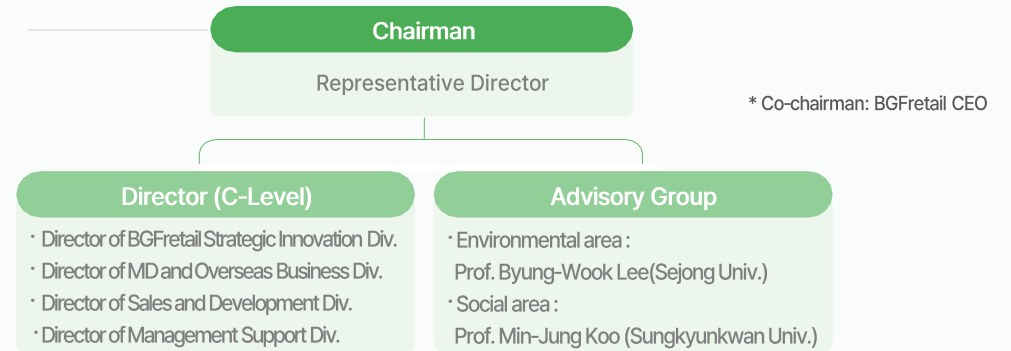
## ESG Management Committee

BGF ESG Driving Organization consists of a decision-making ESG Management Committee and a dedicated organization that is a practical driving department. We are also committed to managing ESG risks across the business by extending engagement to affiliates to discuss and engage in ESG critical topics. In addition, we form a group of advisors with expertise in the environment and society to receive advice on key ESG management issues. The ESG Management Committee regularly reports ESG key points to the Chief Decision-Making Board, which oversees BGF's ESG management activities by reviewing and approving agenda items on sustainable management issues reported by the ESG Management Committee.



### Composition of ESG Management Committee

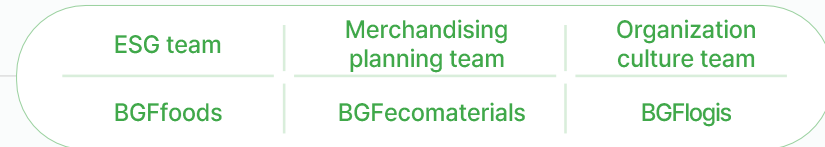
#### ESG Management Committee



#### Dedicated Organization



#### Working-level organization



### ESG Management Organizations and Roles

ESG Management Committee	<ul style="list-style-type: none"> <li>Review mid- to long-term strategies, policies and risks</li> <li>Analysis of Sustainable Management Performance and Discussion of Improvements</li> </ul>
Dedicated Organization	<ul style="list-style-type: none"> <li>Review ESG key issues by strategy, environment, and social group</li> <li>Reporting on ESG strategy and policy initiatives</li> </ul>
Working-level organization	<ul style="list-style-type: none"> <li>Implementation of key initiatives by strategy, environment, and social area</li> </ul>

### 2022 ESG Management Agenda Content

Board of Directors	<ul style="list-style-type: none"> <li>Appointment of a new compliance officer</li> <li>Establishment of a benefits support system</li> <li>Establishment of a Board of Directors and Outside Director Evaluation System</li> <li>of the Foundation's contribution</li> </ul>
ESG Management Committee	<ul style="list-style-type: none"> <li>ESG Internalization Plan</li> <li>Discussing Affiliate's Greenhouse Gas Inventory</li> <li>Discussion on how to reduce plastics in affiliates</li> <li>Report on the annual promotion plan of BGFretail's social contribution activities</li> </ul>

# ESG Governance

## ESG Management Goals

BGF launched ESG Management Committee in 2021 to realize sincere ESG Management, established three mid-to-long term goals of establishing an eco-friendly value chain (Planet), creating a shared-growth ecosystem (Partner), and supporting healthy and happy life (People), and 9 core areas as core projects to be achieved by 2025. As global regulations on environmental and social issues and requirements for disclosure strengthen, BGF applied global standards preemptively in 2022 to respond to ESG risks.

## Internalization of ESG Management Practices

BGF expanded its empathy and awareness of ESG management practices throughout its operations by declaring ESG management practices at the group level in July 2022. It also defines principles of conduct to implement the declaration into practice, supports business direction and guidance, provides ESG training to new hires, executives, and employees, sends ESG letters regularly, and conducts ESG management training for franchisees, expanding a consensus on ESG management practices in the overall business.

### Declaration of ESG Management Practices

- 1 Practice environmental protection activities for a sustainable future
- 2 Communicate and cooperate with stakeholders for growth and development
- 3 Pursue innovation through BGF infrastructure

## ESG Strategy



## BGF Sustainable Management

As a listed company in the securities market, BGF is evaluated for its sustainable management level by domestic and foreign institutions every year. BGFretail, a subsidiary of BGF, received an integrated A rating from KCGS, a leading domestic rating agency, while BGF received a B+ rating. In Sustainvest's first half of FY22 ESG evaluation, BGF received the industry's highest rating of "AA", and BGFretail received an A rating.


### KOREA INSTITUTE OF CORPORATE GOVERNANCE AND SUSTAINABILITY (KCGS) ESG Evaluation

Category	Environment	Social	Governance	Integrated Level
BGF	A	A+	B	B+
BGFretail	A	A+	A	A

### SUSTINVEST ESG Evaluation

Category	BGF	BGFretail
Second half of 2022	AA	A

BGF has joined the United Nations Global Compact to support 10 principles, including human rights, labor, environment, and anti-corruption, and to fulfill its obligations as a member by publishing an annual implementation report. In addition, through the UNGC Korean Association, has officially declared a pledge of CEO support to achieve the UN SDGs (Sustainable Development Goals).



**COMMUNICATION ON PROGRESS**




This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



# Key Topics Management

● BGF ● BGFretail ● BGFlogis ● BGFfoods

	Core ESG Areas	Material Topics 2022	Mid to Long Term Goals (to be achieved by 2025)	Performances in 2022
 <p><b>PLANET</b></p> <p>Establishing Eco-Friendly Value Chain</p>	1. Reducing Greenhouse Gas Emissions	Climate change response	<ul style="list-style-type: none"> <li>Establish entire greenhouse gas inventory</li> <li>Graft high-energy efficiency appliances</li> <li>Increase renewable energy production</li> </ul>	<ul style="list-style-type: none"> <li>Invested in eco-friendly facilities to reduce greenhouse gas emissions in logistics centers ●</li> <li>Introduced facilities and appliances to reduce power consumption ●</li> <li>Produced photovoltaic renewable energy ●</li> </ul>
	2. Reducing Plastic/Disposable Product Usage	Improving packaging eco-friendliness	<ul style="list-style-type: none"> <li>Expand eco-friendly product packaging</li> <li>Recyclability labeling on private brand products</li> <li>Plastic bag usage ZERO</li> <li>Reduce 50% in the use of disposable and plastic consumables</li> <li>No labels on all bottled water</li> </ul>	<ul style="list-style-type: none"> <li>Replaced disposable packaging with eco-friendly alternatives (PLA) for food such as sandwich, dessert, and ready-to-eat eggs ●</li> <li>Reduce single-use items (plastic bags and consumables) within stores ●</li> <li>Improved PB products packaging eco-friendliness ●</li> <li>Expand label-free packaging to more bottled water brands ●</li> </ul>
	3. Reducing Waste and Expanding Recycling	Waste management	<ul style="list-style-type: none"> <li>Expand food manufacturing centers before composting food waste</li> <li>Adopt food waste disposal machines by CU store</li> </ul>	<ul style="list-style-type: none"> <li>Reduced waste by changing store withdrawal and product return processes ●</li> <li>Introduced smart collecting system to recycle used cooking oil ●</li> <li>Reduced food waste through donation and mealworm feeding ●</li> <li>Composted food waste in all food manufacturing centers ●</li> </ul>
 <p><b>PARTNER</b></p> <p>Creating Ecosystem for Shared Growth with Partners</p>	4. Shared Growth with Franchisees and Partners	ESG management for supply chain	<ul style="list-style-type: none"> <li>Enhance ESG support system for partners</li> </ul>	<ul style="list-style-type: none"> <li>Established behavioral norms for partners and provided training ●</li> <li>Introduced ESG checklist in supply chain ●</li> </ul>
	5. Expanding Support for Vulnerable Groups Including Children and the Disabled	Share-growth between franchise HQ and franchisees	<ul style="list-style-type: none"> <li>Achievement of the best grade of co-growth index</li> </ul>	<ul style="list-style-type: none"> <li>Large enterprises-SMEs shared growth merit awards ●</li> <li>Obtained the 'excellent' grade from Win-Win Index for two consecutive years ●</li> </ul>
	6. Expanding Support for Community Development and Function to Carry out Official Affairs	Contribution to local community	<ul style="list-style-type: none"> <li>Establish "i-CU Alliance" in connection with companies/agencies</li> <li>Create 2,000 jobs a year for the vulnerable</li> </ul>	<ul style="list-style-type: none"> <li>Found a total of 138 missing children through i-CU Alliance ●</li> <li>Created 778 jobs for marginalized groups (648 jobs in "Sprout stores", 130 senior jobs in Gwangju) ●</li> </ul>
 <p><b>PEOPLE</b></p> <p>Supporting Happy and Healthy Life</p>	7. Realizing GWP (Great Work Place)	Strengthening health and safety of workers	<ul style="list-style-type: none"> <li>Support changes in business</li> <li>Introduce human rights impact assessment and expand on-site inspection</li> </ul>	<ul style="list-style-type: none"> <li>Evaluated job stress of emotional labors in September ●</li> <li>Acquired ISO 45001 certification for Safety and Health Management System ●</li> <li>Established human rights policy in July ●</li> </ul>
	8. Providing Healthy and Right Food	Development of products and services considering society and the environment	<ul style="list-style-type: none"> <li>Expand products using sustainable raw materials</li> <li>Manage items covered by food labeling and advertising regulations</li> <li>Expand food made with healthy ingredients (e.g. alternative meat products)</li> </ul>	<ul style="list-style-type: none"> <li>Used sustainable and animal welfare-certified raw materials in producing food ●</li> <li>Acquired ISO 9001 certification for Quality Management System to develop, introduce, and manage products in convenience stores ●</li> <li>Expanded healthy food category ●</li> </ul>
	9. Safeguarding Customer Safety and Privacy	Shared growth between Franchises HQ and Franchisees	<ul style="list-style-type: none"> <li>Assure food safety and quality</li> <li>Expand stores approved by FDA's food hygiene grading system</li> </ul>	<ul style="list-style-type: none"> <li>Introduced Quality Safety System ●</li> <li>Supported stores to get certified by FDA's food hygiene grading system (39 stores acquired) ●</li> </ul>

# ESG POLICY & PERFORMANCE

**PLANET** | Establishing Eco-Friendly Value Chain

**PARTNER** | Creating Ecosystem for Shared Growth with Partners

**PEOPLE** | Supporting Happy and Healthy Life

## 01. PLANET

# Establishing Eco-Friendly Value Chain

Climate change from greenhouse gas emissions is threatening life, the economy, health, and food. In particular, the global sea level rise problem causes various disasters such as flooding and abnormal climate, posing a great threat to the Earth and future generations. In response, BGF is promoting sustainable business operations by fulfilling its environmental responsibilities through the establishment of an eco-friendly value chain. Typically, the mid to long-term tasks of companies include reducing greenhouse gas emissions, strengthening waste and recycling, and reducing the use of plastics.



# Environmental management system

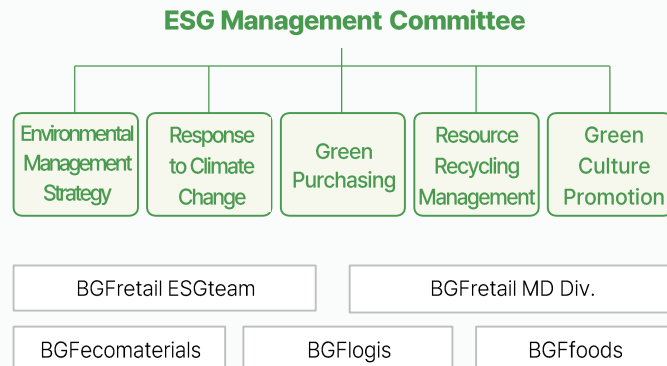
## Environmental Management Strategy

For business sustainability, BGF focuses on low-carbon transformation, a global management paradigm, and has established a key goal of establishing an eco-friendly value chain to minimize carbon emissions during the entire business process. It also operates a group-level ESG management committee to monitor quarterly performance and establishes and discloses environmental policies centered on financial-intensive BGFretail to internal and external stakeholders.

## Environmental management organization

BGF Group's environmental management departments are BGFretail ESG Team and MD Div., BGFecomaterials, BGFlogis, and BGFfoods and each department manages environmental management goals and implementation through the ESG Management Committee every quarter.

### Environmental Management Dedicated Division



## Environmental Management Certification

### ISO14001

● BGFretail ● BGFecomaterials

BGFretail, a subsidiary, is the first in the industry to obtain ISO14001 certification and reduce environmental risks by reviewing and evaluating the environmental impact of company-wide business activities. In addition, since 2022, we have established a greenhouse gas inventory calculation system for all workplaces of BGFretail subsidiaries to manage carbon emissions and resource usage.



<ISO14001 Certificate of BGFretail and BGF Ecomaterials>

### GRS(Global Recycled Standart)

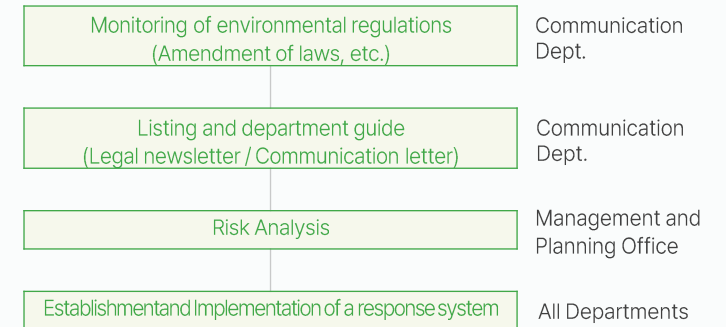
● BGFecomaterials

In December 2022, BGFecomaterials obtained Global Recycled Standard(GRS) certification to validate recycled materials contained in its products. We have improved the reliability and environmental performance of our products by combining existing compounding technology with recycled materials, and we plan to continue to obtain the global certification necessary for the materials sector.

## Environmental Compliance Management

BGF Group is responding quickly to issues such as internal and external environmental changes, environmental laws, revisions, and technological innovation based on the establishment of an environmental management system that considers the entire business process and communication between related agencies and departments. In addition, the enactment and amendment of environmental laws are shared through monitoring by the compliance department and the issuance of legal letters.

### Environmental Risk Response System



### Environmental management education

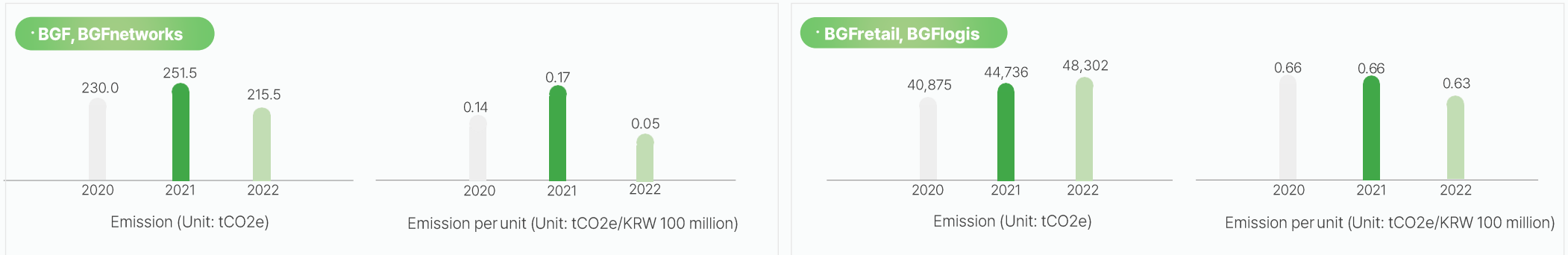
BGF Group conducts environmental education for executives and employees every year to internalize environmental management and implement practices.

Category	Contents	Participants
2021	ESG management committee	All employees
	dedicated organization training	often
	Environmental management system training	30people
2022	Environmental management system training	12명

\* Proceed with BGFretail

# Reducing Greenhouse Gas Emissions

BGF has established a goal of reducing greenhouse gas emissions to minimize the environmental impact of greenhouse gases generated throughout the business supply chain. BGFretail and BGFlogis which are the main targets are carrying out various activities and efforts to achieve environmental goals including energy efficiency in logis centers and stores, network efficiency, renewable energy production, and gradual reduction of greenhouse gas emissions.



## Green logistics

Due to the nature of the distribution industry, BGFretail has a high proportion of greenhouse gas emissions in the operation and delivery process of the distribution center. Therefore 34 high and low integrated logistics centers and 2,366 delivery vehicles (as of the end of 2022) are included in the green logistics management scope to track the entire logistics process.

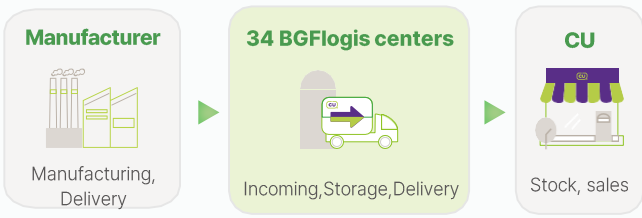
● BGFretail ● BGFlogis

## Certified Green-Logistics Company



BGFretail is an active green logistics activity throughout its business infrastructure, and in 2013, it obtained the industry's first certification as an excellent green logistics practice company organized by the Ministry of Land, Infrastructure, and Transport. (Renewal on a 3-year basis thereafter)

### Scope of Logistics Energy Management



BGFlogis	22 places	<b>Scope1</b> Stationary combustion, Mobile combustion(Delivery Vehicle), Dehydration discharge
		<b>Scope2</b> Indirect emissions(power usage)
3 <sup>rd</sup> Party Logistics (Consigned)	12 places	<b>Scope3</b> Stationary combustion, Mobile combustion, Dehydration discharge, Indirect emissions

### Distribution Center Energy Efficiency Facility

**Eco-fan**

- Air-conditioning auxiliary fan that increases energy efficiency through air circulation
- A total of 35 units, including 5 BGFretail centers and 2 BGFlogis centers, have been installed
- \* 1 Eco-fan : Energy Reduction Effect of 50 Standing fans

**LED light**

- Low power consumption and long-term use compared to traditional light fixtures
- A total of 1,472 installations have been completed at 11 distribution centers

## Investment in renewable energy facilities

BGFretail is the first in the industry to generate electricity by installing 2,400 solar modules in an idle space (9,000m<sup>2</sup>) on the CDC rooftop in Jincheon, Chungcheongbuk-do in 2020. The profits from solar power sales are re-investing in the convenience store business again, creating business value as well as environmental effects, and the logistics center in Busan, which is under construction for operation in 2026, will also have solar power facilities.

# Environmental impact management

## Green Store

● BGFretail

CU Green Store which is operated in Seoul and Seongnam serves as a test bed to derive optimal facility solutions that are universally applicable to CU stores nationwide. Power reduction tests such as replacing high-efficiency parts are conducted on facilities that use high power at all times such as lighting and refrigeration facilities and facilities that have proven effective are applied sequentially to CU stores nationwide.

From October 2021, the remote control system was tested by applying a virtual scenario for energy management functions, and from June 2022 a Retail Shop Energy Management System (REMS) was installed at some CU stores to test remote monitoring and control such as refrigeration and cooling equipment, temperature control and power usage. BGFretail measures electrical energy savings, maintains food safety, and verifies user convenience by introducing closed display refrigerators with two doors, hence improving sale systems of refrigerated products (Reducing power consumption by about 63% compared to existing open refrigerators). In addition, since December 2022, we have been conducting a demonstration project with the Korea Power Exchange to automatically reduce power in case of an emergency.



## Vitalizing Resource Recycling

### · Change packaging material

● BGFretail ● BGFecosolution

BGFretail operates by applying packaging containers from non-heated consumption products (sandwiches, kimbap) as PLA (Poly Lactic Acid) materials. As of 2022, PLA containers were applied to a total of 63 convenience foods about twice as many as the previous year saving 195 tons of plastic, and sales of PLA-applied items accounted for about 8.8% of total sales. In 2023 we are considering applying the top sealing method without using plastic lids for simple foods such as salads and cooking noodles.

### · Collapse and remove plastic labels

● BGFretail

Since 2021 BGFretail has been operating three PB (Private Brand) bottled water items (500ml, 1L, 2L) by converting them into a label-free package. In 2022, approximately 38 million bottled water, or 34% of the total bottled water purchase, was purchased in a label-free package, reducing the use of a total of 35 tons of plastic film and we are considering expanding it to NB (National Brand) products in the future.

### · Inducement of non-use of disposable products

● BGFretail

BGFretail has been pushing for various measures to ensure that the government's resource circulation-related policies can be settled in stores. Before the Ministry of Environment's tightening of regulations on disposable products which took effect in November 2022, it has preemptively introduced and operated multi-use shopping bags and paper bags since August. In addition, we stopped- ed operating

plastic straws, introduced eco-lead lids that do not require straws stopped selling disposable products in convenience foods and ice drinks, and provided them only when customers requested to reduce waste from using disposable products. BGFretail continues to share store compliance with merchants including the use of disposable products response to delivery/pick-up bags and response to customer service to minimize confusion in stores and ensure stable settlement of changed policies.

### · Change the return process

● BGFretail ● BGFlogis

BGFretail is trying to reduce the amount of waste in the logistics center's inventory products by 80% compared to 2020 by 2025. Previously CU stores collected their products at the end of the contract period and donated them to vulnerable groups but since December 2022, the return process has been simplified to donate them directly to local non-profit organizations without going through the distribution center.

### · food waste management

● BGFfoods

BGFretail operates a Ross Management working-level consultative body involving BGFfoods and contractors to minimize food waste generated in the production and manufacturing process of BGFfoods which manufactures CU's convenience food. In addition, the loss of raw materials has been improved by introducing automated facilities, and the generation of food waste is minimized by avoiding excessive production compared to orders by introducing a pre-order inquiry system. Raw material losses and waste generated at all BGFfoods Centers (Jeonbuk, Jincheon, and Jeju) are supported by farms through composting and feed process.



# Spread of eco-friendly culture

## Eco-friendly 3L Campaign

● BGF ● BGFretail

BGFretail is participating in the Korea Energy Corporation's "eco-friendly 3L campaign" with franchisees who operate CU stores. To practice energy and resource saving, we share activities that can be practiced in stores such as banning open air conditioning, complying with appropriate indoor temperature, and saving standby power. In addition in 2022, a carbon neutral challenge was conducted with the Climate Environment Network to encourage employees and franchisees to practice eco-friendly activities and a total of 339 members participated in activities such as certifying carbon neutral activities and sharing environmental information. BGFretail received a plaque of appreciation from the Korea Climate and Environment Network in 2022 for its efforts to practice carbon neutrality through these eco-friendly campaign propagation activities in the country.

## Eco-friendly, high-efficiency ger support

● BGFretail



Since 2011, BGFretail has been conducting a "Collecting Coins of Love" campaign with UNICEF's Korean Committee. Coin donations from customers visiting more than 17,000 stores and matching grants from BGFretail are being used to support children and improve the environment.

In 2021, we started the Mongolian eco-friendly and high-efficiency Ger support project to help Mongolian children with severe air pollution grow healthy. In Ulaanbaatar, Mongolia about 900,000 people live in mobile tent ger, traditional Mongolian houses, and use fossil fuels such as coal for heating, negatively affecting the health of growing children and pregnant women. BGF plans to support the installation of eco-friendly and high-efficiency gers in 500 general homes and 10 kindergartens by 2023.

한국에-지공인과 함께하는 CU 친환경 3L 캠페인!

**일상 속 소중한 에너지 절약해요**

저전압도 26도 지구시민의 슬기로운 냉방 실천

매년 찾아오는 폭염과 에어컨 사용이 늘고 있습니다. 우리의 일상 속 작은 에너지 실천이 지속된다면 폭염과 이산화탄소 증 더 완화되지 않을까요? 한국에-지공인과 함께하는 **어름칠 에너지 절약 캠페인**을 소개합니다.

**하나 개온 냉방은 NO! NO!**

문을 연 채 에어컨을 쓰는 개온 냉방 영업 문을 닫고 영업을 하는 경우보다 최대 3~4배 전력이 소비됩니다.

환기가 필요할 땐 창문 에어컨을 꺼주신 후 문을 열어주세요

**어머칠 필수템 에어컨**

하지만 무조건 낮은 온도로 틀기보다는 **적정온도 26도를 준수**에 사용하는 것이 전력사용량을 줄일 수 있는 방법입니다.

**실외기 가동 여부가 전력사용량을 좌우**하는 만큼 온도 설정이 낮을 수록 전력사용량이 2배 이상 높아질 수 있습니다.

**갯 에너지를 절약과 건강을 함께**

**에어컨 필터를 주기적으로 청소**하면 냉방효율을 3~5% 증가시킬 수 있습니다. 관망이 세균으로부터 건강을 지킬 수 있습니다.

또한 사용하지 않는 기기의 콘센트는 뽑아두어 대기전력 사용을 줄여주세요.

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**Be Green Friends**

## Paperless Campaign to Prevent Desertification

● BGFretail



The Paperless Campaign aims to reduce paper usage by selecting and printing receipts that have been customarily issued during the payment process according to the customer's choice and the reduced cost of issuing paper receipts is raised by an environmental fund to be used for windbreak projects to prevent yellow dust. BGFretail has planted a cumulative 525,131 trees in major desertified areas such as Mongolia and China through a paperless campaign conducted with the Korea Environmental Industry Technology Institute and BC Card since 2012. These planted trees reduce the occurrence of yellow dust and contribute to reducing greenhouse gases by creating windbreak forests equivalent to Yeouido in the Kubuchi Desert and Eginosom, known as the origin of yellow dust damage in Korea.

## 02. Partner

# Creating Ecosystem for Shared Growth with Partners

As actual supply chain management regulations are tightened, sustainable management activities with various stakeholders, including partners, are required. In response, BGF is striving to create a healthy and win-win industrial ecosystem through fair and transparent transaction activities and cooperation with key stakeholders.

# Fair Trade

## Fair Trade Principles

● BGFretail

BGF strives to achieve shared growth based on a fair and free market competition order and transparent transactions with our partners. In addition, we established a supply chain code of conduct in July 2022 to achieve sustainable growth with our partners. We have encouraged sustainable management activities in the fields of environment, safety, health, human rights, and ethics. We recognize our partners as strategic partners and respect both physical and intellectual property rights.

BGF declares autonomous compliance with the fair trade law to eradicate unfair practices in task operation and for fairtrade order as below.

One, we prevent unfair transactions in advance through fair and transparent task performance.

One, we establish a fair trade order on the basis of mutual trust with partner companies.

One, we do not direct, engage in or overlook any behaviors of unfair trade.

One, we do our best to operate fair trade autonomous compliance programs in exemplary way.

One, we contribute to the individual and corporate development by striving to establish fair trade culture.

"We must not abuse our superior position or force our partner companies to engage in unfair behavior."

(Article 7, Paragraph 1 of the Code of Ethics)

"We seek common development through legal support so that partner

companies can grow competitively"

(Article 8, Paragraph 2 of the Code of Ethics)

## Fair Trade Compliance Program (CP)

● BGFretail

BGFretail operates CP training and compliance activities for all executives and employees every year through the "Fair Trade Compliance Program" introduced in 2009. The communication department is in charge of the compliance program, along with fair trade training, consulting, and reviewing executives and employees. In particular, we received the "highest" rating in the Fair Trade Commission's evaluation of the implementation of the Fair Trade Agreement. We strive to create a healthy and fair franchise culture by applying the Fair Trade Commission's standard franchise agreement to enhance fair trade and win-win cooperation.

## CP Training

● BGFretail

BGFretail conducts CP training and evaluations for all employees every year. In particular, our store consultants, store planners, and merchandisers, in charge of business related to partners and franchisees, are regularly trained on fair trade compliance and unfair trade cases in the field of franchise and logistics business. According to a survey in 2022, 98.8% of employees answered positively about the need for CP training. In 2022, employees' evaluation scores from the evaluations recorded 90.9 points and 91.4 points respectively. With the increased proportion of employees under the third year of experience in the training sessions, the average evaluation scores slightly decreased. We plan to improve the scores through continuous training on regulatory compliance

### Training programs for all employees

- The Monopoly Regulation and Fair Trade Act
- The Fair Transactions in Subcontracting Act
- The Act on Fair Labeling and Advertising
- The Fair Transactions in Franchise Business Act
- Act on the Regulation of Terms and Conditions
- The Enforcement Decree of the Act

Category	2020	2021	2022
The Fair Transactions in Franchise Business Act (marks)	96.3	97.9	90.9
The Fair Transactions in Franchisee Business Act / the Act On Fair Transactions In Large Retail Business (marks)	80.9	97.7	91.4

\*Evaluated from December 21 to 31, 2022

## Prevention and Monitoring System

● BGFretail

BGFretail operates various policies to effectively run internal and external monitoring systems. To prevent unfair trade practices in advance, we have electrolyzed the process of signing franchise contracts. We also regularly provide franchise contracts and compliance training to new and sales/development employees. We also run an external reporting center (fair trade self-reporting boards) for violations of fair trade, and there were no reported cases in 2022.

### Partners' Complaints Handling Process

STEP	Process
01	<input checked="" type="checkbox"/> Receive complaints through a self-registering complaints channel
STEP	Process
02	<input checked="" type="checkbox"/> Investigate the facts in the Compliance department
STEP	Process
03	<input checked="" type="checkbox"/> Handle complaints and report how The complaints are resolved



# ESG Management in the Supply Chain

## ESG Management Support

The goals related to ESG material topics cannot be achieved solely by the efforts of BGFretail. ESG management in the supply chain is required to proactively respond to ever-intensifying global regulations. Accordingly, BGFretail established and revised our sustainable management principles in 2022. We aim to carry out ESG management activities in cooperation with our partners, and franchise store owners.

BGFretail

## Establishing the Supply Chain Code of Conduct

To manage the supply chain with responsibility, BGFretail established the "Code of Conduct for Supply Chain" in July 2022 and helped all partners, including franchisees, to comply with and practice it. The code of Conduct suggests standards for partners who provide goods and services to comply with laws and regulations in core ESG areas such as human rights, safety, environment, business ethics, and management systems. Through such efforts, we aim to grow as a company respected by society and strengthen our capabilities to achieve sustainable business. Since the second half of 2022, we have conducted ESG training for franchisees and employees, and offered ESG training content to our partners, to spread awareness of ESG management.

### ESG Management Declaration Ceremony with Partners

In January 2023, BGFretail held an ESG management declaration ceremony with its partners to share a shared-growth roadmap to create social values and become a beloved company. 76 PB manufacturers and partners attended the event and strengthened their commitment to ESG management.

### Pledge to practice ESG management

**BGFretail promises to practice ESG management to create social values and become a respected company.**

1

We promise to comply with relevant laws and regulations and build a healthy workplace culture, to provide employees with a happy and safe working environment.

2

We promise to comply with environmental laws and regulations and strive to protect the environment in the community, to establish a green culture in a business environment.

3

We promise to ensure fair and transparent business activities for all employees and to promote corporate ethical management.

## ESG Risk Management

BGFretail

BGFretail receives a Fair Trade Compliance Agreement from our newly selected partners to encourage them to practice ESG management. The agreement elaborates on compliance with fair trade laws, quality management, and ethical management. Through the agreement, we support our partners to voluntarily practice ESG management, while managing and supervising their ESG affairs. We signed the Fair Trade Compliance Agreement with 290 new partners in 2022. We also review our partner's ESG management by identifying whether they have received ESG ratings. At the same time, we encourage practices of ESG management in the supply chain through a three-step process from registration to the assessment of contract performances, to follow-up management. BGFretail plans to establish a system supporting ESG risk management in the supply chain by 2023 and apply it gradually to our partners. Based on the due diligence results. We also plan to support our partners in ESG management practices such as tailored ESG management, capacity-building training, and the establishment of guidelines.



Special Lecture on ESG Management for Partners



ESG Management Declaration Ceremony with Partners

# Shared Growth and Win-Win Cooperation

## Shared Growth

BGFretail operates various policies and programs for shared growth and mutual development with our partners. We support our partners in enhancing their competitiveness, through diverse activities such as financial support, education and training, and market development. We also implement policies and win-win cooperation programs centered on the CEO's Shared Growth Promotion Committee. In 2022, we signed a trade compliance agreement with 165 SME partners. We aim to create a win-win virtuous cycle by enhancing technology, product development, quality, and price competitiveness based on a fair and transparent trading culture and cooperation.

## Shared Growth Support Programs

### Training support

● BGFretail

BGFretail provides e-learning programs and product quality and hygiene training to enhance the competitiveness of our SME partners. In 2022, our partners' employees are provided with 7,386 online training courses about self-improvement, finance, accounting, communication, management strategy, marketing, and ESG management. In addition, we semiannually provide quality and hygiene training for 120 SME partners.

### Financial support

● BGFretail

To support the stable fund management of our SME partners, we provided payment earlier than required during holidays such as New Year's Day and Chuseok. We paid KRW 37.4 billion in advance to our 210 SME partners in 2022. We also provided low-interest loans to SME partners through the "SME Win-Win Fund."

In 2022, we created a fund worth KRW 13 billion to offer loans of KRW 8.56 billion. Moreover, we supported KRW 170 million to our SME partners so that they could receive a 2% reduction in loan interest.

### Performance sharing system

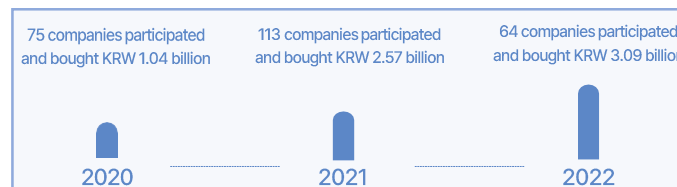
● BGFretail

BGFretail introduces and operates a performance-sharing system that guarantees the purchasing quantity of new products from our SME partners. Accordingly, we set the goal of launching collaborative products and expanding sales of new products and supported a total of KRW 5.2 billion by registering 15 products on the performance-sharing system. BGFretail contributes to the stable management of SME partners by enhancing their product development, quality, and production capabilities by jointly developing new products and guaranteeing the purchasing quantity.

### Supporting to Extend Markets

● BGFretail

BGFretail signed a business agreement in 2020 to help SMEs enter into the government's new southern country countries. We have expanded our overseas stores to provide more opportunities for SMEs to enter overseas markets. Furthermore, we provide face-to-face consultations such as "Open Counseling Day for SMEs" and our offline purchase consultation meetings to support SMEs in expanding their business in the domestic market.



## Communication Program with Partners

BGFretail aims to strengthen partnerships through the communication program with our partners by listening to partners' difficulties and considering them in management activities.

### Communication Programs in 2022

● BGFretail

Category	Visiting VOC	Monitoring fair trade surveys
Overview	Listen to suggestions and difficulties after visiting partner companies (4 times a year)	An anonymous survey to identify and improve complaints related to unfair trade and human rights
Program details	<ul style="list-style-type: none"> <li>21 opinions received from 24 companies</li> <li>Sharing VOC results by department</li> <li>Seeking improvements and implementing measures</li> </ul>	<ul style="list-style-type: none"> <li>Conducting a survey in the first half of the year</li> <li>Analysis of survey results and finding improvement points</li> </ul>

### Refresh Together Day with SME Partners

● BGFretail

BGFretail held a Refresh Together Day with SME partners to create urban forests. We also planted 150 seedlings at the tree planting site in Noel Park and carried out green volunteering activities with our partners, hoping for a quick recovery from damage in wildfire-hit areas.

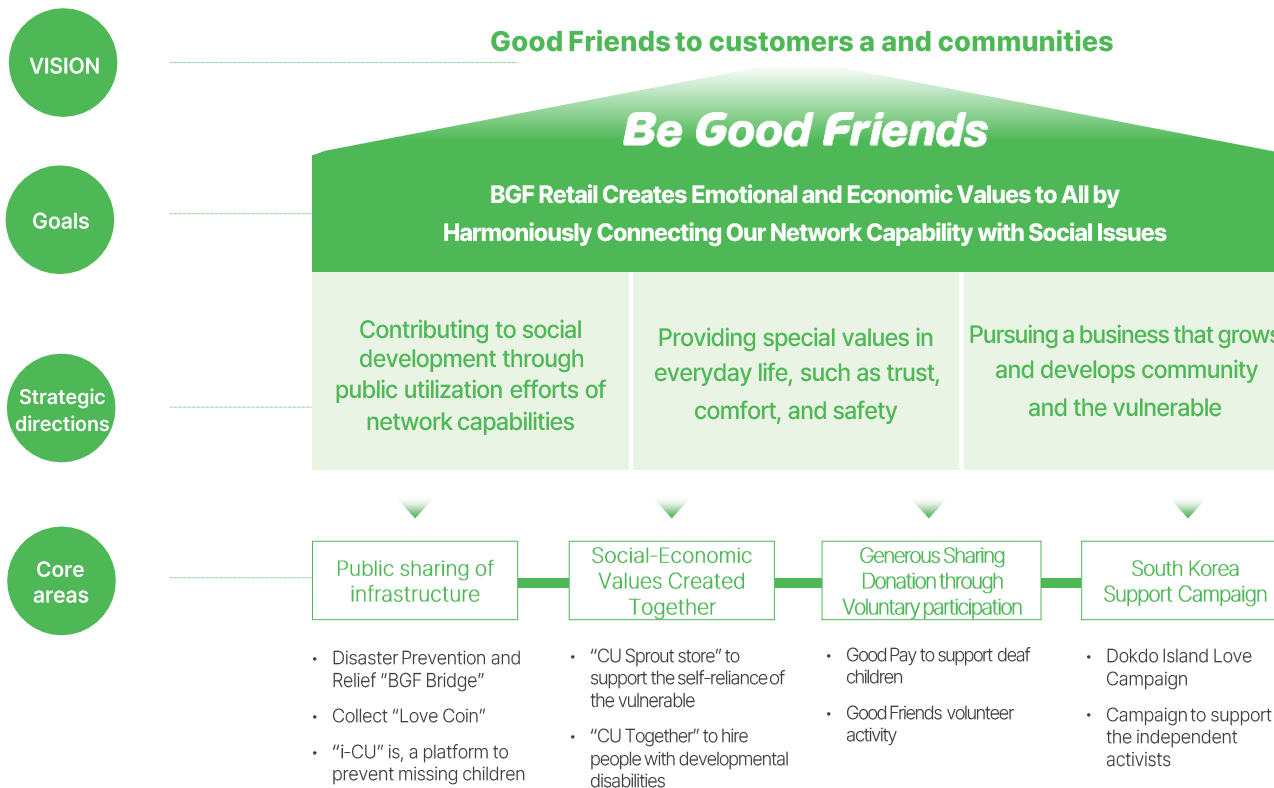




# Contribution to Local Community

## Social Contribution Strategy

Based on the management ideology of growing into a company that contributes to social development, BGF recognizes growing with the community as a corporate social responsibility. Therefore, we recognize the need for a strategic and sustainable social contribution model that builds trust with the community as well as investment and donations to the community and promotes strategic social contribution activities that utilize the characteristics of the business. BGF is carrying out social contribution activities by the social contribution strategy set by combining business characteristics, current status, sustainable management promotion direction, and UN SDGs to create positive emotional and economic value by harmoniously connecting network capabilities and social issues. The three strategic directions for social contribution consist of contributing to social development through public use of network capabilities, providing special psychological value in daily life, and pursuing shared growth business with the community.



## Stakeholder-participating donation program

● BGF ● BGFretail

BGF operates a participatory donation program in which executives, franchisees, and customers participate to raise funds and support the socially and economically vulnerable. Since 2010, BGFretail has been conducting a Sound of Love campaign to support artificial ear cochlear implants and rehabilitation for deaf movement in economically vulnerable households by donating at the end of their salaries. A total of KRW 30,000,000 was sponsored to deaf children by adding KRW 3,160,000 of profits from in-house auctions for goods reported according to the ethical management practices. The contributions collected since 2010 have been sponsored for artificial ear cochlear implants for 56 deaf children. In addition, we are conducting a coin-raising campaign using the national CU platform and BGFretail's logistics network to help children in developing countries with UNICEF's Korean Committee. We are supporting children's relief in developing countries.

## Contribution Policy

● BGF ● BGFretail

BGF strictly complies with Article 31 (Restriction on Contribution) of the Domestic Political Funds Act, which prohibits donations of political funds by corporations or organizations and does not provide political funds, campaign funds, or lobbying funds for specific political groups and political parties that directly affect policy formation. However, we provide support only to associations that are guaranteed political neutrality to contribute to the development of communities and industries.

# Contribution to Local Community

## Community Safety Net

BGFretail continues to engage in Creating Shared Value (CSV) activities that solve social problems based on the business model. We carry out the "i-CU Campaign," a program to prevent missing children and contribute to strengthening the community safety net by utilizing the 24-hour available CU convenience store network as well as logistics infrastructure across the country.

### · i-CU Campaign

● BGFretail

BGFretail has operated the i-CU system since 2017 to prevent the disappearance of children, intellectually disabled people, and dementia patients and to enhance the safety net in the community. Moreover, we delivered messages about child safety rules, prevention of child abuse and disappearance, and long-term missing children's posters through screen door advertisements at subway stations. In addition, our Mongolian partner "Central Express" signed a business agreement with Ulaanbaatar Police Agency in May 2021 and has implemented the i-CU program, safely bringing 5 missing children to the police through the i-CU reporting system as of November 2022. As of November 2022, there were 5 cases in which a missing child was safely handed over to the police through the i-CU reporting system.

### · Operating system

When a lost child is found in the store or visits the store, store staff uses the POS (Point of Sales) system to report information such as the child's name and description. The reported information is delivered to the police, and the police officer near the store receives the information and quickly comes to the store to check

the child's information and take him/her safely. Guardians can also see whether the missing child or the dementia patient stays safe at the CU store through our system, just by visiting one of the nearest CU stores. A total of 138 children, dementia patients, and intellectually disabled people were safely handed over to their guardians through this system as of December 2022.

### · BGF Bridge

● BGFlogis ● BGFretail

BGFretail has developed and operated "BGF Bridge" based on our capabilities and distribution/logistics infrastructure to contribute more effectively to society as a corporate citizen in the event of a massive natural or social disaster. In 2022, we went to the 17 sites hit by natural disasters, building collapse, fire accidents, and COVID-19 lockdowns and provided KRW 52 million worth of relief goods.

### · BGF Bridge Implementation System

BGF Bridge is a public-private social contribution, working with the Ministry of Interior and Safety and the Korea Disaster Relief Association in the event of a disaster by building a network to quickly deliver relief goods to the damaged areas. Our logistics centers store and transport disaster relief goods. CU stores nationwide promote disaster prevention content through digital signs and POS systems. BGFretail provides food aid in disaster-stricken areas.



### · Social Contribution Program Using Delivery

● BGFnetworks

BGF Networks, an affiliate of BGF, actively develops customer-participating social contribution programs based on CUpost courier services, which is a major business, to support the socially and economically vulnerable.



### · Desired Delivery Project for Abandoned Animals

Sponsorship of abandoned animal adoption platform with funds raised based on CUpost delivery service usage performance

### · Campaign to find long-term missing children

Production and distribution of packaging tape (HOPE TAPE) printed with information on long-term missing children

### · "Delivery desired by courier" Good consumption campaign

Support for daily necessities for the socially and economically vulnerable by accumulating one won per case of CUpost service

### · "i-dream Project" Supporting Community Families

Sponsorship of group home by accumulating 1 won per use of CUpost service

## 03. People

# Supporting Happy and Healthy Life

Ensuring the healthy lives of mankind and promoting welfare is essential to sustainable development. BGF supports the healthy and happy lives of executives and employees, customers, and all mankind. Therefore, we strive to empower our members in a healthy organizational culture and safe working environment and provide customers with safe products and the healthy and right food to make valuable consumption.

# Realizing GWP (Great Work Place)

## Human Rights Management

● BGF ● BGFretail

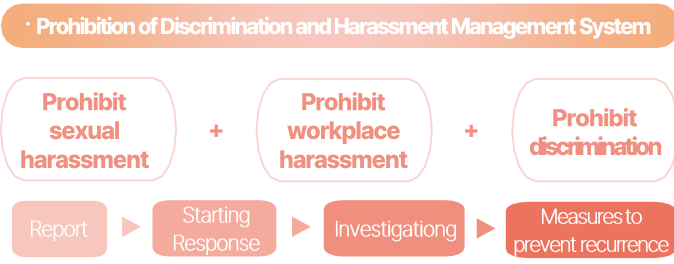
BGF complies with international standards and guidelines for human rights and labor, including the Universal Declaration of Human Rights and the UN Guidance Principles on Business and Human Rights. We also support and abide by the UNGC's ten principles as a signatory to the UNGC. We respect the human rights of stakeholders, including customers, franchisees, partners, as well as employees, in all areas and management of the business.

## Human Rights Education

BGF provides compulsory training such as preventing sexual harassment, prohibition workplace harassment, and improving awareness of the disabled to raise employees' awareness of human rights. We also strive to internalize respect for human rights by sending monthly newsletters for the "Mutual Respect Campaign" to all employees.

## Human Rights Protection Process

The BGF operates a clean line system that allows anonymous reporting if they have experienced or witnessed acts contrary to human rights management principles. Human rights risks are also identified through internal control systems such as hotlines.



## Acquiring and retaining talents

### Talent Recruitment

● BGF ● BGFretail

BGF establishes a strategic manpower plan to secure talent and recognizes that securing talent and fostering talent through a fair and transparent recruitment process is an important task. To this end, we provide a wide range of job information through various platforms so that job seekers can study their job aptitude in advance and choose the right job, such as online job briefings, recruitment-only website operations, and internships. We hire talented people through large-scale open recruitment every quarter. We provide a wide range of job information through various platforms such as online job briefing sessions, recruiting websites, and internships.

### Evaluation and Compensation

● BGF ● BGFretail

BGF operates evaluation methods such as KPI, MBO-based performance evaluation, competency evaluation, and leadership diagnosis for fair and objective evaluation and compensation. In the case of wages, it is established based on the BGF's compensation principle, such as compensation for performance, compensation for roles and responsibilities, and the perspective of operational efficiency of the compensation system, and there is no gender difference in annual salary contracts. In addition, we operate an organizational incentive payment system under the agreement between labor and management so that management performance can be distributed to employees when achieving the company's performance goals.

### Appeal and processing procedures for evaluation and compensation



### Talent Training

● BGF ● BGFretail

BGF provides systematic training from entry-level employees to Managers (P5) so that each can fully fulfill his/her role. Through the online education platform BSA (BGF Smart Academy), we provide job-related knowledge and competency training content and operate a self-development support system and learning club system to support employees in earning licenses and language certifications. Employees not only improve their capabilities but also contribute to the creation of business profits by obtaining work-related certifications such as distribution managers, Franchise traders, and licensed real estate agents through the self-development support system. In 2022, 155 people obtained licenses and language certificates, and 66 people participated in the learning club. Meanwhile, the satisfaction level and educational effectiveness score for BSA in 2022 was 4.36 out of 5.

### BLP(BGF Leader Program)

● BGF ● BGFretail

BGF aims to secure practical growth engines by conducting BLP training to foster experts in logistics and franchise businesses. Our professionals expand their practical skills through training such as changes in the logistics environment, digital marketing, big data analysis, utilization, products, and marketing strategies. Managers are trained in organizational innovation and leadership to foster their organizational and leadership professionals. A total of 43 employees of BGFretail and affiliates participated in the BLP course in 2022. We aim to introduce the proposed BLP team project in our system after reviewing and pilot testing.

# Realizing GWP (Great Work Place)

## Healthy Corporate Culture

### Improving Corporate Culture

● BGF ● BGFretail

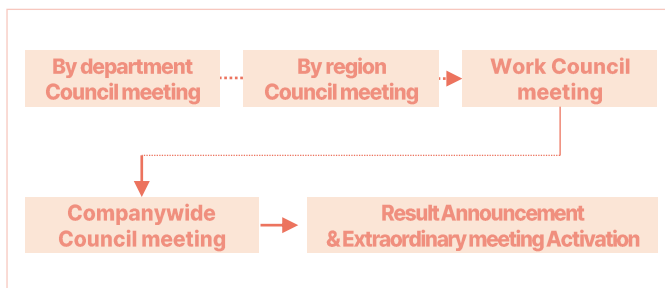
BGF exerts our efforts to establish a horizontal organizational culture based on mutual respect and consideration. We set the 11th of every month as “Mutual Respect Day” and send a horizontal organizational culture campaign letter to all employees. In 2022, we shared key topics (such as mutual respect training, principles for productive debate, and more) in creating a healthy organizational culture with our employees.

### Joint Labor-Management Council

● BGF ● BGFretail

BGF operates the Labor-Management Council to boost the common interests of labor and management and create a healthy labor-management culture. We make efforts to improve welfare benefits, working environment, and HR and labor management systems, by quarterly holding the council. In addition, The contents of the labor-management consultation through the council are disclosed to all employees within 10 days of the meeting.

### Process of labor-management consultative bodies



### Work-Life Balance

● BGF ● BGFretail

BGF has established the direction of the ‘BGF PLUS’ organizational culture and aims for joint growth of individuals and companies through work-life balance. We have established and operated family-friendly/maternity and female employee protection systems. We have strengthened the maternity and female employee protection system, which provides up to 6 months of infertility treatment leave and reduces working hours by 2 hours a day during the pre-pregnancy period.

### Welfare benefits

● BGF ● BGFretail

BGFretail does not make a difference between the benefits of regular and contract employees and provides health checkups, group injuries and group injuries loss insurance, and flu vaccinations to support the healthy lives of all employees. In addition, we provide Employee Assistance Program (EAP) services to help employees properly manage and resolve stress.

<b>Happy PLUS</b>	<ul style="list-style-type: none"> <li>Operation of recreation facilities</li> <li>Offering New Year's resolutions and gifts for the Chuseok holiday</li> <li>Providing a birthday gift and dayoffs</li> </ul>	<ul style="list-style-type: none"> <li>Offering discounts to employees at CU stores</li> <li>Offering refresh leave and rewarding for long-term service</li> <li>Supporting club activities</li> </ul>
<b>Work &amp; Life Balance PLUS</b>	<ul style="list-style-type: none"> <li>Group accident &amp; illness loss insurance Supporting Health checkups</li> <li>Supporting EAP counseling</li> </ul>	<ul style="list-style-type: none"> <li>Supporting family events</li> <li>Supporting Children's education</li> <li>Providing encouragement gifts for children of employees</li> </ul>
<b>Individual &amp; Company Growth PLUS</b>	<ul style="list-style-type: none"> <li>Supporting self-development (certificates, learning club, and more)</li> <li>Online communication programs</li> </ul>	

### Family-friendly System

● BGF ● BGFretail

BGF operates various support systems for the work-life balance of executives and employees.

Vacation support	<ul style="list-style-type: none"> <li>Leave Before and After Childbirth/ Miscarriage and Stillbirth Leave (up to 90 days, paid)</li> <li>Spouse Maternity Leave (up to 10 days. Paid)</li> <li>Infertility Care Leave (three days per year. Partially paid)</li> </ul>
Leave of absence support	<ul style="list-style-type: none"> <li>Parental Leave (up to one year per child/paid)</li> <li>Family Care Leave (Up to 90 days max)</li> <li>Infertility Care Leave (Up to 3 months)</li> <li>Filial leave for employees and spouses (paid)</li> </ul>
Working Hours Reduction Support	<ul style="list-style-type: none"> <li>Claim for shorter working hours for childcare (up to 2 years)</li> <li>Reduce working hours for family care</li> </ul>
Maternity and Female Employee Protection	<ul style="list-style-type: none"> <li>Fetal checkup time allowance system (paid)</li> <li>Pregnant female employee protection</li> <li>A health leave</li> <li>Breastfeeding Time Allowance (Paid)</li> </ul>
Family-Friendly	<ul style="list-style-type: none"> <li>My child's first cheering gift and vacation to school (paid)</li> <li>Time difference commuting system</li> <li>employee or the spouse's parents</li> <li>Children's Day gifts for employees' children</li> <li>Employee birthday leave (paid)</li> </ul>



# Safeguarding Customer Value and Privacy

## Information Security

### Information Security Policy and Goals

● BGFretail

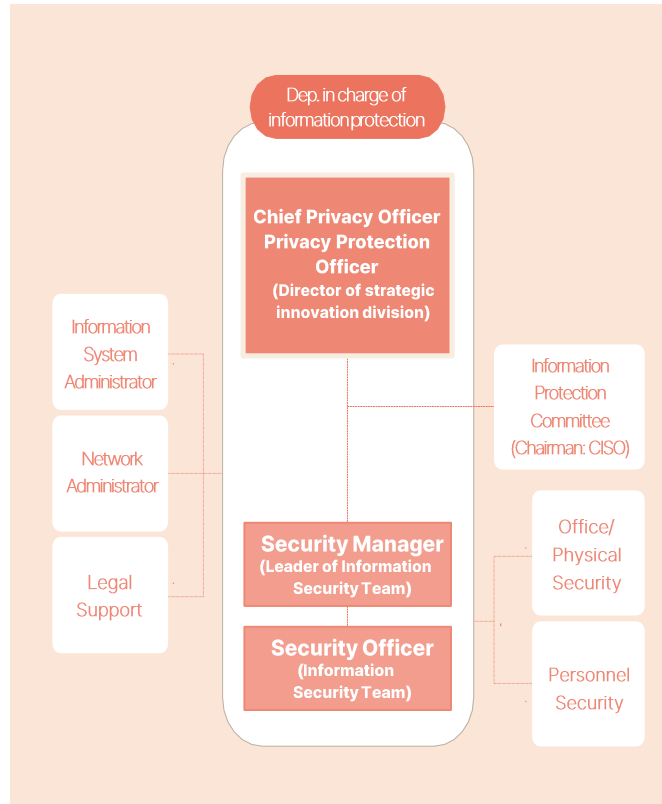
BGFretail establishes personal information management regulations and manages risks through the regulations applied to all employees of BGFretail and external companies, who handle personal information. We established a response system to respond to personal information leakage, and also reflect legislative amendments in internal regulations to immediately reflect changes in regulations and external environments.

### Information security system

● BGFretail

BGF designates a chief information protection officer to establish a management system and manage and supervise information protection activities such as the prevention of infringement accidents. For the Chief Privacy Officer (CPO), we have designated a C-level executive, the Head of the Strategic Innovation Division, to manage information security and privacy systems. The Head of the Strategic Innovation Division, who is also the Chairman of the Information Protection Committee, oversees the cybersecurity strategy as well. Information security management is carried out by sub-divisions such as the Information Protection Committee and divisions dedicated to information protection by establishing business regulations and processes. BGFretail's privacy policies and systems are included in the group's entire risk management area. The Information Security Team Manager, who covers security management, reports the risks to the Crisis Management Committee following the manuals and monitors the status.

### Information security system



### ISMS Certification

● BGFretail

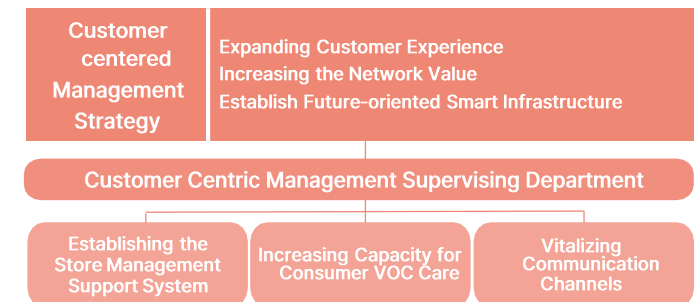
We acquired Information Protection Management System (ISMS) certification in 2019, re-certified in 2021 and maintained information protection management activities.

## Enhancing Customer Values

### Consumer-Centered Management

● BGFretail

BGFretail strives to become a leading company in customer satisfaction through customer-centered management and improvement of consumer satisfaction. Therefore, we appointed Chief of Customer Officer (CCO), continuously improving the preand post-management system to stably operate the VOC and handle consumer complaints to enhance customer convenience and satisfaction.



### Certified Consumer-Centered Management (CCM)

● BGFretail

CCM is the system for evaluating and certifying whether all activities of a company are structured from the point of view of customers with the customers at the center, and whether such management is continuously improved. CCM certification is evaluated by the Korea Consumer Agency and certified by the Fair Trade Commission. In 2011, BGFretail declared the introduction of CCM for the first time in the industry, and in 2012, it obtained CCM (Customer Center Management) certification and was recertified 6 times in a row until 2022.

### Customer Service Charter

In 2022, BGFretail announced a "Thank You Promise Declaration" stipulating that all franchisees will promise to provide high-quality products and services to customers.

# ESG FACTBOOK

**Financial Data**

**Environmental Data**

**Social Data**

**GRI Index**

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# Financial Data

Key Financial Performance (Based on comprehensive income statement)

Classification	Unit	2020	2021	2022	Remarks
Sales Revenue	KRW	154,381,286,305	150,187,760,830	434,997,439,995	
Operating Income (loss)	KRW	14,640,997,513	37,907,480,279	61,203,792,653	
Earnings before income taxes (loss)	KRW	16,140,824,575	43,537,431,399	38,895,385,596	
Net Income	KRW	17,880,953,455	35,977,028,709	26,176,881,012	
Total assets	KRW	1,658,204,361,732	1,981,622,039,251	1,938,013,970,903	
Total equity	KRW	1,537,099,088,353	1,732,763,395,151	1,736,523,419,389	
Return on Assets (ROA)	%	1.08	1.82	1.35	
Return on Equity	%	1.16	2.08	1.51	

Allocation of economic performance to stakeholders (based on cash flow statements)

Classification	Unit	2020	2021	2022	Remarks
Shareholders and investors (Dividends)	KRW	10,527,964,370	10,527,964,370	11,820,640,470	
Employees' salaries	KRW	28,616,753,672	23,115,930,720	30,325,088,877	Including discontinued business divisions
Cooperative company	KRW	49,947,596,850	66,398,425,502	247,368,788,539	
Government (Corporate tax cash payments)	KRW	4,237,814,936	2,478,273,042	18,219,070,369	
Community (Donations)	KRW	40,697,542	76,375,000	201,282,216	



# Environmental Data

BGF, BGFnetworks

Classification			Unit	2020	2021	2022	Remarks
Greenhouse gas emissions	Emissions	Scope1	tCO2e	85.1	86.8	71.2	
		Scope2	tCO2e	144.9	164.7	144.3	
		Total Emissions	tCO2e	230.0	251.5	215.5	
	intensity	Per unit emissions	tCO2e/100 million won	0.14	0.17	0.05	
Energy	directly	stationary combustion(LNG)	GJ	382	432	413	
		mobile combustion(휘발유)	GJ	976	963	747	
	indirect	Power usage	GJ	2,983	3,411	3,015	
	consumption	renewable energy	GJ	0	0	0	
		Total energy consumption	GJ	4,341	4,386	4,175	
	intensity	Per unit consumption	GJ/100 million won	2.81	2.92	0.96	
Water	consumption		Ton	2.5	1.32	1.19	Apply area ratio from 2021
Waste	Disposal	General waste	Ton	-	7.20	7.00	BGF
		waste recycled	Ton	-	3.15	5.45	
		food waste	Ton	-	3.57	3.04	
Violation of environmental regulations			case	0	0	0	

# Social Data

BGF

Classification		Unit	2020	2021	2022	Remarks			
No. of Employees	Total executives and employees		Person	112	117	56	Excluding registered executives (3 people)		
	By agreement type	Regular workers		Person	106	110	48		
		Non-regular workers	Executive Officer (Male)		Person	4	4	4	Unregistered executives (3 people)
			Executive Officer (Female)		Person	0	0	0	
			Contract workers		Person	0	2	3	
			Indefinite contract worker		Person	2	1	1	
			Direct branch staff		Person	0	0	0	
	Gender	Male		Person	86	87	44		
		Female		Person	26	30	12		
	By age	20 to 30 years old		Person	23	15	6		
		30 to 50 years old		Person	87	100	47		
		More than 50 years old		Person	2	2	3		
	By position	Executives		Person	4	4	3		
P3 or Above		Person	45	49	26				
P2 or Below		Person	63	64	27				
Recruitment	By agreement type	Full-Time		Person	5	4	3		
		Contract		Person	0	2	1		
		Total		Person	5	6	4		
	Public Recruitment	high school graduates		Person	0	1	0		
		College Graduates		Person	0	1	0		
		Experienced		Person	5	4	3		
	Gender	Male		Person	4	6	3		
		Female		Person	1	0	1		
	Region	Metropolitan area		Person	5	6	4		
		Non-metropolitan area		Person	0	0	0		

# Social Data

BGF

Classification		Unit	2020	2021	2022	Remarks	
Retirement	Number of people who left the company		Person	22	20	72	Increased movement of affiliates
	Involuntary resignation	Inter-Affiliate Records	Person	16	12	65	
		Other	Person	0	0	0	Expiration of contract period
	Voluntary resignation		Person	6	8	7	
	Voluntary Resignation Ratio		%	5.4	6.8	12.5	
Continuous service	Average number of years of service		Year	5.6	5.0	6.5	
	Gender	Male	Year	6.2	5.5	6.9	
		Female	Year	3.9	3.7	5.1	
Employee engagement	Participation rate in the engagement survey		-	3 or more equal number of labor and anagement			
	Positive Response Rate		Person	112	117	56	
Salary	Male average (yearly)		Million won	83	77	75	
	Female average (yearly)		Million won	46	45	41	
	Overall average (yearly)		Million won	73	69	66	
	Male-Female salaryratio		%	73	76	71	Excluding executives and contract workers
	Ratio of salaryfor Female manager to Male manager		%	113	117	105	
Retirement pension	Subscription rate		%	100	94	97	
	Subscription type	Defined benefit(DB)	Person	108	102	50	
		Defined contribution(DC)	Person	0	4	6	

# Social Data

BGF

Human Resources Management

Classification		UNIT	2019	2020	2021	Remarks	
Diversity	Disabled Worker	명	1	1	1		
	Ratio of disabled workers	명	0.89	0.85	1.78		
	Foreigner workers	명	0	0	0		
Female workforce	Position	Female Employees with Rank of P5 or Above	명	0	0	0	Non-management position : P2 position or below
		Female Employees with Rank of P3 or Above	명	2	5	5	
		Female employees of non-management	명	24	25	7	
	By agreement Type	Regular female employees	명	26	30	12	
		Ratio of female employees among regular workers	%	24.5	27.3	24.5	
		Contract female employees	명	0	0	0	
		Ratio of female employees among contract workers	%	0	0	0	
Parental leave	Number of people used	Male	명	1	1	1	
		Female	명	4	1	3	
	Returnee	Male	명	1	1	1	
		Female	명	3	1	0	
	Ratio of returnees	Male	%	100.0	100.0	100.0	
		Female	%	33.3	100.0	-	
Safety and Health	Industrial Accident	건	0	0	0		
Education for Capacity-Building	Average Training hours per person	H	38	56	57		
	Satisfaction evaluation score (out of 5 points)	점	4.5	4.62	962,935		
self-development support	Application for obtaining certificate	명	56	69	84	BGFretail Included	
	Language support	명	66	57	71		
	Learning club support	팀	11	11	66		
	Cyber University Support	명	6	14	4		
	BLP(BGF Leader Program)	명	0	0	34		
EAP	Number of users of counseling psychology service	명	148	158	198		
	Number of use of counseling psychology service	건	683	720	884		

# Social Data

BGF

Social Contribution

Classification		UNIT	2019	2020	2021	Remarks
Ratio of Contributions to Operating Income		%	0.21	0.27	0.66	
Donations		100 million won	55	39	76	
Participation of employees in volunteer activities	Number of Participants	Person	104	693	231	BGFretail Included. Reduce face-to-face activities due to Covid-19
	Hours of Participation	Hour	440	1,761	1,114	

# GRI Index

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# GRI Index

Classification	Disclosure Indicators		Page	Note
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	305-4	GHG emissions intensity	22, 37	
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# GRI Index

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	417-2	Incidents of non-compliance concerning product and service information and labeling	-	No Violations and No Complaints
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# UNGC Index

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	4. the elimination of all forms of forced and compulsory labour;	33P
	5. the effective abolition of child labour; and	32-33P
	6. the elimination of discrimination in respect of employment and occupation.	32-33P
Environment	7. Businesses should support a precautionary approach to environmental challenges;	21P
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	9. encourage the development and diffusion of environmentally friendly technologies.	23-24P
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	15P

**BGF**