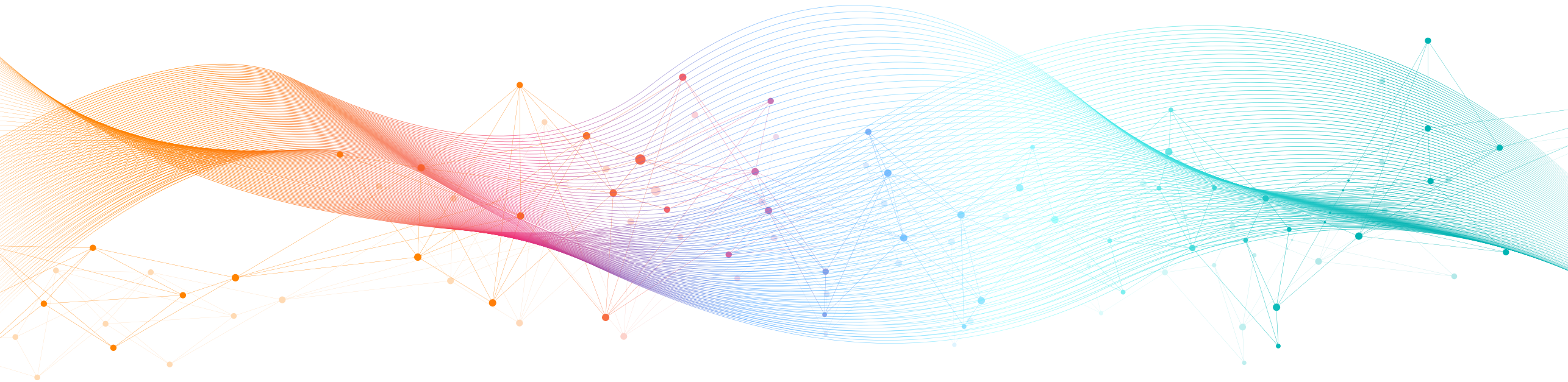


2023 GS RETAIL SUSTAINABILITY REPORT

GREEN LIFE TOGETHER



About This Report

Report Overview

We publish a sustainability report to transparently disclose our ESG performance and activities to stakeholders, sharing our strategies, goals, and management status for creating ESG value. We will continue to communicate with stakeholders by publishing this report every year and transparently disclosing our ESG performance and initiatives.

Reporting Period

This report covers economic, environmental, and social performance from January 1, 2023 to December 31, 2023. Some data includes information up to March 2024 and significant activities before January 1, 2023, are also included. For quantitative performance, figures for the past three years (2021-2023) were prepared to identify yearly trends.

Reporting Standards

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, considering the Food Retailers & Distributors industry disclosure index published by the Sustainability Accounting Standards Board (SASB) and based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Unless otherwise stated, financial performance has been prepared on a consolidated basis following Korean International Financial Reporting Standards (K-IFRS).

Report Verification

This report obtained independent assurance from the Korea Management Registrar (KMR) to more transparently communicate our sustainable management activities to stakeholders. The verification standard applied is AA1000AS v3 Moderate Level, Type 2, and the verification statement can be found on pages 111-112 of this report.

Reporting Scope

Our financial performance is based on consolidated financial statements, while non-financial performance is based on ESG management activities separately. Some environmental qualitative performance includes the performance of subsidiaries such as GS Networks.

Reporting Scope of Environmental Performance

Office building (owned and rented), logistics center, directly-managed convenience store and supermarkets, etc.

Sustainability Management Report

ESG Part of the Head of Public Policy Team

Contact

We seek to actively collect opinions from stakeholders and include them in our sustainability report. Please send the information you request to the email address below, and we will reflect it through a materiality assessment in the report published in 2024.

E-mail. esg@gsretail.com

Address. GS Retail Co., Ltd. 508 Nonhyeon-ro, Gangnam-gu, Seoul (GS Tower, 679 Yeoksam-dong)

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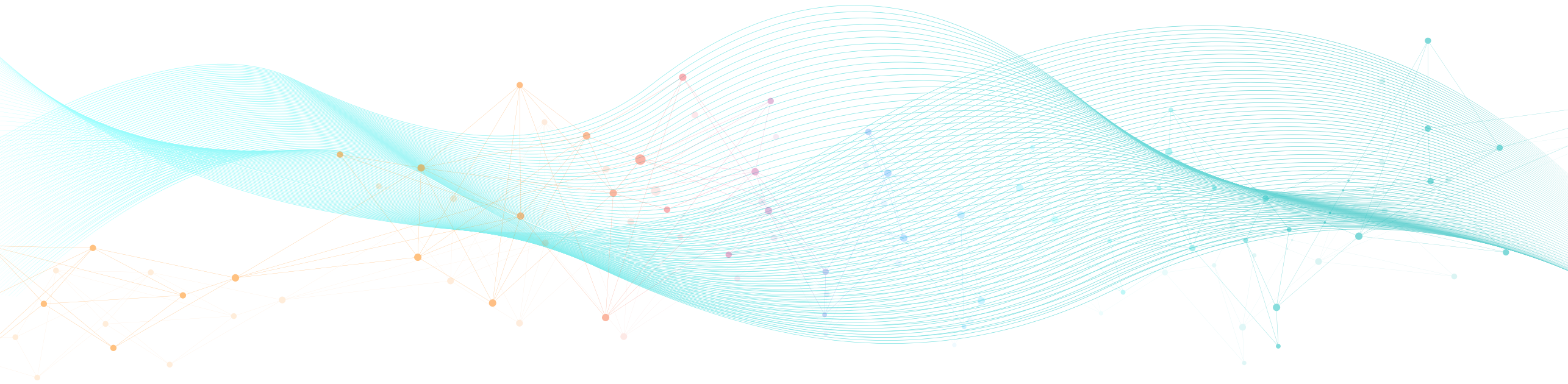
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CEO Message

Dear valued stakeholders,
Thank you for your unwavering trust and support for GS Retail.

With the release of IPCC Sixth Assessment Report in 2023, forecasting a global temperature rise of 1.5 degrees compared to pre-Industrial Revolution levels, we witness the increasing impact of climate change through intensified tropical cyclones and heat waves each year. These environmental shifts pose challenges that require global cooperation and demand companies to adopt sustainable management as a critical component for survival, fulfilling both environmental and social responsibilities.

GS Retail published its first sustainability report in 2021, showcasing its performance in sustainability management and in 2021 the company established an ESG management system by forming an ESG Committee under the Board of Directors. As a result, we obtained an overall grade of A in ESG evaluations for three consecutive years. In its fourth year, the sustainability report details our efforts to maintain transparency, including our environmental management and social responsibility activities, as well as our future plans. As part of our commitment to the circular economy, we have recycled and donated discarded home appliances, receiving the award from Minister of Environment for two consecutive years. We have also expanded collaborative efforts with partners, implemented a compliance management system to foster employee participation, and obtained ISO 37301 certification.

Despite a challenging business environment, we are refining our business strategy with a focus on our core distribution operations. Our convenience store brand, GS25, is attracting customers with products such as Hye-ja kim Lunchbox and Jumbo Ramen to tackle shrinkflation. Additionally, our supermarket brand, GS THE FRESH, has transformed a previously unprofitable operation into a leading industry presence through strategic chain operations and business innovations. To quickly adapt to changes in customer mobile usage patterns, our home shopping brand, GS SHOP, introduced a short-form content service, providing differentiated customer experiences. Moving forward, we will continue our ESG management for sustainable growth, ensuring financial performance that brightens our present and nourishes our future.

We deeply appreciate your continuous interest and support, and we kindly ask for your encouragement and support as GS Retail moves forward on its journey.

Thank you.

June 2024

GS Retail CEO **Yeon-soo Huh**



GS Retail at a Glance

Company Profile

A platform that **connects** all customer experiences, **empathizes** through insights on collected data, and is **trusted** through its products and services.

GS Retail is Korea's leading lifestyle platform company, offering a range of platforms that shape customer lifestyles. In a long-term perspective, we are committed to sustainable management, aiming to resonate with societal needs and create continuous value. Our goal is to be a company cherished by customers through our unique products and services.

General Information

Company name	GS Retail
Date established	February 1971
CEO	Yeon-soo Huh ¹⁾
Credit rating (corporate bond)	AA (Korea Investors Service)
Business areas	Retail distribution
Location	GS Tower, 508 Nonhyeon-ro, Gangnam-gu, Seoul

1) Changed to sole representative as of March 21, 2024

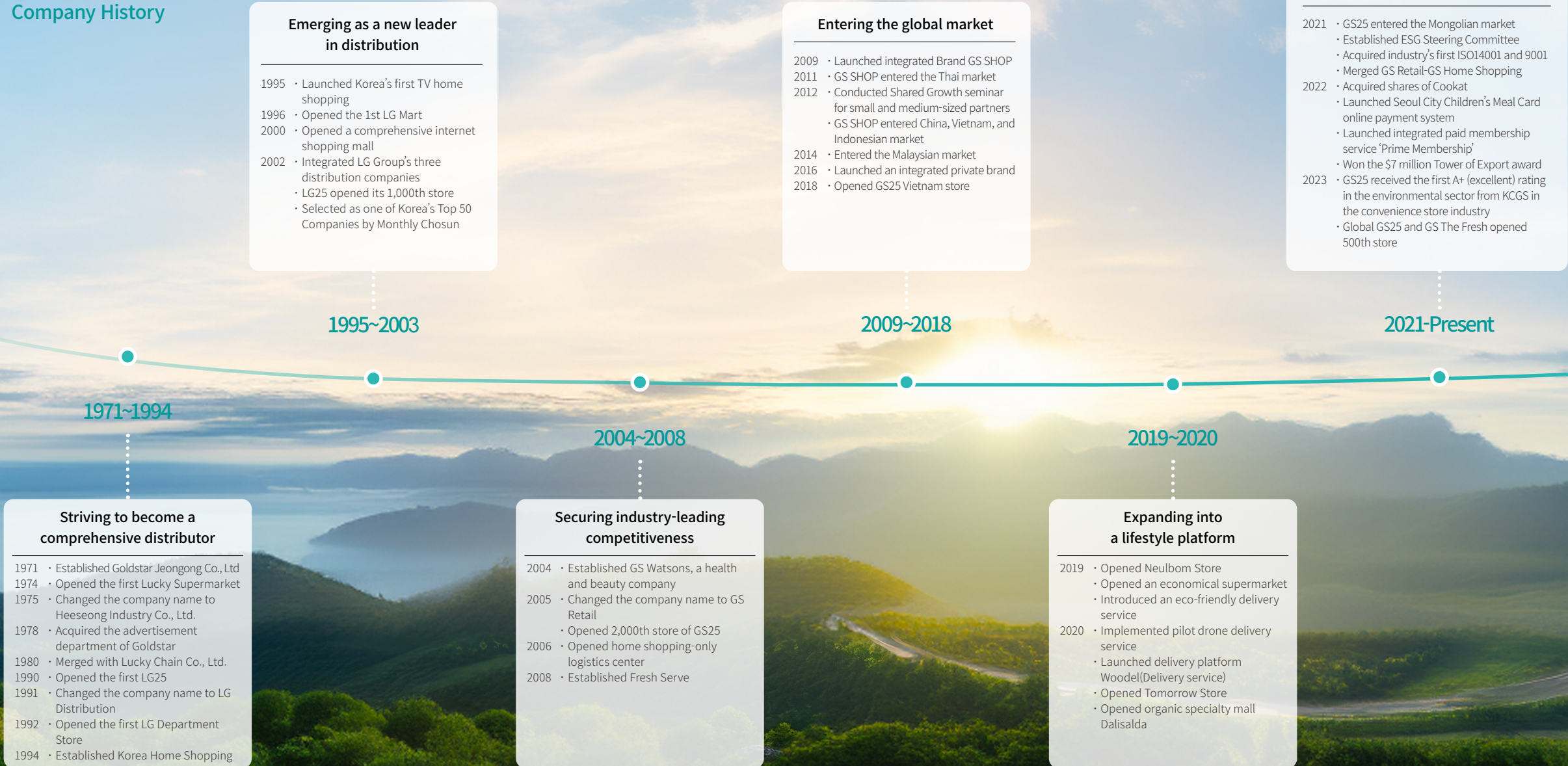
Financial Performance (Unit: KRW 100 million, as of 12.31.2023)

Sales	116,125
Operating profit	3,940



GS Retail at a Glance

Company History



1971~1994

Striving to become a comprehensive distributor

- 1971 · Established Goldstar Jeongong Co., Ltd
- 1974 · Opened the first Lucky Supermarket
- 1975 · Changed the company name to Heeseong Industry Co., Ltd.
- 1978 · Acquired the advertisement department of Goldstar
- 1980 · Merged with Lucky Chain Co., Ltd.
- 1990 · Opened the first LG25
- 1991 · Changed the company name to LG Distribution
- 1992 · Opened the first LG Department Store
- 1994 · Established Korea Home Shopping

1995~2003

Emerging as a new leader in distribution

- 1995 · Launched Korea's first TV home shopping
- 1996 · Opened the 1st LG Mart
- 2000 · Opened a comprehensive internet shopping mall
- 2002 · Integrated LG Group's three distribution companies
- LG25 opened its 1,000th store
- Selected as one of Korea's Top 50 Companies by Monthly Chosun

2004~2008

Securing industry-leading competitiveness

- 2004 · Established GS Watsons, a health and beauty company
- 2005 · Changed the company name to GS Retail
- Opened 2,000th store of GS25
- 2006 · Opened home shopping-only logistics center
- 2008 · Established Fresh Serve

2009~2018

Entering the global market

- 2009 · Launched integrated Brand GS SHOP
- 2011 · GS SHOP entered the Thai market
- 2012 · Conducted Shared Growth seminar for small and medium-sized partners
- GS SHOP entered China, Vietnam, and Indonesian market
- 2014 · Entered the Malaysian market
- 2016 · Launched an integrated private brand
- 2018 · Opened GS25 Vietnam store

2019~2020

Expanding into a lifestyle platform

- 2019 · Opened Neulbom Store
- Opened an economical supermarket
- Introduced an eco-friendly delivery service
- 2020 · Implemented pilot drone delivery service
- Launched delivery platform Woodel(Delivery service)
- Opened Tomorrow Store
- Opened organic specialty mall Dalisalida

2021~Present

Advancing toward an integrated online and offline platform

- 2021 · GS25 entered the Mongolian market
- Established ESG Steering Committee
- Acquired industry's first ISO14001 and 9001
- Merged GS Retail-GS Home Shopping
- 2022 · Acquired shares of Cookat
- Launched Seoul City Children's Meal Card online payment system
- Launched integrated paid membership service 'Prime Membership'
- Won the \$7 million Tower of Export award
- 2023 · GS25 received the first A+ (excellent) rating in the environmental sector from KCGS in the convenience store industry
- Global GS25 and GS The Fresh opened 500th store

GS Retail at a Glance

Global Network

Headquartered in Korea, GS Retail leverages advanced distribution expertise to manage local operations across Asian regions such as China, Vietnam, and Indonesia. We also support small and medium-sized businesses by facilitating export channels through joint ventures and other initiatives.

As of 12.31.2023

Type	Location	Note
GS25	Vietnam	Ho Chi Minh City and its suburbs / 244 stores
	Mongolia	Ulaanbaatar / 272 stores
GS THE FRESH	Indonesia	Jakarta / 9 stores
GS SHOP	HUMAI (China)	Joint venture with a license holder capable of conducting home shopping business in China
	TRUE GS (Thailand)	No. 1 business group in Thailand, with TRUE VISION, a shareholder of the joint venture, being the largest paid broadcasting operator

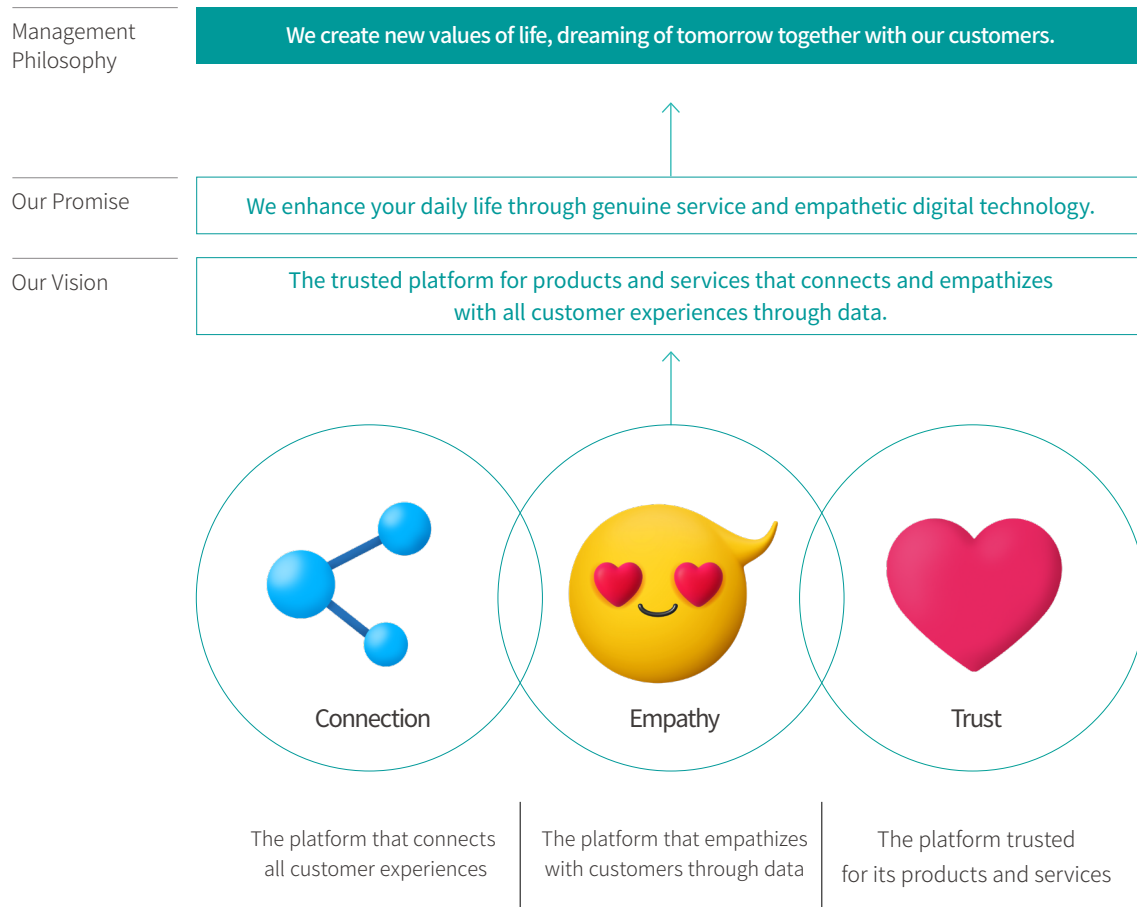


GS Retail at a Glance

Mission & Vision

Our Value System

We achieve innovation in data-driven distribution, offering best products and authentic services to build trust with our customers.



GS Value & GS Way

We aim to achieve exceptional customer satisfaction by embedding and practicing the GS Value and GS Way that all our members must embody.

GS Value	
<p>Fair</p> <p>We maintain fairness and contribute to society and the environment.</p>	<p>Friendly</p> <p>We recognize diversity and respect each other.</p>
<p>Fresh</p> <p>We encourage creativity and challenge, allowing the company and individuals grow together.</p>	<p>Fun</p> <p>We enjoy working in a flexible and autonomous environment.</p>

GS Way	
1 Customer first	All thoughts and decisions are based on the customer.
2 Leading the trend	We identify trends and make impact for customers.
3 Setting top-oriented goals	We pursue ambitious goals instead of settling for moderate compromises.
4 Data-driven decision making	We always seek evidence from data.
5 Quick judgment and execution	We make decisions and act quickly.
6 Active communication and collaboration	We start with communication and end with collaboration.
7 Improving inefficiency	We promptly address familiar inefficiencies.
8 Focus on the basics	We focus on the essence to get to the core.

Our Business

Business Overview and Major Achievements



GS25

GS25 is Korea's first local convenience store brand and has grown into Korea's favorite 'national convenience store' over the past 30 years. We fulfill our role as Korea's best convenience store by setting industry standards with 'differentiated products and services', fostering 'shared growth' through partnerships, and promoting mutually beneficial franchise management.

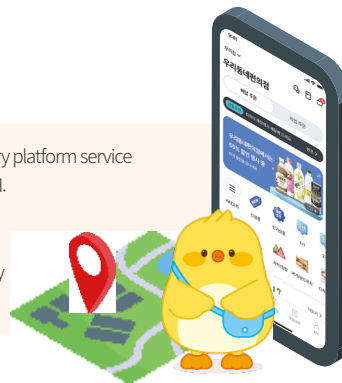
Key Achievements

- The first convenience store in Korea to exceed KRW 10 trillion in annual transaction volume
- Opened the 17,000th domestic store and 500th global store (in Vietnam and Mongolia)
- Achieved 'the best' shared growth index for the first time in the industry (2020-2021)
- Won first place in the 'Korean Customer Satisfaction Index(KCSI)' for 21 consecutive years and in the 'Korean Standard-Service Quality Index(KS-SQI)' 20 times
- Launched industry-leading PB products and brands such as YOUUS, CAFE25
- Grew Our GS app users to 2.8 million (MAU) and social media subscribers to 1.75 million
- Expanded O4O (Online for Offline) services, including delivery, WINE25+, and Half-price Delivery

We create O4O synergy by utilizing local delivery platforms with affiliates such as Our GS. We provide a delivery platform service that allows customers to quickly and conveniently order and pick up products from GS25 and GS THE FRESH.

Key Achievements

- Expanded third-party logistics (3PL) delivery for GS orders, beauty stores, franchise food, and flower delivery
- Enhanced O4O synergy through delivery/pick-up operations for 15,802¹⁾ offline stores nationwide



1) 15,371 convenience stores, 431 supermarkets

GS THE FRESH

We strive to be Korea's leader in freshness, taste, and service, always close to our customers' lives. We aim to offer a fast, convenient, and enjoyable shopping experience with friendly service.

Key Achievements

- Recorded sales of KRW 1,447,599 million
- Operated 431 supermarkets
- Enhanced customer accessibility by increasing the number of GS The Fresh franchise stores and offering order delivery and pickup services through Our GS
- Continued to launch customized products such as agricultural, livestock and fisheries products, dairy products, instant convenience foods, and 'Real Price' products
- Ranked first in the large supermarket category of the Korean Standard-Service Quality Index(KS-SQI) for eight consecutive years
- Signed an MOU for a pilot project involving private sector participation in the seafood traceability system
- Received the Ministry of Agriculture, 'Food and Rural Affairs Award' for collaboration with local governments and activation of policy funds through MOU

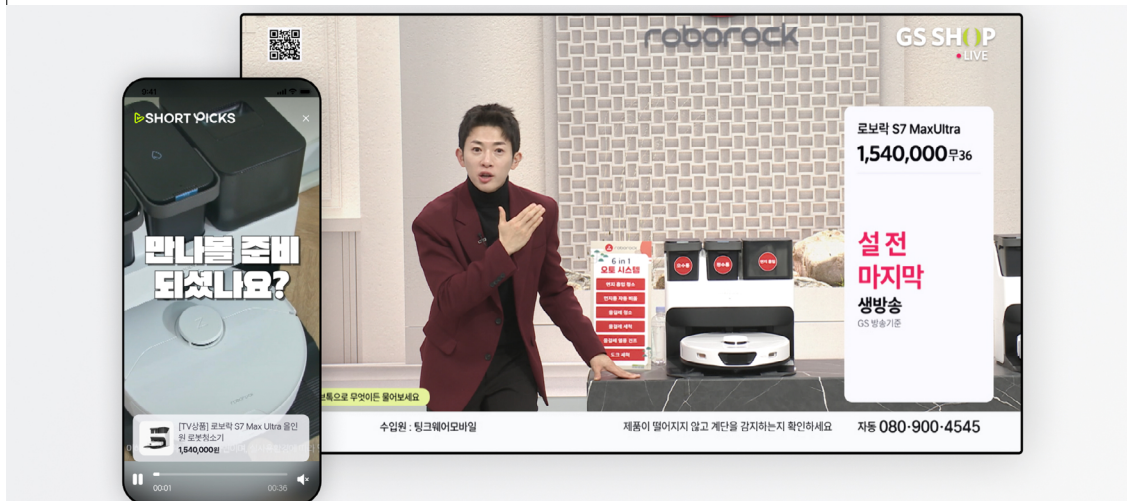


GS SHOP

GS SHOP is a comprehensive commerce platform that includes SHOP Live, a live TV home shopping channel that delivers product value through information and entertainment; GS MYSHOP, a curated data home shopping service that combines recorded broadcasts and VOD; and Shopyy Live, an interactive shopping service that connects with customers in real time. Additionally, it operates mobile commerce channels offering a wide variety of content and products. We provide differentiated, high-quality products ranging from exclusive fashion brands to premium home appliances and miscellaneous goods. We achieve high customer satisfaction by conducting activities tailored to customer needs based on data.

Key Achievements

- Sales: KRW 1,131,065 million
- Market share: 20.6%¹⁾
- Continued to develop unique brands and PBs, enhance direct purchasing, and nurture partners
- Operated differentiated customer experience platforms like live commerce
- Implemented customer lock-in and engagement activities
- Improved data-based sales activities and mobile shopping usability
- Continuously developed new content, such as short picks, and enhanced the mobile shopping experience through detailed content descriptions



Real Estate Development Business

We operate across various areas of real estate development and commercial facilities, handling development planning, project management/licensing, MD planning, asset management, and sales.

Our differentiated competitiveness is secured through our strategic partner network and our expertise in managing diverse commercial facilities.

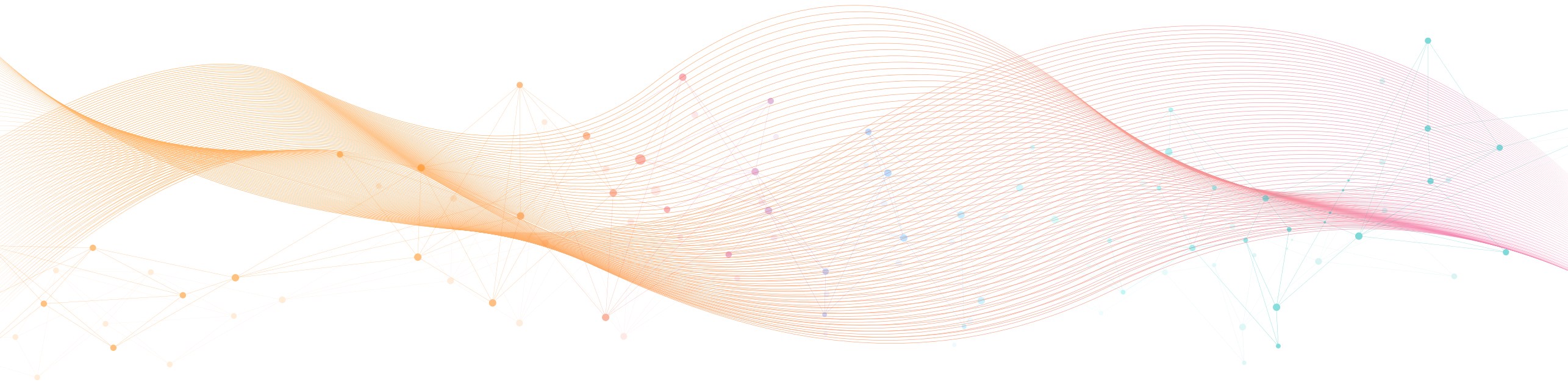
Key Achievements

- Sales: KRW 47,758 million
- Generated maximum investor profits through optimal asset sales strategies leveraging extensive experience across real estate development
- Executed comprehensive developments across logistics, hotels, residential, and data centers
- Ensured stable operational services by applying expertise in managing diverse commercial facilities including shopping malls, hospital commercial spaces, and subway retail areas

1) Based on internal estimated data of Korea On-Line Shopping Association (KOLSA)

SUSTAINABILITY STRATEGY

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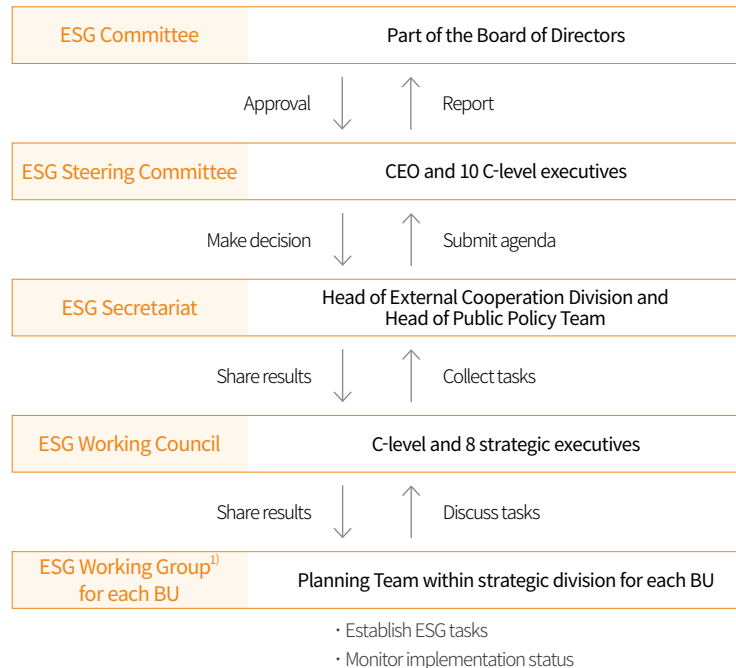


Our ESG Strategy

ESG Management System

Organizational Structure

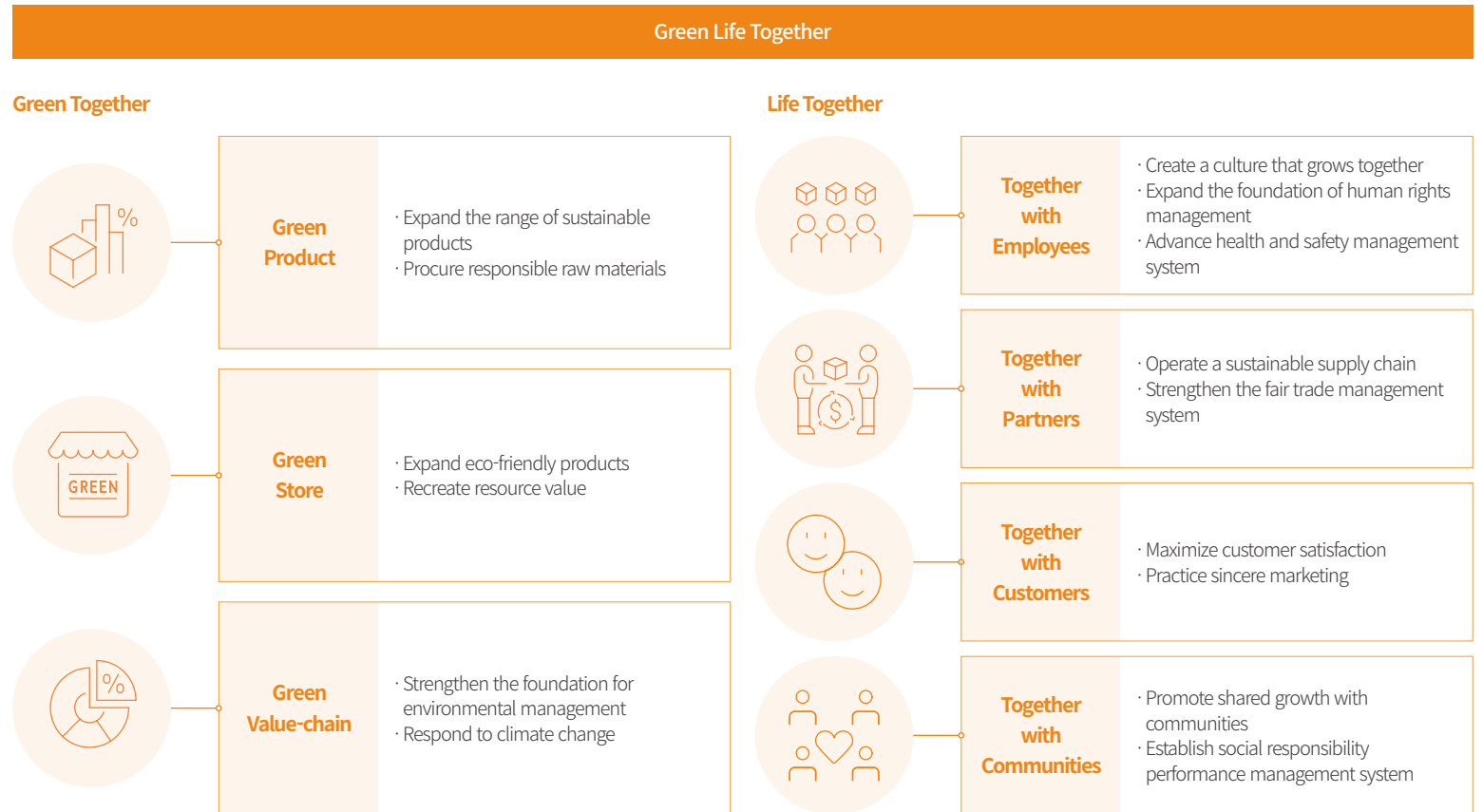
We promote effective ESG management through various organizational structures, including the ESG Committee, ESG Steering Committee, ESG Working Council, and ESG Research Group. The ESG Committee reviews company-wide ESG risks related to the environment, society, and governance, as well as the company's overall sustainability management. The ESG Steering Committee, led by the CEO, addresses major ESG status and issues. To ensure practical ESG management, we have an ESG Working Group consisting of relevant staff, while the Working Council reviews ESG tasks and discusses pertinent issues.



1) Self-directed working group

Mid to Long-term ESG Strategy

We established the “Green Life Together” ESG strategic system for sustainable management, selecting seven strategic tasks balanced between the two pillars of environment and society—Green Together, Life Together. These tasks are integrated into our management practices and are conducted annually, with regular assessment and improvement of detailed implementation tasks to ensure their effectiveness.



Our ESG Strategy

ESG Performance and Goals

We obtained an A grade for three consecutive years across all areas in the 2023 ESG evaluation by the Korea Institute of Corporate Governance and Sustainability (KCGS). This accomplishment reflects our commitment to ESG initiatives, driven by our ESG Working Group, which actively monitors, provides feedback on, and enhances outcomes through the ESG Working Council. We also enhance leadership by integrating ESG performance evaluations into the KPIs of C-level executives and all executives above division heads, linking them with incentives.

Strategy	Strategic Tasks	2023 Goals	2023 Performance	Mid to Long-Term Plan
Green Value-chain	Strengthen the foundation for environmental management	<ul style="list-style-type: none"> Establish a company-wide green logistics management system TCFD physical risk calculation 	<ul style="list-style-type: none"> Conducted an environmental campaign involving franchise owner, employees, and customers Calculation of loss rates based on physical risks of 212 supermarkets, convenience stores, 3 office buildings, and logistics centers located in a total of 17 administrative districts in Korea 	<ul style="list-style-type: none"> Continue promoting eco-friendly campaigns to improve awareness among internal and external stakeholders
	Respond to climate change	<ul style="list-style-type: none"> Reduce Scope 1&2 emissions intensity by 3% compared to 2022 Expand eco-friendly business initiatives 	<ul style="list-style-type: none"> Reduced Scope 1&2 emissions intensity by 13.9% compared to 2022 Enhanced Half-price Delivery and Our Woodel(Delivery service) Expanded eco-friendly logistics operations Reduced greenhouse gases by 4,536 tCO₂eq through the recovery and recycling of waste electronic products 	<ul style="list-style-type: none"> Reduce Scope 1&2 emissions intensity by 25% compared to 2022 (by 2030)
Green Product	Expand the range of sustainable products	<ul style="list-style-type: none"> Achieve eco-friendly sales of KRW 514 billion Achieve a 35.8% application rate of eco-friendly packaging materials Create a foundation for an eco-friendly consumer culture 	<ul style="list-style-type: none"> Achieved eco-friendly sales of KRW 521.8 billion Operated 232 SKUs of eco-friendly certified products Achieved a 39.1% application rate of eco-friendly packaging materials Supported suppliers in obtaining eco-label Participated in the Green Consumer Week campaign 	<ul style="list-style-type: none"> Expand the range of eco-labeled and low-carbon certified products Increase eco-friendly sales by approximately 5% per year on average
	Procure responsible raw materials	<ul style="list-style-type: none"> Develop socially responsible products 	<ul style="list-style-type: none"> Procured raw materials certified for animal welfare, GAP, antibiotic-free, seafood traceability, and Vegan standards, and achieved sales of approximately KRW 30 billion 	<ul style="list-style-type: none"> Expand socially responsible product lines using healthy food ingredients
Green Store	Expand eco-friendly stores	<ul style="list-style-type: none"> Expand SEMS installation Increase the number of stores installing refrigeration swing doors Reduce energy intensity by 3% compared to 2022 	<ul style="list-style-type: none"> Installed and expand a total of 14,994 SEMS¹⁾ units Operated 27 green stores Installed refrigeration swing doors at 38 locations Produced an annual 124,887 kWh of electricity through solar power facilities Reduced energy intensity by 12.3% compared to 2022 	<ul style="list-style-type: none"> Achieve 100% installation of SEMS Reduce energy intensity by 25% compared to 2022 (by 2030)
	Recreate resource value	<ul style="list-style-type: none"> Promote circular economy initiatives Reduce food and waste Reduce waste intensity by 3% compared to 2022 	<ul style="list-style-type: none"> Received the Minister of Environment Award for expanding waste electronic product recovery and recycling activities Offered a discount service at closing time at 14,284 stores Recycled 419 tons of waste synthetic resin and 284 tons of used cooking oil in 2023 Increased waste recycling by 5% compared to 2022 	<ul style="list-style-type: none"> Continue developing resource recycling activities Reduce waste intensity by 25% compared to 2022 (by 2030)

1) SEMS : Smart store Energy Management System

Our ESG Strategy

ESG Performance and Goals

Strategy	Strategic Tasks	2023 Goals	2023 Performance	Mid to Long-Term Plan
Together with Employees	Expand the foundation of human rights management	<ul style="list-style-type: none"> Internalize GS Way core values Implement systems and events to promote a DEI culture 	<ul style="list-style-type: none"> Conducted GS Way internalization training through voluntary participation of members Conducted DEI training such as DEI leadership and ZX link training for employees and committees 	<ul style="list-style-type: none"> Advance GS Value and Way Improve member behavior and establish a culture of human rights management
	Advance health and safety management system	<ul style="list-style-type: none"> Respond to the Serious Accidents Punishment Act Advance health and safety systems 	<ul style="list-style-type: none"> Held Occupational Health and Safety Committee meetings four times for each BU Conducted voluntary health and safety training for employees, including CPR training 	<ul style="list-style-type: none"> Reduce workplace safety accident rates by 30% compared to 2023 (by 2025-2026) Advance risk assessment Promote a safety culture through health and safety campaigns
Together with Partners	Operate a sustainable supply chain	<ul style="list-style-type: none"> Achieve a compliance rate of over 90% for new partner ESG implementation surveys Enhance the partner ESG assessment system Recognize excellent partners and provide benefits Assist partners in obtaining ISO 9001 and 14001 certifications and related trainings Improve the support system for franchise owners 	<ul style="list-style-type: none"> Inspected ESG progress in approximately 97% of new partners based on Home Shopping BU Established a supply chain ESG information sharing platform for the retail industry Supported overseas exports for 10 partners and domestic sales channels for 59 partners Assisted 10 partner companies in obtaining ISO 9001 and 14001 certifications Introduced a new incentive system and activate franchise owners' communication channels 	<ul style="list-style-type: none"> Implement an ESG due diligence system for partners
	Strengthen the fair trade management system	<ul style="list-style-type: none"> Enhance the management system for fair trade 	<ul style="list-style-type: none"> Acquired ISO 37301 certification Operated a compliance system and updated the compliance manual Conducted fair trade-related training tailored to each role Evaluated the effectiveness of training and establish improvement plans 	<ul style="list-style-type: none"> Improve employee awareness through regular fair trade training and effectiveness reviews Advance compliance responses
Together with Customers	Maximize customer satisfaction	<ul style="list-style-type: none"> Improve VOC handling rates Enhance the consultation system and customer chatbot Develop customized healthy and affordable food products 	<ul style="list-style-type: none"> Acquired CCM certification Developed VOC insights and improve VOC operating process Added automatic guidance steps within ARS and enhance customer convenience Developed a breakfast campaign and low-sodium products Ranked 1st in KS-SQI in convenience stores, supermarkets, and home shopping businesses 	<ul style="list-style-type: none"> Achieve a customer center response rate of over 90% Improve the consultation system and customer chatbot Provide quick answers to simple inquiries Improve response handling satisfaction Launch products in response to high inflation
	Practice sincere marketing	<ul style="list-style-type: none"> Expand marketing policies and training 	<ul style="list-style-type: none"> Monitored marketing policy implementation and expanded training for related departments 	<ul style="list-style-type: none"> Strengthen responsible marketing and risk training
	Improve information security	<ul style="list-style-type: none"> Strengthen PC and data protection systems 	<ul style="list-style-type: none"> Improved PC and media security Established a security governance strategy roadmap Promoted a user-centered data security culture 	<ul style="list-style-type: none"> Automate security controls Advance the information processing system certification
Together with Communities	Promote mutual growth with communities	<ul style="list-style-type: none"> Support the self-reliance of socially disadvantaged individuals Increase purchases of local specialties by 5% compared to the previous year Expand product development using local specialties 	<ul style="list-style-type: none"> Operated 105 Tomorrow Stores and 47 Senior Stores Increased purchases of local specialties by 7.5% compared to the previous year, reaching KRW 115 billion 	<ul style="list-style-type: none"> Expand social responsibility stores Support continuous development of local products and local revitalization

Sustainable Value Chain

Invested Capital and Resources

Financial and economic capital

(As of the end of December 2023)

Market capitalization	KRW 2.4137 trillion
Number of affiliates	15
Number of GS25 stores	17,390
Number of GS THE FRESH stores	431

Human capital

Number of employees (male/female)

Convenience stores	1,989 / 710
Supermarkets	974 / 1,713
Home shopping	437 / 387
Development, cross-functional and other	765 / 393

Social and relationship capital

CSR-related expenses	KRW 4.89 billion
----------------------	-------------------------

Natural and environmental capital

Eco-friendly certified products	232 SKU
Eco-friendly product purchase amount	KRW 14.25 billion

Business Activities



Value Creation

Financial and economic capital

Sales	KRW 11,612.5 billion
Operating profit	KRW 394 billion
Credit rating	Korea Ratings AA

Human capital

Training hours per employee	53 hours
Training expenses per person	KRW 1,276,000

Social and relationship capital

Number of employees volunteering	3,861
Recipient companies	72 companies

Natural and environmental capital

Eco-friendly sales	KRW 521.8 billion
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2023-2024 ESG Highlights

Assessing climate-related physical risks

Analysis Overview

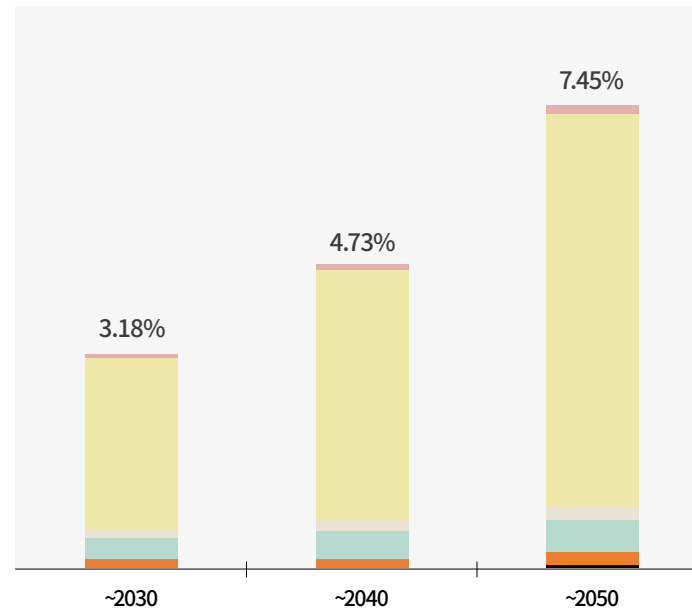
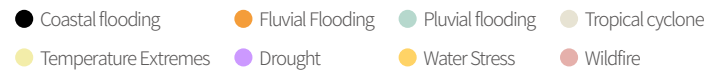
As physical risks from climate change increase, we analyzed potential loss rates for key assets and business sites nationwide to anticipate disaster factors and mitigate potential losses. Detailed analysis findings are outlined in the TCFD report.

Period	· 2020-2050
Method	· S&P Global’s Climonomics® Hazard modeling
Target	<ul style="list-style-type: none"> · 212 supermarkets and convenience stores located in 17 administrative divisions in Korea - High-sales¹⁾ business sites by administrative divisions: 105 stores - High-risk²⁾ business sites by administrative divisions: 107 stores · Headquarters - GS Tower, GS Gangseo Tower · Logistics centers - Gunpo Logistics Center
Natural Disaster Types	<ul style="list-style-type: none"> · Acute - Coastal Flooding, Fluvial Flooding, Pluvial Flooding, Tropical Cyclone · Chronic - Temperature Extremes, Drought, Water Stress, Wildfire
Scenario	<ul style="list-style-type: none"> · SSP1-2.6 Scenario · SSP5-8.5 Scenario

Scenario-Based Financial Impact Analysis Results of Physical Risks

Analysis of Loss Rates by Disaster Factors

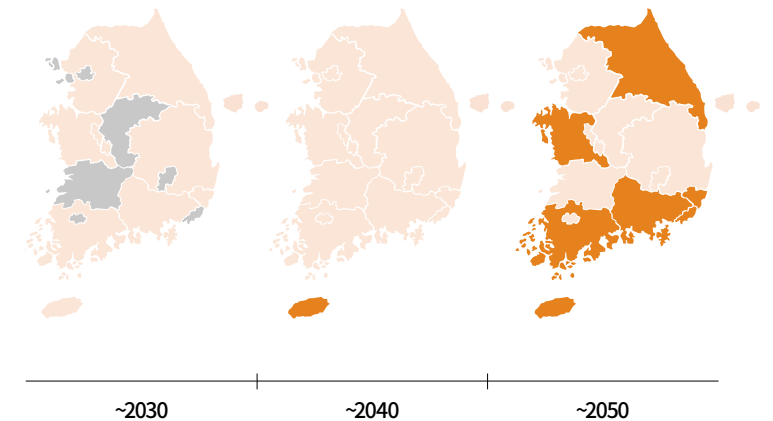
Based on the SSP5-8.5 scenario, the annual asset value loss rate is projected to increase continuously, reaching approximately 3.2% by 2030, 4.7% by 2040, and 7.5% by 2050. Our business sites were found to be primarily exposed to extreme temperatures and pluvial flooding.



Analysis of Loss Rates by Administrative Divisions

Based on the SSP5-8.5 scenario, excluding temperature extremes, an analysis of asset value loss rates due to 7 major natural disasters (coastal flood, pluvial flood, fluvial flood, tropical cyclone, drought, water stress, and wildfires) identified Jeju and Gangwon as high-risk areas among a total of 17 administrative regions. Due to the coastal locations of most of our business sites in Jeju, the asset value loss rate from tropical cyclones was calculated to be approximately 64.1 times higher than in Gangwon. In Gangwon, the asset value loss rate from wildfires was found to be up to approximately 13.2 times higher compared to Seoul.

Average annual asset loss rate: ● <0.33% ● 0.33-0.66% ● >0.66%

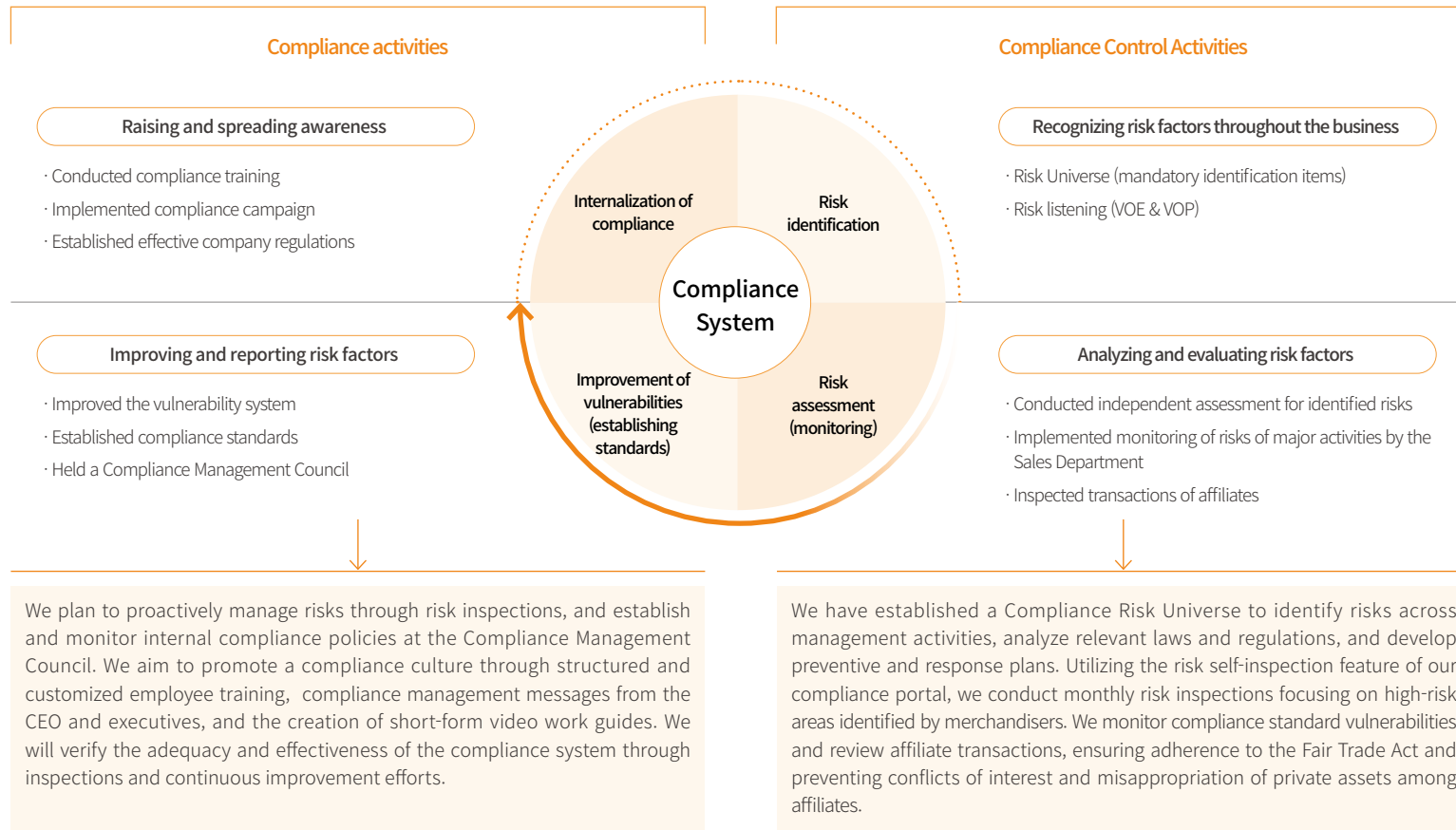


1) Business sites with high sales in each administrative district

2) Business sites prone to repeated damage in disasters or located in high-risk disaster areas

2023-2024 ESG Highlights

Enhancing Compliance Management



Obtaining ISO 37301 Certification

In December 2023, we achieved ISO 37301, the international standard for compliance management systems. We have reorganized regulations and manuals across our business, encompassing fair trade, food safety, personal information, human resources and labor, industrial safety, integrity management, and tax accounting. By establishing risk identification, preparing assessment tables, and implementing prevention and response processes, we have been recognized for our compliance with laws, regulations, and corporate social responsibilities (CSR) and a sustainable growth system.

Our Compliance Management Story

Interview with Jeongseop Kwon, Head of Compliance team



Q.
How are you working to strengthen compliance management?

To build trust with customers and ensure sustainable competitiveness, we have prioritized establishing a fair trade compliance system for our sales activities.

Q.
What is different about GS Retail's compliance management system?

As a comprehensive retail company, establishing a compliance system posed challenges due to the scale of our operations. However, we diligently developed a system that our members can effectively implement. Recognizing that effective compliance management starts with understanding and adherence by our members, we will ensure that our compliance team fulfills its role in integrating compliance into our organizational culture.

Q.
What are the future plans to expand compliance management?

Under the belief "If you master the fundamentals, you will find your path," we believe that the achievements built on fairness are resilient. All team members are committed to upholding the integrity established by our compliance system, striving to fully embed ESG management into our practices.

2023-2024 ESG Highlights

Mutual Sharing Platform

Senior Store

We operate **47** senior stores in partnership with the Korea Labor Force Development Institute for the Aged, aiming to create job opportunities for elderly individuals and fulfill our social responsibility. These stores provide productive welfare to enhance work motivation and support economic independence for seniors aged 60 and above. We also assist seniors who wish to open a convenience store by covering franchise fees and deposits. The sales generated at these Senior Stores cover labor costs and operational expenses, contributing to the well-being and active engagement of retirees through increased opportunities for social activities. Our commitment to these initiatives as a social enterprise has earned us recognition as a great place to work for seniors in Korea in 2023.

Q.

Why did you apply to the Senior Store, and how did you apply?

Manager Shin (72)

After retirement, while I was leading a quiet life of hiking in the mountains, I applied through an announcement on the website of the Incheon City Senior Human Resources Center.

Q.

How has your life changed since working here?

Manager Lee (61)

This opportunity gave me confidence and energy in life, providing a guaranteed retirement income and enabling me to participate in social activities.

Q.

What are your hopes for the future?

Manager Kang (69)

I hope that these types of jobs will continue to grow and become more prevalent in an aging society. Although we may learn at a slower pace, our passion is no less than that of younger generations.

"I find working to be very enjoyable and energizing, especially from interacting with people."



Goodwill Store

GS25 collaborates with the Miral Welfare Foundation's Goodwill Store to create jobs for persons with disabilities. We donate remaining products from closed GS25 stores to the Miral Welfare Foundation Goodwill Store, using the revenue from the sale of donated items to cover the wages of employees with disabilities.



Neulbom Store

GS Retail operates **5** Neulbom Stores, vocational training convenience stores for individuals with developmental disabilities, supporting their economic and social independence.



Youth Dream Store

GS Retail operates **4** Youth Dream Stores, providing individuals under 39 years old with opportunities to operate their own convenience store and gain management experience.



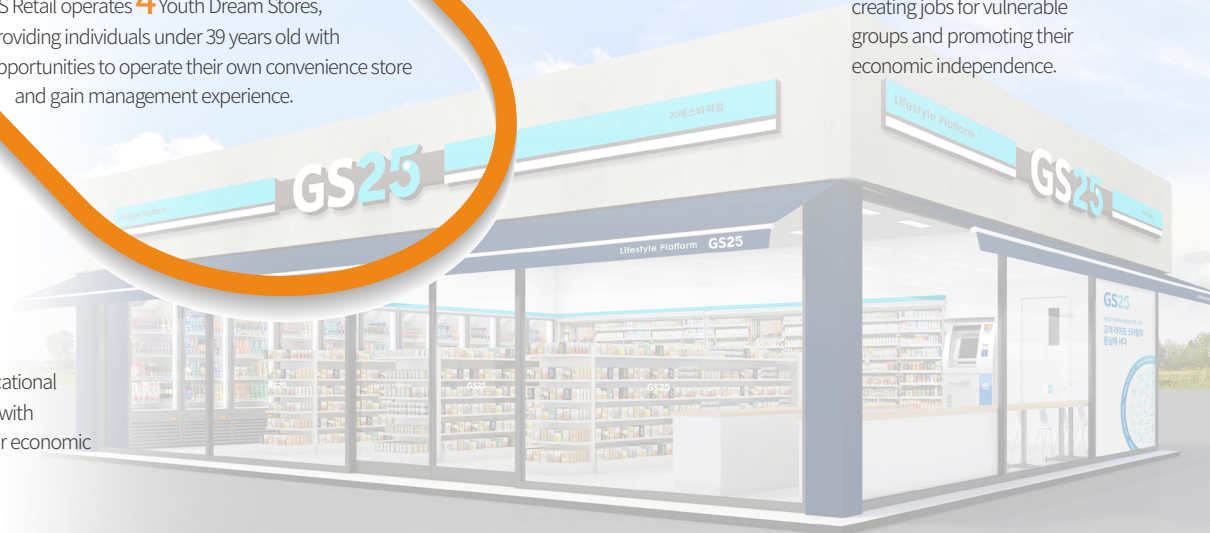
Tomorrow Store

GS THE FRESH and GS25 operate **105** Tomorrow Stores, employing vulnerable individuals from the community. We select workers from residents who participate in self-reliance projects, supporting initiatives such as starting their own stores.



Self-Reliance Convenience Store

GS Retail operates **22** self-reliance convenience stores, creating jobs for vulnerable groups and promoting their economic independence.

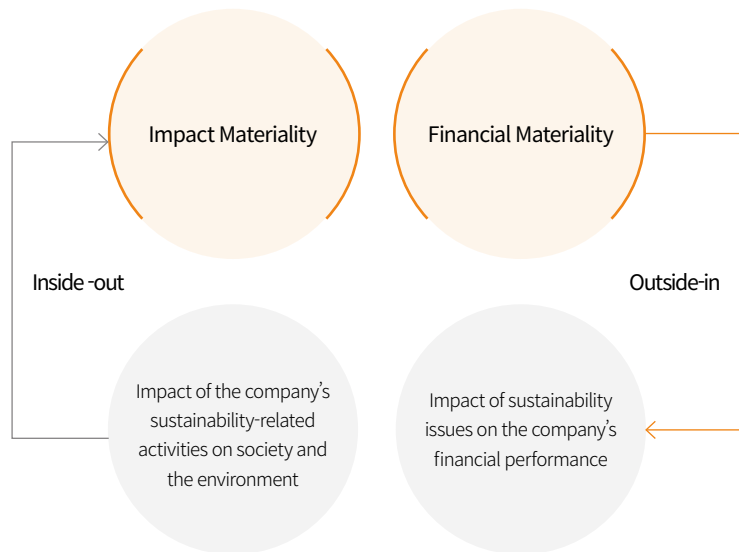


Double Materiality Assessment

We conduct a materiality assessment to identify sustainable business models that are highly relevant to the company and its stakeholders. From 33 ESG issues, we have selected eight that are significant for our sustainable business operations. We use the double materiality methodology to assess environmental, social, and financial impacts related to these selected ESG issues.

Environmental and social impacts, defined as the positive or negative effects a company has on the environment and society for each ESG issue, were evaluated based on their scale, scope, likelihood of occurrence, and correctability. Financial impact was defined as the positive or negative effect that each ESG issue has on the company's profits and costs, focusing on identifying potential impacts.

We intend to conduct an in-depth analysis of the material issues and impacts identified through the double materiality assessment, actively incorporating the results into our corporate management activities.



Assessment Process

STEP 1 Identify issues

→

STEP 2 Conduct double materiality assessment

→

STEP 3 Select and disclose material issues

Form a pool of issues

A pool of 33 issues was selected through a review of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB).

Select material issues

Eight material issues were selected by reviewing both internal and external factors surrounding the company from the pool of 33 issues.

External environment analysis	<ul style="list-style-type: none"> Global initiatives (KCGS, SASB, MSCI) Media research (Analysis of 4,645 related articles) Industry benchmarking (Selected from 8 companies in the industry)
Internal environment analysis	<ul style="list-style-type: none"> ESG strategic tasks Internal Focus Areas

Identify the impact of material issues

Impact for eight material issues was identified by considering GS Retail's value chain and major stakeholders (employees, customers, shareholders, partners, communities, government, etc.).

Assess the identified impact

Environmental, social, and financial impacts were assessed through stakeholder surveys to evaluate the scale, scope, recoverability, and likelihood of occurrence for each type of impact.

Impact analysis	<ul style="list-style-type: none"> · Policy and law · Corporate activities · Media research · Similar instances in the industry
Impact assessment	Stakeholder survey (targeted at 127 individuals including customers, franchise owners, employees, partners, NGOs, associations, academia, etc.)

Calculate the overall scores

Comprehensive evaluation was conducted to assess the environmental, social, and financial impacts of these issues, prioritizing them based on significance.

Material Issues

E	Eco-friendly products and services
E	Response to climate change
E	Waste reduction and resource recycling
S	Safe and responsible products
S	Human rights and diversity
S	Safe working environment
S	Sustainable supply chain management and support
G	Compliance management

Double Materiality Assessment

Impact Table

+ Positive - Negative ●●● High ●●○ Medium ●○○ Low

	Material Issues	Impacts	Attribute	Social and Environmental Impact	Financial Impact	Result
E	Eco-friendly products and services	Spread eco-friendly consumption culture by expanding eco-friendly products	+	●○○	●●○	●●○
		Preserve the environment through the use of eco-friendly packaging materials	+	●●○	●●○	●●○
	Response to climate change	Mitigate climate change through greenhouse gas emission reduction activities	+	●●●	●●○	●●○
		Lead to a decline in corporate image and brand value due to inadequate activities addressing climate change	-	●○○	●○○	●○○
	Waste reduction and resource recycling	Reduce waste through the expansion of resource recycling	+	●●○	●○○	●●○
		Decrease food waste	+	●○○	●○○	●○○
S	Safe and responsible products	Improve community health through product development that considers customer health	+	●●○	●●●	●●●
		Inflict negative effects on customer health and safety due to product defects	-	●○○	●●○	●●○
	Human rights and diversity	Cause stakeholder human rights violations due to poor human rights risk management	-	●●●	●●○	●●●
	Safe working environment	Enhance work efficiency and job satisfaction by creating a safe working environment	+	●●●	●●○	●●●
		Lead to a decline in corporate brand value due to inadequate response to safety incidents	-	●●○	●●○	●●○
	Sustainable supply chain management and support	Enhance customer satisfaction by improving the quality of franchise customer service through the franchise support system	+	●●○	●●●	●●●
G	Compliance management	Operate a fair trade program and establish a compliance system	+	●●●	●●○	●●●
		Decrease stakeholder trust due to violations of regulations	-	●●●	●●○	●●●

Double Materiality Assessment

Management Approach

Material Issue	Definition	Reason for Selection	Management Plan	Page
Eco-friendly products and services	Expanding environmentally certified products by developing eco-friendly packaging materials and introducing eco-friendly raw materials (organic, antibiotic-free agricultural and fisheries products, etc.)	Market demand and consumer interest in sustainable products are growing, and regulations on sustainability, including the reduction of plastic use in packaging materials, are being implemented	<ul style="list-style-type: none"> · Introduce eco-friendly materials, packaging, and raw materials · Establish an effective eco-friendly product management DB and merchandiser system · Expand eco-label and low-carbon certified products 	45-47
Response to climate change	Establishing a response strategy based on analysis of business risks and opportunities caused by climate change, and minimizing the impact on the climate by using renewable energy and greenhouse gas management activities within the value chain	The role of companies in mitigating climate change is strengthening globally, requiring responses to stakeholder demands and strengthened regulations	<ul style="list-style-type: none"> · Establish an environmental management control tower and operate an Environmental Management Assessment Committee · Establish a greenhouse gas inventory · Implement Woodel(Delivery service) · Utilize SEMS and eco-friendly refrigerants 	17, 24-35, 38, 40-43, 47-50
Waste reduction and resource recycling	Minimizing the impact on the natural environment through appropriate treatment of waste and establishing a circular economy for resource recycling	The significance of transitioning to a circular economy is emerging, and adopting waste treatment and embracing a circular economy of resources is essential due to the nature of the retail industry	<ul style="list-style-type: none"> · Sign an E-Cycle Governance business agreement for recycling electronics · Operate a recycle center · Recycle waste synthetic resin 	41, 47-48, 50-51
Safe and responsible products	Maximizing customer satisfaction by developing safe and healthy food, improving product quality and safety, and providing differentiated customer experiences	Improving awareness of convenience store food quality and fulfilling social responsibility as a consumer goods company to enhance public health is necessary	<ul style="list-style-type: none"> · Launch meal kits and PB products to secure product diversity · Implement seafood radiation testing and develop low-sodium products · Operate customer journey guidance and panel diagnosis program 	72-76, 79-81
Human rights and diversity	Preventing violations of basic rights of stakeholders, creating working conditions that respect human rights, and ensuring diversity in terms of race, gender, and religion	Various standards, evaluations, and reporting guidelines related to human rights due diligence are intensifying, and companies must contribute to establishing a stable employment market and enhancing corporate competitiveness by promoting diversity among organizational members	<ul style="list-style-type: none"> · Operate a DEI committee · Conduct human rights impact assessment · Conduct an organizational culture survey 	55, 58-60
Safe working environment	Create a healthy work environment and manage risk factors to create a safe workplace	As regulations and societal emphasis on occupational health and safety, including the enforcement of the Serious Accidents Punishment Act and the Occupational Safety and Health Act, intensify, effective management becomes necessary due to the company's compliance obligations	<ul style="list-style-type: none"> · Operate counseling program · Conduct health and safety audit and training · Appoint CSO and form Occupational Health and Safety Committee · Implement risk assessment and mitigation measures for each business site 	61-63
Sustainable supply chain management and support	Promoting shared growth with partners and franchise owners and operate a system to improve the level of ESG risk management of partners	Given the nature of the retail industry's partnerships, fostering mutual growth with partners and internalizing ESG principles throughout the value chain are essential for sustainable management	<ul style="list-style-type: none"> · Support partners in acquiring ISO certifications and establish a code of conduct for partners · Expand partner training programs · Provide domestic and overseas sales channels for partners 	64-69
Compliance management	Ensuring fair trade in the supply chain and compliance with global laws related to overall business areas	Adapting to compliance regulations due to the strengthening of fair trade regulations, such as the Fair Transactions In Subcontracting Act in Large Retail Business, is necessary	<ul style="list-style-type: none"> · Strengthen compliance management systems through ISO 37301 certification · Establish Compliance Management Council · Update fair trade compliance manual · Strengthen fair trade training and monitoring 	18, 70-71, 93

Stakeholder Engagement

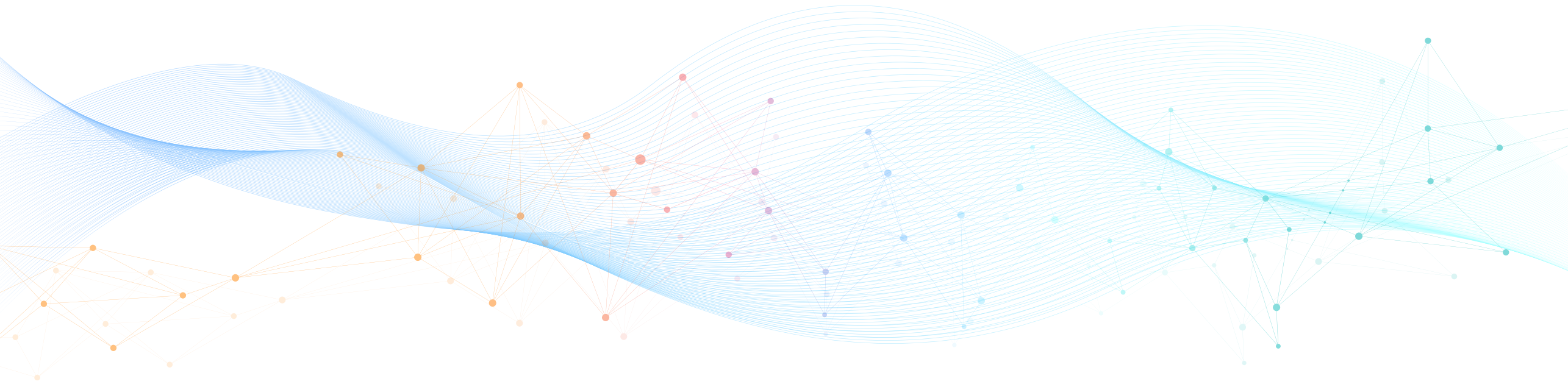
Stakeholder Communication

We manage communication issues for our stakeholders, including employees, customers, franchise owners / franchisee, partners, local communities, shareholders, and government agencies. We collect opinions from stakeholders and actively share our major plans and activities through various communication channels. We plan to further incorporate stakeholders' opinions into our mid to long-term strategy.

	Employees	Customers	Franchise Owners	Partners	Community, government, and NGO meetings	Shareholders
Channels	<ul style="list-style-type: none"> · Untact anonymous channels Talk to the CEO, Red Whistle, "Dongsu, Ari", etc. · In-person channels Town hall meetings, Labor Council, Mokkoji events, vision meetings, Hanmaum Sharing Meeting, etc. 	<ul style="list-style-type: none"> · Untact channels Customer satisfaction surveys and participatory events, website and social media channels (YouTube, Instagram, Zepeto), VOC insights and Talk to the CEO, customer chatbot and mobile/PC one-on-one help center, customer meetings (online interviews), customer opinion research · In-person channels Customer advisory group 	<ul style="list-style-type: none"> · Untact channels Digital work log, Store Manager Talk Talk, Kakao Talk Plus Friend · GS25 Chatbot Genie (communication platform with franchise owners and store managers), franchise owner magazine · In-person channels Franchise Owners' Open Academy, Store Management Council, Development Committee, Dispute Mediation Committee 	<ul style="list-style-type: none"> · Untact channels Talk to the CEO, Red Whistle, Ethical Management Hotline, Voice of Integrity Management and Voice of Partners · In-person channels Advisory committee, meeting, listening tour, partner award ceremony 	<ul style="list-style-type: none"> · Collect community complaints · Local government and regional government office council · Mutual growth meeting, ESG meeting, Euljiro Committee, etc. 	<ul style="list-style-type: none"> · Director of Shareholder Communication · General Shareholders' Meeting · IR disclosure (corporate website, DART)
Contents	<ul style="list-style-type: none"> · Enhance mutual understanding through active communication · Establish a horizontal organizational culture through the free expression of opinions · Protect employee rights · Implement fair evaluation and compensation · Ensure work-life balance · Create a happy and safe workplace 	<ul style="list-style-type: none"> · Listen to customer opinions and promptly handle complaints · Deliver customer suggestions/inquiries to relevant departments and confirm responses · Identify issues related to major submissions and provide insights · Investigate and report results for internal and external reporting on violations of organizational values and unfairness cases, workplace bullying, and sexual harassment · Provide responsible products and services · Understand customers' needs and implement relatable marketing 	<ul style="list-style-type: none"> · Promote continuous shared growth · Offer competitive products and services · Implement practical store support · Improve grievances through communication · Contribute to improving self-esteem through the selection of excellent franchise owners 	<ul style="list-style-type: none"> · Generate shared growth value · Foster a culture of fair trade · Promote sustainable technologies, strengthen and support capabilities such as market development 	<ul style="list-style-type: none"> · Revitalize the local economy · Reduce local environmental impact and engage in social responsibility activities (shared growth and win-win, etc.) 	<ul style="list-style-type: none"> · Maximize management performance and shareholder value · Operate an ethical and sustainable governance structure · Implement ethical management and integrated risk management

TCFD REPORT

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Governance

Climate Action Organization

Role of the Board of Directors

As the highest decision-making body overseeing overall company management issues, the Board of Directors supervises climate activities based on related goals and performance, including climate strategies, investments, and detailed tasks. To strengthen the company's governance capacity to respond to climate change, we have established an ESG Committee within the board, comprised of three outside directors and one non-executive director, to discuss major ESG-related decisions, including climate change.

ESG Committee

In 2023, the ESG Committee met four times to review ESG strategies and action plans on issues such as climate change, and to monitor performance. We report the risk management status, performance, and future plans to the Board of Directors to ensure that climate issues are reflected in the Board's decision-making and risk management system.

ESG Committee and the Board Status

Date	Details
Feb 8	2022 CSR project outcomes and 2023 plan Approval of 2023 ESG strategic implementation plan
Mar 8	Approval of 2022 Environmental Management Assessment Committee performance and 2023 plan Approval of CSR projects
2023	Approval of 2023 Environmental Management Assessment Committee performance and H2 plan
	Aug 10 Report on H1 performance and H2 plan Report on H1 risk management status Approval of 2023 ESG operation results and ESG materiality assessment
	Dec 21 Approval of the appointment of compliance manager Approval of CSR projects Approval of 2023 ESG operation results and ESG materiality assessment

Role of the Management

Responsible for making final decisions for all corporate activities, including those addressing climate change, the CEO discusses the status and issues of environmental management activities through the quarterly ESG Steering Committee and makes strategic policies and decisions related to climate change. We further strengthen environmental management activities by incorporating environmental evaluation grades and greenhouse gas reduction achievements into the KPIs of C-level executives.

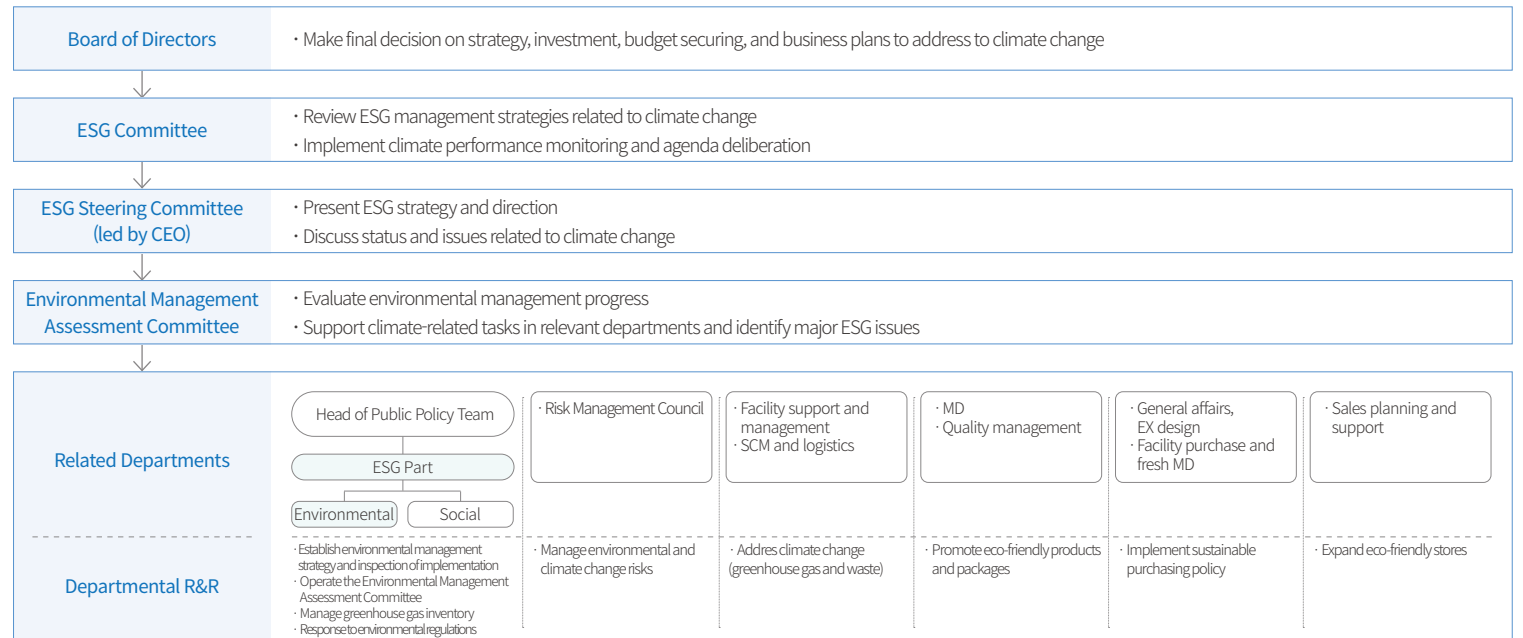
ESG Steering Committee

We established an ESG Steering Committee led by the CEO to present ESG directions linked to key executives and management strategies, and discuss issues through regular quarterly meetings.

Environmental Management Assessment Committee

The Environmental Management Assessment Committee examines the status of environmental management activities and reports the progress to the ESG Steering Committee and ESG Committee.

Environmental Management Organization



Strategy

Risk and Opportunity Assessment

Identifying a pool of risks and opportunities

We reviewed the climate information disclosure status of companies in the industry according to the risk and opportunity classification of the TCFD recommendations and formed a pool of climate factors expected to significantly impact the retailing business. The pool comprises a total of 21 factors, including 2 physical risks (chronic, acute), 9 transition risks (policy and law, technology, market, reputation), and 10 opportunities (resource efficiency, energy sources, products and services).

Conducting a materiality assessment

We conducted a materiality assessment based on the impact and likelihood of occurrence of climate-related risks and opportunities. Impact refers to each factor's effect on our value chain and business divisions. Likelihood of occurrence was assessed by comprehensively considering each factor's possibility identified through climate modeling tools and industry disclosure status for physical risks. For transition risks and opportunity factors, we reviewed prospects for introducing laws related to each factor and industry disclosure status.

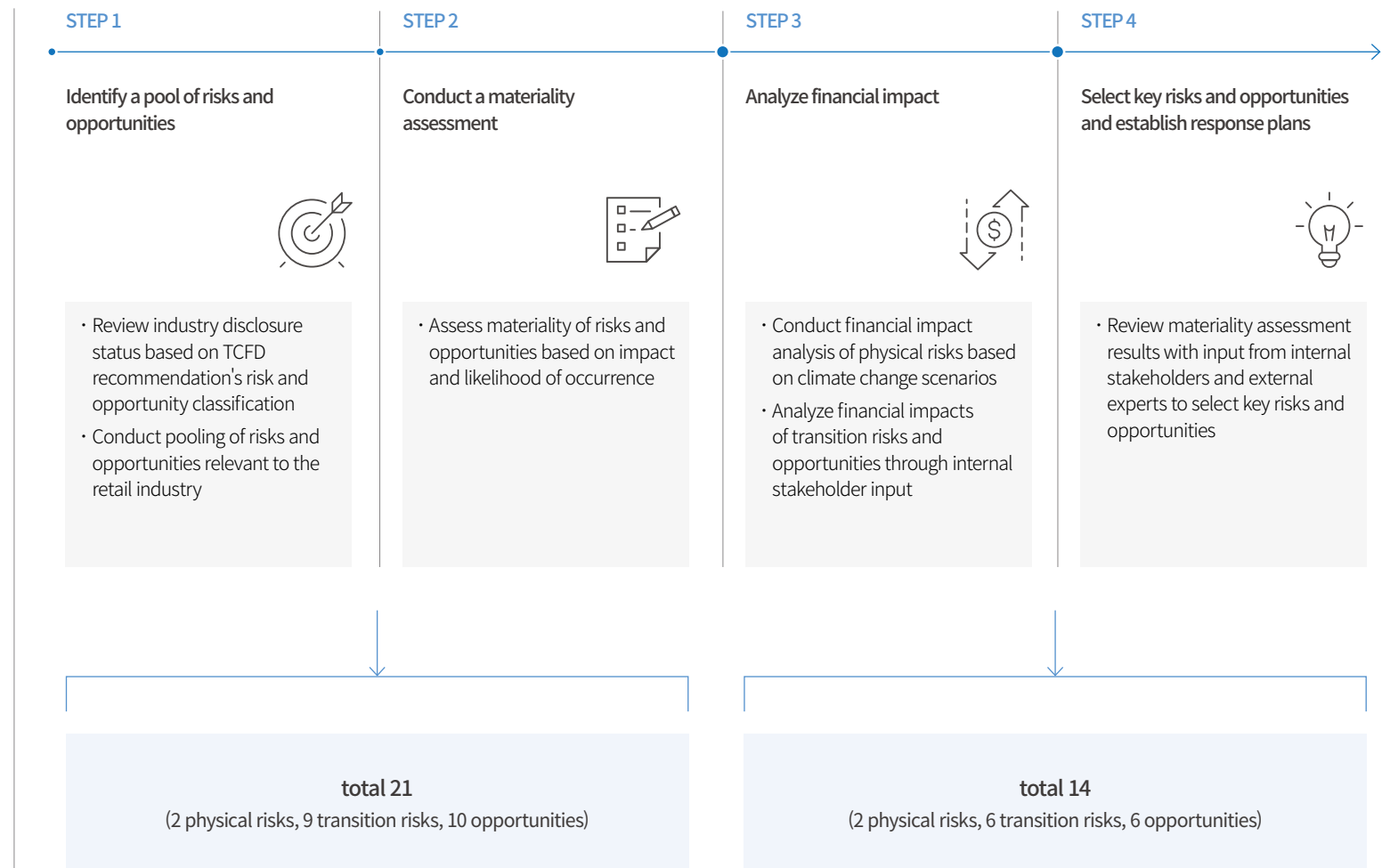
Analyzing financial impact

We performed qualitative analysis of the potential impact of all climate-related risks and opportunities on our business. Additional quantitative analysis was conducted on three factors: PR1. Acute natural disasters and extreme weather events, PR2. Changes in precipitation and weather patterns, and TR1. Increase in greenhouse gas emissions prices. We plan to gradually expand the factors subject to quantitative analysis and ultimately apply them to all factors.

Selecting Key Risks and Opportunities and Establishing Response Plans

After reviewing and ranking the results of the materiality assessment, we selected a total of 14 factors (2 physical risks, 6 transition risks, 6 opportunities) expected to have a significant impact on our business. To proactively respond to key risks and opportunities, we have established a response strategy linked to our ESG strategies—Green Product, Green Store, and Green Value Chain—aimed at enhancing the organization's resilience to climate change.

Identification and Assessment Process for Climate-related Risks and Opportunities



Strategy

Risk and Opportunity Assessment

Scenario-Based Financial Impact Analysis Results of Physical Risks

We evaluated the financial impact of climate-related physical risks on our business using three climate change scenarios from S&P Climanomics® Hazard Modeling. We focused on 215 business sites located in Korea and calculated the expected asset value loss rate based on the occurrence of eight key natural disasters (coastal flood, fluvial flood, pluvial flood, tropical cyclone, temperature extremes, drought, water stress, and wildfire) for each 10-year interval from 2020 to 2050.

Financial Impact Analysis of Physical Risks Overview

Natural disasters subject to analysis	8 natural disasters (4 acute, 4 chronic)				
	<table border="1"> <tr> <td>Acute</td> <td>• Coastal Flood, Fluvial Flood, Pluvial Flood, Tropical Cyclone</td> </tr> <tr> <td>Chronic</td> <td>• Temperature Extremes, Drought, Water Stress, Wildfire</td> </tr> </table>	Acute	• Coastal Flood, Fluvial Flood, Pluvial Flood, Tropical Cyclone	Chronic	• Temperature Extremes, Drought, Water Stress, Wildfire
Acute	• Coastal Flood, Fluvial Flood, Pluvial Flood, Tropical Cyclone				
Chronic	• Temperature Extremes, Drought, Water Stress, Wildfire				
Target	215 business sites located in all 17 administrative districts in Korea (High-sales sites (105), high-risk sites (107), headquarters (2), logistics centers (1) by administrative districts) - When selecting a business site in a high-risk area, additional consideration was given to factors such as the level of damage, including the frequency of natural disaster occurrences, the expected level of damage, and the depth of flooding.				
Period	2020-2100 (risk analysis for each 10 year interval; risk analysis results for 2020 to 2050 are disclosed)				
Climate Change Scenario Analysis	Four SSP scenarios ²⁾ presented in the IPCC ¹⁾ Sixth Assessment Report applied				

Scenario	Average global temperature increase by 2100 ³⁾	Details	Assumption
SSP1-2.6	1.8°C	<ul style="list-style-type: none"> • Low emissions scenario • Align with the goal of reaching Net-Zero greenhouse gas emissions by 2050 and the Paris Agreement to limit global average temperature increase by 2100 	<ul style="list-style-type: none"> • Minimization of fossil fuel use through development of renewable energy technology • Eco-friendly and sustainable economic growth
SSP2-4.5	2.7°C	<ul style="list-style-type: none"> • Medium emissions scenario • Maintain greenhouse gas emissions at the current level until 2050, then reduce emissions until 2100 	<ul style="list-style-type: none"> • Moderate climate change mitigation and socioeconomic development
SSP3-7.0	3.6°C	<ul style="list-style-type: none"> • Scenario where emissions is higher than medium but lower than high emissions scenario • Greenhouse gas emissions doubled by 2100 compared to the current level 	<ul style="list-style-type: none"> • Passive climate change mitigation policies and slow development of industrial technology
SSP5-8.5	4.4°C	<ul style="list-style-type: none"> • High emissions scenario • Greenhouse gas emissions increased three times by 2050 compared to the current level 	<ul style="list-style-type: none"> • Heavy reliance on fossil fuels for rapid industrial growth and extensive urban development

1) Intergovernmental Panel on Climate Change

2) Shared Socioeconomic Pathway

3) Increase compared to pre-industrialization (1850-1900)

Strategy

Risk and Opportunity Assessment

Scenario-Based Financial Impact Analysis Results of Physical Risks

Analysis results of asset loss rate for 8 major natural disasters

We analyzed asset loss rates at key business locations by categorizing them into eight types of natural disasters(hazards). From the analysis, we identified pluvial flooding of acute risks and temperature extreme of chronic risks as key risks that could result in financial losses. These losses may stem from higher expenses related to restoring and cleaning workplaces and facilities after disasters, as well as disruptions to business operations and decreased employee productivity. Understanding the importance of proactive measures to minimize storm and flood damage, our convenience stores implement risk prevention activities. We regularly monitor storm and flood forecasts every three months and prepare energy-saving or safety accident prevention plans at local Point of sales (POS), which are documented officially in case of an anticipated risk of storm or flood damage.

SSP1-2.6 – Low Emissions Scenario

Average annual asset loss rate ● 0% ● ~0.1% ● ~2.0% ● ~5.0% ● >5%

Natural Disasters(Hazards)		By 2030	By 2040	By 2050
Acute	Coastal Flood	~0.1%	~0.1%	~0.1%
	Fluvial Flood	~0.1%	~0.1%	~0.1%
	Pluvial Flood	~2.0%	~2.0%	~2.0%
	Tropical Cyclone	~0.1%	~0.1%	~0.1%
Chronic	Temperature Extremes	~5.0%	~5.0%	~5.0%
	Drought	~0.1%	~0.1%	~0.1%
	Water Stress	~0.1%	~0.1%	~0.1%
	Wildfire	~0.1%	~0.1%	~0.1%

For acute risks, the asset loss rate from each natural disaster, excluding pluvial flooding, is projected to remain below 0.1%, with minimal expected changes in the mid to long term. Chronic risks such as drought, water stress, and wildfires are anticipated to maintain a loss rate below 0.05% throughout the entire period, showing no significant variations. Temperature extremes are expected to cause the greatest losses over the entire period, with the asset loss rate projected to gradually increase to 2.9% in the short term, 3.5% in the medium term, and 4.5% in the long term.

SSP5-8.5 – High Emissions Scenario

Average annual asset loss rate ● 0% ● ~0.1% ● ~2.0% ● ~5.0% ● >5%

Natural Disasters(Hazards)		By 2030	By 2040	By 2050
Acute	Coastal Flood	~0.1%	~0.1%	~0.1%
	Fluvial Flood	~0.1%	~0.1%	~0.1%
	Pluvial Flood	~2.0%	~2.0%	~2.0%
	Tropical Cyclone	~0.1%	~0.1%	~0.1%
Chronic	Temperature Extremes	~5.0%	~5.0%	>5%
	Drought	~0.1%	~0.1%	~0.1%
	Water Stress	~0.1%	~0.1%	~0.1%
	Wildfire	~0.1%	~0.1%	~0.1%

For acute risks, the asset loss rate for temperature extremes is projected to be the highest, mirroring the SSP1-26 scenario, with rates expected to exceed 2% throughout the entire period. Meanwhile, the loss rate due to disaster factors other than temperature extremes is expected to remain below 1%, similar to the low-emissions scenario, without significantly impacting our asset losses.

Strategy

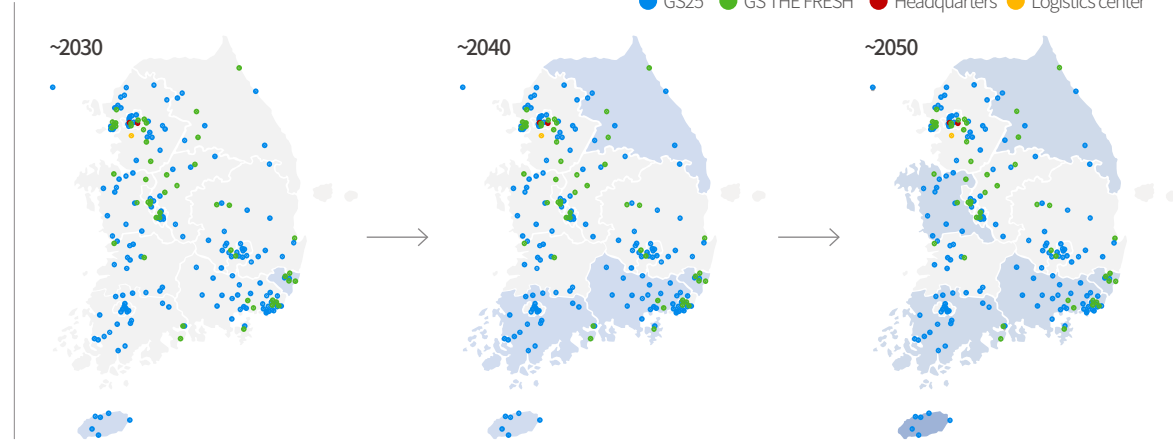
Risk and Opportunity Assessment

Scenario-Based Financial Impact Analysis Results of Physical Risks

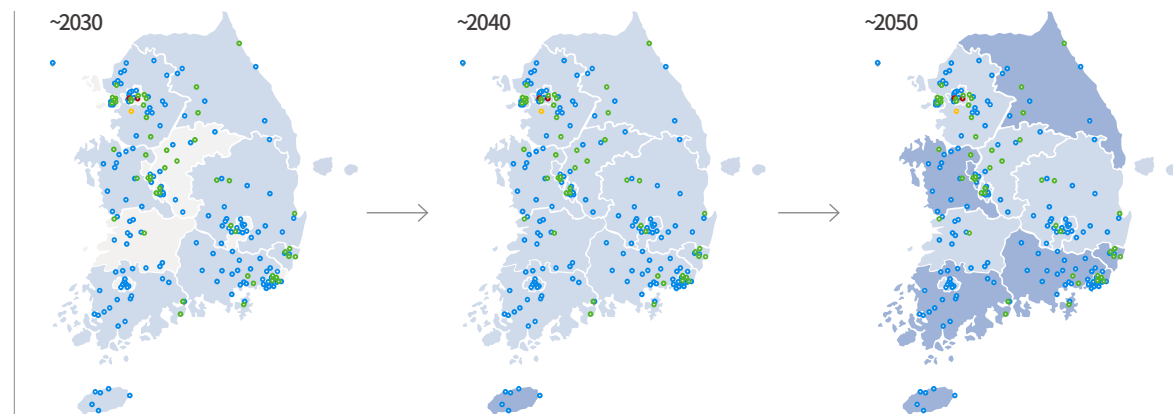
Case Study Analysis results of asset loss rate for 17 administrative districts and business sites

SSP1-2.6 – Low Emissions Scenario

Average annual asset loss rate ● <0.33% ● 0.33~0.66% ● >0.66%
 ● GS25 ● GS THE FRESH ● Headquarters ● Logistics center



SSP5-8.5 – High Emissions Scenario



To identify areas vulnerable to physical risks and develop management measures, we calculated the asset loss rate for 17 administrative districts based on the asset loss rate for each major business site. The analysis considered seven major natural disasters that pose direct physical risks: coastal flooding, pluvial flooding, fluvial flooding, tropical cyclones, drought, water stress, and wildfires. Extreme temperatures were classified as an indirect disaster that amplifies other natural disasters when combined with various climate phenomena, and its impact was excluded from the analysis to clearly understand the direct loss rate due to the natural disasters.

Loss rates due to pluvial flooding, tropical cyclones, and wildfires were consistently identified in both the SSP1-2.6 and SSP5-8.5 scenarios nationwide. In the SSP5-8.5 scenario, the loss rate due to coastal flooding, fluvial flooding, drought, water stress, and wildfires is expected to remain below 0.33% nationwide throughout the entire analysis period. However, the loss rate due to pluvial flooding is projected to exceed 0.33% for 14 out of 17 administrative districts after 2031. The projected loss rate for the entire region is expected to exceed 0.33% starting from 2041. Pluvial flooding, identified as an acute disaster factor, accounts for more than 70% of this total loss rate and has the greatest impact on asset loss at our business sites located mainly in urban areas. To minimize losses from acute natural disasters such as heavy rain in urban areas, we will utilize a weather management information system to monitor weather conditions in advance and integrate it with Smart Energy Management System (SEMS). We aim to establish a comprehensive weather management strategy and implement continuous monitoring and response plans for high-risk areas, taking into account the procurement of raw materials from various regions across the country.

Key Business Sites | High-sales and high-risk workplaces by administrative district

According to the analysis of financial loss rates due to physical risks across 212 business sites in high-sales and high-risk areas across 17 administrative districts, it was confirmed that these rates will continue to increase across all regions until 2050. This upward trend in loss rates was consistently observed in both the SSP1-2.6 and SSP5-8.5 scenarios. Particularly in Jeju Island, businesses are projected to experience the highest loss rates under both scenarios, primarily driven by pluvial floods and tropical cyclones. In Ulsan, business sites in high-risk areas are expected to face higher loss rates due to fluvial flooding compared to other administrative districts. In business sites located in Gangwon, high loss rates due to pluvial flooding, fluvial flooding, and wildfires have been identified. However, the loss rate from tropical cyclones is expected to be relatively lower compared to other administrative districts. Jeonnam is forecasted to have higher asset value loss rates due to coastal flooding compared to other districts. Conversely, business sites in Seoul, Incheon, and Gwangju are expected to maintain relatively low asset loss rates in both

Other Business Sites | Headquarters and Gunpo Logistics Center

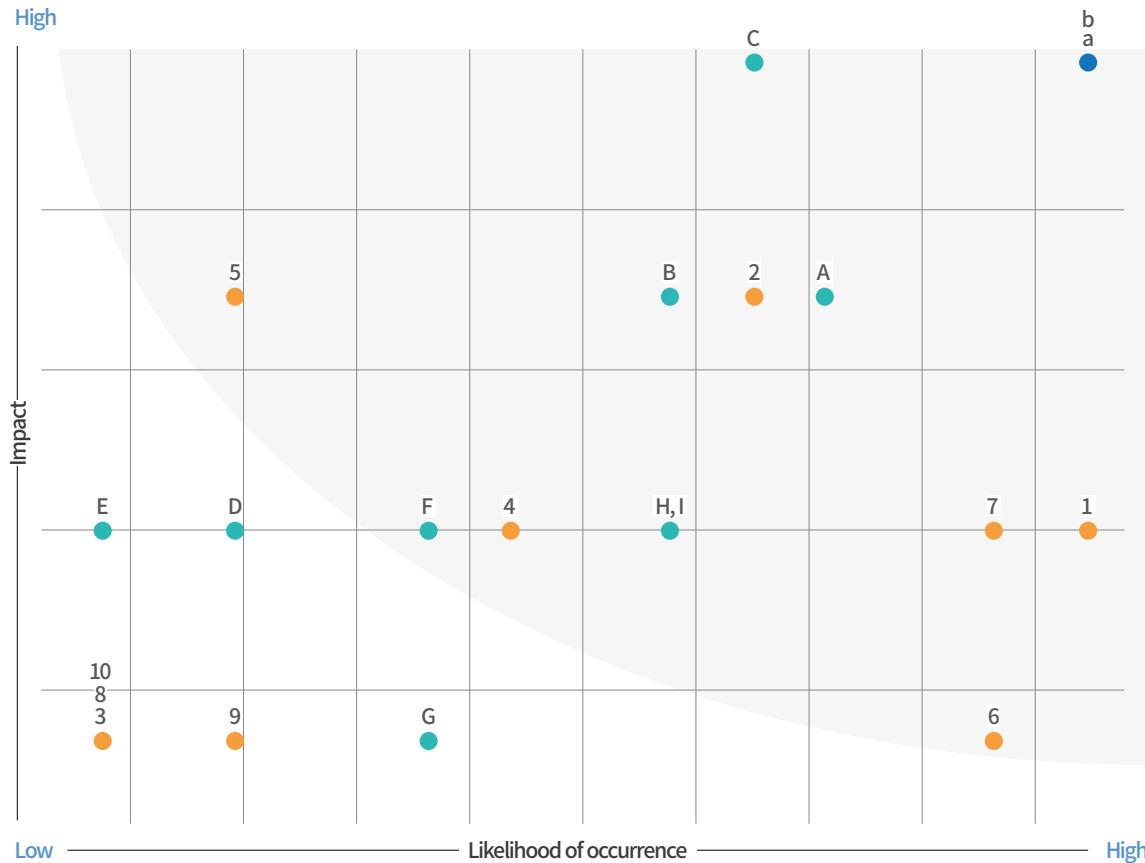
For the headquarters (GS Tower and Gangseo Tower) and Gunpo Logistics Center, the asset loss rate is projected to remain below 0.66% for the entire analysis period under both the SSP1-2.6 and SSP5-8.5 scenarios. Throughout the entire analysis period, Gangseo Tower exhibited the highest loss rate, followed by Gunpo Logistics Center and GS Tower, a trend consistent across both scenarios. Gangseo Tower notably shows an increasing loss rate over time, projected to rise from 0.28% to 0.42% in the SSP1-2.6 scenario and from 0.29% to 0.54% in the SSP5-8.5 scenario.

Strategy

Risk and Opportunity Assessment

Materiality Assessment Results

We conduct a materiality assessment by comprehensively considering the impact and likelihood of occurrence of each factor and categorize them into groups in order of importance: High (1st-7th), Medium (8th-14th), and Low (15th-21st). A total of 14 factors (including 2 physical risks, 6 transition risks, and 6 opportunities) of high and medium importance have been identified as the company's key climate-related risks and opportunities, with the potential financial impact of each factor disclosed.



■ Key climate-related risks and opportunities (14 total)

Classification	Factor
Physical risk	Acute a Acute natural disasters and extreme weather events (flooding, tropical cyclone, wildfires, heavy rain, snowfall, drought, etc.)
	Chronic b Changes in precipitation and weather patterns, such as abnormally high temperatures
Transition risk	A Increase in greenhouse gas emissions prices
	B Strengthening greenhouse gas emissions reporting obligations
	C Introducing obligations and regulations, such as waste disposal and the use of eco-friendly refrigerants
	D Exposure to risk of greenwashing lawsuits
	Technology E Failure to invest in new technology
	Market F Changes in customer behavior
	Reputation H Consumer boycotts stemming from a declining eco-friendly image
Opportunity	1 Utilizing highly efficient delivery, production, and logistics systems
	2 Recycling waste home appliances and utilizing eco-friendly packaging materials
	3 High-efficiency buildings
	4 Using low-carbon energy sources
	5 Utilizing national renewable energy policy incentives
	Products and services 6 Expanding the range of eco-friendly certified products
	Market 8 Increasing access to new markets
	Resilience 9 Participating in renewable energy programs

Strategy

Risk and Opportunity Assessment

Selecting Key Risks and Opportunities

Physical risk		Classification	Period			Potential risks	Financial Impact
			Short-term	Mid-term	Long-term		
Acute	PR1	Acute natural disasters and extreme weather events	●	●	●	<ul style="list-style-type: none"> • Damage to infrastructure and facilities, including offline stores, logistics centers, and home shopping computer networks, due to natural disasters such as tropical cyclones and flooding • Disruption in product transportation, including raw materials and industrial products, due to damage to agricultural, livestock, and fisheries source areas • Customer service disruptions, such as delivery delays due to natural disasters and restrictions on customer movement • Increased employee safety risks and reduced labor productivity due to natural disasters 	<ul style="list-style-type: none"> • Costs for infrastructure and facility restoration • Higher procurement expenses for raw materials and industrial products • Decreased direct sales and profits due to reduced service utilization • Additional operational costs aimed at enhancing employee safety and productivity rates
Chronic	PR2	Changes in precipitation and weather patterns, such as abnormally high temperatures			●	<ul style="list-style-type: none"> • Damage to infrastructure and facilities such as offline stores, logistics centers, and home shopping computer networks due to flooding caused by rising sea levels and changes in precipitation patterns • Increase in assets vulnerable to precipitation and temperature rise • Changes in fish and produce volumes due to shifts in agricultural and fishing areas 	<ul style="list-style-type: none"> • Costs for infrastructure and facility restoration • Increased insurance premiums for high-risk assets and heightened heating and cooling expenses • Increased raw material procurement costs and decreased sales

Transition risk		Classification	Period			Potential risks	Financial Impact
			Short-term	Mid-term	Long-term		
Policy and law	TR1	Increase in greenhouse gas emissions prices		●	●	<ul style="list-style-type: none"> • Expansion of industries covered by greenhouse gas-related regulations, like emissions trading systems • Rise in electricity rates due to stricter regulations on fossil fuel usage under expanded energy conversion policies 	<ul style="list-style-type: none"> • Increased operational costs for compliance within regulated industries • Expected energy expenditures approximately KRW 23.3 billion in 2050 due to escalating electricity prices
	TR2	Strengthening greenhouse gas emissions reporting obligations		●	●	<ul style="list-style-type: none"> • Increased likelihood of regulations like the Carbon Neutrality Framework Act and greenhouse gas emissions reporting obligations 	<ul style="list-style-type: none"> • Higher expenses for waste disposal and introducing new packaging materials
	TR3	Introducing obligations and regulations, such as waste disposal and the use of eco-friendly refrigerants		●		<ul style="list-style-type: none"> • Strengthening laws and policies on waste disposal and resource recycling • Strengthening global regulations on refrigerant usage 	<ul style="list-style-type: none"> • Higher expenses for waste disposal and introducing new packaging materials • Costs associated with adopting eco-friendly refrigerants
Market	TR4	Changes in customer behavior	●	●	●	<ul style="list-style-type: none"> • Growing demand for eco-friendly products, such as low-carbon and alternative meat foods • Increased demand for eco-friendly logistics services 	<ul style="list-style-type: none"> • Decline in corporate competitiveness and sales due to unmet demands for eco-friendly products • Reduced sales from a passive response to the demand for eco-friendly logistics services
Reputation	TR5	Consumer boycotts stemming from a declining eco-friendly image		●	●	<ul style="list-style-type: none"> • Increased consumer expectations for companies' eco-friendly initiatives 	<ul style="list-style-type: none"> • Deterioration of corporate image and decreased sales if consumer demands are not met
	TR6	Stakeholder concerns		●	●	<ul style="list-style-type: none"> • Stakeholder concerns about sustainable management and negative feedback 	<ul style="list-style-type: none"> • Reduced availability of capital due to diminished trust and decreased investment

Strategy

Risk and Opportunity Assessment

Selecting Key Risks and Opportunities

Opportunity

Classification	Period			Potential Opportunities	Financial Impact		
	Short-term	Mid-term	Long-term				
Resource efficiency	O1	Utilizing highly efficient delivery, production, and logistics systems		●	●	<ul style="list-style-type: none"> Introduction of highly energy and resource-efficient systems, such as logistics energy management system, replacement of water-saving faucets Expansion of energy management systems across all convenience stores and supermarkets Support for enhancing operational efficiency in logistics systems 	<ul style="list-style-type: none"> Reduced operating costs through improved energy and resource use efficiency Lowered operating costs via effective energy management Decreased logistics distribution expenses
	O2	Recycling waste home appliances and utilizing eco-friendly packaging materials	●	●	●	<ul style="list-style-type: none"> Recycling refrigerated equipment from closed stores through expanded recycling center operations Increase in the application rate of eco-friendly packaging materials 	<ul style="list-style-type: none"> Savings of approximately KRW 7.77 billion in waste disposal and new investment costs through refrigeration equipment recycling (as of 2023) Increased sales of products utilizing eco-friendly packaging
Energy source	O3	Using low-carbon energy sources		●	●	<ul style="list-style-type: none"> Onsite sustainable energy production through the construction of solar power facilities Enhancement of corporate eco-friendly image by reducing greenhouse gas emissions 	<ul style="list-style-type: none"> Reduced energy procurement costs and carbon emissions expenses Enhanced capital availability
	O4	Utilizing national renewable energy policy incentives		●	●	<ul style="list-style-type: none"> Participation in solar panel installation support projects 	<ul style="list-style-type: none"> Lowered costs associated with renewable energy conversion and energy procurement
Products and services	O5	Expanding the range of eco-friendly certified products	●	●	●	<ul style="list-style-type: none"> Expansion of sales of eco-friendly certified products and promoting the company's identity as an eco-friendly business 	<ul style="list-style-type: none"> Increased sales of eco-friendly products (sales of eco-friendly certified products reached KRW 521.8 billion as of 2023)
	O6	Changes in consumer preference for eco-friendly products	●	●	●	<ul style="list-style-type: none"> Development and introduction of more eco-friendly products to meet the demand for sustainable consumption 	

Strategy

Risk and Opportunity Assessment

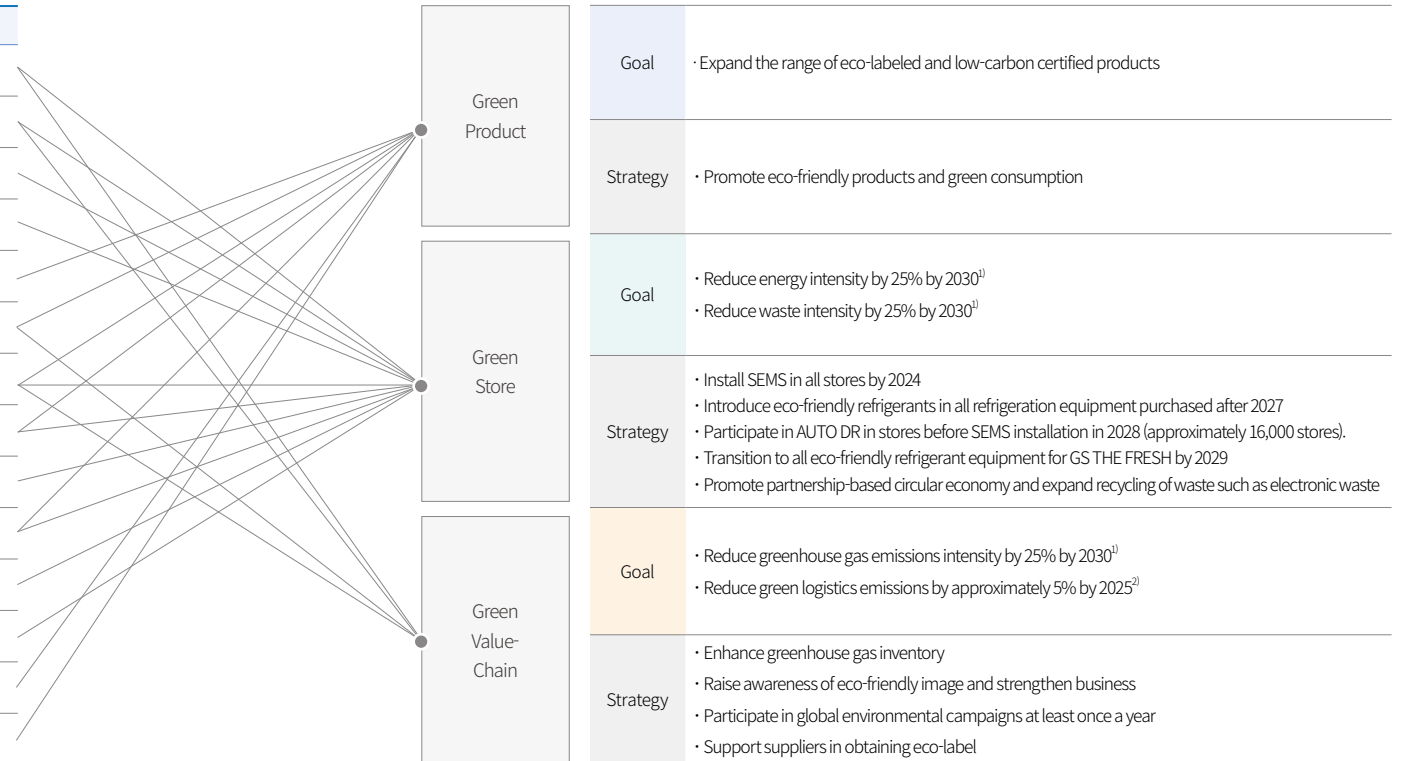
Establishing Response Plans

We strategically manage climate-related risks and opportunities as part of our mid to long-term business strategy. We are expanding our product lines with environmental certifications to meet the increasing expectations of stakeholders for sustainability. Moreover, we proactively adapt to government regulations and policies concerning climate change, increase the number of green stores to cut operational costs related to energy and waste management, and implement initiatives to reduce greenhouse gas emissions across our operations. We also support our suppliers in obtaining environmental certifications, aiming to decrease greenhouse gas emissions throughout the entire value chain.

Risks and Opportunities

Classification	Factor
Physical risk	PR1 Acute natural disasters and extreme weather events
	PR2 Changes in precipitation and weather patterns
Transition risk	TR1 Increase in greenhouse gas emissions prices
	TR2 Strengthening greenhouse gas emissions reporting obligations
	TR3 Introducing obligations and regulations, such as waste disposal and the use of eco-friendly refrigerants
	TR4 Changes in customer behavior
	TR5 Consumer boycotts stemming from a declining eco-friendly image
	TR6 Stakeholder concerns
Opportunity	O1 Utilizing highly efficient delivery, production, and logistics systems
	O2 Recycling waste home appliances and utilizing eco-friendly packaging materials
	O3 Using low-carbon energy sources
	O4 Utilizing national renewable energy policy incentives
	O5 Expanding the range of eco-friendly certified products
	O6 Changes in consumer preference for eco-friendly products

Response Measures



Goal	<ul style="list-style-type: none"> Expand the range of eco-labeled and low-carbon certified products
Strategy	<ul style="list-style-type: none"> Promote eco-friendly products and green consumption
Goal	<ul style="list-style-type: none"> Reduce energy intensity by 25% by 2030¹⁾ Reduce waste intensity by 25% by 2030¹⁾
Strategy	<ul style="list-style-type: none"> Install SEMS in all stores by 2024 Introduce eco-friendly refrigerants in all refrigeration equipment purchased after 2027 Participate in AUTO DR in stores before SEMS installation in 2028 (approximately 16,000 stores). Transition to all eco-friendly refrigerant equipment for GS THE FRESH by 2029 Promote partnership-based circular economy and expand recycling of waste such as electronic waste
Goal	<ul style="list-style-type: none"> Reduce greenhouse gas emissions intensity by 25% by 2030¹⁾ Reduce green logistics emissions by approximately 5% by 2025²⁾
Strategy	<ul style="list-style-type: none"> Enhance greenhouse gas inventory Raise awareness of eco-friendly image and strengthen business Participate in global environmental campaigns at least once a year Support suppliers in obtaining eco-label

1) Compared to the base year (2022)

2) Compared to BAU

Risk Management

Management Process

Identifying risk

We conduct annual assessments to identify risks and opportunities affecting overall management. For company-level risk management, we utilize big data to preemptively identify climate-related risks. We hold meetings to review and discuss risks analyzed by the Business Division within the Risk Management Council. The ESG Working Group and the ESG Working Council continuously monitor risks that may arise during climate-related activities, including eco-friendly product production, expanding eco-friendly stores, operating eco-friendly logistics, and eco-friendly procurement.

Conducting Risk Assessment and Analysis

The Risk Management Council evaluates reported climate-related risks during quarterly meetings, categorizing them as Aware, Cautious, Serious, or Emergency. The Environmental Management Assessment Committee regularly assesses the company's resilience to climate change by reviewing management activities and the performance of departments involved in addressing climate issues.

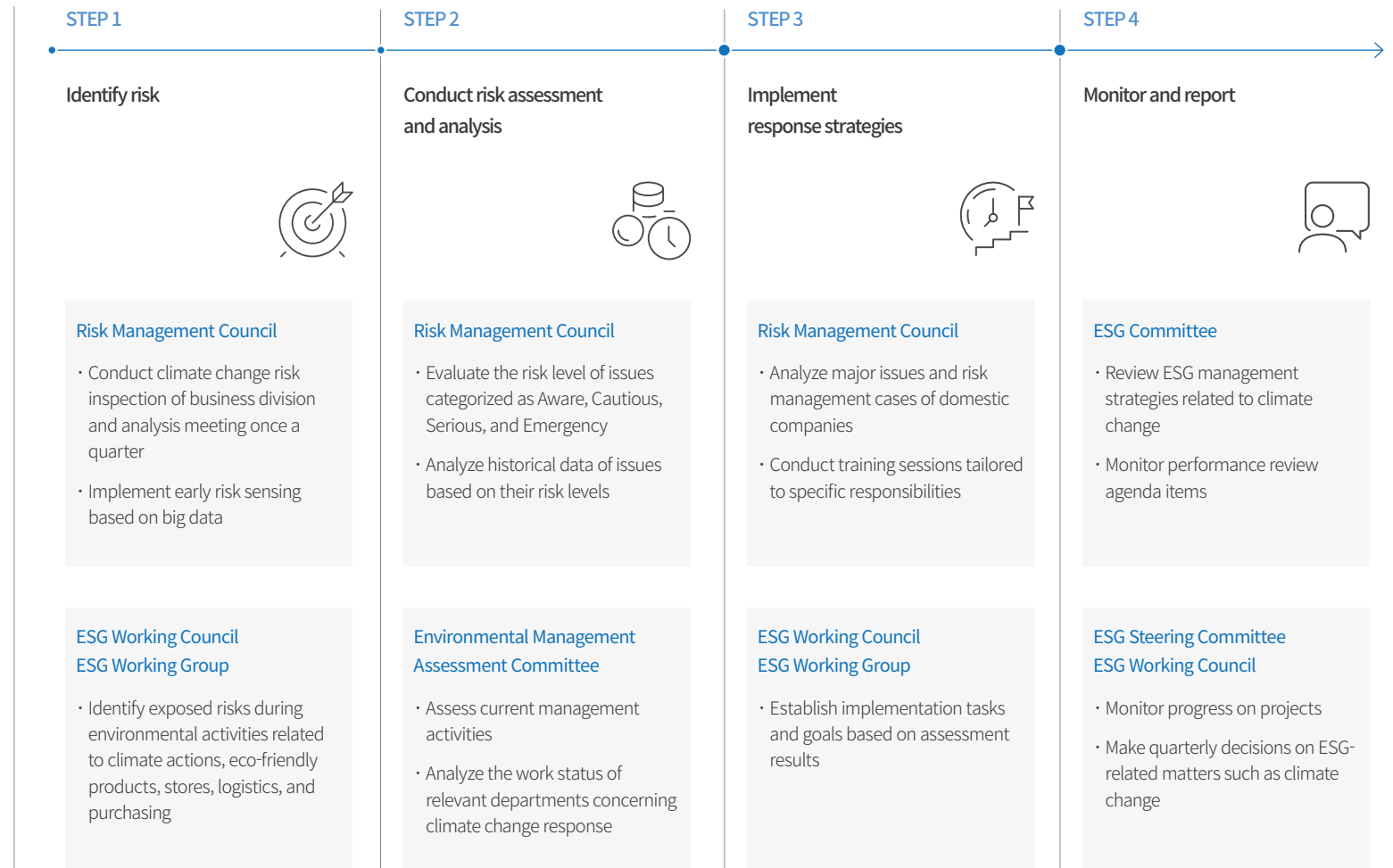
Implementing response strategies

The Risk Management Council investigates major climate issues and reviews risk management cases among domestic companies to establish benchmark points. These benchmarks guide the development of response strategies aimed at preventing or mitigating identified climate-related risks. We also provide tailored response training to relevant departments based on their specific responsibilities. Furthermore, the ESG Working Group and the ESG Working Council are responsible for setting implementation tasks and goals based on the results of risk assessments.

Monitoring and Reporting

The Risk Management Council communicates identified major risks and response measures concerning climate change to the ESG Committee. The ESG Committee then reviews ESG management strategies associated with these reported risks. Oversight of climate-related risks also involves the ESG Steering Committee comprising C-level executives and the ESG Working Council. The ESG Steering Committee deliberates on ESG-related matters quarterly, while the ESG Working Council continuously monitors the progress of ESG initiatives.

Climate-related Risk Management Process



Metrics and Targets

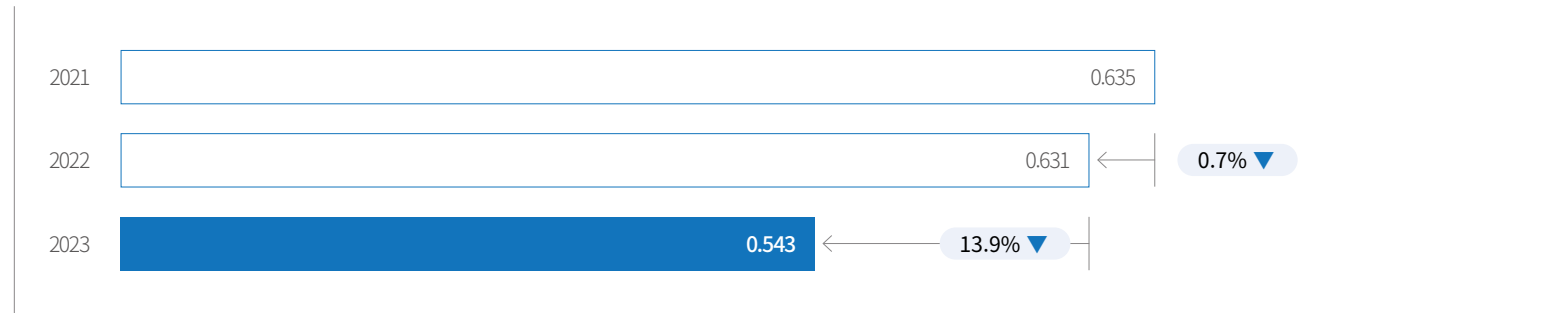
Metrics

Greenhouse Gas Emissions Status

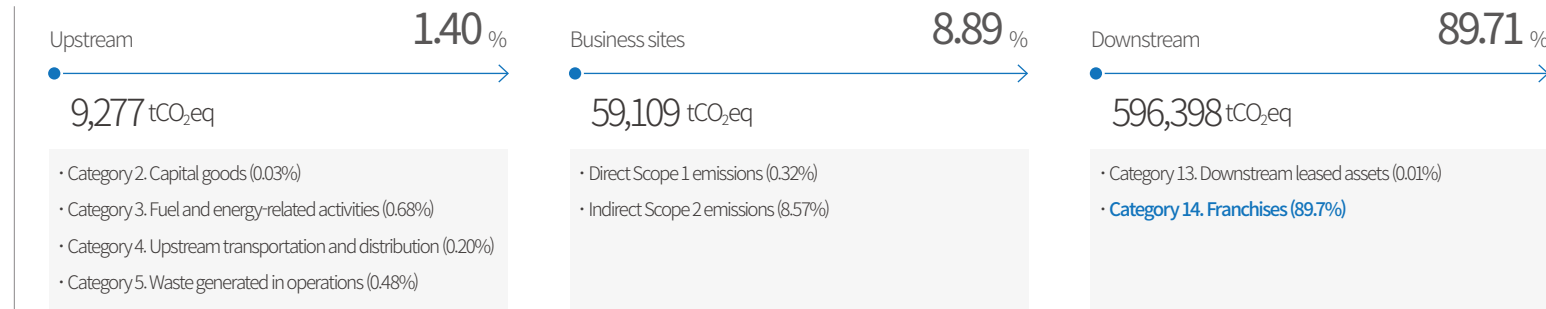
Establishing and managing measurable environmental indicators is crucial for identifying climate-related risks and opportunities. We regularly monitor indicators that indirectly impact climate change, such as energy, water, wastewater, and waste, along with greenhouse gas emissions. We perform regular analyses of environmental indicator data related to climate change to assess potential environmental impacts throughout our business activities. Furthermore, we incorporate ESG assessment and ESG implementation tasks into 5% of all executive KPIs. We measure not only direct and indirect emissions (Scope 1 and 2) generated within our business sites but also Scope 3 emissions, which encompass the entire upstream and downstream value chain, following the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. According to our 2023 value chain greenhouse gas emissions analysis, workplace emissions accounted for less than 10% of total greenhouse gas emissions across all Scopes 1, 2, and 3, with 90% of emissions occurring downstream, due to the nature of our franchise business.

Greenhouse Gas Emissions Intensity (Scope 1&2)

(Unit: tCO₂eq/KRW 100 million)



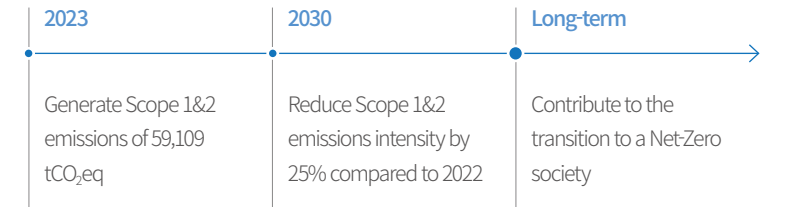
Value Chain Greenhouse Gas Emissions in 2023



Targets

Greenhouse Gas Reduction Target

We aim to reduce Scope 1 and 2 greenhouse gas emissions by 3% compared to the previous year and achieve a 25% reduction compared to the base year (2022) by 2030. We have set a target to reduce green logistics emissions by approximately 5% compared to business-as-usual (BAU) by 2025 and are actively managing reduction performance to achieve this goal.



Greenhouse Gas Emissions Reduction Activities

We are implementing environmental strategic initiatives aimed at reducing greenhouse gas emissions and energy consumption across the company. These efforts include ongoing replacement of old equipment in office buildings, introduction of high-efficiency refrigeration equipment, installation of the Smart Energy Management System (SEMS) in all stores, and implementation of an automatic demand response system using SEMS. We are also reviewing the adoption of an internal carbon pricing system to further reduce greenhouse gas emissions and enhance our management practices.



SUSTAINABILITY PROGRESS

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38 Green Value-chain

44 Green Product

47 Green Store

52 **Social**

53 Together with Employees

64 Together with Partners

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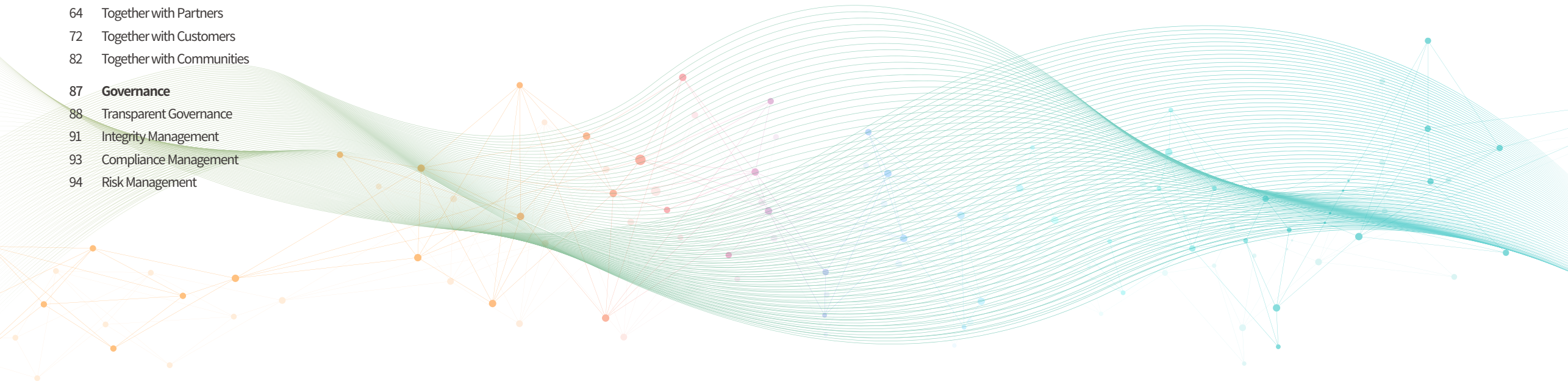
87 **Governance**

88 Transparent Governance

91 Integrity Management

93 Compliance Management

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Environmental

We aim to minimize the negative impacts of external environmental changes, such as climate crises, on our business and stakeholders. As a comprehensive retail platform, we are committed to reducing potential environmental impacts across our entire business value chain and providing sustainable solutions for both business and the environment.

Approach

We reduce negative environmental impacts by expanding eco-friendly products, building eco-friendly stores using SEMS, and pursuing new business ventures and technologies that cut greenhouse gas emissions. Additionally, we encourage stakeholders, including employees and consumers, to participate in our environmental management activities through campaigns aimed at improving environmental awareness and by expanding the use of eco-friendly packaging and products, which promotes sustainable consumption.



Scope 1&2 Greenhouse Gas Emissions Intensity

Reduced by **13.9%**

Increased recovery and recycling of electronic waste

Received the Minister of Environment Award

Eco-friendly sales

Achieved KRW **521.8** billion

Adoption rate of eco-friendly packaging materials

Achieved **39.1%**

Eco-friendly certified products

232 SKU

Green Value-chain

Environmental Management

Management System

Environmental Management Policy

We minimize potential environmental impacts across our business activities and have established and implemented an environmental policy that reflects our commitment to environmental management and the preservation of the global environment for the future.

1	Compliance with environmental laws	We minimize possible risks by conducting periodic monitoring and employee training to ensure compliance with environmental laws and regulations.
2	Effective management of environmental performance	We consider the environment a top priority in our decision-making process and strive to effectively manage our environmental management system.
3	Energy reduction and waste management	We explore efficient energy use at our headquarters and stores and reduce our environmental impact by reusing and minimizing waste.
4	Expansion of eco-friendly products	As a retailer, we will continue to define and expand our range of eco-friendly products for easy customer access.
5	Environmental information disclosure	We practice transparent environmental management by publicly disclosing environmental information following the relevant laws.

ISO 14001

We acquired ISO 14001 certification and annually inspect environmental implementation plans and measures by training internal auditors.



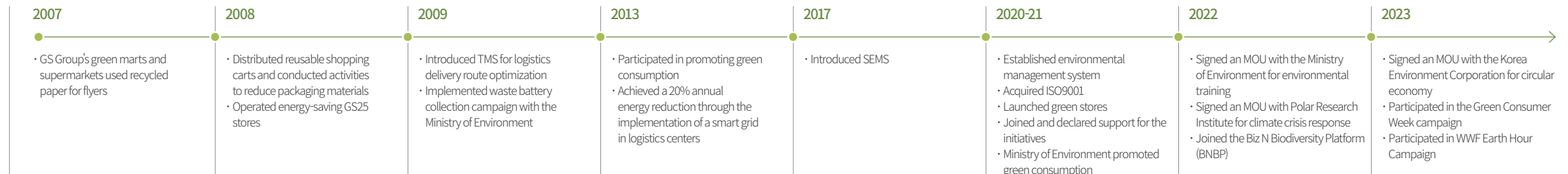
Environmental Performance Evaluation

In 2022, we introduced ESG evaluation metrics for C-level executives. Starting from 2023, 5% of the KPIs for all executives at the senior manager level and above are linked to ESG performance, which is used in the assessment and compensation of the management team. This initiative is intended to strengthen leadership in ESG and drive a transition towards an ESG-based decision-making structure. Moving forward, we plan to enhance the evaluation system to further strengthen ESG performance across our entire value chain.

Responding to Environmental Regulations

We identify environmental regulatory trends and establish a proactive response system through the ESG Steering Committee and the Environmental Impact Assessment Committee. In 2023, there were no violations of environmental laws. We manage compliance-related risks, including environmental and climate change risks, alongside other non-financial risks. Additionally, we actively communicate our opinions at policy seminars organized by the Korea Business Council for Sustainable Development (KBCSD) in collaboration with the Ministry of Environment regarding environmental regulations.

Environmental Management History



Green Value-chain

Environmental Management

Improving Environmental Awareness

Environmental Training for Employees

We conduct regular environmental and ESG training sessions to actively engage employees in environmental management. These sessions are available both in-person and virtually, ensuring accessibility for all employees, particularly new hires and those who have not yet completed the course. Beginning in 2023, we will introduce an ESG Lounge and enhance training with interactive two-way communication to foster employee interest in environmental topics, including the virtuous cycle of resources.

2023 Environmental Training Status (Unit: person)

Theme	Detailed Topic	Number of Participants
Circular economy	Circular economy in the retail industry	58
	Marine trash upcycling craft	19
Biodiversity	Ecological transition and biodiversity	105
Greenwashing	Preventing Greenwashing: Act on Labeling and Advertising	200
ESG	Understanding ESG management	133
	Linking ESG and management strategy (online)	4,779

Purchasement of eco-friendly office supplies

FSC-certified journal	We distribute custom-ordered FSC-certified diaries, made from products produced through sustainable forest management, to our employees. By using eco-friendly diaries, we contribute to reducing forest damage and environmental destruction, while raising awareness of eco-friendly products among our employees.
Eco-friendly office furniture	We have ordered 22 types of eco-friendly furniture, including desks and chairs that have obtained Greenguard certification, accounting for about 64% of the total furniture purchases in 2023. We also use large envelopes made of kraft paper, classified as an eco-friendly material. We plan to prioritize sustainable products when purchasing goods and construction, and gradually expand their use by considering cost-effectiveness and implementation benefits.

Stakeholder Participatory Campaign

Employees

Activities to preserve biodiversity

'Adopt-a-Beach Program' is a private beach management program hosted by the Ministry of Oceans and Fisheries and the Korea Maritime Environment Management Corporation. We have adopted Iho Tewoo Beach on Jeju Island and are engaged in marine ecosystem conservation and habitat creation activities. In 2023, we conducted beach cleanup activities four times, focusing on collecting fishing waste and tourists' household waste. In addition, we planned and operated campaigns to protect the marine environment at least once a year. We plan to continue promoting environmental protection activities involving employee participation to raise environmental awareness.

GS Earth Day

To encourage employees to use reusable cups, we run GS Earth Day, which provides free coffee to those who bring a mug once a month.

Number of reusable cups used

5,226 cups



Customers

Spreading the Message of Biodiversity

Conservation

We signed an MOU with the Korea Polar Research Institute for Marine Research Placement to support biodiversity conservation activities. To reduce plastic bag usage in our offline stores, we introduced paper shopping bags and reusable bags containing messages related to biodiversity, aiming to raise awareness of the climate crisis. Furthermore, we collaborated on a social media campaign to spread the message of biodiversity conservation. To commemorate Dokdo Day on October 25, we highlighted the importance of ecosystem preservation through a media exhibition and merchandise featuring rare plants and the endangered sea lion.



Participating in the Carbon Neutral Point System

We participate in the Ministry of Environment's Carbon Neutrality Points System (Green Life Practice) and issue mobile receipts for in-store purchases through the Our GS app. By linking this with the point system, we contribute to spreading the culture of practicing eco-friendly living among customers.

Business Owners

Earth Hour Campaign

As part of our response to the climate crisis, we participated in the "Earth Hour" campaign held by the World Wildlife Fund (WWF). In 2024, we remotely turned off the lights temporarily at 6,031 stores, with more stores participating compared to the previous year.

Q. Owner of GS25 Store, Changwon-si, Gyeongsangnam-do

The Earth is the greatest asset we will pass on to our descendants. Even five minutes of collective action can make a significant impact. Let's all participate together.

Q. Owner of GS25 Store, Wonju-si, Gangwon-do

If we consider each other, we will see a better future. I hope many people will participate.



Green Value-chain

Addressing Climate Change

Greenhouse Gas Emissions

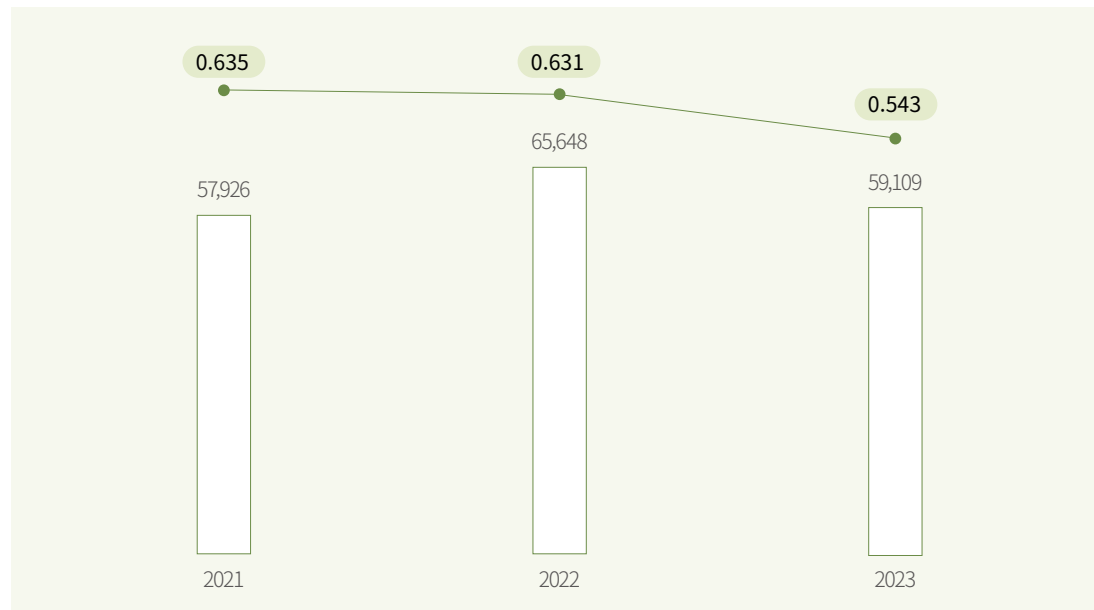
Measuring Emissions

Although we are not a company subject to greenhouse gas emission target management, we have voluntarily built a greenhouse gas inventory, identifying emission sources and quantities to fulfill our responsibility for climate change and comply with national climate change response policies. Scope 1 and 2 emissions from assets we own and lease decreased from 65,648 tCO₂eq to 59,109 tCO₂eq, and emission intensity decreased by approximately 13.9% compared to the previous year. We plan to continue monitoring greenhouse gas emissions in the future.

Greenhouse Gas Emissions Status (Scope 1, 2)

(Units: tCO₂eq, tCO₂eq/KRW 100 million)

● Intensity Emissions
 □ Emissions



Reduction Target

We set a goal of reducing Scope 1 and 2 emissions by 3% each year and manage implementation performance accordingly. We will monitor greenhouse gas emissions and continue reduction activities to strive for carbon neutrality in the mid to long term.



Reduction Activities

We are implementing various activities to reduce greenhouse gas emissions across different scopes. To reduce Scope 2 emissions, we replace old facilities in the office building, such as cooling towers, operate SEMS, install refrigeration swing doors, and introduce energy-saving refrigeration equipment. To reduce Scope 3 emissions, we expand greenhouse gas emission reduction projects such as Woodel(Delivery service) and the Half-price Delivery Services.

Category	Activity	Page
Scope 1 & 2	High-efficiency LED replacement	43, 47, 50
	Operate solar facilities	43, 47-48, 50
	Install refrigerator swing doors	47-48
	Utilize Smart Energy Management System (SEMS)	35, 47-49
	Replace office building cooling tower	50
Scope 3	Boost Woodel(Delivery service)	41
	Recover and process electronic waste	41, 47, 51
	Expand Half-price Delivery business	41

Participating in Environment-related Initiatives

Through the BNPB Initiative, we engage in policy meetings with government agencies such as the Ministry of Environment and the Ministry of Oceans and Fisheries, as well as various companies, to explore more effective ways to preserve biodiversity. In line with our commitment to corporate environmental and social responsibilities, we have joined the UNGC and regularly publish TCFD reports. Starting in 2024, we intend to participate in CDP and transparently disclose our climate change strategy and progress in reducing greenhouse gas emissions.

Green Value-chain

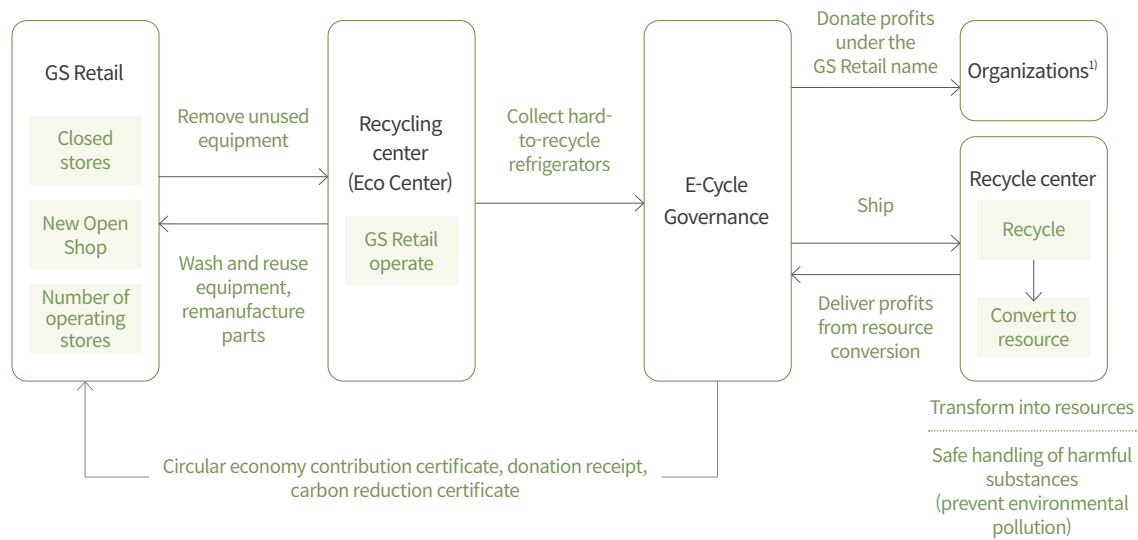
Addressing Climate Change

Reduction Project

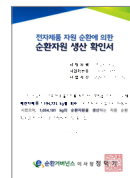
Case ① Waste Resource Recycling Service

We signed an MOU with E-Cycle Governance and the Korea Environment Corporation to enhance ESG management practices and promote a circular economy. By transferring waste electronic products from over 18,000 stores to E-Cycle Governance for recycling, we have received the Minister of Environment Award for two consecutive years. Moving forward, we plan to introduce a method for collecting waste electronic products directly at stores to reduce carbon emissions generated during the transfer and collection process.

Recycling Electronic Waste



Reducing green house gas emissions
 In 2023, we recycled 1,195 tons of electronic waste, including temperature exchange devices and displays from closed stores, achieving an 88.2% recycling rate (1,054 tons) to produce circular resources. These efforts resulted in a reduction of approximately 4,536 tons of carbon emissions.



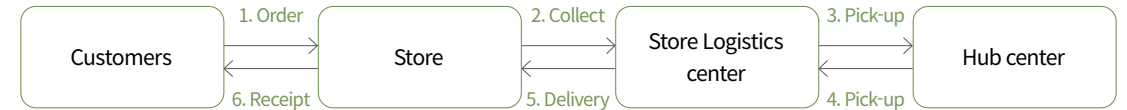
1) Donations to the Children's Foundation in 2023

2) Distance traveled per delivery – motorcycle carbon emissions assuming 3km – 145 g/km

Case ② Customer Participation Service

Half Price Delivery

Our Half-Price Delivery Service allows customers to receive and send orders at a nearby GS25. Delivery items are loaded into the empty space of return vehicles that have completed store deliveries, ensuring safe transportation to consumers.

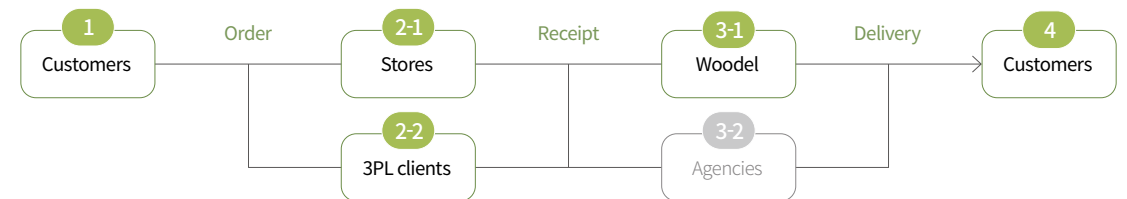


Reducing the number of delivery vehicles
 We contribute to reducing carbon emissions by loading delivery items into the empty return vehicles that have completed deliveries to each store, thereby minimizing the use of additional delivery vehicles and effectively utilizing our own logistics network.

Providing affordable and safe service
 By delivering goods to a nearby GS25 store, we reduce the risk of exposing the customer's address and achieve customer satisfaction by offering delivery services at a relatively low price during the current high-inflation era.

Woodel (Delivery service)

Woodel(Delivery service) utilizes local residents to deliver goods like daily necessities, groceries, and cooked food by walking or biking, contributing to greenhouse gas reduction while creating job opportunities.



Reducing green house gas emissions
 In 2023, we increased the number of deliveries by expanding the distance over which bicycle delivery services can be provided, and expanded services such as delivery of 3PL products beyond GS stores. This initiative has helped reduce carbon emissions by approximately 488 tons²⁾ by optimizing delivery frequency and distances.

Creating jobs for residents
 We support the local community by creating job opportunities for residents and seniors, aligning with current societal needs such as reduced working hours and a growing elderly population, and fostering shared growth with local residents.

Green Value-chain

Green Logistics

Management System

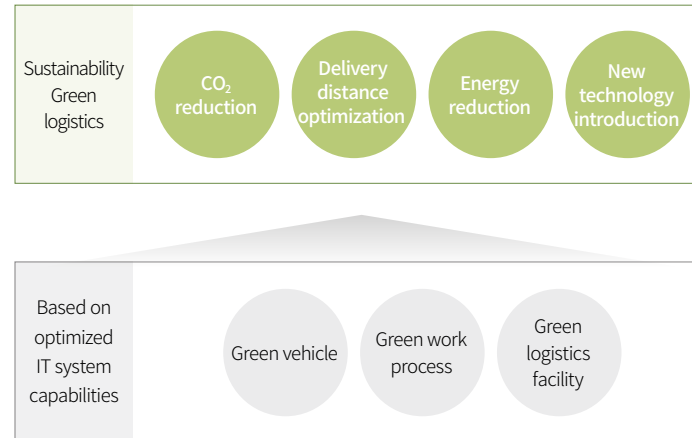
Governance

We operate an ESG Steering Committee to oversee eco-friendly logistics and reduce environmental impact. We aim to enhance environmentally responsible logistics practices through close collaboration among dedicated departments within our platform and home shopping BU.



Directions

We practice green logistics in partnership with our subsidiary GS Networks, with the ultimate goal of expanding eco-friendly initiatives. This includes operating green vehicles, establishing sustainable business processes, and integrating green logistics facilities leveraging IT system capabilities.



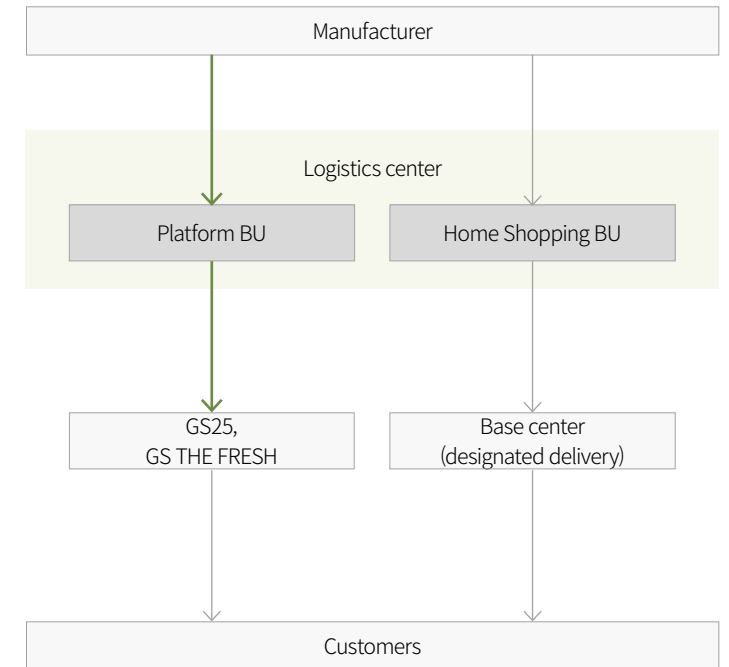
| Designated as an Excellent Green Logistics Practice Company |

We participated in the Logistics Energy Target Management System and were designated as an excellent green logistics practice company by the Ministry of Land, Infrastructure, and Transport, recognizing our performance in reducing greenhouse gases. We reobtained certification in January 2022 and plan to continue contributing to greenhouse gas reduction and environmental protection through ongoing green logistics practices.



Shipping Process

We maintain an efficient delivery process using the logistics network of our subsidiary, GS Networks. We strengthen collaboration with suppliers as needed to ensure streamlined product delivery.



→ GS Networks
 → outsourcing

Green Value-chain

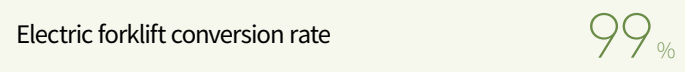
Green logistics

Eco-friendly logistics business¹⁾

Green vehicle

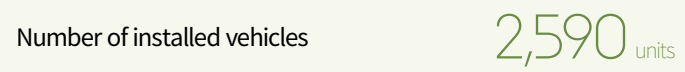
Introduction of low-emission logistics equipment

We have converted 99% of existing diesel equipment to low-emission logistics equipment, such as electric forklifts.



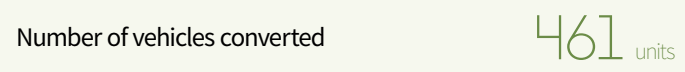
Equipment with an air resistance reduction device inside the truck

By installing air spoilers, we reduce the fuel consumption required for delivery and contribute to reducing carbon emissions.



Conversion to large vehicles

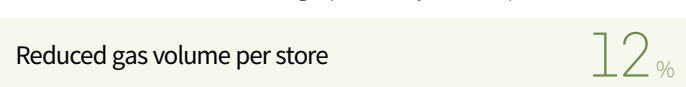
We reduced carbon emissions in the transportation process by increasing the loading capacity from 1 ton to 2.5 tons, ultimately reducing the number of deliveries.



Green work process

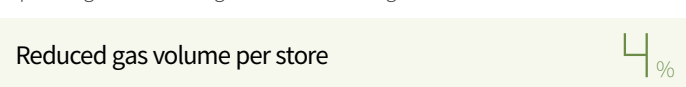
Establishment of integrated delivery process

We reduced the number of daily deliveries of low-temperature products from three to two times, and shortened the driving distance. Despite the increase in the number of stores, this reduced the amount of gas per store by 12% compared to before.



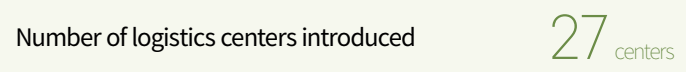
Optimization of delivery route

By achieving delivery route optimization based on load rate and store order data, we provide on-time adhesion service by reducing driving distance and responding to excess cargo volume (reducing the number of vehicles).



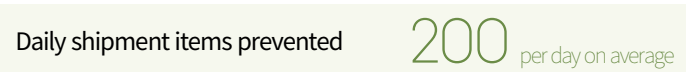
Introduction of logistics energy management system

We are improving the efficiency of energy use by monitoring the energy consumption of logistics centers and delivery vehicles.



Improvement of shipping process

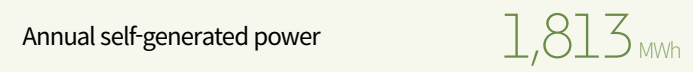
By delaying the shipment of goods, we prevent the shipment of goods scheduled to be returned, preventing unnecessary loading of goods and vehicle movement, and improving the fuel efficiency of transportation vehicles.



Green logistics facility

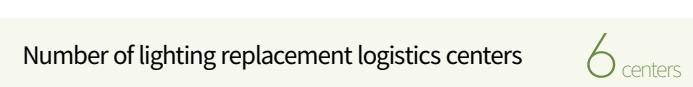
Installation of solar power facilities

By operating solar power facilities within the Gongju and Jinju Logistics Centers, we produce 1,813 MWh of electricity annually in-house.



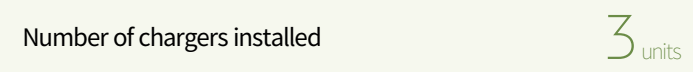
Converting to LED lights

The lighting in the Gongju, Yongin, Yangsan, Cheongju, and Jinju centers has been replaced with LEDs, and automatic light sensors have been introduced in the four centers in Gongju, Yongin, Yangsan, and Cheongju to improve energy efficiency.



Introduction of EV charging stations

To build electric vehicle infrastructure and promote electric vehicle use, we operate EV charging stations within the Gongju, Cheongju, and Jinju logistics centers.



¹⁾ Performance of Home shopping sector and GS Networks

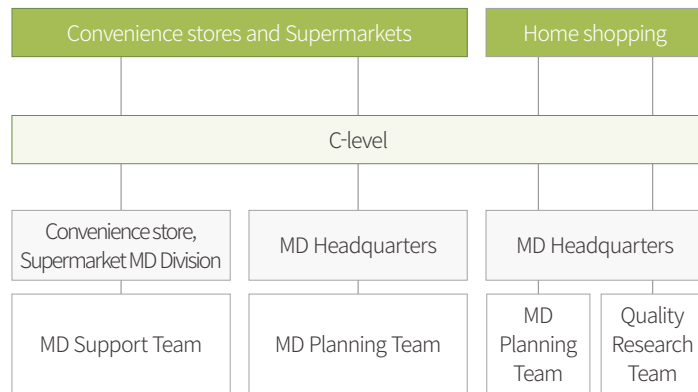
Green Product

Sustainable Products

Management System

Governance

We have established a governance system to actively promote sustainable product development and green raw material distribution. Each relevant department reviews whether to obtain certification when purchasing, developing, and procuring raw materials, and promotes the development of sustainable products and raw materials for the distribution and consumption of green products.



Eco-friendly PB Product Management System

We are currently developing a private brand (PB) product management system to expand the range of sustainable products through a sustainable product management system. This system checks information on sustainable products, such as third-party verification, certification type, and validity period, and ensures follow-up. We also support the creation of a database of product information by adding a feature that allows for the registration of sustainable product information when registering new products, and we plan to continuously upgrade and manage this database.

Green Products and Purchasing Procedures

Product Development

We improve customers' accessibility to sustainable products by establishing a production process and expanding the distribution range for these products. By analyzing the market environment to understand customer needs, we select development items and then proceed with the production and commercialization of sustainable products with partners who have obtained environmental certification through due diligence for quality.



Green Purchasing

As a lifestyle platform connecting online and offline experiences, we are establishing a sustainable purchasing policy to minimize the environmental impact of consumable purchasing and raw material distribution and procurement. In addition, we operate a green purchasing process to enable various stakeholders to naturally engage in eco-friendly activities and aim to promote an eco-friendly consumption culture by procuring and supplying sustainable raw materials.



[Purchasing Policy](#)

Green Product

Sustainable Products

Product Development and Expansion

Defining Sustainable Products

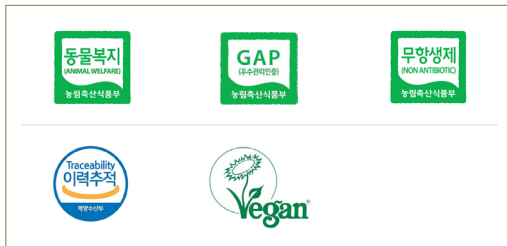
We define sustainable products as those that have obtained third-party environmental certification for their products or raw materials. We also strive to expand the range of sustainable products under our own sustainable packaging improvement standards. In 2023, we upgraded the standards for environmentally certified products and separately managed the performance of eco-friendly products with combined year-end sales of KRW 5 million or more.

Certification-Based Sustainable Product Standards

Sustainability



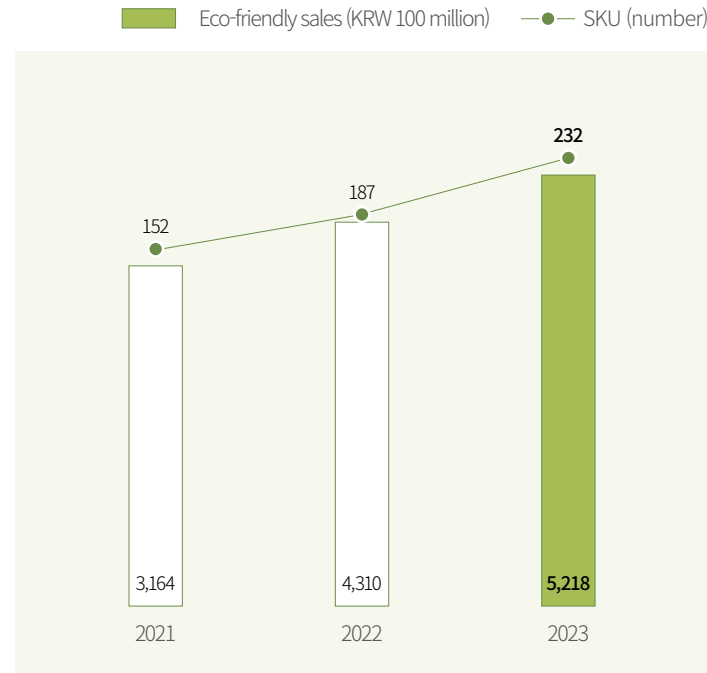
Responsible Raw Materials



Offering Environmentally Certified Products

We are committed to expanding the sales of eco-certified products and improving customer accessibility to green products in accordance with our environmental management policy. As of 2023, we operate approximately 232 SKUs and achieved eco-friendly sales of approximately KRW 521.8 billion, an increase of approximately KRW 90 billion compared to the previous year. We will continue to offer a variety of certified products to build an eco-friendly consumption culture.

Eco-Friendly Sales and Operating Products

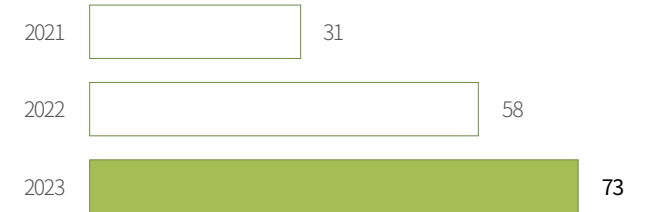


Selling Responsibly Sourced Raw Materials

We procure and sell responsible raw materials certified as antibiotic-free and animal welfare-friendly. In 2023, we sold more than twice as many certified products in categories such as animal welfare, antibiotic-free, and GAP compared to 2021. We plan to continue providing responsible and healthy raw materials to our customers.

Certified Responsible Raw Materials Products

(Unit: number)



| Participating in the Green Consumer Week campaign |

In celebration of World Environment Day, we participated in the 2023 Green Consumer Week campaign hosted by the Ministry of Environment, promoting green consumption and advancing toward a carbon-neutral society. To enhance consumer awareness of green products, we encouraged the purchase of eco-friendly items such as fruits, dairy products, vegetables, livestock products, and beverages certified with eco-labels and recognized for their low carbon footprint. Moving forward, we plan to conduct green consumption promotion activities across all business units at least once a year in collaboration with the Ministry of Environment.



Green Product

Sustainable Products

Product Development and Expansion

Product Packaging Environmental Improvement

Introducing Sustainable Packaging Materials

We inspect eco-friendly products with both domestic and international certifications at the pre-approval stage, expanding our use of sustainable packaging materials to minimize environmental impact. Since 2019, for products featured on GS SHOP, we have introduced paper tape, paper cushioning materials, tapeless boxes (finger boxes, and shoe boxes made of eco-friendly materials. By 2023, we had applied approximately 20 types of sustainable packaging materials, achieving an application rate of 39.1%, surpassing our original goal of 35.8%. We intend to further expand and innovate these materials in the future.

Application rate of eco-friendly packaging materials for products sold on GS SHOP live broadcast

(Unit: %)

Category	2021	2022	2023
Application rate	25.9	34.1	39.1



Foamed PP Container

In 2023, sales of products packaged in eco-friendly containers reached approximately KRW 9.8 billion. We sold a total of 11 products using eco-friendly containers and offered 14 supermarket-prepared foods in round pulp containers. Products using plastic foamed PP containers, like the Three Meats with '1Seok 3Jo Meat Lunch Box', contributed to a 24% reduction in greenhouse gas emissions compared to non-foamed PP alternatives. We will continue to operate application plan of sustainable containers across our product lines.

Sales of products using eco-friendly containers



KRW 9.8 billion



The Story of Our Packaging Materials

Interview with Namseon Ryu, Manager of Quality Research Team



Q. What eco-friendly packaging materials have been introduced?

Since 2019, we have been developing and applying about 20 types of eco-friendly packaging materials, including paper tape, paper cushioning materials, tape-less boxes, and water ice packs.

Q. What challenges did the company face in switching packaging materials, and what factors enabled the expansion of adoption?

Eco-friendly packaging materials faced many economic feasibility and workability limitations compared to general packaging materials. Nevertheless, we expanded with active support from management and extensive collaboration with the quality research team and other relevant team members.

Q. What are the future plans?

The increase in small package deliveries due to the rise of single-person households highlights the importance of packaging sustainability, focusing on recycling, reduction, and reuse. We plan to continue efforts to minimize packaging waste by introducing sustainable materials such as paper bags and recycled plastic delivery bags to reduce volume as much as possible.

Green Store

Eco-Friendly Stores and Circular Economy

Management System

Governance

We aim to reduce environmental impact by expanding resource recycling and waste reduction activities, and operating eco-friendly stores. The Platform BU's Mutual Partnership Team and Facility Support Team encourage customers and business owners to participate voluntarily in eco-friendly activities. Additionally, the Facility Purchasing Team and I&C Team focus on reducing energy consumption within convenience stores and supermarkets. The Home Shopping BU General Affairs Team is constructing eco-friendly infrastructure such as solar power facilities, while the Video Arts Team is installing a digital studio with LED walls to minimize waste generated from set changes.



Directions

We operate eco-friendly stores and have established a circular economy system to minimize the environmental impact of our business operations. Our efforts include introducing eco-friendly facilities in offline stores, the home shopping headquarters, and studios, as well as establishing waste disposal and resource recycling systems.



The Story of Our Circular Economy

Interview with Dongin Kim, Manager of Facility Purchasing Team



Q. What led to the participation in E-Circular Governance?

We were looking for a way to recycle the refrigeration equipment discarded in stores rather than just disposing of it. Then, we decided to collaborate with E-Cycle Governance to create a virtuous resource cycle structure by collecting waste, classifying reusable resources, and linking them to donations.

Q. GS Retail has received Award from the Minister of Environment for two consecutive years. Please share your thoughts on this.

We received the Minister of Environment Award for two consecutive years by introducing eco-friendly wraps in the supermarket prepared food section and recycling freezers and refrigeration equipment in each store. I am honored to have contributed to this achievement and have come to realize that environmental protection can be achieved in our everyday activities.

Q. What are the future plans for resource recycling?

We will integrate and streamline the collection of used cooking oil and biodiesel production processes, and establish a structure for recycling resources through activities that have a tangible impact, rather than merely conducting simple campaigns.

Green Store

Eco-friendly Store

Establishing Eco-Friendly Infrastructure

Offline Store

Introducing our green stores

We are committed to reducing our environmental impact and promoting eco-friendly consumer habits through the Green Store Certification Program. As of 2023, 27 of our stores nationwide have earned certification by meeting the Ministry of Environment's standards for environmental management, energy efficiency, and the sale and promotion of eco-friendly products. We will continue to expand our network of certified green stores and contribute to fostering a sustainable consumer culture.

We continuously explore ways to manage energy consumption and waste generation in our stores to create eco-friendly environments. We are also committed to minimizing our environmental impact by adopting eco-friendly materials and using eco-friendly refrigerants.



Eco-friendly refrigerant
 Minimized refrigerant leakage and responded to climate change by converting vertical refrigerators/freezers applied with eco-friendly R290 refrigerant within the store.

R404	R290
3,922 GWP	3 GWP
	99.9% reduced

SEMS
 Utilized a smart energy management system based on IoT technology to manage power usage efficiently.

Number of installed stores **14,994** stores

Refrigeration swing door
 Joined the government's Food Store Refrigerator Door Installation Project to install refrigeration swing doors and conducted pilot tests.

Number of installed stores **38** stores

Eco-friendly food waste disposer
 Utilized environmental technologies to compress and process food and product waste by over 82%

Number of operating stores **357** stores

Lighting and air conditioning
 Managed smart lighting and air conditioning by signing a business agreement for an energy-saving demonstration project linked to the electric lighting demand response (DR).

Number of installed stores nationwide **8,700** stores

Eco-friendly materials
 Switched to eco-friendly paint materials and promoted the application of eco-friendly furniture materials.

Grade applied **E0**



Solar facilities
 Operated solar power facilities at GS THE FRESH and GS25.

Annual solar power generated **76,717** kWh

Green Store

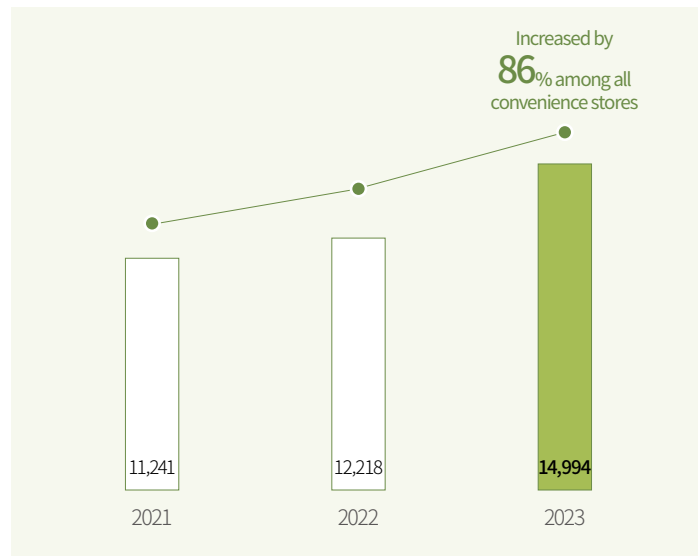
Eco-friendly Store

Establishing Eco-friendly Infrastructure

Case ① SEMS

We efficiently manage energy use within stores by utilizing SEMS, an IoT-based energy management system. Electrical equipment in the store is linked to the headquarters' main server to remotely control power consumption and prevent excessive use of air conditioners and heaters through the peak control function. Moreover, we help business owners and workers easily manage equipment such as heating and cooling systems and indoor lighting through smartphones. We plan to develop a function that manages refrigeration equipment at an adequate temperature and identifies malfunctioning equipment to prevent power waste. Since adopting SEMS, electricity costs per store have decreased by more than 13.5% on average per month, and we plan to install SEMS in all stores by 2024.

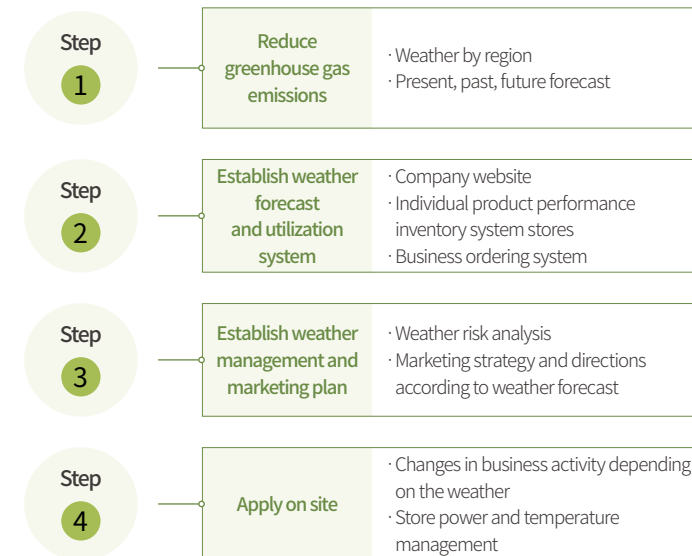
SEMS Installation Status ■ Number of stores with SEMS (number)



Weather Management Information System

We analyze the sales impact of each product at each store using weather data. We predict changes in demand due to weather by connecting it with the ordering system and reduce the discard rate of weather-sensitive products by developing ordering prediction guides for each food product. We also predict weather disasters, distribute safety precautions to store owners, and plan related promotions to improve customer satisfaction. We plan to upgrade the system by connecting SEMS with weather data and introducing a function to automatically light up signs based on the weather.

Application Process



The Story of Our Smart Energy Management System [SEMS]

Interview with Hyeonjin Kim, Manager of Facility Support Team



Q. What led to the introduction of SEMS?

We introduced it in 2015 to computerize convenience store facility management, proactively respond to troubleshooting, and reduce electricity consumption.

Q. What are the actual effects that store owners and other users can experience through SEMS installation?

There is currently a lot of interest in electricity consumption due to rising electricity rates. By utilizing SEMS' patented contract power calculation logic, we lower the contract power when a store opens, contributing to reducing the basic electricity bill for business owners. The mobile application supports monitoring of store electricity use and remote management of in-store air conditioners and signs, which resulted in high satisfaction among business owners.

Q. What are the future plans?

We aim to advance IoT-based convenience store facility management and provide practical support in store operations, such as preventing product damage and reducing sales opportunity losses. We also intend to develop a system that is also beneficial to the environment by helping store owners reduce power consumption.

Green Store

Eco-friendly Store

Establishing Eco-Friendly Infrastructure

Home Shopping

We continue to promote activities to reduce energy use and waste emissions within Gangseo Tower and Gangseo N Tower. We strive to build eco-friendly infrastructure by installing solar power facilities and electric vehicle charging stations, and converting broadcasting studios to eco-friendly setups.

Lighting

Saved energy by converting to eco-friendly LED lighting throughout the Gangseo Tower broadcasting area and product preparation room

Number of LED lighting installed **53** units

HVAC

Improved building cooling and heating efficiency through the replacement of Gangseo Tower's aging cooling tower and insulation work in the air conditioning room

Energy saving rate **3.3**%

Water-saving mixing faucet

Installed water-saving mixing faucet that uses sensors and pressure

Number of water-saving mixing **186** units

Solar power facility

Produced electricity through installation of two solar energy systems in N Tower in Mullae-dong

Solar power generated **48,170** kWh

Low NOx burner for water heater

Reduced NOx and increased combustion efficiency by switching to a low-NOx burner

Number of water heaters replaced with low NOx burner **8** units

EV Charging station

Established eco-friendly infrastructure by installing electric vehicle charging stations in both headquarters

Number of EV charging stations installed **9** units



Digital studio

Reduced waste by introducing an LED wall to the live broadcast studio and converting to a digital set using NDI¹⁾

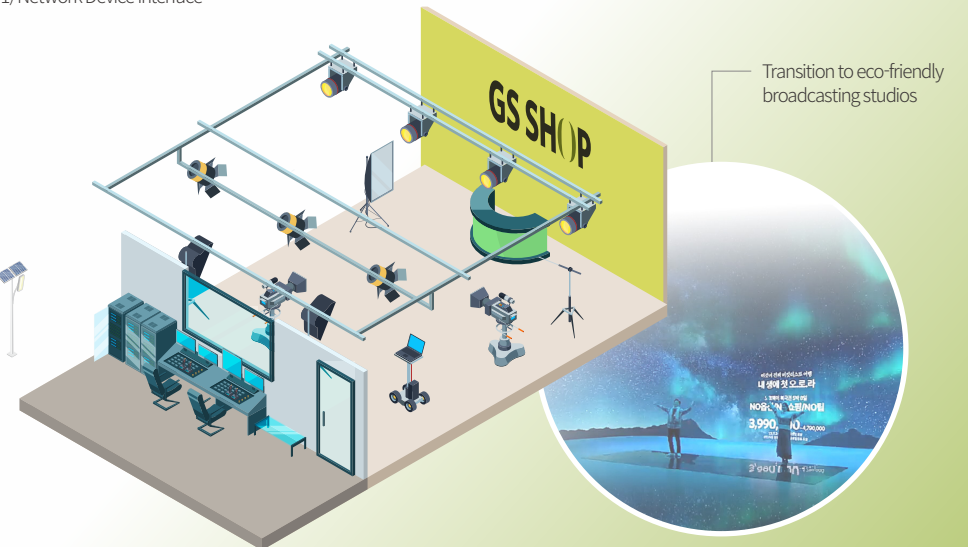
Waste reduction rate **33**%

Rechargeable filming equipment batteries

Switched disposable alkaline batteries to fully rechargeable nickel hydride batteries

Average number of batteries saved per year About **22,000**

1) Network Device Interface



Transition to eco-friendly broadcasting studios

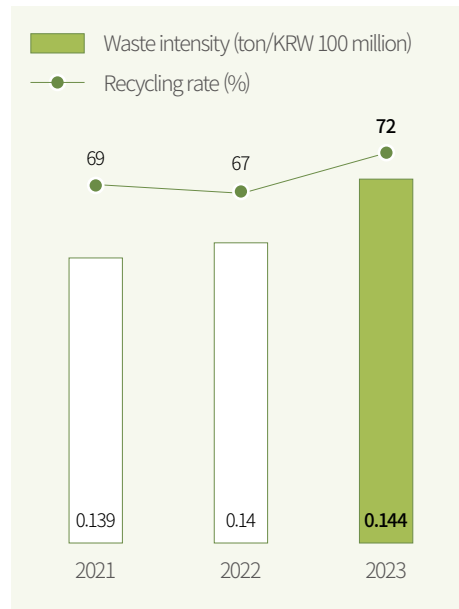
Green Store

Circular Economy

Recreating Resource Value

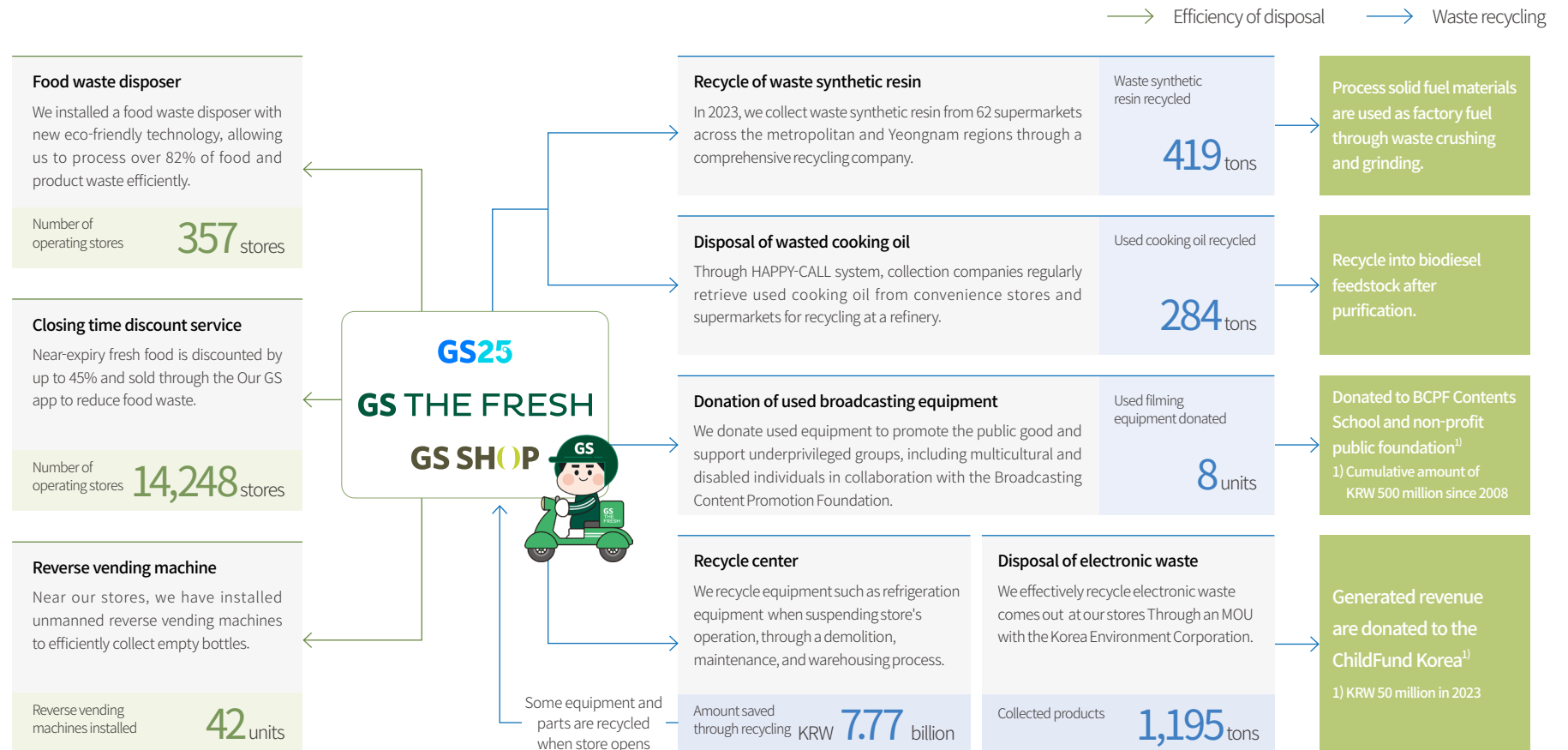
Goal of Waste disposal

We are actively working across our business sites, including stores and office buildings, to achieve our mid to long-term goal of reducing waste intensity by 25% by 2030. While waste intensity increased by approximately 2.86% compared to 2022, we have improved our recycling rate by approximately 5%p through efficient waste disposal practices. Moving forward, we will explore additional waste reduction strategies and enhance our disposal practices to meet our 2030 targets.



Detailed Strategy

We operate a virtuous resource cycle system aimed at reducing waste in convenience stores and supermarkets. We promote carbon neutrality through a circular economy by leveraging new technologies to enhance waste management efficiency and expand our recycling initiatives through strategic partnerships.



Environmental | Social | Governance

Social

We create social value by enhancing the diverse impacts that management activities can have on various stakeholders, including customers, employees, partners, and the local community, fostering a shared growth culture that grows alongside the local community.

Approach

We are committed to building an organizational culture where everyone is respected by expanding programs to protect employees and developing a sustainable supply chain by supporting shared growth with partners. We also provide customized, high-quality products and services that consider customer health and prices, and continue to engage in social responsibility activities to promote shared growth with the local economy and society.



Partners provided with sales channels

69 companies

GS Retail & three partners

Jointly acquired **CCM** certification

Recognized as

A great place to work for in Korea

Local specialties purchases

Achieved KRW **115** billion



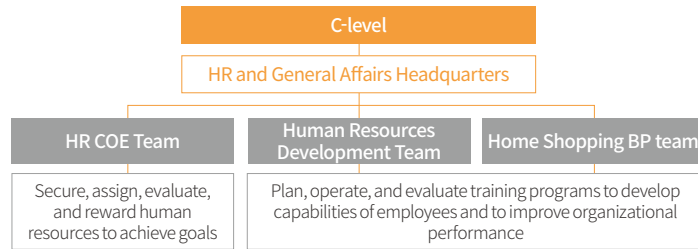
Together with Employees

An Organization that Grows Together

Management System

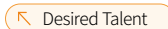
Governance

We operate talent management and development governance from a human resource management (HRM) and human resource development (HRD) perspective, striving to secure talent that aligns with our ideals and to cultivate professional capabilities.



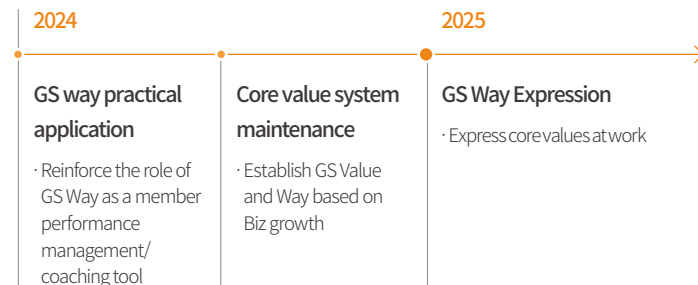
Desired Talent

We strive to discover and secure talented individuals who exemplify GS Value, which refers to our company's unique values, and GS Way, which refers to our work ethics.



Mid to Long-Term Goals

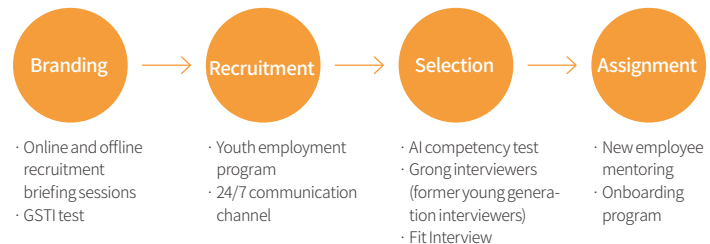
We operate short and mid to long-term goals to secure diverse human resources and cultivate talent that embodies the GS Way.



Personnel System

Recruitment Process

To secure excellent talent, we do not discriminate based on gender, age, social status, or place of origin during the hiring process. We operate a data-based recruitment process and applicant-centered recruitment strategy, recruiting new employees on a large scale at least 5 times each year, including internships. In 2023, we established a new campus recruiting process in collaboration with local universities to expand the recruitment of excellent talent in non-metropolitan areas. We also conduct user-friendly recruitment branding activities by hosting approximately 45 recruitment briefing sessions and job fairs every year.



| Received the Public Administration and Security Committee Chairman Award at the 2023 Korea Job Awards |

We received the Public Administration and Security Committee Chairman Award at the 2023 Korea Job Awards in recognition of increased employment and fairness and transparency in the hiring process.

| Selected as a Top Company for Veteran Recruitment |

We were selected as a top recruitment company by the Ministry of National Defense and awarded a plaque of appreciation for our contribution to providing employment support and social advancement for veterans.

| Expanding Female Employment Rate |

We continue to pursue efforts to create a fair and equal workplace by hiring 37% of new employees in 2023 and recording 18% of female executives.

Core Job Competency System

In 2023, we established a company-wide job competency system consisting of Evolving, Core, and Digital competencies to strengthen capabilities for each core business and secure future business performance. We are improving the overall HR system, including recruitment, evaluation, promotion, compensation, and talent development, based on detailed job competency standards differentiated by business and jobs. We plan to develop into a distribution platform company through the change of HR paradigm based on job competency.

Evaluation System

We operate an MBO evaluation focused on performance goals and a GS Way evaluation centered on individual work capabilities. Depending on the type, it is conducted through absolute and relative evaluations. Team members and managers receive support to identify individual strengths and areas for improvement through a continuous coaching and feedback system. We also provide performance management leadership training to team leaders and ensure the fairness and reliability of procedures and results by checking the quarterly performance interview, objection resolution procedures, and interview consistency.

Compensation System

We provide competitive compensation based on individual performance, position, and competency rather than seniority. We adjust wages every year, considering various factors such as the external environment, wage competitiveness in the industry, and solvency. We hold briefing sessions for all employees and individual salary agreement procedures. We also provide incentives tailored to each BU and business division for business performance every year to motivate them to achieve their goals.

Together with Employees

Talent Management

Human Resources Development

Development Direction

We operate a talent development system to foster talent with the company’s core competencies: job, leadership, and GS Way. We provide tailored online and offline competency training to all employees, including job training, leadership training by each step, core value internalization training, and self-directed learning training.

Human Resources Development System

Goal	Developing talent with the company’s core competencies: job, leadership, and GS Way			
Focus areas	Job competencies	Leadership skills	GS Way competencies	Self-directed learning
Tasks	<ul style="list-style-type: none"> Job training led by business department Digital/data competency training 	<ul style="list-style-type: none"> Leadership training for team leaders Special lecture program for leaders Leaders On Leadership training for managers 	<ul style="list-style-type: none"> GS Way internalization training New/experienced employee training DEI training 	<ul style="list-style-type: none"> Mobile content-based training Tomorrow On Training reflecting members’ needs Class On Talent sharing training among members Link On

[Voluntary Learning Platform](#)

| Clover Program |

GS Retail is hosting 'Clover,' its own online hackathon, to engage diverse talent from across the country in innovative activities. Over the past five years, approximately 3,500 members have participated, forming teams to submit ideas and develop business insights. Through Clover, we have discovered ideas that evolved into successful ventures, such as Cafe25’s monthly subscription service. Moving forward, we will continue to foster open innovation through planned activities, aiming to uncover a wide range of innovative ideas and enhance the skills of individual employees.

Classification	Event held	Participating teams	Participants
2019-2023	5 times	849 teams	3,523 people

Training Performance

Each business unit operates a self-directed learning program to facilitate individual development. Employees in the platform BU and support departments are required to complete 30 hours of self-directed learning annually, while the home shopping BU is provided with annual training expenses for external courses. We are committed to enhancing our self-directed learning initiatives to enhance our team members’ capabilities.

Measuring Effectiveness

In 2023, we launched the GS Way Challenge, a voluntary training program aimed at strengthening understanding and adherence to our corporate values among both managerial and non-managerial employees. Over six months, 573 managers participated in in-person training sessions conducted with TomorrowOn to educate them on the leadership role in fostering performance based on the GS Way. Simultaneously, 4,079 non-managerial employees underwent virtual training sessions with TomorrowOn to deepen their understanding of the GS Way.

As a result, awareness of the GS Way improved by 17.6% compared to before. We plan to continue offering training on the company’s distinctive work culture to ensure all employees effectively carry out their roles. Moreover, the Home Shopping BU has set an 80% completion target for all training courses and evaluates the practical application of training outcomes to gauge effectiveness. We also enhance course content based on direct feedback from in-house instructors, assess the achievements of new employees through onboarding training, and actively integrate results into departmental placements.

| BX Design Process and Design Strategy Development Training |

Overview	Effectively enhance employees’ practical capabilities through comprehensive training focused on theories such as branding methodology, along with real-life examples
Expected outcome	Establishment of customized design strategy and process for the company

Training practical application score	4.44 points / 5.0 points ¹⁾
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1) 5-point scale evaluation of indicators, including job skill enhancement, training satisfaction, and course fidelity, etc.

Together with Employees

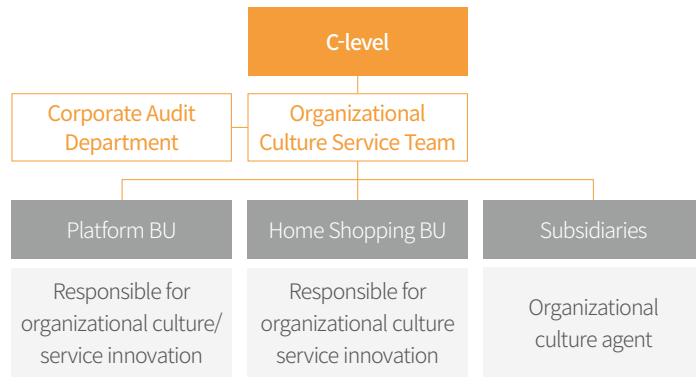
Talent Management

Management System

Governance

We have an Organizational Culture Service Team dedicated to internalizing our values and work ethics among all members, fostering a healthy organizational culture.

Especially, within our convenience store and supermarket divisions, we appoint Organizational Culture and Service Innovation Managers under the leadership of each division head (managing director) at offline bases nationwide. Their role includes promoting value sharing, facilitating employee communication, conducting pride-cultivating activities, performing organizational diagnosis and improvement, and ensuring that member voices are heard by management.



Establishing an Organizational Culture

Promoting GS Value & GS Way

Diagnosing organizational culture

In 2023, we conducted an integrated organizational culture survey and leadership diagnosis survey to effectively assess our organizational culture. To ensure reliability and anonymity, the surveys were administered through an external company, resulting in a participation rate increase of more than 20% compared to 2022. The findings from the leadership diagnosis were individually shared with each organization's leaders, facilitating one-on-one coaching sessions where senior leaders mentor lower-level leaders to enhance our organizational culture. Furthermore, we developed a Leader Practice Pledge and circulated it among our members, encouraging individuals to leverage their strengths and address areas for improvement based on GS Value and GS Way principles.

Pride-cultivating and CEO Communication Activities

We organize events to foster pride among our members and facilitate communication between the CEO and executives. In 2023, a colleague shoutout event was held to encourage praise and enhance communication among colleagues. The number of Mokkoji sessions with the CEO was increased to twice a year, allowing employees nationwide to participate.

Activities Participated by the CEO

Category	Activity	Performance ¹⁾
Pride-cultivating activities/events	Mokkoji with the CEO Case 1.	4.7/5
	Holiday gift event	4.95/5
	Family Month Event	1 time
	Colleague shoutout event	4.6/5
	GS Retail Awards	4.8/5
Communication channel	HR is with you Case 2.	29 times
	Vision meeting with the CEO	4.85/5
	CEO Insight Story	10 times
	CEO letter	10 times
	Hanmaum Sharing Meeting	24 times

1) Satisfaction assessment based on 2023 performance standards, number of events held, etc.

Employee Communication Channel

We operate an anonymous communication channel and the Hanullim Council(Labor Council) to listen to employee voices and actively collect their feedback. Each case received through the anonymous communication channels in 2023 was categorized, resulting in the improvement of 174 out of 195 cases, which accounts for 89%.

Number of Communications Held by Channel in 2023 (Unit: case)

Category	Ari ¹⁾	Dongsu ²⁾
Number of cases	174	21

1) Name of communication channel for employees of convenience store division

2) Name of communication channel for employees of supermarket division



Together with Employees

An Organization that Grows Together

Establishing an Organizational Culture

Case 1. Cultivating Pride

| Mokkoji with the CEO |

We establish our organizational culture by selecting teams that exemplify GS Values and GS Way, and conducting the Mokkoji with the CEO event where they experience these core values outdoors and engage directly with the CEO.

In 2023, we expanded our activities beyond the metropolitan area to include the Yeongnam region. A total of 17 teams participated in two sessions, aiming to enhance communication with executives and the CEO, and to foster pride among our members. We plan to continue developing various programs so that members can experience our organizational culture daily, and aim to expand our operations to facilitate direct communication between the CEO and employees in the field.



Number of participants



150 people

Satisfaction



4.7/5.0

Case 2. Expanding Communication

| 'HR is With You' |

GS Retail aims to be a company where employees are happy to work by incorporating feedback from the field into its management activities. 'On-site meetings (HR present)' not only boost members' psychological safety by addressing their suggestions and concerns but also share the company's vision and management policies. This communication culture ensures that both the company and its employees are aligned and working towards the same goals.

We communicate with members about the progress of each case to ensure members' suggestions can lead to actual improvements. In 2023, we held 29 sessions for a total of 671 people, including managers and team leaders, and provided team-level system guidance and business experience programs. During the program, 87 suggestions, including training outside of OFC duties, were improved and reviewed. In 2024, we aim to expand communication with various positions by visiting remote areas with new leadership organizations.



Number of participants



671 people

Number of improvements and reviews¹⁾



87 cases

1) Diversification of HR meetings, training outside of OFC duties, improvement of communication cost coverage, strengthening of onboarding for experienced employees, etc.

Together with Employees

An Organization that Grows Together

Establishing an Organizational Culture

Selected as the Best Place to Work in Korea

GS Retail has implemented the 'GS Retail Well-being System' to offer industry-leading welfare services in various areas, including congratulations and condolences, rewards, childbirth and childcare support, and competency development. In terms of employee benefits, we departed from the traditional company-centered approach and developed it to prioritize employee experience and well-being. In 2023, we obtained the certification of Great Place to Work in Korea by GPTW Korea. Evaluated across five categories including credibility, fairness, respect, camaraderie, honesty, and pride, we scored over 60% and were recognized as a great place to work in Korea for working moms, seniors, and millennials, as well as in Asia. We remain committed to maintaining the highest scores in communication, fairness, and creativity, fostering an organizational culture where members can focus on their work and enjoy a fulfilling work-life balance.



Family-Friendly Program

We operate a family-friendly system to create a joyful workplace and support employees by alleviating the burdens of childbirth and childcare. We have obtained a family-friendly company certification, in recognition of the excellence of our system.

Family-Friendly Program

Item	Details
Childcare expenses support	Reimburse childcare and kindergarten fee
Medical expenses support	Provide spouse's medical expenses
Maternity support	Bonus for giving birth to multiple children
Leave benefit	Offer parental leave
Purni Daycare Center	Operate an in-house daycare center



GS Retail Purni Daycare Center



Family-friendly company certificate

| Improvement of Coverage Standards for Pregnancy Medical Expenses |

We listen to employee feedback through our internal communication channels and have responded by enhancing our coverage of pregnancy medical expenses, a major request identified in 2023. To address concerns about payment equity for female employees in the early stages of pregnancy who may hesitate to submit a confirmation statement, we now support expenses upon request without requiring this document.

Various Employee Benefits

We offer a range of benefits to enhance the practical welfare of each employee and promote work-life balance.

Program	Details
Language learning support	Cover language test fees and language learning expenses to support self-development
Shuttle bus	Provide shuttle buses for GS Tower workers and residents of the metropolitan area
Significant life events	Grant payments and vacation in case of marriage or death of employees' family members
Sports game tickets	Provide tickets to FC Seoul soccer, GS Caltex volleyball, and LG Twins baseball games
Recreational facilities	Provide complimentary or affordable use of recreational facilities throughout the year
Education support	Offer tuition support for obtaining a degree in a job-related field of study
Children's education expenses assistance	Reimburse admission and provide tuition support to employees who have children in high school or college based on years of service
PC-OFF system	Operate PC-OFF system to promote leaving work on time
Health checkup support	Offer general health checkups service and comprehensive checkups for employees and spouses

Retiree Support and Reemployment Policy

We offer a business opening support and a re-employment system for retirees to assist our members in transitioning to new lives after retirement.

New Business Support for retirees

Item	Details
Business opening cost support	Provide financial support for retirees starting their first franchise
Children's tuition support	Offer tuition support for children of employees, regardless of the number of children
Business interest rate support	Cover loan interest for retirees starting a franchise
Entrepreneurship training	Provide on-site experience and training courses for up to one year before opening a franchise for prospective retirees without prior field experience

Re-employment system for retirees

Item	Details
Eligible for reemployment	Retiree
Jobs eligible for re-employment	<ul style="list-style-type: none"> When temporary special skills/expertise are required for the business the company is promoting When temporary skills are required for the business the company is promoting When a temporary network is required for the business the company is promoting Other cases where the company deems it necessary
Treatment upon re-employment	Prepared under agreement according to separate standards
Re-employment period and contract type	Re-employment for up to 1 year and contract worker

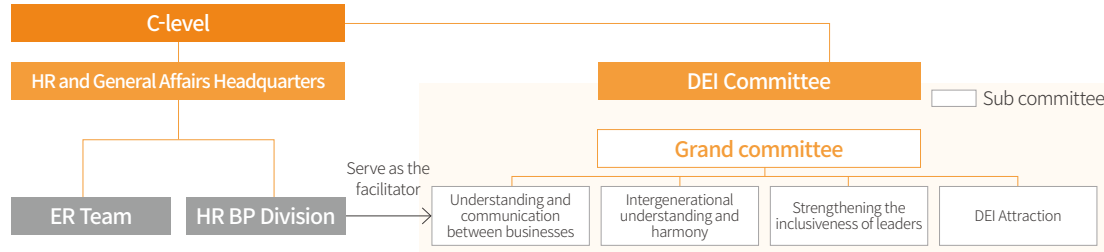
Together with Employees

Human Rights

Management System

Governance

We implement human rights management through the DEI Committee, HR BP Division, and ER Team. The ER team conducts human rights impact assessments and establishes a human rights framework, while the HR BP division collaborates with departments and communicates with leaders to swiftly implement the DEI Committee's initiatives.



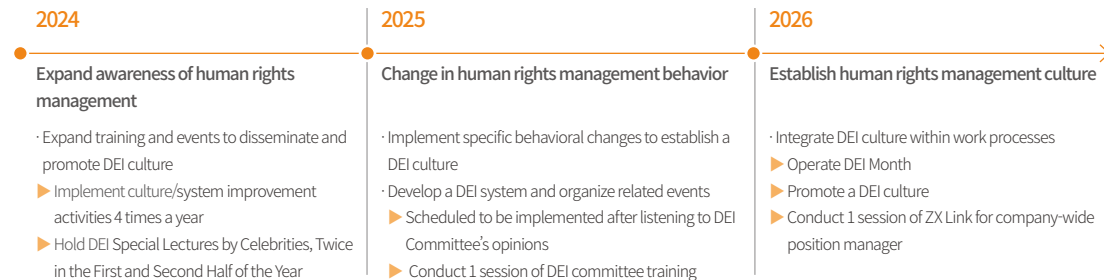
Human Rights Management Policy

We have established a human rights management policy to ensure the value and dignity of all stakeholders involved in our management activities and to create an environment where employees can work with respect. We are committed to addressing any related issues that may arise during our business operations, while adhering to the Universal Declaration of Human Rights, the Ten Principles of the UN Global Compact (UNGC), and global labor and human rights standards and guidelines.

[Human Rights Management Policy](#)

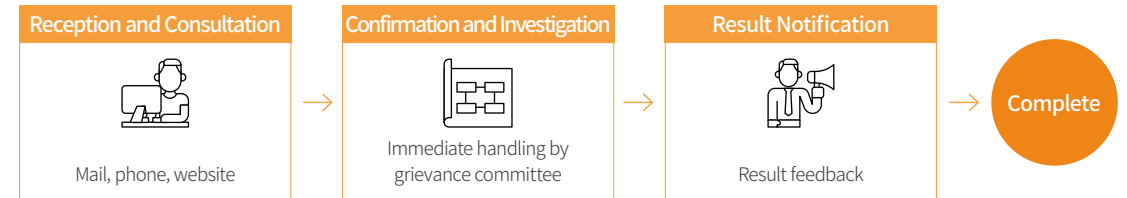
Mid to Long-Term Goals

We operate mid to long-term human rights-related goals centered on the DEI Committee and strive to establish a human rights management culture within the organization.



Human Rights Greivance Handling Process

We maintain channels and a grievance-handling process to address human rights issues raised by stakeholders. Mandatory reporting is enforced for incidents violating organizational values and regulations, with prompt fact-checking and measures like separation to prevent secondary victimization. Utilizing various online and offline platforms, including Talk to the CEO, Voice of Integrity Management, Voice of Partners, Redwhistle, Ari and Dongsu, we addressed 96.2% of grievances, including complaints. Cases of workplace harassment and sexual harassment are directly reported to the CEO, who informs the crisis response council consisting of the communication team, legal team, and organizational culture service team. Investigations are conducted by the organizational culture service team, followed by disciplinary actions or preventive measures through the Ethics Committee. We also conduct training sessions for new and experienced employees, as well as new leaders, and require an annual leadership pledge to reinforce prevention efforts.



Human Rights Training

We conduct DEI training to promote a DEI organizational culture, in addition to legally mandated training such as sexual harassment prevention and disability awareness. Designating 2023 as the DEI awareness-raising phase, 5,361 employees, managers, and team leaders completed DEI e-learning, DEI leadership, and ZX link training to share DEI concepts and emphasize the importance of building a DEI organizational culture, laying a foundation for behavioral change. In the future, we plan to continue ZX link training directly led by the company's Generation Z members to foster intergenerational connection, and to operate programs promoting diversity and inclusion within the organization.

2023 Human Rights Training Status

(Unit: person)

Item	Details	2023
Legally mandated training	Sexual harassment prevention and disability awareness training	4,737
Voluntary DEI training	DEI and psychological safety, DEI leadership, ZX Link training	5,361

Together with Employees

Human Rights

Human Rights Risk Management

Management Process

We operate processes to effectively manage human rights risks for stakeholders, including our employees. Each year, we establish a process to prevent potential human rights risks, which includes identifying risks, implementing mitigation measures, conducting human rights impact assessments, managing performance, and disclosing results.

1 Identify risks	<ul style="list-style-type: none"> · Confirm the necessary participant numbers for impact assessments · Identify Compliance with Working Conditions as the most significant risk factor among the six human rights areas
2 Implement mitigation measures	<ul style="list-style-type: none"> · Enhance the visibility of the company's human rights initiatives through active DEI Committee operations · Revise employment rules and retirement pension regulations
3 Conduct human rights impact assessments	<ul style="list-style-type: none"> · Distribute surveys to employees and encourage their participation · Ensure survey validity by increasing participation rates among younger employees
4 Manage performance and disclose results	<ul style="list-style-type: none"> · Ensure survey validity by increasing participation rates among younger employees · The negative response rate increased by 3% due to the expansion of survey scope · Enhance the grievance handling channels and mechanisms, which were found to be relatively lacking, and expand participation in impact assessments

Mitigation Measures and Performance Evaluation

We identified major deficiencies based on the results of the human rights impact assessment and implemented improvement activities, leading to an increase in positive response rates in three human rights areas by 6%p to 31%p compared to the previous year. We developed new measures to enhance awareness of "free discussion on working conditions" in the 2022 human rights impact assessment. We fostered an environment for open discussions on labor-related issues by holding monthly meetings for juniors and seniors in each BU, headquarters, and division. As a result, the positive response rate for "providing alternative measures to discuss labor-related issues" in the 2023 survey improved by 12%p compared to 2022, confirming the effectiveness of our efforts and the improvement in employee awareness. In 2024, we plan to introduce a specialized Employee Assistance Program (EAP) for workers, strengthen communication channels, and offer an in-depth worker rights training course¹⁾ for managers to further enhance human rights awareness throughout the organization.

1) Trainings on guarantee of rights based on the Labor Relations Act and prevention of bullying and sexual harassment in the workplace

Risk Identification by Stakeholder

Category	Human rights issues	Communication channel
Employees	<ul style="list-style-type: none"> · Workplace bullying · Working hours and conditions · Non-discrimination · Health and safety 	<ul style="list-style-type: none"> · Talk to the CEO · Voice of Integrity Management · Redwhistle · Organizational culture manager for each BU
Customers	<ul style="list-style-type: none"> · Consumer rights · Privacy 	<ul style="list-style-type: none"> · Talk to the CEO · Voice of customers · Customer meeting
Store owners	<ul style="list-style-type: none"> · Store operating conditions 	<ul style="list-style-type: none"> · Store Management Council · Development committee · Dispute Mediation Committee
Partners	<ul style="list-style-type: none"> · Fair Trade 	<ul style="list-style-type: none"> · Partner meeting · Partner advisor · Redwhistle · Ethical Management Hotline · Voice of suppliers

Conducting Human Rights Impact Assessment

We conduct an annual human rights impact assessment on employees to evaluate the human rights risks they may face.

This assessment is structured according to global guidelines and the National Human Rights Commission's human rights checklist. In 2023, we expanded the survey scope and enhanced participation among the organization's younger generation, reflecting changes in our workforce composition. Compared to 2022, more than 10% of employees participated in the impact assessment.

Together with Employees

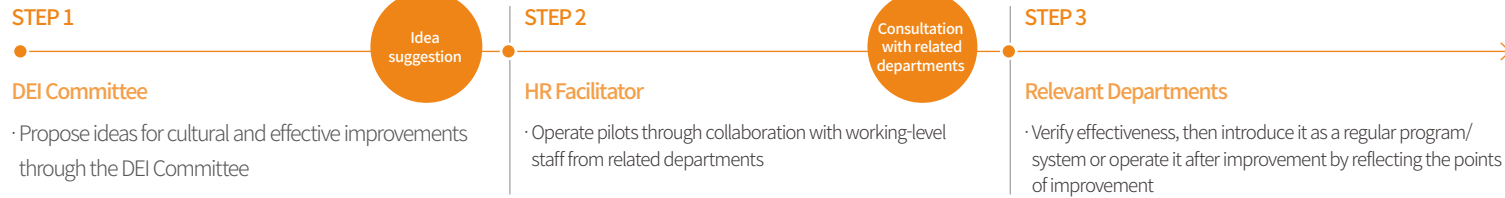
Human Rights

Human Rights Risk Management

DEI Committee

We operate a DEI Committee where our members actively participate to promote a diverse, equitable, and inclusive culture. Through this committee, we aim to establish a virtuous cycle where member feedback informs changes in company systems and practices. The committee helps identify DEI initiatives necessary in our operations and integrates them into our systems to foster a sustainable DEI culture.

DEI Committee Agile Process



| ZX Link Lecture |

To enhance intergenerational understanding and cohesion, we organized the ZX Link Lectures, where Generation Z mentors provided insights to Generation X team leaders and executives. In 2023, mentors from various business divisions covered topics such as GS Retail from a Generation Z perspective, benefiting 86 Generation X members and fostering cross-generational communication. Going forward, we aim to integrate ZX Link lectures into our regular curriculum, targeting leaders in 2024 and expanding to all members by 2025.



| Connection For DEI |

We initiated the Connection For DEI program to facilitate exchanges among team members across different departments, strengthening understanding and communication between business units. In 2023, teams selected their counterparts for exchange, leading to four successful programs that enhanced interdepartmental communication. In 2024, we plan to invite field members to GS Tower and provide dedicated spaces for each region, offering expanded opportunities for communication across field departments.



Diversity and Inclusion DEI Story

Interview with Yunseon Seok, Director of HR BP division



Q. Why is DEI important at GS Retail, and what is the philosophy behind it?

Active communication and collaboration, integral to our GS Way, are rooted in mutual respect and inclusion. Equity is not just a slogan but is embedded in our systems and processes. Diversity naturally emerges as a result of this virtuous cycle. Building a DEI culture is a deliberate effort to integrate diversity and inclusion into our DNA and organizational culture.

Q. Please tell us about the company's DEI initiatives.

Our DEI strategic priorities vary depending on the organization's maturity level. Our mid to long-term DEI priorities are: 1. fostering cross-business understanding and communication, 2. enhancing leader inclusiveness, and 3. promoting intergenerational understanding and harmony. Through these priorities, we aim to sincerely progress through stages of expanding DEI awareness among members, changing behaviors, and ultimately establishing an inclusive culture.

Q. As an HR manager, what do you hope GS Retail will look like with a DEI culture?

All of our members work as their own selves and grow with a sense of belonging. I aspire for every member to feel valued and not pressured to conform based on personal characteristics such as recruitment type, experience level, business division, gender, or age. I hope we cultivate a culture where pride and a sense of belonging as GS Retail team members naturally flourish, fostering psychological safety and mutual growth among all.

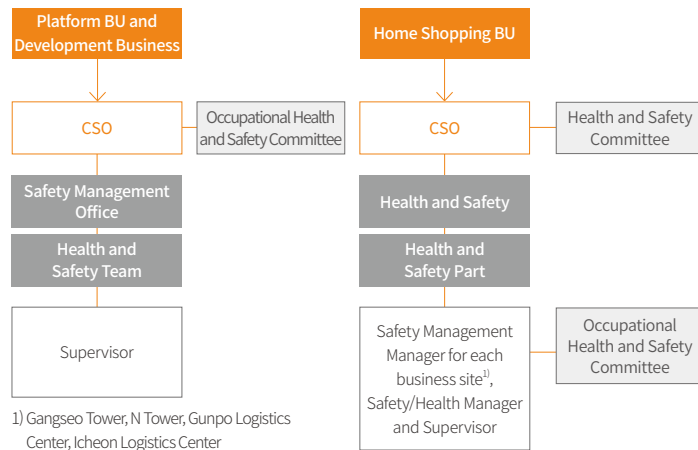
Together with Employees

Safe Workplace

Management System

Governance

We appointed a Chief Safety Officer (CSO) to oversee company-wide health and safety and operate a dedicated organization for each business unit (BU) directly under the CSO. Within Platform BU, the Safety Management Office serves as a control tower that oversees health and safety management tasks and operates a health and safety team. Within Home Shopping BU, the Health and Safety Office acts as a control tower, with the Health and Safety Department in charge of practical work. Furthermore, we strive to create a safe working environment by appointing a health and safety manager for each business site.



Health and Safety Management Policy

We actively pursue health and safety management policies to improve the quality of life for all our members and citizens.

[Health and Safety Management Policy](#)

Mid to Long-Term Plan

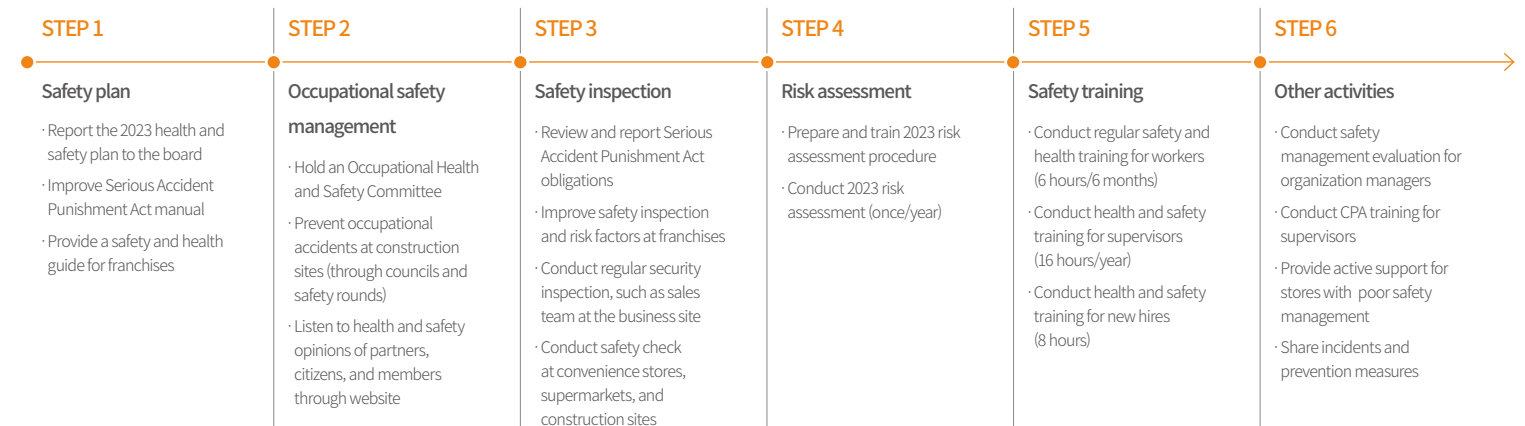
We aim to continuously improve safety management systems to prevent accidents and disasters by creating safe working environments and promoting a culture of safety.

Advancing Safety Management Systems



Health and Safety management diagnosis process

We develop a health and safety plan every year and report it to the board. We aim to strengthen our role by linking health and safety management indicators to the KPIs of organizational managers and achieving 100% improvement on immediate needs derived from risk assessments.



Together with Employees

Safe Workplace

Creating a Safe Working Environment

Occupational Safety Management

Occupational Health and Safety Committee Convened

The Occupational Health and Safety Committee consists of six members from management and six from the workforce, meeting quarterly to deliberate and decide on health and safety matters. The Home Shopping BU has established a separate Health and Safety Committee, hosted by the CSO and attended by health and safety officials from all Home Shopping BUs, to further promote health and safety management activities.

Status of Committee Meeting Convened

Category	Platform BU	Home Shopping BU
Number of meetings held	4	4
Number of agenda items	17	13
Number of approved items	17	13
Major agenda for 2023	<ul style="list-style-type: none"> 2023 health and safety tasks 2023 supervisor safety training 2023 safety accident status analysis Support for stores with poor safety management 	<ul style="list-style-type: none"> Accident reporting process One-hour plan for serious accident Sharing store accident examples Listening to opinions of workers

Safety inspection

Regular Safety Inspections for Business Sites

Each business site and company-wide safety and health organization conducts safety inspections on a regular basis to ensure the safety of employees.

Safety Inspection Items

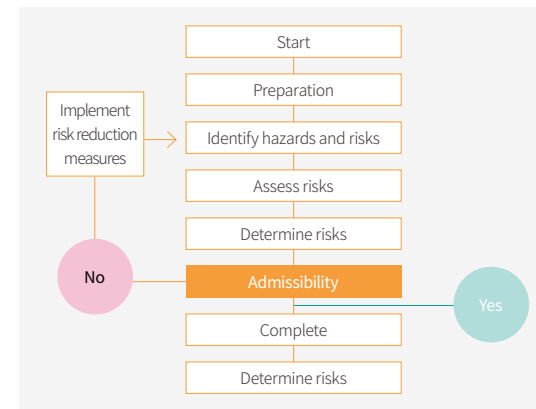
Category	Details	Frequency
Home shopping	Support and implement health and safety inspections at each business site	Monthly
	Conduct safety inspections for directly-managed and franchise stores	Yearly
	Prevent occupational accidents for partners during open construction	When opening a store
Convenience stores and supermarkets	Conduct safety inspections for new stores	When opening a store
	Store safety and prevention measures	Monthly
	Review and improve risk factors	Semi-annually
	Conduct safety check on leased sites for development business	Yearly

Risk Assessment

Regular Risk Assessments

We conduct activities to identify and improve hazardous and risk factors semiannually at each business site. We plan to address the major identified risks, including the failure to wear protective gear while working at heights, short circuits due to water leakage, and the risk of short circuit accidents. Due to the inherent risks at logistics centers, particularly involving forklifts, we plan to introduce smart safety equipment in 2024.

Assessment Process



2023 Risk Assessment Results



Home shopping

- Conducted risk assessments for Gangseo Tower, N Tower, Gunpo and Icheon Logistics Center
- Completed improvement for 22 identified risk factors



Convenience stores and supermarkets

- Assessed and improved risks that may arise during the management processes of storage, cooking, produce, and store management for 206 stores.

| Identifying and managing safety and health-related risks |

□ : Unacceptable risk levels

At the Icheon Logistics Center, we identified cases where warning signs for flammable substances were not posted, resulting in a risk level of 9 due to the absence of MSDS postings. We attached the necessary warning signs, conducted training on the health and safety information of these substances for handlers, and repeatedly evaluated the risk until it was reduced to level 3.

Probability	Level	Importance			
		Maximum	High	Medium	Low
Maximum	5	20	15	10	5
High	4	16	12	8	4
Medium	3	12	9 ↓	6	3
Low	2	8	6	4	2
Minimum	1	4	3	2	1

Together with Employees

Safe Workplace

Safe Working Environment

Safety Training

Regular Health and Safety Training

GS Retail conducts regular safety and health training every quarter, and recorded a 100% completion rate every quarter in 2023. In 2024, we aim to enhance first aid training, including CPR, conducted two to three times annually in collaboration with the Gangnam-gu Public Health Center. We also plan to raise safety awareness by introducing VR equipment at selected logistics centers and conducting training to prevent major occupational accidents.

Regular Health and Safety Training Status¹⁾ (Unit: %)

Classification	2021	2022	2023
Completion rate	100	100	100

1) For management supervisors

Other Activities

Management Supervisor Cardiopulmonary Resuscitation (CPR) Training

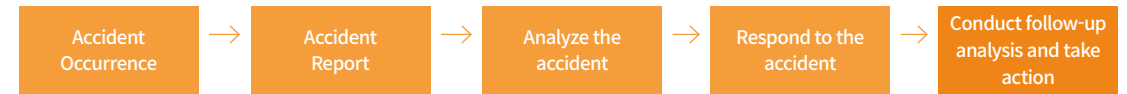
To enhance our crisis response capabilities, we conduct CISM - CPR training session training for supervisors. In 2023, we provided 2 hours of CISM training to 167 on-site managers. Additionally, we distribute emergency response guidelines that cover CISM techniques and specific procedures for handling safety accidents. This ensures all employees are familiar with the manual and equipped to respond effectively in any situation. We plan to continue CPR training to enhance employees' on-site health and safety skills.



Responding to Safety Accidents

We adhere to an environmental and safety accident response manual to establish an effective process for managing accidents and facilitating recovery when incidents occur. Prompt reporting to superiors includes detailing the type of incident, whether it involves fire, wind and flood damage, chemicals, food safety, or customer safety. We assess the incident's scale internally, considering factors like casualties, property damage, and social impact, and assemble an accident response team as needed.

Response Process



Responding to Serious Accidents

In the event of fire or serious accidents causing death or injury, we utilize our serious accident response system. Immediate emergency measures and life-saving actions take precedence, followed by the implementation of recurrence prevention measures. Management supervisors and departments handle these situations according to early response guidelines.

Serious Accident Response Process



Together with Partners

Sustainable Supply Chain

Management System

Governance

We engage in transactions with various partners and maintain effective governance to manage supply chain risks and opportunities. Each business unit's department conducts rigorous selection and evaluation processes, supports partners with various quality control activities, and ensures fair trade practices to foster a sustainable supply chain. We are committed to enhancing our partner management and monitoring systems, aiming for shared growth with our partners.

Headquarters and Divisions	MD Division for each BU	MD Headquarters		Management Support Headquarters	External Cooperation Division		
Department/Team	MD Department	Quality Management Team	Quality Research Team	MD Management Team	Financial Team	Head of Public Policy Team	Compliance Team
R&R	Partner Sourcing and Contracting	Quality Management		Support Partner Companies			-
						Compliance and Fair Trade	

Supply Chain Sustainability Management Policy

We implement a supply chain management policy aimed at enhancing the ESG capabilities and competitiveness of our partners while minimizing social and environmental risks. To operationalize ESG management across our partner network, we have developed ESG code of conduct covering labor practices, human rights, health and safety, environmental preservation, ethical management, and management systems. These guidelines can be accessed through our partner companies' websites. When entering into contracts, we encourage adherence to these codes and require partners to commit to ethical practices through a pledge.

[Supply Chain Sustainability Management Policy](#)

Selection Process

To promote transparency and fairness in transactions, we adhere to the procedures of our voluntary compliance program when selecting partners. We require new partners to complete an ESG self-checklist to strengthen their sustainable management practices. By carefully selecting partners, we ensure the delivery of safe products to consumers and fulfill our social responsibilities.



| Establishing a Joint Platform for Supplier ESG Diagnosis |

To minimize duplicate costs associated with ESG diagnosis across our supply chain and ensure consistency in our assessment system, we have entered into an MOU with the Korea Chamber of Commerce and Industry and 10 major online and offline retail businesses. This collaboration aims to promote ESG initiatives within the retail industry through joint projects and the establishment of a shared platform for supplier ESG information. We will continue to foster mutual growth and sustainability among our partners, by actively participating in industry-wide ESG initiatives, including committees focused on promoting sustainable practices.



Together with Partners

Sustainable Supply Chain

Supply Chain Management

Partner Assessment

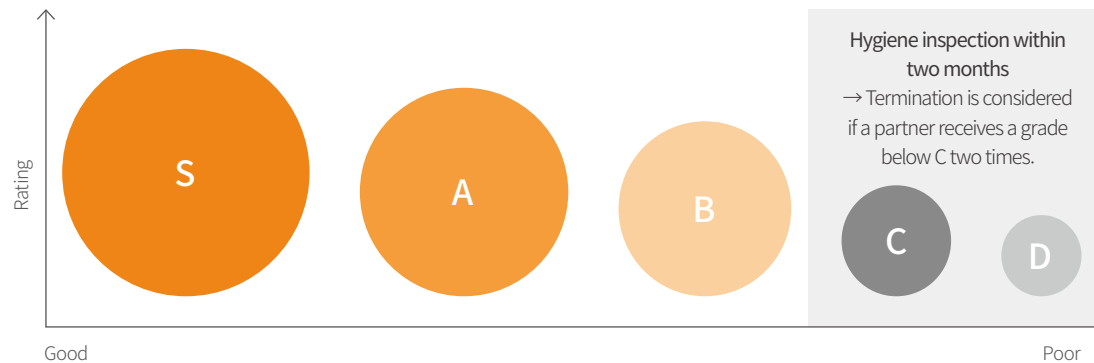
We regularly inspect and evaluate partners supplying or intending to supply products for compliance with related legal requirements such as sanitation, origin, and HACCP certification. In 2023, we conducted a verification survey of 207 companies, identifying improvement needs in seven of them, all of whom agreed to implement necessary changes. Through these effective partner evaluation processes, we aim to foster a sustainable supply chain.

Partner Company Rating

Key Evaluation Items



Assessment Rating and Follow-up



ESG Assessment

We conduct self-checklists and ESG assessments to understand our partners' ESG management practices and minimize potential risks. Each contract must include an ESG self-assessment checklist or an ESG performance assessment survey. Suppliers delivering goods are required to submit a checklist even after the contract is signed. Our suppliers evaluate themselves in four key areas—environment, health and safety, labor and human rights, and ethical practices—to assess their ESG levels. These assessments are conducted annually at the time of contract renewal.

In 2023, Home Shopping BU identified the ESG implementation status of 1,469 partners, which is about 97% of a total of 1,518 new partners. Additionally, the Platform BU will begin evaluating all new partners from 2024 to ensure effective implementation of partner ESG practices.

For partners with poor ESG assessment results, their products are featured only with the approval of respective division heads. Partners demonstrating strong ESG performance are recognized as top partners at the end of each year, receiving various benefits and prizes.

ESG Self-Checklist Items

Area	Main points	
Environment	· Environmental Management Department	· Environmental law violations
Health and Safety	· Health and Safety training	· Safety accident prevention
Labor and Human Rights	· Compliance with legal obligations	· Non-discrimination against gender, religion, age, etc.
Code of Ethics	· Ethics management	· Compliance management

Together with Partners

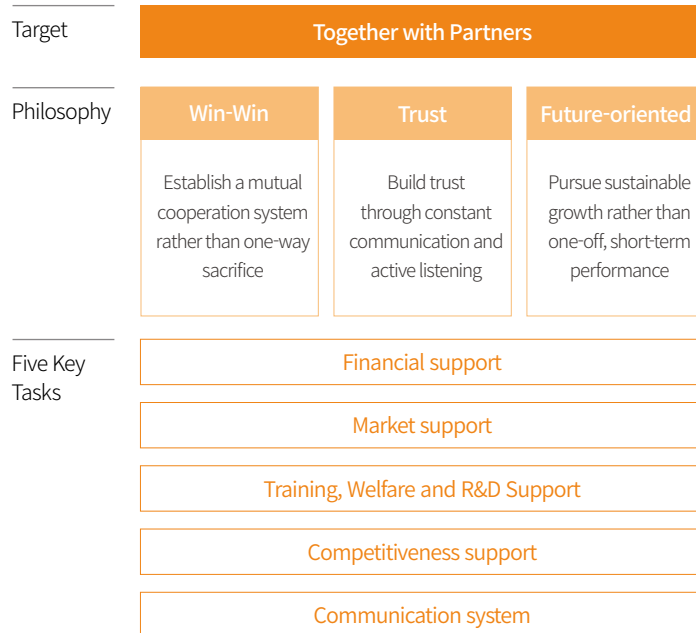
Sustainable Supply Chain

Shared Growth

Shared Growth Guidelines

We operate as the country's sole comprehensive distributor, guided by a vision of shared growth known as "Together with Partners." We consistently promote five key initiatives to foster the growth of diverse stakeholders, including cooperative small and medium-sized enterprises, partners, and franchise owners.

We support our partners through training and certification to enhance the quality of their products, with our expanding partners playing a crucial role in enhancing our distribution business competitiveness. We are committed to our corporate social responsibility by forming a healthy corporate ecosystem in the future.



Partner Support

We promote a wide array of financial and non-financial support activities for our partners, emphasizing shared growth through financial support, market support, training support, enhancing competitiveness, and communication systems focused on five key tasks.

Tasks	Program	Details
Financial support	Shared Growth Fund and ESG Employment Fund	· Offer business loan with low interest for small and medium-sized partners
	Win-Win Partner Loan	· Offer mortgage loans for credit receivables without recourse to partners experiencing repayment burdens
	Broadcasting fee refund	· Refund a portion of the sales fees for items with poor broadcast sales based on quarterly standards.
	Early delivery payment	· Early payment of goods and rent on two annual holidays
	Inspection expenses waiver	· MOU with five inspection agencies · Cover analysis costs for clothing, textiles, cosmetics and biochemistry
Market support	Broadcast support	· Offer free broadcasting services for SMEs and social enterprises
	Overseas export support	· Conduct joint export consultations and broadcast with overseas JV cooperation for top-performing SMEs
	Insert videos	· Provide video production consulting and production cost support for SMEs entering TV home shopping
	Online promotion for SMEs	· Operate separate online mall and broadcast for SMEs
Training support	Shared growth seminar	· Partner job competency training
	ESG training for partner company employees	· Provide two basic courses, 'ESG that everyone should know', 'understanding it at once' and 2 more
	Quality expert training	· Conduct training on potential issues related to goods, their causes, basic regulations, and industry trends based on VOCs
	Microbiological test training	· Conduct training on microbial theory and analysis experiments
	Labeling training	· Offer labeling training and product review
	Safety, health, hygiene training	· Provide food health and origin management training · Conduct partner employee training ¹⁾ · Conduct pre-hygiene inspection and provide coaching and consulting
Competitiveness Strengthening Support	HACCP certification	· Conduct technical support and verification of HACCP documentation, including from fast food factories and partners
	ISO9001 certification	· Assist partners in obtaining ISO 9001 and 14001 certifications
	Eco-label	· Cover training, consulting and certification costs for partner eco-label
	CCM certification	· Support SMEs in obtaining the CCM certification
	Smart learning	· Provide training for employees of SMEs including ESG and capacity development
Communication system	Productivity innovation partnership	· Provide consulting in establishing smart factory, facilities, system construction
	Partner meeting	· Discuss product policy orientations according to time and industry
	Partner advisor	· Appoint advisors (partner representatives) and resolve grievances
	Partner Award	· Select and award excellent partners
	Listening Tour	· Visit partners, listen to their voices, and improve systems
	Voice of Partners	· Operate anonymous grievance and suggestion channel
	Redwhistle program	· Receive feedback from partners through a communication window without conflict of interests

1) Training on the revised KC Safety Management Regulations for clothing, accessories, and living suppliers and the management system for biocidal products and biocidal-treated products

Partner Grievance Handling Status¹⁾

We strive to listen to diverse opinions, including human rights-related grievances from our partners, and incorporate them into our management practices.

Classification	2021	2022	2023
Number of reports received	151	203	360
Handling rate	100	100	100

1) 2021 and 2022 data were corrected due to counting error

Together with Partners

Sustainable Supply Chain

Shared Growth

Case 1. Market Development

| Entering the Overseas Market |

In 2023, we hosted the Overseas Market Pioneer Group information and export consultation session in Bangkok, Thailand. We selected 10 domestic small and medium-sized enterprises (SMEs) and facilitated more than six one-on-one offline export meetings with overseas buyers per company. As part of our overseas home shopping broadcasting support project, we conducted 63 consultations totaling approximately KRW 4 billion in potential sales, with on-site contract performances amounting to approximately KRW 130 million. To meet the increasing global demand for Korean products, we will continue to identify promising domestic SMEs and expand our global market channels.



Number of SMEs that received export support **10** companies

Export consultation **63** sessions

| Expanding domestic sales channels |

We operate several win-win programs, such as GS SHOP's "I Love SMEs," aimed at expanding domestic sales channels for competitive SMEs. By providing free 30-minute broadcasting slots daily to SME and social enterprise owners, we contributed to increased sales through enhanced promotion and expanded sales channels. In 2023 alone, we supported 59 new partners, resulting in KRW 3.26 billion in broadcast sales and KRW 720 million in fee reductions. Our future plans include supporting SMEs interested in expanding their sales channels through TV home shopping and fostering growth through enhanced competitiveness.



Partners with domestic sales support **59** companies

Broadcast sales **KRW 3.26** billion

Case 2. Supporting the Acquisition of Certifications

In the same year, we established a shared growth fund for SMEs, leading to 10 partners nationwide obtaining ISO certification and five partners securing eco-label and low-carbon certifications for 13 products.

From the initial stages of ISO certification, we assigned consulting firms to establish tailored certification acquisition strategies for each partner, facilitating the attainment of eco-label certifications for products like ramyun, popcorn, and ice cups sold in our stores. Furthermore, we achieved low-carbon certifications for some products that have obtained Environmental Product Declaration certification, and we plan to continue to support our partners in obtaining certification to strengthen social responsibility and achieve mutual growth.

ISO-certified partners **10** companies

Partners that supply products with eco-label **13** companies¹⁾

1) Performance aggregated within 2022-2023

Case 3. Improving Partners' Environmental Facilities

We continue to support our partners' facility improvement projects, including the installation of filter presses and polymer aggregate solvent tanks, to enhance their environmental and social competitiveness.



Enhance quality and productivity

- Enhanced labor productivity by introducing high-pressure washing machines and providing support for process lift replacements
- Improved product quality by supporting the implementation of filter presses



Reduce wastewater

- Reduced monthly wastewater sludge generation in food processing wastewater treatment to 2 tons with the assistance of polymer aggregate solvent tanks

Together with Partners

Sustainable Supply Chain

Shared Growth

Supporting Franchise Owner - Financial Assistance

Convenience Store	Promotional Expenses	Classification	Details	2023 Amount Supported (KRW 1,000)
		G-ESPA	Supported activities to improve shopping revenue, such as market and customer analysis	739,454
		New store single item management promotion	Offered promotional events for stores experiencing decreased sales to facilitate recovery	147,725
		Incentive system	Covered inventory handling costs to enhance store competitiveness and profitability	1,032,000
Convenience Store	Franchise Insurance	Classification	Details	Insurance Fee Coverage
		Essential type	Assets, cash theft	Headquarters
			Sales compensation	Headquarters, Store owners
		Optional type	Building fires, Movable Property, embezzlement, fire compensation, outdoor theft	Store owners
Win-win support	Embezzlement, injury, shipment theft, telephone fraud compensation	Headquarters		
Convenience Store	Other	Classification	Details	
		Franchise Award	Provide long-term and outstanding franchises with prizes and financial support	
		Natural disaster compensation	Provide compensation for damage caused by natural disasters	
		Childbirth gift for store owners	Provide KRW 70,000 worth of items for each birth	
		GS Hero Award	Select exemplary cases of store owners and managers in society and award prizes	
Significant life event support	Angel service, voluntary leave for congratulations and support for congratulations and condolences			
Supermarket		Classification	Details	2023 Amount Supported (KRW 1,000)
		Sluggish inventory	Increased support for disposing of sluggish inventory with no sales due to location	55,701
		Fresh waste support	Supported the cost of disposing of fresh food (within the first seven days of opening)	257,790
		Store owner loan	Offered loans to prospective store owners	1,603,100
		Significant life event support	Provided support during significant life events of store owners	4,440

Supporting Franchise Owner - Non-Financial Assistance

Convenience Store	Store owner participatory committee	Classification	Details	
		Development Committee	An advisory board that listens to franchise owners' feedback and incorporates them into franchise policy	
		Advisory committee	An organization that shares management experience and provides advice	
		Store Management Council	An organization that collects store owners' concerns and delivers them to headquarters, fostering relationships among store owners	
Dispute Mediation Committee	An organization where external chairpersons, CEOs, and headquarters personnel discuss and resolve affiliate business conflicts			
Convenience Store	Store owner communication channels	Classification	Details	
		Store Owner Open Proposal	Case 1.	A communication channel that captures and reflects business ideas in headquarters policies
		Store Owner Magazine	A booklet containing useful information on blockchain management	
		Store Manager Talk Talk	A channel for retrieving store managers' store improvement proposals to the department	
		Store Owner Open Academy	A channel that delivers seasonal useful information and facilitates live communication between headquarters and store owners	
Chatbot Joy	A channel to address store employee inquiries and VOCs, and share important information in real-time			
Digital Worklog	Case 2.	A channel to enhance efficient communication between store owners and managers and increase work efficiency		
Operational Status	Other	Classification	Details	
		Consulting services	Provide legal and labor consultations	
		Hiring platform services	Operate a customized platform for hiring store managers	
		Remote management app	Implement unmanned convenience mobile management applications	
Product exhibition	Introduce new products and consumption trends			
Operational Status		Classification	Details	Number of Items in 2023
		Store owner participatory committee	Development Committee	6
			Advisors	17
			Store Management Council	11
		Store owner communication channels	Store Owner Open Proposal	3,822
Shop Manager Talk	545			

Together with Partners

Sustainable Supply Chain

Shared Growth

Case 1. Store Owner Open Proposal

GS Retail effectively communicates with business owners through various channels, including open suggestions, and improves key inquiries through collaboration with related departments. We implement activities to protect the interests of the owners by addressing key improvement requests for promotional show cards, such as '1+1' and '2+1'.

[Suggestion ①] Insert a QR code on the showcard for product reviews



Q: Managing promotional items with showcards is difficult with a variety of convenience store operations. Please consider inserting QR codes to make it easier to review product details on the system.

A: We passed the suggestion to the team in charge of show cards to review possible improvements such as QR code insertion, and we immediately added QR codes starting from the next month's event.



[Suggestion ②] Insert a GS Pay subscription link in your showcard



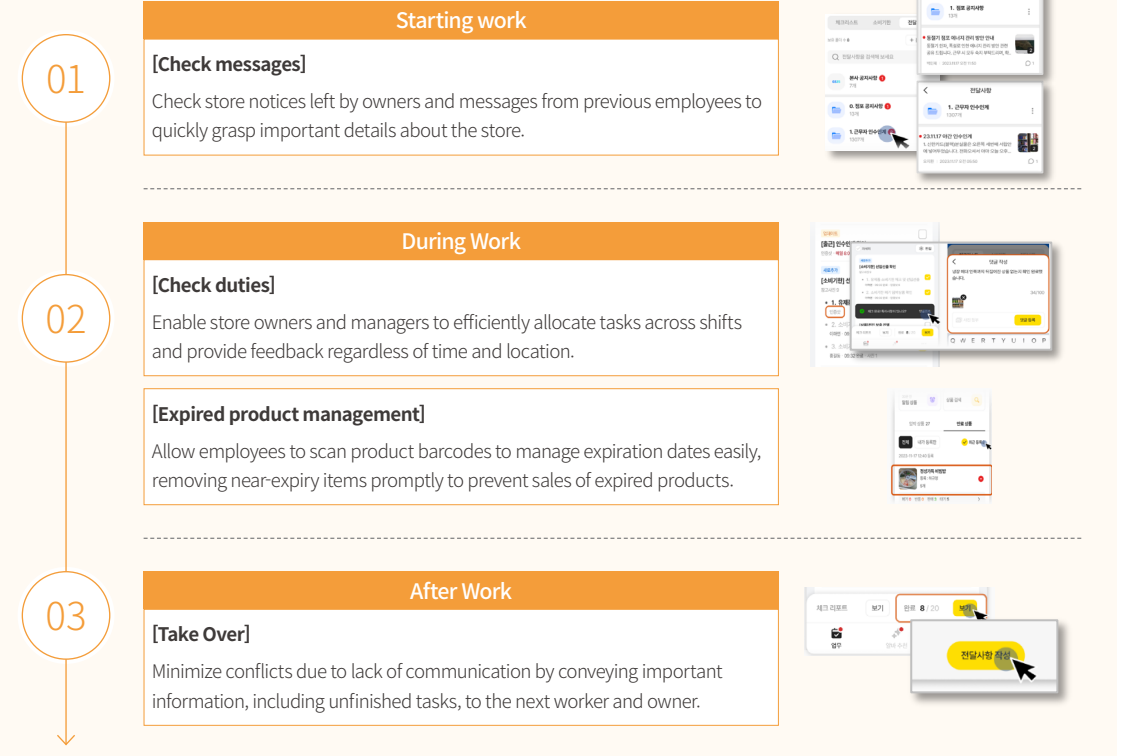
Q: Customers want to sign up for GS Pay to take advantage of the 1+1 promotion, but many abandon the process due to unclear instructions. Improvements to the sign-up process are needed.

A: Starting next month, we have included QR codes linked to benefits and signup pages in GS Pay promotion product showcards distributed to store owners.



Case 2. Digital Work Log 'Working 25' App

We have developed an app called "Working 25" in partnership with a store management app maker to help franchises perform tasks more efficiently. Working 25 digitizes the existing processes that were previously done orally and manually, allowing for comprehensive convenience store management through a mobile app. The costs are fully covered by the headquarters. In the future, we plan to further adapt to the digital age by supporting innovative systems to ensure smooth store management.



Together with Partners

Fair Trade

Management System

Fair Trade Guidelines

We operate a fair trade program in which all employees and partners participate under the leadership of the CEO, promoting sustainable growth through the establishment of a fair trade system. Fair trade guidelines are tailored to the characteristics of each business unit and structured across five stages: prevention, control, inspection, reporting, and improvement. The CEO articulates the company's commitment to fair trade with clear regulations and a dedicated organizational framework to establish a prevention system. To foster shared growth based on mutual trust and cooperation, we adhere to the four major fair trade guidelines and work standards. We regularly update our Fair Trade Compliance Manual and conduct compliance training to internalize fair trade principles throughout our organization.

[Guidelines and work standards](#)

Fair Trade System Improvement

We continuously strive for system enhancement by establishing an internal monitoring system to ensure compliance with fair trade laws, and we plan to continue implementing this system in 2024, as reported to the Board of Directors.

Cases of Institutional Improvement by BU in 2023

Classification	Details
Platform BU	<ul style="list-style-type: none"> Improved Freshmall processes and standard trading contracts Improved return process and agreement statement for the Freshmall season Improved notification of contract cancellation rights for minors in online malls Improved operating system of product exhibition Improved MD operating system resident registration process Improved practice of collecting resident registration numbers for outdoor advertisements Improved quick commerce advertising agreement Improved terms of Our GS subscription services
Home Shopping BU	<ul style="list-style-type: none"> Improved Home Shopping BU and MD Advertising Process Improved the process of marketing promotion Improved home shopping capitalization brand contract Established HBU AI Advertising Process

2024 Action Plan

Classification	Details	
Control Activities	Identify risks <ul style="list-style-type: none"> Recognize risk factors across the business 	<ul style="list-style-type: none"> Risk Universe (mandatory identification items) Listen to risks (VOE & VOP)
	Risk assessment (monitoring) <ul style="list-style-type: none"> Analyze and evaluate risk factors 	<ul style="list-style-type: none"> Conduct analysis on identified risks Monitor activities of high-risk departments Inspect transactions of affiliates
Support Activities	Improve vulnerabilities (establishing standards) <ul style="list-style-type: none"> Improve risk factors 	<ul style="list-style-type: none"> Improve vulnerabilities Establish compliance standards Hold a Compliance Management Council
	Internalize compliance <ul style="list-style-type: none"> Raise and spread awareness 	<ul style="list-style-type: none"> Conduct compliance training Implement a compliance campaign Establish effective company regulations

Compliance Officer

The Story of Our Fair Trade Interview with Changheon Kwak, Director of External Cooperation Division



Q. What are the roles of the Compliance Officer?

The Compliance Officer has been delegated authority and responsibility by the CEO to create an environment where employees comply with fair trade laws and ensure adherence. By efficiently operating the compliance program, they raise awareness among all employees about fair trade laws, monitor operational status, and report progress and results of compliance activities and inspections to the board of directors semiannually.

Q. What are the compliance activities unique to GS Retail?

Fair trade voluntary compliance activities begin with the understanding and participation of all GS Retail employees. We offer diverse compliance training, work guides, and campaigns to enhance employee awareness of compliance management. I'd like to highlight that our compliance control system ensures employees can confidently adhere to our work conduct guidelines, providing them with the necessary support and guidance.

Q. What are the future plans for fair trade compliance?

We took a significant step in our compliance management activities by obtaining ISO 37301 in 2023. Implementing this involved disseminating the fair trade compliance manual and fair trade work guide, which are critical alongside establishing a compliance management system. Moving forward, we plan to make the compliance manual easily accessible through our website and intranet, and continue providing targeted training for various job groups, including MDs. Through these efforts to foster a culture of compliance throughout the company, we will ensure that we are trusted by both customers and partners.

Together with Partners

Fair Trade

Establishing a Fair Trade Culture

Voluntary Compliance Program

At GS Retail, each BU autonomously practices fair trade in order to pursue common development based on mutual trust and cooperation. We operate a voluntary compliance program to uphold transparent trading practices and cultivate a fair trade culture.

Establish fair trading standards and procedures	We comply with the four major fair trade guidelines and work standards, and operate a fair process to internalize these standards.
Declare compliance	The CEO's fair trade will and policy are disclosed on the website to ensure easy understanding by employees and customers.
Appoint a voluntary compliance officer	Compliance Managers are appointed by the Board in accordance with appointment standards and procedures, and their roles are communicated to employees through fair trade bulletins.
Operate a supervisory system	We operate an internal monitoring system to identify system improvement needs and implement changes to establish a transparent fair trading system.
Distribute a compliance manual	We have revised the compliance manual to meet the expectations of the rapidly changing business environment, society, and customer requirements for fair transactions. This enables employees to easily access and utilize the manual to prevent breaches proactively and comply voluntarily. (revised in January 204)
Conduct fair trade training	We continue to prevent legal violations through interactive and customized training on fair trade and compliance conducted every six months.
Impose penalty for fair trade law violations	We enforce ethics committee regulations that impose penalties on employees for violations of fair trade laws.
Conduct effectiveness assessment and improvement measures	To measure the effectiveness of our internal training and compliance programs, we continuously evaluate the overall awareness level of fair trade and improve our fair trade system accordingly.

Fair Trade Training

We conduct tailored training sessions for each business unit and department to enhance employee understanding of fair trade principles. MDs involved in fair trade compliance receive regular training on laws about large-scale distribution. In 2023, we conducted training covering the Fair Trade Act, Subcontracting Act, and Labeling and Advertising Act, tailored to each business's characteristics and in particular, position-specific training was provided to new employees, new MD leaders, and executives. Training progress and outcomes are reported to the board of directors semiannually, aiming to embed a fair trade culture company-wide.

2023 Fair trade Education Status by BU

Classification	Details	Target
Platform BU	MD Unemployment Course (Fair Transactions Act in Large Business & Subcontracting Act)	All PBU MDs
	Fair Transactions Act in Large Business Training (led by external lecturers)	
	Training on the revised standard contracts, including 2023 year contracts	
	Advertising and Labeling Law (Green washing) Training	
	Understanding promotion events training	PBU New MD
	New MD leader course training	
	Legal risk Training in MD jobs	PBU Freshmall MD
	Freshmall contract renewal process improvement training	
Home Shopping BU	Fair Transactions Act in Large Business training	PBU HMR Section MD
	Fair trade training for new hires	HBU new hire
	Live commerce contracting process briefing session	Live commerce MD
	Fair trade training for new hires	New shopping hosts
	Large retail business law training	Digital Business Headquarters
	Fair Trade Law and large retail business law training	MDs in HBU
Company-wide	Fair Trade Law training	New hires in HBU
	Advertising Law training	MDs in HBU
	Fair Trade Law training for executives	GSR executives

Identifying and managing risks related to fair trade

We proactively minimize potential risks by enhancing employees' awareness of fair trade compliance and regularly monitoring its effectiveness. Recognizing the growing importance of fair trade in 2023, we expanded the scope of the MD common training program to include not only MD positions but also related roles. As a result, over 24% more employees participated compared to the previous period, significantly increasing awareness across the organization. In addition, we invited external lecturers to provide comprehensive training on the Act on Fair Transactions in Large Franchise and Retail Businesses, leading to a 1.0%p increase in the first-round pass rate for the MD job competency evaluation. In 2024, we aim to further strengthen our compliance culture by refining categories of unfair trade practices and continually enhancing fair trade awareness among our employees and partners.

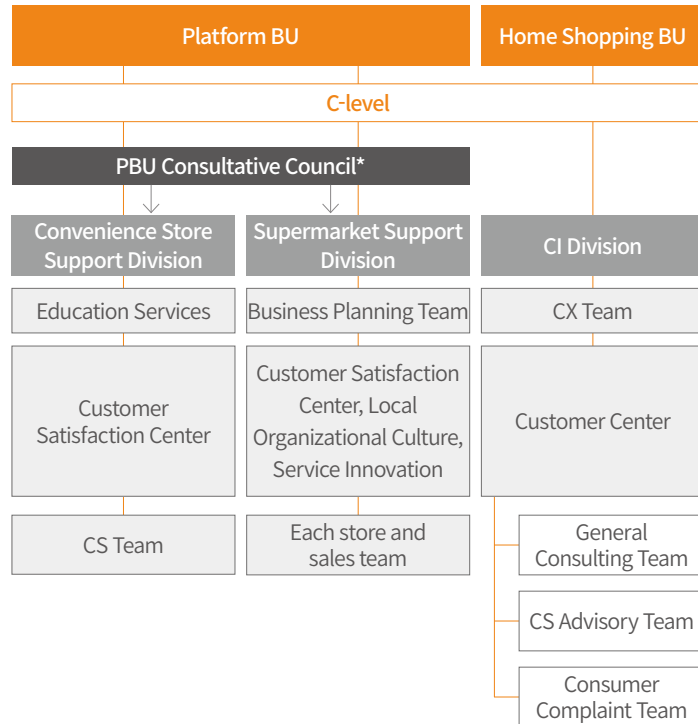
Together with Customers

Customer Satisfaction Management

Management System

Governance

We have appointed a Chief Revenue Officer (CRO) to oversee customer satisfaction management and operate a dedicated customer-centered organization for each BU. In 2023, we upgraded our customer satisfaction management system by establishing a new PBU conference body.



* O4O, quick commerce, DX divisions

Consumer Rights Protection Policy

We strive to provide beneficial products and services and protect consumer rights and interests by establishing a consumer rights protection policy.

Consumer Rights Protection Policy

Sincere Marketing Policy

As marketing's influence on society grows with rapidly changing customer needs and business environments, we have established a sincere marketing policy that applies to all products we sell. Based on this principle, we continuously provide crisis management training to CEOs, executives, and major business departments to prevent crises related to various issues and to respond effectively when a crisis occurs. In 2023, we shared the established policies with all marketing-related departments.

- 1 We will fulfill our responsibilities based on national policies such as publicity and sales laws, and consumer protection.
- 2 We ensure that all information provided to customers is accurate, consistent, and easy to understand, in all processes where we engage with our customers.
- 3 We will adhere to the principles of fair competition and provide a balanced perspective on goods and services.
- 4 We refrain from marketing that is physically or psychologically harmful to consumers, especially to infants, children, and adolescents.
- 5 We will perform marketing that respects human rights, without bias toward specific groups or encouraging conflict.
- 6 We will conduct regular training on sincere marketing policies for marketing-related departments.

Customer Satisfaction Management Goals and Strategies

To effectively ensure customer satisfaction, we are creating customer panel diagnosis items tailored to the characteristics of each business division. We aim to continuously improve product and service levels by identifying customer needs, preferences, and satisfaction, and by linking them with executive KPIs.

GS Retail Vision	The trusted platform for products and services that connects and empathizes with all customer experiences through data			
Customer Satisfaction Vision	A trusted and loved platform by customers			
Customer Satisfaction Management Goal	Perform customer satisfaction management according to management indicators for each business unit			
Customer Satisfaction Management Strategy	<table border="1"> <tr> <td>Manage customer satisfaction</td> <td>Manage service quality</td> <td>Cultivate Pride</td> </tr> </table>	Manage customer satisfaction	Manage service quality	Cultivate Pride
Manage customer satisfaction	Manage service quality	Cultivate Pride		

Mid to Long-Term Plan

We aim to enhance customer satisfaction and convenience by continuously improving consultation quality and chatbot performance in line with our long-term plans.

	Customer Center	Customer Chatbot
2024	Improve response rate · Achieve over 90% response rate · Provide smooth consultation through customer's IVR selection flow analysis	System update · Implement continuous updates for our 24/7 customer chatbot, including monthly updates for repeated and simple inquiries. · Prevent customer VOC through regular changes and registration
2025 ~2026	Improve satisfaction for response handling · Improve specialized consulting and analysis, provide specialized training and feedback, and improve response satisfaction through SLA assessments · Enhance CS agents' responsiveness through automated handling of simple inquiries · Achieve a Happiness Center processing rate of over 95% by improving service quality and strengthening customer center capabilities	Increase customer convenience · Provide customer-specific services and consulting through customer VOC data analysis

Together with Customers

Customer Satisfaction Management

Listening to Customer Feedback

VOC Management

We operate VOC communication channels to listen to customer concerns. We also conduct effective satisfaction surveys for VOC receiving customers to improve customer pain points. In 2023, we improved our infrastructure by establishing VOC Insight to enable any home shopping employee to easily verify and reflect customer opinions. We also strengthened customer convenience by adding a “My Order/Payment” step within the automatic response service (ARS).

We will continue to operate a variety of consumer-centric channels to increase customer accessibility and prevent recurrence.

Communication channels

Classification	Important Details
Chatbot for customers	Operate chatbots for Our GS app customers
Our GS	Receive one-on-one inquiries via the app
Call center	Operate customized call center for each division ¹⁾
Homepage	Operate GS Retail’s official homepage and reporting channel
Talk to the CEO	Customer feedback directly heard by the CEO

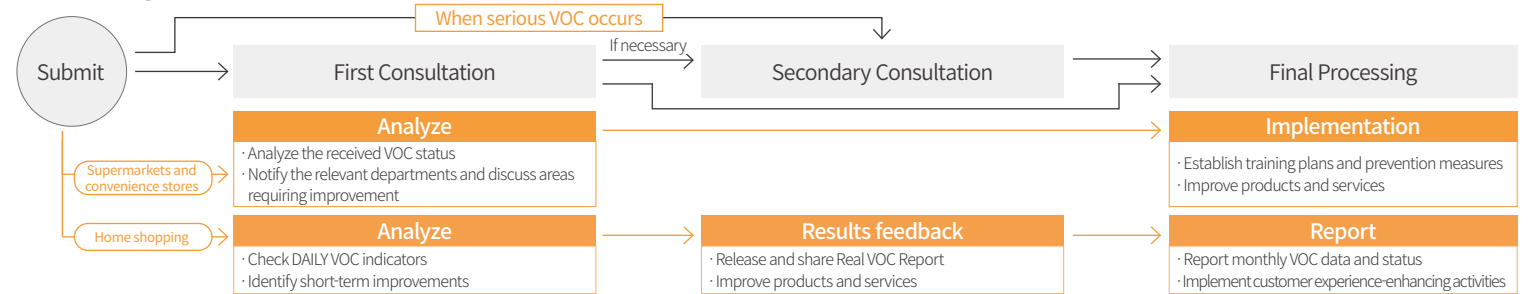
1) GS25, GS SHOP, GS THE FRESH

Responding to Voices of Customers (VOCs) and Customer Damage

We carry out customized support sessions for VOCs introduced through various internal and external channels, and immediately transfer VOCs that cannot be handled through initial conversations to the appropriate personnel and dedicated organizations¹⁾ following internal standards. We also strive to establish damage response processes and set compensation criteria for each division to effectively resolve consumer disputes.

1) Supermarkets and convenience stores: CS Agent, CS Team, relevant departments, cultural services officers, store managers, OFCs, etc Home shopping: Consumer Support Team, CX Team, relevant departments, etc.

VOC Operating Process



[Damage Response Process]



1) If the company’s responsibility is confirmed, implement compensation measures according to business department standards. If it is determined not to be the company’s responsibility, strive to resolve consumer disputes promptly.

| Identifying and managing risks related to consumer rights violations |

We received many customer comments that it was difficult to check the delivery information for free gifts from review events, and we recognized this as a major risk to customer satisfaction. To address this issue, we implemented a pop-up window and enhanced the system to provide continuous notifications regarding the delivery status of free gifts in 2023. As a result, the average daily number of simple inquiries and negative VOC related to review events decreased by approximately 27.6% compared to the previous year.

Period	Average number of SRs per day
2022	319
2023	231
Increase	88 (-27.6%)

| Activities to improve customer satisfaction |

By adding an automatic guidance step within ARS for ‘order and payment details confirmation requests’, approximately 67% of requests per day by 2023 are being resolved through the automatic response service. This resolved the inconvenience of long wait times for customers with simple inquiries and improved overall satisfaction by shortening the order processing time for other customers.

Period	Response rate of CS agents for order and payment details (%)
2022	100
2023	33
Increase	-67

Together with Customers

Customer Satisfaction Management

Collecting Customer Feedback

Case 1. Customer Journey Map

We manage customer experience by analyzing customers' shopping journeys based on anchor moments defined for each channel. Using a customer journey map, we understand customer behaviors, emotions, and desires at each stage. We establish customer care plans through a step-by-step analysis of detailed indicators. GS SHOP maps out customer journeys for those purchasing items through Our GS app and visiting offline stores and sets strategies tailored to each channel.

Home Shopping Items

Level	INSPIRE	PREPARE	BUY	RECEIVE	BE
Customer behavior	Watch broadcasts and engage in mobile shopping	Compare prices and check reviews	Pay and check order details	Check delivery date and wait for delivery	Write a review
Emotions	Joy for discovering products	Expectations for product quality	Happy and proud of payment	Excited to receive products	Satisfied with the items
Very happy			☹️	☹️	☹️
Satisfied	😊	😊			
Disappointed					
Customer needs	New information and trends	Confidence in the product	Quick and safe purchase	Accurate and fast delivery	High quality products and services
	Number of viewing households and live talk messages	Bounce rate after search and product inquiry response rate within an hour	Payment time and success rate	Delivery accuracy, lead time, and delay rate	Defect rate and proportion of 1 to 2-point reviews
	Step-by-step analysis of detailed indicators				
Customer care plan	(Improve customer pain points through collaboration with relevant departments for each step)				

Convenience Store and Supermarket Items

Our GS app → Reserve and pick up → Offline stores →

Level	Discover Customers	Inflow/Motivation	Visit Stores	Product Experience/Evaluation
Customer behavior	Collect promotional product information through various channels (Our GS, social media etc.)		Compare products and purchase in-person	Write a review
Emotions	Recognize the needs	Confident of the purchase	Satisfied with the store experience	Happy about buying items
Very happy		☹️	☹️	☹️
Satisfied	😊			
Disappointed				
Customer needs	Check information about various events	Identify new customer benefits and issues	Secure differentiated goods and services and the purchasing convenience	Provide additional motivation for purchase
	Step-by-step analysis of detailed indicators			
Customer care plan	Increase exposure to events	Enhance new customer benefits and personalize product recommendations	Improve the receipt/return process and offer a variety of events	Segment customer groups and analyze their reviews

Together with Customers

Customer Satisfaction Management

Providing products and services that leads to customer satisfaction

Developing tailored products and services

Home Shopping Mobile Shift 2.0

We have implemented Cross Live, transmitting broadcasts to TV and live commerce simultaneously, and Short Pick, producing one-minute videos summarizing one-hour home shopping broadcasts tailored to customers familiar with short-form content. Our plan includes integrating viewing and purchase data to offer personalized content and enhancing our system for customers to create and share their short picks.

Customized Hamburgers

Based on customer feedback gathered through in-depth interviews and preliminary reviews, we introduced the Potenburger Series tailored to customer preferences in ingredients, price, and portion size. This new burger strategy enhances toppings and offers unique designs, providing customers with a satisfying meal experience. We plan to continue developing high-quality, differentiated products aligned with evolving social trends.



Meat Alternatives

We have introduced five varieties of rice balls, two types of hamburgers, and two types of sandwiches made with 100% plant-based meat and vegan sauce. These products have undergone quality verification through blind tests, and we intend to expand our range to cater to general consumers who are vegetarian or prioritize sustainable consumption.

Developing health conscious products

Low-sodium Products

We fulfill our social responsibility by developing and selling products that prioritize health and nutrition. Collaborating with the Ministry of Food and Drug Safety, we launched a nutritionally balanced, low-sodium egg-filled gimbap. We aim to continue to launch new products by developing various foods and sauces that can reduce sodium.



Healthy Pleasure Salad

We promote healthy eating habits among consumers with our Healthy Pleasure product line, emphasizing the younger generation's approach to health management. For the first time in the convenience store industry, we introduced a salad featuring iceplant, a superfood rich in nutrients that enhances immunity. By expanding our range of tailored offerings, including premium, basic, and cost-effective products, we aim to provide customers with a diverse selection of fresh and delicious salads.

Healthy Food

We are establishing an organic business system through an MOU with Foodology for collaborative product development and cooperation. Our first product under this initiative is the Red Water&Blue Water ready-to-drink (RTD) beverage, enriched with ingredients that aid in reducing body fat, boosting vitality, and replenishing moisture. We plan to continue developing healthy foods that offer unique value to our customers.

Addressing high inflation

Hye-janess Series

We launched the Hyeja-round Series to alleviate the burden of high inflation on citizens and provide affordable meals. Starting with Hyeja-round Home-cooked Meal Spicy Pork Bulgogi in February 2023, we introduced seven types of lunch boxes, four types of kimbap, and two types of rice balls, contributing to price stabilization and supporting the community through activities like relay donations using lunch boxes.



Let's Have Breakfast Campaign

Collaborating with the Ministry of Agriculture, Food and Rural Affairs, we initiated the first convenience store breakfast campaign. Expanding the KRW 1,000 Breakfast Campaign nationwide, initially targeting college students, we offered 17 varieties of lunch boxes, kimbap, and rice balls. Through this initiative, we promoted breakfast consumption during times of high inflation.



Together with Customers

Customer Satisfaction Management

Customer Satisfaction Assessment

CCM Certification

We have obtained Consumer Centered Management (CCM) certification, in recognition of our commitment to consumer-focused practices. We have strengthened the role of our Chief Customer Officer (CCO), reinforcing their responsibility and authority in overseeing our CCM operations.



In 2023, we supported three partners in obtaining CCM certification, and all of them successfully acquired it. Moving forward, we plan to extend our support to more partners to acquire CCM certification, aiming to establish a robust CCM value chain that enhances consumer satisfaction and boosts the competitiveness of SME.



Customer Satisfaction Survey

We strengthen our competitiveness by researching consumer perceptions and experiences of our services and products, and by listening to the voices of customers. In 2023, we expanded our customer panel survey to include offline stores, addressing major deficiencies in human services such as greeting, friendliness, and product information through continuous on-site training.

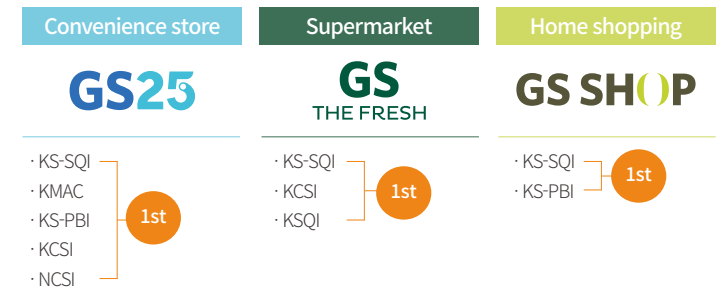
Our goal is to achieve consistent improvement in overall service quality through advanced customer satisfaction surveys.

Satisfaction Survey Method

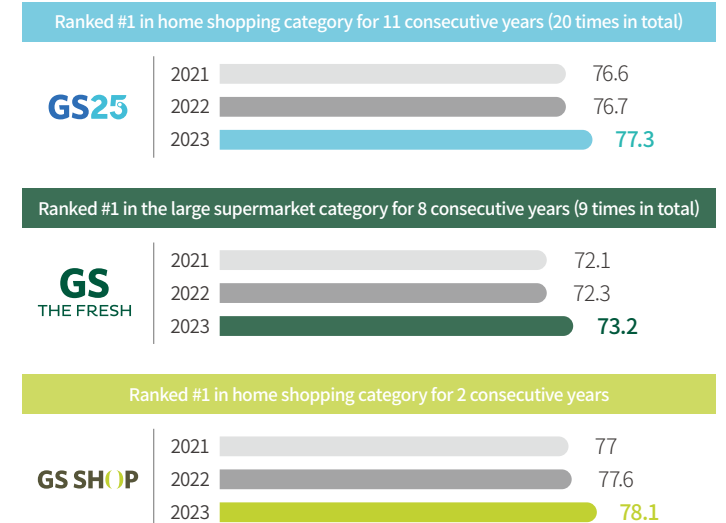
Classification	Assessment Methods	Details	Assessed Items
Offline stores	Customer panel survey	Assess customer service satisfaction for general customers	<ul style="list-style-type: none"> Customer service Informing benefits upon payment External cleanliness Product management
	Mobile survey	Research CSP-based customer satisfaction survey for general purchasing customers	<ul style="list-style-type: none"> Product quality Delivery time Overall customer service satisfaction
Home shopping	Focus Group Interview	Test usability in customers' actual TV viewing environments and conduct an in-depth evaluation of their experience with products and services sold	<ul style="list-style-type: none"> Changes in the form of purchase Customer's practical needs

External Certification Status

2023 Main Award Achievement



Korean Standard - Service Quality Index (KS-SQI)



Together with Customers

Customer Privacy

Management System

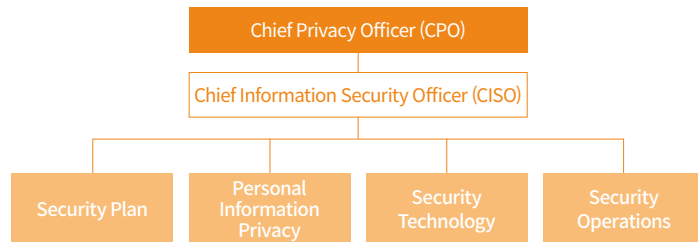
Governance

We operate a security center dedicated to privacy and personal information protection to manage an information protection system. The head of the security center serves as the Chief Information Security Officer (CISO), and the head of the digital service headquarters serves as the Chief Privacy Officer (CPO).

We also have a security committee including these members to discuss information protection activities.

Office Appointment Standards

To strengthen the expertise of our dedicated information security and privacy organization, we appoint individuals with relevant knowledge and work experience. We outline CISO qualifications, including related expertise and experience, through work guidelines.



Information Security Policy

We carry out information protection activities based on our information security policy, security guidelines, and personal information processing policy. We establish policies, guidelines, and regulations every year in accordance with related laws such as the Personal Information Protection

[Information Security Policy](#)

[Privacy Policy](#)

Information Security Strategy

Since the merger in 2021, we have operated in four strategic directions and 16 strategic tasks to effectively manage information security risks.

Strategic Direction	Strategic Tasks
Improved Workplace Security	Support smart work environments, separate privacy collector networks, improve document security, and enhance PC and media security
Build Integrated Security Governance	Integrate information security management systems, improve privacy organization, third-party security, and DevOps environment security
Respond to Digitalization	Advance cloud security systems, respond to related risks, and adopt new technologies like security integration, automation, and logistics security
Data Business Security	Establish data security governance, develop business data protection strategies, strengthen application account management, and promote a user-centric data security culture

Mid to Long-Term Plan

We have established mid to long-term goals to secure a customer information protection system and strengthen the data protection system and security infrastructure.

2024	2025	2026
Improve awareness among data processors <ul style="list-style-type: none"> - Conduct two additional sessions of privacy training compared to 2023 - Conduct one additional session of in-depth training outside of mandatory training compared to 2023 		
<ul style="list-style-type: none"> - Apply central management for over 50% of the system - Establish an explanation process 	<ul style="list-style-type: none"> - Plan to identify new indicators 	<ul style="list-style-type: none"> - Plan to identify new indicators
Improve monitoring of personal data		
Strengthen security monitoring <ul style="list-style-type: none"> - Unify security operations and improve detection standards 		
<ul style="list-style-type: none"> - Improve the R&R of addressing privacy issues 	<ul style="list-style-type: none"> - Increase the number of screened companies by over 3% compared to 2024 	<ul style="list-style-type: none"> - Conduct theme screening (sort certain types of processors)
Enhance management of data processors		
<ul style="list-style-type: none"> - Integrate server and database access control - Implement for 100% of privacy assets 		

ISMS-P Certification

We have acquired ISMS-P certification to demonstrate the adequacy and suitability of our information security and privacy management system. We verify this suitability through annual post-examinations and strive to reduce management, technology, and physical risks.

Scope of certification: GS Retail Online Service
period: 04.06.2022 - 04.05.2025



Together with Customers

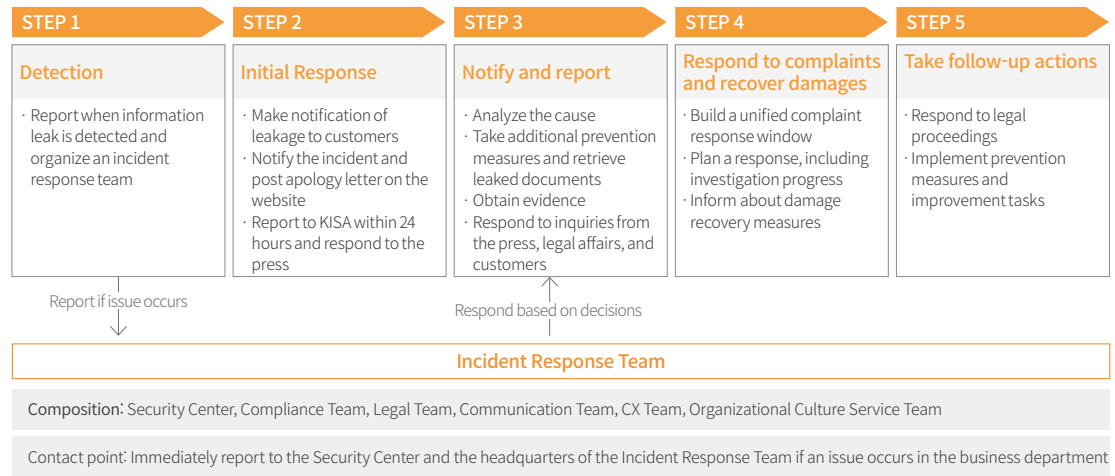
Customer Privacy

Information Security Risk Management

Data Breach Response

To protect our customers' data, we actively utilize preventive activities and systems to detect abnormal signs in the early stages. In response to incidents of personal information leaks, we operate a crisis response council specifically for such cases. Moreover, we have established a separate Personal Information Leak Response Manual to guide the detailed process.

Process



Electronic Security Pledges

We conduct regular inspections of our partners who handle customer data processing and maintain electronic records of security pledges. We utilize our internally developed external e-signature system for external project personnel.

Privacy Training

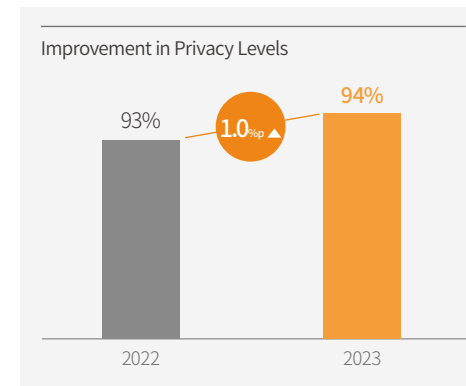
We provide tailored privacy training for sales, marketing, and IT positions at convenience stores and supermarkets. New and experienced employees receive privacy training upon joining the company, with annual information security and privacy training for all staff. In addition to legally mandated training, IT personnel receive in-depth technical and managerial protection standards training. We conducted offline in-depth training for 36 employees handling personal information and online legally mandated training on location information in five sessions for 7,052 employees including the number of assistants. We also enhance privacy awareness through events like Clean Desk Day, Security Inspection Day, Privacy Day, and regular security information updates.

Risk Identification and Management Activities

We effectively manage online mall sellers to ensure compliance with privacy laws. Sellers are provided with a guide to information protection measures, and we conduct on-site inspections to identify risks. Upon identifying risk factors or deficiencies during inspections, we encourage immediate on-site improvements. If more time is needed, we allow up to a two-week period for completion of improvements. Afterwards, we verify the implementation of these measures and assess their effectiveness in enhancing privacy levels.

Measuring Effectiveness

To enhance our privacy standards, we distribute security guides for data processors more than once a year and conduct regular on-site inspections. These efforts have resulted in a 1.0% improvement in data processor inspections conducted by the Korea Online Privacy Association, confirming their effectiveness. Moving forward, we aim to strengthen our management practices by expanding the scope of evaluation to include 1) privacy training for employees, 2) data processor inspections, 3) internal project security reviews, 4) malicious email training, and 5) physical security inspections.



Privacy Risk Assessment Items	2022	2023
Policy and Management	92%	90%
PC Security/Disposal	99%	99%
Physical Security/Disposal	100%	100%
SellerTool Security/Disposal	95%	95%
Internal Processing System Security/Disposal	79%	85%

Investing in Privacy

GS Retail understands the critical importance of information security and dedicates a portion of its annual IT investment to this sector. We implement effective privacy efforts through dedicated personnel and transparently disclose our investment activities under the Information Protection Disclosure System.

Together with Customers

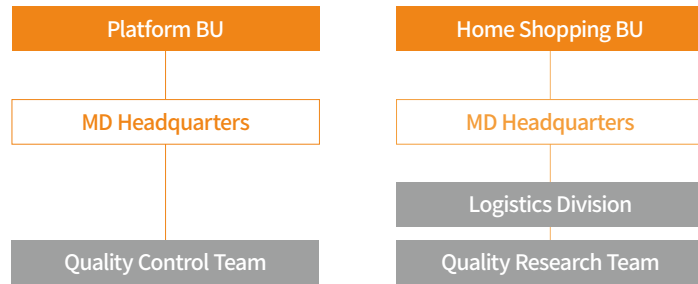
Quality Management

Management System

Governance

We conduct quality inspections and support activities for each platform and home shopping BU to proactively manage quality risks and provide optimal products that meet customer needs based on ISO 9001.

For raw materials and new products related to high-volume products, we operate an advanced product inspection process that includes price monitoring. We strive to provide differentiated products by introducing customized quality management procedures for partners, manufacturing factories, logistics centers, stores, and customers.



Quality Management Strategy

We conduct regular on-site inspections and training to ensure customers receive safe, high-quality products based on a cold chain system. For fresh food items, we rigorously manage safety throughout the entire process from raw materials to manufacturing, distribution, and sales. We strive to deliver the best quality and taste through testing starting from the planning and development stages. Internal standards and guidelines are in place to ensure differentiated and safe food products. Furthermore, we have established systems for product approval, production and manufacturing inspection, pre-delivery inspection, and post-sales management for products sold through home shopping broadcasts.

	Platform BU			Home Shopping BU			
Mission	Provide safe and high-quality products						
Direction	Freshness innovation Differentiating fresh food freshness	Environmental hygiene Provide safe products	Quality management Offer the best quality and taste	Risk management Implement proactive prevention and prompt response	Quality management Improve product quality	Creating social value Support core sales business	Changing working method (DT) Nurture group of experts
Roles	<ul style="list-style-type: none"> Establish freshness standards, such as stocking criteria and selling dates. Implement on-site inspections for convenience stores, supermarkets, logistics centers Freshness Inspections for Partner Companies Provide Freshness Training/Guidelines Operate Freshness Monitoring Operate Freshness Inspection 	<ul style="list-style-type: none"> Check and share legal updates Adhere to government regulations Visit convenience stores and supermarkets Implement hygiene clinic activities Conduct hygiene audits for partners Conduct product safety inspections Hygiene training 	<ul style="list-style-type: none"> Manage FF manufacturing and conduct subsidiary quality health inspections Implement HACCP management and training Adhere to regulations and labeling Support FF Product Development and Manage Quality for Mass Production Manage raw materials Handle product-related complaints 	<ul style="list-style-type: none"> Conduct new-concept product risk inspection in advance Conduct regular risk inspections for wholesale products 	<ul style="list-style-type: none"> Manage quality defects and complaints Manage quality level based on data 	<ul style="list-style-type: none"> Provide suppliers with mutually beneficial training and technology Increase the application of eco-friendly packaging 	<ul style="list-style-type: none"> Automate QA for digital products Implement RPA for quality indicators

ISO 9001 (Quality Management Systems)

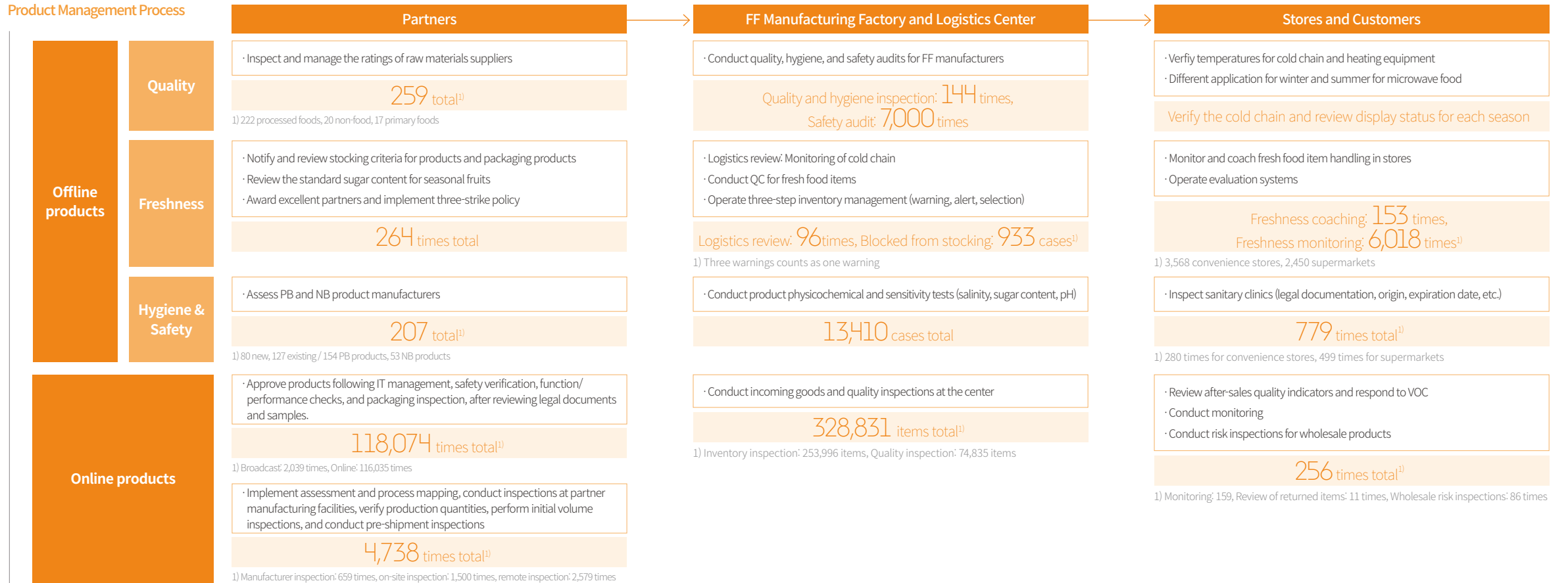
We have obtained ISO 9001 certification for our quality assurance systems across the entire production process of our products and services. Based on this certification, we implement an effective quality management process and system to enhance our quality control efforts. We conduct various activities aimed at effectively evaluating the product production and supply process.

Together with Customers

Quality Management

Management Activity

Product Management Process



| Establishing a Scientific Taste Evaluation System |

We have implemented a physicochemical evaluation system for salinity, sucrose, and pH to minimize flavor quality variations in FF products. In 2023, we conducted 4,470 evaluations of samples and continue to enhance quality based on measurement results through process analysis and improvements.

| HACCP Certification |

Our fresh food manufacturing subsidiary, FRESH SERVE, received the industry's first HACCP certification from the Ministry of Food and Drug Safety in 2009, affirming our commitment to delivering safe, hygienic, and high-quality products.

Together with Customers

Quality Management

Management Activities

Product Safety Inspection

Safety and Hygiene Management System

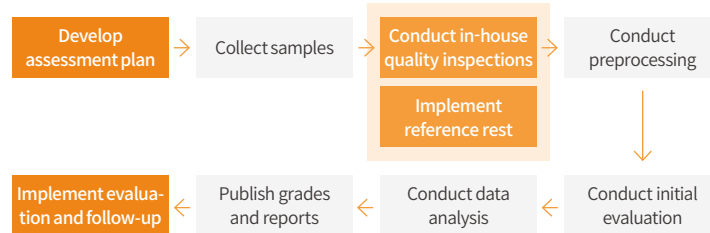
We operate an effective and efficient safety and hygiene management system to ensure the safety of our products for customers. Throughout the entire process of product production, distribution, and sales, we maintain rigorous hygiene and safety standards in compliance with relevant laws and regulations. We closely monitor our partners' production processes to guarantee the highest quality products through active hygiene and safety management.

Initiative	Managed Items
Partner company hygiene management	· Ensure compliance with food hygiene laws.
Fresh Food factory hygiene management	· Check on-site management
Gyeonggi Provincial Government's food safety management	· Agricultural products: 106 times (338 or 470 types of residual pesticides) · Fisheries products 31 times (heavy metal, radiation) · Agricultural products: 27 times (veterinary drugs, egg residual pesticides)
Residual pesticides testing for agricultural products	· In-depth pesticides test (463 types)
Microbiological testing	· Common bacteria, coliforms, E. coli · Food poisoning bacteria (staphylococcus aureus, salmonella, etc.) · Measure surface microbial contamination
Hazardous substances testing	· Melamine, sulfur dioxide, synthetic preservatives, tar color, antibiotics, evaporation residue, acid value, peroxide value, artificial sweetener, mold toxin, etc.

Evaluation Process

To ensure quality safety and traceability, we regularly conduct product safety evaluations on PB products and occasionally on trending items through a food evaluation agency. In our fresh food (agricultural, livestock, and fisheries) supply chain, any product detected with residual pesticides during preliminary inspections by the Ministry of Food and Drug Safety and the Gyeonggi Provincial Government is immediately recalled from distribution centers. In addition, we conduct routine radioactivity tests on both fresh and processed food items. In cases of nonconforming products, we investigate the root cause and implement corrective actions as part of our commitment to delivering the best products.

Safety Assessment Process



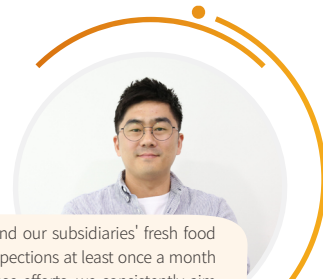
Number of Products that Underwent Safety Evaluation

(Unit: number)

Classification	2021	2022	2023
Food	1,976	1,913	2,400
Cosmetics	43	33	16
Sanitary products	23	9	5
Instrument	18	17	10
Pet food	7	-	-
Total	2,067	1,972	2,431

The Story of Our Safe Product Management

Sewon Lee,
Manager of Quality Control Team



Q. What activities do you carry out for safe product management?

We regularly inspect our PB product manufacturing partners, and our subsidiaries' fresh food (FF) item manufacturing facilities conduct impromptu on-site inspections at least once a month to improve our partners' quality control standards. Through these efforts, we consistently aim to deliver high-quality products to our customers.

Q. What are GS Retail's points of differentiation and future plans?

We ensure product safety through cross-verification involving GS Retail, certified evaluation agencies, and government offices. We conduct routine safety evaluations not only for agricultural, livestock, and fisheries products but also for PB products and FF items. To enhance data-driven quality control, we are piloting Smart HACCP certification from the Ministry of Food and Drug Safety for convenience store FF items. This initiative aims to establish us as Korea's leading distributor by ensuring the highest quality and safety standards. Going forward, we will continue to support these efforts through proactive communication and strict adherence to legal compliance.

| Safety Evaluation for Fisheries Products |

We conduct various safety evaluations to ensure the safety of our fisheries products for customers. In 2023, we requested a certified agency to inspect imported fisheries products, conducting a total of 18 thorough inspections three times a month. Furthermore, our fresh center products underwent 64 inspections twice a week to maintain safety standards. Furthermore, we enhance our commitment to providing responsible seafood by expanding the seafood traceability system for 10 products through an MOU with the Ministry of Oceans and Fisheries.



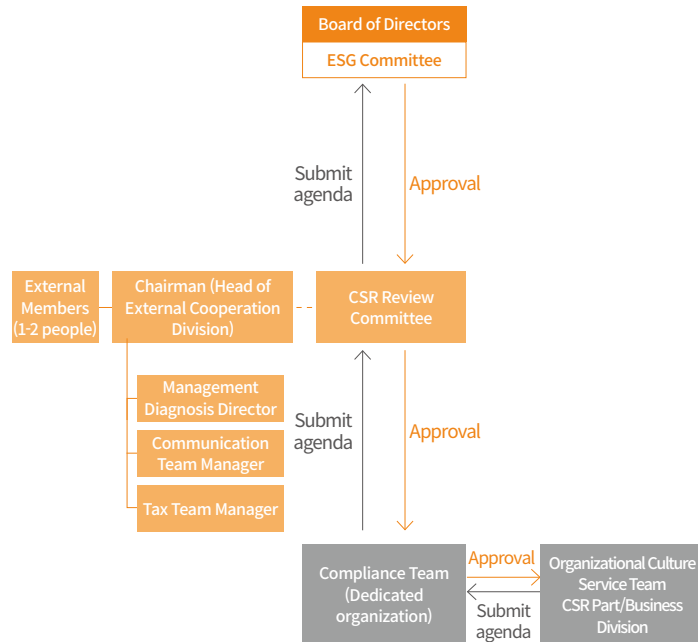
Together with Communities

Local Communities

Management System

Governance

We conduct all donations worldwide following transparent and reasonable standards and procedures. We operate the CSR Review Committee under the ESG Committee within the Board of Directors, which reviews the charity and public interest of all our social responsibility projects. For projects with annual donations exceeding KRW 300 million, approval from the ESG Committee is required before implementation. The head of the CSR Review Committee develops a social responsibility project plan at the beginning of each year and reports outcomes to the ESG Committee at the end of the year for effective oversight.



Strategy

Corporate Social Responsibility (CSR)

We fulfill our corporate social responsibilities and promote shared growth with society and the environment through various activities that also consider environmental impacts.

Target	Green Life Together		
Philosophy	Environment	Social	
	Green Together	Together with Communities	Together with Partners
	<ul style="list-style-type: none"> Participate in eco-friendly practices Enhance environmental awareness 	<ul style="list-style-type: none"> Contribute to self-reliance of vulnerable groups Contribute to building a safe platform 	<ul style="list-style-type: none"> Promote shared growth Support broadcasting business and consumers

Mid to Long-Term Plan

We implement mid to long-term plans for community growth and fulfill our social responsibility by exploring various ways to contribute to the local community.

	Community growth	Community support
2024	<ul style="list-style-type: none"> Launch products in collaboration with over 50 regions or excellent SMEs every year Increase purchases of local specialties by 7.5% compared to FY23 	<ul style="list-style-type: none"> Provide community emergency relief support in case of fire, drought, etc. Continue GS Nanumi services for community, such as environmental purification, volunteer activities, etc. Support revitalization through sales of tickets to local tourist attractions, etc.
2025~2026	<ul style="list-style-type: none"> Support local products and revitalization promotions Increase purchases of local specialties by 5% compared to the previous year 	<ul style="list-style-type: none"> Implement active and preemptive development of social contribution projects in response to social changes (related to multicultural citizens, etc.)

Local Economy

We contribute to revitalizing the local economy and fostering community growth through collaborative strategies involving various stakeholders.

Lay the foundation for community growth				
Local start-up	Local tourism	Local traditional markets	Local produce	Local SMEs
<ul style="list-style-type: none"> Create a cooperation model 	<ul style="list-style-type: none"> Discover tourism goods 	<ul style="list-style-type: none"> Introduce the market and launch new programs 	<ul style="list-style-type: none"> Organize special events Procure and sell agricultural, livestock, and fisheries products 	<ul style="list-style-type: none"> Offer complimentary sales broadcasts and alleviate entry barriers for local SMEs

Key Cooperative Organizations

We are expanding our social responsibility initiatives through organic collaborations with organizations specializing in various fields.

Organization	Details	Cumulative Performance	
		Amount	Beneficiaries
Friends of Hope	Provide culture and meal support for low-income children	KRW 5.6 billion	15,664 people
Underdogs	Discover and provide tailored growth support for prospective startup teams focused on environmental social ventures	KRW 1.85 billion	57 companies
Environmental Foundation	Support the creation of media content for practical ESG initiatives	KRW 1.45 billion	761 people
Seoul Metropolitan Fire & Disaster Headquarters	Sponsor the production and sales of the Firefighter Hope Calendar and donate all revenue	KRW 920 million	249 people
Hallym Burn Fund			
Good Neighbors	Operate GS25 daycare center, provide counseling and emotional support for low-income and abused children	KRW 100 million	150 people

Together with Communities

Local Communities

Community Impact

Activities by Strategy

We define social responsibility focus areas based on our corporate social responsibility strategy and conduct activities accordingly. We incentivize voluntary employee participation and promote customer and stakeholder engagement by developing various social responsibility initiatives. Through collaborations with public and private partners, we extend support to socially underprivileged and vulnerable groups, promoting shared growth and serving as a community safety net hub.

Strategy	Activities	Details	
Green Together	Participate in eco-friendly practices	Upcycling Friends Campaign	· Produce doll kits for environmental education classes by upcycling donated clothing and donate them to local children's centers
		Green Save Campaign	· Promote voluntary eco-friendly activities among store owners and managers, raising awareness among local residents
		Bazaar & Donation	· Support vulnerable groups by donating items to affiliated organizations and revenue from organization bazaars
	Improve and strengthen environmental	Eco Creator	· Support creators of environmental video messages. · Regularly broadcast exemplary user-created content (UCC) on home shopping channels
Eco Social Impact		· Foster social entrepreneurs specializing in environmental initiatives	
Life Together	Promote employee and customer participation	GS Nanume Volunteer Group	· Provide volunteer services through employee participation in community collaborations - Year-end theme volunteer service, plogging, etc.
		Hidden Sharing Angel	· Promote and boost morale through positive feedback from employees, store owners, and managers
		GS Love Love Fund	· Provide meals for children from vulnerable households through employee matching grant donations
		Donate Book Campaign	· Donate books and establish libraries for struggling neighbors
	Supporting vulnerable groups	Blood Donation Campaign	· Support blood drives and leukemia patients by donating blood
		Mutual Sharing Platform	· Operate CSR shops to create jobs for various vulnerable groups - Tomorrow Store, Senior Store, Neulbom Store, etc.
		<Create a Warm World> Campaign	· Expand sales of social enterprise merchandise through partnerships and complimentary broadcasts
		Rainbow Box	· Provide music education, instruments, and tuition for children from vulnerable groups
		Muscular Firefighters Calendar Sale	· Sponsor the production of hope-sharing calendars and donate proceeds to burn victims
		Soccer School for Children of Multicultural Households	· Offer a soccer support program for social adaptation in Korea for children from multicultural households
Building a social security platform	Food Bank Donation	· Donate food and supplies to struggling neighbors	
	Sharing KIT BOX	· Provide food and care kits for vulnerable groups	
	Content Creation Project for the Visually Impaired	· Develop content to raise awareness for the visually impaired	
	Our Neighborhood Fire Department	· Serve as a social safety network hub by placing fire extinguishers in stores nationwide and providing them free in case of fire	
	Safety Keepers for Children, Women, and Elderly	· Support children and women by assisting with safe return home through police contact	
	Counseling for Abused and Low-Income Children and Their Families	· Provide counseling services for abused and low-income children and their families	
Disaster Support	· Deliver relief items such as essentials to disaster areas		

The Story of Our Social Responsibility

Siyeon Kim,
Head of CSR Part



Q. What is GS Retail's direction of corporate social responsibility (CSR)?

We plan participatory CSR activities aligned with our slogan "GS Retail, a sharing platform for everyday life," aiming to continually engage and grow with customers and communities in daily life. In addition to supporting vulnerable groups, we strive to contribute to a better society by considering our neighbors, the environment, and societal needs. We integrate this strategy into our ESG management to achieve sustainable development.

Q. Could you please explain GS Retail's differentiated strategy?

Firstly, we promote diversity and inclusiveness through our business strategy, leading in volunteering and cultural experiences for multicultural families and children. Secondly, we collaborate across business divisions to address and support social issues, extending beyond our charitable donations for the underprivileged. As a corporate citizen, we expand our impact across various domains such as future generations, culture, ventures, and the environment, aiming to leave a lasting impression of GS Retail in our customers' hearts.

Q. What are the future plans?

We are actively engaged in various donation activities through our major social responsibility projects like GS Nanumi volunteer service and food banks, along with tailored multicultural initiatives focused on future generations and the environment in our multicultural society. Moving forward, we will continue to adapt our activities to meet evolving societal needs.

Together with Communities

Local Communities

Community Impact

Green Together

Participating in eco-friendly practices

Upcycling Friends Campaign

We are conducting a "Saving the Earth with Sustainability" campaign where employees and customers directly donate used clothes, which are transformed into upcycled environmental education kits delivered to underprivileged children.

In 2023, we received donations of 124,042 items from 3,429 people and provided environmental education materials to 1,214 children, creating an impact equivalent to planting 2,553 pine trees.



Number of beneficiaries

1,214 people

Green Save Campaign

Green Savers, comprised of store owners and store managers, initiated the Green Save campaign to raise eco-awareness among local residents through eco-friendly practices in stores and promotion on personal social media. Since 2022, we have promoted environmental awareness, waste separation, energy conservation through eco-friendly activities, quizzes, and educational videos in our stores.

Bazaar & Item Donation

We donate items to Beautiful Store and Sharing Happiness to allow customers to purchase seasonal products at affordable prices, with profits supporting career opportunities for single-parent households, the disabled, and the elderly. In 2023, we donated a total of 28,351 items valued at KRW 124 million to promote eco-friendliness and economic independence among the underprivileged.

Donations

28,351 items

Enhancing Environmental Awareness

Eco Creator

Collaborating with the Green Foundation, we offer various opportunities such as mentoring and lectures to support environmental video production by global youth environmental activists, experts, and media social enterprises. Since 2020, we have invested KRW 1.45 billion, nurtured 370 eco-creators, and conducted eco-friendly campaigns involving over 100,000 local citizens, recognized as an outstanding environmental program by the Ministry of Environment. We plan to continue these activities to raise awareness of environmental issues in our community, addressing challenges like the climate crisis, waste management, animal rights, and the circular economy.



Number of eco creators

370 people

Eco Social Impact

To nurture social ventures in sustainable eco-manufacturing, we identify startup teams and support their specialized growth for commercialization. Over six years, we have donated KRW 1.85 billion, providing professional training, prototype production support, and mentoring led by MD employees and experts to 57 startups less than three years old. This effort contributes to establishing brand identity for small eco-manufacturing companies, expanding sales channels, and diversifying product offerings.

Beneficiaries¹⁾



57 companies

1) Cumulative beneficiary companies from 2018 to 2023

Together with Communities

Local Communities

Community Impact

Life Together

Employee and Customer Participation

GS Nanumi Volunteer Group

The GS Nanumi volunteer group conducts monthly services at volunteer centers linked with 72 groups nationwide. In 2023, 3,861 people dedicated a total of 8,586 hours to volunteer work. Since 2006, our community of approximately 78,000 members and store owners has contributed about 200,000 hours of service.

Furthermore, the CEO actively encourages employee participation in regular volunteer activities. Moving forward, we will continue to provide various services including companionship, recreational activities, and meals for the elderly, children, and individuals with disabilities living alone, as well as environmental cleanup at welfare centers, volunteer work at dog shelters, and environmental purification at shelters.



Number of volunteer participants

3,861

Hidden Angel of Charity

Through media articles, our company website, and internal bulletin boards, we support increasing pride by recognizing employees, managers, and store managers who quietly perform good deeds in their communities. So far, we have identified and recognized 189 hidden angels, including 92 store owners.

| A Secret Angel Who Is Becoming a Great Consolation and Hope for People |

Upon witnessing a visually impaired person walking dangerously without a cane, Store Owner Taeyeon Kim contacted the welfare center for support. She also strives to assist those in need through meal donations and donations of items to nearby foreigners and underprivileged individuals, actively keeping them informed about various welfare center events and support programs.

I'd like to support neighbors in welfare blind spots by continuously promoting and sponsoring the welfare center's events and programs to assist those around me, even though my contributions may seem small.



Taeyeon Kim, Store Owner

Supporting Vulnerable Groups

Rainbow Box

Since 2005, we have been providing emotional support through music and opportunities to develop hidden talents for children excluded from cultural activities.

By 2023, we had supported a total of 10,000 children, bridging the educational and cultural gap for underprivileged children through music lessons and supporting career development for music students.



Building a Social Security Platform

Our Neighborhood Fire Department

Based on the convenience store's 24-hour operation nature, we signed an MOU with the National Fire Agency to provide fire extinguishers in stores nationwide. This initiative aims for early fire suppression through shared fire extinguishers in case of emergencies. Used fire extinguishers are replaced by local fire departments, while GS25s nationwide serve as early fire response platforms and safety net hubs in our society. We also have installed Automatic External Defibrillators (AEDs) in 173 stores and introduced a new store search function in the Our GS app. Store workers who completed CPR training are appointed as GS safety keepers to assist emergency patients in situations like cardiac arrest, ensuring prompt responses.

Number of AED installed stores

173 stores

Community Emergency Disaster Support

Every year, we provide emergency disaster relief support to residents affected by natural disasters. In 2023, relief items worth KRW 23,830,600 were provided to victims in wildfire-affected areas such as Hapcheon, Gangneung, Gyeongbuk, and Chungbuk regions.

Amount funded

KRW 23,830,600

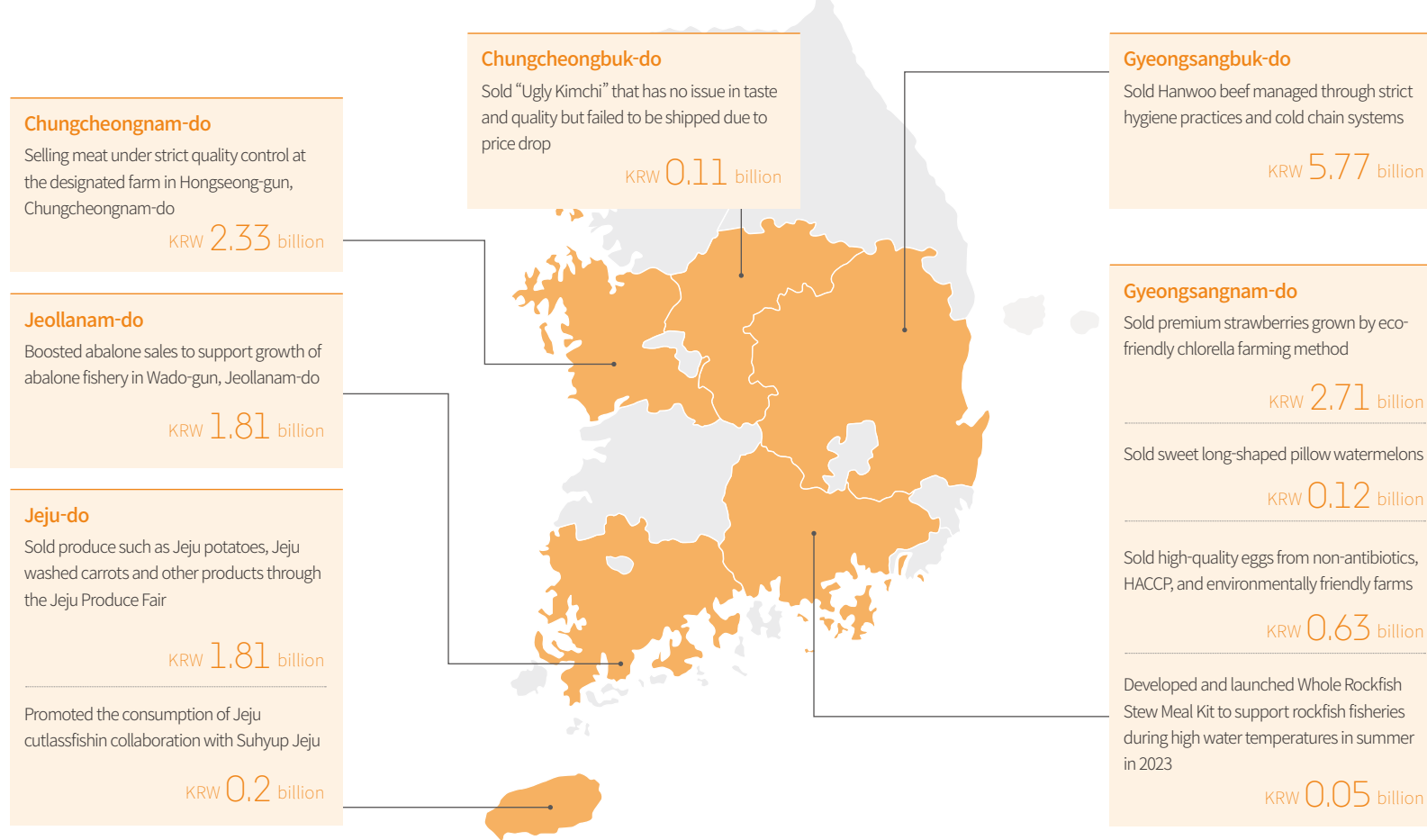
Together with Communities

Local Communities

Community Economic Revitalization

Local Product Sales

As part of our social responsibility activities, we contribute to revitalizing the local economy by supporting sales channels nationwide for products produced in local communities. In addition to supporting the sale of food products, such as supporting farms by accepting products that are abandoned for shipment and promoting the consumption of local specialties through local special exhibitions, we also promote the revitalization of the comprehensive regional economy by developing local tourism products.



| Discovering Local Tourism Products |

In 2023, we developed domestic tourism products for Jeju Island, Ulleungdo, Suncheon/Yeosu, Gurye Seomjin River Tour, Hampyeong, and Jangheung, selling them through home shopping channels.

Alongside diversifying existing local tourism offerings, our goal is to introduce a couple of new products each year. We also collaborate with local agricultural cooperatives and traditional markets to promote diverse travel itineraries that include local festivals, culinary experiences, and visits to agricultural cooperatives and traditional markets.

| Discovering Local Specialty Food |

In 2023, we signed an MOU with Busan Metropolitan City to discover unique food items and promote Busan as a gourmet city. As part of the "Taste of Busan" convenience food series, we launched two varieties—pork rice soup and garaetteok tteokbokki— while supporting the growth of the local community by strengthening partnerships with local governments.

Governance

We strive to achieve sustainable growth despite unstable global circumstances by enhancing our advanced risk management capabilities and promoting integrity management. We aim to secure the company's essential competitiveness through transparent corporate management while creating value for various stakeholders and pursuing mutual growth.

Approach

We transparently disclose our governance operation standards and the status of each committee's activities. Additionally, we operate training programs to enhance the independence and expertise of our Board of Directors. We emphasize the importance of integrity management to embed ethics and compliance, aiming to implement shareholder returns that enhance corporate value from a long-term perspective.

Board attendance rate

100%

Compliance management system

Acquired **ISO 37301**

Established

Compliance Management Council

Revision

Compliance Manual



Transparent Governance Board of Directors

Board Composition

Board Composition Status

In consideration of operational efficiency, decision-making rationality and fairness, our Board of Directors consists of seven members, including two internal directors, four outside directors, and one non-executive director. The composition of outside directors meets the requirement for a majority of the total number of directors in accordance with the Commercial Act and other related laws. Outside directors possess expertise and backgrounds in diverse fields such as management, finance, and accounting. The Board of Directors oversees significant matters related to basic management policies and business execution, adhering to relevant laws, articles of incorporation, and Board regulations while striving to establish a stable management foundation through the governance-centered approach. Furthermore, we have established five committees within the Board of Directors: Audit Committee, Outside Director Candidate Recommendation Committee, Internal Transaction Committee, ESG Committee, and Compensation Committee, each enhancing board expertise and operational efficiency through their respective activities.

Diversity and Expertise

Our key business areas—convenience stores, supermarkets, and home shopping—are overseen by top experts within the company who enhance their knowledge through their roles as CEO and internal directors on the Board. Outside directors bring expertise in fields such as management, accounting, finance, digital, and new business, further strengthening the board's composition and expertise across various domains.

When forming the board of directors, we take into account diversity and expertise holistically without discrimination based on gender, age, politics, religion, or culture. In July 2021, we appointed Jongwon Yoon as a female outside director, enhancing diversity and expertise of the board.

Independence and Soundness

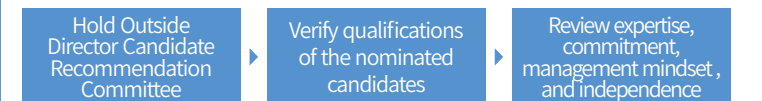
To strengthen board independence and governance integrity, we appointed Outside Director Seongrak Lee as Chairman of the Board. All Chairman of the Committee within the Board of Directors are appointed to outside directors, establishing an operational system centered on external oversight. Outside directors make up 57.1% of the board, and we operate an Outside Director Candidate Recommendation Committee entirely composed of outside directors to ensure transparent and independent appointments.

Appointment of Outside Directors

We conduct a fair and transparent appointment process for outside directors who can enhance the company's growth and corporate value. This process includes preliminary interviews and reference checks for outside director candidates, prioritizing compliance with qualifications outlined in relevant laws like the Commercial Act and the Public Service Ethics Act. The Outside Director Candidate Recommendation Committee then carefully selects candidates for recommendation to the general shareholders' meeting after thorough deliberation and review. In finalizing candidates, the committee comprehensively considers various evaluation criteria, including expertise, management mindset, commitment, and independence, as well as factors such as board diversity, the management environment, and the role of the newly appointed outside director.

The term of office for Directors is three years, and re-appointment is approved at the general shareholders' meeting as their term nears expiration. Outside directors' terms are limited to six years as per the Commercial Act Enforcement Decree.

Appointment Process



(As of March 2024)

Committee	Name	Area	Career	Gender	Position in the Board
Internal Directors	Yeon-soo Heo	General Management	Vice Chairman and CEO of GS Retail Former MD Head of GS Retail	Male	-
	Jinseok Oh ¹⁾	Platform BU Management	Vice President, GS Retail Platform, BU Former Vice President, Strategy Department, GS Retail	Male	Member of the Compensation Committee
Non-executive Directors	Soongji Hong	Linked to the Group	CEO of GS Former CFO of GS	Male	Member of the ESG Committee
Outside Directors	Seongrak Lee	Finance and Management	Chairman of the GS Retail Former Vice President of the Bank	Male	Chairman of the Internal Transactions Committee/ Member of the Internal Transactions Committee/ Member of the Outside Director Candidate Recommendation Committee/ Member of the Audit Committee
	Inmoo Lee	Finance and Accounting	Professor of KAIST Business School Former Foreign Exchange Operator Consultant, Bank of Korea	Male	Chairman of the Outside Director Candidate Recommendation Committee/ Chairman of the ESG Committee/Member of the Audit Committee/Member of the Compensation Committee
	Jongwon Yoon	Finance and Accounting	Accountant, Grant Thornton International Former Psychologist and Research Officer, Korean Public Accounting Society	Female	Chairman of the Outside Director Candidate Recommendation Committee/Chairman of the Compensation Committee/Member of the Internal Transactions Committee/Member of the ESG Committee
	Sangkyu Lee	Management and Distribution	Advisor of LG Electronics Former Head of Korean Sales Division	Male	Chairman of the Internal Transactions Committee/ Member of the Outside Director Candidate Recommendation Committee/Member of the ESG Committee

¹⁾ Due to Inside Director Hoseong Kim's resignation, Inside Director Jinseok Oh was appointed at the 53rd General Shareholders' Meeting on March 21, 2024.

Transparent Governance Board of Directors

Committees within the Board of Directors

Board Operation Status

We operate five specialized committees within the Board of Directors. To ensure the independence of committee operations and enhance expertise, the chairman of all committees are outside directors, and the Audit Committee, Outside Director Candidate Recommendation Committee, and Internal Transaction Committee are composed entirely of outside directors to ensure fairness and transparency. Each committee is comprised of three or more directors, with the majority being outside directors to ensure independence and objectivity. Every committee resolutions are reported to the board, and they are reconsidered if needed by the Board of Directors to improve the coherence of decision-making. Issues that have been dealt with in depth by each committee are additionally reported to the board. However, matters deliberated by the Audit Committee are excluded from reconsideration to ensure the committee's independence.

(As of March 2024)

Category	Member	Roles
Audit Committee	<ul style="list-style-type: none"> · Outside Director Jongwon Yoon (Chairman) · Outside Director Inmoo Lee · Outside Director Seongrak Lee 	<ul style="list-style-type: none"> · Oversee key business management areas such as accounting and finance, including reporting on the operational status of the internal accounting management system and approving evaluation reports for the system · Approve the auditor's statement regarding the internal monitoring system
Outside Director Candidate Recommendation Committee	<ul style="list-style-type: none"> · Outside Director Inmoo Lee (Chairman) · Outside Director Sangkyu Lee · Outside Director Seongrak Lee 	<ul style="list-style-type: none"> · Enhance independence and transparency in appointing outside directors, including the nomination and recommendation of candidates
Internal Transactions Committee	<ul style="list-style-type: none"> · Outside Director Sangkyu Lee (Chairman) · Outside Director Seongrak Lee · Outside Director Jongwon Yoon 	<ul style="list-style-type: none"> · Conduct pre-deliberation on transactions with affiliated persons of significant size, as stipulated by relevant regulations such as monopoly and fair trade laws · Conduct pre-deliberation on transactions involving companies and directors
ESG Committee	<ul style="list-style-type: none"> · Outside Director Inmoo Lee (Chairman) · Outside Director Sangkyu Lee · Outside Director Jongwon Yoon · Non-executive Director Soongj Hong 	<ul style="list-style-type: none"> · Deliberate on the company's ESG-related business plans and supervise, assess, and review ESG activities delegated by the Board. · Manage ESG-related activities and decision-making to minimize risks to the company
Compensation Committee	<ul style="list-style-type: none"> · Outside Director Jongwon Yoon (Chairman) · Outside Director Inmoo Lee · Internal Director Jinseok Oh 	<ul style="list-style-type: none"> · Review the limits of remuneration for registered directors, the basic annual salary according to regulations for executives, and other remuneration guidelines

Board Meetings

Our regular Board of Directors meetings are held eight times a year, with additional meetings organized as needed. Approval of the proposed agenda requires the attendance and agreement of the majority of the directors present. For matters specified by relevant laws, such as Article 398 of the Commercial Act (Transactions between Directors and the Company), approval is obtained with the agreement of more than two-thirds of the directors. The board contributes to the creation of sustainable value through rational decision-making that considers the environment (E), society (S), and governance (G), enhancing management soundness by overseeing important management activities objectively.

Category	2021	2022	2023
Meetings held	18 times	10 times	8 times
Reviewed/Reported items Month	43/48	20/33	23/31
Average Attendance Rate	98.4%	100%	100%

Enhancing Board Competency

To ensure board-centered management activities based on the active participation of board members, we share the entire board schedule for the following year with the members at the end of each year to encourage their active involvement. We also share the main contents of the agenda with each director before each meeting, allowing the board to conduct in-depth deliberations based on a thorough understanding of each item and make rational decisions. We support board members' participation in training to enhance their expertise and understanding of the business. For significant and new business areas, separate reports are organized in addition to matters reported to the Board of Directors in accordance with regulations, thereby helping board members strengthen their professional insight into the company's activities.

Month	Details
Feb.	Quick commerce business status
Apr.	About Pet Co.,Ltd business status
May.	2023 Online Auditor Core Course
July.	9th ACI Seminar: Shareholder Activism and Board Paradigm
Aug.	GS25 Vietnam business status
Oct.	Promotion of overseas business and strategies, reporting on equity investments
Nov.	2023 Corporate Governance Development Center Webinar
Dec.	Firsf Co.,Ltd business status

Transparent Governance Board of Directors

Board Assessment and Compensation

Assessment Process

We conduct an assessment of the Board of Directors once every fiscal year to increase operational efficiency and identify areas for improvement. The entire board independently evaluates the board-related system and operational levels, and a separate self-assessment is conducted exclusively for outside directors to ensure transparent and fair operations. The results of the assessments are disclosed to the public through this report and the website after being reported to the board. Identified areas for improvement are reflected in future plans to promote more advanced board operations.

2023 Board Assessment Results

Category	Results	Participant
Board performance	4.6 / 5.0 points	All directors (7)
Operational efficiency of the Board	4.6 / 5.0 points	
Committee Activities	4.4 / 5.0 points	
Outside directors' self-assessment	3.8 / 4.0 points	All outside directors (4)

Remuneration Standards

We set the director remuneration limit through a resolution at the general shareholders' meeting as per the Article 388 of the Commercial Act, and implement payments within the approved remuneration limit considering responsibility, risk, and time invested in performing duties, while enhancing the level of ESG implementation. The remuneration of inside directors is determined by comprehensively considering the personnel management regulations for executives and the roles, contributions, and expertise of executives within the director remuneration limit approved at the general shareholders' meeting. Performance bonuses are determined based on a comprehensive consideration of quantitative factors like sales and operating profit, and qualitative factors such as financial and non-financial performance goal achievement, leadership, and the company's management circumstances. The remuneration of outside directors is determined considering their field of work, expertise, internal and external management environments, and compensation levels in the industry.

2023 Remuneration Status

We determine board remuneration based on a fair assessment process and board remuneration standards.

Remuneration Amount Approved by the General Meeting of Shareholders in 2023

Category	Note	
Number of people	7	Internal directors, non-executive directors, outside directors (including Audit Committee members)
Approved amount at the General Shareholders' Meeting	KRW 6,000 million	Approved at the 2023 General Shareholders' Meeting
Total remuneration	KRW 3,677 million	Includes the remuneration of resigned and newly appointed outside directors
Average remuneration per person	KRW 525 million	

Enhancing Shareholder Value

Shareholder Status

As of the end of December 2023, GS Retail has issued a total of 104,717,922 common shares, adopting a single voting right system under the principle of one vote per share. The status of share ownership by major shareholders, affiliated persons, and shareholders with more than 5% is transparently disclosed.

(As of 12.31.2023)

Category	Shareholder	Number of shares	Ownership (%)	Note
Shareholders with more than 5%	GS	60,633,923	57.9	-
	National Pension Fund ¹⁾	9,381,912	8.96	Includes assets under management
Treasury shares	GS Retail	1,279,666	1.2	-
Shareholders with more than 1%	Korean Air	2,505,780	2.4	-
Other	-	35,729,075	34.13	Shareholders with less than 1%
Total		104,717,922	100	-

1) Based on the business report

Shareholder-Friendly System

We are actively working to ensure fair voting rights and protect shareholder rights following the Commercial Act and related laws. Through IR activities and disclosures such as conferences and NDRs, we provide all shareholders with timely and easily understandable information.

Facilitate the exercise of shareholder voting rights	<ul style="list-style-type: none"> Introduced electronic voting through a board resolution (December 2020) Adopt measures to enable representative voting rights for all shareholders Ensure equal access to voting rights regardless of physical constraints
Improve communication and information accessibility for shareholders	<ul style="list-style-type: none"> Publish quarterly provisional sales on electronic disclosure systems (DART) and the website Organize non-deal roadshows for domestic and foreign investors, participate in conferences organized by securities firms, and host over 100 investor meetings annually
Appoint a shareholder communication director	<ul style="list-style-type: none"> Appointed a dedicated director for shareholder communication through board resolution Strengthen governance integrity and investor credibility through proactive communication with shareholders and stakeholders
Other	<ul style="list-style-type: none"> Implemented a shareholder referral system for appointing outside directors Documented the maximum term of office for outside directors and the notification period for board meetings in the Articles of Incorporation Disclose board regulations and committee regulations within the board, establish an employee code of ethics, and corporate governance charter Clarify differences between corporate governance and best practice standards

Integrity Management Ethical Management

Management System

Governance

As an organization directly under the CEO and Audit Committee, we operate the Corporate Audit Department, responsible for promoting ethical management. It is composed of three parts, building a system that independently promotes ethical management.



Ethical Management Guidelines

To practice ethical management, we operate the Code of Ethics and Practice Guidelines, the Guidebook for Ethical Standards, and the Integrity Regulations.

The Code of Ethics and Practice Guidelines serve as the standard for proper behavior and value judgments that apply to all employees. The Guidebook for Ethical Standards specifically explains the basic ethics that employees must adhere to, making it easier to take action. The Integrity Regulations have been implemented to comply with the Improper Solicitation and Graft Act (Anti-Graft Act), outlining clear behavioral standards for internal employees regarding money and valuables, entertainment, congratulations and condolences bonuses, and gratuity for lectures.

[Code of Ethics and Practice Guidelines](#)

Detailed Practice Guidelines

To ensure fair performance of duties from our employees, we define nine categories of unethical behaviors with detailed practice guidelines. These categories include receiving payments from stakeholders, joint investment with stakeholders, acquisition of common assets, participation in unfair shares in trading companies, illegal use of company assets, poor job performance, using one's job for self-interest, manipulation of documents and false reporting, sexual harassment, workplace bullying, and acts that tarnish the company's reputation.

[Detailed Practice Guidelines](#)

Objectives and Directions

We share the GS management philosophy of 'Creating new life experiences- and planning a better future for our customers' with all employees. We uphold the principles of a free market economic order that fosters free and fair competition, and we strive to achieve common interests with all stakeholders through mutual trust and cooperation. As a company aspiring to be a leader in sustainable development, we adhere to a Code of Ethics that guides proper behavior and value judgments for all employees. To ensure comprehensive compliance, we have formed an Ethics Committee Secretariat comprising the CEO and a dedicated ethics management organization. Stakeholders engaged in business relationships with us are encouraged to sign a pledge committing to integrity management practices, ensuring they understand and actively participate in these efforts.



Obtain legitimacy

· Establish a foundation for achieving social legitimacy and demonstrating the value of corporate existence



Enhance Competitiveness

· Enhance long-term corporate and national competitiveness



Resolve friction and conflict

· Resolve friction and conflicts among members through clear guidelines

Integrity Management Ethical Management

Employee Ethics

Ethical Management Training

We provide integrity management training for all employees, with intensive training on bribery and illicit favors, and improper solicitation. We strive to cultivate employees' awareness of integrity management by providing both company-wide training and tailored training for specific positions, such as new employees and leaders. We are also building a system where the organization leads compliance management by giving greater weight to items related to practicing integrity management in the evaluation criteria of leaders and executives.

To ensure the practice of integrity management by all employees, we also require annual integrity management pledges. The results of integrity management are shared through various channels such as the company website, bulletin board, regular training, and meetings to raise awareness among employees and encourage their participation. Additionally, we practice integrity management through various initiatives, such as operating a bribery reporting center, no-gifts campaign, and conducting surveys of employees and partners.

Ethical Management Training Completion Rate

(Unit: %)

Category	2021	2022	2023
Completion rate	100	97	99.8

Evaluating the Effectiveness of Anti-Graft Act Training

We strive to enhance employees' ethical awareness through effective training, which includes providing relevant examples and practical application methods at work. An analysis of employees' ethical awareness before and after the 2023 Anti-Graft Act training revealed a 12.8% increase in positive responses, confirming its effectiveness in improvement.

Category	Ethical Awareness Before and After Training (%)		
	Positive	Neutral	Negative
Before training	78.6	16.5	4.9
After training	91.4	8.0	0.6
Difference	+12.8%p	-8.5%p	-4.3%p

Reporting Channel

We operate Redwhistle, which incorporates Talk to the CEO, Voices of Integrity Management, Partner VOC, a hotline, and IP tracking prevention technology to enable easy reporting of unethical practices.

During the processing of reports, disclosing the reporter's identity without their consent is strictly prohibited, guaranteeing their anonymity. If a violation is confirmed, we submit it to the company-wide Ethics Committee for strict punishment while ensuring that the reporter does not suffer any disadvantage.

Reporting Channel	Details	Number of Reports Received in 2023
Talk to the CEO	Direct report of injustice, compliments, and suggestions to the CEO	1,916
Voice of Integrity Management	Voices of Integrity Management Report unfair acts of employees and partners	271
Voice of Partners	Listen to grievances and improvements between during transactions	57
Red Whistle	Report violations of the Anti-Graft Act and listen to opinions for ethical management	21

Reporting and Discipline Status

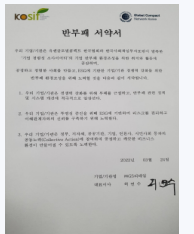
(Unit: times)

Category	2021	2022	2023
Bribery reports	114	83	64
Ethics Committee held	26	24	29

| UNGC BIS¹⁾ Anti-Corruption Pledge |

To contribute to building a fair and transparent society by enhancing the corporate anti-corruption environment, we voluntarily participated in the BIS Anti-Corruption Pledge organized by the UNGC Network Korea. We have declared our commitment to anti-corruption and aim to foster collective efforts to prevent corruption through this pledge. Strengthening our employees' anti-corruption capabilities contributes to enhancing transparency in our business activities and establishing a fair market environment.

1) Business Integrity Society, a global anti-corruption project aimed at creating an ethical environment



Compliance Management

Management System

Governance

We have established compliance control standards that apply to all employees and have created a specialized organization to ensure their compliance. We are building a compliance control environment through the composition of the board, appointment of a compliance officer, and implementation of compliance manager roles.



1) Established in March 2024

Internal Control System

We have adopted Albutus, a continuous monitoring system that detects abnormal signs in major financial accounts or management activities. We have also integrated the integrity management category into the overall leadership evaluation to motivate organizational managers to practice integrity management and ethical standards, ensuring their implementation. We are fostering an ethical environment prioritizing integrity management in all major decisions and actions of the company.

Revision and Distribution of the Compliance Manual

We have revised and distributed the fair trade compliance manual to lead a fair trade culture, ensuring all employees comply with fair trade laws and promoting free and fair competition in the market, while preventing potential damages in case of violations.

The revised version includes specific guidelines, precedents, do's and don'ts related to laws such as the Fair Trade Act, Act on Fair Transactions in Large Retail Business, Subcontracting Act, Franchise Business Act, Electronic Commerce Act, and Labeling and Advertising Act, which all our employees must be aware of. With this revision, we aim to enhance employees' understanding of the content, types of violations, and severity levels of the latest laws and regulations. We plan to further raise awareness of fair trade by improving the usability of the compliance manual.



[Compliance Manual](#)

Risk Management Financial and Non-Financial Risks

Management System

Governance

To effectively manage both financial and non-financial risks, we have designated the ESG Committee and Audit Committee under the Board of Directors as responsible bodies for each sector.

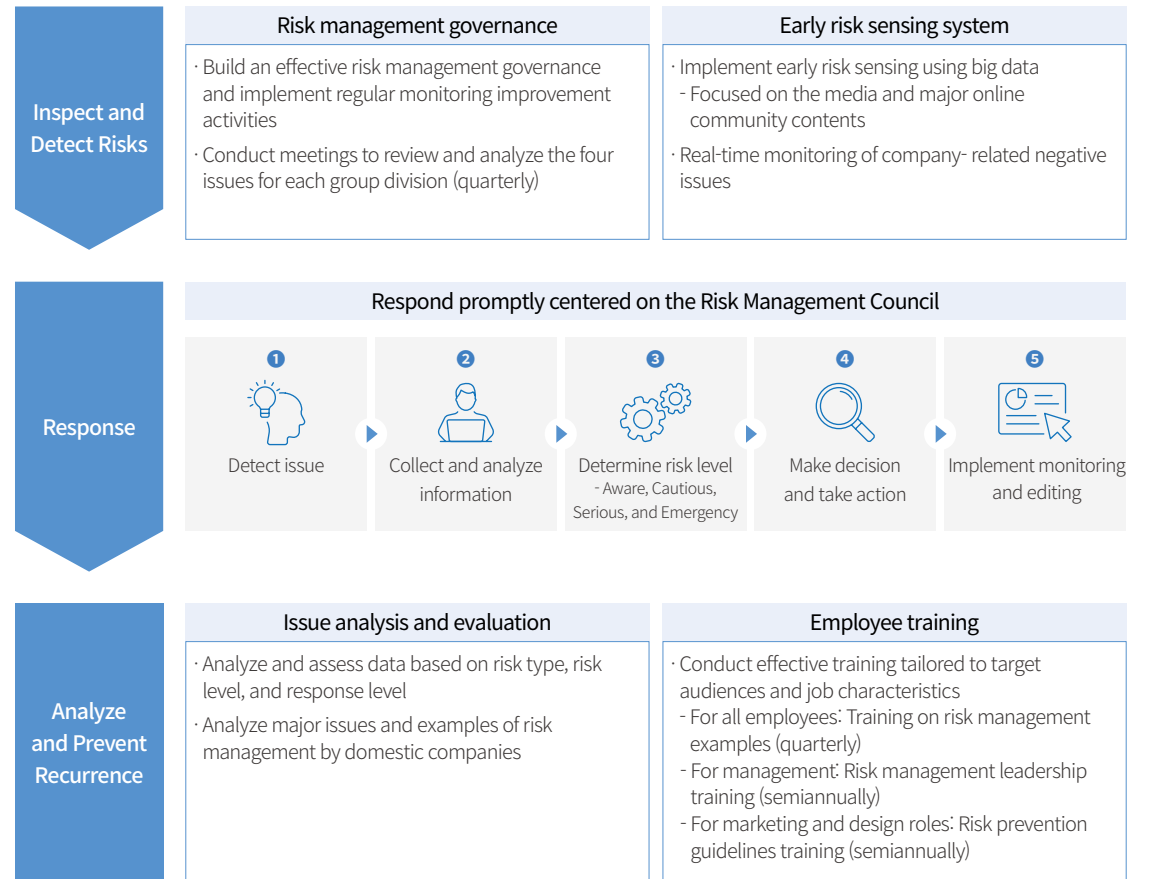
We define and manage core risks in Quality, Business, Legal/Compliance, Human Resources (HR/ER), and Finance that may arise during business operations.

To enhance efficiency, we operate subdivisions for each non-financial risk area. The RM Working Group, comprising the head of the External Cooperation Division, the legal team, and the communication team, supports the Risk Management Council and conducts joint risk review meetings to proactively prevent risks and ensure ongoing monitoring.



Risk Management Process

We operate a risk management process that includes risk inspection, response, analysis, and recurrence prevention in collaboration with various departments, aiming to effectively manage various uncertainties that may arise at the management level.



Risk Management **Financial and Non-Financial Risks**

Management System

Defining and Responding to Risks

We defined 12 core risks in the areas of Quality, Business, Legal/Compliance, Human Resources (HR/ER), and Finance. We aim to effectively manage these risks, which include non-financial risks such as health and safety, consumer rights, logistics (supply chain), marketing and design, reputation, environment and climate change, fair trade and shared growth, policies and regulations, serious accidents, privacy, and human rights, as well as financial risks such as investor relations (IR), credit rating, liquidity, and tax risks.

Risk Definition and Status

Category	Type	Details	Management Activities	
Quality	Health and safety risk	Issues related to product deterioration, hygiene, hazardous substances, expiration dates, and origin labeling	<ul style="list-style-type: none"> · Conduct regular monitoring and training on quality issues · Implement continuous improvement of the PB product quality and management process 	
	Consumer rights risk	Issues causing consumer dissatisfaction with product or service performance	<ul style="list-style-type: none"> · Continue to implement comprehensive and proactive CX improvement activities that prioritizes customer satisfaction 	
	Logistics (supply chain) risk	Issues in logistics and supply chain related to accidents, disasters, and strikes	<ul style="list-style-type: none"> · Establish contingency plans and conduct employee training to respond to logistics issues 	
	Marketing and design risk	Issues arising from negative aspects of marketing and design that reflect distribution characteristics	<ul style="list-style-type: none"> · Conduct training and communication on guidelines for marketing and design work, along with similar cases 	
Business	Reputation risk	Issues resulting in negative public opinion and backlash due to poor performance, significant social issues, sensitive civil rights issues, major lawsuits, etc.	<ul style="list-style-type: none"> · Discover promotional contents to enhance corporate image · Implement continuous monitoring for sensitive contents (articles, social media, and communities) · Actively respond to corporate misinformation, such as correcting press releases 	
	Environmental and climate risk	Issues affecting quality, logistics, and stores due to climate change and environmental regulations	<ul style="list-style-type: none"> · Reduce energy use through SEMS installation, expanding eco-friendly stores, and establishing green logistics · Acquire more environmental certifications · Install food waste disposer and operate a recycling center · Establish a greenhouse gas inventory and manage emissions 	
Non-financial risk	Fair trade and shared growth risk	Issues stemming from non-compliance with environmental laws, policies, and regulatory violations	<ul style="list-style-type: none"> · Establish a CP system and conduct employee training · Improve and monitor implementation related to Fair Trade Agreements 	
	Policy and regulation risk	Issues arising from non-compliance with environmental laws, policies, and regulatory violations	<ul style="list-style-type: none"> · Take action before the implementation of major regulations · Strengthen capabilities for early awareness of policy and regulatory changes · Join and participate in KBCSD 	
	Serious accident risk	Risks associated with violations of the Serious Accident Punishment Act	<ul style="list-style-type: none"> · Implement measures to prevent major accidents · Monitor safety status of facilities · Develop a culture that prioritizes employee safety 	
	Privacy and security risk	Issues related to customer privacy and information breaches due to system errors, phishing, smishing, hacking, etc.	<ul style="list-style-type: none"> · Review and improve customer information protection policies · Operate a dedicated response team centering on the security center 	
HR/ER	Employee human rights risk	Issues involving violations of human dignity, freedom, and rights due to unethical conduct in the workplace	<ul style="list-style-type: none"> · Operate a reporting channel for ethics violations · Operate governance responses to sexual harassment and workplace bullying 	
Financial risk	Financial	IR, Credit, Liquidity, Tax	Falling stock prices, low credit rating, tax-related issues, etc.	<ul style="list-style-type: none"> · Implement proactive management and continuous monitoring of major financial risks for each division and task

APPENDIX

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ESG Performance Data

Financial Performance

Summary of Consolidated Financial Statement

Classification	Unit	2021	2022	2023
Current assets	KRW million	1,183,933	1,366,113	1,857,062
Cash and cash equivalents	KRW million	91,362	390,477	431,766
Trade receivables and other receivables	KRW million	627,334	566,159	896,914
Other current financial assets	KRW million	50,614	83,072	129,395
Inventories	KRW million	193,041	226,962	304,289
Non-current assets held for sale	KRW million	131,760	-	-
Other	KRW million	89,822	99,443	94,698
Non-current assets	KRW million	8,272,040	8,466,310	8,184,954
Long-term accounts and other receivables	KRW million	1,346,627	1,323,209	1,079,024
Other non-current financial assets	KRW million	911,649	783,985	765,671
Investment in joint ventures and affiliated companies	KRW million	664,474	630,374	451,173
Tangible assets	KRW million	2,734,687	2,767,448	2,831,191
Investment property	KRW million	1,109,092	1,076,320	1,067,280
Intangible assets	KRW million	278,188	255,085	244,146
Right-of-use assets	KRW million	1,126,260	1,470,667	1,588,054
Other	KRW million	101,065	159,222	158,415
Total assets	KRW million	9,455,973	9,832,423	10,042,015

Classification	Unit	2021	2022	2023
Current liabilities	KRW million	2,055,199	1,682,198	2,664,089
Non-current liabilities	KRW million	2,986,388	3,238,800	2,944,188
Total liabilities	KRW million	5,041,587	5,412,418	5,608,276
Controlling interests	KRW million	4,069,022	4,049,138	4,058,375
Capital	KRW million	104,718	104,718	104,718
Capital surplus	KRW million	1,205,490	1,208,991	1,209,098
Other capital goods	KRW million	-112,591	-126,578	-100,778
Accumulated other comprehensive income	KRW million	18,273	52,903	72,238
Retained earnings	KRW million	2,853,132	2,809,104	2,773,099
Non-controlling interests	KRW million	345,364	370,867	375,365
Total capital	KRW million	4,414,386	4,420,005	4,433,740

Summary of Consolidated Income Statement¹⁾

Classification	Unit	2021	2022	2023
Sales	KRW million	9,517,214	11,031,893	11,612,548
Operating profit	KRW million	292,472	360,186	393,955
Profit from continuing operations	KRW million	871,457	148,099	83,711
Net income	KRW million	801,276	47,610	22,148
Controlling interest	KRW million	815,212	40,438	17,678
Non-controlling interests	KRW million	-13,936	7,171	4,469

1) Financial data for 2022 and 2023 were reclassified due to discontinued operations following the sale of shares and termination of operations in certain BUs. See the business report for details

ESG Performance Data

Non-Financial Performance

Green Product

Green Products and Services

Classification	Unit	2021	2022	2023
Purchases of products and services ¹⁾	Total ²⁾	680.3	935.2	999.5
	Green Purchase ³⁾	20.2	64.2	142.5
Sales of green products and services ⁴⁾	KRW 100 million	3,164	4,310	5,218

1) 2021 and 2022 data were corrected due to the expanded calculation scope of eco-friendly consumables

2) Total scope of purchases: Office supplies, office appliances, consumables, refrigerators, shopping bags, envelopes, containers, etc.

3) Total scope of green purchases: Office supplies, office appliances, consumables, refrigerators using R290 refrigerant, shopping bags, envelopes, containers, etc.

4) 2021 and 2022 data were corrected due to the expanded scope of eco-friendly product certification

Green Store

Green Stores

Classification	Unit	2021	2022	2023
SEMS	SEMS installed stores	number	11,241	12,218
Green store	Green stores	number	3	27

Waste

	Unit	2021	2022	2023
Total amount of waste	ton	12,670	14,568	15,664
General waste (processed by third-party)	Recycle	ton	8,747	9,829
	Incineration	ton	1,147	1,414
	Landfill	ton	1,106	1,472
	Other	ton	1,670	1,852
Waste recycling rate	%	69	67	72
Waste intensity ¹⁾	ton/KRW 100 million	0.139	0.140	0.144

1) 2021 and 2022 data were corrected due to changes in separate sales reporting

Green Value-chain

Environmental Management

Classification	Unit	2021	2022	2023
Environmental training	Number of participants	person	4,997	5,177
	Training hours	hour	4,997	7,449.5

Greenhouse Gas¹⁾

Classification	Unit	2021 ²⁾	2022 ²⁾	2023
Total	tCO ₂ eq	598,102.69	628,219.65	664,783.65
Scope 1	Subtotal	tCO ₂ eq	1,513.13	3,470.50
	CO ₂	tCO ₂ eq	1,503.38	3,454.35
	CH ₄	tCO ₂ eq	3.62	5.40
	N ₂ O	tCO ₂ eq	6.13	10.76
Scope 2	Subtotal	tCO ₂ eq	56,413.02	62,177.95
	CO ₂	tCO ₂ eq	56,080.22	61,810.78
	CH ₄	tCO ₂ eq	9.29	10.23
	N ₂ O	tCO ₂ eq	323.52	356.56
Scope 3	Subtotal	tCO ₂ eq	540,176.54	562,571.20
	Category 2	tCO ₂ eq	211.636	220.952
	Category 3	tCO ₂ eq	4,470.29	4,948.90
	Category 4	tCO ₂ eq	1,808.11	2,132.82
	Category 5	tCO ₂ eq	2,987.56	3,513.33
	Category 13	tCO ₂ eq	15.179	33.335
	Category 14	tCO ₂ eq	530,683.77	551,721.85
	Greenhouse gas emissions intensity (Scope 1, 2)	tCO ₂ eq/KRW 100 million	0.635	0.631
Greenhouse gas reduction rate (based on Scope 1,2 emissions intensity)	%	-0.9	0.7	
Greenhouse gas emissions intensity (Scope 1, 2, 3)	tCO ₂ eq/KRW 100 million	6.56	6.03	

1) The total and sum of data differ due to decimal point truncation

2) 2021 and 2022 data were corrected due to changes in separate sales reporting and the calculation scope of business sites

ESG Performance Data

Non-Financial Performance

Green Product

Energy¹⁾

Classification	Unit	2021	2022	2023	
Total	TJ	1,207.68	1,339.29	1,228.98	
Organizational use	Subtotal	28.788	39.92	37.99	
	Gasoline	2.269	4.103	4.754	
	Diesel	0.143	0.272	0.175	
	Direct energy	Kerosene	0.013	0.011	0.012
	LNG	24.780	33.891	32.402	
	LPG	-	-	-	
	Propane	1.583	1.64	0.65	
	Subtotal	1,178.89	1,299.37	1,190.99	
	Indirect energy	Electricity	1,178.63	1,299.01	1,190.67
	Steam	0.26	0.36	0.32	
Energy intensity	TJ/KRW 100 million	0.013	0.013	0.011	
Energy reduction rate (based on intensity)	%	-0.8	2.9	12.3	
Non-organizational use	TJ	12,335	12,913	13,719	
Renewable energy generation and use ²⁾	kWh	50,742	63,276	124,887	

1) 2021 and 2022 data were corrected due to changes in separate sales reporting and the calculation scope of business sites

2) 2021 and 2022 data were corrected due to changes in the calculation scope of business sites (including franchises)

Water and Wastewater¹⁾

Classification	Unit	2021	2022	2023
Total	ton	898,952	940,810	893,824
Water withdrawal and water consumption	Water and sewage	892,977	932,285	890,923
	Fresh water	-	-	-
	Groundwater	5,975	8,525	2,901
Water discharge	ton	-	-	-
Water use intensity	ton/KRW 100 million	9.859	9.038	8.210

1) 2021 and 2022 data were corrected due to changes in the scope of calculation business sites

ESG Performance Data

Non-Financial Performance

Social Performance

Employee status

Classification		unit	2021	2022	2023
Total		person	7,848	7,814	7,368
Gender	Male	person	4,017	4,264	4,165
	Female	person	3,831	3,550	3,203
Location	Korea	person	7,837	7,806	7,357
	Thailand	person	1	1	1
	China	person	1	1	1
	Malaysia	person	1	1	0
	Indonesia	person	3	2	4
	Vietnam	person	3	3	3
	Mongolia	person	2	0	2
Age	Under 30 years old	person	1,658	1,576	1,433
	30-50 years old	person	4,563	4,755	4,572
	50 years old and above	person	1,627	1,483	1,363
Number of employees by contract type and gender	Permanent	Male	3,605	3,727	3,589
		Female	1,651	1,327	1,583
	Contingent	Male	412	537	576
		Female	2,180	2,223	1,620
Number of employees by contract type and location	Permanent	Domestic	5,245	5,046	5,161
		Overseas	11	8	11
	Contingent	Domestic	2,592	2,760	2,196
		Overseas	0	0	0
Employment type	Full-time	Male	3,604	3,826	3,651
		Female	1,464	1,808	1,712
	Part-time	Male	413	435	514
		Female	2,367	1,745	1,491

Classification		unit	2021	2022	2023
Manager ¹⁾	Total number of managers (executives) ²⁾	person	34	35	33
	Number of female managers (executives) ²⁾	person	3	5	6
Outside directors	Number of female outside directors	person	1	1	1
	Percentage of female outside directors	%	25	25	25
Non-affiliated employees	Dispatched employees	person	-	20	6
	Baseline employees ³⁾	person	7,423	7,392	6,973
Employees with disabilities	Number of employees with disabilities	person	236	208	217
	Percentage of disabled employees	%	3.2	2.8	3.1

1) Managers of GS Retail refer to executives.

2) Excluding outside directors and other non-executive directors

3) The number of baseline employees differs from the business report because the data pertains to full-time employees

New Hires¹⁾

Classification		unit	2021	2022	2023
Total		person	625	912	585
Gender	Male	person	360	575	368
	Female	person	265	337	217
Location	Domestic	person	625	912	585
	Overseas	person	0	0	0
Age	Under 30 years old	person	311	530	400
	30-50 years old	person	305	371	177
	50 years old and above	person	9	11	8

1) Data are based on full-time employees, professionals, professional contract workers and contract workers

Years of Retention

Classification	unit	2021	2022	2023
Male	year	8.9	8.8	8.1
Female	year	5.4	5.5	5.5

ESG Performance Data

Non-Financial Performance

Social Data

Turnover¹⁾

Classification	Unit	2021	2022	2023
Total	person	596	660	523
Gender	Male	-	373	366
	Female	-	287	157
Location	Domestic	-	660	523
	Overseas	-	0	0
Age	Under 30 years old	-	156	129
	30-50 years old	-	478	365
	50 years old and above	-	26	29
Voluntary turnover rate ¹⁾	%	7.6	8.4	7.1

1) The data is based on the number of full-time employees, excluding assistant managers and interns

2) The data for 2021 and 2022 was corrected as it was recalculated based on the number of people at the end of the year in the business report

Human Resources Development

Classification	Unit	2021	2022	2023	
Training ¹⁾	Number of participants ²⁾	person	4,237	4,165	4,368
	Training hours	hour	303,505	249,210	230,740
	Training hours per person ²⁾	hours/person	72	60	53
	Total training expenses	KRW thousand	2,697,015	4,657,000	5,831,677
Investments	Average training expenses per employee ²⁾	KRW thousand/person	637	1,118	1,335
	Male	person	2,654	3,045	2,985
By gender	Percentage of male	%	79	77	78
	Female	person	711	904	866
	Percentage of female	%	21	23	22
Regular performance evaluation ³⁾	Team leaders and above	person	517	533	378
	Percentage of team leaders and above	%	15	13	10
	Managers ⁴⁾	person	2,848	3,416	3,473
	Percentage of managers	%	85	87	90

1) Includes employees who are subject to the training system for each BU, including permanent, contract, professionals, contract professionals, and dispatched employees affiliated with GS Retail

2) 2021 and 2022 data were corrected due to changes in data collection and management standards

3) Regular performance evaluations are conducted for full-time employees, with some exceptions based on the date of employment

4) In 2021, the position title has been unified to manager

Vacation and Benefits

Classification	Unit	2021	2022	2023		
Maternity leave	Employees	person	52	64	63	
	Spouses	person	163	183	170	
Parental Leave	Employees who took parental leave	Male	person	75	64	90
		Female	person	62	92	93
	Employees who returned from parental leave	Male	person	38	52	41
		Female	person	38	64	68
	Return-to-work rate of employees who worked for 12 months after returning from parental leave	%	68	86	88	
Reduced hours	Employees on reduced hours during pregnancy	person	37	51	44	
	Employees on reduced hours during childcare	person	16	23	18	
Retiree support and rehire	New Start Program	person	2	1	6	
	Employees rehired at retirement age	person	43	56	36	

Labor Council

Classification	Unit	2021	2022	2023
Meetings held	number	14	20	16
Completed agenda items	case	123	136	141

Human Rights¹⁾

Classification	Unit	2021	2022	2023	
Training	Completion rate	%	100	100	100
	Number of participants	person	4,677	4,913	4,737
	Training hours	hour	8,345	9,108	9,882
	Training hours per person	hours/person	1.8	1.9	2.1

1) Based on those who have completed legally mandated training (full-time employees above manager level), excluding interns, etc

ESG Performance Data

Non-Financial Performance

Social Data

Equal Opportunities

Classification		Unit	2021	2022	2023	
Ratio of female salary	Compared to male	Platform BU and company-wide support	%	-	71.3	71.4
		Home shopping BU	%	-	71.4	75.6
	Compared to organizational average	Platform BU and company-wide support	%	-	77	77.4
		Home shopping BU	%	-	98.4	97
Average salary per person	Male	Platform BU and company-wide support	KRW million	-	65	70
		Home shopping BU	KRW million	-	84	82
	Female	Platform BU and company-wide support	KRW million	-	47	50
		Home shopping BU	KRW million	-	60	62

Health and Safety

Classification		Unit	2021	2022	2023
Occupational accidents	Number of occupational accidents	case	32	35	36
	Occupational accident rate ¹⁾	%	0.40 ²⁾	0.44	0.47
	Fatality rate	%	0	0	0
Training	Completion rate	%	100	100	100
	Number of participants	person	4,363	3,656	3,181
	Training hours	hour	64,356	51,672	47,768
	Training hours per person	hours/person	15	14	15

1) Data for 2021 and 2022 were corrected due to a calculation error

2) Excludes the number of commuting accidents

Supply Chain Assessment

Classification		Unit	2021	2022	2023
Impact assessment	New supplier registrations	number	-	1,923	1,518 ¹⁾
	Suppliers assessed for ESG ²⁾	number	-	1,839 ³⁾	1,469 ¹⁾
	Number of suppliers assessed for environmental and social impact ⁴⁾	number	217	222	207
	Suppliers not contracted due to negative environmental and social impacts	number	1	0	0
	Suppliers with confirmed negative impacts	number	12	7	7
	Number of suppliers agreeing to make implement improvement measures ⁵⁾	number	12	7	7
	Suppliers whose contracts were terminated after significant negative impacts were identified impacts	number	0	0	0

1) In 2023, standards are based on the home shopping BU, while the platform BU is in the process of establishing advanced standards scheduled for implementation from 2024

2) Number of new contract companies that participated in ESG self-diagnosis assessment

3) Some data were modified due to variations in data collection times

4) Number of suppliers inspected for environmental hygiene and safety

5) Number of suppliers that received a grade of C or D in the environment and social impact assessment and generally underwent re-examination

Shared Growth

Classification		Unit	2021	2022	2023	
Funding	Win-win partner loan	Amount	KRW 100 million	978.3	1,074.1	1,403.7
	Broadcasting fee refund policy	Refund fee	KRW 100 million	8.66	5.2	7.7
		Eligible suppliers and partners	number	100	104	113
Market development	I Love SMEs	Handling amount	KRW 100 million	29.6	34.7	32.6
		Broadcasts aired	time	366	463	472
	Prime time scheduling opportunity	Eligible suppliers and partners	number	59	51	62
		Data home shopping	%	58.6	61.9	60.3
	Broadcast preparation support	Amount	%	51.3	51.9	51.3
		Eligible suppliers and partners	KRW 100 million	10	10.6	10.6
Support to strengthen competitiveness	Productivity innovation partnership	Amount	KRW 100 million	3	2.6	3
		Eligible suppliers and partners	number	9	10	9
	CCM certification support	Amount	KRW 100 million	0.3	0.1	0.3
		Eligible suppliers and partners	number	2	1	3
	Inspection expense reduction support	Amount	KRW 100 million	9.6	8.8	6.6
		Eligible suppliers and partners	number	758	596	621
ESG training for employees of suppliers	Amount	KRW 100 million	0.1	0.1	0.13	
	Eligible suppliers and partners	number	541	691	588	

ESG Performance Data

Non-Financial Performance

Social Data

Product Service

Classification		Unit	2021	2022	2023	
Health and safety	Health and safety impact assessment	Percentage of products assessed	%	-	-	-
	Violation of laws and internal regulations	Cases that resulted in fines	case	0	0	0
		Cases that resulted in warnings	case	0	0	0
		Regulatory violations	case	60	18	19
Marketing and labeling	Information and labeling violations	Cases that resulted in fines	case	2	0	1
		Cases that resulted in warnings	case	2	1	1
	Marketing communications violations	Regulatory violations	case	15	20	14
		Cases that resulted in fines	case	0	0	0
	Cases that resulted in warnings	case	0	0	0	
	Regulatory violations	case	9	0	0	

Customer Satisfaction¹⁾

Classification	Unit	2021	2022	2023
Number of major VOCs	case	9,840	7,961	7,330

1) 2021 and 2022 data were revised compared to previous report due to recalculation based on all channels regardless of BU

Information Security

Classification	Unit	2021	2022	2023	
Information security related certification	-	ISMS, ISMS-P	ISMS, ISMS-P	ISMS, ISMS-P	
	Completion rate	%	99.6	100	100
Training ¹⁾	Number of participants	person	4,720	5,007	4,661
	Training hours ²⁾	hour	4,720	5,007	4,661
	Training hours per person ²⁾	hour/person	1	1	1

1) Excluding assistant store managers on site

2) 2021 data were corrected due to counting error

Corporate Social Responsibility (CSR)

Classification	Unit	2021	2022	2023	
Business performance ¹⁾	Public service	KRW 100 million	34.3	33.6	35.1
	Shared Growth	KRW 100 million	13.8	14.4	13.8
Employee volunteer service	person	1,405	2,598	3,861	

1) 2022 data were corrected due to recalculation based on the board of directors reporting performance

ESG Performance Data

Non-Financial Performance

Governance Data

Compliance

Classification	Unit	2021	2022	2023	
General	Damage cost due to monetary sanctions such as fines	KRW 100 million	54	254	16
	Non-monetary sanctions such as administrative action incurred	case	1	2	3
	Number of cases filed through dispute resolution mechanisms	case	73	89	96
Environment	Damage cost due to monetary sanctions such as fines	KRW million	0	0	0
	Non-monetary sanctions such as administrative action incurred	case	0	0	0
	Number of cases filed through dispute resolution mechanisms	KRW 100 million	0	0	0

Board of Directors

Classification	Unit	2021	2022	2023		
Total	person	7	7	7		
Composition	Internal directors	person	2	2	2	
	Non-executive directors	person	1	1	1	
	Outside directors	person	4	4	4	
	By gender	Male	person	6	6	6
		Female	person	1	1	1
	By age	Under 30 years old	person	0	0	0
		30-50 years old	person	0	0	0
50 years old and above		person	7	7	7	
Operation	Average attendance rate of outside directors	%	98.6	100	100	
	Meetings held	number	18	10	8	
	Agenda items	Resolution	case	43	20	23
		Report	case	48	33	31

Board Committees

Classification	Unit	2021	2022	2023		
Audit Committee	Percentage of outside directors	%	100	100	100	
	Meetings held	number	9	8	6	
	Agenda items	Resolution	case	11	7	6
		Report	case	16	17	17
Internal Transactions Committee	Percentage of outside directors	%	100	100	100	
	Meetings held	number	11	5	7	
	Agenda items	Resolution	case	36	30	13
Report		case	0	0	0	
Outside Director Candidate Recommendation Committee	Percentage of outside directors	%	100	100	100	
	Meetings held	number	2	1	1	
Compensation Committee	Agenda items	Resolution	case	2	1	1
		Report	case	0	0	0
	Meetings held	number	- ¹⁾	67	67	
ESG Committee	Agenda items	Resolution	case	- ¹⁾	1	2
		Report	case	- ¹⁾	0	0
	Meetings held	number	75	75	75	
ESG Committee	Agenda items	Resolution	case	3	7	7
		Report	case	3	4	4

1) Not applicable as it was before the installation of Compensation Committee

Integrity Management¹⁾

Classification	Unit	2021	2022	2023	
Training	Completion rate	%	100	97	99.8
	Number of participants	person	4,719	5,820	7,050
	Training hours	hour	2,702	2,462	3,416
	Training hours per person	hours/person	0.6	0.4	0.5

1) Includes anti-corruption training performance

ESG Performance Data

Non-Financial Performance

Governance Data

Anti-Corruption and Fair Trade

Classification		Unit	2021	2022	2023
Number of suppliers signing the Code of Ethics ¹⁾		number	4,459	1,415	1,454
Corruption (violation of ethics) cases	disciplinary actions	case	26	24	27
	Number of partner contract terminations	case	-	-	-
	Number of legal actions	case	-	-	-
Anti-competitive behaviors ²⁾	Number of legal actions	Progress	0	2	1
		Completed	2	0	0
Report	Integrity management-related voices ³⁾	Number of reports	110	145	271
		Handling rate	100	100	100
	Redwhistle	Number of reports	7	5	21
		Handling rate	100	100	100
	Voice of suppliers	Number of reports	26	52	57
		Handling rate	100	100	100
	Other (in person, phone, etc.)	Number of reports	8	1	11
		Handling rate	100	100	100

1) In 2021, the number of signed suppliers increased by processing both online and paper registrations (Only online signatures were processed in 2022 and 2023)

2) 2021 and 2022 data were revised compared to previous report due to recalculation based on the business report

3) Number of integrity management issues, including human rights cases such as unfair practices, sexual harassment, and workplace bullying by employees and suppliers

SASB Index

Food Retailers & Distributors

Sustainability Disclosure Topics

Classification	Code	Item	Page	Note
Energy Management	FB-FR-130a.1	Operational energy consumed	43, 50, 99	1,229TJ
		Percentage grid electricity		1,190.7TJ
		Percentage renewable		124,887kWh
Food Waste Management	FB-FR-150a.1	Amount of food waste generated	51, 98	
		Percentage diverted from the waste stream		
Data Security	FB-FR-230a.1	Number of data breaches	-	2 cases
	FB-FR-230a.2	Description of approach to identifying and addressing data security risks	77-78	
Product Health & Nutrition	FB-FR-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	79-81	
Product Labeling & Marketing	FB-FR-270a.1	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	103	1 case
	FB-FR-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling practices	103	KRW 15 million
Labor Practices	FB-FR-310a.1	Average hourly wage	-	KRW 9,620
		Percentage of in-store and distribution centre employees earning minimum wage, by region	-	100%
	FB-FR-310a.2	Percentage of active workforce employed under collective agreements	-	2%
	FB-FR-310a.3	Number of work stoppages	-	0 times
		Total days idle	-	0 days
FB-FR-310a.4	Labour law violations	-	1 time	
Management of Environmental & Social Impacts in the Supply Chain	FB-FR-430a.1	Revenue from products third-party certified to an environmental and/or social sustainability sourcing standards	45	Eco-friendly sales: KRW 521.8 billion
	FB-FR-430a.2	Percentage of revenue from: Eggs that originated from a cage-free environment	45	Sales of animal welfare certified products: approximately KRW 5 billion
		Percentage of revenue from: pork produced without the use of gestation crates	45	
	FB-FR-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	65	
FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	46		

Activity Metrics

Classification	Code	Item	Page	Note
Activity Metrics	FB-FR-000.A	GS 25	16	
		GS THE FRESH	16	

GRI Standards Index

Universal Standards

Classification	Metric	Page	Note
The organization and its reporting practices	2-1	Organizational details	6-8
	2-2	Entities included in the organization's sustainability reporting	2
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	97-105
	2-5	External assurance	110-112
Activities and workers	2-6	Activities, value chain and other business relationships	6-11, 16
	2-7	Employees	57, 100-101
	2-8	Workers who are not employees	100
Governance	2-9	Governance structure and composition	88, 104
	2-10	Nomination and selection of the highest governance body	88
	2-11	Chair of the highest governance body	88-89
	2-12	Role of the highest governance body in overseeing the management of impacts	89
	2-13	Delegation of responsibility for managing impacts	89
	2-14	Role of the highest governance body in sustainability reporting	13, 89, 94-95
	2-15	Conflicts of interest	88
	2-16	Communication of critical concerns	13, 25, 89, 94
	2-17	Collective knowledge of the highest governance body	88
	2-18	Evaluation of the performance of the highest governance body	90
	2-19	Remuneration policies	90
Stakeholder engagement	2-20	Process to determine remuneration	90
	2-21	Annual total compensation ratio	90
	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	38, 44, 58, 61, 64, 72, 77, 91
	2-24	Embedding policy commitments	38, 44, 58, 61, 64, 72, 77, 91
	2-25	Processes to remediate negative impacts	58, 73
	2-26	Mechanisms for seeking advice and raising concerns	23, 58, 66, 92
	2-27	Compliance with laws and regulations	104-105
	2-28	Membership associations	113
	2-29	Approach to stakeholder engagement	23
2-30	Collective bargaining agreements	106	

Material Topics (GRI 3)

Classification	Metric	Page	Note
Disclosures on material topics	3-1	Process to determine material topics	20-22
	3-2	List of material topics	20-22
	3-3	Management of material topics	20-22

Topic Standards

Classification	Metric	Page	Note	
Eco-friendly products and services				
Material Topics	3-3	Management of material topics	21-23	
Energy	302-5	Reductions in energy requirements of products and services	40, 41, 43, 48-50	
Response to climate change				
Material Topics	3-3	Management of material topics	20-22	
Economic performance	201-1	Direct economic value generated and distributed	16, 97	
	201-2	Financial implications and other risks and opportunities due to climate change	25-35	
	201-3	Defined benefit plan obligations and other retirement plans	-	p.254, Annual Report
	201-4	Financial assistance received from government	-	p.128-129, 277 Annual Report
Energy	302-1	Energy consumption within the organization	99	
	302-2	Energy consumption outside of the organization	99	
	302-3	Energy intensity	99	
	302-4	Reduction of energy consumption	99	
Emissions	305-1	Direct (Scope 1) GHG emissions	98	
	305-2	Energy indirect (Scope 2) GHG emissions	98	
	305-3	Other indirect (Scope 3) GHG emissions	98	
	305-4	GHG emissions intensity	98	
	305-5	Reduction of GHG emissions	98	
	305-6	Emissions of ozone-depleting substances (ODS)	48	
	305-7	NOx, SOx and other significant air emissions	-	No emissions
Waste reduction and resource recycling				
Material Topics	3-3	Management of material topics	20-22	
Waste	306-1	Waste generation and significant waste-related impacts	21, 41, 47	
	306-2	Management of significant waste-related impacts	38, 41, 47	
	306-3	Waste generated	41, 50-51, 98	
	306-4	Waste diverted from disposal	41, 51, 98	
	306-5	Waste directed to disposal	98	

GRI Standards Index

Topic Standards

Classification	Metric	Page	Note
Safe and responsible products			
Material Topics	3-3	Management of material topics	20-22
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	80-81, 103
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	103
Marketing and Labeling	417-1	Requirements for product and service information and labeling	Data incomplete To be managed
Human rights and diversity			
Material Topics	3-3	Management of material topics	20-22
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	88, 100, 104
	405-2	Ratio of basic salary and remuneration of women to men	102
Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	102
Safe working environment			
Occupational Health and Safety	3-3	Management of material topics	20-22
	403-1	Occupational health and safety management system	61-63
	403-2	Hazard identification, risk assessment and incident investigation	61-62
	403-3	Occupational health services	61-63
	403-4	Worker participation, consultation, and communication on occupational health and safety	61-63
	403-5	Worker training on occupational health and safety	63, 102
	403-6	Promotion of worker health	57
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61-63
	403-8	Workers covered by an occupational health and safety management system	61-63
	403-9	Work-related injuries	102
403-10	Work-related ill health	102	
Sustainable supply chain management and support			
Material Topics	3-3	Management of material topics	20-22
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	65, 103
	308-2	Negative environmental impacts in the supply chain and actions taken	65, 103
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	65, 103
	414-2	Negative social impacts in the supply chain and actions taken	65, 103

Classification	Metric	Page	Note
Compliance management			
Material Topics	3-3	Management of material topics	20-22
	205-1	Operations assessed for risks related to corruption	Data incomplete To be managed
	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures
205-3		Confirmed incidents of corruption and actions taken	105
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	105
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information labeling	103, 106
	417-3	Incidents of non-compliance concerning marketing communications	103, 106

UN SDGs Initiatives

As a member of the UN Global Compact, we support the achievement of the UN Sustainable Development Goals (SDGs). We prioritize goals closely aligned with our business and implement initiatives across our entire value chain to advance these objectives.

UN SDGs Directions	Initiatives
 <p>2 ZERO HUNGER End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<ul style="list-style-type: none"> · Procure certified raw materials · Conduct radiation safety inspection for fishery products · Launch products considering high inflation
 <p>3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> · Operate employee welfare programs such as providing health checkups and covering medical expense · Conduct workplace safety inspections and risk assessments · Develop raw material safety and healthy food
 <p>5 GENDER EQUALITY Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> · Operate Human Resources development program · Operate DEI Committee · Acquire a family-friendly company certification (maternity bonus, childcare leave, and in-house daycare center)
 <p>6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all</p>	<ul style="list-style-type: none"> · Introduce water-saving mixed faucets
 <p>7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<ul style="list-style-type: none"> · Install solar panel · Expand SEMS-adopted stores · Convert to eco-friendly LED lighting
 <p>8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> · Create jobs for vulnerable groups · Partner support activities · Sign a shared growth agreement with franchise owners · Offer sales channels for suppliers' products
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<ul style="list-style-type: none"> · Operate innovative shops and stores · Serve as the role of social safety net for offline stores · Operate a smart logistics system
 <p>10 REDUCED INEQUALITIES Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> · Create jobs for vulnerable groups · Conduct human rights impact assessment · Operate a dedicated channel for human rights complaints · Operate DEI Committee

UN SDGs Directions	Initiatives
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> · Build a digital studio · Develop eco-friendly products · Recycle waste synthetic resin waste and store waste electronic products · Install AIoT collection box · Operate a recycle center · Turned food waste into compost · Operate upcycling and product donation campaign
 <p>13 CLIMATE ACTION Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> · Operate an environmental management system under ISO14001 certification · Expand SEMS-adopted stores · Carry out greenhouse gas reduction activities for each scope · Operate a green logistics system
 <p>14 LIFE BELOW WATER Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<ul style="list-style-type: none"> · Implement Pet Beach Festival Beach Cleanup Activity at Jeju Island · Sell sustainable marine products, including MSC Ecolabel certification
 <p>15 LIFE ON LAND Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss</p>	<ul style="list-style-type: none"> · Expand certified products such as animal welfare and organic farming · Implement biological diversity conservation activities · Use FSC-certified paper boxes
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> · Provide psychological counseling for abused children and their families
 <p>17 PARTNERSHIPS FOR THE GOALS Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<ul style="list-style-type: none"> · Implement CSR activities with Korea Food for the Hungry and Good Neighbors · Participate in the Earth Hour campaign hosted by the World Wildlife Fund (WWF) · Operate a CSR store in collaboration with the Ministry of Health and Welfare · Enhance environmental training for employees in collaboration with the Ministry of Environment · Place fire equipment in stores nationwide in collaboration with the National Fire Agency

GHG Verification Statement

SCOPE

Verification of places of business and emission facilities under the control of the company.

STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
- Technical Guideline for Calculating Scope3 Emissions

PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed 82.129mm every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

- GHG verification has been performed to meet the limited assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an “unmodified” opinion.
- Criticality: meets the criterion, which is less than 5%

GHG Emissions

(unit : tCO₂eq./yr)

Emissions	2021	2022	2023
Scope1	1,513.13	3,470.50	2,117.54
Scope2	56,413.02	62,177.95	56,991.70
Scope3	540,176.54	562,571.20	605,674.40
Category 2 (Capital goods production)	211.636	220.952	211.149
Category 3 (Fuel production)	4,470.29	4,948.90	4,535.64
Category 4 (Transportation of raw materials)	1,808.11	2,132.82	1,324.66
Category 5 (Waste disposal)	2,987.56	3,513.33	3,205.30
Category 13 (Leased assets)	15.179	33.335	59.411
Category 14 (Franchisees)	530,683.77	551,721.85	596,338.24
Total	598,102.69	628,219.65	664,783.65

Energy consumption

(unit: TJ/yr)

Energy	2021	2022	2023
Scope1	28.788	39.92	37.99
Scope2	1,178.89	1,299.37	1,190.99
Total	1,207.68	1,339.29	1,228.98

RESULTS

We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.

May 7, 2024



Authorized By

황은규

Independent Assurance Statement

To readers of GS Retail Sustainability Report 2023

Introduction

Korea Management Registrar (KMR) was commissioned by GS Retail to conduct an independent assurance of its Sustainability Report 2023 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of GS Retail. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with GS Retail and issue an assurance statement.

Scope and Standards

GS Retail described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 201: Economic Performance
 - GRI 205: Anti-Corruption
 - GRI 206: Anti-competitive Behavior
 - GRI 302: Energy
 - GRI 305: Emissions
 - GRI 306: Waste
 - GRI 308: Supplier Environmental Assessment
 - GRI 403: Occupational Health and Safety
 - GRI 405: Diversity and Equal Opportunity
 - GRI 406: Non-discrimination
 - GRI 414: Supplier Social Assessment
 - GRI 416: Customer Health and Safety
 - GRI 417: Marketing and Labeling

As for the reporting boundary, the engagement excludes the data and information of GS Retail’ partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement

- reviewed the overall Report
- reviewed materiality assessment methodology and the assessment report
- evaluated sustainability strategies, performance data management system, and processes
- interviewed people in charge of preparing the Report
- reviewed the reliability of the Report’s performance data and conducted data sampling
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by GS Retail to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Independent Assurance Statement

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with GS Retail on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

GS Retail has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

GS Retail has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

GS Retail prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of GS Retail's actions.

Impact

GS Retail identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

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

Competence and Independence

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

June 2024 Seoul, Korea



CEO *E. J. Hwang*

People Who Contributed to the Report

Donggyun Kang	Hyeongjin Kim	Jinsuk Yu
Jongcheol Kang	Jongho Noh	Soyeon Lee
Daseul Go	Namseon Ryu	Eunsaem Lee
Myeongsu Go	Jihun Ryu	Hyeonmin Lee
Gyeongmo Gu	Gyeonghwan Park	Hyeonu Lee
Geunmo Gu	Daye Park	Hyeonjeong Lee
Bogeon Kwon	Minjeong Park	Hwangho Lee
Geonhui Kim	Sehyeon Park	Hyeongseop Lee
Daehyeon Kim	Jonggwan Park	Ganghyeon Lim
Dongin Kim	Jieun Park	Jeongseo Lim
Byeonggil Kim	Jeonggyu Park	Cheol Chang
Suyeon Kim	Huijin Sa	Seonjun Jeon
Suhyeon Kim	Yeongguk Seong	Eonjeong Jeon
Seungcheol Kim	Sangjun Son	Dongmin Jeong
Yangsin Kim	Junseop Song	Jihyeon Jeong
Yunseok Kim	Yungyeong Shin	Hyeokjun Jin
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Hyeonu Kim	Changheon Oh	Hwanyeong Heo

ESG Part of the Head of Public Policy Team

Deoksu Jang	Kyungrang Park	Junwoo Jung	Sujin Kwon
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Initiatives and Memberships

Federation of Korean Industries	Korea Enterprises Federation	Korea Association of Convenience Store Industry	Korea Chain Store Association
Korea Listed Companies Association	Korea Chamber of Commerce and Industry	KRX Korea Exchange	Korea Distribution Law Association
Korea Academic Society of Franchising	Korea Distribution Association	United Nations Global Compact (UNGC)	Changwon Initiative (Korea Forest Service)
Biz N Biodiversity Platform (BNBP)			

Awards

2023.09	GS The Fresh ranked 1st in the KCSI large supermarket category	
	GS25 KCSI ranked 1st in the convenience store category	Korean Standards Association
2023.07	Convenience store, supermarket, and home shopping business ranked 1st in KS-SQI	
2023.05	2023 Consumer Preferred Children's Brand & Senior Brand Grand Prize	Monthly Power Korea
2023.03	2023 No. 1 Korea's Most Admired Company in the convenience store category for 20 consecutive years	Korea Management Association
	2023 Brilliant People & Brand Awards Grand Prize	Monthly Power Korea
2023.02	2023 Best Korean Company to Work for	GPTW Korea
	Public Administration and Security Committee Chairman Award at the 2023 Korea Job Awards	Newsis
2023.01	God-saeng received the Grand Prize in the Brand Identity Category at the 28th Korea BEST DESIGN AWARD	Korea Institute of Cultural Product & Design
	Fisheries Team MD Youngkwang Kim and Team Manager Minju Ha received the Presidential Commendation and the Minister of Oceans and Fisheries Award	Ministry of Oceans and Fisheries

