



KT&G

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

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C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

Yes

(9.1.1) Provide details on these exclusions.

Row 1

(9.1.1.1) Exclusion

Select from:

Facilities

(9.1.1.2) Description of exclusion

Facilities that operate as domestic or international offices or warehouses are excluded from reporting as their water use is minimal compared to manufacturing operations and is primarily related to water access, sanitation, and hygiene services (WASH).

(9.1.1.3) Reason for exclusion

Select from:

Water used for internal WASH services

(9.1.1.7) Percentage of water volume the exclusion represents

Select from:

Less than 1%

(9.1.1.8) Please explain

The total water use at facilities excluded from reporting is less than 1% of KT&G's total water use of 528.05 ML.

[Add row]

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

KT&G's six domestic sites monitor their internal water meters on a daily basis and register their monthly water withdrawals in the company's new integrated management system based on monthly bills issued by their water suppliers. The three overseas sites (Indonesia, turkiye, and Russia) monitor total water withdrawals by summing up the monthly bills from each water supplier and entering them into the manual registry or ERP system.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. 100% of water withdrawals are measured and monitored across all our operations.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

The water suppliers issue water withdrawal bills to the company monthly. The bills are then entered into a manual registry or internal system and both domestic manufacturing sites and overseas sites are monitored by The Energy & Environment Department.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Water withdrawals volumes by source are 100% measured and monitored across all our operations.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Yearly

(9.2.3) Method of measurement

KT&G consults with testing organizations to assure quality of groundwater and tap water at withdrawal stage in domestic business sites. We request analyses only from organizations that have fulfilled legal standards to ensure that water quality within legal limits. The test items include chlorine and turbidity for tap water, and about 15 items for groundwater, including hydrogen ion concentration and nitrate nitrogen.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Water withdrawals quality is 100% measured and

monitored across all our operations.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

We monitor total water discharges in two ways. The sites which have their own wastewater treatment plants monitor water discharges on a daily basis using internal water meters and sum them up for monthly management. For those outsourcing all of their water discharges, the total volume is summed up on a monthly basis for monitoring and management, based on bills issued by the outsourced treatment companies.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Total volume of water discharges is 100% measured and monitored in KT&G.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

All water discharges from the five sites with their own wastewater treatment plants are released to surface water (freshwater), and the volume is measured every day through meters and summed up monthly for monitoring. Sites that without their own wastewater treatment plants outsource the treatment service to third-party companies. Throughout the treatment process, the discharges are measured, and we receive the result. It is then uploaded to the management system on a monthly basis.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Water discharge volumes by destination are 100% measured and monitored in KT&G.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

At the five sites with their own wastewater treatment plants, all incoming water to wastewater treatment plants is discharged after primary physical/chemical treatment and secondary biological treatment, and the volumes of monthly inflow and outflow are recorded in Excel spreadsheets. Those without their own wastewater treatment plants outsource their entire wastewater treatment and monitor the discharges based on bills issued by the outsourced companies.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Water discharge volumes by treatment method are 100% measured and monitored in KT&G.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Quarterly

(9.2.3) Method of measurement

The sites with wastewater treatment plants conduct water quality tests that include about 20 items such as PH and BOD for raw water and discharges based on internal standards and ISO14001 system standards. For overseas sites, we recognize country-specific regulations of water discharges and manage them accordingly complying with the legal standards. When handling outsourcing, we review reports submitted by the contractor to ensure that the water quality meets legal criteria.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Water discharge quality by standard effluent parameters is 100% measured and monitored in KT&G.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Quarterly

(9.2.3) Method of measurement

At our domestic plants, we conduct water quality tests on raw and discharged water, including PH and BOD, in accordance with the ISO14001 system and our own standards, and also check the discharge of pollutants such as nitrates and phosphates contained in leaf tobacco crops through water. Indonesia monitors discharges once a month, Turkiye twice a month, and Russia bimonthly.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. 'Water discharge quality – emissions to water' is 100% measured and monitored in KT&G.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

51-75

(9.2.2) Frequency of measurement

Select from:

Quarterly

(9.2.3) Method of measurement

For domestic plants, water temperature has been added to the list of discharge water quality items and is being monitored continuously since 2023. Overseas plants plan to start measuring and monitoring water quality-related temperature in 2024.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Discharge water quality-related temperatures is 51 to 75% measured and monitored in KT&G.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

KT&G monitors daily water consumption using internal water meters installed in all operations and manages monthly consumption based on bills issued by tap water and groundwater withdrawal sources. For both domestic and overseas plants, the Energy & Environment Department enters the information into the internal system and finally monitors it.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Total volume of water consumption is 100% measured and monitored in KT&G.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

In late 2021, KT&G began monitoring monthly water recycled using flow meters while supplementing related facilities such as pumps and pipes. The amount of water recycled in KT&G has been steadily increasing.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. Total volume of water recycled is 100% measured and monitored in KT&G.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Yearly

(9.2.3) Method of measurement

We strictly comply with the legal hygiene standards of the countries and regions where our domestic and overseas business sites are located, treat sewage in accordance with relevant laws and regulations, and provide WASH-related services for our employees' human rights to water and sanitation. Five domestic business sites are certified annually with ISO14001 and ISO45001 certifications for hygiene and occupational health and safety standards.

(9.2.4) Please explain

The monitoring rate(%) is per site, and the aforementioned site refers to a manufacturing plant of our products. The provision of fully-functioning, safely managed WASH services to all workers is 100% measured and monitored in KT&G.

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

699.23

(9.2.2.2) Comparison with previous reporting year

Select from:

About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

Much lower

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

(9.2.2.6) Please explain

*[Set the baseline for change] Considering the importance of water resources, KT&G regularly manages water withdrawal by source, discharge by discharge site, and consumption. For rational water resource management, water-related data will be compared and evaluated annually according to the following criteria and reported consistently. - Much lower(more than -10%), Lower(-10-5%), About the same(less than 5%), Higher(5-10%), Much higher(more than 10%) [Explain year-over-year change and 5-year forecast] In 2023, water withdrawals decreased by about 4.6% year-on-year, which falls under 'about the same' when considering the change criteria, but since absolute water withdrawals are decreasing, we are on track to meet our KT&G water goal of reducing water withdrawals through increased water use efficiency. At the same time, given the target of reducing total water withdrawals by 20% by 2030, it is likely that KT&G's total water withdrawals will be more than 10% lower than today in five years, which is equivalent to 'Much Lower' in the change criteria. Year-on-year change (%) $[699.23(A) - 733.01(B)] / 733.01(B) * 100 - 4.6\%$ - A: Total water withdrawal in 2023 (megaliters/yr) - B: Total water withdrawal in 2022 (megaliters/yr) [Data collection methodology] KT&G has 6 manufacturing plants in Korea and 3 overseas, and all plants fill out and send data according to the form managed by the head office based on the monthly bills issued by each water supplier, and the head office verifies the data, analyzes the performance against the target, and announces it to the entire company. The data is verified by a*

third party once a year in time for the publication of the Sustainability Management Report to enhance its reliability.

Total discharges

(9.2.2.1) Volume (megaliters/year)

171.18

(9.2.2.2) Comparison with previous reporting year

Select from:

Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

Much lower

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

(9.2.2.6) Please explain

[Set the baseline for change] Considering the importance of water resources, KT&G regularly manages water intake by source, discharge by discharge site, and consumption. For rational water resource management, water-related data will be compared and evaluated annually according to the following criteria and reported consistently. - Much lower(more than -10%), Lower(-10-5%), About the same(less than 5%), Higher(5-10%), Much higher(more than 10%) [Explain year-over-year change and 5-year forecast] In 2023, the discharge is about 6.6% lower than the previous year, which is equivalent to 'Lower' when considering the change criteria. As water withdrawals have decreased, discharges have also decreased. Considering the target of reducing total water withdrawals by 20% by 2030, it is likely that KT&G's total discharge will be more than 10% lower than today in five years through increased water use efficiency, which is equivalent to 'Much Lower' in the

change criteria. Year-on-year change (%) $[171.18(A) - 183.22(B)] / 183.22(B) * 100$ -6.6% - A: Total discharge in 2023 (megaliters/yr) - B: Total discharge in 2022 (megaliters/yr) [Data collection methodology] KT&G's total discharge monitoring is divided into two types. For plants with their own wastewater treatment plants, the discharge volume is checked on a daily basis through the plant's own meters and summarized on a monthly and annual basis. For workplaces that outsource all of their wastewater discharge, the total amount of discharge is calculated on a monthly basis based on the bills issued by the outsourced treatment company, and the total amount of discharge for the year is calculated by summing the monthly discharge.

Total consumption

(9.2.2.1) Volume (megaliters/year)

528.05

(9.2.2.2) Comparison with previous reporting year

Select from:

About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

Much lower

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

(9.2.2.6) Please explain

[Set the baseline for change] Considering the importance of water resources, KT&G regularly manages water intake by source, discharge by discharge site, and consumption. For rational water resource management, water-related data will be compared and evaluated annually according to the following criteria and reported

consistently. - Much lower(more than -10%), Lower(-10-5%), About the same(less than 5%), Higher(510%), Much higher(more than 10%) [Explain year-over-year change and 5-year forecast] Consumption in 2023 is down about 4.0% year-over-year, which is equivalent to “About the same” when considering the change criteria. Considering the KT&G water goal of reducing water withdrawals, the reduced water withdrawals are leading to a reduction in consumption, and while the reduction is not yet significant, we are on track to meet the KT&G water goal. At the same time, given the target of a 20% reduction in total water withdrawals by 2030, it is likely that KT&G's total consumption in five years will be at least 10% lower than today, which is equivalent to 'Much Lower' in the change criteria. Year-on-year change (%) [528.05(A) - 549.80(B)] / 549.80(B) * 100 -4.0% - A: Total consumption in 2023 (megaliters/yr) - B: Total consumption in 2022 (megaliters/yr) [Data collection methodology] KT&G installs its own water meters inside all domestic and overseas business sites to check water consumption on a daily basis, and manages monthly usage based on bills for each water supply and groundwater intake source, and aggregates them to calculate one year's water consumption, so it is equivalent to aggregating data by region.

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

14.98

(9.2.4.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.4.5) Five-year forecast

Select from:

- About the same

(9.2.4.6) Primary reason for forecast

Select from:

- Increase/decrease in efficiency

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

2.14

(9.2.4.8) Identification tool

Select all that apply

- WRI Aqueduct

(9.2.4.9) Please explain

As of 2023, of KT&G's nine domestic and international manufacturing sites, the only one located in a water-stressed area is the Turkiye site, with a 2023 water withdrawal of 14.98 ML, or 2.1% of KT&G's total water withdrawal of 699.23 ML. KT&G's total water withdrawal is calculated for domestic and overseas manufacturing sites. KT&G has set a management goal of achieving KRW 10.2 trillion in total sales in 2027, and given the importance of tobacco to KT&G's business, high sales growth of more than 10% per year, including the next five years, and a corresponding increase in water consumption is expected. However, given the advancement of water-related technologies, including water reuse technologies, and KT&G's commitment to building related infrastructure and reducing water usage, the growth of water usage relative to sales growth is likely to slow down. In light of this, we have determined that the amount of water withdrawn in the next five years will be similar to the current amount. [Tool and Scope Used] KT&G uses the WRI Aqueduct Tool to analyze water risk, and the Aqueduct Tool provides results by 13 indicators divided into three categories (Physical risk quantity, Physical risk quality, and Regulatory and reputational risk). The WRI Aqueduct Tool is one of the water risk analysis tools recognized by the CDP, and whether a region is a water stress region is related to the baseline water stress and baseline water depletion indicators among the 13 indicators related to water risk, and to become a water stress region, the baseline water stress must be High (4080%) or higher, or the baseline water depletion must be High (5075%) or higher. KT&G conducts a water risk analysis every year, including domestic and overseas manufacturing sites, overseas leaf tobacco farms, and domestic key ingredient partners. In addition, we analyzed the baseline water stress and baseline water depletion indicators separately to determine water stress areas. As a result of the analysis, we found that the baseline water stress of our manufacturing site in turkiye was Extremely High (80%), confirming that it belongs to a water stress area.

[Fixed row]

(9.2.6) What proportion of the sourced agricultural commodities that are significant to your organization originate from areas with water stress?

Timber products

(9.2.6.1) The proportion of this commodity sourced from areas with water stress is known

Select from:

- No, but we intend to obtain this data within the next two years

(9.2.6.3) Please explain

In the next two years, we will identify the percentage of supply from water-stressed areas related to timber products.

Tobacco

(9.2.6.1) The proportion of this commodity sourced from areas with water stress is known

Select from:

- Yes

(9.2.6.2) % of total agricultural commodity sourced from areas with water stress

Select from:

- 11-25

(9.2.6.3) Please explain

The main procurement countries for leaf tobacco, the main ingredient of KT&G cigarettes, are Brazil, India, Tanzania, and China, and as a result of the WRI Water Risk analysis, 9,931 tons, or 24.4% of the total 40,708 tons of leaf tobacco procured as of 2023, were confirmed to be sourced from water-stressed areas. To ensure stable raw material procurement, water stress areas are identified every year along with water risk analysis, and the results are actively utilized in KT&G's supply chain management strategy, such as managing suppliers in water stress areas and establishing alternative plans and response systems, such as adjusting the procurement ratio by region. In addition, these supply chain risks are not managed independently, but in conjunction with company-wide business risks. Over the next five years, the proportion of leaf tobacco sourced from water-stressed areas will gradually decrease as the accuracy of forecasting water-stressed areas increases and the response system becomes more sophisticated.

Other commodity

(9.2.6.1) The proportion of this commodity sourced from areas with water stress is known

Select from:

No, we do not have this data and have no plans to obtain it

(9.2.6.3) Please explain

We do not have this data.

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

It is not applicable as KT&G only utilizes two water sources, official municipal water from a third party and renewable groundwater.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

It is not applicable as KT&G only utilizes two water sources, official municipal water from a third party and renewable groundwater.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

191.92

(9.2.7.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Other, please specify :Internal policies for water sources

(9.2.7.5) Please explain

*The renewable groundwater water withdrawal data was derived through direct calculation. KT&G uses renewable groundwater as a water intake source at two domestic sites (Daejeon and Yeongju) and overseas Indonesia sites, and the 2023 water intake from this source is 27.4% of the total. - Much lower(More than -10%), Lower(-10-5%), About the same(Less than 5%), Higher(510%), Much higher(More than 10%) In 2023, groundwater withdrawal is 22.3% lower than the previous year, which corresponds to a change rate of more than -10% and therefore falls into the category of 'Much Lower'. Year-on-year change (%) $[191.92(A) - 247.07(B)] / 247.07(B) * 100 = -22.3\%$ - A: Total water withdrawal in 2023 (megaliters/yr) - B: Total water withdrawal in 2022 (megaliters/yr) KT&G utilizes only two water sources, a third party official municipal water supply and renewable groundwater, and is gradually reducing the share of groundwater in its water supply.*

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

It is not applicable as KT&G only utilizes two water sources, official municipal water from a third party and renewable groundwater.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

It is not applicable as KT&G only utilizes two water sources, official municipal water from a third party and renewable groundwater.

Third party sources

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

507.31

(9.2.7.3) Comparison with previous reporting year

Select from:

About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Other, please specify :Internal policies for water sources

(9.2.7.5) Please explain

*For third-party water intakes, we are taking water from official municipalities. The municipality is the official aggregator of the water withdrawal data and monitors the amount of water withdrawn on a regular basis. The amount of water withdrawn is reflected in the water bill. KT&G uses municipal water as a source of water intake at six domestic and two overseas plants, and the 2023 water intake from this source is 72.6% of the total. In 2023, water withdrawals increased by 4.4% year-on-year, which is equivalent to 'about the same' as the rate of change falls within the range of less than 5%. Year-on-year change (%) $[507.31(A) - 485.95(B)] / 485.95(B) * 100$ 4.4% - A: Total water withdrawal in 2023 (megaliters/yr) - B: Total water withdrawal in 2022 (megaliters/yr) The company utilizes only two water sources, a third party official municipal water supply and renewable groundwater, and is increasing the share of municipal water among its water sources.*
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

53.24

(9.2.8.3) Comparison with previous reporting year

Select from:

About the same

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.8.5) Please explain

Surface water(freshwater) discharge data was derived through direct calculation. Of KT&G's nine domestic and overseas plants, Daejeon 1 and Indonesia discharge wastewater directly into rivers after treating it at their own wastewater treatment plants. In 2023, the discharge volume is expected to decrease by 2.6% year-on-year, which falls within the range of 5%, so it is equivalent to 'About the same'. Percentage change (%) $[53.24(A) - 54.67(B)] / 54.67(B) * 100$ -2.6% - A: Total discharge in 2023 (megaliters/yr) - B: Total discharge in 2022 (megaliters/yr) KT&G utilizes only two types of discharges: discharges using third parties and discharges to surface water (fresh water), and there is a slight change in the proportion of discharge sites from year to year, but the change is not significant.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

Not relevant

(9.2.8.5) Please explain

It is not applicable as KT&G discharges water only to surface water (freshwater) and to third-party destinations.

Groundwater

(9.2.8.1) Relevance

Select from:

Not relevant

(9.2.8.5) Please explain

It is not applicable as KT&G discharges water only to surface water (freshwater) and to third-party destinations.

Third-party destinations

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

117.93

(9.2.8.3) Comparison with previous reporting year

Select from:

Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.8.5) Please explain

*For third-party discharges, we utilize official municipal wastewater treatment plants. The municipal wastewater treatment plants are officially counted and discharges are monitored on a regular basis. At seven plants in Korea and overseas, wastewater is primary treated at our own wastewater treatment plants before being discharged to sewage treatment plants or outsourced to third parties. In 2023, the amount of wastewater discharged decreased by 8.3% year-on-year, falling within the range of -10% to -5%, which is categorized as 'Lower'. Year-on-year change (%) $[117.93(A) - 128.54(B)] / 128.54(B) * 100$ -8.3% - A: Total discharge in 2023 (megaliters/yr) - B: Total discharge in 2022 (megaliters/yr) KT&G utilizes only two types of discharges: discharges to third parties and discharges to surface water (fresh water), and there is a slight change in the proportion from year to year, but the change is not significant.*

[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

46.26

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

21-30

(9.2.9.6) Please explain

The Daejeon Plant 1 utilizes its own wastewater treatment plant for the water used in the production of tobacco products and has completed the third stage of wastewater treatment. The wastewater is treated in three stages: primary treatment, which removes stenosis, sand, oil, grease, etc. suspended in the wastewater through physical/chemical treatment; secondary treatment, which removes nutrients such as nitrogen and phosphorus through biological treatment; and tertiary treatment, which removes residual organic matter and SS (suspended solids) by filtering the liquid separated water with sand/activated carbon. The Daejeon 1 plant regularly conducts water quality tests on wastewater treated up to the third stage. In accordance with ISO14001 water quality management-related items, we conduct water quality tests that include about 20 items such as PH and BOD, and internally manage wastewater quality by applying an 80% level that is stricter than the domestic legal standard. [Setting Standards for Change] KT&G has set a management goal of 10 trillion won in sales by 2027, and to achieve this goal, sales growth of more than 10% per year is required, and water usage is expected to increase. However, given the water target of reducing water withdrawal by 20%, the increase in water usage as a percentage of sales is likely to be low. In light of this, KT&G has set internal standards for water resources as “very high/low 10%”. The specific criteria are as follows - Much lower (less than -10%), Lower (-10 to -5%), About the same (less than 5%), Higher (5 to 10%), Much higher (greater than 10%)

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

98.11

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

51-60

(9.2.9.6) Please explain

Among KT&G's manufacturing sites, three domestic sites (Yeongju, Gwangju, and Gimcheon) with wastewater treatment plants utilize their own wastewater treatment plants to complete secondary wastewater treatment before discharging used water from the production of tobacco products to third parties, while the Indonesian site directly discharges wastewater after secondary treatment. KT&G's wastewater is subjected to primary treatment to remove suspended solids, sand, oil, grease, etc. from wastewater through physical and chemical treatment methods, and secondary treatment to remove nutrients such as nitrogen and phosphorus through biological treatment, and is in compliance with legal wastewater quality standards. KT&G regularly conducts wastewater-related water quality inspections and conducts water quality inspections that include about 20 items such as PH and BOD in accordance with ISO14001 water quality management-related items. In the case of overseas business sites, we are aware of country-specific wastewater regulations and manage them in accordance with legal standards. For wastewater that is outsourced to a third party, we review the reports submitted by the outsourcing company to confirm that the water quality meets the legal standards. [Setting a baseline for change] KT&G has set a management goal of 10 trillion won in sales by 2027, and to achieve this goal, sales growth of more than 10% per year is required, and water consumption is expected to increase. However, given the water target of reducing water withdrawal by 20%, the increase in water usage as a percentage of sales is likely to be low. In light of this, we have set internal standards for water resources as "very high/low 10%". The specific criteria are as follows - Much lower (less than 10%), Lower (-10 to -5%), About the same (less than 5%), Higher (5 to 10%), Much higher (greater than 10%)

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

KT&G's four domestic manufacturing plants (Daejeon 1, Yeongju Site, Gwangju, and Gimcheon) and its Indonesian plant treat wastewater generated from the production of tobacco products up to the secondary or tertiary stage before discharging it, and discharge volume and ratio data are provided separately by treatment stage. For other manufacturing plants, the entire amount is outsourced to a third party. None of KT&G's plants with their own wastewater treatment plants treat wastewater only up to the primary treatment stage before discharging it, so this treatment method is not applicable to KT&G.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

At KT&G's four domestic manufacturing sites (Daejeon 1, Yeongju Site, Gwangju, Gimcheon) and Indonesia, wastewater generated from the production of tobacco products is treated up to the secondary or tertiary stage before being discharged, and data on the amount and percentage of wastewater discharged is provided separately by treatment stage. For other manufacturing sites, the entire amount is outsourced to a third party. KT&G internally manages wastewater quality by applying an 80% level, which is stricter than the domestic legal standard, and does not discharge wastewater into the natural environment without wastewater treatment, so this treatment method is not applicable to KT&G.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

26.81

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

11-20

(9.2.9.6) Please explain

KT&G's two domestic plants (Daejeon 2 and Cheonan) and two overseas plants (Russia and Turkiye) do not have their own wastewater treatment facilities, so all wastewater generated from the production of tobacco products is treated through third-party contractors licensed by the government. We recognize wastewater-related regulations in each country, including Korea, and require third parties to manage wastewater in accordance with legal standards, and review reports submitted by third parties to ensure that water quality meets legal standards. [Setting the bar for change]. KT&G has set a management target of 10 trillion won in sales by 2027, which requires sales growth of at least 10% per year to achieve the target, and water usage is expected to increase. However, given the water target of reducing water withdrawal by 20%, the increase in water usage as a percentage of sales is likely to be low. In light of this, we have set internal standards for water resources as "very high/low 10%". The specific criteria are as follows - Much lower (less than -10%), Lower (-10 to -5%), About the same (less than 5%), Higher (5 to 10%), Much higher (more than 10%)

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

KT&G manages wastewater generated during manufacturing according to strict internal standards and does not dispose of wastewater in any way other than as reported in this report.

[Fixed row]

(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.1) Emissions to water in the reporting year (metric tons)

2.11

(9.2.10.2) Categories of substances included

Select all that apply

Nitrates

Phosphates

(9.2.10.4) Please explain

KT&G's flagship product, cigarettes, is produced from the raw material tobacco, and the tobacco crop contains nitrates. Most pollutants are discharged through the tobacco production process, and KT&G monitors the discharge of nitrogen compounds containing nitrates and phosphates and phosphorus compounds into the water system. According to the WRI Water Risk analysis, none of KT&G's domestic manufacturing sites are adjacent to water stress areas, so there are no cases where pollutant discharges lead to water-stressed areas. In addition, KT&G's domestic manufacturing sites conduct and manage quarterly water quality tests on raw and discharged water for about 20 items, including PH, BOD, and COD, in accordance with the ISO14001 system and internal standards.

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

2

(9.3.3) % of facilities in direct operations that this represents

Select from:

1-25

(9.3.4) Please explain

KT&G's total number of facilities is nine, including six manufacturing facilities in Korea (Daejeon 1, Daejeon 2, Yeongju, Gwangju, Cheonan, and Gimcheon) and one each in Indonesia, Russia, and Turkiye, of which two facilities in Indonesia and Turkiye are exposed to water risk.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.4) Please explain

No substantive water-related issues were identified for the upstream value chain.

[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

Facility 2

(9.3.1.2) Facility name (optional)

Indonesia

(9.3.1.3) Value chain stage

Select from:

Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Indonesia

Other, please specify :Cisadane

(9.3.1.8) Latitude

-7.27434

(9.3.1.9) Longitude

112.748594

(9.3.1.10) Located in area with water stress

Select from:

No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

136

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

136

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

7

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

Much lower

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

7

(9.3.1.27) Total water consumption at this facility (megaliters)

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

Much lower

(9.3.1.29) Please explain

In 2023, the total water withdrawal of all KT&G's domestic and overseas manufacturing sites is 699.23 ML, total discharge is 171.18 ML, and total consumption is 528.05 ML. While KT&G plans to reduce water withdrawal by 20% by 2030, there is a possibility that the three water elements will remain similar to the current levels due to the planned simultaneous production expansion in Indonesia. The company has set a management target of 10 trillion in sales in 2027, which will require sales growth of more than 10% per year to achieve, which will also increase water use. However, the increase in water usage as a percentage of sales is likely to be low when considering water targets. Taken together, we have set the internal standard for water resources as "very high/low 10%". Water withdrawal: calculated by registering and aggregating monthly water withdrawals from bills issued by the water supplier. Water discharge: Check the daily discharge amount through the meter and summarize it on an annual basis. Water consumption: Manage and synthesize monthly usage based on bills by water source. It is an aggregation of calculated data by region. As we only utilize renewable groundwater as our water source, other water sources are not related to our Indonesian operations. For discharge, we only utilize third parties, so other discharge points are not related to our Indonesian operations, and the third parties do not provide additional water for other companies.

Row 2

(9.3.1.1) Facility reference number

Select from:

Facility 3

(9.3.1.2) Facility name (optional)

Turkiye

(9.3.1.3) Value chain stage

Select from:

Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

Other, please specify :Gediz

(9.3.1.8) Latitude

38.128173

(9.3.1.9) Longitude

27.694217

(9.3.1.10) Located in area with water stress

Select from:

Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

15

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

15

(9.3.1.21) Total water discharges at this facility (megaliters)

13.9

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

Much lower

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

13.9

(9.3.1.27) Total water consumption at this facility (megaliters)

1.1

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

Much lower

(9.3.1.29) Please explain

To be in a water stress region, your baseline water stress must be High or higher. Our Turkiye operations are in the water stress region. In 2023, the total water withdrawal of all KT&G domestic and overseas manufacturing sites is 699.23 ML, total discharge is 171.18 ML, and total consumption is 528.05 ML. While KT&G plans to reduce water withdrawal by 20% by 2030, there is the potential for the three water elements to increase from current levels due to the significant production expansion planned for the Turkiye operations. Water withdrawal: calculated by registering and aggregating monthly water withdrawals from bills issued by water suppliers. Discharge: calculated by registering and aggregating monthly discharges from bills issued by contractors. Water consumption: Manage and aggregate monthly usage based on bills from each water source. It corresponds to the aggregation of data calculated by region. Third party water intake is through official municipal providers, and other water sources are not related to our turkiye operations as we only utilize third party water intake. For discharges, we only utilize third parties, so other discharge points are not related to our Turkiye operations, and third parties do not provide additional water for other companies.

[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

KT&G has completed verification by a third-party assurance organization (KPC) to publish the Sustainability Report (KT&G Report), which includes water management performance at all manufacturing sites in Korea and overseas.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

KT&G has completed verification by a third-party assurance organization (KPC) to publish the Sustainability Report (KT&G Report), which includes water management performance at all manufacturing sites in Korea and overseas.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

KT&G verifies its water quality against standard water quality criteria through annual ISO14001 certification audits and maintains its certification.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

KT&G has completed verification by a third-party assurance organization (KPC) to publish the Sustainability Report (KT&G Report), which includes water management performance at all manufacturing sites in Korea and overseas.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

KT&G has completed verification by a third-party assurance organization (KPC) to publish the Sustainability Report (KT&G Report), which includes water management performance at all manufacturing sites in Korea and overseas.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

Not verified

(9.3.2.3) Please explain

Currently, KT&G does not disclose data on discharge volumes by final treatment level in its Sustainability Report, but it is managed internally, with the possibility of disclosing it in the report within the next two years.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

KT&G verifies its water quality against standard water quality criteria through annual ISO14001 certification audits and maintains its certification.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

KT&G has completed verification by a third-party assurance organization (KPC) to publish the Sustainability Report (KT&G Report), which includes water management performance at all manufacturing sites in Korea and overseas.

[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

(9.5.2) Total water withdrawal efficiency

8384377100.52

(9.5.3) Anticipated forward trend

*KT&G continues to build and expand recycling facilities with the goal of reducing total domestic water withdrawals by 20% from 2020 levels by 2030. Recycled water can replace conventional water sources, which is expected to reduce water usage and water withdrawals, and ultimately increase water withdrawal efficiency.
[Fixed row]*

(9.9) Provide water intensity information for each of the agricultural commodities significant to your organization that you source.

Timber products

(9.9.1) Water intensity information for this sourced commodity is collected/calculated

Select from:

No, not currently but we intend to collect/calculate this data within the next two years

(9.9.6) Please explain

we intend to collect this data within the next two years.

Tobacco

(9.9.1) Water intensity information for this sourced commodity is collected/calculated

Select from:

Yes

(9.9.2) Water intensity value (m3/denominator)

(9.9.3) Numerator: Water aspect

Select from:

- Total water withdrawals

(9.9.4) Denominator

Select from:

- Metric tons

(9.9.5) Comparison with previous reporting year

Select from:

- About the same

(9.9.6) Please explain

As part of its Sustainable Tobacco Program (STP) management process, KT&G requests and collects water-related data from its overseas leaf tobacco suppliers, including the volume of water withdrawals in the leaf tobacco cultivation process (m3) and the amount of leaf tobacco produced (ton). Water intensity is calculated by dividing the volume of water withdrawals used in the leaf tobacco cultivation process (m3) by the amount of leaf tobacco produced (ton). KT&G utilizes the two data sets to calculate the water intensity of each of its leaf tobacco suppliers, and then calculates a final water intensity that reflects each supplier's share of KT&G's total leaf tobacco supply. KT&G uses the internally calculated water intensity to understand the level of irrigation system utilization by country/region in its supply chain and to infer the correlation between water intensity and growth and quality of leaf tobacco to guide its purchasing decisions. In the short term, if current leaf tobacco farming practices are maintained, water intensity is expected to remain the same or increase as water withdrawals from leaf tobacco cultivation are likely to increase due to rising uncertainty from climate change. However, in the medium to long term, we expect to reduce our overall water intensity by reducing water from the cultivation thanks to the potential development of more efficient farming methods and irrigation systems. To improve water intensity, KT&G regularly collects and updates the related data from its tobacco supply chain to identify water consumption by each supplier and explore ways to improve it. In cooperation with our major leaf tobacco suppliers, we check if water saving training is delivered to leaf tobacco farmers and provide any support if necessary. In addition, STP(Sustainable Tobacco Program), of which KT&G is a member, trains leaf tobacco farmers in the latest standard farming methods and is working to develop new farming methods and irrigation systems that can be more water efficient than the current ones.

Other commodity**(9.9.1) Water intensity information for this sourced commodity is collected/calculated**

Select from:

No, not currently but we intend to collect/calculate this data within the next two years

(9.9.6) Please explain

we have no plans.

[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: <input checked="" type="checkbox"/> No	<i>There is no products contain hazardous substances.</i>

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

No, but we plan to address this within the next two years

(9.14.3) Primary reason for not classifying any of your current products and/or services as low water impact

Select from:

Important but not an immediate business priority

(9.14.4) Please explain

KT&G is conducting a Life Cycle Assessment (LCA) for its tobacco products. However, it is not easy to collect specific and substantial data on water consumption, because rainwater, for example, can be used in the supply chain. We plan to develop a methodology to obtain more detailed water usage data in the future and then categorize products according to their water impact.

[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Select from: <input checked="" type="checkbox"/> Yes	Rich text input [must be under 1000 characters]
Water withdrawals	Select from: <input checked="" type="checkbox"/> Yes	Rich text input [must be under 1000 characters]
Water, Sanitation, and Hygiene (WASH) services	Select from: <input checked="" type="checkbox"/> Yes	Rich text input [must be under 1000 characters]
Other	Select from: <input checked="" type="checkbox"/> No, and we do not plan to within the next two years	We do not have plan.

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

Target 1

(9.15.2.2) Target coverage

Select from:

Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

Reduction in total water withdrawals

(9.15.2.4) Date target was set

12/31/2020

(9.15.2.5) End date of base year

12/30/2020

(9.15.2.6) Base year figure

766167

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

(9.15.2.9) Reporting year figure

699228

(9.15.2.10) Target status in reporting year*Select from:* Underway**(9.15.2.11) % of target achieved relative to base year**

44

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target*Select all that apply* Sustainable Development Goal 6**(9.15.2.13) Explain target coverage and identify any exclusions***The scope of this goal covers all KT&G manufacturing sites in Korea and overseas.***(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year***KT&G has set a goal of reducing total water withdrawals by 20% by 2030 from 2020 levels as one of the pillars of its GREEN IMPACT 2030 Environmental Plan. KT&G's water withdrawal reduction target is equivalent to a 2% annual reduction starting in 2021 and continuing until 2030. The target is measured in tons and applies to all KT&G manufacturing sites. To date, reductions are on a linear curve toward the 2030 target.***(9.15.2.16) Further details of target***KT&G expects to reduce its tobacco business' dependence on water resources beyond the reduction in water supply costs and wastewater treatment costs resulting from the reduction in water withdrawals. Given that the extent of water withdrawals and water dependence are closely linked, it is likely that water dependence will be reduced if the targets are successfully achieved. Activities and investments to reduce water withdrawals are ongoing, and by 2023, we expect to have successfully developed a new pressure washer that reduces water, energy, and time losses, resulting in a reduction of approximately 5,000 tons of water use through the gradual*

introduction of the new pressure washer. In addition, considering that reducing water consumption is necessary to reduce water withdrawal, KT&G has established an internal knowledge management system to collect ideas related to 'water consumption reduction' from general employees within KT&G, and plans to select and implement the best ideas in consideration of financial effects.

Row 2

(9.15.2.1) Target reference number

Select from:

Target 2

(9.15.2.2) Target coverage

Select from:

Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water pollution

Increase in water use met through recycling/reuse

(9.15.2.4) Date target was set

12/31/2020

(9.15.2.5) End date of base year

12/30/2020

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

70410

(9.15.2.9) Reporting year figure

30109

(9.15.2.10) Target status in reporting year

Select from:

Underway

(9.15.2.11) % of target achieved relative to base year

43

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

The scope of this goal covers all KT&G manufacturing sites in Korea and overseas.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

KT&G has added the goal of “increasing water reuse” to its water withdrawal reduction goal, and is hoping to create a virtuous cycle between the two goals. Increased water reuse reduces net water use, which naturally leads to reduced water withdrawals. To date, water reuse is on a linear curve with the 2030 target.

(9.15.2.16) Further details of target

KT&G expects to reuse 20,380 tons of water annually through the installation of new wastewater reuse facilities at the Yeongju Site and Gwangju Plant, and to further

expand the reuse of wastewater, KT&G reviewed ways to utilize reused wastewater more diversely, such as cleaning dehydrators and dissolving chemicals. As a result of the review, we were able to reuse an additional 1,552 tons of water annually by introducing a method of using the discharged wastewater for cleaning towers and restrooms by further purifying it through ozone and filtering membranes. In addition, some plants, such as the Daejeon Plant, have already completed replacing water pipes to increase the recovery rate of boiler condensate and replacing cooling water pump check valves.

Row 3

(9.15.2.1) Target reference number

Select from:

Target 3

(9.15.2.2) Target coverage

Select from:

Country/area/region

(9.15.2.3) Category of target & Quantitative metric

Water, Sanitation, and Hygiene (WASH) services

Other WASH, please specify :Amount of clean, filtered water provided to the local population (Unit 1,000 L)

(9.15.2.4) Date target was set

08/29/2023

(9.15.2.5) End date of base year

12/30/2022

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

04/29/2024

(9.15.2.8) Target year figure

105120

(9.15.2.9) Reporting year figure

90000

(9.15.2.10) Target status in reporting year

Select from:

Underway

(9.15.2.11) % of target achieved relative to base year

86

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

This goal is based on KT&G's upstream value chain, the leaf tobacco supply region. Uganda is one of KT&G's international leaf tobacco sourcing regions, and stable leaf tobacco sourcing is a key success factor for the tobacco business.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

KT&G is addressing WASH service-related issues in its value chain by setting and implementing specific water targets. The target is measured in "volume of filtered clean water" provided to the Ugandan community and applies to Uganda, where KT&G's international raw materials operations are located. KT&G established this target to provide Ugandans with the right to hygienic and clean water, and is continuing to install 400 eco-friendly water purification devices by April 2024 to fulfill the WASH rights of Ugandans. Each water purification unit is expected to purify 262.8 thousand liters of water per year. Progress as of the end of the reporting year is on a linear curve.

(9.15.2.16) Further details of target

When KT&G's support is complete, Ugandans will have access to a total of 150 million liters (L) of clean, purified water per year, giving people the right to sanitary, clean water.

[Add row]

