KT&G

2025 CDP Corporate Questionnaire 2025

Word version

Important: this export excludes unanswered questions
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09/30/2025, 05:19 am

Contents

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 solely as domestic or overseas offices or warehouses are excluded from reporting, as their water use is negligible compared to manufacturing sites and is limited primarily to water access, sanitation, and hygiene (WASH) purposes.

(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 accounts for less than 1% of KT&G's total water use of 487.59 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 record their monthly water withdrawals in the company's new integrated management system, based on monthly invoices issued by their respective water suppliers. The three overseas sites (Indonesia, Turkiye, and Russia) monitor total water withdrawals by aggregating monthly invoices received from their water suppliers and entering the data into either a manual logbook or the ERP system.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where "site" refers to a manufacturing plant of our products. Water withdrawals are 100% measured and monitored across all 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

Water suppliers issue monthly water withdrawal bills to KT&G. The bills are entered into either a manual registry or the internal management system, and both domestic and overseas manufacturing sites are monitored by the Energy & Environment Department.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where "site" refers to a manufacturing plant of our products. Water withdrawal volumes by source are 100% measured and monitored across all 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 accredited testing organizations to verify the quality of groundwater and tap water at the withdrawal stage at its domestic business sites. Analyses are requested only from institutions that meet legal standards, ensuring that water quality remains within legally permitted limits. Test items include chlorine and turbidity for tap water, and approximately 15 items for groundwater, such as hydrogen ion concentration and nitrate nitrogen.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where "site" refers to a manufacturing plant of our products. At KT&G, the quality of water withdrawals is 100%

measured and monitored across all 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 calculated on a site basis, where "site" refers to a manufacturing plant of our products. At KT&G, the total volume of water discharges is 100% measured and monitored.

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 wastewater treatment plants are released to surface water (freshwater). Discharge volume is measured daily through meters and aggregated monthly for monitoring. Sites without their own wastewater treatment plants outsource the treatment service to third-party companies. During the treatment process, discharge volumes are measured, and the results are provided to KT&G. These data are then uploaded to the management system on a monthly basis.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where "site" refers to a manufacturing plant of our products. At KT&G, water discharge volumes by destination are 100% measured and monitored.

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 equipped with their own wastewater treatment plants, all influent water is discharged only after undergoing primary physical/chemical treatment and secondary biological treatment. The volumes of monthly inflow and outflow are recorded and managed in Excel spreadsheets. Sites without their own wastewater treatment plants outsource the entire wastewater treatment process, and the discharge volumes are monitored and managed based on the bills issued by the contractors.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where "site" refers to a manufacturing plant of our products. At KT&G, effluent water quality, based on standard

discharge parameters, is 100% measured and monitored.

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 equipped with wastewater treatment plants conduct water quality tests on both raw water and discharges, covering about 20 parameters such as pH and BOD, in accordance with internal standards and ISO14001 system requirements. For overseas sites, we comply with country-specific discharge regulations and review contractor reports for outsourced treatment to ensure legal standards are met.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where "site" refers to a manufacturing plant of our products. At KT&G, effluent water quality, based on standard discharge parameters, is 100% measured and monitored.

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 both raw and discharged water in accordance with the ISO14001 system and our own internal standards. These tests cover about 20 parameters, including pH and BOD, and also assess the discharge of pollutants such as nitrates and phosphates originating from leaf tobacco crops. Monitoring frequency at overseas plants is as follows: once a month in Indonesia, twice a month in Turkiye, and every two months in Russia.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where "site" refers to a manufacturing plant of our products. At KT&G, 'water discharge quality – emissions to water' is 100% measured and monitored.

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 was added to the list of discharge water quality parameters in June 2023 and has been continuously monitored since then. KT&G plans to add water temperature measurements and begin monitoring at KT&G's overseas plants in the future.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where "site" refers to a manufacturing plant of our products. At KT&G, discharge water quality-related temperatures are 51–75% measured and monitored.

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 at all operations using internal water meters, and manages monthly consumption based on bills issued by tap water and groundwater sources. For domestic plants, the Energy & Environment Department records the data into the internal system, while for overseas plants the G-Production Operations Department enters the data manually or into the system. The Energy & Environment Department oversees and monitors the consolidated information company-wide.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where the "site" refers to a manufacturing plant of our products. At KT&G, the total volume of water consumption is 100% measured and monitored.

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

Since late 2021, KT&G has been monitoring its monthly volume of recycled water using flow meters, while upgrading related facilities such as pumps and pipes. The amount of recycled water within KT&G has been steadily increasing.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where the "site" refers to a manufacturing plant of our products. At KT&G, the total volume of recycled water is 100% measured and monitored.

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 countries and regions where our domestic and overseas sites are located, treat sewage in accordance with applicable laws and regulations, and provide WASH-related services to uphold employees' human rights to water and sanitation. All five domestic sites are certified annually under ISO 14001 and ISO 45001, providing internationally recognized verification of compliance with hygiene and occupational health and safety standards.

(9.2.4) Please explain

The monitoring rate (%) is calculated on a site basis, where the "site" refers to a manufacturing plant of our products. At KT&G, the provision of fully functioning and safely managed WASH services for all workers is 100% measured and monitored.
[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)

648.14

(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:

☑ 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 withdrawals by source, discharges by destination, and consumption. For rational water resource management, water-related data are compared and evaluated annually according to the following criteria and consistently reported. - Much lower (more than -10%), Lower (-10% to -5%), About the same (less than ±5%), Higher (+5% to +10%), Much higher (more than +10%) [Explain year-over-year change and 5-year forecast] In 2024, total water withdrawals decreased by approximately 7.3% year-on-year, which falls under "About the same" based on the change criteria. However, since absolute water withdrawals are declining, KT&G is progressing in line with its water goal of reducing withdrawals through improved water use efficiency. At the same time, given the company-wide 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 corresponds to "Much Lower" under the change criteria. Year-on-year change (%) = [648.14 (A) – 699.23 (B)] / 699.23 (B) × 100 = -7.3% - A: Total water withdrawal in 2024 (megaliters/year) - B: Total water withdrawal in 2023 (megaliters/year)

[Data collection methodology] KT&G operates six manufacturing plants in Korea and three overseas. All plants complete and submit data according to the standardized form managed by headquarters, based on monthly bills issued by each water supplier. The headquarters then verifies the data, analyzes performance against targets, and communicates the results company-wide. To enhance reliability, the data undergo third-party verification once a year, timed with the publication of the Sustainability Management Report.

Total discharges

(9.2.2.1) Volume (megaliters/year)

160.55

(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:

☑ 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, discharges by destination, and consumption. For rational water resource management, water-related data are compared and evaluated annually according to the following criteria and consistently reported. - Much lower (more than -10%), Lower (-10% to -5%), About the same (less than ±5%), Higher (+5% to +10%), Much higher (more than +10%) [Explain

year-over-year change and 5-year forecast] In 2024, total discharges decreased by approximately 6.2% compared to the previous year, which falls under "Lower" in the change criteria. As withdrawals decreased, discharges also declined accordingly. Considering KT&G's target of reducing total withdrawals by 20% by 2030, it is highly likely that total discharges will also be more than 10% lower than today in five years through improved water use efficiency, which corresponds to "Much Lower" in the change criteria. Year-on-year change (%) = [160.55 (A) – 171.18 (B)] / 171.18 (B) × 100 = -6.2% - A: Total discharge in 2024 (megaliters/year) - B: Total discharge in 2023 (megaliters/year) [Data collection methodology] KT&G's total discharge monitoring is divided into two types. For sites with their own wastewater treatment plants, discharge volumes are monitored daily using internal meters and aggregated monthly and annually. For sites that outsource all wastewater treatment, total discharge volumes are calculated monthly based on bills issued by the outsourced treatment companies, and the annual discharge volume is calculated by summing the monthly totals.

Total consumption

(9.2.2.1) Volume (megaliters/year)

487.59

(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:

☑ 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, discharges by destination, and consumption. For rational water resource management, water-related data are compared and evaluated annually according to the following criteria and consistently reported. - Much lower (more than -10%), Lower (-10% to -5%), About the same (less than ±5%), Higher (+5% to +10%), Much higher (more than +10%) [Explain year-over-year change and 5-year forecast] In 2024, total consumption decreased by approximately 7.7% compared to the previous year, which falls under "About the same" in the change criteria. Considering KT&G's water goal of reducing withdrawals, the reduction in withdrawals has also led to a reduction in consumption. Although the reduction is not yet large, it is progressing in line with KT&G's water goal. At the same time, given the target of reducing total water withdrawals by 20% by 2030, it is highly likely that KT&G's total consumption in five years will be more than 10% lower than today, which corresponds to "Much Lower" in the change criteria. Year-on-year change (%) = [487.59 (A) – 528.05 (B)] / 528.05 (B) × 100 = -7.7% - A: Total consumption in 2024 (megaliters/year) - B: Total consumption in 2023 (megaliters/year) [Data collection methodology] KT&G installs internal water meters across all domestic and overseas sites to monitor daily consumption. Monthly consumption is managed based on bills issued for tap water and groundwater withdrawal, and annual consumption is aggregated from monthly figures. This methodology 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)

362.98

(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

56.00

(9.2.4.8) Identification tool

Select all that apply

☑ WRI Aqueduct

(9.2.4.9) Please explain

As of 2024, among KT&G's nine domestic and international manufacturing facilities, those located in water-stressed regions are the Turkiye site, the Indonesia site, and the Daejeon site. The total water withdrawal volume for these sites in 2024 was 362.98 ML, accounting for 56% of KT&G's total water withdrawal volume of 648.14 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 CDP, and whether a region is a water-stressed region is determined by the baseline water stress and baseline water depletion indicators among the 13 water risk indicators. To qualify as a water-stressed region, the baseline water stress must be High (40–80%) or higher, or the baseline water depletion must be High (50–75%) or higher. KT&G conducts a water risk analysis every year, covering domestic and overseas manufacturing sites, overseas leaf tobacco farms, and domestic key ingredient partners. Additionally, KT&G separately analyzed the Baseline water stress and Baseline water depletion indicators to determine water stress regions. Analysis results confirm that the Turkiye site, Indonesia site, and Daejeon site fall within water stress regions, exhibiting baseline water stress levels of High (40-80%) or Extremely High (>80%).

[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

Currently, KT&G is only collecting data on leaf tobacco, the most critical raw material, but KT&G plan to collect data on other raw materials within the next two years.

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 primary raw material of KT&G cigarettes, are Brazil, India, Tanzania, and China. As a result of the WRI Water Risk analysis, in 2024, approximately 9,049 tons, or 25.3% of the total 35,773 tons of leaf tobacco procured, were confirmed to be sourced from water-stressed areas. To ensure stable raw material procurement, KT&G identifies water-stressed areas each year in conjunction with its annual water risk analysis. The results are actively applied to the company's supply chain management strategy, including managing suppliers located in water-stressed areas, adjusting procurement ratios by region,

and establishing alternative plans and response systems. Furthermore, such supply chain risks are not managed independently but are integrated into KT&G's overall business risk management framework. Over the next five years, the proportion of leaf tobacco sourced from water-stressed areas is expected to gradually decrease as the accuracy of forecasting water-stressed regions improves and the corresponding 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, but we intend to obtain this data within the next two years

(9.2.6.3) Please explain

Currently, KT&G is only collecting data on leaf tobacco, the most critical raw material, but KT&G plan to collect data on other raw materials within the next two years. [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 supplied by third parties and renewable groundwater. Therefore, this water source is not relevant to KT&G.

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 supplied by third parties and renewable groundwater. Therefore, this water source is not relevant to KT&G.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

148.97

(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 :Total water withdrawal decreased, with a particularly significant reduction in the withdrawal of renewable groundwater.

(9.2.7.5) Please explain

The renewable groundwater 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 its overseas Indonesia site, and the 2024 water withdrawal from this source accounted for 23.0% of the total. - Much lower (more than -10%), Lower (-10% to -5%), About the same (less than ±5%), Higher (+5% to +10%), Much higher (more than +10%) In 2024, groundwater withdrawal decreased by 22.4% compared to 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 (%) = [148.97(A) - 191.92(B)] / 191.92(B) × 100 = -22.4% - A: Total water withdrawal in 2024 (megaliters/yr) - B: Total water withdrawal in 2023 (megaliters/yr) KT&G utilizes only two water sources—official municipal water supplied by third parties and renewable groundwater—and is gradually reducing the

proportion of groundwater in its total 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 supplied by third parties and renewable groundwater. Therefore, this water source is not relevant to KT&G.

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 supplied by third parties and renewable groundwater. Therefore, this water source is not relevant to KT&G.

Third party sources

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

499.17

(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 :Total water withdrawal decreased, but the third-party water withdrawal showed no significant change.

(9.2.7.5) Please explain

For third-party water intakes, we source water from official municipalities. The municipality is the official aggregator of withdrawal data and monitors the amount withdrawn regularly. The amount 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 in 2024, water withdrawal from this source accounted for 77.1% of the total. In 2024, water withdrawals decreased by 1.6% compared to the previous 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 (%) = [499.17(A) - 507.31(B)] / 507.31(B) × 100 = -1.6% A: Total water withdrawal in 2024 (megaliters/yr) B: Total water withdrawal in 2023 (megaliters/yr) The company utilizes only two water sources—official municipal water supplied by third parties and renewable groundwater—and is gradually increasing the proportion of municipal water among its total 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)

56.33

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify :Although the total discharge volume decreased, the discharge volume related to fresh surface water increased.

(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, the Daejeon 1 site and the Indonesia site discharge wastewater directly into rivers after treatment at their own wastewater treatment plants. In 2024, the discharge volume increased by 5.8% compared to the previous year, which falls within the range of +5% to +10%, and is therefore equivalent to "Higher". Year-on-year change (%) = [56.33(A) - 53.24(B)] / 53.24(B) × 100 = 5.8% - A: Total discharge in 2024 (megaliters/yr) - B: Total discharge in 2023 (megaliters/yr) KT&G utilizes only two types of discharges—discharges using third parties and discharges to surface water (freshwater). While there are slight annual changes in the proportion of discharge destinations, the changes are 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. Therefore, surface water (brackish/seawater) is not a discharge destination for KT&G.

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. Therefore, surface water (brackish/seawater) is not a discharge destination for KT&G.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

104.22

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify :The total discharge volume decreased, and the third-party discharge volume decreased significantly.

(9.2.8.5) Please explain

*For third-party discharges, we utilize official municipal wastewater treatment plants. The municipal plants officially aggregate the data and monitor discharges on a regular basis. At seven domestic and overseas plants, wastewater is first treated at our own wastewater treatment facilities before being discharged to municipal sewage treatment plants or outsourced entirely to third parties. In 2024, the amount of wastewater discharged decreased by 11.6% year-on-year, which corresponds to "Much Lower" as the rate of change is more than -10%. Year-on-year change (%) = [104.22(A) – 117.93(B)] / 117.93(B) * 100 = -11.6% - A: Total discharge in 2024 (megaliters/yr) - B: Total discharge in 2023 (megaliters/yr) KT&G utilizes only two discharge types: discharges to third parties and discharges to surface water (freshwater). While there are minor year-to-year changes in the proportion between these two destinations, the variation 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)

47.8

(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

The Daejeon Plant 1 utilizes its own wastewater treatment plant for the water used in tobacco product production and has completed tertiary wastewater treatment. Wastewater treatment at the plant is carried out in three stages. In the primary stage, suspended matter such as stenosis, sand, oil, and grease is removed through

physical and chemical processes. In the secondary stage, nutrients such as nitrogen and phosphorus are eliminated through biological treatment. Finally, in the tertiary stage, the separated water is filtered with sand and activated carbon to remove residual organic matter and suspended solids (SS). The Daejeon 1 Plant conducts regular water quality tests on wastewater treated up to the tertiary stage. In line with ISO14001 water quality management standards, the plant tests about 20 items, including pH and BOD, and internally manages wastewater quality by applying an 80% threshold of the domestic legal standard, which is stricter than the law. [Setting Standards for Change] KT&G has set a management goal of achieving KRW 10 trillion in sales by 2027. To reach this goal, annual sales growth of more than 10% is required, which will likely increase water usage. However, considering KT&G's water target of reducing total water withdrawals by 20%, the increase in water usage relative to sales is expected to remain low. Based on this, KT&G has established 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)

77.33

(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:

☑ 41-50

(9.2.9.6) Please explain

Among KT&G's manufacturing sites, three domestic sites—Yeongju, Gwangju, and Gimcheon—operate their own wastewater treatment plants and complete secondary wastewater treatment before discharging the used water from tobacco product production to third-party operators. The Indonesian site, on the other hand, directly discharges wastewater after secondary treatment. The wastewater treatment process consists of primary treatment, in which suspended solids, sand, oil, and grease are removed through physical and chemical processes, followed by secondary treatment, in which nutrients such as nitrogen and phosphorus are removed through biological treatment. All wastewater discharged from KT&G's operations is managed in compliance with the applicable legal wastewater quality standards. KT&G also conducts regular water quality inspections of its wastewater. In line with the ISO14001 water quality management standards, inspections cover approximately 20 items, including pH and BOD. For overseas business sites, we comply with country-specific discharge regulations and manage water quality accordingly. For wastewater that is outsourced to third-party contractors, KT&G reviews the reports submitted by these contractors to confirm that the treated water quality fully meets legal standards. [Setting Standards for Change] KT&G has set a management goal of achieving KRW 10 trillion in sales by 2027. To reach this goal, annual sales growth of more than 10% is required, which will likely increase water usage. However, considering KT&G's water target of reducing total water withdrawals by 20%, the increase in water usage relative to sales is expected to remain low. Based on this, KT&G has established 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, Gwangju, and Gimcheon—and its Indonesian plant treat wastewater generated during the production of tobacco products up to the secondary or tertiary treatment stage before discharging it. The discharge volume and ratio are reported separately by treatment stage. For the remaining manufacturing plants, the entire amount of wastewater is outsourced to third-party contractors for treatment. None of KT&G's facilities with their own wastewater treatment plants discharge wastewater after only primary treatment. Therefore, primary treatment alone is not applicable to KT&G's wastewater management practices.

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, Gwangju, and Gimcheon) and its Indonesian site, wastewater generated during the production of tobacco products is treated up to the secondary or tertiary stage before being discharged. Data on the volume and proportion of wastewater discharged is reported separately by treatment stage. For other manufacturing sites, the entire volume of wastewater is outsourced to third-party contractors for treatment. KT&G applies an internal wastewater quality management standard of 80% of the national legal limit, which is stricter than the domestic regulatory requirements. In addition, KT&G does not discharge wastewater into the natural environment without treatment, and therefore, discharging untreated wastewater is not applicable to KT&G's operations.

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)

35.43

(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:

☑ 41-50

(9.2.9.6) Please explain

KT&G's two domestic manufacturing sites (Daejeon 2 and Cheonan) and two overseas sites (Russia and Turkiye) do not operate their own wastewater treatment facilities. Therefore, all wastewater generated during the production of tobacco products is treated entirely through third-party contractors licensed by the government. KT&G recognizes wastewater-related regulations in each country, including Korea, and requires third-party contractors to manage wastewater in full compliance with applicable legal standards. Reports submitted by contractors are reviewed to ensure that discharged water quality meets regulatory requirements. [Setting the bar for change] KT&G has set a management target of KRW 10 trillion in sales by 2027, which requires an annual sales growth of at least 10%. While water usage is expected to increase in line with sales growth, KT&G also pursues a water target of reducing total water withdrawals by 20%. Considering this, the increase in water usage relative to sales growth is likely to be modest. Accordingly, KT&G has established internal water resource management criteria as "very high/low ±10%," defined 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%)

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 its manufacturing processes in accordance with strict internal standards and does not dispose of wastewater in any manner other than the methods disclosed 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)

1.14

(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 manufactured from raw tobacco leaves, which inherently contain nitrates. Most pollutants are generated during the cigarette production process, and KT&G monitors the discharge of nitrogen compounds, including nitrates and phosphates, as well as phosphorus compounds into water systems. According to the WRI Water Risk analysis, none of KT&G's domestic manufacturing sites are located near water-stressed areas; therefore, there are no cases where pollutant discharges impact such regions. In addition, KT&G's domestic manufacturing sites conduct quarterly water quality tests on both raw and discharged water, covering approximately 20 parameters—including PH, BOD, and COD—in accordance with the ISO14001 system and strict 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 operates a total of nine manufacturing facilities, including six in Korea (Daejeon 1, Daejeon 2, Yeongju, Gwangju, Cheonan, and Gimcheon) and one each in Indonesia, Russia, and Turkiye. Among these, two facilities—in Indonesia and Turkiye—are exposed to water-related risks.

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 material water-related issues have been identified in 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:

☑ Yes

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

86

(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

86

(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)

9

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much higher

(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

9

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

77

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much lower

(9.3.1.29) Please explain

To be categorized as a water-stressed region, the baseline water stress must be High or above, and our Indonesia operations fall into this category. In 2024, KT&G's total water withdrawal across domestic and international manufacturing sites was 648.14 ML, total discharge was 160.55 ML, and total consumption was 487.59 ML. While KT&G plans to reduce water withdrawal by 20% by 2030, the Indonesia site has planned production expansion, meaning the three water-related metrics may remain similar to current levels. KT&G has set a management goal of achieving KRW 10 trillion in sales by 2027. To meet this target, annual sales growth exceeding 10% is required, and an increase in water usage is anticipated. However, considering the water withdrawal reduction target, the rate of increase in water usage is likely to be low. Taking this into account, the internal standard has been set to "Very High/Low ±10%." - Withdrawal: Calculated by registering and aggregating monthly withdrawals based on bills issued by water suppliers. - Discharge: Measured daily through internal meters and aggregated annually. - Consumption: Managed monthly based on bills by water source and aggregated as regional data. Since only renewable groundwater is utilized as a water source, other sources are unrelated to this site. Regarding discharge, only third parties are utilized; therefore, other points are unrelated to this site, and third parties don't 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)

23

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much higher

(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

23

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

22

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much higher

(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

22

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

0.1

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much lower

(9.3.1.29) Please explain

To be categorized as a water-stressed region, the baseline water stress must be High or above, and our Turkiye operations fall into this category. In 2024, KT&G's total water withdrawal across all domestic and overseas manufacturing sites was 648.14 ML, total discharge was 160.55 ML, and total consumption was 487.59 ML. KT&G has set a target to reduce total water withdrawals by 20% by 2030. However, due to the significant production expansion planned for our Turkiye operations, there is a possibility that the three water metrics may increase compared to current levels. - Water withdrawal: Calculated by registering and aggregating monthly withdrawals based on bills issued by water suppliers. - Water discharge: Calculated by registering and aggregating monthly discharges based on bills issued by contractors. - Water consumption: Managed monthly based on bills from each water source and aggregated as regional data. Third-party water intake is sourced exclusively from official municipal providers. As only third-party intake is utilized, other water sources are not applicable to our Turkiye operations. Similarly, for discharges, only third-party wastewater treatment is used, and therefore other discharge destinations are not applicable. In addition, the third-party providers do not supply water to 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 third-party assurance by KPMG Korea, an independent assurance organization, for the publication of the Sustainability Report (KT&G Report), which covers water management performance across all domestic and overseas manufacturing sites.

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 third-party assurance by KPMG Korea, an independent assurance organization, for the publication of the Sustainability Report (KT&G Report), which covers water management performance across all domestic and overseas manufacturing sites.

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 consistently maintains the 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 third-party assurance by KPMG Korea, an independent assurance organization, for the publication of the Sustainability Report (KT&G Report), which covers water management performance across all domestic and overseas manufacturing sites.

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 third-party assurance by KPMG Korea, an independent assurance organization, for the publication of the Sustainability Report (KT&G Report), which covers water management performance across all domestic and overseas manufacturing sites.

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. However, such data is managed internally and may be disclosed 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 the quality of its discharged water against standard water quality criteria through annual ISO14001 certification audits and consistently maintains the 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 third-party assurance by KPMG Korea, an independent assurance organization, for the publication of the Sustainability Report (KT&G Report), which covers water management performance across all domestic and overseas manufacturing sites.
[Fixed row]

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

(9.5.1) Revenue (currency)

5908800000000

(9.5.2) Total water withdrawal efficiency

9116548893.76

(9.5.3) Anticipated forward trend

KT&G continues to build and expand water recycling facilities with the goal of reducing total domestic water withdrawals by 20% from 2020 levels by 2030. Recycled water can substitute for conventional water sources, thereby reducing both water use and withdrawals, and ultimately improving overall water 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)

118.25

(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:

☑ Much lower

(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 cultivation process (m^3) and the amount of leaf tobacco produced (ton). Water intensity is calculated by dividing the volume of water withdrawals used in the cultivation process (m^3) by the amount of leaf tobacco produced (ton). KT&G utilizes these two datasets to calculate the water intensity of each leaf tobacco supplier and then derives a final water intensity reflecting each supplier's share of KT&G's total supply. KT&G uses the internally calculated water intensity to understand the level of irrigation system utilization by country/region across its supply chain and to infer correlations between water intensity and the growth and quality of leaf tobacco, thereby guiding purchasing decisions. In 2024, KT&G's water intensity decreased by approximately 46% year-on-year, primarily due to improved farming practices at major suppliers that reduced water usage. In the short term, while uncertainties related to climate change may increase water usage in leaf tobacco cultivation, it is likely that the reduced usage can be maintained. In the medium to long term, the adoption of more efficient farming practices and irrigation systems is expected to further reduce overall water intensity. To improve water intensity, KT&G regularly collects and updates related data from its tobacco supply chain to identify water consumption by each supplier and explore ways to reduce it. In cooperation with its major leaf tobacco suppliers, the company monitors whether water-saving training is provided to farmers and offers support when necessary. In addition, the Sustainable Tobacco Program (STP), of which KT&G is a member, provides training on the latest standard farming practices and works to develop new farming methods and irrigation systems that are more water-efficient than current methods.

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:	*There is no products contain hazardous substances.*

	Products contain hazardous substances	Comment
	☑ No	

[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:

☑ Yes

(9.14.2) Definition used to classify low water impact

KT&G derives the water impact values of its next-generation products (NGPs) through the "Water Footprint" standard managed by the Water Footprint Network, and systematically classifies products based on these results. The "Water Footprint" reflects both the amount of water used and the environmental impacts on water resources throughout the entire value chain, from manufacturing and distribution to use and disposal. Products with a water footprint (m^3 H_2O-eq) lower than the average water footprint of all NGP products, which is 0.058 m^3 H_2O-eq, are classified as products with lower water impact. The threshold value is set at 0.058 m^3 H_2O-eq.

(9.14.4) Please explain

KT&G will continue to enhance its measurement methodologies to conduct more precise and systematic product classification based on 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:* ☑ Yes	*Rich text input [must be under 1000 characters]*
Water withdrawals	*Select from:* ☑ Yes	*Rich text input [must be under 1000 characters]*
Water, Sanitation, and Hygiene (WASH) services	*Select from:* ☑ Yes	*Rich text input [must be under 1000 characters]*
Other	*Select from:* ☑ 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

612934

(9.15.2.9) Reporting year figure

648140

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

77

(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 established a goal of reducing total water withdrawals by 20% from 2020 levels by 2030 as one of the key pillars of its GREEN IMPACT 2030 Environmental Plan. This target translates into a 2% annual reduction starting in 2021 and continuing through 2030. The reduction goal, measured in tons, applies uniformly to all KT&G manufacturing sites. To date, progress has followed a linear trajectory toward achieving the 2030 target.

(9.15.2.16) Further details of target

KT&G expects to reduce its dependence on water resources in its tobacco business, in addition to the benefits of lower municipal water supply costs and wastewater treatment costs achieved through reduced water withdrawals. Since the extent of water withdrawals is closely linked to water dependence, achieving the targets is likely to further reduce overall water dependence. Activities and investments to reduce water withdrawals are continuously being pursued. In 2024, KT&G achieved reductions in water consumption through initiatives such as restructuring the duct system of capsule dryers, installing heat exchangers to manage incinerator cleaning water temperatures, introducing bathhouse water purification systems, improving wastewater treatment processes, and enhancing air handling unit cleaning methods. In addition, KT&G has established an internal knowledge management system to gather ideas from employees on 'water consumption reduction.' The best practices identified through this system are shared annually across all plants to enable benchmarking and continuous improvement.

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

58392

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

83

(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, both domestic 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 existing water withdrawal reduction target and aims to create a virtuous cycle between the two. As water reuse increases, net water use decreases, which naturally leads to reduced water withdrawals. To date, water reuse has been progressing along a linear trajectory toward the 2030 target.

(9.15.2.16) Further details of target

KT&G has undertaken various initiatives to expand water reuse, including the installation of new wastewater recycling facilities at the Daejeon, Yeongju, and Gwangju sites, condensate recovery systems for air conditioning units, and filtration systems for the reuse of bathwater. In addition, the company has reviewed further measures to diversify the use of recycled wastewater, such as for dehydrator cleaning and chemical dissolution. As a result, KT&G has adopted a process of further purifying discharged wastewater through ozone treatment and membrane filtration for reuse in tower cleaning and restroom facilities, thereby achieving additional water reuse capacity.

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

06/29/2024

(9.15.2.8) Target year figure

105120

(9.15.2.9) Reporting year figure

105908

(9.15.2.10) Target status in reporting year

Select from:

☑ Achieved

(9.15.2.11) % of target achieved relative to base year

101

(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 takes into account KT&G's upstream value chain, specifically the leaf tobacco supply regions. Uganda is one of KT&G's international sourcing regions for leaf tobacco, and ensuring a stable supply of leaf tobacco is a key success factor for the company's tobacco business.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

KT&G successfully resolved WASH service-related issues within its value chain by setting and implementing specific water targets. The target metric is the "volume of purified clean water" supplied to the Ugandan region, and this target applies to Uganda where KT&G's overseas raw material branch is located. KT&G established this goal to provide Ugandan residents with the right to access hygienic and clean drinking water. To guarantee Ugandans' WASH rights, KT&G completed the distribution of 400 eco-friendly water purification units by June 2024. Ultimately, by distributing a total of 403 units, including 3 spare units, KT&G succeeded in exceeding its target. Each new water purification unit provides an annual purification capacity of 262,800 liters (L). By distributing a total of 403 units, KT&G has successfully contributed to enabling Ugandan residents to access approximately 106 million liters (L) of clean drinking water annually.

(9.15.2.16) Further details of target

KT&G has achieved its goal of providing water purifiers to enable Ugandan residents to drink approximately 106 million liters of clean water annually. However, KT&G will continue to ensure the WASH rights of Ugandan residents through ongoing post-support activities, including periodic monitoring of purifier conditions, supplying necessary parts, and performing repairs and maintenance.
[Add row]