



KT&G Safety & Health Management Policy



KT&G SAFETY & HEALTH MANAGEMENT POLICY



Enacted August 3, 2023
Amended August 8, 2024

KT&G Safety & Health Management Policy

Overview

Objective of Policy Establishment

KT&G Corporation (hereinafter "KT&G") seeks to establish and operate Safety & Health Management Policy as per the Company's Safety & Health Management Principles with the objective to build the foundation for rooting down a management system around safety and health, which is based on the deep understanding that safety and health is the basic element of business management. Safety & Health Management Policy shall not be subject to compliance by all KT&G worksites only but is be advised to all stakeholders including KT&G's subcontractors and business partners, thereby provide a safe and healthy work environment. By constantly improving safety and health and engaging in preventive activities, KT&G will uphold global safety and health management that assures all KT&G executives and employees at home and abroad and stakeholders of health and happiness.

Scope of Application

Safety & Health Management Policy applies to all workers under the supervision of KT&G, which includes all workers and stakeholders related to KT&G.

Safety & Health Management Principles

Safety & Health Management Principles observe the Principles reported to and approved by the Board of Directors in accordance with rules and regulations related to safety and health. Please visit KT&G's official website(<https://www.ktng.com/policies>) for more details.

Policy Pledge

① Build strict safety and health management system

We monitor domestic and international laws, standards, and collective agreements related to health and safety to ensure compliance and constantly improve process, procedures, technologies and tools in safety and health management system. Continuously improve the control system in line with the domestic and international industrial safety and health trends, such as by developing internal regulations to prevent legal risks of laws related to safety and health and steer risk prevention by constantly checking potential violations.

② Run programs engaging workers

check compliance by monitoring international standards and occupational safety updates and constantly improve process, procedures, technologies and tools in safety and health management system. Develop internal regulations to prevent legal risks of laws related to safety and health and steer risk prevention by constantly checking potential violation.

③ Open ears to safety and health improvement

establish safety and health council such as Occupational Safety & Health Committee and Subcontractors Council where labor, management, subcontractors, contractors, representatives of stakeholders and employees gather to discuss safety and health issues and share agendas as well as resolution with all executives and employees. Make efforts to gather diverse opinions including outsiders by running online bulletin boards in a third party homepage.

④ Set safety and health target and evaluate

prioritize safety and health issues in the course of setting KT&G's safety and health targets, identify detailed action plans to achieve each target and include quantitative KPIs such as incident rate. Actively mobilize internal resources to improve safety and health environment conducive to achieving the target and encourage safety and health activities by making sure progress monitored is reflected in evaluation into each headquarters and branches.

⑤ Comply with safety and health regulations on a company-wide basis

KT&G's Safety & Health Management Principles and plans are subject to approval by the Board of Directors every year and establishment and revision of this Safety & Health Management Policy is subject to approval by the Sustainability Committee, which is the sub-committee under the Board of Directors. KT&G executives and employees take responsibility in implementing Safety & Health Management Principles, Safety & Health Management Policies and detailed regulations.

⑥ Strive to provide healthy and safe work environment

keep improving hazardous elements and reducing risks in order to prevent work-related injury and health hazards. Run preliminary assessment system on safety and health impact and utilize risk assessment to identify and improve potential hazards in work space.

Management Structure

- ① KT&G appoints Senior Executive Vice President as responsible manager who oversees safety and health in general and establishes safety and health management structure for each headquarters and branches.
- ② Safety & Health Management Center, which is the dedicated organization on safety and health, ensures company-wide safety and health management across guidance, advice and monitoring of implementation.
- ③ Each headquarters and branches at KT&G establishes safety and health council such as Occupational Safety & Health Committee, safety and health council of contractors and Risk Assessment Committee all led by teams responsible for safety and health to engage in activities related to improving hazards and preventing incidents.

Communication and Disclosure

KT&G discloses changes in safety and health management structure and achievements via channels(ex.: KT&G website, KT&G Report, etc.) for easy access and understanding by all stakeholders including KT&G executives and employees.