



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.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

Contents

C8. Environmental performance - Forests

(8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Timber products	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(8.1.1) Provide details on these exclusions.

Timber products

(8.1.1.1) Exclusion

Select from:

Specific suppliers

(8.1.1.2) Description of exclusion

Regarding the tobacco leaves supplied by overseas importers, there is a shared usage of timber among tobacco manufacturers. However, data that can specifically track the purchasing proportion of each manufacturer is not available. As a result, since KT&G is unable to clearly trace the timber usage associated with the tobacco leaves it purchases, this data has been excluded from the report.

(8.1.1.3) Value chain stage

Select from:

Upstream value chain

(8.1.1.4) Reason for exclusion

Select from:

- Challenges associated with traceability

(8.1.1.8) Indicate if you are providing the commodity volume that is being excluded from your disclosure of forests-related data

Select from:

- Yes, we are providing the volume excluded

(8.1.1.9) Volume excluded (metric tons)

2804821.19

(8.1.1.10) Please explain

This quantity represents the total amount of timber usage shared by all tobacco manufacturers supplied by overseas tobacco leaf suppliers. If the proportion attributable to KT&G can be identified, the traceability issue would be resolved, and it is expected that this data could be included in future disclosures.
[Add row]

(8.2) Provide a breakdown of your disclosure volume per commodity.

	Disclosure volume (metric tons)	Volume type	Sourced volume (metric tons)
Timber products	1128143	Select all that apply <input checked="" type="checkbox"/> Sourced	1128143

[Fixed row]

(8.5) Provide details on the origins of your sourced volumes.

Timber products

(8.5.1) Country/area of origin

Select from:

New Zealand

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Mt. Maunganui

(8.5.4) Volume sourced from country/area of origin (metric tons)

142.07

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.6) List of supplier production and primary processing sites: names and locations (optional)

(KT&G)List of supplier production and product origin.xlsx

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

New Zealand

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Región del Bio Bio

(8.5.4) Volume sourced from country/area of origin (metric tons)

21.67

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

New Zealand

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

State Highway1, Tokoroa

(8.5.4) Volume sourced from country/area of origin (metric tons)

48118.18

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- New Zealand

(8.5.2) First level administrative division

Select from:

- Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

7.56

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

- Republic of Korea

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Ulsan

(8.5.4) Volume sourced from country/area of origin (metric tons)

0.16

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Republic of Korea

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Shintanjin / Janghang / Daegu / Ansan / Osan / Siheung / Cheongju / Daejeon

(8.5.4) Volume sourced from country/area of origin (metric tons)

13241.21

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Republic of Korea

(8.5.2) First level administrative division

Select from:

Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

24.88

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

Germany

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

(8.5.4) Volume sourced from country/area of origin (metric tons)

309.46

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Latvia

(8.5.2) First level administrative division

Select from:

Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

173760.08

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

Lithuania

(8.5.2) First level administrative division

Select from:

Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

173760.08

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

United States of America

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Virginia/West Virginia/Kentucky/Ohio/Maryland/North Carolina/Pennsylvania/Wisconsin/Alabama/Texas

(8.5.4) Volume sourced from country/area of origin (metric tons)

2239.03

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- United States of America

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Oregon

(8.5.4) Volume sourced from country/area of origin (metric tons)

23.08

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Viet Nam

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Bac Ninh, Tu Son

(8.5.4) Volume sourced from country/area of origin (metric tons)

483.24

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- Brazil

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Bahai

(8.5.4) Volume sourced from country/area of origin (metric tons)

2239.03

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Brazil

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Mato Grosso do Sul

(8.5.4) Volume sourced from country/area of origin (metric tons)

770.33

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Brazil

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Tres Lagoas, State of Mato Grosso do Sul

(8.5.4) Volume sourced from country/area of origin (metric tons)

48481.93

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Brazil

(8.5.2) First level administrative division

Select from:

Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

922.69

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

Sweden

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Gavleborg County/Emtland County/Vestnoorland County

(8.5.4) Volume sourced from country/area of origin (metric tons)

176255.3

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- Estonia

(8.5.2) First level administrative division

Select from:

- Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

173760.08

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

Austria

(8.5.2) First level administrative division

Select from:

Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

823.21

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

Uruguay

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Fray Bentos

(8.5.4) Volume sourced from country/area of origin (metric tons)

51.34

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Indonesia

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Muara Enim, Sumatra Selatan

(8.5.4) Volume sourced from country/area of origin (metric tons)

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- Indonesia

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Riau, Sumatra

(8.5.4) Volume sourced from country/area of origin (metric tons)

29.59

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Indonesia

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Tangerang Banten, Serpong

(8.5.4) Volume sourced from country/area of origin (metric tons)

46.12

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

France

(8.5.2) First level administrative division

Select from:

Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

21.67

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

China

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Guizhou, Chishui

(8.5.4) Volume sourced from country/area of origin (metric tons)

29.59

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Finland

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

BC,ESPOO,Bahia

(8.5.4) Volume sourced from country/area of origin (metric tons)

398.05

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

China

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Jiangxi Province

(8.5.4) Volume sourced from country/area of origin (metric tons)

14.25

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

China

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Beijing Road, Yizhao City, Shandong Province

(8.5.4) Volume sourced from country/area of origin (metric tons)

34.22

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Chile

(8.5.2) First level administrative division

Select from:

Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

8816.52

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

Chile

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Ránquil

(8.5.4) Volume sourced from country/area of origin (metric tons)

1472.41

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Chile

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Región del Bio Bio

(8.5.4) Volume sourced from country/area of origin (metric tons)

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- Chile

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Región del Maule/Región del Libertador General Bernardo O'Higgins/Región del Biobío/Región de La Araucanía/Región de Los Ríos

(8.5.4) Volume sourced from country/area of origin (metric tons)

18488.55

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Canada

(8.5.2) First level administrative division

Select from:

Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

240.37

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to identify the origin at the country level. Instead, we confirmed FSC certification status.

Timber products

(8.5.1) Country/area of origin

Select from:

Canada

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Alberta

(8.5.4) Volume sourced from country/area of origin (metric tons)

2261.96

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- Canada

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

(8.5.4) Volume sourced from country/area of origin (metric tons)

398.05

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Canada

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

British Columbia

(8.5.4) Volume sourced from country/area of origin (metric tons)

62.68

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- Finland

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Central region, Aankoski

(8.5.4) Volume sourced from country/area of origin (metric tons)

29.59

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Finland

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Lappeenranta, Joutseno

(8.5.4) Volume sourced from country/area of origin (metric tons)

48118.18

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Hong Kong SAR, China

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

HongKong

(8.5.4) Volume sourced from country/area of origin (metric tons)

22.93

(8.5.5) Source

Select all that apply

Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

Canada

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Vancouver

(8.5.4) Volume sourced from country/area of origin (metric tons)

184043.92

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

The origin information was verified through FSC certification and supplier investigations.

Timber products

(8.5.1) Country/area of origin

Select from:

- Unknown origin

(8.5.4) Volume sourced from country/area of origin (metric tons)

40

(8.5.5) Source

Select all that apply

- Contracted suppliers (manufacturers)

(8.5.7) Please explain

Due to the trade secrets of suppliers, we were only able to confirm FSC certification status.

[Add row]

(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?

Timber products

(8.7.1) Active no-deforestation or no-conversion target

Select from:

Yes, we have a no-conversion target

(8.7.2) No-deforestation or no-conversion target coverage

Select from:

Organization-wide (including suppliers)

(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target

Select from:

Yes, we have other targets related to this commodity

[Fixed row]

(8.7.1) Provide details on your no-deforestation or no-conversion target that was active during the reporting year.

Timber products

(8.7.1.1) No-deforestation or no-conversion target

Select from:

No-conversion

(8.7.1.2) Your organization's definition of "no-deforestation" or "no-conversion"

KT&G's "Deforestation and Conversion Free (DCF)" goal aims to halt all deforestation and land conversion in protected areas by 2030, including IUCN-designated primary forests and high conservation value areas. This applies to the sourcing of tobacco leaves, ginseng farms, timber for tobacco curing, and paper for packaging. To achieve this, KT&G is collaborating with partners to improve supply chain transparency and accountability.

(8.7.1.3) Cutoff date

Select from:

2020

(8.7.1.4) Geographic scope of cutoff date

Select from:

Applied globally

(8.7.1.5) Rationale for selecting cutoff date

Select from:

Compliance with initiative, please specify :SBTN(Science Based Targets Network)

(8.7.1.6) Target date for achieving no-deforestation or no-conversion

Select from:

2026-2030

[Add row]

(8.7.2) Provide details of other targets related to your commodities, including any which contribute to your no-deforestation or no-conversion target, and progress made against them.

Timber products

(8.7.2.1) Target reference number

Select from:

- Target 1

(8.7.2.2) Target contributes to no-deforestation or no-conversion target reported in 8.7

Select from:

- Yes, this target contributes to our no-conversion target

(8.7.2.3) Target coverage

Select from:

- Organization-wide (including suppliers)

(8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

- Disclosure volume

(8.7.2.5) Category of target & Quantitative metric

Resource use and efficiency

- % of recycled content used in paper and packaging products

(8.7.2.8) Date target was set

02/21/2022

(8.7.2.9) End date of base year

12/30/2020

(8.7.2.10) Base year figure

(8.7.2.11) End date of target

12/30/2025

(8.7.2.12) Target year figure

100

(8.7.2.13) Reporting year figure

96.3

(8.7.2.14) Target status in reporting year*Select from:* Underway**(8.7.2.15) % of target achieved relative to base year**

47.14

(8.7.2.16) Global environmental treaties/ initiatives/ frameworks aligned with or supported by this target*Select all that apply* Kunming-Montreal Global Biodiversity Framework**(8.7.2.17) Explain target coverage and identify any exclusions**

KT&G has established and is operating long-term goals for managing product sustainability, such as expanding the recycling of packaging materials and device components. To make waste recycling easier from a consumer perspective, KT&G plans to use only recyclable materials for all product packaging by 2025. The scope of this initiative is gradually being expanded from domestically produced products to include those manufactured overseas.

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

With the goal of achieving 100% recyclable packaging by 2025, KT&G has reached a conversion rate of 96.3% in 2023, showing gradual improvement from 93.0% in 2020.

(8.7.2.20) Further details of target

-

[Add row]

(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.

Timber products

(8.8.1) Traceability system

Select from:

Yes

(8.8.2) Methods/tools used in traceability system

Select all that apply

Chain-of-custody certification

Supplier engagement/communication

Internal traceability system

(8.8.3) Description of methods/tools used in traceability system

We analyzed the usage of timber as fuel for tobacco leaf curing, as well as the paper packaging materials used by KT&G and KGC Ginseng Corporation, to assess whether the raw materials for these supplies and packaging are being sustainably sourced without damaging protected natural areas. For timber used in curing overseas tobacco leaves, we checked whether it was sourced from certified tree farms, and for paper packaging, we verified the use of FSC-certified paper and pulp.

[Fixed row]

(8.8.1) Provide details of the point to which your organization can trace its sourced volumes.

Timber products

(8.8.1.1) % of sourced volume traceable to production unit

0

(8.8.1.2) % of sourced volume traceable to sourcing area and not to production unit

99.02

(8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

0.97

(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0.01

(8.8.1.5) % of sourced volume from unknown origin

0

(8.8.1.6) % of sourced volume reported

100.00

[Fixed row]

(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.

Timber products

(8.9.1) DF/DCF status assessed for this commodity

Select from:

Yes, deforestation- and conversion-free (DCF) status assessed

(8.9.2) % of disclosure volume determined as DF/DCF in the reporting year

99.8

(8.9.3) % of disclosure volume determined as DF/DCF through a third-party certification scheme providing full DF/DCF assurance

99.79

(8.9.4) % of disclosure volume determined as DF/DCF through monitoring of production unit

0

(8.9.5) % of disclosure volume determined as DF/DCF through monitoring of sourcing area

0

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

Yes

[Fixed row]

(8.9.1) Provide details of third-party certification schemes used to determine the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of the disclosure volume, since specified cutoff date.

Timber products

(8.9.1.1) Third-party certification scheme providing full DF/DCF assurance

Chain-of-custody certification

FSC Chain-of-Custody certification (any type)

(8.9.1.2) % of disclosure volume determined as DF/DCF through certification scheme providing full DF/DCF assurance

99.79

(8.9.1.3) Comment

The attached certification is the FSC certificate of the supplier with the largest purchase volume among the various suppliers.

(8.9.1.4) Certification documentation

구매부_SWM_관련지_FSC.pdf

[Add row]

(8.9.2) Provide details of third-party certification schemes not providing full DF/DCF assurance.

Timber products

(8.9.2.1) Third-party certification scheme not providing full DF/DCF assurance

Chain-of-custody certification

PEFC Chain-of-Custody (any type)

(8.9.2.2) % of disclosure volume certified through scheme not providing full DF/DCF assurance

0.01

(8.9.2.3) Additional control methods in place to determine DF/DCF status of volumes certified through scheme not providing full DF/DCF assurance

Select all that apply

- Third-party certification providing full DF/DCF assurance

(8.9.2.4) Comment

The attached certification is the certificate of a supplier that has obtained PEFC certification.

(8.9.2.5) Certification documentation

소재부품부_두선산업_PT Indah Kiat Pulp & Paper_WOODFREEE.pdf

[Add row]

(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.

	Monitoring or estimating your deforestation and conversion footprint
Timber products	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(8.10.1) Provide details on the monitoring or estimating of your deforestation and conversion footprint.

Timber products

(8.10.1.1) Monitoring and estimating your deforestation and conversion footprint

Select from:

- We monitor the deforestation and conversion footprint in our value chain

(8.10.1.2) % of disclosure volume monitored or estimated

100

(8.10.1.3) Reporting of deforestation and conversion footprint

Select all that apply

Since a specified cutoff date

(8.10.1.4) Year of cutoff date

2020

(8.10.1.6) Known or estimated deforestation and conversion footprint since the specified cutoff date (hectares)

0

(8.10.1.9) Describe the methods and data sources used to monitor or estimate your deforestation and conversion footprint

*Based on the location information of KT&G's business sites and contract farms, we identified land boundaries and assessed the overlap with areas of high natural importance, as designated by IUCN and SBTN, to determine the overlap of KT&G's activities within such regions. [Data sources & tool] - IUCN Protected Area information - SBTN Forest Area information - SBTN Core Land Area information - SBTN Natural Land Area information - Korea 2000 Korea Central Belt 2010 - QGIS - Data collected and utilized from the Ministry of Environment's land cover map to distinguish land use types and calculate the area converted for domestic farms - Overlay and comparison of past aerial photographs of converted forest and grassland areas -Utilization of continuous cadastral map information from the Ministry of Land, Infrastructure and Transport
[Add row]*

(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes.

	Actions taken to increase production or sourcing of DCF volumes
Timber products	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(8.11.1) Provide details of actions taken in the reporting year to assess and increase production/sourcing of deforestation- and conversion-free (DCF) volumes.

Timber products

(8.11.1.1) Action type

Select from:

Increasing physical certification

(8.11.1.2) % of disclosure volume that is covered by this action

0.01

(8.11.1.3) Indicate whether you had any major barriers or challenges related to this action in the reporting year

Select from:

Yes

(8.11.1.4) Main measures identified to manage or resolve the challenges

Select all that apply

Greater supplier awareness/engagement

Increased demand for certified products

(8.11.1.5) Provide further details on the actions taken, their contribution to achieving DCF status, and any related barriers or challenges

We have taken measures to encourage suppliers who have not yet obtained FSC CoC certification to do so. Through this, we strengthened sustainability within the supply chain and contributed to forest conservation and minimizing environmental impact. Additionally, these actions have enabled us to achieve 100% recycled and certified packaging material standards. Moving forward, we plan to continue our efforts to focus on using certified products not only for packaging materials but also for timber and paper fibers.

[Add row]

(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.

(8.14.1) Assess legal compliance with forest regulations

Select from:

- Yes, from suppliers

(8.14.2) Aspects of legislation considered

Select all that apply

- Labor rights
- Land use rights
- Environmental protection
- Human rights protected under international law
- Tax, anti-corruption, trade and customs regulations
- Forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting

(8.14.3) Procedure to ensure legal compliance

Select all that apply

- Certification
- Third party tools
- Third party databases

Third party audits

(8.14.5) Please explain

Global tobacco manufacturers have developed and are operating the Sustainable Tobacco Program (STP) platform to ensure that tobacco leaves, a critical raw material for the tobacco business, are cultivated in a sustainable agricultural environment and can be sourced stably. A total of eight STP member companies, including KT&G, conduct annual self-assessments of suppliers in nine areas (climate change, water use, farming, soil health, human rights, livelihoods, governance, etc.) based on country-specific risk analyses. A third-party assessment organization is selected to conduct on-site inspections based on priority. As of 2023, KT&G purchased approximately 99.4% of its foreign tobacco leaf supply from STP-affiliated suppliers and completed on-site inspections (In-Depth Assessment: IDA) for a total of 11 suppliers across six countries (two in 2023 and four in 2024) by May 2024. These on-site inspections were carried out through third-party audits by Twentyfifty, a UK-based global supply chain consulting firm, to review the ESG management processes related to tobacco cultivation and evaluate compliance with forest-related regulations. Additionally, by verifying third-party sustainability certifications, such as FSC certification, from paper product suppliers, we thoroughly assess compliance with forest regulations.

[Fixed row]

(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

	Engagement in landscape/jurisdictional initiatives
	Select from: <input checked="" type="checkbox"/> Yes, we engage in landscape/jurisdictional initiatives

[Fixed row]

(8.15.1) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

(8.15.1.1) Criteria for prioritizing landscapes/jurisdictions for engagement

Select all that apply

Organization has operational presence in area

- Local government's commitment to sustainable land use
- Opportunity to protect and restore natural ecosystems
- Presence of a neutral convener or implementer

(8.15.1.2) Explain your process for prioritizing landscapes/jurisdictions for engagement

KT&G operates clear criteria and a systematic process to determine the priorities for regions and jurisdictions to participate in forest restoration and environmental CSR activities. Below are the key criteria and processes for determining these priorities: 1. Priority Consideration for Areas Where Domestic Factories Are Located: KT&G prioritizes areas where its domestic factories are located, specifically selecting wildfire-affected areas within the metropolitan regions for restoration. The reason for prioritizing these areas is to fulfill environmental responsibilities to the communities where the factories are based and to increase the company's contribution to those communities. Restoring ecosystems near factory locations strengthens cooperative partnerships with local communities and reinforces the company's environmental accountability. 2. Priority Selection of National and Public Lands in Fire-Damaged Areas: When selecting restoration sites, KT&G gives priority to national and public lands. These areas offer legal stability and the advantage of long-term management and protection. Such regions are well-suited for restoration activities that serve the public interest, and restoration work can be effectively carried out through collaboration with the government and local municipalities. Process: 1. Initial Survey and Review: An initial survey is conducted on potential restoration areas to assess the severity of wildfire damage, proximity to factory locations, and whether the land is national or public. Based on this, potential restoration candidates are selected. 2. Priority Setting: Among the reviewed candidate sites, priorities are set by comprehensively considering the proximity to domestic factories, whether the land is national or public, and the urgency of restoring the damaged areas. 3. Stakeholder Collaboration Discussions: Discussions are held with local communities, municipalities, and relevant organizations regarding high-priority areas. This is to review the feasibility of the restoration work and coordinate necessary resources and support. 4. Final Selection and Execution Plan Development: Based on the consultations, the final restoration area is selected, and a detailed execution plan is developed to initiate the restoration activities. During this process, a monitoring plan is also established to ensure the long-term sustainability of the restoration efforts. [Fixed row]

(8.15.2) Provide details of your engagement with landscape/jurisdictional initiatives to sustainable land use during the reporting year.

Row 1

(8.15.2.1) Landscape/jurisdiction ID

Select from:

- LJ1

(8.15.2.2) Name of initiative

(8.15.2.3) Country/area

Select from:

Republic of Korea

(8.15.2.4) Name of landscape or jurisdiction area

Hwacheon-ri, Bonghwa-eup, Bonghwa-gun, Gyeongbuk

(8.15.2.5) Attach public information about the initiative (optional)

2023_KT&G_Report_EN_119,317.pdf

(8.15.2.6) Indicate if you can provide the size of the area covered by the initiative

Select from:

Yes

(8.15.2.7) Area covered by the initiative (ha)

130

(8.15.2.8) Type of engagement

Select all that apply

Implementer: Executes actions based on the collective goals

Funder: Provides full or partial financial resources

(8.15.2.9) Engagement start year

2022

(8.15.2.10) Engagement end year

Select from:

- Please specify :2023

(8.15.2.11) Estimated investment over the project period

189337

(8.15.2.12) Landscape goals supported by engagement

Environmental

- Forest fires monitored and prevented
- Natural ecosystems conserved and/or restored

(8.15.2.13) Organization actions supporting initiative

Participate in planning and multi-stakeholder alignment

- Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative
- Collaborate on establishing and managing monitoring system for biodiversity, habitat fragmentation and/or threats to IUCN Red List species in priority areas

Build community and multi-stakeholder capacities

- Engage stakeholders on importance of conservation, restoration and/or rehabilitation

(8.15.2.14) Type of partners engaged in the initiative design and implementation

Select all that apply

- Sub-national government
- NGO and/or civil society
- Private sector

(8.15.2.15) Description of engagement

This project aimed to plant approximately 5,500 trees over an area of 1.8 hectares to restore areas damaged by wildfires in Bonghwa-gun, Gyeongsangbuk-do. The

project includes endangered species such as the Korean fir (*Abies koreana*) and nectar-producing trees for honeybee habitats, supporting biodiversity and the restoration of degraded habitats. This initiative is aligned with carbon neutrality goals and seeks to contribute to the conservation of ecosystems within natural protected areas identified as high conservation value regions by the IUCN. KT&G raised approximately 230 million KRW through the 'Sangsang Fund' and strengthened efforts toward environmental sustainability through employee participation. We collaborated with Tree Planet, Bonghwa-gun Office, and the Baekdu-daegan National Arboretum to ensure the effective implementation and monitoring of the project.

(8.15.2.16) Collective monitoring framework used to measure progress towards landscape goals and actions

Select from:

Yes, progress is monitored using an internally defined framework

(8.15.2.17) State the achievements of your engagement so far and how progress is monitored

On-site Inspections and Regular Monitoring: In collaboration with Tree Planet and the National Arboretum of Baekdudaegan, the growth conditions, survival rates, and habitat restoration effects of the planted trees are regularly checked. Through periodic site visits, we assess ecosystem changes and the environmental conditions of the restoration area, and if necessary, implement additional measures (e.g., additional planting, pest management). Data Collection and Analysis: Based on the data collected from the site, we evaluate biodiversity indicators (e.g., species diversity, habitat restoration level). The collected data is analyzed to measure the outcomes of the restoration activities and incorporated into future plans.

(8.15.2.18) Claims made

Select from:

No, we are not making any claims, and we do not plan to within the next two years

[Add row]

(8.15.3) For each of your disclosed commodities, provide details on the disclosure volume from each of the landscapes/jurisdictions you engage in.

Row 1

(8.15.3.1) Landscape/jurisdiction ID

Select from:

LJ1

(8.15.3.2) Does any of your produced and/or sourced commodity volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?

Select from:

No, we do not produce/source from this landscape/jurisdiction

[Add row]

(8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains?

Select from:

Yes

(8.16.1) Provide details of the external activities to support the implementation of your policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains

Row 1

(8.16.1.1) Commodity

Select all that apply

Timber products

(8.16.1.2) Activities

Select all that apply

Involved in industry platforms

(8.16.1.3) Country/area

Select from:

Worldwide

(8.16.1.4) Subnational area

Select from:

Not applicable

(8.16.1.5) Provide further details of the activity

KT&G sources tobacco leaves, one of the key raw materials for its tobacco business, from various countries around the world, including domestically. To contribute to sustainable agriculture and establish a systematic supply chain, we participate in the global industry initiative, the Sustainable Tobacco Program (STP). STP is a joint assessment platform where global tobacco manufacturers and third-party consulting agencies collaborate to strengthen corporate environmental and social responsibility. It goes beyond traditional cultivation management focused on quantity and quality, and aims to produce tobacco in an ethical and sustainable manner. Through this platform, country-specific general risk assessments, supply chain evaluations, third-party on-site inspections, and improvement activities are conducted. Through STP, we collect data within the tobacco leaf supply chain, identify issues, and work to resolve negative impacts. Additionally, KT&G has been actively implementing STP in Korea, gradually expanding its scope. We expect that, through this program, the raw material farms and partner companies within our supply chain will manage their social and environmental impacts, fulfill their ethical responsibilities, and contribute to the creation of a sustainable agricultural ecosystem alongside KT&G.

[Add row]

(8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Select from:

Yes

(8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Row 1

(8.17.1.1) Project reference

Select from:

Project 1

(8.17.1.2) Project type

Select from:

- Other ecosystem restoration

(8.17.1.3) Expected benefits of project

Select all that apply

- Improvement to soil health
- Net gain in biodiversity and ecosystem integrity
- Reduce/halt biodiversity loss

(8.17.1.4) Is this project originating any carbon credits?

Select from:

- No

(8.17.1.5) Description of project

In 2022, KT&G signed a 'Memorandum of Understanding for Ecosystem Conservation and Biodiversity Enhancement' with the National Institute of Ecology to contribute to the restoration of natural capital and species. Since 2023, KT&G has been carrying out a medium-to-long-term collaboration project for three years to protect ecosystems and restore biodiversity. In 2023, KT&G promoted conservation activities for the Janggumeogi Wetland (a mountain wetland of approximately 38,000 m²) located in Yeongyang-gun, near KT&G's Yeongju manufacturing facility. The habitat had been destroyed due to soil inflow and erosion caused by nearby roads, leading to a decline in biodiversity. Restoration work has been completed, and we plan to continue research on species inhabiting the surrounding area.

(8.17.1.6) Where is the project taking place in relation to your value chain?

Select all that apply

- Project based in area with direct operations

(8.17.1.7) Start year

2022

(8.17.1.8) Target year

Select from:

2025

(8.17.1.9) Project area to date (Hectares)

1.15

(8.17.1.10) Project area in the target year (Hectares)

3.8

(8.17.1.11) Country/Area

Select from:

Republic of Korea

(8.17.1.12) Latitude

36.493739

(8.17.1.13) Longitude

129.220947

(8.17.1.14) Monitoring frequency

Select from:

Six-monthly or more frequently

(8.17.1.15) Total investment over the project period (currency)

150000000

(8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

- ☑ Improvement to soil health
- ☑ Net gain in biodiversity and ecosystem integrity
- ☑ Reduce/halt biodiversity loss

(8.17.1.17) Please explain

KT&G has established a comprehensive monitoring plan to ensure the effective implementation and long-term success of ecosystem restoration and protection projects. Specifically, the Janggumeoji Wetland Restoration Project in Korea, aims to protect biodiversity and promote environmental sustainability. Continuous monitoring and evaluation of pre- and post-restoration conditions are crucial to achieving these goals.

1. Monitoring Goals Observation of Biodiversity Changes: We scientifically evaluate the impact of restoration activities on local species to determine whether biodiversity has improved. This includes tracking changes in species population and diversity before and after restoration efforts. Habitat Health Assessment: The health of the restored habitat is continuously monitored, focusing on ecological stability. This involves assessing changes in the wetland's physical structure, water quality, and vegetation.

2. Monitoring Methods Regular On-site Surveys: In collaboration with the National Institute of Ecology, regular on-site surveys are conducted to document restoration progress. These surveys track the presence of species and any physical changes to the wetland and waterways. Collection of Biological Research Data: Biological data is gathered and analyzed regularly to monitor changes in resident species. The National Institute of Ecology records species populations and health conditions, comparing them before and after restoration to assess biodiversity changes. Analysis of Restoration Effects: The effects of restoration on biodiversity are scientifically analyzed over time. Species populations and habitat conditions are continuously observed, and the long-term ecological impacts are assessed to evaluate the success of restoration efforts.

3. Long-term Monitoring and Post-management Continuous Evaluation and Adjustment: Even after restoration is completed, the condition of the habitat is regularly evaluated through ongoing monitoring. If necessary, additional management actions are taken to enhance restoration outcomes and ensure the long-term health of the ecosystem. Research on Carbon Sequestration: The carbon sequestration capacity of the wetland is monitored to evaluate its role in mitigating climate change. Data from the National Institute of Ecology are used to measure and analyze the amount of carbon absorbed by the wetland.

[Add row]

