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

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Contents

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

(7.1.1.1) Has there been a structural change?

Select all that apply
☑ Yes, other structural change, please specify

(7.1.1.2) Name of organization(s) acquired, divested from, or merged with

KGC Ginseng Corporation, Youngjin Pharm, COSMOCOS, Tae-A Industrial, KGC Yebon

(7.1.1.3) Details of structural change(s), including completion dates

The changes that occurred during the reporting year were due to the expansion of the reporting scope rather than structural changes such as acquisitions or mergers. To enhance the consistency between financial accounting consolidation standards and greenhouse gas emissions information, KT&G Group voluntarily calculated and integrated the greenhouse gas emissions data of its subsidiaries, including KGC Ginseng Corporation, Yungjin Pharmaceutical, COSMOCOS, Tae-A Industrial, and KGC Yebon. During this process, the group established a carbon neutrality strategy covering the entire group and extended it to its subsidiaries, strengthening cooperation for group-wide greenhouse gas reduction efforts. By including the emissions data of its subsidiaries, the total emissions for the group were calculated to be approximately 186,000 tons, representing about a 62% increase compared to the previous year's emissions from KT&G (both domestic and overseas). Detailed information is disclosed in the response to Module 7.
[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply ☑ No

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☑ Scope 1

☑ Scope 2, location-based

☑ Scope 2, market-based

☑ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

If there is a change in the scope of data collection, KT&G considers this a significant change and conducts a mandatory recalculation. Specifically, if a data error, typo, or change in emission factors results in more than a 3% change in the calculated emissions, a recalculation is performed. This organizational structure change included the emissions data of additional subsidiaries, in addition to KT&G's domestic and overseas entities, in the previously calculated greenhouse gas emissions data, prompting a comprehensive review and recalculation. KT&G operates its recalculation policy in accordance with the GHG Protocol, and this can be triggered by various factors such as changes in organizational structure, changes in methodology, or the identification of reporting errors. Furthermore, KT&G continuously enhances its carbon neutrality strategy and data accuracy, and even if such improvements do not meet the recalculation policy criteria, previous years' data are readjusted as needed to reflect these improvements.

(7.1.3.4) Past years' recalculation

Select from:

☑ Yes

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ ISO 14064-1

☑ Korea GHG and Energy Target Management System Operating Guidelines

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ The Greenhouse Gas Protocol: Scope 2 Guidance

☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from:	*Select from:*	-

	Scope 2, location-based	Scope 2, market-based	Comment
	☑ We are reporting a Scope 2, location-based figure	☑ We are reporting a Scope 2, market-based figure	

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

74583

(7.5.3) Methodological details

KT&G is a company subject to the Korean Emissions Trading Scheme under the 'Act on the Allocation and Trading of Greenhouse Gas Emission Permits.' For domestic operations, KT&G applies the 'Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme' and 'ISO 14064-1 (2018)' for measuring Scope 1 and 2 emissions. 1. Activity data: Fuel consumption, etc. 2. Emission factor source: 1) Electricity - IEA 2) Non-electricity - IPCC

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

122445

(7.5.3) Methodological details

KT&G is a company subject to the Korean Emissions Trading Scheme under the 'Act on the Allocation and Trading of Greenhouse Gas Emission Permits.' For domestic operations, KT&G applies the 'Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme' and 'ISO 14064-1 (2018)' for measuring Scope 1 and 2 emissions. 1. Activity data: Electricity or heat (steam) consumption 2. Emission factor source: 1) Electricity - IEA 2) Non-electricity - IPCC 3. Includes greenhouse gas emissions reported as Scope 2 based on the use of electricity from the national power grid

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

122445

(7.5.3) Methodological details

KT&G is a company subject to the Korean Emissions Trading Scheme under the 'Act on the Allocation and Trading of Greenhouse Gas Emission Permits.' For domestic operations, KT&G applies the 'Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme' and 'ISO 14064-1 (2018)' for measuring Scope 1 and 2 emissions. 1. Activity data: Electricity or heat (steam) consumption 2. Emission factor source: 1) Electricity - IEA 2) Non-electricity - IPCC 3. Market-based: Scope 2 emissions calculated based on market-based purchases of renewable energy in South Korea, Indonesia, Russia, and Türkiye.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

240323

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Services Emissions estimated from intangible assets under CAPEX, using industry-specific factors (WRI, Korea Energy Agency). Partner Fuel Consumption Emissions based on KT&G's share from partners' deliveries, applying fuel-specific factors (Korean GHG Target Management Guidelines). (Domestic) Tobacco Cultivation Area Emissions calculated based on fertilizer, crop protection agents, and energy use by domestic farms, including tobacco drying. Factors: Agricultural Greenhouse Gas Calculation Guidelines, direct measurements for domestic tobacco. (Overseas) Tobacco Purchases Emissions estimated via LCA for cultivation and drying of purchased tobacco. Factors: Directly measured for overseas tobacco. Six-year-old Ginseng Purchase Volume Emissions estimated via LCA for six-year ginseng cultivation. Factors: Ecoinvent, Ministry of Environment LCI DB. Medicinal Herb Purchases Emissions estimated using industry-specific factors for medicinal herb purchases. Factors: WRI. Raw Materials and Additives Purchases Emissions estimated based on purchase amounts, applying industry-specific factors. Factors: Industry-specific. OEM Partner Fuel Consumption KT&G's share of emissions from OEM partners' fuel consumption, using fuel-specific factors (Korean GHG Guidelines). Product and Service Purchases Emissions based on purchase amounts of products/services, applying industry-specific factors. Factors: WRI, KEA.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

45281

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Capital budget investment and capital goods purchase amount Estimated emissions based on the executed capital budget by applying industry-specific emission factors Industry-specific emission factors (WRI and Korea Energy Agency)

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

23508

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Fuel consumption Supplemented upstream power emission factors considering transmission and distribution loss rates, including power generation upstream emission factors in Korea Fuel-specific emission factors (Korean Ministry of Environment LCI DB for domestic, UK GOV conversion factor for overseas)

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

31571

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Transportation method, transportation distance, transportation frequency, and transportation cost If data on transportation method, distance, and frequency are difficult to obtain, emissions are estimated based on transportation costs Transportation mode-specific emission factors (Ministry of Environment LCI DB and WRI Emission Factor)

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

4596

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Waste treatment method and volume Estimated emissions based on waste type and treatment method-specific emission factors Waste type and treatment method-specific emission factors (Ministry of Environment LCI DB)

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

2548

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Type of transportation mode and distance Estimated emissions based on distance traveled, transportation mode, and number of personnel for business trips Transportation mode-specific emission factors (Ministry of Environment Low-Carbon Green Event Guidelines)

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

11883

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Number of employees Average daily commuting distance Ratio of transportation modes used by employees Number of working days per year Estimated commuting distances by transportation mode, considering KT&G's number of employees and annual working days, based on statistics for average commuting distances and mode ratios Transportation mode-specific emission factors ((Domestic) National Transport DB, Korea Energy Agency Transport Sector Greenhouse Gas Emissions Survey Report, Ministry of Environment Low-Carbon Green Event Guidelines / (International) UNESCAP, Statista, Ministry of Environment Low-Carbon Green Event Guidelines)

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

654

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Fuel consumption in leased assets Emissions estimated based on the fuel consumption of leased assets by fuel type Fuel-specific emission factors (Korean Guidelines on GHG Target Management Operations)

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

14744

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Transportation method, distance, frequency, and cost If data on transportation method, distance, and frequency are difficult to obtain, emissions are estimated based on transportation costs Transportation mode-specific emission factors (Ministry of Environment LCI DB and WRI Emission Factor)

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

703

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Customer revenue and cost of sales If revenue data is difficult to obtain, the average industry revenue is applied, and if the cost of sales is difficult to calculate, the average cost ratio based on the same industry is estimated Industry-specific emission factors (Korea Energy Agency)

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

398866

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] (Device charging) Average usage per charge for device products (Device charging) NGP stick sales The total number of charges is estimated by dividing the NGP stick sales by the average usage per device charge Domestic electricity emission factors (Korean Guidelines on GHG Target Management Operations) (Lighter combustion) Average usage and butane capacity per lighter (Cigarette combustion) Cigarette sales The total butane usage is estimated by dividing the cigarette sales by the average number of uses per lighter Fuel-specific emission factors (Korean Guidelines on GHG Target Management Operations) (Cigarette combustion) Cigarette sales and raw material usage for cigarette rod Emissions are estimated assuming all components, excluding the cigarette butt, are combusted Emission factors by component combustion (Korean Guidelines on GHG Target Management Operations and Ministry of Environment LCI DB) (Real estate) Completion and sale of newly built real estate based on completion and sale year and total floor area Emissions are estimated for the lifespan of the sold real estate Emission factors per building area by usage (Estimated and Characteristics of Building GHG Emissions in National Energy Statistics by the Architectural Institute of Korea)

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

66399

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] (Cigarettes) Annual sales volume, average cigarette butt length (Cigarettes) Weight of filter and cigarette components Estimated cigarette waste weight based on the weight of sold cigarettes and the ratio of average cigarette butt length Emission factors by waste type and treatment method (Ministry of Environment LCI DB) (NGP) Annual sales volume (NGP) Product standard weight Estimated NGP waste weight based on annual sales volume and standard weight of NGP products Emission factors by waste type and treatment method (Ministry of Environment LCI DB) (Real estate) Input amounts of construction materials for sold (or distributed) real estate assets Estimated material input during construction based on concrete input amounts Emission factors by waste type and treatment method (Ministry of Environment LCI DB) Materials and weight of sold products Applied the average ratio of material types and treatment methods based on the national waste generation and disposal statistics Emission factors by waste type and treatment method (Ministry of Environment LCI DB)

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

2457

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Fuel consumption in leased assets Estimated emissions based on fuel consumption in leased assets Fuel-specific emission factors (Korean Guidelines on GHG Target Management Operations) Fuel usage cost in leased assets Estimated emissions based on fuel consumption and cost in leased assets Fuel-specific emission factors (Korean Guidelines on GHG Target Management Operations)

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

3670

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Floor area by distribution channel Applied a standard guide for area due to the difficulty of obtaining individual store area information Emission factors based on floor area by building usage (Construction Technology Information System)

Scope 3 category 15: Investments

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

10077

(7.5.3) Methodological details

[Activity Data and Key Assumptions, Emission Factors (Sources)] Ownership ratio and floor area Ownership ratio and sales revenue Estimated emissions based on the annual area-based emissions of subsidiaries and affiliates, reflecting ownership ratio; in other cases, emissions were estimated using industry-specific emission factors based on sales revenue Emission factors by floor area by building usage and industry-specific emission factors (Estimated and Characteristics of Building GHG Emissions in National Energy Statistics by the Architectural Institute of Korea, WRI Emission Factor)

Scope 3: Other (upstream)

(7.5.3) Methodological details

Not applicable

Scope 3: Other (downstream)

(7.5.3) Methodological details

Not applicable
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

72087

(7.6.3) Methodological details

[Activity Data] Fuel consumption: Applied emission factors by greenhouse gas type, Emission factors: (Electricity) IEA, (Non-electricity) IPCC [Emission Calculation Guidelines] • Korean Guidelines on GHG Target Management Operations • Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition) • IPCC Guidelines for National Greenhouse Gas Protocol and Accounting Tool
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

133776

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

113585

(7.7.4) Methodological details

KT&G is a company subject to the Korean Emissions Trading Scheme under the 'Act on the Allocation and Trading of Greenhouse Gas Emission Permits.' For domestic operations, KT&G applies the 'Guidelines on Reporting and Certification of Emissions under the Emissions Trading Scheme' and 'ISO 14064-1 (2018)' for measuring Scope 1 and 2 emissions in accordance with the law. 1. Activity data: Electricity or heat (steam) consumption 2. Emission factor sources: 1) Electricity - IEA 2) Non-electricity - IPCC - Location-based: Includes Scope 2 greenhouse gas emissions reported based on electricity usage from the national power grid - Market-based: Scope 2 emissions calculated based on market-based purchases of renewable energy in South Korea, Indonesia, Russia, and Türkiye.
[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

224444

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Supplier-specific method
☑ Hybrid method
☑ Spend-based method
☑ Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

58

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Services Emissions estimated from intangible assets under CAPEX, using industry-specific factors (WRI, Korea Energy Agency). Partner Fuel Consumption Emissions based on KT&G's share from partners' deliveries, applying fuel-specific factors (Korean GHG Target Management Guidelines). (Domestic) Tobacco Cultivation Area Emissions calculated based on fertilizer, crop protection agents, and energy use by domestic farms, including tobacco drying. Factors: Agricultural Greenhouse Gas Calculation Guidelines, direct measurements for domestic tobacco. (Overseas) Tobacco Purchases Emissions estimated via LCA for cultivation and drying of purchased tobacco. Factors: Directly measured for overseas tobacco. Six-year-old Ginseng Purchase Volume Emissions estimated via LCA for six-year ginseng cultivation. Factors: Ecoinvent, Ministry of Environment LCI DB. Medicinal Herb Purchases Emissions estimated using industry-specific factors for medicinal herb purchases. Factors: WRI. Raw Materials and Additives Purchases Emissions estimated based on purchase amounts, applying industry-specific factors. Factors: Industry-specific. OEM Partner Fuel Consumption KT&G's share of emissions from OEM partners' fuel consumption, using fuel-specific factors (Korean GHG Guidelines). Product and Service Purchases Emissions based on purchase amounts of products/services, applying industry-specific factors. Factors: WRI, KEA.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

103537

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Capital Budget Investment and Capital Goods Purchase Amount Estimated emissions based on the executed capital budget by applying industry-specific emission factors Industry-specific emission factors (WRI and Korea Energy Agency)

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

23423

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Fuel Consumption Supplemented upstream power emission factors considering transmission and distribution loss rates, including power generation upstream emission factors in Korea Fuel-specific emission factors (Korean Ministry of Environment LCI DB for domestic, UK GOV conversion factor for overseas)

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

19190

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Spend-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

51

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Transportation Method, Distance, Frequency, and Cost If data on transportation method, distance, and frequency are difficult to obtain, emissions are estimated based on transportation costs Transportation mode-specific emission factors (Ministry of Environment LCI DB and WRI Emission Factor)

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

4602

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Waste Treatment Method and Volume Estimated emissions based on waste type and treatment method-specific emission factors Waste type and treatment method-specific emission factors (Ministry of Environment LCI DB)

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3453

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Type and Distance of Transportation Mode Estimated emissions based on the distance traveled, transportation mode, and number of personnel for business trips Transportation mode-specific emission factors (Ministry of Environment Low-Carbon Green Event Guidelines)

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

11822

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Number of Employees Average Daily Commuting Distance Ratio of Transportation Modes Used by Employees Number of Working Days per Year Estimated commuting distances by transportation mode, considering KT&G's number of employees and annual working days, based on statistics for average commuting distances and mode ratios Transportation mode-specific emission factors ((Domestic) National Transport DB, Korea Energy Agency Transport Sector Greenhouse Gas Emissions Survey Report, Ministry of Environment Low-Carbon Green Event Guidelines / (International) UNESCAP, Statista, Ministry of Environment Low-Carbon Green Event Guidelines)

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

696

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Fuel Consumption in Leased Assets Estimated emissions based on the fuel consumption of leased assets by fuel type Fuel-specific emission factors (Korean Guidelines on GHG Target Management Operations)

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

10903

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Fuel-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

45

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Transportation Method, Distance, Frequency, and Cost If data on transportation method, distance, and frequency are difficult to obtain, emissions are estimated based on transportation costs Transportation mode-specific emission factors (Ministry of Environment LCI DB and WRI Emission Factor)

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1069

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Customer Revenue and Cost of Sales If revenue data is difficult to obtain, the average industry revenue is applied, and if the cost of sales is difficult to calculate, the average cost ratio based on the same industry is estimated Industry-specific emission factors (Korea Energy Agency)

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

57830

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] (Device Charging) Average Usage Per Charge for Device Products (Device Charging) NGP Stick Sales The total number of charges is estimated by dividing the NGP stick sales by the average usage per device charge Domestic electricity emission factors (Korean Guidelines on GHG Target Management Operations) (Lighter Combustion) Average Usage and Butane Capacity Per Lighter (Cigarette Combustion) Cigarette Sales The total butane usage is estimated by dividing the cigarette sales by the average number of uses per lighter Fuel-specific emission factors (Korean Guidelines on GHG Target Management Operations) (Cigarette Combustion) Cigarette Sales and Raw Material Usage for Cigarette Rod Emissions are estimated assuming all components, excluding the cigarette butt, are combusted Emission factors by component combustion (Korean Guidelines on GHG Target Management Operations and Ministry of Environment LCI DB) (Real Estate) Completion and Sale of Newly Built Real Estate Based on Completion and Sale Year and Total Floor Area Emissions are estimated for the lifespan of the sold real estate Emission factors per building area by usage (Estimated and Characteristics of Building GHG

Emissions in National Energy Statistics by the Architectural Institute of Korea)

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

40275

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] (Cigarettes) Annual Sales Volume, Average Cigarette Butt Length (Cigarettes) Weight of Filter and Cigarette Components Estimated cigarette waste weight based on the weight of sold cigarettes and the ratio of average cigarette butt length Emission factors by waste type and treatment method (Ministry of Environment LCI DB) (NGP) Annual Sales Volume (NGP) Product Standard Weight Estimated NGP waste weight based on annual sales volume and standard weight of NGP products Emission factors by waste type and treatment method (Ministry of Environment LCI DB) (Real Estate) Input Amounts of Construction Materials for Sold (or Distributed) Real Estate Assets Estimated material input during construction based on concrete input amounts Emission factors by waste type and treatment method (Ministry of Environment LCI DB) Materials and Weight of Sold Products Applied the average ratio of material types and treatment methods based on the national waste generation and disposal statistics Emission factors by waste type and treatment method (Ministry of Environment LCI DB)

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1347

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Asset-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Fuel Consumption in Leased Assets Estimated emissions based on fuel consumption in leased assets Fuel-specific emission factors (Korean Guidelines on GHG Target Management Operations) Fuel Usage Cost in Leased Assets Estimated emissions based on fuel consumption and cost in leased assets Fuel-specific emission factors (Korean Guidelines on GHG Target Management Operations)

Franchises

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3687

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Floor Area by Distribution Channel Applied a standard guide for area due to the difficulty of obtaining individual store area information Emission factors based on floor area by building usage (Construction Technology Information System)

Investments

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

9961

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

[Activity Data and Key Assumptions, Emission Factors (Sources)] Ownership Ratio and Floor Area Ownership Ratio and Sales Revenue Estimated emissions based on the annual area-based emissions of subsidiaries and affiliates, reflecting ownership ratio; in other cases, emissions were estimated using industry-specific emission factors based on sales revenue Emission factors by floor area by building usage and industry-specific emission factors (Estimated and Characteristics of Building GHG Emissions in National Energy Statistics by the Architectural Institute of Korea, WRI Emission Factor)

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not evaluated

(7.8.5) Please explain

KT&G Group calculates emissions related to upstream activities in Scope 3 Categories 1 to 8, so other upstream emissions are not applicable.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not evaluated

(7.8.5) Please explain

KT&G Group calculates emissions related to upstream activities from Scope 3 Category 9 to Category 15, so other downstream emissions are not applicable.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.1.4) Attach the statement

1. KT&G Scope 1, 2 Domestic_KT&G.pdf

(7.9.1.5) Page/section reference

KT&G Domestic

(7.9.1.6) Relevant standard

Select from:
☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

48

Row 2

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.1.4) Attach the statement

INDEPENDENT VERIFICATION OPINION_en_overseas.pdf

(7.9.1.5) Page/section reference

KT&G Overseas

(7.9.1.6) Relevant standard

Select from:
☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

6

Row 3

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.1.4) Attach the statement

kgc - GHG_INDEPENDENT ASSURANCE STATEMENT_en.pdf

(7.9.1.5) Page/section reference

KGC

(7.9.1.6) Relevant standard

Select from:

☑ Korean GHG and energy target management system

(7.9.1.7) Proportion of reported emissions verified (%)

21

Row 4

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.1.4) Attach the statement

Other Subsidiaries.pdf

(7.9.1.5) Page/section reference

Other Subsidiaries

(7.9.1.6) Relevant standard

Select from:
☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

25
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.2.5) Attach the statement

1. KT&G Scope 1, 2 Domestic_KT&G.pdf

(7.9.2.6) Page/ section reference

KT&G Domestic

(7.9.2.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

65

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

INDEPENDENT VERIFICATION OPINION_en_overseas.pdf

(7.9.2.6) Page/ section reference

KT&G Overseas

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

0

Row 3

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.2.5) Attach the statement

kgc - GHG_INDEPENDENT ASSURANCE STATEMENT_en.pdf

(7.9.2.6) Page/ section reference

KGC

(7.9.2.7) Relevant standard

Select from:

☑ Korean GHG and energy target management system

(7.9.2.8) Proportion of reported emissions verified (%)

16

Row 4

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

Other Subsidiaries.pdf

(7.9.2.6) Page/ section reference

Other Subsidiaries

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

19
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- ☑ Scope 3: Franchises
- ☑ Scope 3: Investments
- ☑ Scope 3: Capital goods
- ☑ Scope 3: Business travel
- ☑ Scope 3: Employee commuting
- ☑ Scope 3: Waste generated in operations
- ☑ Scope 3: End-of-life treatment of sold products
- ☑ Scope 3: Upstream transportation and distribution
- ☑ Scope 3: Downstream transportation and distribution
- ☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- ☑ Scope 3: Use of sold products
- ☑ Scope 3: Upstream leased assets
- ☑ Scope 3: Downstream leased assets
- ☑ Scope 3: Processing of sold products
- ☑ Scope 3: Purchased goods and services

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

KT&G group _Scope 3_F.pdf

(7.9.3.6) Page/section reference

p2 - KT&G Group(Total) p3 - KT&G p4 - KGC p5 - Tae-A Industrial p6 - Yungjin Pharm p7 - COSMOCOS p8 - KGC Yebon

(7.9.3.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:
☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

21291

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

11.1

(7.10.1.4) Please explain calculation

*2022 Scope 12 Emissions: 191,418 tCO2eq Changes in emissions due to renewable energy consumption in 2023: Solar power generation (self-consumption): 1,100 tCO2eq Renewable Energy Certificates (REC): 20,191 tCO2eq () / (2022 Scope 12 emissions) * 100 11.1%*

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

5795

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

3.03

(7.10.1.4) Please explain calculation

*Through energy reduction initiatives such as replacing high-efficiency equipment, improving equipment efficiency, and recovering waste heat, KT&G reduced emissions by 5,795 tCO2eq in 2023. 5,795 / (2022 Scope 12 emissions) * 100 5,795 / 191,418 * 100 3.03%*
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.13) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

Select from:
☑ No

(7.14) Do you calculate greenhouse gas emissions for each agricultural commodity reported as significant to your business?

Timber products

(7.14.1) GHG emissions calculated for this commodity

Select from:
☑ Yes

(7.14.2) Reporting emissions by

Select from:
☑ Total

(7.14.3) Emissions (metric tons CO2e)

24783.2

(7.14.4) Denominator: unit of production

Select from:
☑ Metric tons

(7.14.5) Change from last reporting year

Select from:

☑ Lower

(7.14.6) Please explain

KT&G includes emissions from materials derived from timber, such as product packaging and tipping paper, in its Scope 3 emissions calculations. Following the emission calculation methodology of the Korea GHG and Energy Target Management System Operating Guidelines and the IPCC Guidelines, emissions are calculated based on fuel consumption and emission factors of each timber-related material partner, with KT&G's purchase amount ratio reflected in the emission calculation.

Tobacco

(7.14.1) GHG emissions calculated for this commodity

Select from:

☑ Yes

(7.14.2) Reporting emissions by

Select from:

☑ Total

(7.14.3) Emissions (metric tons CO2e)

92878

(7.14.4) Denominator: unit of production

Select from:

☑ Metric tons

(7.14.5) Change from last reporting year

Select from:

☑ About the same

(7.14.6) Please explain

*The tobacco-related emissions are divided into domestic tobacco cultivation, domestic tobacco drying, and overseas tobacco cultivation and drying. 1.Domestic Tobacco Cultivation Cultivation area * average fertilizer input per area * nitrogen active ingredient content * nitrogen fertilizer CO2 amount Emission factors for agricultural inputs (fertilizers, crop protection agents) in the production phase * usage 2. Domestic Tobacco Drying Energy consumption by fuel type used during drying * fuel-specific emission factors 3. Overseas Tobacco Cultivation and Drying Overseas purchase volume * LCA emission factors based on tobacco leaf types used for domestic calculations*

Other commodity

(7.14.1) GHG emissions calculated for this commodity

Select from:

☑ Yes

(7.14.2) Reporting emissions by

Select from:

☑ Total

(7.14.3) Emissions (metric tons CO2e)

24531.95

(7.14.4) Denominator: unit of production

Select from:

☑ Metric tons

(7.14.5) Change from last reporting year

Select from:

☑ This is our first year of measurement

(7.14.6) Please explain

For the first time in 2023, the emissions of ginseng (insam), the primary agricultural product of KT&G Group's subsidiary KGC, were calculated in the Scope 3 emissions calculation process. These emissions are calculated based on the emission factors from standard cultivation methods for domestic ginseng cultivation and the amount of harvested ginseng.
[Fixed row]

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

71712

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Second Assessment Report (SAR - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

213

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Second Assessment Report (SAR - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

162

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Second Assessment Report (SAR - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:
☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Second Assessment Report (SAR - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:
☑ PFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Second Assessment Report (SAR - 100 year)

Row 6

(7.15.1.1) Greenhouse gas

Select from:
☑ SF6

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Second Assessment Report (SAR - 100 year)

Row 7

(7.15.1.1) Greenhouse gas

Select from:

☑ NF3

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Second Assessment Report (SAR - 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
China	*37*	*2955*	*2955*
Indonesia	*2227*	*11700*	*0*
Republic of Korea	*67803*	*115949*	*110630*
Russian Federation	*1230*	*1905*	*0*

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	*791*	*1267*	*0*

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By facility

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

Sintanjin (Korea) Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

13983.623

(7.17.2.3) Latitude

36.43379

(7.17.2.4) Longitude

127.42993

Row 2

(7.17.2.1) Facility

Gwangju (Korea) Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2240.148

(7.17.2.3) Latitude

35.20352

(7.17.2.4) Longitude

126.87727

Row 3

(7.17.2.1) Facility

Gimcheon (Korea) Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1952.395

(7.17.2.3) Latitude

36.126261

(7.17.2.4) Longitude

128.066739

Row 4

(7.17.2.1) Facility

Yeongju (Korea) Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

7020.284

(7.17.2.3) Latitude

36.789335

(7.17.2.4) Longitude

128.623939

Row 5

(7.17.2.1) Facility

Cheonan (Korea) Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2076.617

(7.17.2.3) Latitude

36.826473

(7.17.2.4) Longitude

127.146971

Row 6

(7.17.2.1) Facility

Other offices in Korea

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

7062.24

(7.17.2.3) Latitude

37.50653

(7.17.2.4) Longitude

127.065294

Row 7

(7.17.2.1) Facility

Indonesia Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2226.547

(7.17.2.3) Latitude

-7.763504

(7.17.2.4) Longitude

112.74024

Row 8

(7.17.2.1) Facility

Russia Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1229.752

(7.17.2.3) Latitude

55.229914

(7.17.2.4) Longitude

36.682451

Row 9

(7.17.2.1) Facility

Turkey Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

790.905

(7.17.2.3) Latitude

38.127708

(7.17.2.4) Longitude

27.686243

Row 10

(7.17.2.1) Facility

KGC Jilin hanzheng (China) Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

36.893

(7.17.2.3) Latitude

42.907038

(7.17.2.4) Longitude

129.377887

Row 11

(7.17.2.1) Facility

KGC Buyeo (Korea) Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

7748.473

(7.17.2.3) Latitude

36.271771

(7.17.2.4) Longitude

126.873889

Row 12

(7.17.2.1) Facility

KGC Wonju (Korea) Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

7567.131

(7.17.2.3) Latitude

37.408659

(7.17.2.4) Longitude

127.951747

Row 13

(7.17.2.1) Facility

Tae-A Industrial Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

13799.826

(7.17.2.3) Latitude

36.372213

(7.17.2.4) Longitude

27.417751

Row 14

(7.17.2.1) Facility

Yungjin Pharm Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1144.759

(7.17.2.3) Latitude

37.179746

(7.17.2.4) Longitude

26.850798

Row 15

(7.17.2.1) Facility

COSMOCOS Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

389.614

(7.17.2.3) Latitude

37.399699

(7.17.2.4) Longitude

26.685367

Row 16

(7.17.2.1) Facility

KGC Yebon Factory

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2817.924

(7.17.2.3) Latitude

36.934378

(7.17.2.4) Longitude

27.894121
[Add row]

(7.18) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Select from:
☑ Yes

(7.18.2) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Row 1

(7.18.2.1) Activity

Select from:
☑ Processing/Manufacturing

(7.18.2.3) Emissions (metric tons CO2e)

68093

(7.18.2.4) Methodology

Select all that apply

☑ Default emissions factor

(7.18.2.5) Please explain

KT&G's Scope 1 emissions related to processes and manufacturing are primarily caused by the combustion of LNG and LPG in boilers used for drying and heating processes. These greenhouse gas emissions result from the essential energy consumption required for production processes, and emissions are calculated by applying emission factors based on the type of fuel used.

Row 2

(7.18.2.1) Activity

Select from:

☑ Distribution

(7.18.2.3) Emissions (metric tons CO2e)

3788

(7.18.2.4) Methodology

Select all that apply

☑ Default emissions factor

(7.18.2.5) Please explain

In 2023, KT&G's emissions from mobile combustion were calculated to be a total of 3,782.937 tCO2eq. These emissions reflect Scope 1 emissions generated from the company's distribution and logistics vehicles. Efforts to reduce emissions included the introduction of fuel-saving programs and the gradual transition to hybrid and electric vehicles across the group.
[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☑ By facility

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

Row 1

(7.20.2.1) Facility

Sintanjin (Korea) Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

27179.169

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

24797.696

Row 2

(7.20.2.1) Facility

Gwangju (Korea) Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

6913.32

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

6913.32

Row 3

(7.20.2.1) Facility

Gimcheon (Korea) Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2411.419

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 4

(7.20.2.1) Facility

Yeongju (Korea) Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

12659.06

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

12659.06

Row 5

(7.20.2.1) Facility

Cheonan (Korea) Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3411.844

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

3411.844

Row 6

(7.20.2.1) Facility

Other offices in Korea

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

26949.176

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

26422.61

Row 7

(7.20.2.1) Facility

Indonesia Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

11699.775

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 8

(7.20.2.1) Facility

Russia Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1905.023

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 9

(7.20.2.1) Facility

Turkey Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1267.335

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 10

(7.20.2.1) Facility

KGC Jilin hanzheng (China) Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2955.141

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

2955.141

Row 11

(7.20.2.1) Facility

KGC Buyeo (Korea) Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

8712.838

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

8712.838

Row 12

(7.20.2.1) Facility

KGC Wonju (Korea) Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

9042.417

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

9042.417

Row 13

(7.20.2.1) Facility

Tae-A Industrial Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

8780.153

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

8780.153

Row 14

(7.20.2.1) Facility

Yungjin Pharm Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

5855.745

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

5855.745

Row 15

(7.20.2.1) Facility

COSMOCOS Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1163.018

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

1163.018

Row 16

(7.20.2.1) Facility

KGC Yebon Factory

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2870.945

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

2870.945
[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

72087

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

133776

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

113585

(7.22.4) Please explain

To enhance the consistency between financial accounting consolidation standards and greenhouse gas emissions information, KT&G Group voluntarily calculated and integrated the greenhouse gas emissions data of its subsidiaries, including KGC Ginseng Corporation, Yungjin Pharmaceutical, COSMOCOS, Tae-A Industrial, and KGC Yebon. During this process, the group established a carbon neutrality strategy covering the entire group and extended it to its subsidiaries, strengthening cooperation for group-wide greenhouse gas reduction efforts. By including the emissions data of its subsidiaries, the total emissions for the group were calculated to be approximately 186,000 tons, representing about a 62% increase compared to the previous year's emissions from KT&G (both domestic and overseas).

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

The emissions from other sales subsidiaries, which have minimal emissions and do not meet the materiality criteria, have been excluded from the calculation. [Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Korea Ginseng Corp

(7.23.1.2) Primary activity

Select from:

☑ Food & beverage wholesale

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

15352.441

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

20710.396

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

20710.396

(7.23.1.15) Comment

-

Row 2

(7.23.1.1) Subsidiary name

Tae-A Industrial

(7.23.1.2) Primary activity

Select from:

☑ Tobacco products

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

13800

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

8780

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

8780

(7.23.1.15) Comment

-

Row 3

(7.23.1.1) Subsidiary name

Yungjin Pharm

(7.23.1.2) Primary activity

Select from:

☑ Pharmaceuticals

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

1145

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

5856

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

5856

(7.23.1.15) Comment

-

Row 4

(7.23.1.1) Subsidiary name

COSMOCOS

(7.23.1.2) Primary activity

Select from:

☑ Chemicals wholesale & distribution

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

390

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

1163

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

1163

(7.23.1.15) Comment

-

Row 5

(7.23.1.1) Subsidiary name

KGC Yebon

(7.23.1.2) Primary activity

Select from:

☑ Agricultural products wholesale

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

2818

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

2871

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

2871

(7.23.1.15) Comment

-
[Add row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:*

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes
Consumption of purchased or acquired steam	*Select from:* ☑ Yes
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

381994

(7.30.1.4) Total (renewable and non-renewable) MWh

381994

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

35094

(7.30.1.3) MWh from non-renewable sources

240474

(7.30.1.4) Total (renewable and non-renewable) MWh

275568

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

8836

(7.30.1.4) Total (renewable and non-renewable) MWh

8836

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

7982

(7.30.1.4) Total (renewable and non-renewable) MWh

7982

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

2394

(7.30.1.4) Total (renewable and non-renewable) MWh

2394

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

37488

(7.30.1.3) MWh from non-renewable sources

639287

(7.30.1.4) Total (renewable and non-renewable) MWh

676775
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ Yes
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ Yes
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

-

Other biomass

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

-

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

-

Coal

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

-

Oil

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

18355

(7.30.7.3) MWh fuel consumed for self-generation of electricity

12

(7.30.7.4) MWh fuel consumed for self-generation of heat

18344

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

12 MWh of diesel fuel used for emergency generator test runs Fuel consumed for mobile combustion (cars) and boiler-driven heat production 18,344 M

Gas

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

363638

(7.30.7.3) MWh fuel consumed for self-generation of electricity

175

(7.30.7.4) MWh fuel consumed for self-generation of heat

224223

(7.30.7.5) MWh fuel consumed for self-generation of steam

139240

(7.30.7.8) Comment

175 MWh of fuel used to test run emergency generators. 363,464 MWh of energy consumption, including LNG, LPG, and propane to generate heat and steam to run the company, including running boilers, operating restaurants, and manufacturing products

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

-

Total fuel

(7.30.7.1) Heating value

Select from:

☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

381994

(7.30.7.3) MWh fuel consumed for self-generation of electricity

187

(7.30.7.4) MWh fuel consumed for self-generation of heat

242567

(7.30.7.5) MWh fuel consumed for self-generation of steam

139240

(7.30.7.8) Comment

-
[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

2394

(7.30.9.2) Generation that is consumed by the organization (MWh)

2394

(7.30.9.3) Gross generation from renewable sources (MWh)

2394

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

2394

Heat

(7.30.9.1) Total Gross generation (MWh)

242567

(7.30.9.2) Generation that is consumed by the organization (MWh)

242567

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

139240

(7.30.9.2) Generation that is consumed by the organization (MWh)

139240

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0
[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:
☑ Republic of Korea

(7.30.14.2) Sourcing method

Select from:

☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

7974

(7.30.14.6) Tracking instrument used

Select from:

☑ Korean REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Republic of Korea

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2018

(7.30.14.10) Comment

Since we have acquired RECs from multiple solar power facilities, we have provided the start year of the facility with the largest share

Row 2

(7.30.14.1) Country/area

Select from:
☑ Republic of Korea

(7.30.14.2) Sourcing method

Select from:
☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:
☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:
☑ Sustainable biomass

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3628

(7.30.14.6) Tracking instrument used

Select from:

☑ Korean REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:
☑ Republic of Korea

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:
☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2001

(7.30.14.10) Comment

-

Row 3

(7.30.14.1) Country/area

Select from:
☑ Indonesia

(7.30.14.2) Sourcing method

Select from:
☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:
☑ Large hydropower (>25 MW)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

15127

(7.30.14.6) Tracking instrument used

Select from:
☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:
☑ Indonesia

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:
☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2015

(7.30.14.10) Comment

-

Row 4

(7.30.14.1) Country/area

Select from:

☑ Turkey

(7.30.14.2) Sourcing method

Select from:

☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Geothermal

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3019

(7.30.14.6) Tracking instrument used

Select from:

☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:
☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2009

(7.30.14.10) Comment

-

Row 5

(7.30.14.1) Country/area

Select from:
☑ Russian Federation

(7.30.14.2) Sourcing method

Select from:
☑ Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates

(7.30.14.3) Energy carrier

Select from:
☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:
☑ Large hydropower (>25 MW)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

5350

(7.30.14.6) Tracking instrument used

Select from:

☑ Other, please specify :Green Electricity Certificate in Russia

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Russian Federation

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

-

[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

China

(7.30.16.1) Consumption of purchased electricity (MWh)

2536

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

7022

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

147

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

9705.00

Indonesia

(7.30.16.1) Consumption of purchased electricity (MWh)

15126

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

11700

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

26826.00

Republic of Korea

(7.30.16.1) Consumption of purchased electricity (MWh)

249538

(7.30.16.2) Consumption of self-generated electricity (MWh)

2394

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

9797

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

359307

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

621036.00

Russian Federation

(7.30.16.1) Consumption of purchased electricity (MWh)

5350

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

6685

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

12035.00

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

3018

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

3969

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

6987.00
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

3.17e-8

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

185672

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

5862608000000

(7.45.5) Scope 2 figure used

Select from:

☑ Market-based

(7.45.6) % change from previous year

3.19

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Change in renewable energy consumption

☑ Other emissions reduction activities

☑ Change in revenue

(7.45.9) Please explain

The unit emissions decreased by approximately 3.19% compared to the previous year. The main reasons for this change include a 2.7% increase in renewable energy usage compared to the previous year and a 3% reduction in emissions through other reduction activities. Additionally, the sales, which is the denominator for the unit emissions calculation, increased by 0.19% compared to the previous year, contributing to the reduction in unit emissions.
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:
☑ Waste

(7.52.2) Metric value

84

(7.52.3) Metric numerator

%

(7.52.4) Metric denominator (intensity metric only)

-

(7.52.5) % change from previous year

2.5

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

KT&G has set a goal to achieve a 90% recycling rate for business site waste by 2030 and is thoroughly implementing waste separation to facilitate recycling. Additionally, the company is working to improve the recycling rate by seeking and transitioning to appropriate recycling methods for waste that was previously disposed of using non-recycling method
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply
☑ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:
☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

02/21/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/30/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

74583

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

122445

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

197028.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

42

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

114276.240

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

72087

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

113585

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

185672.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

13.72

(7.53.1.80) Target status in reporting year

Select from:

☑ Revised

(7.53.1.81) Explain the reasons for the revision, replacement, or retirement of the target

As with the previous target, the reduction target of 42% by 2030 compared to 2020 (aligned with SBTi 1.5C) will be maintained, and the scope of the target has been expanded to include the emissions of subsidiaries with manufacturing facilities. Accordingly, the base year emissions and target emissions have been updated, replacing the previous reduction target.

(7.53.1.82) Explain target coverage and identify any exclusions

The emissions from other sales subsidiaries, which have minimal emissions and do not meet the materiality criteria, have been excluded from the calculation.

(7.53.1.83) Target objective

KT&G recognizes the severity of climate change and has set mid- to long-term GHG reduction targets in accordance with the Science Based Targets initiative guidelines. These targets are part of a strategic response to evolving environmental regulations, such as the mandatory disclosure of non-financial information and the goals and pathways of leading global companies. In particular, KT&G has set more ambitious goals by advancing its existing 2050 carbon neutrality target to 2045, demonstrating its commitment to playing a leading role in overcoming the climate crisis. KT&G's greenhouse gas reduction targets go beyond mere corporate obligations; they are essential actions to protect the planet and respond to climate change swiftly and effectively. The company's targets to reduce S12 emissions by 42% and S3 emissions by 25% by 2030 reflect a commitment to greater responsibility in addressing climate change. To achieve these targets, KT&G is actively employing various reduction measures, including the expansion of solar power facilities, transitioning to high-efficiency equipment, entering into PPA, and adopting international REC. KT&G's greenhouse gas reduction targets play a critical role in the company's sustainable growth and environmental protection while contributing to the global net-zero goals. Through these efforts, KT&G is continuously working towards improving energy efficiency, increasing the proportion of renewable energy, and achieving carbon neutrality by 2045

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

2023 Performance - Reduction rate compare to the base year: 9.0% [Reduce direct emissions (Scope 1)] GHG directly emitted by KT&G arises from process gas and LNG fuel, etc. that are used mainly in manufacturing processes. To reduce direct emissions, we are switching utility facilities to high-efficiency facilities and recovering waste heat that is generated during processes to reduce fuel consumption. In addition, sales organizations with considerable gasoline and diesel mobile combustion emissions changed 6% of business fleets to EVs as of 2023 and plan to complete 100% transition to EVs by 2030. [Reduce indirect emissions (Scope 2)] KT&G supports the global initiative RE100 and seeks to achieve a business site renewable electricity usage rate of 80% by 2030. To this end, we built a 3.1 MWp-level photovoltaic power generation facility on the rooftop of the Gwangju Plant in 2023 and plan to build 26.2 MWp-level photovoltaic power generation facilities on the rooftop of manufacturing plants and unused sites by 2026. In 2023, we signed 12 MWp-level PPAs at 17 business sites in Korea and are being supplied with renewable energy which we plan to expand further. Starting in 2022, we have been purchasing domestic and overseas RECs, thus increasing Scope 2 reduction and renewable energy ratio.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ Well-below 2°C aligned

(7.53.1.5) Date target was set

02/21/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

12/30/2022

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

240323

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

23508

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

398866

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

662697.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

662697.000

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

77

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

25

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

497022.750

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

224444

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting

year covered by target (metric tons CO2e)

23423

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

57830

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

305697.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

305697.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

215.48

(7.53.1.80) Target status in reporting year

Select from:

☑ Revised

(7.53.1.81) Explain the reasons for the revision, replacement, or retirement of the target

The target, which was previously set based on 2020, has been changed to 2022, while maintaining the 25% reduction target by 2030 (aligned with SBTi 'Well below 2C'). The scope of the target has been expanded to include the Scope 3 emissions of subsidiaries with manufacturing facilities. As a result, both the base year emissions and target emissions have been revised, and the previous reduction targets have been adjusted accordingly. Additionally, since the introduction of reduction measures for Scope 3 is limited, we plan to focus on setting reduction targets for categories 1, 3, and 11, which account for more than two-thirds of the total

emissions, in order to pursue effective reduction efforts.

(7.53.1.82) Explain target coverage and identify any exclusions

The emissions from other sales subsidiaries, which are minimal and do not meet the materiality criteria, have been excluded from the calculation

(7.53.1.83) Target objective

KT&G recognizes the severity of climate change and has set mid- to long-term GHG reduction targets in accordance with the Science Based Targets initiative guidelines. These targets are part of a strategic response to evolving environmental regulations, such as the mandatory disclosure of non-financial information and the goals and pathways of leading global companies. In particular, KT&G has set more ambitious goals by advancing its existing 2050 carbon neutrality target to 2045, demonstrating its commitment to playing a leading role in overcoming the climate crisis. KT&G's greenhouse gas reduction targets go beyond mere corporate obligations; they are essential actions to protect the planet and respond to climate change swiftly and effectively. The company's targets to reduce S12 emissions by 42% and S3 emissions by 25% by 2030 reflect a commitment to greater responsibility in addressing climate change. To achieve these targets, KT&G is actively employing various reduction measures, including the expansion of solar power facilities, transitioning to high-efficiency equipment, entering into PPA, and adopting international REC. KT&G's greenhouse gas reduction targets play a critical role in the company's sustainable growth and environmental protection while contributing to the global net-zero goals. Through these efforts, KT&G is continuously working towards improving energy efficiency, increasing the proportion of renewable energy, and achieving carbon neutrality by 2045

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

2023 Performance - Reduction rate compare to the base year: 39.8% - Due to the significant reduction in emissions from the real estate division, which has high volatility in greenhouse gas emissions, Scope 3 emissions for 2023 have changed significantly. In the reporting year, we recalculated Scope 3 emissions based on the year 2020. We adjusted the Scope 3 emissions category through discussions in the SBTi verification process. For more accurate calculation, we readjusted IPCC emissions factors as well and reflected additional emissions from overseas sales. In addition, we recalculated emissions in consideration of expansion of asset equipment scope and updated emissions factors to reflect the environmental impact of various kinds of tobaccos.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to increase or maintain low-carbon energy consumption or production

☑ Net-zero targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

02/21/2022

(7.54.1.3) Target coverage

Select from:

☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2020

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

188

(7.54.1.9) % share of low-carbon or renewable energy in base year

0.1

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

80

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

13.5

(7.54.1.13) % of target achieved relative to base year

16.77

(7.54.1.14) Target status in reporting year

Select from:
☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Abs 1, Yes, this target falls under the detailed targets contributing to the reduction of Scope 1 and 2 emissions.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

The emissions from other sales subsidiaries, which have minimal emissions and do not meet the materiality criteria, have been excluded from the calculation.

(7.54.1.20) Target objective

KT&G has set clear goals to expand the use of renewable energy and reduce greenhouse gas emissions to address global climate change and promote sustainable management. The company aims to achieve an 80% renewable energy usage rate by 2030, with the goal of minimizing the environmental impact from its business activities. This initiative is not only focused on reducing greenhouse gas emissions but also on achieving various objectives, such as long-term carbon cost savings.

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

KT&G is committed to transitioning to renewable energy in the mid- to long-term to meet the 80% renewable energy target and reduce greenhouse gas emissions by 2030. As a priority, the company is promoting the installation of solar power generation facilities on the rooftops of its domestic factories and Sangsang Madang Nonsan. Since June 2023, a 3.1MWp solar power generation facility has been operating on the roof of the Gwangju factory, and the company plans to install approximately 26.2MWp of solar power generation facilities at five domestic factories by 2026. This is aimed at reducing annual greenhouse gas emissions by 15,377 tCO2eq. Additionally, KT&G is reviewing and implementing various forms of renewable energy. Based on the mid- to long-term greenhouse gas reduction roadmap, the company is actively purchasing Renewable Energy Certificates (REC) to ensure continuous reductions. In 2023, KT&G completed the purchase of 15,126 MWh I-REC (International Renewable Energy Certificates) for its Indonesian factory, 3,018 MWh for its Turkish factory, and 5,350 MWh of green energy for its Russian factory. Along with these efforts, KT&G secured a Power Purchase Agreement (PPA) for 12MWp (equivalent to 7.5% of the company's total electricity) and began supplying renewable energy to 17 business sites, including KT&G's Seoul headquarters, in December 2023. As a result of these efforts, KT&G Group's renewable energy usage rate expanded from 0.1% in 2020 to 13.5% in 2023. In 2024, the company plans to further increase the renewable energy rate to around 20% by expanding the adoption of PPA and accelerating the implementation of renewable energy through active discussions within the group's councils.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☑ NZ1

(7.54.3.2) Date target was set

02/21/2022

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

☑ Abs2

☑ Low1

(7.54.3.5) End date of target for achieving net zero

12/30/2045

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

(7.54.3.10) Explain target coverage and identify any exclusions

Emissions from other sales subsidiaries, which are minimal and do not meet the materiality criteria, have been excluded from the calculation

(7.54.3.11) Target objective

KT&G recognizes the severity of climate change and has set mid- to long-term GHG reduction targets in accordance with the Science Based Targets initiative guidelines. These targets are part of a strategic response to evolving environmental regulations, such as the mandatory disclosure of non-financial information and the goals and pathways of leading global companies. In particular, KT&G has set more ambitious goals by advancing its existing 2050 carbon neutrality target to 2045, demonstrating its commitment to playing a leading role in overcoming the climate crisis. KT&G's greenhouse gas reduction targets go beyond mere corporate obligations; they are essential actions to protect the planet and respond to climate change swiftly and effectively. The company's targets to reduce S12 emissions by 42% and S3 emissions by 25% by 2030 reflect a commitment to greater responsibility in addressing climate change. To achieve these targets, KT&G is actively employing various reduction measures, including the expansion of solar power facilities, transitioning to high-efficiency equipment, entering into PPA, and adopting international REC. KT&G's greenhouse gas reduction targets play a critical role in the company's sustainable growth and environmental protection while contributing to the global net-zero goals. Through these efforts, KT&G is continuously working towards improving energy efficiency, increasing the proportion of renewable energy, and achieving carbon neutrality by 2045

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, but we plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

As of now, no specific activities have been finalized for after the target period ends, but we are continuously exploring offset activities. In the future, we plan to review various offset options to achieve carbon neutrality, particularly those that include carbon absorption and removal.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

KT&G has implemented a company-wide energy settlement system since 2022 to monitor energy emissions and water usage at its business sites. This system requires each business unit to input energy and water usage into an online system based on supporting documents (billing statements) on a monthly basis, allowing the company to track the implementation status of reduction targets at each site. Additionally, the system predicts annual emissions while considering seasonal fluctuations. As of January 2023, the energy settlement system's scope has been expanded to include overseas manufacturing plants (Indonesia, Turkey, and Russia). The headquarters and domestic and overseas manufacturing sites participate in monthly regular virtual meetings (ESG Monthly).
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*3*	*`Numeric input*
To be implemented	*19*	*2232*
Implementation commenced	*30*	*2965*
Implemented	*89*	*5795*
Not to be implemented	*20*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Non-energy industrial process emissions reductions

☑ Process equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

923

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

297719152

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

937000000

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 3-5 years

(7.55.2.9) Comment

-

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

178

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

45938431

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

762684000

(7.55.2.7) Payback period

Select from:

☑ 16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

-

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Process optimization

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

906

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

236286681

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

3819000000

(7.55.2.7) Payback period

Select from:

☑ 16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 1-2 years

(7.55.2.9) Comment

-

Row 4

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1819

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

442295631

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

4700000000

(7.55.2.7) Payback period

Select from:
☑ 11-15 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

-

Row 5

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes
☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

862

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

537639180

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

967000000

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

-

Row 6

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Waste heat recovery

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

749

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

363630856

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

688000000

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 3-5 years

(7.55.2.9) Comment

-

Row 7

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Reuse of water

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

358

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

81906000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

98000000

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

-

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Internal price on carbon

(7.55.3.2) Comment

KT&G's internal carbon pricing is used as a guideline for economic analysis and investment decisions, enhancing and encouraging the viability of climate change-related investments by considering potential carbon costs. It is also reflected in the calculation of the payback period for anticipated cost savings and emission reductions in climate-related investments. For example, during the 2022 plan to install rooftop solar power at domestic manufacturing facilities, internal carbon pricing was applied to calculate profits and alternative effects, channeling the cost savings into renewable energy investments. It was assumed that approximately 1,690 tons of emissions would be reduced annually due to the solar installation, and applying the internal carbon price resulted in an estimated annual economic benefit of approximately KRW 85 million. In addition, the calculation method for investment payback periods was changed from the previous 'investment cost/energy savings' to 'investment cost/(energy savings internal carbon price)' due to the implementation of internal carbon pricing, shortening the payback period for climate-related investments. In this way, internal carbon pricing supports positive decisions in the investment policies and decision-making processes of various emission reduction activities, and serves as a key guideline for prioritizing actions by comparing the financial impact of potential reduction effects

[Add row]

(7.68) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Select from:

☑ Yes

(7.68.1) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Row 1

(7.68.1.1) Management practice reference number

Select from:

☑ MP1

(7.68.1.2) Management practice

Select from:

☑ Fertilizer management

(7.68.1.3) Description of management practice

KT&G is reducing its carbon impact by reducing the use of chemical fertilizers and promoting eco-friendly ones through joint research and collaboration with tobacco leaf farmers. Nitrogenous chemical fertilizers are a major source of nitrogen dioxide, a greenhouse gas, and reducing the use of chemical fertilizers can decrease emissions from the fertilizers.

(7.68.1.4) Your role in the implementation

Select all that apply

☑ Financial

☑ Knowledge sharing

(7.68.1.5) Explanation of how you encourage implementation

KT&G provides eco-friendly fertilizers necessary for tobacco cultivation to domestic tobacco farms. Based on this, and in response to the need for domestic tobacco production to meet global standards in areas such as environment, labor, and human rights, KT&G has developed its own management program, the 'Domestic Tobacco Production STP Guidelines.' Through these guidelines, the company promotes farm monitoring, farmer education, and communication at each key stage (nursery, transplanting, field stage, and harvesting) to strengthen the sustainable production foundation of domestic tobacco farms. In 2023, KT&G created the Domestic Tobacco Production STP Monitoring Index Manual, participating in sustainable domestic tobacco production under key management indicators in governance, environment, human rights, and labor. Additionally, the company is collaborating with external research institutions and receiving technical advice to launch initiatives aimed at long-term, substantial carbon emission reductions

(7.68.1.6) Climate change related benefit

Select all that apply

☑ Emissions reductions (mitigation)

☑ Reduced demand for fertilizers (adaptation)

☑ Reduced demand for pesticides (adaptation)

(7.68.1.7) Comment

-

Row 2

(7.68.1.1) Management practice reference number

Select from:

☑ MP2

(7.68.1.2) Management practice

Select from:

☑ Reducing energy use

(7.68.1.3) Description of management practice

We are carrying out a project to support recovery of waste heat discarded in the process of drying tobacco leaf. We are saving energy in the tobacco processing stage by attaching heat recovery devices to dryers, thus reducing the consumption of kerosene. We aim to improve the efficiency of a total of 4,000 dryers in tobacco farms by 2030 through this project.

(7.68.1.4) Your role in the implementation

Select all that apply

☑ Financial

(7.68.1.5) Explanation of how you encourage implementation

KT&G provides financial support for the installation of tobacco drying machines and promotes the economic benefits of reducing kerosene usage through efficiency improvements to encourage participation from tobacco farms. In 2023, KT&G distributed 100 fuel-saving devices (worth approximately KRW 116 million) to farms to help reduce fuel costs, improve economic viability for farms, and lower greenhouse gas emissions.

(7.68.1.6) Climate change related benefit

Select all that apply

☑ Emissions reductions (mitigation)

☑ Reduced demand for fossil fuel (adaptation)

(7.68.1.7) Comment

-

[Add row]

(7.68.2) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Select from:

☑ Yes

(7.70) Do you know if any of the management practices mentioned in 7.68.1 that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Select from:

☑ Yes

(7.70.1) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Row 1

(7.70.1.1) Management practice reference number

Select from:

☑ MP1

(7.70.1.2) Overall effect

Select from:

☑ Positive

(7.70.1.3) Which of the following has been impacted?

Select all that apply

☑ Biodiversity

☑ Soil

☑ Water

(7.70.1.4) Description of impacts

Tobacco farming can have an impact on soil and water through the use of fertilizers and herbicides during the cultivation process. Based on the Sustainable Tobacco Program (STP), KT&G shares standard farming practices and guidelines with tobacco farmers. These guidelines include appropriate criteria and management methods for fertilizer usage, as well as information on potential environmental impacts that may arise during the tobacco cultivation process. This allows farmers to minimize their environmental footprint and pursue effective crop management. By promoting the proper use of fertilizers and herbicides, the guidelines encourage them to prevent soil and water pollution caused by misuse. Additionally, KT&G undertakes seed management by conducting analyses to check genetic modification of tobacco seeds used for the cultivation.

(7.70.1.5) Have any response to these impacts been implemented?

Select from:

☑ No

(7.70.1.6) Description of the response(s)

The impact is positive, thus no response is required.
[Add row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:
☑ No

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:
☑ No