

A decorative line graphic in the top left corner, consisting of a blue vertical line segment and a green diagonal line segment meeting at a right angle.

# KT&G Anti-Corruption & Bribery Policy



KT&G ANTI-CORRUPTION & BRIBERY POLICY

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# KT&G Anti-Corruption & Bribery Policy

## Overview

### Purpose

KT&G Corporation (hereinafter “KT&G” or “we”), a robust company leaping into the global market through change and innovation, exerts its best efforts to root out unlawful activities, including corruption and bribery, as well as to conduct transparent business operations, with the aim of building trust with all stakeholders and enhancing customer value.

The purpose of this policy is to comply with the applicable laws and regulations, including the Criminal Act, the Act on the Aggravated Punishment of Specific Crimes, the Act on the Aggravated Punishment of Specific Economic Crimes, the Improper Solicitation and Graft Act, the Act on Combating Bribery of Foreign Public Officials in International Business Transactions in the Republic of Korea, as well as the Foreign Corrupt Practices Act in the US and the Bribery Act in the UK. It also adheres to international standards, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption.

### Scope of Application

This policy applies to all executives and employees of KT&G and our worldwide subsidiaries, as well as members of all our business partners. All executives and employees of KT&G are required to comply with the policy unless otherwise specified by applicable laws and regulations, the Articles of Incorporation, and other internal rules.

## Basic Principles

### Compliance with Laws and Regulations

KT&G complies with the applicable laws and international standards relating to anti-corruption and bribery in all business transactions. If applicable laws or international standards require higher standards than stated in this policy, they will take precedence over this policy.

### Prohibition of Bribery

KT&G prohibits our members from giving, promising or offering to give any bribe, or inappropriate money and valuables to public officials, executives, and employees of public institutions and international organizations, either directly or through a third party. Further, providing government officials with nominal payments (e.g., facilitating payments) or small gifts with the aim of speeding up routine processes or services is strictly prohibited.

### Prohibition of Unlawful Solicitation

KT&G prohibits our members from unlawfully soliciting another party, directly or indirectly, to obtain any business gains or benefits. No work should be conducted with unlawful solicitation from any interested parties.

### Gifts and Hospitality

Executives and employees of KT&G should be attentive to any acts of giving and receiving gifts or hospitality beyond the generally accepted level, as it may affect the impartiality of our work performance. The act of exchanging gifts and hospitality may contribute to fostering sound and transparent business relationships. However, all such acts must comply with the applicable laws and regulations, as the standards for regulating the exchange of gifts or hospitality may vary in different countries.

Gifts and hospitality may include the following

- Provision of money and valuables such as securities, cash, alcohol, and meals
- Provision of services such as transportation and accommodation
- Provision of pecuniary advantages such as discounts on products or services

### Donations and Sponsorships

Donations and sponsorships should be reasonably provided in accordance with related laws and internal rules. Executives and employees of KT&G shall not provide any donations and sponsorships to a political party or a politician on behalf of KT&G.

### Education and Training

KT&G conducts education and training on legal compliance, improvement of awareness, etc., in relation to this Policy in order to improve the awareness of compliance among KT&G executives and employees. In addition, executives and employees must submit an Ethics Pledge and must actively participate in the education and training that is conducted to internalize ethical awareness such as ethical management campaigns, etc.

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## Policy Management

### Unethical Practice Reporting System

KT&G has established an internal control and management system through which we regularly identify and assess related risks, and prevent corruption that may occur in our corporate activities. We also operate a reporting system for unethical behavior, which our stakeholders can use whenever necessary.

Those who witness the violations of this policy shall report the case through the [Unethical Practice Reporting channel](#) on our website. The reporter is protected under our [Guidelines for the Protection of Reporters of Unethical Behaviors](#), and any form of retaliation and acts disadvantageous to the reporter is prohibited.

KT&G may take any necessary measures or issue any necessary discipline in accordance with Company regulations such as orders to suspend/correct unethical behavior, etc., with respect to any violations of this Policy.

In addition, in the event there is any issue or ethical dilemma that is not addressed by this Policy or Company regulations, the stricter standard from among this Policy, KT&G internal regulations, local laws, or local customs must apply with priority. Relatedly, efforts must be made to always make the ethical decision by consulting with the head of any relevant department or the department in charge of the ethical management of an affiliated company.