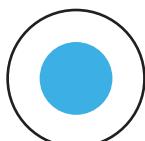


South Korea

Summary of Findings



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1. Industry participation in policy development

The government has a multisectoral national tobacco control strategy, focal point for tobacco control, national coordinating mechanism for tobacco control and national smoking cessation program. The tobacco industry is not represented in the committee.

In 2020 the Court concluded a case of the Ministry of Food and Drug Safety against Philip Morris Korea's claim of releasing information. The Court allowed the Ministry of Food and Drug Safety to release information to examine methods of IQOS in May.

There were no reports on the government allowing or inviting any tobacco industry member/manufacturer to sit in any public health policymaking bodies.

2. Industry CSR activities

KT&G continued to conduct its corporate social responsibility (CSR) activities in relation to public interest, college scholarships and youth education supports. In 2020 during the COVID-19 pandemic, KT&G extended its CSR activities to vulnerable populations and donated emergency funds of 500 million KRW to the Hope Bridge Association of National Disaster Relief with the purpose of supplying the food items and quarantine items for the medical personnel and self-quarantined people.

According to the KT&G website, it has supported about 370 smoking rooms in large public facilities such as airports, about 100 common trash cans were installed annually in

multi-use facilities such as transportation facilities and the Seoul City "Clean Street Campaign."

KT&G received the Commissioner Award from the Korean Intellectual Property Office (KIPO) at the Intellectual Property Management Enterprise of the Year ceremony. Between 2016 and 2019, KT&G increased its number of patent applications from 43 to 431. In December 2020, it received the Prime Minister's citation on the Day of Invention. In addition, KT&G was awarded the Prime Minister Prize as Family-friendly Company by the Ministry of Gender Equality and Family and the Presidential Prize for "Contributing to Law and Order" by the Ministry of Justice.

3. Benefits to the industry

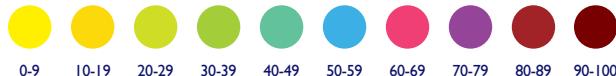
No new laws in regard to tobacco control were introduced in 2020, policies on display of tobacco products at points of sale, tobacco sponsorship or tobacco taxation. Korea still has the lowest cigarette price among OECD countries.

4. Unnecessary interaction

There is no publicly available information of such interaction. However, it does not mean it did not take place.

5. Transparency

The government does not disclose meetings and interactions with the tobacco industry to the public.





Recommendations

6. Conflict of interest

There is no prohibition on contributions from the tobacco industry.

The National Pension Service is the largest shareholder in KT&G with a 9.1% stake. According to a news report, the NPS also invests hundreds of millions of dollars in other transnational tobacco companies, namely Philip Morris International (PMI) and British American Tobacco (BAT). This issue was already identified in 2011 and that environmental, social and governance (ESG) will be applied to this investment. However, the investment in tobacco companies still continues.

7. Preventive measures

There is no existing transparency or preventive measure system to disclose and record interaction with the tobacco industry and its representatives in Korea.

The government has some information on equity capital, types of tobacco to be manufactured and annual manufacturing scale as indicated in the Tobacco Business Act of 2014. However, the public has no access to this information. The tobacco industry is not required to submit information on marketing expenditure, philanthropy or other contributions.

1. Develop a comprehensive and time-bound national strategy to raise awareness on and curb tobacco consumption and tobacco industry interference in public health policymaking.
2. Cascade and mainstream the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) Article 5.3 and its guidelines within and among government departments involved in planning and monitoring of tobacco control policies.
3. Strictly ban tobacco industry marketing and promotional activities, directly through its so-called CSR activities or indirectly through its affiliates.
4. Expose harmful effects of and ban consumption of electronic nicotine delivery systems (ENDS) and HTPs.
5. Require the tobacco industry to submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and lobbying activities.
6. Increase prices and excise tax on tobacco products, including ENDS and HTPs, to further reduce smoking prevalence and improve public health.