CONNECTING PEOPLE AND INCHEON AIRPORT
The Initiatives for Our Better Future
Assurance
To ensure the objectivity and reliability of this report, an independent third-party assurance review has been carried out based on the international assurance standard. The results of the assurance review are presented in the Appendix.

Thinking Ahead

The keyword WITH displays how we at Incheon International Airport Corporation (IIAC) engage in sustainable management side by side with stakeholders and how efficiently the economic, social, and environmental values created through such process are communicated to the stakeholders.

Sustainability Performance

Create an Environmentally-Friendly Airport

Our Approach to Sustainability

Ethical Management

Governance

Stakeholder Engagement

Materiality Assessment

Risk Management

Retention to the Future

Thinking Ahead #1. People-Centered Social Values

Thinking Ahead #2. Our Contribution to the SDGs

Thinking Ahead #3. Human Rights Management

ABOUT THIS REPORT

Overview

The Incheon International Airport Corporation (IIAC) has published its annual sustainability report since 2007 in order to share its sustainable management vision, activities and performances with its stakeholders. Notably, in 2018, Incheon International Airport became the first state-owned enterprise to establish specific goals for implementing its vision of sharing values under the name of 'Opening Sky Passages and Growing with People'. Having signed a comprehensive social value agreement with agencies that have permanent offices at the airport, airlines, commercial/logistics companies, and local community organizations, Incheon International Airport is seeking to create its own distinct social values.

This report, the twelfth one to be published by the IIAC, presents Incheon International Airport’s four key sustainable management strategies, the key business areas related to those strategies, and important issues drawn from the materiality assessment. Detailed information on the IIAC’s performance in the realm of environmental management can be found in The Green Report, which is published annually.

Standard

This report has been prepared in accordance with the Core Option of the GRI (Global Reporting Initiative) Standards, ISO 26000 Guidance on Social Responsibility, the UN’s Global Compact (UNGC), and the UN’s Sustainable Development Goals (SDGs). The reporting standards and definitions of the financial and non-financial information presented in this report are based on the IFRS, the International Financial Reporting Standards (IFRS) adopted by Korea.

Report Period, Scope and Boundaries

This report describes the IIAC’s activities and performance results from January 1, 2018 to December 31, 2018, although it also covers certain important performance results from the first half of 2019. The qualitative performance results from the past three years (2016-2018) have also been included in the report so as to allow the readers to see the improvements and changes that have been made. Finally, the report contains the activities and performance results from all business areas in which the IIAC is engaged, while the reporting boundaries for material issues are described separately on page 79.

* Subsidiaries (Incheon Airport Energy Co. Ltd., PT. Mitra Incheon Indonesia, and PJSC Khabarovsk) are excluded from this report.

Assurance

To ensure the objectivity and reliability of this report, an independent third-party assurance review has been carried out based on the international assurance standard. The results of the assurance review are presented in the Appendix.

Inquiries about the Report

This report is available in Korean and English and can be downloaded from the Incheon International Airport Corporation’s website. We collect opinions about the report from our stakeholders through diverse channels including phone, fax, and mail.

Incheon International Airport Corporation

Address: 22382 47, 424beon-gil, Gonghang-ro, Jung-gu, Incheon

Department: Sustainability Management Team, Incheon International Airport Corporation

Phone: +82-32-741-2107~8 | Fax: +82-32-741-3409

COVER STORY

The keyword WITH displays how we at Incheon International Airport Corporation (IIAC) engage in sustainable management side by side with stakeholders and how efficiently the economic, social, and environmental values created through such process are communicated to the stakeholders.
Message from the CEO

Dear Respected Stakeholders,

Incheon International Airport Corporation (IAC) celebrated its 20th year of operation in 2019. Like all world-class corporations, in becoming a world class airport corporation, we had to overcome many difficulties and adversities one after another and pave a path forward that no one had journeyed. With the successful opening of the 2nd terminal in 2018, Incheon International Airport was able to serve 68 million international passengers and handle 3 million tons of cargo, becoming one of the top 5 global airports in the process and a national brand of South Korea.

Our airport services continue to amaze international visitors for their top level service qualities which are unraveled by any other airport in the world. We are expanding our presence as an internationally leading airport by creating 2nd and 3rd “Incheon International Airports” around the world and developing resort complexes that create added value by linking air travel to sightseeing. These achievements were possible because of the passion and dedication of all our employees and their desire to make Incheon International Airport into a world-class operation.

The IAC promises once more to pursue a ‘people-centered’ management philosophy and become a leading corporation in the fulfillment of its social value responsibilities. The IAC pledges to faithfully implement the following tasks of agenda:

1. First, we shall build a safe airport with safety as our highest priority.
2. Second, we shall venture into the future age by consolidating the foundations for future growth.
3. Third, we shall push through with innovative growth, playing the leading role in bringing about constructive changes and opportunities.
4. Fourth, we shall pursue the human-centered value of ‘Togetherness’.

The importance of aviation safety and security cannot be overstated. Safety is the number one value that should never be compromised. At a time when frequent safety accidents and disasters are raising public fears about aviation safety, the airport is the one place that needs the tightest possible supervision in view of the great diversity and complexity of aircraft operations, terminal operations, facility management, construction projects and all the other safety-requiring activities that take place in an airport. We aim to create an airport where the people of South Korea feel perfectly safe at all times and in all circumstances by installing a Big Data-based accident prevention system, an intelligent video surveillance system, and a company-wide information-sharing and instant response system.

In recent years, due to the globalization of economic activities and the general restructuring of industry around high-tech industries, we have finally entered the age of the super airport. While first-generation airports simply transported passengers and cargoes, and second-generation airports developed peripheral areas consisting of hotels, resorts, and logistics networks, the current third-generation airports have to move beyond these paradigms to serve as centers of global commerce and production while simultaneously functioning as an economic zone that fuses air transportation, tourism, logistics, and smart services. We shall double our efforts to transform Incheon International Airport into a hub of global economic activities. These efforts will take the form of a 4-stage expansion project that will enable Incheon Int’l Airport to handle 100 million passengers by 2023, thereby enabling it to meet the rapidly increasing demand for air transportation services and turning it into an airport economic zone which will come to symbolize South Korea.

Unless we actively cope with the need for changes, we may be forced to go through changes imposed by others. We shall create opportunities to realize growth through fundamental diagnosis and innovation by going back to the basics. We shall be reborn as a world-class airport business with the resolve to innovate steadily ahead of our competitors.

People are more important than anything else. Although the environment in which we operate and our superior capabilities are important for achieving our goals, we believe that harmony and trust between people and our ability to coexist are far more important than that. Incheon Airport is a small city where some 300,000 people work at the same time. We shall pay more attention and provide extra care to the multitudes of people who use our airport, especially those who are physically handicapped and the socially neglected. We view ourselves as not just IAC employees, but consider all the 70,000 airport employees as full members of the Incheon International Airport family. The work performed by this extended family is making our airport a small city where some 300,000 people work at the same time. We shall pay more attention and provide extra care to the multitudes of people who use our airport, especially those who are physically handicapped and the socially neglected. We view ourselves as not just IAC employees, but consider all the 70,000 airport employees as full members of the Incheon International Airport family. The work performed by this extended family is making our airport a small city where some 300,000 people work at the same time.

To enhance the future value of Incheon International Airport, we at the IAC disclose the results of our performance to all our stakeholders in a highly transparent manner. The IAC will continue to support the UN Global Compact’s principles on human rights, labor, environment and anti-corruption, and strive hard to achieve its sustainable development goals (SDGs) through sustainable management activities.

The IAC will continue to challenge, innovate and transform itself in order to realize people-centered social values and create an aviation ecosystem by pursuing fundamental changes, innovative growth, and win-win cooperation. With the cooperation and participation of all our members, the IAC handles various economic, environmental and social issues responsibly with complete dedication, fulfilling our social value responsibilities and the needs of sustainable management. We ask for your unwavering interest in and encouragement for the IAC’s efforts to write a new chapter and lay new milestones in the history of the global aviation industry.

July, 2019

Bon-Hwan Koo
President and CEO of Incheon International Airport Corporation
2018/19 Highlights

**FIRST**
1. **68.25** million passengers
2. **2.73** trillion in sales
   - "Double New Record" in operations and finance since its opening!

**GLOBAL**
1. **World’s 5th Busiest Airport in 2018**
   - The Airports Council International (ACI) announced in its 2018 World Annual Traffic Reports that Incheon International Airport handled **67.68** million passengers, making it the 5th busiest airport in the world.

2. **Kuwait International Airport Terminal 4**
   - The IIAC has won the largest ever foreign airport operation project (KRW **140** billion) to operate and maintain Terminal 4 of Kuwait International Airport for the next five years.

**BEST**
1. **First in Asia-Pacific Region**
   - Operated training courses certified by the world’s three major international aviation organizations (ACI, ICAO, IATA).

2. **Awarded by ICAO (International Civil Aviation Organization) for enrolling the highest number of trainees on its training program.**

3. **The Most Admired Companies in Korea for the 12th Consecutive Year**
   - The Incheon International Airport Corporation was selected as one of the most admired companies in Korea in the “SOC Facility Management” category in the 2018 Korea Management Association Consulting (KMAC) survey of Korea’s most admired companies for the eleventh consecutive year.
The Incheon International Airport Corporation (IIAC) was established for the purpose of smoothly operating the construction and operation of the Incheon International Airport to facilitate the smooth operation of South Korea’s airline services and contribute to the development of the national economy. In 2019, the IIAC will celebrate the twentieth anniversary year of its foundation. With this founding purpose as the basis of all its efforts, the IIAC is persevering with its long-term campaign to become an airport corporation that pursues growth while balancing the public benefit with efficiency.

Vision and Strategies

Based on its founding objectives, which are grounded in government policies and laws, the IIAC established its core values and vision related to the CEO’s philosophy. The Incheon International Airport Corporation Act was revised in 2018 to boost the IIAC’s ability to implement its core values and vision. In addition, the IIAC reformed its management strategy around ‘policy implementation, competitiveness improvement, and future growth’ to respond more effectively to changes in policy and the business environment. Through these measures, the IIAC is persevering with its long-term campaign to become an airport corporation that pursues growth while balancing the public benefit with efficiency.

Vision

To Take a Second Leap Forward To Becoming a Global Leading Airport

Strategic Management Brand

“Air Platform”

1. Key Strategies

- Growing faster than market growth by introducing new business
- Improving public satisfaction by introducing new aviation safety procedures
- Leading the development of the aviation industry through competitiveness
- Procuring new growth engines by developing new exclusive offensive strategy

Future Growth

Key Events in Corporate History

- 1992
  - Groundbreaking ceremony for Incheon Airport construction
  - Construction of Terminal 1 begins
- 1999
  - Establishment of the IIAC
- 2001
  - Opening of Incheon International Airport
- 2006
  - Opening of Incheon Airport Free Trade Zone
  - Completion of Concourse and Phase 2 Construction Project
- 2009
  - Launch of IIAC’s overseas business
- 2013
  - Construction of Terminal 2 begins
  - Induction of IAC into the Global Transporter Hall of Fame
- 2018
  - Construction of Terminal 2 begins
  - No.1 rating in the Airports Council International (ACI)’s Airport Service Quality (ASQ) Awards for the 12th consecutive year
- 2019
  - Opening of new route for Kuwait Airport
  - Opening of duty-free section for arrivals
  - Opening of Incheon Airport Terminal 2

Key Businesses

- Construction, Management and Operation of Incheon International Airport
- Development of Surrounding Areas
- Supplementary Businesses and Other State-Commissioned Projects
- Consulting Business Related to Airport Construction and Operations
- Construction, Management and Operation of Foreign Airports, Development of Surrounding Areas

Name

- Incheon International Airport Corporation

CEOs

- Beom-Hoon Koo
  - February 1, 1999

Competition Authority

- Ministry of Land, Infrastructure and Transport

Type of Organization

- Market-oriented state-owned enterprise

Capital

- KRW 2.41 trillion

No. of Employees

- 1,429

Organization

- 47, 428no. of, Gonghang-ro, Jung-gu, Incheon

Key Figures

- No. of Airport Employees: 70,000
- No. of Flights: 387,497
- No. of Passengers: 68.25 million
- Volume of Cargo Handled: 2.95 million tons
- Accident-free Flights: 372 million
- KRW 2.73 trillion Revenue

Overview

The Incheon International Airport Corporation (IIAC) was established for the purpose of smoothly operating the construction and operation of the Incheon International Airport to facilitate the smooth operation of South Korea’s airline services and contribute to the development of the national economy. In 2019, the IIAC will celebrate the twentieth anniversary year of its foundation. With this founding purpose as the basis of all its efforts, the IIAC is striving to become a global airport corporation that will lead the world in airport innovations in the rapidly changing business environment of the future.
THINKING AHEAD TO THE FUTURE

We at IIAC are making preparations for another successful 20 years with renewed resolve, looking back at what we have achieved for the past 20 years. Our commitment is to set an example for other airports of the world to follow through continued innovative efforts in the realization of sustainable social values. We have focused on the pursuit of sublime objectives, a firm sense of ethics, and the willingness to share happiness with others as a world-class airport business.

1. Thinking Ahead #1. ‘People-centered’ Social Values
2. Thinking Ahead #2. Our Contribution to the SDGs
3. Thinking Ahead #3. Human Rights Management
We aim to realize ‘people-centered’ social values

To realize its innovation goal of ‘Opening Sky Passages and Growing with the People’ and create social values, IIAC in 2018 established 4 key strategies for implementing social values.

As a result of our airport family members working together towards social value implementation targets, we achieved the valuable result of meeting our short-term targets. IIAC is growing together with the people by opening sky passage. IIAC’s hope filled journey to make our society more valuable has already begun.

INCHEON AIRPORT, SOCIAL VALUE+

1. Win-win growth with local communities
2. Eco-friendly green airport
3. Revitalization of regional economies
4. Mutual growth with SMEs

Creative & Innovative Smart Management

Innovative Growth

People-Centered

Innovative
Growth

People-Centered

Creative & Innovative Smart Management

Vision: Opening the Sky Passage and Developing with the Citizens

We aim to realize ‘people-centered’ social values

Vision Objective

Incheon International Airport

Opening the Sky Passage and Developing with the Citizens

‘Connecting People and Airport’

A Safe and Joyful Workplace, ‘A Haven of Good Jobs’

Task

1. Create good jobs
2. Create joyful workplaces
3. Protect the human rights of air travelers
4. Build a 24-hour safety network

Performance

(as of 2018)

(as of 2022)

Goal

Create new jobs

50,000 persons

50,000 persons

Investments in social value realization

KRW 860,000 billion

KRW 65 billion

\[\text{Roadmap for Realizing Social Values}\]

<table>
<thead>
<tr>
<th>Stage</th>
<th>Year</th>
<th>Goal</th>
<th>Task</th>
<th>Performance</th>
</tr>
</thead>
</table>
| 1     | Introductory Stage 2019 | New jobs to be created 30,000 (by 2020)
|       |      | Foster social economic organizations | 25 |
|       |      | Global Airport | TOP 6 |
|       |      | Investments in Social Values | 270 billion |
| 2     | Maturity Stage 2020-2022 | New jobs to be created 50,000 (by 2022)
|       |      | Foster social economic organizations | 100 |
|       |      | Global Airport | TOP 5 |
|       |      | Investments in Social Values | 860 billion |
| 3     | Expansion Stage 2023-2030 | New jobs to be created 150,000 (by 2030)
|       |      | Foster social economic organizations | 200 |
|       |      | Global Airport | TOP 3 |
|       |      | Investments in Social Values | 1,860 billion |
Creating Good Jobs, Incheon International Airport’s Job Platform

It would not be an exaggeration to say that the most pending management issue in the eyes of society today is ‘job creation’. In response to the ever-increasing calls for more jobs, the ICAC conceived the slogan ‘A Haven of Good Jobs’ and is making efforts to increase the number of high-quality jobs available.

By establishing the ‘Incheon International Airport Job Platform’, we now use this platform both online and offline channels, such as the ICAC’s online job portal site, employment support centers and job fairs, to support jobseekers.

In addition, the ICAC opened a Resident Company Introduction corner on its corporate website to increase public access to detailed job information. At the end of 2018, the ICAC formed a student supporter squad to promote its job platform, and this squad executed various promotional activities targeting jobseekers for three months.

Through the job platform, the ICAC will make every effort to contribute to the creation of high-quality jobs and social values.

2018 Job Platform Activities and Results

“A Happy Society Filled with the Joys of Work!” This is the blueprint for the future imagined by the ‘Incheon International Airport Corporation.’

Online Job Portal
- Position matching: 1,691 persons
- Total views: 230,000
- Visitors: 120,000 persons
- Satisfaction with job portal: 95% of companies expressed satisfaction with the portal

Job Fair
- Participating companies: 52 companies
- Held: Once a year
- Visitors: 9,000 persons
- Survey results: Over 79% expressed satisfaction

Creation of 50,000 new jobs

Job training at the Incheon Airport Aviation Academy
- The ICAC has opened the Incheon Airport Aviation Academy to the public in the hope that it will evolve into a hub for aviation job training.
- Job-tailored educational training and common core courses on airport operations and services are provided.
The Sustainable Development Goals (SDGs), agreed upon by 193 countries in September 2015 at the United Nations, will spur developments that will satisfy the needs of future generations as well as our own present needs. The SDGs comprise the 17 goals and 69 specific goals which the international community must achieve over the 15 years from 2016 to 2030.

The IIAC actively supports the UN’s Sustainable Development Goals (SDGs), which are aimed at building a better world. In response to the challenging agenda of sustainability development, it will strive to contribute to achieving the sustainable development goals by identifying future business opportunities and strengthening its sustainability values.

### OUR FOCUS SDGs

1. **Sustainable Cities and Communities**
   - Build resilient infrastructure, promote inclusive and sustainable industrialization and innovation

2. **Zero Hunger**
   - Ensure healthy lives and promote well-being for all at all ages

3. **Good Health and Well-being**
   - Ensure healthy lives and promote well-being for all at all ages

4. **Quality Education**
   - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

5. **Clean Water and Sanitation**
   - Ensure availability and sustainable management of water and sanitation for all

6. **Affordable and Clean Energy**
   - Ensure access to affordable, reliable, sustainable and modern energy for all

7. **Decent Work and Economic Growth**
   - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8. **Climate Action**
   - Take urgent action to combat climate change and its impacts

9. **Industry, Innovation and Infrastructure**
   - Build resilient infrastructure, promote inclusive and sustainable industrialization and innovation

10. **Clean Air**
    - Ensure access to affordable, reliable, sustainable and modern energy for all

11. **Safe Water**
    - Ensure availability and sustainable management of water and sanitation for all

12. **Clean Air**
    - Ensure access to affordable, reliable, sustainable and modern energy for all

13. **Clean Water**
    - Ensure availability and sustainable management of water and sanitation for all

14. **Decent Work**
    - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

15. **Climate Action**
    - Take urgent action to combat climate change and its impacts

16. **Sustainable Cities and Communities**
    - Build resilient infrastructure, promote inclusive and sustainable industrialization and innovation

17. **Clean Air**
    - Ensure access to affordable, reliable, sustainable and modern energy for all

### Medical Operation Support for Uzbekistan Children with Heart Diseases

In September 2018, the Incheon International Airport Corporation paid for the medical operations of twelve children suffering from heart disease in Uzbekistan. This came about at the end of 2017, when the IIAC was involved in a consulting project to improve the operations of Tashkent International Airport. First, a South Korean medical team was dispatched to Uzbekistan where it immediately selected twelve children in urgent need of surgery. The children and their guardians were invited to South Korea, where they received surgery and in-patient treatment at a heart specialist hospital for three weeks. The IIAC supported the entire costs of the surgery and treatment until all twelve children departed South Korea as fully healed, healthy children.

### Incheon International Airport Healing Talk Program

For 70,000 diligent employees who work and live at the airport, the IIAC runs a professional counseling and healing service called the “Incheon International Airport Healing Talk Program”. Experienced professional counselors offer counseling services via 1:1 face-to-face meeting, phone, and email at the place and time desired by an employee. Employees receive help with work related stress, interpersonal relations, and family problems. In addition, the IIAC provides lunchtime healing classes to enable employees to heal mind and body while at work. The program includes craft-making, meditation, yoga, sports massage, and psychological examinations.

### Transmitting Our Airport Operation Know-how to the World

Since 2008, the Incheon Airport Aviation Academy has been providing international training programs to aviation professionals from diverse countries on a variety of subjects based on the know-how and expertise acquired through years of operating Incheon International Airport. The programs cover such subjects as aerodrome inspection, airport customer service quality management, and airport greenhouse gas management. We have developed and operated the course. By 2018, some 6,569 overseas trainees from 140 countries had completed the Aviation Academy course. In addition, the IIAC also provides free education to aviation professionals from developing countries with the goal of enhancing their professional skills, thereby contributing to the development of the global aviation industry. By 2018, the academy had provided free education to over 1,039 professionals from 80 developing countries.
With the goal of becoming the world's best 'Low Carbon, Environmentally-Friendly Airport', the IIAC is pursuing several different energy policies. It is substantially expanding its investments in renewable energy with the aim of changing its airport operation paradigm from one based on 'energy consumption' to one based on 'energy independence.' Terminal 2, which opened in January 2018, is the place where we showcase the airport's low carbon and environmentally-friendly policies. Notably, we became the first airport in South Korea to adopt solar power by installing photovoltaic (PV) cells on the roof of T2, as well as installing building-integrated photovoltaic (BIPV) cells on the roof of air traffic control tower 2. Furthermore, we built a large solar power farm on some of the unused land surrounding the airport, and minimized indoor energy consumption by installing geothermal equipment, high-efficiency LED lights, and ceiling daylight lighting. These investments have enabled T2 to achieve energy savings of up to 40% when compared to T1. T2 has now become the first airport in South Korea to adopt solar power by installing photovoltaic (PV) cells on the roof of air traffic control tower 2.

Moreover, we built a large solar power farm on some of the unused land surrounding the airport, and minimized indoor energy consumption by installing geothermal equipment, high-efficiency LED lights, and ceiling daylight lighting. These investments have enabled T2 to achieve energy savings of up to 40% when compared to T1. T2 has now become the first airport in South Korea to adopt solar power by installing photovoltaic (PV) cells on the roof of T2, as well as installing building-integrated photovoltaic (BIPV) cells on the roof of air traffic control tower 2.

Furthermore, we built a large solar power farm on some of the unused land surrounding the airport, and minimized indoor energy consumption by installing geothermal equipment, high-efficiency LED lights, and ceiling daylight lighting. These investments have enabled T2 to achieve energy savings of up to 40% when compared to T1. T2 has now become the first airport in South Korea to adopt solar power by installing photovoltaic (PV) cells on the roof of T2, as well as installing building-integrated photovoltaic (BIPV) cells on the roof of air traffic control tower 2.

Furthermore, we built a large solar power farm on some of the unused land surrounding the airport, and minimized indoor energy consumption by installing geothermal equipment, high-efficiency LED lights, and ceiling daylight lighting. These investments have enabled T2 to achieve energy savings of up to 40% when compared to T1. T2 has now become the first airport in South Korea to adopt solar power by installing photovoltaic (PV) cells on the roof of T2, as well as installing building-integrated photovoltaic (BIPV) cells on the roof of air traffic control tower 2.

The IIAC complies with the carbon emissions reduction and operating guidelines of Airport Carbon Accreditation (ACA) scheme of the Airports Council International (ACI). In 2014, the IIAC became the first airport in South Korea to obtain the ACA Level 3 (optimization) certification, which manages the emission reduction items for carbon emissions generated in the airport zones, including the airport facility itself. In 2018, the IIAC completed the renewal of its certification by managing the Level 3 certification items.

The IIAC was also awarded the Carbon Trust Standard (CTS) certification in 2017, an environmental certification given in recognition of its efforts to maintain "low carbon, green airport" operations, to operate a fleet of eco-friendly and low-pollution vehicles, and to run diverse carbon offset programs. As of January 1, 2019, the IIAC has successfully maintained its CTS certification standing. The IIAC has also made plans to purchase hydrogen-powered and electric company vehicles (buses, cars) and to install the necessary charging stations. By introducing hydrogen-powered vehicles and expanding the infrastructure, we at the IIAC will play a leading role in stimulating the growth of the hydrogen economy as the operator of a low-carbon, environmentally-friendly airport.

Let's Go Together with the Incheon International Airport Value Trip!

The IIAC created the “Incheon International Airport Value Trip” program in 2018 for the purpose of incubating social economic organizations and creating a virtuous cycle that allows such organizations to produce new jobs. The 40 or so selected social entrepreneurs were required to take part in social economy education and workshops in South Korea, before developing business objectives and traveling to Kathmandu, Nepal for their overseas training. It should be noted that the entire overseas training program was based on protecting the natural environment. At the same time, it was organized as a ‘fair trip’ in which they engaged in consumption activities to ensure that the local inhabitants also benefitted. The overseas training scheme became an opportunity for the participants to create social value. A few social companies concluded business agreements with Nepalese social companies, enlarging opportunities to do business there in the future.

Social economic Networking in Nepal
21 places

Social economic entrepreneurs and jobseekers
37 persons

Low Carbon, Eco-Friendly Airport

The IIAC complies with the carbon emissions reduction and operating guidelines of Airport Carbon Accreditation (ACA) scheme of the Airports Council International (ACI). In 2014, the IIAC became the first airport in South Korea to obtain the ACA Level 3 (optimization) certification, which manages the emission reduction items for carbon emissions generated in the airport zones, including the airport facility itself. In 2018, the IIAC completed the renewal of its certification by managing the Level 3 certification items.

The IIAC was also awarded the Carbon Trust Standard (CTS) certification in 2017, an environmental certification given in recognition of its efforts to maintain "low carbon, green airport" operations, to operate a fleet of eco-friendly and low-pollution vehicles, and to run diverse carbon offset programs. As of January 1, 2019, the IIAC has successfully maintained its CTS certification standing. The IIAC has also made plans to purchase hydrogen-powered and electric company vehicles (buses, cars) and to install the necessary charging stations. By introducing hydrogen-powered vehicles and expanding the infrastructure, we at the IIAC will play a leading role in stimulating the growth of the hydrogen economy as the operator of a low-carbon, environmentally-friendly airport.

Continuous Infrastructure Expansions

With the successful opening of Terminal 2 (T2), Incheon International Airport had a second opening, and the IIAC is now meeting the expectations of air travelers and making another leap forward as a leading airport in the global airport industry. Furthermore, competition to service the world’s sky routes is becoming increasingly intense with each passing day, and airports in Northeast Asia are competing to become the dominant hub airport in the region. In this context, the IIAC is preparing for the future competition by expanding the facilities of Terminal 2 under a 4-stage expansion project which, once completed, will enable Incheon International Airport to handle 100 million passengers every year. The IIAC’s race to become one of the world’s top 3 largest airports and the airport of the future has already begun.
Awareness of the Importance of Human Rights

As a state-owned enterprise commissioned by the nation to provide a specific function, the IIAAC respects the basic rights of citizens as provided in Article 10 of the Constitution of South Korea, basic rights such as their human worth and dignity as citizens, and their right to pursue happiness. Furthermore, as a responsible enterprise that engages in business on a global scale, the IIAAC is aware of the human rights responsibilities of an enterprise demanded by the international community and respects the principles of human rights as recognized by international human rights laws. The IIAAC recognizes the importance of human rights responsibilities of business enterprises that are based on the UN’s Guiding Principles (UNGPs) for Business and Human Rights, namely, the ‘Protect, Respect and Remedy’ framework. For this reason, the IIAAC is striving to realize social values by implementing human rights management that is compatible with the nature of Incheon International Airport’s businesses.

Institution of a Human Rights Management System

In full recognition of a business enterprise’s human rights responsibilities, the IIAAC followed the guidelines of the manual on human rights management published by the Human Rights Commission when it instituted a human rights management system for protecting the human rights of all of its stakeholders. In 2018, to formally adopt human rights management, the IIAAC established its human rights management vision of ‘Incheon International Airport, an Airport That Promotes Social Values by Promoting Respect for Human Rights’. It drew up a plan to consolidate its human rights management implementation system for realizing social values, and developed a mid-to-long term implementation roadmap and detailed implementation schedule for the introductory, maturity, and expansion stages. It also launched a human rights management implementation organization composed of human rights management managers from the related teams, and a human rights management committee whose members were appointed from outside and within the IIAAC.

In November 2018, the IIAAC internally enacted regulations on human rights management and adopted a human rights charter in December of the same year. It then held a ceremony commemorating the launch of the human rights charter during which the CEO and all the employees signed the charter. Moreover, through the ‘Global Citizens Incheon International Airport Proclamation Ceremony’, the IIAAC proclaimed its corporate value of respecting stakeholders from different cultural backgrounds.

Protection of human rights of stakeholders through the expansion of human rights-based management

Activities aimed at raising IIAAC employees’ awareness of human rights

In order to adopt and promote human rights management at the company-wide level, the IIAAC requires its employees to sign a written pledge on human rights management, and posts the related information on its websites and offline notice boards. By conducting human rights awareness activities that start with its own employees, the IIAAC is contributing to establishing and promoting a culture characterized by respect for human rights both in and outside the company.

The IIAAC operates an employee grievance counseling center and committee, and has established a high-handed business practice reporting center and sexual harassment/violence reporting center. To improve human rights awareness, the IIAAC constantly operates employee assistance program (EAP), requires its employees to enroll on a human rights education program, and has expanded the “blind” recruitment of new employees.

Human Rights Impact Assessment

In December 2018, the IIAAC carried out an in-house assessment of its human rights impact. As a result, respondents gave positive answers in 126 (93.3%) of the 135 questions on human rights impact assessment related to us, suggesting few human rights-related negative impact factors related to us. Additionally, in order to obtain objective and independent results of the human rights impact assessment, the IIAAC appointed an external third party to conduct a secondary analysis and provide recommendations.

Human Rights Education

In order to adopt and promote human rights management at the company-wide level, the IIAAC requires its employees to sign a written pledge on human rights management, and posts the related information on its websites and offline notice boards. By conducting human rights awareness activities that start with its own employees, the IIAAC is contributing to establishing and promoting a culture characterized by respect for human rights both in and outside the company.

The IIAAC operates an employee grievance counseling center and committee, and has established a high-handed business practice reporting center and sexual harassment/violence reporting center. To improve human rights awareness, the IIAAC constantly operates employee assistance program (EAP), requires its employees to enroll on a human rights education program, and has expanded the “blind” recruitment of new employees.

Institution of a Human Rights Management System

In full recognition of a business enterprise’s human rights responsibilities, the IIAAC followed the guidelines of the manual on human rights management published by the Human Rights Commission when it instituted a human rights management system for protecting the human rights of all of its stakeholders. In 2018, to formally adopt human rights management, the IIAAC established its human rights management vision of ‘Incheon International Airport, an Airport That Promotes Social Values by Promoting Respect for Human Rights’. It drew up a plan to consolidate its human rights management implementation system for realizing social values, and developed a mid-to-long term implementation roadmap and detailed implementation schedule for the introductory, maturity, and expansion stages. It also launched a human rights management implementation organization composed of human rights management managers from the related teams, and a human rights management committee whose members were appointed from outside and within the IIAAC.

In November 2018, the IIAAC internally enacted regulations on human rights management and adopted a human rights charter in December of the same year. It then held a ceremony commemorating the launch of the human rights charter during which the CEO and all the employees signed the charter. Moreover, through the ‘Global Citizens Incheon International Airport Proclamation Ceremony’, the IIAAC proclaimed its corporate value of respecting stakeholders from different cultural backgrounds.
We at IIAC will face challenges courageously and with fortitude. We will continue to work to become a hub airport in Northeast Asia as one equipped with world-class infrastructure. We are writing a new page of airport history as an airport setting new criteria for future airports.

1. Safe Airport
2. Convenient Airport
3. Growing Airport
4. Future-Oriented Airport
WHY IT’S MATERIAL TO IIAC?

With the massive airport congestion caused by drastic increases in air traffic and the corresponding rise in flight operational risks, safety accidents at public facilities, and the ever-present threat of terrorist attacks which have evolved into many different forms, aviation safety has become a matter of increasing public interest. As a consequence, the adoption of a safety system which places the safety of airport users above all other priorities, a smart air traffic control system for safe flight operations, and intensification of the efforts to prevent terrorist incidents are just some of the demands being voiced by the public. We are fully aware that it is more important than anything else to keep customers’ personal information safe in an era where the focus is on prevention in the field of information security and safety-related skills are regarded as the core of business competitiveness.

STRATEGY

Operational Safety
- Deploy a prescriptive aviation safety system
- Improve the ground operations safety management system
- Provide a smart navigation safety service

Airport Disaster Safety
- Improve the disaster response system
- Ensure perfect response to diverse and complex disaster situations

Airport Security
- Deploy a smart aviation security system

ACHIEVEMENT

Airport Facility Malfunctions
0 case

Air Traffic Control System Malfunctions
0 case

Aviation Accidents
ZERO

Personal Information Leaks
0 case

EVALUATION

Performance Indicators
- Inspection and critique of airport operations
- Airport facility malfunctions
- Aircraft accidents
- Disaster management evaluation rating
- Aviation security breaches
- Deployment of a smart aviation security system

Frequency
- Monthly
- As and when necessary
- As and when necessary
- Annually
- As and when necessary
- Quarterly

Evaluation Methods
- Self-inspection to prepare for inspections (1,035 categories)
- Report on aviation safety trends
- Report on aircraft accident investigations
- Results of government (Ministry of Land, Infrastructure, and Transport, Ministry of Interior and Safety) disaster management evaluation
- Report on investigations of aviation security breaches
- Self-inspection and monitoring of facilities

MATERIAL ISSUES IN 2018

1. Airport Safety and Security
   (Operational Safety, Disaster Safety)
2. Customer Information Protection

RELEVANT UN SDGs

Securing Safe Sky Passage

Improving Airport Congestion through A-CDM Operational Advancements

In 2017, the country’s first “airport collaborative decision making” (A-CDM) system was established at Incheon Airport to provide the ATC Tower and Apron ATC Tower with flight status information in real time. In 2018, the IIAC concluded that teams collaborating in a congestion situation had to improve their unified response capabilities and that aircraft departure times and runway queues had to be managed in advance. To that end, the IIAC formed the A-CDM steering committee and initiated a project to upgrade its A-CDM by implementing TOBT-based departure approval, undertaking joint research (with the Korea Aerospace Research Institute) on advance departure management, and operating an abnormal situation response team (A-CDM Cell). As a result of these efforts, the IIAC was able to achieve zero accidents despite the airport’s high annual growth rate of air traffic of 7.3% and 1.052 flights per day.

* A-CDM (Airport Collaborative Decision Making): A system for sharing flight information between partner organizations.

** TOBT (Target Off Block Time): The time when an aircraft is ready to leave the apron, which is shared with other airline operators.

A-CDM Operational Advancements

1. Big Data-based air traffic visualization
   - 3. Artificial intelligence
   - 4. On-site supervision using video

Smart Navigation Control System

In order to perfect the operation of the new system, the IIAC implemented a roadmap for non-stop operation of the airport in 2018. The new roadmap covered such topics as the introduction of innovative 4th-industrial-revolution technologies, the pursuit of social values, and the improvement of air traffic communication network facilities. The IIAC also took a series of precautionary measures aimed at improving its operational safety, such as passing all the necessary legal inspections 100%, intensifying its crisis response training, and establishing a comprehensive monitoring system. Thanks to these efforts, by May 8, 2018, the airport’s navigation control system had already been operating non-stop for a total of 150,000 hours since its introduction. Furthermore, as air travel is becoming increasingly congested, the navigation control system used to ensure flight safety must also become smarter. As such, Incheon International Airport operates a smart navigation control system that remains active from the moment an aircraft takes off to the moment it lands. In other words, it is an intelligent monitoring system comprising Big Data analysis and AI technologies. Having firmly established this innovative, state-of-the-art airport system, the IIAC is working into a world leader of aircraft navigation control technology.

- 1. Big Data-based air traffic visualization system
- 2. Aircraft departure management system (D4600)
- 3. Artificial intelligence (deep learning) based on visual monitoring
- 4. Localizer Sensitivity Automated LiDAR intelligent monitoring system

Adoption of "Engine On De-icing"**

For the first time in South Korea

In order to prevent flight delays and a deterioration of flight safety in winter, the IIAC invited overseas de-icing experts to give seminars and conducted joint research with de-icing related agencies. Based on the lessons and conclusions it drew from these activities, the IIAC published the “Engine On De-icing Manual” for the first time in South Korea and also improved its airport safety environment by reducing the number of outdoor workers to the minimum. Furthermore, the IIAC conducted a safety test and verification of “engine on de-icing” under diverse conditions, thereby raising the safety of aircraft operations one level further.

* Engine On De-icing: This refers to the de-icing of an aircraft while its engine is running.

** De-icing time per flight
- 13 minutes reduction (28 minutes using the traditional method → 15 minutes using the Engine On De-icing method)
Expanding Risk Prevention Activities

The continuous rise in the number of flights means that safety risk factors have to be minimized and the facility management system advanced. For this reason, the IIA implemented expanding its SMS (Safety Management System) operation in 2018 in a bid to reinforce preventive safety measures. The IIA expanded the scope of participation of the SMS Working Committee, which was originally composed of representatives from the IIA, airlines, and the government, to include low-cost carriers (LCC), and conducted joint inspections in order to identify risk factors from the perspectives of different stakeholder groups. In addition, our practice of sending SMS lecturers to airports around the world has earned us considerable renown for the excellence of our SMS operation, which in turn led to hosting the ‘ICAO Asia Pacific SMS Seminars,’ an event that enhanced our national stature while serving as an opportunity to share our know-how with overseas airports.

Simultaneously, the IIA improved the safety of aircraft weather movement by upgrading the airport facility management system and improving the facilities. This included reinforcing the Airside management system, improving the green environment management system, and enhancing the safety of maneuvering aircraft through close coordination. As a result, the IIA achieved a ZERO airport facility malfunctions, a feat best included reinforcing the Airside management system, improving the green environment management system, and enhancing the safety of maneuvering aircraft through close coordination. As a result, the IIA achieved a ZERO airport facility malfunctions, a feat best believed by the fact that where zero accidents resulting from bird collisions.

Systematic Disaster Management

Reestablishment of the Airport Safety Management System

The IIA reestablished its airport safety management system in 2018 as part of a concerted effort to reflect internal and external environmental factors, the unique traits of the airport industry, and global safety management trends. Our aim is to fulfill the vision of becoming an ‘a people-oriented Incheon International Airport that is safe for the people who work with the passengers’ and establish a robust safety management system. To achieve this objective, we are trying to raise the skill level of our organizations, teams and individuals according to a P-O-C-A approach.

Implementing 24HR Follow the Green

Unclear communication between air traffic controllers and pilots, frequent aircraft maneuvers, and extended waiting times resulting from the ever-increasing number of flights have led to environmental problems and escalating economic costs. To rectify these problems, the IIA is sharing its ideas on improvement directions with air traffic controllers and other related agencies and began pre-launch testing of a new interface and procedures. As of now, we are busy building an innovative flight safety network with the adoption of an innovative 24-hour visual ground movement control system to replace the conventional voice recognition system. As a result of this technological advancement, the IIA will be able to kill two birds with one stone by not only maximizing ground movement efficiency (aircraft operation & control) but also reducing social costs.

Emergency Drills and Inspections for Preventing Social Disasters

To pre-emptively prevent the kinds of social disasters that can occur in or outside an airport, we have reviewed and improved our fire prevention system to make sure that it meets the requirements of what is the IIA’s largest single-site public facility in South Korea. We studied cases of fire that actually occurred in our community and, by drawing on what we had learned, checked our safety risks at all levels and developed a series of prevention measures for application to Incheon International Airport in the event of an emergency. In addition, we repeatedly conducted complex disaster drills every year to ensure that we are fully prepared for every kind of emergency including fire, earthquake, aircraft accident, etc. Furthermore, the IIA checks for emergency disaster situations on a 24/7/365 basis and, in the event of an accident, activates the airport’s smart emergency system upon the Integrated Airport Operations Center (IOOC) begins collecting and sending real-time updates about the accident to the rest of the airport.

Rigorous Management of Natural Disasters

These days, national infrastructures are expected to adequately respond to safety issues as the requirements and expectations of the general public are greater than ever. To keep up with these expectations, the IIA is fully prepared to deal with facility safety problems 365 days a year even during record-setting weather events, severe typhoons, and monsoon rains. In March 2018, the IIA implemented its climate change adaptation measures and began managing climate change risks by carrying out independent audits and assessments of affected areas. In addition, the IIA has worked hard to safeguard airport operations against heat wave, earthquake, wind and flood damages, heavy snowfall, and other forms of natural disasters by adopting stringent management procedures based on the principles of precautionary catastrophe management. As a result of its efforts to expand and adopt facility safety inspection standards and to continuously strengthen the maintenance and repair of key facilities, no airport facilities sustained damages resulting from typhoons, monsoon rains or heavy snowfall in 2018.
AIRPORT SECURITY

Improvements to the Airport Security Response System

Flawless Response to Terrorism

Together with the rise in low tech terrorist attacks that use everyday tools, new forms of terrorism that exploit new technologies such as drones are increasing. In response, the IIA is building a terrorist response system to deal with these new and evolving forms of terrorism, and is trying to streamline the operation of the system to make it a core strength.

In the case of Terminal 2, the IIA has stationed a separate EOD team and terrorist attack situation center in the terminal to enable a rapid response in the event of an emergency, and deployed additional bomb disposal personnel to reinforce its patrols. The IIA is currently pursuing a project to develop a drone search system, and it is scheduled - in the first half of 2019 - to become the first domestic airport to install a drone detecting radar system. It has also identified every conceivable terrorism scenario and an established emergency response system for each scenario, and is sparing no effort to minimize damage.

As a result of these endeavors, the IIA’s EOD team was able to achieve 30,000 (accumulated since its opening in 2001) accident-free patrols in 2018, while the airport itself has maintained a spotless record of zero aviation security accidents ever since its opening 20 years ago.

Establish a smart airport security system

The IIA has built and is presently operating a state-of-the-art airport security system capable of eliminating all threats to airport security before they materialize. We are constantly expanding our security screening procedures and equipment to respond preemptively to ever more diverse and intelligent forms of terrorism.

In 2018, Incheon International Airport became the first airport in South Korea to install an auto tray return system and tubular passenger screening equipment, enabling it to conduct EDS tests on 100% of the baggage. The IIA is also increasing the number of high-definition CCTVs in 2019, and has improved the effectiveness of its security control by deploying a video surveillance team to operate state-of-the-art high-definition video equipment.

In 2019, we at the IIA are planning to trial an AI-based X-ray security screening system. Once this “AI-based X-Ray Video Automatic Recognition System” is ready, the precision and ease of airport security screening will be greatly enhanced. Furthermore, it will be impossible for any item to escape screening, and the ICA will be able to provide a safer and more convenient departure environment for air travelers.

CCTV Conversions (Cumulative)

3,173 units (1,123 units in 2018 → 2,050 units in 2019)

Additional CCTV installations (Cumulative)

1,251 units (587 units in 2018 → 664 units in 2019)

Information Security

Improve the Information Security System and Strengthen Ability to Respond to Cyber-Threats

In 2018, our information security system was further sophisticated. Information security policy was adopted to corporate regulation and relevant manuals and indicators for performance evaluation and awards were tightened. Other activities included initiating an integrated control system aimed at fostering professional security personnel, conducting professional training sessions such as digital forensics, operating separate network with subsidiaries and suppliers, and raising awareness of information security through trainings, campaigns, and webinars.

These efforts resulted in the IIA attaining excellence in information security assessment by the National Intelligence Service and won the Minister Prize of Land, Infrastructure and Transport at the regular security audit in 2018.

Removal of Cyber Threats at Source

The IIA has improved its ability to prevent attacks and viruses quickly by detecting cyber attack attempts in their early stages. It has built an advanced security control system, introduced an email APT* response solution, and set up a network access control system and password management system. The IIA has intensified its on-site response efforts by creating a dedicated team to diagnose system vulnerabilities, and has almost doubled (1.9 times) its cyber threat response training activities. It has also conducted unannounced email hacking response drills. Thanks to these efforts, the IIA was able to foil 100% of cyber attack attempts, which means that even a single cyber attack incident was reported in 2018.

Cyber Attack Incidents

ZERO

Weak points

100% correction

MOLIT’s Information System Security Weak Points Evaluation

For 3 consecutive years

‘Outstanding’ grade

HOLT’s Information System Security Weak Points Evaluation

For 1 consecutive year

‘Outstanding’ grade

* APT (Advanced Persistent Threat): A method of intelligence gathering whereby a person or group targets an organization or company using a wide range of techniques over an extended period of time.

Protection of Personal Information, Strengthening All Phases of Personal Information Management and Safety Measures

To further refine its personal information management system, the IIA appointed an outside firm to process personal information, expanded its mandatory education (6 sessions, 1,831 employees) for all employees, mid-level managers, and personal information protection managers, and augmented its personnel in charge of personal information management. It tightened the safety measures to be taken at each step of the personal information handling process, i.e. collecting, managing, supplying, and destroying personal information. At the same time, if personal information has to be destroyed after use, or its period of retention has expired, the IIA makes it known on its website that it has destroyed the personal information (around 76 million cases), thus earning the public’s trust. The IIA’s implementation of effective management and safety measures for safeguarding personal information led to zero personal information breaches in 2018.
Convenient Airport

**WHY IT’S MATERIAL TO IIAC?**

In order to provide faster and more convenient services to meet the ever-increasing demand for air travel and the opening of Terminal 2, efficient organization and operation are essential. The IIAC has risen to these two challenges by proposing a new paradigm for airport operation that takes advantage of the technological advancements of the Fourth Industrial Revolution and providing commercial services that reflect the needs of many different customer groups. In addition, it is becoming increasingly important for public agencies such as the IIAC to develop a business model that can create both public benefits and social values.

**STRATEGY**

- **Convenient Arrival and Departure Services**
  - Maximize efficiency in terminal operations by simplifying the arrival and departure procedures
  - Improve accessibility by providing better traffic and parking services

- **Differentiated Airport Services**
  - Create a smart airport that leads the Fourth Industrial Revolution
  - Increase the competitiveness of public-oriented airport services

- **World’s Best Commercial Services**
  - Provide the world’s best commercial services
  - Increase the places for win-win cooperation and growth

**ACHIEVEMENT**

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Frequency</th>
<th>Evaluation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrival/Departure processing time</td>
<td>Quarterly</td>
<td>Excluding waiting times for arrivals and departures at peak hours</td>
</tr>
<tr>
<td>Personal Check-in System Usage Rate</td>
<td>Monthly</td>
<td>Monitoring of monthly usage rate of the personal check-in system</td>
</tr>
<tr>
<td>Baggage Handling Accuracy</td>
<td>Quarterly</td>
<td>Monitoring of ASQ survey results</td>
</tr>
<tr>
<td>Customer Satisfaction Level with Commercial Facilities</td>
<td>Biannually</td>
<td>Outside agency’s survey of customer satisfaction with commercial facilities at Incheon Airport</td>
</tr>
</tbody>
</table>

**EVALUATION**

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Frequency</th>
<th>Evaluation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrival/Departure processing time</td>
<td>Quarterly</td>
<td>Excluding waiting times for arrivals and departures at peak hours</td>
</tr>
<tr>
<td>Personal Check-in System Usage Rate</td>
<td>Monthly</td>
<td>Monitoring of monthly usage rate of the personal check-in system</td>
</tr>
<tr>
<td>Baggage Handling Accuracy</td>
<td>Quarterly</td>
<td>Monitoring of ASQ survey results</td>
</tr>
<tr>
<td>Customer Satisfaction Level with Commercial Facilities</td>
<td>Biannually</td>
<td>Outside agency’s survey of customer satisfaction with commercial facilities at Incheon Airport</td>
</tr>
</tbody>
</table>

**NEXT PLAN**

1. Removal of T1 Departure/Arrival Area
2. Simplification and Diversification of Smart Checkers
3. Support for Easy and Convenient Airport Operations
4. Provision of Best Possible Airport Facilities and Services that Respect the Rights of All Citizens
5. Expansion of Omni-channel Commercial Services

**MATERIAL ISSUES IN 2018**

1. Service Innovations to Build a Convenient Airport (Smart Airport, Customer Satisfaction Improvements, etc.)

**RELEVANT UN SDGs**

- 3. Good Health and Well-being
- 8. Decent Work and Economic Growth
- 9. Industry, Innovation and Infrastructure
- 11. Sustainable Cities and Communities
- 13. Climate Action
- 16. Peace, Justice and Strong Institutions

**Fast and Convenient Arrival and Departure Services**

**Arrival and Departure Service Innovations**

The IIAC aims to provide faster and more convenient arrival and departure services at Incheon International Airport by restructuring its check-in facilities and services and minimizing the confusion and inconvenience caused by the increased number of passengers, the opening of T2, and the relocation of airlines. Furthermore, the IIAC has radically reduced the time that passengers spend at the airport by expanding the adoption of unmanned automatic services enabled by information and communication technologies.

The best example of which is perhaps the airport’s self-service zone. Here, passengers can cut down their check-in and boarding times with the quick personal check-in, bag drop and tagging (attachment of baggage tags) services. Now, passengers no longer have to wait in line. Also, by expanding and concentrating the placement of unmanned screening areas at critical points, the IIAC has freed passengers from the obligation to wait in a long queue. The IIAC installed large digital signboards displaying video and congestion levels in real time to improve departure service.

To increase the efficiency of its airport operations, the IIAC has introduced futuristic airport operating techniques that utilize real-time data in combination with Fourth Industrial Revolution technologies. The Corporation has improved on-time performance and passenger convenience via real-time monitoring of flight delay times and in-flight waiting times, and has tightened waiting time management and smart security with its IoT-based airport operation (for example, by installing digital display boards that show congestion in the departure area, and intelligent CCTVs). In addition, the IIAC has installed an airport operations dashboard that displays the estimated levels of airport resources and operational performance values based on Big Data analysis, thus making it possible to make data-based predictions and allocate operational support based on those predictions.
Luggage Delivery Service
To help reduce the inconvenience of passengers who have to carry heavy items of luggage on their way from the airport to their resi-
dences and vice versa, the IAC introduced a baggage delivery service (airport to residence) in the terminal building during par-
tnerships with delivery companies. As a fine model of win-
win cooperation between the private sector (delivery company/ shipping company), the government (Incheon municipal govern-
ment/Gyeonggi District), and the public sector (IAC), this service is contributing to the creation of jobs for members of the new mid-
dle-aged class in the Incheon area. The IAC will steadily expand its baggage delivery service as it creates jobs in the local community and improves passenger convenience by relieving them of the bur-
dan of having to transport their luggage.

Differentiated Airport Services

Customer-Oriented Service
Unassailable “Moment of Truth” Services
In response to the increasingly high standard of service expect-
ed by the public, the IAC is striving to deliver the highest levels of customer satisfaction by listening closely to the voice of the customer and introducing detailed improvements in the hope of enhancing the quality of service experienced by customers. We have focused on strengthening our “moment of truth” (MOT) services in order to listen to customer suggestions and com-
plaints more attentively. For example, we expanded the number of customer committee members from 15 to 42 and simplified the VOC filing process (suggestions rose by 50%). We are also doing our utmost to boost customer satisfaction by expanding the 24-hour free service (to fill the spatial and temporal gaps in servicing) and providing differentiated, valued-added services.

Transportation Service Advancements
Improvements in Transportation and the Public’s Use of Transportation
The IAC has expanded the number of persons eligible for parking fee discounts and shortened the parking lot egress time by auto-
mating discount processing at the gate. In 2018, the IAC opened a city airport terminal at Gwangmyeong Station, thus enabling pas-
sengers from the provinces to complete the check-in and boarding procedure (ticketing, baggage tagging, departure screening) at Gwangmyeong Station and travel light to Incheon International Airport on kourome buses without the need to carry their baggage. As a result, the time it takes for passengers from the provinces to reach the airport has been significantly improved (Gyeongbuk region [48 minutes], Honam region [58 minutes]). Furthermore, in view of the rising number of night-flight passengers, we have increased the number of late-night buses (8 additions) and shortened the intervals (10 minutes → 6 minutes) to improve airport accessibility for province passengers and other passengers travelling at night. The IAC will continue creating and realizing new social values by strengthening the public character of mass transportation services and continuously building the related infrastructure.

Radical Improvements in Public Transport and Parking Services
The IAC is responding to changes in the transportation environment by introducing customer-tailored transportation services and providing smart transportation services via a mass transit operating system and system up-
grade. In order to respond promptly to the surging demand for parking spots, the IAC introduced a smart parking fee payment method (RF pass automatic payment, Kakao App payment, e-Hanaro Automatic Discount service), which led to improvements in the ease and speed of using parking lots. Meanwhile, to enhance the convenience of Incheon International Airport’s bus users, the IAC plans to build a customer-centric transportation service. For example, it is collaborating with autonomous regional governments and related departments in consolidating the bus information system, which should make it possible to send real-time bus location and the latest bus operating schedule to passengers. Another push to improve customer convenience and satisfaction is the parking concierge service. The IAC has introduced a parking concierge-smart CCTV system and parking concierge mobile app with which customers can request the premium parking concierge service upon arriving at the airport.

Strengthening the Airport Ecosystem of Solidarity
The IAC intends to build an ecosystem in which it can enjoy human-cen-
tered coexistence with the 70,000 members of its “airport family” by im-
proving the levels of service for customers and employees of airport-related businesses, such as the 24,000 tenants of the terminal building. As a fine model of win-win cooperation between the private sector (delivery company/ shipping company), the government (Incheon municipal govern-
ment/Gyeonggi District), and the public sector (IAC), this service is contributing to the creation of jobs for members of the new mid-
dle-aged class in the Incheon area. The IAC will steadily expand its baggage delivery service as it creates jobs in the local community and improves passenger convenience by relieving them of the bur-
dan of having to transport their luggage.

Creating of Global Top Smart Airport
Gateway to the Future, the Shining Value of Incheon International Airport
As an airport that is opening the gateway to the future, the Incheon International Airport Corpora-
tion always keeps one step ahead of the rest of Asia in taking up challenges and pursuing innova-
tions ceaselessly in order to become the world’s greatest smart airport. In 2018, we established a smart airport roadmap and ‘100 Smart Tasks’ to be implemented by 2021, and we are commercializing Fourth-Industrial-Revolution technologies such as AI and IoT for airport applications. From the Phase 1 Innovation to the Phase 4 Model, the Fourth Indus-
trial Revolution brewing at Incheon International Airport is empowering the IAC to realize future val-
ues that deliver convenience as well as efficiency.

Smart Service Intelligent Experience Services
Visitors to Incheon International Airport will come across the 2nd-generation airport mascot robots called AIRSTAR beloved by many passengers. Cur-
rently, eight units are stationed in Terminal 1, and six are stationed in Terminal 2, in places where passen-
gers are most likely to need guidance, such as the departure area, duty-free stores, and the baggage pick-up spots in the arrival area. The IAC is expanding its passenger guidance and smart experience services to enable passengers to use the airport, transportation/parking, and arrival/ departure procedures more easily, in addition to alleviating passenger inconvenience and anxiety through mobility, self-driving vehicles and indoor location finding technology.
Passenger Guidance Services on Using the Airport

Customer-tailored Commercial Services

Opening of the Duty Free Shop in the Arrival Area

After seven attempts by the IAC, a proposed amendment to the Customs Law to allow the establishment of a duty free shop in the airport’s arrival area was finally passed by the National Assembly during its 16th plenary session in December 2018, and a duty free shop was duly opened in the arrival area of Incheon International Airport in May 2019. The opening of a duty free shop was essential due to ongoing trends in the tourism environment and changing circumstances in Korea’s neighboring countries. The IAC developed a new operating model for the duty free shop with the aim of creating social value: It restricted the duty free shop’s activities to sales of goods by SMEs, abolished the minimum rent requirement, and donated all income accruing from the rental of store spaces to public causes.

With the opening of the new duty free shop in the arrival area, passengers no longer have to haul around their duty free purchases during an overseas trip or worry about their purchases being disallowed as carry-ons. The duty free shop is expected to create 580 new jobs and generate KRW 151.8 billion worth of production-increasing effects, including the acquisition of foreign currencies, while enhancing passenger convenience and creating new social and economic values. With the successful opening of a duty free shop that generates strong social values, the IAC will alleviate passenger inconvenience and contribute to stimulating the domestic economy, thereby boosting the satisfaction of everyone concerned.

World’s Best Commercial Services

Establishing the Best Environment for Commerce

To create the best possible environment for commerce and maximize public convenience, the IAC has redefined the meaning of “customer-oriented service” and revised its related strategy. Guided by the four strategies of Customer Value UP, Cost DOWN, Convenience UP, Communication UP, the IAC is seeking to provide convenient commercial services that will be viewed as the best in the world.

Endless evolution of BHS – for smarter and more precise luggage handling

Incheon International Airport operates a high-speed tray system designed to ensure the rapid and accurate transportation and sorting of luggage. As there nevertheless remains a slight possibility of a luggage sorting error of more than two items of luggage being loaded onto a single line, the IAC has developed a double-loading detection system for baggage handling consisting of smart technologies such as sensors and machine learning. This system is presently undergoing pilot operation.

The IAC has also developed a real-time baggage flow monitoring system (BFMS) and built a predictive maintenance platform that incorporates Big Data analysis technologies such as an environment multipurpose prediction system and a server/network monitoring system. The Corporation has continued introducing fresh innovations to its baggage handling system with the aim of getting the task done ever more smartly and accurately. Unlike other major airports overseas that experienced safety issues with their baggage handling system (BHS) upon opening their terminals, Incheon International Airport was able to achieve a quasi-perfect operating performance of 99.9997% accuracy in its baggage handling operation the first year after the opening of Terminal 2. Incheon was able to accomplish this remarkable feat by exploiting the lessen how it gained in the 1st and 2nd stages of airport construction, its operational processes, and its advanced technologies.

IAC’s double-load detection system process
Growing Airport

WHY IT’S MATERIAL TO IIAC?
The demand for air travel in the Asia-Pacific region is steadily rising while the competition among neighboring countries in Northeast Asia to create an international hub airport is becoming increasingly intense. In this fierce environment where risk factors (THAAD backlash and risks of natural disasters) that could negatively impact passenger transportation also exist, there is a growing need to hold corporations responsible for creating social values and producing innovations. We are now at a point in time when the global economy is in a marked downturn while competition among airports to become a global cargo hub is growing. Therefore, we must intensify our strategic marketing efforts in a bid to expand our routes and develop the necessary infrastructure to capture the new growth segment of the international cargo market.

NEXT PLAN
1. Strengthen hub competitiveness by gradually expanding the passenger/cargo networks
2. Promote an increase in the number of international passengers through market diversification
3. Increase the market share of key transit passenger segments
4. Improve logistics processes and systems
5. Build an environment favorable to e-commerce clusters

MATERIAL ISSUES IN 2018
1. Responding to Rising Passenger and Cargo Demand

RELEVANT UN SDGs

Innovation

Introduction of New Routes
The IIAC is expanding its aviation network to acquire new routes and seats in order to meet the steadily increasing demand for air travel and to consolidate our position as the leading hub airport in Northeast Asia. To this end, we have launched an aggressive marketing campaign and incentive programs that target airlines. We have also extended the landing-rights-fee exemption period for airlines flying to Incheon for the first time, increased the amount of incentive aid, and held explanatory sessions for airlines to provide detailed information about incentives. In addition, in regions where supply falls short of demand, we have conducted marketing campaigns reflecting the specific needs of the market in each region in order to win new airline customers and add more flights to our roster. These efforts resulted in a 7.5% increase in international flights over the previous year. Going forward, the IIAC will continue to focus on enhancing choice and convenience for passengers who use Incheon International Airport by opening new routes, increasing the number of flights per route, and diversifying our flight schedules.

Strategic Focus Areas

Strategic Focus Areas

Why It’s Material to IIAC?

Scottish Fold Cat

Innovation

Introduction of New Routes

The IIAC is expanding its aviation network to acquire new routes and seats in order to meet the steadily increasing demand for air travel and to consolidate our position as the leading hub airport in Northeast Asia. To this end, we have launched an aggressive marketing campaign and incentive programs that target airlines. We have also extended the landing-rights-fee exemption period for airlines flying to Incheon for the first time, increased the amount of incentive aid, and held explanatory sessions for airlines to provide detailed information about incentives. In addition, in regions where supply falls short of demand, we have conducted marketing campaigns reflecting the specific needs of the market in each region in order to win new airline customers and add more flights to our roster. These efforts resulted in a 7.5% increase in international flights over the previous year. Going forward, the IIAC will continue to focus on enhancing choice and convenience for passengers who use Incheon International Airport by opening new routes, increasing the number of flights per route, and diversifying our flight schedules.

Strategic Focus Areas

Strategic Focus Areas

Why It’s Material to IIAC?

Scottish Fold Cat

Innovation

Introduction of New Routes

The IIAC is expanding its aviation network to acquire new routes and seats in order to meet the steadily increasing demand for air travel and to consolidate our position as the leading hub airport in Northeast Asia. To this end, we have launched an aggressive marketing campaign and incentive programs that target airlines. We have also extended the landing-rights-fee exemption period for airlines flying to Incheon for the first time, increased the amount of incentive aid, and held explanatory sessions for airlines to provide detailed information about incentives. In addition, in regions where supply falls short of demand, we have conducted marketing campaigns reflecting the specific needs of the market in each region in order to win new airline customers and add more flights to our roster. These efforts resulted in a 7.5% increase in international flights over the previous year. Going forward, the IIAC will continue to focus on enhancing choice and convenience for passengers who use Incheon International Airport by opening new routes, increasing the number of flights per route, and diversifying our flight schedules.

Strategic Focus Areas
Promotion of Passenger Volume

Resuscitated Demand in the Chinese Market

Faced with the dilemma of waiting endlessly for China to lift its prohibition of group tours to South Korea, we had to come up with an alternative plan. We noticed the rising popularity of free independent tours in China and the expanding online and mobile markets, and conceived a new strategy.

We concluded an MOU with Tencent (WeChat operator) of China in which WeChat agreed to allow Incheon International Airport to open its own account. In addition, we collaborated with national carriers and began targeting China’s B2C market and, instead of direct marketing, we promoted Incheon International Airport through China’s OTAs (online travel agency), sent newsfeeds and engaged in other forms of indirect marketing. Although most Chinese visitors prefer group tours, and despite the ongoing ban on packaged tours to South Korea, the number of Chinese nationals who visited South Korea in 2018 reached 32.14 million in 2018, an increase of 1.5 million over the previous year.

No. of international flight passenger (Unit: million persons)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of International Flight Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>56.98</td>
</tr>
<tr>
<td>2017</td>
<td>61.52</td>
</tr>
<tr>
<td>2018</td>
<td>67.68</td>
</tr>
</tbody>
</table>

Chinese Passenger Trend


New Growth Engines through Market Diversification

Through advertising, promotion, direct marketing and various other methods, the IIAC is working hard to build a strong presence in Asia’s tourism markets, and particularly that of Japan where there is high demand, and it has also added new routes to its long-distance destinations, such as Europe and CIS. In 2018, the IIAC participated in Tourism Expo Japan* and met with airline and tourism agency representatives feverishly to discuss the possibility of collaborating instead of group tours, making them more fun for passengers. Furthermore, operation of the transfer help desk was extended to 24/7, greatly boosting the convenience of passengers arriving in the early morning hours. In the future, the IIAC will cooperate with the Incheon Tourism Office to expand Incheon region’s transfer services to include elements of local resources.

No. of Transfer Passengers

70,854 persons (88,861 in 2017 → 70,854 in 2018)

Maintaining Demand for Transfer Services

Breaks record for the highest number of transfer passengers, 8 million

In 2017, after the number of transfer passengers saw a return to positive growth, the IIAC was able to consolidate its position as a hub airport through concentrated marketing efforts. To counter the competition from Beijing, which is scheduled to open its new airport in 2020, our management realized that we had to increase our brand power as a transfer airport and create a class of services that would specifically target transfer passengers.

The IIAC has maintained the demand for transfers at current levels through transfer flight marketing that used joint ventures and networks and successfully transferred passenger services to make it more user-friendly. It started building a brand image for Incheon International Airport as a transfer airport and intensified the promotion of its strengths. As a result of its strength-focused marketing campaign and improved transfer services and visibility, Incheon International Airport set a new record of eight million transfer passengers in 2018, enabling it to gain additional momentum in its growth as a hub airport.

Transfer Brand Building & Promotions Using Global Character Brand

We came up with a simple and persuasive slogan and copy based on the two keywords of transfer, namely, ‘convenience’ and ‘fun’. We then built a brand around the slogan in order to be able to manage transfer contents from the top level and deliver a consistent message. We also produced a promotional video about our airport’s transfer passenger services, which featured the globally popular BT21,* and launched a marketing campaign through SNS/media channels, such as Instagram and YouTube, that targeted the potential demand among travelers in their 20s and 30s. This promotional video using BT21 recorded 20 million views (63% times more than average on YouTube). During the same period, the number of followers of Incheon International Airport’s SNS rose by 16.4%, raising awareness of the airport. This promotional video even went on to win an award at the New York Festivals Advertising Awards (one of the top 3 advertising festivals in the world), a first for an airport advertisement.

Best Practice

No. of National Flight Passenger (Unit: million passengers)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of International Flight Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>56.98</td>
</tr>
<tr>
<td>2017</td>
<td>61.52</td>
</tr>
<tr>
<td>2018</td>
<td>67.68</td>
</tr>
</tbody>
</table>

No. of Transfer Passengers

8.02 million persons (5.38 million in 2017 → 8.02 million in 2018)

Best Practice

Breaks record for the highest number of transfer passengers, 8 million

In 2017, after the number of transfer passengers saw a return to positive growth, the IIAC was able to consolidate its position as a hub airport through concentrated marketing efforts. To counter the competition from Beijing, which is scheduled to open its new airport in 2020, our management realized that we had to increase our brand power as a transfer airport and create a class of services that would specifically target transfer passengers.

The IIAC has maintained the demand for transfers at current levels through transfer flight marketing that used joint ventures and networks and successfully transferred passenger services to make it more user-friendly. It started building a brand image for Incheon International Airport as a transfer airport and intensified the promotion of its strengths. As a result of its strength-focused marketing campaign and improved transfer services and visibility, Incheon International Airport set a new record of eight million transfer passengers in 2018, enabling it to gain additional momentum in its growth as a hub airport.

Breaks record for the highest number of transfer passengers, 8 million

In 2017, after the number of transfer passengers saw a return to positive growth, the IIAC was able to consolidate its position as a hub airport through concentrated marketing efforts. To counter the competition from Beijing, which is scheduled to open its new airport in 2020, our management realized that we had to increase our brand power as a transfer airport and create a class of services that would specifically target transfer passengers.

The IIAC has maintained the demand for transfers at current levels through transfer flight marketing that used joint ventures and networks and successfully transferred passenger services to make it more user-friendly. It started building a brand image for Incheon International Airport as a transfer airport and intensified the promotion of its strengths. As a result of its strength-focused marketing campaign and improved transfer services and visibility, Incheon International Airport set a new record of eight million transfer passengers in 2018, enabling it to gain additional momentum in its growth as a hub airport.

Promotion of Passenger Volume

Resuscitated Demand in the Chinese Market

Faced with the dilemma of waiting endlessly for China to lift its prohibition of group tours to South Korea, we had to come up with an alternative plan. We noticed the rising popularity of free independent tours in China and the expanding online and mobile markets, and conceived a new strategy.

We concluded an MOU with Tencent (WeChat operator) of China in which WeChat agreed to allow Incheon International Airport to open its own account. In addition, we collaborated with national carriers and began targeting China’s B2C market and, instead of direct marketing, we promoted Incheon International Airport through China’s OTAs (online travel agency), sent newsfeeds and engaged in other forms of indirect marketing. Although most Chinese visitors prefer group tours, and despite the ongoing ban on packaged tours to South Korea, the number of Chinese nationals who visited South Korea in 2018 reached 32.14 million in 2018, an increase of 1.5 million over the previous year.

No. of international flight passenger (Unit: million persons)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of International Flight Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>56.98</td>
</tr>
<tr>
<td>2017</td>
<td>61.52</td>
</tr>
<tr>
<td>2018</td>
<td>67.68</td>
</tr>
</tbody>
</table>

Chinese Passenger Trend


New Growth Engines through Market Diversification

Through advertising, promotion, direct marketing and various other methods, the IIAC is working hard to build a strong presence in Asia’s tourism markets, and particularly that of Japan where there is high demand, and it has also added new routes to its long-distance destinations, such as Europe and CIS. In 2018, the IIAC participated in Tourism Expo Japan* and met with airline and tourism agency representatives to discuss the possibility of collaborating instead of group tours, making them more fun for passengers. Furthermore, operation of the transfer help desk was extended to 24/7, greatly boosting the convenience of passengers arriving in the early morning hours. In the future, the IIAC will cooperate with the Incheon Tourism Office to expand Incheon region’s transfer services to include elements of local resources.

No. of Transfer Passengers

70,854 persons (88,861 in 2017 → 70,854 in 2018)

Maintaining Demand for Transfer Services

Breaks record for the highest number of transfer passengers, 8 million

In 2017, after the number of transfer passengers saw a return to positive growth, the IIAC was able to consolidate its position as a hub airport through concentrated marketing efforts. To counter the competition from Beijing, which is scheduled to open its new airport in 2020, our management realized that we had to increase our brand power as a transfer airport and create a class of services that would specifically target transfer passengers.

The IIAC has maintained the demand for transfers at current levels through transfer flight marketing that used joint ventures and networks and successfully transferred passenger services to make it more user-friendly. It started building a brand image for Incheon International Airport as a transfer airport and intensified the promotion of its strengths. As a result of its strength-focused marketing campaign and improved transfer services and visibility, Incheon International Airport set a new record of eight million transfer passengers in 2018, enabling it to gain additional momentum in its growth as a hub airport.

Best Practice

No. of National Flight Passenger (Unit: million passengers)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of International Flight Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>56.98</td>
</tr>
<tr>
<td>2017</td>
<td>61.52</td>
</tr>
<tr>
<td>2018</td>
<td>67.68</td>
</tr>
</tbody>
</table>

No. of Transfer Passengers

8.02 million persons (5.38 million in 2017 → 8.02 million in 2018)

Best Practice

Breaks record for the highest number of transfer passengers, 8 million

In 2017, after the number of transfer passengers saw a return to positive growth, the IIAC was able to consolidate its position as a hub airport through concentrated marketing efforts. To counter the competition from Beijing, which is scheduled to open its new airport in 2020, our management realized that we had to increase our brand power as a transfer airport and create a class of services that would specifically target transfer passengers.

The IIAC has maintained the demand for transfers at current levels through transfer flight marketing that used joint ventures and networks and successfully transferred passenger services to make it more user-friendly. It started building a brand image for Incheon International Airport as a transfer airport and intensified the promotion of its strengths. As a result of its strength-focused marketing campaign and improved transfer services and visibility, Incheon International Airport set a new record of eight million transfer passengers in 2018, enabling it to gain additional momentum in its growth as a hub airport.
Increase in Cargo

Increase in Air Cargo Volume
Expansion of Cargo Routes and Strengthened Strategic Marketing
As competition (which has also intensified due to the rapid growth of competitive airports such as Shanghai’s Pudong Airport) over the cargo shipping business heats up between major airports in Asia, it has become important to capture the new growth segment in the cargo business engendered by changing trends in cargo contents. To compete more effectively amid this new reality, the IIAC is currently developing and pursuing a new strategic direction. To expand transshipments to new manufacturing regions like Vietnam and China, the IIAC held marketing IR events in each target region. The IIAC also participated in prestigious global events such as international logistics conferences and fairs while strengthening its branding in air logistics by developing print and video advertisement contents designed to have the maximum advertising effects. Based on these efforts, the IIAC was able to strengthen its cargo transportation networks in Vietnam and China and further raise awareness of the world-class cargo infrastructure and services operated by Incheon International Airport.

Logistics Innovation that Utilizes the Oceans
Taking advantage of the proximity of Incheon Port and China, Incheon International Airport is trying to develop an integrated transportation system (sea & air) between South Korea and China, which would be based on an existing regular ferry service between Incheon and the Shandong region of China, and is pursuing a strategy of capturing the market for transshipment originating in China. In other words, it is improving the integrated transportation system by using the concept of the Road Feed Service (RFS). The RFS is an integrated system that involves loading the vehicle used to transport a cargo on land/all China on to a ship sailing from China to South Korea (a port in China → Incheon Port) and then, upon its arrival in South Korea, transporting the cargo inland from Incheon Port to Incheon International Airport. Because this is a new concept of logistics routing based on use of the sea, the IIAC will have to lead the project. However, the resulting simplified customs procedures will bring concomitant benefits such as a shorter transportation time and a reduction of logistics costs. We at the IIAC anticipate that the new route will produce the ultimate effect of improving the transshipment connectivity and efficiency of Incheon International Airport. To launch this project, an 8-party MOU involving the airport, port customs authorities of China and South Korea was signed in March 2019, with a pilot service scheduled to begin in 2019. The introduction of such an integrated transportation system is expected to result in cargo cost savings of KRW 226 per kg and a 5-hour reduction in the total time it takes to ship a cargo from China to the Americas or Europe.

Development of Facilities for Newly Growing Cargo Markets
The IIAC built dedicated facilities for the purpose of establishing a strong presence in the fast-growing fresh produce, special cargo and transshipment markets. The fresh produce cargo processing facility (Cool Cargo Center) built by the IIAC on the airport aprons has already reduced the transshipment time from 5 hours to 2 hours. This achievement was a first for an Asian airport and should give it a leg up in the competition to become the Asian hub for fresh produce cargoes. To become a strong hub for special cargoes, it expanded the dedicated cargo terminal for the global shipping company FedEx, and built a second cargo terminal for Atlas Air, which uses Incheon as its hub, thereby moving one step closer to becoming a global cargo hub. Through these facility upgrades, the IIAC anticipated the creation of a new cargo volume comprising 60,000 tons of fresh produce, 50,000 tons of special cargo, and various other types of cargo for a total of 240,000 tons.

3-Phase Development of a Logistics Complex
Phase 1 and Phase 2 logistics complexes are already full with an occupancy rate of 95%. Therefore, the IIAC hopes to accommodate the increased cargo volume for the newly growing cargo segment, GDC, and SMEs with the development of a Phase 3 logistics complex, for which it established development plans in 2016. In 2018, the IIAC successfully negotiated with the government to build another free trade zone (FTZ) within the Phase 3 logistics complex where tenant businesses will be able to freely engage in logistics activities that create added values. The design and implementation plan for the FTZ have been approved, so construction of the zone will begin in 2019, with its completion and start of operations scheduled for 2021. Once the Phase 3 logistics complex has been completed, it is expected to bring in 100,000 tons of cargo every year and to create 2,000 new jobs through construction and investment projects.

Building a Growth Environment for Small and Medium-Sized Logistics Companies
The IIAC is helping SMEs to build a robust environment that is conducive to growth by setting aside a special zone within the FTZ into which SMEs can move, and improving the office environment. Today, 44% of the FTZ resident companies are small companies with fewer than 10 employees (324 out of 724 companies to be precise). In 2018, the IIAC innovated an old cargo terminal and convenience facilities and opened various channels of communication with FTZ resident companies, such as holding regular meetings with resident companies and organizing events on national holidays as well as a win-win cooperation competition event. It also expanded business opportunities for small and medium-sized logistics companies and created an environment conducive to mutual growth by improving the operating environment. As a result of such efforts on the part of the IIAC, the satisfaction levels of FTZ resident companies were at their highest point since the opening of the FTZ.

SME-Friendly Environment in the Free Trade Zone
The IIAC is helping SMEs to build a robust environment that is conducive to growth by setting aside a special zone within the FTZ into which SMEs can move, and improving the office environment. Today, 44% of the FTZ resident companies are small companies with fewer than 10 employees (324 out of 724 companies to be precise). In 2018, the IIAC innovated an old cargo terminal and convenience facilities and opened various channels of communication with FTZ resident companies, such as holding regular meetings with resident companies and organizing events on national holidays as well as a win-win cooperation competition event. It also expanded business opportunities for small and medium-sized logistics companies and created an environment conducive to mutual growth by improving the operating environment. As a result of such efforts on the part of the IIAC, the satisfaction levels of FTZ resident companies were at their highest point since the opening of the FTZ.
Future-Oriented Airport

WHY IT’S MATERIAL TO IIAC?
The construction of new airports and the opening of new airport operation businesses are flourishing due to the rising demand for air travel in newly emerging countries in Asia and the Middle East. We are now living in an era when the limitations in the growth of non-aviation income have imposed upon us the need to develop new growth engines through our overseas businesses. Conversely, when pursuing an infrastructure building project, it is important to preserve an airport’s public service function. As such, making hub airports more competitive through the development of an Air City that combines aviation and tourism should be approached seriously if the IIAC is to become a future-oriented airport corporation that achieves growth.

STRATEGY
Development of Overseas Businesses
- Development of new growth engines by diversifying overseas businesses
- Boosting competitiveness in winning overseas projects
Expansion of Airport Infrastructure
- Expansion of airport facilities on a timely basis
- Expansion and construction of an environment-centered infrastructure
Development of Air City
- Development of an integrated city that fuses aviation and tourism
- Pursuit of win-win development with local communities

ACHIEVEMENT
Overseas revenues
18 billion KRW
Rate of progress of Phase 4 project
1.88%
Job creation from Air City development
1,680 persons
Revenues of Air City
27.6 billion KRW

EVALUATION
Performance Indicators
Overseas business projects won
Overseas business revenues
Phase 4 Rate of Progress
Airport construction accident rate
Jobs created by Air City
Air City revenues
Frequency
Quarterly
Monthly
Monthly
Quarterly
Quarterly
Evaluation Methods
Review of project bid results and report on countermeasures
Overseas project profit and loss management system/revenue report
1-PMS (Project Management Information System) and Field Survey
1-PMS and Certificate of Approval of Rehabilitation from Industrial Accident Report on job creation performance of private businesses
Internal revenue management system

Development of Overseas Businesses

Kuwait International Airport Terminal 4 Operation Project
In April 2018, after intense competition with rival bidders, the IIAC was finally selected to operate Terminal 4 of Kuwait International Airport on the strengths of its know-how and experience in winning projects. The project will generate an estimated overseas revenue of KRW 140 billion (USD 127.6 million) over the next five years while serving as a stepping stone to becoming a global airport operating company. Almost at the very moment the contract was signed in May 2018, the IIAC dispatched a team of thirty experts in pilot operation, terminal operation, facility maintenance and repairs and other aspects of construction to Kuwait, while a separate task force composed of experts in overseas business exploitation was formed to provide on-site support, enlisting all the know-how and skills at the IIAC’s disposal to guarantee the successful operation of Kuwait International Airport Terminal 4. The IIAC overcame all the crises and challenges of working as a foreign company to see the grand opening of Kuwait International Airport Terminal 4 in December 2018.

Chronology of Kuwait International Airport Terminal 4 Consignment Operation Project

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018.4.22</td>
<td>Wins the contract to operate Kuwait International Airport Terminal 4</td>
</tr>
<tr>
<td>2018.5.8</td>
<td>Signs agreement to operate Kuwait International Airport Terminal 4</td>
</tr>
<tr>
<td>2018.7.4</td>
<td>Hold building dedication ceremony for Kuwait International Airport Terminal 4</td>
</tr>
<tr>
<td>2018.12.9</td>
<td>Grand opening of Kuwait International Airport Terminal 4</td>
</tr>
</tbody>
</table>
Expansion of Airport Infrastructure

In order to meet the soaring demand for air travel in time and occupy a dominant position in the air travel market, the IAC will complete the Phase 4 expansion of the airport, which includes expanding Passenger Terminal 2 and building a fourth runway by 2023. The expansion will prepare the airport for the coming era of 100 million passengers per year. The IAC conducted the analysis of the internal/external environment surrounding the Phase 4 expansion project and modified the Phase 4 execution paradigm. It took into account expandability in the event of increased demand, considered the operational status, improved the working environment, and simultaneously reassessed the project’s duration. It strived to reach a consensus through better communication, setting up a systematic construction project management structure and collecting stakeholders’ views through open channels.

A New Beginning, Phase 4 Construction Project

The Phase 4 Expansion of Incheon International Airport Project began with the ‘Groundbreaking Ceremony for the Construction of Runway 4’ of Incheon International Airport in December 2018. The project, which includes the building of a fourth runway and expansion of the aprons, requires a huge investment of approximately KRW 4.2 trillion, but upon its completion Incheon International Airport will be able to handle 100 million passengers every single year. Under the Phase 4 project, Incheon International Airport will greatly extend the use of ICT (AI, biometrics, IoT, Big Data, etc.), the key drivers of the Fourth Industrial Revolution, in order to build a smart airport that will lead the world. In addition, the IAC will complete landscaping not only inside the airport but also in the surrounding areas, and will more than triple the production of electricity via renewable energy sources, such as solar and geothermal heat, to cover more than 27% of the airport’s energy needs. In this way, Incheon International Airport will become a truly environmentally-friendly airport, an important player in the MICE* industry, one of the hottest trends in the world.

* MICE: Acronym for Meeting, Incentive, Convention, Exhibition Industries

Development of Air City

Air City Development Project

In December 2018, when a global theme park contents provider (Paramount Pictures) joined the project as a co-investor in the development of Incheon International Airport’s integrated resort, financing for Phase 1 development increased from KRW 1.6 trillion to KRW 2.8 trillion. Using the infrastructures of Incheon International Airport, which has emerged as the hub airport in Northeast Asia, and its synergies with the world-class integrated resort, the IAC aims to become a major player in the MICE industry, one of the hottest trends in the global tourism market. It also wants to make Inspire Integrated Resort one of the most attractive tourist destinations in the world.

Inspire Resort Development Project

The IAC financially supported the development concept of the ‘Art + Entertainment’ element of Paradise City to provide its attractiveness as a tourist site through the development of a theme park, clubs, and other landmark facilities. Diverse activities for visitors’ enjoyment were added as transfer passenger products while joint marketing activities targeting transfer passengers were launched. The opening of Phase 2 Paradise City generated rental income of KRW 5 billion per year and created 1,287 new jobs in the Incheon area. These contributions were recognized when the government listed Paradise SegaSammy Company as one of the top 100 companies in the country in terms of job creation, the only hotel/resort business to make the list.

Win-win Development with Local Community

Establishing a Win-Win Development Model with the Local Community

The IAC abandoned its livelihood-oriented support activities (heating and cooling equipment for homes) of the past and instead developed a model designed to help people achieve economic independence through win-win development with the local community. The model for win-win development with the local community is divided into the categories of job creation, basic facility support, and win-win development with small and medium-sized businesses. The IAC will create new jobs every year by investing in the private sector, continue pursuing the types of development activities that promote regionally balanced development, widen the scope of dialogue and hold regular meetings with small and medium-sized business owners, and continue nurturing a relationship with the local community, based on open dialogue and win-win growth.

Job Creation

- Around 50,000 jobs
- Economic effects: Around KRW 11 trillion

New jobs created

1,287 persons

Establishing a win-win development system through regular meetings with small and medium-sized business owners

Key Agendas for 2018

1. Signboard maintenance request
2. Canned plan for operating restaurants’ dining facilities at the construction site
3. Request for minimizing damages to existing businesses from new facilities

Efforts to overcome

- Requests for basic facility support (parking 4 from areas with poor basic facility infrastructures like islands, Shin-dong, Sil-dong, and Mo-do in the Bukdo-myeon region)
- Through negotiations with the local government (Incheon City), the IAC concluded an agreement on re-allocating a part of the profits generated by development

Performance

- Planned to use 2019 budget (KRW 5 billion) according to the agreement on re-allocating development profits
- Supported the construction of North South Korea Peace Highway (Haeoung-gang Sinda Bridge)
We at IIAC strive to grow with the local community. We strive to create jobs in an effort to realize social values, expand the use of new/renewable energy, and save energy as a first-class environment-friendly airport. We will continue to grow as a global airport business that creates a better future through people-oriented management.

1. Creation of an Environmentally-friendly Airport
2. Expansion of CSR Activities
3. Strengthening of Mutual Growth
4. Realization of ‘People-centered’ Social Values
In response to the Paris Agreement on climate change, the Korean government has announced its goal of reducing greenhouse gas emissions by 37 percent from business-as-usual (BAU) levels by 2030. The world’s major airports are also intensifying their environmental management efforts from airport operation to construction. For example, they are accelerating the adoption of environmentally-friendly operations through increased use of renewable energy that will lower their GHG emissions.

Our Approach

In response to the Paris Agreement on climate change, the Korean government has announced its goal of reducing greenhouse gas emissions by 37 percent from business-as-usual (BAU) levels by 2030. The world’s major airports are also intensifying their environmental management efforts from airport operation to construction. For example, they are accelerating the adoption of environmentally-friendly operations through increased use of renewable energy that will lower their GHG emissions.

The first step of our environmental management starts with a vision of environmental energy and management, which is embodied in the slogan, ‘The Leading Global Low-Carbon, Environmentally-Friendly Airport’. As an international airport corporation, we are leading a new paradigm in environmentally-friendly management and carrying out numerous activities aimed at improving sustainable growth and competitiveness in airport operations, based on our four implementation strategies and twelve strategic tasks. We analyze and manage all GHG emissions that are produced directly/indirectly during airport operations, and aim to consolidate our position as a low-carbon, environmentally-friendly airport by developing an energy management system, nature and culture, green airport based on state-of-the-art technology, minimizing our environmental impacts, and making continuous investments.

In 2013, the IIAC was awarded the Carbon Trust Standard (CTS) certification, which covers emission reduction items for all carbon emissions across the whole airport area, and not just in airport facilities. Ever since 2014, the IIAC has obtained the ACI Level 3 certification, which covers emission reduction items for all carbon emissions across the whole airport area, and not just in airport facilities. The ACI Level 3 certification was awarded to the IIAC in recognition of its efforts to improve its energy management with respect to equipment and craft waiting times; improved the management of hotel space; and introduced the ACI-GPS (Aircraft Ground Power Supply) system, the IIAC successfully increased the airport’s carbon emission levels. In this way, the IIAC reduced the amount of fuel that was bought for the aircraft’s engines, which made it possible to adjust the departure schedules; reduced fuel consumption by up to 98% when compared with the traditional method of using the power from the airplane’s own engine (APU or auxiliary power unit). Furthermore, through the operation of the A-Com (Airport Collaborative Decision Making) system, the IIAC successfully increased the airport’s carbon emission levels. In this way, the IIAC reduced the amount of fuel that was bought for the aircraft’s engines, which made it possible to adjust the departure schedules; reduced fuel consumption by up to 98% when compared with the traditional method of using the power from the airplane’s own engine (APU or auxiliary power unit). Furthermore, through the operation of the A-Com (Airport Collaborative Decision Making) system, the IIAC successfully increased the airport’s carbon emission levels. In this way, the IIAC reduced the amount of fuel that was bought for the aircraft’s engines, which made it possible to adjust the departure schedules; reduced fuel consumption by up to 98% when compared with the traditional method of using the power from the airplane’s own engine (APU or auxiliary power unit). Furthermore, through the operation of the A-Com (Airport Collaborative Decision Making) system, the IIAC successfully increased the airport’s carbon emission levels. In 2018, the IIAC was able to cut 53 minutes off the average ground moving time compared to the previous level (2017). In this way, the IIAC reduced the amount of fuel that an aircraft consumes on the ground and also improved the airport’s carbon emission levels.

Our Key Performance

Renewable Energy Usage Rate

Passenger Terminal 2

Top Grade G-SEED Certification

Waste Recycling Rate

Platinum Winner

2.5% (YoY 8.7% ↑)

62% (YoY 4% ↑)

Green Report Winner of the LACP for the 6th consecutive year

In 2017, the IIAC was awarded the Carbon Trust Standard (CTS) certification in recognition of its efforts to improve its energy efficiency and reduce its GHG emissions.

In 2018, the IIAC was able to cut 53 minutes off the average ground moving time compared to the previous level (2017). In this way, the IIAC reduced the amount of fuel that an aircraft consumes on the ground and also improved the airport’s carbon emission levels.

Energy Management

Expansion of Renewable Energy

The IIAC has been promoting the use of renewable energy to improve its energy efficiency and reduce its carbon emissions. The airport has installed solar power generation equipment with a capacity of 402kW in parallel with the solar power generation system that absorbs solar energy perfectly. In addition, the IIAC laid the foundations for the establishment of an environment-friendly airport by installing solar power generation equipment in Passenger Terminal 2 and the second Government Complex, with a combined capacity of 8,195kW. The IIAC obtains 5,752,682kWh of power every year which is harnessed for operation of the airport.

Expanding Plan for Renewable Energy Usage Rate

2013 15% → 2030 20%

Low-Carbon, Environmentally-Friendly Airport

Aircraft GHG Emissions Reduction

The AC-GPS (Aircraft Ground Power Supply) is an environmentally-friendly, ground-based power supply that can replace the internal combustion engine that powers an aircraft while it waits on the apron. Using this solution, the IIAC has minimized the unnecessary consumption of energy and is now working on ways of cutting down GHG emissions in the airport zone. Through the operation of the AC-GPS units, the amount of energy consumed has been reduced by up to 98% when compared with the traditional method of using the power from the airplane’s own engine (APU or auxiliary power unit). Furthermore, through the operation of the A-Com (Airport Collaborative Decision Making) system, the IIAC has successfully increased the airport’s carbon emission levels.

Top-Class Green Building Certification for Passenger Terminal 2

Incheon International Airport Passenger Terminal 2 is a top graded certified green building with an energy efficiency rate that’s 40% higher than that of Passenger Terminal 1.

Low-Carbon, Environmentally-Friendly Management System

With its environmental and energy management vision embodied in the slogan ‘The Leading Global Low-Carbon, Environmentally-Friendly Airport’, the IIAC is playing a leading role as an international airport corporation. In order to pursue energy management in a systematic and efficient manner, the IIAC has formed and operates a company-wide organization under the Energy Management Team to channel its full resources into actual energy management and reduction activities.

Relevant UN SDGs

- Environment Management Team
- Electrical Power System Team
- Energy Management Team
- Electrical Facilities Team
- Electrical Operation Team

Our Approach

Our Approach

In response to the Paris Agreement on climate change, the Korean government has announced its goal of reducing greenhouse gas emissions by 37 percent from business-as-usual (BAU) levels by 2030. The world’s major airports are also intensifying their environmental management efforts from airport operation to construction. For example, they are accelerating the adoption of environmentally-friendly operations through increased use of renewable energy that will lower their GHG emissions.

The first step of our environmental management starts with a vision of environmental energy and management, which is embodied in the slogan, ‘The Leading Global Low-Carbon, Environmentally-Friendly Airport’. As an international airport corporation, we are leading a new paradigm in environmentally-friendly management and carrying out numerous activities aimed at improving sustainable growth and competitiveness in airport operations, based on our four implementation strategies and twelve strategic tasks. We analyze and manage all GHG emissions that are produced directly/indirectly during airport operations, and aim to consolidate our position as a low-carbon, environmentally-friendly airport by developing an energy management system, nature and culture, green airport based on state-of-the-art technology, minimizing our environmental impacts, and making continuous investments.

In response to the Paris Agreement on climate change, the Korean government has announced its goal of reducing greenhouse gas emissions by 37 percent from business-as-usual (BAU) levels by 2030. The world’s major airports are also intensifying their environmental management efforts from airport operation to construction. For example, they are accelerating the adoption of environmentally-friendly operations through increased use of renewable energy that will lower their GHG emissions.

The first step of our environmental management starts with a vision of environmental energy and management, which is embodied in the slogan, ‘The Leading Global Low-Carbon, Environmentally-Friendly Airport’. As an international airport corporation, we are leading a new paradigm in environmentally-friendly management and carrying out numerous activities aimed at improving sustainable growth and competitiveness in airport operations, based on our four implementation strategies and twelve strategic tasks. We analyze and manage all GHG emissions that are produced directly/indirectly during airport operations, and aim to consolidate our position as a low-carbon, environmentally-friendly airport by developing an energy management system, nature and culture, green airport based on state-of-the-art technology, minimizing our environmental impacts, and making continuous investments.

In response to the Paris Agreement on climate change, the Korean government has announced its goal of reducing greenhouse gas emissions by 37 percent from business-as-usual (BAU) levels by 2030. The world’s major airports are also intensifying their environmental management efforts from airport operation to construction. For example, they are accelerating the adoption of environmentally-friendly operations through increased use of renewable energy that will lower their GHG emissions.

The first step of our environmental management starts with a vision of environmental energy and management, which is embodied in the slogan, ‘The Leading Global Low-Carbon, Environmentally-Friendly Airport’. As an international airport corporation, we are leading a new paradigm in environmentally-friendly management and carrying out numerous activities aimed at improving sustainable growth and competitiveness in airport operations, based on our four implementation strategies and twelve strategic tasks. We analyze and manage all GHG emissions that are produced directly/indirectly during airport operations, and aim to consolidate our position as a low-carbon, environmentally-friendly airport by developing an energy management system, nature and culture, green airport based on state-of-the-art technology, minimizing our environmental impacts, and making continuous investments.
Environmental Impact Minimization

Operation of an Environmental Monitoring System

In order to operate the airport and execute construction projects, the IAC is managing the environment of the airport and the surrounding areas according to guidelines that are more stringent than the requirements specified in the national law. By expanding its prevention-based environmental management system, the IAC is improving the environmental management standards of the private businesses operating on the airport’s premises. The IAC also monitors air quality, aircraft noise and indoor air quality for 24 hours at a time and operates water management systems that monitor water discharged from all the airport's water treatment facilities. Furthermore, to track and monitor environmental changes in the airport and the surrounding areas, the IAC has installed an environmental management office in the Airport Integrated Communication Center (AICC) where the data sent in real time by each monitoring station and system are collected and analyzed.

Noise Management

From the initial planning stage, Incheon International Airport was con
ceived as an airport located out at sea so as to minimize the effect of aircraft noise. To keep aircraft noise down to an acceptable level, the IAC installed a system comprising twenty noise measuring stations to continuously detect noise in real time. By holding council and committee meetings on the need to reduce aircraft noise, the IAC was able to address the issue of noise pollution by suspending the operation of aircraft that emit high levels of noise and replacing them with aircraft that emit lower levels of noise. In addition, in 2018 the IAC collaborated with the government’s aviation authorities to reduce the number of nighttime flights over Songdo, which is a very densely populated area. As part of its efforts to strengthen ties with communities heavily affected by noise pollution, the IAC donated some KRW 300 million in the form of tuition fee support for school children and financial assistance for socially disadvantaged people, as well as providing air/road running community facilities and organizing community events.

Water Resource Management

Incheon International Airport recycles the wastewater and sewage generated in the airport's grounds by treating them at a gray water treatment facility for the purpose of conserving water resources and preserving the marine environment. At the facility (with a maximum treatment capacity of 30,000 tons of sewage per day), sewage produced at the airline passenger terminal and support facilities is treated using a biological processing method known as the MODR technique, and the greywater thus produced is then supplied to the airport. The IAC has also set its own standards, which are even more stringent than the national regulation on environmental preservation, and has succeeded in meeting its own very high environmental, hygienic and aesthetic standards. Despite the increase in the amount of sewage generated by the opening of T2, the airport’s use of greywater rose by 5% to 3.43 sewage per day), sewage produced at the airline passenger terminal and support facilities is treated using a biological processing method known as the MODR technique, and the greywater thus produced is then supplied to the airport. The IAC has also set its own standards, which are even more stringent than the national regulation on environmental preservation, and has succeeded in meeting its own very high environmental, hygienic and aesthetic standards. Despite the increase in the amount of sewage generated by the opening of T2, the airport’s use of greywater rose by 5% to 3.43

Air Quality Management

In recent years, fine dust has come to be regarded as a serious threat to public health and a factor that can affect the operation of airports in negative ways, such as causing takeoff and landing delays. The IAC has responded to this problem by applying different countermeasures to each stage of a developing dust or sand storm (DDS) situation, and has built three real-time monitoring facilities at the airport and its surrounding areas and another three facilities at the airport expansion construction site in order to manage air quality in the airport zone. The Corporation is also trying to minimize the impact of airport operations on air quality by implementing and managing air quality programs involving ground-based vehicles and aircraft that discharge air pollutants.

Waste Management

In accordance with the regulations set by the Ministry of Environment, the IAC disposes of its waste appropriately according to its type and forms - either by recycling, burning or burying waste in a landfill. All wastes produced by the airport facilities are disposed of through recycling, resource recovery facilities, grey water treatment facilities, and resource sorting facilities. Wastes are quantified, sorted and stored according to type, and are then managed based on their materials and properties by a professional waste processing company. Prior to sending waste to an external processing company, the IAC first considers ways of recycling it, as required by the IAC’s own environmental policy. In 2018, the IAC invested KRW 3.5 billion to expand the core facilities for recycling waste, and revised the rules and procedures for accepting waste for recycling. As a result of these determined efforts, the airport’s waste recycling rate increased by 5% over the previous year to 69%.

Social Contribution Implementation System

The IAC has built a social contribution system around three key aspects in order to pursue its goal of becoming a company that creates social value and is loved by the public. The IAC takes into consideration the ‘strategy’, ‘business’ and ‘performance’ aspects when establishing and implementing key objectives and implementation tasks that target the local community, the public, and the global community. Each year, the IAC carries out volunteer works involving not only IAC employees but also the employe es of resident companies and local residents. The total number of volunteering hours increases each year. The IAC aims to fulfill its obligations in making social values and recover its public service character through social contribution activities that resolve local community problems and issues, and spread universal values, in addition to flawlessly performing its original functions as a state-owned company.
Win-win cooperation for the development of healthy communities

We carried out value-creating social contribution programs, such as programs for building healthy local communities wherein locals are encouraged to make suggestions and lead changes. Such efforts of ours contribute to the solution of local problems and revitalization of the local economy. We also strive to create models of win-win cooperation through the participation of locals, local gov-ernments, and relevant local institutions. As one of such examples, in 2018, the local economy faced difficulty in Bukdo-myeon, Ongjin-gun, Incheon-si due to the devastation of fish farms, so we provided 200 million won to help them in clam seed production and construction of new fish farms.

Training talented locals

Since 2007, we have provided 800 million won a year for the operation of a program intended to nurture elementary/middle school students with specific talents. We have also provided scholarships to those from low-income households and those with specific talents over the past 24 years.

Culture/Arts programs

We have provided support for local culture/arts/tourism festivals including the Incheon Pentaport Rock Festival. We have also held the Incheon Airport SKY Festival, which is an open-air concert, every fall since 2004 to express our gratitude to our customers and locals near Incheon Airport.

Support growth of healthy communities through win-win cooperation between citizens/local government

We have provided support for local culture/arts/tourism festivals including the Incheon Pentaport Rock Festival. We have also held the Incheon Airport SKY Festival, which is an open-air concert, every fall since 2004 to express our gratitude to our customers and locals near Incheon Airport.

Promote national solidarity by resolving social problems

Cultural Mentoring for Children

Sky Festival

Since 2007, we have provided 800 million won a year for the operation of a program intended to nurture elementary/middle school students with specific talents. We have also provided scholarships to those from low-income households and those with specific talents over the past 24 years.

Support growth of healthy communities through win-win cooperation between citizens/local government

Cultural Mentoring for Children

Sky Festival

Since 2007, we have provided 800 million won a year for the operation of a program intended to nurture elementary/middle school students with specific talents. We have also provided scholarships to those from low-income households and those with specific talents over the past 24 years.

Promote national solidarity by resolving social problems

Cultural Mentoring for Children

Sky Festival

Since 2007, we have provided 800 million won a year for the operation of a program intended to nurture elementary/middle school students with specific talents. We have also provided scholarships to those from low-income households and those with specific talents over the past 24 years.

Support growth of healthy communities through win-win cooperation between citizens/local government

Cultural Mentoring for Children

Sky Festival

Since 2007, we have provided 800 million won a year for the operation of a program intended to nurture elementary/middle school students with specific talents. We have also provided scholarships to those from low-income households and those with specific talents over the past 24 years.

Promote national solidarity by resolving social problems

Cultural Mentoring for Children

Sky Festival

Since 2007, we have provided 800 million won a year for the operation of a program intended to nurture elementary/middle school students with specific talents. We have also provided scholarships to those from low-income households and those with specific talents over the past 24 years.
**Our Approach**

Increasing social expectations that public agencies and SMEs should grow and evolve mutually, and the removal of risk factors related to human rights, environment, and labor in the supply chain have become critical issues in running a business. For Incheon International Airport, as the main gateway to South Korea used by travelers from all over the world, building trust and partnerships with the 70,000 people who work at Incheon Airport is crucial to ensuring the safety and security of passengers and to providing high-quality airport services. All the partners and businesses at Incheon International Airport are members of the ‘Airport Family’ with whom the IIAC shares the fruits of its business performance and constantly communicates in order to establish fair trading practices and sustainable win-win cooperation. The IIAC will promote shared growth with the employees and businesses based at Incheon Airport and pursue sustainable growth in the economic, social, and environmental areas by continuously strengthening the CSR management systems.

**Win-win Job Creation**

**Job Creation through Joint R&D with SMEs**

The IIAC provides technology cooperation as well as infrastructure support to SMEs to enable them to commercialize their technologies quickly and realize commercial gains as SMEs. This is a huge benefit to SMEs because they do not always succeed in their R&D efforts and face greater difficulties in gathering the CSR management systems.

In conjunction with the government’s mutual growth policy and based on its own corporate strategy for strengthening the competitiveness of SMEs, the IIAC is trying to build a culture of win-win cooperation by which the competitiveness and sustainability of SMEs can be strengthened. In 2018, the IIAC provided seven popup stores in the airport terminal building to small businesses (youth/underprivileged entrepreneurs) as sales spaces. The IIAC helped them start their businesses under easier conditions, offering them lower rental rates and funding for the initial investments needed to set up the stores. In 2018, thirteen brands (con-tract terminated brands included) were operating stores in the airport, of which four were run by owners from the employment-disadvantaged segment of our society.

**Job creation through Joint R&D with SMEs**

**Start up! Smile up! Store Support for Startups**

The IIAC provided seven popup stores in the airport terminal building to small businesses (youth/underprivileged entrepreneurs) as sales spaces. The IIAC helped them start their businesses under easier conditions, offering them lower rental rates and funding for the initial investments needed to set up the stores. In 2018, thirteen brands (con-tract terminated brands included) were operating stores in the airport, of which four were run by owners from the employment-disadvantaged segment of our society.

The IIAC identifies tasks that are specifically relevant to each employment-disadvantaged segment, including youth, the elderly, people with disabilities, and women, and helps them to become self-reliant and contribute to the win-win development of local communities.

**Job Quality Improvement**

IIAC wants to improve the working conditions of the workers at partner companies and affiliate companies with the goal of creating discrimination-free and quality-enhancing changes to the environments. In the case of affiliate companies, IIAC is in the process of converting their employees into full-time IIAC employees, and it is complying with government regulations and guidelines for this transition. Through compromise and discussions, IIAC has agreed to give them the same welfare benefits and wage increase rates as regular IIAC employees.
Establishing Fair Trade

Strategic Structure for Fair Trade Economy
With the goal of establishing fair trade that will facilitate the successful completion of the 4-phase airport expansion project, IIAC has tightened its standards for transparency and fairness when contracting and improved its system for protecting socially and economically disadvantaged parties. Moreover, to increase public procurement, we at IIAC modified our internal system and increased the bidding and purchase of SME products. We are monitoring fair trading activities through the sub-contractor protection system and public procurement information system.

Foundation for Fair Trade
IIAC added a function of submitting documents electronically and a program for calculating the score for the bidding amount. By upgrading the system to one enabled electronically from document submission to document custody and calculation of evaluation results, IIAC has secured the impartiality of the bidding process. It has also revised its regulations on contracting, expanded the role of external assessment experts, and established the practice of fair trading through the regular fair trade-compliance training program.

Protection of Socially and Economically Disadvantaged People
To protect the socially and economically disadvantaged, we made massive efforts to protect job applicants and encourage business owners to improve their working environment (hiring of youths, gender equality in hiring, hiring on a full-time basis) by adding a new penalty/bonus category in the evaluation criteria used to qualify/disqualify companies competing for the IIAC business. In goods supply/outsourcing construction, IIAC has also revised the criteria used in qualification reviews for companies wishing to participate in facility construction and FC/PC-Qualification preliminary re-view of bidder qualification, thereby expanding bidding opportunities for local companies and small businesses. The Subcontractor Protection System program structure was refined to enable checking the utilization of the system anytime, monitoring the flow of payment, and preventing the deferral of payment from the outset. There were no delinquent payments made to laborers and 86 subcontractors in 2018. The utilization rate of the Subcontractor Protection System also rose from 85%(29 sites) in 2017 to 100%(50 sites) in 2018.

Efforts to Increase Public Procurements
IIAC is leading the way in boosting public procurement by improving its systems and expanding training. In 2018, IIAC strengthened the interaction between public procurement-related KPI and management evaluation KPI and expanded education on public procurement (7 sessions in 2017 → 31 sessions in 2018). In 2018, procurement of SME products increased from 48.2% of total procurement in 2017 to 64.1% in 2018.

Performance in Fair Trade Practice
No. of corruptions from existing contracts (in 2018)
No. of corruptions from completed contracts for opening the T2 (from 2011 to 2018)

ZERO

Fair and Equal Opportunities

Realization of “Human-centered Social Values”

Our Approach
Employees are the subjects that can play key roles in responding flexibly to the business environment and in the bid to become the "World’s Leading Airport." To do so, however, an airport needs support that will permit outstanding human talents to achieve personal growth commensurate to their personal competencies and which can provide equal opportunities stemming from a corporate culture that retains immense respect for diversity and individual abilities and special qualities.
IIAC recognizes that its development begins with the development of its human talents. This is the reason IIAC is strongly dedicated to building a system through which the skills and competitiveness of its manpower could be strengthened based on trust, innovation, and national standards and principles. IIAC aspires to become a sustainable organization by creating a win-win labor-management culture and supporting employees with a healthy workplace where they could enjoy their jobs. As a public organization, IIAC will create quality jobs in fulfillment of its social responsibilities and support the government’s policy of "zero non-regular workers" by moving toward converting all non-regular employees hired directly or indirectly into regular, full-time employees of IIAC.

Our Key Performance
*2018 Blind Recruitment Competition*
Training Time per Person

Minister of Employment and Labor Award
155 hours

Certified as Family- and Leisure-Friendly Company
Satisfaction with Communication
4.26 points

Responsible Organizations
HR Training Team
Performance Management Team
Subsidiary Management Team
Labor Relations & Welfare Team
Collaborative Employment Innovation Team

Fair and Open Hiring

Establishment of Fair Hiring Ecosystem at Incheon International Airport
Unethical hiring practices or mistakes could always happen if the hiring procedure is complex, the hiring timetable is long, or there are too many stakeholders in the hiring process. On top of this, the well-publicized stories on corrupt hiring practices at some public organizations have created calls in some quarters for public organizations to assume social responsibility for fair hiring practices. In response, IIAC is working hard to create an ecosystem for fair hiring at Incheon International Airport by blocking hiring irregularities in advance and, if they occur, imposing huge penalties on those involved. IIAC expanded the participation of external observers in the hiring process, instituted blind interviews, began conducting audits in all phases of hiring, and commenced operating an anti-corruption hiring reporting center on a permanent basis to put into place a watertight anti-corruption hiring prevention system at IIAC. Thanks to these efforts, a hiring practice audit conducted by the Board of Audit and Inspection in 2017 and 2018 revealed no hiring irregularities for 2 consecutive years and no claims filed through the anti-corruption hiring reporting center.
Independently Developed Models for Blind Hiring

IAC is pioneering the practice of blindhiring in South Korea by causally developing new models that could address flaws in the practice. In 2018, it removed the requirement of entering the name, region, and other personal information on the job application form except for the type of job desired, which effectively erased any traces of personal information. On the day of the interview, the applicants are issued temporary numbers to replace names for the anonymous interview. Moreover, IAC requires applicants and interviewers to attend special classes where they are taught what things they should do or be aware of, from a blind interview, for the entire time the notice of each interviewee takes the door to the interview room. The bigger purpose of holding the classes is to raise awareness of blind interviews among would-be applicants. IAC also developed and introduced supplementary tools to aid in blind hiring, such as approval of interviewers on personal introduction where applicants describe in detail their strengths and personalities, adoption of observational/counseling interviews, extension of interviewing time, and inclusion of external interview experts. As a result of these efforts, IAC won the Ministry of Employment and Labor Award at the 2018 Blind Recruitment Competition.

Job Type-Customized Hiring

As the type of jobs and the required skillsets become more diverse (field jobs like explosive ordnance disposal, handling hazardous substances), hiring tools also need to be diversified. IAC has developed interviewing tools customized to the new areas of duties as well as type of jobs. For the hiring of people for field jobs, real-situation interviews were introduced. On the other hand, for the hiring of professionals, performance output and portfolio reviews were added to the hiring procedure. Firstly, for the hiring of people for planning, creative interview and extended interviews were introduced. IAC designs and operates a hiring procedure wherein candidates are judged purely on their job competencies from the moment hiring is announced to the interviewing process and eventually the internship phase. The job competencies for evaluating candidates were developed using the National Competency Standards (NCS). In recognition of its unique hiring methods (e.g., real-situation interviews), IAC received the HR Innovation Award in 2018.

Case Study

Creation of a New Wage System for Transitioned Employees

All referring to government policies and isolating the opinions of stakeholders, IAC designed — for the new full-time employees transitioned from the payrolls of subsidiary companies — a new wage system that combined the job results and the job level. Once the new wage system was put into practice, the wage system method has been interrupted and hiring local talents on a temporary basis has been interrupted, affecting the rate of new hires (23.9% YoY). The executive positions have been interrupted and hiring local talents on a temporary basis has been interrupted, affecting the rate of new hires (23.9% YoY). The executive positions have been interrupted and hiring local talents on a temporary basis has been interrupted, affecting the rate of new hires (23.9% YoY). The executive positions have been interrupted and hiring local talents on a temporary basis has been interrupted, affecting the rate of new hires (23.9% YoY).

Fair Performance Evaluation and Compensation System

Establishing Rational Performance Management and Compensation System

IAC established a performance management system to achieve the management goals effectively and closely tied together its corporate strategies, performance indicators, and personal objectives (MBO). The management of objectives was accomplished with KPIs and MBOs. The organization’s KPI was developed to match the corporate strategy, and personal objectives (MBO) were set according to the organization’s KPI. In 2018, innovative growth and social values categories were re-allocated to the KPIs so as to motivate the employees to participate in the creation of social values. Quantitative performances are monitored automatically by linking them to airport statistics and ERP. IAC also established a cooperative performance management framework wherein, through mutual com-munication, we keep track of KPI performance of each department by investigating with internal and external views. We investigated in 2018 the importance of personal and departmental evaluations, which both scored above 80 points on impartiality (personal evaluation 82.8 points, departmental evaluation 82.9 points). IAC established a rational wage system that links performance with compensation, and it also operates a fair wage system based on job category. In 2018, as a trend to increase performance-based compensation, IAC introduced an appraisal system that could add more objectively to the evaluation process. This greatly enhanced the acceptance and validity of personal and departmental evaluation results. IAC has built a very fair evaluation environment through active cooperation and communication. For instance, when setting the departmental KPI, IAC discusses the issue with each department for 3 months before finalizing them.

HR Management System That Develops an Employee’s Professional Skills

IAC wants to create a perfect fit HR management system, one that is based on employee’s abilities and performances. Job rotation and area of specialization are the two key principles of our HR operation, and we are expanding the strategic use of the job expertise rating system we have introduced. In addition, due to all the changes taking place in the airport business environment such as T2 construction-related issues, airport remodeling (design), and expansion of overseas business, we need experts for each field. In response, IAC has been adding new job categories like overseas business PM and design expert. By employing external expert manpower possessing the required experiences and skillsets, IAC is enhancing its organizational expertise.

Discrimination-Free Hiring

As a public institution, IAC strives to fulfill its social responsibilities and to increase discrimination-free hiring by incorporating the socially fair hiring target levels stipulated by government policy in its recruitment plans. IAC is working to ensure fairness and realize social values in its hiring practices by expanding its internship program, reintroducing its airport staff experience internship program, holding recruitment seminars for high school graduates, offering job opportunities to women whose careers have been interrupted and hiring by incorporating the socially fair hiring target levels.女士, and giving preferential consideration to people with disabilities.

Employee Competency Building

Training Global Leaders

As it increasingly faces more intense competition from global aviation training institutes in Singapore, Hong Kong, and China, IAC is doubling its efforts to acquire international certifications and improve the quality of its institutions. It was aviation training contracts from overseas customers by developing demand for professional aviation training through active sales pitches to potential customers. It even offers a course on how to operate an airport in a way that facilitates overseas business development. Thanks to its multifaceted efforts to train global aviation leaders, IAC was the first airport corporation in the Asia-Pacific region to have its educational training program certified by all 3 major international aviation bodies (ACI, ICAO, and IATA). IAC also produced the most number of foreign trainees (1,131 persons) among airport corporations.

Global Value Creating Human Talent A.I.R.

Satisfaction with training

4.78 point (4.73 in 2017 & 4.74 in 2018)

Awarded by ICAO for the Highest Number of Trainees Enrolled in the STP (Standard Training Package)

Biggest number of trainees from overseas

1,070 persons

Total Talents

536 persons

People with 3.4% of full-time jobs

32 persons

Female Talents

32% of new hires (YoY 6%↑)

1,070 persons

Awarded by ICAO for the Highest Number of Trainees Enrolled in the STP (Standard Training Package)

7.3% of full-time jobs

37 persons

Female managers

37 persons (7.3%)

(37 / 514) in 2017 = 7.2% (37 / 551) in 2018

Rate of return to work after maternity leave (female)

100%
Employee Safety and Health

IIAC operates the Joint Labor-Management Industrial Safety and Health Committee for deliberating on and making decisions with regard to key matters related to executives’ and employees’ safety & health, and it has established an advanced industrial safety management system to create a safe working environment. IIAC appointed a Safety & Health Management CEO and held a “Safety First Management” declaration ceremony. We renewed all employees to attend workplace safety training. IIAC also recruited expert manpower in health & safety and increased safety personnel to strengthen its competence in health and safety.

Considering the nature of the aviation business, IIAC provides free health checkups tailored for pregnant women, people with disabilities, shift workers, and other vulnerable employees. IIAC also operates free stress evaluations for all employees, including free regular health checkups and health-related yoga classes as well. In the home-visit body & mind care service, a doctor visits homes to perform health checkups and treatment. IIAC also operates programs like color therapy for relieving stress.

Labor Management Relations Based on Win-Win Formula

Upholding Labor Rights Through Labor-Management Agreement

IIAC’s trade union was founded in November 1995 under the Federation of Korean Public Industry Trade Unions of the Federation of Korean Trade Unions (FKTU). Level 3 employees and below are eligible to join the trade union. As of the end of December 2018, the total number of employees eligible to join the trade union was 1,149, which accounts for 84% of the total employees at IIAC, and 99.8% (1,147) of them are members of the trade union. IIAC is fully compliant with domestic and international labor relations laws, coordinating with the trade union at all times with regard to any major business or organizational change that could impact the working environment and employment conditions. In 2018, IIAC overhauled its labor management council, creating a new council for the new labor union leadership that prioritizes labor and management relationship-building activities based on frequent day-to-day communications. IIAC also introduced measures to strengthen regulations, such as monitoring for labor rights violations, increased emphasis on collective agreement compliance obligations, and revised labor management council rules. It is building the foundation for guaranteeing the rights of labor by correcting unfair labor practices and introducing rational labor policies. Simultaneously, IIAC will also work to expand labor rights activities to promote labor value and well continuously operate a labor-management council to develop a col-laborative partnership.

Construction of an Inclusive Channel for Communication

<table>
<thead>
<tr>
<th>Labor-Management Communication Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regular</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Regular Labor-Management Council/Workplace Safety Committee</td>
</tr>
<tr>
<td>Communication Channel with Subcontractors and Suppliers</td>
</tr>
<tr>
<td>Social Value</td>
</tr>
<tr>
<td>Operations of Labor/Shop/Expert Committee, System Improvement Council</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communication with Each Class</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bottom-Up Communication Channel</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Narrow the physical/social gap through communication within the same segment</td>
</tr>
<tr>
<td>Social Value</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communication Tailored to Each Class</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Value</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Skill: Labor-management joint education</td>
</tr>
<tr>
<td>Rotation: Pilot Tailored healing program</td>
</tr>
<tr>
<td>Contracted: The counseling program, special lecture on finance</td>
</tr>
<tr>
<td>Single: Color therapy</td>
</tr>
</tbody>
</table>

IIIAC also operates programs like color therapy for relieving stress.

Increase partnership between airport family members through direct communication

- Health improvement activities: One Mind Sports Festival, physical fitness contest, counseling by quit-smoking clinic
- Face to Face: CEO’s volunteer snack delivery work, CEO’s luncheon meeting with subcontractor companies, communication meeting
- Social Value: Operation of Airport Family Volunteer Corps

Through communication platform diversification, enable normal bilateral communication

- Mobile: Talk Talk Open Discussion Room, mobile voting system
- Face to Face: CEO’s luncheon meeting, Bean Bar Day, Smart Board, Consensus Room, voluntary implementation community
- Online: Complementing board, suggestion board
- Social Value: Innovation Competition (expand to affiliates and partner companies)
Ethical Management

Ethical Management System

To protect its integrity and credibility in the eyes of the public, INCIA emphasizes the importance of ethical awareness by requiring every individual at INCIA to practice ethical principles with the most ethical things. In 2018, INCIA established “Ethical Management through Innovations in System-People-Culture” as an ethical management objective and restructured its ethical management system to reflect new business strategy, internal and external environments, and government policies. INCIA emphasizes the importance of ethical management to all the workers in Incheon International Airport, and it is dedicated to spreading and improving its integrity/ethical management system.

Ethical Management-Related Organizations

In 2018, INCIA reorganized its deliberation and settlement body so that it could strengthen the organization for better transparent management. Previously, the CSR Committee deliberated on and settled both CSR and ethical management-related issues. Note, however, that INCIA formed the Ethical Management Committee and turned it into an organization dedicated solely to deliberating on ethical management issues. INCIA also sought to cultivate an ethical culture by reinforcing regulations on anti-corruption, integrity, and transparency. It revised 13 company regulations, which included regulations on ethics, regulations on requiring executives to sign integrity on the job contracts, regulations on conducting audits, and HR regulations.

Ethical Management Internalization Activities

Identifying and Eliminating Corrupt Practice-Inducing Factors

At INCIA, all the departments were involved in reviewing the state of integrity in their departments. All the departments then looked at 5 major aspects of their operations (business management, facility rental management, outsourcing management, and integrity culture) to analyze their characteristics and identify corruption-related problems. Afterward, each department was asked to establish a plan and develop tasks for improving the problem, and they then executed the tasks. We worked on all fronts to implement ethical management, especially carrying out midpoint monitoring to make sure the tasks were effective in rectifying the problem.

Ethics and Integrity Education & Training

INCIA provides ethics management education and training that can strengthen the ethics of executives and employees and which can be applied substantially in the field. The effectiveness of training is multiplied through multi-dimensional approaches to teaching ethics, which includes learning and putting into practice in daily life. Furthermore, in preparation for a paradigm shift in organization, INCIA operates numerous ethics training programs that are aimed at expanding understanding of laws and increasing the ethics awareness of airport workers.

Counseling and Reporting System

INCIA made it easy for a person to report cases of corruption by changing the system to make it more whistleblower-friendly. It set up a very convenient, easy-to-use reporting system and restructured the window for reporting damages caused by high-ranking people who abuse their power to make unreasonable demands. For instance, the reporting channel in INCIA’s mobile website was redesigned so that a would-be whistleblower could report corruption with only mobile personal certification without the need to log in as a member. In 2018, INCIA established the illegal request reporting hotline “Integrity One Call.” With one press of a dedicated hot button on the employee’s company work phone (mobile), the employee could call to report a violation. This measure was an attempt to thwart illegal requests before they occur. In addition, INCIA opened a reporting and support center for victims of abuse of power. We are trying to create an internal atmosphere wherein abuse of power could be eradicated and which makes it very easy to report violations.

INCIA operates an integrity portal and the mobile reporting system it has deployed, through which people could report illegal behaviors and acts that violate public interests such as corrupt behavior by INCIA employees and executives, illegal requests related to hiring/promotions, and accepting of bribes. Another service available is Helpline, an anonymous reporting system run by an external company so that the identity of the whistleblower could be further protected. INCIA protects the whistleblower (as well as collaborators) through confidentiality guarantees, physical protection, and protection measures so that they do not sustain damages for their actions.

Case Study

Incheon International Airport’s Integrity Ecosystem, Where the 70,000 Members of the Airport Family Become One

At the Incheon International Airport, “70,000 members of our airport family are working together to provide flawless services of the highest quality. We are a company where we all share ethical cultures and ethical awareness, which tend to be different for different subsidiaries, partner companies, and tenant businesses. Our subsidiaries are implementing ethical practices by giving targeted ethical training to employees working in locations most vulnerable to corrupt practices. In the case of partner companies, we require our managers and the field representatives from partner companies to sign an integrity pledge. We have started to evaluate partner companies with SLA evaluation sheets that have additional anti-corruption/anti-integrity activities and integrity compliance categories. We even created the “Integrity Health Staircase” in a management tool used by employees in our passenger terminals as a kind of integrity message that will make employees of tenant businesses aware of the importance of ethics. We expect a culture of integrity to become part of our normal lives.\n
Subsidary System Deployment and enhancement

Partner Company Enforces a zero-tolerance policy

Tenant Businesses: An integrity culture of communication and consensus
Goverance

Board of Directors

As the highest decision-making body of IAC, the Board of Directors makes decisions on key strategies and policies related to IAC, supervises management issues, and provides management support. The Board consists of 5 executive directors and 7 non-executive directors. The independence and integrity of the Board are maintained by having the non-executive directors make up the majority of the directors. The senior non-executive director serves as the chairman of the Board, thereby maintaining the system of checks and balances.

To secure independence and fairness when organizing the board of directors, the Director Recommendation Committee is set up, and director candidates who meet the qualifications set by IAC are recommended for a director position. The CEO is appointed by the President of the Republic of Korea based on a recommendation from the Minister of Land, Infrastructure, and Transport. Executive directors are appointed by the CEO through Shareholders’ General Meetings, and non-executive directors are appointed by the Minister of Strategy and Finance through the same meetings. The CEO serves a 3-year term; the directors serve a 2-year term but may serve consecutive 1-year terms.

Independence and Expertise of the Board of Directors

To ensure transparency and diversity in the decision-making process, IAC considers the various expertise and experiences of the director candidates. Based on the vision and the 4 major strategies of IAC, on-executive directors consist of experts in management, law, aviation industry, and overseas business. Based on their expertise and experiences, they render assurances by participating in management through advice and recommendation giving. Non-executive directors’ management recommendations—which are based on professional knowledge and experiences—are actively incorporated into corporate management activities, and the results are reported as feedback before the next board of directors’ meeting. In addition, to increase their understanding of the airport and aviation industry, non-executive directors are given a briefing on the airport operational status upon their appointment. During their term in office, the non-executive directors go on overseas trips to tour advanced airports and aviation industrial sites in foreign countries.

Board of Directors’ Operational Status

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Resolutions/Agenda</td>
<td>47/4</td>
<td>49/4</td>
<td>52/7</td>
</tr>
<tr>
<td>Number of Board Meetings</td>
<td>17</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Attendance (%)</td>
<td>94.4</td>
<td>94.7</td>
<td>93.9</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td>95.1</td>
<td>95.3</td>
<td>94.2</td>
</tr>
</tbody>
</table>

Board of Directors’ Operation

IAC establishes goals for operating the board, monitors the performance, and maintains the effectiveness of the board so that the board of directors can play its roles effectively. Moreover, by setting up and operating an effective BoD process, IAC has strengthened the decision-making function of the BoD. Board meetings are convened on a regular basis, and special meetings are held when necessary. In 2018, board meetings were convened for a total of 17 times. The average attendance rate was 93.9%, and a total of 82 agendas were discussed. IAC also prohibits directors from voting or participating in meetings on any agenda or items in which they have direct or indirect vested interests. Except for special matters, IAC transparently discloses information about the composition of the board and its committees, board performance, and key resolutions of the board on its website and the public institutions’ integrated information system ALIO (All Public Information In-One).

Committees within the Board

- **Planning and Budget Committee**
  - Chairman: Non-executive director
  - Composition: 4 non-executive directors, 1 executive director

- **Audit Committee**
  - Chairman: Non-executive director

- **Director Recommendation Committee**
  - Chairman: Non-executive director
  - Composition: 5-7 members who aren’t non-executive directors or external (private) members

Board Compensation and Assessment

The president who is the head of IAC is evaluated based on the Assessment of the Management Performance of Public Institutions and the Assessment of Management Performance of CEOs of Public Institutions by the Ministry of Strategy and Finance. Executive directors are evaluated on their efforts to realize management principles and contributions to management goals, based on the Assessment of Management Performance of Public Institutions and the Assessment of Management Contract Implementation Performance. The directors are compensated according to the regulations and as decided upon at a Shareholders’ General Meeting. Their compensations are disclosed to the public (ALIO, website, etc.) according to the relevant regulations and laws.

Key Resolutions of the Board in 2018

<table>
<thead>
<tr>
<th>Meeting No.</th>
<th>Date</th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-1</td>
<td>2016-01-12</td>
<td>Agreement on the operation of train connecting to T3</td>
</tr>
<tr>
<td>18-2</td>
<td>2016-01-31</td>
<td>Revision of regulations on office organization</td>
</tr>
<tr>
<td>18-3</td>
<td>2016-01-31</td>
<td>Revision of regulations on wages</td>
</tr>
<tr>
<td>18-4</td>
<td>2016-02-28</td>
<td>Budget operating plan for fiscal year 2018</td>
</tr>
<tr>
<td>18-5</td>
<td>2016-03-14</td>
<td>Convening the 28th (fiscal year 2017) general shareholders’ meeting</td>
</tr>
<tr>
<td>18-6</td>
<td>2016-03-14</td>
<td>Implementation of incentives for recording 1.03 million tons in air cargo transportation</td>
</tr>
<tr>
<td>18-7</td>
<td>2016-03-15</td>
<td>Payment trend to global infrastructure fund (GIF) for participating in the establishment of Korea Airlines Infrastructure &amp; Urban Development Corporation</td>
</tr>
<tr>
<td>18-8</td>
<td>2016-04-10</td>
<td>Establishment of a domestic corporation to run the operation of Kuwait International Airport T4</td>
</tr>
<tr>
<td>18-9</td>
<td>2016-05-30</td>
<td>Revision of regulations on the operation of the airport safety committee</td>
</tr>
<tr>
<td>18-10</td>
<td>2016-08-30</td>
<td>Plan for the sponsorship of the 2nd special purpose corporation</td>
</tr>
<tr>
<td>18-11</td>
<td>2016-09-13</td>
<td>Plan to long-term management goals for 2018-2028</td>
</tr>
<tr>
<td>18-12</td>
<td>2017-03-24</td>
<td>Plans for the establishment of a 2nd special purpose corporation</td>
</tr>
</tbody>
</table>
Stakeholder Engagement

Defining and Communicating with Stakeholders

To enhance the future value of Incheon Airport where various institutions and businesses are located, communication and cooperation with the stakeholders are very important. IAC has categorized the stakeholders based on legal, financial, and operational responsibilities as well as their influence and the flow of value through management activities; it is sharing sustainable management issues with the stakeholders through various communication channels. In 2018, in response to changes in the communication environment, IAC categorized the stakeholders into more detailed groups and strengthened communication programs for them, focusing on further enhancing stakeholder inclusion and communication. By cooperating with the stakeholders in sustainable management activities, IAC is striving to establish healthy and trust-based relationships with the stakeholders.

Strategic Structure for Stakeholder Communication

- Create Innovative Performance and Spread Awareness Through Tailored Communication with Stakeholders
- Stakeholder Surveys
  - Overview of Surveys
- Stakeholder Groups & Communication Channels
- Stakeholder Surveys
  - Stakeholders participating in surveys
- Survey Results
  - The stakeholder survey was designed to assess the materiality and impact of sustainable issues from 4 areas (General, Economy, Society, Environment) with regard to IIC's strategic and systematic implementation of sustainable management. According to the survey results, the stakeholders chose “Airport Security and Safety” and “Ethics and Legal Compliance” as the most important issues. In addition, the stakeholders considered “Response to Increase in Passenger and Cargo Demand” and “Governance, Transparency, and Expertise” as the important issues to respond to and manage. Therefore, there are no significant differences from last year with regard to the rankings of material issues.

Top 10 Issues from the Stakeholders’ Perspective (on a 5-point scale)
SR Stakeholder Committee 2019

We at IIAC have strived to build relationships of positivity and trustworthiness through communication with groups of stakeholders, cognizant of the ever-increasing importance of the participation of stakeholders. Since 2012, we have held the annual meeting of the Stakeholder Committee to inform the members of our activities carried out in the area of sustainable management and listen to their opinions.

The annual session of the committee for 2019 was held on June 20. It also served as the second quarter meeting of the Corps of Innovative-minded Local Participants. At the session, attendees including scholars and those from civic organizations and airport-related businesses checked important issues related to our sustainable management and engaged in in-depth discussion as to what we should do for the execution of our strategic sustainable management. Our employees explained our sustainable management policy to the attendees.

2019 Members of the SR Stakeholder Committee

Field | Affiliation | Name/Position
---|---|---
President | Korea Aerospace University (KAU) | Prof. Lee Yun-Cheol
Scholars | Korea University | Prof. Lee Cheol-Ung
| KAU | Prof. Park Min-Seok
| Institute of Industrial Policy Studies (IPS) | Prof. Song Byeong-Il
| Community Chest of Korea | Prof. Kim Jin-Ho
| Management Innovation Center of the Korean Standards Association | Prof. Son Byeong-Il
| Daed, the office of certified labor attorneys | Prof. Gwon Sun-Yeong

Field | Affiliation | Name/Position
---|---|---
Airport-related businesses | UNIES | Deputy Director Park O-Su
| Paris CROISSANT | Choi Seong-Ho (mid-level manager)
| Airline Operating Committee (AOC) | Choe Seung-Ho (mid-level manager)
| SK Duty-Free Shop | Secretary Gen. Han Gi-Don
| National Health Insurance Corporation (NHIC) | Deputy Chief Huang Sun-Hui
| E-Mart | Kim Joon-Yeong
| Paris CROISSANT Flowers (travel agent) | Park Min-Seok
| Paris CROISSANT Fliers (travel agent) | Lee Chang-geun

Opinions on IIAC’s sustainable management activities and suggestions for the direction of IIAC’s future development

1. By 2022-2025, passengers are expected to go through airport security check faster thanks to the development of AI-based security check devices despite the increase in the number of passengers. Nonetheless, it means that about three-quarters of the current security check officers may lose their jobs. The situation requires a more careful approach.

2. Nowadays, businesses’ social contribution tends to focus on the creation of economic value. IIAC needs to follow suit.

3. "Environment" is the third keyword. IIAC’s future report on sustainable management needs to include contents related to the housing of airport workers, indoor air quality of the airport buildings, and IIAC’s ongoing efforts for the creation of social value.

By 2022-2025, passengers are expected to go through airport security check faster thanks to the development of AI-based security check devices despite the increase in the number of passengers. Nonetheless, it means that about three-quarters of the current security check officers may lose their jobs. The situation requires a more careful approach.

1. The country is becoming an aging society. In that regard, IIAC needs to pay attention to the results of the offsite survey in the surveys of airport users’ level of satisfaction.

2. We expect IIAC to listen to the voices of diverse sectors of society, particularly the socially disadvantaged.

3. Safety signs need to be installed adequately concerning powered carts operated within the airport terminal. Service needs to be provided as well for the digitally disadvantaged.

4. IIAC needs to pay more attention to the needs of such as housing of young airport workers living alone.

5. We expect IIAC to play a leading role in energy/environment-related sustainable R&D.

1. It is advisable to distinguish the “facility”-related part from the “service”-related part in drawing up reports on convenient airports.

2. IIAC needs to provide housing and shuttle buses for employees of businesses operating within the airport to improve their customer service.

3. IIAC needs to publicize its report on social value realization through social media or TV ads so that even ordinary people can take more interest in its sustainable management activities. Production of said report in multiple languages is also required.

Q. Opinions on IIAC’s sustainable management activities and suggestions for the direction of IIAC’s future development

1. By 2022-2025, passengers are expected to go through airport security check faster thanks to the development of AI-based security check devices despite the increase in the number of passengers. Nonetheless, it means that about three-quarters of the current security check officers may lose their jobs. The situation requires a more careful approach.

2. Nowadays, businesses’ social contribution tends to focus on the creation of economic value. IIAC needs to follow suit.

3. "Environment" is the third keyword. IIAC’s future report on sustainable management needs to include contents related to the housing of airport workers, indoor air quality of the airport buildings, and IIAC’s ongoing efforts for the creation of social value.

By 2022-2025, passengers are expected to go through airport security check faster thanks to the development of AI-based security check devices despite the increase in the number of passengers. Nonetheless, it means that about three-quarters of the current security check officers may lose their jobs. The situation requires a more careful approach.

1. The country is becoming an aging society. In that regard, IIAC needs to pay attention to the results of the offsite survey in the surveys of airport users’ level of satisfaction.

2. We expect IIAC to listen to the voices of diverse sectors of society, particularly the socially disadvantaged.

3. Safety signs need to be installed adequately concerning powered carts operated within the airport terminal. Service needs to be provided as well for the digitally disadvantaged.

4. IIAC needs to pay more attention to the needs of such as housing of young airport workers living alone.

5. We expect IIAC to play a leading role in energy/environment-related sustainable R&D.

1. It is advisable to distinguish the “facility”-related part from the “service”-related part in drawing up reports on convenient airports.

2. IIAC needs to provide housing and shuttle buses for employees of businesses operating within the airport to improve their customer service.

3. IIAC needs to publicize its report on social value realization through social media or TV ads so that even ordinary people can take more interest in its sustainable management activities. Production of said report in multiple languages is also required.
Materiality Assessment

Materiality Assessment Process

Selection of material issues is one of the most important processes required for the efficient and systematic reporting of various sustainable management issues. IIAC conducted a materiality assessment based on the ISO 26000 Standards and the four principles defining reporting content (Sustainability Context, Materiality, Completeness, Stakeholder Inclusiveness) recommended by the GRI Standards and chose material issues for IIAC’s sustainable management. Among various sustainable management issues, IIAC prepared the table of contents of this report with issues that are most relevant to its sustainable management and businesses as well as those that stakeholders are most interested in.

Materiality Assessment Results

IIAC’s stakeholders have assessed the materiality of various sustainability issues, and IIAC has selected 17 key sustainability issues with the highest average materiality scores. In 2019, among the issues considered by the executives, employees, and stakeholders of IIAC to be most material, “Airport Security and Safety,” “Ethics and Legal Compliance,” “Response to Increase in Passenger and Cargo Demands,” and “Transparency of Governance and Expertise,” which are closely linked to IIAC’s airport operations and issues that are basic to the sustainability of companies, were ranked highest.

Material Issues and Table of Contents

<table>
<thead>
<tr>
<th>No.</th>
<th>Material Issues</th>
<th>Table of Contents</th>
<th>Reporting Boundaries</th>
<th>Ranking in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Airport safety and security (operational safety, disaster safety)</td>
<td>Safe Airport</td>
<td>Executives, Employees, Customers</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Ethics and legal compliance</td>
<td>Ethical Management</td>
<td>Executives, Employees</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Expansion of Incheon International Airport</td>
<td>Growing Airport</td>
<td>Executives and Employees</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Transparency of governance and expertness</td>
<td>Governance</td>
<td>Executives and Employees</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Management of economic, social, and environmental risks</td>
<td>Risk Management</td>
<td>Executives and Employees</td>
<td>9</td>
</tr>
<tr>
<td>6</td>
<td>Respect for human rights and prohibition of discrimination</td>
<td>Human Rights Management</td>
<td>Executives and Employees</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>Protection of customer information</td>
<td>Safe Airport</td>
<td>Executives</td>
<td>9</td>
</tr>
<tr>
<td>8</td>
<td>Service improvement for building a convenient airport (smart airport, customer satisfaction improvement)</td>
<td>Convenient Airport</td>
<td>Executives and Employees</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td>Fair performance evaluation and reasonable compensation</td>
<td>Realization of People-centered Social Values</td>
<td>Executives and Employees</td>
<td>11</td>
</tr>
<tr>
<td>10</td>
<td>Unit emissions and air pollution management (fine dust)</td>
<td>Creation of an Environmentally-Friendly Airport</td>
<td>Executives, Employees, Airlines</td>
<td>New</td>
</tr>
<tr>
<td>11</td>
<td>Development of Incheon International Airport</td>
<td>Future-Oriented Airport</td>
<td>Executives and Employees</td>
<td>New</td>
</tr>
<tr>
<td>12</td>
<td>Work-life balance</td>
<td>Realization of People-centered Social Values</td>
<td>Executives and Employees</td>
<td>16</td>
</tr>
<tr>
<td>13</td>
<td>Support for partner companies/SHEs and mutual growth</td>
<td>Strengthening of Mutual Growth</td>
<td>Executives, Employees, Partner Companies</td>
<td>New</td>
</tr>
<tr>
<td>14</td>
<td>Waste and wastewater management</td>
<td>Creation of an Environmentally-Friendly Airport</td>
<td>Executives and Employees</td>
<td>12</td>
</tr>
<tr>
<td>15</td>
<td>Client/Supplier relationship (expanded communication channel, address their concerns)</td>
<td>Stakeholder Engagement</td>
<td>All Stakeholders</td>
<td>15</td>
</tr>
<tr>
<td>16</td>
<td>Organizations involvement in local communities (corporate partnerships, etc.)</td>
<td>Expansion of CSR Activities</td>
<td>Executives, Employees, Local Community</td>
<td>New</td>
</tr>
<tr>
<td>17</td>
<td>Noise management</td>
<td>Creation of an Environmentally-Friendly Airport</td>
<td>Executives and Employees</td>
<td>New</td>
</tr>
</tbody>
</table>

STEP 1: Identification of key sustainable management issues through the analysis of internal and external environments

STEP 2: Prioritization of material issues through relevance/significance assessments

STEP 3: Validation of material issues
Risk Management

Company-wide Risk Management System

IIAC is striving to lay a foundation for sustainable growth through the systematic management of various risks that can arise from uncertain business environment and activities. By operating an Enterprise Risk Management (ERM) 24/7, IIAC strengthened the internal stability of its risk management. Likewise, for each category of risk, IIAC set a management direction to respond preemptively to risks that may arise. IIAC monitors risks at all times based on its Key Risk Indicators (KRIs) and responds to them based on its response manual, which provides guidelines for responding to 4 levels of risks (Moderate, Substantial, Severe, Critical). At IIAC, the Planning and Coordination Division is in charge of management risks (Strategic Management Group), and the Integrated Operations Center (IOC) manages operational risks (Internal Control Group and Crisis Response Group).

Establishing and Implementing a Risk Response Plan for Responding to Business Risk

- Profitability deterioration caused by excessive investing when bidding to win a duty-free store business contract
- Increased risk of an operator surrendering its duty-free store operating right and need to develop a contingency plan for this scenario
- Among the KRIs used for managing risks, the risk of non-aviation earnings declining could become a reality
- Revenues are expected to decline for the remaining period of the contract (including the contract termination penalty).

Minimize decline in commercial earnings and diversify sales through company-wide response

- Improve the duty-free store contracting system
- Take actions for increasing air travel demand
- Business portfolio diversification

Results

- Through the non-stop operation of duty-free stores, sales decline was minimized, and stable revenue structure was obtained.
- The revenue base was bolstered by recording 71.88 million passengers (ranked 5 in the world) and 152 million transit passengers.
- The revenue structure was diversified with overseas business/Air City (portfolio expansion) and innovative growth businesses.

APPENDIX

1. Sustainability Performance
2. Third-Party Assurance Report
3. ISO 26000 Performance Assessment Results
4. GRI & ISO 26000 Index
5. UNGC
6. Efforts to Perform the UN SDGs
7. Key Awards and Memberships
### Economic Performance

#### Summary of Consolidated Statements of Financial Position

<table>
<thead>
<tr>
<th>Items</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>12,356,809,907,459</td>
<td>10,952,038,497,514</td>
<td>10,359,093,286,932</td>
</tr>
<tr>
<td>Current Assets</td>
<td>877,313,024,344</td>
<td>701,725,442,511</td>
<td>560,000,000,000</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td>11,479,456,083,115</td>
<td>8,042,413,606,626</td>
<td>7,269,770,340,504</td>
</tr>
<tr>
<td>Non-Current Non-Financial Assets</td>
<td>3,007,721,211,274</td>
<td>2,980,542,714,499</td>
<td>2,940,742,920,333</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>8,041,435,263,121</td>
<td>7,269,770,340,504</td>
<td>6,877,982,577,750</td>
</tr>
<tr>
<td>Total Equity</td>
<td>4,315,368,644,338</td>
<td>3,671,268,157,010</td>
<td>3,481,107,669,182</td>
</tr>
<tr>
<td>Equity Attributable to Owners of the Parent Company</td>
<td>3,652,643,257,966</td>
<td>3,007,721,211,274</td>
<td>2,940,742,920,333</td>
</tr>
<tr>
<td>Retained Earnings (Deficiencies)</td>
<td>3,652,643,257,966</td>
<td>3,007,721,211,274</td>
<td>2,940,742,920,333</td>
</tr>
<tr>
<td>Non-Controlling Interests</td>
<td>720,000,000,000</td>
<td>720,000,000,000</td>
<td>720,000,000,000</td>
</tr>
<tr>
<td>Total Equity</td>
<td>4,315,368,644,338</td>
<td>3,671,268,157,010</td>
<td>3,481,107,669,182</td>
</tr>
</tbody>
</table>

#### Other Comprehensive Income

<table>
<thead>
<tr>
<th>Items</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Comprehensive Income (Net of Tax)</td>
<td>335,465,438</td>
<td>219,467,735</td>
<td>219,467,735</td>
</tr>
</tbody>
</table>

### Sustainability Performance

#### Summary of Consolidated Statements of Financial Position

<table>
<thead>
<tr>
<th>Items</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Comprehensive Income</td>
<td>5,181,656,744,867</td>
<td>4,315,368,644,338</td>
<td>3,652,643,257,966</td>
</tr>
<tr>
<td>Non-Operating Income (Expenses)</td>
<td>720,000,000,000</td>
<td>720,000,000,000</td>
<td>720,000,000,000</td>
</tr>
<tr>
<td>Operating Income</td>
<td>5,181,656,744,867</td>
<td>4,315,368,644,338</td>
<td>3,652,643,257,966</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>5,181,656,744,867</td>
<td>4,315,368,644,338</td>
<td>3,652,643,257,966</td>
</tr>
<tr>
<td>Income Tax Expenses</td>
<td>369,550,599,796</td>
<td>281,817,978,793</td>
<td>281,817,978,793</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>4,812,096,154,831</td>
<td>4,033,549,665,545</td>
<td>3,370,825,279,173</td>
</tr>
<tr>
<td>Non-Operating Income (Expenses)</td>
<td>720,000,000,000</td>
<td>720,000,000,000</td>
<td>720,000,000,000</td>
</tr>
<tr>
<td>Operating Income</td>
<td>5,181,656,744,867</td>
<td>4,315,368,644,338</td>
<td>3,652,643,257,966</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>5,181,656,744,867</td>
<td>4,315,368,644,338</td>
<td>3,652,643,257,966</td>
</tr>
<tr>
<td>Income Tax Expenses</td>
<td>369,550,599,796</td>
<td>281,817,978,793</td>
<td>281,817,978,793</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>4,812,096,154,831</td>
<td>4,033,549,665,545</td>
<td>3,370,825,279,173</td>
</tr>
</tbody>
</table>
Economic Performance

Summary of Statements of Financial Position

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Ratio</td>
<td>50.7</td>
<td>53.7</td>
<td>40.5</td>
</tr>
<tr>
<td>Equity to Asset Ratio</td>
<td>95.4</td>
<td>65.1</td>
<td>71.2</td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Profit Ratio</td>
<td>58.4</td>
<td>58.6</td>
<td>47.6</td>
</tr>
<tr>
<td>Return on Assets</td>
<td>8.8</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Gross Profit margins</td>
<td>57.1</td>
<td>58.8</td>
<td>54.9</td>
</tr>
<tr>
<td>Growth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Growth Rate</td>
<td>15.5</td>
<td>12.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Total Assets Growth Rate</td>
<td>10.9</td>
<td>12.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Properties and Equipment Growth Rate</td>
<td>15.1</td>
<td>13.7</td>
<td>15.8</td>
</tr>
</tbody>
</table>

Performance in Air Transport

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft Movements</td>
<td>339,873</td>
<td>362,205</td>
<td>387,492</td>
</tr>
<tr>
<td>International Movements</td>
<td>334,528</td>
<td>355,162</td>
<td>361,744</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>5,793,307</td>
<td>6,082,032</td>
<td>6,159,763</td>
</tr>
<tr>
<td>International Passengers</td>
<td>5,7,152,208</td>
<td>6,152,572</td>
<td>6,175,141</td>
</tr>
<tr>
<td>Transit Passengers</td>
<td>7,155,109</td>
<td>7,155,144</td>
<td>8,020,403</td>
</tr>
<tr>
<td>Transfer Rate (%)</td>
<td>12.4</td>
<td>11.8</td>
<td>11.7</td>
</tr>
<tr>
<td>Cargo</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Cargo (Tons)</td>
<td>2,714,317</td>
<td>2,931,620</td>
<td>2,902,085</td>
</tr>
<tr>
<td>Transit Cargo (Tons)</td>
<td>1,072,569</td>
<td>1,130,049</td>
<td>1,135,777</td>
</tr>
<tr>
<td>Transfer Rate (%)</td>
<td>39.3</td>
<td>38.7</td>
<td>39.4</td>
</tr>
</tbody>
</table>

Performance in Airport Operations

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>21,800</td>
<td>24,306</td>
<td>27,208</td>
</tr>
<tr>
<td>Aeronautical Revenues</td>
<td>3,552</td>
<td>3,071</td>
<td>3,051</td>
</tr>
<tr>
<td>Passengers</td>
<td>4,123</td>
<td>4,403</td>
<td>4,001</td>
</tr>
<tr>
<td>Commercial &amp; Retail</td>
<td>12,377</td>
<td>14,050</td>
<td>14,917</td>
</tr>
<tr>
<td>Rent/Utility</td>
<td>1,057</td>
<td>3,008</td>
<td>3,449</td>
</tr>
<tr>
<td>Guernsey and Other Businesses</td>
<td>86</td>
<td>84</td>
<td>219</td>
</tr>
</tbody>
</table>

Distribution of Financial Value

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives and Employees</td>
<td>1,059</td>
<td>1,341</td>
<td>1,378</td>
</tr>
<tr>
<td>Partners</td>
<td>3,491</td>
<td>3,645</td>
<td>5,247</td>
</tr>
<tr>
<td>Dividends</td>
<td>3,473</td>
<td>3,725</td>
<td>3,734</td>
</tr>
<tr>
<td>Interests</td>
<td>208</td>
<td>211</td>
<td>211</td>
</tr>
<tr>
<td>Government</td>
<td>3,489</td>
<td>3,902</td>
<td>4,011</td>
</tr>
<tr>
<td>Contributions</td>
<td>68</td>
<td>81</td>
<td>131</td>
</tr>
<tr>
<td>Others</td>
<td>2,019</td>
<td>4,682</td>
<td>5,162</td>
</tr>
</tbody>
</table>

** Outsourcing Cost: The airport industry is a labor-intensive industry, and KAC creates jobs for more than 600 people outside.

Social Performance

Overview of Executives and Employees

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,241</td>
<td>1,345</td>
<td>1,427</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male (%)</td>
<td>937(75.5%)</td>
<td>1,017(75.5)</td>
<td>1,070(75.5)</td>
</tr>
<tr>
<td>Female (%)</td>
<td>304(24.5%)</td>
<td>328(24.4%)</td>
<td>360(24.4%)</td>
</tr>
<tr>
<td>Number of Employees Who Have</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retired or Left to Work for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Another Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male (%)</td>
<td>201(15%)</td>
<td>215(15%)</td>
<td>215(15%)</td>
</tr>
<tr>
<td>Female (%)</td>
<td>100(7.5%)</td>
<td>102(7.6%)</td>
<td>105(7.6%)</td>
</tr>
<tr>
<td>New Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male (%)</td>
<td>510(41%)</td>
<td>570(41%)</td>
<td>570(41%)</td>
</tr>
<tr>
<td>Female (%)</td>
<td>293(24%)</td>
<td>302(23%)</td>
<td>302(23%)</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>1,212</td>
<td>1,334</td>
<td>1,412</td>
</tr>
<tr>
<td>Overseas</td>
<td>15</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisors &amp; Managers</td>
<td>427</td>
<td>431</td>
<td>431</td>
</tr>
<tr>
<td>Employees</td>
<td>600</td>
<td>617</td>
<td>617</td>
</tr>
<tr>
<td>Type of Employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>1,004</td>
<td>1,301</td>
<td>1,401</td>
</tr>
<tr>
<td>Temporary</td>
<td>36</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Directly Headed</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Indirectly Headed</td>
<td>6,063</td>
<td>6,110</td>
<td>6,110</td>
</tr>
<tr>
<td>Number of Female Employees (%)</td>
<td>348(28%)</td>
<td>348(28%)</td>
<td>348(28%)</td>
</tr>
<tr>
<td>Number of Men in Management</td>
<td>214(17%)</td>
<td>245(19%)</td>
<td>245(19%)</td>
</tr>
<tr>
<td>Positions (%)</td>
<td>30(2.5%)</td>
<td>30(2.5%)</td>
<td>30(2.5%)</td>
</tr>
<tr>
<td>Number of People with Disabilities (%)</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Male (%)</td>
<td>512(41%)</td>
<td>570(41%)</td>
<td>570(41%)</td>
</tr>
<tr>
<td>Female (%)</td>
<td>260(20%)</td>
<td>272(20%)</td>
<td>272(20%)</td>
</tr>
<tr>
<td>New Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People with Disabilities</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>High School Graduates</td>
<td>8</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Men of National Merit</td>
<td>3</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Outstanding Regional Human</td>
<td>29</td>
<td>48</td>
<td>51</td>
</tr>
</tbody>
</table>

Training and Education

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training &amp; Education Hours Per Person</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>159</td>
<td>167</td>
<td>167</td>
</tr>
<tr>
<td>Female</td>
<td>130</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>Average</td>
<td>144</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Training &amp; Education Budget Per Person</td>
<td>KRW 10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 1</td>
<td>76</td>
<td>94</td>
<td>94</td>
</tr>
<tr>
<td>Level 2</td>
<td>130(17.5%)</td>
<td>130(17.5%)</td>
<td>130(17.5%)</td>
</tr>
<tr>
<td>Level 3</td>
<td>130(17.5%)</td>
<td>130(17.5%)</td>
<td>130(17.5%)</td>
</tr>
<tr>
<td>Level 4</td>
<td>130(17.5%)</td>
<td>130(17.5%)</td>
<td>130(17.5%)</td>
</tr>
<tr>
<td>Level 5</td>
<td>130(17.5%)</td>
<td>130(17.5%)</td>
<td>130(17.5%)</td>
</tr>
<tr>
<td>Number of People Trained Per (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 1</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
</tr>
<tr>
<td>Level 2</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
</tr>
<tr>
<td>Level 3</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
</tr>
<tr>
<td>Level 4</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
</tr>
<tr>
<td>Level 5</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
<td>35(9.5%)</td>
</tr>
<tr>
<td>Testimonial Level (Out of 5 Points)</td>
<td>4.74</td>
<td>4.74</td>
<td>4.74</td>
</tr>
<tr>
<td>Applicability (Out of 5 Points)</td>
<td>4.52</td>
<td>4.55</td>
<td>4.48</td>
</tr>
</tbody>
</table>
**Social Performance**

### Integrity and Ethical Education Program

<table>
<thead>
<tr>
<th>Education Target</th>
<th>Education Method</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Employees</td>
<td>Group, 1:1</td>
<td>Once a year</td>
</tr>
<tr>
<td>Cyber Education</td>
<td>Time of the year</td>
<td>2,014</td>
</tr>
<tr>
<td>Career Transitions</td>
<td>New hires</td>
<td>129</td>
</tr>
<tr>
<td></td>
<td>Time of hiring</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>Promoted</td>
<td>107</td>
</tr>
<tr>
<td></td>
<td>Time of promotion</td>
<td>107</td>
</tr>
<tr>
<td></td>
<td>Executive</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Time of promotion</td>
<td>170</td>
</tr>
<tr>
<td></td>
<td>Outsourced education, e.g., Civil</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>Rights Commission/Integrity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Time of the year</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Practical education for rank</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>and file, department level</td>
<td>625</td>
</tr>
<tr>
<td></td>
<td>education</td>
<td>411</td>
</tr>
</tbody>
</table>

### Use of Flexible Work Arrangements and Short-Term Work

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly Work</td>
<td>217</td>
<td>247</td>
<td>258</td>
</tr>
<tr>
<td>Flexible Work Arrangements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personalized Start/Departure Times</td>
<td>199</td>
<td>300</td>
<td>431</td>
</tr>
<tr>
<td>Personalized Work Hours</td>
<td>64</td>
<td>356</td>
<td>314</td>
</tr>
<tr>
<td>Compressed Work Schedule</td>
<td>-</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Remote Work Policy</td>
<td>231</td>
<td>105</td>
<td>83</td>
</tr>
</tbody>
</table>

### Mutual Growth

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Growth Assessment Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners/Satisfactionwith the Vehicle Cooperation Program</td>
<td>94.4</td>
<td>94.7</td>
<td>94.1</td>
</tr>
<tr>
<td>Unit/Budget</td>
<td>68</td>
<td>53</td>
<td>59</td>
</tr>
<tr>
<td>Purchases from SMEs</td>
<td>7,246</td>
<td>8,332</td>
<td>5,454</td>
</tr>
<tr>
<td>Airport B&amp;D Revenue</td>
<td>68.2</td>
<td>102</td>
<td>84</td>
</tr>
</tbody>
</table>

### Customer Satisfaction Surveys

<table>
<thead>
<tr>
<th>Type of Survey</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction with Departure Services</td>
<td>80</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>Satisfaction with Arrival Services</td>
<td>83</td>
<td>85</td>
<td>88</td>
</tr>
<tr>
<td>Satisfaction with Transit Services</td>
<td>81</td>
<td>87</td>
<td>88</td>
</tr>
<tr>
<td>Satisfaction with Airlines’ Services</td>
<td>99</td>
<td>91</td>
<td>92</td>
</tr>
</tbody>
</table>

### Use of Parental Leave

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Users</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Number of Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who Returned to Work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Number of Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Still Working 2 Months</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>After Returning to Work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Return Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Continuous Service Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>81.6</td>
<td>80%</td>
<td>81.6</td>
</tr>
</tbody>
</table>

### Local Community Participation

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Volunteer</td>
<td>Unit</td>
<td>503</td>
<td>502</td>
<td>900</td>
</tr>
<tr>
<td>Participants</td>
<td>hours</td>
<td>2,970</td>
<td>2,540</td>
<td>4,110</td>
</tr>
</tbody>
</table>

### VOC Operations

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Cases Registered</td>
<td>5,426</td>
<td>6,033</td>
<td>7,386</td>
</tr>
<tr>
<td>Number of Cases Processed</td>
<td>5,426</td>
<td>6,033</td>
<td>7,386</td>
</tr>
<tr>
<td>Process Rate</td>
<td>%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Environmental Performance

#### Energy Use

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>TJ</td>
<td>2,728</td>
<td>3,206</td>
<td>4,987</td>
</tr>
<tr>
<td>Medium-Temperature Hot Water</td>
<td></td>
<td>459</td>
<td>701</td>
<td>757</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>100</td>
<td>73</td>
<td>107</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3,277</td>
<td>4,010</td>
<td>4,951</td>
</tr>
<tr>
<td>Energy Use Intensity (Energy Use/Revenue)</td>
<td></td>
<td>0.00215</td>
<td>0.00055</td>
<td>0.00187</td>
</tr>
</tbody>
</table>

#### GHG Emissions

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Emissions</td>
<td>CO2</td>
<td>213,210</td>
<td>23,940</td>
<td>24,317</td>
</tr>
<tr>
<td>Indirect Emissions</td>
<td>CO2</td>
<td>174,260</td>
<td>198,907</td>
<td>232,100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>387,470</td>
<td>222,847</td>
<td>256,217</td>
</tr>
<tr>
<td>Emissions Per KRW (Emissions/Revenue)</td>
<td></td>
<td>0.000200</td>
<td>0.008736</td>
<td>0.009794</td>
</tr>
</tbody>
</table>

#### Water Resource Management

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Use</td>
<td>m3</td>
<td>1,045,543</td>
<td>2,039,943</td>
<td>2,404,167</td>
</tr>
<tr>
<td>Water Use Per KRW</td>
<td></td>
<td>0.75215</td>
<td>0.83925</td>
<td>0.98094</td>
</tr>
<tr>
<td>Average Water Use</td>
<td>m3</td>
<td>3,072,370</td>
<td>5,375,267</td>
<td>6,052,118</td>
</tr>
<tr>
<td>Amount of Water Recycled</td>
<td></td>
<td>2,035,449</td>
<td>3,278,577</td>
<td>3,416,549</td>
</tr>
</tbody>
</table>

#### Waste Generation

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Generated</td>
<td>Ton</td>
<td>31,010</td>
<td>32,387</td>
<td>45,564</td>
</tr>
<tr>
<td>General Waste</td>
<td></td>
<td>17,368</td>
<td>17,099</td>
<td>20,185</td>
</tr>
<tr>
<td>Designated Waste</td>
<td></td>
<td>1,402</td>
<td>1,750</td>
<td>1,516</td>
</tr>
<tr>
<td>Construction Waste</td>
<td></td>
<td>12,122</td>
<td>13,886</td>
<td>23,544</td>
</tr>
</tbody>
</table>

#### Waste Processing

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>Ton</td>
<td>21,155</td>
<td>19,335</td>
<td>20,013</td>
</tr>
<tr>
<td>Waste Recycling Rate</td>
<td>%</td>
<td>80</td>
<td>120</td>
<td>92</td>
</tr>
<tr>
<td>Incinerated</td>
<td>Ton</td>
<td>39,613</td>
<td>12,490</td>
<td>16,386</td>
</tr>
<tr>
<td>Buried</td>
<td></td>
<td>1,253</td>
<td>1,773</td>
<td>1,015</td>
</tr>
</tbody>
</table>

#### Air Pollution at the Airport and Nearby Areas *

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine Dust (PM10)**</td>
<td>μg/m3</td>
<td>40,684</td>
<td>40,497</td>
<td>39,206</td>
</tr>
<tr>
<td>Ultra Fine Dust (PM2.5)**</td>
<td>μg/m3</td>
<td>30,301</td>
<td>27,281</td>
<td>22,221</td>
</tr>
</tbody>
</table>

* Average measurements from 3 air pollution monitoring stations.
** The measurement values for PM10, PM2.5 were taken on days without yellow dust warnings.
Incheon International Airport’s Carbon Footprint

The IIAC assesses and manages the greenhouse gas discharged through both direct and indirect routes during airport operations.

**Landing and take-off of airplanes**

\[ 138,792 \text{ tCO}_2 \]

**Movements of employees**

\[ 1,224 \text{ tCO}_2 \]

**Ground Handling Crew**

\[ 54,483 \text{ tCO}_2 \]

**Movements of passengers**

\[ 351,464 \text{ tCO}_2 \]

**Boiler**

\[ 383 \text{ tCO}_2 \]

**Electricity usage in the airport**

\[ 180,158 \text{ tCO}_2 \]

**Airplane movements on the ground**

\[ 195,686 \text{ tCO}_2 \]

**Airplane auxiliary engine**

\[ 223,020 \text{ tCO}_2 \]

**Warm and hot water usage at the airport**

\[ 33,377 \text{ tCO}_2 \]

**Greenhouse gas emissions by waste incinerators**

\[ 351,464 \text{ tCO}_2 \]

**Sewage treatment**

\[ 2,018 \text{ tCO}_2 \]

**Electricity usage by tenant businesses**

\[ 131,358 \text{ tCO}_2 \]

**Landing/Takeoff/ Ground movement of planes**

\[ 32\% \]

**Movement of passengers and employees**

\[ 24\% \]

**Planes’ auxiliary engines**

\[ 15\% \]

**Indirect energy (electricity and medium-temperature water)**

\[ 14\% \]

**Businesses operating within the airport**

\[ 10\% \]

**Ground-level operation**

\[ 4\% \]

**Owned by IIAC**

\[ 2\% \]

**Total amount of GHG Emission in the Airport Areas**

Based on 2018 (Unit: tCO₂)

<table>
<thead>
<tr>
<th>Division</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope1</td>
<td>22,637</td>
<td>23,347</td>
<td>28,131</td>
</tr>
<tr>
<td>Scope2</td>
<td>141,288</td>
<td>172,276</td>
<td>213,536</td>
</tr>
<tr>
<td>Scope3</td>
<td>1,116,691</td>
<td>1,171,856</td>
<td>1,225,067</td>
</tr>
<tr>
<td><strong>Total amount of GHG Emission</strong></td>
<td><strong>5,563</strong></td>
<td><strong>180,158</strong></td>
<td><strong>223,020</strong></td>
</tr>
</tbody>
</table>

Scope 1: Greenhouse gases emitted directly from the airport or emitted by sources (e.g., boilers and vehicles) owned and controlled by the business.

Scope 2: Greenhouse gases emitted indirectly from the airport or emitted through the use of electricity and steam consumed by the business.

Scope 3: Indirect greenhouse gases emitted from facilities not owned or controlled by the business (such as those emitted by planes, electricity/medium-temperature water used by businesses operating within the airport, movement of passengers, and employees of businesses operating within the airport).

*Changes in 2016-2017-related data due to changes in the scope of data calculation and relevant criteria.*
Third Party Assurance Report

To the Management of Incheon International Airport Corporation

The Institute for Industrial Policy Studies (hereinafter referred to as “Auditor”), hereby presents the following statement of assurance, upon the request for auditing the 2018/19 Incheon International Airport Corporation Sustainability Report (hereinafter referred to as “Report”) as a licensed sustainability assurance provider.

Responsibility & Objective

Incheon International Airport Corporation (hereinafter referred to as “IAC”) is responsible for economic, environmental, and social dimensions of performance measures and all statements contained in this report. The objective of the assurance is to offer professional counsel for improving the quality of the report by: checking whether there were any errors or bias present in the Report; by assessing whether the data collection system is in appropriate working order; and by examining the process of identifying issues of material importance to sustainability management.

Assurance Type & Level


Assurance Scope | Economic, environmental and social dimensions of the report's performance measures and objectives
--- | ---
Assurance Type & Level | Type II - Moderate level
Assurance Criteria | ① GRI Assurance Metrics™ to verify compliance against the four core principles of AA1000AP (2018)
 | ② GRI Performance Indicators Assurance Criteria™ to assess the reliability of performance indicators based on ISAE3000
 | ③ GRI Standards: The compliance of the “Core Option” criteria

Assurance Process and Activities

The Auditor confirmed: ① the inclusivity, materiality, responsiveness, and impact of the reported content; ② the reliability of the reported performance data; and ③ the GRI Standards “in accordance” criteria.

- Review of IAC’s identification process of material issues and following results
- Review of the stakeholder engagement process
- Review of data samples, other than financial statements, used as sources for economic, social and environmental quantitative performance measures
- Review of reference materials underlying economic, social and environmental qualitative performance measures
- Review of the Report's compliance with GRI Standards

The Auditor conducted written correspondence and in-person interviews with the reporting management and staff, within IAC, in the process of assurance measures. The staff appropriately reflected the Auditor’s request for revision and opinions in the Report.

Assurance Findings

The Auditor discussed about the Report’s editing with IAC though written correspondence and in-person interviews and reviewed the final draft of the Report to confirm whether our requests and revisions for assurance were reflected. As a result, the Auditor could not find any contents violating the following assurance principles, or any evidence showing major errors or bias in the performance information or claims stated within the assurance scope.

[Inclusivity]
Were IAC’s stakeholder engagement plans and processes appropriate?

It is the Auditor’s view that IAC has put in place a process for stakeholder engagement to better reflect stakeholder viewsaster views in its actual management activities. In recognition of the importance of communication and cooperation with stakeholders for pursuing sustainability management, it has been confirmed that the Public Participation Innovation Corps, which is held quarterly, is a representative process for listening to the opinions of IAC’s core stakeholders. The Auditor has not found any important stakeholders left out from this process.

[Materiality]
Does the Report offer substantive information of material importance to IAC’s economic, environmental and social stakeholders?

The Auditor confirmed that IAC is identifying material issues affecting both stakeholders and management activities of the Company and is appropriately disclosing the management status of these issues. In particular, the identification of sustainability issues through the “SR Stakeholder Committee” and the facilitation of methods to prioritize material issues through stakeholder survey results appear to be IAC’s core “materiality assessment process.” No omissions were discovered by the Auditor, in terms of sustainability management information important to stakeholders.

[Responsiveness]
Does the Report provide an adequate response to stakeholder demands and interests?

The Auditor confirmed that IAC is operating diverse engagement channels appropriate for each key stakeholder and is identifying material reporting issues through these opinions collected in the process. The introduced themes of “Realizing Social Value”, “Airport Safety and Security”, and “Increasing Passenger and Cargo Demand” in the Report were found to be areas of high stakeholder interest according to the “SR Stakeholder Committee” and survey results. It has been found in this process that the corporation has appropriately reacted to stakeholder demands and interests.

[Impact]
Does IAC identify and measure economic, social, and environmental impacts on stakeholders and disclose the results through the Report?

It is the Auditor’s opinion that IAC is appropriately disclosing the result of social and environmental cost saving and economic ripple effect in the process of promoting unique business through the Report. Moreover, the Auditor confirmed that IAC conducts fact-finding and impact evaluation in the process of human rights management, analyzes their social and environmental impacts on stakeholders in the aspect of business operation, and receives objective reviews on the results from external specialized organizations.

[Reliability of Performance Indicators]

The Auditor confirmed that the performance indicators presented in the Report are free from bias or error that would affect stakeholders’ judgment of IAC. Following are the key performance indicators the Auditor has recognized.

<table>
<thead>
<tr>
<th>Category</th>
<th>Subcategory</th>
<th>Performance Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe Airport</td>
<td></td>
<td>Airport safety and security</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average daily flight rate: 6.49p, reduction of ground measurement time: 4%</td>
</tr>
<tr>
<td>Convenient Airport</td>
<td>Customer information protection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Degree of precision of the baggage handling system: 99.999%</td>
<td></td>
</tr>
<tr>
<td>Growing Airport</td>
<td>Response to increasing passenger and cargo demand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of transfer passengers: approximately 8 million persons</td>
<td></td>
</tr>
<tr>
<td>Future-oriented Airport</td>
<td>Development of overseas business and air-city</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cumulative new orders from overseas business: approximately USD 220 million</td>
<td></td>
</tr>
<tr>
<td>Eco-Friendly Airport</td>
<td>Control of GHG emissions and air quality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual GHG emissions: 232,352 tCO2eq</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in waste recycling rate: +5pp</td>
<td></td>
</tr>
<tr>
<td>Participation in Local Communities</td>
<td>IAC’s participation in local communities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time spent on community service: approximately 4,230 hours</td>
<td></td>
</tr>
<tr>
<td>Ethical Management</td>
<td>Compliance with business ethics and regulations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance in ethical management: 91 points in anti-corruption practice evaluation, 84.87 points in comprehensive integrity, and 2nd rating in internal integrity</td>
<td></td>
</tr>
</tbody>
</table>

GRI “In Accordance” Criteria

The Auditor has recognized that the Report is in accordance with the “Core Option” criteria of the GRI Standards.

Recommendations

The Auditor highly values the Report’s endeavor to: ① establish material issues closely associated with IAC’s four core management strategies; ② appropriately reflect the key interests of every stakeholder through the Public Participation Innovation Corps, SR Stakeholder Committee, and surveys; ③ transparently disclose the Company’s economic, environmental, and social performance improvement based on internal and external sustainability agendas including social value realization, human rights management, and the UN SDGs.

Recommended in future reports with better quality are the following:

- Accuracy: Securing a system to manage basic data including sales and the number of employees which are subject to change due to source, gathering criteria, and disclosure condition.
- Clarity: Explaining technical terminologies and English abbreviations used in the airport industry.

Independence of the Auditor

The Auditor does not have any for profit or commercial affiliation with IAC and did not involve in any of the preparations of the Report, with the exception of this third party assurance statement.

Qualifications of the Auditor

The Institute for Industrial Policy Studies is a “Third Party Assurance Provider” engaging in sustainability report assurance for corporations and public organizations nationwide. The auditing team participating in the assurance of this report consists of experts specialized in disciplines of business administration, economics, and accounting, and also with many years of accumulated experience and professional training in the fields of ethical management, human rights management, CSR, and sustainability.

July 2019
Chairman The Institute for Industrial Policy Study Tae Hyun Kim
ISO 26000 Performance Assessment Results

Assessment Standard
As part of the service provided to the Korean Agency for Technology and Standards, the Korea Standard Association developed an assessment checklist for the evaluation and performance in social responsibility. This assessment report provides the results and improvements in the ISO 26000 Performance Assessment Results for enhancing the reliability of the performance assessment process.

Assessment Scope
We at the Korea Standard Association assessed Incheon International Airport Corporation (IAIC)’s processes and performance with regard to social responsibility. Specifically, we assessed IAIC’s long-term strategy and execution thereof, Stakeholder Engagement and social responsibility activities, etc.

Assessment Method
We performed the assessment of the following criteria: collection of data directly and methodology and performance data. The assessment was based on the criteria defined in the ISO 26000. In particular, steps like establishing a management strategy and transparently managing social responsibility (SpSR) are essential for evaluating the social performance of an organization.

In all areas related to consumer issues, IAIC was found to be an excellent company. In the opening of Passenger Terminal 2, IAIC provided adequate space, quick airport navigation, comfortable rest rooms, and convenient, quick arrival and departure services and has improved transportation services to make it easier to leave and get to the airport. We also gave IAIC high points for establishing 100 actions plans for becoming the world’s no. 1 smart airport and developing an operating model for commercial facilities. Furthermore, we verified that IAIC is working hard with the airport workers to create an airport that citizens could use safely by improving operational safety, disaster safety, and airport security. Especially noteworthy were the zero cases of cyber intrusion accidents and personal information leaks thanks to IAIC’s cyber terror and information security management system developed up response capabilities.

In all areas related to social responsibility, IAIC was found to be an excellent company. IAIC has established regulations on human rights and proclaimed internally as well as externally its human rights management charter. Highly commendable is the fact that it disclosed its organization for pursuing human rights management and set up a system (IAIC’s human rights management system) that can be used in management activities. Especially noteworthy is the fact that IAIC carried out human rights impact assessments on its partner companies and developed its own human rights guidance to adopt the guidelines published by the National Human Rights Commission and realizing them in the business environment conditions. We advise IAIC to concentrate on activities for preventing human rights infringements and keep on developing plans for increasing the effectiveness of its human rights protection and improvement activities.

As the top decision making body, the Board of Directors (BOD) not only reviews the efforts of IAIC to fulfill its social responsibilities but also encourages IAIC to increase its corporate social responsibilities by having the Planning and Budget Committee under the BOD review the budget spending performance on social responsibilities. A high note goes to the BOD’s review of the annual corporate social responsibility performance and the annual sustainability report. We recommend that the BOD of IAIC should make effective use of the BOD’s review on social responsibility performance and the annual sustainability report.

As the top decision making body, the Board of Directors (BOD) not only reviews the efforts of IAIC to fulfill its social responsibilities but also encourages IAIC to increase its corporate social responsibilities by having the Planning and Budget Committee under the BOD review the budget spending performance on social responsibilities. A high note goes to the BOD’s review of the annual corporate social responsibility performance and the annual sustainability report. We recommend that the BOD of IAIC should make effective use of the BOD’s review on social responsibility performance and the annual sustainability report.
### GRI 102: General Disclosures

#### Disclosures | ISO 26000 | Page | Assurance
---|---|---|---
102-1 | Name of the organization | 8 | □
102-2 | Activities, brands, products, and services | 8-9 | □
102-3 | Location of headquarters | 9-10 | □
102-4 | Location of operations | 9-10 | □
102-5 | Ownership and legal form | 10 | □
102-6 | Markets served | 10-11 | □
102-7 | Scale of the organization | 11 | □
102-8 | Information on employees and other workers | 8, 8-9 | □
102-9 | Supply chain | 8-9 | □
102-10 | Business sites subject to human rights impact | 8-9 | □
102-11 | Precautionary Principle or approach | 8-9 | □
102-12 | External initiatives | 10-11, 11-12 | □
102-13 | Membership of associations | 10 | □
102-14 | Statement from senior decision-maker | 11 | □
102-15 | Values, principles, standards, and norms of behavior | 11-12 | □
102-16 | Mechanisms for advice and concerns about ethics | 12 | □
102-17 | Governance structure | 12 | □
102-18 | Governance | 12-13 | □
102-19 | List of stakeholder groups | 13 | □
102-20 | Collective bargaining agreements | 13-14 | □
102-21 | Identifying and selecting stakeholders | 14 | □
102-22 | Approach to stakeholder engagement | 14-15 | □
102-23 | Key topics and concerns raised | 15 | □
102-24 | Entities included in the consolidated financial statements | 15-16 | □
102-41 | Defining report content and topic boundaries | 16 | □
102-42 | List of material topics | 16-17 | □
102-43 | Restatements of information | 17 | □
102-44 | Changes in reporting | 17 | □
102-50 | Reporting period | 17-18 | □
102-51 | Date of most recent report | 18 | □
102-52 | Reporting cycle | 18 | □
102-53 | Contact point for questions regarding the report | 18 | □
102-54 | Claims of reporting in accordance with the GRI Standard | 18-19 | □
102-55 | GRI Content Index | Appendix | □
102-56 | External assurance | Appendix | □

#### Universal Standards

**Disclosures** | **ISO 26000** | **Page** | **Assurance**
---|---|---|---
102-1 | Name of the organization | 8 | □
102-2 | Activities, brands, products, and services | 8-9 | □
102-3 | Location of headquarters | 9-10 | □
102-4 | Location of operations | 9-10 | □
102-5 | Ownership and legal form | 10 | □
102-6 | Markets served | 10-11 | □
102-7 | Scale of the organization | 11 | □
102-8 | Information on employees and other workers | 8, 8-9 | □
102-9 | Supply chain | 8-9 | □
102-10 | Business sites subject to human rights impact | 8-9 | □
102-11 | Precautionary Principle or approach | 8-9 | □
102-12 | External initiatives | 10-11, 11-12 | □
102-13 | Membership of associations | 10 | □
102-14 | Statement from senior decision-maker | 11 | □
102-15 | Values, principles, standards, and norms of behavior | 11-12 | □
102-16 | Mechanisms for advice and concerns about ethics | 12 | □
102-17 | Governance structure | 12 | □
102-18 | Governance | 12-13 | □
102-19 | List of stakeholder groups | 13 | □
102-20 | Collective bargaining agreements | 13-14 | □
102-21 | Identifying and selecting stakeholders | 14 | □
102-22 | Approach to stakeholder engagement | 14-15 | □
102-23 | Key topics and concerns raised | 15 | □
102-24 | Entities included in the consolidated financial statements | 15-16 | □
102-41 | Defining report content and topic boundaries | 16 | □
102-42 | List of material topics | 16-17 | □
102-43 | Restatements of information | 17 | □
102-44 | Changes in reporting | 17 | □
102-50 | Reporting period | 17-18 | □
102-51 | Date of most recent report | 18 | □
102-52 | Reporting cycle | 18 | □
102-53 | Contact point for questions regarding the report | 18 | □
102-54 | Claims of reporting in accordance with the GRI Standard | 18-19 | □
102-55 | GRI Content Index | Appendix | □
102-56 | External assurance | Appendix | □

---

### Appendix

#### 4.2.1-4.2.5/4.3.1-4.3.1

- **GRI 200 Economic topics**
  - Management Approach
    - Direct economic value generated and distributed
    - Not applicable
    - 6.6.1, 6.6.2, 6.8.6, 6.8.9
    - 75 | □

#### 6.7.1-6.7.2/6.7.4/6.7.5/6.8.8

- **GRI 300 Environmental topics**
  - Water recycled and reused
    - Water recycled and reused
    - 6.5.4
    - 73 | □

#### 6.4.4/6.8.7

- **GRI 400 Social topics**
  - Management Approach
    - Substantiated complaints concerning breaches of customer privacy and losses of customer data
    - 6.7.1, 6.7.2, 6.7.7
    - Not applicable

---

### GRI 300 Environmental topics

**Topic** | **Disclosures** | **ISO 26000** | **Page** | **Assurance**
---|---|---|---|---
Water recycled and reused | 101-1 Management Approach | 6-7.4 | 30-30 | □
Waste by type and disposal method | 101-1 Management Approach | 6-7.4 | 30-30 | □
Water quality and wastewater discharged at destinations | 101-1 Management Approach | 6.5.3, 6.8.4 | 30-30 | □
Water recycled and reused | 101-1 Management Approach | 6.5.4 | 30-30 | □

---

### GRI 400 Social topics

**Topic** | **Disclosures** | **ISO 26000** | **Page** | **Assurance**
---|---|---|---|---
Substantiated complaints concerning breaches of customer privacy and losses of customer data | 101-1 Management Approach | 6.7.1, 6.7.2, 6.7.7 | 30-30 | □

---

### Note

- The GRI 200 Economic topics include Management Approach, Direct economic value generated and distributed, and not applicable.
- The GRI 300 Environmental topics include Water recycled and reused and Waste by type and disposal method.
- The GRI 400 Social topics include Substantiated complaints concerning breaches of customer privacy and losses of customer data.
UNGC Advanced Level

Promising to fulfill its corporate social responsibilities, Incheon International Airport Corporation (IAC) joined the United Nations Global Compact in March 2007, and it has been complying with the Ten Principles in the areas of human rights, labor, environment, and anti-corruption and has been reporting its implementation performance. To promote the fulfillment of social responsibilities by companies and their communication with their stakeholders, the UN Global Compact established the Advanced Level on the “Communication on Progress (CoP)”; this sustainability report contains the activities carried out by IAC to achieve Advanced Level status by meeting the 21 criteria of the CoP differentiation program. The UNGC Advanced Level status means that IAC has officially established and reported its sustainable governance and management processes based on the “Blueprint for SDG Leadership” and “UN Global Compact Management Model.”

<table>
<thead>
<tr>
<th>No.</th>
<th>Criteria</th>
<th>Content of Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The CoP describes mainstreaming into corporate functions and business units</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>2.</td>
<td>The CoP describes the value chain implementation</td>
<td>Thinking Ahead #1: Realize “human-centered” Social Values</td>
</tr>
<tr>
<td>3.</td>
<td>The CoP describes robust commitments, strategies, or policies in the area of human rights</td>
<td>Realization of “people-centered” Social Values</td>
</tr>
<tr>
<td>4.</td>
<td>The CoP describes effective management systems to integrate the human rights principles</td>
<td>Creation of an Environmentally-Friendly Airport</td>
</tr>
<tr>
<td>5.</td>
<td>The CoP describes effective monitoring and evaluation mechanisms of human rights integration</td>
<td>Ethical Management</td>
</tr>
<tr>
<td>6.</td>
<td>The CoP describes robust commitments, strategies, or policies in the area of labor</td>
<td>Thinking Ahead #2: Our Contributions to the SDGs</td>
</tr>
<tr>
<td>7.</td>
<td>The CoP describes effective management systems to integrate the labor principles</td>
<td>Expansion of CSR Activities</td>
</tr>
<tr>
<td>8.</td>
<td>The CoP describes effective monitoring and evaluation mechanisms of a labor principles integration</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>9.</td>
<td>The CoP describes robust commitments, strategies, or policies in the area of environmental stewardship</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>10.</td>
<td>The CoP describes effective management systems to integrate the environmental principles</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>11.</td>
<td>The CoP describes effective monitoring and evaluation mechanisms for environmental stewardship</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>12.</td>
<td>The CoP describes robust commitments, strategies, or policies in the area of anti-corruption</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>13.</td>
<td>The CoP describes effective management systems to integrate the anti-corruption principle</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>14.</td>
<td>The CoP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>15.</td>
<td>The CoP describes core business contributions to the UN goals and issues</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>16.</td>
<td>The CoP describes strategic social investments and philanthropy</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>17.</td>
<td>The CoP describes advocacy and public policy engagement</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>18.</td>
<td>The CoP describes partnerships and collective action</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>19.</td>
<td>The CoP describes the CEO commitment and leadership</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>20.</td>
<td>The CoP describes the Board adoption and oversight</td>
<td>IAC at a glance</td>
</tr>
<tr>
<td>21.</td>
<td>The CoP describes stakeholder engagement</td>
<td>IAC at a glance</td>
</tr>
</tbody>
</table>

Efforts to Perform the UN SDGs

<table>
<thead>
<tr>
<th>SDGs Goal</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Poverty</td>
<td>- Domestic community contribution programs</td>
</tr>
<tr>
<td></td>
<td>- Global social contribution: Social contribution activities overseas</td>
</tr>
<tr>
<td>Good Health and Well-Being</td>
<td>- Promotion of national sports</td>
</tr>
<tr>
<td></td>
<td>- Activities to promote the health of partners’ employees</td>
</tr>
<tr>
<td></td>
<td>- Introduction of a health checkup program for executives/employees and an employee assistance program (EAP)</td>
</tr>
<tr>
<td></td>
<td>- Acquired both: KOSHA 18001 and OHSAS 18001 certifications (certifications for health and safety care management system)</td>
</tr>
<tr>
<td>Quality Education</td>
<td>- Global professional training programs</td>
</tr>
<tr>
<td></td>
<td>- Aviation personnel training and education in developing countries</td>
</tr>
<tr>
<td>Gender Equality</td>
<td>- Respect for human rights and diversity</td>
</tr>
<tr>
<td></td>
<td>- Employment of career interrupted women (career bridging)</td>
</tr>
<tr>
<td></td>
<td>- Female workforce training program</td>
</tr>
<tr>
<td>Clean Water and Sanitation</td>
<td>- Strengthening of water resource conservation and greywater recycling</td>
</tr>
<tr>
<td></td>
<td>- Wastewater and deicing fluid treatment</td>
</tr>
<tr>
<td></td>
<td>- Conservation of biodiversity</td>
</tr>
<tr>
<td>Affordable and Clean Energy</td>
<td>- Energy Management Systems (ISO 50001) and Environment Management Systems (ISO 14001) operations</td>
</tr>
<tr>
<td></td>
<td>- GHG emissions target monitoring</td>
</tr>
<tr>
<td></td>
<td>- Energy saving assessment (hotels and commercial facilities)</td>
</tr>
<tr>
<td></td>
<td>- Expansion of new &amp; renewable energy facilities</td>
</tr>
<tr>
<td>Decent Work and Economic Growth</td>
<td>- A Haven of Good Jobs: IAC’s job platform</td>
</tr>
<tr>
<td></td>
<td>- Job Creation Competition</td>
</tr>
<tr>
<td></td>
<td>- Open recruitment and “Socially Fair Recruitment”</td>
</tr>
<tr>
<td>Industry, Innovation and Infrastructure</td>
<td>- Overseas businesses and projects</td>
</tr>
<tr>
<td></td>
<td>- Opening of T2</td>
</tr>
<tr>
<td></td>
<td>- Phase 4 Airport Expansion Project</td>
</tr>
<tr>
<td>Sustainable Cities and Communities</td>
<td>- Community contribution programs</td>
</tr>
<tr>
<td></td>
<td>- Noise Management</td>
</tr>
<tr>
<td></td>
<td>- Pursuit to become a low carbon environment-friendly airport</td>
</tr>
<tr>
<td>Climate Action</td>
<td>- Airport Council International (ACI) Airport Carbon Accreditation</td>
</tr>
<tr>
<td></td>
<td>- GHG Emissions Trading</td>
</tr>
<tr>
<td></td>
<td>- Development of a low carbon, environment-friendly transportation system</td>
</tr>
<tr>
<td></td>
<td>- High-efficient equipment and environment-friendly facilities</td>
</tr>
<tr>
<td>Life on Land</td>
<td>- Development of a pine forest (Vista Park) at the entry to T2</td>
</tr>
<tr>
<td></td>
<td>- Conservation of biodiversity</td>
</tr>
<tr>
<td></td>
<td>- Development of the “Forest of World Peace”</td>
</tr>
<tr>
<td></td>
<td>- Community environmental cleanup activities</td>
</tr>
<tr>
<td>Peace, Justice and Inclusion, Strong Institutions</td>
<td>- Education and training on corporate social responsibility (CSR)</td>
</tr>
<tr>
<td></td>
<td>- Education and training on ethics and integrity</td>
</tr>
<tr>
<td></td>
<td>- Promotion of ethical culture</td>
</tr>
<tr>
<td></td>
<td>- Fair trade practices</td>
</tr>
</tbody>
</table>
## Key Awards and Memberships

### Key Awards

<table>
<thead>
<tr>
<th>Month and Year</th>
<th>Title</th>
<th>Award-giving Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb. 2018</td>
<td>Platinum Award for CSR Report and Annual Report (AR) at LACP’s Vision Awards (7th Consecutive Year)</td>
<td>League of American Communications Professionals (LACP)</td>
</tr>
<tr>
<td>Mar. 2018</td>
<td>World’s Best Airport for Employees Services at the 2018 Skytrax World Airport Awards</td>
<td>Skytrax</td>
</tr>
<tr>
<td>Jun. 2018</td>
<td>Best Public Corporation Award at the 5th Good Company Conference</td>
<td>Seoul Journal</td>
</tr>
<tr>
<td>Sep. 2018</td>
<td>National Brand Award in the Corporation Category at the 2010 National Brand Conference</td>
<td>Institute of National Brand Promotion</td>
</tr>
<tr>
<td>Sep. 2018</td>
<td>World’s Best Airport Duty-Free Store Award at the 2016 Business Traveler Asia-Pacific Awards (7th Consecutive Year)</td>
<td>Business Traveler Asia-Pacific</td>
</tr>
<tr>
<td>Sep. 2018</td>
<td>Best Airport Award at the 2018 TITA Travel Awards (9th Consecutive Year)</td>
<td>Travel Trade Gazette (TTG)</td>
</tr>
<tr>
<td>Oct. 2018</td>
<td>Grand Prize in the Public Enterprise Category at the 2018 Korea SNS Awards</td>
<td>Korea Association for Social Contents Development</td>
</tr>
<tr>
<td>Oct. 2018</td>
<td>National Productivity Grand Prize at the 2010 National Productivity Awards</td>
<td>Korea Productivity Center</td>
</tr>
<tr>
<td>Oct. 2018</td>
<td>Grand Prize in Social/Public Building at the 2018 Korean Architecture Awards</td>
<td>Korean Institute of Landscape Architecture</td>
</tr>
<tr>
<td>Oct. 2018</td>
<td>2018 Incheon City Architecture Award</td>
<td>Incheon City</td>
</tr>
<tr>
<td>Oct. 2018</td>
<td>Ecosystem Award at the 2018 Korea Landscape Culture Awards</td>
<td>Korea Institute of Landscape Architecture</td>
</tr>
<tr>
<td>Nov. 2018</td>
<td>Asia’s Largest Airport of the Year Award at the CAPA Asia Pacific Aviation Awards</td>
<td>CAPA (Controller Aviation)</td>
</tr>
<tr>
<td>Nov. 2018</td>
<td>World’s Best Airport Duty-Free Store Award at the Business Traveler China Awards</td>
<td>Business Traveler China</td>
</tr>
<tr>
<td>Nov. 2018</td>
<td>Comprehensive Award at the 11th Korea Internet Communication Awards and Social Media Awards</td>
<td>Korea Internet Communication Association (KICA)</td>
</tr>
<tr>
<td>Dec. 2018</td>
<td>Grand Award in the Customer Value Category (4th Consecutive Year) at the 2018 Management Grand Awards</td>
<td>Korea Management Association Consulting (KMAC)</td>
</tr>
<tr>
<td>Dec. 2018</td>
<td>Service Innovation Award at the 2018 World Award Forum</td>
<td>Korea Internet Professional Association (KIPA)</td>
</tr>
<tr>
<td>Dec. 2018</td>
<td>Award for the highest number of business enrollees in an STP at the 5th Global Aviation Education Symposium</td>
<td>International Civil Aviation Organization (ICAO)</td>
</tr>
<tr>
<td>Feb. 2019</td>
<td>Platinum Award for CSR Report at LACP’s Vision Awards (5th Consecutive Year)</td>
<td>League of American Communications Professionals (LACP)</td>
</tr>
<tr>
<td>Feb. 2019</td>
<td>Platinum Award for Annual Report (AR) at LACP’s Vision Awards (5th Consecutive Year)</td>
<td>League of American Communications Professionals (LACP)</td>
</tr>
<tr>
<td>Mar. 2019</td>
<td>Management Award at the 2019 Korea Human Resources Development Awards</td>
<td>Korea HRD Association</td>
</tr>
<tr>
<td>Mar. 2019</td>
<td>World’s Best Travel Airport Award at the 2019 World Airport Awards</td>
<td>Skytrax</td>
</tr>
<tr>
<td>Jun. 2019</td>
<td>Korea Ethical Management Award at the 2019 Spring KABE Academic Conference</td>
<td>Korea Academy of Business Ethics</td>
</tr>
</tbody>
</table>

### Membership

<table>
<thead>
<tr>
<th>Year Joined</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Korea Environmental Preservation Association (KCEPA)</td>
</tr>
<tr>
<td>2001</td>
<td>Korea Civil Aviation Association (KCA)</td>
</tr>
<tr>
<td>2003</td>
<td>Airports Council International (ACI)</td>
</tr>
<tr>
<td>2003</td>
<td>Incheon Chamber of Commerce and Industry</td>
</tr>
<tr>
<td>2003</td>
<td>Korea Productivity Center</td>
</tr>
<tr>
<td>2005</td>
<td>IPS Ethical Management CEOs’ Club</td>
</tr>
<tr>
<td>2005</td>
<td>Korea Navigation Institute</td>
</tr>
<tr>
<td>2006</td>
<td>IPS Ethical Management SFM Forum</td>
</tr>
<tr>
<td>2007</td>
<td>Korea Management Association (KMA)</td>
</tr>
<tr>
<td>2007</td>
<td>International Air Cargo Association (TIACA)</td>
</tr>
<tr>
<td>2009</td>
<td>UNGC, UNGC Korea</td>
</tr>
<tr>
<td>2009</td>
<td>Korean Association for Public Administration</td>
</tr>
<tr>
<td>2009</td>
<td>International Contractors’ Association of Korea (ICAC)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Joined</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>KMA, Korea (KMA Movement)</td>
</tr>
<tr>
<td>2011</td>
<td>Korea CEI Association</td>
</tr>
<tr>
<td>2013</td>
<td>ISMF Korea</td>
</tr>
<tr>
<td>2014</td>
<td>Incheon Environmental/Volunteer Association, ISO 9000/14000</td>
</tr>
<tr>
<td>2015</td>
<td>Korea Institute of Construction Engineering and Management</td>
</tr>
<tr>
<td>2015</td>
<td>Korean Society of Civil Engineers</td>
</tr>
<tr>
<td>2016</td>
<td>Korea Aviation Security Association</td>
</tr>
<tr>
<td>2016</td>
<td>Korean Operations Research and Management Science Society (KORMS)</td>
</tr>
<tr>
<td>2017</td>
<td>Korea International Trade Association</td>
</tr>
<tr>
<td>2017</td>
<td>Korea Software Industry Association</td>
</tr>
<tr>
<td>2018</td>
<td>Korean Network on Anti-Corruption and Transparency</td>
</tr>
<tr>
<td>2018</td>
<td>MIT-Common Use (IUS) Council</td>
</tr>
</tbody>
</table>
2018/2019
Incheon International Airport Corporation Sustainability Report

424-47 Gonghang-gil, Jung-gu, Incheon 22382, Republic of Korea
Sustainability Management Team
Incheon International Airport Corporation
TEL 032.741.2107~8 / FAX 032.741.3409 / www.airport.kr