

Where Dreams Become Reality

Sustainability Report 2008



Contents

About the Report

Message from the CEO	04
2007 Highlights	06
Company Profile & Activities	08
Corporate Governance	09
Vision 2010	10
Key Operating Results	11
Transparent & Open Management	12
Risk Management	13
Stakeholders	14
Materiality Test	15

Sustainable Passion for Realizing Our Dreams

Airport Operation & Growth	18
New Growth Engines	22
Safety & Security of Airport	26
Customers	30
Employees	34
Local Community	38
Eco-friendly Airport	40

Appendix

About the Report

Features

This is the second sustainability report published by the Incheon International Airport Corporation (IIAC) following its first report in 2007. By including the significance, goals, performance, and vision of our sustainable management system in this report, IIAC seeks to build an effective communications channel with its stakeholders and fulfill their varied expectations.

Coverage & Period

As IIAC has no other domestic or overseas business entities, this report is provided within the scope of sustainability performance of its head office solely. The quantitative data contained in this report is based on the period from January 1, 2007 to December 31, 2007, while some qualitative data up to the first half of 2008 is also included. In addition, the disclosure of past four years' performance are supplemented to key management performance indicators. The primary functional currency used in this report is the Korean Won.

Reporting Standards

IIAC's strategy & vision, organizational profile, management processes & systems, and performance indicators presented in this report are in full compliance with the G3 Guidelines of the Global Reporting Initiative. The GRI Index is included in the Appendix of this report.

Verification of the Report

In order to ensure the credibility of this report, IIAC consulted with a number of external specialists to verify the overall structure and contents of this report throughout all processes from planning and writing to publication.

Changes in this Year's Report

1) Materiality Test

Through communication with its stakeholders, IIAC compiled statistical data on various internal and external issues. Among them, 23 major issues were selected according to their impacts on sustainable management through materiality test. The results of materiality test are included in this report.

2) Reorganization by Major Issues

To address stakeholder interests better, the report has been reorganized into seven main sections based on the 23 major issues determined through materiality testing. Accordingly, the report will greatly contribute to enhancing stakeholders' understanding of IIAC's sustainable management activities.

3) Stakeholder Feedback

The results of IIAC's efforts to respond to needs identified through stakeholder feedback are included in this report.

Incheon International Airport's 2nd-Phase Grand Opening

Turning Dreams into Reality



Enjoying impressive growth during the seven years since we first opened in 2001, Incheon International Airport takes another great stride toward the future with its 2nd-Phase Grand Opening.

In our quest for a brighter future, Incheon International Airport is committed to fulfilling the hopes and meeting the expectations of our stakeholders throughout the world.

We're turning dreams into reality and creating new value for a brighter future.



Message from the CEO

As always, IIAC will not be content to assume a passive role amid market changes, but instead will take an active lead in efforts to prepare for and respond to future trends and developments.

I am pleased to present the second Sustainability Report of Incheon International Airport Corporation (IIAC) to our valued customers and stakeholders.

Despite the relatively short seven years since Incheon International Airport opened in 2001, we have grown to become the world's second busiest airport in terms of international cargo volume and eleventh in international passenger traffic. Our qualitative development into a world-leading airport has been even more impressive than our quantitative achievements, with Incheon International Airport ranking 1st in the authoritative Airport Service Quality (ASQ) survey sponsored by Airports Council International an unprecedented three years in succession.

Furthermore, the airport marked a flawless 2nd-Phase Grand Opening in June 2008 although the project which required six years of construction and an investment of 3 trillion won to complete, proved a daunting task as normal airport operations had to continue amid new construction.

At Incheon International Airport, we have revolutionized the concept of what a modern airport should be, going far beyond its basic role as a transportation facility to create a whole new concept of airports as multifunctional, multidimensional complexes. The airport currently boasts a 4,000-meter runway to amply accommodate the new generation of 'superjumbo' aircraft, and our new concourse is equipped with the very latest in modern conveniences. Every traveler will appreciate our total commitment to their safety and comfort, as demonstrated by our advanced navigational safety systems and our 'ubiquitous airport' system. Among our many customer-focused amenities are a variety of culture & arts venues and attractions.

At the same time, we are acutely aware that the world is changing at faster than we can perceive, and how promptly and effectively we respond to the tides of change is our most pressing concern. As always, IIAC will not be content to assume a passive role amid these changes, but instead will take an active lead in efforts to prepare for and respond to future trends and developments.



We are doing our utmost to solidify IIAC's basis for sustainable growth into a leading global air hub. These efforts include sharpening our competitive edge through facilities expansion and improvement to meet rising demand and passenger needs, and developing the airport hinterland into an international 'Air City' with aviation, business, leisure, entertainment and shopping functions. Finally, we will leverage IIAC's globally recognized airport construction and operational knowhow as a high value-added 'knowledge product' targeted at the overseas airport industry.

Additionally, in our firm belief that every enterprise's success depends on its people, we place great emphasis on cultivating internationally competitive personnel who create value, while fostering a corporate culture brimming with vitality by transforming individual competence and passion into creative energy. We are also committed to making IIAC the nation's most transparent and ethical enterprise, and earning the complete confidence of all stakeholders in every facet of airport operations, by placing maximum value on the principles of integrity and ethical conduct.

We are confident that each task we undertake will strengthen IIAC's foundation for sustainable development, and that we can deliver ever greater happiness and value to all of our stakeholders.

This Sustainability Report conveys IIAC's determination, confidence, and future goals regarding sustainable management, and represents our unwavering commitment to our stakeholders throughout the world. I hope that this report, containing the challenges and results, the hopes and dreams of all our employees and executives, will enhance your understanding of IIAC and serve as meaningful and ongoing channel of communication.

Thank you.

Chae Wook Lee
President & CEO
Incheon International Airport Corporation

2007 Highlights

1

2nd-Phase Construction & Grand Opening

With the successful fulfillment of some 900 trial and test-operation criteria, IIAC completed the airport's 2nd-Phase Construction in October 2007. At a cost of 3 trillion won and six years of work, the project included a new passenger concourse and a new 4,000-meter runway fully capable of accommodating the Airbus A380 and other new-generation aircraft, IIAC marked its official 2nd-Phase Grand Opening in June 2008 following further upgrades, thereby reinforcing our position as the logistics hub airport of Northeast Asia, while the addition of new world-class business and cultural facilities has elevated the concept of airports as multidimensional 'culture ports.'



2

1st in Airport Service Quality for 3 Straight Years

In March 2008, IIAC received an unprecedented third consecutive first-place rating in the worldwide Airport Service Quality (ASQ) Survey conducted annually by the Airports Council International (ACI). In this year's survey, IIAC was voted 'Best Airport Worldwide', 'Best Airport in Asia-Pacific' and 'Best Airport less than 25-40 million' while also earning the 'Regional Airport People Awards'. Sweeping the top awards in all four competitions, we demonstrated once again that Incheon International Airport is indeed the world leader in airport quality. Owing to these startling victories, Incheon International Airport's profile has risen from best in Korea to best in the world.



3

IATA Eagle Award



IIAC was honored with the International Air Transport Association's (IATA) '2008 Eagle Award' at a ceremony in Istanbul, Turkey in June 2008. The coveted Eagle Award sponsored by IATA recognizes outstanding performances by airlines and airports the areas of investment in value creation, continuous innovation, and customer service innovation. Bestowed by IATA, the representative body of the airline industry, the Eagle Award is an important recognition of IIAC's world-leading airport service.

4

Air Cargo World Rates IIAC Best Logistics Airport



In its fourth Air Cargo Excellence Survey, Air Cargo World magazine, the leading U.S. air cargo publication, rated IIAC the best cargo airport in the world. Air Cargo World publishes the results of its annual evaluation, which consists of four criteria: performance, value, facilities and regulatory operations. In this year's survey, we were pitted against all airports worldwide handling at least 1 million tons of cargo annually. IIAC scored first in all four criteria and shared the overall top position in the survey with Memphis International Airport of the United States, elevating us to the ranks of the world's leading airports.

5

Over 1 Million Accident-free Flights

In October 2007, six years since the airport opened, IIAC passed the 1 million accident-free flight mark. Beyond the record of one million takeoffs and landings in a short period of time, our one million accident-free flights is a testament to IIAC's world-class safety and security regimes, the core component of any airport's operations.



6

UN Global Compact Affiliation



Proposed by then-UN Secretary-General Kofi Annan at the World Economic Forum in Davos, Switzerland in January 1999, the UN Global Compact is based on the Universal Declaration of Human Rights, the ILO Declaration, the Rio Declaration, and the UN Anti-Corruption Convention, and consists of 10 principles covering human rights, labor standards, the environment and anti-corruption. Joining the UN Global Compact (UNGC) in March 2007, IIAC abides by international standards in executing its social responsibilities in the areas of human rights, labor, the environment and anti-corruption. IIAC takes part in UNGC Korea Network activities, participated in the Leaders Summit in Geneva in July 2007, and plays an active role in supporting and abiding by the UNGC's 10 principles.

7

Top Prize in 2nd Sustainable Business Awards



In December 2007, IIAC won the Minister's Prize in the 2nd Sustainable Business Awards ('First Sustainability Report' category), sponsored by the Ministry of Commerce, Industry and Energy (MOCIE) and jointly organized by the Korea Chamber of Commerce and Industry (KCCI) and the Institute for Industrial Policy Studies (IIPS). Recipients of the award are selected based on their performance in the areas of ethics, social responsibility, environmental practices, innovation and creativity as evaluated by a panel of experts from academia, the media, civic groups and government. Earning this prize will enhance our stakeholders, assessment of IIAC's sustainable management activities.

8

Korea Environmental Management Award

In October 2007, IIAC won the '2007 Korea Environmental Management Award' a joint public-private award sponsored by The Korea Economic Daily and hosted by Open Management Research, Inc. Introduced in 2004, this prize is awarded to enterprises that establish and operate exemplary environmentally friendly management systems, or produce outstanding eco-friendly products. This honor represents to fruits of IIAC's ongoing efforts, from construction to operation, to abide by environmentally friendly principles and reduce the environmental impact of our activities.



Our Target : A World's Top 5 Air Hub

IIAC's current business scope encompasses construction and operation of Incheon International Airport, development of the airport hinterland, and researching and exploring ancillary businesses and overseas airport construction and operation. Going forward, IIAC aims to drive sustainable growth through pursuit of a broad spectrum of businesses, including development and infrastructure building in the airport hinterland, and penetration of foreign airport construction and operation markets.

Characteristics of the Airport Business

In the 20th century, railroads were the basis of urban and industrial development. In our 21st century, amid the forces of globalization and internationalization, airports are the new linchpins in the movement and exchange of people, products and ideas, and creators of high value-added. A nation's economic competitiveness today is increasingly determined by the competitiveness of its airports.

Preparing a Basis for Sustainable Growth

With an investment of 3 trillion won over six years and a total number of more than 3.5 million man-days, the successful completion of IIAC's 2nd-Phase construction resulted in a new third runway, a concourse, and an automated intra-airport transit system (Starline). In June 2008, with the completion of our 2nd Grand Opening projects, IIAC now boasts new IT systems, services, cultural & relaxation venues, shopping areas, and other new amenities that together constitute a platform for continue growth and a new paradigm in 21st-century airports.

Growing into a World-Class Airport

Enjoying tremendous growth since our opening on March 29, 2001, IIAC has risen over the past seven years to rank 11th in the world for international passenger traffic and 2nd in international cargo volume, while our level of service is second to none, being the first airport ever to

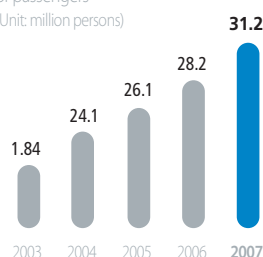
Company Profile as of December 2007

Company name	Incheon International Airport Corporation
Date of establishment	February 1, 1999
Capital stock	KRW3.55 trillion (wholly-owned by the government)
Total assets	KRW7.87 trillion
Sales revenue	KRW971.4 billion
Net income	KRW207.0 billion
Organization	4 divisions & 4 offices, 862 employees
Facilities	1 Passenger terminal (496,000m ²), 1 Concourse (166,000m ²), Sites 21,292,000m ² , Free Trade Zone 2,706,000m ² , International Business Center 495,000m ²
Affiliated companies	Incheon Airport Energy, Incheon International Airport Fuel Facility, Sky72, Incheon United FC
Location	2850 Unseo-dong, Jung-gu, Incheon, Republic of Korea

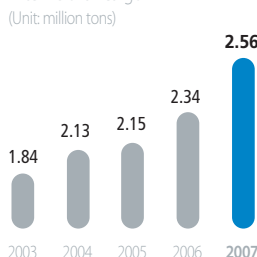
place 1st in the ASQ Survey for three consecutive years. In addition to our economic successes, IIAC has is setting new standards for sustainable management systems through our abiding responsibility to society and the environment, and in generating new value for our stakeholders.

Operating Performances

World's Top Ten in terms of passengers
(Unit: million persons)

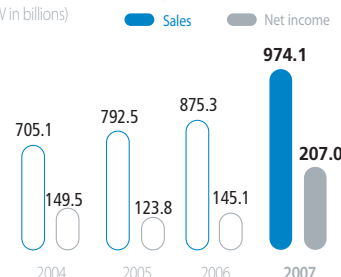


World's second largest player in terms of air cargo
(Unit: million tons)



Financial Results

Exceeded KRW200 billion in net profit for the first time
(Unit: KRW in billions)



Corporate Governance

In accordance with the Act on the Management of Public Agencies, effective April 2007, IIAC is strengthening decision-making systems centering on the Board of Directors (BOD) and reinforcing the professionalism of non-executive directors, enhancing transparent management and thereby earning our stakeholders’ trust.

Shareholders and Capital Structure

IIAC was established as a public enterprise in accordance with the Incheon International Airport Corporation Act. In accordance with the Act on the Management of Public Agencies and commercial law, IIAC operates within the context of a balanced decision-making system and transparent and responsible management. Its shares are wholly owned by the Korean government, and as of the end of 2007, IIAC’s paid-in capital amounted to 3,552 billion won.

Composition and Operation of the Board of Directors

IIAC’s Board of Directors (BOD) consists of six executive directors and seven non-executive directors, including one female director. The BOD plays a central role in the deliberation determination of key management issues and their execution, including strategy formulation and budgetary assessments. With the appointment of a neutral senior non-executive director rather than CEO as BOD chairperson, the clear and unbiased decision-making processes of BOD meeting are ensured. In addition, the overall performance of BOD is assessed through annual internal evaluation and performance evaluation by government. Compensation for IIAC’s executive directors is based on their results of performance evaluation by government and performance against management targets.

Strengthening the BOD

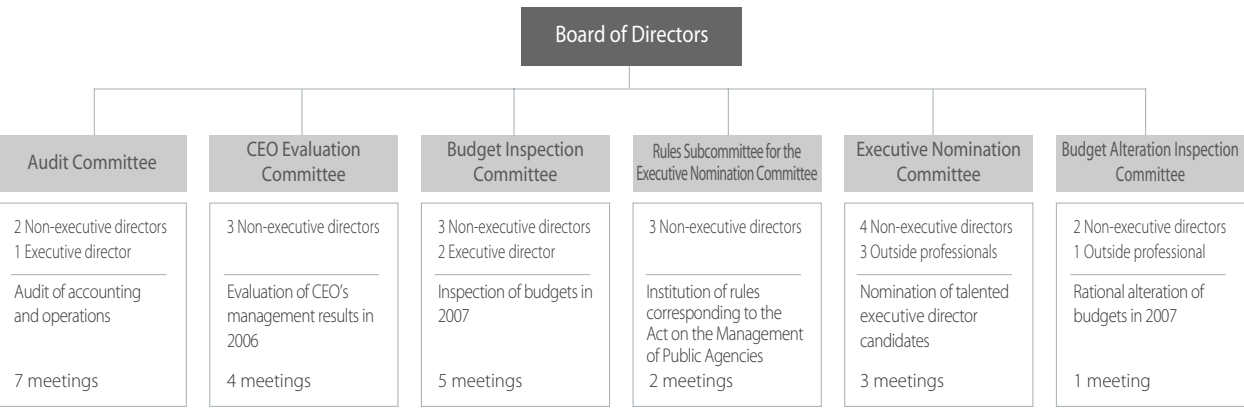
At monthly BOD meetings, executive directors’ years-long experience in airport construction and operation are put to practical use, while non-

executive directors’ participation is encouraged in the decision-making process in areas of their expertise, such as management, economic and legal issues. Twenty BOD meetings were held in 2007. Following an amendment adopted in the April 2007 BOD meeting, the number of fields for decision and reporting was expanded to 21 and 7, respectively. The rates of decided issues and reported issues also jumped by 77.4% and 200%, respectively, indicating that IIAC’s BOD-centered decision-making process has taken firm root. Additionally, with the launch of quarterly non-executive directors’ meetings from May 2007, IIAC ensures efficient checks and balances on the management activities of executive directors through preliminary meetings prior to regular BOD meetings

Increasing Non-executive Directors’ Participation and Expertise

Seventeen management proposals tabled in non-executive directors’ meetings are being reflected in IIAC’s policy formulation and business operations. IIAC has also created six specialized sub-committees under the BOD which have convened a total of 22 meetings, thus making full use of the expertise of our non-executive directors. Furthermore, IIAC helps to enhance non-executive directors’ understanding of government policy and airport industry by arranging informal gatherings and visits to airport worksites. Non-executive directors receive airport-related news via daily email service at 9 a.m. and through the BOD’s homepage.

Subcommittees under the BOD and their activities in 2007



Sustainable Management Strategy : Vision 2010

Through our Vision 2010 sustainable management strategy, IIAC seeks to generate sustainable performance in all areas of activity, including economic, social and environmental spheres, and is laying the a solid groundwork to create value for customers, investors and shareholders, the nation and regional communities.

Basic System of Sustainable Management

Through the strong leadership of the CEO and enterprise-wide staff participation, Vision 2010 was set forth in July 2005, comprising IIAC's vision and strategy for sustainable growth. To maximize stakeholder value in the economic, social, and environmental spheres, IIAC is implementing sustainable management systems in six areas: innovative management, creative management, transparent & open management, socially responsible management, family-friendly management, and environmental management.

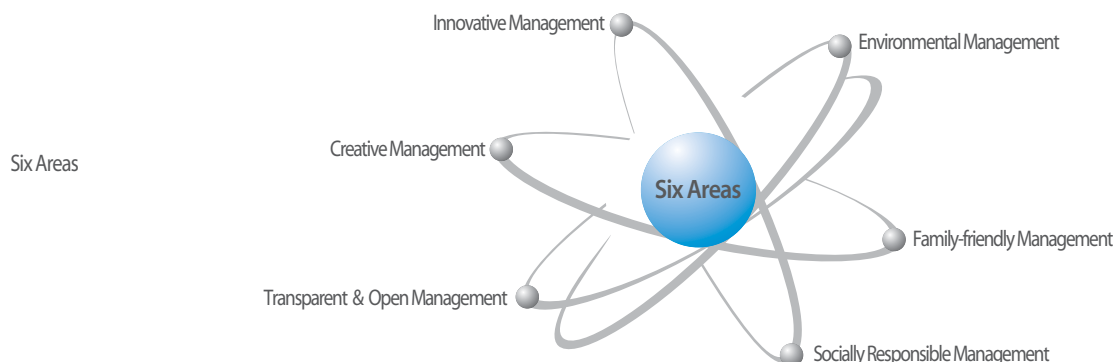
also published a sustainability report for the first time among Asia's airports, while providing a cornerstone to promote company-wide sustainable management. IIAC was also the first airport in Asia to publish a sustainability report. By 2009, we expect to broaden our sustainable management efforts into all areas, including creating an enterprise-wide ERP system, increasing core social contribution activities, enhancing female HR development, and introducing an eco-friendly 'green purchasing' program. To reach our goal of becoming a world-renowned leader in sustainable management by 2010, IIAC will make every endeavor to create new corporate value through the balanced pursuit of economic performance, social contribution, and environmental friendliness.

Direction and Goals of Sustainable Management

During 2007, IIAC introduced a performance management system to monitor progress in sustainable management, devised a mid- & long-term ethical management roadmap, and revitalized our employee assistance program (EAP) in the area of family-friendly management. It

Vision 2010

Global Top 5 Air Hub by 2010



Strategies

A Global Air Hub

Advanced Airport
Facilities and Services

World-Class Air City
Development

Global Culture and
Leadership

Strategic & Collaborative
Networking with Partners

Key Operating Results

As a result of efforts to boost air transport demand, IIAC recorded 30 million international passengers and a transfer rate of over 50% in 2007, the highest figures in our history and a major stride toward becoming one of the world's top air hubs. Net income for the year surpassed 200 billion won for the first time.

Airport Operation Results

Flight Operations The number of flights in 2007 was 211,404 with a daily average of 579, representing a 16.2% increase over a year earlier.

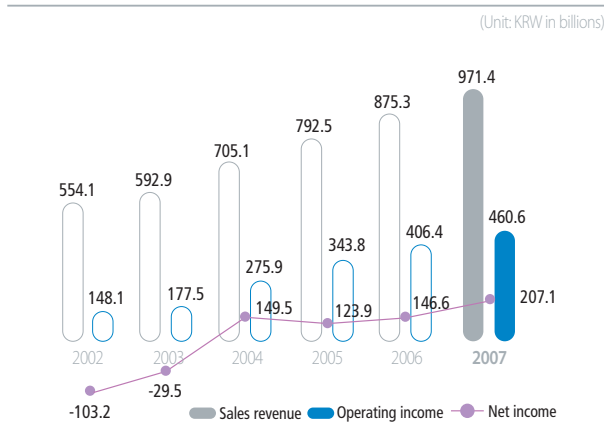
Passenger Traffic & Cargo Volume A total of 31,227,897 passengers passed through Incheon International Airport in 2007, up 10.8% from the previous year, while the airport ranking 11th worldwide based on international passenger volume. Total cargo volume rose 9.4% over a year earlier to 2,555,580 tons, or an average of 7,002 tons per day. As a result, Incheon International Airport retained its position as second busiest air cargo airport in the world.

Airlines & Flight Routes A total of 67 international airlines operated out of IIAC as of the end of 2007, representing a 6.4% increase over the previous year. These airlines service 168 cities in 51 countries around the world.

Generating & Distributing Economic Value

Operating Results Since its opening in 2001, IIAC has enjoyed steady annual sales growth of over 10% thanks to efforts to grow demand for airport transport and diversifying revenue sources. In 2007, total sales reached 971.4 billion won, while our debt-to-equity ratio improved by 65 percentage-points compared to 2001 (165.3% → 100.3%) despite 3 trillion won in expenditures for the second-phase construction project.

Distributing Economic Value Total 2007 sales of 971.4 billion won recorded in 2007 were utilized as follows: 416.0 billion won was used to



defray operating expenses, 168.3 billion won to defray capital costs, 36.2 billion won was distributed through dividends, 91.0 billion won was paid in taxes, 12.2 billion won was in contributions to regional communities, and 20.8 billion won was paid in salaries & employee benefits. In addition, IIAC invested aggressively in its future growth engines, such as the second-phase construction project (government financing: 33.5%), IFEZ construction, and airport operational efficiency upgrades. As the nation's leading international airport handling 73.7% of the passengers entering and departing from Korea, IIAC is also the nation's largest gateway for trade, with the value of export/import cargo amounting to US\$184.8 billion. Furthermore, accounting for 25.4% of Korea's total trade volume, IIAC serves as a key driver of national economic growth.

Strategic Partnerships with Airlines and Logistics Companies

Based on its mid-term financial forecasts, IIAC seeks to share anticipated economic value with its stakeholders in ways that sharpen Incheon International Airport's competitive edge, and prepares financial management plans to reinforce its foundations for sustainable growth. Over the next three years, IIAC will reduce landing charges by 10%, building rental costs by 20% and land rental costs by 21.3%, while eliminating electricity usage fees and enhancing partner company benefits, and thereby distribute economic value worth 11.0 billion won to airlines, 8.5 billion won to logistics firms, and 62.8 billion won to partner companies. In October 2007, IIAC strengthened its competitiveness as a logistics hub by concluding MOUs on strategic partnerships with airlines and logistics companies.



Transparent & Open Management

Through the execution of transparent and open management and the promotion of an ethical corporate culture, IIAC is earning stakeholder confidence and becoming a world-class airport operator.

Transparent & Open Management Strategies

Setting 'A World Best Air Hub Winning the Trust of Stakeholders' as our transparent and open management vision, IIAC has designated 20 tasks

in the four core areas of improving ethical infrastructure, instilling ethical conduct enterprise-wide, enhancing monitoring and strengthening feedback.



Transparent & Open Management Performance

CEO Leadership As our 'Chief Ethics Officer', the CEO encourages all employees' awareness and compliance with ethical principles through various channels, including monthly meetings, workshops, and intra-office email. The CEO also communicates IIAC's commitment to transparent and open management through active participation in the UN Global Compact Leaders Summit and other related conferences.

Policy and Education to Enhance the Level of Integrity All IIAC employees have pledged to abide by a 'Code of Business Conduct' in their daily routine. IIAC also implements an 'Integrity Pact' for all six senior executives including the CEO, auditors, and executive directors.

Moreover, by expanding the 'real-name policy' to all operations, IIAC publicizes the names and phone numbers of all staff by division on our website. To enhance transparency in accounting, the audit function of the Chief Financial Officer (CFO) has been heightened. All employees from new recruits to top executives attend a minimum of eight hours of ethics education each year.

Monitoring and Feedback The results of annual integrity tests, conducted by outside specialists and required of all executives above the rank of team leader, are used as a reference in performance evaluations. According to Gallup Korea's 2007 evaluation, the level of integrity of IIAC executives improved 2.3 points over the previous year.

IIAC Clean Compact Program

Since joining the UN Global Compact (UNGC) in March 2007, IIAC has operated its own 'IIAC Clean Compact' program to promote compliance with the Ten Principles of the UNGC among all employees, airport operation partner companies, construction firms and superintendents. At the 'IIAC Clean Compact: Transparent and Open Management' ceremony in December 2007, the top management of IIAC and some 400 representatives of partner companies and construction firms pledged to abide by clean management principles. Hereafter, the scope the Clean Compact will be expanded to include the environment by 2008 and human rights & labor by 2009.



Risk Management

Risk management plays a crucial role in ensuring a company's sustainable growth and its ability to cope with the challenges of today's fast-changing world. Thus, IIAC is expanding its monitoring of non-financial risk factors, while implementing a comprehensive enterprise risk management (ERM) system to develop strategic countermeasures for unpredictable environmental changes and accidents related to airport operation.

Financial Risk Management System

IIAC operates a highly optimized financial risk management system which categorizes potential risks according to risk level - Level 1 ('Guard', Level 2 ('Watch'), Level 3 ('Warning'), and Level 4 ('Emergency'), and provides for immediate response. In addition, the Financial Risk Management Committee convenes meetings quarterly and whenever the need arises to deliberate on borrowing plans, export credit agency (ECA) hedges, and other matters.

Financial Risk Control Structure



Countermeasure System for Financial Risk Levels

Signs of uneasiness in financial market	Rising fund-raising costs (I)	Rising fund-raising costs (II)	Excessive capital costs
1st Stage Guard	2nd Stage Watch	3rd Stage Warning	4th Stage Emergency
<ul style="list-style-type: none"> • Monetary stringency by bearish stock market and high interest rate 	<ul style="list-style-type: none"> • Weakened economic fundamental by tight-money, dishonor and sluggish consumption 	<ul style="list-style-type: none"> • Downgrade of country ratings • Sharp decrease of foreign currency reserves • Deterioration of economy 	<ul style="list-style-type: none"> • Sharp downgrade of country ratings • Dishonor of subsidiaries of top 10 conglomerates • Financial crisis by surge in interest rates
<ul style="list-style-type: none"> • Securing liquidity funds of KRW500 billion 	<ul style="list-style-type: none"> • Finding back-up line of liquidity • Securing additional KRW500 billion of liquidity 	<ul style="list-style-type: none"> • Securing at least KRW500 billion liquidity backup 	<ul style="list-style-type: none"> • Securing funds regardless of interest rate level • Contraction of liquidity back-up limit and cash

Internal Accounting Control System

IIAC observes generally-accepted accounting principles for public enterprises and all relevant laws and regulations. In April 2008, we implemented an internal accounting control system to augment quarterly evaluations internal accounting performance. Through this

system, IIAC has heightened the transparency and reliability of its financial data and evaluates internal accounting processes and compliance with relevant standards. Results of evaluations are reviewed by internal and external auditors, and their opinions are included in Auditors' Report as required.

Non-financial Risk Management

To manage non-financial risk factors related to management, disasters, public relations, and conflicts, in July 2007 IIAC formed the Risk Management Task Force for self-inspection and analysis of potential risk factors. IIAC has also produced a manual covering 12 key risk factors in four areas, along with risk management guidelines, which has reinforced our risk-coping capabilities. In 2008, Enterprise Risk Management (ERM) and Chief Risk Officer (CRO) systems were introduced to provide countermeasures against risks and risk factors and to upgrade our response strategies.

Risk Control Issues in Non-financial Sectors

Sector	Issues
Management Risk	Risks from new businesses including overseas projects
Disaster Risk	Probability of natural disasters by climate changes
Publicity Risk	Countermeasures against negative media reports on the company
Conflict & Other Risk	Probability of demonstration and strike in relation to the development of nearby site

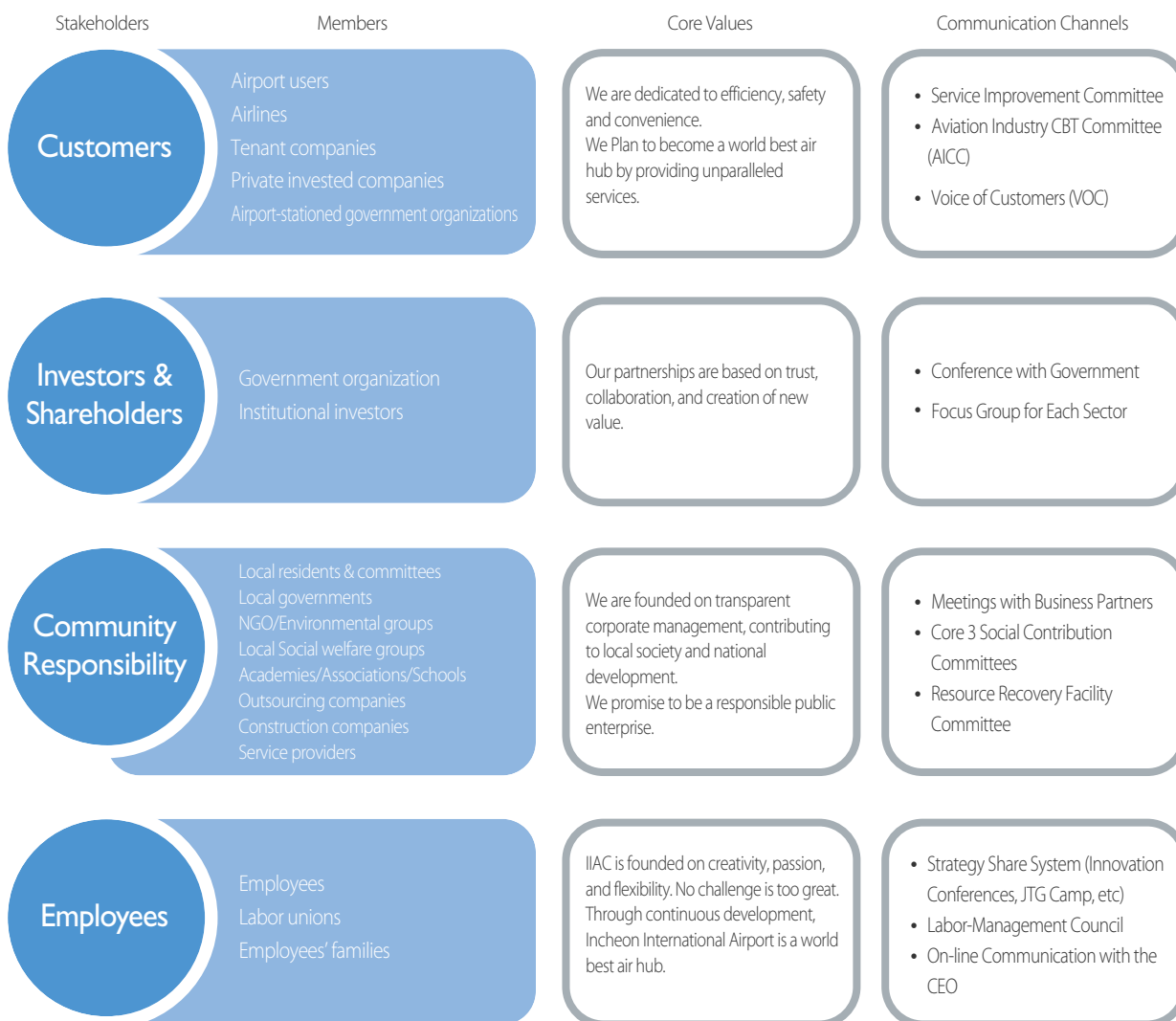
Stakeholders

To realize Vision 2010, IIAC's sustainable management strategy, we are strengthening communication channels with our customers, investors, shareholders, the nation, local communities, and employees, and reflecting feedback in our management activities in order to create new value for stakeholders.

Stakeholder Classification and Core Values

IIAC has selected 17 core values for our stakeholders which we regard as our basic management credo. We focus on creating equal relationships and strategic partnership by analyzing our stakeholders' needs and then striving to reflect them in our management activities. Monthly and quarterly results of communication with our stakeholders are shared

enterprise-wide, and we categorize the results of internal evaluations and analyses into a 'To-Do Lists' (short-term tasks) and 'Action Plans' (long-term tasks). Our objective is smooth and efficient communication between IIAC and our many stakeholders.



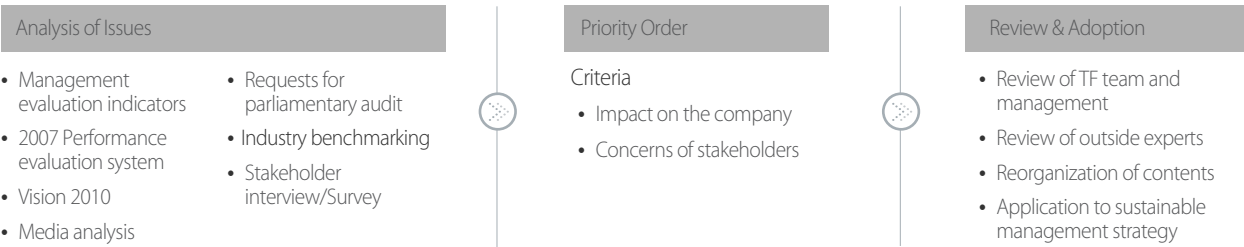
Materiality Test

To focus on most important and urgent issues for stakeholders, IIAC carried out a Materiality Test, the results of which are included in this year's report. In the future, IIAC will strengthen the correlation between sustainable management issues and management strategies by enhancing the testing process and increasing our stakeholders' participation in the test.

Materiality Test Process

To identify the key issue areas of sustainable management, IIAC analyzed internal and external sustainable management issues and priorities among these issues. We then selected 24 key issues based on priority

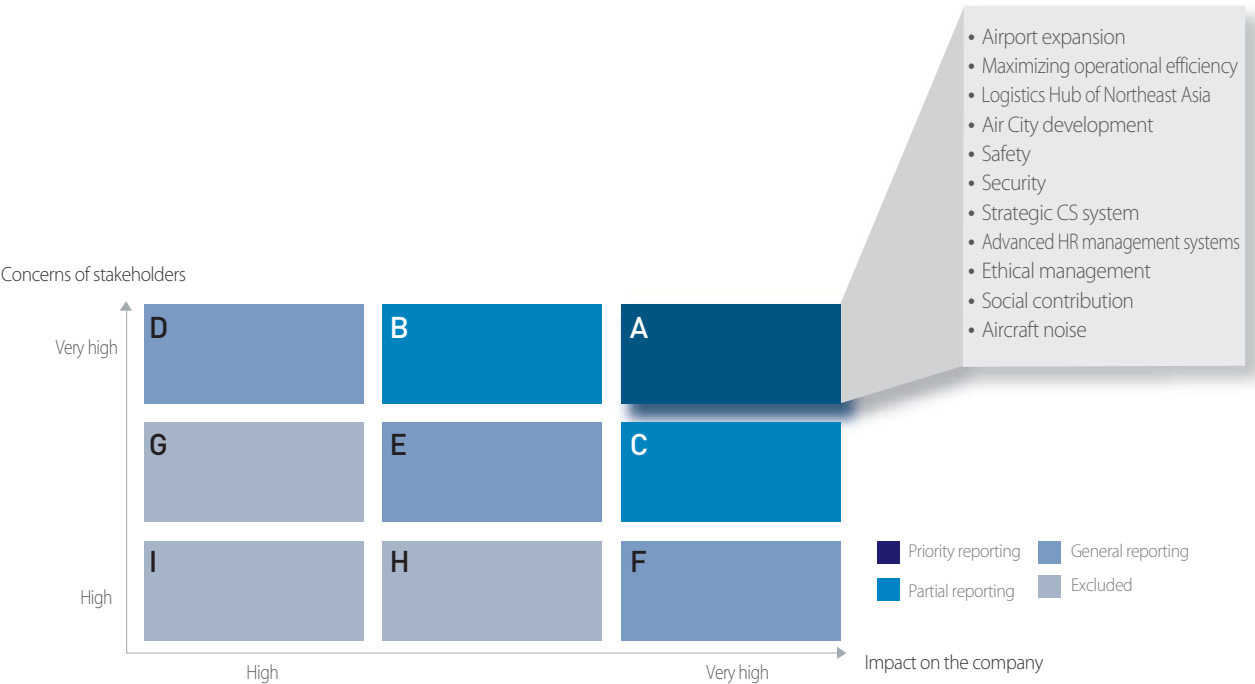
analysis results, and have included the content of these issues in this report.



IIAC's Materiality Matrix

Among the 23 key issues selected through priority analysis, Group A includes 11 issues of relatively high importance, while Groups B and C include 12 other issues. In consideration of the close relationship among

certain issues and level of stakeholder interest, all 23 key issues were reclassified into seven groups. Hereafter, once the Materiality System becomes firmly established, IIAC plans to operate a more systematic reporting system linked to our website.







Sustainable Passion for Realizing Our Dreams

Airport Operation & Growth	18
New Growth Engines	22
Safety & Security of Airport	26
Customers	30
Employees	34
Local Community	38
Eco-friendly Airport	40

Airport Operation & Growth



Guided by our Vision 2010 sustainable management strategy, IIAC generates economic value through the successful construction & operation of our airport and the development of surrounding areas. We also continue to sharpen our competitive edge through timely infrastructure expansion via the second-phase construction project and facilities upgrades, and by differentiating our facilities through the new “Airstar” brand including the “Star & Starlife” concept. Based on our strengthened competitiveness and operational efficiency, Incheon International Airport seeks to join the ranks of the global “Top 5” air hubs by the year 2010, while growing into a leader of the East Asian aviation industry and one of the world’s best airports.

Airport Expansion & 2nd-Phase Grand Opening

Incheon International Airport has made a rapid ascent to the ranks of the world's leading airports, while becoming a national "prestige brand" and source of pride for all Koreans. Following the completion of second-phase construction at a cost of 3 trillion won, six years and approximately 3.5 million people, the airport celebrated its 2nd-Phase Grand Opening in June 2008 equipped the ultimate in airport hardware and software. Able to compete head-to-head with all surrounding airports, Incheon International Airport is now poised to become the foremost hub airport of the 21st century.

Successful Completion of 2nd-Phase Construction

Second-phase construction commenced in 2002 as airports in surrounding countries began heated competition to secure their position as the region's hub airport in response to average annual growth in air transport demand of over 6%. Through the second-phase construction project, we gained a new 4,000-meter runway capable of accommodating large-sized aircraft like the Airbus A380, a new concourse, an automated transit system (StarLine) connecting the Passenger Terminal to the Concourse, an extended 88km-long high-speed baggage-handling system (BHS), and other advanced infrastructure that anticipates future growth in aviation demand, thereby reinforcing Incheon International Airport's claim to regional hub airport status.

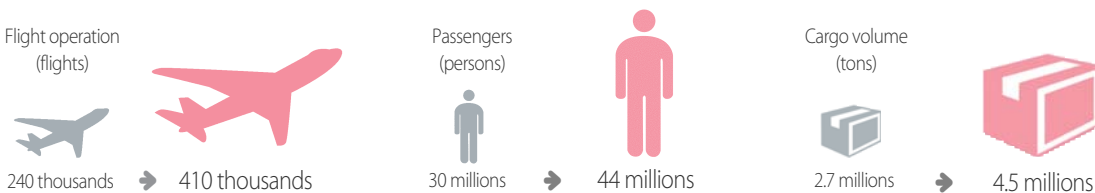


3rd runway (1), 2 taxiways



Concourse A: Floor space 166,000m²

Post-construction capacity

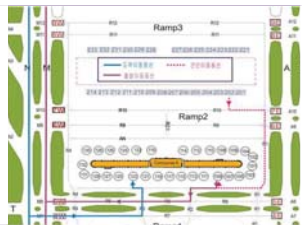


Flawless Preparations for 2nd-Phase Grand Opening

Utilizing knowhow acquired during the first-phase construction process, IAC once again executed a flawless process without any delays or quality problems. The finished facilities were then put through some 900 trials and tests, passing them all with unerring accuracy. As recently witnessed when a malfunctioning BHS system at one of international airports caused major inconvenience for many passengers, the opening

of new airport facilities is an enormously complex and difficult task. Despite these challenges, Incheon International Airport demonstrated its unsurpassed capabilities with its successful initial opening and flawless 2nd-Phase Construction & Grand Opening.

Over 900 test run



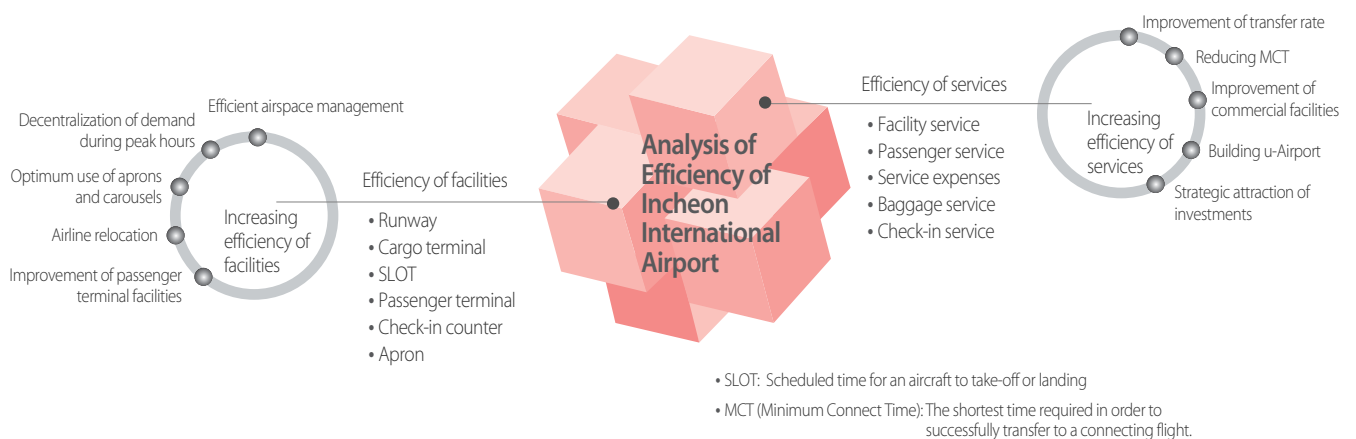
Maximizing Operational Efficiency

Incheon International Airport's new concourse, third runway and other newly added facilities and the resulting expansion in capacity anticipate an era of 50 million passengers, 5 million tons of cargo, and 1 trillion won in commercial facilities revenue per year. To deal with this changing environment, IIAC has prepared step-by-step plans to maximize airport operational efficiency which will enable us to grow into a "Global Top 5 Air Hub" by 2010.

Efficiency Maximization Strategies

Using the results of analysis of facility and service efficiency at rival airports, IIAC identified areas requiring improvement at Incheon International Airport, including the airspace system, slot operations, and domestic airlines' skewed arrangement on the east side of the airport. IIAC is devising and implementing a roadmap for step-by-step

maximization of operational efficiency. We are taking a gradual approach in this area, because improvements in airport efficiency often come at the cost of reduced service quality. Our aim is to strengthen our competitiveness by maintaining service quality while at the same time boosting the efficiency of our facilities.



Improving Efficiency through Airline Relocation

To eliminate inefficiencies caused by the skewed arrangement of domestic airlines on the east side of the airport, SkyTeam member Korean Airlines is now located on the east side, Star Alliance member Asiana Airlines is on the west side, and foreign airlines have been relocated to the new Concourse through amicable agreement with IIAC. This rearrangement of airlines has led to more efficient utilization of airport facilities, while optimizing passenger and airline traffic flows have maximized convenience for everyone.

Reducing Minimum Connecting Time

Minimum Connecting Time (MCT) is the amount of time sufficient for a transit passenger to make a connection between an arriving flight and a departing flight. By shortening MCT, more flights can be scheduled during the same timeslot, and airports can increase the capacity of their facilities. As of December 2007, IIAC had improved MCT for domestic airlines from the previous 70 minutes to 55 minutes, thereby enhancing transit passenger convenience and greatly increasing airport facility efficiency.

Reducing Peak-hour Demand and Promoting Late-night Flights

Because flights are concentrated between the hours of 08:00 to 20:00, IIAC has limited ability to improve efficiency in the allocation of airport resources and utilization of facilities. IIAC has established an optimized flight scheduling model called a "Hub Master Grid," provides incentives to encourage flights during the late-night time slot, and pursues other measures to maximize operational efficiency by diffusing peak-hour demand. As a result, airlines offering late-night flights have approximately doubled since the airport opened, and the number of flights has risen six-fold.

Higher Efficiency through u-Airport

IIAC is actively introducing the latest IT advances, such as e-Tickets, e-Passports, cargo tracking and Self Check-in, to provide superior passenger convenience at reduced costs. The u-Airport Master Plan established in 2005 encompasses the four fields of "Passengers" (Fast), "Guidance" (Dynamic), "Commerce" (Exciting) and "Cargo" (Adaptive), under which a total of 17 detailed services are gradually being implemented.

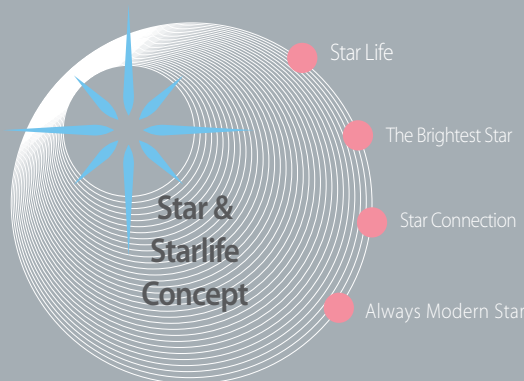
Commercial Facilities Improvement

The current trend in airports worldwide is to provide customers with new and distinctive enjoyment and value. IIAC's 2nd-Phase Grand Opening comprised not only in new facilities, but also dramatic improvements across the entire range of operations and services, including a complete makeover of the airport's commercial facilities to create a highly efficient and thoroughly unique shopping venue. The focus of the new commercial facilities is the "AIRSTAR" brand and the "Star & Starlife" concept, offering a one-of-a-kind shopping experience where the customers are the "stars."

Concept & Brand Development

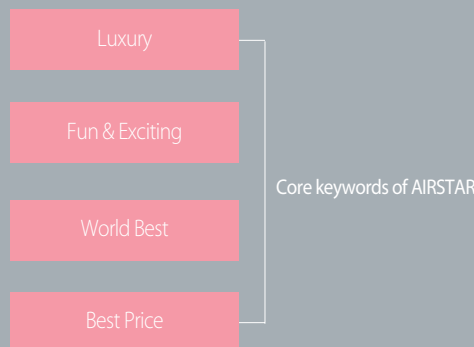
The "Star & Starlife" concept and the "AIRSTAR" brand were developed in conjunction with the new world-class commercial facilities built for IIAC's 2nd-Phase Grand Opening. In addition, outside ideas and opinions were collected from foreign experts and a special focus group, and a marketing strategy was devised. Building on this foundation, the

commercial space was created and a unifying concept was applied. Through the "Star & Starlife" concept, AIRSTAR encompasses commercial facilities offering the perfect blend of the finest products, facilities and services. Here the stars are not only the customers but also the vendors, making Airstar unlike any commercial space at any other airport.



Star & Starlife Vision

- To be an airport of aspiration and envy
- Boasting the best, top-notch and sophisticated facilities
- Cherishing Korean tradition
- Providing advanced products and services



AIRSTAR Vision

- Providing elegant services through luxury brands and interior design
- Various events and promotion including exhibitions and fashion shows
- Offering traditional and advanced services
- Building ubiquitous commercial spaces

Improved Passenger Terminal Facilities

Along with the opening of the new concourse as part of the 2nd-Phase Grand Opening, major interior design improvements were also made to Passenger Terminal aimed at meeting the varied needs of users, and elevating the brand value of Incheon International Airport. These

included improvements in basic facilities, transit and convenience facilities, and commercial facilities, as well as the creation of new cultural & art exhibition space. This has led to enhanced airport efficiency and higher revenue for commercial facilities, giving the Passenger Terminal a decidedly modern new "design facelift."

New Growth Engines

Airports in the 21st century have become drivers of high value-added economic growth in logistics, business, and tourism, with new demand being generated through the development of surrounding areas and various new business models. IIAC is diversifying its scope of activities based on the business climate and market analysis, concentrating its efforts on creating new engines for national growth and realizing Incheon International Airport's fullest potential and value for the future.



Logistics Hub of Northeast Asia

Incheon International Airport was Korea's premier gateway for people and trade in 2007, handling 73.7% of all inbound and outbound passenger traffic, as well as 5.4% of total import/export cargo shipments by value (USD184.8 billion). Through increased airport demand and continuous value innovation, including positioning ourselves as Northeast Asia's logistics base and establishing the most modern airport operational systems, IIAC is striving to develop into one of the world's five top hub airports by the year 2010.

Reinforced Marketing to Grow Demand

To boost airport demand, IIAC has implemented "Project 20/10" seeking raise the transfer passenger ratio to 20% by 2010, while attracting new routes and optimizing flight schedules. These efforts have contributed to strengthening our passenger hub status and connectivity index (CI), while the daily average number of flights in 2007 grew 13.8% over a year earlier to 497.

Strategic Marketing to Attract Logistics Investment

IIAC is working to create a competitive and market-friendly investment environment, attracting investment from global logistics firms, and actively developing the IIAC Free Economic Zone. In 2007, investments were made by DHL International (KRW 35.8 billion) and Polar Air Cargo

(KRW 17.0 billion), as well as KRW 9.5 billion in high value-added logistics operations, including Segyung Britestone, Hyundai Logis and NeosemiTech.

Building Infrastructure for the Future

IIAC is staking out an early lead in Northeast Asia's growing logistics market, ensuring adequate infrastructure for the smooth flow and movement of cargo and aircraft throughout the airport. Rearing Incheon International Airport to become the region's leading international logistics base, we are steadily expanding the IIAC Free Trade Zone, pressing ahead with second-phase construction of the Airport Logistics Park, enlarging the Cargo Terminal, and developing Aviation Town.



Launch of AIRCIS Cargo Information System

IIAC commenced operation of the innovative Air Cargo Information System (AIRCIS) in 2007, providing more customer-tailored service to logistics users, including better coordination of disparate air cargo logistics data, simplified processing, and a real-time infrastructure in cooperation with stakeholders in the logistics industry.

Asia's First Road Feeder System

In a bid to attract more transit air cargo from China, IIAC began operating the Road Feeder Service (RFS) on the IIAC-Qingdao (China) route in August 2007. The first of its kind in Asia, IIAC's RFS converts sea cargo into air cargo and transports it to its destination airport. RFS generated a total of 4,000 tons of air cargo in 2007, and this figure is expected to rise to 60,000 tons per year once the service becomes fully established.

IIAC "Best Cargo Airport" by Air Cargo World

Air Cargo World, the international air cargo industry's most authoritative journal, ranked Incheon International Airport as the world's best airport in the air cargo field in its fourth annual global survey. This honor was in recognition of IIAC's status as the world's second largest air cargo handler for the past two years, our success in attracting investment by global leading logistics firms, and our enterprise-wide efforts to develop innovative new business models such as RFS.



Air City Development

The concept of an “Airport City” envisions an airport at the center linked to, and generating synergy effects with shopping, relaxation, tourism, entertainment, convention and other facilities located in area surrounding the airport. As national economic growth engines, airports must generate demand and position themselves for heightened competition. In response, IIAC is actively developing the surrounding areas into the “Air City” and creating an ideal environment for investment activities.

Introduction to Air City

IIAC is developing a comprehensive, multifunctional airport city in preparation to becoming Northeast Asia’s premier logistics, tourism and business hub. First, the “Dream World” Project development plan was formulated, calling for the development of six clusters in the envisioned “Air City.” To implement this plan, the Korea Research Institute for Human

Settlements, a national policy research agency, devised the “Air City Development Master Plan & Execution Plan.” After 14 months of study from August 2006 to October 2007, the “Air City Development Plan” was finalized, calling for three main clusters (Fantasy World, Fashion Island, Water Park) and three additional clusters (Ocean Landmark, Medical Hub, Eco-Park), and investment inducement activities began in earnest.



Fantasy World: World-class Leisure Complex

Planned in anticipation of a 220 million-strong Northeast Asian tourism market by the year 2020, Fantasy Island will include an MGM theme park and entertainment, lodging, commercial and international business functions. Fantasy World is expected to become a landmark tourism venue connecting Incheon with China and Japan, and will enhance Incheon International Airport’s regional hub status.

Water Park: Development of a Detention Reservoir

With a contract signed with Seoul Olympic Sports Promotion in December 2006 and site groundwork commencing in May 2007, Water Park is on its way to becoming East Asia’s water sports Mecca. Once construction is completed in 2010, Water Park will comprise diverse aquatic sports facilities, including world-class training facilities for motorboat racing, as well as various international water sports competitions, making Incheon a global center of the water sports and leisure industry.

Fashion Island: A Mecca of Asian Fashion Industry

Fashion Island is expected to contribute greatly to the attraction of the surrounding area and elevate the airport’s hub credentials. An MOU for development of this cluster was concluded in May 2008 with Pret-a-Porter of France. Ancillary facilities will include a convention center, fashion academy, world-famous brand shops and a hotel. Once completed, Fashion Island will turn Incheon into the Paris, Milan or New York of the Asian fashion world.

Medical Hub: World-class Health Care

Establishment of a “Medical Hub” is being planned to attract foreign visitors and to strengthen airport medical support capabilities, with Inha University Hospital successfully attracting outside investment for this project. Expected to open in 2011, this global medical center will mark the official beginning of Korea’s inbound medical tourism industry. This “gateway” hospital will provide emergency medical care, surgery and other treatment, while increasing its links with the airport and providing high-level medical services for the local community which currently lacks a general hospital in the area.

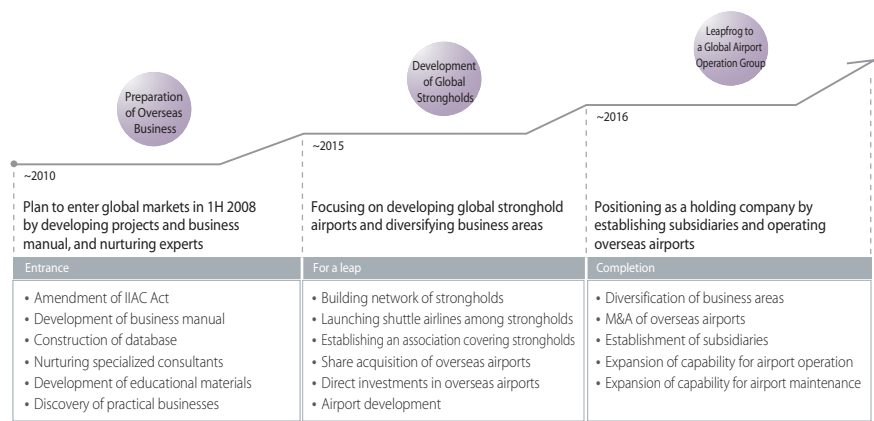
Overseas Business Expansion

Thanks to its competitive location, outstanding construction management, and thorough preparation and readiness, IIAC achieved a flawless opening in 2001. Since then, we have earned top scores in ACI's Airport Service Quality survey for three consecutive years, setting benchmarks for other airports to follow. In 2007, more than 500 airport representatives visited IIAC on 48 occasions to observe our advanced facilities, construction and operation expertise. Utilizing these know-hows, brand value and global network, IIAC is moving forward with plans to advance into overseas markets.

Customization Strategy

Owing to IIAC's rising brand value, requests to participate in overseas airport businesses are growing from places such as India, Iran, Turkey, Iraq, Philippines and Mongolia. In response, the roadmap to guide IIAC's systematic advance into overseas airport market has been developed after internal and external core competence analysis with the 'sales package' model comprising IIAC's accumulated experience and know-how in airport construction, operation, services and other areas tailored

to specific needs of customers. Furthermore, IIAC is targeting airports with potential to generate significant air cargo volume and emerge as regional hub airports with attempt to participate in airport construction and operation projects in these target airports. Apart from these efforts, IIAC is seeking to ensure smooth global business activities through fostering consulting experts, amending related regulations, and establishing a global airport development fund while utilizing technological cooperation with global airport partners.



Key Overseas Business Results

IIAC has been involved in providing consulting services on airport construction and operation readiness since 2000. Our major achievement includes consulting on airport management strategy and construction management for Thailand in 2003, supporting operation readiness and trial operation for China's Guangzhou Airport in 2003, and design consulting for Angola's Soyo Airport in 2005. Global Business Team was formally established in 2007 to undertake systematic preparations for IIAC's advance into overseas airport markets. In 2007, the president of Gabon visited IIAC requesting our participation in construction of new Libreville Airport. IIAC has dispatched specialists to airports in Mongolia, Nepal, and more to provide our advanced airport operation and technical know-hows. In the area of logistics, IIAC has also extended consulting support for Iran's Imam Khomeini International Airport and Novoy Airport in Uzbekistan.





Safety & Security of Airport

With safety and security being the most important topics in the world's airline industry today, these issues are viewed by airports as matters of survival rather than choice. Thus, IAC regards safety as its highest-priority customer value, working to improve its operational guidelines and systems and dedicating itself to becoming the world's safest airport with zero aircraft accidents.

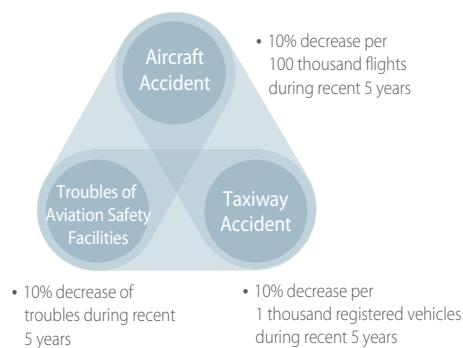
World-class Airport Safety

Safety is the basic value of an airport's operations and the core component in delivering the best customer service. Thanks to ongoing improvements in safety management systems and effective operation of navigational safety facilities, Incheon International Airport recently recorded seven years of uninterrupted operations and one million accident-free flights.

Improved Safety Management System (SMS)

In response to ICAO recommendations, IIAC implemented the Safety Management System (SMS) in 2005 to systematically upgrade safety management, thereby raising operational safety levels. In 2007, IIAC reorganized its SMS website and created an SMS integrated data networking to share safety management case studies and related information, while promoting an open safety culture through SMS working-level meetings. In accordance with ICAO standards, the government's National Aviation Safety Program, and the vision and mission of IIAC, new safety policies and safety performance targets were established.

Service Performance Target



First Airport in Asia with CAT-IIIb Capability

When a pilot's visual range is impaired by foggy or other low-visibility weather conditions, the aircraft's built-in autopilot system controls the plane during takeoff or landing, while the airport follows "low-visibility operations" procedures. In 2003, Incheon International Airport became the first airport Asia equipped with a CAT-IIIb instrument landing system, allowing for aircraft operation in visibility conditions as low as 100 meters. IIAC also boasts seven years of uninterrupted navigational safety

operation since its opening in 2001. In addition, the new 3rd Runway, the core facility of IIAC's second-phase construction project and built to world-class design specifications, was also rated CAT-IIIb-compliant following flight tests and 4,000 hours of uninterrupted operation. With all runways CAT-IIIb-rated and a spotless safety record, IIAC looks confidently ahead to providing the world's best airport service with a constant eye on flight safety and on-time operation.

Over One Million Accident-Free Flights

In October 2007, six years since its opening, Incheon International Airport celebrated its 1 millionth consecutive accident-free flight. This major milestone was reached earlier than expected due in large part to the signing of the Korea-China Open Skies Agreement in June 2007 and other government-level activities, as well as IIAC's own aggressive marketing efforts and the airport's safety-first operations. At the "One Million Accident-free Flights" ceremony, Captain Jung Hee-jin, pilot of Korean Air Flight 832, said he was honored to have flown Incheon International Airport's millionth flight and looked forward to the airport's 100 millionth flight.



Airport Movement Area Safety System

The Airport Movement Area consists of the Runway for aircraft takeoff, landing and ground movement, the Taxiway, and the Apron for passenger boarding and cargo loading. Handling an average of 590 aircrafts each day, along with over 7,300 ground support vehicles and other equipment operating around the clock, Incheon International Airport is exposed to safety risks at every moment. Consequently, IIAC has operated an Airport Movement Area Safety System (AMASS) since the opening of the airport. In 2007, through simulations for all types of potential accidents and a 125% increase in the frequency of safety inspections over the previous year, IIAC enhanced safety management in aircraft and ground operations.



Emergency Rescue and Fire Fighting

Twenty-four hours of every day, the Fire Department at IIAC is on standby to deal with any potential safety or aircraft accidents for the 150,000 people who pass through Incheon International Airport each day. Equipped with four main fire engines with a pumping capacity of 5,000 liters per minute and another 11 auxiliary fire engines, IIAC has the fire fighting capability to reach wherever accidents occur within three minutes and bring the situation under control.



Bird Strike Prevention

Birds in the vicinity of airport runways pose a small but potentially serious risk of colliding with or being sucked into aircraft engines and causing malfunctions. Since Incheon International Airport is located beside the seashore, the area is within close proximity of flocks of aquatic birds and offers midway resting places for migratory birds. Thus, the management of local fauna and its habitat are essential to ensuring safe aircraft

operations. IIAC operates a 24-hour wildlife management center to prevent bird strikes through external examinations and DNA analysis of bird remains. Additionally, IIAC classifies the level of risk posed by the area's wildlife while considering the ecosystem, seeking the optimal approach to bird management and devising the best strategies for harmonious coexistence with nature.

Model Aircraft for Firefighting Training

In March 2008, IIAC introduced model aircraft for use in training firefighters in order to improve response capabilities for emergency situations including fires caused by aircraft accidents. The models used in the exercises are based on actual aircraft including the Airbus 380, Boeing 747 and MD-11 for enhanced realism, and are equipped with thermal imaging cameras, CCTV, and other transmitting equipment. Complete safety is maintained throughout the training. Training drills are conducted on each model, both inside and outside the aircraft, and include all potentialities from rescue and firefighting to anti-terrorism, contributing immeasurable to IIAC's ability to provide instant and effective countermeasure for all types of accidents.



Zero-Accident Operations

From the earliest construction stage, Incheon International Airport was designed with the expertise of the world's foremost airport security specialists. Since its opening, the airport has continued to boast world-class security management systems and an industry safety record second to none. IIAC regards security as our top priority and greatest value. Through mid- and long-term plans, we look to leverage our enviable security performance as a competitive strength for the future, elevating IIAC to the ranks of the world's top airport groups.

Advanced Security Check System

Amid the growing threat of terrorism directed at the world's major airports and airlines, along with the rising numbers of flights and passengers, the need for stronger and more efficient security check systems has become paramount. Adopting a profiling search engine to identify suspicious passengers in January 2007, IIAC has minimized inconvenience for large numbers of passengers while improving the accuracy of security checks through high-tech equipment such as re-check-in monitors and sorting equipment. Furthermore, by expanding restrictions on liquids to all international routes, IIAC's security check process complies with ICAO security guidelines on carriage and screening of liquids, aerosols, and gels. Due to these and other efforts, we have reduced the average security check process to 4 : 06 minutes from 5 : 58 minutes, boosting efficiency and customer satisfaction.

World-leading Security and Reliability

IIAC has scored top marks on domestic and foreign security evaluations, and participates in overseas airport consulting programs. In security inspections conducted by the Transportation Security Administration (TSA), a U.S. government agency created in response to the September

11 terrorist attacks, the security level of Incheon International Airport was rated "World-class" on all criteria. Additionally, IIAC and Korean Air jointly attracted AVSEC World 2008, the world's largest airport security seminar and equipment exhibition sponsored by a consortium of International Air Transport Association (IATA) and Airports Council International (ACI). In this way, IIAC promote its excellence in the airport security sector and strengthened cooperative ties with international security-related institutions, such as IATA and ACI.

Strengthening Security Expertise

Recognizing the crucial importance of qualified and specialized security personnel since its earliest days, IIAC launched the "IIAC Aviation Security Academy," Korea's first professional educational institute for aviation security screening to be appointed by the government. In November 2007, IIAC's "International Airport Security Operators Training Course" for staff of Mongolian Airport received ICAO certification, and in the same month, IIAC hosted the 4th "Aviation Security Seminar" attended by over 400 participants from industry, government and academia. These activities helped solidify IIAC's position at the forefront of the global airport security field.



4th Aviation Safety Seminar



Security operators training course

Customers

The airports of the future will transcend their present role as basic transportation facilities to become multidimensional service venues fulfilling a diverse range of customer needs and desires. Boasting the world's best airport service three years in succession, IAC has become "global standard" for excellence in the airport service sector by creating new value that exceeds customer expectations.



Customer Service Strategies & Network

In response to changing external conditions and increasingly diversified customer needs, IIAC is revamping its customer service (CS) strategies and creating a CS management network comprising some 30,000 personnel at IIAC, resident organizations, airlines and suppliers that will enable us to provide an exciting new experience that goes beyond customer expectations.

Revised Mid- & Long-Term CS Strategies

Endless changes in the external environment and customer needs means that IIAC must continuously improve airport quality levels. At the same time, competition among airports for passengers is intensifying while investment in facilities and services is accelerating, and the focus of customer needs are shifting from speed & efficiency to quality & "sensitivity." To effectively meet these changing circumstances and

needs, IIAC has revised its mid/long-term CS strategies of 2005, adding four new components: innovative organization & facility improvements, development of new service items, divisional evaluations & monitoring, and divisional KPIs & other improvement activities. Through these measures, IIAC has established a strategic and well-organized customer satisfaction management system and strengthened our capabilities to execute detailed CS initiatives.

Supplementary Strategies	Practical Subjects
<ul style="list-style-type: none"> Improvement of systems and facilities Development of new service items Monitoring and evaluation Reflection of KPI and improvement 	<ul style="list-style-type: none"> Rebuilding Customers' Charter, revitalization of VOC and improvement of traffic system Cultureport, u-Airport, upgrade of commercial facilities Evaluation of airline services, immigration processing time, and commercial facilities Performance analysis and improvement, reflection of team KPI

Revised Customer Charter

IIAC revised its Customer Charter in October 2007 in accordance with the Act on the Management of Public Agencies and the newly added CS strategies. The Customer Charter consists of an introduction, core service standards, and customer response service standards, with 10 new areas being added to the existing 61 standards regarding customers, facilities operation, navigational safety and others. Revision of these standards for service performance levels reflects IIAC's constant efforts to put customers first and instill a CS culture throughout the enterprise. More details about revisions to our Customer Charter can be found on the IIAC website (www.airport.kr).

CS Management Network

At Incheon International Airport, first point of contact service is provided by the primary service entities at the airport - IIAC, airlines, resident organizations and tenant companies. To effectively coordinate the activities of all service entities, IIAC created an integrated CS network to link individual service entities' operations for airport-wide service quality improvement via diverse communication channels. In August 2007, IIAC conducted benchmarking of Kuala Lumpur International Airport and Changi International Airport covering the entire arrival and departure process, including transportation, check-in, and security screening, for the purpose of planning IIAC's u-Immigration and Self Check-in systems.

Committee	Members	Major Activities
Service Upgrade Committee	<ul style="list-style-type: none"> Chairperson: CEO of IIAC Members: CEOs of Airport-stationed organizations and companies 	Discussion on pending questions and implementation strategies
CS Practice Committee	<ul style="list-style-type: none"> Chairperson: Vice President of IIAC Members: Heads of Airport-stationed organizations and companies 	Discussion on details of CS activities
CS Leader Council	<ul style="list-style-type: none"> Chairperson: Head of operation department of IIAC Members: Staffs of Airport-stationed organizations and companies 	Derivation of ideas for the improvement of services
Customer Committee	Selected customers	Presentation on the improvement of CS activities and monitoring
Focus Group	14 experts from research institutes, academies, leading companies, international organizations and government	Consultation on CS activities through discussions and presentations

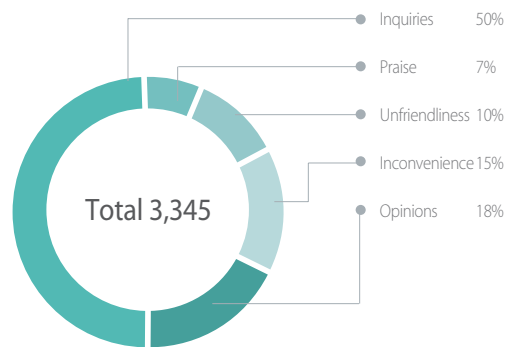
Expanding Customer Participation

Customers' participation is encouraged in revitalizing IIAC's CS management network and promoting a customer-oriented corporate culture. In airport express train trial runs and 2nd-Phase Construction worksite monitoring, active customer participation and opinion polling helped IIAC make significant improvements in the convenience of its customer service. Through the IIAC website, 121 customer suggestions were received in the first half of 2007 and 128 in the second half, with 11 winning awards and reflected in IIAC's CS management.

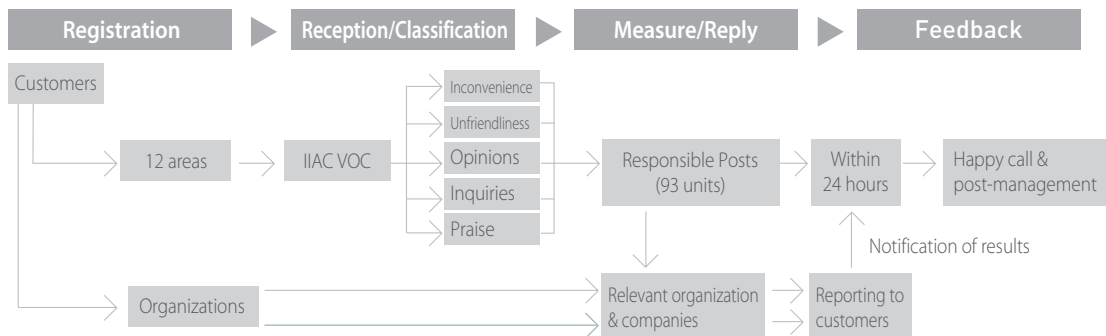
Improved One-Stop VOC System

IIAC operates a customer-focused "Voice of the Customer" (VOC) system to ensure speedy responses to customers' suggestions, compliant and inquiries. Through IIAC's "VOC 1-Day Settlement Policy," customers' opinions collected via 17 online and offline channels are resolved within one day of their receipt. Results of each case are compiled and added to a database for efficient and consistent task-setting and management.

Breakdown of VOCs



VOC Processing System



Enhancing Customer Confidence

IIAC has never been penalized for noncompliance with any law or regulation concerning the provision and/or use of services, including those relating to customer safety & health, loss of data, or marketing communications. In December 2006, the Korean Fair Trade Commission filed charges against IIAC alleging violation of Korea's Monopoly Regulation and Fair Trade Act and seeking penalties in the amount of KRW 439.6 million won. In November 2007, Korea's Supreme Court decided in IIAC's favor, thereby dismissing the allegations and cancelling the penalties. In addition, IIAC devised a public disclosure plan in January 2007 in order to honor customers' rights to information, raising its information disclosure rate to 78.4%, up 8% over the previous year.

Integrated CS Research

For more detailed measuring and evaluating of customers' perception of IIAC's services, we implemented an integrated CS research system utilizing a wide range of channels including service standards and targets, CS surveys at commercial facilities, and phone surveys. According to results of biannual monitoring by an outside agency, immigration processing times averaged 18 minutes and 18 seconds, an improvement of 8 minutes over the previous year. Additionally, CS survey results of the airports commercial facilities users rose to 75 points in 2007, up from 72.3 points in 2006.

Development of Unique Airport Services

IIAC continues to develop and improve its services to heighten our customers' experience and enjoyment. Our goal is to go beyond maximizing customer satisfaction by creating new value that exceeds their expectations.

Shortening Immigration Procedures

Through quarterly monitoring of service targets, IIAC has dramatically reduced immigration processing times, a core function and key determinant of every international airport's competitiveness. Thanks to close cooperation and coordination with relevant organizations, IIAC was able to introduce the world's first Passenger Forecasting System, the Ministry of Justice's u-Immigration System, and 24-hour customs service. As a consequence, immigration processing times for departure and arrival averaged 18 and 15 minutes, respectively, in 2007, substantially lower than ICAO requirements (60 minutes for departures, 45 minutes for arrivals).

Upgraded Public Transportation

In an effort to improve the airport's public transportation service, the major source of customer complaints, IIAC set forth 16 tasks covering four areas (public transportation, parking, curbside, and traffic rules) in August 2007. Public transportation information is posted on large-screen LCD displays, employee service capabilities are reinforced through ongoing CS education programs, and service levels of point-of-contact staff are monitored under a "three strikes, you're out" policy. IIAC has also improved customer convenience by addressing the problems of private parking outside the airport and illegal touting activities.

u-Airport via Advanced IT

IIAC launched its "Common Use Self Service" (CUSS) in April 2007, allowing passengers to complete their ticketing process and even select preferred seating via ticketing machines installed at the airport. Through "Mobile Check-in," which underwent test service in November 2007, passengers can complete their boarding process using a mobile phone. In addition, IIAC introduced "u-Signage" for real-time airport land flight information and "u-Board" for user-customizable information, boosting the convenience and speed of airport services.

"Cultureport" - Bringing Culture & Arts to the Airport

Incheon International Airport expands the boundaries of the airport experience as a "Cultureport," adding a dash of culture and art to its world-class facilities and services. All year long, the airport hosts a variety of events and performances ranging from Korean traditional, classic & popular music to exhibitions and fashion shows, drawing an estimated 3.36 million visitors in 2007. World-renowned artist Nam Jun Paik's media art exhibition, including his masterpieces "Tortoise" and "Video Wall," is on display at the Millennium Hall, located on 1F of the Passenger Terminal. Visitors can also observe Korean traditional artifacts and musical instruments at the Korean Traditional Culture Experience Hall, the Traditional Crafts Exhibition Hall and the Korean Cultural Museum. The arrivals corridors are adorned with items depicting Korea's natural beauty and rich cultural heritage.

No.1 in Airport Service for 3 Consecutive Years

IIAC has earned an unprecedented third consecutive first-place rating in the worldwide Airport Service Quality (ASQ) Survey conducted annually by the Airports Council International (ACI). In this year's survey, despite stiffer competition from a record-setting 99 airports participating, IIAC swept the top awards in 30 out of 34 service factors and took second in the remaining four, demonstrating once again Incheon International Airport's world-leading service quality. These impressive victories are a result of the talent and dedication related 570 institutions and 35,000 employees of IIAC and our partners to offer customers the most convenient and comfortable service possible.



Employees

IIAC has implemented advanced HR management systems to cultivate the professionalism of its employees, and promotes a healthy working environment through an open-door corporate culture and a “win-win” partnership between management and labor. In these and other ways, IIAC is creating a “Great Place to Work” based on corporate development and individual growth.



Advanced HR Management Systems

IIAC's advanced personnel management systems create a basis for the simultaneous pursuit of corporate vision and individual goals. IIAC employees are compensated according to their ability and performance, with equal opportunity guaranteed for all. By promoting lifelong education and an adventurous spirit, IIAC fosters employees who are committed to value creation.

Organization & Employees

As of the end of 2007, IIAC consisted of 4 divisions & 4 offices, 22 groups, and 92 teams, and had a total staff of 862 employees including regular and temporary workers. IIAC simplified its personnel system into management and employee grades 1-7, helping to rationalize organizational structure, and in 2007 converted 57 temporary personnel into regular employees, granting them full and equal treatment with other regular staff. As of the end of 2007, average years of continuous employment stood at 8 years and 4 months, while 11 employees (1.26% of total staff) left the corporation.

* Job separation rate: [Job leavers / (Avg. Current Staff + Job leavers)] x 100

Equal Employment Opportunities

IIAC observes an open recruitment policy, strictly prohibiting any discrimination based on gender, educational background, age, religion, or region. At the end of 2007, IIAC had a total of 114 female employees, accounting for 16.7% of total staff, while the female recruitment ratio reached 51.3%. In accordance with IIAC's equal opportunity employment

policy, the employment rate of people with disabilities exceeded the government requirement of 2% as stipulated under the Act on Promoting the Employment of Individuals with Disabilities.

Strengthening Evaluation-based Compensation

IIAC's performance-based pay system strengthens the linkage between internal evaluations and our compensation system. As called for in IIAC's labor-management agreement of 2007, the annual salary system which had been limited to employees from Grade 2 and higher was expanded to the entire staff, thereby promoting greater internal competitiveness. In pursuance of the government's "Budget Guidelines for Government-invested Institutions" of 2007, IIAC's payroll system for all employees was simplified to reflect "basic salary" in order to enhance transparency. By expanding incentives to all employees and widening the gap between incentives, IIAC has sought to cultivate a more performance-oriented corporate culture. There is no wage differential between male and female employees, and the monthly salary of new recruits is maintained at a level 277% above the legal minimum.



Fostering Value-added HR

IIAC develops mid- & long-term educational and training models based on needs of the corporation and individual alike, and nurtures globally competitive talent through the use of four types of "learning maps" In 2007, IIAC introduced an in-house MBA program for 100 executives and team leaders, and held domestic & overseas divisional training programs for 435 employees. As a consequence, employee training expenses totaled KRW 3.6 billion, up 20% over 2006, while employees spent a combined 74,320 hours on educational pursuits, a 24% year-on-year increase. The newly established "IIAC HR Academy" is expected to become a renowned international aviation management course.

Global HR Network

Signing an investment agreement with ACI for the "ACI-Global Training Hub" in May 2007, IIAC has provided diverse airport operations education for ACI's East Asian members, and in October 2007, 22 people also completed the 1st ICAO Annex 14 course. Furthermore, over 50 HR managers from 15 airlines participated in the 1st ACI HR Best Practice Seminar which IIAC co-organizing with ACI on September 2007, laying the groundwork for a global HR network.



ICAO Annex 14 Training Program



1st ACI HR Best Seminar

Work-Life Balance & Open Corporate Culture

As family-friendly enterprise, IIAC respects the human rights of its employees and operates various benefit programs on their behalf to bring joy and quality to their lives. Through its vision and management philosophy, IIAC is dedicated to an open-door corporate culture based on happiness, openness and mutual trust.

Human Rights and Problem Resolution

IIAC observes all regulations regarding the prohibition on child, forced, and compulsory labor as promulgated by the International Labor Organization (ILO). IIAC holds sexual harassment prevention education for 746 employees and about 140 educational programs for security personnel in order to prevent any infringement on the human rights of employees and customers. Additionally, IIAC seeks to minimize employees' complaints through cooperative labor-management conducted via online & offline channels of communication.

Employee Benefit Programs

IIAC offers diverse employee benefit plans including career development, health management, and company housing support, and recently introduced the optional "Benefit Cafe Plan" which covers all benefit options. Expanding employee benefits to employees' family members, IIAC enables its staff to maintain a happy balance between work time and family life. Moreover, IIAC helps employees understand how retirement pension plans can stabilize their income after retirement. It has also formed a wage-peak system task force and is developing other employment stabilization programs in response to Korea's low-birthrate, fast-graying society.

Family-friendly Programs

Six female employees availed themselves of IIAC's "Changeover Plan" to take maternity leave and returned to duty without disruption in 2007,

while a maternity leave program was also introduced for fathers of expectant wives. Granting new parents up to two blocks of time off for maternity leave and childbirth incentives, IIAC is committed to supporting gender-equal opportunities and creating a good place to work through family-friendly management policies.

Fostering an Open-door Corporate Culture

An open forum between the CEO and employees via IIAC's intranet is held regularly, and employees use the in-house BBS to relay words of praise and encouragement to their colleagues. Quarterly meetings are occasions for sharing management performance enterprise-wide and a place to foster staff unity. IIAC added "Corporate Culture Newsletter" to its existing company circular in January 2007 as a means of promoting a harmonious and healthy corporate culture.

Global Corporate Culture

IIAC is laying the groundwork for its increasingly global management operations by dispatching employees to foreign airports and ACI, with eight staff members working abroad at the end of 2007. After returning to their posts at IIAC, these employees shared the knowhow and networks they acquired with others. Through internship programs held twice in a year for undergraduate & graduate university students, IIAC expands opportunities for industry-academia collaboration. It also supports employees' global communication competencies through foreign language partnerships.

Postscript from ACI Asia-Pacific Office

I recently returned from Hong Kong where I was dispatched for a year at the Asia-Pacific Office of Airports Council International (ACI APAC). At ACI APAC, eight staff members including two dispatched personnel work to enhance information exchange among ACI members and provide on-line education programs. During my year there, my primary duty was to prepare conferences and regional board meetings, manage the website, and write correspondence. I was highly impressed by the professional attitudes and service spirit of the aviation specialists I met there. Overall, I would say "human networking" with leaders of the world's aviation industry was the most valuable asset I brought back to IIAC with me.



“Win-Win” Labor-Management Ties and Employee Safety/Health Management

IIAC is creating a new value-based cooperative corporate culture at the workplace through advanced labor-management relations in which employees view management as a partner. It also strives to ensure accident-free worksites by maintaining a stringent safety management system, as well as healthy, people-oriented workplace through various health programs for employees.

IIAC Labor Union

IIAC guarantees employees the three basic labor rights - to organize, to bargain collectively, and to act collectively - and respects the right of labor unions to organize and individuals to become union members. The IIAC Labor Union was founded on November 20, 1995, and has continued to abide by collective bargaining regulations and the union's constitution. As of 2007, the IIAC Labor Union had 664 members. Thanks to efficient communication and active cooperation between labor and management, there have been no labor disputes since the establishment of IIAC.

Labor-Management Communication

IIAC builds mutually beneficial partnerships between labor and management through ongoing communication on all management issues. Formal communication channels include quarterly Labor-Management Committee meetings, a monthly Employee Welfare Fund Council meeting, and a annual Labor-Management New Year's gathering. Informal meetings include cross-participation of personnel in labor or management meetings and gatherings between representatives of both sides. Important changes related to IIAC management are noticed prior to their effectuation pursuant to announcement periods stated in the Collective Bargaining Agreement. In 2007, a total of seven joint labor-management task forces were formed to enhance flexibility in the collective bargaining process and to encourage cooperative participation. Accordingly, IIAC received an award from the Ministry of Labor for outstanding labor-management relations.

Zero-Accident Operation & Construction

IIAC received the 18001 certification from the Korea Occupational Safety & Health Agency (KOSHA) in 2006, and based on the results of that evaluation, operates safety management systems not only for ourselves, but also our business partners and work crews at the 2nd-Phase Construction Project. In 2007, we fulfilled all requirements for

environmental, customer safety and health management-related laws and regulations, and recorded no industrial accidents among our employees. In annual industrial accident evaluations for 2nd-Phase Construction sites and suppliers engaged in construction/operation works, accident rates for operation and construction were 0.05% and 0.14%, respectively, up slightly from the previous year. This rise is attributed to increasing risk factors and integrated construction processes during the completion stage of 2nd-Phase Construction.

Industrial Safety & Health Committee

IIAC adheres to all regulations of the International Labor Organization (ILO) relating to workplace environment. Through Industrial Safety & Health Committee, a joint labor-management decision-making body that deals with major employee health and safety issues, IIAC guarantees all employees a healthy and safe workplace. The Industrial Safety & Health Committee holds quarterly meetings to devise industrial accident prevention plans and discuss the education and health management of employees.

Industrial Accident Education and Health Promotion

IIAC holds a monthly Safety Inspection Day, providing more than one hour of safety education per month and three hours per quarter. In compliance with industrial safety & health laws and IIAC's own safety management guidelines, 51 new employees completed eight hours of safety education, while 41 managers attended 16 hours. For 100 employees, IIAC also held intensive health examines with regard to various lifestyle and job-related illnesses. Furthermore, through our “fat-free clinic” and smoking cessation program, IIAC continues to promote the health and well-being of our employees.



Local Community



IIAC maintains good relations with the local community based on mutual interests, and carries out ongoing social contribution activities in three core areas, harmonizing the unique characteristics of the airport with the particular needs of the community in a win-win partnership for both.

Integral Social Responsibility Model

By carefully analyzing and effectively responding to the varied requirements of our local community, IIAC seeks to develop an “Integral Social Responsibility Model” for other organizations to follow. Our social contributions focus on the three core areas of local schools, forests, and culture & welfare facilities.

Airport-linked Social Contribution Activities

As most local residents are airport workers and their families, their growth and development are intertwined with the airport. As such, IIAC has developed its own unique “brand” of community-friendly social contribution activities best tailored to our neighbors’ needs. Stakeholders’ suggestions for IIAC’s social contribution activities are primarily collected by working-level teams, and then submitted for consideration and enterprise-wide management to the Community Relations Group. Donations for social contribution activities in 2007 amounted to KRW 17.68 million, a staggering six-fold increase over a year earlier, with IIAC’s three core social contribution activities making up 80% of the total. IIAC will continue to expand our donation activities into new areas such as education & academia, culture & sports, and social welfare in order to broaden our support for regional development.

Three Core Social Contribution Activities

Beyond short-term activities such as one-time charity events, IIAC establishes action plans for long-term support and contribution in line with its commitment to good corporate citizenship. In the case of its three core social contribution activities, IIAC pursues a more systematic and intensive in its efforts. IIAC brings diverse educational opportunities to nearby communities by promoting the special qualities of neighboring local schools. We are also dedicated to enhancing our surroundings and that of our neighbors through the World Peace Forest project. Lastly, IIAC plans to construct of an airport welfare and culture hall to enrich the lives of neighboring residents and provide a foundation for the sustainable growth of both of IIAC and the local community.

Expanding Local Businesses’ Participation

IIAC contributes to regional economic development and the growth of small & medium-sized enterprises. In doing so, we encourage local businesses to participate in IIAC projects by publicizing regulations concerning joint regional projects and region-restricted construction bidding policies. Since commencement of IIAC’s 2nd-Phase Construction Project in 2002, the participation rate of local businesses has risen to 20.5% based on total value of work, a 2.9-fold increase compared to the 1st-Phase Construction Project.

Donation for Local Athletic Facilities

To help meet the athletic needs of the local community, IIAC has invested with around KRW 780 million to build the Young-Maru Park Sports Complex, comprising an artificial grass soccer field, a futsal court,

and a polyurethane running track, all donated to Incheon Metropolitan City.

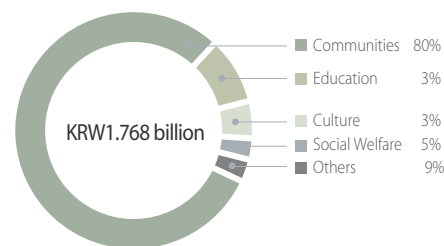
Educational Support & Scholarships

IIAC has sponsored the Aviation Logistics Scholarship Program since 2005, supporting outstanding students majoring in aviation logistics and nurturing them in the hope that they might one day contribute to our realization of Vision 2010. In 2007, IIAC offered scholarships in the amount of KRW 22.0 million to 12 students at three universities - the University of Incheon, Inha University, and the Korean Aerospace University - under an industry-academia cooperation agreement. The company also presented awards to top graduates of neighboring elementary, middle, and high school students, and donated books and stationery supplies to nearby schools.

Cultural Events Sponsorship

The “Incheon Sky Festival,” held every October since 2004, has grown into a major regional cultural event that heralds IIAC’s achievements and publicizes its future vision. Incheon Sky Festival in October 2007 included a broad array of events, such as fashion shows by airline flight attendants, song & dance contests for airport workers and local people, and a “Green Airport” presentation, drawing some 67,000 residents and airport personnel. In addition, IIAC opened a new religious activity room in December 2007 for use by resident staff and visitors, and continues to introduce a diverse range of cultural, athletic and other amenities for local residents.

Donations in 2007





ECO-Friendly Airport

Through the effective enforcement of our ISO 14001-certified environmental management system, IIAC minimizes the environmental effects of airport construction and operation on the surrounding area. In particular, we cooperate actively with relevant agencies to help reduce aircraft noise, which has a major impact on the quality of life of local residents, and make exhaustive efforts to protect the biodiversity of the surrounding region. IIAC also takes the lead in cooperation with resident institutions to promote energy efficiency in response to climate change, a key global issue.

Climate Change and Noise

Climate change caused by greenhouse gas emissions has become a major challenge facing all mankind. IIAC reduces its own greenhouse gas emissions through efficient operation of our buildings and equipment, and will seek a more aggressive response to climate change through voluntary agreements on energy strategy with resident airlines and partner companies. Furthermore, in conjunction with airlines, IIAC implements a variety of policy measures aimed at minimizing the effect of aircraft noise, which has a direct impact on neighboring residents' quality of life.

Airports & Climate Change

The airline industry currently accounts for 2% of the nation's total carbon dioxide emissions, and that figure is expected to increase in line with growing demand for air travel. Airport operations are also presumed to contribute to climate change. Over 90% of carbon dioxide emissions in the area of Incheon International Airport are from aircraft, while the remaining emissions are caused by vehicular traffic to the airport, airside vehicles and equipment, buildings and facilities. Although the total of carbon dioxide emissions generated by operation of IIAC's vehicles, buildings and facilities is minimal, IIAC as operator of the airport cooperates actively with resident agencies in efforts to increase energy efficiency.

Current Greenhouse Gas Emissions

According to calculations, greenhouse gas emissions at IIAC in 2007 amounted to 173,246 tons (7,118 tons in direct emissions; 166,128 tons in indirect emissions), with emission intensity declining by 2.7% to 0.178 tons/KRW 1 million from the previous year. In 2008, in order to increase the accuracy of calculations, IIAC requested an outside agency to undertake emissions analyses. IIAC plans to develop an effective CO₂ emissions reduction program based on those findings.

Energy Consumption

In 2007, IIAC used 44,326 TOE (Tonne of Oil Equivalent) of electric energy and 8,057 TOE of thermal energy for a combined energy consumption of 52,585 TOE. This reflects increases of 16% and 6.5% for electric and thermal energy usage, respectively, and an 8.7% rise in total consumption over 2006. Thanks to ongoing energy reduction measures including facilities improvements, an energy conservation program, and other campaigns, IIAC realized cost savings of KRW 349.0 billion in electric energy and KRW 284.0 billion in thermal/fuel energy for a total energy cost savings of KRW 633.0 billion.

Aircraft Noise

Most noise generated by airports comes from the takeoff and landing of aircraft, with night-time flights having a particularly major effect on nearby residents. Modern aircraft are over 20dB quieter than airplanes of

40 years ago, but with rising air travel, aircraft noise is expected to be a continuing issue. Owing to higher perceived noise levels at night, many restrictions exist on night-time takeoffs and landings at airports located near cities.

Noise Levels at Incheon International Airport

The effect of noise generated by aircraft is heaviest along the axis of the runway, while the effect of aircraft noise on the areas to the left and right of the runway is limited. Incheon International Airport is a coastal airport situated 52km to the south of Seoul on Yeongjong and Yongyu Islands, where the impact of aircraft noise is substantially less than at competing airports which are located near urban areas. IIAC has operated noise-measuring stations at 10 locations around the airport and surrounding area, monitoring noise levels 24 hours a day, with another six noise-measuring stations installed in June 2008 in line with the airport's new third runway. Despite the increase in number of flights, IIAC manages to keep noise levels within regulatory limits through route changes and noise abatement programs.

Aircraft Noise in 2007

	Region	WECPNL		
		2007	2006	Change
Neighboring areas	Ganghwa-do	45.0	48.1	-3.1
	Jangbong-do (West)	51.8	55.5	-3.7
	Jangbong-do (East)	69.8	69.6	0.2
	Mo-do	71.9	71.6	0.3
	Si-do	61.2	61.6	-0.4
	Shin-do	59.0	60.1	-1.1
	Mueui-do	49.4	50.1	-0.7
Airport	Northern area	90.7	89.2	1.5
	Southern area	83.3	82.7	0.6

* The standard prescribed by the Civil Aviation Act for those areas which are likely to suffer from airplane noise or which have suffered from it: 75WECPNL

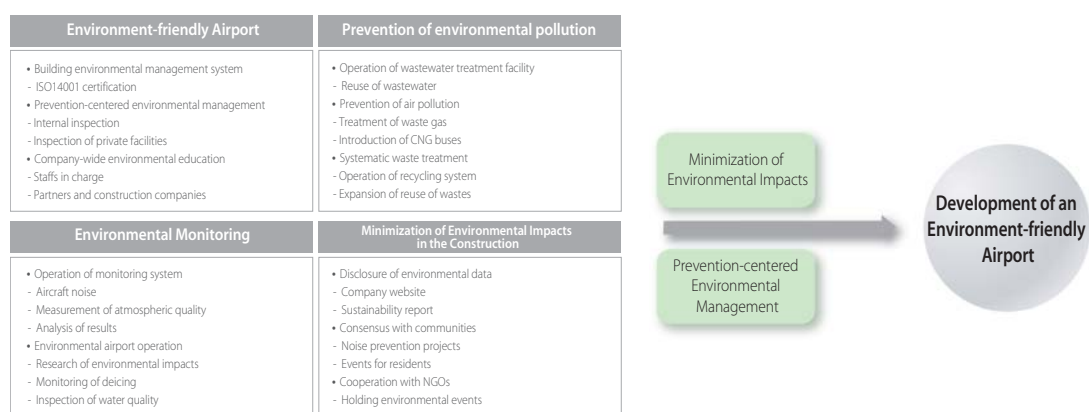
Advanced Environmental Management System

Under its Vision 2010, IIAC has adopted the “development of an environmentally friendly airport in harmony with nature” as a strategic management initiative. Toward this end, it will strive to evolve into a world-class airport management enterprise that fulfills its social responsibilities. We have a preventive and systematic environmental management system in place, and are working to minimize environmental problems that may arise in the course of airport operation and construction activities.

Environmental Management System

In order to realize its environment vision, “development of an environmentally friendly airport in harmony with nature,” IIAC has established four broad environmental management objectives. To transform these goals into reality, we strive to implement specific tasks in

various areas and conduct environmental inspections periodically based on our ISO 14001 certification. Since receiving ISO 14001 environmental management certification for airport construction in 1998 and for airport operations in 2002, IIAC has worked tirelessly to maintain and improve related systems and practices.



Environmental Education

IIAC provides ongoing education and training for all employees in an effort to increase their awareness of environmental issues and enhance their expertise. In 2007, personnel responsible for environmental affairs received specialized training relevant to environmental issues and the operation of environmental management systems from an outside institution. These staff provided environmental education to approximately 100 construction supervisors and their employees involved in environmental matters.

Environmental Expenses and Investments

In 2007, IIAC invested KRW 25.2 billion, constituting 4.9% of total operating expenses, to maximize efficiency in environmental management. Environmental outlays are divided into two categories: environmental implementation expenses and environmental investment. The former includes the cost of maintenance & waste disposal and monitoring & analysis, while the latter consists of purchases of measurement devices and funding for environmental improvement projects. Expenses usually outstrip investment, as IIAC, a new airport, requires relatively few investments in environmental facilities and systems.

Response to Environmental Risks

Major airport environmental risks relate to oil spillage which can take place in the course of filling aircraft fuel tanks. When minor oil leakage occurs, the company involved in the accident takes responsibility for the prevention of accidents. The Disaster Center (Daytime: Product Environment Team ; Nighttime: Airport Operation Center) monitors the situation and takes steps to bring it under control. In the case of a major accident, the Disaster Center works to prevent the spread of fuel leaks and secondary pollutants by making use of disaster-prevention equipment and materials stored at departments and the Product Environment Team.

Environmental Communication

IIAC makes public its environmental policy and information via its website, invites residents of areas affected by aircraft noise to participate in events, hosts photo exhibitions on the environment, and supports activities of NGOs dedicated to environmental protection. As such, we strive to communicate with our stakeholders and increase their confidence in our environmental management. Of particular note, IIAC has set up a consultative body with residents of areas affected by aircraft noise, and holds regular meetings to discuss relevant issues and the operation of resource recovery facilities.

Reducing Environmental Impact

IIAC operates water treatment and waste disposal facilities of the highest standards, in addition to anti-pollution facilities to minimize the environmental impact of airport operations. We are also working diligently to protect the ecosystems of nearby areas.

Optimal Pollution Prevention and Monitoring

IIAC is equipped with a diverse range of environmental pollution prevention facilities. These include a wastewater reclamation and reuse system facility, first rainfall treatment facility, aircraft deicers, and a resource recovery facility for disposal of waste. We also use a state-of-the-art waste gas treatment facility to prevent air pollution which may arise from operation of the resource recovery facility. Aircraft noise is monitored at 10 sites around the clock, while air quality is measured at three sites. In addition, the airport's major water supply sources are checked via remote-controlled monitoring facilities.

Reducing Water Usage

IIAC used 311,046 tons of water in 2007, down 6.8% from the previous year. Source water is taken from Paldang Multipurpose Dam on the upstream of the Han River. Unit water usage dropped by 16% to 0.32 tons, a trend which has continued since the opening of the airport. Recycled heavy-water is utilized as coolant in refrigerators and water for gardening, which enables IIAC to continually reduce use of drinking water. Out of 3.21 million tons of wastewater filtered by the heavy-water treatment facility in 2007, 1.64 million tons were recycled into heavy water. These measures resulted in savings of KRW 1.5 billion in water expenses during the year.

Minimizing Environmental Pollution

Water Quality The unit measurement of water pollutants in 2007 indicates that COD (chemical oxygen demand), BOD (biochemical oxygen demand), SS (suspended solids), TP (total phosphorous) and TN

(total nitrogen) have continued to decrease since the opening of the airport. In the case of BOD, only 0.6 ppm-one-tenth of the legal standard of 6 ppm-was found.

Air Quality According to measurements of air quality around the airport in 2007 revealed that sulfur dioxide levels were 33.3% of environmental standards, carbon monoxide 6.7% and ozone 65%. As a result, the quality of air around the airport was deemed excellent. IIAC uses environmentally friendly refrigerant (HFC-134a) that inflicts no damage on the ozone layer. The use of HCFC-22 is also being phased out, amounting to just 0.08 ton CFC-11-eq in 2007.

Waste Treatment Wastes generated at IIAC are treated through the processes of recycling, incineration and landfill. Treatment of wastes generated in 2007 was carried out by landfill (14.2%), incineration (57.7%) and recycling (28.3%), with an increase in resource recovery (recycling) from 83% in 2006 to 86%.

Efforts to Preserve the Ecosystem

IIAC conducts two to four inspections a year of the marine ecosystem, ground ecosystem and birdlife around the airport in order to monitor changes in ecosystems resulting from the construction and operation of the airport. The marine ecosystem survey involves five sites around the airport, focusing on plant & animal plankton and intertidal organisms. Surveys of the ground ecosystem, conducted twice a year, target flora and fauna. In 2007, 48,807 birds of 49 species have been observed around the airport. Among these birds were six endangered species, including Swinhoe's Egrets (*Egretta eulophotes*).

Conveyor Belts for Eco-Friendly Construction

In 2007, IIAC employed conveyor belts in moving earth and rocks in the second-phase site construction project for the first time in Korea. Conveyor belts totaling 9km in length and installed at three construction sites successfully moved 3,253 m³ of earth and rocks. This new method of moving earth and rocks reduced expenses for dump trucks by 4.4 billion. In addition, reductions in suspended particles and noise at the construction sites resulted in mitigating damage to residents of nearby areas. This also contributed to strengthening runway safety.

Cost reduction by using conveyer belts



지구역
one

A.D

터미널



Appendix

GRI Guideline Index	46
Evaluation by External Organization and Memberships	50
GRI G3 Guideline Application and Participation	51
UN Global Compact	51

GRI Guideline Index

Indicators	IIAC	Page	UNGC
STRATEGY AND ANALYSIS			
1.1 Statement from the most senior decision-maker of the organization	Message from the CEO	4-5	
1.2 Description of key impacts, risks, and opportunities	Characteristics of the Airport Business	8	
ORGANIZATIONAL PROFILE			
2.1 Name of the organization	Company Profile	8	
2.2 Primary brands, products, and/or services	Company Profile	8	
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Company Profile, Organization	8, 35	
2.4 Location of organization's headquarters	Company Profile	8	
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Reporting Coverage, Company Profile	About the Report, 8	
2.6 Nature of ownership and legal form	Shareholders and Capital Stock	9	
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Company Profile, Stakeholders	8, 14	
2.8 Scale of the reporting organization	Company Profile	8	
2.9 Significant changes during the reporting period regarding size, structure, or ownership	Company Profile, Corporate Governance	8, 9	
2.10 Awards received in the reporting period	Awards and Certifications	50	
REPORT PARAMETERS			
3.1 Reporting period (e.g., fiscal/calendar year) for information provided	Reporting Coverage	About the Report	
3.2 Date of most recent previous report (if any)	Features	About the Report	
3.3 Reporting cycle (annual, biennial, etc)	Reporting Cycle	About the Report	
3.4 Contact point for questions regarding the report or its contents	Contact Point	51	
3.5 Process for defining report content	Stakeholders, Materiality Test	14-15	
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities joint ventures, suppliers)	Reporting Coverage	About the Report	
3.7 State any specific limitations on the scope or boundary of the report	Reporting Coverage	About the Report	
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	Company Profile	8	
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	Reporting Standards	About the Report	
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	N/A		
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Changes in this Year's Report	About the Report	
3.12 Table identifying the location of the Standard Disclosures in the report	GRI Guideline Index	46-49	
3.13 Policy and current practice with regard to seeking external assurance for the report	Verification of the Report	About the Report	
GOVERNANCE, COMMITMENTS, AND ENGAGEMENT			
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Corporate Governance	9	1~10
4.2 Indicate whether the Chair of the highest governance body is also an executive officer	Composition and Operation of the Board of Directors	9	1~10
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	Composition and Operation of the Board of Directors	9	1~10
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Non-executive Directors' Participation and Expertise	9	1~10
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Composition and Operation of the Board of Directors	9	1~10
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	Strengthening the BOD	9	1~10
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	Strengthening the BOD	9	1~10

Indicators	IIAC	Page	UNGC
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Vision 2010, Stakeholders, Customer Charter, UN Global Compact	10, 14, 31, 51	1~10
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Strengthening the BOD	9	1~10
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Composition and Operation of the Board of Directors	9	1~10
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization	Risk Management	13	1~10
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	UN Global Compact, ILO Standard, ICAO Treaty and Annex	27, 29, 36, 37, 51	1~10
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Memberships in Associations	50	
4.14 List of stakeholder groups engaged by the organization	Stakeholders	14	
4.15 Basis for identification and selection of stakeholders with whom to engage	Stakeholders	14	
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholders, Materiality Test	14-15	
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Stakeholders, Materiality Test	14-15	
ECONOMIC			
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Generating & Distributing Economic Value	11	
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	Airports & Climate Change	41	7
EC3 Coverage of the organization's defined benefit plan obligations	Employee Benefit Programs	36	
EC4 Significant financial assistance received from government	Government's Financing 2 nd -Phase Construction	11	
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Ratios of Standard Entry Level Wage	35	
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Expanding Local Businesses' Participation	39	
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	None	35	
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Donation for Local Athletic Facilities	39	
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts	Generating & Distributing Economic Value	11	
ENVIRONMENTAL			
EN1 Materials used by weight or volume	N/A		
EN2 Percentage of materials used that are recycled input materials	N/A		
EN3 Direct energy consumption by primary energy source	Consumption of Thermal Energy	41	
EN4 Indirect energy consumption by primary source	Consumption of Electric Energy	41	
EN5 Energy saved due to conservation and efficiency improvements	Reduction of Energy	41	8, 9
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Reduction of Energy	41	8, 9
EN7 Initiatives to reduce indirect energy consumption and reductions achieved	Reduction of Energy	41	8, 9
EN8 Total water withdrawal by source	Consumption of Water	43	
EN9 Water sources significantly affected by withdrawal of water	Consumption of Water	43	
EN10 Percentage and total volume of water recycled and reused	Recycle of Wastewater	43	8, 9
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Efforts to Preserve the Ecosystem	43	8
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Efforts to Preserve the Ecosystem	43	8
EN13 Habitats protected or restored	Efforts to Preserve the Ecosystem	43	8
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity	Optimal Pollution Prevention and Monitoring	43	8

Indicators	IIAC	Page	UNGC
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Efforts to Preserve the Ecosystem	43	
EN16 Total direct and indirect greenhouse gas emissions by weight	Carbon Dioxide Emissions	41	
EN17 Other relevant indirect greenhouse gas emissions by weight	(Plan to Build the Inventory in 2008)		
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	None		
EN19 Emissions of ozone-depleting substances by weight	Usage of Eco-friendly Refrigerant	43	
EN20 NO, SO, and other significant air emissions by type and weight	Measurement of Air Pollution Sources	43	
EN21 Total water discharge by quality and destination	Water Pollution Sources	43	8
EN22 Total weight of waste by type and disposal method	Waste Emissions	43	8
EN23 Total number and volume of significant spills	None	42	
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Legally Renounced in the Nation	43	
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Efforts to Preserve Ecosystem	43	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Reduction of Noise and Environmental Impacts	41, 43	8, 9
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	N/A		
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	None		
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Carbon Dioxide Emissions	41	
EN30 Total environmental protection expenditures and investments by type	Environmental Expenses and Investments	42	8
LABOR PRACTICES AND DECENT WORK			
LA1 Total workforce by employment type, employment contract, and region	Employees	34	
LA2 Total number and rate of employee turnover by age group, gender, and region	Employees	34	6
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Employee Benefit Programs	36	
LA4 Percentage of employees covered by collective bargaining agreements	Labor Union	37	3
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Labor-Management Communication	37	3
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Industrial Safety and Health Committee	37	
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	None	37	
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Family-friendly Programs, Industrial Accident Education and Health Promotion	36, 37	
LA9 Health and safety topics covered in formal agreements with trade unions	Industrial Safety and Health Committee	37	
LA10 Average hours of training per year per employee by employee category	Fostering Value-added HR	35	6
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Fostering Value-added HR	35	
LA12 Percentage of employees receiving regular performance and career development reviews	Strengthening Evaluation-based Compensation	34	
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Composition and Operation of the Board of Directors, Employees	9, 34	6
LA14 Ratio of basic salary of men to women by employee category	None	34	6
HUMAN RIGHTS			
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	None		
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	None		1
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Human Rights and Problem Resolution	36	1, 6
HR4 Total number of incidents of discrimination and actions taken	None		

Indicators	IIAC	Page	UNGC
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Labor-Management Communication	37	1, 3
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	(Prohibition of Child and Forced Labor)	36	1, 5
HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	(Prohibition of Child and Forced Labor)	36	1, 4
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Human Rights and Problem Resolution	36	1, 2
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken	None		
SOCIETY			
SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Airport-linked Social Contribution Activities	39	
SO2 Percentage and total number of business units analyzed for risks related to corruption	Transparent & Open Management Strategies	12	10
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures	Transparent & Open Management Strategies	12	10
SO4 Actions taken in response to incidents of corruption	Transparent & Open Management Strategies	12	10
SO5 Public policy positions and participation in public policy development and lobbying	(Prohibition of Political Issues by the Act)		
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	(Prohibition of Political Donation by the Act)		
SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Enhancing Customer Confidence	32	
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	(Insufficient Data)		
PRODUCT RESPONSIBILITY			
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Revised Mid- & Long-Term CS Strategies	31	
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	None	26-29	
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Enhancing Customer Confidence	32	
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	None	32	
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Integrated CS Research	32	
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	N/A		
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	None		
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Improved One-Stop VOC System	32	
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Enhancing Customer Confidence	15-18,	
Disclosure on Management Approach	Materiality Test, Key Issues	15, 18, 22, 26, 30, 34, 38, 40	

Evaluation by External Organization and Memberships

Awards and Certifications (2007)

Classification	Details	Awarding Organization
Awards	Best Airport in the World	Global Traveler
	Best Airport Worldwide	Airport Council International
	Best Airport Asia-Pacific	Airport Council International
	Best Airport less than 25~40 million	Airport Council International
	Regional Airport People Awards	Airport Council International
	The World's Best Airport Award	Official Airline Guide
	Excellent Airport in Asia and Middle East	Air Cargo World
	2007 Peter Drucker Creative Management Award	Peter Drucker Society
	2007 Peter Drucker Innovative CEO Award	Peter Drucker Society
	Best Company in Service & Finance Sector at 2007 LOHAS Management Award	Korea Green Foundation
	Minister Prize of MOPAS at 2007 Golden Service Awards	Korea Toilet Association, Ministry of Government
	Minister Prize of Commerce, Industry & Energy at the 2 nd CSR Awards	Ministry of Knowledge Economy
Certification	Excellent Institution of Integrity (excluded the evaluation in 2007)	Anti-corruption & Civil Rights Commission
	Specialized e-learning Institution	Korea U-learning Association

Memberships in Associations and Organizations (As of the end of 2007)

Associations/Organization	Year Joined	Associations/Organization	Year Joined
Korea Environmental Preservation Association	1995	Korea Navigation Institute	2005
Korea Civil Aviation Development Association	1999	BEST CEO Club	2005
Federation of Korean Industries	1999	Korea Management Association	2006
Airports Council International	2001	Korea Green Foundation	2006
Korea Industrial Safety Association	2001	Samsung Economic Research Institute	2006
Korea Foundation for Quality ISO9000/14001 Council	2002	Korea Foundation for Women	2006
Incheon Chamber of Commerce & Industry	2003	UN Global Compact	2007
Aviation Management Society of Korea	2005	UN Global Compact Network Korea	2007
Public Corporation's Council for the Korean Pact on Anti-Corruption and Transparency (K-PACT)	2005	Business Institute for Sustainable Development	2007

IIAC Sustainability Report 2008 Communication Sheet

IIAC strives to provide stakeholders with accurate and more reliable information on its sustainability activities. Please tell us what you think about our Sustainability Report 2008. Your opinion will be reflected in the improvement of our future sustainability reports.
(FAX: 82-32-741-2160)

1. What is your profession?

- ☐ Employee ☐ Airport-stationed Worker ☐ Shareholder ☐ Investor ☐ Business Partner
☐ Specialist in Sustainability Management ☐ Social Group (including NGO) ☐ Academia ☐ Media ☐ Other _____

2. Through what channel did you get our sustainability report?

- ☐ IIAC Website ☐ Newspaper/Magazine ☐ Web Surfing ☐ IIAC Employee ☐ Seminar/Lecture ☐ Other _____

3. This is our second sustainability report. What is your overall level of satisfaction with the report compared to the previous one?

- ☐ Greatly Improved ☐ Similar ☐ Not Improved ☐ Meaningless

4. This report was reorganized through the results of materiality test. What are your major areas of interest?

- ☐ Airport Operation & Growth ☐ New Growth Engines ☐ Safety ☐ Customers ☐ Employee ☐ Business Partner
☐ Communities ☐ Environment

5. How would you rate this report on the following aspect?

	Very Much	Yes	Moderately Agree	Disagree	Totally Disagree
Terminologies are clear and easy to understand.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contents are reliable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Design is goon and helps understand the contents.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sufficient information is provided on IIAC's sustainable management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. If you have any additional opinions, please specify.

Thank you for responding to the questionnaire.

GRI G3 Guideline Application and Participation

GRI G3 Self-declared 'A' Level

IIAC's Sustainability Report 2008 was produced in compliance with the G3 guidelines of the GRI and meets all requirements of the GRI Application Level 'A' quantitatively and qualitatively. According to this, we have self-declared our report as meeting the criteria for the Application Level A.



Participation in IIAC's Sustainable Management

Additional information on sustainable management at IIAC can be found on its homepage (www.airport.kr). Please contact the following if you have any feedback, or complete and send in the questionnaire. Thank you for your profound interests in our sustainability report

2850, Unseo-dong, Jung-gu, Incheon, 400-700, Republic of Korea,
Strategy and Planning Team, Sustainability Management Team
Tel: 82-32-741-2162 / Fax: 82-32-741-2160

UN Global Compact

The UN Global Compact is a voluntary initiative to promote and implement agreed principles on human rights, labor standards, the environment and anti-corruption. To enhance its corporate transparency and fulfill its social responsibilities, IIAC joined the UN Global Compact on March 24, 2007, attended the July 2007 Leaders Summit, and shares and disseminates examples of sustainable management. IIAC respects and strives to realize the objectives of the 10 principles of the UN Global Compact throughout all areas of management.



The Ten Principles

Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2. make sure that they are not complicit in human rights abuses

Labor Standards

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4. uphold the elimination of all forms of forced and compulsory labor;
Principle 5. uphold the effective abolition of child labor; and
Principle 6. eliminate discrimination in respect of employment and occupation.

Environment

Principle 7. Businesses should support a precautionary approach to environmental challenges;
Principle 8. undertake initiatives to promote greater environmental responsibility; and
Principle 9. encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10. Businesses should work against all forms of corruption, including extortion and bribery.

A World Best Air Hub